

*City of Alexandria, Virginia*  

---

## MEMORANDUM

DATE: APRIL 29, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: RESOLUTION DEDICATING THE EQUIVALENT OF ONE CENT OF REAL ESTATE PROPERTY TAX REVENUE FOR AFFORDABLE HOUSING PURPOSES

---

**ISSUE:** To dedicate the equivalent of one cent of the real estate property tax for affordable housing purposes.

**RECOMMENDATION:** That City Council adopt the Resolution.

**DISCUSSION:** The attached resolution would implement the City Council's tentative consensus reached at the Preliminary Add-Delete Work Session April 27, 2005, to plan to dedicate the equivalent of one cent of the real estate property tax for affordable housing purposes.

RESOLUTION NO. \_\_\_\_

WHEREAS, the Alexandria City Council, in its adopted Strategic Plan, has established as a priority the goal of having a caring community that is diverse and affordable; and

WHEREAS, this goal includes the objective of increasing the number and availability of affordable housing units with an emphasis on low- and moderate-income workers, seniors, individuals with disabilities and others; and

WHEREAS, this goal also includes the objective of enabling elderly residents on limited incomes to continue to reside in the City; and

WHEREAS, the City in 2003 endorsed and facilitated the creation of a new non-profit housing development corporation, and the resulting Alexandria Housing Development Corporation is now actively pursuing affordable housing development and preservation opportunities; and

WHEREAS, there is a housing crisis in Alexandria and there are currently ten apartment properties with over 2,300 units that have been registered with the state as condominiums or for which the owners have filed, or have stated an intent to file, condominium registration applications; and

WHEREAS, this surge in condominium conversion activity threatens the continued availability of affordable, private market rental apartments in Alexandria and also serves to increase the cost of acquiring rental properties for the purpose of preserving them as affordable rental units; and

WHEREAS, at the current funding level of \$1 million per year from local and federal sources, the City's Housing Opportunities Fund is able to support only a very limited number of projects per year; and

WHEREAS, with federal financial assistance for affordable housing on the decline, and with limited resources from the Commonwealth of Virginia, it leaves the responsibility for addressing affordable housing at the doorstep of the City government; and

WHEREAS, a key step to help ensure the continued availability of funds for affordable housing development/preservation and other affordable housing purposes is the creation of a dedicated source of revenue which can provide a stable foundation upon which the City's affordable housing goals can better be met; and

NOW, THEREFORE BE IT RESOLVED THAT the Alexandria City Council hereby approves a FY 2006 budget which includes the dedication of one cent on the real property tax rate for affordable housing purposes beginning July 1, 2005.

Adopted this \_\_\_\_ day of May 2005  
City of Alexandria, Virginia

Attest:

\_\_\_\_\_  
Jacqueline M. Henderson, CMC, City Clerk

By \_\_\_\_\_  
William D. Euille, Mayor