NAME:

Accessibility and Visitability Policy

TOOL DESCRIPTION:
Establish a policy to encourage production of more accessible and visitable units 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. HUD data estimates that almost 800 low and very low income renter households with disabilities have unmet housing needs.

Establishing and achieving a target percentage of affordable accessible and/or visitable units in all new construction and rehabilitation projects will provide persons with disabilities significantly greater housing choice (both in terms of location and housing type).

For visitability, the City should set as a target a minimum of 20% in all new construction and rehabilitation projects and for accessibility, a target consistent with HUD standards (5% of units for physical disabilities and 2% for sensory disabilities).

For reference: The term *visitable* describes a housing unit that enables persons with disabilities to visit, with an accessible entrance, bathroom and common area. The term *accessible* is more specific in approach, and addresses the complete modification of a unit to accommodate persons with disabilites.

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 "Clearinghouse" (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 State to mandate these levels of accessibility. Until the City has this power, meeting accessibility targets will need to be accomplished through the development special use permit process negotiation, or potentially through the use of incentives identified in the master plan.

LEAD PARTNERS:
Office of Housing, Department of Planning & Zoning
Office on Human Rights
Code Administration

PROJECTED COST:
Initial Investment: $5,000 to $20,000 per unit
Annual Operation: $50,000 - $100,000

REVENUE SOURCES:
City of Alexandria General Fund, CDBG, HOME, LIHTC, Medicaid, VHDA

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☑ Mid-Term ☐ Long-Term

ACTION STEPS:

STEP 1:
Establish visitability and accessibility target percentages for all new construction and rehabilitation projects (if different from recommended levels at left). These would serve as "minimum expectations" for new projects.

STEP 2:
Draft an accessible/visitable housing policy stating desired percentage of accessible units in all newly constructed housing, as well as rehabilitation goals for visitable units in properties undergoing significant rehabilitation (i.e. improvements valued at greater than 33% of existing building value).

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 visitable/accessible units to share with developers and property owners willing to participate with this policy.

STEP 5:
Consider implementing incentive tools detailed in this Plan that provide financial inducements to development community with enabling language so they can be used to achieve the stated visitable/accessible targets of the new policy.

NAME:

Accessory Dwelling Unit Policy

TOOL DESCRIPTION:
A policy that permits accessory dwelling units under certain conditions, if the accessory unit is dedicated for affordable housing.

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 the homeowner to subsidize housing costs, particularly seniors on a fixed income. 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. A new effort would require a significant investment of time in researching the potential policy and conducting community outreach. Given the potentially limited opportunities to accommodate detached accessory dwelling units in existing neighborhoods, and the potential resistance to such a policy, the return of affordable units may not warrant the expense of implementation.

Another approach that the City could consider implementing is an accessory dwelling unit policy for new construction in large development projects. This approach could facilitate the production of more units while providing an opportunity for the City to assess benefits and impacts.

LEAD PARTNERS:
Office of Housing
Department of Planning and Zoning

PROJECTED ANNUAL COST (Total):
Initial Investment: 120 to 400 Staff Hours (Policy)

Annual Operation: 40 to 120 Staff Hours (Enforcement & Administration)

REVENUE SOURCES:
Zoning Incentives (as alternate funding mechanism)
Reduced Permit Fees (as alternate funding mechanism)

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [ ] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☐ Mid-Term ☑ Long-Term

ACTION STEPS:

STEP 1:
Create an accessory dwelling unit sub-committee to research ordinance provisions and policies for new construction, attached and detached accessory units. 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. 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.
- Deed-restriction or term of required affordability to ensure long term affordability.

STEP 3:
Prepare and adopt (PC and CC) an amendment to Zoning Ordinance, to codify the definition, bulk standards, and design requirements.

NAME:

Adaptable Housing Policy

TOOL DESCRIPTION:

Adopt a policy to encourage the use of adaptable construction techniques for all single family new construction and rehabilitation projects and all multi-family rehabilitation projects.

NEED AND BENEFIT:

Adaptable housing construction refers to incorporating design features in initial construction that allow for simple and cost efficent adaptability in the future to accommodate the changing needs of the occupants. Future adaptation requires less work at less cost than converting a non-adaptable unit into an accessible unit at a later date.

This approach is a good compromise between encouraging full accessibility and creating developments that would require costly retrofits to be adapted for a person with needs. With careful advance planning, adaptable units can be designed to flex between accessible and non-accessible market-rate units.

The State's current code requires that all new construction multi-family development (i.e. apartments and condominiums) incorporate adaptability (classified as "Type B" units). However, the code does not require it for rehabilitation of existing multi-family units or for any single family units (i.e. detached units, townhouses, row houses or duplexes).

A policy that encourages the use of adaptability standards for housing types not covered under the code signals to the development community that this is a priority for the City. Furthermore, a number of financial tools, such as tax abatements can be used to encourage developers to incorporate adaptable design into these projects. Increasing the proportion of adaptable units in the City's housing stock is the first step in providing choice for persons or families with special needs and enabling seniors to "age in place" as their needs change.

CHALLENGES:

Virginia currently does not allow the City to mandate adaptability beyond the code, limiting the level of influence the City has to ensure compliance.

LEAD PARTNERS:

Office of Housing
Department of Code Administration
Office on Human Rights
Department of Planning and Zoning

PROJECTED COST:

Initial Investment: $1,000 to $3,000

Annual Operation: N/A

REVENUE SOURCES:

VHDA - Accessibility Grants

- [x] PRESERVATION
- [ ] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

- [x] Short-Term
- [ ] Mid-Term
- [ ] Long-Term

ACTION STEPS:

STEP 1:

Establish a target percentage of adaptable units (100% is recommended) for all single family projects and rehabilitation of multi-family units.

STEP 2:

Develop and adopt policy prioritizing adaptability for all housing development within the City.

STEP 3:

Enact financial incentive tools detailed in the Master Plan as "carrot" for development community using enabling language that they can be utilized to encourage compliance with the Adaptable Housing Policy.

STEP 4:

Incorporate review of adaptable features inclusive of affordable housing in the code review process.

NAME:

Community Land Trust

TOOL DESCRIPTION:

Establish a real property trust with the sole purpose of providing affordable housing through joint property ownership with the resident.

NEED AND BENEFIT:

A community land trust is a property trust which aims to benefit the surrounding community by ensuring the long-term availability of affordable housing. High land costs are going to be an obstacle for the City in its endeavor to preserve affordable housing. A community land trust (CLT) is a mechanism that will keep land and homes affordable to residents who may not otherwise be able to afford them.

The mechanism of a CLT is to maintain 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 means there is no need to provide a subsidy each time the home is sold. 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.

Key features of CLTs are nonprofit/tax exempt status, dual land ownership (homeowner and CLT), 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. However, property management services should be a feature of this CLT as requested by the community.

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 development 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.

- [ ] PRESERVATION
- [x] NEW DEVELOPMENT
- [ ] SPECIAL NEEDS
- [x] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☐ Mid-Term ☑ Long-Term

LEAD PARTNERS:

City of Alexandria Redevelopment and Housing Authority; CDCs with 501c3 tax exempt status; large employers with strong community presence

PROJECTED COST:

Initial Investment: $50,000 to $75,000

Annual Operation: $100,000 to $500,000**

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, nonprofit, or employer), project funding sources, and operational funding sources

STEP 3:

A strong education and awareness campaign to educate the public and private sector to remove any misconceptions that a CLT is a form of gentrification or is aimed at displacing residents.

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

NAME:

Development Fee Relief

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

NEED AND BENEFIT:
The development process for projects 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. Developers really 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 decent 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 Consulting team recommends that the City of Alexandria adjust its fee schedule to specify the types of fee waivers and or rebates it is willing to grant developers who agree to provide a minimum threshold of affordable housing units targeted to the high priority needs in the community. If the developer is willing to provide greater affordability, then the amount of waivers, deferrals or rebates would be greater.

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.

While these concerns are valid, the Housing Master Plan analysis revealed that it will take a variety of tools to make affordable housing more feasible. As such, this is a visible and effective way to state that affordable housing is a priority for the community. In those cases where the fees support the operation of the Department, fee reimbursements could be used where the funds are channeled from other sources.

LEAD PARTNERS:
Department of Planning and Zoning
Department of Code Administration

PROJECTED COST:
Initial Investment: $0 to $5,000

Annual Operation: $5,000 to $150,000

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

[x] Short-Term [ ] Mid-Term [ ] Long-Term

REVENUE SOURCES:
City of Alexandria General Fund
Other

DISCRETE ACTION STEPS:

STEP 1:
Prepare an itemized analysis of typical per unit costs for fees for new development and rehabilitation projects, based on information from Planning & Zoning and subsequent discussion of findings and analysis from representative from the development community.

STEP 2:
Prepare an updated analysis (P&Z) of revenue and expense projections for units which would be impacted by fee waivers and deferrals to determine whether existing budgets can absorb the decrease in revenues.

STEP 3:
Craft recommendations and qualification standards that structure how the new fee schedule should be implemented for targeted affordable housing projects. Providing rebates for fees paid could offset deficiency in City department budgets.

STEP 4:
Hold outreach meetings and public hearings on the options for adopting fee waiver/deferral policies.

STEP 5:
Prepare and adopt a final fee schedule for development fee relief for affordable housing development.

NAME:

Development/Outreach Coordinator

TOOL DESCRIPTION:
Establish/designate a position within the Office of Housing to lead internal and external development advocacy, outreach and communications related to affordable housing

NEED AND BENEFIT:
The (re)development and rehabilitation approval processes are often difficult to navigate, particularly for projects that require a special use permit or re-zoning. While the City works with applicants to streamline and reduce the complexity of the process, there still are situations where special or technical assistance may reduce delay or conflict for both City and applicant.

The development/outreach coordinator, a staff position residing within the Office of Housing, will assist developers and applicants through the process by considering or going through the approval process by providing advisory services, with the view to maximizing the component of affordable housing to be achieved within the proposed development. To accomplish this, the ombudsman will have three roles:

Advisory – The development/outreach coordinator will be familiar with all aspects of the approval process. In consultation with the various City review entities, the development/outreach coordinator will provide insight and guidance to the applicant on potential obstacles in the submission. This staff member will be intermediary among entities to seek resolutions when issues impacting housing arise. The development/outreach coordinator may facilitate partnerships and funding strategies to support affordable housing preservation and/or development.

Outreach – The development/outreach coordinator should also participate in housing outreach. The development/outreach coordinator will provide information about, and to advocate for, affordable housing within the development community and to the public. The outreach effort will support initiative to existing affordable housing as well as increase awareness regarding the benefits and opportunities in providing new affordable housing as part of the City's economic sustainability strategy.

Communication – The development/outreach coordinator should lead the City's clearinghouse activities. Programs such as the landlord consortium could be managed through the coordinator position. If a more flexible approach to fulfilling affordable housing contributions is adopted, the development/outreach coordinator could facilitate the partnerships, joint ventures and funding strategies necessary to deliver a maximum yield.

CHALLENGES:
The largest obstacle to realizing the facilitator position is funding. Given the City's current financial situation, a more prudent short-term solution would be to reallocate these responsibilities within the existing City staff with the goal of funding a new position when the City's position improves.

- ☑ PRESERVATION
- ☑ NEW DEVELOPMENT
- ☑ SPECIAL NEEDS
- ☑ HOMEOWNERSHIP
- ☑ OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☑ Mid-Term ☐ Long-Term

LEAD PARTNERS: Housing and City development review entities (Planning, Zoning, Code, etc.); non profit development organizations; AEDP

ESTIMATED COST:
Initial Investment: $5,000 to $10,000

Annual Operation: $50,000 to $95,000

REVENUE SOURCES:
City of Alexandria General Fund; Housing Trust Fund; fees for technical assistance

ACTION STEPS:

STEP 1:
Establish the position description and responsibilities for the development ombudsman, including advisory, outreach and communication tasks as well as performance expectations or targets.

STEP 2:
Secure committed funding commitment for the development/outreach coordinator position which are commensurate with anticipated responsibility, qualifications and performance expectations/targets

STEP 3:
Advertise and fill the position (or reallocate from within Housing staff)

STEP 4:
Develop information, outreach and communication programs and materials; develop/augment property owner/developer databases; coordinate with civic associations on outreach efforts.

NAME:

Energy Efficiency Improvements

TOOL DESCRIPTION:

Provide incentives tied to making affordable housing more energy efficient

NEED AND BENEFIT:

Low and moderate income families typically live in older, less energy efficient homes. Loans to Improve residential energy efficiency can be both an affordable housing preservation tool as well as an educational outreach tool. Energy efficiency improvements to older homes and apartments will not only reduce energy consumption and provide lower energy costs for homeowners and tenants, but will also improve the condition of the homes and help the City meet important community goals for reducing residential energy use. Such a program may include financing to offset the cost of retrofits, workforce training to conduct energy audits, installing energy efficient components, and a consumer education component.

The education component of this initiative can serve to dispel misconceptions about the costs and the benefits associated with energy efficiency and sustainable home improvements. The educational component can also be used to promote energy saving strategies to reduce energy consumption, and to engage the consumer in tracking their energy use to ensure that energy efficient features are performing at optimal energy levels to deliver the maximum return on investment.

CHALLENGES:

The largest challenge to implementing this tool is the creation of the education materials and implementing a comprehensive outreach effort. This tool should be incorporated under the outreach coordinator position described as part of another recommended tool.

In addition to tying in existing programs such as the home rehab efforts, the City could consider tying additional financial incentives to assist in defraying initial capital costs for the improvements. For example, The City could use providing tax abatements/rebates for improvements to units housing income-qualified individuals.

LEAD PARTNERS:

Office of Housing
Rebuilding Together Alexandria
TES
Private lending partners

PROJECTED COST:

Initial Investment: $10,000 to $20,000

Annual Operation: $5,000 to $10,000

REVENUE SOURCES:

Private financing, Energy Star Mortgages, Corporate donations of energy efficient appliances,

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [ ] SPECIAL NEEDS
- [x] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

- [x] Short-Term
- [ ] Mid-Term
- [ ] Long-Term

ACTION STEPS:

STEP 1:

Develop education materials and comprehensive outreach effort to education property owners on the benefits of energy efficiency and its connection to affordable housing.

STEP 2:

Implement outreach to garner interest in participating in the energy efficiency program.

STEP 3:

Obtain utility baseline data to set benchmarks for pre-retrofit energy usage and evaluation post retrofit.

STEP 4:

Conduct pre-retrofit energy audits for existing homeowners and property owners. Assign contractors to install energy efficient components and appliances.

STEP 5:

Track monthly energy usage and complete energy analysis at six-month intervals.

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 to prepare for homeownership, to provide sustainable homeownership opportunities, and to 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 for a maximum of 30 years, with a 5-year performance 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.
- At time of sale, the City should recover its initial investment plus it's pro rata share of the appreciation rather than "discounting" the unit sale price for the next buyer. The appreciation could be used to incentivize the next buyer or be reprogrammed to a new loan.
- 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.

CHALLENGES:

There is a delicate balance between providing a "hand up" and a "hand out" in terms of assisting modest-income households to obtain homeownership. The City needs to ensure all programmatic changes do not deter potential applicants from participating while protecting the City's investment and encouraging quicker reallocation of these funds to help more households. Any changes to the program should be monitored carefully and reviewed to ensure they are meeting the stated goals.

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [x] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☑ Mid-Term ☐ Long-Term

ACTION STEPS:

STEP 1:
Modify loan program policies and procedures pursuant to these recommendations and adjusted through the consideration process.

STEP 2:
Increase scope and funding to the homeownership education program, soliciting outside assistance in the financial assessment and strategy

STEP 3:
Provide initial City Investment, utilizing loan repayment, Housing Trust Fund and other funding sources to augment in future years

STEP 4:
Establish the Loan Consortium and enable it to operate and oversee the Home Purchase Loan Program

LEAD PARTNERS:

Office of Housing; Alexandria Loan Consortium

PROJECTED COST:

Initial Investment: $500,000 to $1,000,000

Annual Operation: Added as funds are available

REVENUE SOURCES:

CDBG, Housing Trust Funds, NSP Program Income, Loan Consortium

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

- The Program should be expanded to offer reduced levels of assistance to households between HUD's 80% of AMI and the mathematical 80% of AMI.
- Such loans should be made for a maximum of 30 years, with a 5-year performance 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.
- 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 meet established goals of Alexandria's Eco-City Action Plan.

CHALLENGES:
There is a delicate balance between providing a "hand up" and a "hand out" in terms of assisting modest-income households to obtain homeownership. The City needs to ensure all programmatic changes do not deter potential applicants from participating while protecting the City's investment and encouraging quicker reallocation of these funds to help more households. Any changes to the program should be monitored carefully and reviewed to ensure they are meeting the stated goals.

LEAD PARTNERS:
Office of Housing; TES
Planning and Zoning
Alexandria Loan Consortium

- [x] PRESERVATION
- [ ] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [x] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

- [ ] Short-Term
- [x] Mid-Term
- [ ] Long-Term

ACTION STEPS:

STEP 1:
Expand list of potential homeowners through outreach and advertisement.

STEP 2:
Modify loan program policies and procedures inclusive of rehab guidelines.

STEP 3:
Establish initial City investment into the fund, utilizing grant, Housing Trust Fund and other revenue sources to augment loan pool amount over time.

STEP 4:
Establish the Loan Consortium to operate and oversee ongoing loans for the Homeowner Rehab Loan Program.

PROJECTED COST:

Initial Investment: $500,000 to $1,000,000

Annual Operation: Added as funds are available

REVENUE SOURCES:
CDBG, Housing Trust Funds, NSP Program Income, Loan Consortium

NAME:

Housing Choice Vouchers Outreach to Landlords

TOOL DESCRIPTION:
Assist ARHA in its efforts to promote acceptance of the Housing Choice Voucher (HCV) program by private market landlords.

NEED AND BENEFIT:
The City should continue and enhance its involvement in ARHA outreach to private landlords to promote participation in the HCV program.

CHALLENGES:
XXX

LEAD PARTNERS:
City of Alexandria Office of Housing
ARHA

PROJECTED COST:

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

REVENUE SOURCES:
City of Alexandria General Fund

- [x] PRESERVATION
- [ ] NEW DEVELOPMENT
- [ ] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [x] OUTREACH

IMPLEMENTATION SCHEDULE:

- [ ] Short-Term
- [x] Mid-Term
- [ ] Long-Term

ACTION STEPS:
STEP 1:
Continue and enhance collaboration with ARHA in efforts and workshops to increase, maintain and educate landlord participation in the HCV program.

NAME:

Incentive Housing District – Development (DIHD)

TOOL DESCRIPTION:
Establish an overlay district that authorizes specific incentives for new development projects providing minimum levels of affordable housing.

NEED AND BENEFIT:
Many local jurisdictions are adopting codes that promote the development affordable housing in designated growth/redevelopment areas. These areas often provide a particular set of attributes that are beneficial to modest income households, such as public transit access and proximity to personal and social services. In some cases, cities and counties are offering variations of existing policies that provide greater flexibility and/or incentives for the provision of affordable housing. Within Alexandria, this approach could apply to such policies as bonus densities, fee waivers, streamlined review processes or other incentives to encourage the development of workforce and affordable housing within a Development Incentive Housing District (DIHD).

Similar to the Preservation Incentive Housing District concept, the DIHD are geographic areas experiencing and/or are projected to experience substantial (re)development and meet certain criteria that make these areas ideal for the provision of workforce and affordable housing.

Recommended criteria defining a DIHD include:

- Areas where more than 25 units are being delivered within a ¼ mile radius.
- Areas within ½ mile of a Metro station or ¼ mile of a Dash/Metrobus stop.
- Areas where current zoning allows, encourages or promotes (re)development at a density level greater than 20% above the current use and/or underlying zoning district.
- Areas deemed "high priority" or "special case" by the Office of Housing and the City Council.

CHALLENGES:
There is a high sensitivity within the City of Alexandria on placing labels on individual neighborhoods. As such, the City should focus on establishing the criteria to determine whether a property/project qualifies for this program rather than hard geographic boundaries. In addition to removing the impact of labeling an area, the criteria approach remains flexible as market conditions, public policy (local, state and federal) and development continues to reshape the City.

- ☐ PRESERVATION
- ☑ NEW DEVELOPMENT
- ☑ SPECIAL NEEDS
- ☐ HOMEOWNERSHIP
- ☐ OUTREACH

IMPLEMENTATION SCHEDULE:

☑ Short-Term ☐ Mid-Term ☐ Long-Term

LEAD PARTNERS:
Planning and Zoning Department
City Council

PROJECTED COST:

Initial Investment: 80 to 200 Staff Hours

Annual Operation: $N/A

REVENUE SOURCES:
N/A

ACTION STEPS:

STEP 1:
Adopt concept through Housing Master Plan Process

Step 2:
Work with City Council, Planning Commission and Planning and Zoning to review recommended criteria and establish final criteria for implementation.

STEP 3:
Adopt policy including finalized designated criteria that will trigger the implementation of this policy to promote workforce or affordable housing.

STEP 4:
Enact language in existing and proposed (and adopted) tools to allow special application for the delivery of affordable housing within the designated DIHD area

NAME:

Mixed-Use Public Asset Policy

TOOL DESCRIPTION:

A policy requiring/encouraging the incorporation of affordable housing into appropriate existing city-owned real estate assets.

NEED AND BENEFIT:

The City has already shown that combining public uses with affordable housing can produce results. The Station at Potomac Yard has successfully combined a fire station and affordable housing with award winning results.

Building on this experience, the City should inventory and assess its real estate assets to determine the potential for following the example at The Station. All assets should be considered including built assets such as emergency service facilities (police, fire, EMT...), libraries and schools as well as undeveloped assets such as rights-of-ways and undeveloped parcels.

Once the assessment is complete, the City should seek to develop public private partnerships with development entities to (re)develop these properties to incorporate a mix of affordable housing with the existing use.

Particular sensitivities should be taken for certain asset types. For example, development at school sites could be focused towards housing for seniors.

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. For example, the City Hall property is not a location that merits alteration to accommodate affordable housing.

While this distinction is clear in certain cases, it is not as clear for others. The determination of "appropriate" will need to be made on a case by case basis with input from a variety of City stakeholders. To this end, a task force of the key stakeholders should be convened to review each City-held property.

LEAD PARTNERS:

Office of Housing
Planning and Zoning Department
City administration
Various City departments
Non-Profit Affordable Housing Developers

PROJECTED COST:

Initial Investment: $20,000 to $50,000

Annual Operation: N/A

REVENUE SOURCES:

City general funds

- [ ] PRESERVATION
- [x] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

- [ ] Short-Term
- [x] Mid-Term
- [ ] Long-Term

ACTION STEPS:

STEP 1:

Establish stakeholder task force to review all City land holdings.

STEP 2:

Inventory all City-owned assets for the potential to be redeveloped as mixed-use properties. Properties to be considered include emergency services, libraries, schools and community facilities.

STEP 3:

Submit request for proposals to solicit a development partner to reposition these public assets with a mixture of affordable housing and the existing use.

NAME:

Parking Requirements for Substantial Rehabilitation Projects

TOOL:

Change current regulatory policy to exclude rehabilitation projects that include affordable housing from having to meet current parking ratio requirements if the rehabilitation costs exceed 33% of the existing building value.

NEED AND BENEFIT:

The City currently requires property owners seeking to rehabilitate existing developments to meet current parking codes if the cost of the renovation exceeds 33% of the current building value. This regulation creates a substantial challenge to providing affordable housing, particularly if the property being rehabilitated is an existing affordable housing development. Simply put, the policy is contrary to the City's stated mission to preserve and protect existing affordable housing.

Based on the results of the Housing Master Plan analysis, the Consultants would recommend that the policy be abandoned all together due to its potential harmful impacts on rehabilitation projects. However, for the purposes of the Housing Master Plan, the recommendation focuses on having affordable housing projects excluded from this requirement, as the data analysis indicates that more modest-income households tend to have fewer cars per unit than currently required by code.

CHALLENGES:

The biggest challenge is garnering support to reduce parking requirements. Strategic education and outreach efforts will be needed in coordination with the implementation of this tool.

LEAD PARTNERS:

Planning and Zoning Department

PROJECTED COST (per unit basis):

Initial Investment: 40 to 80 Staff Hours

Annual Operation: N/A

REVENUE SOURCES:

Zoning Incentives (as alternate funding mechanism)

- [x] PRESERVATION
- [ ] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [ ] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

- [x] Short-Term
- [ ] Mid-Term
- [ ] Long-Term

ACTION STEPS:

STEP 1:

Garner support for the exemption from the parking rehabilitation policy for affordable housing projects.

STEP 2:

Rewrite the existing policy to remove projects that provide a minimum threshold of affordable housing as part of the rehabilitation effort.

STEP 3:

Enact the policy change, continuing to work to have the overarching policy removed or substantially reduced in scope.

NAME:

Tax Abatement Policy

TOOL DESCRIPTION:

Enact a policy that provides a form of tax abatement for new development and 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 Section 58.1-3220 to provide a tax exemption equal to the increased value of a property resulting from rehabilitation and/or redevelopment.

Some Virginia communities have created programs to provide a partial property tax exemption for rehabilitated rental properties. Based on adopted policies, 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. Applications should include:

- Income qualified homeowners making renovations and/or additions to their homes
- Property owners who serve households earning below 50% of AMI that are seeking to redevelop/rehabilitate their structure
- Property owners who will serve households earning below 50% of AMI seeking to build new housing

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. As such, 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. The Consultant recommends a sliding-scale approach that increases the abatement maximum for projects serving the most modest incomes (i.e. below 40% of AMI).

PROJECTED COST:

Initial Investment: $0 to $10,000 (policy)

Annual Operation: Up to $50,000 per unit

REVENUE SOURCES:

General Fund (Indirect spending)

- [x] PRESERVATION
- [x] NEW DEVELOPMENT
- [x] SPECIAL NEEDS
- [x] HOMEOWNERSHIP
- [ ] OUTREACH

IMPLEMENTATION SCHEDULE:

☐ Short-Term ☑ Mid-Term ☐ Long-Term

LEAD PARTNERS:

City Administration
City Council

DISCRETE ACTION STEPS:

STEP 1:

Alexandria Office of Housing distills low income housing priority needs from Housing Master Plan and presents findings to City Administration, City Council.

STEP 2:

Housing Office in conjunction with Real Estate Assessment Office and City administration, prepare draft policy covering various forms of property exemption/rebate options for priority affordable housing units.

STEP 3:

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