

Affordable Housing Task Force Final Report Recommended Implementation Steps Report

AHTF Recommendation 1: Establish and implement initiatives to educate the public, the shelter industry and the financial community on the benefits of affordable housing.

Analysis/Discussion: The Comprehensive Plan fully supports efforts to develop and maintain a diverse, safe and high quality housing stock for all Chesapeake citizens, including housing that is affordable to all people who live or work in the City; however, the Plan does not specifically address educational initiatives. It is, therefore, recommended that the Comprehensive Plan be amended to include the implementation of this initiative.

Staff Recommended Implementation Steps: The Forward Chesapeake 2026 Comprehensive Plan should be amended to include the following language and an implementation step under Issue One (starting on page 165).

- “The City, through the Chesapeake Redevelopment and Housing Authority (CRHA) and Public Communications Department, will establish and implement initiatives to educate the public, the shelter industry, and the financial community on the benefits of affordable housing.”

Related changes to the appropriate passages of Section Two of the Plan are also recommended.

AHTF Recommendation 2: Establish and implement initiatives to build relationships between lenders and builders to encourage profitable solutions to affordable housing shortages.

Analysis/Discussion: The Comprehensive Plan fully supports efforts to explore and establish alternative funding options to improve the condition, availability, and accessibility of the City’s housing stock. This recommendation is already covered by the adopted Comprehensive Plan (see page 166, Issue 2, Strategy 3). Therefore, a Plan amendment is not required for the implementation of this recommendation.

Staff Recommended Implementation Steps: It is recommended that this item be referred to the Chesapeake Redevelopment and Housing Authority for further implementation. The implementation of this recommendation could be integrated into the educational initiative in AHTF Recommendation 1 and might include the creation of a lender/builder round table discussion focusing on affordable housing opportunities.

AHTF Recommendation 3: City-sponsored rezoning of mixed-use products and dense residential districts in appropriate locations and diversity compatible with the Comprehensive Plan.

Analysis/Discussion: This recommendation is for the City to initiate a comprehensive rezoning action to create new areas zoned for mixed use and more dense development. Comprehensive rezoning is only legally defensible after very detailed studies are conducted to ensure that each change of zoning classification is not arbitrarily determined.

A comprehensive rezoning to “up zone” properties is at cross purposes with the City’s growth management policies such as the Planning and Land Use Policy. The Planning and Land Use Policy gives City Council the discretion to control the impact of new development on the City’s infrastructure. By up zoning properties, City Council relinquishes its ability to moderate the impacts of new development.

The rezoning process, particularly through the use of conditional zoning, is an effective tool to obtain guarantees that new development will include affordable housing. A comprehensive rezoning eliminates the City’s ability to require the provision for affordable housing, leaving the decision at the sole discretion of the property owner/developer.

Staff Recommended Implementation Steps: No action is recommended.

AHTF Recommendation 4: Formulate an Affordable Dwelling Unit Ordinance and Management Program in conjunction with the Chesapeake Redevelopment and Housing Authority.

Analysis/Discussion: The Forward Chesapeake 2026 Comprehensive Plan has provided language to support the potential use of this tool, which could include provisions for inclusionary zoning. Implementation of this recommendation entails City Council adopting an Affordable Dwelling Unit (ADU) Ordinance. Authority is given under Section 15.2-2305 of the Code of Virginia to allow localities to provide incentives to encourage developers to include affordable housing in a subdivision or development. However, the enabling legislation as written is quite cumbersome. After review by the City Attorney, it has been recommended that Chesapeake pursue specific authority from the General Assembly in order to be able to develop an ordinance that will be tailored to Chesapeake’s needs.

Staff Recommended Implementation Steps: As previously stated, City Council may adopt an ADU Ordinance pursuant to Section 15.2-2305; however, the City Attorney has recommended certain additional authority be granted by the General Assembly to aid in the implementation of such an ordinance. A request for this authority has been added to Chesapeake’s 2007 Legislative Package.

AHTF Recommendation 5: A detailed analysis should be conducted by the Planning Department of all parcels that have a residential zoning designation, but remain undeveloped...Undeveloped parcels in all zoning designations, as reported in the Undeveloped Zoning Inventory, should be analyzed by the Planning Department to

determine if there are any parcels that might be more appropriately zoned for affordable residential development....

Analysis/Discussion: The Planning Department maintains the Undeveloped Zoning Inventory, which is a periodic tabulation of raw land by zoning classification within the existing service area for public utilities. The Inventory is a general land use planning tool and has not been designed to be used as a marketing tool. The analysis requested by the Task Force in its recommendation calls for developing a background profile for each undeveloped residentially-zoned parcel (e.g. acreage, zoning designation, development constraints, etc.); determining why parcels have not been developed; and identifying options for developing affordable housing on these parcels. This entails essentially a marketing evaluation of undeveloped residential parcels, which is typically a function of the private sector. The other part of the Task Force's recommendation calling for an examination of all undeveloped parcels in all zoning designations to determine if a rezoning to a residential category is in order, is also typically a private sector market-based function.

Staff Recommended Implementation Steps: The Planning Department has initiated an update of the Undeveloped Zoning Inventory. Previous versions of the Inventory focused on larger tracts of undeveloped land; however, in an effort to aid in identifying affordable housing opportunities, the current update has been modified to include smaller parcels. In regards to the evaluation of why individual parcels have not been developed, it is recommended that the CRHA work with the Tidewater Builders Association, Hampton Roads Realtors Association, E.V. Williams Center for Real Estate and Economic Development at ODU, or other appropriate market-based organizations to determine if any of the identified undeveloped sites are appropriate for specific affordable housing proposals.

AHTF Recommendation 6: The lack of land zoned and/or designated by the Comprehensive Plan for apartments is a problem. The City needs to designate more area for apartments, smaller single-family lots and more multi-family housing.

Analysis/Discussion: The 2026 Comprehensive Plan reflects a conscientious effort to encourage higher densities and more mixed-use land uses in Chesapeake, thereby providing more affordable housing opportunities. The 2026 Land Use Plan expanded the Urban Overlay by 13,824 acres and increased recommended densities by 25% within the overlay. The Land Use Plan also includes 4 mixed use categories with 5,477 acres designated into one of these categories.

Decisions to seek a rezoning for a particular parcel to pursue multi-family or higher density single-family housing are typically made in the private sector. It is not recommended that the City actively engage in rezoning property, due to the issues discussed in AHTF Recommendation 3.

Staff Recommended Implementation Steps: No additional action is recommended.

AHTF Recommendation 7: Explore the possibility of inclusionary zoning as a tool to provide affordable housing.

Analysis/Discussion: Inclusionary zoning is a zoning policy/tool whose purpose is to allow the development of affordable housing to become an integral part of other development taking place in the community. At the local level, this is accomplished by zoning ordinance, mandatory use conditions, or voluntary objectives for the inclusion of below-market housing in future market-level developments. Typically, inclusionary zoning policies will set forth the minimum percentage of units to be provided in new residential developments that are affordable to households at a particular income level, generally defined as 80% of the median income of the area (the AHTF defines it as being at or below 120% of Chesapeake’s median income). Incentives designed to facilitate the achievement of these conditions or objectives are often included by the locality for developers. In Virginia, the incentives take the form of density bonuses. The subject of inclusionary zoning was the source of much discussion and debate during the AHTF’s deliberations.

The Comprehensive Plan supports the exploration of this land use tool as an incentive to increase the supply of affordable housing. In Virginia, inclusionary zoning is considered to be a component of a comprehensive affordable dwelling unit ordinance. There is currently no authority for the City to establish mandatory inclusionary zoning; however, voluntary inclusionary zoning could be implemented as part of an adopted affordable dwelling unit ordinance under Section 15.2-2305 of the Code of Virginia.

Staff Recommended Implementation Steps: It is recommended that the development of a voluntary – not mandatory - inclusionary zoning ordinance or policy be explored as part of efforts to create an affordable dwelling unit ordinance, either through existing state enabling legislation, or through some alternate authority (see AHTF Recommendation 4).

AHTF Recommendation 8: Review/re-visit the “narrow-lot ordinance” approved by City Council in February 2006. Affordable housing on smaller lots may be an option in some communities, provided that design and renovation guidelines are established.

Analysis/Discussion: The “narrow-lot ordinance” may be re-visited, but only at the sole discretion of City Council.

Staff Recommended Implementation Steps: None at this time, unless City Council directs staff to review the ordinance comprehensively or in relation to a specific development proposal. Note: when adopting the initiating resolution requesting the Planning Commission to review and make recommendations regarding the AHTF Final Report, City Council specifically directed staff not to pursue implementation of the Task Force’s recommendation to re-visit the “narrow-lot ordinance.”

AHTF Recommendation 9: An inventory of under-developed or poorly maintained properties should be developed, perhaps through CRHA and/or the Neighborhood Services Department.

Analysis/Discussion: The City's Neighborhood Services Department currently tracks and engages in corrective measures with respect to poorly maintained housing; that is, housing not in compliance with the City's minimum building code standards. With regard to under-developed properties, the decision or criteria as to what land uses fit this category is derived in many instances from market forces and pressures.

Staff Recommended Implementation Steps: It is recommended that the Neighborhood Services Department share their database of information regarding poorly maintained properties with CRHA - to the extent allowed by law - so that further evaluation may be conducted and possible opportunities identified.

AHTF Recommendation 10: Develop rules for targeted revitalization areas that would provide incentives, such as tax abatements, for owners to make improvements, and require new owners and owners of rental units to meet current building codes.

Analysis/Discussion: Localities currently have the authority to adopt specific tax incentives, subject to certain parameters, in order to promote improvements to the condition of the existing housing stock. Policies supporting this are already contained in the Comprehensive Plan. Regarding the recommendation to target certain areas for revitalization, the City has some existing efforts related to this concern. For example, the City has a rental dwelling inspection program that applies to all rental units in Chesapeake. The Department of Neighborhood Services periodically initiates a "neighborhood sweep" program in targeted areas to enforce the City's building codes. In addition, CRHA and the Economic Development Department have formed a partnership to establish a Redevelopment Area in the Poindexter/Liberty Street section of South Norfolk to contribute to overall revitalization and conservation efforts.

Regarding tax abatements or other incentives to encourage revitalization, there should be a specific recommendation for the type of tax incentive programs that would be appropriate and effective for the promotion of affordable housing. It seems appropriate that CRHA should be called upon to make these recommendations, so that they may be considered in context with the identification of targeted areas of application. The recently completed Neighborhood Quality of Life Study could be used as a tool to identify areas that might be eligible for specific revitalization tax incentives.

Staff Recommended Implementation Steps: It is recommended that a committee of representatives from CRHA, the Neighborhood Services Department, the Planning Department, and the Commissioner of the Revenue's Office should be established to consider how such a revitalization tax incentive program could be developed.

AHTF Recommendation 11: Explore the possibility of establishing a Housing Trust Fund...to be spent on affordable housing initiatives....

Analysis/Discussion: There is currently no authority for the City to establish a mandatory housing trust fund; however, a voluntary contribution program could be established. A policy supporting the creation of such a fund has already been adopted with the Forward Chesapeake 2026 Comprehensive Plan. The City would need to request authority from the General Assembly to establish a mandatory housing trust fund to be used for the construction, repair, or purchase of affordable housing.

Staff Recommended Implementation Steps: It is recommended that any mandatory housing trust fund proposal be referred to the City Attorney's Office for further evaluation, and for possible inclusion in the City's Legislative Package. Since the Comprehensive Plan already contains a policy that would support the creation of a voluntary affordable housing trust fund or community reinvestment fund, it is recommended that CRHA be requested to develop a fund proposal for City Council's consideration.

AHTF Recommendation 12: Offset development costs with fee waivers and other considerations.

Analysis/Discussion: The only authority to address this recommendation exists under Section 15.2-2305 of the Code of Virginia, which states that "Any local ordinance may authorize the governing body to... (iii) offer incentives other than density increases, such as reductions or waiver of permit, development, and infrastructure fees, as the governing body deems appropriate to encourage the provision of affordable housing."

Staff Recommended Implementation Steps: It is recommended that this item be referred to the City Attorney's Office for further evaluation, development, and response as to the specific steps needed for the City to enact fee waivers and other appropriate development cost relief mechanisms for affordable housing projects.

AHTF Recommendation 13: Fast-track review of development proposals...make building affordable houses more attractive as a land development option.

Analysis/Discussion: Fast-tracking affordable housing development applications and providing for special building code review can be done without enabling authority. The risk in going too far with fast-tracking considerations for affordable housing is that the locality may inadvertently approve housing that is not safe.

The City recently completed work on "Operation Streamline," which was a cross-departmental effort working with the private sector to develop opportunities to streamline and fast track development proposals. As a result of this effort, the development review process was streamlined by removing unnecessary and/or redundant steps. Opportunities for compressed review times were also created by allowing for simultaneous reviews by City staff. The removal of some submittal requirements resulted in not only a time savings, but also in development costs.

The Comprehensive Plan contains a recommendation that the City establish a review committee to examine zoning and development-related regulations for opportunities to increase affordable housing. This committee could consider this issue as part of their deliberations.

Staff Recommended Implementation Steps: It is recommended that the City, through the Neighborhood Services Department and CRHA, establish a review committee as described in the Comprehensive Plan to examine development-related regulations for opportunities to increase affordable housing.

AHTF Recommendation 14: It is recommended that CRHA and the City maintain, distribute and update information about the HUD Good Neighbor Next Door Program on appropriate web sites and the City's WCTV-48.

Analysis/Discussion: A housing program targeting certain government employees could be developed by CRHA or some other appropriate entity, provided the housing is constructed and offered to employees on a completely voluntary basis. The identification of these housing units might result from the implementation of an affordable dwelling unit ordinance.

Staff Recommended Implementation Steps: It is recommended that this item be referred jointly to the Office of Intergovernmental Affairs, Youth & Family Services and CRHA for further evaluation, development and response, in coordination with the City's Public Communications Department, Human Resources Department, and the Chesapeake Public Schools.

AHTF Recommendation 15: Conceptualize a building plan review process unique to projects incorporating affordable housing.

Analysis/Discussion: The Comprehensive Plan contains a recommendation that the City establish a review committee to examine zoning and development-related regulations for opportunities to increase affordable housing.

Staff Recommended Implementation Steps: It is recommended that the City, through the Neighborhood Services Department and CRHA, establish a review committee as described in the Comprehensive Plan to examine development-related regulations for opportunities to increase affordable housing.

AHTF Recommendation 16: Call for a regional body to track current and long-term housing needs and develop regional housing strategies. Such a body would also serve to communicate housing initiatives in any one city and assess the impact it would have on other cities.

Analysis/Discussion: As noted in the Comprehensive Plan, the City, through CRHA, already participates in regional housing advocacy organizations such as the Hampton Roads Community Housing Resources Board, as well as the Hampton Roads Housing

Consortium, an arm of the Hampton Roads Planning District Commission. These entities perform the types of functions called for in this recommendation.

Staff Recommended Implementation Steps: It is recommended that the City, through CRHA, continue to participate in these, and other housing advocacy groups, seminars, etc. that promote regional awareness and action to promote affordable housing.

AHTF Recommendation 17: A separate task force should be formed to investigate affordable housing issues and potential solutions for these groups (homeless individuals and families, citizens with low and fixed incomes, those with disabilities, and the re-entry population of persons returning to the community from correctional facilities).

Analysis/Discussion: The affordability of housing affects a broad spectrum of the population. In many ways, the effects of high-priced housing have a much more pronounced impact on persons in the lowest income brackets. Although the Affordable Housing Task Force was unable to devote adequate attention to the housing needs of these populations, they are most definitely in need of further study and action recommendations.

Staff Recommended Implementation Steps: It is recommended that this item be referred to the Office of Intergovernmental Affairs, Youth and Family Services for further evaluation and the creation of the task force.

M.H.W.
10/31/06