

CITY OF RADFORD STRATEGIES

Strategy 1: Encourage zoning that allows for creative density options

Housing preferences across the country—and in the City of Radford —are rapidly evolving. While many families still seek single-family detached homes that comprise most of the housing stock, many younger households and seniors are searching for more housing variety situated in walkable communities. One positive outcome of this preference is that smaller homes can be built and sold for prices much lower than larger housing without public subsidies.

Regulations in many communities are still adapting to these changes in housing preferences. Many tools are required to address this issue; however, Radford can explore ways to align development regulations with their desire to address housing that is more accessible and affordable to young families, seniors, and modest-income households.

FRAMEWORK

The greatest demand for housing in the city is for modestly priced starter homes. These homes sell the quickest and often receive multiple offers before being sold. One strategy to address the short supply of these less-expensive homes is by reducing the cost of land per home through greater density. This can be achieved by changing local land-use regulations to allow for and incentivize the production of smaller, less-expensive homes.

Innovative housing types that benefit from changes in regulations include the following:

- Site-built smaller square-footage homes
- High-quality manufactured and modular homes
- “Missing middle” homes that take the form of attached townhomes, duplexes, and small-scale apartment buildings
- Accessory dwelling units

In addition, the largest impact will arise from increasing density in neighborhoods where demand is relatively high and/or in areas supported by commercial and recreational amenities.

The city could achieve results in two ways:

1. Allow for creative density **by right** in certain new or preexisting zoning districts.

Examples include the following:

- Manufactured/modular homes added as a permitted residential use in low-density and medium-density residential zones.

In Richmond, Virginia, local housing nonprofit project:HOMES recently placed and installed a modular home built from three shipping containers developed by the company IndieDwell. The home was financed by Virginia Housing and was sold to a low-income buyer in 2019 for less than \$140,000. Located in the Blackwell neighborhood, it is surrounded by other detached single-family homes.

- Accessory dwelling units added as a permitted residential use in all residential zones, with certain restrictions.
2. Promote creative density rezonings in certain districts or new overlay zones that are not by right but still easily achieved through an extra administrative approval or public hearing using the existing rezoning process as a framework.

Examples include:

- Rezoning to allow clusters of small homes, such as cottages and tiny homes.

In Farmville, Virginia, a local developer built nine small cottages on a 1-acre lot in 2017. Each one-bedroom cottage is 720 square feet and rents for \$860 per month. The cottages were built after the town approved a conditional use permit. For more information, see bluegrastrails.com.

These two approaches are not mutually exclusive. The city may elect to make some types of development by right and create a fast-track rezoning process for slightly denser proposals.

IMPLEMENTATION PLAN

Immediate:

- **Review data** on housing needs in the city presented in this report along with feedback from interviews and focus groups.
- **Develop a broad consensus** on the need for additional housing options of different density types.
- **Establish specific housing goals with** the planning commission and city council.
- **Evaluate existing regulations** on how creative density types can currently be developed. For example,
 - What process is necessary to build a three-unit apartment building or a tiny-home village?
 - What lot sizes are needed to accommodate the desired density?
 - Is there a way to creatively address stormwater requirements?
 - What are priority areas for transit?
- Begin soliciting detailed input from the private development community and from REALTORS to learn more about current market trends.

Short-term (next 12 months):

- Schedule and host in-person or virtual small group meetings and town halls to hear from residents about housing preferences, present data on housing needs, and solicit feedback on land-use changes to promote creative density.
- Work with a targeted stakeholder group of housing and real estate experts to review data and discuss context-sensitive options for Radford.
- Set goals for housing unit types/numbers based on public and stakeholder feedback.
- Begin drafting a package of reforms. Amendments may be “phased in” rather than approved all at once, if desired.
- Employ graphics and illustrations to visually show what future potential development looks like.

Mid-term (12–24 months):

- Present recommendations to the planning commission for review and formal public hearings.
- Present final ordinances to city council for approval.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The City of Radford has full authority to regulate residential land uses in accordance with state law.
- New financing options for developers may be required to build “missing middle” housing options rather than single-family homes and large multifamily developments.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Additional funds will be necessary to support additional staff (or external contractor) time to develop new materials and necessary rewrites to the city’s zoning ordinance because the city currently has no dedicated staff for housing issues.
- Estimated required funding might range from the equivalent of 1 year of salary for a part-time or full-time position.

POTENTIAL FUNDING SOURCES

- Targeted grants for housing planning efforts are available from Virginia Housing (particularly their Capacity Building and Community Impact Grant programs), DHCD, and the Appalachian Regional Commission.
- General fund dollars may be prioritized for this effort if deemed strategic by staff and supervisors.

METRICS TO EVALUATE SUCCESS

- New ordinances are drafted, passed, and added to the zoning code.
- Creative housing types are planned, permitted, built, and sold/rented.
- A diversity of household types, ages, and incomes can find affordable homes in high-demand neighborhoods.
- Approval process/timeframe for developers is reduced and streamlined.

RESPONSIBLE ACTORS AND THEIR ROLES

- Local housing providers, architects, land planners, and engineers will design new and creative small homes and subdivisions.
- Local planning staff will research and draft ordinances as well as undertake community outreach.
- The New River Valley Regional Commission or private consultants will illustrate potential development scenarios.
- A local planning commission will review and recommend ordinances.
- City council will take final action on adoption.

Strategy 2: Enhance rental inspection program and develop property maintenance code

Ensuring that existing housing remains safe and healthy is a crucial component of local housing strategies, and code enforcement and building inspection programs are at the forefront of these strategies. Through inspection and citation, traditional code and inspection programs often have an adversarial relationship with property owners that prevents the transformative changes needed.

Persistent vacant and deteriorating building conditions often indicate that much-needed investment in new and existing housing is unlikely without substantial subsidies. With a strong, proactive code enforcement and building inspection program, localities can work with property owners to improve properties in support of healthy and vibrant communities.

FRAMEWORK

Localities nationwide are seeing the benefits of strengthening and expanding their code enforcement and building inspection programs. In some cases, programs are partnering with community organizations and promoting coordination with other local agencies and departments. Such expansive programs lead to greater education and awareness of potential hazards as well as additional resources for residents and property owners. Strong and effective programs are focused on proactive, cooperative, and holistic strategies.

Many jurisdictions depend on residents to report code violations within their communities. Without local knowledge on housing codes and a risk of retaliation against tenants, this reactive approach results in few complaints. Instead, proactive code enforcement acts in tandem with a reactive, complaint-based approach to conduct periodic inspections of specific rental properties. This results in greater savings for localities and property owners when potential problems are identified before they worsen. A combined proactive and reactive approach allows for the identification and prioritization of violations that are more likely to cause serious health issues (e.g., mold or lead).

Cooperative compliance models go beyond inspection and citation by working with property owners to inform, educate, and provide compliance resources. Fostering positive relationships with property owners is an effective tool that often leads to greater improvements on a property. Partnering with community-based organizations increases capacity and helps bridge potential divides with residents and property owners that the local governments may face. Potential partners may include housing advocates, health professionals, immigrant service providers, social workers, and home repair programs.

Coordinating with local agencies and departments can lead to more efficient and effective health and safety initiatives. Intragovernmental collaboration affords an opportunity to streamline services that are offered by building inspectors, fire departments, health departments, and law enforcement by reducing duplicate services, filling gaps, and identifying early problems.

The City of Radford can further enhance its code enforcement program by adopting the preceding principles of a proactive, cooperative, and holistic enforcement program. By acting as a partner with residents and property owners, Radford may see not only greater rates of compliance but also community revitalization.

The City may also choose to designate rental housing inspection districts pursuant to state code. There are specific procedures, benefits and challenges associated with rental inspections. The adoption of such districts is specifically regulated by the state in Title 36, Chapter 6, Section 36-105:

The rental inspection district is based upon a finding by the local governing body that

(i) there is a need to protect the public health, safety, and welfare of the occupants of dwelling units inside the designated rental inspection district;

(ii) the residential rental dwelling units within the designated rental inspection district are either (a) blighted or in the process of deteriorating, or (b) the residential rental dwelling units are in the need of inspection by the building department to prevent deterioration, taking into account the number, age and condition of residential dwelling rental units inside the proposed rental inspection district; and

(iii) the inspection of residential rental dwelling units inside the proposed rental inspection district is necessary to maintain safe, decent, and sanitary living conditions for tenants and other residents living in the proposed rental inspection district.

This section of the code suggests that the community must collect data on property conditions to make the findings required in the code. The city can commence with an inspection program once it has been designated. The frequency and design of the program is within the discretion of the locality. Some jurisdictions have periodic inspections (e.g., annually or biennially), whereas others prefer to conduct inspections when tenancy changes. Both inspection schedules have challenges; for example, homeowners are protected by the Fourth Amendment from unlawful searches and may object to permitting an inspector to enter their home.

Complaint-based inspections typically ensure that the unit is accessible. Leases commonly require the tenant to provide the landlord access to the unit with specific notice; thus, the most effective way to gain access is often coordination with the landlord and a notice. Inspections when tenancy changes eliminate these problems but may result in very long periods between inspections owing to long-term tenancy.

The state of Virginia promulgates the property maintenance code for residential properties. Many cities and counties across the state have adopted the code through action by their local governing body. Adoption of the code by city council provides the city with a tool to combat property deterioration; however, the code must be used uniformly and fairly across the jurisdiction except when designated rental inspection areas are approved by the city.

IMPLEMENTATION PLAN

Immediate:

- Code enforcement and other associated enforcement agencies such as fire, health, and law enforcement can convene to identify duplicate initiatives and potential gaps in service and information.
- Cross-agency discussions should also lead to the identification of target areas for proactive code enforcement.
- Data should be collected to determine the feasibility of establishing rental inspection districts.

- Virginia property maintenance code should be reviewed.

Short-term (next 12 months):

- After target areas have been identified, code enforcement should engage with potential community leaders and partners to develop cooperative code enforcement strategies. These strategies should seek to proactively inform residents and property owners about violations and strategies towards compliance.
- Consider conducting a needs assessment among homeowners in all target areas to develop home rehabilitation programs that have maximum impact.
- Consider the designation of rental inspection districts by city council.
- Adopt the property maintenance code. Determine whether enforcement will be complaint-based or jurisdiction-wide. In the absence of designated rental inspection districts, citywide enforcement of the property maintenance code must be based on a rational system. In this manner, it is shielded from the challenge of uneven application or unfair targeting of certain neighborhoods or property owners. In general, property maintenance codes are not widely used or enforced on owner-occupants.
- With low- and very low-income owner occupants, developing an emergency home repair program that can address life-threatening conditions is preferred.

Mid-term (12–24 months):

- Deploy enhanced code enforcement program in targeted areas with partner organizations and agencies.
- Marshal the resources needed to address substandard housing conditions identified through inspection protocols.
- Consider implementing a rehabilitation tax abatement program, which is a common incentive program authorized in Virginia State Code § 58.1-3221. By ordinance, a locality may do the following:
 - Provide partial real estate tax exemption on structures older than 20 years that have undergone significant rehabilitation or have been demolished and replaced under certain circumstances.
 - Exempted value shall not exceed the increase in assessed value or up to 50% of the rehabilitation cost.
 - Prescribe specific zones or districts where the exemption is allowed.
 - Allow the exemption for up to 15 years.
 - Develop an application process and set an application fee.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The City of Radford has the legal authority to adopt both a property maintenance code for residential structures and to designate certain neighborhoods as rental inspection districts. The designation of these districts must be done through a finding by the governing body of serious threats to the health and safety of residents owing to deficiencies in the housing.
- The adoption of widespread property maintenance code enforcement requires ensuring a sufficient budget to support the necessary inspectors required to conduct the program.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- Funding required depends on the program design and implementation level. The city should develop resources necessary beyond the cost of inspections to assist property owners in making required improvements.

POTENTIAL FUNDING SOURCES

- General fund
- Community Development Block Grant (CDBG) funding – Localities can fund code enforcement activities with federal CDBG funds. This may include additional code enforcement officer salaries and related expenses, legal proceedings to enforce codes, and rehabilitation programs.
- Virginia Housing (formerly VHDA), Virginia Housing Trust Fund, HOME program (through the NRVRC Consortium), and a regional housing trust fund (if adopted).
- Permits, licenses, and regulatory fees paid by property owners can be used to cover operating costs of code enforcement programs.
- Fines and penalties resulting from housing code and zoning violations can be redirected back toward code enforcement programs.

METRICS TO EVALUATE SUCCESS

- The primary metric to determine the success of code enforcement programs is the percentage of properties brought into compliance from a baseline inventory of existing code violations.
- Program success can consider the method by which properties were brought up to code (voluntarily or punitive remedies) and the level of improvements (minimum required or beyond the minimum improvements).

RESPONSIBLE ACTORS AND THEIR ROLES

- Code enforcement officers will continue to play their traditional roles and have increased focus on building relationships with residents and property owners. Local planning departments and local representatives should take the lead in supporting changes within code enforcement.
- Partner organizations, which may include local housing advocates and community-based organizations, will be focused on bridging the divide between local government officials and the community by providing greater understanding and awareness of the importance of safe and healthy building conditions.
- Relevant enforcement agencies and departments such as fire, law, and health will work with code enforcement to coordinate safety initiatives and streamline community services and violation referrals.

Strategy 3: Encourage workforce housing in mixed-use development

Radford can build on the vitality of its downtown areas by focusing on additional mixed-use development that includes high-quality workforce housing.

FRAMEWORK

Situating retail, commercial, and residential developments near each other has repeatedly proven to be an effective strategy in mid-sized and larger communities, providing the type of vitality that shoppers, workers, and residents desire. Pursuing new development projects distanced from Radford's downtown cores could result in competition for visitors, shoppers, and residents.

Leading with residential and then follow with commercial development is typically more financially feasible in this type of project unless a commercial tenant is identified early.

There are a variety of resources available to support the development of mixed-use and workforce housing. Chief among these is Virginia Housing (formerly the Virginia Housing Development Authority), which offers a mixed-use development loan program targeted to mid-sized and smaller communities.

The program also offers flexible income targeting, which is particularly important in communities where the market is weaker and flexibility in rent up is needed. Virginia Housing's mixed-use mixed-income program requires at least 50% of the development to be residential (and it often exceeds that). The income limits range as high as 150% of area median, allowing these developments to serve a wide range of workers.

IMPLEMENTATION PLAN

Immediate:

- Identify locations with development potential in downtown areas, such as underutilized buildings and vacant sites.
- Review current zoning and assess ownership. Study the potential to consolidate sites into larger parcels that may be more attractive to developers.
- Invite Virginia Housing to explain their mixed-use program and how they can assist the city. Invite Virginia Community Capital (VCC) to describe their community development lending programs that could assist the city in land and property acquisition.
- Meet with Virginia DHCD representatives to review programs and resources offered by the department that could assist the city and its efforts to develop mixed-use and workforce housing.
- Meet with the Virginia Community Development Corporation (VCDC), which provides investment equity for historic tax credit projects as well as low-income housing tax credit developments. VCDC specializes in development in small and midsize communities.

Short-term (next 12 months):

- Consider the creation of a land bank (now permitted under state law as of the 2016 session of the general assembly) that can assist in acquisition and consolidation of sites.
- Hold an information session for developers to outline the city's goals and sites available and seek advice and interest from them.

- Work with owners who are unwilling to sell and connect them with financing resources and development partners.

Mid-term (12–24 months):

- Produce a mixed-use/workforce housing development plan for the city with goals, objectives, and timeframes. Work toward a request for proposals for mixed-use development on one or more sites in the city.

LEGAL, FINANCIAL, AND ORGANIZATIONAL CAPACITY

- The city may wish to procure real-estate development consulting assistance for this strategy. The planning staff and city attorney will need to address issues of zoning and land use.

FUNDING SCOPE REQUIREMENTS AND PROJECTED IMPACT

- This depends on the scope and scale of the project. The typical cost for developing a single residential unit in a workforce/mixed-use development exceeds \$100,000 per unit. Therefore, identifying gap financing that can reduce development costs and make them affordable is critical.

POTENTIAL FUNDING SOURCES

- Virginia Housing, Virginia Community Capital, Virginia Department of Housing and Community Development, and Virginia Community Development Corporation.

METRICS TO EVALUATE SUCCESS

- Number of housing units developed, square footage of new commercial space, and number of buildings renovated or converted into productive use.

RESPONSIBLE ACTORS AND THEIR ROLES

- City planners, state and local funders, banks, developers, consultants, and realtors.