

# Housing 2040 Master Plan

**Housing Master Plan Progress Report and Approaches to Setting  
Housing 2040 Affordability and Opportunity Targets Meeting #2**

July 30, 2025



[Alexandriava.gov/housingplan](https://alexandriava.gov/housingplan)

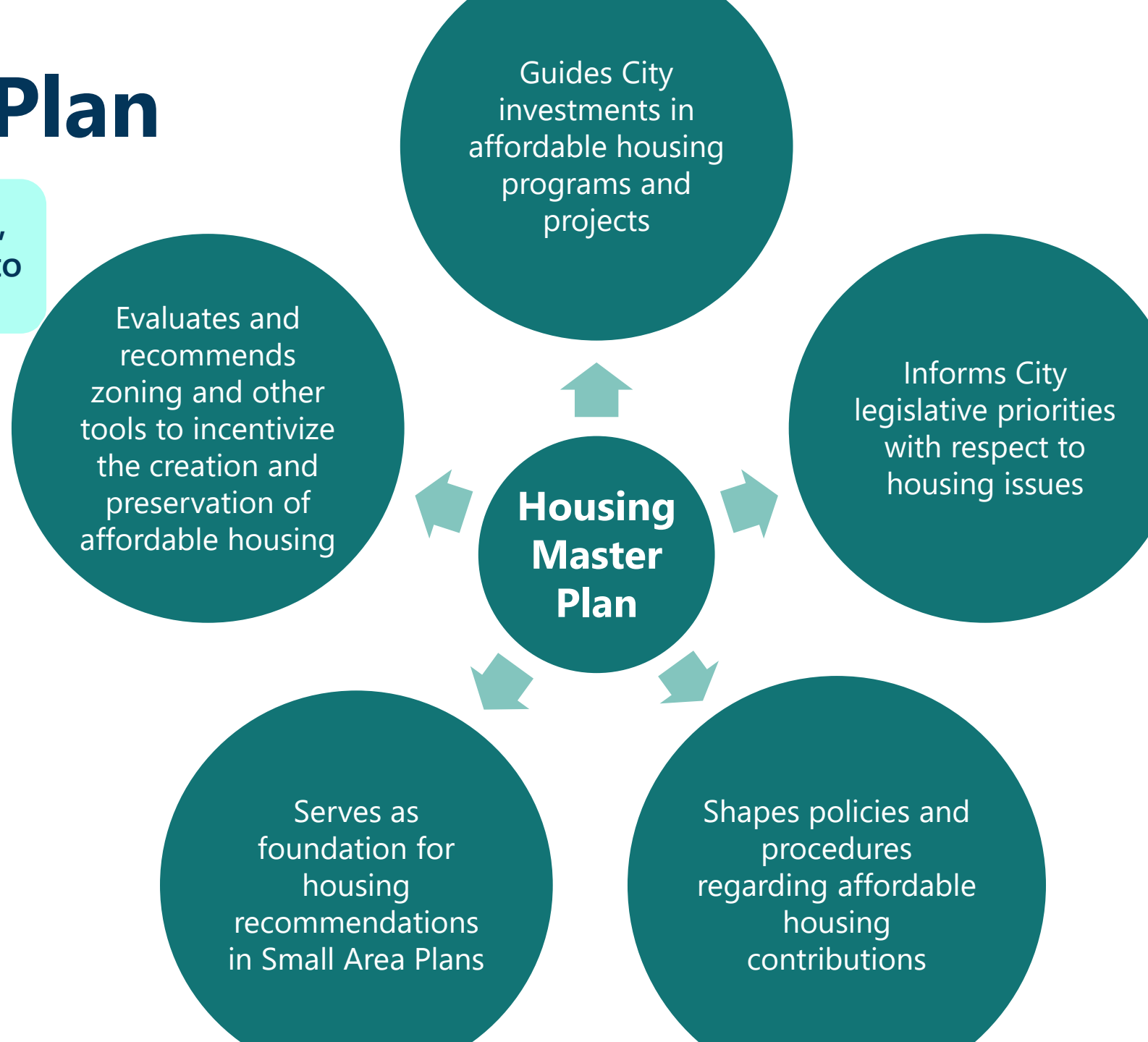
# Housing Master Plan

A housing master plan establishes a vision, goals, tools and policy recommendations to address community housing needs.

## ***What does this mean for my family, friends and co-workers?***

Through partnerships, Housing 2040 will help us work towards:

- creating and preserving affordable rental and homeownership options, including more deeply affordable housing;
- enhancing tenant protections;
- supporting older condominium communities; and
- expanding housing choices for our seniors and persons with disabilities.



# Agenda

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- Meeting Purpose
- Where We Are Today—2014-2025 Progress Towards Housing Master Plan Goal
- Looking Towards 2040
- Discussion
- How to Stay Engaged!

# **Where We Are Today**

# Housing Master Plan (HMP) Goal

**2013 HMP established goal of 2,000 units with new affordability**

## *What counts towards the 2,000-unit goal?*

- + Construction of new committed affordable rental units up to 60% AMI
- + Construction of new committed affordable homeownership units
- + Preservation of existing committed affordable units
- + Conversion of market-rate to committed affordable units
- + Homebuyer loans
- + Home rehabilitation loans/grants
- + Rental accessibility grants

## **Regional Housing Initiative (RHI)**

- In 2020 [City Council endorsed Resolution R27-2019](#), a [RHI](#) adopted by the Metropolitan Washington Council of Governments (COG) Board to establish aspirational housing production targets for member jurisdictions to address regional housing needs
- City's allocation: 3,000 units above development projections by 2030; **2,250 units** recommended to be affordable to low- and moderate-income households

## *What counts towards the 2,250-unit goal?*

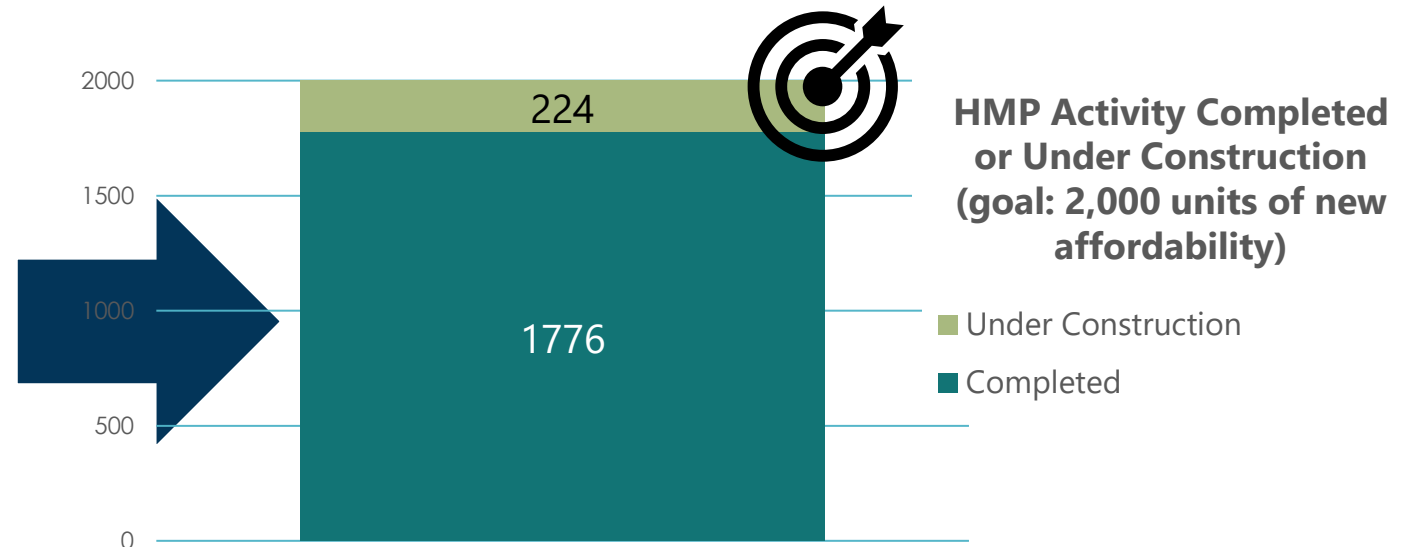
- + Construction of new committed affordable rental units at 61-80% AMI (not counted towards HMP goal)
- + Construction of committed affordable rental and homeownership units that exceed HMP goal of 2,000 units

# HMP Progress

## Completions through June 2025 (FY25 Q4)

HMP Activity	Completions
Affordable Units Created through PPPs	334
Affordable Units Preserved through PPPs	172
Market-Rate Units Converted to Affordable through PPPs	349
Set-Aside Units Created through Development	254
Beauregard Units Created	206
Beauregard Market-Rate Units Converted to Affordable	105
ARHA Units Created	37
ARHA Units Preserved	15
Rental Accessibility Grants	24
Homebuyer Loans	131
Home Rehab Loans/Grants	149

**- 101 Committed Affordable Units Lost Due to Expiring Affordability**

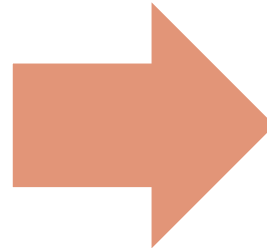


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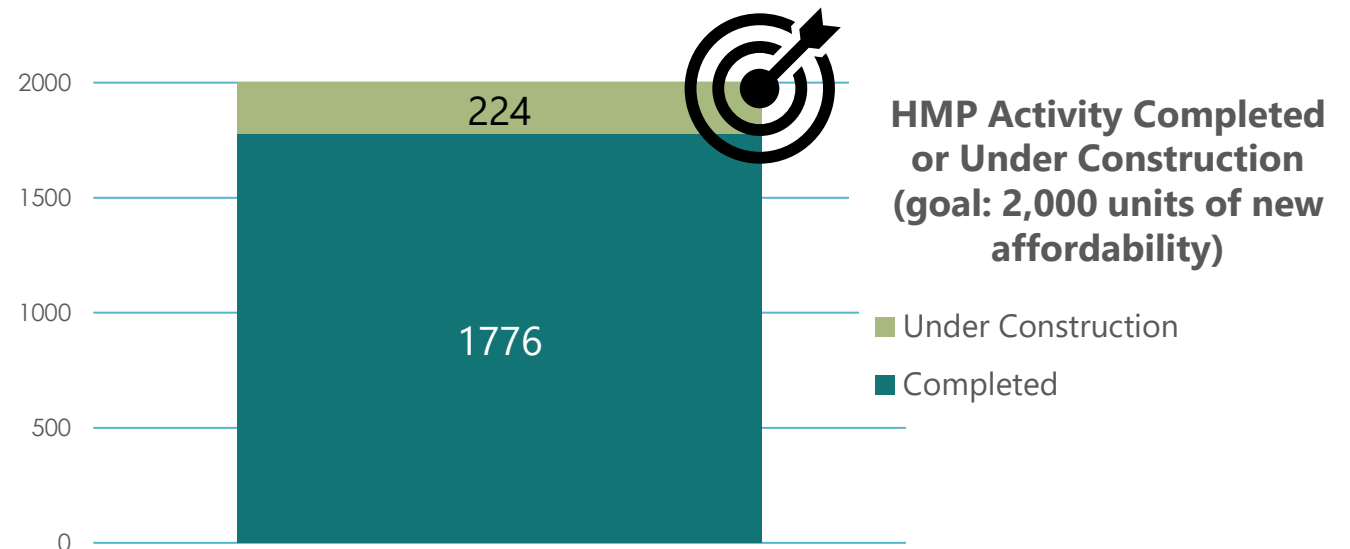
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**- 101 Committed Affordable Units Lost Due to Expiring Affordability**



# 1,055

# of net new units (out of 2,000 goal of new affordability) that have been constructed or are under construction



# **Looking Towards 2040**

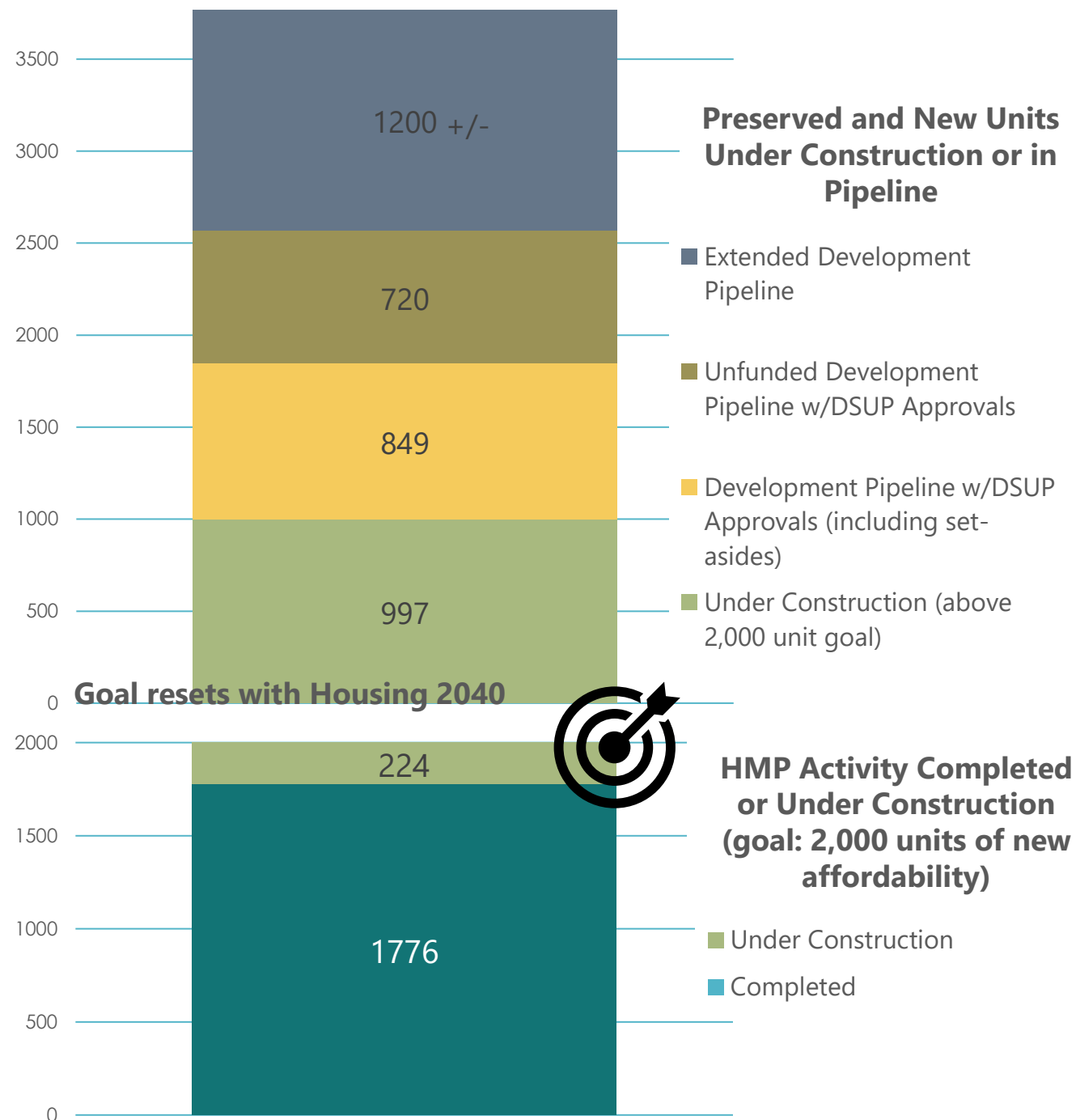


# 2040 Pipeline

Approximately 40% of Unfunded Units in the Development Pipeline are existing units to be rehabilitated

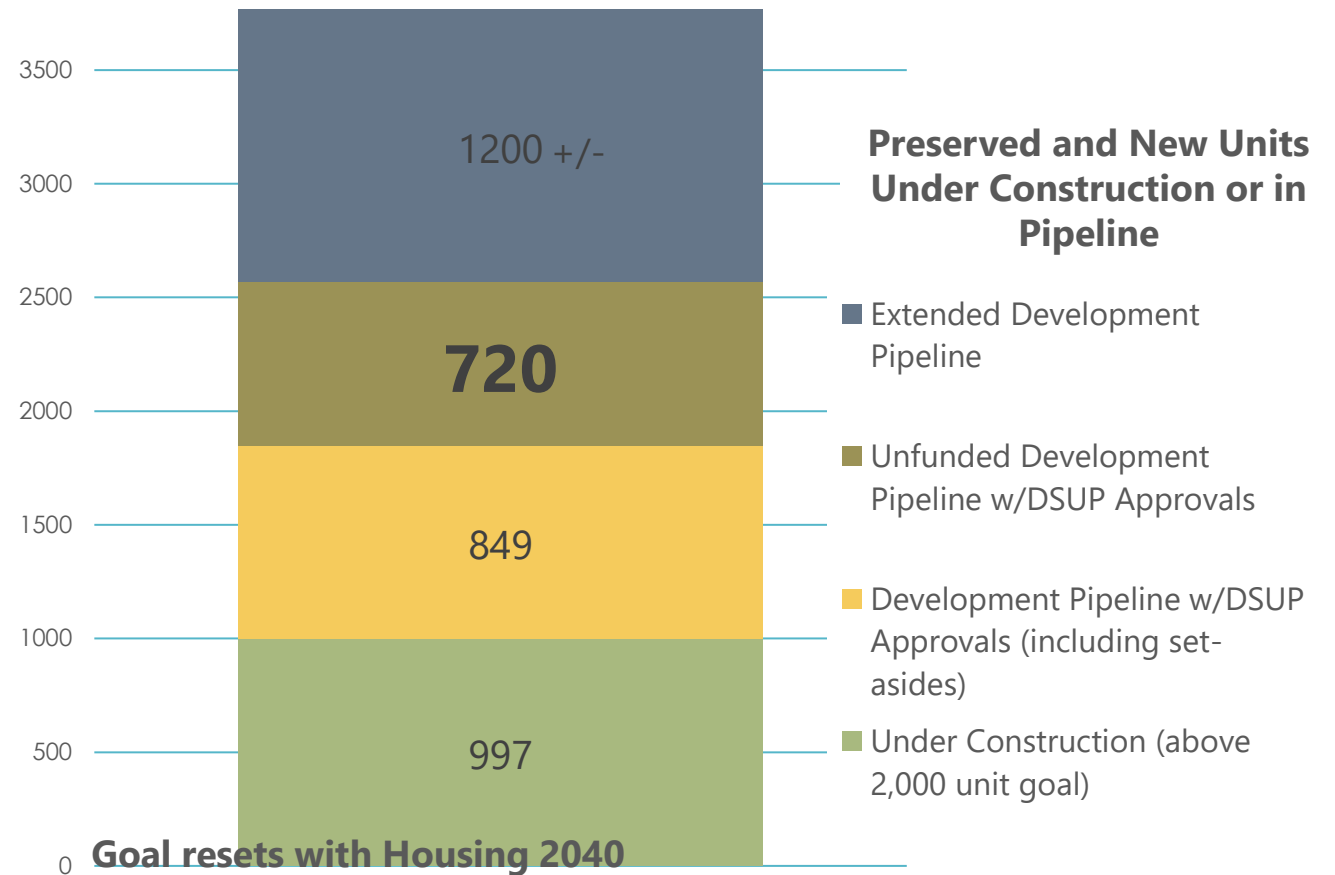
Majority of units in Development Pipeline with approvals and funding are net new

Approximately 30% of units Under Construction (above the 2,000 unit goal) are existing units under rehabilitation or units to be preserved through redevelopment



# 2040 Pipeline

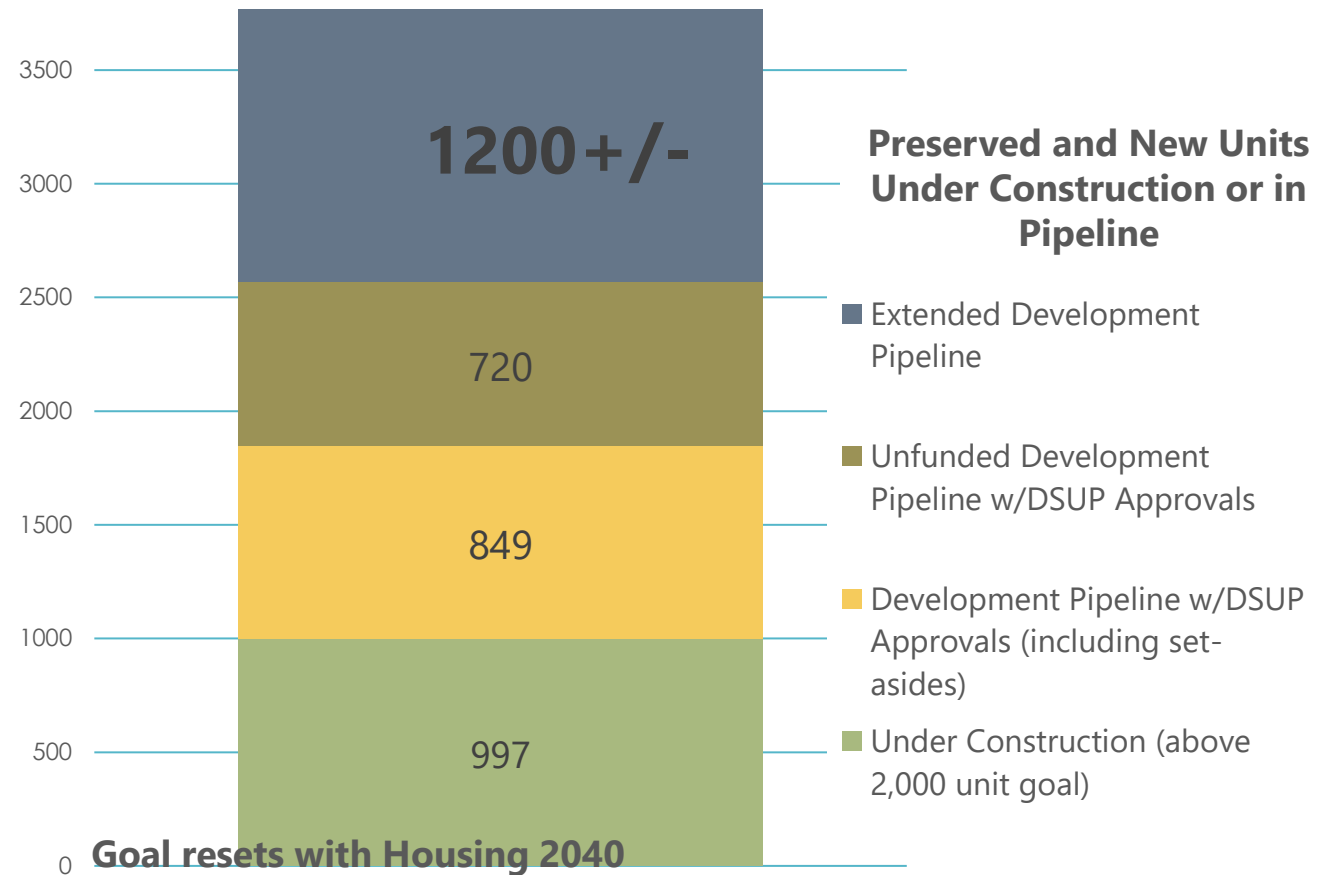
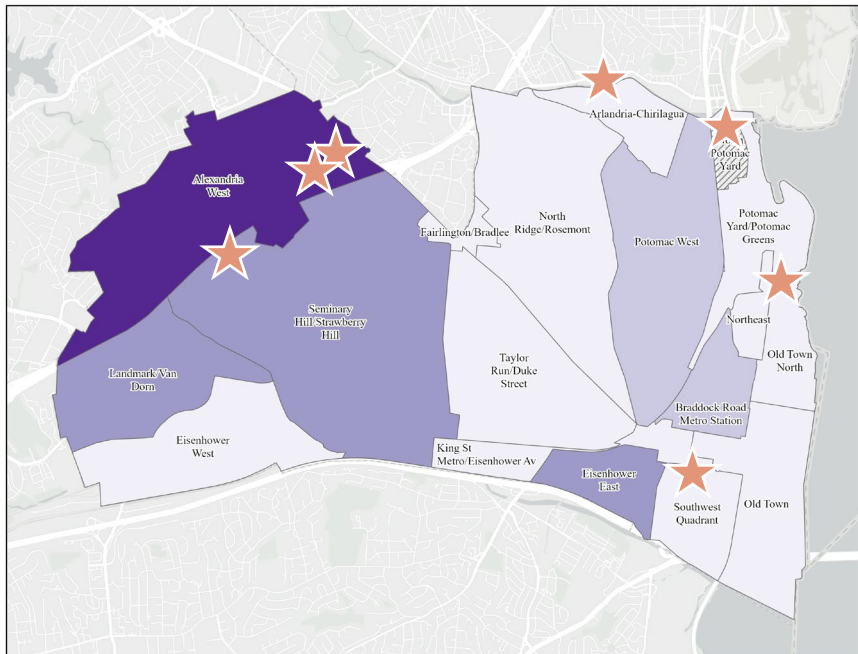
**City and Partner Unfunded Affordable Housing Pipeline with Development Approvals through June 2025 (Q4FY25)**



# 2040 Pipeline

**Extended Projected Affordable Housing Pipeline without Development Approvals through June 2025 (Q4FY25)**

## Projected pipeline projects through 2040



**~1,150+/-**

Committed affordable rental units in extended development pipeline (PRGS Public Private Partnership (PPP), Potomac Yard PPP, Landmark AH-Fire Station Colocation PPP, Arlandria PPP, Olde Towne West PPP, Parkstone PPP)

**~50-100+/-**

Committed affordable homeownership units in extended development pipeline (Parkstone)

# Targets – Defining Affordability

## Area Median Income (AMI)

Income levels that are established annually by the Department of Housing and Urban Development for households of different sizes, **where half of the households in the region earn more and half earn less.** [2025 AMIs by household size](#), along with associated maximum rents, are available online.

%AMI	1 Person	2 People	3 People	4 People	5 People	6 People
30%	\$ 34,450	\$ 39,350	\$ 44,250	\$ 49,150	\$ 53,100	\$ 57,050
40%	\$ 45,920	\$ 52,480	\$ 59,040	\$ 65,560	\$ 70,840	\$ 76,080
50%	\$ 57,400	\$ 65,600	\$ 73,800	\$ 81,950	\$ 88,550	\$ 95,100
60%	\$ 68,880	\$ 78,720	\$ 88,560	\$ 98,340	\$ 106,260	\$ 114,120
80%	\$ 91,840	\$ 104,960	\$ 118,080	\$ 131,120	\$ 141,680	\$ 152,160
100%	\$ 114,800	\$ 131,200	\$ 147,600	\$ 163,900	\$ 177,100	\$ 190,200

## 2025 Rent Limits (including utilities)

%AMI	Studio	1 Bedroom	2 Bedroom	3 Bedroom
30%	\$ 861	\$ 923	\$ 1,106	\$ 1,278
40%	\$ 1,148	\$ 1,230	\$ 1,476	\$ 1,705
50%	\$ 1,435	\$ 1,538	\$ 1,845	\$ 2,131
60%	\$ 1,722	\$ 1,845	\$ 2,214	\$ 2,558
80%	\$ 2,296	\$ 2,460	\$ 2,952	\$ 3,410
100%	\$ 2,870	\$ 3,075	\$ 3,690	\$ 4,263

# Targets—Proposed Housekeeping

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- Shifting terminology from numerical “goals” to “targets” to reduce confusion with HMP principles and goals
- Rental housing:
  - All committed affordable rental housing to be counted towards targets
  - Priority rental units to be defined as those affordable up to 50% AMI (\$57k-\$82k for a household of 1-4 in 2025)
  - Term “workforce rental” proposed to be replaced with “rental units affordable at 61-80% AMI” since units at deeper levels of affordability also serve the workforce



# Considerations **When Setting New Targets**

**Threshold: Targets should align with Housing 2040 principles and advance Housing 2040 goals**

- **What targets can reasonably be reached with anticipated projected funding? What targets can be achieved within the 2040 timeframe?**

Estimated Pipeline Based on Timing of Development and/or Funding Approval	Short	Mid	Long	Total
	2025-2030	2031-2035	2036-2040	
Non Profit Pipeline	400	550	700	1,650
ARHA Pipeline	1,000	-	-	1,000
Development Process Affordable Set-Aside Pipeline	300	250	250	800
Individual Housing Loans and Grants	100	100	100	300
Total	1.800	900	1.050	3.750

# Considerations

*continued*

- How should cost differentials in programs, projects, and services inform Housing 2040 targets and priorities?
- How do we weigh rental vs homeownership needs?

Interactive Funding Allocation Tool		
Project Type	Year	2025
	Input Units	
Homeownership Downpayment Assistance	8	
Rental Accessibility Modifications	1	
Homeowner Rehabilitation	7	
New Project Based Rental Assistance*	8	
Multifamily Rehabilitation	12	
Homeownership New Construction	5	
Rental Acquisition for Preservation	20	
Rental New Construction	70	
Senior Housing	0	
Projected Annual Funding		\$14,000,000
	Estimated City Per Unit Investment**	Estimated Cost
Homeownership Downpayment Assistance	\$25,000 - \$50,000	\$320,000
Rental Accessibility Modifications	\$3,000 - \$50,000	\$25,000
Homeowner Rehabilitation	\$10,000 - \$90,000	\$525,000
New Project Based Rental Assistance*	\$8,000 - \$12,000	\$80,000
Multifamily Rehabilitation	\$25,000 - \$75,000	\$600,000
Homeownership New Construction	\$150,000 - \$300,000	\$1,000,000
Rental Acquisition for Preservation	\$25,000 - \$75,000	\$1,000,000
Rental New Construction	\$100,000 - \$150,000	\$10,500,000
Senior Housing	TBD	\$0
	Other Annual Costs	
Housing Alexandria Operating Funds Commitment	\$250,000	\$250,000
Rebuilding Together DC Alexandria Commitment	\$50,000	\$50,000
Total		\$14,350,000
Balance		(\$350,000)
* Becomes annual cost for future years		
** Estimated ranges based on City gap funding need		

# Considerations **When Setting New Targets**

*continued*

**How do we weigh new affordable housing construction vs affordable housing preservation?**

- Considerations:
  - Needs of existing residents
  - Age and condition of building(s)
  - Types/size of existing units
  - Availability of funding (City gap investment, state/federal, other)
  - Availability of developable land
  - Seller “patience”
  - Infill potential and opportunities for longer-term redevelopment that preserves and expands existing affordability



# Considerations **When Setting New Targets**

*continued*

## How do we evaluate tradeoffs?

- How do we weigh affordable housing yields (maximizing the number of affordable units) vs levels of affordability (fewer units at deeper levels of affordability, e.g., 40-50% AMI vs 60% AMI) vs the number of bedrooms provided?
  - Affordable housing zoning and policy tools yield rental units (typically at 60% AMI) at a proportional unit mix to the unit mix of the project

<b>Approximate cost of buydown (2025)*</b>	<b>Efficiency</b>	<b>1BR</b>	<b>2BR</b>
Cost to reduce from 60% to 50% AMI	\$55-65k	\$60-70k	\$70-80k
Cost to reduce from 60% to 40% AMI	\$110-\$125k	\$120-135k	\$145-165k
Cost to reduce from 60% to 30% AMI	\$170-\$190k	\$180-205k	\$220-245k

*\* Actual buydown will depend on AMI and cap rates or discount rates depending on valuation approach*

# Considerations **When Setting New Targets**

*continued*

**Should citywide targets be developed or should targets be established by small area plan?**

- Some parts of the city will naturally continue to experience more change and development based on their proximity to transit/job centers, zoning, and amount of developable land

**Should targets focus on expanded housing opportunity (housing choice) in addition to affordability?**

**What other progress indicators should be tracked, such as the % of Alexandrians experiencing housing cost and severe housing cost burden?**

***What other considerations should inform the Housing 2040 approach to affordability targets?***

Note: Inclusionary Zoning could impact distribution of affordability and approaches

# **Discussion**

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# For more information:

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**Save the date!**

**September 8 Open House and Community Meeting (Minnie Howard Campus)**

*Scan our  
QR Code!*

