CITY OF ALEXANDRIA HOUSING MASTER PLAN IMPLEMENTATION STRATEGY

I INTRODUCTION

In 2007, the City of Alexandria embarked on a comprehensive effort to better understand the City's past, current and projected climate for affordable housing. The initial effort culminated in the Affordable Housing Initiatives Work Group (AHIWG) final report to the City Council in 2009. This report portrayed the state of the housing market for households earning below the HUD-defined workforce and affordable income levels as follows:

> *Due to market and development pressures, the City of Alexandria faces a severe shortage of affordable and workforce housing. Since 2000, there has been a sharp decline in both committed and market affordable rental units, as well as in opportunities for affordable homeownership by individuals and families earning between 60 and 80 percent of median income. This situation makes it harder for City and school employees, as well as other members of the local workforce, to live in Alexandria.*
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> *There are great disparities between the salaries offered to work in Alexandria and the existence of housing affordable to this work force. This disparity exasperates traffic in our city and the region. There are also great disparities between salary levels and the number of affordable housing opportunities for people living in our city. The City's commitment to producing and preserving affordable housing is challenged by a dwindling pool of available resources at the federal, state and local levels, along with the current turmoil in the financial markets. The trajectory of Alexandria's housing market threatens the community's diversity, as well as its long term economic sustainability.*

The AHIWG report focused on the state of affordable housing and made a number of recommendations related to planning and development. Adopted by City Council in June 2009, it provided the foundation for the Office of Housing and its consulting team to develop a more focused and detailed Housing Master Plan (HMP). This master plan brings together the findings of the initial effort, research focusing on economic, market, social and regulatory strengths and concerns, input from the community as a whole and focused work sessions with public, non-profit and private stakeholders. The following narrative details the goals and objectives that should guide the City's short-term, mid-term and long-term efforts to preserve and promote affordable and workforce housing within the City.

This document concludes with a series of implementation recommendations that will enhance the City's "toolbox" of initiatives and capabilities to meet the goals and objectives stated herein. Within these recommendations, there are detailed descriptions of the action steps for the City to enact each tool, prioritize its efforts, potential funding sources for such efforts, and benchmarks by which the City can measure the viability of each action.

II SUMMARY OF THE COMMUNITY ASSESSMENT REPORT

A. Current Market Conditions

As part of the Housing Master Plan process, the Consultants analyzed current and projected future market conditions for housing within the City. This analysis was completed to gain a better understanding of the supply and demand factors impacting housing affordability. To complete this effort, the Consultant compared each household's ability to pay against the cost of all housing in the City. It is important to note that separate analyses were done for the rental and ownership markets due to their substantial differences in cost structure and occupancy characteristics. The current market conditions in both the rental and ownership housing units are examined in this section. More detailed information on the current market conditions is available in Chapter 4 Housing Affordability Analysis of the Community Assessment Report.

1. Rental

Because there is no comprehensive data source that publishes household-by-household data or has a unit-by-unit assessment for the City, the Consultants had to rely upon a series of assumptions to better understand the City's rental market. To this end, the analysis presented in the Community Assessment Report, and summarized here, is not intended to be a 100% Census of current market conditions. Rather, this analysis identifies key market supply and demand conditions and identifies areas where there is unmet need for price-appropriate housing. The Community Assessment Report details all the assumptions used in this analysis. However, the Consultant has highlighted the three most substantial assumptions for the purposes of this document.

First, the Consultant had to estimate the total supply and demand in the City. The Consultants estimate that there are 30,297 traditional rental units within the City of Alexandria. This total reflects all multi-family dwellings classified as rental properties including (but not limited to) those reported in the City's Landlord-Tenant Relations Annual Rent Survey from the Office of Housing. However, the City's current level of rental demand exceeds 35,200 households (rental households identified based on U.S. Census estimates for 2010).

Second, the supply and demand numbers indicate that a substantial number of traditional ownership units (i.e. detached houses, rowhouses, townhouses and condominiums) are being occupied as rental housing. This finding is consistent with other urban communities where there is strong rental demand. Despite this, it is not possible to identify which traditional ownership units are being occupied as rentals without a door-to-door outreach effort. Therefore, this analysis only reflects the known rental supply (30,297 units). Based on the Consultant's research of website listings of traditional ownership units being marketed for rent, these units are priced well above the affordability threshold for households earning at or below 80% of AMI.

Finally, the Consultant had to assess affordability based on a single income/cost scale. For this analysis, the Consultant utilized the income thresholds for 2-person households. There are many reasons for focusing the analysis on 2-person household income thresholds. Most notably, there are no data sources made available to the public that provide accounting of household income by household size, so an actual comparison is not possible. In addition, the City's current average household size is estimated to be slightly above 2.00 persons. As such, utilizing these income thresholds most closely reflects the average household in the City. Finally, the Consultant performed a sensitivity analysis utilizing 1-person household and 3-person household income thresholds and discovered that the change in affordability was slight, shifting less than 8% for each income affordability group. To this end, a more comprehensive approach (if available) would not substantially alter the findings of the analysis.

In sum, there is no definitive way to calculate the demand for rental housing units given the constraints of the data, and for the reasons noted above, this analysis uses 2-person income thresholds to estimate the demand for affordable housing.

a.) *Rental Housing Supply*

Res 830 Housing

The City Council approved Resolution 830 as a measure to provide an assurance that the City was willing to become an active partner to ensure that the identified 1,150 housing units in the resolution were to remain as part of the City. These 1,150 housing units include all of the Alexandria Redevelopment and Housing

Authority (ARHA) 839 public housing units as well as units within four other communities in Alexandria; Annie B. Rose House, Hopkins-Tancil Courts, Jefferson Village and Quaker Hill. Each of these 1,150 units are identified as housing available to households earning below 50% of AMI. These units are distributed among ten of the City's fifteen Small Areas, with more than 50% (643 units) located in the Braddock Road Metro and Old Town North Small Areas. The King Street Metro/Eisenhower Avenue, Northridge/Rosemont, Potomac Yard/Potomac Greens, Southwest Quadrant and Eisenhower East Small Areas do not have any Resolution 830 units (either public housing or replacement units).

Other Assisted Units

In addition to the Resolution 830 units, there are 2,552 units in the City that have received some form of local, state or federal public financial assistance in exchange for being income-qualified housing but are not protected under the resolution language. The majority of these units participate in the Low Income Housing Tax Credit (LIHTC) Program (1,159 units) or the Housing and Urban Development's (HUD) project-based Section 8 program (980 units). There are 980 units in properties with project-based Section 8 contracts. The Fields of Alexandria (306 units, Seminary Hill Small Area), The Fields at Landmark (290 units, Landmark/Van Dorn Small Area) and Brent Place (196 units, Landmark/Van Dorn Small Area) contain 68% of the LIHTC units. Foxchase Apartments (423 units, Seminary Hill Small Area) and Claridge House (300 units, Landmark/Van Dorn Small Area) account for more than 70% of the project based Section 8units.

Market Rate Affordable Supply

Of the approximately 28,100 rental units (the total supply less the Resolution 830 and non-Resolution 830 Project-based assisted housing) remaining, the Consultant analyzed the current reported rent levels against the HUD-defined housing affordability rent thresholds.[1] Based on the 2-person household income thresholds, 11,444 market-rate rental units are affordable at or below 60% of AMI. This represents approximately 40% of the total market-rate apartment inventory. However, there are no market-rate rental units in Alexandria affordable to households earning at or below 30% of AMI. All 11,444 units are priced for household earning between 31% and 60% of AMI. In terms of unit size, more than 10,000 of the 11,450 units are either efficiencies or one-bedroom units. There are only 23 market-rate three bedroom apartments affordable to households earning at or below the 2-person income threshold at 60% of AMI. The 61% to 80% of AMI affordability group has the highest number of market rate rental units, totaling 10,235 units.

The distribution of this rental supply varies greatly among the City's Small Areas. Some Small Areas, such as Braddock Road Metro, Eisenhower East and King Street Metro/Eisenhower Avenue, have no market rate affordable units within their existing rental stock despite totaling more than 2,850 market rate units (although Braddock Road Metro does have Resolution 830 units). In contrast, Alexandria West (4,147 affordable units) and Potomac West (2,525 affordable units) account for more than 50% of the City's total market rate affordable rental units.

In terms of concentration within the Small Areas, market rate affordable housing units comprise the largest share of rental units within the Potomac West Small Area (62.4%) and Taylor Run Small Area (62.0%). Despite having the largest number of market rate affordable housing units, the concentration of market-rate affordable housing in the Alexandria West Small Area (47.2%) is consistent with the overall City concentration level of 40%.

b.) <u>*Rental Housing Demand*</u>

[1] The Rent Survey includes all complexes with 10 or more units. The Consultant utilized this data to estimate rents for smaller complexes based on proximity to communities with known rent levels.

As mentioned, there are 35,225 households currently renting within the City of Alexandria. For the purposes of this analysis, the Consultant did not include current ownership households as part of the rental housing demand. To parse these households into their respective income affordability groups, the Consultant assessed 2010 estimates for household income levels obtained from ESRI, a private data vendor that compiles and analyzes socio-economic and demographic data, against HUD's 2-person household income thresholds for Alexandria. Based on this analysis, 11,572 rental households (approximately 33%) of all rental households) earn at or below 50% of AMI with an almost equal distribution between the under 30% of AMI and the 31% to 50% of AMI groups. The 51% to 60% group has the smallest count of each of the income groups, with 2,781 households (approximately 8.0%). In contrast, more than 14,126 households (approximately 40.0%) earn above 80% of AMI.

In terms of demand by unit size, the analysis indicates the 1-bedroom (13,820 households) and 2-bedroom (10,793 households) units are in greatest demand. This is due to the make-up of the rental population, which are concentrated in 1-person (41.6% of all rental households) and 2-person (32.1% of all rental households) households.

c.) *Current Rental Housing Affordability*

A comparison of the city-wide supply and demand for rental housing reveals that there is a gap between supply and demand in certain income and unit size categories. The detailed, tabular results of this analysis are detailed in Table 4-11 on page 4-13 in the Community Assessment Report. Most notably, there is unmet demand for each housing unit size within the 30% of AMI and under group. In total, there is a net shortage of 3,560 housing units for these households. This finding indicates that more than 60% of current City households earning at or below 30% of AMI are paying more than 30% of their gross income for housing. Within the 31% to 50% threshold group, there is unmet demand for two-bedroom (1,756 units) and three-bedroom (1,146 units) units. Based on this analysis, there is a general shortage of three-bedroom units in the City at all income thresholds.

Interestingly, there is general unmet demand for housing in the above 80% of AMI as well. Each of the unit sizes have more demand than supply, with a total of more than 7,706 households not being served by units priced to allow these households to maximize their ability to pay. While much of this demand likely is met through the conversion of traditional ownership units into rentals (as described earlier), it is likely that there is a portion of this population that does not want to maximize their ability to pay and seek less costly housing within the City. This phenomenon is common, as personal preference for housing and willingness to pay vary household to household. However, it does place additional pressures on those households at the lowest end of affordability. Simply put, persons with the ability to pay more will impact pricing of these units by pushing prices slightly above the affordability levels for the more modest income households.

2. Ownership Housing

Similar to the rental market analysis, there are no publicly available data sources that provide detailed supply and demand data by individual household or housing unit, so certain assumptions were made to analyze the affordability of ownership housing units within the City. Consequently, while the affordability analysis is indicative of the overall market conditions, the analysis is not intended to be a 100% census of supply and demand within Alexandria. The Community Assessment report includes a full list of assumptions and the accompanying methodology used for this effort; however the two primary supply and demand assumptions are described in detail below.

On the supply side, the data for the affordability analysis comes from the City's real estate assessment database. This database provides the most comprehensive listing of housing units in the City and includes information on

the location of units, types of units, size of units, and presence of assisted units. The database shows the supply of traditional ownership housing units at 40,084 units. For the purposes of this analysis, units categorized as detached houses, townhomes, rowhouses, and condominiums were all counted as traditional ownership units. As detailed in the previous section, some of the units classified as ownership units are being used as rentals. However, there is no way to discern which units are being rented.

On the demand side, the analysis was performed utilized the income thresholds for 3-person households. This threshold was selected because owner households tend to be larger than the City's average household (just over 2.00 persons per household). However, the Consultant ran a sensitivity analysis utilizing 2-person household income thresholds and 4-person income thresholds and learned that the number of affordable ownership units did not change substantially.

a.) *Ownership Housing Supply*

The analysis was performed independently for both types of ownership units: fee simple (detached, semi detached and row houses) and condominium units. For both types of units, the affordable ownership supply is defined as those units affordable to households earning at or below 80% AMI ($74,496). Due to the impacts of condominium fees on an applicant's ability to gain financing, an 80% AMI buyer purchasing a fee simple home using an FHA loan of can afford $262,098 as opposed to $221,287 for a condominium unit. Affordability was calculated using information provided by local companies on prevailing interest rates, lending requirements, insurance rates and local tax rates.

Given the maximum home prices for both FHA and conventional mortgages, the calculations indicate that the number of affordable fee simple ownership units is substantially less than the number of affordable rentals. In total, there are 271 fee simple units in the City that are affordable to households earning at or below 80% of AMI. Approximately 87% (236 units) of the affordable fee simple homes are located in the Potomac West Small Area.

In contrast, the analysis indicates that the condominium market is much more affordable than the fee simple market. In total, the Consultant estimates there are 6,897 condominium units affordable to households earning at or below 80% of AMI. Nearly one-half of these units are located in the Landmark/Van Dorn Small Area (3,309 units). However, there are several Small Areas with no affordable condominium units including Fairlington/Bradlee, King Street Metro/Eisenhower Avenue, Northeast, Potomac Yard/Potomac Greens, and Eisenhower East. As such, while there are more opportunities for lower-income households to achieve ownership through condominium units, these households are limited in where within the City there are opportunities.

b.) *Ownership Housing Demand*

The potential demand levels for ownership housing were calculated based on the premise that not all households can and/or want to own a home. Simply put, the inherent financial requirements to become a homeowner preclude some households from becoming homeowners. In these cases, many households lack the requisite downpayment and/or have not established the credit worthiness needed to secure a home loan. In addition, there also are households that prefer not to own a home despite the financial capacity to do so. Given the region's high concentration of military personnel (short-term duty rotations) and political employees (work for a specific elected official), the D.C. metropolitan region has a relatively high level of turnover as compared to other markets. To this end, the Consultant adjusted the potential homeownership pool to include current homeowners and only a portion of households that currently are renting. The analysis indicates there are approximately 66,316 households with the means and potential interest in becoming homeowners.

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c.) *Current Ownership Housing Affordability*

Given the potential household demand for ownership units is substantially larger than the ownership unit count, the analysis indicates there is a general shortage of ownership units. However, this does not indicate the local market would support 26,000 new ownership units. Rather, the analysis intends to identify whether the affordable housing group (at or below 80% of AMI) is reasonably served in Alexandria. Based on the analysis, households earning at or below 80% of AMI are underserved between 15,750 units (using conventional loan standards) and 23,000 units (using FHA loan standards). Given that approximately 90% of home loans recently completed are FHA in nature for the metropolitan D.C. region, the gap in supply likely is closer to the higher end. Even if all current rental households were removed from this analysis, the level of demand at or below 80% of AMI would remain higher than the potential supply. This finding indicates that even among existing owners, the market has become too expensive for them to "repurchase" their house at current values. This phenomenon is common in high-value, high value growth areas such as Alexandria. However, it also indicates that the City potentially faces a relative affordability gap for ownership opportunities in the City as well as a maintenance and affordability issue for existing owners.

B. Projected Affordability

This section will briefly show the projected changes in supply and demand for affordable and rental and ownership workforce housing within Alexandria over the next five years through 2015. The year 2015 was used because reliable information is available on the potential supply and demand over this short time frame. Simply put, by 2015 the existing disparity between supply and demand will continue to grow as redevelopment efforts consume more affordable housing (under current regulatory policies) and incomes do not keep up with the declining supply and the growth in CPI.

In 2015, there will continue to be a gap between supply and demand of rental housing units in the City. Once again the largest gap between supply and demand is in units priced at the "above 80%" income level (7,745 gap in units), with the second biggest gap for households making less than 30% AMI (2,348). The reason why the gap got smaller for those making less than 30% AMI is that households at these low income levels will have to seek housing outside of the City of Alexandria because they cannot afford housing in the city.

An analysis of the future demand by bedroom size reveals that there is a gap in supply for all unit sizes among households making less than 30% of AMI. There is also a gap in supply of for 2-bedroom and 3-bedroom units for those making 30% to 50% of the AMI (1,171 and 770, respectively), but there is a sufficient supply to meet the demand for efficiency and 1-bedroom units. The gap in supply for 3-bedroom units at 50% to 60% of AMI, 60% to 80% of AMI and above 80% of AMI will mainly be filled by those renting out single family homes, condominiums, townhomes, etc. The only other gap is for efficiency units for those making 60% to 80% of AMI.

C. Special Needs

'Special Needs' Housing is housing for specific groups of persons that are experiencing conditions that make it difficult to obtain housing through the conventional housing market. These conditions including physical, mental or other disability, or age, and create a need for some assisted services or housing modifications to allow persons to live as independently as possible. Special needs housing also targets those who because of economic, domestic violence or behavioral causes are in need of an emergency and/or transitional housing option.

Rent subsidies are essential to ensuring that housing is affordable to seniors, persons with disabilities, and those moving from homelessness. Yet in Alexandria, those who receive tenant based subsidies often have a hard time

using vouchers within the City. Tenant based rental subsidies have also been hit by inadequate funding from HUD, which has reduced the number of households that can receive rental assistance at any time through the ARHA program.

There is a need for more permanently affordable and accessible units in Alexandria. With regard to affordability, the Alexandria Community Services Board (ACSB) 2008 Needs Determination Study Analysis of wait list data shows a need for 100 additional deeply subsidized independent housing units for person in the private market. With regard to accessibility, HUD data estimates that almost 800 low and very low income renter households with disabilities have housing needs in Alexandria.

It is critical when planning to provide housing for all residents of Alexandria that the most vulnerable populations and their specific housing and service needs be included in the analysis. Because many of these households live on fixed income and have limited financial ability to pay for housing, the lack of affordable housing and the declining inventory of subsidized housing stock affect them more than any others.

D. Economic Sustainability

A significant amount of research has demonstrated the social, economic and fiscal benefits of developing and maintaining an economically diverse population. At a base level, maintaining economic diversity enhances the culture and vibrancy of a community by allowing persons of many backgrounds to interact and communicate more freely. However, there are substantial, quantifiable costs and benefits as well that are summarized below and discussed in further detail in the Community Assessment Report. This sentiment was summed up best in a City Mayors Foundation[2] publication:

> *Housing affordability problems for individuals and families mean economic and social problems for cities. Lack of affordable housing is a primary cause of homelessness. When cities cannot add new affordable housing where new jobs are created, traffic congestion and air pollution increase. Regional economies may lose billions of dollars a year in wasted fuel, delayed shipments, and lost work time.*

Furthermore, the loss of local employment base for jobs paying at or below 60% of AMI in the City has direct and indirect impacts on the businesses operating in Alexandria. Most notably, having workers live further away from their jobs places a strain on the business to keep these workers (especially at competitive compensation levels). The greater distance increases the potential for these workers to find similar positions closer to their home. This increase in competition for labor for City businesses can lead to increased employee turnover, increased wage requirements to retain workers and difficulty in filling the least desirable/lowest pay positions. As a result, the business can experience increasingly diminished profitability and potentially business failure.

Surveys and studies administered throughout the country have documented the loss of employment base as a result of a lack of affordable housing. A literature review from the Center for Housing Policy summarizes the surveys and studies that look at the role of affordable housing in attracting and retaining employees, attracting new businesses to the area, and causing businesses to leave an area where housing is unaffordable for their employees.[3] The Center for Housing Policy concludes that:

[3] *The Role of Affordable Housing in Creating Jobs and Stimulating Local Economic Development: A Review of Literature.* Center for Housing Policy. January 2011.

> *In surveys, many representatives of the business community report that a lack of affordable housing makes it more difficult to recruit and train employees. Surveys also indicate that the business community recognizes the importance of affordable housing when making location decisions, and demographic trends suggest that given the alternative, mobile individuals will abandon areas with the highest housing costs for opportunity-rich regions with lower housing costs.*

In addition to the costs to the community, there are also costs to the individual. The Victoria Transport Policy Institute performed a detailed analysis of the economic impact of travel time[4]. Their research revealed that each mile of personal car travel during peak hours in an urban environment in the U.S. carried an economic cost (financial and social) of 50% of hourly wage rate for the driver and 35% for each adult passenger. Within Alexandria, a worker earning $43,476 (threshold for 1-person household at 60% of AMI) would be expending the economic equivalent of $10.45 per mile traveled[5]. If there were no housing within Alexandria for this person to live, they would have to commute to their job and incur this added economic cost. Even assuming a difference in trip distance of three miles, that would equate to an economic cost of $62.70 each day, or approximately $16,300 annually. If our subject were to ride Metrorail or bus service, the cost was calculated to be 35% of wages, or $7.32 per mile ($11,400 annually). Therefore, just the economic impact of transportation costs by eliminating affordable housing options within Alexandria would have a substantial direct impact on the financial and social well-being of current City residents who also who in Alexandria.

Both the personal and business losses described above can have a direct and indirect impact on the fiscal health of Alexandria. Lost wages and increased costs for the individual translate into decreased expenditures on goods and services (sales tax) or the increased costs and risks for the businesses result in decreased profits, growth or even closure (business, professional and occupational licenses, sales tax, property value). The inefficiencies most likely will adversely impact the City's financial situation.

In addition to the empirical and theoretical impacts of a lack of affordable housing options within the City is the reality that all of the jurisdictions within the greater Metropolitan Washington DC area are experiencing similar challenges in preserving and promoting affordable housing. Most face the difficult combination of increasing land values, decreasing development opportunities and community opposition. While the decisions regarding preserving and promoting the development of affordable housing can be difficult at times, the empirical and anecdotal evidence indicate the investment has direct benefits to the economic and fiscal health of the City.

E. Distribution of Affordable Housing

As in many communities, one of the most polarizing issues surrounding affordable housing is its geographic distribution within the community. There are neighborhoods within the City that feel their portion of the City houses a greater share than other parts of the City and seek an equitable redistribution. This conversation has been particularly sensitive regarding subsidized and public housing. At one end of the discussion was the concern that having a higher concentration of affordable housing in one area impacted individual safety and potentially impacting property values. On the other end of the discussion was the recognition that concentrating households with the least means was not an effective measure to develop a sense of community. The stated consensus among the Advisory Group and of the community that participated in these discussions was the need to improve housing quality and housing choice throughout the City for all households, regardless of status.

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[4] *Transportation Cost and Benefit Analysis II – Travel Time Costs*, December 2010

[5] This cost includes financial costs (i.e. – increased vehicle, fuel and maintenance costs) as well as economic costs (i.e. opportunity cost, lost personal time)

The discussion focused on three primary subject areas: [1] equity for neighborhoods with a higher concentration of affordable housing; [2] the criteria that should be used to determine suitable locations for affordable housing; and [3] the financial realities of delivering affordable housing in certain areas. Given that one of the purposes of the Housing Master Plan effort is, "*To make recommendations to ensure a more balanced geographic distribution of affordable, workforce and public housing throughout the City,"* it is important to provide the principles used to guide the implementation recommendations.

Simply put, creating an equal spread of affordable housing (both market rate and subsidized) throughout the City was not viewed as the most efficient approach to serving these populations. Issues such as transportation, access and proximity to services and housing cost all are factors that need to be considered when attempting to place new affordable housing units. For example, relocating public housing units out of the Old Town area (where transportation and access to services are relatively high) to a part of the City isolated from public transit, employment opportunities and basic commercial and social needs was not seen as an appropriate or effective tool.

It is important to note that the relative cost implications of delivering affordable units in certain parts of the City generally was not given substantial weight by the Advisory Group or the majority of the public who participated in this process. For this issue, the general opinion expressed was recognition that housing is expensive in Alexandria and the value of locations that can adequately accommodate affordable housing outweighs the financial costs of providing opportunities for modest-income and special needs households. That said, there was an acknowledgement that all sites do not serve all populations equally, and should be considered on a case-by-case basis to determine which income levels and need-based groups would be best served at that particular location.

These Housing Master Plan discussions yielded the following principles related to enhancing the level of distribution of affordable housing throughout the City.

- To capitalize on the transportation and access benefits of the transportation hubs that support households in need of public transit services.
- To promote the development of accessible/adaptable housing for all new housing projects within the City.
- To ensure that any relocation efforts provide a net benefit to the quality of life of the occupants.
- To consider context sensitive approaches to deliver affordable housing in areas of the City with established design or historic standards.
- To evaluate each opportunity and determine which need-based groups would be best served at that site.

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F. Affordable Housing Goals and Objectives

GOAL #1 – To preserve the existing subsidized and market rate affordable rental housing units within the City

Based on the Housing Master Plan analysis, there are 3,702 publicly assisted units affordable to households earning below 80% of AMI and 10,067 market-rate housing units affordable to households earning below 60% of AMI. The Housing Master Plan encourages that the City take aggressive steps to preserve the remaining, existing units.

Objective 1.1 To preserve and increase the current stock of committed market-rate rental housing units by an additional ( ) units per year through rehabilitation and/or acquisition partnerships with existing affordable/workforce housing providers in exchange for a long-term commitment to maintain affordability

Estimated cost: No annual cost; between $40,000 and $80,000 per unit

Objective 1.2 To continue the City's joint commitment with ARHA to provide 1,150 publicly-assisted units.

Estimated cost: No annual cost; between $90,000 (on-site) and $500,000 (acquisition and new construction) per unit

Objective 1.3 To preserve the current stock of privately owned, publicly assisted units within the City, with a priority for units serving households earning below 50% of AMI (subject to property owner cooperation)

Estimated cost: No annual cost; between $10,000 and $110,000 per unit

Objective 1.4 To gain legislative authority to establish regulatory policies to achieve substantial preservation or replacement of existing market-rate affordable housing units on properties under consideration for redevelopment

Estimated cost: 80 to 240 Staff Hours

Objective 1.5 To provide temporary real property tax relief (abatements or rebates) for any existing affordable housing owner to rehabilitate their multi-family rental units to remain affordable housing for a committed period of time

Estimated cost: No annual cost; Up to $25,000 over 10 years per unit

GOAL #2 – To encourage the development of new affordable and workforce rental housing units, in specific market segments where there is unmet demand within Alexandria, with priority for housing units serving households priced to support households at 50% of AMI and below

Throughout the Housing Master Plan process, it has been noted that the greatest opportunity to deliver new units is to have them incorporated into new, larger development projects. Along with this approach, there are other avenues by which the City can promote the development of new affordable and workforce housing,

Objective 2.1 Placeholder for one or more objectives regarding developer housing contributions (pending recommendations from developer work group)

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Estimated cost: To be determined

Objective 2.2 Placeholder for objectives regarding housing contributions covered in zoning ordinance (pending recommendations)

Estimated cost: To be determined

Objective 2.3 To develop a real property tax rebate program that provides temporary tax relief for developers willing to include affordable housing (above requirements from other programs/incentives) as part of their development project

Estimated cost: Up to $50,000 over 10 years per unit

Objective 2.4 To provide incentives to redevelop through the City's regulatory process at select commercial centers with large surface parking fields and good access to existing transportation and support services to include a mixed-use, mixed-income component

Estimated cost: 80 to 200 Staff Hours

Objective 2.5 To provide opportunities for affordable and workforce housing throughout the City, particularly in areas with high levels of both transit and basic commercial and social services through incentive programs such as accessory dwelling units, incentive housing zones and special taxing districts.

Estimated cost: No annual cost; Up to $50,000 per unit

GOAL #3 – To assist households seeking homeownership to prepare for the financial and other responsibilities of owning property

The City should continue to provide and enhance its role in assisting those households with the desire and ability to achieve homeownership, as well as to assist current homeowners with limited incomes to rehabilitate their homes.

Objective 3.1 To assist in qualifying for and achieving homeownership within the City of Alexandria through homeownership counseling (households) and downpayment assistance efforts (households)

Estimated cost: $20,000 to $50,000 per unit

GOAL #4 – To enable homeowners to live and prosper in their current homes

Objective 4.1 To provide rehabilitation services to ( ) existing low-income and moderate-income homeowners per year (below HUD 80%) in maintaining their existing home

Estimated cost: $50,000 to $100,000 per unit

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Objective 4.2 To continue to provide real property tax abatement and deferral for seniors with limited income and resources in a homeownership position to strengthen their ability to age in place

Estimated cost: No annual cost; up to $5,000 per unit per year

GOAL #5 – To provide a variety of safe, quality housing choices in Alexandria that are affordable and accessible to households of all incomes, ages, and abilities.

The Housing Master Plan effort has revealed there limited choices for groups that have special needs. As a result, the City should undertake an effort to increase the amount of rental housing that serves persons with physical, social or psychological needs or who are elderly or homeless. In many instances, persons in these categories have extremely low incomes, and their primary need is housing that is deeply discounted (or subsidized) from market rents. New units for these populations should be located in a manner that provides them with adequate access to transportation and appropriate services.

Objective 5.1 To increase the number of housing units affordable to households earning below 30% of AMI in areas of the City that have the greatest presence of support services including transportation, retail, recreation and social

Estimated cost: No annual cost; between $90,000 and $200,000 per unit (market rate development)

Objective 5.2 To partner with existing property owners to convert non-visitable units annually to allow for visitability (units) and habitation (units) by persons with physical disabilities

Estimated cost: No annual cost; between $10,000 and 80,000 per unit

Objective 5.3 To provide incentives to develop ( ) new universally designed housing units each year

Estimated cost: No annual cost; between $15,000 and $50,000 per unit

Objective 5.4 Set a policy with the goal to provide incentives that all new residential development incorporate accessibility and visitability practices into the residential building design through regulatory policy and/or assistance

Estimated cost: Between $10,000 and $25,000 annually for mandate (staff) and/or up to $10,000 per unit in incentives

Objective 5.5 To set a policy with the goal to provide incentives to encourage the use of adaptable construction techniques for all single family new construction and rehabilitation projects and all multi-family rehabilitation projects

Estimated cost: 40 to 280 Staff Hours

Objective 5.6 To protect all accessible housing and establish a policy that any physically accessible unit to be demolished will require a one-for-one replacement

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Estimated cost: No annual cost; between $10,000 to $200,000 per unit

GOAL #6 – Enhance the awareness of the entire community about the need for and benefits of affordable housing as well as the opportunities that exist within the City

Public support is key to gaining the financial resources to work towards reducing the current gap between the supply and demand for affordable and workforce housing. The City should continue its outreach to the key stakeholders involved in preserving and developing affordable housing. To this end, information should be complete and readily available for review through a variety of media.

Objective 6.1 To enhance the existing approach to data collection and dissemination by merging data and resources from all participants in Alexandria's affordable housing efforts to become a more interactive, multi-media venture that provides real-time information relevant to existing providers, potential providers, developers, end-users, granting entities and development partners

Estimated cost: Between $25,000 and $100,00o in initial setup; 800 to 1,000 Staff Hours operation

Objective 6.2 To establish and implement a landlord education program on providing and maintaining affordable and workforce housing within the City, including an education component on the tools available to help reduce capital and operational costs for providing these services

Estimated cost: 100 to 200 Staff Hours

Objective 6.3 To increase the City's outreach effort to the Citizens, the development community, the financial industry and affordable housing providers/advocates in an effort; [1] to increase awareness of the benefits, opportunities, and challenges of affordable housing; [2] to address issues or concerns related to existing or proposed affordable housing development; and [3] to identify potential development and public/private partnership opportunities in the City.

Estimated cost: 800 to 1,000 Staff Hours

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