

Goal 4: Affordable Rental Housing

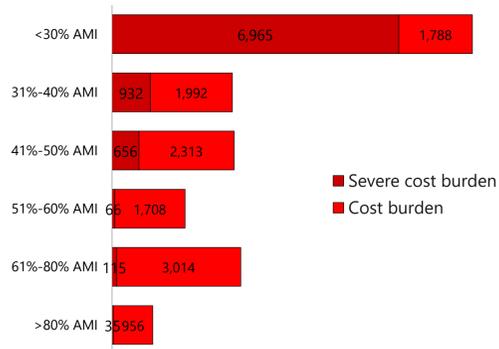
CREATE rental housing that prioritizes affordability up to 60% of the area median income to expand opportunities for renters and workers with the fewest housing options.

Feedback

During the Housing 2040 process, several themes emerged on this topic. Major themes reflected the importance of:

- Increasing deeply affordable housing serving households with incomes up to 40% of the area median income (AMI) to reduce the risk of displacement of existing communities and expand housing options for lower-income workers
- Continuing to explore regulatory (zoning) tools to maximize affordability through new development
- Continuing to foster public-private partnerships to create new and preserve existing affordable housing by leveraging City resources, including public land and investment

Renter Housing Cost Burden



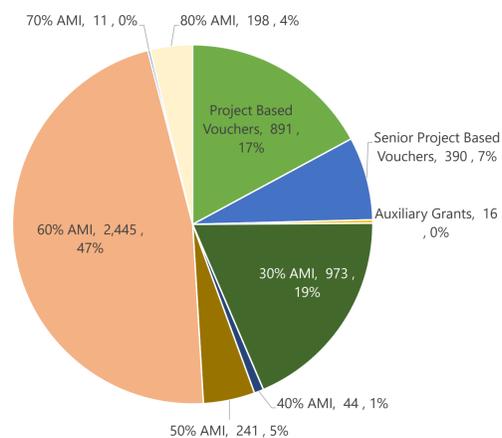
>30%
Housing cost burden occurs when a household pays more than 30% of their total income before taxes on housing related costs (for example, rent, utilities, and insurance).

>50%
Severe housing cost burden occurs when a household pays more than 50% of their total income before taxes on housing related costs (for example, rent, utilities, and insurance).

Source: ACS 5-Year Estimates, 2019-2023

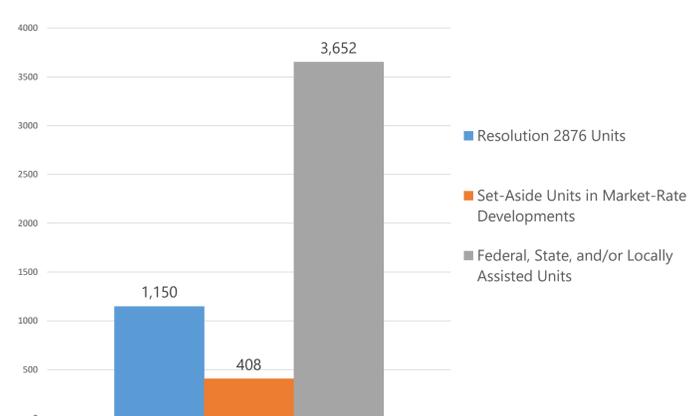
Committed Affordable Rental Housing

Committed Affordable Rental Units by Level of Affordability in the City



Source: City of Alexandria, 2026

Committed Affordable Rental Units by Source of Affordability in the City



COMMON TERMS

Committed Affordable Units (CAUs) are defined as housing units for eligible households that are affordable through income and/or occupancy restrictions under federal, state and/or local programs. Targeted income levels vary by program and funder. Rental CAUs in the city serve households with incomes up to 80% AMI with a focus on units affordable up to 60% AMI.

Market Affordable Units are defined as housing units that are naturally more affordable (due to their age, amenities, and other property characteristics) to households with incomes up to 60% AMI. Market affordable units do not have income restrictions and may cease to be affordable at any time.

Set-aside Units are CAUs within market-rate developments typically produced through the application of bonus density and/or height or through rezonings that involve additional density above what was envisioned by the underlying small area plan.

Affordability of market-rate rental units delivered since 2020	Average asking rents	Income needed to afford rent
One Bedroom	~\$2,600	\$104,000
Two Bedroom	~\$3,500	\$140,000

One bedrooms, the most common unit type currently being built by the private market target households at 81-100% AMI; two-bedrooms, the second most common unit type, target households at 101-120% AMI. Source: CoStar, February 2026

12%

% of Alexandria's rental housing stock that is committed affordable

16%

% of Alexandria's rental housing stock that is market affordable

Source: City of Alexandria, 2025

Recommendations and Strategies

Recommendation #1: Maximize the creation of long-term committed affordable rental units through the development process.

- **Strategy:** Support the use of existing regulatory tools (including Zoning Ordinance Section 7-700 and the RMF Zone) and policies to incentivize the production of committed affordable rental set-aside units, including deeply affordable housing, through the small area plan and development review processes.
- **Strategy:** To maximize affordable housing production, evaluate and strengthen existing policies, procedures and regulatory tools and pursue enhanced legislative authority. As part of this process, explore options to:
 - Deliver units at deeper levels of affordability
 - Extend affordability periods of affordable rental set-aside units.

Also see Goal 1 Recommendation 2.

Recommendation #2: Strengthen public/private partnerships to produce new affordable housing in the city.

- **Strategy:** Develop a shared vision and clearly articulated goals and parameters for public-private housing partnerships to align with City affordability targets and investment requirements.
- **Strategy:** Provide technical assistance to new and existing affordable housing partners to evaluate (re) development/preservation opportunities, maximize affordability and facilitate access to local, state, federal and other funding resources.
- **Strategy:** Continue to convene regular affordable housing partner meetings to exchange best practices and address shared development, financing, and operational challenges
- **Strategy:** Strengthen internal development and finance expertise within Housing staff to enhance underwriting capacity, financial modeling, and negotiation of public-private partnership agreements.
- **Strategy:** Explore targeted financing mechanisms, tax abatements, and gap financing tools to support production of housing affordable to households with incomes up to 60% of AMI, with an emphasis on projects delivering deeper levels of affordability.

Recommendation #3: Support ARHA's repositioning and redevelopment efforts and partnerships to preserve and expand deeply affordable housing, including through the development of mixed income communities.

- **Strategy:** Through an updated City-ARHA Memorandum of Understanding (MOU), support the development and implementation of a comprehensive repositioning strategy for ARHA's existing properties that preserves at least 1,150 publicly assisted units, as called for by Resolution 2876, and creates additional priority units where feasible.
- **Strategy:** Continue to support ARHA's mission by providing ARHA with technical assistance to meet capital needs, evaluate (re)development/preservation options, and maximize affordability, and by facilitating access to resources.
- **Strategy:** Continue to consult with the City-ARHA Work Group to streamline the redevelopment process, build support for ARHA-related development and redevelopment, enhance communications among City bodies engaged in ARHA's redevelopment, as well as ensure robust community engagement on matters concerning ARHA and its development aspirations.
- **Strategy:** As part of ARHA's redevelopment efforts:
 - provide tenant protections to minimize and mitigate the impacts associated with displacement and relocation;
 - consider staffing levels and the size and programming of common areas as part of the design of new developments to facilitate the provision of services and to leverage City and partner resources in order to empower and support existing tenants, including youth, seniors, single-parents, persons with disabilities, and others with high barriers to securing and maintaining housing;
 - explore opportunities to incorporate or colocate with community serving organizations;
 - encourage mixed-income communities when feasible in the case of redevelopment; and
 - maximize affordable housing production, in particular in locations with strong access to transit, jobs, and services.

ARHA owns and operates affordable housing, including public housing, and administers the Housing Choice Voucher program in the city.

Recommendation #4: Align City capital investments and funding strategies to support affordable housing production.

- **Strategy:** Coordinate and reserve funding for Coordinated Development District (CDD) public-private partnership projects in the Capital Improvement Program (CIP) budget immediately following CDD approval to ensure these community-vetted projects can move forward on a timeline consistent with CDD implementation and independently of "pipeline" projects.
- **Strategy:** Regularly evaluate City funding sources, investment priorities, and leveraging opportunities to ensure capital resources are aligned with affordable housing production goals and affordability targets.