

City of Alexandria, Virginia
FY 2023 Proposed Operating Budget & CIP
Budget Questions & Answers

March 21, 2022

Question: The current implementation of the Floodproofing Grant Program limits eligible condominium properties to a grant of \$5,000, regardless of the number of individual homeowners within the property. What would be the fiscal impact of providing grants to individual homeowners in multi-family condominium regimes? What would be fair and equitable approaches to administer such an amendment to the program?

Response: Determining the fiscal impact of this policy change will take substantial analysis. Staff will need to consider the number of units within properties that would be eligible to determine fiscal impact and develop various reimbursement scenarios based on equity. This analysis is underway and should be available by the end of fiscal year 2023.

Condominiums can be residential, commercial, or multi-use, and the number of individual owners vary widely, which further complicates considerations. Also, apartment complexes and other building use types should be included in this consideration.

The current program structure allows condominium unit homeowners, condominium associations on behalf of common areas, single family detached, townhomes, apartment buildings, commercial properties, and other properties to apply for a maximum \$5,000 matching grant for flood mitigation practices implemented for the owner's property as it affects the principle structure. At the current rate of a maximum \$5,000 matching reimbursement grant, this allows for the funding of about 150 properties with approved applications at the maximum amount.

For illustrative purposes, consider a residential condominium with 50 individual owners. Typically, these individual units are part of a multi-story structure with units above the first story and not likely to flood. Providing grants to condominium associations based on the number of individual condominium owners could amount to a potential grant of \$250,000 (50 individual owners multiplied by \$5,000 each). At this rate of reimbursement, the current funding level would be exhausted for three such properties. It will take some time to consider this and other variables to accommodate for increased reimbursement levels to promote the implementation of larger-scale floodproofing for all property types. The potential fiscal impact and program structure will be conducted in FY 2023.

An additional important note is that the City of Alexandria's Office of Housing manages a long-established home rehabilitation loan program. The program allows income eligible residential condominium owners to use the equity in the unit (up to \$75,000) to undertake improvement projects and/or to cover special assessments imposed on residents for projects undertaken by the condo association. The Office of Housing can help facilitate improvements, including by providing architectural and engineering services to design mitigation work, by helping select and manage a contractor, monitoring the progress of the work, and paying invoices as work is completed. Home rehabilitation program loans are zero-interest, deferred payment loans, repaid in 99 years or at sale of the unit. Housing also has an emergency grant and/or loan program to address specific types of needed repairs when the owner's equity is not sufficient. Under this program, a minimal monthly repayment plan is set up.