VIRGINIA HOUSING
ALLIANCE

Virginia Municipal League 2026 Annual Conference

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Virginia Housing Alliance

Virginia Housing Alliance's (VHA) mission is to **expand opportunities to affordable housing** and **end homelessness** throughout the Commonwealth of Virginia.

VHA is the only organization in Virginia that drives impact across the entire continuum of affordable housing – from homelessness to housing development – through advocacy, capacity building, and education.

The Housing Need



Virginia has an estimated shortage of 300,000 affordable rental homes for low-income (80% AMI and below) households.

HB 4

Effective
July 1, 2026

Housing Preservation

Preservation Can’t Wait

18,399 affordable rental homes (LIHTC) at risk of expiring by 2030

33,873 affordable rental homes (LIHTC) at risk of expiring by 2035

31% of all VA affordable rental homes (LIHTC) are at risk of expiring by 2035

HB 4

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Housing Preservation

Enables localities to prevent displacement and preserve lasting affordability with tools to:

- Track affordable housing and its risk of expiring affordability
- Establish a Right of First Refusal when these properties are sold near expiration

What housing qualifies? Publicly supported multifamily rental housing (10+ units) with affordability restrictions.

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Housing Preservation

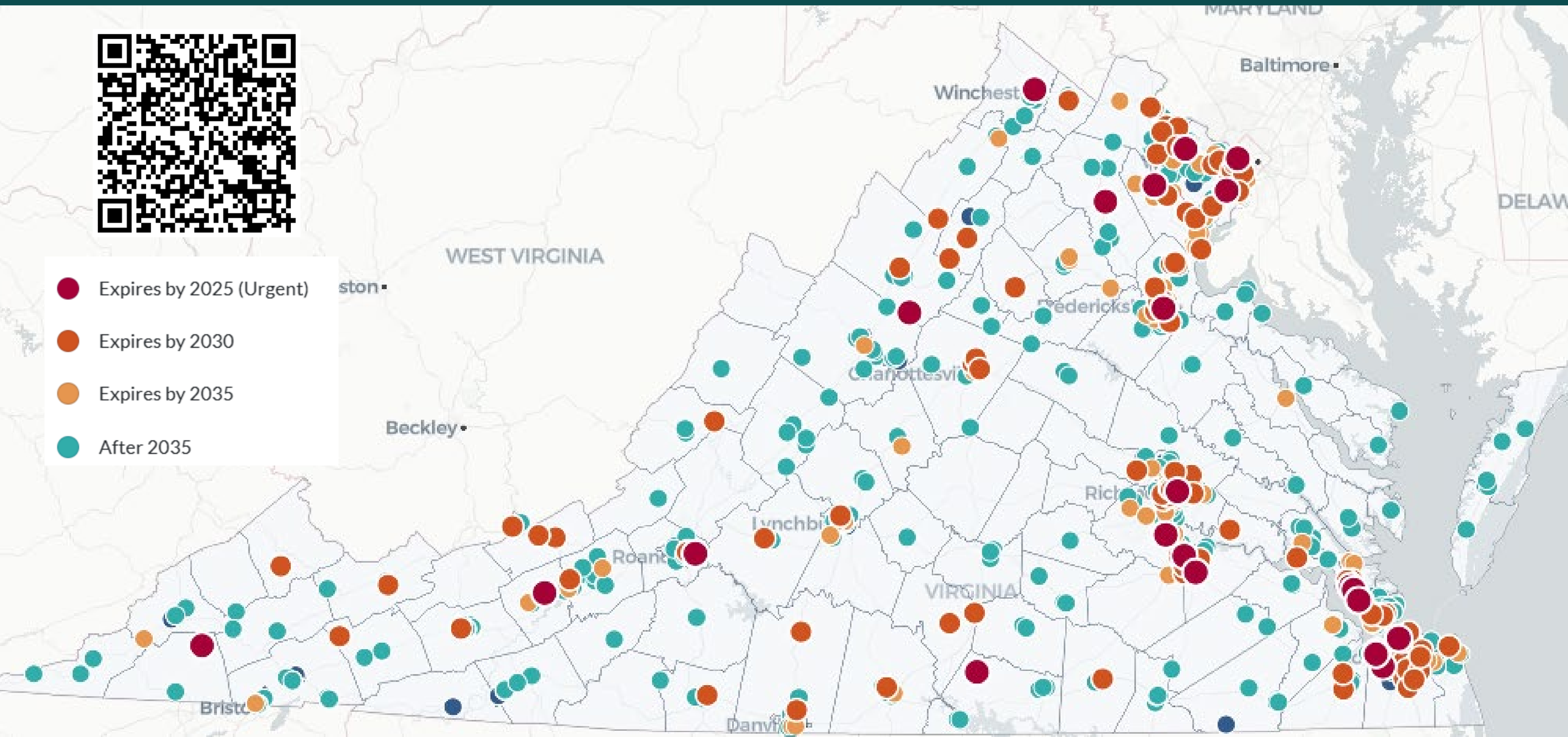
Better track affordable housing and its risk of expiration by:

- Requiring owners to notify tenants and the locality up to two years before rent restrictions expire – including whether they plan to continue affordability

Better data and transparency help communities plan ahead or step in to preserve affordability. **–**

Today, landlords owe only 60 days' notice of any rent increase (90 days as of July 1, 2027).

VA Affordable Housing Preservation Dashboard



HB 4

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Housing Preservation

What does it mean to establish a Right of First Refusal (ROFR)?

- ROFR gives an eligible party the chance to buy a property on the same terms as a third-party offer, before it can be sold to anyone else.
- Localities can appoint a qualified designee (QD) – a nonprofit or for-profit developer, housing authority, or resident association – to hold the ROFR and ensure affordability.
- Applies within 2 years before or after a property's affordability restrictions end.
- ROFR is proactive: the locality or QD must file a notice in the property records – no property is subject to it automatically.

HB 854

Effective
July 1, 2026

Tax relief for nonprofit -controlled affordable housing

Virginia Code (§ 58.1-3651) lets localities exempt nonprofit-owned property used for charitable purposes.

LIHTC, however, requires ownership structures that include for-profit entities.

HB 854 is a technical fix: it accounts for these structures while still requiring nonprofit control – removing an **unintended limitation** on localities' authority to use tax relief to **support housing that benefits their community.**

Resources and Tools to Implement ROFR



Coming Soon

The full HB 4 Implementation Toolkit is on its way – plus a 2027 bootcamp series and technical assistance for interested localities.

HB 854

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Tax relief for nonprofit -controlled affordable housing

Why Tax Relief?

- Costs to develop, preserve, and operate affordable housing have risen sharply
- Real estate taxes average 5-10% of an affordable housing property's expenses.

Exemptions free up funding for resident services, maintenance, upgrades, and rent stabilization.

Predictable, durable exemptions leverage more private capital for new construction or rehab – funding projects through foregone tax revenue instead of large upfront subsidies.

HB 854

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Tax relief for nonprofit -controlled affordable housing

- Entirely up to a locality to decide if, how, and to what extent this tool is used.
- Exemptions can be designed to incentivize the housing each locality needs – calibrated to what your budget can afford.

Affordable Housing Tax Relief Toolkit

- Fact Sheet
- Implementation Guide
- Sample Ordinance Framework *(COMING SOON)*

Scan Me

Resources and Tools to Implement Tax Relief