

# 2026 CROSSOVER REPORT

## STATUS UPDATE: HBAV LEGISLATIVE AGENDA



### HBAV BILLS PROGRESSING

#### ✓ Subdivision Plat Workgroup HB135 (Simon)

*Extends the subdivision plats workgroup created by HB266 from last year.*

HB135 continues the stakeholder work group established by the Virginia Code Commission in 2025 to review and recommend revisions to §§ 15.2-2259 (final subdivision plats and site plans) and 15.2-2260 (preliminary subdivision plats and site plans). The work group will continue evaluating existing statutory procedures and develop recommendations to: (i) organize plat and plan review requirements in a clear, sequential format; (ii) clarify applicable standards and timelines; (iii) standardize terminology; and (iv) eliminate duplicative or conflicting provisions. The work group will report its recommendations to the Code Commission by November 2026. Objective: Improve predictability and administrative clarity in the subdivision plat and site plan review process; reduce avoidable delays; and promote consistent interpretation and application of statutory requirements by both localities and the development community.

The bill passed through the House unanimously and is anticipated to go through the Senate easily.

#### ✓ Residential Development Infrastructure Fund HB196 (Thomas)

*Creates a pilot program fund to provide grants and loans to localities for infrastructure supporting new housing.*

After amended at the suggestion of Appropriations staff, HB196 creates a Residential Development Infrastructure Fund Pilot Program for Northern Virginia (Planning District 8) and Hampton Roads (Planning District 23).

HB196 was amended at the suggestion of Appropriations staff to be a pilot program and passed the House 92-6. We requested \$40M to cover FY27 and FY28. Ultimately, the capitalization of the Fund will be determined by the budget conferees during conference committee.

#### ✓ Housing Performance Grants HB352 (Thomas)

*Provides localities, economic development authorities, and developers a flexible tool to create project-specific financing agreements.*

HB352 authorizes localities that have an industrial or economic development authority to establish an Affordable Housing Performance Grant Program by ordinance. Under the program, a local authority may award grants to property owners who construct or improve property to deliver affordable housing. Grants are performance-based and may not exceed the increase in assessed value resulting from the development. To qualify, applicants must complete construction, obtain required permits, and record a restrictive covenant requiring affordability for a locally prescribed term of up to 30 years. Local ordinances must define affordability, establish application criteria, and set clear award timelines. Localities may charge a modest application fee (up to \$250). **HB352 provides a structured, locally controlled incentive tool to support affordable housing production without requiring new state appropriations.**

The bill passed the House 78-21, with few Republicans joining Democrats in favor of the legislation. It will be heard in Senate Local Government Committee in the coming weeks.

# 2026 CROSSOVER REPORT

## STATUS UPDATE: HBAV LEGISLATIVE AGENDA



### HBAV BILLS PROGRESSING

#### ✓ Local Housing Policy Transparency HB356 (Thomas) & SB665 (Srinivasan)

*Strengthens annual reporting to the Department of Housing and Community Development on local policies, regulations, and activities related to housing development.*

These bills build upon previous legislation and require localities to annually report detailed residential development activity - not just policy changes - including rezonings and by-right applications; the number of applications submitted, approved, and denied; total units proposed, approved, and denied; and, where available, unit type, tenure, affordability levels, and permitted density or intensity. The legislation further expands the reporting requirements to include local implementation of housing-related legislation enacted during the preceding General Assembly session.

Both bills passed their chamber of origin - 86-13 in the House, and a more partisan vote in the Senate at 21-19. The Administration requested a minor amendment to push the reporting date back a month, which the patrons accommodated for.

#### ✓ Industrial Development Authority Bond Financing | HB806 (Carr)

*Allows local economic development authorities to issue bonds for new residential development projects.*

HB806 expands the authority of local industrial development authorities (IDAs) to support residential development by removing the current restriction that limits housing-related IDA powers in localities where a housing authority has been activated. The bill allows IDAs statewide to use their existing financing tools for single-family and multifamily residential projects and grants explicit authority to issue bonds for affordable housing construction. **By aligning IDA authority with modern housing needs, the measure broadens the financing and incentive tools available to localities to support housing production and public-private partnerships.**

Both measures passed their chambers of origin on party line votes - 64-35 in the House and 21-19 in the Senate. HB816 will be conformed to SB454, which was favorably reported from House CC&T Subcommittee with significant amendments.

#### ✓ Virginia Housing Trust Fund Awards HB1043 (Carr)

*Requires DHCD to notify applicants of award or denial within 75 days of the submission deadline.*

HBAV members have reported prolonged application review timelines and delays in receiving funding determinations, creating uncertainty during the predevelopment phase. **Establishing a defined review window provides predictability in the funding process and allows projects to better align state funding decisions with lending, tax credit, and equity commitments.**

HB1043 sailed through the House without any opposition (97-0). The Administration requested a slight amendment to include VHTF's Homeless Reduction Program, which was done in Subcommittee. It continues to the Senate.

# 2026 CROSSOVER REPORT

## STATUS UPDATE: HBAV LEGISLATIVE AGENDA



### HBAV BILLS PROGRESSING

#### ✓ **Housing Near Jobs** HB816 (Helmer), SB454 (VanValkenburg)

*Requires localities to allow residential and multifamily development by-right in designated commercial zoning districts.*

Both measures passed their chambers of origin on party line votes - 64-35 in the House and 21-19 in the Senate. The bills are progressing favorably as we navigate last minute negotiations with stakeholders.

Extensive negotiations occurred between stakeholders, including but not limited to local governments (VaCO and VML), environmental and historic preservation groups, and smart-growth organizations. In its current form, the bill requires cities and towns with a population over 20,000 and in designated metropolitan planning areas to allow multifamily and mixed-use residential development as a by-right use on at least 75% of the aggregate land area in zoning districts that permit commercial or business uses by-right. Exemptions apply to certain parcels, including those with significant tree canopy coverage, designated Air Installation Compatible Use Zones, adjacent military compatibility areas, and heavy industrial districts. The bill becomes effective July 1, 2027. **By shifting housing in commercial districts from a discretionary to an administrative process, the legislation is designed to unlock additional supply, support adaptive reuse, and expand production capacity in markets where zoning constraints have limited multifamily development.**

#### ✓ **Market-Driven Parking Standards** HB888 (Shin)

*Limits off-street parking requirements for residential, multifamily, or mixed-use developments near transit and targeted development areas.*

The bill incorporates Delegate Simonds' HB 262, which was a statewide ban on localities setting parking minimums, and passed the House 61-37. It will be heard in Senate Local Government in the coming weeks.

In its current form, HB888 limits minimum off-street parking requirements for residential, multifamily, and mixed-use development for all parcels located (i) within one mile of a mass transit or public transportation station; (ii) within an approved small area plan designated as a revitalization or similar development district; (iii) within a zoning district that permits residential, multifamily, or mixed-use development and authorizes a floor area ratio (FAR) of 1.0 or greater; or (iv) subject to an affordable dwelling unit ordinance. In these areas, caps minimum parking at 0.5 spaces per dwelling unit for multifamily or mixed-use residential development and one space per dwelling unit for single-family, two-family, and townhouse development. The bill additionally requires localities with a population greater than 20,000 to provide by ordinance an administrative reduction of at least 20 percent in minimum parking requirements for qualifying residential development outside designated areas. **By capping parking minimums in transit-served, higher-density, revitalization, and affordable housing areas, the bill reduces per-unit development costs, improves site efficiency, and increases project feasibility.**

# 2026 CROSSOVER REPORT

## STATUS UPDATE: HBAV LEGISLATIVE AGENDA



### HBAV BILLS PROGRESSING

#### ✓ **Water and Sewer Connection Fees** HB1144 (Martinez)

*Allows localities to reimburse first-time buyers for sewer and water connection fees and requires fee waivers for developments under affordable dwelling unit ordinances.*

Provides that any locality may provide for the full or partial reimbursement to a first-time homebuyer of water and sewer connection fees, capital recovery charges, and availability fees paid in connection with any new residential development conveyed to such homebuyer. The bill also requires any locality that has adopted an affordable dwelling unit ordinance pursuant to general law to provide for a waiver of such fees and charges for any development subject to the requirements of such ordinance

HB1144 was amended in House CC&T Subcommittee to be permissive instead of mandatory. It passed the House on a party line vote (64-34) and continues to Senate Local Government Committee.

#### ✓ **Small Lot Ordinances** HB1212 (Sewell)

*Requires certain localities to establish one small-lot residential zoning district allowing by-right development of single-family homes.*

HB1212 requires localities with populations of 20,000 or more to adopt or maintain at least one zoning district that permits single-family homes by-right on lots of 3,000 square feet or less. The district may not impose minimum lot widths greater than 30 feet or other dimensional, coverage, or density standards that would effectively prevent construction on conforming lots. **By reducing minimum lot size requirements, the bill lowers per-unit land costs and makes more efficient use of available land.** This improves project feasibility, supports the delivery of more attainable homes, and creates additional pathways to homeownership

The bill was amended in House CC&T Subcommittee to remove two-family homes and townhomes from the developments allowed under these zoning ordinances. It passed the House on partisan lines, 62-35, and will be heard in Senate Local Government Committee.

## LOOKING AHEAD

Although HBAV achieved meaningful progress ahead of Crossover, the legislative landscape remains fluid, and momentum can shift quickly as bills change chambers. Our lobbying team has been proactively engaging Senate members in anticipation of HBAV's bills crossing over to the House, while also maintaining ongoing dialogue with the Spanberger Administration to position our priorities effectively. At the same time, we are closely monitoring the budget process, where substantive policy provisions can emerge late in the Session and are often negotiated in a private conference committee. As always, the final weeks of Session require vigilance, as key decisions are frequently made outside of public view before a final agreement is reached.

# 2026 CROSSOVER REPORT

## STATUS UPDATE: HBAV LEGISLATIVE AGENDA



### HBAV BILLS NOT PROGRESSING

#### Challenges to Land Use Decisions HB447 (Simon)

*Limits third-party challenges to local land use approvals by requiring proof of particularized harm and proximity.*

HB447 was continued to 2027 after extensive discussion and pushback from stakeholder groups.

HB447 clarifies the standards for who may challenge local governing body zoning decisions and board of zoning appeals determinations. The bill establishes a consistent framework for third-party standing, requiring individuals or organizations that do not own the property at issue to demonstrate a direct, particularized interest and harm before proceeding with a court challenge. **The legislation provides greater specificity regarding what constitutes a legally sufficient interest, distinguishing individualized impacts from generalized community concerns. It applies these standards to both governing body zoning actions and BZA appeals.**

### HBAV Crossover Scorecard

Total introduced:

# 2,742

1,528 in House

834 in Senate

380 Resolutions

92%  
HBAV Bills Advancing

80%  
Opposition Bills Defeated



### 12.5% of total bills are related to housing

*(more than any other industry or single issue!)*

Learn more about HBAV's Legislative Agenda by contacting our team or scanning the QR Code below.

**Craig Toalson**  
CEO  
804-643-2797 x4  
ctoalson@hbav.com

**Andrew Clark**  
VP, Government Affairs  
804-643-2797 x3  
aclark@hbav.com

**Kara Alley**  
Dep. Director, Government Affairs  
757-647-0906  
kara@hbav.com



The Voice of Virginia's Home Building Community.

# STATUS UPDATE: OPPOSITION BILLS



## BILLS VIRGINIA HOME BUILDERS HELPED DEFEAT

**X Subdivision Plat Review Process**  
*Attempt to reinstate local government planning staff as part of the subdivision plat review process, rolling back process made last year with Delegate Simon's HB2660, which cut nearly 180 days off of review timelines.*

HB535 (Hamilton) - LAID ON TABLE  
HB1083 (Webert) - LAID ON TABLE  
SB755 (Reeves) - PASSED BY INDEFINITELY

**X Inclusionary Zoning**  
*Allows localities to create mandatory affordable housing dwelling unit programs, which often discourages development and can exacerbate the housing supply shortage.*

SB74 (McPike) - GOING TO CONFERENCE  
SB296 (Favola) - REENACTMENT FOR 2027  
HB867 (Cousins) - REENACTMENT FOR 2027  
HB922 (Lopez) - LAID ON TABLE  
HB181 (Rasoul) - REENACTMENT FOR 2027

Several inclusionary zoning bills were introduced to create regional or statewide affordable dwelling unit (ADU) programs. All were amended to include a reenactment clause, meaning they must be passed again in 2027 to become law.

**X Mandatory Adoption of Latest Energy Code**  
*Unravels Virginia's Building Code adoption process by requiring immediate adoption of the most recent International Energy Conservation Code.*

HB377 (Bennett-Parker) - CONTINUED TO 2027

**X Impact Fees**  
*Raises upfront development costs, which are ultimately passed on to homebuyers and renters, making housing less affordable. They also discourage or delay new construction, reducing housing supply and worsening shortages.*

HB536 (Hamilton) - PASSED BY INDEFINITELY

**X Rent Control**  
*Allows localities to pass ordinances limiting the amount that rents can be increased from year to year.*

HB278 (Clark) - CONTINUED to 2027  
HB1177 (Cole) - STRICKEN FROM DOCKET  
SB355 (Boysko) - CONTINUED to 2027

**X Adequate Public Facilities**  
*Allows local governments to deny or delay rezoning requests solely because they determine existing public facilities are inadequate to support new development.*

SB781 (Sturtevant) - PASSED BY INDEFINITELY