KEYS TO THE CITY
The City of Alexandria’s Homeownership Programs from the 1970s to Today

For over four decades, the City of Alexandria has worked to make homeownership achievable, affordable, and sustainable for city residents and workers. Homeownership programs have ranged from rehab and new construction projects to training, counseling, and financial assistance. The City’s Housing Trust Fund and federal Community Development Block Grant and HOME programs, as well as partnerships with local non-profits and state agencies, have supported the City’s homeownership efforts and enabled them to evolve as housing needs have changed.

There are many individual and community benefits to the City’s homeownership initiatives. Affordable units and loan programs help low- to moderate-income homebuyers build financial security by stabilizing and frequently reducing housing costs and by creating wealth through equity. Due to high rents in the city (the average monthly rent for a 2-bedroom in 2017 was $2,016), condominium homeownership can be more affordable than renting. In addition, affordable homeownership and financing provide Alexandria workers and city employees opportunities to live closer to their jobs.

Rehabilitation programs play an important role in improving quality of life and preserving diversity and community in the city by enabling lower-income and long-time Alexandrians to remain in their homes safely, comfortably, and affordably.

City-supported trainings, workshops, and counseling services work to ensure that homebuyers are prepared for the responsibilities of homeownership, that homeowners are equipped with the tools needed to avoid foreclosure, that condominium and homeowner associations are fiscally sustainable and governed effectively, and that real estate and lending providers comply with fair housing laws.

HOMEOWNERSHIP PROGRAMS FOSTER DIVERSITY, COMMUNITY PRESERVATION, HOUSING STABILITY, WEALTH CREATION, AND FINANCIAL SUSTAINABILITY.

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OUR HOMEOWNERSHIP PROGRAMS HAVE PROVIDED AFFORDABLE HOMES TO:

- TAXI DRIVER
- OFFICE ADMINISTRATOR
- TEACHER
- SMALL BUSINESS OWNER
- POLICE OFFICER
- ACCOUNTING CLERK
- CASHIER
- BARBER
- ADMINISTRATIVE ASSISTANT
- DEPUTY SHERIFF
- BUILDING ENGINEER
- NANNY
- NURSE
- SERVER
- ASSISTANT BRANCH MANAGER
- ADMISSION SUPPORT SPECIALIST
- SECURITY OFFICER
- BUSINESS AREA MANAGER
- COOK
- HR SPECIALIST
- UNIVERSITY RESEARCHER
- KIDS’ CLUB DIRECTOR
- GOVERNMENT ANALYST
- YOUTH DEVELOPMENT TEAM LEADER
- TRAINING SPECIALIST
- INSPECTION SUPPORT COORDINATOR
- CREDIT UNION EMPLOYEE
- MANY OTHERS

Markeda, an elementary school teacher, recently closed on her first home created through the City’s Affordable Set-Aside program.
Bricks, mortar, and a little elbow grease: expanding homeownership opportunities in the City

Two city programs currently create affordable for-sale units—the Affordable Set-Aside and Neighborhood Stabilization Programs. Long-term resale restrictions now ensure units remain affordable to future homebuyers for 40 years!

AFFORDABLE SET-ASIDE PROGRAM

Homeownership set-asides are affordable units in newly constructed townhouse and condominium projects that are pledged during the development approval process (affordable rental set-asides units are created through a similar process). Sale prices are discounted to levels affordable to buyers earning 80-100% of the area median income (AMI) and factor in monthly condominium fees. Downpayment and closing cost assistance further deepen levels of affordability to 60-70% AMI.

Set-aside units (pictured below) are created in projects that use bonus density and/or height, that elect to convert a voluntary monetary contribution into on-site or off-site affordable units, and/or that incorporate affordable units during the rezoning process.

NEIGHBORHOOD STABILIZATION PROGRAM

At the height of the housing and foreclosure crisis in 2008, the federal government introduced the Neighborhood Stabilization Program (NSP) to help communities affected by high rates of foreclosure. NSP provided grant funding to acquire, rehabilitate, and re-sell distressed properties in targeted neighborhoods.

As part of the program, the City, in partnership with the Alexandria Housing Development Corporation and Rebuilding Together Alexandria, received approximately $1 million through the Virginia Department of Housing and Community Development (DHCD). This initiative proved so successful that the City expanded the program citywide using HOME and CDBG funding. In 2011 DHCD recognized the City as a high performing partner.

30 units have been renovated and sold since 2009 to first-time homebuyers earning up to 100% of the area median income

Historically there have been a number of challenges that prevented many Americans from achieving homeownership. These have included discrimination in the real estate and lending industries; the high cost of housing; sluggish wage growth; inadequate savings for down payment and closing costs; poor credit history and access to credit; lack of understanding and information about the homebuying process; language barriers; and, increasingly, high levels of student debt. Despite limited resources, the City has used creative approaches and public-private-nonprofit partnerships to help break down these barriers.

Wages are not keeping pace with housing costs pushing homeownership beyond the reach of many Alexandrians.
The City’s Office of Housing works closely with state and local partners to support the long-term success of homeowners.

One of the most effective ways to make sure first-time homebuyers are successful is to provide pre-purchase training and counseling. The City supports nonprofit agencies and other partners offering VHDA-certified homebuyer training, a free six-hour training available throughout the region in English and in Spanish. The Office of Housing also provides resource and referral services to anyone facing housing-related hardships, including financial challenges or foreclosure.

In 2017, the City and Alexandria-based community-interest law firm Mercer Trigiani sponsored a series of free workshops related to condominium and other community-interest associations. The classes educated first-time homebuyers and existing residents about the structure and governance of condominium communities; helped communities understand fair housing law related to community association management; and provided training on managing and amending governing documents.

Rehabilitation is another important tool to help low- and moderate-income homeowners remain in their homes safely, comfortably, and affordably. For over forty years, the City’s Home Rehabilitation Loan Program has been providing no-interest, deferred payment loans for the design and construction of home improvements. Loan repayments help support the program.

Homeownership... for the long-term

A homebuyer receiving City purchase assistance completes pre-purchase training, as well as individual counseling, designed to ensure the homebuyer understands key homeownership concepts and responsibilities.

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HOW SHARED EQUITY WORKS

Shared equity means that a purchaser of a city-assisted affordable home shares a small portion of any increased property value (appreciation) at the time of sale with a future income-eligible, first-time homebuyer. Along with re-sale restrictions, shared equity provisions help to preserve affordable homeownership opportunities in the City.

The City supports trainings, workshops, and counseling on a range of topics:

- Affording homeownership
- Financial management
- Personal budgeting
- Default and delinquency
- Foreclosure prevention
- Condominium governance, rights, and responsibilities
LOOKING FORWARD

Demand for affordable homeownership opportunities will remain high as housing costs continue to accelerate. Innovative approaches and public-private-nonprofit partnerships are critical to maintaining and expanding affordability in the City, as are supporting existing tools and services. These include the city’s shared-equity and re-sale restrictions, Fair Housing Testing Program, housing counseling, condominium governance training, and bonus density and height program.

We are excited to announce that nine new affordable set-aside homeownership units (pictured below) are anticipated in Potomac Yard in 2020-2021!