

Agenda (see [presentation slides](#) for additional detail and context)

- Challenges & Goals on Affordability & Green Building
- Process & Timeline Review (Detailed timeline can be found [here](#))
- Economic & Housing Market Analysis >> Policy Options
 - Single Family Housing Market
 - Multifamily Housing Market
- Questions & Discussion
- Next Steps

Citizen Comments, Questions & Discussion:

Note: The questions and responses below are paraphrased from notes taken during the discussion portion. They are not verbatim. The BBB project team has attempted to accurately capture the intention behind each question (Q:) or discussion topic (DT:) as well as key details in any answers/responses given by the project team (A/R:).

Q: Do the local assessment of area median income (AMI) include undergraduate students? Are they averaged into our community's AMI?

- A/R: Yes, they are included in those calculations.

Q: Does that push down what we consider our actual AMI?

- A/R: Yes, it is pulling it down a little bit.

Q: Does that mean that our housing isn't quite as unaffordable as it might appear according to census data? How much is it skewing our sense of lack of affordability?

- A/R: We will know conclusively in about a month based on the housing affordability needs assessment because we will be able to extract the student population from the regional housing needs assessment. At 50% of housing cost burden, you are definitely making tough tradeoffs, particularly if you're in a lower income bracket. For the purposes of defining affordability in this community, we're looking at the % of households that are cost-burdened AND in various brackets below 120% AMI, i.e. 120% AMI, 100% AMI, 80% AMI, 50% AMI, and 30% AMI.

Q: How important is it to consider proximity to amenities in addition to jobs/school?

- A/R: Proximity to key destinations and amenities is an important part of the affordability calculation for any household. Households often make tradeoffs between housing costs and distance/access to resources and amenities like schools, jobs, medical care, shopping, etc. The HUD Location Affordability Index is a measure of combined housing and transportation costs and can help localities better understand this tradeoff. In our region, housing plus transportation costs are most favorable where there is redundancy in transportation networks. Blacksburg had some of the most affordable areas base on housing plus transportation costs. Many localities think about concentrating housing in these location efficient areas.

DT: Business rents are so high because we don't have a vacancy tax. Except the bars are surviving.

- A/R: other communities have looked at that as well, there are other techniques to address affordability for commercial spaces. It could be what we consider for the future.

DT: On the topic of housing cost burden and impact to household budget – a participant offered that sacrificing things like piano lessons to afford housing is not necessarily a problem. The attendee further suggested that the food pantries should solve the problem of not being able to afford enough food if their housing cost is so high.

- A/R: There's a progression of tradeoffs when people are housing cost-burdened, defined as paying more than 30% of income on base rent/mortgage plus basic utilities. Research has shown that once a household reaches the 30% housing cost-burdened level they will begin to cut back on certain activities like eating out, entertainment or enrichment activities for their children (music lessons and tutoring for instance). At higher levels of cost-burden households are forced to make increasingly difficult tradeoffs to the point where they may have to choose between rent/mortgage payments and medical care/medicine, enough food to eat, or paying utility bills on time.

Q: If you have an 18-year-old, would you send them to VT to live in a hotel, or in a study hall? Should Blacksburg be held hostage because VT is bringing in all of these students? *(Additional context – several attendees expressed frustration that the housing affordability challenges in Blacksburg are being largely driven by steep enrollment increases at Virginia Tech, particularly the very large income freshman class for Fall 2019.)*

- A/R: Project team acknowledged that this policy work is substantially in response to enrollment increases, which amplify and accelerate some of the housing market challenges that Blacksburg is already known for: escalating rents, low availability of housing for non-students at lower levels of AMI.

Q: An attendee asked about our approach to economic analysis in reference to the Prices Fork single family example in which a landowner/developer could do 1 house by-right today. They asked if our scenarios are simple break even scenarios? Or do these scenarios represent equivalent levels of profit for the developer? **(additional context – there is a property at the corner of Woodland Drive and Prices Fork Road that was used to present an illustrative example of how different redevelopment approaches on the same property could provide different levels of green and/or affordable housing on the site. These redevelopment scenarios do not represent actual proposals – they were merely offered to help demonstrate the different economic outcomes of additional density, with and without building green and with and without inclusion of affordable housing. Additional detail can be found in the [presentation slides #34-#38](#))** *(answers/responses from the project team on this topic are broken into content chunks below for clarity/readability)*

- A/R: No, this is not a break-even scenario. This is one in which the developer makes more money over a by-right scenario (if they reach the standards we set for green building and affordable housing), but that exact amount hasn't been set. We looked at an Austin, TX scenario to develop this approach. The idea is that they developer should be allowed to make enough

additional money to ensure that most developers will want to participate. It's important that this succeed at first. We don't want it to be so close to the break-even point that it never gains traction. In particular, it is difficult to overcome the initial hassle or uncertainty factor.

- A/R: We have also wrestled with this issue with the stakeholder group – when LIHTC (Low Income Housing Tax Credit) was first rolled out, it was very aggressive and got a great deal of uptake which has proved to be durable over time. Based on that example, and examples of communities that offered development incentives that were closer to the break-even point and weren't successful, the stakeholder team is advising that it is better to aim high in terms of incentives at first.
- A/R: There's also a recognition that there's a balance that needs to be struck - where is the carrot big enough vs. what is the community willing to accept in terms of density? We are also trying to hit some pretty ambitious CAP (Climate Action Plan) goals. Where is that sweet spot of incentives in exchange for density? We recognize that we should not pursue a one size fits all approach with our zoning districts. We want to make sure that the background research is solid so we can explore options – there is also good research about where this can be effective, such as areas where there are multiple transportation options, or centered around employment centers.
- A/R: We also looked to the findings of the [Downtown Blacksburg Housing Market Strategy](#) planning study/report, which found that a 3:1 ratio (of a density increase) would be needed for redevelopment projects to ensure affordable housing objectives were also met.

Q: One attendee asked if anyone was familiar with the particular house (on the Price's Fork property used in the example). She explained that it has 4 apartments that are very affordable and are currently occupied by residents with low incomes, on Medicaid who do not have cars. If those units were not there it is likely that they could not live in Blacksburg. Also, there are 300-year-old oak trees on the property and it would be such a shame to cut those down in pursuit of building green.

- A/R: Your point about preservation of existing affordable units and mature trees is well taken. Having a new ordinance to incentivize green building and affordable housing in no way forces the current owner to change anything now or in the future. They can keep the building and trees just as they are and continue to offer very affordable housing for the four occupants who are already there. However, a future buyer of this property would almost certainly decide to redevelop this property in the most economically advantageous manner possible, and this property would be extremely attractive for a redevelopment proposal given its proximity to the university and a key commercial center. In that circumstance, the mature trees are likely to come down anyway, to be replaced with something else that would not likely include green building or inclusion of affordable housing. The town must consider whether it can create an ordinance that would foster expansion of affordable housing in close proximity to amenities (as is currently enjoyed by the residents of this building), either on this site, or elsewhere in the community. And it is important to stress – the examples shown for this property are only hypothetical for the purposes of illustrating the economics of redevelopment with and without incentives for green/affordable.

Q: Density has adverse effects on infrastructure. Have you looked at that?

- A/R: No, we haven't looked at that specifically, but we do recognize that that is generally true. On the other hand, it is well understood that low-density development into rural/agricultural areas also has adverse impacts on infrastructure and the natural environment while also straining municipal budgets to a greater degree than redevelopment projects in areas where infrastructure already exists. Finding the balance is not easy and there are no perfect solutions. Another thing to consider is the types of impacts on different types of infrastructure: water, wastewater, roads, and storm water. The challenge in assessing infrastructure impacts is that they are extremely site specific, particularly for redevelopment projects, notably sewer capacity and storm water infrastructure.

Q: (related to early AMI questions/discussion) Would this include both home owners and renters?

- A/R: that includes all of them. It also assumes that you're going to work or go to school within the community.

Q: One attendee was concerned that this program is only directed at developers and offers little opportunity for individual homeowners to partner with neighbors to build additional homes. The attendee further pointed out that deeds, a mechanism for transferring ownership (title), and restrictions thereof offer little long-term assurance of affordability. Other attendees offered that the development/rezoning process seems to be too complex for the average homeowner to take advantage of and that it seems that we're maybe creating a system that only benefits developers and bankers.

- A/R: Part of the reason we're here is to explore opportunities to increase affordability both through larger-scale redevelopment projects as well as through neighborhood-scale infill projects. The Town recently created a new ordinance to allow accessory dwelling units, but at the time that ordinance was passed, Council wanted to take a very cautious approach and only allow attached units (part of the primary dwelling) with a requirement for owner-occupancy in one of the units. There is interest in revisiting the ordinance again to see if detached units (with the same owner-occupancy rules) might open up additional opportunities like you've stated here. You're absolutely correct, we shouldn't be exclusively listening to the priorities of the developer community.

Q: For the recently passed Accessory Dwelling Unit (ADU) ordinance – has there been any uptake?

- A/R: (from TOB Zoning Administrator who was in the audience). We've had 5 built since the code was passed.

Q: Are ADUs not economical? Is the process too complex? Is the restriction on attached too high of a bar? Could we also allow the PRD model for an individual home site? There is no practical way for a homeowner to go through that process. But what if we had that option? In some places, there are sheds that are bigger than a tiny house. Why can't we have tiny houses and the Town work with us on making that work? Couldn't we bring a PRD that would replicate the development options we presented here tonight?

- A/R: Traditionally, communities that have adopted accessory dwelling units have seen very limited uptake of the policy without offering additional incentives or education. The Town can help provide clearer information and perhaps a streamlined process that would enable individual homeowners and neighborhoods to more easily navigate the process to create more affordable units that are a good fit for a neighborhood's architecture and character. Doing this could really help us with our goals of infill development. It's worth taking the time to figure out what would incentivize a homeowner or neighborhood to pursue a (green + affordable) infill project: assistance in navigating the application process? finding the financing or a developer to help them? or even making a set of pre-approved set of architectural plans available at no cost? These are all worth investigating.
- A/R: We can look at how successful ADU programs have developed in other communities. The VA Center for Housing Research is aware of some. For instance, in some communities, design/blueprints have been pre-approved by the neighborhood and the community at large. Another approach, which Seattle has taken, is to offer frequent open houses for people to explore existing ADUs that have been built and are rented by other city residents.
- A/R: Other communities have allowed detached ADUs – but it's been challenging for homeowners to do it on their own – there's a higher level of complexity than an attached ADU (essentially creating accessory apartment inside an existing home). It's true that there is more update of ADU ordinances that allow detached units, but that begins to get into the short-term rental issue, which many neighborhoods have concerns about.

Q: What do you mean when you say the community will manage it? (**additional context: part of the presentation covered the potential to create a community land trust as a mechanism for preserving affordability long-term, and not just at the first point of sale**).

- A/R: it means a stand-alone non-profit will be established, a board that manages the community land trust.

Q: You were talking about the energy issue – how does that work with multifamily housing and redevelopment/new construction vs existing buildings?

- A/R: In a housing market such as ours, which is 70% renter occupied, there is almost no incentive for multifamily building owners and managers to retrofit existing buildings to make them more energy efficient. This is because it is easy for property managers to pass the energy costs of older buildings on to inexperienced renters, who often don't consider energy bills when signing a lease, and the high turnover rate of the student renter market means that people's experiences with high energy use/cost apartments don't get communicated to the future renter pool. This affects our community-wide energy use in pretty big ways. The other factor is the age of a lot of the multifamily housing stock – much of which was built in the 1960s and 70s. There is a lot of pressure right now to redevelop these properties at higher densities due to VT enrollment increases. If we are able to make a trade with these developers – offering density incentives in exchange for new buildings that are built to a higher energy efficiency standard,

while also supplying additional affordable housing for the community, that will begin to address two big challenges at once.

Q: Is there anything the Town can do to prevent developers putting in more methane infrastructure? Not connecting to natural gas infrastructure? Could we incentivize net zero options?

- A/R: We don't know the answer to your first question (note: It isn't likely that the Town can place limits on expansion of utility infrastructure in the public rights-of-way and onto private property). As for the second question, we could certainly look at offering greater incentives for buildings that meet a net-zero (energy use) standard through a combination of very high-efficiency building methods and on-site renewable energy.

Q: One attendee had a question about the difference between manufactured housing and trailer homes.

- A/R: Modular housing is not the same as manufactured housing – modular homes were never on a chassis, also modular is built to the same code as stick built.

Q: There were a number of other questions/ concerns expressed or issued raised toward the end of the meeting that the project team did not have time to individually address.

- What about strain and stress on the police and EMS? What does all that new development mean for them?
- We already know that we have a lack of code enforcement training in this community. Will we be able to keep up?
- What about the EDGE? It wiped out all that affordable housing near the university.
- What about the old High School property – are they going to potentially take advantage of this new /proposed policy? Would the developer be able to build all over it under a by-right scenario? Will a rezoning enable portions of it to be preserved in perpetuity? One attendee also expressed concerns about all the extra cars/traffic that will be on Grove avenue if the current proposed rezoning goes through on the Old High School property.