

2021

HOUSING AFFORDABILITY IN BLACKSBURG



Affordable Housing in our Community

Results from Phase III
Public Engagement

HOUSING STRATEGIES FOR
INCREASING THE SUPPLY OF
AFFORDABLE RENTAL AND
FOR SALE HOMES

OVERVIEW OF INVOLVEMENT, PROCESS & PEOPLE

This document summarizes the feedback and key themes from Phase III of the Town's public engagement process regarding housing affordability in Blacksburg. It also includes feedback provided by local developers as part of a concurrent and targeted outreach effort.

To effectively address Blacksburg's housing affordability problems we know we will need to better align our zoning, revenue streams, programs, and incentives. The Phase III survey provided a wide variety of potential development incentives, housing strategies, and funding sources. The strategies presented in both surveys were based on best practices being employed across the country and that are currently allowable under Virginia law. A major goal of this survey was to better understand community preferences and to help the Town prioritize policy options.

The Phase III survey was open for six weeks on the Let's Talk Blacksburg project page and:

- received 1,400 visits and feedback from 640 respondents
- received 88 views of the housing strategies video
- had 434 downloads of the phase 2 public engagement report

PHASES OF PUBLIC ENGAGEMENT PROCESS



VALUES

Community Values, Concerns and Priorities

HOUSING & COMMUNITY

Preferred Amenities, Housing Types and Density of Development

STRATEGIES

Compare and Prioritize Strategies and Investment

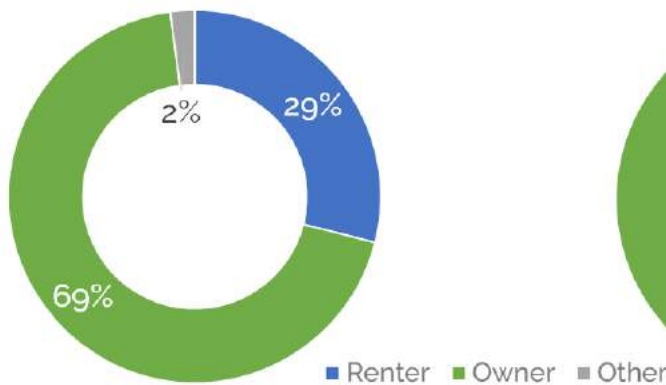
SURVEY RESPONDENT DEMOGRAPHICS

This survey was targeted at non-student permanent residents living either within Blacksburg town limits, adjacent to Blacksburg, or those looking to purchase a home within Blacksburg.

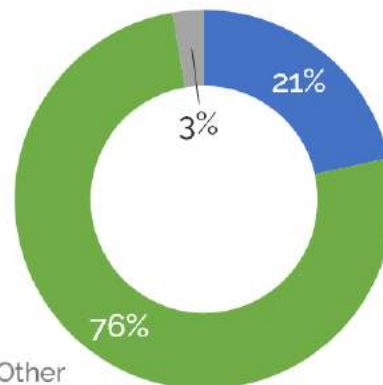
Renters vs. Owners

Blacksburg homeowners represented a higher proportion of respondents in this Phase III survey compared to the Phase II housing type and density survey.

Survey 2: Housing Type & Density



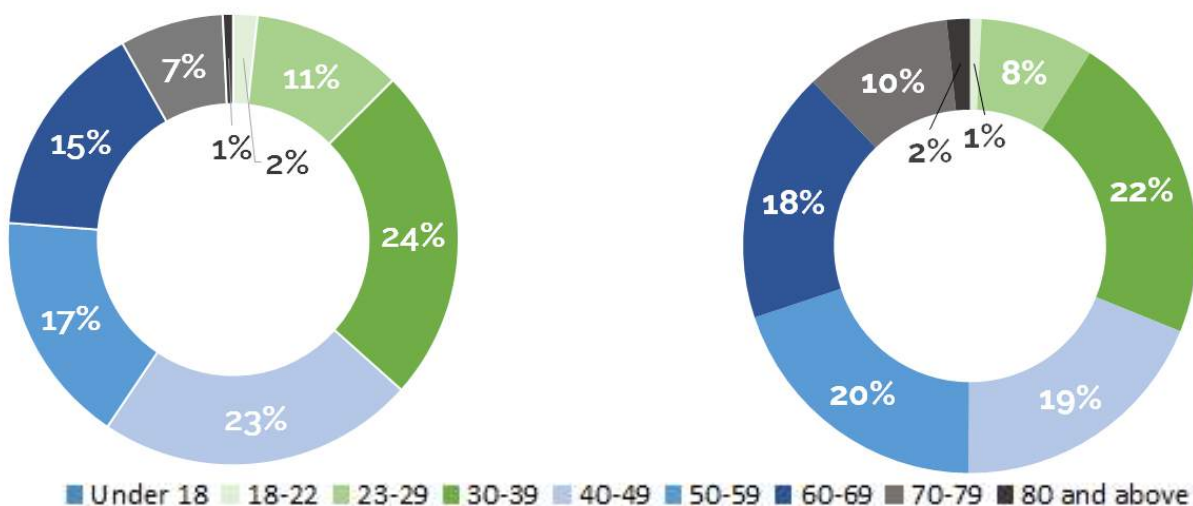
Survey 3: Housing Strategies



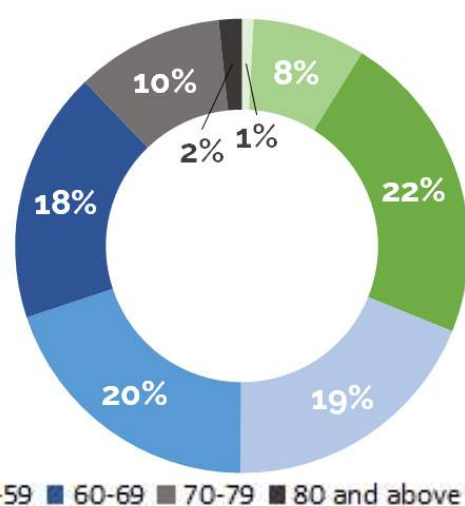
Respondents by Age

This survey had a higher proportion of older respondents than the Phase II survey.

Survey 2- Housing Type & Density



Survey 3- Housing Strategies



“Remember that most of these commenters are not your target audience of buyers or renters. They are already established in Blacksburg and homeowners. They have NO idea of what a new buyer or renter would want. They are simply casting their voice from a perspective of increasing their home value at resale and nostalgia. - Survey Respondent”

SURVEY RESPONDENTS BY LOCATION

Northwest (114)

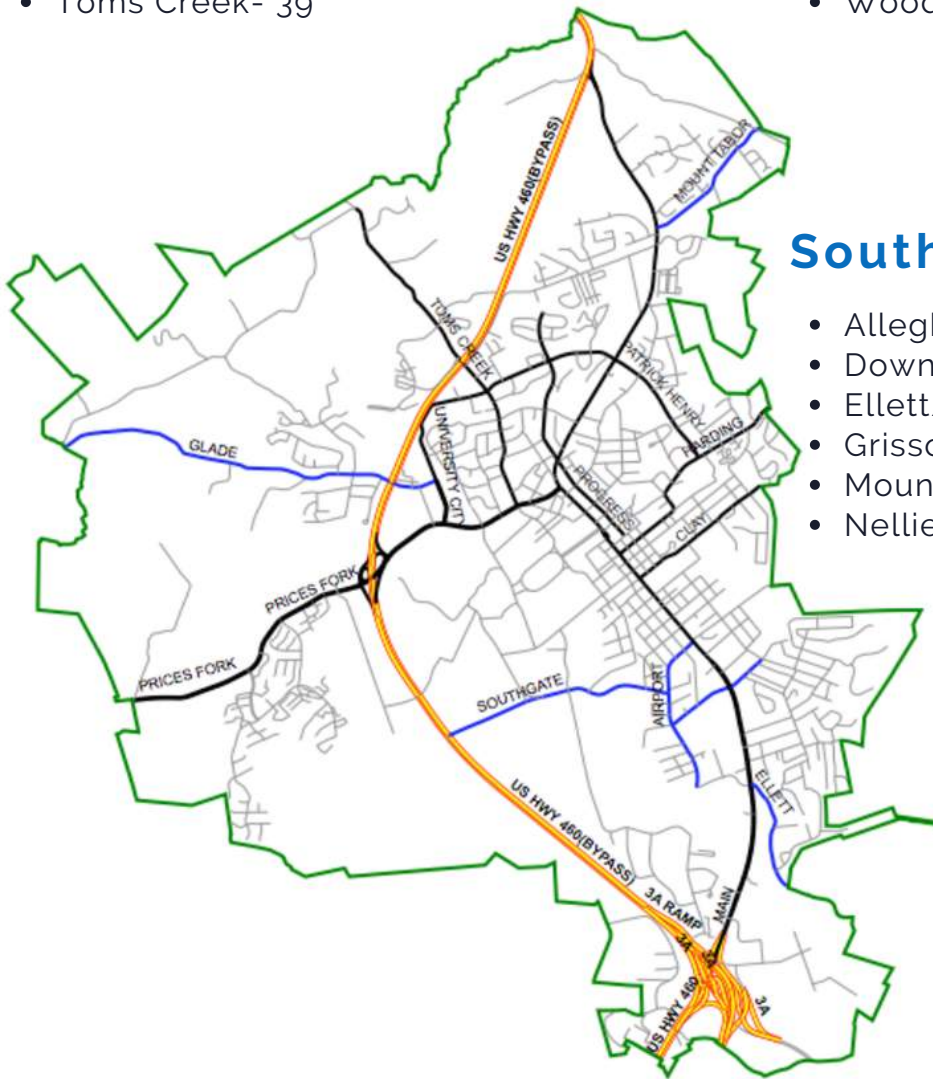
- Glade/Westover- 27
- McBryde- 21
- Northside Park/Givens Ln - 21
- Shenandoah- 6
- Toms Creek- 39

Northeast (68)

- Apperson Dickerson- 19
- Bennett Hill/Progress- 10
- Maple Ridge- 5
- Mt. Tabor- 10
- Woodbine/Wyatt- 24

Southeast (105)

- Alleghany- 7
- Downtown/Eastside- 22
- Ellett/Jennelle- 14
- Grissom/Highlands- 36
- Mountain View- 17
- Nellies Cave- 9



Southwest (69)

- Airport Acres- 24
- Hethwood- Prices Fork- 22
- Miller Southside- 21
- University- 2

Other Areas

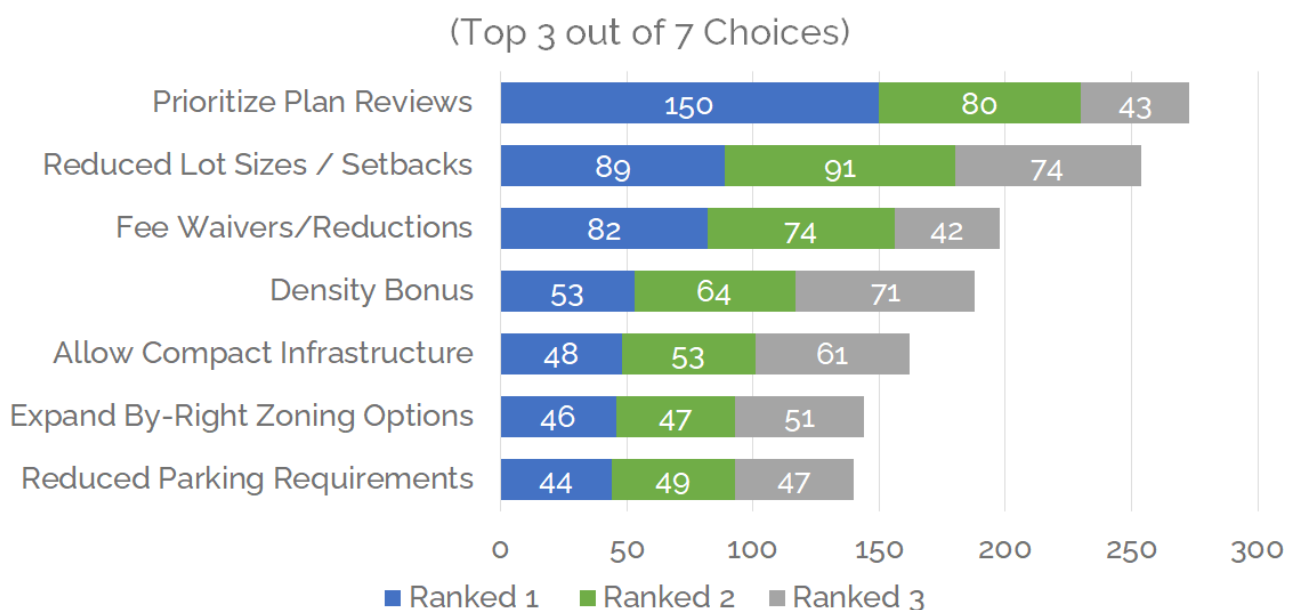
- Other areas in Town - 47
- Just outside Town- 56
- I don't live in Blacksburg- 32
- Non-response - 149

DEVELOPMENT INCENTIVES

The Phase II survey found that respondents would support higher levels of residential density if it resulted in more opportunities for affordable homeownership. Blacksburg's current zoning favors larger lot single-family development. We have seen an accelerating trend that homes built by-right under existing zoning are more expensive and generally unaffordable to the average homebuyer. Currently, proposed residential developments seeking higher densities must undergo a planned review process. Requests for smaller lot sizes, setbacks, more units per acre, or changes to existing infrastructure lead to additional uncertainty, time, and cost for the developer.

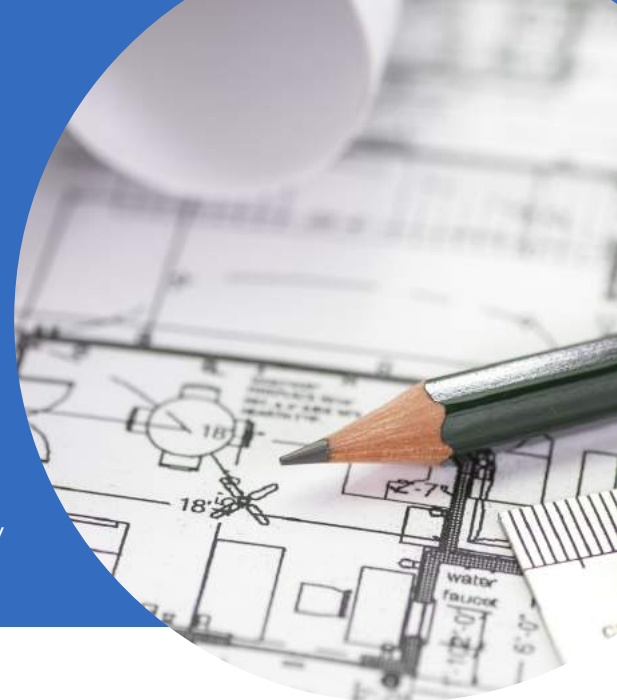
This current survey proposed seven different incentives that could help reduce the overall cost of residential development. The Town wanted to understand what incentives were most acceptable to the community since all have their benefits and disadvantages. Prioritizing plan review, reducing lot sizes and setbacks, providing fee waivers and/or reductions, and a density bonus for developments that include affordable housing received more support than allowing for compact infrastructure, expanding by right zoning options, and allowing for reduced parking requirements.

The comments provided on each incentive suggest that we should not immediately discard any potential development incentive. Instead, we should assess whether the concerns expressed by respondents can be addressed and the incentives modified accordingly. This next section provides an overview of the feedback received for each development incentive in the same order as in the chart below. Each page includes key themes found in the comments by their level of support, as well as a sample of direct comments that provide additional context to the key themes.



1. PRIORITIZE PLAN REVIEW

Move projects with an affordable component to the front of the line for plan review by Town staff. This helps reduce financing costs and allows developers to bring projects to market faster. Given limited staff, there will still be limits on how quickly plans can be processed.



Major Themes



- No, First come first serve.
- Make the review process faster for everyone, the existing process is too slow.



- Be clear about what the term 'affordable' housing means.
- Maybe, if you make sure that the amount of affordable housing is substantive.
- Maybe an expedited vs. prioritized review?



- Great way to encourage developers to produce affordable housing.
- Yes, Good Incentive. An inexpensive idea that would help.

A sample of comments from survey respondents:

"I think some people would get favorited over others. I'd be careful using this plan."

"There is so much building going on around us in northeast quadrant now, I feel the town needs to take a breath and re-prioritize some of the parameters now."

"Perhaps allow for an expedited review process instead of a prioritized process."

"Town needs to require that 40% of homes are 'affordable' -- It should be a specific % of homes with pre-determined prices that everyone agrees are affordable. Like \$250K. "

"Now that so much student housing is under construction, affordable housing really should be prioritized over other developments."

2. REDUCED LOT SIZE & SETBACKS

In Blacksburg, land cost is one of the biggest expenses of building new homes. Changes to lot size, setback, and lot coverage could allow for more compact development, reduce the overall cost of housing in a development, and allow for a greater mix of housing types.



Major Themes



- Concerns about loss of green space.
- Concerns about more traffic.
- Concerns about all housing with same look and feel.
- Not attractive for single-family living.



- Good if paired with occupancy limits.
- Support if prioritize single-family homeownership.
- Good if have common open space & gardens.
- Good, but not 'by right' and if not available everywhere.
- Good if in areas closer to downtown or other commercial areas.



- Many- YES! Limit sprawl, create places you can talk to neighbors, setbacks are currently too big.
- Best incentive for developers to build more homes.

A sample of comments from survey respondents:

"Make sure that there will not be increased traffic on high-traffic streets."

"I see this as the #1 incentive that could easily be used so that developers can use smaller lots and build more houses while making a higher profit. This would incentivize more developers to start projects and thus increase the supply of housing. More supply to keep up with demand will help to keep housing affordable for all."

"Blacksburg's 10,000 s.f. lot size minimum needs to be reduced significantly or eliminated completely. This is a holdover from 1960's sprawl promoting zoning, it needs to go!"

"The biggest setback is normally in the front of the houses leaving a minimum backyard. Corner lots also have ridiculous setbacks. 74% of my lot is taken by setbacks."

3. FEE WAIVERS & REDUCTIONS

Many communities offer partial or full waivers of planning, permitting, and utility connection fees to projects that include affordable units. The locality either forgoes the revenue from the fee or pays the fee directly.



Major Themes



- No. Costs will be passed on to residents, the developer should pay.
- Reduce fees for construction you want and increase for the types of construction you don't.
- It won't result in a tangible benefit. It doesn't provide enough of an incentive for developers to include affordable housing.



- Maybe, if we get public benefits- trails, sidewalks, green space, solar.
- If reductions are only for affordable homes, not all homes.
- Maybe, if reductions are translated down to price for affordable home/ consumer.



- Yes! Good incentive.

A sample of comments from survey respondents:

"Developers are for-profit companies. We should not reduce our public goods revenue for their benefit. They will make sure they make money regardless. I think they can pay the permit fees."

"Have you considered dis-incentivizing as an option? Instead of reducing fees for the construction you want, increase fees for construction you do not want."

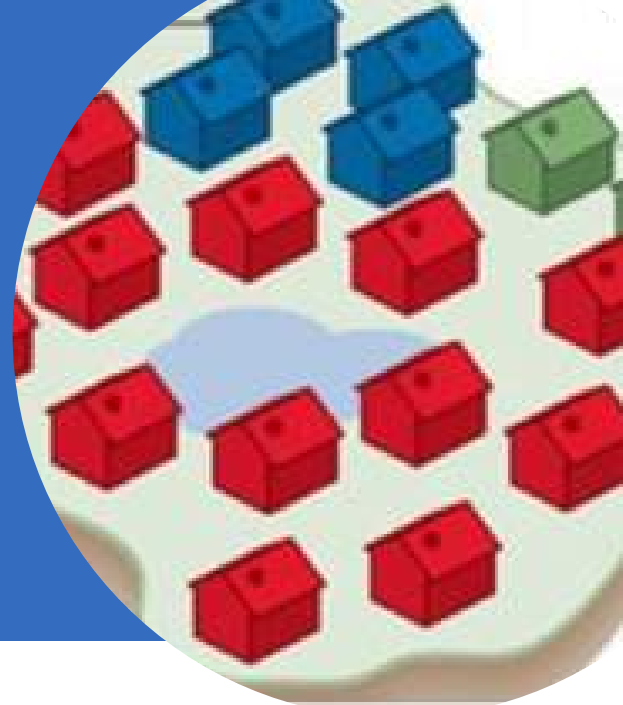
"If the reduction of fees etc. is directly translated down to the consumer. Perhaps also consider a CO reduction and inspection fee reductions."

"If housing is both designed for lower-income residents AND energy-efficient green AND developers include bike paths, green spaces, and sidewalks, then this could be ok. We don't want dense housing in a car-centric setup that would be bad."

"Builders should not get discounts for entire plans when they only put in the lowest number of low-cost housing required to qualify for fee waivers/reductions. Not enough incentive to build low-cost housing."

4. DENSITY BONUS

A density bonus provides an increase in allowable homes or bedrooms per acre than would ordinarily be allowed in exchange for some affordable units.



Major Themes



- Density reduces quality of life, small-town community feel.
- There is plenty of affordable housing outside of Blacksburg- not needed.



- Support, if also paired with green space, bike lanes, sidewalks, parks.
- Maybe, if not for student housing developments.
- Make sure low-income/ workforce housing is integrated with market-rate homes in neighborhoods.
- If ratio yields a substantial amount of affordable housing. Suggestions from 25-50%.



- Yes! Need to reduce footprint and go higher.

A sample of comments from survey respondents:

"I am very AGAINST increasing density and cramming buildings together. It takes away from the character and small-town feel of Blacksburg."

"This invites trouble. Density reduces the quality of living and contributes to noise. It also adds a heavy load on utilities. We don't want Blacksburg to look like the high density in Christiansburg."

"Big community green spaces, bike lanes, sidewalks, and parks are a priority in and near all buildings and shouldn't be sacrificed."

"So long as this is not an excuse to build student housing."

"But this should also go through some type of CUP or be specific for certain areas of town."

"Of 20 homes shown in the diagram, only 2 are low income and only 4 are 'workforce' homes? I'd like to see an entire community or two where the buyers must qualify based on the income of \$50K/year or below."

5. ALLOW COMPACT INFRASTRUCTURE

Reduce road right of way width requirements as well as provide more flexibility in grade, and cul-de-sac length in exchange for affordable housing.



Major Themes



- It will make it harder to drive, create traffic, and impact safety.
- Main streets are already crowded and small roads.
- Plenty of affordable housing outside of Blacksburg- not needed.



- Maybe, if we don't sacrifice sidewalks, bike lanes, street parking.
- Maybe, if we expand access to public transportation.
- If it yields affordable housing objectives.
- Depends on where and how compact, case by case.



- This is needed, most streets are overbuilt and too wide.
- Narrower streets in neighborhoods are safer.
- Cul-de-sacs are a waste of space when combined with large setbacks.

A sample of comments from survey respondents:

"Reducing road width will result in more traffic issues and less safe driving."

"I think I'm fine with this to a certain extent, but worry how compact things could become due to traffic and pedestrian safety concerns."

"I could support this in certain circumstances, but would not want to give blanket approval."

"This would work in most cases, however, residents would need to understand the consequences to bike lanes and street parking. Only to be used in affordable housing neighborhoods."

"Auto transit infrastructure should be reduced, but cycling and pedestrian infrastructure should be greatly expanded. Blacksburg's allowance of sidewalks on only one side of the street and no requirements for cycling infrastructure is very short-sighted."

"Will you also change the street parking guidelines since there would be less space for parking?"

6. EXPAND BY-RIGHT OPTIONS

Many new development projects currently require a public hearing process. This incentive would allow for increased density and more diverse housing types in a development without a public hearing in exchange for a prescribed set of development standards for projects that include more affordable housing.



Major Themes



- Lack of trust in developers; they need oversight.
- I'm all for affordable housing, but not at expense of public input.
- Public forum and transparency are important.



- If we get a substantial amount of affordable housing.



- Current zoning laws are too restrictive, and why our homes are overpriced.
- NIMBYISM rules most public hearings so by-right development is the only other option, which favors expensive single-family homes.
- Yes, this would increase housing supply, the current process discourages more diverse types of development.

A sample of comments from survey respondents:

"Skipping the public hearing process may cause some in the public to believe their ability to express concerns about a certain project has been taken away. This could be especially problematic if the proposed development is close by to where the individual lives and they feel they have no way to express their concerns due to the loss of a public hearing."

"With a massive public input and vote on the standards with reviews and opportunities to change those standards on a regular basis."

"This is acceptable if 35% of total units are affordable."

"Yes, perhaps you can exclude apartments that have one bathroom for each bedroom to prevent students. But we need more apartments and rentals for regular working-class, not just students and entitled folks."

"The staff and many neighborhood activists seem to loathe this path, but it does represent both savings to the developer, and presumably to the taxpayer (since less staff time will be needed)."

"Allow current R-1 areas to become R-2+ by right."

7. REDUCED PARKING REQUIREMENTS

Allow new nonstudent multifamily development projects with affordable units to build fewer parking spaces than would otherwise be required under local zoning rules. This incentive can result in a reduction in construction costs.



Major Themes



- No, parking is already a nightmare.
- This will create more parking issues in neighborhoods and town.
- Residents need a place to park!
- Necessary for local business, VT controls too much town parking.



- Encourage multi-level parking instead.
- Maybe, if we expand opportunities for public transportation- buses, bikes, walking/location is near transit options.
- Consider impact fees and proffers that allow the Town to improve public transit.



- Good idea. Just promotes sprawl and car dependency. Lots in large complexes are never full.

A sample of comments from survey respondents:

"Having a walkable Blacksburg with sidewalks, bike paths, and outside dining options is for me a priority. I think pushing down parking requirements for developers might incentivize a need for more street parking which would be bad for the town."

"While I often favor this disincentive for car ownership, I feel that unless the developer is providing housing that includes a covered bus stop or free van service to local amenities residents will be underserved. In reality, folks turn housing affordable by shacking up, which increases the need for parking."

"If this reduces the chance for multiple unrelated occupants in housing, I am all for it. Another option is to encourage garages under units to reduce the need for on-street or extra parking in front or behind a unit. This works well for townhouses and condos. Could work for single-family residences."

"This sounds good *if* combined with public transportation investments in new routes, more frequent stops, reliable transportation daily, even when VT is not in session, and affordable fares."

DEVELOPER SURVEY

A developer survey was conducted alongside the Phase III public engagement survey to get their perspective on what changes would better enable them to support the Town's housing affordability objectives. We received 10 responses. Below are comments organized by questions and key themes identified in the responses.

WHAT PREVENTS YOU FROM DEVELOPING MORE AFFORDABLE HOUSING TYPES?

"High cost of land with old zoning, to increase density or change something to make a project work; your only option is to do a PRD. This process will cost you a minimum of 50K-100K in Blacksburg with the type of projects we do. A LOT OF RISK FOR VERY LITTLE REWARD."

"The land cost and development costs in Blacksburg practically don't allow to put a product out in the affordability desired range."

"Finding affordable land in keys areas such as Blacksburg has been a challenge. Specifically, land with public utilities."

"The relatively known high costs associated with the Town of Blacksburg's development process accompanied with the other unknowns leave little room for a developer to not pursue the highest and best use of their capital."

"We would be, we are just looking for suitable projects and currently, we are at the edge of our capacity on how much we can get done with projects elsewhere."

"Land scarcity and cost are probably the primary reasons. Along with the cost of infrastructure development, once a site is secured. Innovative affordable housing construction methods can be employed once a project gets to the construction stage, but in most cases, the hard costs of a ready-to-build lot are already high enough to make a final sale price in the affordable range very difficult."



WHAT CHANGES DO YOU THINK THE TOWN SHOULD MAKE TO FURTHER HOUSING AFFORDABILITY?

Development Review Modifications

"Make the development review process less subjective to interpretation and work cooperatively with developers, not viewing them all as unscrupulous. Work together to find solutions to developments, the county does a good job of this."

"Shorten the review timelines from 45 days to at least 30 calendar days; review for compliance". With multiple submissions, this can add 6 months quickly.

We strongly support 3rd party site plan review."

Establish a Developer Liaison

"Come up with a single place for contractors to get rulings on building, zoning, and engineering questions. As it stands we currently have to deal with three different departments with their own inspectors. This creates confusion and difficulty for the contractor on whom to contact with a question/ for a decision."

"A developer liaison role at the Town could be beneficial. Other municipalities have implemented this. Currently, dealing with the TOB on a building project is a very fragmented process and often includes conflicting requests and inconsistent messaging from different departments. This can have very real cost implications for a developer or builder."

Cost-sharing

"Trails, parks, green building certifications, facade preferences, etc. correlates to cost increases for the homebuyers. It would be beneficial if the Town were to assume some responsibility or provide some subsidizing program for these recreational requirements."

"In general, if the town could upgrade its infrastructure and not put this on the developers that would help the affordable piece."



Update Zoning

"The zoning ordinances and Town code need to be reviewed for redundancies and conflicts."

"Creating less restrictive zoning districts will create room for creativity and reduce upfront costs for a developer to bring a project/ rezoning forward."

"The Town needs to be more flexible since there is no land left without infill or opportunities across 460."

"Modify zoning so higher density, clustered developments don't require rezoning. Rezoning requires higher risk, which requires higher returns, which drive up the end prices."

"The current Blacksburg code is not compact lot friendly. The height and setback requirements do not allow for a true compact lot. Blacksburg needs to create an entirely new compact division standard."

"Town code calls for a 12% driveway slope which in our area means costly grading or expensive retaining walls. Please provide some flexibility."

"FAR requirements do not allow for implementation of Accessory Dwelling Units because they account for attic and basement space. Rework or eliminate."

Rezoning/Building Process Reforms

"The Town typically requires a fully mapped out and designed project (exact building materials, unit layouts, and site design) for a project that may not even be approved. This is a huge cost and gamble. Outlining a process in which we have sketches and draft layouts to approve would be more affordable."

"Once rezoned a property must conform to the documents and proffers set forth in the rezoning. Give Town staff more power to be flexible and make minor/moderate adjustments (while still maintaining intent) to the rezoning if agreed upon by both parties, without going through another 4/5 months process."

"The requirement that all roads, final pavement, infrastructure, and amenities are complete before a building permit is issued leads to increased carry costs. Allow construction to start while some infrastructure is still being completed to streamline the process."



“ If a developer can sell a lot for \$100,000 they will almost never sell it for \$50,000 to make it affordable. While this may seem intuitive it holds the key for me in that the only way someone will sell a \$100,000 lot for less than market price is if there is an incentive elsewhere to do so. The same holds true for homebuilders, if they can only build 20 houses per year they will build the most expensive ones they can, unless there are incentives to do otherwise. - Developer Respondent ”

WHICH DEVELOPMENT INCENTIVES WOULD BE MOST HELPFUL TO YOU?

1. Bonus Density Incentives (increase in allowable dwelling units or bedrooms/acre)
2. Reduced Parking and Road Width Requirements
3. Reduced Minimum Lot Sizes
4. Expedited Rezoning
5. Reduced Setback Requirements
6. Fee Reductions / Financing Programs
7. Additional Height Allowances
8. Bigger Floor Area Ratio (FAR)
9. Expedited Building Permit Issuance

Sample of Developer Comments

"Flexible density bonus options overlaid over current zoning seem like a good way forward. Much easier than re-writing the zoning ordinance. The challenge will be to make those density bonuses appealing enough to be widely adopted as a viable default option. There will need to be a sliding scale, based on site size. One simple formula won't translate to all sizes."

"Make the stormwater quality not so onerous, this one factor adds about \$25,000-35,000 per home. There needs to be higher density development allowed by right, without 30' roads."

"I think the idea that 50% green space in developments in Blacksburg being sacrosanct, doesn't make a lot of sense, because your density should be in your urban hub. This encourages donut development and then people get further out of town and commute to town for work and we pay the carbon penalty for that."

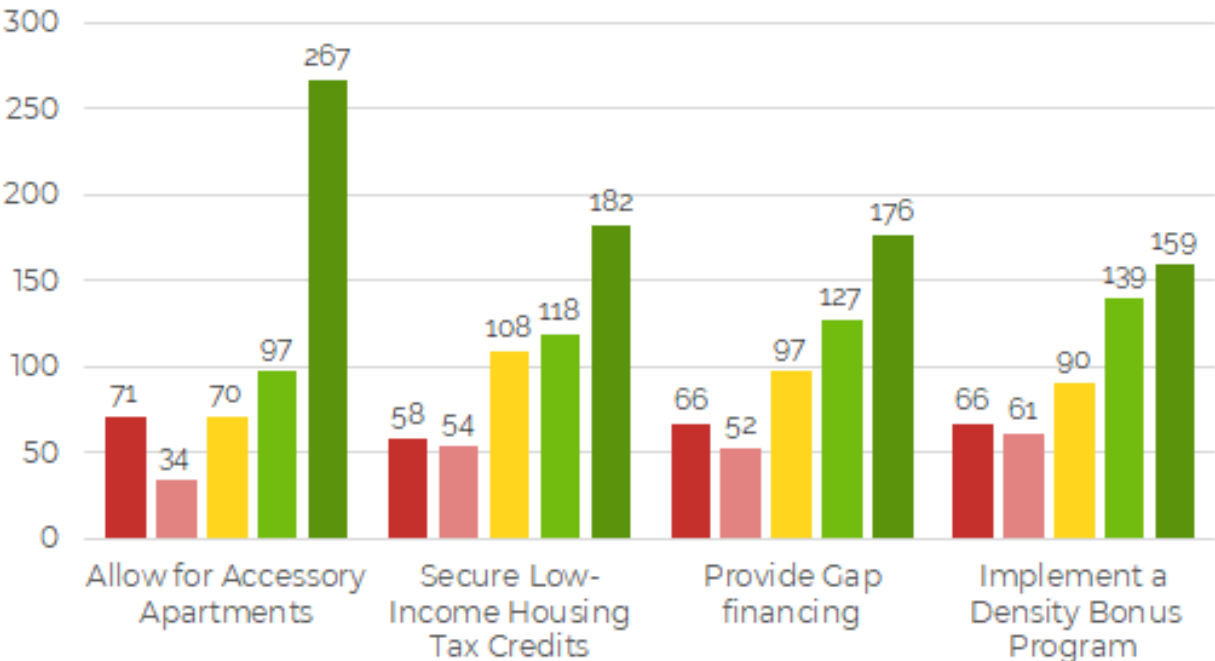
"Possible incentives to developers that set aside lots for those serving the below 80% AMI market, Habitat, or CHP would be an interesting discussion."





Affordable Rental Strategies

The survey proposed four potential strategies for increasing the supply of affordable rentals in Blacksburg. Accessory apartments were most strongly supported, while the other three strategies received roughly an equal amount of support vs. concern.



Allow for Accessory Apartments

A small apartment that is either detached or attached to a primary single-family home. This could provide more housing choices at an affordable monthly rent.



- Creates issues for single family neighborhoods.
- Hard to monitor and enforce abuse.
- Could increase parking problems.



- If the owner lives on site.
- If no short-term rentals are allowed.
- Like 3 person limit, if this is enforceable.



- Great option for young adults or seniors.
- Win-win for renters and homeowners.
- Pair this with financing or allow short-term rentals as well.
- Great solution without need for additional infrastructure.

Secure Low-Income Housing Tax Credits

LIHTC equity is an additional funding source that can make it easier to develop very affordable rental housing. Securing credits is competitive and requires significant local government commitment (tax abatement, donation of buildings/land, and local match).

How Does LIHTC Work?



- Program-required 15 year affordability time period is too short.
- Time consuming process.
- Make sure residents pay their fair share.



- If there is a way to prevent shoddy construction.
- If we have enough staffing to work on these kinds of applications.



- Obvious benefit, many great examples to follow.

Provide Gap Financing

Grants / forgivable loans to cover a portion of the costs to develop or upgrade an affordable rental property in exchange for renting to lower-income renters.



- Why pay developers and increase their profitability?
- This will create slum lords.
- We shouldn't need subsidy for affordable housing.



- Depends where financing comes from; do not raise local taxes.
- If we protect affordability long-term.
- Low interest loans, not grants.
- If we clearly define affordability.



- Fix supply, while addressing equity, and I'm on board!
- Benefits more property owners, potentially than LIHTC.

Implement Density Bonus Program

A density bonus permits developers to increase the maximum allowable development on a property in exchange for creating a % of affordable homes in the development. The bonus is based on the % of affordable homes provided.



- Increase supply with a few high rises instead.
- Developers won't use, too complicated.
- Not in our small town.
- How will you keep students out?



- If units are for-sale/rent to own.
- If investors do not benefit and supports workforce housing.
- If developers are not profiting unnecessarily.
- Only close to town.



- Yes, but need to pair affordability criteria with other state and federal programs.

Affordable Home Ownership Strategies

The survey proposed two potential strategies for increasing the supply of affordable homeownership opportunities in Blacksburg. The Community Land Trust concept was strongly supported. Gap financing was not as strongly supported for homeownership, but was preferred as a potential way to increase the supply of affordable rentals.



Provide Gap Financing

Grants / forgivable loans to cover a portion of the costs to reduce the overall purchase price or loan amount for a homeowner.



- Why pay developers and increase their profitability?
- We shouldn't need to subsidize affordable homeownership opportunities.



- Depends where financing comes from, do not raise local taxes.
- If we protect affordability long-term.
- Loans, not grants.
- If we clearly define affordability.



- Fix supply, while addressing equity, and I'm on board!
- Yes if this helps expand the Community Land Trust.

Establish a Community Land Trust (CLT)

CLTs make homes more affordable and help keep them affordable in perpetuity. They require a CLT home be resold to another income-eligible family at an affordable price, while still allowing for wealth building.



The CLT separates ownership of the land from the buildings that sit upon it. The CLT retains ownership of the land and leases it to the homeowner.



- Concern CLTs would punish homeowners if their income grew.
- Will lower property values of neighbors.
- Government should not run CLT.
- Seems complicated, just reduce lot sizes.



- If clear homeowner selection criteria.
- If homeowner isn't penalized- lose equity when resold.

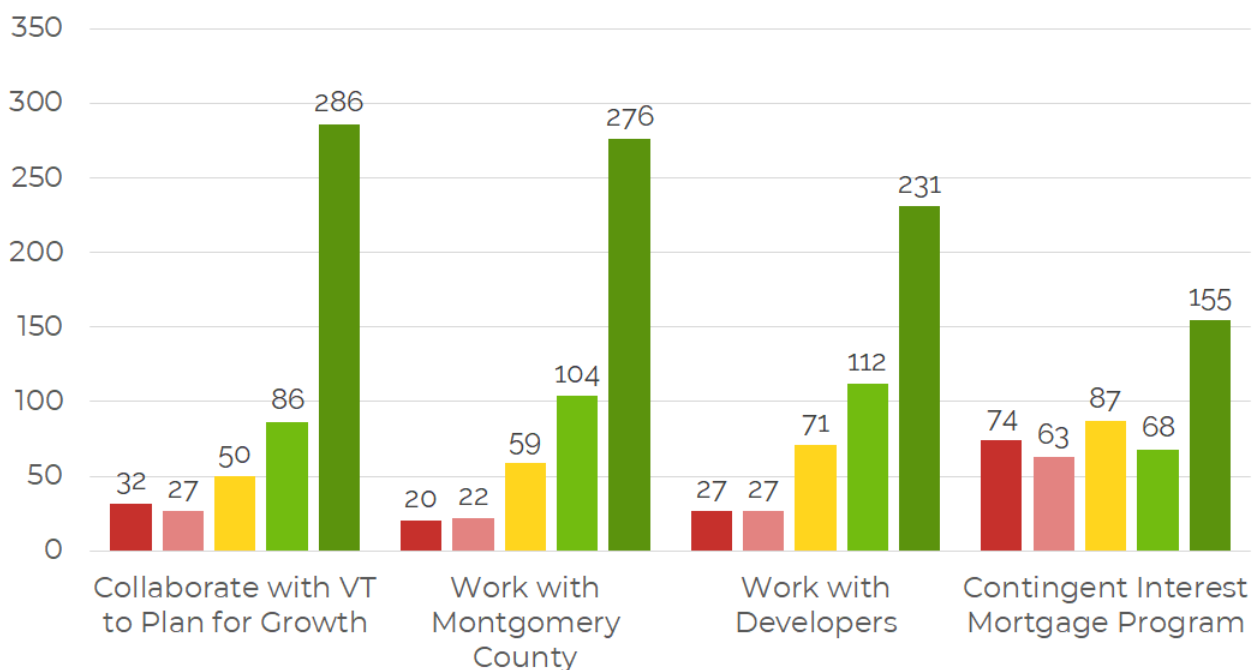


- Yes. High priority.
- Great, especially if existing nonprofit would manage.
- Great if we could partner with VT to use model for grad students and young professors too on their land.

Partnership Strategies

The survey proposed four potential strategies to help increase the supply of affordable rental and for sale homes in Blacksburg.

The highest priority was developing a relationship with VT, followed by increasing collaboration with Montgomery County and then working with developers. There was less interest in the Contingent Interest Mortgage program.



Collaborate with VT to Plan for Growth

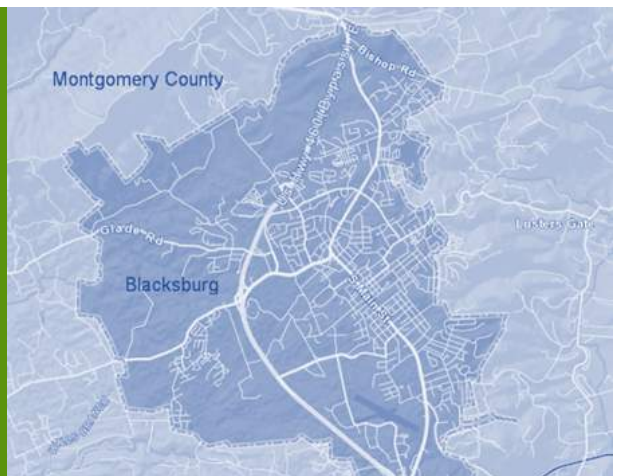
Develop an Affordable Housing Advisory group with Virginia Tech, the Town, and community members to create more affordable housing.



- This should have been done years ago.
- VT needs to take responsibility for the problem.
- VT doesn't care about this problem.
- Make sure a diverse mix of 'community members' is on the committee.
- Focus on creating non-student housing.
- Have VT provide land for new - affordable housing.
- Ensure VT houses more students on campus or cap student population. Work with private developers if needed.
- VT needs to pay a % share of annual revenue in local taxes/implement meals tax to pay for housing initiatives.
- Have VT participate in the Community Land Trust.

Work with Montgomery County

Collaborate with Montgomery County to develop a plan for growth in urban expansion areas, where the Town borders the County.



- Christiansburg and Radford too!
- Improve relations between the political bodies.
- Makes sense! Prioritize increased density and avoid urban sprawl. Don't push development to the outskirts.
- New development on Prices Fork is a perfect reason why this strategy is needed!!
- Extend town infrastructure to Southgate and Merrimac.
- Incorporate more county land into the town strategically to increase housing opportunities in growth areas.
- Prioritize mixed-use development.
- Focus on expanding public transit.
- Focus on walkability and greenspace.

Work with Developers

Work with developers to better understand housing gaps in our market (young professionals, senior housing, etc.) and overcome constraints that developers face to providing these types of housing.



- Extreme suspicion of 'profit-maximizing developers'.
- Concerns developers lack interest in the public good.
- Skepticism they will still not build more affordable housing because it doesn't yield maximum profitability.
- Developers need to be more innovative with housing types and technology.
- Work with developers to create more blue-collar job opportunities.
- The town needs to relax codes and code enforcement.
- Contractors don't like working in Blacksburg.
- Yes! Address hurdles and spur new kinds of development projects.

Contingent Interest Mortgage Program

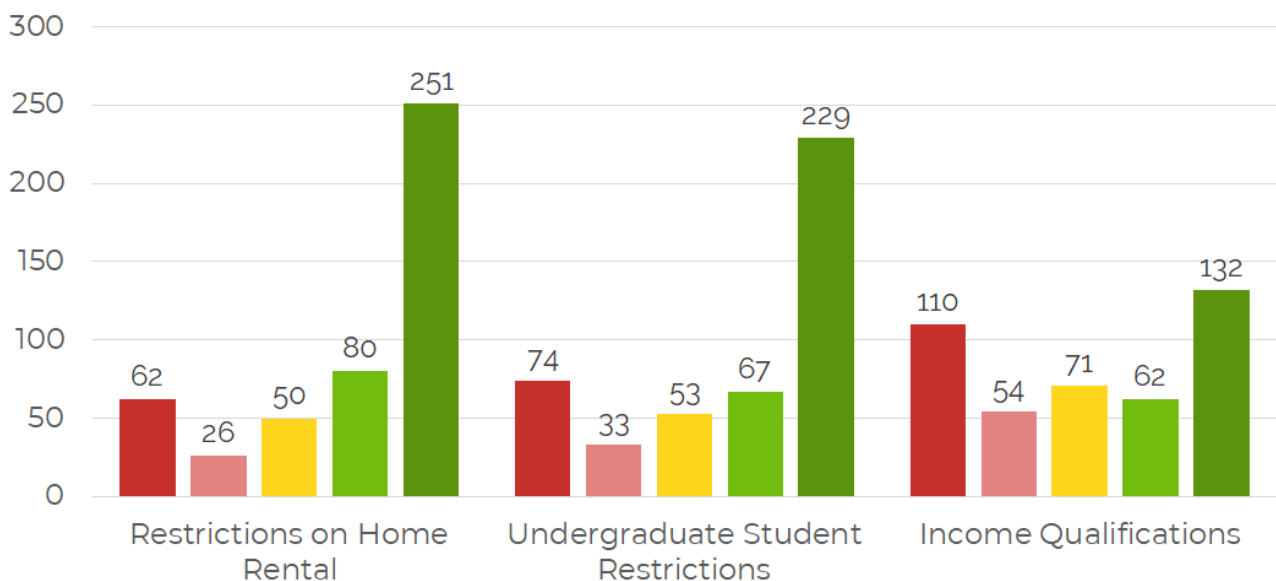
Work with VT to increase the buying capacity for newly hired or tenured faculty by allowing for a portion of their mortgage to have low to no monthly payments. This reduced interest 2nd mortgage program would be funded by VT.



- Good idea, but only if VT pays for it.
- Why just faculty? It's VT staff and wage workers that need the support.
- This will increase competition and home prices for non-VT faculty.
- Don't focus on strategies that only benefit VT.
- This does nothing to increase the housing supply in Blacksburg.
- Support the rest of the community first.
- Would be helpful to me.

Strategies to Reduce the Impacts of Students

The first two surveys received many responses about the impact of undergraduate students in single family neighborhoods and the desire for more separation between students and permanent residents. In this survey, we proposed three potential strategies that could be implemented as part of new developments or existing neighborhoods with HOAs. We were unable to find a potential strategy for established neighborhoods without an HOA.



Restrictions on Rental Homes

Encourage developers to include restrictions in the initial covenants, conditions, and restrictions for their proposed subdivision/townhome development that dissuade short or long-term rental of the home.



- Town should not tell me who I can rent to.
- This will hurt young professionals.
- It will disadvantage people of color.
- Focus on restricting short-term rentals.



- Developers and landlords already have so much control.
- Can we increase rental unit property taxes instead? Enforcement?
- Yes, if there is enough housing for students.



- Yes! Too many students.
- Neighborhoods with owner occupancy requirements is good for our area.
- There should be areas where we can preserve normal small town life.

Age Restrictions

Work with Virginia lawmakers to pass a bill allowing the Town to accept voluntary proffered conditions that would limit or prohibit occupancy by undergraduate students while still meeting fair housing law.



- This is a college town, they are our economy.
- Not viable option, too many people's income comes from rentals.
- Don't discriminate against age.
- Not all students can afford new student developments.



- Will take too long to implement.
- Yes, but to make this work community needs to support student housing, move beyond NIMBYISM.
- Yes, but what about existing neighborhoods.



- Yes! As young professional, I can't find a non student oriented home for rent.
- Yes, create student housing district too.
- Yes, don't forget about keeping out investors too.

Income Qualifications

Encourage developers to require a resident to provide evidence of wage income at least two times the monthly rent for the unit at the time of leasing. It is unusual for students to be able to meet these qualifications on their own.



- This would hurt more than students- actual working people and retired people.
- Exclusionary.
- Stop approving high priced housing developments instead.
- Irrelevant if parents purchase instead



- Sounds great, but wealthy parents and rich alumni will find a work around.
- Can't not allow co-signer for working people and not for a student.
- Yes, but won't catch asset rich who may have low income. Can't separate out \$ from wages cleanly.



- Yes! Easiest strategy to implement.

Developer Perspectives

Half of the survey respondents were willing to consider all three types of restrictions, but directly limiting students was the most popular option.

"The challenge is that when building for rental units, lenders do not look favorably at restrictions, this adds risk and therefore higher returns are required as a certain number of these projects won't go well. To alleviate concerns that if future demand and occupancies are not as high, allow a limited amount of rental to non-qualifying residents. Possibly tie it into occupancies in the rental market."

"Undergraduate students are not a protected class. They can be directly prohibited, keep it simple. In the case of subsidized/restricted affordable housing of any type, strict and enduring controls are necessary to protect the investment long-term."

"We would have a hard time accepting these proffers. Over time the student problem will get better. Supply vs. Demand is a major problem and when we have more supply we should, in theory, start to see this problem go away. It would be helpful to know which neighborhoods are having problems with this. All we hear is that people complain. Where are the problem areas?"

Funding for Housing Strategies

Our current funding sources for affordable housing are not enough to meet the level of need. An Affordable Housing Trust Fund would help increase the development of low-to-moderate income housing. Based on Virginia law, the following options are currently available to us to support the Town's affordable housing strategies. Survey respondents prioritized each option as listed in order below.



1. LODGING TAX

An additional flat tax for each night of lodging at any lodging place other than a campground. Virginia Beach uses a flat \$2 tax per night. If Blacksburg used this model it would provide approx. \$300,000 per year.



2. VOLUNTARY PROFFERS FROM DEVELOPERS

These are voluntary developer contributions that accompany the proposal of new development based on a per unit, bed, or sq ft. basis. The City of Alexandria suggests \$2-5 per sq. ft. depending on the development type. This could produce \$2-8,000 per average 1,500 sq ft. apartment. Depending on what is built in any given year it could provide at least \$100,000 annually. This would be easier for a developer to include as part of their proposal but would provide less funding per project.



3. DENSITY BONUS FEE IN LIEU

Density Bonus Fee in Lieu permits a developer to increase the maximum allowable development on a site in exchange for a fee used to pay for the development of these affordable units elsewhere in Town. Local builders estimate that it costs approx. \$100,000 to construct a multifamily bedroom. This could provide more funding per project, but fewer developers might choose this option.



4. REAL ESTATE TAX

An additional penny on the Town's property tax (not the county) to support affordable housing development. If your home is valued at \$350,000 this would result in an increase of \$35 on your property tax bill annually. This would provide approx \$350,000 per year.

A SAMPLE OF RESPONSES

1

LODGING TAX

" The Lodging Tax seems fitting given the number of people who come to Blacksburg to stay each year who do not live in the area. I question how this would impact the use of Airbnb in the area."

2

DENSITY BONUS

" This seems complicated. Please do not get in bed with developers on funding. Please do not reduce transparency. Please realize VT isn't going anywhere. DEMAND Tech pays fees & taxes they aren't currently. "

3

VOLUNTARY PROFFER

" A 'voluntary' donation from builders is an invitation for corruption. Companies that make bigger donations are going to, at a minimum, have the appearance of preferential treatment."

4

REAL ESTATE TAX

" There should be zero rise in real estate taxes imposed on Blacksburg residents. Virginia Tech should be contributing more to the town. DEMAND Tech pay fees & taxes they aren't currently."

OTHER SUGGESTIONS

"Shift funding from less useful areas to housing, which is a critical need. For example, law enforcement. We do not need more police in our community. I urge you to shift funding to affordable housing. Communities where people can afford to live = less stress + more investment = less safety / violence issues."

"Virginia Tech should be contributing more to the town. Impose a tax on them."

"Institute a tax on rental properties. If you make it unprofitable for landlords to rent, they won't do it any longer."

Although there are reasons under Virginia Law why higher taxation of a rental property or taxing Virginia Tech is not implementable, the sentiments speak to the perspective many respondents shared throughout the survey: that owners of rental properties and Virginia Tech should be contributing a great deal more to our housing solutions.

NEXT STEPS

WHERE DO WE GO FROM HERE?

The feedback provided through this three-part engagement effort has helped Town staff and Town Council better understand community concerns and priorities related to housing affordability. It has also helped us 1) gauge what housing types are preferred, 2) the general level of density that is acceptable, 3) what strategies most respondents would like the Town to pursue, and 4) what specific concerns exist about all the strategies proposed. Here are a few overarching takeaways and next steps.



01 – Build Trust & Transparency

The recent survey revealed a lack of trust. This was expressed in the many comments and the prioritization of strategies. Knowing that transparency is a community priority, the Town will continue to strengthen our engagement as we work to implement internal reforms and strengthen our partnerships to improve housing affordability in Blacksburg. We will continue to reach out with information to help expand community understanding of and create opportunities for engagement on each housing strategy.



02 – Revise Zoning and Development Review Process to Incentivize the Development of Missing Middle Housing Types.

Using the priorities and concerns expressed through both surveys, staff will determine how the Town can improve the development review process, most effectively approach revisions to the zoning ordinance to better allow for the development of missing middle housing types, and align development incentives accordingly.



03 – Implement the Strongly Preferred Housing Strategies

The recent survey revealed stronger support for allowing detached accessory apartments, establishing a Community Land Trust, using rental restrictions as part of new developments, and improving partnerships with Virginia Tech, Montgomery County, and the development community. The Town will prioritize staff time towards the implementation of these strategies.

If you are interested in staying engaged on this topic please make sure you provide your email in the "Stay Informed" box on: <https://letstalkblacksburg.org/affordable-housing> and consider subscribing to Citizens Alerts on the Town's website. This is just the beginning!