

1. Modernize Affordable Housing Trust Fund source fees

The Affordable Housing Fund (AHF) is a key source of development and capacity funding for nonprofit housing entities. The AHF is currently funded only by a \$20 fee on each transfer of real property and on each sale of a manufactured home. The AHF typically receives about \$1 million per year, but reduced market activity has decreased annual AHF receipts by over \$600,000 (42%) since 2021, and the flat fee—unchanged since enactment in 2001—is not inflation-resilient. We support doubling the AHF source fees, or at minimum indexing them to inflation.

2. Renew WV Homeowners Rescue Program

The COVID-era West Virginia Homeowners Rescue Program provided crucial support for WV homeowners facing financial hardship. Notably, the HRP provided funding for critical home repairs—meaning repairs without which the homeowner would be at risk of displacement—as well as mortgage payment assistance to prevent foreclosures. In a state that ranks near the bottom in new home construction per capita, critical home repair represents an efficient and impactful use of public funds, extending the useable life of a structure while protecting a family's most important financial asset. Similarly, foreclosure prevention allows families to remain in their homes despite economic hardship. The HRP funds have been exhausted, but significant need remains. We advocate for making the HRP permanent.

3. Allow nonprofits to benefit from BUILD WV program

The BUILD WV Act provides property valuation adjustment credits to developers of affordable housing in several priority areas in WV. The PVAC credit can be taken against personal or corporate income tax of an eligible taxpayer, beginning in the tax year in which construction of the project property is completed and ending in the 10th taxable year thereafter, up to \$100K per project. However, nonprofits are not able to benefit from the PVAC credit under BUILD WV. Making the credits refundable to nonprofits, and/or transferrable to investors, would increase the impact of this beneficial program.

4. Direct WVCAD to allocate CDBG funds for housing activities

Despite certain housing activities being eligible uses for Community Development Block Grants under federal law, the West Virginia Community Advancement and Development Office does not currently use any of the state's CDBG allocation for housing activities despite significant need. We ask the legislature to direct WVCAD to amend the Consolidated Plan to allow for CDBG funding of eligible housing activities, including homeowner rehabilitation, home purchase assistance, new construction*, and rental acquisition and/or rehab.

5. Promote voucher utilization by funding housing navigators and studying source-of-income discrimination

An emergent issue in the affordable housing space is source-of-income (SOI) discrimination, the practice of property owners/managers rejecting applicants solely based on their status as a voucher holder (including Section 8 and HUD-VASH). Short of prohibiting this practice as 23 states have done, we encourage the legislature to set aside funding for nonprofits and local government agencies to hire "housing navigators" who work with landlords to dispel misconceptions about risks of accepting vouchers and connect would-be renters with landlords. Furthermore, we encourage the legislature to conduct a study of landlord and voucher-holder experiences in West Virginia, in order to examine and evaluate the reasons why landlords engage in this practice and to better understand the impacts of SOI discrimination.

6. Streamline municipalities' ability to adopt voluntary inclusionary zoning policies

Municipalities in WV are, in theory, able to enact voluntary inclusionary zoning policies (e.g. reduced lot sizes, setbacks, parking requirements, etc.; greater height allowances; tax breaks; reduced permitting fees and more). However, any such policy change that tends to impact the maximum allowable density in a zone is subject to a cost-prohibitive requirement to deliver written notice to the owners of all parcels within the affected zone, even if the change is consistent with the community's consolidated plan. We advocate for the removal of this barrier, in order to better allow communities to meet their recognized housing needs.

7. Study investor takeovers of mobile home parks

Residents of several WV mobile home parks are suffering as out-of-state investors have bought up parks and drastically increased lot rents and fees and/or evicted tenants en masse. Due to the difficulty and great expense associated with moving a mobile home, these residents are left with little to no recourse. We encourage the legislature to study this problem and consider establishing guardrails to prevent profiteering off the inability of mobile home park residents to move.

* Under HUD regulations, new housing construction is an eligible use for CDBG if carried out by a Community-Based Development Organization as part of a neighborhood revitalization or community economic development project.