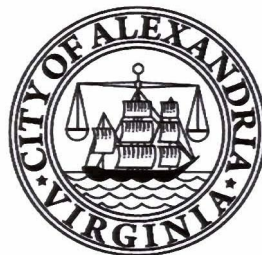


City of Alexandria, Virginia

Housing Master Plan

**CITY COUNCIL WORKSESSION
May 8, 2012**



Housing Master Plan Timeline

**April 2010-
April 2011**

Advisory Group Meetings

**April 2011-
June 2011**

Housing Contribution Work Group Meetings

**Summer 2011 -
Spring 2012***

Consultation with Partner Depts./Agencies
Development of Draft Plan
Housing/P&Z/CAO collaboration on bonus density proposal

May 2012

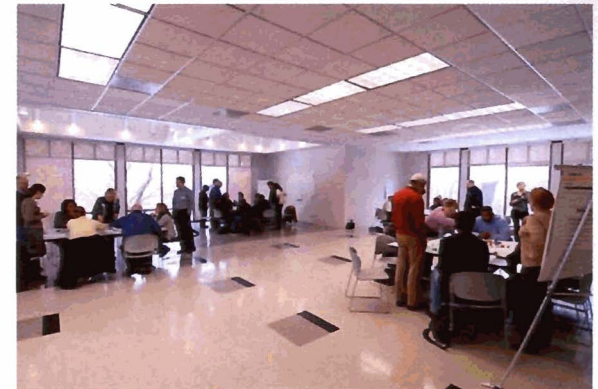
Presentation/Discussion with Advisory Group 5/2
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**May/June 2012
(Dates TBD)**

Housing Contribution Work Group Meeting(s)
Planning Commission Work Session
Release of Plan to Advisory Group and Additional Advisory Group Meeting(s)
Release of Plan for Public Review
Public/Stakeholder Outreach

Fall 2012

Public/Stakeholder Outreach
Planning Commission Public Hearing
City Council Public Hearing



*Office of Housing HMP staff active in Beauregard Plan development during same time period

Importance of Affordable Housing

City Council Strategic Plan

- **Goal 7:** Alexandria is a caring and inclusive community that values its rich diversity, history and culture, and promotes affordability.
 - **Objective 1:** Promote a **continuum of affordable housing opportunities** for all residents, especially those most in need.

Affordable Housing can contribute to:

- Maintaining Alexandria's tradition of **social and economic diversity**
Achieving **economic sustainability** by attracting and retaining key employers and human capital
- Attaining a desirable **jobs-housing balance**
Ensuring that the City can compete and participate in **future regional economic development and growth**
Sustaining Alexandria's **outstanding quality of life**

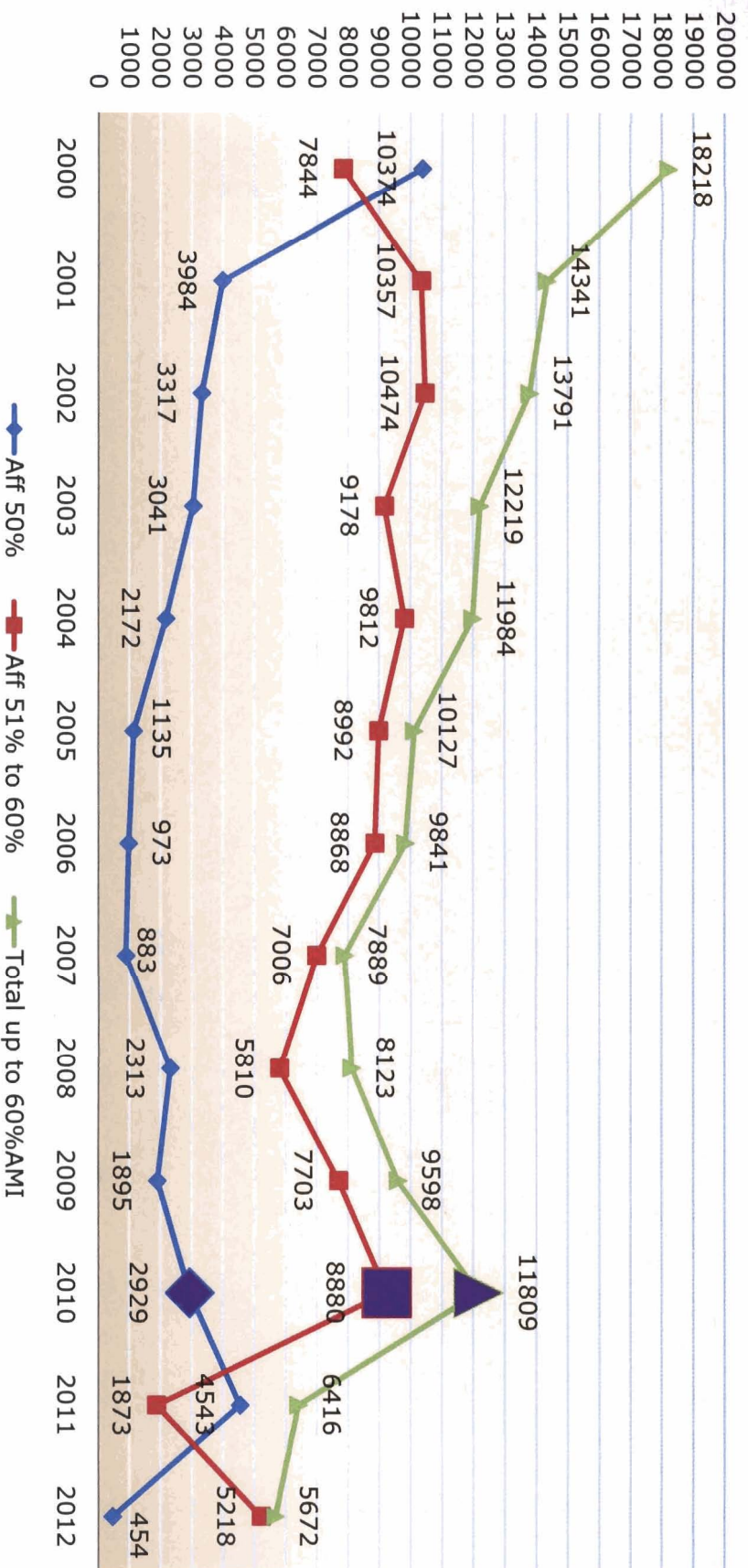
Why Alexandria Needs a Housing Master Plan

Income Growth vs. Housing Cost Growth

- From 2000 to 2011:
 - Median income for the DC metropolitan area increased by 28% to \$106,100
 - The average rent for a market rate two bedroom unit in Alexandria increased by 71% to \$1,765
 - The average assessed value of residential property increased by 135% to \$449,411:
 - Single family units increased by 137% to \$617,826
 - Condominium units increased by 149% to \$266,481

Why Alexandria needs a Housing Master Plan

Market Affordable Rental Units, 2000 to 2012



Threatened Assisted Rental Housing

- 871 assisted units of non-Res. 830 units will face potential loss by June 2015
- An additional 480 units face threats from July 2015 – June 2020

Affordable and Workforce Housing Defined

Affordability is based on the HUD-determined Area Median Income (AMI) for the Washington, DC Metropolitan Area

Rental Housing

“Affordable” defined as below 60% of AMI

“Workforce” defined as below 80% of AMI

Homeownership Housing

“Affordable” defined as below 80% of AMI

“Workforce” defined as below 120% of AMI

Who Needs Affordable and Workforce Housing

AFFORDABLE

Rental (2 persons at 60% AMI - \$49,680)

- Paralegals
- Mental Health Worker
- Head Custodian
- Police Telecommunications Officer

• Ownership (3 persons at 80% AMI - \$55,920)

- Music Teacher
- Fire Fighter
- Electrician
- Licensed Practical Nurse (LPN)



WORKFORCE

• Rental (2 persons at 80% AMI - \$66,240)

- Teacher
- Accountant
- Librarian
- Branch Manager

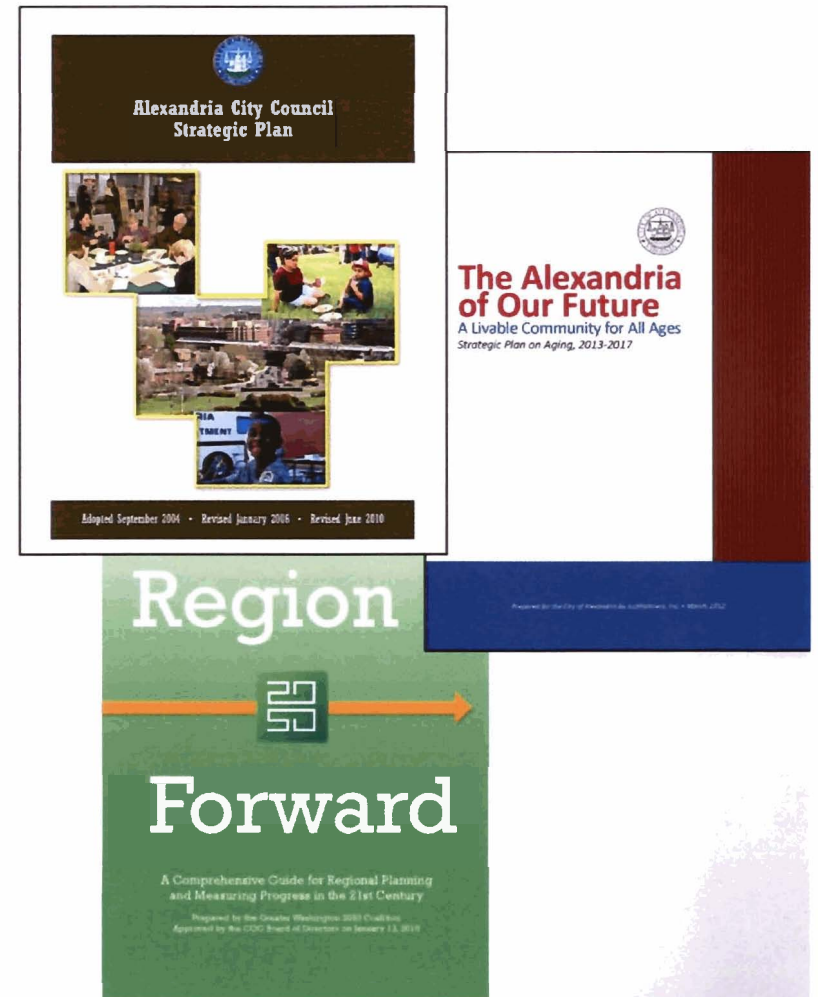
• Ownership (3 persons at 120% AMI - \$111,780)

- School Psychologist
- Attorney
- Two Schoolteachers
- Electrician & Retail Manager



Consistency with Other Plans

- *2010 City Council Strategic Plan*
- *ARHA Strategic Plan*
- *The Alexandria of Our Future (Strategic Plan on Aging)*
- *Strategic Plan to Prevent and End Homelessness*
- *Transportation Master Plan*
- *Eco-City Alexandria*
- *Green Building Policy*
- *MWCOG's "Region Forward" Plan*



Draft Housing Master Plan

Guiding Principles

- ***A variety of housing options for households of all incomes*** – a housing stock with a healthy range of unit sizes, housing types/tenure, serving a range of incomes



- ***Housing choice for people of all ages and all abilities*** – accessible, visitable, adaptable, with appropriate support services

Active partnerships with ARHA, VHDA, non-profit and for profit developers to leverage City resources



Draft Housing Master Plan

Guiding Principles

- **Key priorities/factors for distribution and preservation:**
 - **Proximity to transportation and services**
 - **Strategic opportunities** to preserve existing or ensure inclusion in large-scale new development
 - **Rental proportionality** – share of assisted rental housing (including PH) in any area should be consistent with share of the city's rental housing
- **Mixed-income communities** – enhance social and cultural diversity, increased opportunities for interaction
- **Healthy and growing economy** – depends on affordable housing as an important element of the community

2010 Rental Supply and Demand

PRIORITY CONCERNS

- General shortage of units for households under 30% AMI
 - Major focus of ACSB and HSCC
- General shortage of 3-bedroom units
- Shortages of 2- and 3-bedroom units for households under 50% AMI

ADDITIONAL FINDING

- Limited number of multi-family rental units at the price point above 80% AMI
 - Such households are likely renting either
 - lower priced apartments or
 - single family/townhouse/condominium units
 - New apartment projects under construction should address this need
 - Households in this income range have affordable home purchase options

Constraints under Virginia law

- Dillon Rule constraint
- Code of Virginia §15.2-2304 "Localities may...provide for an affordable housing dwelling unit program...**by providing for optional increases in density in order to reduce land costs for such moderately priced housing.**"
- City's current policy is a **bonus density ordinance codified into Section 7-700** requiring provision of onsite affordable units when bonus density is granted through special use permit process
- City practice of voluntary affordable housing contributions results from State law limitations

Draft Housing Master Plan

Goal 1: Preserve the long-term affordability and physical condition of assisted and market affordable rental housing

Strategies:

- 1.1 Priority for units affordable to households **at or below 50% AMI**
- 1.2 Obtain **affordability commitments** from owners of market affordable units
- 1.3 Partner with affordable housing providers to **acquire and/or rehabilitate affordable units**
- 1.4 Increase the number of units:
 - 1) **affordable below 30% of AMI**, and
 - 2) serving seniors in areas with transportation retail, recreation, and other services.
- 1.5 Support ARHA's acquisition and rehabilitation efforts



Continue Commitment to Resolution 830



Draft Housing Master Plan

Goal 2: Provide or secure affordable and workforce rental housing through strategic development and redevelopment

Strategies:

- 2.1 Develop policies and regulations to incorporate affordable housing **in development and redevelopment**
- 2.2 Partner with **nonprofit and for profit developers**
- 2.3 Add affordable housing plans/tools to **Small Area and Corridor Plans**
- 2.4 Support ARHA in **redevelopment or new development**
- 2.5 Seek **substantial replacement** of market affordable housing in redevelopment



Draft Housing Master Plan

Goal 3: Provide affordable home purchase opportunities

Strategies:

3.1 Homebuyer training and counseling

3.2 Provide financial assistance to:

- Low and moderate income households
- City and School employees



Draft Housing Master Plan

Goal 4: Enable homeowners to remain in their homes

Strategies:

- 4.1 Provide **home rehabilitation** services to lower income homeowners
- 4.2 Assist low- and moderate-income homeowners with **home maintenance and energy efficiency**
- 4.3 Provide assistance to seniors to strengthen ability to **age in place**

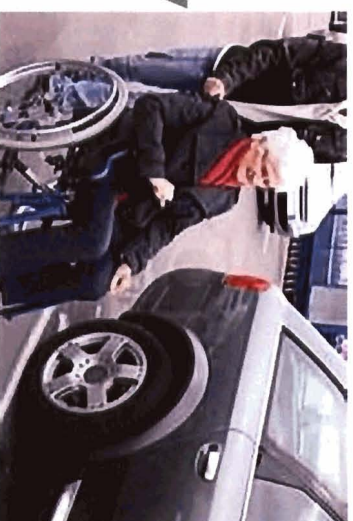


Draft Housing Master Plan

Goal 5: Provide safe, quality housing choices

Strategies:

- 5.1 Improve housing for **visitability** and habitation by persons with physical disabilities
- 5.2 Promote **universal design**
- 5.3 Promote and encourage accessible and adaptable units in **excess of minimum requirements**
- 5.4 Promote and encourage **visitable and accessible units in new construction**
- 5.5 Develop **minimum standards for adaptability** in multi-family rehabilitation
- 5.6 Facilitate use of **Virginia Livable Home Tax Credit**
- 5.7 Develop **assisted living facility serving affordable income levels** in Alexandria



Draft Housing Master Plan

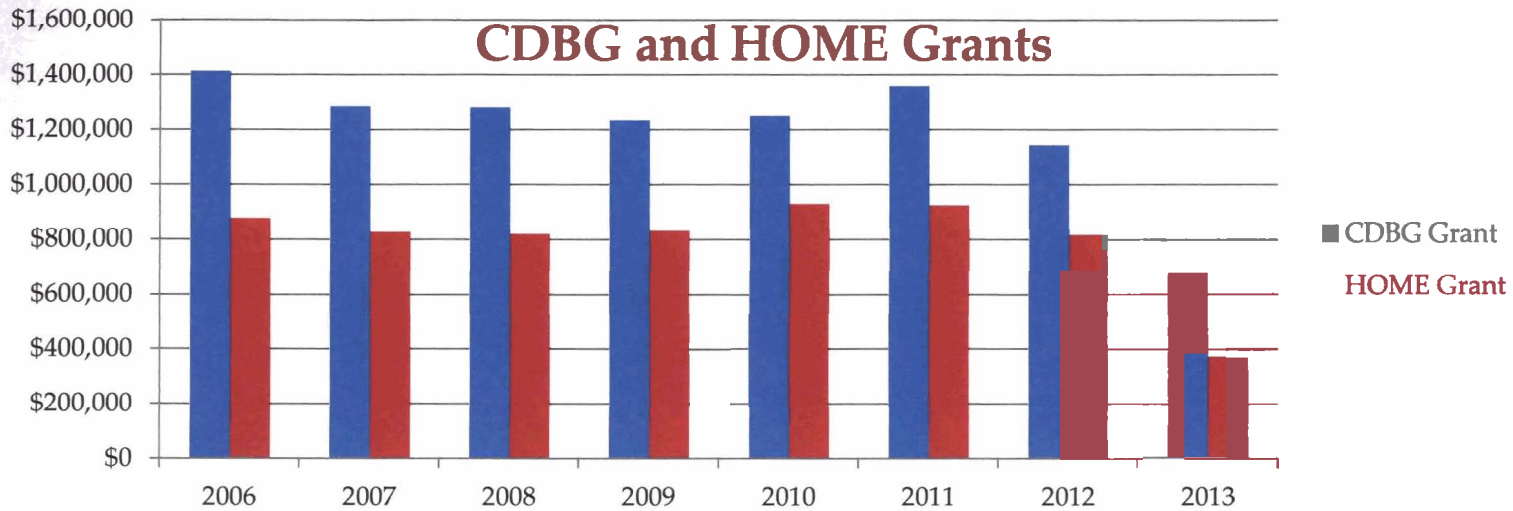
Goal 6: Enhance public awareness of the benefits of affordable Housing

Strategies:

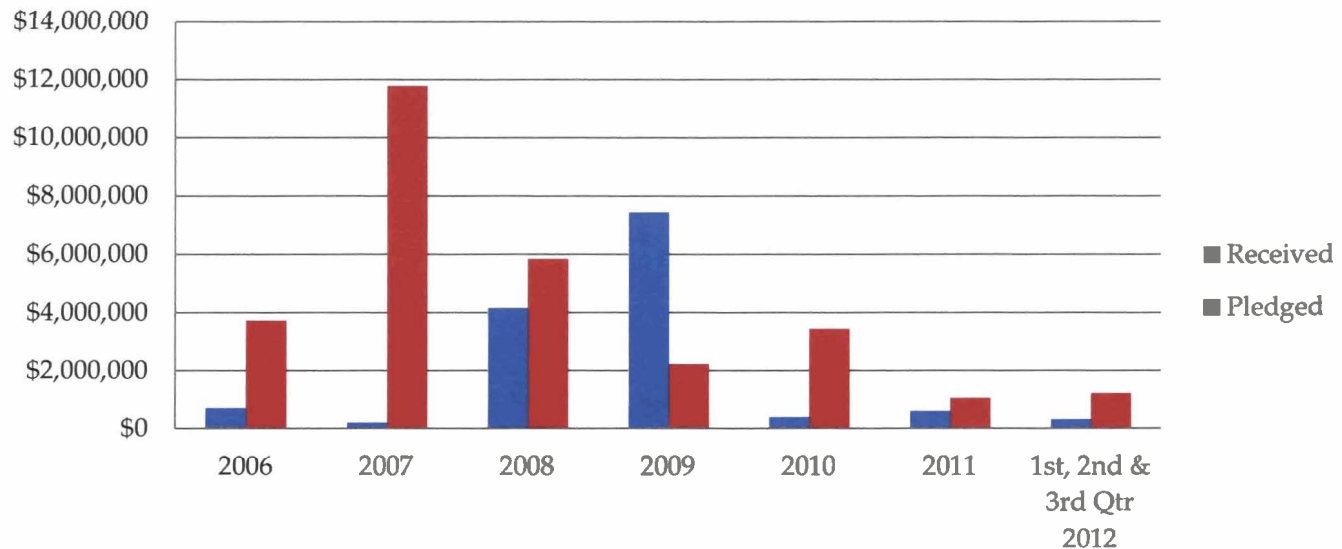
- 6.1 Continue and enhance community outreach to foster understanding of **need for and benefits of affordable housing**
- 6.2 Work with the City agencies and service providers to **ensure awareness of resources and services**
- 6.3 Conduct stakeholder outreach to developers, financial institutions, lenders, property owners and real estate professionals
- 6.4 Encourage **public-private partnerships**



Funding Trends



Alexandria Housing Trust Fund Pledges and Contributions, FY 2006 - 3rd Quarter 2012



Existing City/ARHA Programs

Housing development (rental or ownership)	<ul style="list-style-type: none"> • Acquisition and/or rehabilitation loans • Predevelopment loans
Rental housing	<ul style="list-style-type: none"> • Resolution 830 • Housing Choice Voucher (ARHA) • Rental Accessibility Modification Program (RAMP) • Rental Set-Aside Unit Program • Rent Relief Program for Seniors and Disabled*
Rental services	<ul style="list-style-type: none"> • Landlord-Tenant Compliant Mediation • Relocation Counseling • Eviction Assistance and Furniture Storage Program
Home purchase	<ul style="list-style-type: none"> • Homeownership Assistance Program • Moderate Income Homeownership Program^{1,2} • Employee Housing Incentive Program² • Homeownership Counseling³ • Ownership Set Aside Program
Homeowner assistance	<ul style="list-style-type: none"> • Home Rehabilitation Loan Program • Residential Energy Loan Program (New) • Energy Share Program
Homelessness prevention/assistance	<ul style="list-style-type: none"> • Homeless shelters • Non-profit transitional housing programs • Transitional Assistance Program • Homeless Intervention Program
Residential intellectual disability services	<ul style="list-style-type: none"> • Group homes • Supervised apartments • Safe Haven
Fair Housing	<ul style="list-style-type: none"> • Fair Housing Testing Program • Fair Housing Training for Realtors and Property Managers.

¹ Modification(s) proposed in Housing Master Plan

² Programs are funded only for limited situations in FY 2013

³ Program is unfunded in FY 2013

Proposed New and Modified Programs

Modified Programs

Home Purchase Assistance Loan Enhancements

Home Rehabilitation Loan Enhancements

Development Fee Relief Funding

Voluntary Developer Contribution Policy Update

New Programs

Community Land Trust

Housing Choice (for construction and rehabilitation) Policy

Public Land for Affordable Housing

Resource Center for Affordable Housing

Historic Preservation Tax Credits

Voluntary Developer Contributions

Development Type	June 2005 Formula	Draft Proposed Formula
Non-Residential	\$1.50/Sq. Ft.	\$1.78/Sq. Ft.
Tier 1 Residential		
For-Sale	\$2.00/Sq. Ft.	\$2.37/Sq. Ft.
Rental	\$1.50/Sq. Ft.	\$2.37/Sq. Ft.
Tier 2 Residential	\$4.00/Sq. Ft.	\$4.74/Sq. Ft.

- Proposed Formula increase reflects inflation from 2005 – 2011
- Proposed Formula includes making rental contributions equal to for-sale contributions
- Formula will be adjusted annually based on CPI-U Housing for the Baltimore Washington Metro Area
- Approved by Housing Contribution Policy Work Group but may be subject to further discussion



Existing Zoning Tools¹

Housing development (rental or ownership)

- Bonus density/height (7-700)
- Parking reduction (7-700)

Rental housing

- Development review timing sensitive to tax credit application schedule

¹ Excludes voluntary housing contributions from new development which usually are part of the land use process but not a regulatory zoning tool.

Proposed New and Modified Zoning Tools

Modified Zoning Tools

Revised Bonus Density Affordable Housing Provisions* [REDACTED]

Facilitate Parking Reduction for Affordable Housing

Amend Parking Requirement Process for Substantial Rehabilitation Projects

New Zoning Tools

Study Accessory Dwelling Unit Policy, Allow in CDDs

Study Transfer of Development Rights Policy

*Pending discussion with Housing Contribution Work Group. Staff purpose is to address additional density (above certain thresholds) provided through CDDs or other rezoning.

Existing Financial Policies

Housing development (rental or ownership)	<ul style="list-style-type: none">• Dedication of City real estate tax rates (currently at 6/10 of 1 cent)
Rental housing	<ul style="list-style-type: none">• Real property tax exemption (ARHA only)• Waiver of building permit and sewer tap fees (ARHA and ACPS)
Homeowner assistance	<ul style="list-style-type: none">• Real Property Tax Relief for Seniors and/or disabled <p>Lower Real estate assessments based on covenanted resale price restrictions</p>

Proposed New and Modified Funding Tools

Modified Funding Tools

Loan Guarantees

New Funding Tools

Tax Increment Funding (for Affordable Housing)¹

Loan Consortium

General Fund as a Tool (options)

Annual Lump Sum General Fund Appropriation

Increase Dedicated Real Estate Tax Rate

Match voluntary and/or in-kind discounted unit contributions with General Fund dollars from new development

Waiver of City Fees

¹ \$52.4 million in City provided Tax increment Funding proposed in the Beauregard Small Area Plan over 30 year period

Future Potential Funding Sources

Federal

- Federal Historic Preservation Tax Credits (after establishing special district)
- Sustainable Communities and Community Challenge Grants (competitive)
- Green Retrofit Program (direct to property owner)
- National Housing Trust Fund (created but not funded)

State

- State Historic Preservation Tax Credits (after establishing special district)
- State Housing Trust Fund (Funded Statewide at \$7 million for FY 2014; distribution plan to be developed)
- Virginia Livable Home Tax Credit (direct to consumer or developer)
- Mortgage Credit Certificates (VHDA plans to initiate; tax credit to consumer)

Private

- Virginia Community Capital
- Enterprise Community Partners
- Loan Consortium
- MacArthur Foundation
- Home Depot Foundation

The Housing Master Plan – Next Steps

Continued Outreach and Solicitation of Feedback

- Prior to public release of draft report
 - Housing Master Plan Advisory Group (AHAC and Stakeholders)
 - Developer Work Group (Developers, land use counsel, advocates)
 - Planning Commission Work Session
- Release of draft report:
 - ARHA
 - Development community
 - Housing nonprofits and advocacy groups (AHDC, Tenant and Workers United, VOICE, etc.)
 - Federation of Civic Associations
 - Commission on Aging, Commission on Persons with Disabilities, Community Services Board, Economic Opportunities Commission, others
 - AEDP, Chamber of Commerce
- Planning Commission and City Council public hearings in the fall

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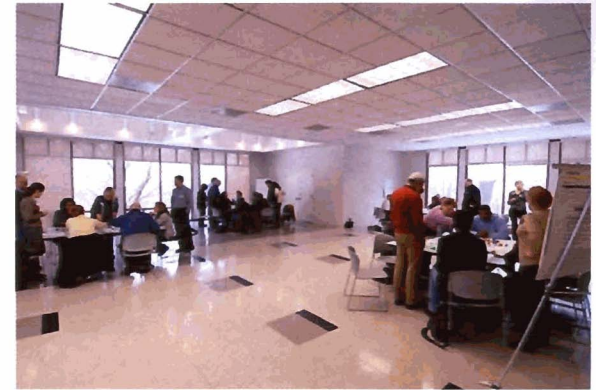
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