Housing 2040 Master Plan

AHAAC Presentation on Strengthening Common Interest Communities

December 4, 2025





Housing 2040 and CIC Project

Housing 2040 Principles and Goals

Affordable Housing Preservation

Landlord-Tenant Rights and Resources

Financial Tools for Affordable Housing

Common Interest (Condo)
Communities

Senior Housing + Care

Health and Housing

Homeowner Resources

Accessibility and Housing

Sustainability and Housing

Legislative Priorities and Housing

Background

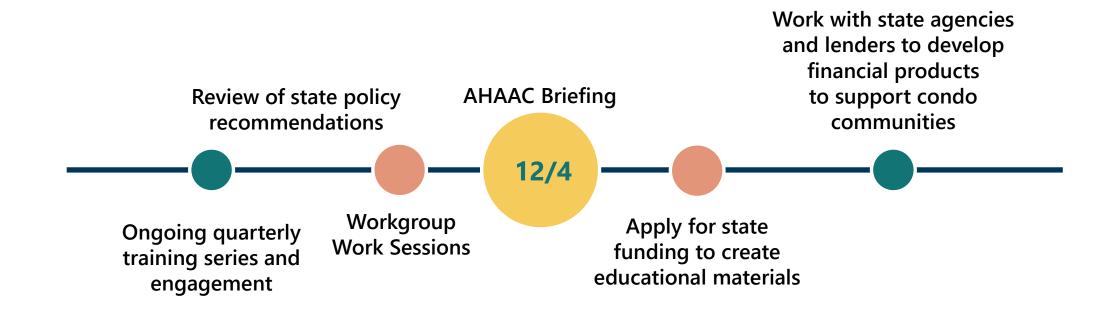
Definitions

- Common Interest Community: a community where homeowners jointly share and fund amenities such as parking lots, pools, and common areas
- Capital Components: major building systems such as plumbing, HVAC, structural supports, etc.
- Reserve Study: an analysis of capital components and replacement costs compared to the amount an association has saved (in reserve)
- As-built plan: blueprint of what was actually constructed

Condominiums in Alexandria

- 20,600 condos in Alexandria; approximately 48% of all homeownership units
- Older condos are starter homes; average condo price is half the price of a single-unit home
- Older condos are also an important source of homeownership for households on fixed incomes and/or who may need elevators to remain in community
- Average building age is 45 years
- Large capital repairs can result in special assessments that some owners are unable to pay

CIC Process



Department of Professional and Occupational Regulation Report

- In 2022, the Legislature requested the Department of Professional and Occupational Regulation (DPOR) study the adequacy of the Commonwealth's laws regarding common interest communities (CICs)
 - Scope of the study was limited to the structural integrity of building and CIC reserve levels
 - Study group included stakeholders from across Virginia and included owners and representatives from CIC related industries
 - DPOR Report was released in April 2023 with 15 recommendations on association governance, reserves, and construction

Strengthening Condominium Communities Housing 2040 Work Group

- Composed of CIC industry stakeholders and owners from across Alexandria living and owning in different types of buildings (high-rise, mid-rise, small flats)
- Used the DPOR report as a starting point to consider recommendations and how to make them more applicable to Alexandria
- Developed additional recommendations based on Work Group member experience

Recommendations

Developers Must Provide Accurate Plans at Turnover

 Developers should provide as-built plans to associations at turnover to ensure associations have accurate information about their building(s)

- Developers should provide maintenance manuals for all systems
- Plans for all systems should be included in as-built plans
- As-built plans and maintenance manuals should be provided in both physical and digital formats

Visual Inspection of Structural Components

 Inspections would begin 30 years after completion and every 10 years thereafter

- Clear inspection requirements and definitions
- Procedure for compliance monitoring
- Possible extra inspections after natural disasters or other major events (fires, internal floods, etc.)

Qualified Entities Perform Reserve Studies

 Studies to occur within two years of first occupancy and then every five years

- Qualification requirements should not present high barrier to entry
- Associations should not be restricted in choice of individual or firm to conduct study
- Choice should be based on association needs and building structure

Reserve Studies Should Include All Capital Components

 Capital components should be defined according to industry standard

- Association and legal counsel should review documents to identify what components that are individual responsibility or association responsibility
- Create matrix of responsibilities for reference
- Use matrix to establish baseline for reserve studies
- In case of new construction, require developer provide matrix

Training for Association Boards

 State support for virtual on-demand training for board members and owners

- Offer incentives for boards to undergo training encourage participation
- Create materials in all formats that can be shared state-wide

Other Work Group Recommendations

- DPORs alternative dispute resolution program should be more widely utilized
- Weatherization, energy efficiency, and repair programs should be marketed to owners
- The Commonwealth should expand existing programs and create new ones to provide greater financial support to associations (IDA bonds, Commonwealth-backed loans, etc.)

Strategies

State Legislation Needed

Require:

- Developers provide physical and digital copies of as-built plans and maintenance manuals upon turnover; also include a matrix of what capital components are the association's responsibility, not individual owners
- Visual inspection of structural components on a regular schedule with clear requirements for inspections and established compliance procedures
- Reserve studies include all capital components (using industry-wide definitions) with an established baseline of what capital components are maintained by the association and should be included in the study

Education

- Continue the <u>City's Common Interest Communities</u> <u>Education Series</u>
- Create free educational materials in all formats for boards, owners, and community managers that would be (possibly using grant funding)
- Offer incentives such as funding for reserve studies or insurance discounts for boards to undergo certified training and continuing education classes
- Greater outreach to owners about weatherization, energy efficiency, and repair programs available to them

Other Strategies

- Partner with state agencies to explore ways to financially support associations undertaking capital repairs (including Commonwealth-backed loans)
- Discuss possible mediation program outreach with DPOR

Next Steps

- Apply to Virginia Housing for a Capacity Building Fund grant for the creation of educational materials
- Review potential weatherization & energy-efficiency programs with Office of Climate Action
- Contact Virginia Housing, Virginia Department of Housing & Community Development, other lenders, and seek other sources of funds for condominium associations undertaking required capital repairs

Other Ways to Engage

- Email comments to Kim Cadena, Office of Housing, at <u>kimberly.cadena@alexandriava.gov</u>
- Submit comments via the comment form on the Housing 2040 Master Plan page