

# Building Better in Blacksburg Update Community Conversation #2



June 25, 2019



# Agenda

- Challenges & Goals on Affordability & Green Building
- Process & Timeline Review
- Economic & Housing Market Analysis >> Policy Options
  - Single Family Housing Market
  - Multifamily Housing Market
- Questions & Discussion
- Next Steps

# Land Use Policy: Green Building + Affordable Housing

Can We Advance These Goals Together?



Opportunity



Renewables



Materials



Efficiency



Site Design



Proximity

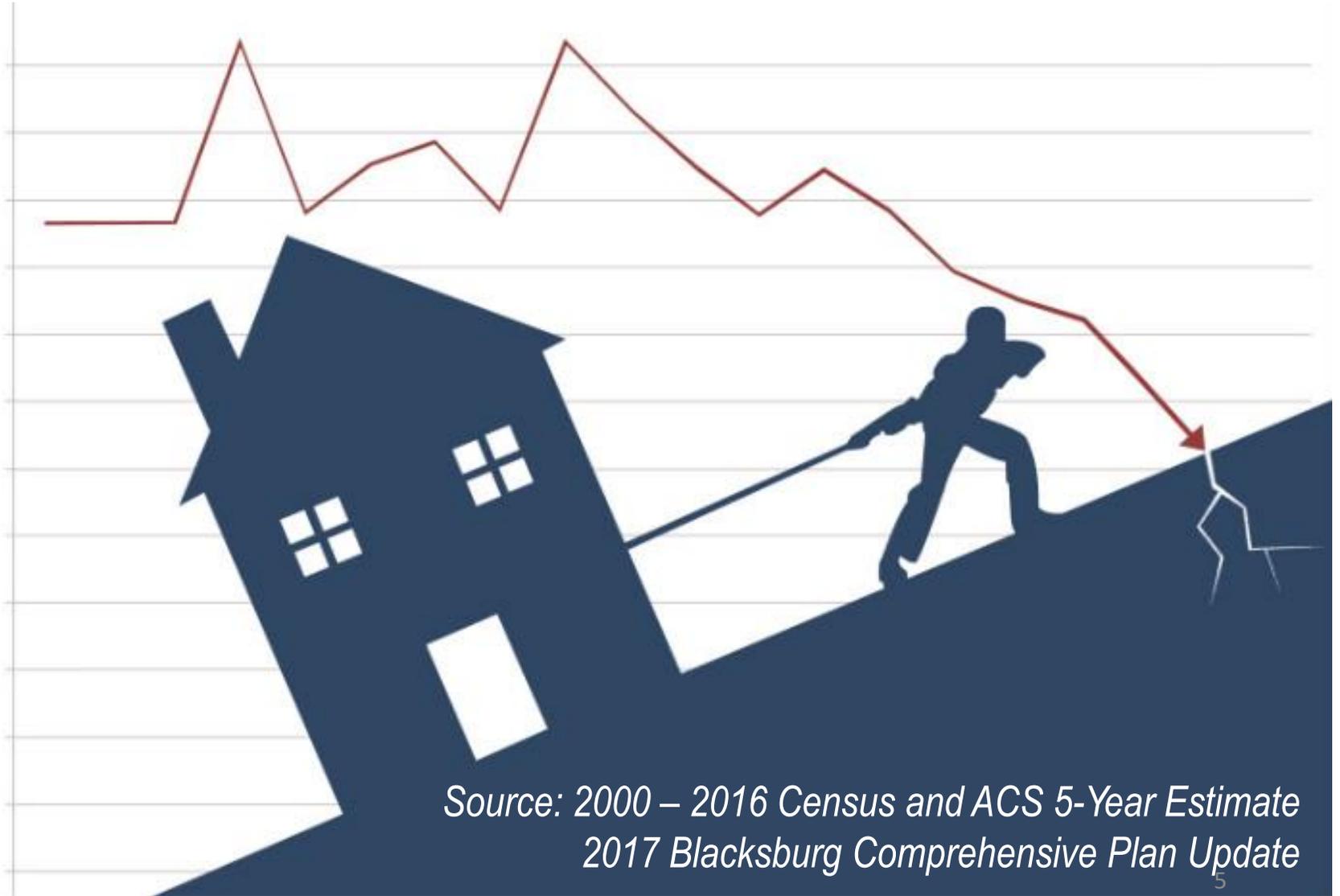
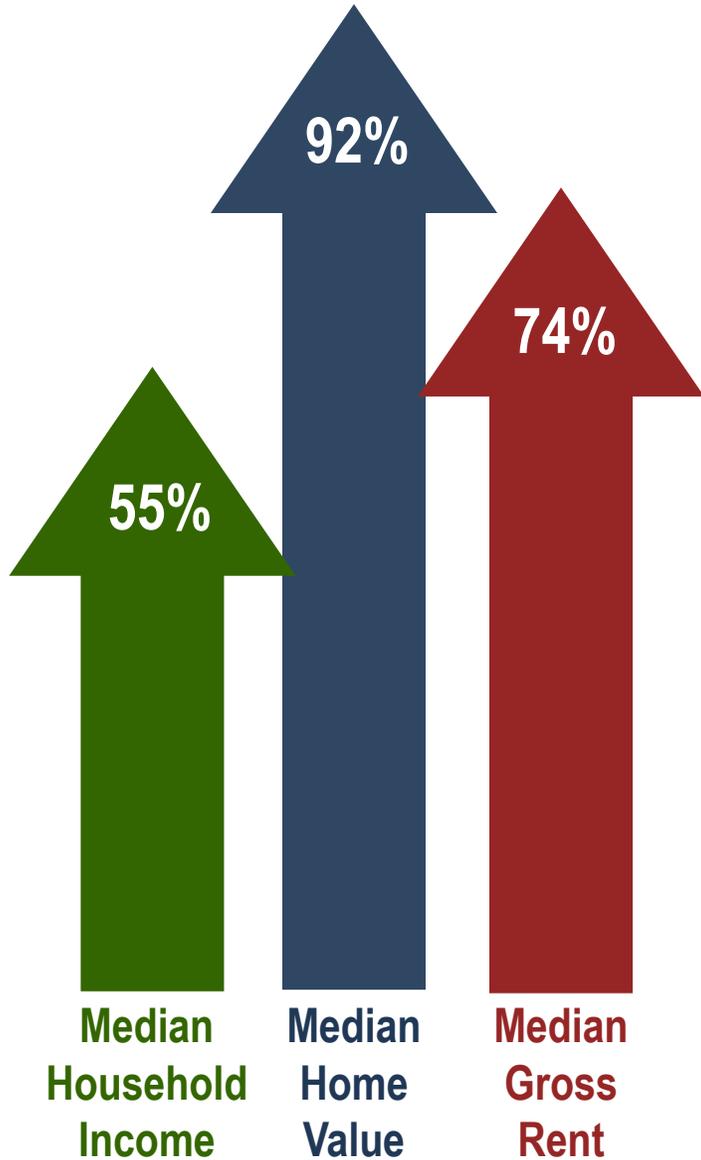
# Land Use Policy: Green Building + Affordable Housing

## **Overarching Objective:**

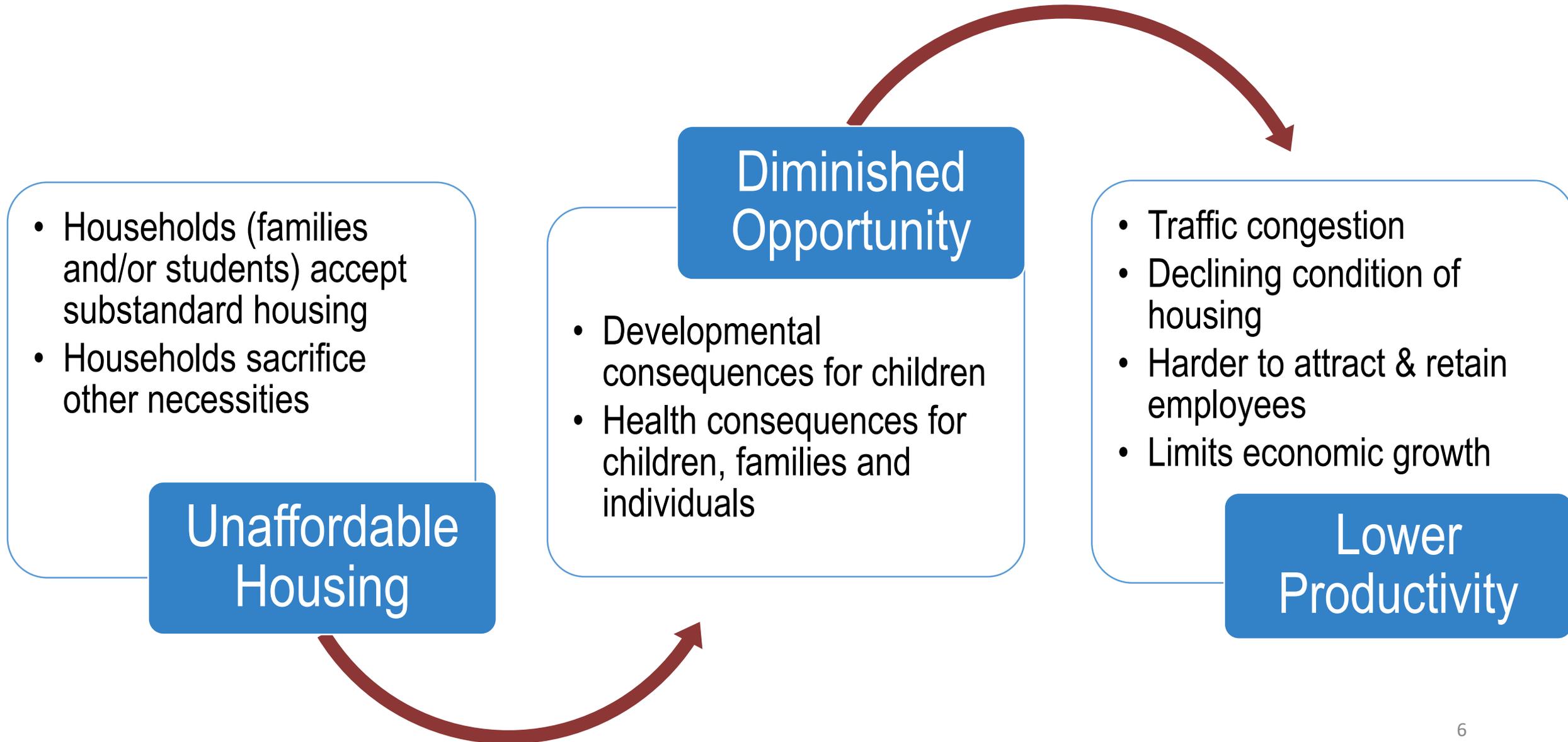
Creation of a draft ordinance for Town Council's consideration.

This ordinance would establish a **voluntary program** to provide **economically persuasive incentives** for development and redevelopment projects that will significantly advance **affordable housing** and **green building** in the Town of Blacksburg.

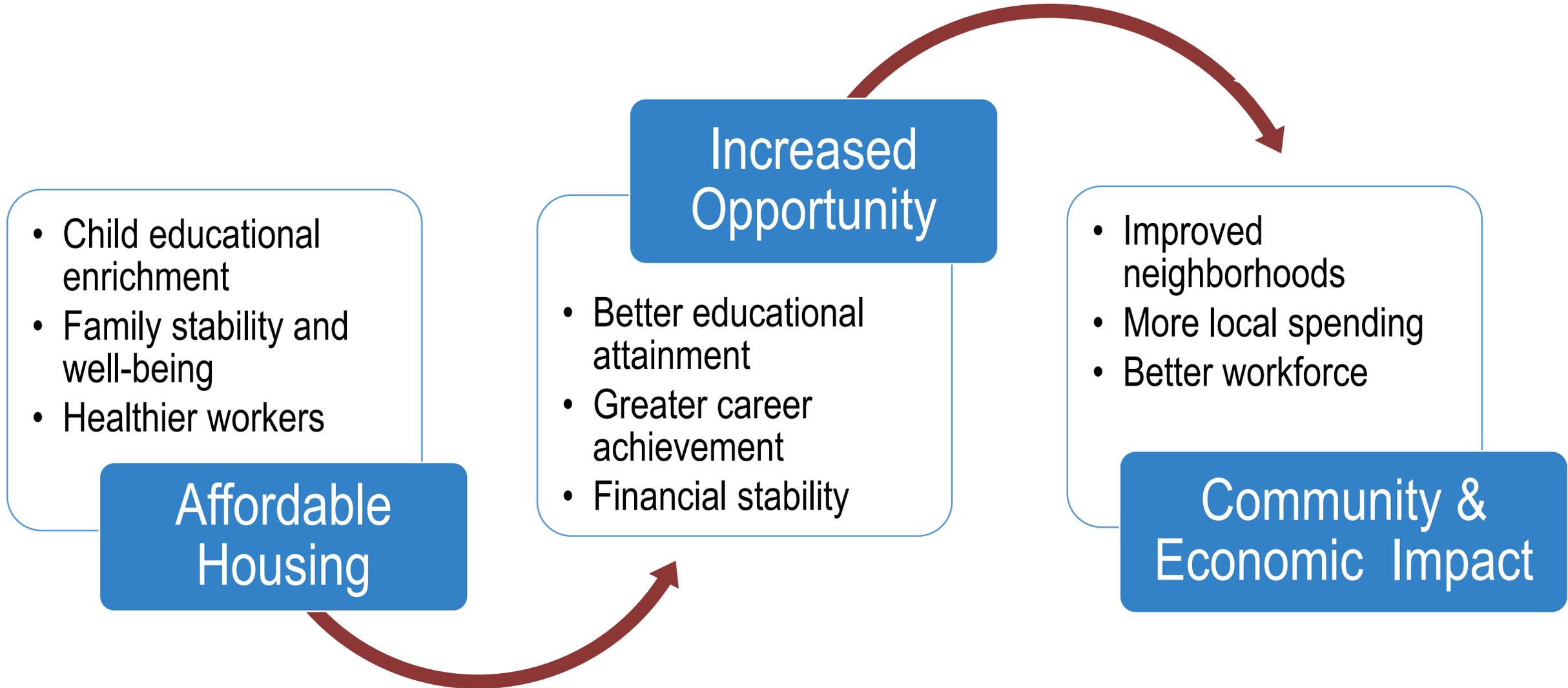
# Why: Housing Affordability Challenges



# Why: Housing Affordability is Important

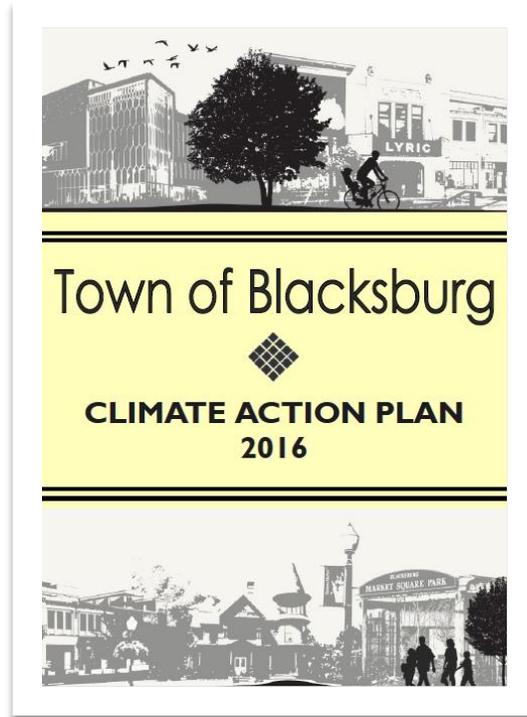


# Why: Housing Affordability is Important



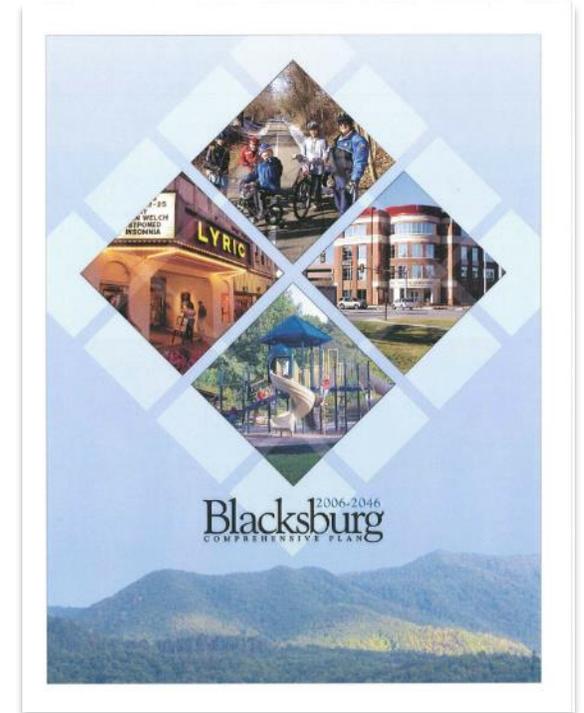
# Why: Climate & Environmental Objectives

## Policy Alignment & Integration



2016

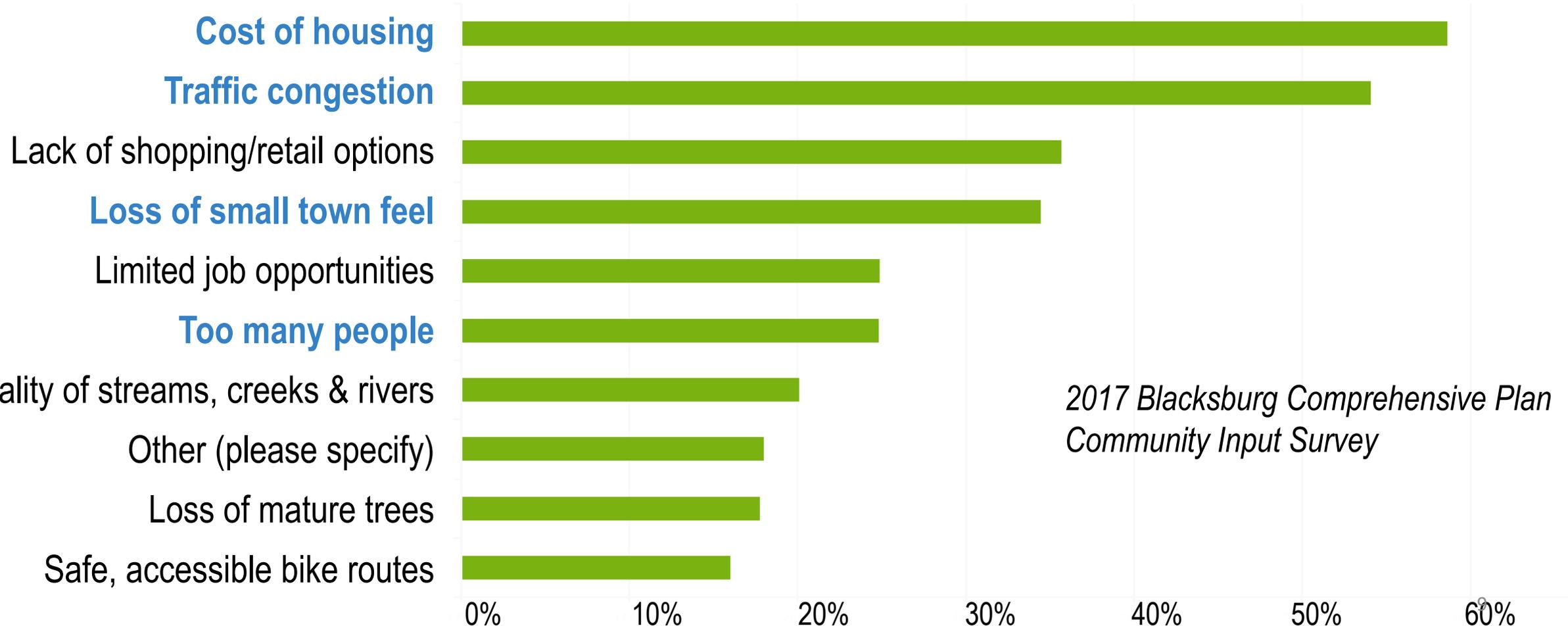
- ↓ *Greenhouse Gas Emissions*
- ↑ *Affordable Housing*
- ↑ *Bike/Ped Infrastructure*
- ↑ *EV Charging Infrastructure*
- ↑ *Renewable Energy*
- ↑ *Green Buildings*
- ↑ *Energy Conservation/Efficiency*



2012 → 2017

# Why: Citizen Priorities

What do you think are the **biggest challenges** the community will face as Blacksburg continues to grow and change?



# Why: Jobs/Housing Imbalance & Transportation

BLACKSBURG HOSTS  
*21,000*  
EMPLOYEES EACH DAY

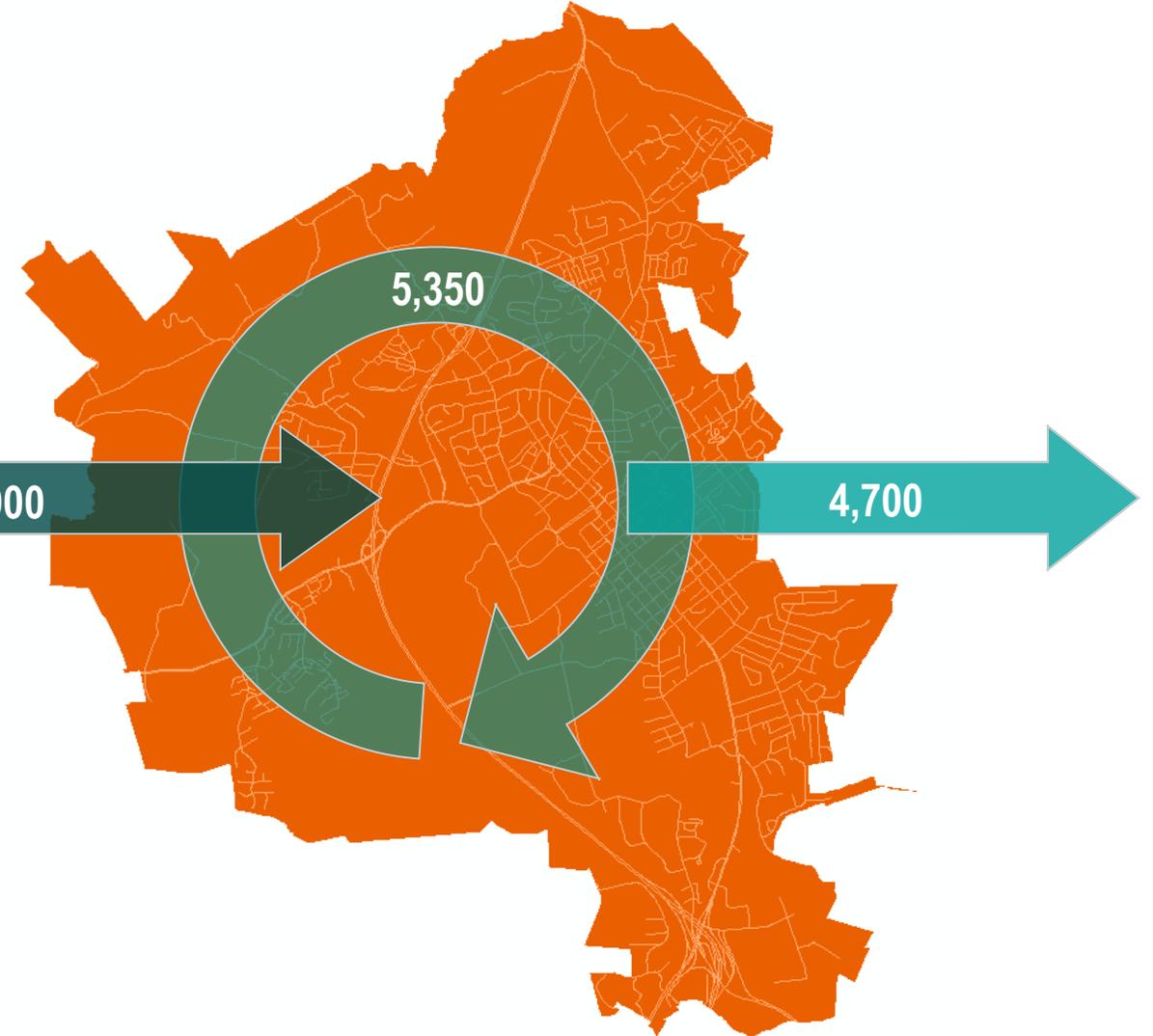
Commuting into Town

*3* out of *5*

15,900

5,350

4,700

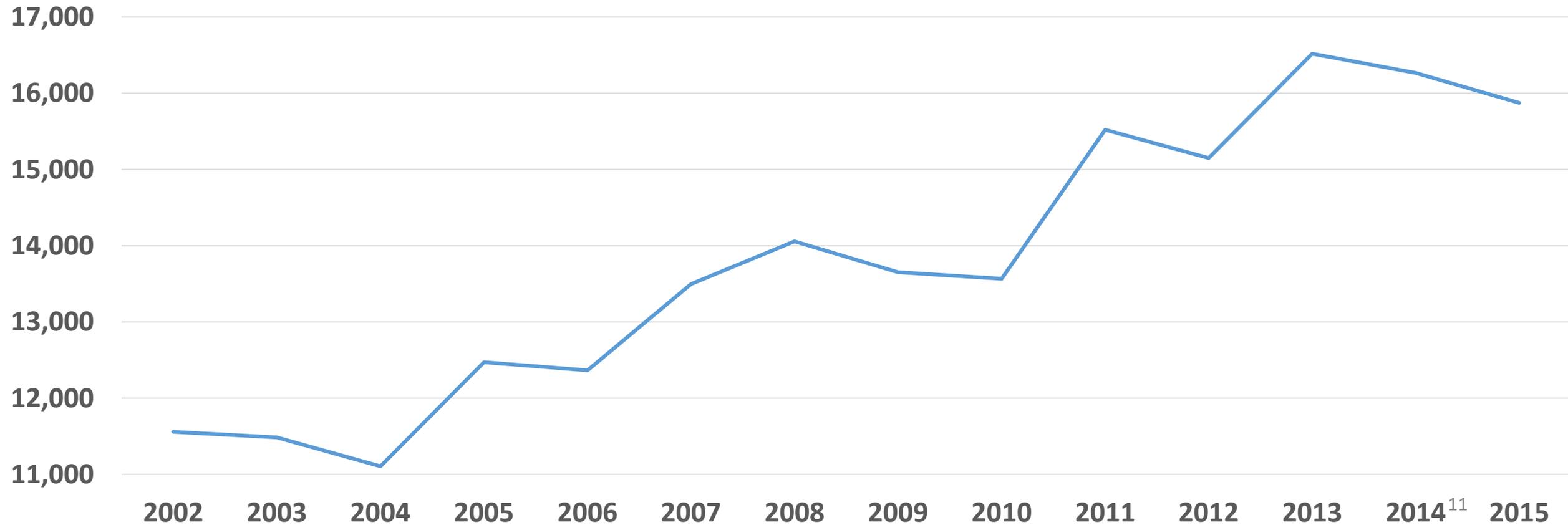


# Why: Jobs/Housing Imbalance & Transportation

## Number of In-commuters 2002-2015:

People with Primary Job in Blacksburg but Living Outside

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics  
(Beginning of Quarter Employment, 2nd Quarter of 2002-2015)



# Why: Jobs/Housing Imbalance & Transportation

## *Why does this matter?*

- ➔ Households often make **tradeoffs** between housing and commute length, trading higher transportation costs for lower housing costs.
- ➔ Sprawling development increases **infrastructure costs** and **commute** distances/times.
- ➔ Longer commute distances increase **congestion** and cause greater levels of **pollution**. Increased time spent commuting is also associated with individual and poorer **public health** outcomes.
- ➔ Longer commutes negatively impact businesses through lost **productivity**, greater levels of **absenteeism** and **tardiness** and ultimately, **turnover** when a worker leaves in search of a shorter commute.

# Why: Growth Projections

OVER THE NEXT 8-10 YEARS  
BLACKSBURG IS EXPECTED TO ADD:



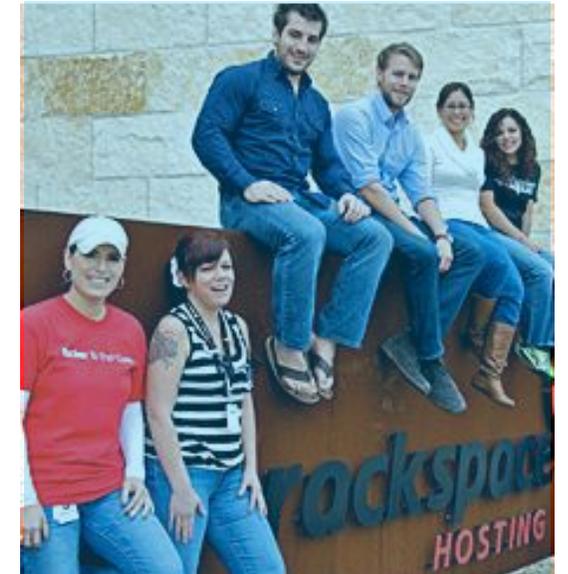
**4,700**  
Students



**4,000**  
Non-Students



**725**  
VT Faculty/Staff

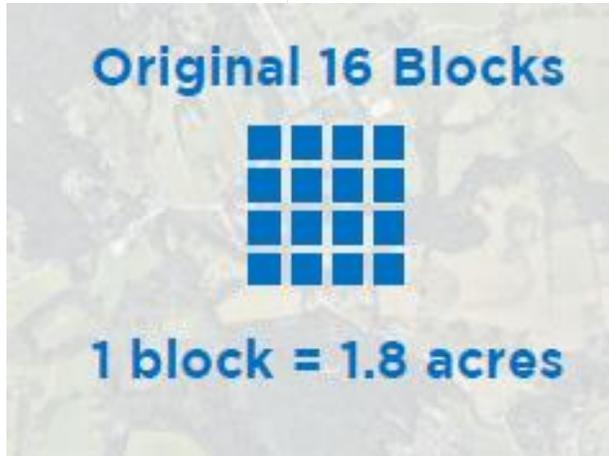


**3,400**  
Non-VT Jobs

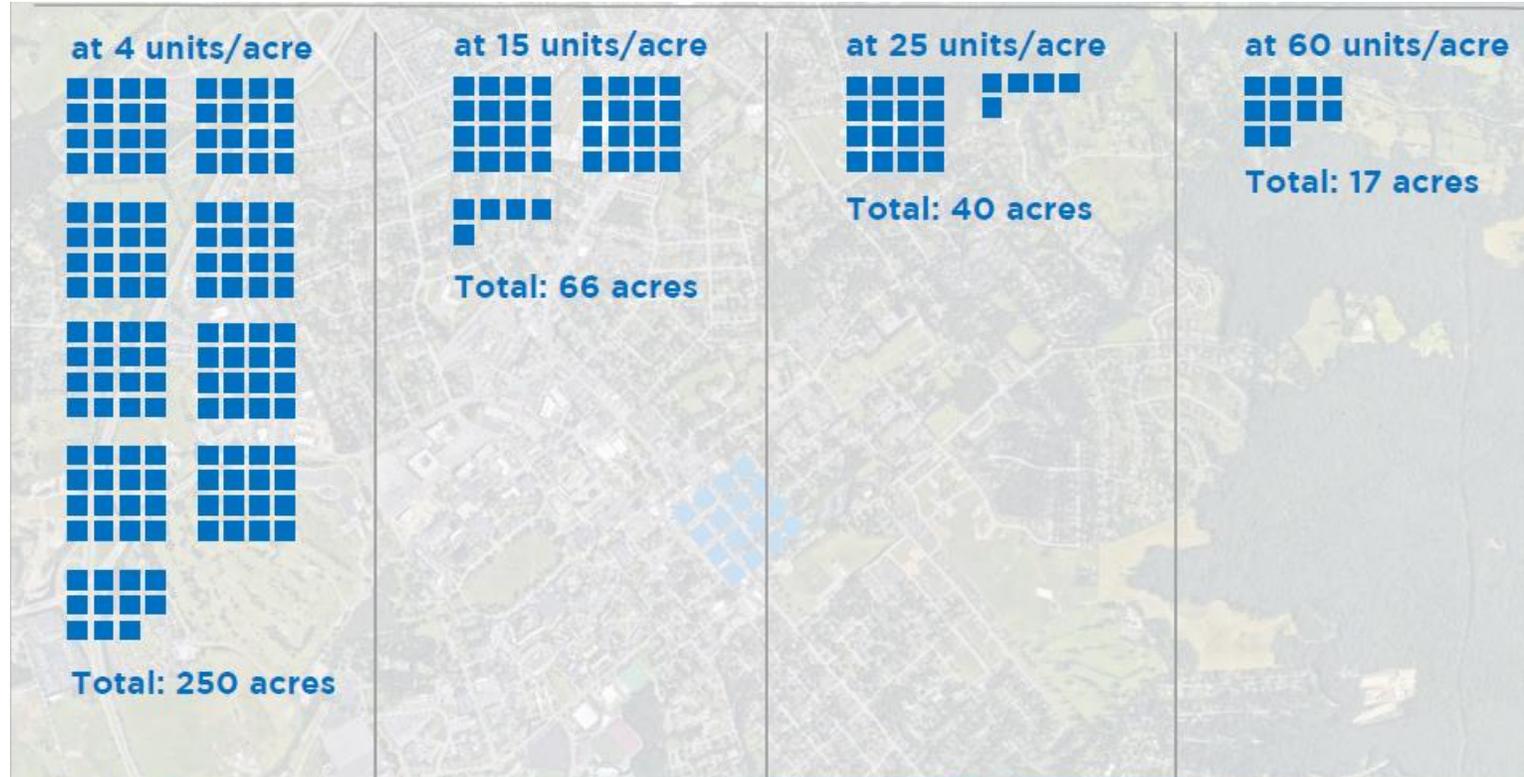
# Why: Development & Redevelopment Pressure



# Why: Balancing Growth & Available Land



**1000 new units  
@  
different densities**



# Why: Clear Guidelines Needed (*and sought*)

## Developers & Decision-Makers



What do we mean when we say “green building” or “sustainable development”?

# Why It's Hard: Impediments

- Land cost
- Land availability
- Competition with student housing
- Concerns about student housing
- Cost of infrastructure & amenities
- Lack of funding – affordable housing
- Misaligned energy priorities
- Lack of clarity for developers
- Lack of clarity for decision-makers
- Lack of economic incentive



# Agenda

Challenges & Goals on Affordability & Green Building

→ Process & Timeline Review

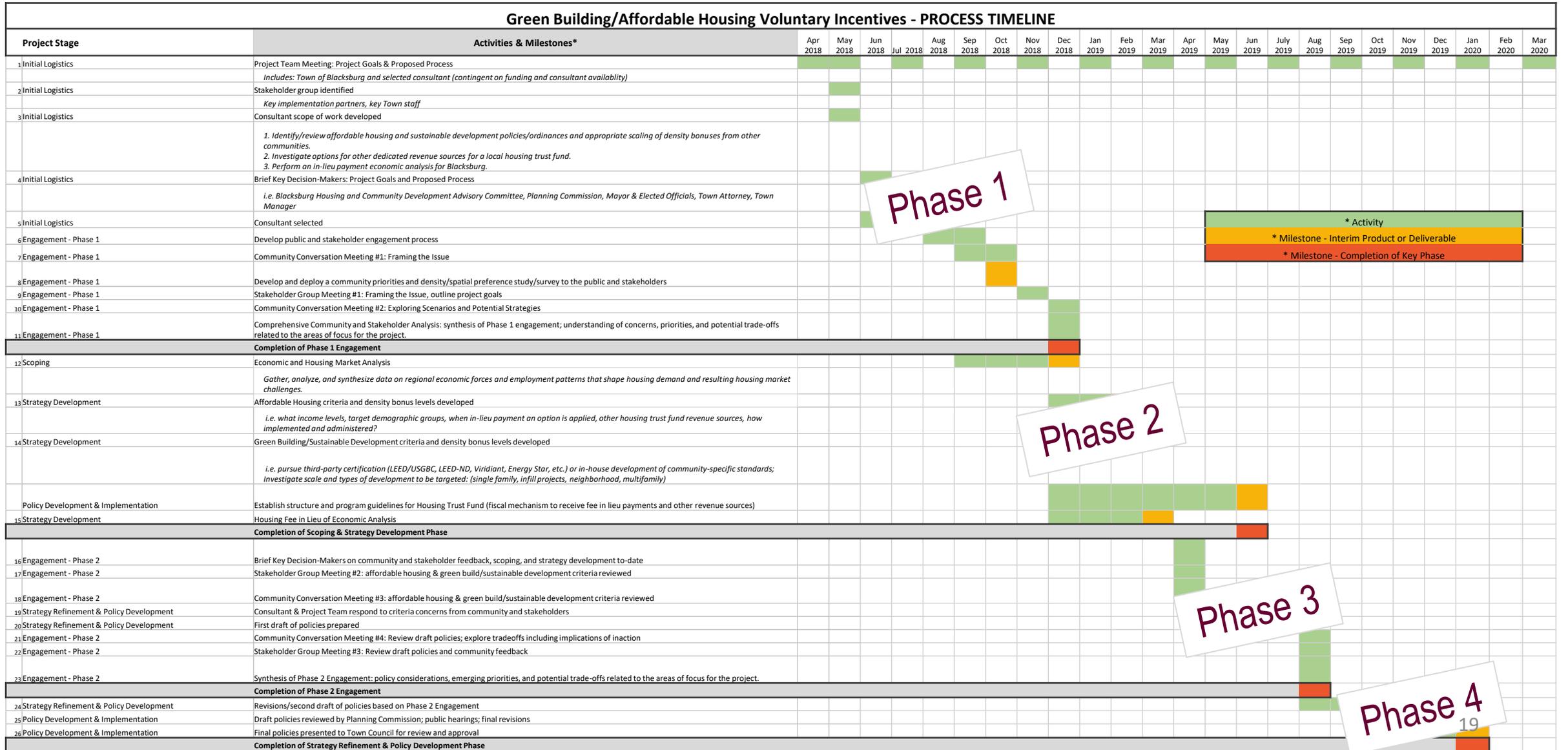
Economic & Housing Market Analysis >> Policy Options

- Single Family Housing Market
- Multifamily Housing Market

Questions & Discussion

Next Steps

# Timeline & Process: April 2018 – March 2020



# Timeline & Process: Phase 1

Initial Logistics and Engagement: **Apr – Dec 2018**

Develop Project Goals & Proposed Process

Develop Public and Stakeholder Engagement Process

Brief Key Decision-Makers: Project Goals & Proposed Process

Begin Background Research and Data-Gathering

Stakeholder Group Meeting #1: Framing the Issue, outline project goals, timeline and process

**Host Community Conversation Meeting #1: Framing the Issue; project goals, timeline and process**

# Timeline & Process: Phase 2

## Scoping & Strategy Development: **Sept 2018 – June 2019**

Perform economic and housing market analysis

Stakeholder Group Meeting #2: review economic and housing market analysis

Brief Key Decision-Makers: process update; economic & housing market analysis rollup

Develop affordable housing criteria and incentive options

Develop green building/sustainable development criteria and incentive options

**Host Community Conversation Meeting #2: exploring scenarios and potential strategies**

# Timeline & Process: Phase 3

## Intensive Engagement & Policy Development: **April – Aug 2019**

Refine affordable housing and green building criteria; refine incentive/policy options

Stakeholder Meeting #3: review affordable housing & green building criteria

**Community Meeting #3: review affordable housing & green building criteria**

Brief Key Decision-Makers: community and stakeholder feedback, scoping, and strategy development

Consultant & Project Team respond to criteria concerns from community and stakeholders

Prepare first draft of policies

**Community Conversation Meeting #4: review draft policies; explore tradeoffs/implications of inaction**

Stakeholder Group Meeting #4: review draft policies and community feedback

# Timeline & Process: Phase 4

## Policy Refinement & Revisions: **Aug 2019 – Feb 2020**

Revisions/second draft of policies based on Phase 3 Engagement

Draft policies reviewed by Planning Commission/TC; **public hearings**; final revisions

Final policies presented to Town Council for review and approval

# Roles & Responsibilities

## Town of Blacksburg

Convene and guide process

Lead community engagement efforts

Develop draft ordinance language

## Virginia Center for Housing Research

Background research

Economic & housing market analysis

Support community engagement

Support ordinance development

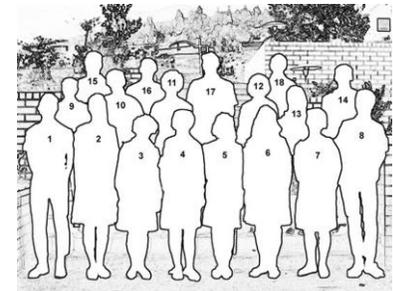
## Community & Stakeholders

Stakeholder Team

Developer Focus Groups

Community feedback:

- Policy Goals
- Standards & Incentives
- Trade-offs



# Policy Development: Voluntary Incentives >> GB/AF



<https://tinyurl.com/buildingbetterblacksburg>

COMMUNITY RESIDENTS BUSINESS DEPARTMENTS TOWN COUNCIL

- Housing and Neighborhood Services
  - Affordable Housing
  - Aging in Place
  - Building Better in Blacksburg (BBB)**
  - CAPER
  - Consolidated Plan
  - Fair Housing
  - Housing and Community Development Advisory Board
  - Housing Resiliency Grants
  - New River Valley HOME Consortium
  - Nuisance Code Enforcement
  - Town Gown
  - Plans and Studies
  - Customer Feedback
  - Contact Us

Departments » Departments A-K » Housing and Neighborhood Services »

## Building Better In Blacksburg (BBB)

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### Incentives for increasing affordability and sustainable building practices

Housing affordability is increasingly a concern for renters and homeowners alike as Blacksburg and the university continue to grow. Blacksburg strives to be an affordable place to live for all of its residents: students, service and retail workers, young professionals, families, and retirees.



At the same time, Blacksburg has set ambitious goals to reduce community-wide greenhouse gas emissions; and energy associated with the residential sector is the single largest contributor to the community's emissions profile. To advance the parallel goals of improving housing affordability while making Blacksburg's housing stock greener and more energy-efficient, the town is exploring options to offer a set of economically persuasive and voluntary development incentives.

The public is invited to attend the first of three community conversations on the topic, to learn about the key considerations and challenges associated with the creation of greener and more affordable housing options while also providing a setting for citizens to share their concerns and priorities.

<b>Community Meeting #1</b> Monday, Oct. 29, 6:30 p.m., <a href="#">Blacksburg Community Center</a> Program Room	Framing the Issue; Identifying and Understanding Citizen Priorities
<b>Community Meeting #2:</b> TBA (est. Feb. 2019)	Exploring Scenarios and Potential Strategies
<b>Community Meeting #3:</b> TBA (est. July 2019)	Review Draft Policies; Explore Tradeoffs and Implications of Inaction

- detailed project timeline
- background research & data
- public meeting schedule
- community feedback
- survey links
- draft policy language

# Building Better in Blacksburg

# Agenda

Challenges & Goals on Affordability & Green Building  
Process & Timeline Review

## → Economic & Housing Market Analysis >> Policy Options

- Single Family Housing Market
- Multifamily Housing Market

Questions & Discussion

Next Steps

# Economic & Housing Market Analysis

← single family      multi family →

construction & development costs – green vs. non-green  
housing cost (own/rent) – segments of affordability  
density bonus options



# VA Center for Housing Research

**For each, single-family and multifamily building...**

- Understand **costs** associated with **green building**
- Understand **costs** of providing **below-market-rate units**
- **Explore density-bonus scenarios that consider**
  - Varied levels of density and corresponding levels of green building and/or affordability
  - Development and building costs
  - Market conditions
  - Land-use regulations and plans
  - Town goals
  - Citizen priorities

# Data Sources for Analysis

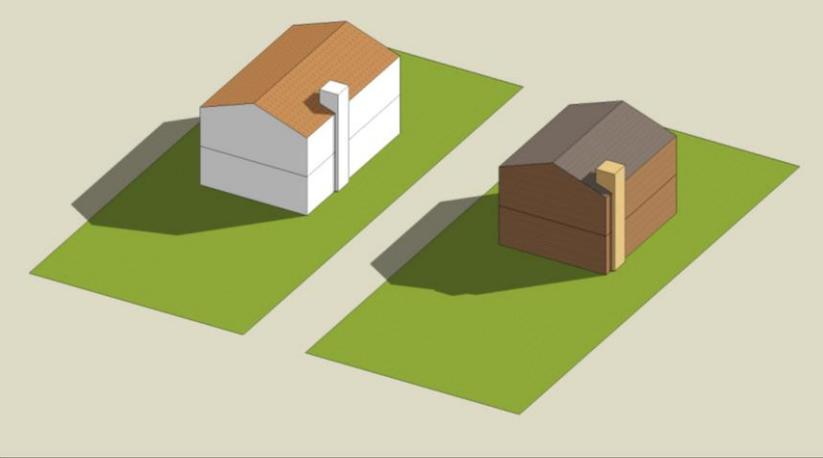
- **Construction Cost Data**
  - RS Means (national construction cost data)
  - Low Income Housing Tax Credit Project Cost Certifications
    - Costs of constructing to Earthcraft Virginia (now Viridian) standards:
      - Certification
      - Gold
      - Platinum
- **Land Costs (Zillow)**
- **Sales Prices & Home Sizes + Rental Price Data (Zillow)**

# Step 1: Compare Costs – Green vs. Non-Green

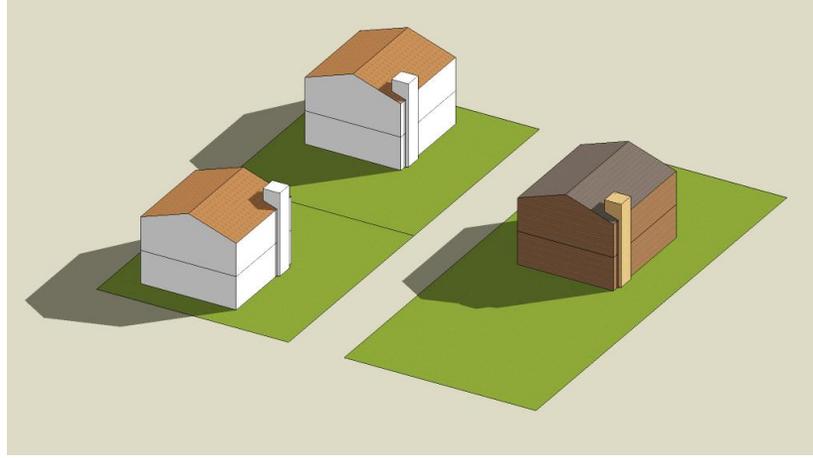


- For single family development, there is a **9% premium** for building green
- For multifamily development, there is a **13% premium** for building green

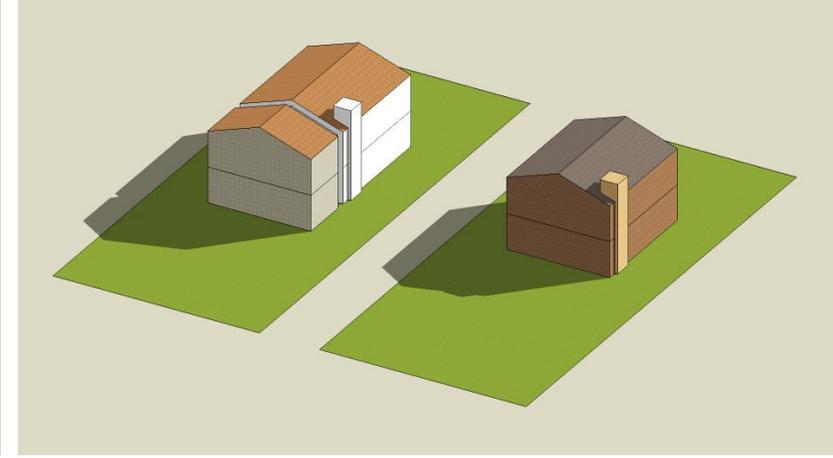
# Step 2: Consider Options to Leverage Density



INCREASE IN FAR



+ 2 HOUSES ON 1 LOT



+ ACCESSORY UNIT

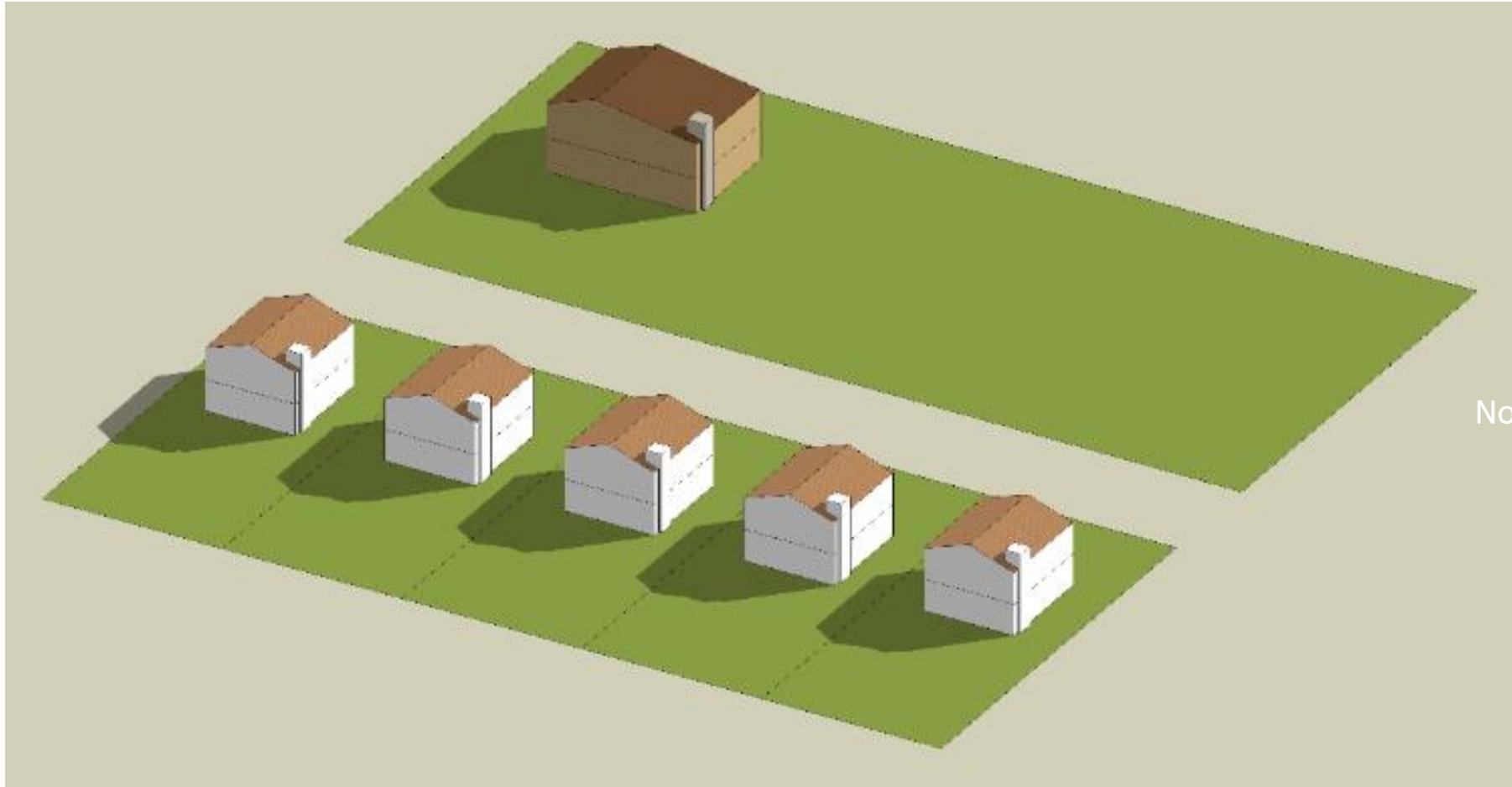


+ SUBDIVISION



+ SUBDIVISION + EXTRA FAR FOR GREEN

# Example: Single Family Setting



Allowing for **smaller lots** and **increased density** generated **additional value** that can pay for more green and affordable houses.

# Policy Considerations for Affordability

initial



longer-term



permanent

density bonus

fee in lieu

cash subsidy

tax credits

deed restriction

tax relief

community land trust

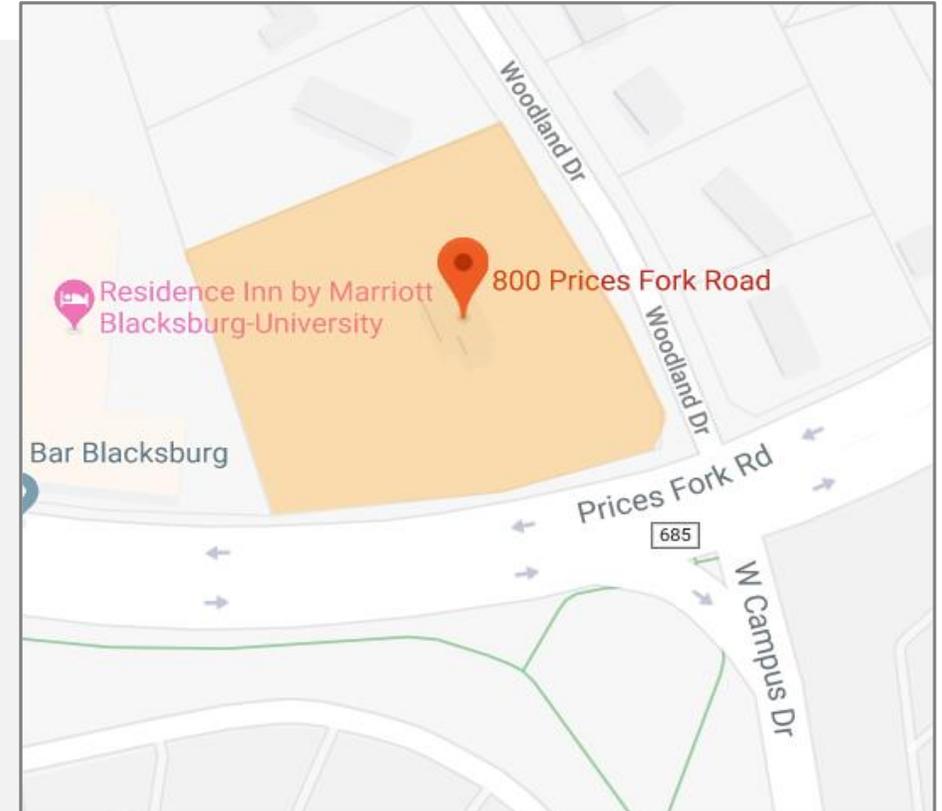


Time Scale

# Example: Single Family Setting

## Example-1

Address	800 PRICES FORK RD
Zoning	R-4
Parcel ID	12076
Lot (Acre)	1.64
Lot (Sq.Ft.)	71438.4
Driveway area (Sq.Ft.)	11400
Subdivision area (Sq.Ft.)	60038

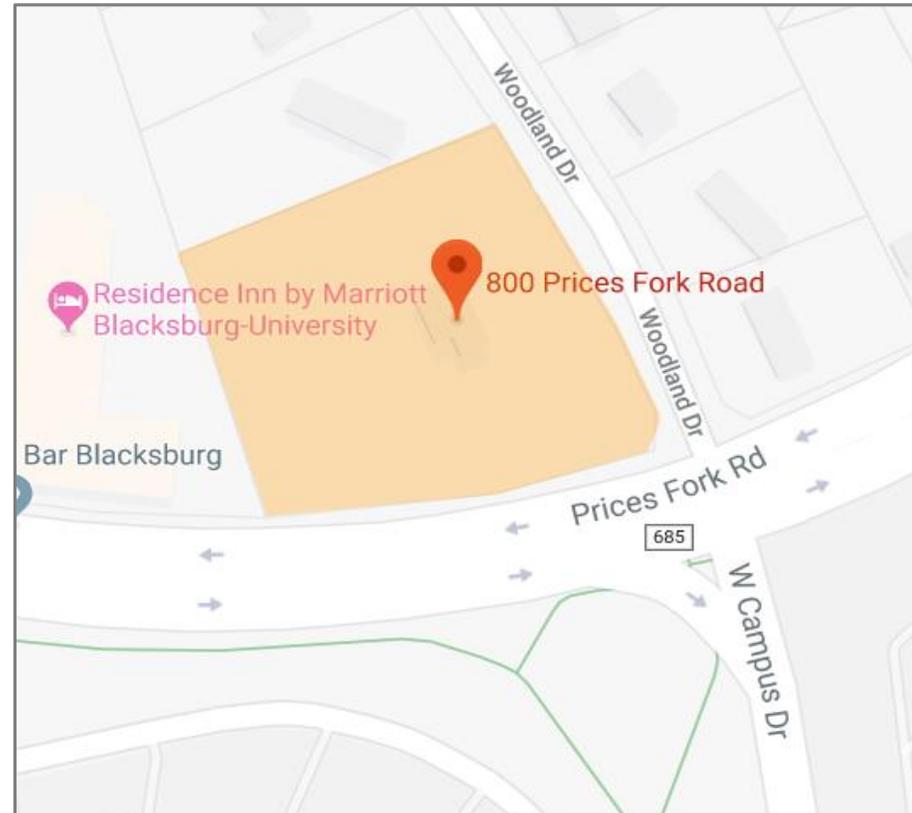


Note-1: Land cost estimates affect AMI depending on the land location.

Note-2: Land cost estimates are above-the-average.

Note-3: The average 3-bedroom home in Blacksburg is about 2150 sq.ft.

# Example: Single Family Setting

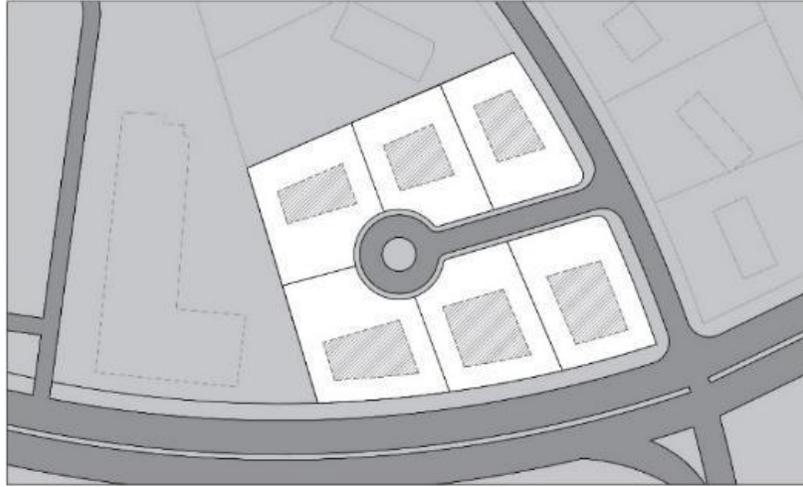


1.64 acre lot, R-4 Zoning (low density residential)



Create (1) non-green unit that would be affordable for a 183% AMI household

# Example: Single Family Setting



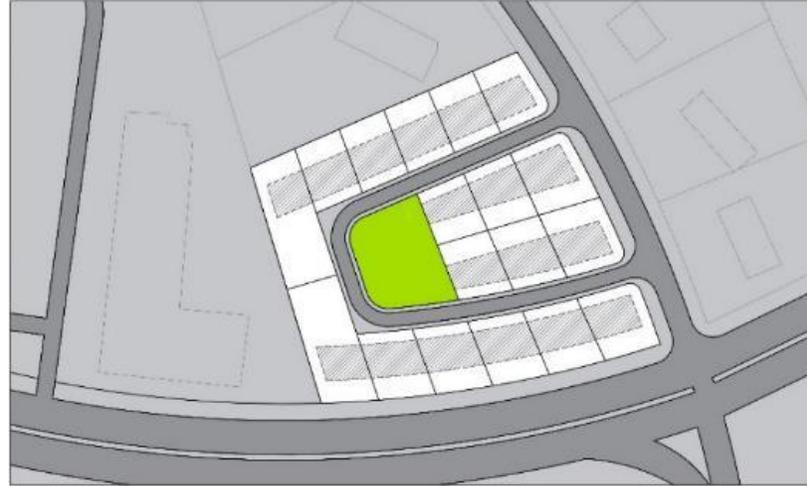
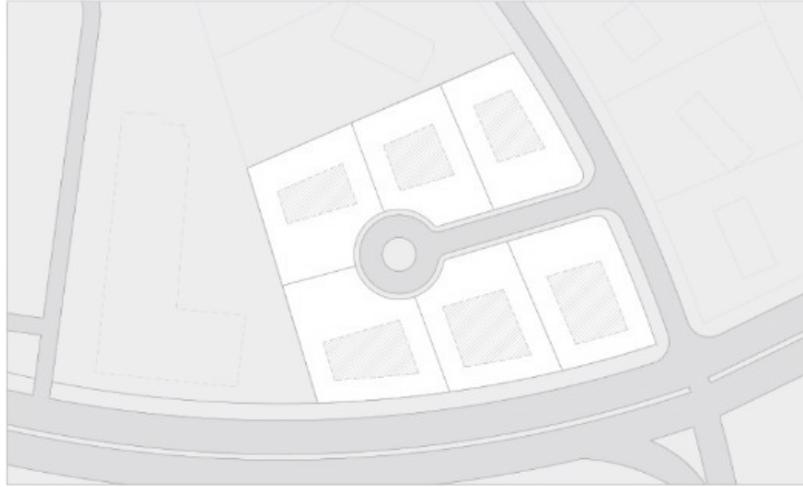
6 SUBDIVISIONS



Creates (6) green units that are initially affordable (135% AMI)  
*OR* (2) green units that are permanently affordable (*AMI not set*)

*vs. (1) non-green unit @ 183% AMI*

# Example: Single Family Setting



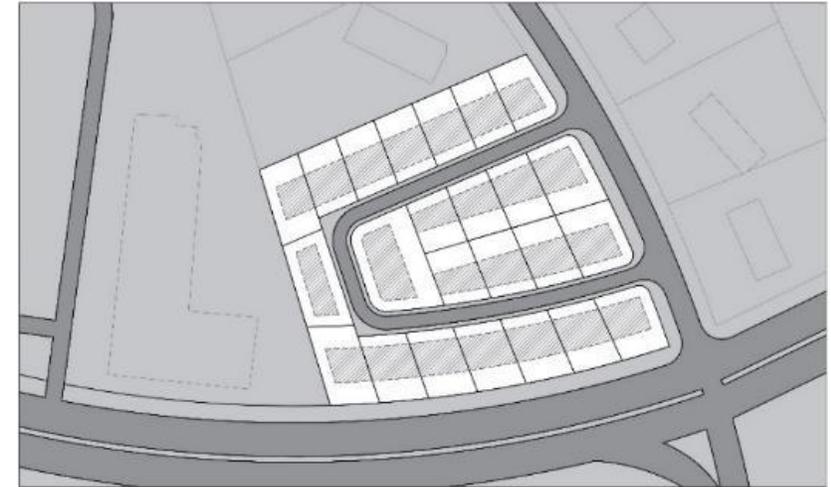
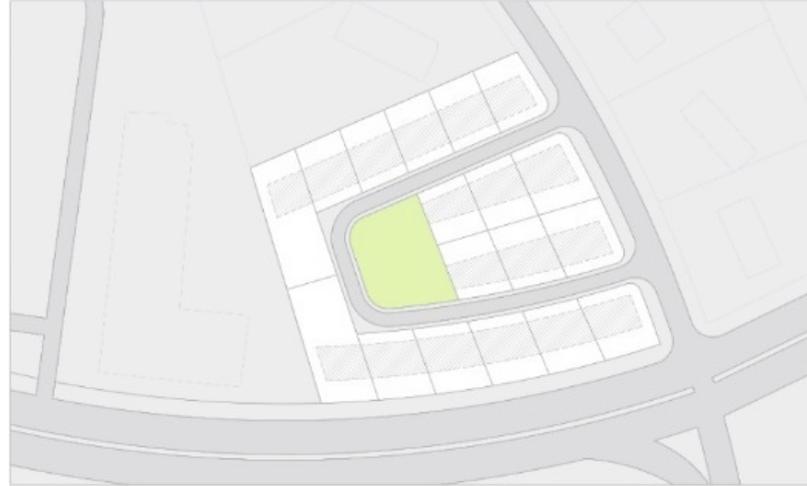
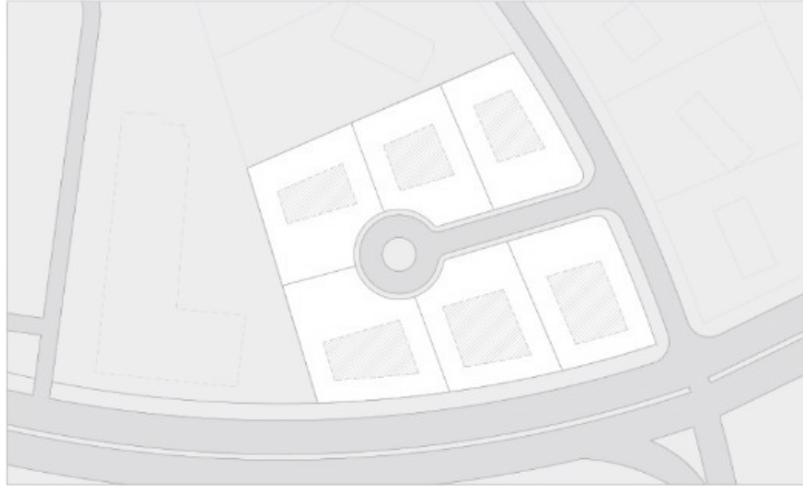
18 SUBDIVISIONS



Creates (18) green units that are initially affordable (108% AMI)  
*OR* (8) green units that are permanently affordable (*AMI not set*)

*vs. (1) non-green unit @ 183% AMI*

# Example: Single Family Setting



24 SUBDIVISIONS



Creates (24) green units that are initially affordable (106% AMI)  
*OR* (10) green units that are permanently affordable (*AMI not set*)

*vs. (1) non-green unit @ 183% AMI*

# Affordability & Green for Multifamily



*Why is that important too?*



# Multifamily Exchange Rate: Affordability

Affordability Level	0 BR	1 BR	2 BR	3 BR	4 BR
30% of AMI	1.1	1.9	2.4	2.9	4.1
50% of AMI	0.9	1.5	1.5	2.5	3.7
80% of AMI			1	1.9	3.0
100% of AMI					2.6
120% of AMI					2.1

*# additional units needed to create 1 affordable unit by type, @ AMI levels*

# Multifamily Exchange Rate: Green Building

	BONUS DENSITY FOR EARTHCRAFT CERTIFICATION		
	Low-rise	Mid-rise	High-rise
Avg # of units/development	67	83	94
Avg # of FT <sup>2</sup> /unit	1080	1078	1360
Cost Premium for green (\$/FT <sup>2</sup> )	\$15	\$15	\$15
Developer fee (\$/FT <sup>2</sup> )	\$15	\$20	\$25
Developer fee (\$/unit)	\$15,682	\$21,261	\$33,483
Cost Premium for additional unit	\$16,200	\$16,170	\$20,400
Developer fee (\$/FT <sup>2</sup> ) for additional unit	\$16,200	\$21,560	\$34,000
<i># additional units to offset cost of green</i>	<b>2</b>	<b>1</b>	<b>1</b>

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Process & Timeline Review

Economic & Housing Market Analysis >> Policy Options

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 **Questions & Discussion**

**Next Steps**

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Prepare first draft of policies

**Community Conversation Meeting #4: review draft policies; explore tradeoffs/implications of inaction**

Stakeholder Group Meeting #4: review draft policies and community feedback

# Timeline & Process: Phase 4

## Policy Refinement & Revisions: **Aug 2019 – Feb 2020**

Revisions/second draft of policies based on Phase 3 Engagement

Draft policies reviewed by Planning Commission/TC; **public hearings**; final revisions

Final policies presented to Town Council for review and approval

# Building Better in Blacksburg Update Community Conversation #2



*Thank You!*

