

HOUSING ADVISORY COMMITTEE

Minutes

Neighborhood Development Services Conference Room, City Hall

November 18, 2015

12:00 pm

MEMBERS PRESENT: Bob Hughes, Carmelita Wood, Dan Rosensweig, Frank Stoner, Katie White, Joyce Dudek, Kaki Dimock, Kristin Szakos, Lesley Fore, Mark Watson, Paul Kent, Phil d'Oronzio, and Ridge Schuyler

NON VOTING MEMBERS: Countess Hughes (UVa)

STAFF: Kathy McHugh, Alex Ikefuna, and Carolyn McCray

The meeting started at approximately 12:00 noon, with lunch provided for attendees.

Mark Watson welcomed everyone and Kathy McHugh explained the agenda for the meeting stating the majority of the meeting entails a presentation from Lee Sobel of RCLCO on the Comprehensive Housing Analysis and Policy Draft Report.

The minutes from August 19, 2014 HAC meeting were approved by unanimous vote based on a motion by Kristin Szakos, seconded by Lesley Fore. Katie White stated she would like her name corrected in the minutes from Wood to White.

Lee Sobel, Principal and Erin Talkington, Vice President with RCLCO were introduced and a presentation of the Comprehensive Housing Analysis & Policy Draft Report followed. A copy of the PowerPoint presentation is attached hereto; however, the following is a summary of presentation details.

Goals and Objectives

- Understanding of overall housing market in the city of Charlottesville
- Analysis of market barriers and other issues affecting affordable housing

Objectives:

- Characterize existing and new supply
- Segment demand in City by housing type, age, tenure, and income
- Identify any mismatch between supply and demand
- Define the consumer, depth of market, and ideal housing for affordable and workforce housing
- Identify policy options to mitigate market barriers and achieve better housing outcomes

Key Findings:

- Charlottesville is viewed as a highly desirable place to live
- Housing within the City is expensive to the lowest-income groups, and perceived as expensive by other
- Most households do not pay the full amount that they can afford in housing costs
- Most of Charlottesville's households are over age 55 and have 1-2 people

- At an overall market level, the City has an undersupply of housing statistically affordable to households at the top (120% AMI) and bottom (50% AMI) of the market
- Workforce households face the most challenging trade-offs between housing and commute
- Market should be able to provide appropriately-priced housing for majority of workforce consumers in the region
- Region should not be a supply-constrained market, but is behaving like one
- Two key factors create supply constraints in city boundaries and close-in areas:
 - Limited supply of land for new development – both City’s small area and built-out character, and Albemarle County’s restrictive growth areas
 - Large affluent population that desires City living and can afford to pay higher prices for housing compared to today

Short-Term Policy Recommendations

- Separately define workforce housing as a category of affordable housing to allow City to target incentives to this group
- Pursue strategies outlined in SIA plan and look for a development partner to build housing on vacant land and parking lots in the SIA.
 - If all 20 acres were zoned R3, that could yield up to 460 residential dwelling units
 - Improve streetscape, safety, and update infrastructure
- Identify other publicly-owned and underutilized parcels in City and County for mixed-income housing development
 - Examples: public golf courses, surface parking lots, declining retail and industrial centers, and abandoned schools
- Assist with costs of structured parking to incentivize denser or mixed-use development to offer affordable and workforce housing
 - Cash incentives for developers looking to redevelop vacant and underutilized parcels that achieve goals of the SIA plan
- Focus denser housing in areas that are redevelopment priorities, allow denser development by-right, and consolidate mixed-use zoning categories into one zoning designation:
 - West Main Street
 - Cherry Avenue Corridors
 - SIA
- Increase code enforcement for properties with “naturally occurring” affordable units.
- Create a formalized tenant advocate office to provide resources for the City’s renter households

Long-Term Policy Recommendations

- Seek inclusionary zoning policy similar to Albemarle County, allowing density bonuses for dedicated affordable units
- Lobby General Assembly to allow the City to require that builders dedicate a portion of their units to households with strictly defined income limits

- o Current proffer is much less expensive option than dedicating the units
- o Mandate providing ADU for all new multifamily developments, or raise the required cash proffer
- Work with Albemarle County to expand the amount of developable land in growth areas near the City, allowing more moderately-priced, but still market rate, housing to be built close to jobs
- Implement a Right of First Refusal policy on multifamily rental properties, which would allow the City, or a designated organization to purchase a multifamily building put up for sale by the owner in order to preserve naturally occurring affordable housing
 - o Review whether this could be done under a similar statute to Virginia Beach's Right of First Refusal policy, tailored to Charlottesville's situation, and review with the Commonwealth's attorney
- Expand use of LIHTC financing, including a "local version" that provides additional funding
- Subsidize or provide Broadband Internet access to affordable and workforce households
- Consider property tax abatements or tax credits targeted to affordable and workforce households, similar to a policy currently offered in Fairfax County, Virginia, that could save homeowners thousands of dollars each year.

Following this presentation by RCLCO, the HAC members discussed the report expressing the following comments/questions/concerns.

- Concern over use of \$300/month for housing cost (taxes, HOA, utilities, insurance, etc.) was deemed to be too low. Habitat was to provide data for use by RCLCO in looking to adjust this amount.
- Question about the potential for considering a recommendation to include a payment in lieu by UVA related to impacts on infrastructure and housing affordability.
- Concern over the comparison of rent levels for student vs. market rate rental housing.
- Question over whether traffic congestion was considered relative to impact on commute time.
- Note of concern over short term recommendation to define workforce housing as a separate affordable income group.
- Question over how code enforcement would work and the rationale as to need.
- Question over the extent to which student housing was considered.
- Question as to impact of empirical data regarding the impact of older Albemarle County multifamily properties as well as less well located student housing properties on the overall multifamily housing stock.
- Note to add "quality" to the long term recommendation to work with the County to increase the supply of affordable/workforce housing units.
- Question about broadband and the need to clarify that this is a recommendation for "free" service.

- Note regarding 34 - 54 age group - that it is best not to build for them but to build for other consumer groups (including those over 55) in order to open up larger homes, essentially freeing these up to provide options for the 34 - 54 group which is looking for larger single family homes.
- Question over including some Virginia examples for cross jurisdictional receivership related to use of TDR policy option.
- Note over the impact of discretionary processes (e.g., BAR, SUP, etc.) on land value.
- Question over consideration of fee simple air rights.
- Comment to look at adding UVA pilot to subsidize affordable housing.

Staff committed to follow up with RCLCO by providing them with comments received during the meeting, as well as any written comments from HAC members (received by close of business on December 4th).

Kathy McHugh then provided staff updates as follows:

- The City has received an Affordable Dwelling Unit (ADU) payment of \$331,451 from 1000 West Main
- Council has approved \$350,000 from CAHF to Piedmont Housing Alliance for Friendship Court Redevelopment Planning
- Council has approved \$4,600 from CAHF to repay HUD for disallowed CDBG funds
- Dogwood Housing Agreement was amended to adjust rental terms to bring the project into compliance
- Staff initiated development of an Accessory Dwelling Unit guidebook that will be discussed at the December subcommittee meeting.

Ms. McHugh also reviewed the 2016 HAC Meeting Calendar as follows:

Meetings for the full HAC will be held once every quarter as follows: February 17, 2016 (1st Quarter); May 18, 2016 (2nd Quarter); August 17, 2015 (3rd Quarter); November 16, 2015 (4th Quarter)

Potential Meeting Dates for Subcommittees (advance notice will be provided): January 20, 2016; March 16, 2016; April 20, 2016; June 15, 2016; July 20, 2016; September 21, 2016; October 19, 2016; and December 21, 2016.

With no further discussion, the meeting was adjourned at approximately 2:00 pm.

This report provides comprehensive analysis and policy recommendations for housing in the City of Charlottesville. Due to the length, complexity and technical nature of the report it is not being posted on the City website in an accessible format, but an accessible version of the report may be obtained by calling (434) 970-3182 or emailing ADA@charlottesville.org.

Comprehensive Housing Analysis and Policy Recommendations

City of Charlottesville, VA

Agenda

- 12:10pm-12:15pm Welcome, Goals and Objectives
- 12:15pm-12:30pm Key Findings
- 12:30pm-12:45pm Policy Recommendations
- 12:45pm-1:15pm Questions and Discussion

Goals and Objectives

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- Analysis of market barriers and other issues affecting affordable housing

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Deliverables:

- Written report
- Detailed analytical appendix
- Consumer research findings

Key Findings

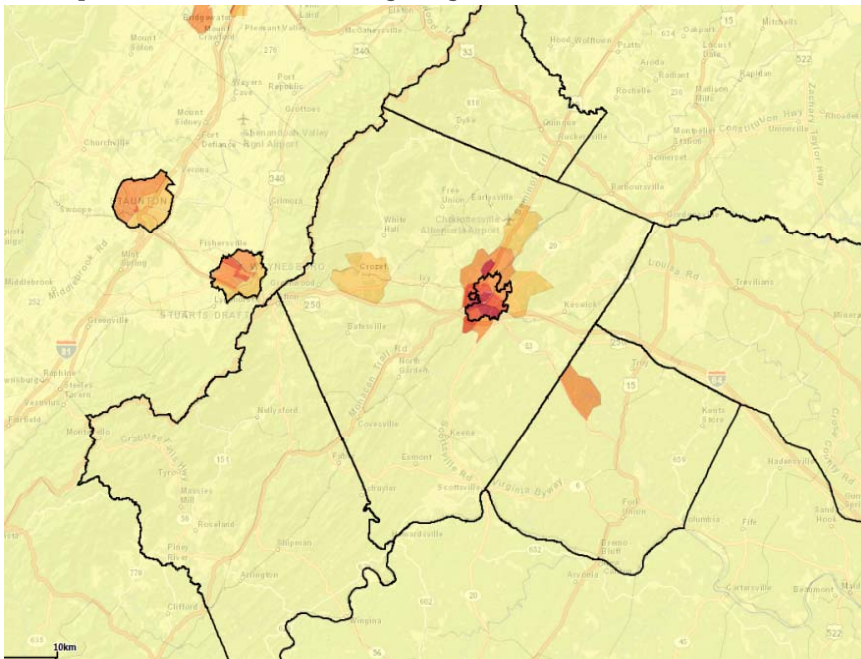
- Charlottesville is viewed as a highly desirable place to live
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- Most households do not pay the full amount that they can afford in housing costs
- Most of Charlottesville's households are over age 55 and have 1-2 people
- At an overall market level, the City has an undersupply of housing statistically affordable to households at the top (>120% AMI) and bottom (<50% AMI) of the market
- Workforce households face the most challenging trade-offs between housing and commute

Key Findings

- Market should be able to provide appropriately-priced housing for majority of workforce consumers in the region
- Region should not be a supply-constrained market, but is behaving like one
- Two key factors create supply constraints in city boundaries and close-in areas:
 - Limited supply of land for new development** – both City’s small area and built-out character, and Albemarle County’s restrictive growth areas
 - Large affluent population** that desires City living and can afford to pay higher prices for housing compared to today.

City of Charlottesville is Small in Area but Has a Larger Share of

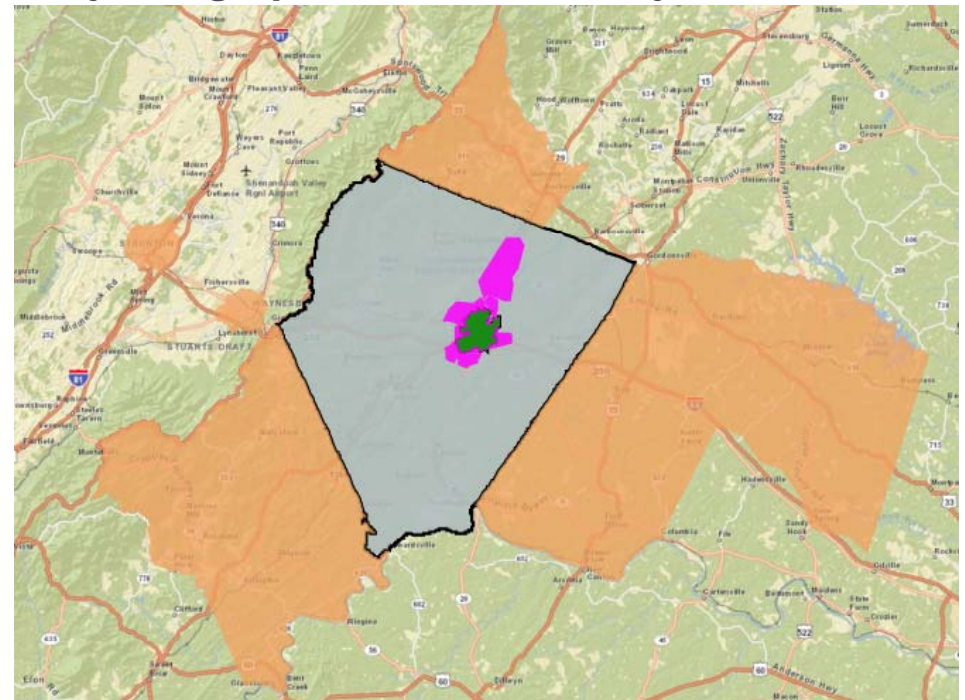
Population Density by Census Tract



▲ 2015 Population Density (Pop per Square Mile)



Key Geographies Used in Analysis



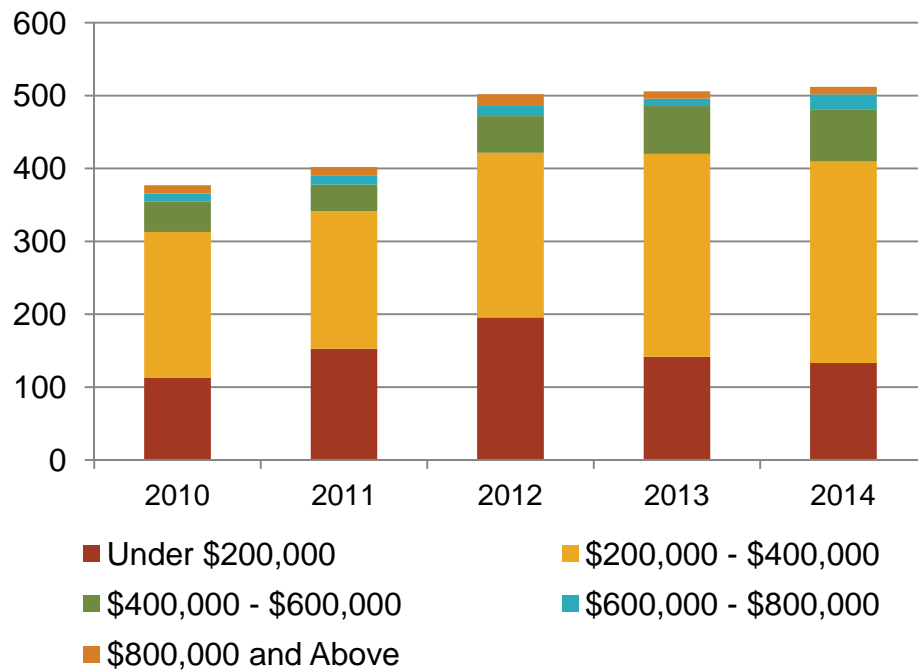
KEY	Share of Population	Share of Land Area
■ City of Charlottesville	16%	1%
■ Primary Market Area	32%	2%
■ Albemarle County	36%	38%
■ Charlottesville, VA Region	100%	100%

Source: Esri

About 500 Home Sales Each Year, Approximately 4% of Total Inventory

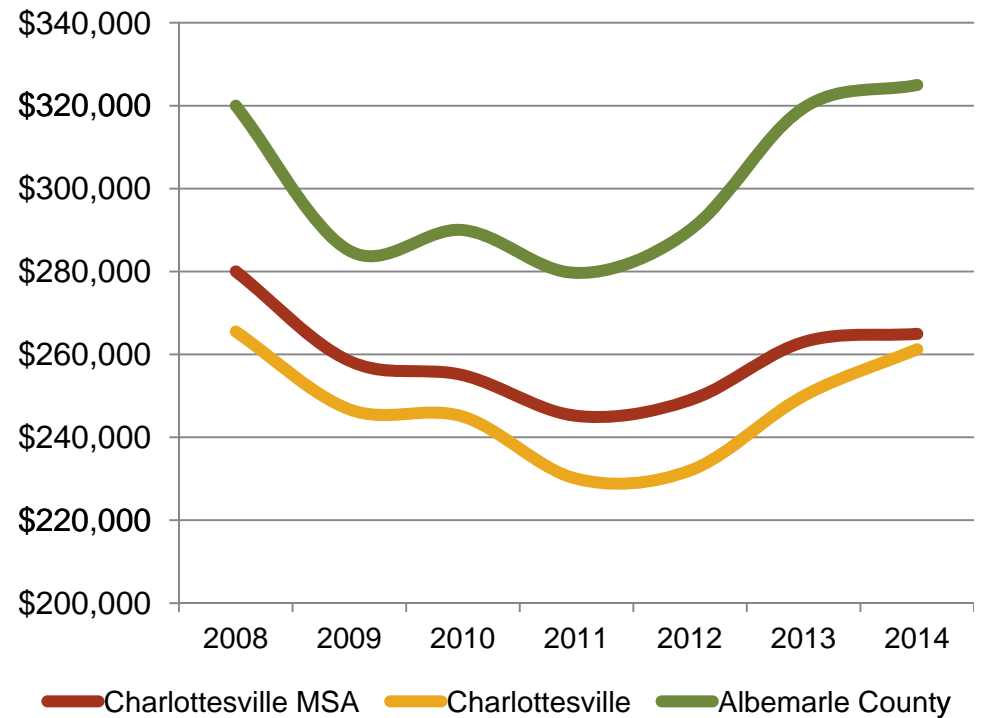
- City of Charlottesville: 512 sales in 2014, 4.0% of all homes
 - 26% of sales under \$200,000
- Albemarle County: 1,468 sales in 2014, 3.4% of all homes
 - 22% of sales under \$200,000

**Annual Home Sales by Price Band
City of Charlottesville, VA**



Source: Nest Report

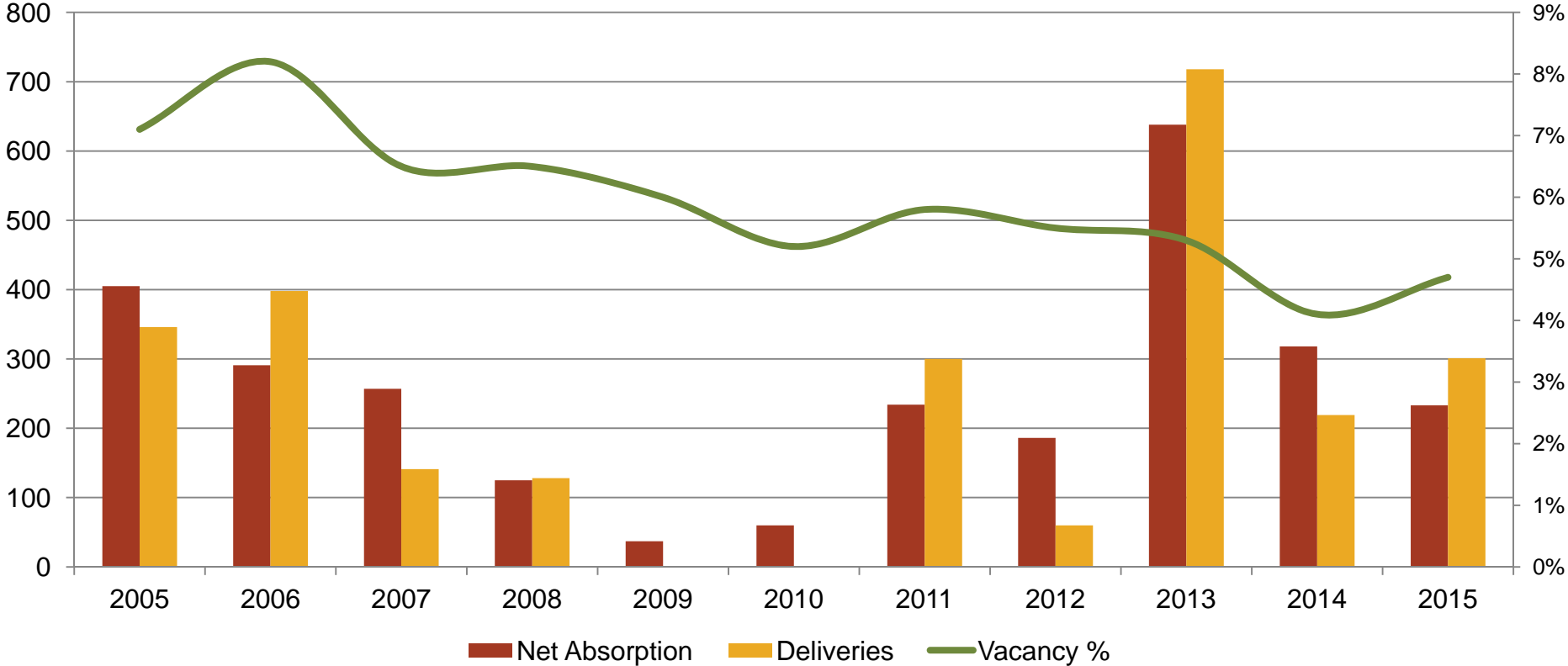
Historical Median Home Sales Price



Strong Rental Apartment Market Suggests Unmet Demand in City

- Charlottesville has a 5% vacancy rate
- Annual absorption has averaged about 400 units per year since 2013

Historical Net Absorption, Deliveries, and Vacancy Rate



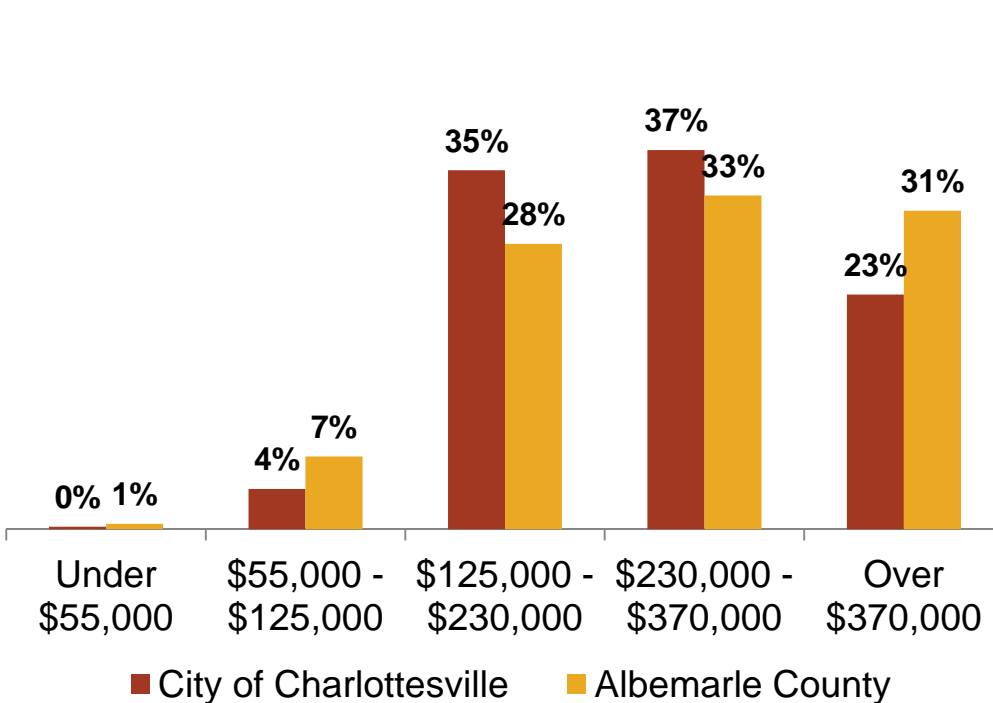
Source: CoStar



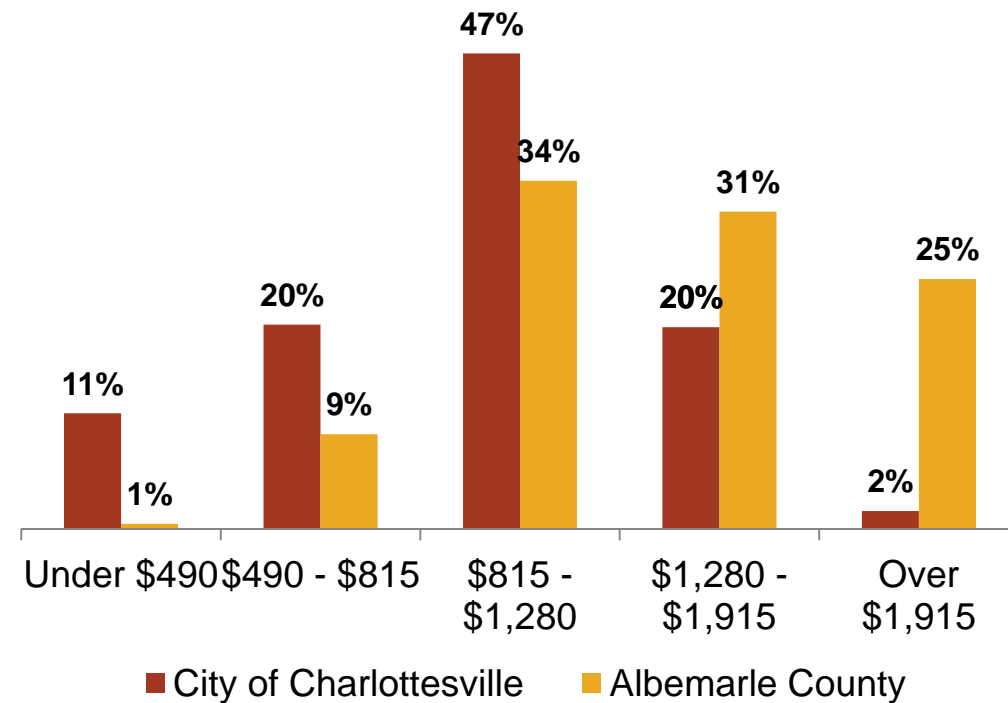
Existing Housing Inventory Concentrated in Price/Rent Bands Affordable to Most Consumers

- Charlottesville has about 9% of the region's owner-occupied housing stock and 20% of the region's rental housing
- Class A rental apartments in or near the City average rent: \$1,282 per month
 - Average rents in region are about 20% less than in City

Owner-Occupied Supply



Multifamily Renter-Occupied Supply

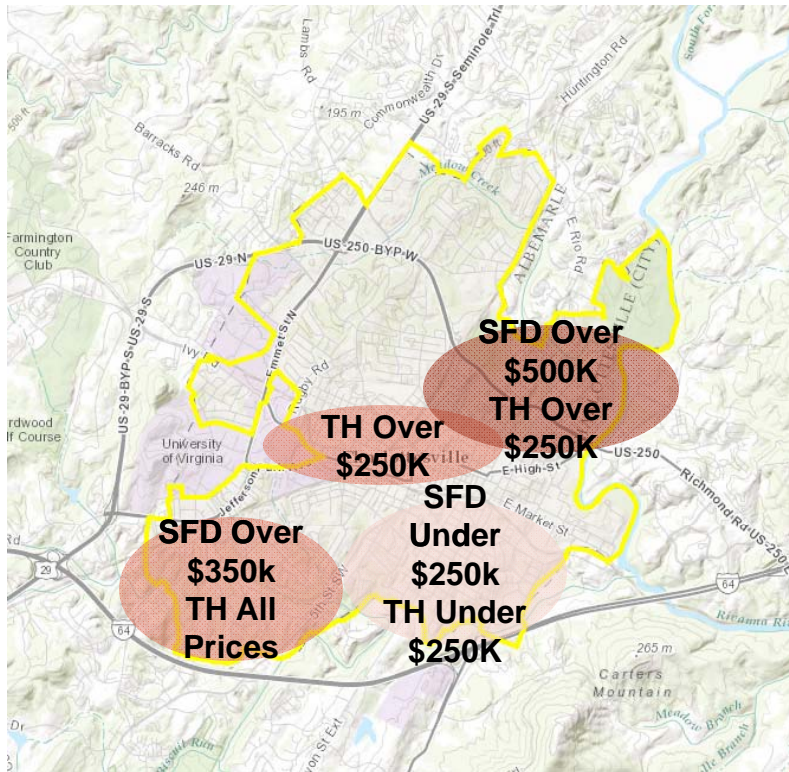


Source: City of Charlottesville; Virginia Housing Development Authority; ACS PUMS Data 2012-2013; U.S. Census ACS 2011-2013 3-year Data; RCLCO

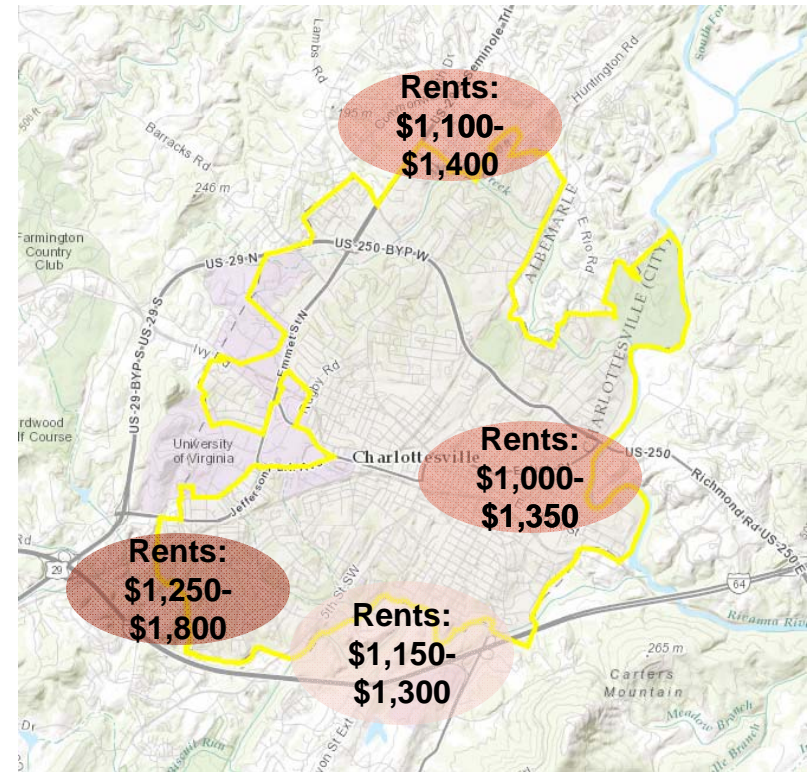
New For-Sale Housing Mostly Priced Above \$250,000; Rents Above \$1,000

- \$250,000 affordable to households just above 80% AMI
- \$450,000 average new home price only affordable to households above 120% AMI
- New homes in Albemarle County more affordable per square foot, but similarly priced

New For Sale Housing



New Rental Apartments



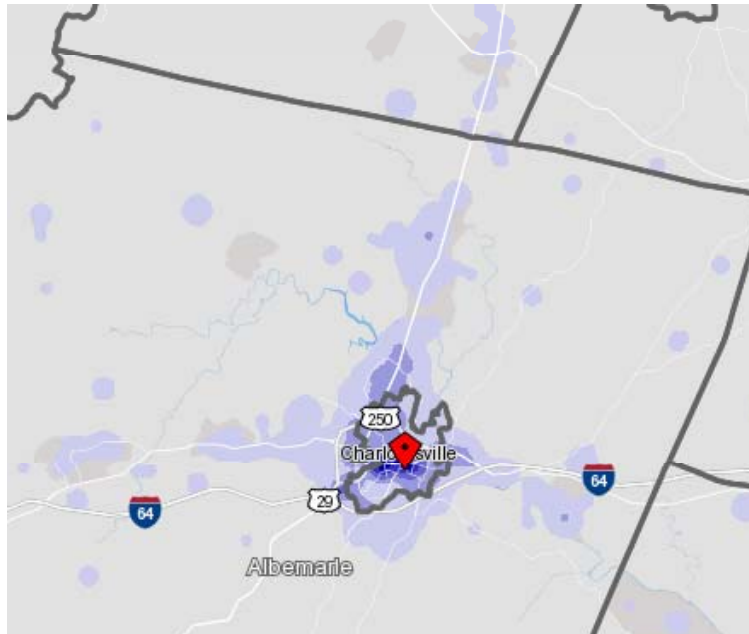
Source: Esri; City of Charlottesville; CoStar; Zillow



48% of Charlottesville Employees Live Within 10 Miles of City

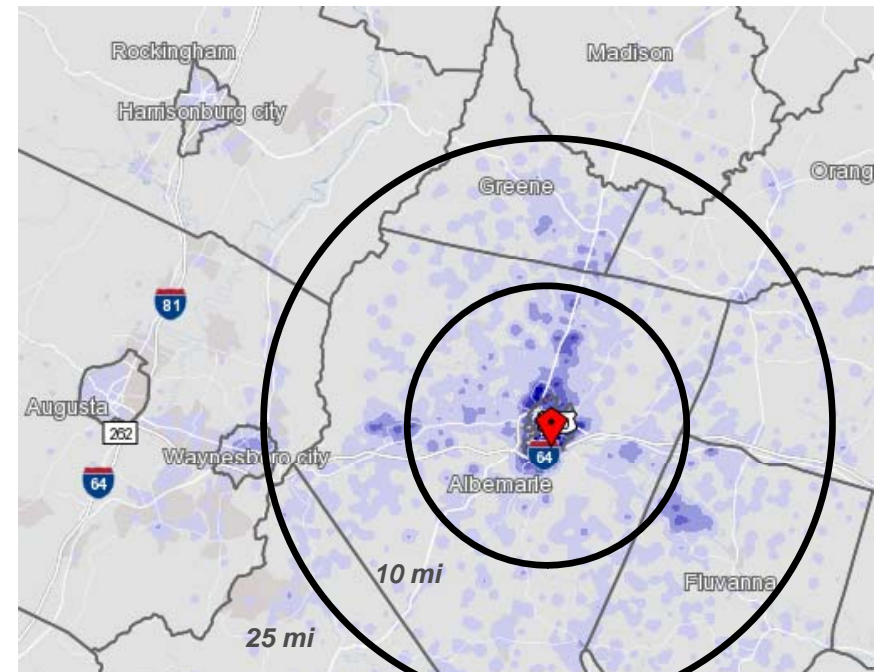
- City Residents mostly work in or near City
- City Employees more spread out – 74% within 25 miles

Where Charlottesville Residents Work



JOB COUNT BY DISTANCE		
Less than 10 Miles	10,637	58%
10 - 24 Miles	771	4%
25 - 50 Miles	980	5%
Greater than 50 Miles	5,943	32%
TOTAL	18,331	100%

Where Charlottesville Employees Live



JOB COUNT BY DISTANCE		
Less than 10 Miles	17,271	48%
10 - 24 Miles	9,175	26%
25 - 50 Miles	3,476	10%
Greater than 50 Miles	5,942	17%
TOTAL	35,864	100%

Note: Darker shading indicates higher population or employment density

Affordable and Workforce Households Defined by Size and AMI

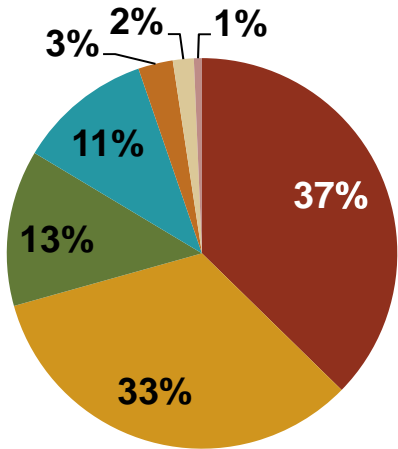
	30% AMI	50% AMI	80% AMI	120% AMI	200% AMI
1-Person	\$17,700	\$29,450	\$46,100	\$69,150	\$115,250
2-Person	\$20,200	\$33,650	\$52,650	\$78,975	\$131,625
3-Person	\$22,750	\$37,850	\$59,250	\$88,875	\$148,125
4-Person	\$25,250	\$42,050	\$65,800	\$98,700	\$164,500
5-Person	\$28,410	\$45,450	\$71,100	\$106,650	\$177,750
6-Person	\$32,570	\$48,800	\$76,350	\$114,525	\$190,875
7-Person	\$36,730	\$52,150	\$81,600	\$122,400	\$204,000

Source: Virginia Housing Development Authority

Households are Small and Aging

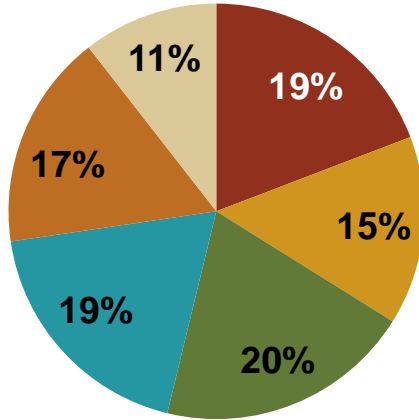
- Charlottesville’s non-student households:
 - Below 80% AMI: 54% of households
 - 80%-120%: 19% of households
 - Over 120%: 28% of households
- One and two person households comprise nearly 70% of all households

Household Size



- 1-person household
- 2-person household
- 3-person household
- 4-person household
- 5-person household
- 6-person household

Households by AMI



- Under 30% AMI
- 30% - 50% AMI
- 50% - 80% AMI
- 80% - 120% AMI
- 120% - 200% AMI
- Over 200% AMI

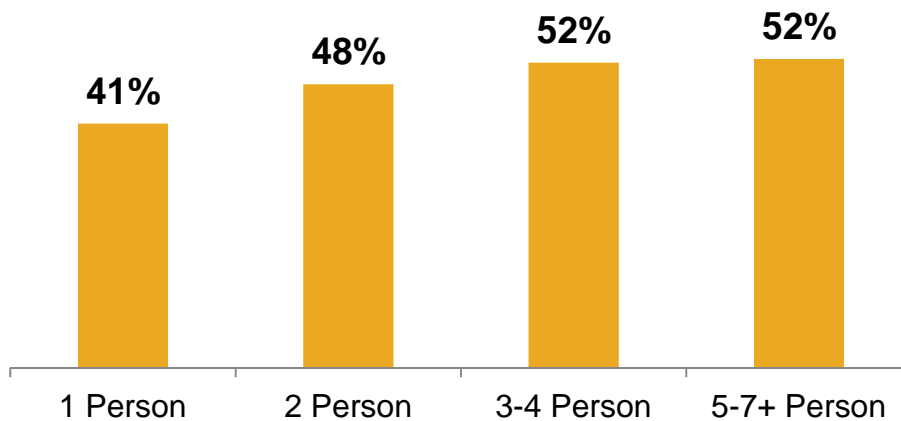
Source: Esri; 2013 American Community Survey 3-Year Estimates 2011-2013; ACS PUMS Data 2012-2013; RCLCO



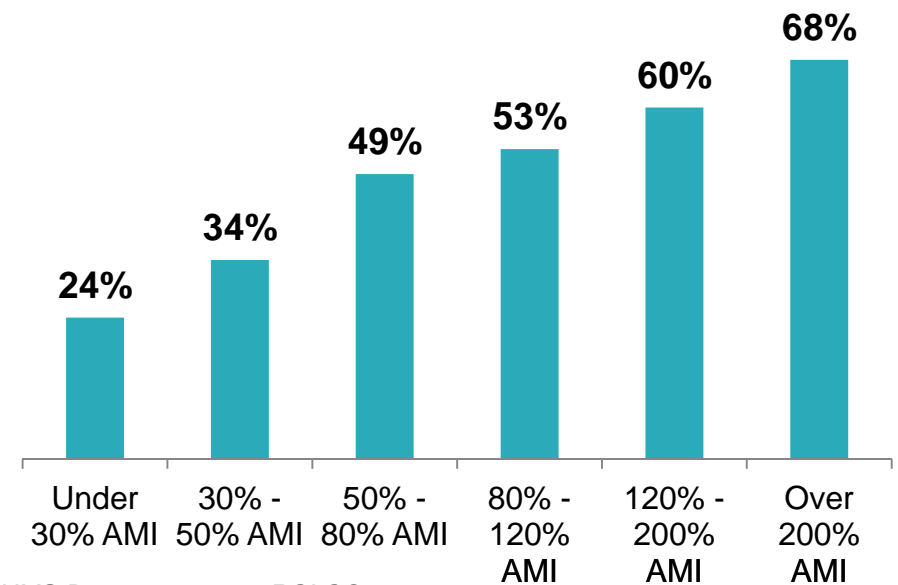
Tenure (own/rent) Varies by AMI and Less so by Household Size

- In the City, 53% of households rent and 47% own their homes
- 59% of one person households rent and 52% of two person households rent

% That Own by Household Size



% That Own by AMI



Source: Esri; 2013 American Community Survey 3-Year Estimates 2011-2013; ACS PUMS Data 2012-2013; RCLCO

Key Market Segments: “Barbell” of Demand with Millennials and Boomers

- The deepest market segments are highly correlated with the type and price point of housing available in the City
- Young Singles and Couples are the only key market segment identified in the matrix that primarily rent their homes

MARKET SEGMENT	% OF CURRENT HOUSEHOLDS	NEED FOR DIFFERENT HOUSING
Workforce Empty Nesters	8%	High
Working Mature Households	7%	Low
Young Singles and Couples	4%	High
Market Rate Mature Households	12%	Low
Downsizing Empty Nesters	9%	High
TOTAL KEY MARKET SEGMENTS	41%	

Fair Share Analysis of Households Interested in Living in Charlottesville City of Charlottesville, VA; 2015

	<30% AMI	30-50% AMI	50-80% AMI	80-120% AMI	>120% AMI
18-34	0.4	0.7	0.9	1.6	1.2
35-54	0.0	0.4	1.1	1.7	1.5
55 and Over	0.0	0.3	1.0	2.2	1.3

Source: 2012-2013 ACS PUMS Data; Charlottesville Consumer Research; RCLCO



Ideal Next Housing for Key Market Segments: Need More Multifamily

- Each market segment responded that they would ideally own their next home.
 - Empty Nesters would like to downsize into smaller homes
 - Young Singles and Couples typically continue renting until they can afford their preferred housing

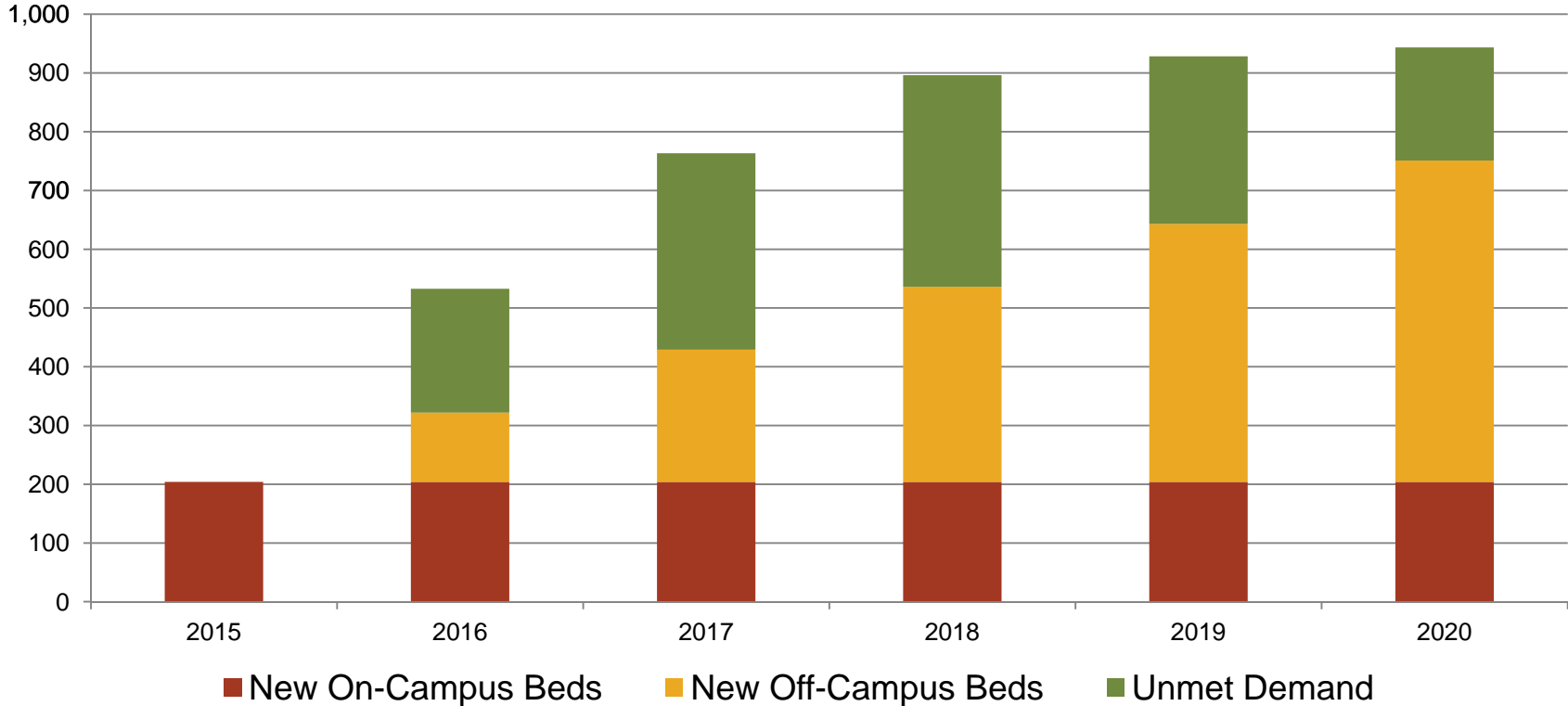
MARKET SEGMENT	OWNER IDEAL HOUSING	OWNER IDEAL COST	RENTER IDEAL HOUSING	RENTER IDEAL COST
Workforce Empty Nesters	SFD or Condos 2-3 Bedrooms	\$180,000-\$325,000 (75%)	Townhomes and Apartments 2-3 Bedrooms	\$1,000-\$1,250 (50%)
Working Mature Households	SFD 3 or More Bedrooms	\$180,000-\$325,000 (75%)	Apartments 1-2 Bedrooms	\$750-\$1,250 (73%)
Young Singles and Couples	SFD 3 or More Bedrooms	\$180,000-\$325,000 (77%)	Apartments (1-2 bedrooms) SFD (2-3 bedrooms)	\$1,000-\$1,500 (63%)
Market Rate Mature Households	SFD 3 or More Bedrooms	\$250,000-\$450,000 (61%)	No Product Preference 2-3 Bedrooms	\$1,250-\$1,500 (50%)
Downsizing Empty Nesters	SFD or Condos 2-3 Bedrooms	\$180,000-\$325,000 (56%)	SFD 2-3 Bedrooms	\$750-\$1,500 (80%)

Source: 2012-2013 ACS PUMS Data; Charlottesville Consumer Research; RCLCO

Projected Demand for Student Housing Still Exceeds Pipeline Supply

- Today, about 7,600 beds currently in purpose-built student housing off-campus
 - Cumulative pipeline supply of 547 beds by 2020.
 - Unmet demand for approximately 200-300 new beds through 2020

University of Virginia Cumulative Student Housing Demand



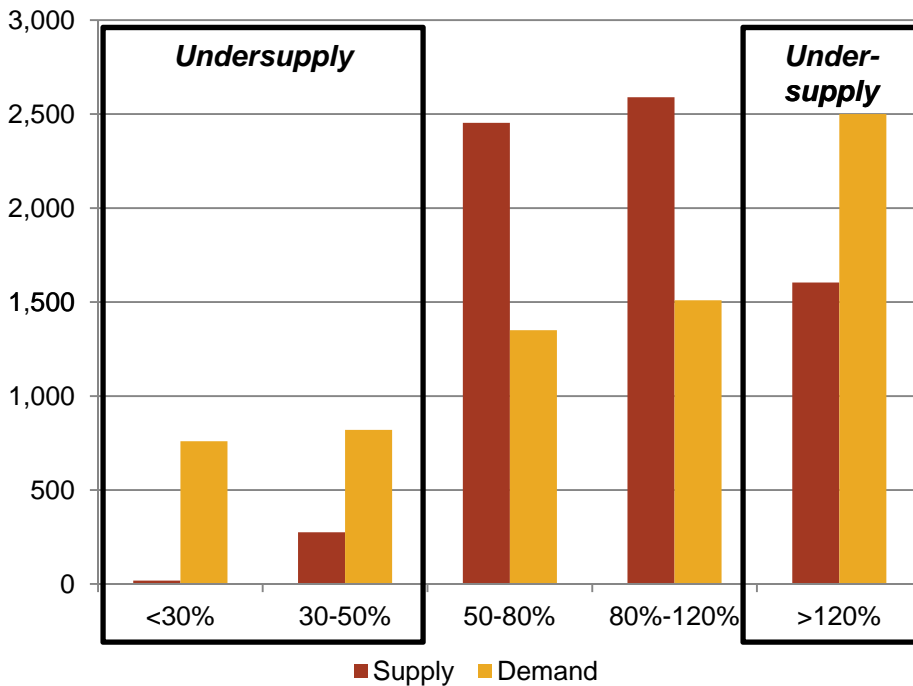
Source: University of Virginia; J Turner Research; CoStar; RCLCO



Undersupply for households earning >120% AMI and <50% AMI

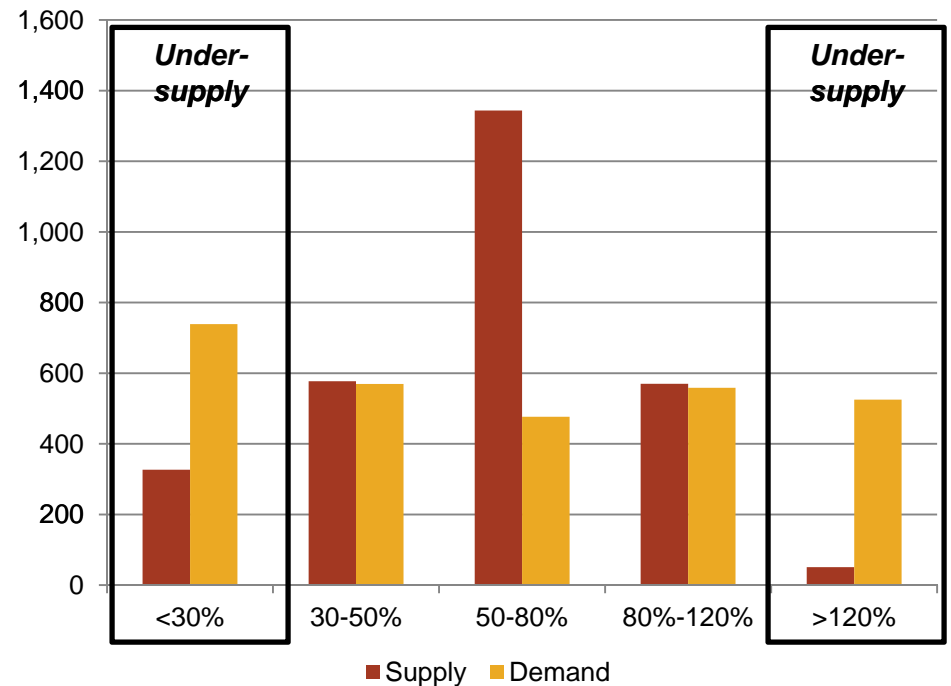
- The lowest income households are likely paying more than they can afford for housing and the highest income households are paying less than they can afford.

**Supply-Demand Comparison of Owner-Occupied Housing
City of Charlottesville, VA; 2015**



AMI Band	Housing Value Range
<30%	Under \$55,000
30-50%	\$55,000 - \$125,000
50-80%	\$125,000 - \$230,000
80%-120%	\$230,000 - \$370,000
>120%	Over \$370,000

**Supply-Demand Comparison of Rental Housing
City of Charlottesville, VA; 2015**



AMI Band	Rent Range
<30%	Under \$490
30-50%	\$490 - \$815
50-80%	\$815 - \$1,280
80%-120%	\$1,280 - \$1,915
>120%	Over \$1,915

Source: City of Charlottesville; CoStar; Virginia Housing Development Authority; ACS PUMS Data 2012-2013; U.S. Census ACS 2011-2013 3-year Data; RCLCO



Key Findings in the Consumer Research

➤ Approximately 1,400 mostly complete responses:

AMI	Share of Responses
Under 30% AMI	11%
30-50% AMI	9%
50-80% AMI	15%
80-120% AMI	23%
Over 120% AMI	41%

- “Mostly complete” means that some respondents chose not to answer specific questions, but provided meaningfully complete surveys
- 53-54% of households under 50% AMI are cost burdened based on survey data
- Survey data suggests households under 80% AMI are overrepresented in the City today relative to how many would like to live there
- Workforce and Market Rate households across all ages would like to live in the City at a greater rate than they currently do



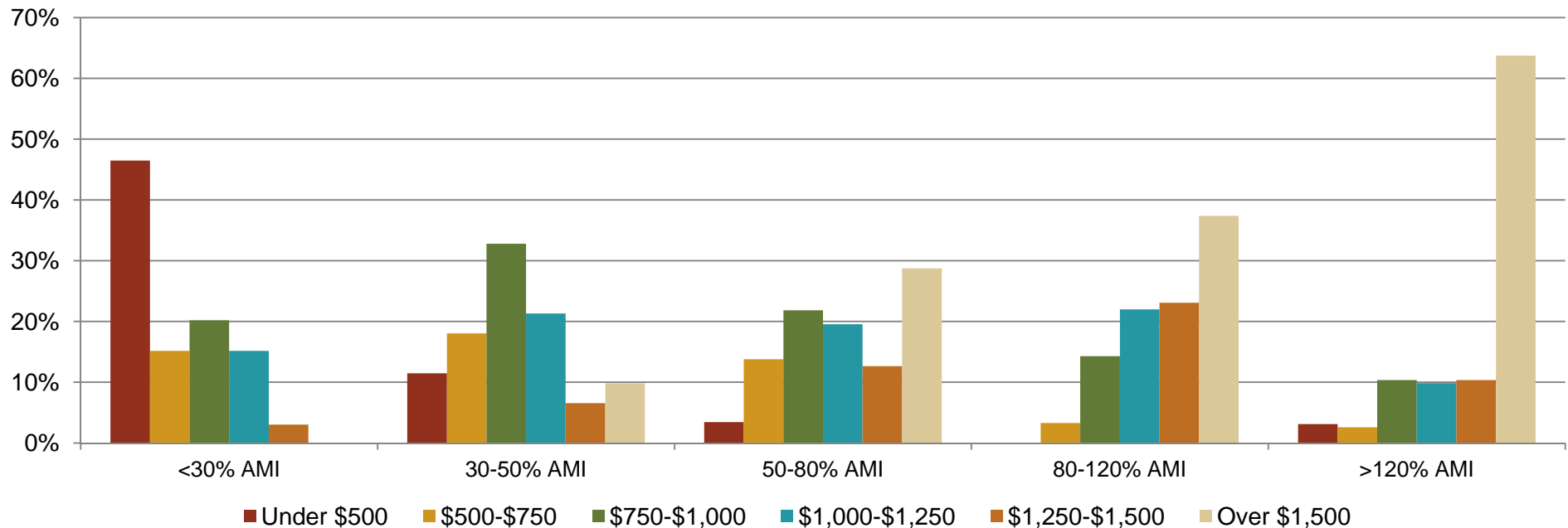
Key Findings in Consumer Research

- Share of income spent on housing and commute costs is stable until commutes exceed 30 minutes, roughly the time it would take to commute from outside Albemarle County
- The key factors influencing their next housing decision are location, housing type and size, and cost:
 - Age 18-34: Mostly renters today, and would like to own SFD eventually.
 - Age 35-54: Mostly owners today, but a large portion rent, largely in SFD homes. More of these households are interested in owning SFD.
 - Age 55+: Predominantly want a smaller home, and more would like a multifamily unit than a single-family

Today, most households pay much less than they can statistically afford in total housing costs

- <30% AMI: about \$600 per month is maximum affordable
- 30-50% AMI: about \$900 per month is maximum affordable
- 50-80% AMI: about \$1,400 per month is maximum affordable
- 80-120% AMI: about \$2,000 per month is maximum affordable

Surveyed Housing Cost Distribution by AMI Band

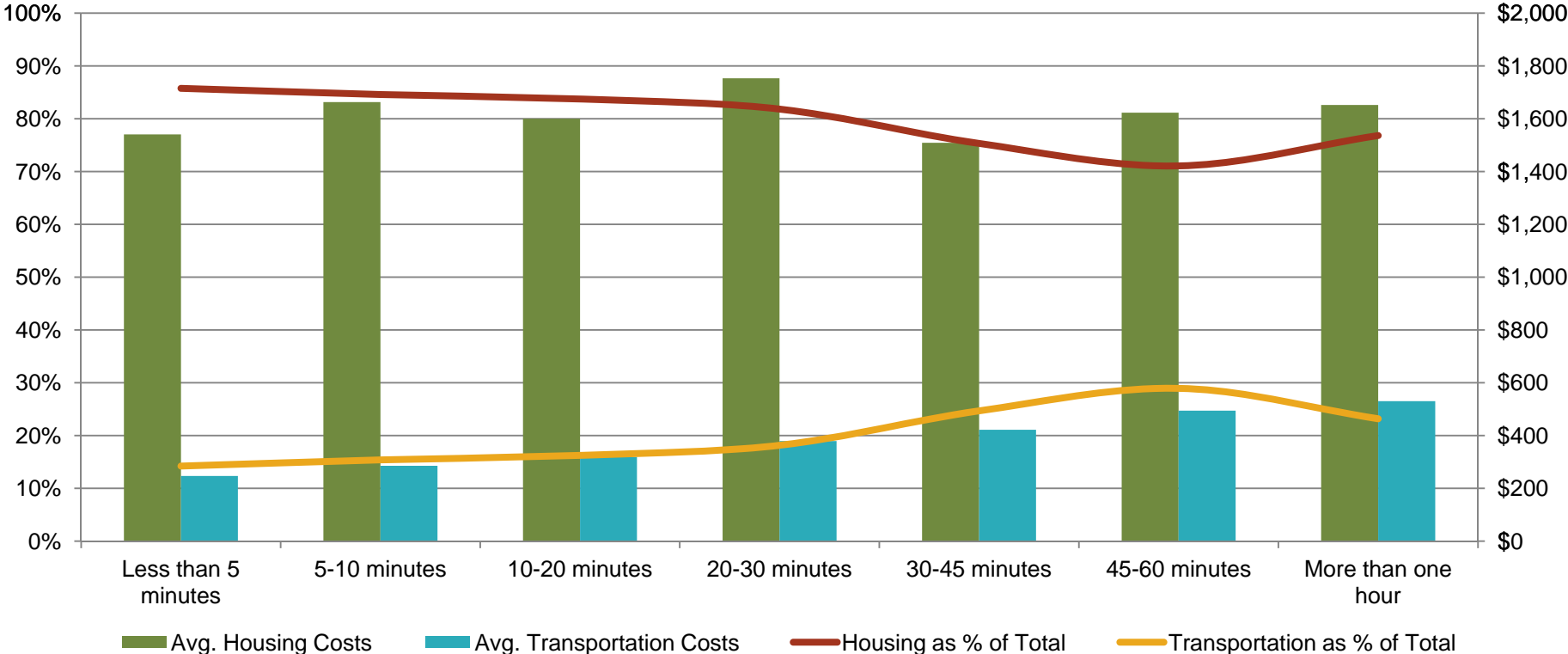


Source: Charlottesville Consumer Research; RCLCO

Commuting from Beyond Albemarle Adds to Transportation Cost Burden

- Between 30 and 60 minutes away from the City, transportation costs consume a much larger portion of total costs

*Change in Percent Share of Housing and Transportation Costs by Commute Times
City of Charlottesville, VA; 2015*



Source: Charlottesville Consumer Research; RCLCO



Policy Recommendations

Summary of Existing and Allowable Policy Options

Current City Policy	Additional Policy Options Allowed but Not Pursued by City
<ul style="list-style-type: none"> • Density bonuses • SIA reinvestment plan • Allow higher building densities in mixed-use and R3 districts 	<ul style="list-style-type: none"> • Designate workforce housing as “affordable” • Increase cash proffers required in lieu of providing ADUs • Raise minimum residential building densities in mixed-use districts • Improve infrastructure in distressed areas • Minimum FAR for commercial developments • Automatic tax abatement for affordable housing rehabilitation • TDR program between City and Albemarle County



Policy Recommendations

Short-Term Recommendations	Long-Term Recommendations
<ul style="list-style-type: none">• Pursue strategies in Strategic Investment Area plan• Define workforce housing as a separate “affordable income” group• Fund structured parking for developers providing low-income housing• Increase minimum required building densities in mixed-use corridors• Redevelop public housing into mixed-use/mixed-income housing• Increase code, health, and safety enforcement for privately-managed low-income housing• Identify underutilized sites for new mixed-income housing	<ul style="list-style-type: none">• Require developers to provide a certain percentage of low-income units• Work with Albemarle County to increase supply• Implement “right of first refusal” policy to preserve naturally occurring workforce housing• Consolidate mixed-use zones into a singular category• Provide Broadband Internet to lower-income households• Create a formalized “Tenant Advocate” office• Look at tax credits & subsidies to help workforce households purchase homes



Existing Policy Overview

- 1990 amendment to the Code of Virginia allowing the City to create a density bonus program
- Albemarle County is not subject to this ordinance because it is allowed more latitude in drafting an affordable dwelling unit program
- Municipalities can create their own definition of “affordable” housing; create citywide sales prices for affordable dwelling units; and offer other incentives
- In 2013, a study was completed for the City of Charlottesville that recommended a plan for a Strategic Investment Area (SIA)
 - A large focus of the plan was to rebuild and preserve public and subsidized housing in the SIA
 - The plan suggests that many housing types, uses, and densities be allowed within the SIA

Short-Term Policy Recommendations

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- **Pursue strategies outlined in SIA plan** and look for a development partner to build housing on vacant land and parking lots in the SIA.
 - If all 20 acres were zoned R3, that could yield up to 460 residential dwelling units
 - Improve streetscape, safety, and update infrastructure
- **Identify other publicly-owned and underutilized parcels** in City and County for mixed-income housing development
 - Examples: public golf courses, surface parking lots, declining retail and industrial centers, and abandoned schools
- **Assist with costs of structured parking** to incentivize denser or mixed-use development to offer affordable and workforce housing
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- **Focus denser housing in areas that are redevelopment priorities**, allow denser development by-right, and consolidate mixed-use zoning categories into one zoning designation:
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 - Cherry Avenue Corridors
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- **Increase code enforcement** for properties with “naturally occurring” affordable units.
- **Create a formalized tenant advocate office** to provide resources for the City’s renter households

Long-Term Policy Recommendations

- **Seek inclusionary zoning policy similar to Albemarle County**, allowing density bonuses for dedicated affordable units
- Lobby General Assembly to allow the City to **require that builders dedicate a portion of their units to households with strictly defined income limits**
 - Current proffer is much less expensive option than dedicating the units
 - Mandate providing ADU for all new multifamily developments, or raise the required cash proffer
- Work with Albemarle County to **expand the amount of developable land in growth areas near the City**, allowing more moderately-priced, but still market rate, housing to be built close to jobs
- Implement a **Right of First Refusal policy on multifamily rental properties**, which would allow the City, or a designated organization to purchase a multifamily building put up for sale by the owner in order to preserve naturally occurring affordable housing
 - Review whether this could be done under a similar statute to Virginia Beach's Right of First Refusal policy, tailored to Charlottesville's situation, and review with the Commonwealth's attorney
- **Expand use of LIHTC financing**, including a "local version" that provides additional funding
- **Subsidize or provide Broadband Internet access** to affordable and workforce households
- **Consider property tax abatements or tax credits targeted to affordable and workforce households**, similar to a policy currently offered in Fairfax County, Virginia, that could save homeowners thousands of dollars each year.

National Housing Policy Examples

- The **City of Austin, TX** policies have resulted in the delivery of over 18,400 units of affordable housing
 - SMART Housing: **Waives development fees** and **expedites the review process** for developments that reserve at least 10% of housing units for affordable households
 - Vertical Mixed Use: Gives developers **density bonuses and exemptions from parking requirements**, if at least 10% of units in mixed-use developments are designated as affordable, and remain affordable for at least 40 years (for rentals) or 99 years (for ownership)
- Montgomery County, MD offers a **Moderately Price Dwelling Unit (MPDU) Homeownership Program** for first time homebuyers earning no greater than 80% of AMI
 - Homes have **10-30 year restrictive covenants** that restrict the sale of the home. In the event the owner must sell the home, the owner must sell at the County-established controlled resale price
 - After the control period ends, owners may sell the property, but must pay 50% of the net profit to the County
 - The Homeownership Program is an excellent model for affordable housing policy at the local level. The City of Charlottesville could offer a similar program with income limits defined separately for affordable and workforce housing

Summary of Potential Policy Options

Current City Policy	Additional Policy Options Allowed but Not Pursued by City	Short-Term Recommendations	Long-Term Recommendations
<ul style="list-style-type: none"> • Density bonuses • SIA reinvestment plan • Allow higher building densities in mixed-use and R3 districts 	<ul style="list-style-type: none"> • Designate workforce housing as “affordable” • Increase cash proffers required in lieu of providing ADUs • Raise minimum residential building densities in mixed-use districts • Improve infrastructure in distressed areas • Minimum FAR for commercial developments • Automatic tax abatement for affordable housing rehabilitation • TDR program between City and Albemarle County 	<ul style="list-style-type: none"> • Pursue strategies in Strategic Investment Area plan • Define workforce housing as a separate “affordable income” group • Fund structured parking for developers providing low-income housing • Increase minimum required building densities in mixed-use corridors • Redevelop public housing into mixed-use/mixed-income housing • Increase code, health, and safety enforcement for privately-managed low-income housing • Identify underutilized sites for new mixed-income housing 	<ul style="list-style-type: none"> • Require developers to provide a certain percentage of low-income units • Work with Albemarle County to increase supply • Implement “right of first refusal” policy to preserve naturally occurring workforce housing • Consolidate mixed-use zones into a singular category • Provide Broadband Internet to lower-income households • Create a formalized “Tenant Advocate” office • Look at tax credits & subsidies to help workforce households purchase homes

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