

VACo Community, Economic, and Workforce Steering Committee

August 14, 2025

Update on 2025 General Assembly Actions



2025 Virginia General Assembly Actions – Broadband

Budget Action

Moves \$10 million in funding for the Virginia Telecommunication Initiative (VATI) from FY 2026 to FY 2025 (which would place all funding for the biennium in the first year).

Includes language stating that it is the intent of the General Assembly that the funding provided for VATI to be continued in the next biennium.



2025 Virginia General Assembly Actions – Housing

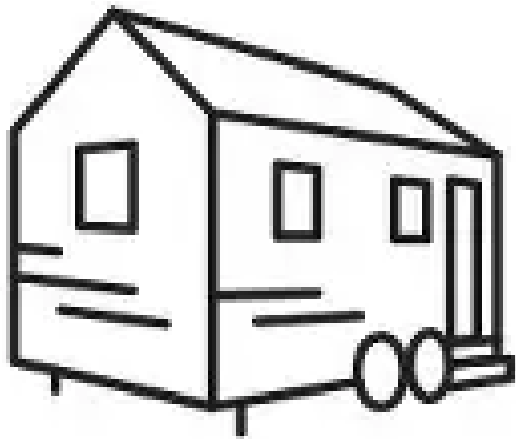
Budget Action

- Restores the down-payment assistance pilot program included in the 2024 Appropriation Act that the introduced budget proposed to eliminate (this program is funded through Regional Greenhouse Gas Initiative – RGGI balances) and directs the DHCD to implement the program by May 4, 2025.
- Restores the pilot program for assistance to tenants and nonprofits to acquire manufactured home parks that was included in the 2024 Appropriation Act and proposed to be eliminated in the introduced budget (this program is funded RGGI balances) and directs the Department of Housing and Community Development to implement the program by May 4, 2025.
- Directs DHCD to identify programs designed to keep long-term residents in their primary homes as real property tax liabilities increase.

2025 Virginia General Assembly Actions – Housing & Land Use

HB 2153 - Directs the DHCD to develop a document describing options for alteration or waiver of requirements for zoning permits, site plan application incentives, and other considerations that a locality may consider when implementing an ordinance to stimulate affordable housing and include strategies on property owned by a property tax-exempt nonprofit organization.

HB 2533 - Permits a locality to include accessory dwelling units (ADUs) and “tiny homes” in designated areas of an adopted comprehensive plan.



2025 Virginia General Assembly Actions – Housing & Land Use (cont.)

HB 2660 - Shortens timeframes for approval of subdivision plats and site plans, and directs Virginia Code Commission to convene a work group consisting of various stakeholders, including VACo, to review existing provisions related to the submission, review, and approval of subdivision plats and site plans. The work group shall develop recommendations to:

- organize procedural steps in a clear, logical, and sequential order to enhance ease of reference;
- clarify the processes, requirements, and timelines applicable to each type of plat or plan;
- standardize terminology to ensure consistency, reduce ambiguity, and minimize misinterpretation; and
- identify and eliminate redundant or duplicative provisions to streamline the Code and improve its usability

2025 Virginia General Assembly Actions – Housing & Land Use (cont.)

SB 974 - Removes planning commission and governing body approval authority for the administrative review process for subdivision plats and site plans and assigns such authority solely to a designated agent, defined in the bill. However, the bill provides that the local planning commission may serve as the designated agent of any locality with a population of 5,000 or less. The bill also expedites the review process by shortening the timeframe for forwarding subdivision plats and site plans to state agencies for review.

NOTE: The workgroup created by HB 2660 is currently reviewing how the provisions of both pieces of legislation could be integrated to resolve conflicts with implementation.

2025 Virginia General Assembly Actions – Housing & Land Use (cont.)

SB 838 – Recovery Residences

Creates a civil penalty for operation in violation of law; allows the Department of Behavioral Health Developmental Services (DBHDS) to issue conditional certification; and convenes a work group (VACo is a member) to make oversight recommendations and develop credentialing guidelines – report for 2026 General Assembly session.

2025 Virginia General Assembly Failed Legislation – Housing

HB 2641/SB 975 – Housing Growth Plans

Establishes a three-member Housing Approval Board with authority to overturn local land use decisions and to automatically approve such applications that will have the effect of increasing the supply of housing in a locality, if a locality has not made a “good faith effort” to meet required housing targets of at least 7.5 percent over the five-year period beginning January 1, 2027. The legislation also required every locality to develop a housing growth plan to include at least three of nine actions to be “deemed” at making a “good faith effort” to meet a housing.

VACo opposed the legislation.

2025 Virginia General Assembly Failed Legislation – Housing (cont.)

HB 2641/SB 975 – Housing Growth Plans – 9 actions

- Eliminate minimum lot size requirements or reduce such requirements by at least 25 percent.
- Increase building height limits for dwelling units by at least 25 percent.
- Simplify the permitting procedures for multifamily housing and shorten the average time to receive final approval for multifamily housing projects by at least 25 percent.
- Modify zoning ordinances to allow for high-density housing, including multifamily units such as apartments and condominiums, on land previously zoned for single-family use.
- Allow multifamily housing as a permitted use in all office, retail, or commercial districts.
- Rezone land for higher-density housing near transit stations, places of employment, higher education facilities, and other appropriate population centers.
- Implement a plan to repurpose underutilized office parks and strip malls for multifamily housing.
- Eliminate requirements for off-street parking minimums per dwelling unit or reduce such requirements by at least 25 percent.
- Eliminate aesthetic, material, shape, bulk, size, floor area, and other massing requirements for multifamily developments.

2025 Virginia General Assembly Failed Legislation – Housing (cont.)

SB 1313 – Affordable Dwelling Unit Ordinances

Expands to all localities the ability to provide optional increases in density to meet affordable housing needs in the Commonwealth. Currently this authority is only provided to seven jurisdictions and has proven successful in developing affordable housing units where developers have chosen this option. The legislation also lays out additional implementation measures and tools for localities to consider when developing a successful program. These include lot size reductions, accessory housing unit allowances, conversion of vacant office and commercial space to multi-family apartments, and allowance for lower-cost home construction alternatives such as manufactured homes and duplex manufactured homes. Vetoed by the Governor.

VACo supported the legislation.

2025 Virginia General Assembly Actions – Economic Development

Budget Action

Provides an additional \$20 million in FY 2025 for the **Virginia Business Ready Sites Program Fund**, for total funding of \$60 million over the biennium. Allows the Virginia Economic Development Partnership Authority to determine a site of at least 25 contiguous acres to be an eligible site for the Virginia Business Ready Sites Program Fund, provided that the site is located in a locality with an area of 35 square miles of land or fewer (NOTE: also adopted in SB 1275).

Provides \$7.5 million in FY 2025 to Pulaski County for specific site readiness projects.

2025 Virginia General Assembly Actions – Economic Development (cont.)

HB 2163 - Enterprise zone grant program

Changes provisions related to enterprise zone real property investment grants by (i) creating an elevated grant tier on and after July 1, 2025, for major qualified zone investors, defined in the bill, and capping grants for such major qualified zone investors at \$300,000 within any five-year period for any individual building or facility and (ii) including child day centers in the definition of qualified real property investments for purposes of enterprise zone real property investment grants. The bill also directs the DHCD to collaborate with the Virginia Economic Development Partnership Authority to convene a work group (VACo is a member) to review the utilization of currently designated enterprise zones, make recommendations on renewals or termination of such zones, and report its findings by November 1, 2025.

2025 Virginia General Assembly Actions – Data Centers

Budget Bill - Directs the Joint Subcommittee on Tax Policy to study the data center sales and use tax exemption during the 2025 interim, to include reviewing competitive advantages provided by existing and future exemptions, approaches taken in other states, methods to attract data center investment to non-urbanized areas of the Commonwealth, the recommendations and options in the 2024 JLARC study of data centers, and the estimated direct and indirect economic benefits of data center investment in the Commonwealth.

