



CITY OF HARRISONBURG
OFFICE OF THE
CITY MANAGER

HARRISONBURG CITY HALL
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To: Ande Banks, City Manager
From: Liz Webb, Housing Coordinator
Date: June 11, 2024
Re: Affordable Housing Fee Waiver Program Ordinance

Summary:

Proposal to enact Section 10-8-1, Affordable Housing Fee Waiver Program.

Background:

In March 2024, City Council was presented with recommendations for an Affordable Housing Fee Waiver program, beginning as a pilot program in fiscal year 2025. Based on City Council's feedback, an ordinance has been drafted for consideration to enact this pilot program effective July 1, 2024.

Key Issues:

A \$40,000 allocation to initiate this program can support ten units, with program details as follows:

- Developers may be nonprofit and private sector entities that provide affordable housing
- Water and sewer capital recovery fees are eligible for waivers (currently \$4,000 per unit)
- Requested waivers will be received on a rolling basis, and granted to eligible applicants pursuant to fund availability
- To be eligible, units must
 - Be sold at prices that qualify for Virginia Housing's first time homebuyer loan programs,
 - Be purchased by households at or below 100% Area Median Income, and
 - Remain as owner-occupied affordable housing for five years.

Environmental Impact: N/A

Fiscal Impact: \$40,000.00

Prior Actions: Presentation on March 26, 2024

Alternatives: (a) Approve enacting ordinance as presented; or
(b) Deny enacting ordinance as presented.

Community Engagement: N/A

Recommendation: Staff recommends approval of the ordinance as presented.

Attachments: Proposed Ordinance Section 10-8-1

Review: N/A