

Housing 2040 Master Plan

AHAAC Presentation on Preservation Recommendations

December 4, 2025



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01

What is affordable housing preservation?

Preservation

The act of investing in housing to protect its long-term **affordability, livability, and financial viability.**

Affordability Challenges

Market Affordable Housing: Rental housing that is naturally affordable to households at or below 60% of Area Median Income (AMI) without any affordability commitments

Committed Affordable Housing: Income and rent-restricted rental housing affordable to households at or below 80% AMI that remains affordable due to affordability commitments

2025 Rental Housing Analysis

~6,900 units

Market Affordable

5,085 units

Committed Affordable

~41,800 units

Total Multifamily
Rental Units

Affordability Challenges



From 2010 to 2025, the number of market affordable units affordable decreased from ~**9,800** to ~**6,900** units. This number was about **18,000** units in 2000.

Loss of Market Affordable Housing

Rent prices have outpaced income growth. Housing that was previously affordable has become increasingly unaffordable.



Over **900** committed affordable units are at risk of expiration by 2040 if their affordability is not extended

Expiration of affordability restrictions

Affordability commitments (ex. LIHTC, HAP contracts) have expiration dates. When these commitments expire, properties can lose affordability.

Livability Challenges

Aging Buildings and Deteriorating Conditions

Older buildings face challenges that affect the health, safety, and livability of residents. Aging materials and appliances, deteriorating infrastructure, and outdated systems pose challenges for properties.

Deferred Maintenance

Many older buildings are naturally affordable and bring in less revenue than newer buildings. However, the cost to repair and replace systems grow as buildings age and things break down. Many large projects are deferred due to their high costs that properties can't afford (ex. boiler replacement).

1966

The median year multifamily market-rate rental buildings in Alexandria were built*

20,750

The number of multifamily market-rate rental units built before 1984 in Alexandria*

**does not include committed affordable properties*

Financial Viability Challenges

Affordable Housing Operates with Less Revenue

Both committed and market affordable housing bring in less revenue compared to market-rate properties. As a result, remaining financially viable is particularly challenging, especially as operating costs have risen.

Non-profit housing partner

\$8,300

Illustrative per unit
operating cost in
2020



\$10,300

Illustrative per unit
operating cost in
2024



Deferred maintenance
projects like HVAC,
elevators, and plumbing



Insurance costs have
increased 25-35% per
year



Staffing shortages and
personnel costs have
increased since 2020



Utility, water, and trash
rates and fees go up
every year



03

What we are already doing

What we are already doing for preservation



Acquiring market affordable housing to preserve and deepen affordability through non-profit partners

660 units acquired and preserved since 2013



Extending affordability of existing Committed Affordable Units (CAUs) whose affordability restrictions are at risk of expiring

152 units extended affordability since 2013



Replacing existing affordable housing and creating new affordable housing through **redevelopment**

249 units + 10 rooms replaced since 2013; + 413 net new units



Rehabilitating the physical condition of existing market affordable and committed affordable housing, including capital repairs and maintenance

888 affordable units rehabilitated since 2013

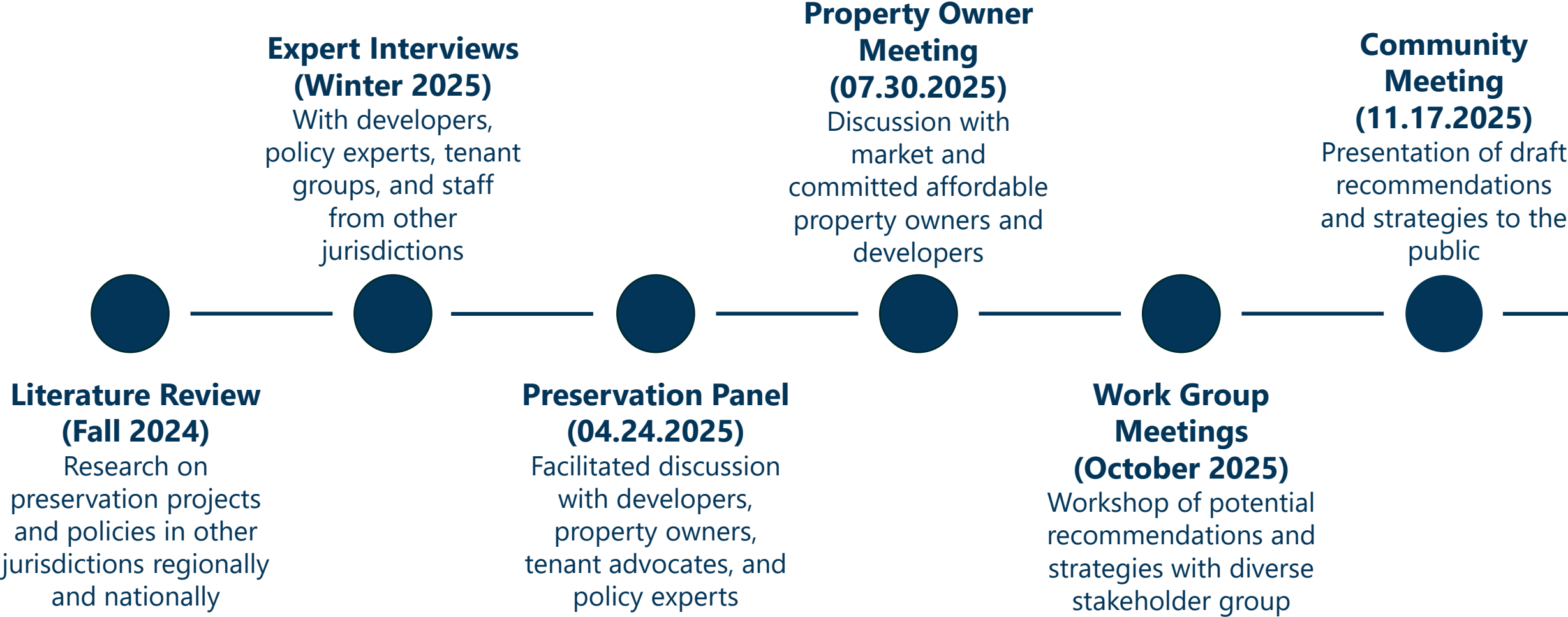
Note: Some projects fall under multiple categories



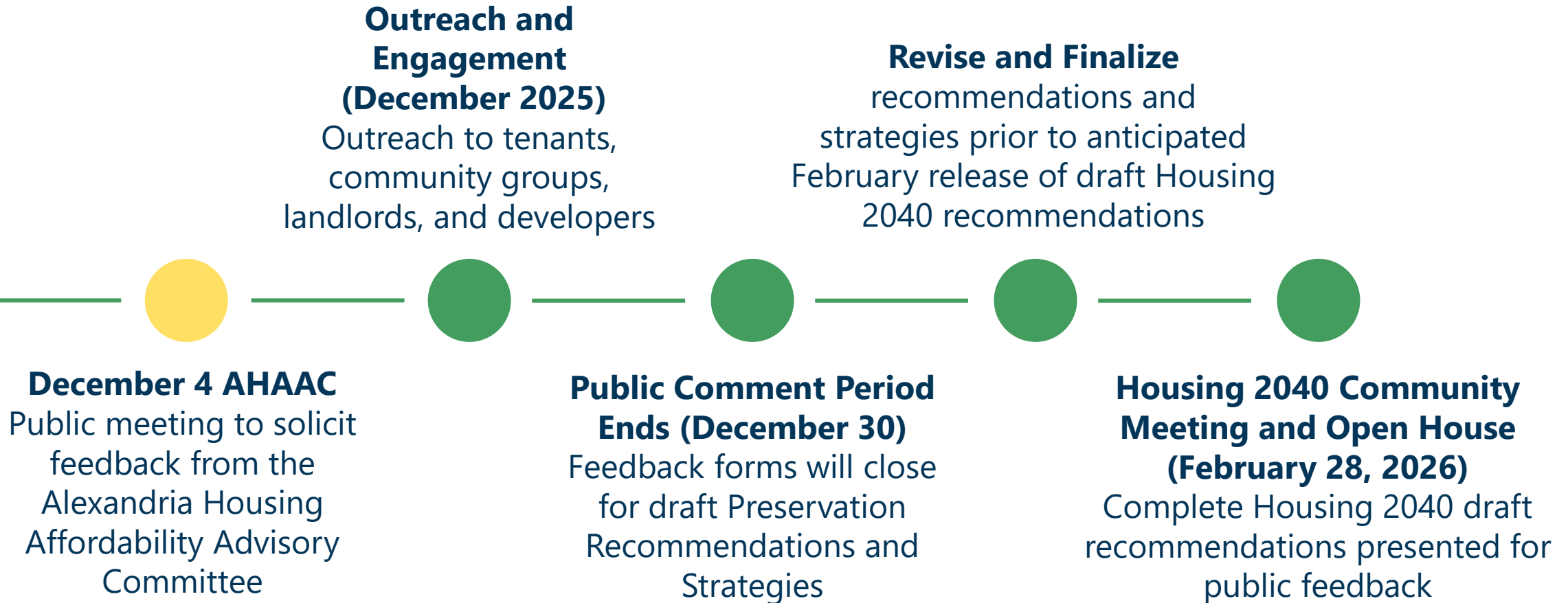
04

Draft Recommendations and Strategies

Preservation Project Process



Preservation Project Process



Tonight's Guiding Questions



How do we make recommendations and strategies that we can **implement** in collaboration with all stakeholders?



Which recommendations and strategies should be **prioritized** by the City?

1

Draft Recommendation

Extending Affordability Commitments



Work with rental property owners to extend affordability commitments for existing committed affordable housing

1

Recommendation #1

Extending Affordability Commitments



Strategy #1

Provide financial and technical assistance, as available, to support the extension of affordability commitments



Strategy #2

Maintain inventory of committed affordable properties facing expiration on an annual basis

 = requires City funding

1

Recommendation #1

Extending Affordability Commitments



Strategy #3

Pursue state legislative authority to enact a Right of First Refusal (ROFR) for existing committed affordable housing (where the City is not a financial partner)



Right of First Refusal (ROFR): An agreement that allows a municipality to match offers when a property is sold. This right can usually be designated to a housing partner



= requires State law to be passed

1

Recommendation #1

Extending Affordability Commitments



Strategy #4

Continue to build and strengthen relationships with owners of committed affordable housing properties



Strategy #5

Explore options to extend affordability of expiring rental set-aside units



Draft Recommendation

Supporting acquisition



Support acquisition of existing rental housing by affordable housing partners to preserve affordability consistent with the City's Strategic Preservation Priorities

2

Recommendation #2

Supporting acquisition



Strategy #1

Develop Strategic Preservation Priorities to guide City decision-making around housing preservation



Strategy #2

Continue to collaborate with affordable housing partners, including non-profit developers and the Alexandria Redevelopment Housing Authority (ARHA), to acquire priority preservation properties



2

Recommendation #2

Supporting acquisition



Strategy #3

Pursue joint venture opportunities to preserve housing with local anchor institutions, including hospitals, faith-based institutions, educational institutions, and businesses



Strategy #4

Explore development of a strike fund to assemble non-profit developers, financial institutions, philanthropic organizations, and regional and state financial partners with the ability to respond quickly with necessary capital to preserve essential properties in the region



2

Recommendation #2

Supporting acquisition



Strategy #5

Continue to include Right of First Refusal (ROFR) in rehabilitation projects, acquisition deals, and affordability extensions that receive City investment



Strategy #6

Pursue state legislative authority to enact a Right of First Refusal (ROFR) for existing committed affordable housing (where the City is not a financial partner)



= requires State law to be passed

Strategic Preservation Considerations

The City should prioritize preserving properties with...

- ❖ **30%, 40%, and 50% AMI units** and existing affordability commitments
- ❖ **Property conditions** that affect residents' health and safety
- ❖ Larger percentage of **family-sized units** (2+ bedrooms)
- ❖ **Vulnerable populations** in areas with a **high risk of displacement**
- ❖ Location in neighborhoods that have **limited affordable housing**
- ❖ Proximity to **planned redevelopment areas** and amenities
- ❖ **Redevelopment potential**/land banking opportunity
- ❖ **Property characteristics and amenities** (for example, community space, resident services, etc.)

3

Draft Recommendation

Rehabilitate existing housing



Partner with rental property owners to rehabilitate existing committed and market affordable housing to improve its livability, health, sustainability, and safety

3

Recommendation #3

Rehabilitate existing housing



Strategy #1

Provide funding for capital needs assessments of committed affordable, market affordable, and other properties that fall under the City's Strategic Preservation Priorities



Strategy #2

Solicit requests for a rehabilitation project pipeline that will leverage City funding and financial tools in exchange for affordability commitments and Right of First Refusal



3

Recommendation #3

Rehabilitate existing housing



Strategy #3

Explore tax relief as a financial incentive and tool to support rehabilitation of existing committed and market affordable housing



Strategy #4

Support energy efficiency and sustainability improvements when rehabilitating existing committed and market affordable housing by providing technical assistance and exploring funding opportunities at the state and federal level

3

Recommendation #3

Rehabilitate existing housing



Strategy #5

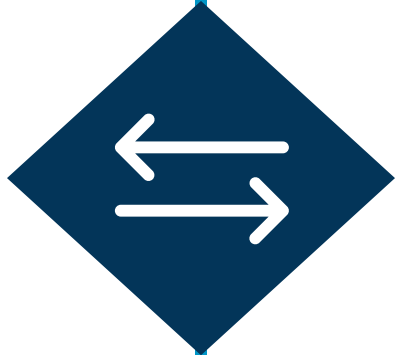
Evaluate the feasibility of establishing a program focused on supporting rehabilitation of 2-49 unit properties with market or committed affordability



4

Draft Recommendation

Support 1-for-1 replacement during redevelopment

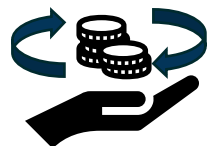


Support 1-for-1 replacement of existing committed and market affordable rental units during redevelopment to the greatest extent possible to minimize displacement of existing residents and communities

4

Recommendation #4

Support 1-for-1 replacement during redevelopment



Strategy #1

Explore developer fee relief as an incentive to support 1-for-1 replacement of existing market and committed affordable housing in cases of redevelopment



Strategy #2

Explore tax relief as a financial incentive and tool to support replacement of existing market and committed affordable housing in cases of redevelopment



4

Recommendation #4

Support 1-for-1 replacement during redevelopment



Strategy #3

Explore land use and regulatory tools, including bonus density and height, to incentivize replacement of existing affordable housing during redevelopment



Strategy #4

Explore public-private partnerships, land donations, and using other public resources to support replacement of affordable housing



4

Recommendation #4

Support 1-for-1 replacement during redevelopment



Strategy #5

During the development review process, document the impact of proposed redevelopment of residential properties on existing tenants; evaluate risk of displacement; and identify mitigating actions

5

Draft Recommendation

Tenant Relocation Protections



Enhance tenant relocation protections for low-income tenants

5

Recommendation #5

Tenant Relocation Protections

Note

Relocation policies will be evaluated separately in coordination with Landlord-Tenant recommendations during the Housing 2040 process



Draft Recommendation

Strengthen stakeholder collaboration



Strengthen collaboration among property owners, funders, non-profit partners, and tenants on preservation policy formation and implementation

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Recommendation #6

Strengthen stakeholder collaboration



Strategy #1

Explore the development of an ad-hoc implementation group on preservation to track progress of Housing 2040 goals, recommendations, and strategies, potentially through AHAAC



Strategy #2

Convene regular meetings of market affordable housing property owners to discuss shared issues and opportunities related to affordability, livability, and financial viability

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Recommendation #6

Strengthen stakeholder collaboration



Strategy #3

Pursue opportunities to support small-scale multifamily properties through collaboration, technical assistance, and resource coordination

Financial Considerations

Funding could potentially come from multiple sources...

in addition to our local funds



Subsidy Extensions

HAP contract extensions (for PBVs) and LIHTC recapitalization at year 30 are available options



Regional and State Funds

Sources like Amazon, LEO Equity (JBG Smith), and state pools for preservation could support acquisition and extension of affordability



Strategic, Time-Limited Tax Relief

Could support rehabilitation projects and 1-for-1 replacement



Housing Opportunity Fund

Competing priorities with new construction



04

Q&A

Please use the Zoom Q&A function to ask any questions!



Thank You!