

CITY OF CHARLOTTESVILLE

Department of Neighborhood Development Services

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TO: Charlottesville City Council
FROM: Charlottesville Planning Commission
DATE: August 29, 2025
SUBJECT: **State Legislative Items for Consideration**

Charlottesville Planning Commission Chair asked Commissioners Solla-Yates and d'Oronzio to draft a memo of potential legislative items for discussion at their August 26, 2025 work session. The Commission discussed and would like to provide the following for consideration of the City Legislative Committee:

1. We recommend directing the City Attorney to craft a recommendation to make modifications to the language of 15.2-2222.1 part B pertaining to rezonings proposed by the locality.
2. We recommend that in order to expedite development review, 15.2-2286.3 be amended to give the governing body the power to delegate the power to approve special exceptions to the Planning Commission.
3. We recommend that in order to expedite development review, 15.2-2286.4 be amended to allow the given "hardship standard" to be replaced by guidelines approved by the local governing body to set parameters for modifications of the zoning ordinance as required.
4. We recommend that in order to clarify legal authority, Virginia code section 15.2-2285 part F offer clear guidance on what "harm" is to establish legal standing for appeal. Increased property values is not harm. Residential use is not harm.
5. We recommend again asking that the state legislature "...allow all localities the option of enacting a one-cent sales tax increase to provide local revenue for the construction or renovation of public-school facilities. Currently, only a few localities have been designated as "qualifying localities" under the provisions of Va. Code
 - a. §§58.1-602, 58.1-605.1, and 58.1-606.1 to raise revenue in this manner', yet the need for this additional revenue source extends beyond those few localities that have it." <https://law.lis.virginia.gov/vacode/title58.1/chapter6/>

6. We additionally recommend that House Bill number 2012 offered January 11, 2023 by Delegate Sally Hudson amending “58.1-3221.1. Classification of land and improvements for tax purposes.” be considered again and add all other localities participating in the Thomas Jefferson Planning District Commission. This speaks to current housing and transportation plans. <https://lis.virginia.gov/cgi-bin/legp604.exe?231+ful+HB2112>
7. We recommend expanding tree requirement powers granted in “15.2-961.3. Replacement of trees during development process in localities.” to permit the requirement of twenty percent tree canopy for all uses and a greater percent in flood plains and riparian areas. <https://law.lis.virginia.gov/vacode/title15.2/chapter9/section15.2-961.3/>
8. We support statewide permitting of Accessory Dwelling Units.
9. We support expanded state resources for land holding nonprofit organizations to provide affordable housing.
10. We support an expanded timeline and resources to purchase mobile home parks. Supporting purchase documentation should be required to be shared with tenants as they become available. We likewise recommend increasing compensation for tenants at purchase and linking that rate to inflation.
11. We support the creation of a state School Streets program and funding for design and implementation similar to Canadian and European examples.
12. We recommend the creation of a committee to study deed restrictions and covenants to ensure compliance with law, equity and affordable housing goals. We recommend studying regularization of terms for consistency.
13. We recommend studying the adjustment of the state building code to treat six units and below as residential code, the same as single family and duplex and continue to treat buildings with seven units and above as commercial, similar to the Memphis, Tennessee example.
14. We recommend creation of a study committee to review issues of safe and efficient street design as they may conflict with fire apparatus access.
15. We recommend revision of § 55.1-319 to expand its applicability for primary residences and update figures and process to meet current timeframes.

Code of Virginia

Title 55.1. Property and Conveyances

Subtitle I. Property Conveyances

Chapter 3. Form and Effect of Deeds and Covenants; Liens

Article 2. Form and Effect of Deeds of Trust; Sales Thereunder; Assignments; Releases

§ 55.1-319. Priority of residential refinance mortgage over subordinate mortgage

A. As used in this section:

"Prior mortgage" means a mortgage, deed of trust, or other instrument encumbering or conveying an interest in residential real estate containing not more than ~~one~~^{four} dwelling unit to secure a financing.

"Refinance mortgage" means a mortgage, deed of trust, or other instrument encumbering or conveying an interest in residential real estate containing not more than ~~one~~^{four} dwelling unit to secure a refinancing.

"Refinancing" means the replacement of a loan secured by a prior mortgage with a new loan secured by a refinance mortgage and the payment in full of the debt owed under the original loan secured by the prior mortgage.

"Subordinate mortgage" means a mortgage or deed of trust securing an original principal amount not exceeding ~~\$150,000~~^{\$300,000.00}, encumbering or conveying an interest in residential real estate containing not more than ~~one~~^{four} dwelling unit that is subordinate in priority (i) under subdivision A 1 of § 55.1-407 or (ii) as a result of a previous refinancing.

B. Upon the refinancing of a prior mortgage, a subordinate mortgage shall retain the same subordinate position with respect to a refinance mortgage as the subordinate mortgage had with the prior mortgage, provided that:

1. Such refinance mortgage states on the first page thereof in bold or capitalized letters: "THIS IS A REFINANCE OF A (DEED OF TRUST, MORTGAGE OR OTHER SECURITY INTEREST) RECORDED IN THE CLERK'S OFFICE, CIRCUIT COURT OF (NAME OF COUNTY OR CITY), VIRGINIA, IN DEED BOOK ____, PAGE ____, IN THE ORIGINAL PRINCIPAL AMOUNT OF ____, AND WITH THE OUTSTANDING PRINCIPAL BALANCE WHICH IS ____ WHICH HAD AN INTEREST RATE OF __% PER ANNUM.";
2. The principal amount secured by such refinance mortgage does ~~not~~^{not} exceed the outstanding principal balance secured by the prior mortgage plus ~~\$5,000~~^{\$10,000}; and
3. The interest rate of the refinance mortgage at the time it is recorded does not exceed the interest rate of the prior mortgage. The interest rate of the prior mortgage shall be stated on the first page of the refinance mortgage.

C. The priorities among two or more subordinate mortgages shall be governed by subdivision A 1 of § 55.1-407.

D. The provisions of subsection B shall not apply to a subordinate mortgage securing a promissory note payable to any locality or any agency, authority, or political subdivision of the

Summary of Comments on COV55.1-319 PBd initial mark up.pdf

Page: 1

- Number: 1 Author: Phil Subject: Sticky Note Date: 8/28/2025 1:59:03 PM
Section A - update all language to refer to no more than 4 units. Single unit restriction isn't in line with current housing trends, to include accessory units and 2,3, and 4 plexes, and many affordable housing efforts are leveraging these property types.
- Number: 2 Author: Phil Subject: Sticky Note Date: 8/28/2025 1:57:54 PM
"Subordinate mortgage - 150k to 300k. 150k in 2011 is ~220k today, and housing costs have out paced inflation. 150k is nothing on a HELOC in many markets in the commonwealth.
- Number: 3 Author: Phil Subject: Sticky Note Date: 8/28/2025 2:00:00 PM
B 1 -does the language here need to be cleaned up/clarified/updated to reflect the 2021 amendment in 318.1 and B3 herein? Should we add another option in the parenthetical? "(Deed of Trust, Mortgage, Other Security Interest, or Loan Document)?"
- Number: 4 Author: Phil Subject: Sticky Note Date: 8/28/2025 1:57:37 PM
B2 - As base loan amounts increase, so do closing costs. 10k doesn't do the job in many cases, but still has borrowers bringing money to the table. But 2-3k to the table and 6-7k to the table is the difference between "go" and "no go" for many, many borrowers.
- Number: 5 Author: Phil Subject: Sticky Note Date: 8/28/2025 1:59:30 PM
B3 - We need a provision for dealing with adjustable rate mortgages... Complicated, and in the weeds but extend the first sentence with something like "... prior mortgage, or in the case of a mortgage with an adjustable rate feature, the rate of the refinance mortgage is no greater than 100bps (1 percentage point) higher than the projected rate at the next adjustment, such projection to be based upon the underlying index governing the prior mortgage." In other words, if a borrower has an ARM, they know the ARM adjustment is going to result in an increase in rate, they can flip to another loan that may be of a higher rate, but will be stabilized and not jackpot them

Commonwealth if such subordinate mortgage is financed pursuant to an affordable dwelling unit ordinance adopted pursuant to § [15.2-2304](#) or [15.2-2305](#), or pursuant to any program authorized by federal or state law or local ordinance or resolution, for (i) low-income and moderate-income persons or households or (ii) improvements to residential potable water supplies and sanitary sewage disposal systems made to address an existing or potential public health hazard, and which mortgage, if recorded on or after July 1, 2003, states on the first page thereof in bold or capitalized letters: "THIS (DEED OF TRUST, MORTGAGE OR OTHER SECURITY INTEREST) SHALL NOT, WITHOUT THE CONSENT OF THE SECURED PARTY HEREUNDER, BE SUBORDINATED UPON THE REFINANCING OF ANY PRIOR MORTGAGE."

2000, c. [971](#), § 55-58.3; 2002, c. [172](#); 2003, c. [381](#); 2011, c. [77](#); 2014, c. [338](#); 2019, c. [712](#); 2021, Sp. Sess. I, c. [13](#).

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

This page contains no comments