Appendix 7: Implementation Tool Sheets

NAME:
ACCESSORY DWELLING UNIT POLICY

PRESERVATION
NEW DEVELOPMENT
SPECIAL NEEDS
HOMEOWNERSHIP
OUTREACH

TOOL DESCRIPTION:
A policy that permits accessory dwelling units under certain conditions.

NEED AND BENEFIT DESCRIPTION:
Accessory units are implemented in many communities as a means for providing affordable housing in context-sensitive design solutions. Units in a detached structure or within a primary residence can function as garage apartments, carriage houses, english basements, in-law suites, etc. They have been popular as an additional revenue source for homeowners, particularly seniors on fixed incomes, to subsidize housing costs. Key benefits include:

1. The addition of affordable rental housing units to housing stock.
2. Rents that are generally lower than for comparably sized non-accessory apartments.
3. Opportunity for older residents to age in place by supplementing fixed income.
4. Efficient use of existing housing stock and renewed upkeep of older neighborhoods.

CHALLENGES:
A past City effort to investigate the potential of an accessory dwelling unit policy met significant community opposition concerning the perceived impacts of these units on individual neighborhoods, particularly with regard to parking and increased density. Any effort to implement a citywide accessory dwelling unit would require a significant investment of time in researching the potential policy and conducting community outreach.

The City could consider implementing an accessory dwelling unit policy for new construction within the new Coordinated Development Districts (CDD). This approach could facilitate the production of more affordable units in new planned developments while providing an opportunity for the City to assess benefits and impacts of a citywide accessory dwelling unit program.

LEAD PARTNERS:
Office of Housing
Department of Planning and Zoning

PROJECTED ANNUAL COST (Total):
Initial Investment: 400 plus Staff Hours (Policy)
Annual Operation: 200 to 400 Staff Hours (Enforcement & Administration)

POSSIBLE REVENUE SOURCES:
TBD

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☑ 4 - 6 Years

ACTION STEPS:

PHASE 1:

Create a policy that would encourage new CDD's to include accessory dwelling units. The CDD guidelines could also guide the accessory dwelling unit standards. In order to be effective, accessory dwelling units must not be required to provide off-street parking spaces.

PHASE 2:

STEP 1:
Create an accessory dwelling unit sub-committee to research ordinance provisions and policies for a citywide accessory dwelling unit program. Prepare report for Planning Commission/ City Council review.

STEP 2:
Develop a series of design and implementation parameters including a clear definition and bulk standards for accessory dwelling units outside of CDDs. Potential standards include:

- Accessory dwelling unit shall be a complete housekeeping unit with a separate kitchen, sleeping area, closet, and bathroom facility.
- Principal dwelling unit must be owner occupied.
- Accessory unit shall be a maximum 800 SF or 40% of the floor area of the primary unit, whichever is less.
- There shall be no additional parking space required for the accessory unit.
- Only one accessory dwelling (within the principal unit or detached) allowed per lot.

STEP 3:
Prepare and adopt (Planning Commission and City Council) an amendment to Zoning Ordinance, to codify the definition, bulk standards, and design requirements.

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
Department of Planning and Zoning

PROJECTED COST:
Initial Investment: 40 to 60 hours staff time

Annual Operation: None

REVENUE SOURCES:
N/A

ACTION STEPS:

STEP 1:
Draft changes to Section 7-700 allowing monetary contributions and/or off-site units in lieu of on-site affordable units.

STEP 2:
Develop appropriate method(s) of establishing/conveying policy statement regarding affordable housing as one of the high priorities to be taken into account with regard to developer contributions in rezoning that involves additional density.

STEP 3:
Adopt changes to Section 7-700 and measures identified with regard to affordable housing in rezoning that involves additional density.

NAME:
ADDITIONAL DENSITY IN EXCHANGE FOR AFFORDABLE HOUSING

TOOL DESCRIPTION:
Amend Section 7-700 of the City's Zoning Ordinance, which provides for additional density in exchange for the provision of dedicated affordable housing, to allow affordable housing units to be located off-site, or for the developer to provide a monetary contribution (calculation method to be determined) in lieu of the units if mutually agreed upon by the City and the developer. In addition, establish as City policy that when additional density is provided through rezoning, developer contributions should take into account that affordable housing is one of the City's highest priorities.

NEED AND BENEFIT:
The City currently has a bonus density program under Section 7-700 of its Zoning Ordinance that allows a developer to increase density by up to 20 percent, or height by up to 25 feet, in exchange for providing on-site affordable units. Utilization of this provision where the additional density is appropriate allows the City to achieve dedicated affordable housing with no City capital expenditure while at the same time allowing developers to achieve additional market rate units that increase the overall value of their projects.

The City's current bonus density program mandates that dedicated affordable housing units that are achieved as part of the process remain on-site. In some circumstances (i.e., when the number of bonus affordable housing units is small, or where there is a critical preservation opportunity at another, possibly nearby, location) it may be preferable to convert the subsidy value of the discounted units to a cash contribution that could be used to support a greater number of units elsewhere, or to allow the developer to provide a greater number of affordable units at a different site. However, Section 7-700 does not currently allow any flexibility on this issue.

Another challenge pertaining to bonus pertains to rezonings that add density outside of the Section 7-700 framework. This tool recomends that the the City continue to evaluate the appropriate affordable housing contribution for additonal density received through the rezoning process on a case by case basis. It also recommends that the City adopt a policy statement that, when additional density is provided through rezoning, developer contributions should take into account that affordable housing is one of the City's highest priorities.

CHALLENGES:
While it is important to acknowledge the affordable housing as a priority in establishing a developer's various contributions in situations involving additional density, it is also recognized that housing is only one of a number of high priorities, and that the relative importance of these various City priorities (transportation, environmental concerns, etc.) will vary from situation to situation.

NAME:
COMMUNITY LAND TRUST

PRESERVATION

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TOOL DESCRIPTION:
Promote the development of an independent, nonprofit real property trust known as a Community Land Trust (CLT) in order to provide affordable housing through joint property ownership, with the CLT retaining ownership of the underlying land, and a resident or affordable housing development entity owning the improvements thereon, subject to a long term ground lease.

NEED AND BENEFIT:
A community land trust ensures the long-term availability of affordable housing by securing and retaining ownership of the land on which affordable housing is located. High land costs are often an obstacle in preserving affordability. By using a CLT, the value of the land can be separated from the cost of the improvements when a project is financed or mortgaged. Since ownership of the land is retained by the trust entity, future redevelopment and use is controlled. As the name implies, the CLT exists because of the inherent value that a community places on affordable housing preservation through this mechanism.

A CLT maintains an equitable and sustainable balance between individual and community interests. The primary purpose of a CLT is to create perpetual affordability through subsidy retention. A one-time subsidy investment in the land may mean there is no need to provide a subsidy every time a home located thereon is sold since the increase in value is bounded to the appreciation in the value of the improvements only. In the context of homeownership, CLTs can provide stability (reinvestment without gentrification), promote smart growth, preserve scarce resources, and bridge the gap between market rate homes and low income mobility. A CLT is flexible enough to combine various types of land uses, income levels and housing types to secure everyone's investment in affordable housing. If land is developed for multifamily rental, affordability is achieved by deducting land value from the costs that need to be financed. The trust can monitor and control the use of the property and its eventual disposition, too.

Key features of CLTs are nonprofit status, dual ownership of land and improvements, ground leases, perpetual affordability, active acquisition and development program, flexible development and community control. Each of the features can be varied based on the community in which the CLT operates.

CHALLENGES:
The greatest challenge faced by a Community Land Trust, particularly within a community like Alexandria, is acquisition of real estate. The City has both limited real estate resources and extremely high land prices. However, the Land Trust concept could be utilized in coordination with the developer contribution formula, with the developer providing the real estate as part or all of its contribution. The contribution provides the Trust with real estate needed to partner on the development of new affordable housing. The CLT model may be appropriate when long term, substantial City investment is required to facilitate an affordable housing project.

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing, Community Development Corporations or nonprofits with 501c3 tax exempt status; large employers with strong community presence

PROJECTED ANNUAL COST (Total):
Initial Investment: TBD
Annual Operation: TBD

POSSIBLE REVENUE SOURCES:
CDBG, HOME, Tax Credits, FHLB Affordable Housing Program, Housing Trust Funds, land donations

ACTION STEPS:

STEP 1:
Employ mechanisms to clearly define who the 'community' would be, as well as definition of a corporate structure and governance. This step also includes determining the target audience, affordability preservation and responsibility of homeowners.

STEP 2:
Determine sponsorship of CLT (community, government, non-profit, or employer), project funding sources, and operational funding sources

STEP 3:
A strong education and awareness campaign to promote understanding of the benefits of this tool.

*NOTE: Annual operation depends on the type of corporate structure, governance, and sponsorship of the CLT.

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Planning and Zoning
Code Administration
Transportation and Environmental Services

PROJECTED COST:
Per Project: $5,000 to $50,000

REVENUE SOURCES:
Foregone revenue from the general fund

ACTION STEPS:

STEP 1:

Determine what fees are and are not appropriate for inclusion in such a policy.

STEP 2:

Design specific recommendations and qualification standards that structure how the fee waiver will be implemented for targeted affordable housing projects.

NAME:
DEVELOPMENT FEE RELIEF POLICY

TOOL DESCRIPTION:
Provide fee waivers for the development review and permits for affordable housing projects.

NEED AND BENEFIT:
The development process for a project not seeking a by-right approval can be complicated and time intensive. For developers, the more money it costs to gain the necessary approvals and permits, the more costly the housing will need to be to cover this cost. Nonprofit housing developers generally have no way of absorbing the costs other than to pass them on to the end consumer of the housing product. When developers are trying to provide housing options for those with the least amount of income, it is critical to minimize all development costs. Local governments can be part of the solution for lowering housing costs if they are willing to be flexible in the way they assess their fees.

Communities like Alexandria have flexibility in developing policies for waiving and deferring various approval process fees and permitting fees in order to lower the cost of affordable housing. Some communities provide direct waivers of fees while others provide cash rebates to developers for payment of the fees.

The recommendation is that the City waive development fees for projects that provide at least 65% of units as affordable for a period of 30 years, provided that such fees are not the primary source of funding for the department that collects them.

CHALLENGES:
There are two primary challenges to implementing this tool. First is the true financial impact this tool will have. It was noted that development fees often do not rise to a level that would substantially impact the financial performance of the project. Second, certain fees collected during the development process are used to fund the reviewing department.

Notwithstanding these concerns, it will take a variety of tools to make affordable housing more feasible, and further exploration of this tool is recommended.

NAME:

GENERAL FUND DIRECT ALLOCATION SUPPORT FOR AFFORDABLE HOUSING

TOOL DESCRIPTION

Increased direct General Fund support for affordable housing. This could take one of several forms, including but not limited to:

- An increased annual lump sum appropriation of General Fund monies for affordable housing. This could potentially include, or take the form of:
  - o an increase to the General Fund portion of the Office of Housing Budget for affordable housing loans;
  - o an allocation of General Fund monies to match the voluntary monetary and in-kind affordable housing developer contributions received in the most recently completed fiscal year; and/or
  - o a portion of the increased taxes received from new development (specific parameters would have to be established).
- An increase in the dedicated real estate tax for affordable housing.

NEED AND BENEFIT:

Currently the City provides a General Fund appropriation that partially supports the operating costs (staffing, rent, etc.) of the Office of Housing, as well as an allocation to the Housing Opportunities Fund.

The tax increment funding model was used in the Beauregard Small Area Plan for affordable housing and in North Potomac Yard for the Metro Station.

The City also allocates a portion (currently 0.6 cents) of the real property tax rate for affordable housing, with the majority of this amount already committed to the payment of debt service on previously issued general obligation bonds used for affordable housing projects.

Addressing the goals of this Housing Master Plan can best be done with a consistent, reliable source of annual funding. An increase in the level of General Fund support could provide additional funding for development and predevelopment costs associated with affordable housing preservation and development (and help leverage additional sources of funding); provide additional support for Office of Housing operations (e.g., to support additional staff needed to carry out the activities proposed in this plan; or to enable federal funds now used for administrative expenses to be used for direct assistance).

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

CHALLENGES:

Affordable housing is one of many competing demands for local government funding.

LEAD PARTNERS:

Department of Finance

Office of Management and Budget

Office of Housing

PROJECTED COST:

One penny in FY2013 equals $3.3 million

REVENUE SOURCES:

General Fund

ACTION STEPS:

Develop specific General Fund budget proposals for FY 2014 (and subsequent years) to support the goals of this Housing Master Plan.

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NAME:

HOME PURCHASE ASSISTANCE LOAN PROGRAM ENHANCEMENTS

TOOL DESCRIPTION:
Enhance the City's purchase loans program related to the acquisition of affordable housing

NEED AND BENEFIT:
The City's current Homeownership Assistance Program and Moderate Income Homeownership Program should be enhanced to provide post-purchase counseling to assist lower income homeowners prepare for homeownership, to provide sustainable homeownership opportunities, and create streams of revenue to allow the City to serve more qualified households.

The current program is very effective at supporting the households who have used the program, but could benefit from some modifications to the manner in which the loans are granted and recovered. The following recommendations are intended to help improve the application of the program without damaging its effectiveness.

- Loans should be made with a 5-year performance/eligibility review horizon to ensure the participant remains qualified for the assistance. At that time, the Office of Housing will have the option to extend the non-payment or convert the loan into a performing loan.
- In order to protect the City's Investment, the City loan should not exceed 50% of the total appraised value of the structure.
- If an owner refinances the loan, the new loan should not exceed the owner's initial investment plus the owner's pro rata share of the appreciation.
- The City should explore offering post-purchase counseling to provide ongoing support to participating homeowners.

CHALLENGES:
The City has been very effective in creating affordable and sustainable homeownership opportunities for low and moderate income homebuyers. However, the structure of the current and past programs generally requires that the loan funds remain outstanding until the resale of the property. The City should continue to explore mechanisms that will assist first -time homebuyers in overcoming barriers to homeownership while concurrently continuing to promote long-term affordability and more quickly recapturing funds to assist other first-time buyers.

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing

PROJECTED COST:
FY 2012 Budget for direct assistance: $1,500,000
Annual Operation: Added as funds are available

POSSIBLE REVENUE SOURCES:
CDBG, HOME, Housing Trust Fund, NSP Program Income

ACTION STEPS:

STEP 1:
Modify loan program policies and procedures pursuant to these recommendations.

STEP 2:
Increase scope and funding to the homeownership education program to include post-purchase counseling and homebuyer support.

STEP 3:
If sustainable funding for staffing can be obtained, convert program to a self-sustaining funding model with future support provided by the Housing Trust Fund, loan repayments, and other special sources of financing.

STEP 4:
Continue working regionally to create a loan consortium to ensure ongoing mortgage financing for deed restricted units. Continue advocacy with FHA and Government-Sponsored Enterprises (GSEs) on standardization and acceptability of local authority to create deed-restricted homeownership opportunities.

NAME:
HOME REHABILITATION LOAN PROGRAM ENHANCEMENTS

TOOL DESCPRIPTION:
Enhance the City's existing rehabilitation loan program related to modernizing and improving affordable housing.

NEED AND BENEFIT:
The Home Rehabilitation Loan Program should be enhanced to better allow the City to serve more households.
The current program is very effective at supporting its participants, but could benefit from some modifications to the manner in which the loans are provided and collected. The following recommendations are intended to help improve the application of the program without damaging its effectiveness.

- The City may wish to consider offering loans subject to a 5-year performance review/eligibility horizon to ensure the participant remains qualified for the assistance. At that time, the Office of Housing will have the option to extend the loan deferral or convert the loan into a performing loan.

- The Program should offer a smaller energy efficiency loan component that focuses on reducing residential energy use. Such loans can have the added value of reducing the monthly heating and cooling costs for lower income City homeowners but also helps the City in meeting established goals of Alexandria's Eco-City Action Plan.

CHALLENGES:
Home rehabilitation programs provide a critical resource for lower income homeowners who are financially unable to maintain their homes in decent, safe and sanitary condition. Such programs benefit both current residents and the City in preserving the quality of the City's aging housing stock. The cost of home rehabilitation activities, especially the removal of lead-based paint, within high cost areas such as the Washington D.C., area can be a disincentive to participation as large loans, even though they are deferred payment loans, can significantly erode the equity of the homeowner. In addition, the value of the loans makes repayment extremely unlikely for lower income participants that have few other financial resources.

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing

PROJECTED COST:
Direct assistance:$700,000
Annual Operation:

REVENUE SOURCES:
CDBG, Housing Trust Fund,

ACTION STEPS:

STEP 1:
Modify loan program policies and procedures as recommended.

STEP 2:
Capitalize loan pool for the program using grant, Housing Trust Fund and other revenue sources to augment loan pool amount over time.

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NAME:
HOUSING CHOICE IN NEW CONSTRUCTION AND REHABILITATION

TOOL DESCRIPTION:
Establish policies to encourage production of more units that meet the needs of the special needs and frail elderly populations in new construction and rehabilitation projects for both multi-family and single family projects.

NEED AND BENEFIT:
There is a strong need for more permanently affordable and accessible units in Alexandria. This demand will continue to grow as the senior population continues to grow during the timeframe of the Housing Master Plan. There are several types of programs that can be used to help serve these populations. This plan will focus on the following four programs:

Visitable: Housing that enables persons with disabilities to visit, with an accessible entrance, bathroom and common area.

Adaptable: Housing that incorporates design features in initial construction that allow for simple and cost efficient adaptability in the future to accommodate the changing needs of the occupants.

Accessible: Housing that is completely modified to accommodate persons with disabilities.

Universal Design: Housing built to simplify life for everyone by making products, communications, and the built environment more usable for everyone at little or no extra cost. Universal Design benefits people of all ages and abilities.

Establishing and achieving a target percentage of affordable housing units in all new construction and rehabilitation projects that fall within the categories above will provide persons with disabilities significantly greater housing choice (both in terms of location and housing type).

CHALLENGES:
There is some indication from the development community that current market forces pose a challenge to renting/selling fully accessible units, and that they are often the last to be rented or sold. The proposed "Resource Center" (see separate tool sheet) could alleviate some concerns about marketability by helping to identify/match up potential renters/buyers and appropriate units.

In addition, the City is not currently enabled by the Commonwealth to mandate these levels of accessibility. Without this authority, meeting accessibility targets will need to be accomplished through the development of a City policy or policies to encourage these construction techniques.

IMPLEMENTATION SCHEDULE:

☐ 1 - 3 Years ☑ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
Planning and Zoning
Office of Human Rights
Code Administration

PROJECTED COST:
$5,000 to $20,000 per unit
Annual Operation: Dependent on level of activity

POSSIBLE REVENUE SOURCES:
General Fund, CDBG, HOME, LIHTC, Medicaid, VHDA, Virginia Livable Home Tax Credit program

ACTION STEPS:

STEP 1:
Establish a policy or policies that target percentages for all new construction and rehabilitation projects. These would serve as "minimum expectations" for new projects. Consult with development community during policy development.

STEP 2:
Develop minimum standards for projects funded with City resources. Identify other mechanisms that can be used to encourage an increased in the number of projects that incorporate visitable, adaptable, accessible, and universal design construction techniques.

STEP 3:
Adopt the new policy, develop training as needed for City staff and outreach to developers regarding the new policy.

STEP 4:
Utilize clearinghouse to identify potential tenants/buyers for the program units to share with developers and property owners willing to participate with this policy.

NAME:
LOAN CONSORTIUM

TOOL DESCRIPTION:
Develop an independent entity that brings together the City, lending industry and private investors to provide loans for affordable housing.

NEED AND BENEFIT:

One of the largest obstacles to providing affordable ousing is securing funding. The reduction in revenues (rental) or financial security (ownership) from serving lower-income households adversely impacts the financial viability of both rental and ownership properties. In the current economic climate and recent financial industry reforms, lenders are more adverse to risk than ever.

To combat this, many communities have created public/private loan consortium partnerships. These partnerships provide a "win-win" for both the community and the lenders. The community leverages its investment by requiring a matching investment from the lenders while the lenders defray risk by pooling resources and utilizing the public investment to reduce their exposure.

The Loan Consortium is envisioned to provide financing for projects seeking to support households earning below 60% of AMI. The Consortium would have programs to support homebuyers with purchasing affordable housing and for landlords (including CDCs) to rehabilitate multi-family affordable housing units. Funding for the lending pool will be secured by both private investors and lenders. The Loan Consortium could be a mechanism for lenders to meet community and Community Reinvestment Act goals.

CHALLENGES:
It will take a coordinated effort to secure participation from the lending institutions.

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
ARHA
VHDA
Other Lending Institutions

PROJECTED COST:
TBD

POSSIBLE REVENUE SOURCES:
City General Fund; Housing Trust Fund; State Funds
Financial institution; Private Investors; Grants

ACTION STEPS:

STEP 1:
The Office of Housing should work with VHDA and others to establish a task force of regional and national financial institutions to explore the possible program and develop specific implementation parameters.

STEP 2:
Develop financing structure, underwriting guidelines, eligibility criteria for homebuyers and multi-family owners.

STEP 3:
Conduct outreach to lenders, private investors to contribute to lending pool.

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IMPLEMENTATION SCHEDULE:

☐ 1 - 3 Years ☑ 4 - 6 Years

LEAD PARTNERS:
City Manager's Office
Finance

PROJECTED COST:
Initial Investment: $500,000 to $1,000,000
Annual Operation:

POSSIBLE REVENUE SOURCES:
Housing Trust Fund
General Fund

ACTION STEPS:

STEP 1:
Meet with City Manager's Office and Finance and Accounting to establish basic requirements for program underwriting, implementation and administration. Consult City financial advisor, as/if needed.

STEP 2:
Meet with local and regional conventional lenders, and with loan consortium participants to review loan underwriting impediments and solicit feedback regarding proposed City program.

STEP 3:
Develop loan guarantee program for City Council consideration. Program should include strategy for outreach to potential consumers.

NAME:
LOAN GUARANTEES

TOOL DESCRIPTION:
Subject to underwriting, selectively utilize the City's credit and/or credit rating to guarantee third party loans for affordable housing.

NEED AND BENEFIT:
Generally, to mitigate risk in the event of a foreclosure, conventional lenders will finance only a portion of total development cost to avoid investments exceeding the value of real estate which is held as collateral and/or some percentage of the net operating income (NOI) available to service debt. Loan guarantees may be used as a form of credit enhancement for real estate projects where the lender would like to secure the value of its investment, beyond the value of pledged collateral, to "backstop" against potential loan loss. In the context of affordable housing, City loan guarantees may also be useful to assist nonprofit organizations which lack sufficient established financial or project capacity in securing loans to undertake projects.

In addition to selective "backstop" guarantees, the City of Alexandria should consider allocating some of the HOF funds traditionally used to provide gap financing up to 100% of cost to be alternatively used as a loan loss reserve, i.e., a source to guarantee 20% to 50% of the project loan amount. By guaranteeing a portion of the project cost a conventional lender's risk is substantially reduced, potentially increasing the amount of credit that can be made available from non-City sources.

Creating a loan guarantee and/or loan loss reserve program to assist in funding the acquisition and/or renovation of existing affordable housing stock will facilitate affordable housing development activity by leveraging more non-City sources.

The Loan Guarantee program can be run through the loan consortium concept or as a stand-alone feature.

CHALLENGES:
There is some inherent risk that the City would have to assume some or all project debt in the event of project failure. This could be mitigated by initial underwriting and ongoing City involvement/monitoring at all stages of project development. The impact of such credit extensions would also need to be assessed in light of their potential impact on City credit and/or bond ratings, and/or debt capacity, per audit guidelines.

NAME:
MIXED-INCOME AFFORDABLE ASSISTED LIVING

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TOOL DESCRIPTION:
Development of residential facility with supportive services for seniors to fill a currently unmet need within the City of Alexandria.

NEED AND BENEFIT:
The need for a senior assisted living facility within the City that provides housing combined with supportive services to seniors with a range of incomes has long been recognized. As the demand for such housing increases along with the population of older Alexandrians, the City may wish to act in the near term to meet the expected future demand. In addition to recognizing the long-term benefit of a new affordable assisted living facility, the City encourages mixed-income expansion within existing assisted living facilities in appropriate locations which are compatible with neighborhood context.

Currently, the City participates in a regional consortium that provides assisted living at Birmingham Green, which is approximately 40 miles from Alexandria. This arrangement does not serve Alexandrians well in that seniors are uprooted from their community, and family members may be challenged to visit their relatives regularly because of time required to travel such a long distance.

Key benefits include:
1. The addition of a mixed-income assisted living facility and/or expansion of existing facilities to include affordable untis would enhance housing options for older Alexandrians of all income levels.
2. Combining supportive services and housing meets the needs of underserved elderly populations, especially those with very low incomes.
3. Providing a local assisted living facility would improve the lives of both residents and family members by allowing residents to remain within the Alexandria community.

CHALLENGES:
Development of a local assisted living facility has been a long standing goal of housing and aging services advocates. The cost of development of an assisted living facility is a central challenge that is exacerbated by the cost of providing required supportive services. While the cost of developing a facility could be overcome through public/private partnerships and affordable financing options, few federal or state resources are available to offset the significant ongoing costs of needed supportive services.

Increasing costs of health care, especially nursing home care, combined with high housing costs, make expansion of assisted living into the City an important complement to the continuum of housing options available to seniors of all income levels. The addition of assisted living options within Alexandria enhances the quality of life of many long-time residents and their families.

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☑ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
ARHA
Office of Aging and Adult Services, DCHS
Department of Planning and Zoning

ESTIMATED COST:
Initial Investment:
Annual Operation: N/A

REVENUE SOURCES:
N/A

ACTION STEPS:

STEP 1: Reactivate the City's Affordable Assisted Living Work Group.

STEP 2: Seek and engage potential private sector partners

STEP 3: Assess whether there are reasonable zoning changes that would enhance the financial feasibility of developing affordable assisted living which recognize the special nature of assisted living facilities, such as reduced parking requirements.

STEP 4: Advocate for higher state funding for the Auxiliary Grant Program, which provides a supplement to income for qualified residents of assisted living or foster care.

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IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

based on past market demand. National and local vehicle ownership data will need to be provided to support the concept;

- Gaining community support for parking reductions without a parking study, may be challenging.

LEAD PARTNERS:
Planning and Zoning
Office of Housing
Transportation and Environmental Services

PROJECTED COST:

Initial Investment:	20 to 40 hours staff time
Annual Operation:	None

REVENUE SOURCES:
N/A

ACTION STEPS:

STEP 1:
Conduct an internal study of vehicle ownership and parking utilization levels among affordable housing development in the City. Gather data on current market demand for parking.

STEP 2:
Develop policy for review, input and public hearing.

STEP 3:
Implement parking reduction policy for future Affordable Housing development projects.

STEP 4:
Evaluate whether a Zoning Ordinance change is appropriate.

NAME:
PARKING REQUIREMENTS FOR AFFORDABLE HOUSING DEVELOPMENT

TOOL DESCRIPTION:
Establish a policy for the reduction of parking requirements in projects that meet minimum thresholds of affordable housing.

NEED AND BENEFIT:
The correlation between housing and transportation costs is well documented. Modest-income households with good access to public transportation experience a positive impact on quality of life with a reduction in total expenses. As a result, a key objective of the Plan is to encourage the development of more affordable housing options in close proximity to transit.

One of the most challenging aspects of providing affordable housing at transit centers is cost, primarily due to land prices, but also because the intensity of development requires structured and underground parking, which is traditionally five to 15 times more expensive than a surface space. Given the challenges of providing affordable housing at transit locations, and the substantial cost to subsidize these units, the objective of this tool would be to partially mitigate these costs in order to achieve more transit accessible affordable units.

For several years now, the City has been requiring lower parking ratios on a case by case basis in projects near transit, both in recognition of lower vehicle ownership rates and also to encourage transit use. In addition, the City has granted parking reductions for affordable housing projects based on City data documenting lower vehicle ownership rates among income eligible households. The purpose of a new policy would be to build on precedent by formalizing a lower ratio so that developers have some predictability when embarking on a project, and to encourage development of more affordable units at transit centers. A potential added benefit would be attracting more nonprofit affordable housing developers to select Alexandria for future project locations. Aspects of the policy to be studied and established would be:

- The appropriate reduced parking ratio; (As a point of reference, the Braddock East Master Plan recommended a parking ratio of 0.75 for public housing; City assisted affordable housing projects indicate an average utilization rate of 0.72)
- The required minimum threshold of affordable housing (by percentage) and appropriate distance to transit to qualify;
- A definition of "transit oriented development districts," such as a ½-mile walking radius from Metro stations and ¼-mile walking radius from bus rapid transit stops and bus transfer locations.
- An evaluation of whether or when codification of the policy as a zoning change is warranted, allowing the lower parking ratio without a Special Use Permit and parking study.

CHALLENGES:
- The development community has in some instances been hesitant to reduce parking to lower thresholds

NAME:
PARKING REQUIREMENTS FOR SUBSTANTIAL REHABILITATION PROJECTS

TOOL DESCRIPTION:
Exempt costs associated with the rehabilitation of multifamily units that serve households at or below 60% AMI, with a commitment to remain affordable for at least 30 years, from the calculation of rehabilitation costs as a percentage of value for the purpose of determining whether current parking standards are triggered.

NEED AND BENEFIT:
The City requires property owners seeking to rehabilitate existing buildings to meet current parking ratio requirements if the cost of the renovation amounts to 33 1/3% of the current market value of the building. This requirement creates a substantial challenge to affordable housing developers and providers as providing off-street parking is very expensive in a high cost market such as Alexandria. Providing off-site parking at existing housing developments to current standards may also be physically prohibitive to many affordable housing developers and providers. These considerations may impact a development's ability to rehabilitate and may impair long-term affordable housing preservation. Excluding the rehabilitation costs for units that are affordable to households at 60% AMI from the 33 1/3 threshold can incentivize rehabilitation by removing the costly parking requirement. This policy can preserve existing affordable rental housing and sustain the current affordable housing stock.

In addition, there are trends that point to decreases in the number of vehicles that households own and thereby need to park. In Alexandria, households at affordable housing developments tend to have fewer vehicles than households at market-rate housing developments. Also, urban communities across the nation, including Alexandria, are improving transit infrastructure and facilities and encouraging residents to utilize single-occupancy vehicles less. Therefore, there are overall decreases in the demand for parking locally and regionally. This trend will only continue as the City continues to fund improvements to its transportation system.

CHALLENGES:
Strategic education and outreach efforts should be employed to garne community support for this tool and reassure community residents that it will not negatively impact existing parking situations. Also, affordable housing developers and providers should be encouraged to share information related to transit options with their residents and provide on-site incentives and amenities.

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Planning and Zoning
Office of Housing

PROJECTED COST:
Annual Operation: Dependent on the number of projects

POSSIBLE REVENUE SOURCES:
N/A

ACTION STEPS:

STEP 1:
Garner support for excluding rehabilitation costs for affordable housing units serving households at 60% AMI for 30 years or more from the calculation used to determine whether current parking standards are triggered..

STEP 2:
Revise the Zoning Ordinance to reflect this change.

Work with existing affordable housing developers and providers to inform them of this change and to provide assistance in marketing the City's transit system and options. Also, encourage them to provide on-site incentives and amenities such as transit subsidies, car-share programs (such as ZipCars), and bike-share programs (such as Captial Bikeshare).

STEP 3:
Evaluate tool for effectiveness in promoting the rehabilitation and preservation of existing affordable housing; and any impacts on existing parking facilities and transit facilities and programs.

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing

PROJECTED COST:
Projects to receive the greater of $50,000 or $5,000 per unit

REVENUE SOURCES:
Housing Opportunities Fund which includes General Fund, Housing Trust Fund, and HOME

ACTION STEPS:

STEP 1:
Create a process for staff's review of predevelopment funding requests, including a checklist of required information and/or criteria to evaluate the merits and feasibility of the proposed project and financing structure and the likelihood that the City's investment will be recovered.

STEP 2:
Seek City Council approval to formally implement this expansion of staff's discretionary funding authority.

NAME:
EXPANDED PREDEVELOPMENT FUNDING

TOOL DESCRIPTION:
Housing staff's discretionary authority to administratively approve requests for predevelopment funding would be increased to the greater of $50,000 per project or $5,000 per unit.

NEED AND BENEFIT:
Developers often have to invest large amounts of money early in order to determine whether a project is feasible. These expenses might include engineering studies, architectural design or other types of professional consulting services. Costs are incurred for filing development applications as well. Until a project is determined to be feasible and has been approved, money spent is "at risk."

Funds for costs associated with this "predevelopment" stage are typically hard to finance due to the risk that the project won't go forward and the funds invested will not be recovered. For this reason, predevelopment costs may be a barrier to affordable housing development especially in an urban environment, like the City, where the planning, design and public processes may be very expensive.

CHALLENGES:
While limited predevelopment funds are now provided through the City's Housing Opportunities Fund (HOF), the Plan proposes that this funding resource and any other appropriate City development funds be modified to allow projects to receive the greater of $50,000 (the original HOF limit) or $5,000 per unit, to be approved administratively by staff, for predevelopment purposes. This will enable the provision of a meaningful level of assistance to larger projects. Any predevelopment funds provided will be considered as part of the City's gap financing. When a project is approved/financed, the predevelopment funds advanced will be incorporated in the total final loan amount. In addition to removing a financial barrier, the loan's administrative process expedites the underwriting and approval timeline during a crucial phase of project development. As is currently the case, the funds would become a grant in the event the project does not go forward.

The primary challenge associated with this tool are the additional financial resources required to provide greater levels of at risk dollars for projects that may not be viable or feasible. This risk may be mitigated by additional staff due diligence in reviewing and approving predevelopment funding requests.

NAME:
PUBLIC LAND FOR AFFORDABLE HOUSING

PRESERVATION
NEW DEVELOPMENT
SPECIAL NEEDS
HOMEOWNERSHIP
OUTREACH

TOOL DESCRIPTION:
Develop criteria to evaluate the appropriateness of using City-owned land for affordable housing development or for co-locating affordable housing with public facilities.

The effort to develop criteria and analyze inventory should be followed by weighing the merits of a policy requiring that affordable housing or the co-location of affordable housing with other public uses be a key consideration in the sale or development of City-owned real estate assets.

NEED AND BENEFIT:
The most challenging aspect of developing affordable housing is the cost of the land itself. One way of increasing the efficiency of the City's limited affordable housing funding is to apply it to land already owned or facilities operated by the City, and/or to leverage partnerships for new City facilities. The City has already shown that combining a public use (a fire station) with affordable housing is a workable solution with award winning results in The Station at Potomac Yard project.

In order to build on The Station's success, criteria should be developed to assess and inventory developed and undeveloped City-owned properties for appropriateness for affordable housing in the event that they are surplussed or designated for development of future City facilities. Criteria might include access to transit and neighborhood amenities, compatibility with nearby uses, compatibility with a shared use, financial feasibility, current utilization (underutilized surface parking?) suitability for particular residential needs such as senior assisted living, and others. This will rule out inappropriate sites and allow the City to focus limited resources. Certain asset types, such as schools, may not be appropriate for shared use.

CHALLENGES:
Not all of the City's assets are conducive for redevelopment and/or appropriate for inclusion of affordable housing as part of the site. The determination of "appropriate" will need to be made on a case by case basis with input from relevant City stakeholders.

In addition, there are legal requirements with application to this tool that would need to be explored on a case by case basis, depending on disposition or use of city property, prior to pursuing implementation of the tool.

IMPLEMENTATION SCHEDULE:

☐ 1 - 3 Years ☑ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
Department of General Services
Non Profit Developers

PROJECTED COST:
Initial Investment: Staff time
Annual Operation: N/A

POSSIBLE REVENUE SOURCE:
General fund

ACTION STEPS:

STEP 1:
Develop criteria for the purpose of evaluating the appropriateness of City-owned sites for affordable housing development. Evaluate best practices and programs currently in use.

STEP 2:
Evaluate and inventory City land assets based on criteria.

STEP 3:
Based on analysis, propose a public land policy to ensure that affordable housing development or co-location is a key consideration in the disposition of any City development project or surplus City owned land.

Engage development partners where possible to reposition these public assets. Public private partnerships with development entities to (re)develop these properties will be key in stretching resources.

References:
New York City Housing Plan: The New Housing Marketplace
http://www.nyc.gov/html/hpd/downloads/pdf/10yearHMplan.pdf)
Arlington County proposal from the Citizens Advisory Commission on Housing

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
Office of Communication and Public Information
Department of Planning and Zoning, GIS Division

PROJECTED COST:
Initial Investment: 520 Staff Hours
Annual Operation: TBD

POSSIBLE REVENUE SOURCES:
General Fund

ACTION STEPS:

STEP 1:
Identify the data that needs to be assembled for the Resource Center and determine the specific structure and organization of the Resource Center website.

STEP 2:
Coordinate with all stakeholders to collect, package and modify information for the Resource Center, including establishing relationships with current and prospective affordable housing property owners.

STEP 3:
Develop information, outreach and communication programs and materials; develop/augment property owner/developer databases.

STEP 4:
Organize and design all materials under a unified branding/design look.

STEP 5:
Develop all redesigned and new materials, create and launch the Resource Center and provide printed materials to all relevant public agencies and facilities.

NAME:
RESOURCE CENTER FOR AFFORDABLE HOUSING

TOOL DESCRIPTION:
Develop and maintain a web-based resource center to provide information to developers, landlords, renters and homeowners, service providers, granting entities, lenders, and development partners.

NEED AND BENEFIT:
The Office of Housing is a significant source of information and resources to homeowners, renters, developers, landlords, and housing and service providers. To improve the accessibility of data to persons seeking information, the Office of Housing can enhance the availability of data to the public by maintaining current and historical data in a user friendly format online. In addition, the resource center can provide links to similar regional, statewide and national data.

- Networking sections for developers, lenders, and property owners
- Listing available resources including programs and services offered by the City, Alexandria Redevelopment and Housing Authority (ARHA), Virginia Housing Development Authority (VHDA), and U.S. Department of Housing and Urban Development (HUD)
- Available information regarding programs administered by ARHA and links to ARHA applications or information (i.e. Housing Choice Voucher Program and public housing wait list opening)
- Current and historic rental and vacancy data
- Information on the Loan Consortium and its programs
- Housing rehabilitation programs and opportunities (such as the Energy Efficiency Improvement program, Rebuilding Together and Home Rehabilitation Loan program)
- Advocacy and outreach materials including the benefits of affordable housing and related City policies
- Current vacancies for affordable and market rate rental units in the City via link to VirginiaHousingSearch.com (updatable by participating property owners)
- Promoting available tax credits (such as the Livable Homes Tax Credit and the Historic Preservation Tax Credit)
- Prepare and maintain an informational fact sheet online and to be distributed by organizations like AEDP.

CHALLENGES:
There is a substantial amount of data to be collected, organized and published that should be included as part of the clearinghouse. The initial setup effort to ensure all data is accurate and comprehensive will be considerable. It is also important that the resource center databases, posted materials, and virtual access points are updated frequently to ensure persons seeking information are accessing the most current data.

NAME:
SPECIAL DISTRICT TO ENABLE ACCESS TO HISTORIC PRESERVATIONTAX CREDITS

TOOL DESCRIPTION:
This tool involves developing a nomination, for inclusion in the National Register of Historic Places, for a multiple resource district of postwar midrise garden apartments. A successful nomination would make such properties eligible for federal and state Historic Preservation Tax Credits, which could cover 20 percent and 15 percent, respectively, of renovation costs. Eligible renovations to these properties would have to meet the standards of the Secretary of the Interior, which require that significant exterior features be kept, but are adaptive to new technologies, allow the use of modern materials, and are flexible with regard to building interiors. Owners of properties included in the multiple resource district would not be restricted in their use or disposition of such properties by virtue of the designation, but in the event of demolition would not be able to deduct the cost of demolition on their income taxes.

NEED AND BENEFIT:
Historic places link us to our heritage and can enrich the quality of our lives and the communities in which older properties are located. The City has a supply of older apartment buildings that provide affordably priced housing units. Some of these buildings may also be candidates for a special historic district for properties representative of postwar garden apartment construction, which, if approved, would make them eligible for rehabilitation using both federal and state Historic Preservation Tax Credits. This would provide access to additional funding streams for the renovation of affordable properties, and if combined with Low Income Housing Tax Credits, would reduce or eliminate the need for City subsidy for such projects. It is also possible that the economic benefits offered through such credits could be an important catalyst for stimulating reinvestment. The conservation and improvement of the City's existing affordable housing should be considered as a strategy for both the preservation of a historic category of buildings and the preservation of one of the City's largest sources of affordable rental housing.

CHALLENGES:
As with all older multifamily rental properties in the City, the potential for redevelopment rather than rehabilitation must be considered.

PRESERVATION
NEW DEVELOPMENT
SPECIAL NEEDS
HOMEOWNERSHIP
OUTREACH

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

LEAD PARTNERS:
Office of Housing
Office of Historic Alexandria
Planning and Zoning
State Historic Preservation Office
National Trust for Historic Preservation

PROJECTED COST:
TBD

REVENUE SOURCES:
Federal Historic Preservation Tax Credit
Virginia Historic Preservation Tax Credit

ACTION STEPS:

STEP 1:
Collaborate with the Office of Historic Alexandria to identify potential garden apartments that would qualify for the Multiple Resources Historic District.

STEP 2:
Invite property owner/property managers of potentially eligible buildings to an information meeting that explains how Historic Preservation can be used as a tool to help fund the cost of reinvestment in their property.

STEP 3:
Work with the Office of Historic Alexandria to create and submit an application for a multiple resources historic district for Alexandria garden style apartments.

STEP 4:
Develop a working relationship with the National Trust for Historic Preservation to help in finding purchasers of the Historic Tax credits. Preparation of a step by step manual on how to use Historic Tax credit as a tool to raise capital for reinvestment.

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

IMPLEMENTATION SCHEDULE:

☐ 1 - 3 Years ☑ 4 - 6 Years

LEAD PARTNERS:

Department of Finance
Department of Real Estate Assessment
Office of Housing

PROJECTED COST:

Initial Investment:	Staff time
Annual Operation:	Per unit cost

REVENUE SOURCES:

Foregone revenue to the General Fund

ACTION STEPS:

STEP 1:
The Office of Housing in conjunction with the Department of Real Estate Assessment and Department of Finance will prepare a draft policy.

STEP 2:
City Council conducts informal study sessions and formal hearings prior to adopting tax reduction policy to enhance financial stability of priority affordable housing units.

NAME:

TAX ABATEMENT POLICY FOR SUBSTANTIAL REHABILITATION

TOOL DESCRIPTION:
Enact a policy that provides a form of tax abatement for rehabilitation of affordable housing.

NEED AND BENEFIT:
In order to keep housing affordable to priority income groups, the City will need to utilize all tools to lowering capital, operating and debt service costs. One component of the operating expense is the amount of property tax the property owner of the affordable unit must pay. Any savings on property tax expenses will help stretch the operating budget for such essentials as utilities, insurance, maintenance, etc.

Both the Virginia Code and the City Charter provide for limited waivers of property taxes for individual properties. The local government has the authority under § 58.1-3220 of the Code of Virginia to enact an ordinance to provide a partial tax exemption for up to 15 years for properties that have undergone substantial rehabilitation, renovation or replacement for residential use, and to establish criteria governing the type of real estate that qualifies for such an exemption. The partial exemption may be an amount equal to the increase in assessed value or a percentage of such increase resulting from the rehabilitation, renovation or replacement of the structure as determined by the locality, or an amount up to 50% of the cost of the rehabilitation, renovation, or replacement.

Some Virginia communities have created programs to provide a partial property tax exemption for affordable rehabilitated rental properties. Under the recommended policy, a property owner who moderately improves or modernizes older properties could receive a partial exemption for up to 15 years for each unit committed to serving households earning below 50% of AMI. Eligible applicants would be property owners who serve households earning below 50% of AMI that are seeking to renovate/rehabilitate their structure and who will commit to continue affordability for at least the duration of the exemption.

CHALLENGES:
Given the current fiscal and financial conditions within Alexandria, creating a policy that delays collection of new tax revenues for a determined period of time likely will draw concern from some community stakeholders. Therefore, the policy should be crafted in a manner that ensures any abatement/rebate is tied to a project meeting a minimum threshold for affordable housing. A sliding-scale approach that increases the abatement maximum for projects serving the lowest incomes (i.e. below 40% of AMI) and number of years committed to affordability is recommended.

NAME:
TRANSFER OF DEVELOPMENT RIGHTS (TDR) FOR AFFORDABLE HOUSING

TOOL DESCRIPTION:
Virginia jurisdictions are permitted to adopt TDR ordinances through §15.2-2316.2 of the Virginia Code. Typically, a TDR program allows landowners within designated "sending" areas to transfer or sell unused density on their property to a property owner in a designated "receiving" area. Under this tool, the City would explore the potential for a slightly different approach to a transfer of development rights (TDR) program to target the preservation of existing market rate affordable housing.

NEED, BENEFIT AND CHALLENGES:
In an affordable housing TDR program, the goal is to preserve existing market-rate affordable housing and encourage higher density development in appropriate areas. Essentially, it is a way of directing a portion of the increase in value of density toward affordable housing preservation. In this way, affordability is maintained and owners can gain capital needed to update the property and decrease operating costs.

While a TDR program can be a powerful preservation tool, a traditional (statutorily authorized) approach may not currently be well suited to Alexandria for the following reasons:

1. Designated sending areas: Preliminary analysis shows that there is little unused density on the sites of existing market affordable housing that the City would like to preserve.
2. Designated receiving areas: selecting appropriate receiving areas for increased density can be controversial, particularly since most of the City is largely built out with existing neighborhoods that may be opposed to more development even in the transit corridors. Therefore, there will be limited locations that can be classified as receiving areas.
3. Developing a comprehensive citywide program based on a traditional approach would entail a substantial investment of staff time for analysis, development of recommendations, community outreach and review, and ongoing management.

The City can achieve the goal of directing a portion of the increase in value of density toward affordable housing through other means, including a non-traditional approach to TDR. Directing developer contributions to specific affordable housing needs is one option, with the benefit of giving the City more control to address specific needs and conditions with significantly less administrative complexity, as opposed to a traditional TDR program which would provide modest results and limited City control. Another option is using a TDR-like financial tool during the small area plan process, allowing density to be transferred within the area for the purposes of affordable housing preservation. Areas that include significant stock of garden style apartments with unused density along a transit corridor could use this tool to preserve affordable housing.

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

IMPLEMENTATION SCHEDULE:

☐ 1 - 3 Years ☑ 4 - 6 Years

Given the complexity and particular challenges with implementing a traditional TDR program in Alexandria, further study by the Office of Housing should be conducted on the future potential of a general TDR policy (or alternative).

LEAD PARTNERS:
Office of Housing
Planning & Zoning
City Attorney's Office
Planning Commission and City Council

PROJECTED COST:

Initial Investment:	120 to 320 Staff Hours
Annual Operation:	TBD

POSSIBLE REVENUE SOURCES:
General Fund
Fees collected from TDR transfers

ACTION STEPS:

STEP 1:
Office of Housing conducts further research, with input from the Department of P&Z, to develop the general parameters of a TDR program suited to use in the small area or corridor planning process and Alexandria's specific circumstances.

STEP 2:
Community focus groups review and provide input on recommendations for TDR policy.

STEP 3:
Planning Commission and City Council hold work sessions and formal hearings on adoption of non-traditional TDR policy to address priority affordable housing needs.

PRESERVATION

NEW DEVELOPMENT

SPECIAL NEEDS

HOMEOWNERSHIP

OUTREACH

NAME:
VOLUNTARY DEVELOPER CONTRIBUTION

TOOL DESCRIPTION:
The City's voluntary developer contribution formula for affordable housing applies to new construction projects that go through the City's Development approval process. Projects that exceed minimum development thresholds are asked to make a voluntary contribution to the Housing Trust Fund or submit an Affordable Housing Plan for on-site units.

NEED AND BENEFIT:
The funds provided to the Housing Trust Fund allow the City to carry out a number of its affordable housing initiatives. These include but are not limited to acquisition and rehabilitation of existing apartments for affordable housing, first time homeownership assistance, and new construction of affordable housing.

CHALLENGES:
When the developer contribution formula was revised and adopted in 2005 it consisted of a contribution of $1.50/sq. ft. for non-residential new construction and a tiered system for residential development. By-right development was considered Tier 1 Residential and consists of a contribution of $1.50/sq. ft. for rental projects and $2.00 sq. ft. for ownership projects. Tier 2 Residential development is all residential development allowed above the by right development and it consists of a contribution of $4.00 sq. When the current formula was adopted in 2005, it was to be revisited in three years. In addition, the type of development projects in the City have changed to more mixed use buildings the implementation of monetary contribution formulas has become less clear.

LEAD PARTNERS:
Planning and Zoning
Office of Housing

IMPLEMENTATION SCHEDULE:

☑ 1 - 3 Years ☐ 4 - 6 Years

PROJECTED COST:
Initial Investment: 40 to 80 hours of staff time

REVENUE SOURCES:
Developer contributions

ACTION STEPS:

STEP 1: (Completed)
Create a developer housing contribution work group (DHCWG) to revisit the monetary contribution and bonus density programs created in 2005.

STEP 2: (Completed)
Revisit the monetary contribution formula for commercial and Tier 1 and Tier 2 Residential development. Make a recommendation on the level of contribution for each type of development. This step has been completed and a recommendation by the DHCWG has been made to increase the development as follows. Future contributions will be tied to the CPI for Housing index.

Contribution Levels, 2012	
Commercial Development	$1.78 sq. ft.
Tier 1 Residential Development	$2.37 sq. ft.
Tier 2 Residential Development	$4.74 sq. ft.

STEP 3:
Work with the Housing Contribution Work Group to establish the process and timing of implementation of the formula.