

# PORTSMOUTH CITYWIDE STRATEGIC HOUSING PLAN

JUNE 2020

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# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY | Overview

**Housing that meets the needs of its residents and supports quality of life is crucial to successful resident retention and attraction.** In Portsmouth in recent decades, declining regional competitiveness and aging housing and infrastructure have led to population loss, even as the regional population has grown. A historic downtown waterfront, community and civic pride of lifelong residents, and regional strengths provide opportunities for growth in Portsmouth. The City needs a strategic approach to deploy limited funding and staff capacity and build partnerships to address housing challenges, enhance equity and resilience citywide, and meet the needs of its residents.



***Portsmouth will make strategic investments and partnerships to build a healthy and equitable housing market that provides quality housing for residents, attracts new residents, and meets the City's future needs for housing size, amenities, and resiliency.***

The **Portsmouth Citywide Strategic Housing Plan** (“Housing Plan”) was created to address the needs of its housing market, serve and retain existing residents, and address challenges related to concentrated poverty. A healthy housing market will keep up with regional trends, including providing quality housing options for a range of preferences and incomes, attracting private investment in established neighborhoods and new housing development, and supporting a high quality of life for residents.

The **Housing Plan outlines strategic opportunities for the City to strengthen its housing market by targeting public funding and leveraging private investment and external partnerships.** The plan outlines four areas of focus for investment in Portsmouth’s housing based on the potential for both near-term action and long-term impact:



**Incentivize Catalytic  
Downtown  
Redevelopment**



**Support  
Neighborhood  
Reinvestment**



**Provide Options  
for Senior Housing**



**Partner to  
Deconcentrate  
Poverty**

**Through implementation of recommended strategies and tracking of results, Portsmouth can position its housing market to support its retention and attraction goals.** Informed by regional and national data and best practices, the Plan provides a summary of key trends in Portsmouth’s population and housing market, identifies key partners and resources to implement recommendations, describes detailed processes to build and expand housing programs, and lists key metrics to track the impacts of recommended strategies.

## PROCESS OVERVIEW

### Support catalytic residential development

- Identify and dispose of priority publicly-owned sites through a competitive RFP process
- Make investments in catalytic infrastructure

### In parallel, communicate transparent priorities for Downtown

- Host a series of public meetings to solicit input on community priorities and communicate development process

### Clarify development processes to ensure development on public parcels can move forward

- Create and support clear policies for residential developers to ensure feasibility of development

**A highly-amenitized downtown serves residents, supports local growth, and attracts private investment.** The City can support desired residential development in Downtown Portsmouth through the disposal of publicly-owned parcels or investment in shared infrastructure. These investments enhance the feasibility or marketability of new development and create spillover effects that induce additional new development. **The City has already invested heavily in planning and infrastructure development Downtown but needs a clear path forward to support truly catalytic residential and mixed-use developments.**



### Market Public Properties for Redevelopment

Portsmouth should develop an RFP process and selection criteria, identify priority sites for disposition, and solicit qualified developers and proposals for desired development.



### Build Transparency in Redevelopment

Portsmouth should conduct a series of participatory Downtown planning meetings to build transparency around priorities and the disposition process and educate the public about tradeoffs and feasibility for proposed improvements.



### Invest in Shared Infrastructure

Portsmouth should commit to and explore creative financing strategies to fund investments in shared infrastructure and amenities, such as parks and open space, that support downtown residential living for new residents, increase quality of life for existing residents, and decrease the cost of private development.



### Reform Land Use & Development Process

Portsmouth should align land use policies and development processes to clearly articulate permitted uses and support multifamily development goals, in order to ensure that developers have confidence in moving forward with redevelopment initiatives.

## PROCESS OVERVIEW

- The City identifies and partners with neighborhood organizations**
  - Partners evaluate community needs
  - City provides information to connect residents to available resources
  - City focuses investment and other activities in pilot neighborhoods
- Targeted services and investment improve housing quality and make neighborhoods more desirable**
  - Better maintain housing for current and prospective residents
  - Meet neighborhood needs for city services and amenities
  - Increase homeownership
- Over time and as capacity grows, expand programs or expand to new pilot neighborhoods**

**Effective neighborhood reinvestment builds strong communities by targeting programming to improve housing quality, provide neighborhood amenities, and support residents.** Portsmouth's neighborhoods face a range of challenges, including housing that is older and smaller than housing in the rest of the Hampton Roads region, high vacancy rates, and declining population in many neighborhoods. The City can retain residents by improving quality of life, including access to quality housing. **Successful reinvestment will require strategic public investments that build community and attract private activity.**



### Build Community Partnerships

Implement a shared leadership model that allows residents, neighborhood groups, City departments, and housing advocates to become joint leaders and laborers in neighborhood reinvestment.



### Provide Funding for Owner-Occupied Rehabilitation

Help existing homeowners preserve the stability of their property through rehabilitation support in the form of forgivable, no-interest loans.



### Incentivize Infill Development and Renovation

Build the capacity of mission-oriented developers, independent contractors, and small businesses by providing gap subsidies, public land, regulatory relief, and technical assistance throughout the infill and renovation process.



### Revise Tax Exemption Program

Amend the City's program providing tax exemptions for property owners who undertake rehabilitation of residential property to encourage more property owners to take advantage of the incentive.

## PROCESS OVERVIEW

### Consider the needs of seniors as part of neighborhood revitalization

- Community partners evaluate needs of seniors in their communities
- City provides information to connect residents to available resources and technical assistance

### Consider the needs of seniors as part of Downtown development

- Ensure that senior rental housing (market rate or subsidized) is included as part of mixed-use development on public land

**Effective senior housing strategies connect aging residents to resources for affordable and accessible housing.** Seniors frequently have particular housing needs, which may change as they age. Portsmouth has a growing senior population and meeting their needs will help retain residents and increase quality of life. **Portsmouth should include senior housing needs in its strategies to incentivize housing development Downtown and support neighborhood reinvestment.**



### Provide Technical Assistance for Aging in Place

Partner with housing and legal service providers who will advise seniors on how they can adapt their homes and provide guidance during the rehabilitation process. This tool will be connected to the community partnership strategy outlined in the neighborhood reinvestment process.



### Include Seniors in Owner-Occupied Rehabilitation

Ensure that Owner-Occupied Rehabilitation funding is made available to seniors in order to help enhance their ability to stay in their homes as their mobility decreases. This recommendation will result in a refocusing of the neighborhood reinvestment process.



### Consider Senior Housing in Public Land Disposition

Solicit proposals to develop market-rate or subsidized senior housing as part of the City's public land disposition strategy. This recommendation will help inform the public benefit evaluation of the Downtown redevelopment strategy.

## PROCESS OVERVIEW

### Identify means of support for mixed-income development

- Provide public land, regulatory fast tracking, or funding for developers to create mixed-income housing

### Design parameters for supportive programs

- Dedicate funding to short-term rental assistance
- Identify neighborhoods of higher opportunity
- Partner with PRHA, developers and service providers to support low-income residents in re-location

### Establish regional partnerships

- Work with surrounding municipalities and organizations to design regional approaches to poverty deconcentration
- Proactively engage Norfolk and NRHA to plan for regional re-location

**Where one lives shapes their future.** When housing for low-income individuals and families is concentrated in areas with low access to opportunity, cycles of poverty continue. Concentrated poverty is linked to adverse health outcomes, low educational attainment, and decreased economic mobility. Building from the recently released [poverty study](#), **Portsmouth can support its existing low-income residents by helping low-income households move to areas of opportunity.**



### Develop Short-Term Rental Assistance

Building from an immediate rental assistance response to COVID-19, Portsmouth should design and formalize a continuing program to provide short-term rental assistance to provide temporary relief for those on the brink of losing their housing.



### Support Mixed-Income Development

Portsmouth should identify means of providing funding, land, and regulatory support to developers looking to build modern, affordable multifamily and single-family housing in the city.



### Establish a Moving to Opportunity Program

Portsmouth should identify areas of higher opportunity within the city and region and support low-income residents in moving to these areas in collaboration with the Portsmouth Redevelopment and Housing Authority (PRHA). The City and PRHA should partner with other regional jurisdictions to proactively plan for regional moving-to-opportunity efforts.



### Create Pathways to Homeownership for PRHA Residents

Portsmouth should identify ways in which they support PRHA in creating paths to homeownership for their residents, through vouchers, directed down payment assistance, or other means.

# INTRODUCTION

An aerial photograph of a city waterfront. On the left, a large ship is docked at a pier. The water is dark, and the sky is overcast. The city buildings are visible in the background, and a marina with many boats is in the foreground on the right.

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## INTRODUCTION | Background

**In recent decades, declining regional competitiveness and aging housing and infrastructure have led to population and income loss in Portsmouth, even as the regional population is growing.** A historic downtown waterfront, community and civic pride of lifelong residents, and regional strengths provide opportunities for growth. The City needs a strategic approach to deploy limited capacity and build partnerships to address its housing challenges. The *Portsmouth Citywide Strategic Housing Plan* (“Housing Plan”) will guide policy to address the needs of the housing market, serve and retain existing residents, and address challenges related to concentrated poverty.

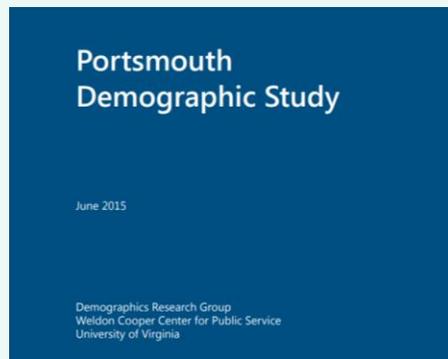




*Build One Portsmouth (2018)*



*Hampton Roads Comprehensive Economic Development Strategy (2010)*



*Portsmouth Demographic Study (2015)*



*Housing the Future Workforce in the Hampton Roads Region (2014)*



*Downtown Master Plan and Waterfront Strategy (2009)*



*Crawford Corridor Revitalization Study (2019)*

**Prior plans in Portsmouth and the Hampton Roads region established a strong foundation to begin the strategic housing planning processes.**

HR&A reviewed the City's and region's prior comprehensive plans, demographic studies, small area plans, and economic development strategies to better understand the local and regional priorities that the Housing Plan would need to address in its work.

This planning context was crucial to informing the development of the housing plan. It provided a summary of existing efforts to support neighborhoods and Downtown, local and regional population dynamics, and existing public priorities.

## INTRODUCTION | Planning Process

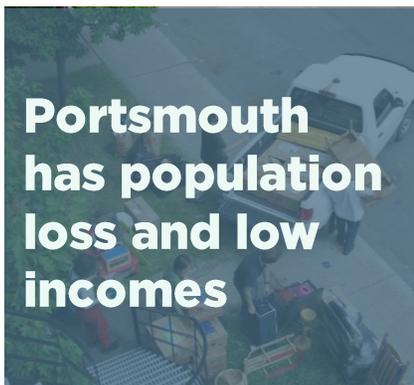
The **Portsmouth Citywide Housing Plan** reflects **local market conditions and community priorities**. A review of existing conditions and housing needs drew on a detailed analysis of market conditions in Portsmouth's neighborhoods, local and regional demographic trends, and existing planning efforts. In addition, stakeholder engagement was crucial to informing the goals and strategies of the Plan. Interviews with City staff and leadership, housing developers and brokers familiar with the local market, and local and regional partner organizations including the Portsmouth Redevelopment and Housing Authority, Hampton Roads Planning District Commission, and the Portsmouth Partnership were essential to shaping the Plan.



## INTRODUCTION | Existing Conditions

**Portsmouth's housing market faces multiple challenges to regional competitiveness.** Despite population growth in the Hampton Roads region, Portsmouth is losing population. A 2015 study by the Weldon Cooper Center for Public Service found that Portsmouth's population had lower incomes than the rest of the region, and that married couples with children frequently left Portsmouth before their children reached school age. Portsmouth's housing supply also lags regional trends. Portsmouth's housing is older and smaller, on average, than the region, but relatively high land costs and limited availability of large sites make new development expensive. Housing prices are relatively low in Portsmouth, but investment in the housing market has remained limited due to both the demand-side and supply-side challenges.

**Despite this, Portsmouth has attractive amenities from which to build housing market momentum.** Portsmouth has several historic neighborhoods, including its waterfront Downtown. Many of its older neighborhoods are walkable with attractive housing and neighborhood-serving retail. In addition, civic pride and resident engagement in several neighborhoods provides a strength from which to serve and retain residents, support housing investment, and attract new residents.



**To capitalize on opportunities for growth and address housing market challenges, Portsmouth will need clear public priorities and implementation partners.** Portsmouth has limited capacity and funding to address its housing needs and incentivize private investment. Prioritizing early actions that leverage external partners, past plans and investments, and available public resources will be essential to the long-term success of the housing market. The Portsmouth Citywide Housing Plan identifies areas for strategic action and investment by the City of Portsmouth, and key partners for the implementation of recommended strategies.

***Portsmouth will make strategic investments and partnerships to build a healthy and equitable housing market that provides quality housing for residents, attracts new residents, and meets the City's future needs for housing size, amenities, and resiliency.***

The Housing Plan outlines strategic opportunities for the City to strengthen its housing market by leveraging private investment and external partnerships. The plan outlines four areas of focus for investment in Portsmouth's housing based on the potential for both near-term action and long-term impact.



**Incentivize Catalytic  
Downtown  
Redevelopment**



**Support  
Neighborhood  
Reinvestment**



**Provide Options  
for Senior Housing**



**Partner to  
Deconcentrate  
Poverty**

The Housing Plan provides a roadmap for the City to implement recommended strategies and track successes. Informed by data and regional and national best practices, the Plan identifies key partners and resources to implement recommendations, describes detailed processes to build and expand housing programs, and lists key metrics to track the impacts of recommended strategies.

Portsmouth can position its housing market to support its retention and attraction goals through implementation of the recommended strategies in the Housing Plan. Successful implementation of the strategies outlined will create additional residential units Downtown, which in turn will support and spur catalytic development of other uses; support modernization and reinvestment within Portsmouth's neighborhoods; support a suite of housing options for the city's growing senior population; and position housing as a key strategy to help existing residents lift themselves out of poverty. Ultimately, these strategies can reposition Portsmouth towards a renewed period of population growth through retention of existing residents and attraction of new residents.

## COVID-19 Emergency Housing Assistance Programs

Program	Location	Parameters
<b>COVID-19 Assistance Grant</b>	Chicago, IL	<ul style="list-style-type: none"> <li>Weekly grants of \$1000 per household</li> <li>For households at or below 60% of Area Median Income (AMI) prior to income loss</li> </ul>
<b>COVID-19 Housing Stabilization Fund</b>	Pittsburgh, PA	<ul style="list-style-type: none"> <li>Up to \$3,000 per household</li> <li>For renters at or below 50% AMI and homeowners at or below 80% AMI</li> </ul>
<b>Financial Assistance for Low-Income Residents Impacted by COVID-19</b>	Santa Clara County, CA	<ul style="list-style-type: none"> <li>Up to \$4,000 per household per month</li> <li>For households below 80% of AMI</li> </ul>
<b>Maine Housing COVID-19 Rental Relief Programs</b>	Maine	<ul style="list-style-type: none"> <li>One-time funds of up to \$500 per household</li> </ul>

The COVID-19 crisis will pose new challenges to affordable housing for cities across the country. As the near-term public health crisis wanes, economic disruption is likely to lead to a housing crisis when temporary restrictions on evictions expire. The country has seen significant job losses since March 2020, and quick action will be needed to keep households in their homes.

**Emergency housing assistance will be crucial to preventing widespread eviction and loss of housing.** Portsmouth should prepare to provide emergency assistance to households that have had income loss due to COVID-19 and are unable to make rent or mortgage payments.

**Local and State action will be needed.** Portsmouth can mobilize local and federal funding such as Community Development Block Grant (CDBG) funds to keep residents in their homes, but impacts will be greater if the City can identify additional resources. The City should advocate for state-level emergency housing programs to complement local interventions.

# INCENTIVIZE CATALYTIC DOWNTOWN REDEVELOPMENT

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## PROCESS OVERVIEW

### Support catalytic residential development

- Identify, prioritize, and dispose of priority publicly-owned sites through a competitive RFP process
- Make investments in catalytic infrastructure

### In parallel, communicate transparent priorities for Downtown

- Host a series of public meetings to solicit input on community priorities and communicate development processes

### Clarify development processes to ensure development on public parcels can move forward

- Create and support clear policies for residential developers to ensure feasibility of development



### Serve existing residents



### Attract new residents



### Generate private investment

**A highly-amenitized downtown serves residents, supports local growth, and attracts private investment.** Effective downtowns serve as economic and cultural centers, reflective of the community's history and unique identity. Portsmouth has an opportunity to support the revitalization of its Downtown center into a mixed-use destination that will serve existing residents, attract new residents, and provide amenities, housing, and retail for all of Portsmouth.

**A mixture of development types and amenities can attract new residents to Downtown Portsmouth.** The success of recent multifamily developments in Portsmouth's Downtown implies demand for denser housing types not available in Portsmouth's neighborhoods. Portsmouth can build on this activity and support the local creation of housing types popular in the region to capture and retain additional residents interested in walkable, amenitized downtown living.

**Portsmouth can activate its Downtown core and catalyze additional private development with public support for residential development and continued investment in shared infrastructure.** Catalytic downtown development works first by enhancing the feasibility of new development through subsidies that leverage private investment. The marketability of additional private development (including residential and commercial uses) then improves based on the success and activity induced by initial developments. Public-private partnerships to support new development give the City a degree of flexibility and control over new development and the public benefits generated.

## CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

**Downtown Portsmouth is positioned to support additional residential growth.** Recent Downtown multifamily development has found success, with quick absorption and comparatively low vacancy rates. Compared to new development in neighboring jurisdictions, it is competitive, and has brought almost 600 net new residents to Downtown in the past decade. Based on these trends, Downtown Portsmouth is positioned well to continue to capture growth. However, there are no new residential developments currently in the pipeline. In addition, Downtown residential development has primarily been small-scale mid-rise apartments. Supporting the development of new housing types may pose an opportunity to attract additional residents interested in downtown living, including those who may be interested in ownership.

**The City's significant public land holdings Downtown, and legacy of infrastructure investment, positions it well to support catalytic Downtown development.** Portsmouth has a significant opportunity to build upon its existing Downtown planning efforts, including the *Crawford Gateway Revitalization Study* and the planned stormwater park, and leverage its portfolio of publicly-owned Downtown sites into public-private partnerships for development.



**Catalytic Downtown residential development can help Portsmouth build on existing market potential and capture additional regional growth.** The City can align its development process and land use reforms to support development tied with its goals for housing and Downtown development and use an intentional solicitation process to direct development on highly marketable publicly owned sites along the waterfront and throughout Downtown. Portsmouth can lower the cost of private development and catalyze additional private investment to attract new residents Downtown and raise quality of life for existing residents by engaging in public-private partnerships to build Portsmouth's Downtown residential development pipeline.

# CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

The city's emerging Downtown multifamily residential market has found early success. Between 2006 and 2014, all multifamily built in Portsmouth was subsidized or mixed-income. The Quarters at Park View, the City's first market-rate multifamily development in eight years, opened in 2014. Since then, four additional residential developments have opened Downtown, delivering over 560 total market-rate units (112 annually). These units have absorbed quickly (at a rate of 116 units annually), leading to a stabilized, low vacancy rate of about 4% for new multifamily development (compared to 9% for new multifamily regionally).

**This new Downtown development is positioned competitively.** Asking rent per square foot is higher in Hampton Road's urban markets, including Portsmouth, Virginia Beach, and Norfolk, which may be due to higher land prices and infill development costs. Despite the comparatively high rents of Portsmouth's new developments, they also have the lowest vacancy rate.

Sources: Costar

## Downtown Multifamily Development (Built since 2014)



**The Quarters at Park View (2014)**  
140 Units  
Avg Rent/SF: \$1.49



**Crawford House (2019)**  
46 Units  
Avg Rent/SF: \$1.20



**Harbor Vista at Crawford (2016)**  
134 Units  
Avg Rent/SF: \$1.49

## Rent/SF & Vacancy of Multifamily Development (Built since 2014)



# CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

**Despite some strengths in Portsmouth’s Downtown residential market, new development has been limited in type, and the development pipeline is constricted.** Portsmouth has established a multifamily market Downtown, but the 560+ units developed since 2014 have been exclusively in mid-rise apartments. In addition, the current multifamily development pipeline is limited, with only a single planned development; a 50-unit affordable mixed-use project on a parcel owned by the Portsmouth Redevelopment and Housing Authority (PRHA). The project won a competitive 9% Low-Income Housing Tax Credit (LIHTC) award in 2019 and is scheduled for completion in 2021. The constricted development pipeline may be a function of current ability to access developable land Downtown.

**Encouraging townhome development as part of a diverse residential pipeline may help attract residents interested in ownership and downtown living.** Other regional jurisdictions, including Suffolk, Hampton, Chesapeake, Norfolk, and Virginia Beach, have seen an influx of new developed townhomes available for purchase, with price points starting around \$110-\$120 per square foot for outer-neighborhood urban and large-tract, suburban townhome development and reaching upwards of \$270 per square foot for infill townhome development in Virginia Beach near the coast. While new townhomes in Portsmouth’s outer neighborhoods, as well as older, existing townhomes near the waterfront, are garnering lower price points of around \$110 per square foot, it is feasible that townhomes built Downtown near the waterfront could achieve a premium of \$40-\$50 per square foot, on par with premiums observed along Norfolk and Hampton’s urban coasts. This would bring sales prices to \$150-\$160 per square foot.

## Regional Townhome Development (Built since 2015)

Suburban Tract		Outer-Neighborhood		Urban Infill
				
Suffolk Typical Price: \$216K Typical Size: 1,360 SF \$/SF: \$150-\$170	Chesapeake Typical Price: \$294K Typical Size: 1,950 SF \$/SF: \$130-\$180	Hampton Typical Price: \$230K Typical Size: 1,710 SF \$/SF: \$120-\$160	Norfolk Typical Price: \$330K Typical Size: 2,050 SF \$/SF: \$110-\$160	Virginia Beach Typical Price: \$582K Typical Size: 2,110 SF \$/SF: \$170-\$270

Sources: Redfin, Zillow, The Virginia Pilot, VDHA, Stakeholder interviews

## CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

**Portsmouth has already invested a great deal in planning for Downtown development and Downtown public infrastructure.** Over the past decade, Portsmouth has provided over \$90M in public support for a number of capital improvement projects, including the expansion of the Children’s Museum of Virginia (\$13M), new sewer and water line installation (\$28M), seawall replacement (\$26M), and replacement of the County Street Garage (\$17.5M). The 2009 *Downtown Master Plan and Waterfront Strategy*, the 2019 *Crawford Corridor Revitalization Study*, and *Build One Portsmouth (2018)* further establish vision and priorities surrounding shared infrastructure Downtown.

**Continued investment in and prioritization of public infrastructure supports catalytic development.** Continuing to invest in catalytic infrastructure projects, such as the proposed stormwater park that will complement future development, improve water quality, and reduce runoff volumes, will provide immense value to surrounding real estate development. The proposed stormwater park is planned to include amenities to encourage park use and provide recreational space. Catalytic infrastructure projects such as this greatly reduce the costs of private development and improve quality of life for both current and future Portsmouth residents. Additional improvements to streetscapes, utilities, and other Downtown infrastructure should be made as part of negotiated terms with developers to support and incentivize new Downtown development.

### Public Investment in Downtown Infrastructure

**\$32.50M**

Total estimated public investment in completed projects, since 2010

**\$55.35M**

Total estimated public investment in projects under design/construction

**\$1.82M**

Total estimated cost for proposed stormwater park

Sources: *Crawford Gateway Revitalization Strategy Update*, City of Portsmouth

# CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

## Downtown Portsmouth can continue to support population growth over the next decade.

While Portsmouth continues to face overall population decline, population in greater Downtown is rising in tandem with multifamily deliveries. Between 2010 and 2019, Downtown Portsmouth's population grew by 6%, a net gain of 560 residents. Portsmouth is seeing growth in population segments that tend to exhibit preference for multifamily living, including non-family and early senior households.

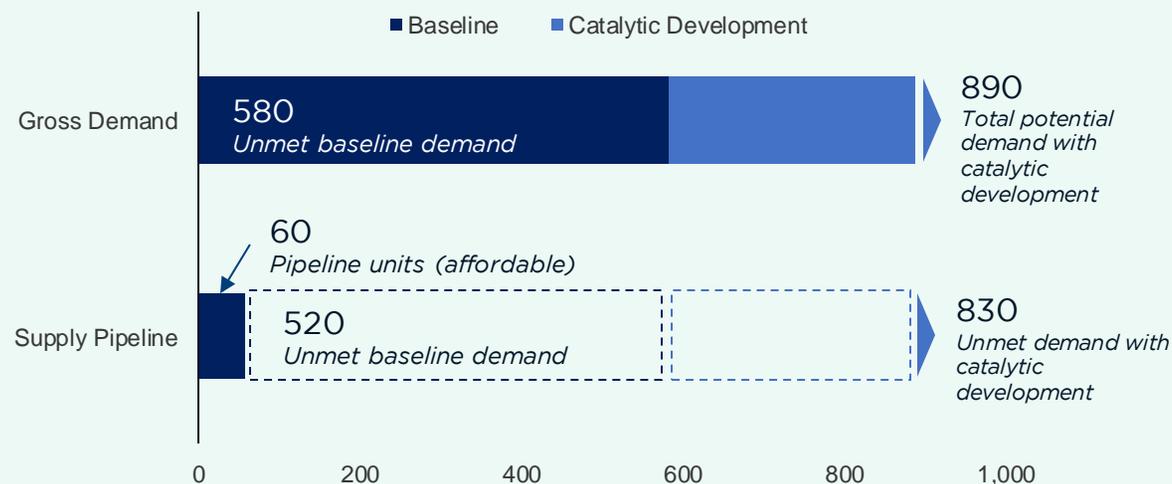
## The city may be able to increase its capture of new regional residents.

Between 2010 and 2019, Downtown Portsmouth captured 0.6% of the region's growth. Assuming the same capture rate into the next decade, Downtown Portsmouth could support 580 additional units. With an increased capture of regional growth due to catalytic development, Portsmouth could support upwards of 800 additional units over the next decade. A mix of townhomes and mid-rise apartments would likely be successful.

### Growth Demographics (2010-2018)

	Portsmouth	Hampton Roads
Growth in Early Senior HHs	21%	28%
Growth in Non-Family HHs	9.3%	8.6%
Growth in HHs above \$50K	8%	12%

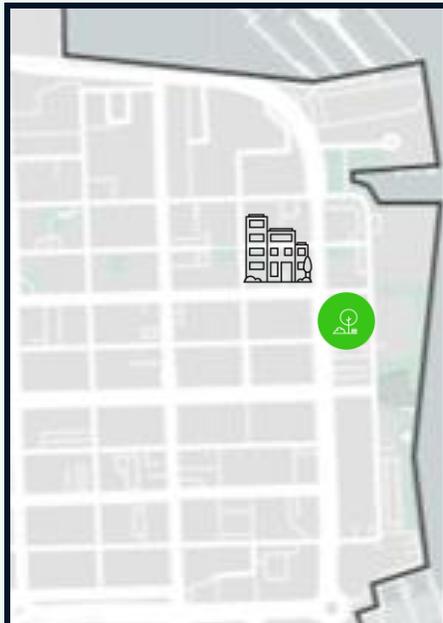
### Downtown Portsmouth Multifamily Demand (units), 2020-2030



Note: As a result of COVID-19, it is anticipated that demand will be lower in the near-term but will persist and normalize in the longer-term.

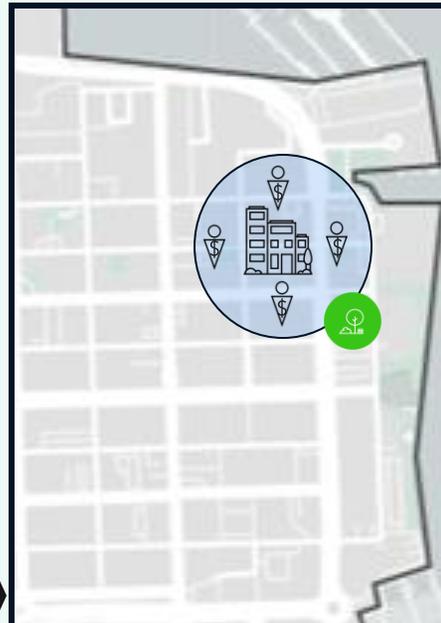
Sources: ACS 5-Year Estimates (2018), ESRI Business Analyst, National Multifamily Housing Council

## The Process of Catalytic Downtown Redevelopment



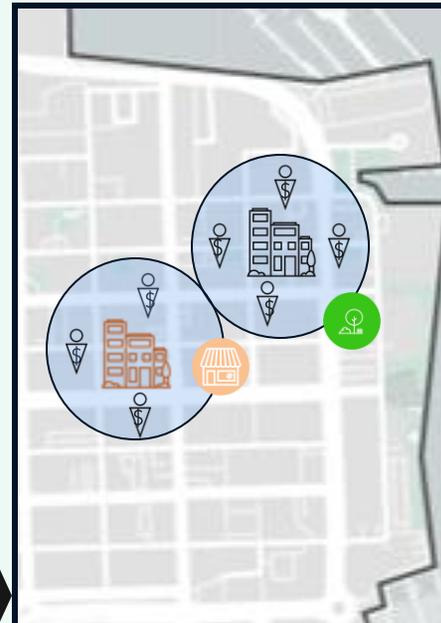
### 1. Initial Investment

The City supports residential development Downtown through the disposal of public land and investment in shared infrastructure (such as streetscape or a waterfront park). The public investment makes new development feasible.



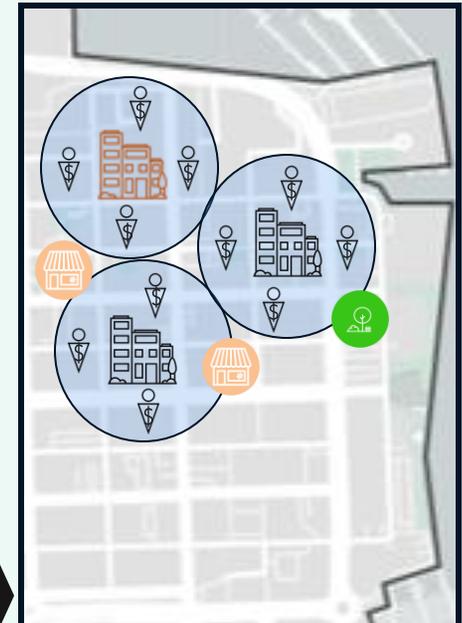
### 2. Market Growth

New residents move into newly developed housing units, increasing economic activity and spending potential Downtown. This in turn generates interest from private developers in additional development sites.



### 3. Spillover Impacts

As private investment continues, the City can require private investment in retail, as well as amenities such as interactive open space, community events, or public art.



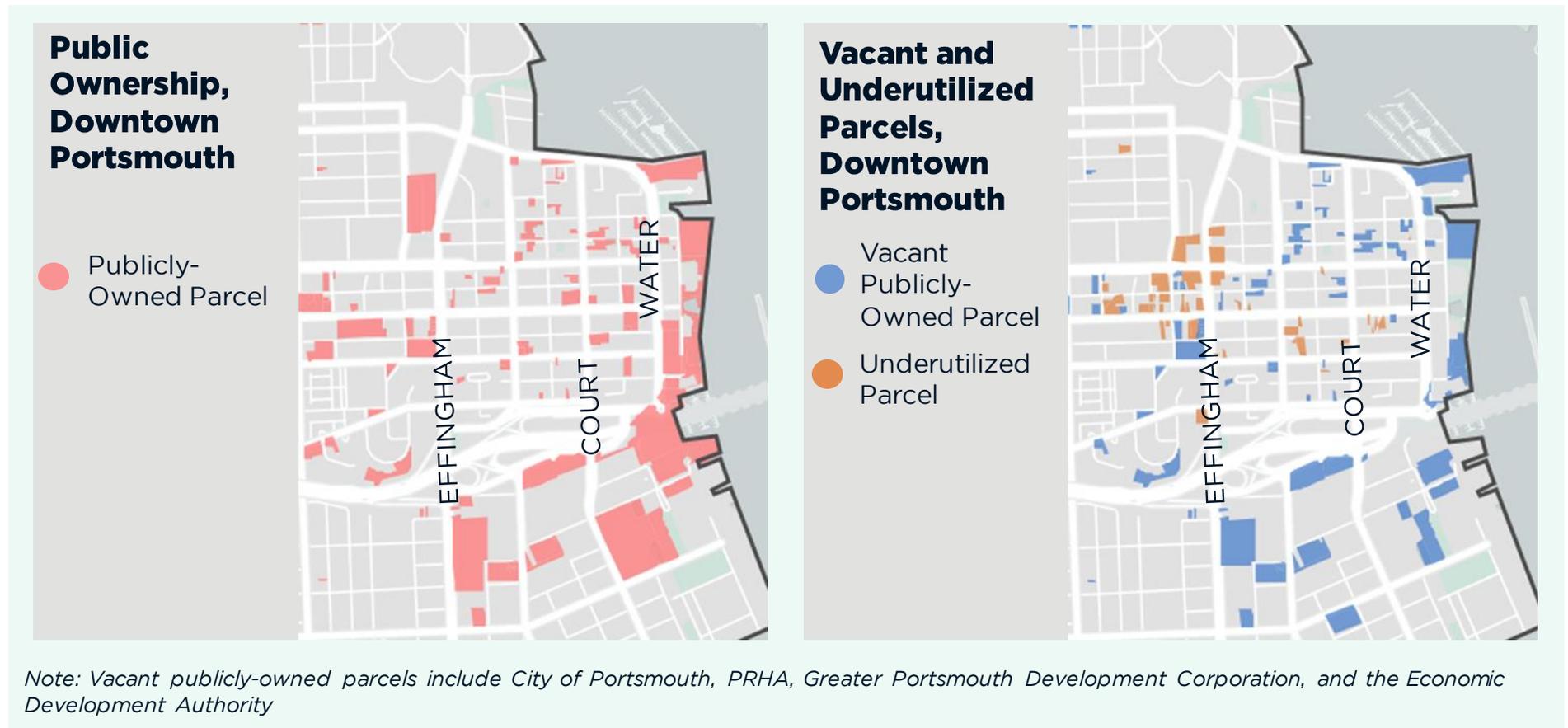
### 4. Catalytic Success

A mixed-use Downtown increases quality of life for existing residents as they enjoy retail and amenities; it also attracts new residents. This cycle of attracting new and existing residents can sustain itself with limited public support over time.

## CATALYTIC DOWNTOWN REDEVELOPMENT | Opportunity

**Significant public land ownership is the City's strongest asset to support Downtown redevelopment.** Publicly-owned parcels account for a significant portion of all Downtown land in Portsmouth. The City of Portsmouth owns over 13 acres of vacant or underutilized parcels, while other public entities including PRHA, EDA, and GPDC own an additional 19 acres. Underutilized parcels with a variety of private owners account for over 14 acres Downtown as well. Publicly-owned land is the City's greatest resource to attract private investment.

Portsmouth is committed to relocating public facilities away from the waterfront as part of the recent Crawford Gateway planning process. Prioritizing the location of suitable inland sites to move public facilities, like City Hall and the jail, will free up key, high-value parcels for waterfront development. Disposal of publicly-owned waterfront and vacant property and redevelopment of underutilized parcels represent Portsmouth's greatest opportunity to catalyze Downtown redevelopment.



Sources: City of Portsmouth, Crawford Gateway Revitalization Strategy

## CATALYTIC DOWNTOWN REDEVELOPMENT | Recommendations

**Portsmouth is well positioned to support catalytic Downtown redevelopment that will provide greater amenities and housing options for existing residents while also attracting new residents.** The City should pursue a Downtown redevelopment strategy that prioritizes defining transparent public priorities for redevelopment, establishing a process for public land disposition, funding catalytic infrastructure investment, and identifying areas for land use and development process alignment. This combination of strategies will allow the City to use limited resources to attract private investment and position Downtown Portsmouth for future catalytic growth.



### Market Public Properties for Redevelopment

Portsmouth should develop an RFP process and selection criteria, identify priority sites for disposition, and solicit qualified developers and proposals for desired development.



### Build Transparency in Redevelopment

Portsmouth should conduct a series of participatory Downtown planning meetings to build transparency around Downtown priorities and the disposition process and educate the public about tradeoffs and feasibility in Downtown improvements.



### Invest in Shared Infrastructure

Portsmouth should commit to and explore creative financing strategies to fund investments in shared infrastructure and amenities, such as parks and open space, that support Downtown residential living for new residents, increase quality of life for existing residents, and decrease the cost of private development.



### Reform Land Use & Development Process

Build the capacity of mission-oriented developers, independent contractors, and small businesses by providing gap subsidies, public land, regulatory relief, and technical assistance throughout the infill and renovation process.



**Portsmouth can support catalytic development through disposition of its key vacant and underutilized sites Downtown.** The City's wealth of land assets Downtown are prime for supporting larger-scale catalytic redevelopment. It should develop an RFP/RFQ process and selection criteria, and then solicit qualified developers and proposals for desired development.

**Disposition of strategic publicly-owned sites can spur catalytic development.** Land is a significant development cost, particularly for infill development. Offering private developers public land at reduced cost can incentivize development which may not otherwise be feasible. As initial development improves the market, the City can trade the value of the public land discount for additional public benefits that would not otherwise be feasible, such as affordable housing units, mixed-use development, or shared amenities. Funds from the sale of public land could be used to pay for infrastructure investments or to fund neighborhood reinvestment.

**City-owned properties provide Portsmouth the opportunity to direct City priorities for development and shape future development Downtown.** The City has already inventoried its publicly-owned and underutilized land and made a commitment to relocating public facilities off of valuable waterfront property. Disposition of these sites gives the City broad flexibility in determining the scale, type, and location of new Downtown development and ensures that development is aligned with the City's broader vision for Downtown.

**The City should establish a disposition process and market key sites for redevelopment.** Portsmouth should establish an RFP process and evaluation criteria to solicit desired development. It should then market key publicly-owned sites to the local development community, beginning with vacant sites that have been prioritized, then moving to sites that require larger scale interventions. Finally, the City should choose development partners that will help the City meet its desired redevelopment goals based on the established evaluation criteria.

## Key Partners

- City of Portsmouth
- Greater Portsmouth Development Corp.
- Portsmouth Economic Development Authority
- PRHA
- Private Developers

## Action Steps

1. Conduct feasibility assessments and engage the development community to determine ideal development programs for each site
2. Develop an RFP and evaluation criteria for each site
3. Form partnerships with chosen development teams

## Major Outcomes

1. Clear priorities for feasible, desired development on City-owned sites
2. RFP solicitation and evaluation criteria
3. Negotiated agreements with private developers to redevelop Downtown sites

## Timeframe

Immediate



The City must determine a preferred partnership structure based on City and development community capacity. Portsmouth will need to make the decision on whether it will pursue and solicit developers site by site, or whether it will look for a master developer to partner with for all parcels. Procuring a master developer requires greater upfront effort and poses greater risk if the larger deal falls through, but allows for greater cohesiveness throughout the redevelopment process. Ad-hoc disposition and procurement allows the City to focus initial redevelopment on priority parcels and allows for variability in development partners and negotiated public benefits. Whatever route the City chooses, the choice should be made intentionally from the beginning, as it will shape the rest of the process.

## Partnership Structures for Redevelopment

### Joint Venture

Portsmouth retains an equity stake in development.

*Higher risk and potential long-term gain  
More up-front cost and time  
Lower flexibility  
Lower ongoing City capacity*

### Master Developer

Portsmouth procures a partner to develop multiple sites.

### Ground Lease

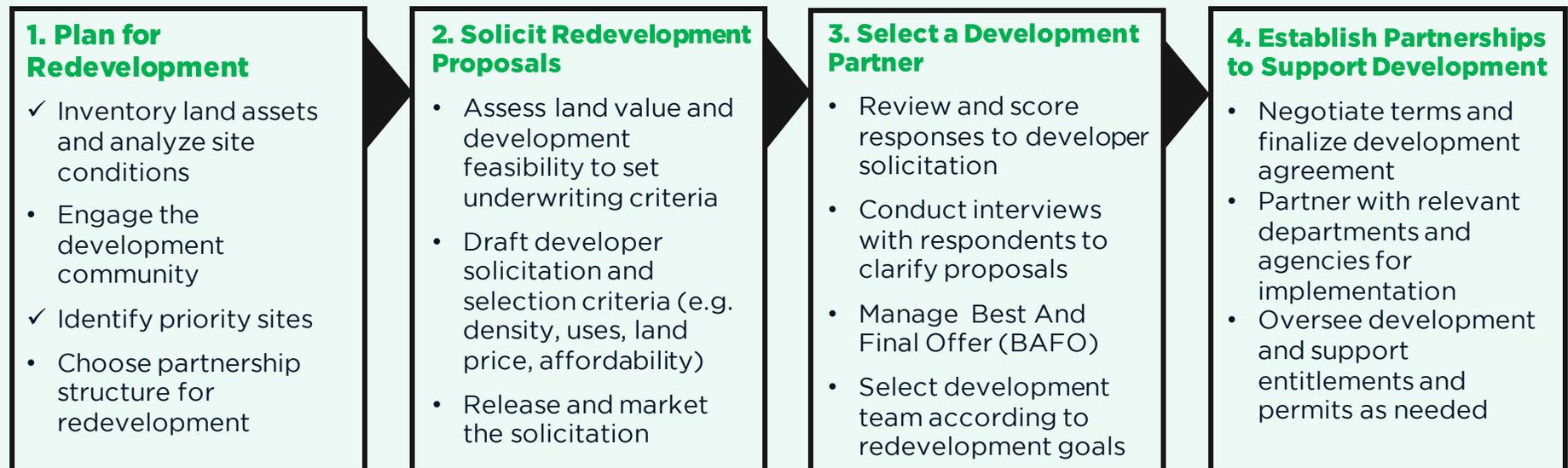
Portsmouth procures an anchor tenant to lease and develop sites.

### Land Disposition

Portsmouth conveys sites to a private owner.

*Lower risk and potential long-term gain  
Near-term, low cost impacts  
Higher flexibility  
Higher ongoing City capacity*

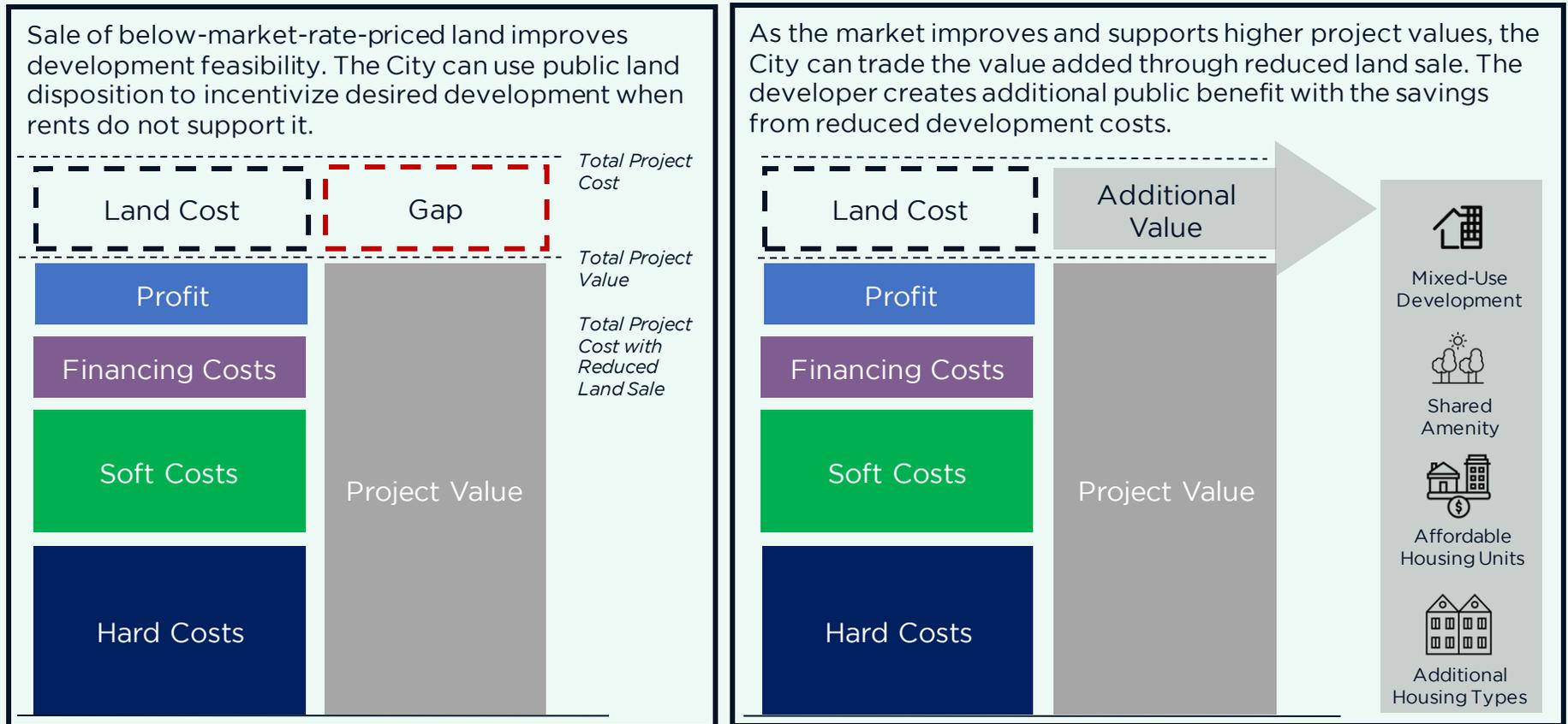
## Public Land Disposition Process





**The City can trade the value created from reduced land cost for public benefit as the market improves.** Initially, offering public land at a discount will likely be a requirement for supporting development feasibility, particularly for sites that require redevelopment of public facilities. However, as the market improves and supports higher project values, the City will be able to trade the value of public land for public benefits provided by the developer, or by selling land for closer to market rate and using the proceeds for public projects. This created value could support mixed-income development, development of parks or other shared amenities, or additional housing types not currently in the market. This increased public benefit will aid in the development of a Downtown that effectively attracts and retains new residents, while effectively serving existing residents.

**Creating Value through Public Land**





The Brooklyn Village and Walton Plaza site redevelopment in Uptown Charlotte showcases the public process by which Portsmouth can negotiate desired catalytic site redevelopment terms and the value that can be created through below-market land disposition. Mecklenburg County negotiated a redevelopment program on underutilized sites that will infuse Uptown with a mix of uses, cultural and open space, and a suite of infrastructure improvements.

## Brooklyn Village and Walton Plaza Site Redevelopment | Charlotte, NC

Building off of the development of a county-wide Land Development Strategy, Mecklenburg County moved forward with redevelopment of its underutilized sites in Uptown Charlotte, including the Walton Plaza and Brooklyn Villages sites.

The County chose a master developer, BK Partners, for the redevelopment of these two sites, comprising a combined 16-acres. The BK Partners development team is responsible for delivering a significant mixed-use program that will transform Uptown Charlotte over a 15-year delivery horizon.

Proposed deliveries currently include:

- 1,243 residential units and 114 affordable units for 30%, 60% and 80% AMI;
- 712,400 SF of office space;
- 252,000 SF of retail space;
- 3,700 SF of cultural space;
- 280 hotel rooms;
- 25+ acres of open space;
- \$13.5M in infrastructure improvements, including tree-lined streets

With support from HR&A Advisors, the County marketed and released a Request for Proposals from master development teams, including a marketing effort to introduce regional and national developers to the opportunity. An evaluation committee scored the strengths and weaknesses of each proposal. The County developed a negotiating term sheet with BK Partners, a partnership between a local firm and a national developer. The master development agreement was approved in summer 2018, and development is proposed to commence in 2020.



Sources: BK Partners



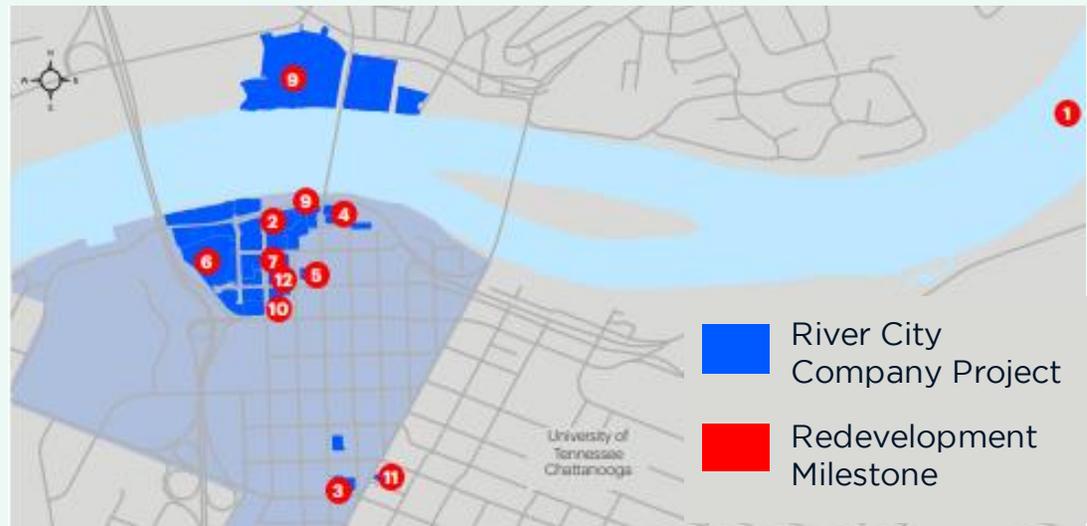
Chattanooga exemplifies the potential results of an initial catalyst in spurring both downtown redevelopment and revitalization in nearby neighborhoods. Even with limited philanthropic support and direct public subsidy, Portsmouth can catalyze the redevelopment process through intentional public land disposition along the waterfront and throughout its downtown.

## The River City Company and Downtown Chattanooga | Chattanooga, TN

The Tennessee River and downtown historic waterfront help put the mid-sized city of Chattanooga on the map. However, in the 1980s, limited downtown development and low population left this asset underutilized. The River City Company (“River City”), a nonprofit development company, was founded in 1986 by the Lyndhurst Foundation. With a \$12 million initial capitalization, River City acquired and developed 130 acres along the Tennessee River. This project spanned almost two decades and was completed in 2005.

River City catalyzed development through public-private partnerships by disposing of city- and River City Company-owned land to private developers, often through an RFP process and paired with tax incentives or public subsidy. These investments created catalytic impacts for Chattanooga. Between 2000 and 2015, residential population of downtown increased 23% (almost twice the rate of its surrounding county).

Between 2007 and 2016, retail vacancy declined from over 8% to under 2%, as average rent per square foot increased 9%. In addition, owner-occupied home values increased dramatically between 2000 and 2015, by 336% (almost five times the county’s rate). This success has attracted private development back, showing significant increase in residential development. The commercial real estate market is beginning to show similar signs of market attraction. This momentum also extended into the city’s Southside, where developers have been actively redeveloping neighborhoods in recent years.



Sources: *Catalytic development: (Re)creating walkable urban places*, Leinberger & Loh, May 2018



**Transparent, community-backed priorities should drive Downtown redevelopment.** Portsmouth has a wealth of existing planning to inform its priorities for Downtown redevelopment. Hosting a series of participatory community engagement meetings will confirm a clear, transparent vision for redevelopment.

**Portsmouth has already invested in numerous planning efforts which can inform a strategy for Downtown redevelopment.** Beginning with the 2009 *Downtown Masterplan and Waterfront Strategy*, Portsmouth has identified public investments and principles that can guide Downtown redevelopment. A vision has emerged for a rejuvenated, connected, and diversified Downtown

**Community participation is crucial for defining a transparent and shared vision for Downtown redevelopment.** Effective downtowns serve as economic and cultural centers, reflective of both the current populations that thread the city's fabric, as well as a vision for the future of the community. Portsmouth's approach to Downtown redevelopment and public land disposition must prioritize improving quality of life for existing residents, as well as attracting new residents to shift the city into a pattern of growth.

**Portsmouth should educate the public on, and work together to, prioritize existing goals for Downtown redevelopment through a series of community workshops.** The City should develop and facilitate a series of community workshops designed to 1) build a shared understanding about public benefits, feasibility, and tradeoffs of various redevelopment goals, and 2) collect input on desired uses and programming and identify desired public investments that will activate the area and serve the needs of existing residents. This capacity-building and visioning process will produce transparent, community-backed goals for what the city will ask of private developers through the RFP process.

## Key Partners

- City of Portsmouth
- Portsmouth Partnership
- Community members

## Action Steps

1. Hold a series of community engagement meetings to identify public priorities and educate on tradeoffs
2. Develop implementation strategies for community-backed priorities

## Major Outcomes

Consensus around community priorities for overall Downtown redevelopment

## Timeframe

Immediate



**Portsmouth’s existing planning efforts articulate existing goals and proposed strategies around Downtown redevelopment.** Portsmouth needs minimal additional work to establish an achievable implementation strategy for Downtown redevelopment. Through previous planning efforts such as *Build One Portsmouth* and the *Crawford Gateway Revitalization Strategy*, the City has determined a series of guiding goals and principles with proposed strategies pertaining to the future of Downtown.

**The City can build transparency around the redevelopment process through a series of engagement workshops.** Active and engaging capacity-building workshops will help discern community priorities for uses and amenities they wish to see Downtown, ultimately leading to transparency in what Portsmouth will request from developers through the RFP process. The City should design an engagement curriculum to support a series of community workshops, offered at varying times and in varying locations throughout the city to maximize participation. The meeting content should be designed to educate on the feasibility of, and the tradeoffs associated with, existing strategies. The meetings should solicit quantifiable prioritization and suggestions for desired Downtown programming through potential surveys, facilitated discussion, etc. A transparent process in determining goals for the RFP process will allow the City to point to the engagement workshops if opposition arises.

Plan	Example Priority Redevelopment Strategies
<u><a href="#">Downtown Masterplan and Waterfront Strategy (2009)</a></u>	<ul style="list-style-type: none"> <li>• Convert existing vacant space to fill the corridor with people</li> <li>• Improve the quality and diversity of Downtown’s housing stock</li> <li>• Establish clear criteria for decision making on development initiatives</li> </ul>
<u><a href="#">Downtown Real Estate and Market Feasibility Analysis (2017)</a></u>	<ul style="list-style-type: none"> <li>• Encourage as much market-based residential growth as possible to support a mix of sustainable uses Downtown</li> <li>• Investigate the use of tax-increment financing to pay for infrastructure costs for developments and buy down overall development costs</li> </ul>
<u><a href="#">Build One Portsmouth (2018)</a></u>	<ul style="list-style-type: none"> <li>• Diversify tax base, employment opportunities, housing supply, and land use mix</li> <li>• Strengthen connectivity and improve mobility</li> <li>• Promote a renaissance of neighborhoods</li> <li>• Emerge as a regional and national destination</li> </ul>
<u><a href="#">Crawford Gateway Revitalization Strategy (2019)</a></u>	<ul style="list-style-type: none"> <li>• Establish a multi-modal network</li> <li>• Enhance safety and comfort for all</li> <li>• Support diverse and healthy experiences</li> <li>• Remain authentic and community-focused</li> <li>• Foster placemaking and promote economic vitality</li> <li>• Promote environmental design</li> </ul>



**Portsmouth can further support catalytic Downtown development by supporting shared infrastructure and amenity investments.** The City should maintain its commitment to providing quality infrastructure that increases the desirability of Downtown living and decreases the cost of private development, such as the proposed stormwater park.

**Investment in shared infrastructure and amenities improves the feasibility of new development and attractiveness of Downtown living.** Public investment in shared infrastructure projects, such as road and sewer improvements and stormwater interventions, improves the feasibility of private development by saving developers time and money on expenses they would otherwise need to undertake themselves. In turn, this makes development more attractive to potential developers, and allows them to build more units, or in more expensive locations, than they would be able to otherwise. These public investments in shared infrastructure and other amenities, like parks, also enhance the attractiveness of Downtown living, supporting a city's ability to attract and retain new residents.

**Portsmouth has already invested in significant infrastructure improvements Downtown.** Over the past decade, the City has invested over \$90 million in shared infrastructure Downtown, including replacing the seawall and the Court Street parking garage, and a new Portside. It has committed to investing in a stormwater park that will decrease costs from potential flooding and add a series of parks and other amenities into the Downtown fabric. Additional public infrastructure investment should be strategically planned to enhance the feasibility of private development by providing public amenities and supporting long-term resilience. Funding should be committed as part of negotiations with developers.

**The City should explore creative financing mechanisms to fund continued investment.** Portsmouth should consider value-capture financing mechanisms – such as tax-increment financing (TIF) – that leverage increases in property value to fund additional infrastructure without increasing taxes above current rates.

## Key Partners

- City of Portsmouth
- Economic Development Authority

## Action Steps

1. Build on commitment to proposed stormwater park to determine other opportunities for catalytic infrastructure investment
2. Evaluate potential value-capture funding strategies to support additional dedicated funding

## Major Outcomes

1. Improved infrastructure and public amenities serving Downtown residents and visitors
2. Enhanced development feasibility
3. Greater resources available to support public infrastructure investments

## Timeframe

Intermediate to Long Term



**Portsmouth should evaluate the potential for use of creative financing tools to proactively capture value from catalytic market-rate development Downtown.** As the City relocates public facilities out of Downtown and private development interests acquire ownership, the Downtown tax base will increase. The City could employ a variety of tools, such as establishing a Tax Increment Financing (TIF) District, synthetic TIF, or special assessment district, to capture this tax base increase and redirect it to fund future investments in infrastructure, such as additional stormwater interventions or road/sewer improvements as Downtown’s residential base grows.

**TIF would provide a locally-controlled funding stream for future catalytic investments without raising property taxes.** TIF would allow the City to fund projects that enhance property values by leveraging future tax revenue increases Downtown. Once a TIF is established, the City can issue bonds to finance catalytic development, including infrastructure, site assembly, or redevelopment costs. As property values increase within the TIF following this investment, the tax revenue on incremental property values goes into the TIF fund to pay off debt and fund additional projects. Establishing a Downtown TIF district now would allow the City to leverage property value increases from catalytic development as it occurs without raising tax rates.

## Value Capture Financing Strategies

Tool	Description	
<b>Tax Increment Financing (TIF)</b>	City designates a redevelopment area and sets aside incremental tax revenue from increasing property values in that area to fund improvements or repay bonds that fund catalytic investments.	<i>Incentivize development in areas with weaker markets</i>
<b>Synthetic TIF</b>	City pledges a portion of the increased property tax revenue generated by a capital improvement to pay off bonds issued to finance up-front improvements or to fund public priorities in other neighborhoods.	
<b>Land Value Taxation</b>	City issues property taxes based only on the assessed value of land (rather than land plus associated improvements) to incentivize development.	
<b>Special Assessment District (SAD)</b>	City levies an annual assessment, above property taxes, to fund specific costs for projects or services within a district.	
<b>Impact Fees</b>	City imposes fees on property developers to fund new infrastructure that must be built or increased due to new property development.	<i>Ensure that developers pay for full project costs in areas with stronger markets</i>



**Portsmouth can ensure Downtown redevelopment goals are achievable by clearly aligning its land use policies and regulatory processes.** The City has made significant progress in positioning its policies and processes to clearly support multifamily development. Continued focus on this goal will ensure developers are supported in the development process to achieve desired Downtown redevelopment targets.

**To effectively catalyze Downtown redevelopment, zoning must support higher densities and regulatory processes must provide adequate developer support to ensure desired development is feasible.** Cities that allow higher-densities and relaxed building height, parking, and set-back requirements by-right, and have removed barriers to multifamily development from regulatory processes, are the most successful at promoting higher density development. Streamlining zoning processes and removing regulatory barriers increases the feasibility of development and the speed at which developers can deliver proposed projects.

**Build One Portsmouth espouses a goal for a higher density, mixed-use Downtown, and the City has begun to re-evaluate land use and regulatory policies.** Following the adoption of *Build One Portsmouth* as the city's guiding comprehensive plan, Portsmouth has made progress in proposing future land use and zoning designations that will support a mixed-use Downtown. The City has also garnered political support for removal of regulatory barriers to multifamily development.

**The City should maintain a focus on proposed land use alterations and regulatory streamlining to ensure redevelopment proposed through RFP processes is fully feasible.** Portsmouth should continue to support proposed re-zonings and removal of the conditional multifamily use permits that are currently required. In addition, the City should develop streamlined regulatory processes for developers chosen through RFP solicitations for public-land redevelopment to ensure they are able to move forward with planned development as seamlessly as possible.

## Key Partners

- City of Portsmouth
- Private developers

## Action Steps

1. Clarify position on proposed land use and regulatory measures
2. Convene a cross-departmental working group to focus on implementing proposed zoning code and regulatory policy and process changes

## Major Outcomes

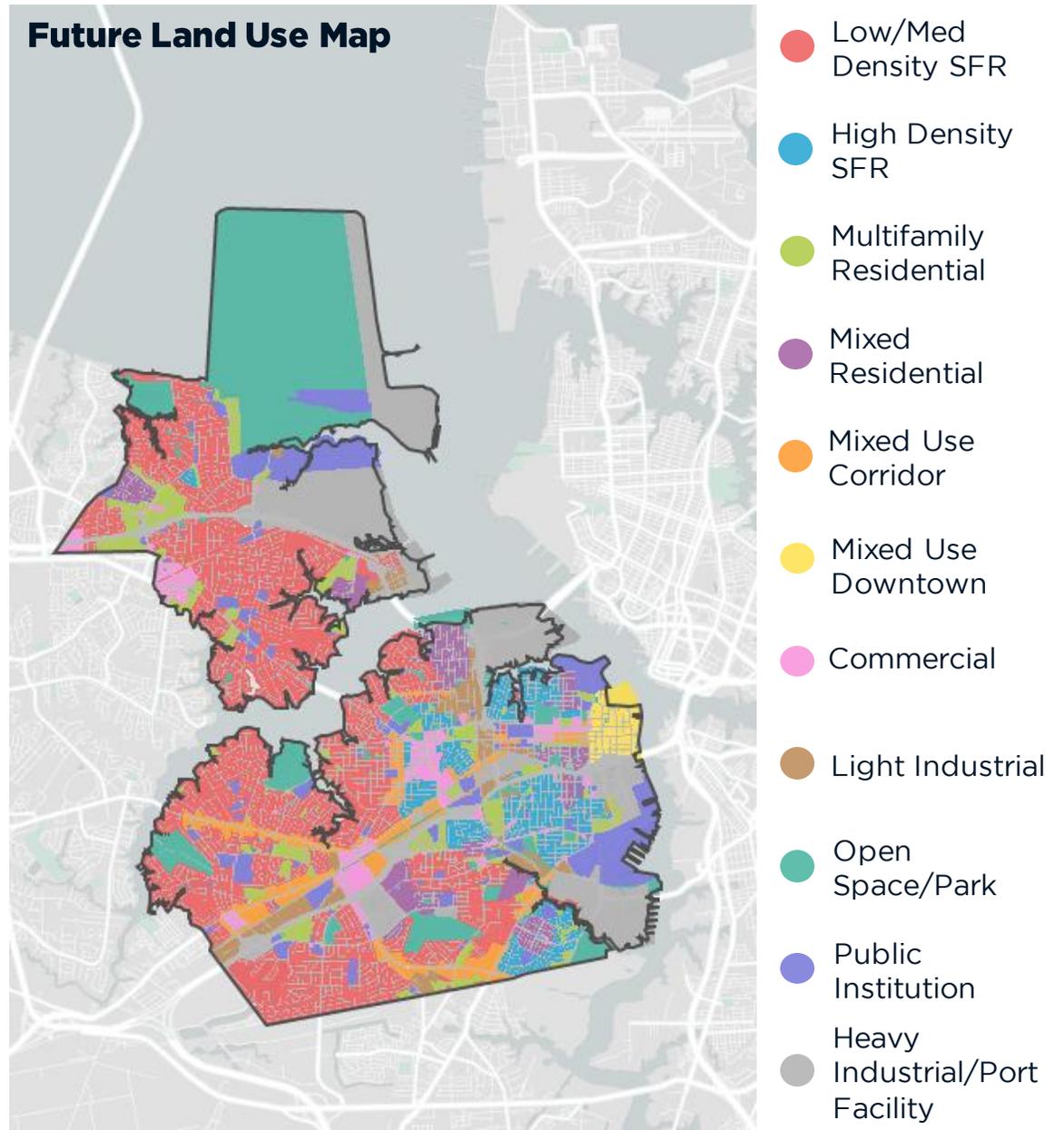
1. Clear priorities for higher-density development, reflected in zoning codes and regulatory policies
2. Established processes for allowing higher densities and relaxed set-back requirements by-right

## Timeframe

Long Term



**Portsmouth should support by-right land use alterations and improvements to the regulatory process to ensure established priorities for Downtown redevelopment are achievable.** Currently the City requires a conditional use permit for multifamily development Downtown, which represents a barrier and added development cost for new multifamily development. Ensuring that multifamily and mixed-use development Downtown are allowed by-right, in alignment with the City’s future land use map, will increase feasibility of catalytic development by reducing administrative burden for developers. This change, will be proposed in a zoning ordinance update, will support the creation of a mixed-use Downtown.



Sources: *Build One Portsmouth (map), Developer Interviews*

# SUPPORT NEIGHBORHOOD REINVESTMENT

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## PROCESS OVERVIEW

- The City identifies and partners with neighborhood organizations**
  - Partners evaluate community needs
  - City provides information to connect residents to available resources
  - City focuses investment and other activities in pilot neighborhoods
- Targeted services and investment improve housing quality and make neighborhoods more desirable**
  - Better maintain housing for current and prospective residents
  - Meet neighborhood needs for city services and amenities
  - Increase homeownership
- Over time and as capacity grows, expand programs or expand to new pilot neighborhoods**



### Build strong communities



### Improve housing markets



### Leverage available resources

**Effective neighborhood reinvestment builds strong communities by targeting programming to improve housing quality, provide neighborhood amenities, and support residents.** The City can retain residents by improving quality of life, including access to quality housing, parks, safety, opportunity, and civic engagement. Focusing these efforts in pilot neighborhoods increases the potential impact of the City's efforts.

**Through a coordinated, strategic approach to neighborhood reinvestment, the City can help its communities establish healthy and self-sustaining housing submarkets.** Portsmouth's neighborhoods face challenges due to the prevalence of older housing. Many residents are moving out of Portsmouth or choosing to live in other parts of the region. A targeted neighborhood reinvestment program will advance the restoration of Portsmouth's housing stock and create a public constituency for desirable neighborhood amenities. This can improve local housing markets and help Portsmouth's neighborhoods retain and attract residents.

**Neighborhood reinvestment will require the City to leverage available resources from partner organizations.** Neighborhood reinvestment is accomplished through partnerships between municipal governments and residents, property owners, neighborhood associations, housing nonprofits, realtors, and developers. The City's limited public resources will be most impactful when they can be matched with private and community investment in neighborhoods and directed to meet specific community needs. Deliberate community partnerships will also help to address the equity needs and limit displacement concerns in Portsmouth's neighborhoods.

## NEIGHBORHOOD REINVESTMENT | Opportunity

**Portsmouth's neighborhoods face a range of challenges.** Portsmouth's housing is on average older and smaller than housing in the rest of the Hampton Roads region. (For instance, while the median year built for homes throughout the MSA is 1980, Portsmouth's median year built is 1966.) The impacts of these challenges can be seen in the city's high vacancy rates (11%), limited retail offerings outside major corridors, and heavy population decline in neighborhoods within the urban core (Cradock, for example, lost 12% of its population from 2010 to 2018).

The City is further challenged by limited local funding for housing investments and a lack of nonprofits with the capacity to initiate major change in the built environment of Portsmouth's neighborhoods. Without a dedicated local funding source (such as a housing bond) for neighborhood reinvestment, any solution will require significant support from non-governmental entities.



**The City has the opportunity to address these challenges head on by reinvesting in Portsmouth neighborhoods with the most capacity for public engagement and the greatest potential for private market interest.** Strategically targeting limited public funds in areas that have engaged, organized neighborhood groups and value-enhancing amenities can help to ensure that local funds will be matched and expanded by non-governmental activity. (The **Pilot Neighborhood Selection** in the appendix of this Housing Plan provides guidance on the metrics commonly used to determine and evaluate public capacity and market interest.)

The City can identify areas where it has opportunities to leverage these external partners with its own investments, such as providing public land to mission-oriented developers or providing support to neighborhood groups who mobilize and petition for infrastructure investments in their community. By connecting its limited investments to areas with the strongest potential for partnerships, the City will take advantage of its chance to implement impactful neighborhood reinvestment. Partnering with community groups should ensure that community needs are met and mitigate potential displacement of residents due to these investments.

## NEIGHBORHOOD REINVESTMENT | Opportunity

**Portsmouth’s housing stock is aging, which leads to health hazards for longtime residents and challenges with regional competition for amenities and residents.** Portsmouth’s homes are significantly older than many other municipalities in South Hampton Roads, having predominantly been built in the middle of the century. The age of these homes is associated with smaller floorplans than many new buyers desire, without in-demand amenities like multiple bathrooms. Due to limited market activity, these neighborhoods’ retail amenities have also aged, from vacant retail and industrial areas in mixed-use neighborhoods to less walkable single-family communities that are flanked by aging strip malls along their arterials. Detailed regional housing market data can be found in the [appendix](#).

**Portsmouth’s Walkable Pre-War Neighborhoods and Post-War Middle Neighborhoods likely contain the best candidates for reinvestment.** While some neighborhood typologies (like Inner-Ring Suburban Communities) have seen private investment that has modernized their stock, many of these areas do not have the core urban amenities where Portsmouth is best qualified to compete, or strong neighborhood groups to partner in the reinvestment process. With continued renovations, Portsmouth could unlock the potential of its aging neighborhoods to meet market demand for areas with amenities in walking distance and a variety of housing options. (Robust evaluation of neighborhood typologies and core amenities in Portsmouth can be found in the [Pilot Neighborhood Selection appendix](#)).

### Housing Stock Characteristics

**Average Home Value**

\$122,319

**Average Year Built**

1960

**Average Home Size**

1,547 Sq. Ft.

**Average Lot Size**

0.29 acres

**% of Homes Remodeled**

23%

### Median Year Built

**Portsmouth**

1960

**Norfolk**

1962

**Chesapeake**

1987

**Virginia Beach**

1982

**Hampton Roads**

1980

### Neighborhood Typologies

**Greater Downtown & Waterfront**

*Olde Towne, Park View, Park Manor, Waterview*

**Walkable Pre-War Neighborhoods**

*Cradock, Port Norfolk, Prentis Park*

**Post-War Neighborhoods**

*Cavalier Manor, Highland-Biltmore*

**Inner-Ring Suburban Communities**

*Green Acres, Long Point, Westmoreland*

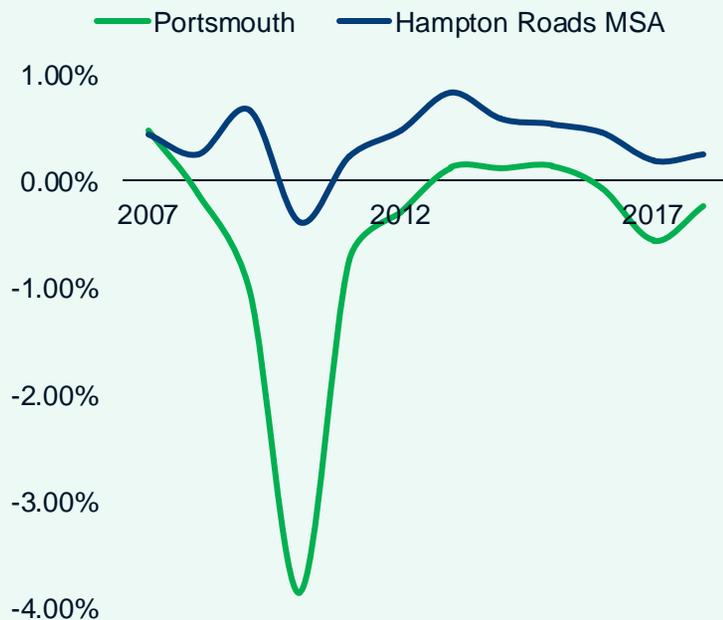
Sources: City of Portsmouth, ACS 5-Year Estimates (2018), HR&A Analysis

## NEIGHBORHOOD REINVESTMENT | Opportunity

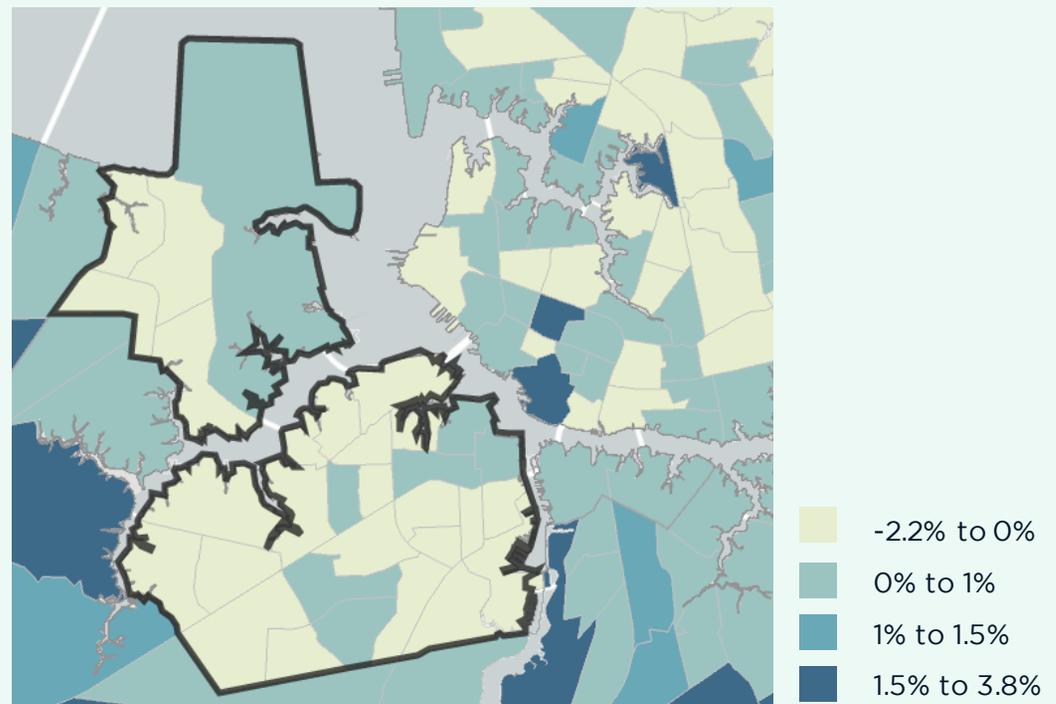
**Portsmouth's neighborhoods are losing population.** Compared to the rapid growth in the suburbs of Hampton Roads, as well as to the more gradual growth of the region, Portsmouth has seen a particularly steep decline in population. **From 2007 to 2018, the city lost over 6,000 residents, a 6.4% decline.** This loss was heavily concentrated in the city's interior neighborhoods, which are struggling not only to compete for prospective residents in the region, but also to retain the residents who currently live in them. According to the 2015 Demographic Study, residents are leaving the city's neighborhoods for areas with higher-ranked schools and higher-quality housing stock, the latter of which reinvestment can directly address.

This trend is notable in population projections for Portsmouth's neighborhoods, nearly all of which are expected to continue declining over the next four years. The census tracts near Downtown are projected to see moderate increases in population, which is likely a result of recent investments in these Downtown-proximate areas, which has led to improved housing stock and amenities. In order to retain and attract population above current projections, **Portsmouth needs to make strategic investments in neighborhoods with engaged residents and market potential.**

### Population Change, 2007-2018



### Projected Population Change, 2019-2024



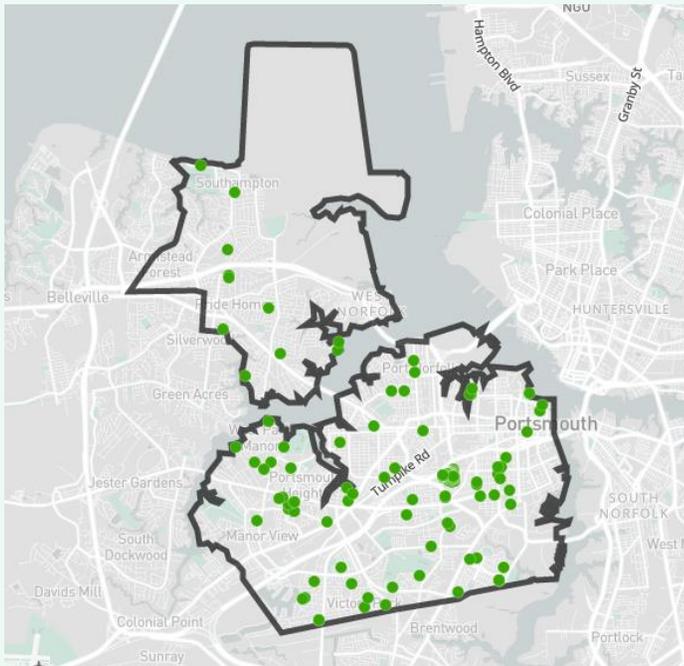
Source: ACS 3-Year and 5-Year Estimates (2006-2018); ESRI

## NEIGHBORHOOD REINVESTMENT | Opportunity

Private investment in home repairs and renovations by homeowners, landlords, and real estate investors is an important aspect of neighborhood reinvestment. **Well-maintained and updated homes ensure good housing quality and signal a healthy housing market.** In Portsmouth since 2017, only 154 residential building permits have been issued for repairs or renovations. The majority of these have been for investments of \$5,000 or lower. These projects, many of which are for small interior or exterior improvements, are important to keeping homes in good condition. Only 17 building permits during this time were for improvements greater than \$25,000.

**The City can take strategic actions to attract private investment in housing by homeowners, developers, and real estate investors.** Encouraging private investment in housing can be a healthy and equitable part of a comprehensive reinvestment strategy. Real estate investors can be valuable partners to the City by improving property values and providing more market-ready homes for residents. The City can support this activity by providing land to mission-aligned investors and devoting resources towards technical and regulatory assistance. This could entail assigning a staff liaison to help private developers navigate the City’s approval process as they reinvest in pilot neighborhoods.

### Home Renovations since 2017



**52%**

Multifamily Share of Permits

**44%**

Single-Family Share of Permits

**\$5,000**

Median Value of Renovation

### Permits by Project Size



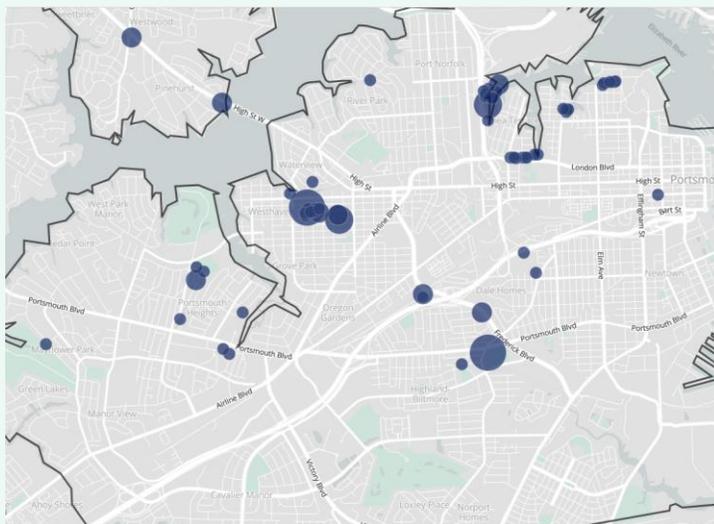
Sources: City of Portsmouth

## NEIGHBORHOOD REINVESTMENT | Opportunity

**The City can leverage the resources of its local partners through the neighborhood reinvestment process.** Many of Portsmouth's resident partners are already active in neighborhood organizations, whose participation will be the heart of their community's reinvestment process. Portsmouth has several active neighborhood groups, including civic leagues, which have the capacity to organize their neighbors to advocate for infrastructure and other public investments, as well as to lead neighborhood-scale beautification initiatives. The City should begin its reinvestment efforts in areas with existing capacity, and seek to build capacity in otherwise ideal candidates who do not have organized resident groups.

**Hampton Roads also has potential development and programmatic partners at the regional level.** This includes for-profit and mission-oriented developers who have built and renovated several homes in Portsmouth for low-income families, and those who work with neighborhoods to provide revitalization assistance. City incentives such as public land could incentivize nonprofit developers to be active participants in neighborhood reinvestment. Furthermore, the City can ensure that neighborhoods' increased stock of move-in ready homes are matched with "move-in ready buyers" by partnering with the Hampton Roads Planning District Commission (HRPDC), who currently administers Portsmouth's Down Payment Assistance funds. The City can collaborate with HRPDC to ensure that program participants are incentivized to buy in reinvestment areas, and can find affordable or market-rate homes to purchase.

### Vacant and Underutilized Land, 2017



63

Public vacant lots in neighborhoods zoned for primarily residential use

26.2

Total acreage of public vacant land zoned for primarily residential use

● Over 2 acres ● 1.5 to 1.9 acres ● 0.5 to 1 acre ● .09 to 0.5 acres

Sources: City of Portsmouth

## NEIGHBORHOOD REINVESTMENT | Recommendations

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**Neighborhood reinvestment with coordinated strategic public investments and community partnerships will help Portsmouth address longstanding challenges associated with its older housing.** The recommended tools for neighborhood reinvestment are immediately actionable and will enable the City to leverage its available resources to incentivize market competition and provide a greater quality of life in its neighborhoods. As the City and its partners expand their financial and logistical capacity, programs can be expanded within initial pilot neighborhoods or extended to new neighborhoods.

**Community partnerships are the heart of all successful neighborhood reinvestment strategies.** These partnerships will coordinate the flow of public services into pilot neighborhoods and inform the implementation of other strategies to support neighborhood reinvestment.



### Build Community Partnerships

Implement a shared leadership model that allows residents, neighborhood groups, City departments, and housing advocates to become joint leaders and laborers in neighborhood reinvestment.



### Provide Funding for Owner-Occupied Rehabilitation

Help existing homeowners preserve the stability of their property through rehabilitation support in the form of forgivable, no-interest loans.



### Incentivize Infill Development and Renovation

Build the capacity of mission-oriented developers, independent contractors, and small businesses by providing gap subsidies, public land, regulatory relief, and technical assistance throughout the infill and renovation process.



### Revise Tax Exemption Program

Amend the City's program providing tax exemptions for property owners who undertake rehabilitation of residential property to encourage more property owners to take advantage of the incentive.



**The City should implement a shared leadership model in the neighborhood reinvestment process.** Successful neighborhood reinvestment will not be accomplished via top-down methods alone, so investing in on-the-ground capacity and building neighborhood buy-in will be crucial to the City's success.

**Neighborhood reinvestment is accomplished through partnerships between municipal governments and residents, property owners, neighborhood associations, housing nonprofits, realtors, and developers.** This model allows them to become joint laborers and leaders of the reinvestment process, ensuring that the City's limited public resources can be matched with community and private investment. This will require dedicated efforts to identify and conduct outreach to neighborhood organizations that are interested in advocating for neighborhood priorities and collaborating with the City. The City should create a partnership model that enables these organizations to engage with City staff and provide referrals to residents in need of resources.

**Neighborhood partners can provide capacity not available within the City or from nonprofits.** Historically, top-down neighborhood reinvestment strategies have been ineffective or damaging to communities of color, so community partnerships will be an important step in creating a reinvestment process that prioritizes and equitably responds to community needs. By initially concentrating neighborhood reinvestment efforts in pilot neighborhoods with both market potential and organized civic capacity, the City can increase the impacts of early efforts. Over time, as successful reinvestment initiatives provide a proof of concept, the City should expand its reinvestment efforts by building capacity in new neighborhoods.

Successful coordination will allow each group to play an active role in reinvestment. For instance, **neighborhood groups** could identify problem properties, build local pride through events and programs, provide crucial on-the-ground input, and help connect residents to housing programs. **Local developers** can make investments to improve the housing stock. Finally, the City can designate a **staff liaison** to coordinate service provision and communication with community partners.

## Key Partners

- City of Portsmouth
- Neighborhood organizations

## Action Steps

1. Hire or designate City staff to act as a liaison to community partners.
2. Identify and build capacity of neighborhood groups in 1 or 2 initial pilot communities interested in community partnership.
3. Create a list of resources the City and its partners can bring to respond to neighborhood priorities.

## Major Outcomes

1. Neighborhood reinvestment becomes a collaborative process between the public, private, and community sectors.
2. Community groups understand how to engage with City resources, programs, and processes.
3. Residents in reinvestment areas receive access and referrals to needed services.

## Timing

Near Term



**Community partnerships should be targeted first in areas that have both market potential and engaged residents.** Planning staff should reach out to leaders of active Civic Leagues, homeowner associations, and neighborhood watches active in the surrounding area to explain the reinvestment process and gauge community interest.

**In some cases, the City will need to build the capacity of neighborhood groups before establishing partnerships.** This may entail helping residents form organized civic leagues with bylaws and officers. The City can connect resident groups with national community development nonprofits such as the Center for Community Progress or Neighborworks America. These organizations provide technical assistance and resources to support civic groups. Additional City support might include provision of meeting space, skills trainings such as citizen leader workshops, and outreach on official City platforms.

**At the outset of each community partnership, all parties should outline their actions and responsibilities in the process.** This will provide accountability from the City, a commitment to equity from developers, and neighborhood champions for reinvestment. The City may develop a set of bylaws for the reinvestment committee, or formalize agreements with neighborhood groups, granting them the authority to organize neighborhood actions associated with reinvestment and to act as community liaisons for City housing programs.

**The City and its partners should organize regularly scheduled stakeholder meetings to discuss progress in each pilot neighborhood.** Stakeholders include City staff, community groups, local institutions, residents, and property owners. While these meetings should be open to the public, and may build on existing Civic League meetings, they should provide a distinct, formal setting where all partners are expected to share updates on ongoing projects and be assigned responsibilities.

**The City should designate a staff liaison to coordinate partnerships.** This liaison will serve as a direct point of contact and be responsible for tracking progress between meetings. The City should dedicate staff capacity to educating community groups about available housing programs, including down payment assistance and rehab programs. This will ensure that neighborhood groups can help residents access these programs. The City may create a “program toolkit” to meet this need.

### Sample Meeting Agenda

1. **Municipal Update**
  - a. Completed neighborhood renovations
  - b. Outstanding code compliance cases
2. **Community Leader Update**
  - a. Recap of neighborhood street cleaning
3. **Selection of Priority Properties & Programming**
  - a. Items for next quarter
  - b. Items for next year
4. **Discussion of Potential Funding Sources**
  - a. EDA Grants
5. **New Business**
6. **Delineation of Tasks**



**Portland's citizen participation system illustrates the potential impacts of a community partnership model that builds upon existing community efforts by recognizing local groups and providing them with public support.** In doing so, the City can help residents in these organizations become leaders and joint laborers in their neighborhood's reinvestment process, contributing to the engagement and retention of longtime residents. This model outlines how the City can offer crucial support that allows community groups to be organized, centralized, and well-resourced to support community needs. This can aid the neighborhood reinvestment process by providing on-the-ground organizations with adequate capacity to serve as community partners. These groups help give neighborhoods a stronger voice in public decision-making, and a more equitable form of local investment. **Portsmouth can look to this example as it establishes its own community partnership system.**

### Portland Citizen Participation Programs | Portland, OR

Founded in 1974, Portland's Citizen Participation Program (CPP) is one of the oldest and most-recognized community partnership systems in the nation. Portland's CPP allows neighborhoods to provide input on land use and quality of life decision-making by the City. With programs including graffiti abatement, crime prevention, and liquor license notification programs, the program is regarded as one of the best and most comprehensive in the nation.



The structure of the program is based on **Neighborhood Associations**, local groups who serve their respective communities and increase the effectiveness of communication between citizens, neighborhoods, and government. In the 1970s, Portland had many place-based activist and neighborhood groups that were engaged in existing community work, such as protesting freeway plans or lobbying for infrastructure improvements in their neighborhoods. In 1974, Portland's City Council established the Office of Neighborhood Associations to support these groups and help them become officially recognized advocates for their communities by grouping the 58 Neighborhood Associations into six District Coalitions. The City funded offices and staff to help these coalitions better organize themselves and their communities, and to be a centralized source of community input on major city decisions, such as budget priorities.

Today, there are 95 Neighborhood Associations in Portland, organized into seven District Coalitions. Each District Coalition is a nonprofit that is funded by the City to serve as a resource and convener of the Neighborhood Associations. This funding is administered through the **Office of Community & Civic Life**, which supports each coalition and the neighborhood associations. The office provides grant funding for each of the seven district coalitions to provide support and technical assistance to the neighborhood associations in their districts, and direct assistance for these neighborhood associations through the following services (and more not listed):

- The Neighborhood Small Grants Program, which supports community-led projects (e.g. street cleanings or block parties)
- Training events that work to build community members' capacity for leadership and organizing
- A designated staff liaison who coordinates with City bureaus on issues that affect NAs and Coalitions



**The City Portsmouth can provide forgivable loans for owner-occupied rehabilitation.** This will help existing homeowners make necessary improvements to maintain their homes.

**Owner-occupied rehabilitation programs help maintain the affordability of homeownership by ensuring that properties are stable for their occupants and up-to-code with the City.** For many Portsmouth residents, the most affordable place to live is their current home, which makes owner-occupied rehab an affordable housing and age-in-place strategy. OOR helps homeowners preserve their assets through services including modernization, weatherization, and handicap-accessible modifications. Homeowners can receive OOR funds through grants, loans, or tax abatements.

**The City is currently setting up a small-scale rehabilitation program that will leverage CDBG funds to provide forgivable improvement loans to owner-occupants.** This program will meaningfully utilize federal funds on the table and help to advance neighborhood goals.

**The City should operate its OOR programs as a core component of strategic code enforcement** by intervening in cases where homeowners can't afford to repair their properties. All homeowners with active code enforcement cases should be shepherded through OOR programs and prioritized to receive funding. The City should leverage the existing relationships of neighborhood and civic associations to connect residents with any remaining OOR funds, in order to repair homes before they become substandard or uninhabitable.

**By supporting homeowners who are struggling to afford maintenance and upgrades on their homes, the City can prevent foreclosures and displacement** while preserving naturally-occurring affordable housing. These improvements will also contribute to the outer appearance of Portsmouth's neighborhoods, leading to a stronger housing market with greater potential for private investment.

## Key Partners

- City of Portsmouth
- Nonprofit partners
- Neighborhood and civic organizations

## Action Steps

1. Identify and dedicate federal and state funding sources for OOR program loans
2. Identify program outreach, administration, and management partners

## Major Outcomes

1. Removal of blight
2. Neighborhood beautification
3. Improvement of city's housing stock
4. Preservation of naturally-occurring affordable housing for homeowners
5. Healthier homes for city residents

## Timing

Intermediate to Long Term



**The City should advance its work to establish a home repair loan program.** Staff members in the Planning Department have been preparing to launch an OOR program that utilizes CDBG funds to offer homeowners forgivable loans of up to \$7,500 for home repairs for households with incomes below 80% of Area Median Income (AMI). To accomplish this work, it will partner with a local nonprofit to administer and implement the program. Given the existing prioritization and effort from staff, this program will be an essential opportunity for Portsmouth to utilize its CDBG funds and provide near-term support for its residents.

**However, the City should reorient the terms of this program.** First, the maximum amount of assistance per household should be raised to \$15,000. Due to the administrative complexity of loan programs, the City should continue to prioritize approaches that will help mitigate the administrative costs associated with debt servicing, such as coordinating with the Circuit Court to ensure that the provided OOR loans are non-amortizing, interest-free, and forgivable in two years. This will ensure that staff time and compensation can be utilized to administer as much OOR assistance as possible, instead of being used to manage an overly complex loan process. If the City dedicates \$1.0 to \$1.2 million annually in CDBG funding, it should be able to support between 100 and 150 loans per year. A pilot program might begin with \$100,000 to \$150,000 and could support 10 to 15 loans per year. If these loans are concentrated within pilot neighborhoods served by community partnerships, the program can have greater impacts on neighborhood housing markets while supporting housing quality for homeowners.

**Portsmouth should continue to identify project partners for rehabilitation.** In its design of the Home Repair Loan Program, the City should establish a partnership with a local housing service provider or other nonprofit that can provide services to implement an owner-occupied rehabilitation program. **The City should create a structured, outlined process for consolidating, reporting, and disseminating funding sources.** The City will need to integrate multiple sources of funding in order to utilize federal, local, and nonprofit funds. This will require a streamlined system and organized process. This will be a necessity for CDBG implementation, as the use of federal funds will require Portsmouth to be incredibly organized with its program data and reporting. Finally, Planning staff should work with City finance departments to ensure partner organizations comply with Portsmouth's financial standards and are prepared to navigate City processes, so they can quickly disseminate funding to homeowners.



*Recently Renovated Home on Peach St*



**The City should support opportunities for infill development and housing rehabilitation in neighborhoods outside of Downtown.** This will require the City to support the work of mission-oriented developers and good-faith investors.

**Public support of infill development provides incentives for the renovation and construction of new homes in existing neighborhoods.** Support can include providing public land, regulatory relief, technical assistance, and funding subsidies.

**Many of Portsmouth's neighborhoods have seen limited investment in home renovations and new construction, and have few move-in ready homes available for sale.** This impacts homeownership rates and creates a lack of interest among private developers. However, the City owns vacant lots that could be sold at reduced prices or donated to support renovation and construction.

**The City should support private and nonprofit partners who have the capacity to build and renovate homes.** Nonprofit housing developers and existing investors are often interested in building on Portsmouth's infill sites, given the lower prices to do business within the City. However, there is currently limited public support to guide them through regulatory processes and support development in pilot areas.

**The City can support infill development by selling property, particularly in pilot neighborhoods, while providing clear guidelines for public support.** This could entail assigning a staff liaison to help developers navigate approval processes, creating community-approved design guides for pilot neighborhoods to expedite the approval process, or waiving permit fees for projects aligned with City goals.

**Infill development benefits Portsmouth's neighborhoods.** The process will make more homes available to potential homeowners and help raise neighborhood property values, creating greater incentive for homeowners to make their own renovations. In addition to bolstering the number of available homes, infill development will also create greater opportunities for Portsmouth's workforce. Since these projects occur at a scale suited for independent developers, the developers and contractors on these projects be likely to be small local businesses.

## Key Partners

- City of Portsmouth
- Neighborhood and civic organizations
- Mission-oriented developers and small private developers

## Action Steps

1. Review regulatory policies that may be extending construction processes
2. Work with community groups and City departments to establish a list of "good-faith investors"
3. Develop a process for receivership and public land disposition

## Major Outcomes

1. Increases availability of "move-in ready" homes for prospective homebuyers
2. Provides economic development opportunities for contractors, investors, and other small businesses
3. Brings currently vacant properties back on the City's tax roll

## Timing

Long Term



**The City should establish guidelines for public land disposition in its neighborhoods**, such as selling discounted properties to good-faith investors\* or donating City-owned property to mission-oriented developers. These guidelines should also specify the areas of reinvestment where it will concentrate property disposition efforts in order to ensure that public capacity to manage the receivership and disposition processes is being directed towards neighborhoods with the greatest potential for reinvestment (consult the **Pilot Neighborhood Selection** [appendix](#) for guidance on the metrics that can be used to evaluate neighborhood potential).

Finally, these guidelines should outline the performance requirements investors must meet to receive and retain publicly-owned land. These performance requirements could include a specified time limit for recipients to begin their improvements, or a certain sale price or affordability range for renovated properties. These explicated conditions will help the City to meet its neighborhood reinvestment goals, ensure the equity of its public land disposition process, and increase its population over time.

**The City should provide technical assistance to increase the efficiency of the infill process.** This could include providing a regulatory liaison for mission-oriented developers and real estate investors who could help them navigate permitting, City fees, and other hurdles that have previously slowed the pace of infill development within Portsmouth. This technical assistance may also entail increasing Permits and Inspections staff's capacity to provide expedited review for renovation permits in reinvestment areas. Finally, the City may also be able to explore the possibility of providing waivers for certain development fees to expedite the process.



*\*Good faith investors can include private developers who have delivered high-quality product in Portsmouth's neighborhoods, investors who have worked to keep their properties up to code, and other private partners who meet performance requirements outlined by the City.*



**Baltimore's Vacants 2 Value program** is an example of how cities can use City-owned land and properties to promote renovation and infill development, while decreasing the barriers to homeownership in areas with declining population and limited housing stock. While the program began in a few select neighborhoods, as its impact on Baltimore's housing became more noticeable it received the public support necessary to scale up over time to meet growing interest in neighborhoods across the City.

Portsmouth can follow this model when selecting pilot neighborhoods for reinvestment support, connecting “move-in ready buyers” with move-in ready homes, and lobbying for additional local support for reinvestment programs.

### **Vacants 2 Value |** Baltimore, MD

In 2010, the City of Baltimore launched the Vacants 2 Value initiative with the goal of raising property values, attracting new residents and businesses, and increasing local tax revenue. At the time of the program's launch, Baltimore had over 16,000 known vacant properties and a declining population. The Vacants 2 Value program helped the City gain control over vacant properties so that they could be given to buyers who would rehabilitate them.

The program first targeted neighborhoods with existing assets, such as local businesses or institutions, to enhance the feasibility of development. It promotes infill development and renovation of existing structures in several ways: the program has helped streamline the disposition of City-owned properties and used the City's code enforcement process to promote rehabilitation without court action in stronger neighborhoods. The program also connects potential homebuyers with rehabbed homes to buy or vacant properties to rehabilitate, and provides properties to large and small private developers and nonprofit developers through a competitive bid process.

Since the program has seen some success, the City has dedicated additional funding to the program and complementary blight removal programs. With this funding, they provide subsidies to incentivize residents to become homeowners. The Vacants to Value Booster Program provides up to \$10,000 towards closing costs to homeowners that purchase previously vacant homes. The program has seen success in many neighborhoods, and as of late 2018, Baltimore has rehabilitated 4,200 vacant buildings and demolished more than 2,700.





**The City should amend its tax exemption program for rehabilitated residential properties to encourage more property owners to participate.** This will require coordination between multiple City departments.

**Offering temporary tax exemptions for rehabilitated residential properties provides an incentive for property owners to make improvements.** By reducing the property tax implications of property improvements which may raise assessed value, the City can effectively reduce the costs of rehabilitation for property owners.

**Portsmouth has an existing program, but regulatory hurdles limit participation by homeowners, while the amount of the exemption is too low to be a sufficient incentive to investor-owners.** Revisions are needed to ensure that this program has the intended impacts.

**The City Assessor's office has outlined changes that will streamline the program and increase the incentive available.** Proposed changes include lowering the increase in value requirement required for eligibility to incentivize more moderate home renovations, and putting a time limit on the rehabilitation to ensure that property owners receiving the incentive meet their obligation to the City.

**The City can leverage community partnerships to increase the visibility and use of this incentive by property owners in pilot neighborhoods.** Community partnerships are well suited to helping homeowners overcome the regulatory hurdles that may limit participation. Thus this program can have more impact when paired with community partnerships..

**These proposed changes should improve the potential impacts of tax exemption on property investment in neighborhoods.** A revised program should make it easier for property owners to access incentives while ensuring that tax exemptions leverage the intended property improvements.

### Key Partners

- City of Portsmouth

### Action Steps

1. Review and adopt proposed program changes
2. Work with community groups and City departments to reduce regulatory barriers for property owners

### Major Outcomes

1. Increase in moderate and significant property investment by owner-occupants and investors, particularly in pilot neighborhoods
2. Improved fiscal impacts due to time limits

### Timing

Intermediate Term

# PROVIDE OPTIONS FOR SENIOR HOUSING

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VICTORY SQUARE

## PROCESS OVERVIEW

### Consider the needs of seniors as part of neighborhood revitalization

- Partners evaluate needs of seniors in their communities
- City provides information to connect residents to available resources and technical assistance

### Consider the needs of seniors as part of Downtown development

- Ensure that senior rental housing (market rate or subsidized) is included as part of mixed-use development on public land



**Enable seniors to remain in their homes**



**Enable seniors to remain in Portsmouth**



**Build upon other housing strategies**

**Effective senior housing strategies connect aging residents to resources for affordable and accessible housing.** Senior households can face particular housing challenges, including the need for accessibility that may arise from a loss of mobility, the need for a walkable community if seniors no longer drive, and fixed incomes following retirement. Integrating resources for senior housing into the City's housing strategies can help to better serve Portsmouth's growing senior population.

**Supporting seniors as part of Portsmouth's neighborhood reinvestment strategy will help retain residents, preserve homeownership, and increase property values.** To remain in their homes and safely age in place, Portsmouth's seniors may need to maintain the quality and improve the accessibility of their housing. This will also help seniors maintain community ties, which will support senior quality of life as well as the retention of population in alignment with neighborhood reinvestment efforts.

**Investments in new senior housing will allow more residents to remain in the City, and live in communities with walkable amenities as mobility declines.** By encouraging new senior housing developments as part of the development of publicly-owned land, the City can ensure that seniors in the market for new rental housing have centrally-located and affordable rental options within Portsmouth.

## SENIOR HOUSING | Opportunity

**The senior population is growing nationally, and is a notable area of population growth in Portsmouth.** Due to rising life expectancy and the aging of the Baby Boomer generation, regions throughout the country are experiencing significant increases in their senior population. Despite overall population decline from 2010 to 2018, the City of Portsmouth gained nearly 2,000 senior households over this time period, a 14% increase. According to projections from the Demographics Research Group at UVA's Weldon Cooper Center, this growth is projected to continue over the next 10 years, with Portsmouth gaining another 1,300 seniors, for a growth rate of 5.2%.

**Seniors frequently have particular housing needs, which may change as they age.** Many early seniors and retirees prefer to downsize from larger to smaller homes, which contributes to the growth of this population segment in Portsmouth. Older seniors frequently need ramps or other accessibility enhancements as their mobility declines, and many also prefer walkable neighborhoods that reduce the need for car travel. Though not all seniors who rent prefer age-restricted housing, subsidized or market rate senior housing can help meet the particular needs of the seniors who do. **Currently, Portsmouth has just 590 age-restricted rental units available for seniors,** despite having over 25,000 residents aged 55 or older.



**The senior population is growing across the Country and in Portsmouth**



**Seniors have particular housing needs**



**Portsmouth has few age-restricted housing options**

**To serve the needs of an aging population, Portsmouth will need to ensure that senior households can make investments in their current homes, and that seniors who rent have access to housing options in Portsmouth.** Portsmouth has the opportunity to support its seniors to make housing improvements and incentivize new construction of senior rental housing as part of its other housing strategies.

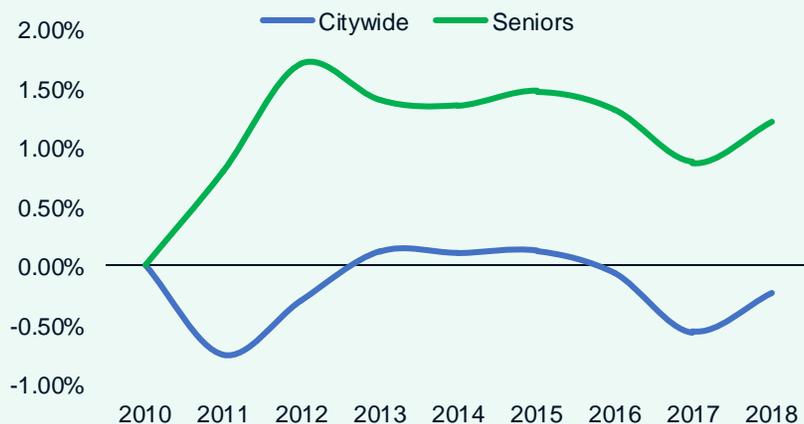
*Source: ACS 5-Year Estimates (2010 and 2018), CoStar, VHDA, Weldon Cooper Center for Public Service*

## SENIOR HOUSING | Opportunity

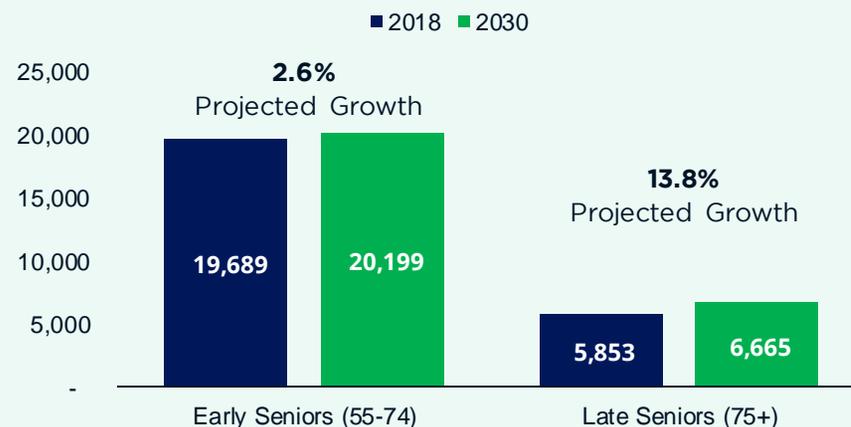
**Portsmouth's senior population is growing, which presents an opportunity to stem overall population decline.** In order to do so, the city's existing seniors will need to make their homes accessible, while other longtime residents and prospective movers will need to find senior housing communities that are within their price point and desired locations. The opportunity to leverage senior population growth is evident in Portsmouth's demographic trends.

Given their high homeownership rates, owner-occupied rehabilitation services will be particularly useful, as many seniors own existing homes they will need to modify. However, seniors are also one of the few growing population segments in the city, suggesting a potential influx of new residents. Seniors are less likely to be impacted by school quality, which the 2015 Demographic Study identified as a major reason why residents are leaving the city, making them an ideal population to attract as Portsmouth continues to build back its tax base and public school system. Furthermore, many of the city and region's seniors have annual incomes above \$50,000, which could allow them to afford market-rate senior housing communities.

### Population Growth, 2010-2018



### Senior Population by Age, 2018-2030



### Citywide Demographics, 2018

**Homeownership Rate:** 54%  
**Median HH Income\*:** \$50,224  
**HHs earning above \$50K\*:** 42%

### Senior Demographics, 2018

**Homeownership Rate:** 69%  
**Median HH Income\*:** \$39,078  
**HHs earning above \$50K\*:** 42%

*\*Statistics represent HHs aged 65+*

Source: ACS 5-Year Estimates (2008-2018), Portsmouth Demographic Study (2015), Weldon Cooper Center for Public Service

## SENIOR HOUSING | Opportunity

According to the National Institute on Aging, **over 90% of seniors want to remain in their current homes** for the next five to ten years. However, to ensure that it is safe and healthy for them to do so, many seniors must work with contractors to modify their homes. These modifications can range from the addition of grab bars, ramps, and railings; to first-floor bathroom conversions; to the installation of stairlifts. Given the variety of accessibility needs, renovations can cost anywhere from \$10,000 to \$100,000. By providing seniors with financial and technical support for these improvements, Portsmouth can retain a greater share of its residents who would like to age-in-place.

On the other hand, **more than a quarter of seniors in their 60s are not confident their communities have the amenities they need to lead a healthy and independent life**, and only half of seniors feel their cities have high-quality public transportation. This indicates that many seniors might be interested in relocating to areas within walking distance of their everyday needs.

If Portsmouth provides an adequate stock of senior housing communities near Downtown, it can attract Hampton Roads seniors seeking more amenitized environments. An adequate stock will include market-rate units to meet demand from the region's sizable middle-income senior population, as well as opportunities for affordable senior housing. As more residents continue to locate in Greater Downtown, seniors throughout Portsmouth will benefit from increased commercial development in the area. Their presence—and their patronage—will in turn expedite the success of retail locations in Portsmouth's Downtown. Recent projections estimate that by 2030, **U.S. seniors will account for half of all domestic consumer spending growth since the Great Recession**, indicating the significant opportunity available to Portsmouth businesses who can locate within walking distance of this population segment.

### Location of Existing Senior Communities



### Portsmouth Senior Rental Stock, 2020

- Total Units:** 590
- Total Subsidized Units:** 524
- % Market-Rate Units:** 11%
- Overall Vacancy Rate:** 3.6%
- Median Year Built:** 1991

Source: National Institute on Aging (NIA), ACS 5-Year Estimates (2008-2018), VHDA, CoStar, Boston Consulting Group

## SENIOR HOUSING | Recommendations

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**Senior housing will require investments to preserve and produce housing that allows residents to age in place.** The following recommendations will allow the City to capitalize on outside resources for senior housing and ensure that Portsmouth's housing stock meets this population's market-rate and affordable housing needs.

**The City should think about senior housing needs as an extension of the major strategies in its Housing Plan and identify areas of joint impact.** This will help to ensure that implementation funds, political will, and staff capacity are not stretched in too many different directions and increase the impact of senior housing strategies.



### Provide Technical Assistance for Aging in Place

Partner with housing and legal service providers who will advise seniors on how they can adapt their homes and provide guidance during the rehabilitation process. This tool will be connected to the community partnership strategy outlined in the [neighborhood reinvestment section](#).



### Include Seniors in Owner-Occupied Rehabilitation

Ensure that Owner-Occupied Rehabilitation funding is made available to seniors in order to help enhance their ability to stay in their homes as their mobility decreases. This recommendation will result in a refocusing of the [neighborhood reinvestment section](#).



### Consider Senior Housing in Public Land Disposition

Solicit proposals to develop market-rate or subsidized senior housing as part of the City's public land disposition strategy. This recommendation will help inform the public benefit evaluation of the [Downtown redevelopment strategy](#).



**The City should partner with nonprofits to advise residents on home rehabilitations.** This will ensure seniors have the technical support they need to age in place.

**Technical assistance is an important tool to ensure that residents are informed of and able to navigate the public resources available to them.** In Portsmouth, this tool will be connected to the community partnership strategy.

**Seniors can face difficulty in accessing professional services for home modifications.** Many homeowners are unfamiliar with the complex nature of contracting and can fall victim to unexpected delays and uncertain costs in a project. The City can develop and provide a list of reputable contractors, and connect seniors to informed advocates who can help them navigate the modification process (as well as potential OOR funding processes).

**The City should partner with nonprofits who will advise seniors on how they should adapt their homes and guide them through the process of hiring a contractor and completing necessary rehabilitations.** These nonprofit partners can also provide information and assistance directly to neighborhood groups as a part of the community partnerships strategy. This will allow for an additional level of information by leveraging the engagement capacity of community partners.

**As a result of this effort, Portsmouth's seniors will have the technical support they need to age in place.** This will lead to population retention, greater home improvement activity, and fewer health risks for seniors in their homes.

**A secondary area of focus for technical assistance is in estate planning and the resolution of title issues.** Homeownership is a significant vehicle for asset building within and across generations, but unclear chain of title and inheritance can lead to challenges. Without a clear title, residents can have difficulty accessing insurance or borrowing funds to make improvements. By connecting property owners to pro bono or low-cost legal services through community partnerships, the City can help seniors and multigenerational families maintain their housing in Portsmouth.

## Key Partners

- City of Portsmouth
- Nonprofit partners
- Neighborhood and civic groups
- Reputable contractors

## Action Steps

1. Identify a nonprofit partner to provide technical assistance
2. Develop or disseminate informational materials about age-in-place resources
3. Connect nonprofit partner with community partnerships

## Major Outcomes

1. Portsmouth will retain more of its seniors
2. Portsmouth neighborhoods will see investment through rehab activity
3. Fewer seniors will be at risk of major accidents related to home safety

## Timing

Intermediate Term



**The City should include senior modifications as part of its owner-occupied rehabilitation services.** This will ensure seniors have the financial support they need to age in place.

**Owner-occupied rehabilitation programs help maintain the affordability of homeownership by ensuring that properties are stable for their occupants and up-to-code with the City.** Because the most affordable home is one's current home, owner-occupied rehab is an affordable housing and age-in-place strategy. It can help homeowners preserve their assets through services like home modernization, weatherization, and handicap-accessible modifications. Homeowners can receive OOR services through grants, loans, or tax abatements.

**The City is currently setting up a small-scale rehabilitation program that will leverage CDBG funds to provide forgivable improvement loans to owner-occupants.** This program will meaningfully utilize federal funds on the table and help to advance neighborhood goals. Accessibility modifications, including the construction of ramps and installation of grab-bars, are included as eligible repair costs for this proposed program.

**As the details of the OOR program are solidified, the City should tailor its services to seniors.** This may include ensuring that income-qualified technical assistance recipients are aware of the program, or increasing the income limit for senior households. These recommendations will result in a refocusing of the neighborhood reinvestment process and should be considered in tandem with local priorities.

**As a result of this effort, Portsmouth's seniors will have the financial support they need to age in place.** This will lead to population retention, greater home improvement activity, and fewer health risks for seniors in their homes.

### Key Partners

- City of Portsmouth
- Nonprofit partners
- Rehab contractors
- Neighborhood and civic organizations

### Action Steps

1. Confirm program design of Home Repair Loan Program
2. Begin to implement program, with specific focus on senior support

### Major Outcomes

1. Portsmouth will retain more of its seniors
2. Portsmouth neighborhoods will see investment through rehab activity
3. Fewer seniors will be at risk of major accidents related to home safety

### Timing

Intermediate to Long Term



**The City should include opportunities for senior housing in its public land disposition strategy.** This will ensure that Downtown redevelopment helps to meet senior needs.

**Public land disposition strategies help cities to support the production of housing and other uses.** Publicly-owned vacant and underutilized parcels are significant assets at a jurisdiction's disposal. Offering such land to developers at free or reduced cost can help close the feasibility gap to enable new development and increase the city's supply of affordable rental homes. This can be a particularly useful tool for cities to incentive particular types of development, such as senior and affordable housing.

**The disposition of publicly-owned land at below-market value is legal in Virginia, so long as valuable public benefits are provided in exchange.** When the City communicates priorities to developers as part of the Downtown development process, it should include the development of new senior rental housing as a priority use. The City should make a particular commitment to supporting affordable senior housing projects by preparing to offer free public land to developers that secure Low-Income Housing Tax Credit (LIHTC) funding.

**If enacted, these disposition priorities could have significant impacts on the growth of the Downtown and overall population** by attracting a growing population of residents. Walkable neighborhoods are beneficial to seniors with decreasing mobility and providing communities that have access to amenities and housing at a range of price points will increase the city's regional competitiveness amongst seniors.

### Key Partners

- City of Portsmouth
- Developers

### Action Steps

1. Ensure that public benefit evaluation for disposition strategy incorporates senior housing as a key priority
2. Create an inventory of publicly-owned land that could accommodate future senior housing (market-rate or affordable housing)

### Major Outcomes

1. Attraction of new residents to city (and to Downtown)
2. Seniors will have rental housing options at a range of price points
3. Seniors will have rental housing options that do not require them to own a vehicle to access amenities

### Timing

Near Term

# **REDUCE THE CONCENTRATION OF POVERTY**

**VISION 64**

**OPPORTUNITY 65**

**RECOMMENDATIONS 71**

**DEVELOP SHORT-TERM RENTAL ASSISTANCE 72**

**SUPPORT MIXED-INCOME DEVELOPMENT 74**

**ESTABLISH A MOVING TO OPPORTUNITY PROGRAM 76**

**CREATE PATHWAYS TO HOMEOWNERSHIP FOR PRHA RESIDENTS 79**

## PROCESS OVERVIEW

### Identify means of support for mixed-income development

- Provide public land, regulatory fast tracking, and funding to create mixed-income housing

### Design parameters for supportive programs

- Dedicate funding to short-term rental assistance
- Identify neighborhoods of higher opportunity
- Partner with PRHA, developers and service providers to support relocation of low-income residents

### Establish regional partnerships

- Work with surrounding municipalities and organizations to design regional approaches to poverty deconcentration
- Engage with other regional jurisdictions to plan for regional collaboration



### Support better outcomes



### Forge public partnerships



### Lead regional solutions

**Access to stable, quality, and affordable housing drives a low-income household's potential for success through upward mobility.** Where one lives and grows up shapes their future, and when housing for low-income individuals is concentrated in areas of low opportunity, cycles of poverty persist.

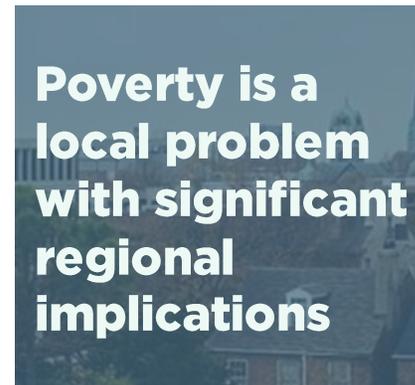
**Portsmouth can support its existing low-income residents by supporting households at risk of housing instability while helping low-income households move to areas of opportunity.** Portsmouth can support these goals through programs and strategies that encourage mixed-income development, rental assistance and support for moving to opportunity, and transitioning lower-income households to homeownership opportunities as they are ready for them. Local partnerships with Habitat for Humanity, the Portsmouth Redevelopment and Housing Authority (PRHA), and the Poverty Taskforce recommended in the City's recent poverty study will be crucial to the design and successful implementation of these programs.

**A regional approach will be necessary to develop effective solutions to Portsmouth's poverty challenges.** Portsmouth is a small city and cannot fully address challenges related to concentrated poverty within its municipal boundaries. The City should partner within the region to pool capacity in addressing these issues and work to scale programs that operate at the regional level.

## REDUCE POVERTY CONCENTRATION | Opportunity

**Concentrated poverty and housing stability are cyclical, significant challenges for many Portsmouth residents.** Portsmouth has one of the highest poverty rates in the region, at almost 17%. This poverty is significantly concentrated within a few census tracts, and high degrees of housing cost burden and eviction indicate difficulty in retaining stable housing for many of Portsmouth's lowest income residents. Unstable housing exacerbates issues associated with concentrated poverty and can lead to lower levels of educational attainment, poor health outcomes, and lower chance for upward mobility in adulthood. Thus, cycles of poverty perpetuate and make it difficult for low-income residents to better their lives through improved housing situations in neighborhoods with higher access to opportunity.

**The City's recently released poverty study, as well successes by PHRA in modernizing aging public housing stock, have built momentum for addressing the effects of poverty concentration.** Affordable and stable housing in areas that encourage access to opportunity are key parts of the puzzle in addressing concentrated poverty. The poverty study recommended creating a Poverty Taskforce, which would enhance local capacity to address poverty in Portsmouth.

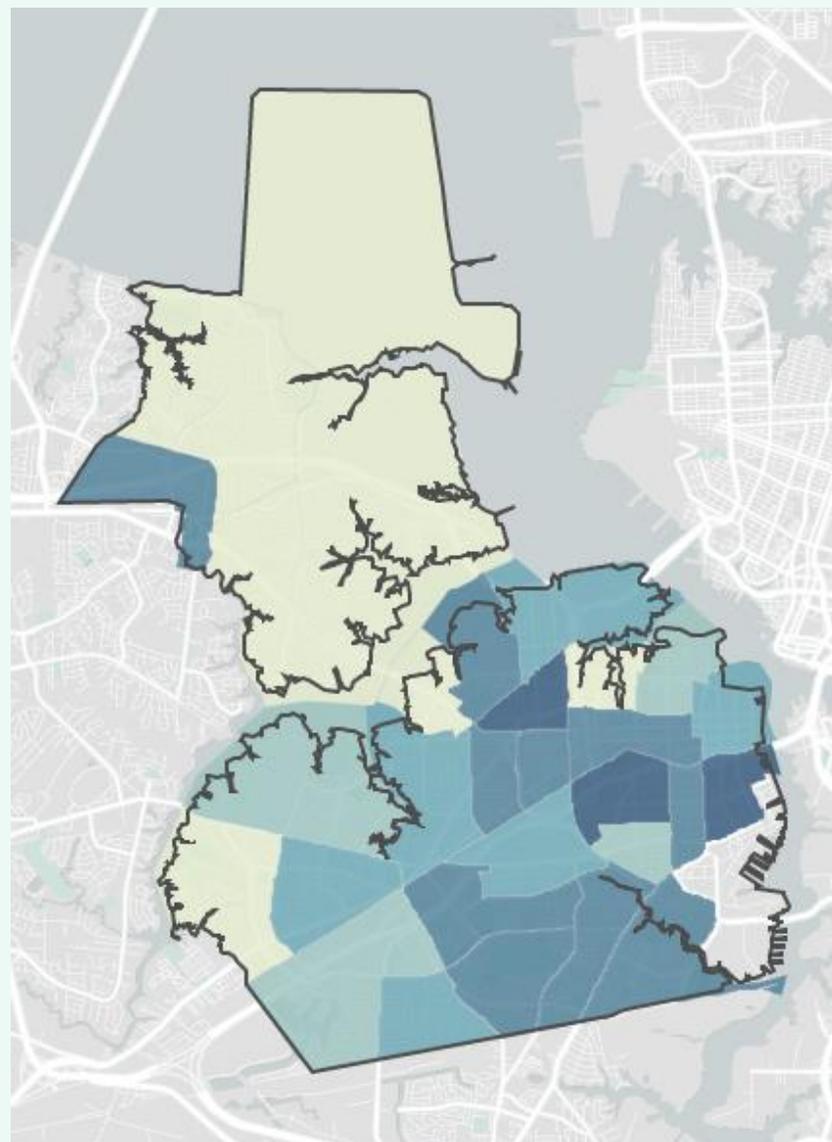


**Portsmouth has an opportunity to lead housing interventions that can lift its residents out of poverty, the impact of which can reverberate across the region.** Portsmouth alone will not be successful in addressing issues associated with concentrated poverty, as it is a problem that extends throughout the region. Portsmouth can forge regional partnerships and pool capacity with neighboring municipalities and organizations to develop regional solutions for Hampton Roads' lowest income earners. Regional partnerships will provide low-income residents greater opportunity to access and create better outcomes for themselves and their families.

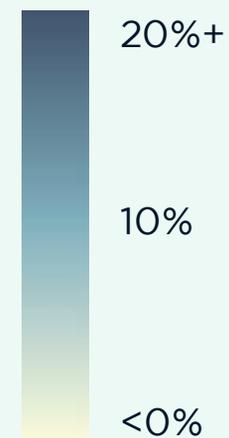
## REDUCE POVERTY CONCENTRATION | Opportunity

**Poverty is highly concentrated within Portsmouth.** Portsmouth has almost 16,000 residents living below the poverty level. More than 60% of these families are concentrated in nine census tracts southwest of Downtown, though these tracts only account for 20% of the city's total families. As described in the City's recently released [poverty study](#), many of these tracts additionally have higher proportions of young children, lower levels of educational attainment, and less equitable income distributions than the rest of the city.

### Percent of Households below the Poverty Line (2018)



**Percent of Households Below the Poverty Line (by census tract)**



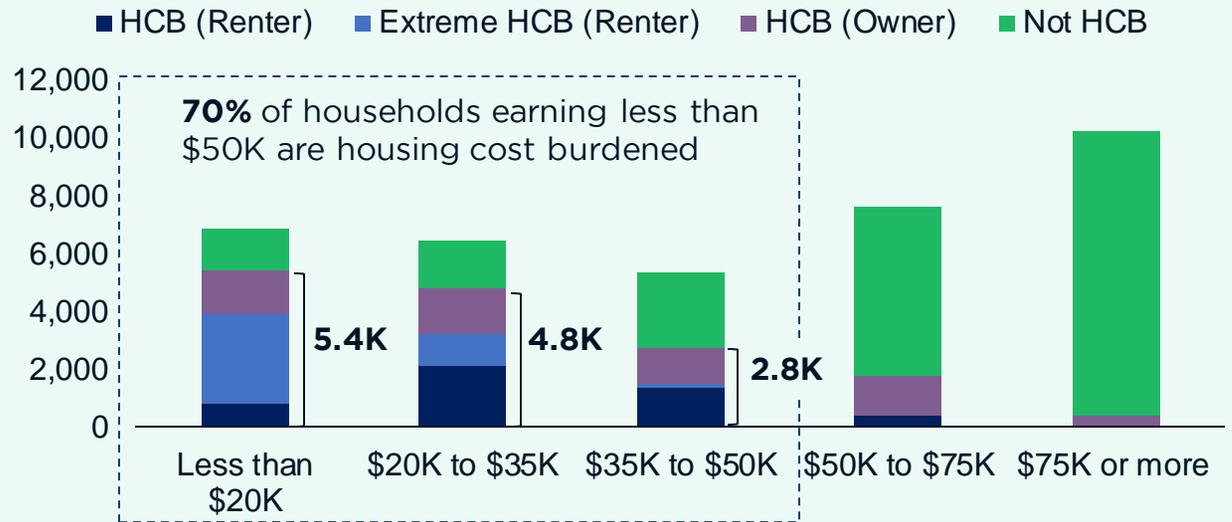
Sources: ACS 2018 5-Year Estimates, City of Portsmouth Poverty Study

## REDUCE POVERTY CONCENTRATION | Opportunity

**Housing that is unaffordable to lower-income residents and lack of tenant's rights results in a high degree of cost burden.** Over 70% of Portsmouth's households earning below \$50,000 annually are housing cost burdened, paying more than 30% of their monthly income to housing costs. Of the 8,600 burdened renters earning less than \$50,000 annually, over 50% (4,400) are extremely housing cost burdened, with more than 50% of their monthly income going to housing costs. Landlord discrimination further limits housing options for tenants with rental vouchers, as landlords may informally reject applications.

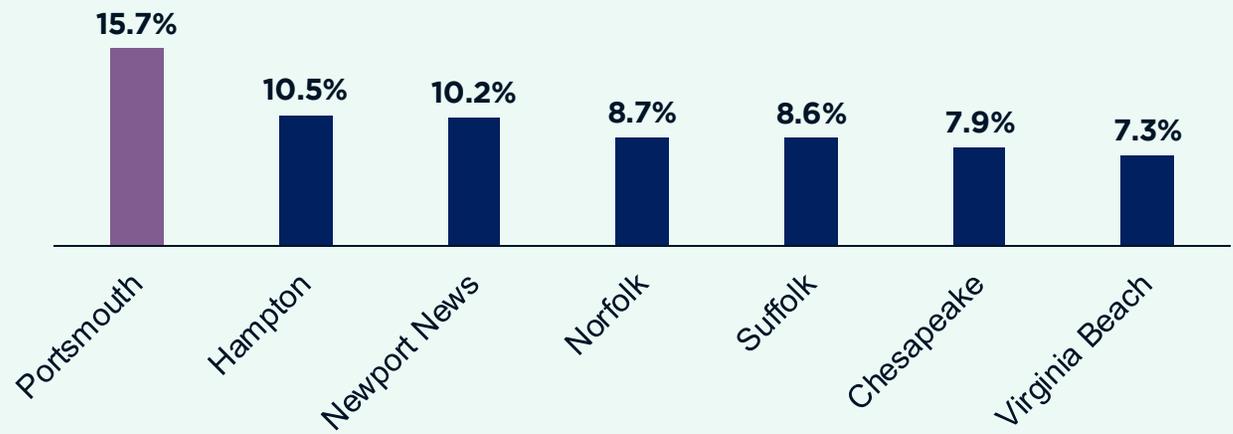
**These challenges lead to housing instability for the city's residents.** Portsmouth has an eviction rate of almost 16%, the highest rate in Hampton Roads. A lack of tenants' rights provisions at the state level leads to residents with unstable housing having limited options for assistance. **Unemployment due to COVID-19 will further increase housing insecurity in Portsmouth.**

### Housing Cost Burden (HCB) Status by Income and Tenure (2017)



*Housing cost burden means a household is spending 30% or more of monthly income on housing costs (i.e. rent, mortgage, utilities). Extremely housing cost burdened households spend 50% or more of monthly income on housing costs.*

### Regional Eviction Rates (2016)



Sources: ACS 2017 5-Year Estimates, Eviction Lab, Virginia Pilot

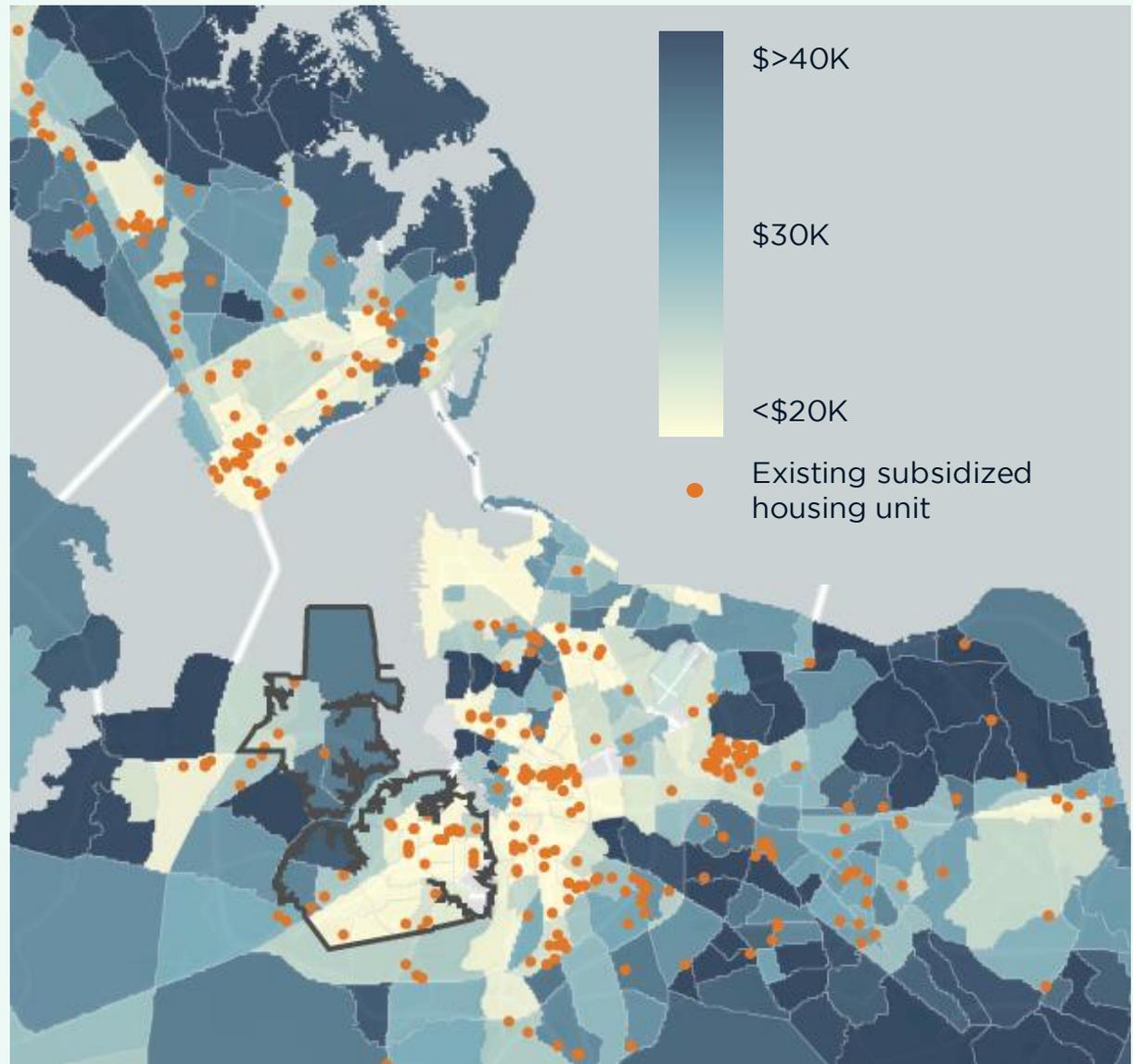
## REDUCE POVERTY CONCENTRATION | Opportunity

**Where a person lives shapes their future.** Having access to quality transit, jobs, and schools is a factor in determining a low-income person's ability to rise out of poverty and create upward mobility for themselves and their children. Areas of concentrated poverty typically have low access to transit and jobs, and their schools are frequently substandard, leading to disparate life outcomes. In Hampton Roads as in many parts of the country, a person's earning potential differs significantly based on the area in which they grew up.

**Locating stable housing for lower incomes in areas of opportunity can break cycles of poverty and empower families towards future success.** In Portsmouth, and much of the region, existing subsidized units are concentrated in areas that coincide with limited income mobility. The ability to live in high-opportunity neighborhoods can significantly impact a low-income household's chance to rise out of poverty, create stability for themselves and their families, and make significant contributions to the community in which they live.

Sources: *The Opportunity Atlas*, *National Housing Preservation Database*

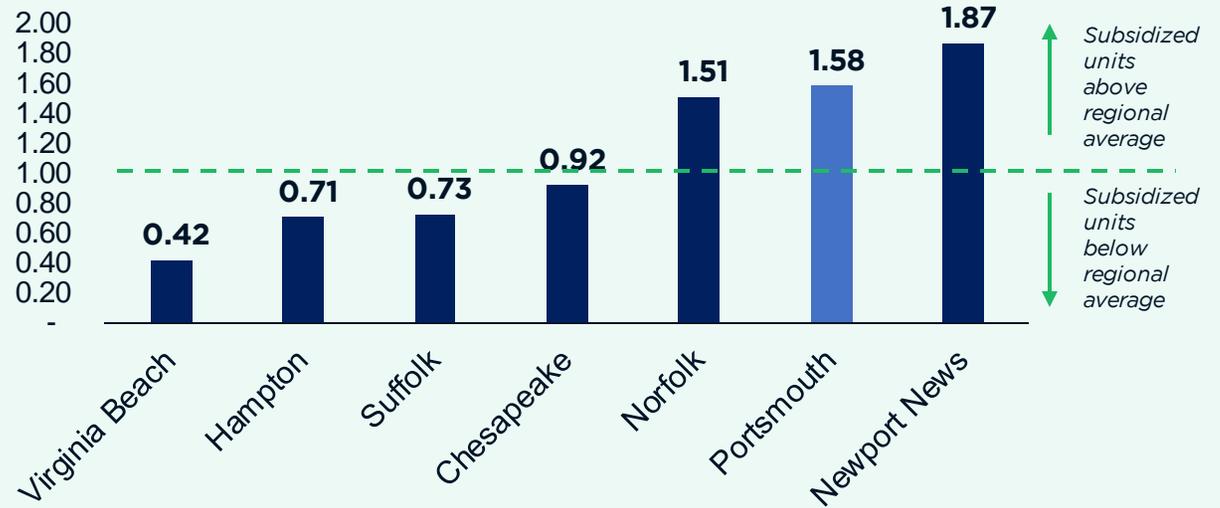
### Low Income Children's Average Earnings in Adulthood (2018)



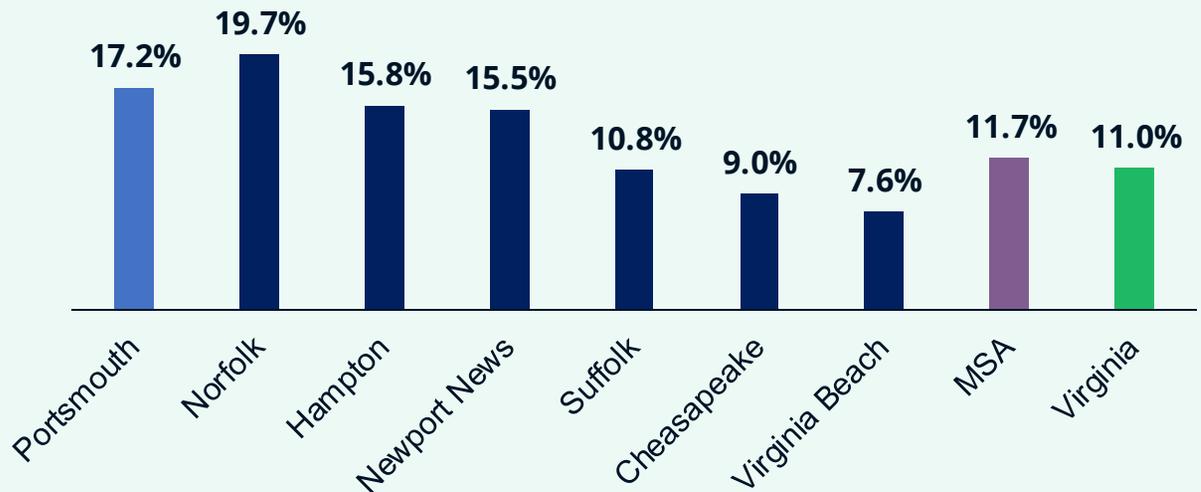
# REDUCE POVERTY CONCENTRATION | Opportunity

**Portsmouth's challenges with poverty are a local problem with regional implications.** Portsmouth feels some of the harshest impacts of concentrated poverty compared to other parts of the region. Portsmouth holds a higher-than-average share of subsidized housing. Compared to other regional municipalities, it has the second highest concentration of subsidized units, second only to Newport News. High rates of concentrated poverty are a problem throughout Hampton Roads. Other urban municipalities in the region – particularly Norfolk, Hampton, and Newport News – have similar patterns of concentration. These trends suggest that while Portsmouth must pursue local strategies to address challenges related to concentrated poverty, it must also coordinate at the regional level to truly reduce the long-term causes and impacts of concentrated poverty.

**Regional Subsidized Unit Location Quotient (2018)**



**Regional Poverty Rates (2018)**



Sources: ACS 2018 5-Year Estimates, National Housing Preservation Database

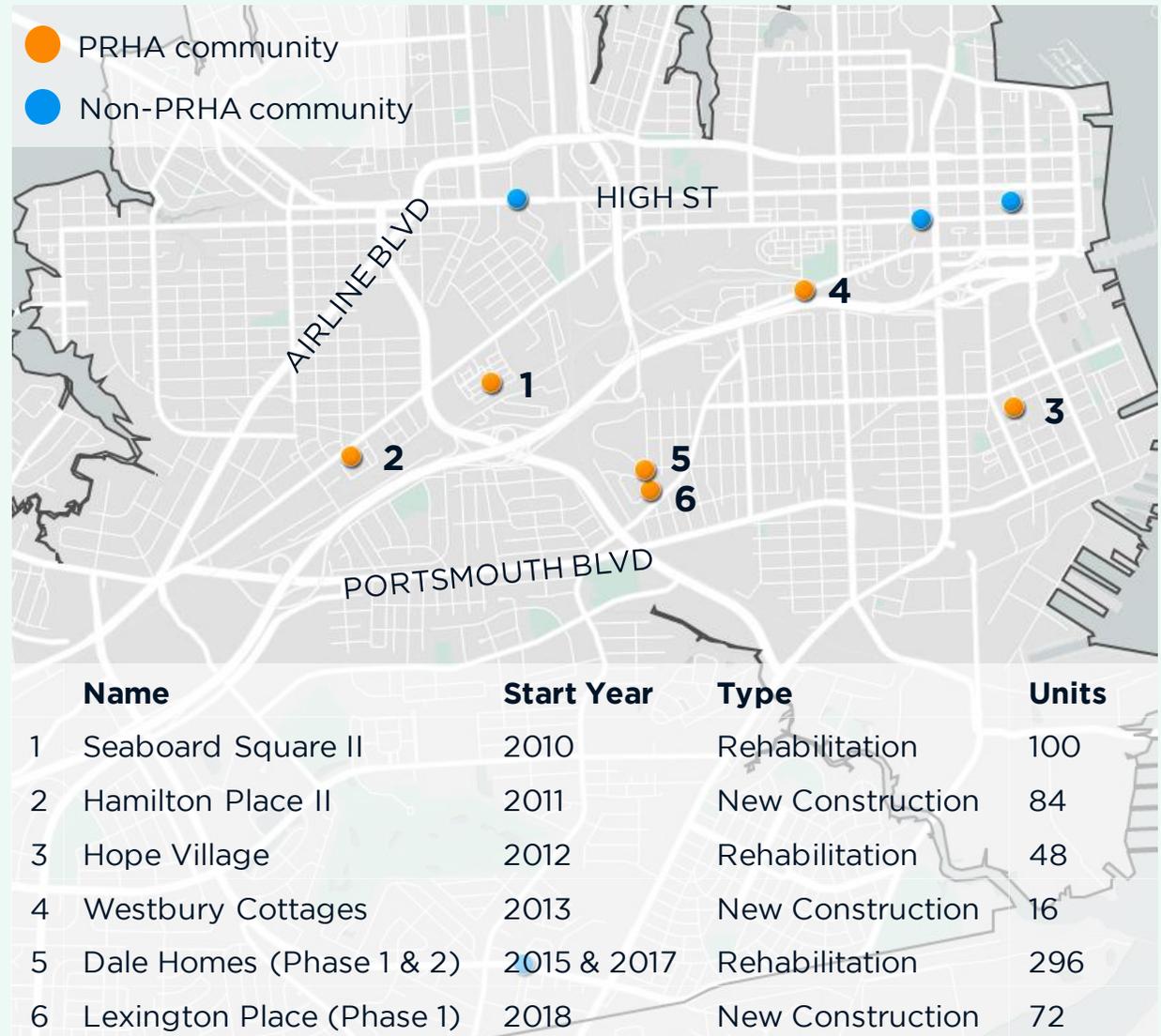
## REDUCE POVERTY CONCENTRATION | Opportunity

**Portsmouth has built momentum to lift residents out of poverty by providing quality housing and services.** The Portsmouth

Redevelopment and Housing Authority (PRHA), the largest single provider of affordable housing in the city, has had success in modernizing its public housing. In the past decade, PRHA has built or rehabilitated almost 500 units in the Seaboard Square, Hope Village, Westbury Cottages, and Dale Homes communities. It has won a Low-Income Housing Tax Credit (LIHTC) award for phase one construction of Lexington Place, which will add an additional 70 units of quality subsidized housing. An additional 50 affordable units are in the construction pipeline in Downtown Portsmouth on PRHA-owned land. The 2019 release of the City's poverty study encourages the continuation of building housing solutions for city's most vulnerable residents. Discussions and planning related to housing and poverty will continue through the recommended Poverty Taskforce.

Sources: City of Portsmouth, PRHA, VDHA

### Affordable Housing Momentum in the Past Decade (LIHTC awards since 2010)



## REDUCE POVERTY CONCENTRATION | Recommendations

**Portsmouth can build on the momentum started by the recently released poverty study and PRHA's successes to pursue housing interventions that will assist residents in lifting themselves out of poverty and create more positive life outcomes for themselves and their families.** The City should pursue a low-income housing strategy that prioritizes the creation of short-term rental assistance to keep residents stably housed during difficult circumstances, support for mixed-income development in areas without concentrated poverty, establishment of a program to aid low-income individuals in moving to areas of high opportunity, and development of paths to homeownership for PRHA residents.



### Develop Short-Term Rental Assistance

Building from an immediate rental assistance response to COVID-19, Portsmouth should design and formalize a continuing program to provide short-term rental assistance to provide temporary relief for those on the brink of losing their housing.



### Support Mixed-Income Development

Portsmouth should identify means of providing funding, land, and regulatory support to developers looking to build modern, affordable multifamily and single-family housing in the city.



### Establish a Moving to Opportunity Program

Portsmouth should identify areas of higher opportunity within the city and region and support low-income residents in moving to these areas in collaboration with the Portsmouth Redevelopment and Housing Authority (PRHA). The City and PRHA should partner with Norfolk, Suffolk, and Chesapeake, along with other regional jurisdictions, to proactively plan for regional moving-to-opportunity efforts.



### Create Pathways to Homeownership for PRHA Residents

Portsmouth should identify ways in which the city can support PRHA in creating paths to homeownership for their residents through directed down payment assistance or other means.



**Short-term rental assistance will stabilize housing for Portsmouth's residents at risk of eviction and tenure loss and protect against greater loss due to COVID-19 uncertainty.**

Portsmouth should provide immediate assistance to renters impacted by COVID-19 and build from this short-term solution to develop a formalized program to provide temporary relief for those at risk of eviction and foreclosure.

**Portsmouth's low-income residents are at high risk for housing instability.** With a 70% rate of housing cost burden for residents earning less than \$50,000, and a 15% eviction rate that represents the highest in the region, Portsmouth's low-income residents are consistently at risk of losing their housing. Loss of housing can put individuals and families on the brink of homelessness and interrupt employment and schooling for those affected. It is nearly impossible to escape poverty without a stable place to live.

**The COVID-19 pandemic will continue to exacerbate existing instabilities for Portsmouth's low-income renters and homeowners.** The economic aftermath of COVID-19 will only worsen Portsmouth's existing conditions and make low-income residents even more vulnerable to losing their homes amidst massive unemployment. It is crucial that Portsmouth support those impacted by the crisis so they can remain housed in this time of extreme uncertainty.

**Portsmouth should establish a means for immediate housing assistance for those impacted by COVID-19 and build on this to formalize a lasting program for those vulnerable to eviction and foreclosure.** As a means of emergency response, the City should fast-track development of a short-term rental and mortgage assistance program to support those who find themselves unemployed as a result of COVID-19 to ensure they are able to remain housed during the pandemic. Amidst eventual recovery, Portsmouth should shift this emergency response to a formalized program that provides short-term assistance to low-income residents facing a one-time housing crisis to help them remain housed as they stabilize their situation. Education and outreach to landlords and residents about tenants' rights, landlord responsibilities, and eviction processes may further help limit evictions.

## Key Partners

- City of Portsmouth
- Poverty taskforce
- Landlords

## Action Steps

1. Identify a short-term funding stream to provide assistance to those impacted by COVID-19
2. Develop rules and procedures by which the program will be governed and staff capacity to run the program
3. Identify stable funding to support the program for the longer term
4. Provide eviction prevention education to landlords and residents

## Major Outcomes

1. Limit the displacement of households that been impacted by COVID-19
2. Stable or lowered city eviction rate
3. Improved household outcomes due to housing stability

## Timeframe

Immediate



**Portsmouth could model a formalized short-term assistance program off of the Urban Redevelopment Authority of Pittsburgh’s Housing Opportunity Fund Housing Stabilization Program.** In a similar vein to Pittsburgh’s program, the program could offer short-term assistance for up to three months to assist renters facing a first, one-time eviction or homeowners facing a first, one-time foreclosure to stabilize their situation and get back on their feet.

**Housing Opportunity Fund Housing Stabilization Program | Pittsburgh, PA**

Pittsburgh’s Housing Opportunity Fund Housing Stabilization Program (HSP) was established in 2019 to provide one-time or short-term funding to individuals and families who are facing a one-time, non-reoccurring housing crisis. Short-term funding is available for up to three months. One-time funding support includes move-in assistance, utilities, rent, mortgage payment, and legal fees. Short-term funding support can include rent subsidy for up to three months, legal services throughout the eviction process,

and legal fees related to appearances in court. The program is designed to assist participants in stabilizing their current housing situation or bridge access to appropriate housing, with the goal of preventing eviction, foreclosure, and homelessness. As of 2019, the program anticipated it would will be able to assist almost 200 renters earning between 30% and 50% AMI on an annual basis. Parameters have been expanded to include eligibility for homeowners earning up to 80% AMI in the wake of COVID-19.

**Eligibility Requirements**

- Must be a renter of homeowner residing in the City of Pittsburgh
- Renters must be at or below 50% AMI
- Homeowners must be at or below 80% AMI
- Must develop a stability plan with a service provider

Household Size	Max Income for Renters	Max Income for Homeowners
1	\$29,050	\$46,500
2	\$33,200	\$53,150
3	\$37,350	\$59,800
4	\$41,500	\$66,400
5	\$44,850	\$71,750
6	\$48,150	\$77,050

Sources: Urban Redevelopment Authority of Pittsburgh



**Mixed-income development can create housing for low-income households in areas of greater opportunity.** Supporting mixed-income development Downtown and in other higher-opportunity areas will help de-concentrate poverty and can support positive life outcomes for low-income residents and their children.

**PRHA has made great strides in modernizing its stock of subsidized housing.** The public housing authority has put significant resources into rehabilitating and modernizing its stock of public housing units through Rental Assistance Demonstration (RAD), LIHTC, and other resources. The result has been a significant increase in the quality of Portsmouth's subsidized housing. However, these modernization efforts do not add additional units, and PRHA is constrained in developing new units by a HUD mandate that any new units can only be built in racially de-concentrated areas.

**The City therefore should support the creation of new affordable housing units to increase the overall number of units available.** While a perception persists that Portsmouth already has a lot of subsidized housing, the need for quality units affordable to the city's lowest income earners remains. The City can simultaneously encourage market-rate new construction, as well as the creation of new affordable units, through support for mixed-income housing in areas without concentrated poverty. Supporting mixed-income development can dually support the goals of increasing residential development Downtown and supporting infill development in neighborhoods.

**The City can support the construction of new, mixed-income development through multiple avenues, ranging from regulatory support to direct subsidy.** Portsmouth could support new mixed-income development through regulatory fast-tracking, disposition of publicly-owned land, or direct subsidy for nonprofit or private nonprofit housing developers, or PRHA. Dedication of public land and regulatory fast tracking represent the best opportunities for Portsmouth to support mixed-income development without requiring significant up-front subsidy.

## Key Partners

- City of Portsmouth
- Poverty taskforce
- Affordable housing developers

## Action Steps

1. Jointly determine opportunities for mixed-income development on public land with PRHA
2. Engage private developers and determine feasible methods of support for mixed-income development
3. As the Downtown market strengthens, require mixed-income units on development on public land

## Major Outcomes

- Increased mixed-income housing development in areas of higher opportunity

## Timeframe

Intermediate Term



**Portsmouth should review its land holdings in areas of higher opportunity to determine if any can be used to support mixed-income housing.** Portsmouth should inventory publicly-owned land, as well as already inventoried underutilized assets, in areas of higher opportunity in the city, such as Churchland. All parcels appropriate for mixed-income development should be flagged, held for, and disposed of to interested developers. Sites can be evaluated against the below criteria, from Wake County, NC. Alternatively, the City could partner with PRHA to develop new mixed-income housing on any sites that are appropriate. This work can be undertaken in coordination with efforts to support catalytic development Downtown, and to support infill development in neighborhoods.

**As the Downtown market improves through catalytic development, the City can also begin to trade created value for affordable units in market rate development.** As described earlier in this plan, Portsmouth’s public land holdings Downtown are a significant opportunity to direct desired development and build Downtown into an attractive destination for both new and existing residents. While below-market rate disposition will likely be used to cover development gaps in the short term, the City may be able to require affordable units in exchange for below-market rate disposition as the market strengthens.

## Criteria to Identity Sites for Affordable and Mixed-Income Development | Wake County, NC

### Criteria to determine basic feasibility:

Meets minimum size	Over 3,000 SF, with strong preference for larger sites (>1 acre) that can accommodate multifamily projects.
No conflicting use	Either vacant or a “soft site” (land value > building value), with no County or municipal facility either currently occupying or planned to occupy the <u>entire</u> site. It may be appropriate to have a County or municipal facility <u>partially</u> occupy the site because of the benefits of housing-facility colocation.
No environmental constraints	Located outside floodplain and protected open space areas, with priority for parcels with limited slope.

### Criteria to determine priority:

Existing zoning	In an existing residential or mixed-use district.
Utility access	Has public water and sewer service or falls in an ETJ that is likely to receive it in the next 5-10 years.
Located in high-opportunity areas	Not located in area of concentrated poverty; in proximity to transit, essential services, and better schools.

Sources: City of Portsmouth



## Moving to a high opportunity area can drastically shift life trajectories for low-income residents and their families.

Portsmouth can support poverty deconcentration and better resident outcomes by designing a program that encourages lower-income voucher holders to choose housing in areas of higher opportunity. The City can consider leveraging existing regional capacity to build this program.

**Portsmouth's existing subsidized housing and housing choice voucher holders are concentrated in areas that offer low potential for upward mobility.** Educational, health, and economic outcomes have been proven to be worse in highly impoverished areas. When housing for lower-incomes is concentrated in highly impoverished areas, residents have few chances to lift themselves out of poverty and create better outcomes for themselves and their families.

**Portsmouth should partner with PRHA and surrounding service providers to create a program to help voucher holders move to areas of higher opportunity.** The City should identify areas of highest opportunity in the city, and work with landlords and service providers to identify available rental opportunities for voucher holders. Portsmouth should provide assistance in locating housing and accessing supportive services to help residents acclimate to their new neighborhoods. The City can also conduct landlord outreach and education to dispel misgivings about the Section 8 voucher program.

**Portsmouth can engage regional entities to understand opportunity at the regional level and pool capacity to create the program.** Neighboring Norfolk is conducting an extensive relocation effort, with a strong focus on designing opportune outcomes for relocated residents. More broadly, poverty deconcentration efforts at the local level cannot be successful without regional support. Portsmouth can consider partnering with existing regional municipalities, like Norfolk, and organizations participating in their relocation efforts, to identify methods to pool capacity, scale the program at the regional level, and proactively work to supportively deconcentrate regional poverty.

## Key Partners

- City of Portsmouth
- PRHA and service providers
- Poverty taskforce
- Regional partners
- Private landlords

## Action Steps

1. Identify areas of high opportunity within the city and region
2. Engage Norfolk to determine potential for leveraging local organizational capacity being built for People First
3. Conduct outreach to private landlords
4. Forge partnerships with service providers operating in high opportunity areas
5. Support resident re-location

## Major Outcomes

- Increase access to opportunity for Portsmouth public housing residents
- Increased collaboration on regional challenges

## Timeframe

Long Term

## REDUCE POVERTY CONCENTRATION | Establish a Moving to Opportunity Program



**Supportive resident services and landlord education are key aspects of successful re-location programs.** There are a number of reasons why low-income residents do not, or cannot, seek housing in areas of higher opportunity when procuring a housing choice voucher. Lower-income residents may be wary of leaving behind their support networks of friends and family and the neighborhoods they know well. They may rely on these informal support networks for childcare, transportation, and other daily necessities. They may additionally be weary of moving to a neighborhood they are less familiar with or where they have fewer community ties. As a result, low-income residents may continue to seek housing in lower-opportunity, impoverished neighborhoods even after procuring access to a housing voucher. Alternatively, landlords operating in areas of higher opportunity may be wary of renting to voucher holders and may informally deny rental applications on this basis. While this is illegal in Virginia, many landlords are uneducated on the program, thinking they may not get paid full rent due or will incur increased processing burdens. For these reasons, resident support to ensure voucher holders can acclimate to new neighborhoods, and landlord outreach and education to encourage acceptance of vouchers, will be crucial to a successful program for Portsmouth. These services can be provided in coordination with PRHA.

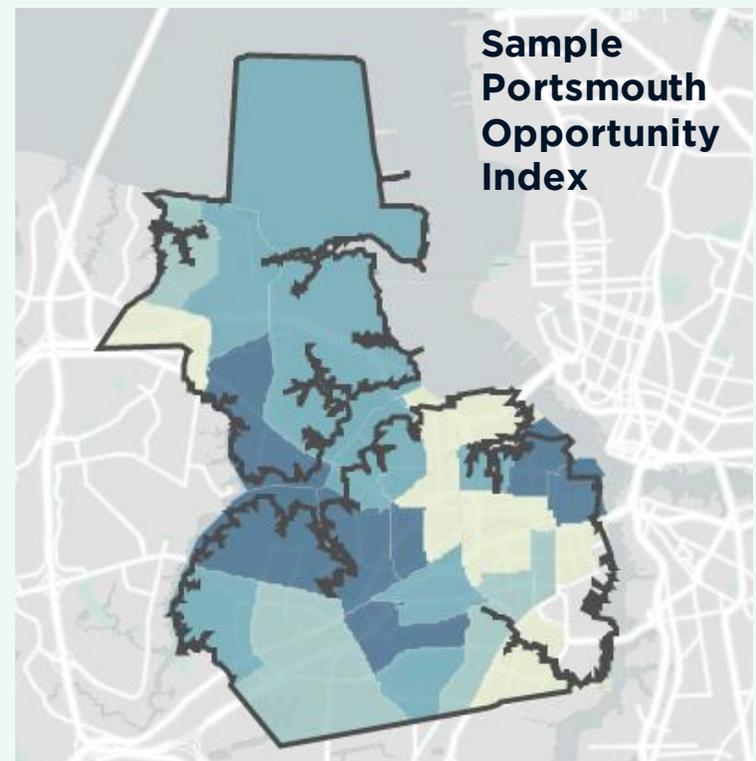
**Portsmouth can pull from established methodologies to determine areas of high opportunity.** The Opportunity Atlas' measure of low-income children's average earnings in adulthood, showcased earlier in this chapter, is one option by which to measure which areas in the city provide strong access to opportunity. In addition, the Department of Housing and Urban Development (HUD) has created the Housing Choice Opportunity Index, which indexes a set of quality of life measures at varying geographies and is designed to help housing choice voucher holders identify neighborhoods of opportunity. An index compiled based on the indicators HUD considers is shown.

### Criteria Comprising the Sample Portsmouth Housing Choice Opportunity Index

- Poverty rate (%)
- Concentration of assisted housing (units)
- Minority concentration (%)
- Adult unemployment rate (%)
- Work commute (minutes)
- High school dropout rate (%)

*Index developed by calculating and ranking the composite z-score of these variables by census tract. Higher composite z-score indicates lower opportunity.*

Opportunity Index by Tract Quartile



Sources: City of Portsmouth, *The Opportunity Atlas*, HUD



**The Creating Moves to Opportunity project in Seattle exemplifies the impact of a modest amount of resident support and landlord outreach in encouraging better resident outcomes.** In addition to the services provided as part of this study in finding appropriate housing, understanding the benefits of moving to a high opportunity area, and conducting landlord outreach and education, Portsmouth can learn from Norfolk's People First initiative in creating an implementable moving to opportunity program. With moderate additional resident support for employment, education, health, and similar services, Portsmouth can create a program that ensures those who choose to move to areas of higher opportunity are able to successfully acclimate and thrive in their new neighborhoods.

### Creating Moves to Opportunity | Seattle, WA

A Harvard-based research team, in partnership with the Seattle Housing Authority and the King County Housing Authority, have developed a research framework for improving opportunity outcomes for low-income and vulnerable residents. The initial experiment indicated that adding supportive services, including a series of both landlord and education initiatives, in addition to a housing choice voucher, increased the share of residents and families who were able to move to better neighborhoods by 40%. The research team conducted a randomized control trial, where some low-income families coming off the waitlist for a housing choice voucher received assistance at various levels, while other families received the typical voucher with no additional support. Only 14% of families in the control group moved into a high opportunity neighborhood over a one-year period, but 54% of the families in the intervention group were able to move to and find initial success in an area of greater opportunity.

Services for families included family navigators to provide coaching to families in filling out applications and searching for housing, as well as monetary assistance for up-front costs associated with application fees, rental insurance, security deposits, and first month's rent. For landlords, the researchers contracted with a Seattle nonprofit to reach out to area property managers to correct misgivings about housing vouchers and act as an intermediary between families, housing agencies, and landlords. The experiment also included a loss-mitigation fund for landlords. Researchers spent \$2,600 per family and voucher issued, which equates to about 2% of the lifetime cost of a voucher over the average voucher tenure of seven years for a family with children.

Sources: Citylab



**Creating paths to homeownership for PRHA residents will set ready residents up for wealth creation and shift rental vouchers back into circulation for new renters.** The City should continue to explore options to support PRHA in building homeownership opportunities for their residents through connection to down payment assistance or other means.

**PRHA is creating a homeownership program that will help eligible and interested housing choice voucher recipients transition to homeownership.** Eligible participants in this program will be able to leverage their voucher assistance to begin to cover upfront homeownership costs and mortgage payments, with the intention of creating a smooth and supported transition to being homeowners. In addition to facilitating wealth creation through homeownership for interested and ready renters, this program will help shift rental vouchers back into circulation, of which new renters can take advantage.

**The City should identify ways it can support PRHA in this goal, beginning with proactive connections to down payment assistance for these eligible voucher holders.** The City can support PRHA in developing this program by coordinating with the Hampton Roads Planning District Commission (the regional entity that administers Portsmouth's down payment assistance program) to proactively market the program to, and prioritize these participants for, down payment assistance awards. The City has already discussed attendance at an event to promote the program to tenants who may qualify and should consider having applications and additional staff on-site to support potential tenants in filling them out. The City should consider developing programmatic and homeownership education materials for current tenants considering the transition to homeownership. Portsmouth should also engage PRHA to determine other ways it can support homeownership opportunities for lower-income residents.

## Key Partners

- City of Portsmouth
- PRHA
- Hampton Roads Planning District Commission

## Action Steps

1. Attend or conduct an event to promote the down payment assistance program to tenants who may qualify
2. Develop educational materials about the program and the benefits of homeownership catered to current tenants
3. Engage PRHA to determine other ways the City can support homeownership opportunities for PRHA residents

## Major Outcomes

- Increased homeownership for previous PRHA tenants
- Increased wealth for low-income residents

## Timeframe

Intermediate Term

# PORTSMOUTH CITYWIDE STRATEGIC HOUSING PLAN

## **APPENDIX**

A1. Existing Housing Conditions

A2. Pilot Neighborhood Selection

A3. Policy Considerations

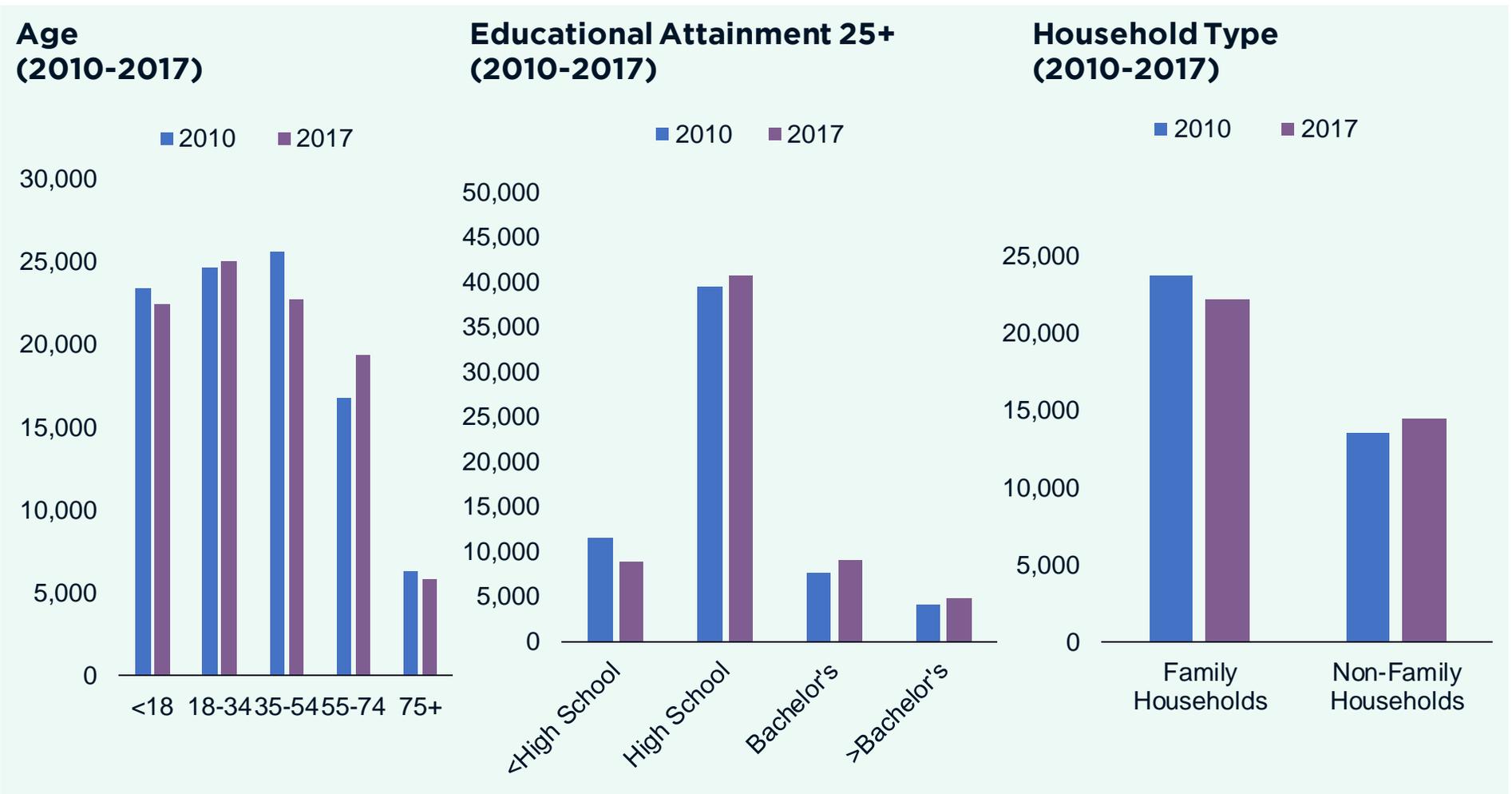
A4. Implementation

A5. Future Policy Consideration: Strategic Code Enforcement

## EXISTING HOUSING CONDITONS | Demand for Housing

**While overall population is still showing signs of decline, net household growth is occurring among Portsmouth's millennial and empty nester age cohorts, as well as among more highly educated and non-family households.**

Portsmouth has experienced the strongest growth in the 55-74 age cohort, gaining over 2,600 residents between 2010 and 2017. The city is also growing in population aged 18-34 to a smaller degree with a net gain in almost 400 residents over the same time period. The city is also growing towards a more highly educated population, and non-family households, with a net gain of almost 2,200 residents with a bachelor's degree or higher and 900 non-family households 2010 to 2017. New housing that caters to these populations - including young, single professionals and empty nesters - may assist Portsmouth attract a greater share of regional growth and reverse population decline.

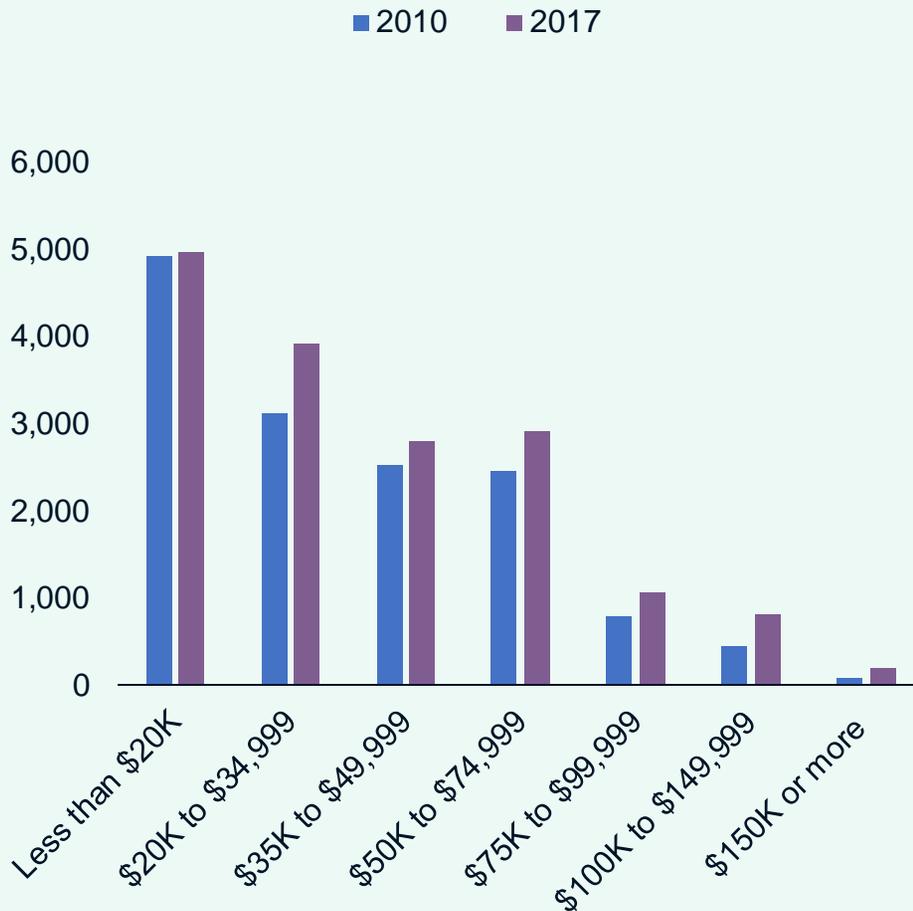


Source: ACS 2010, 2017 Estimates

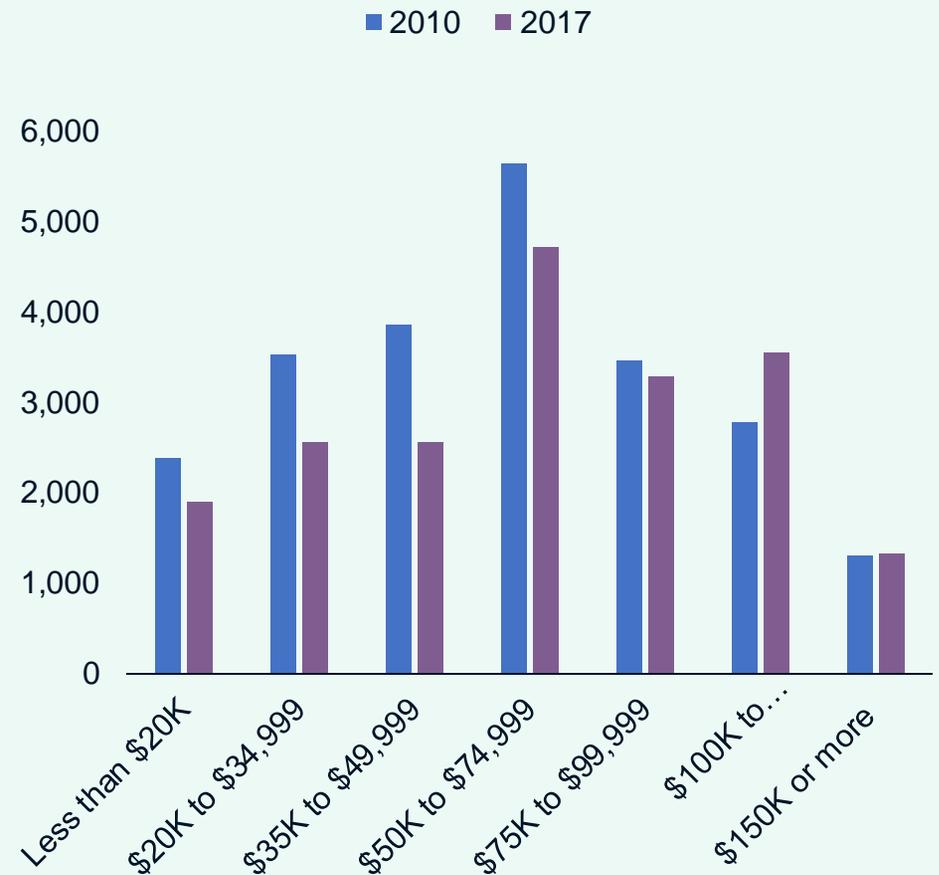
# EXISTING HOUSING CONDITONS | Demand for Housing

**Demand for rental units is increasing across all income bands, while demand for ownership is declining among low- and middle-income households.** Between 2010 and 2017 Portsmouth gained over 2,300 renter households, leading to a shift in rental units to making up almost half of overall housing stock tenure. Over the same time period, Portsmouth lost over 3,000 owner households, driven by strong loss in homeowners earning less than \$100,000 annually. These trends indicate that rental housing production should be positioned to attract regional growth, and the city's current and future ownership housing stock should be positioned to support homeowner retention.

### Renter Household income Distribution (2010-2017)



### Owner Household Income Distribution (2010-2017)



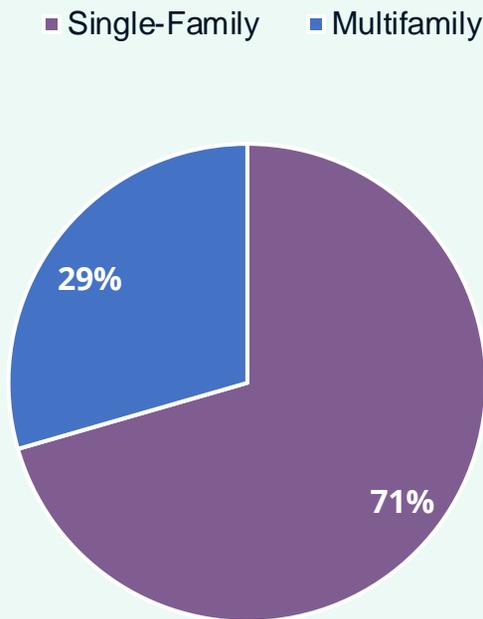
Source: ACS 2010, 2017 Estimates

## EXISTING HOUSING CONDITONS | Existing Housing Stock

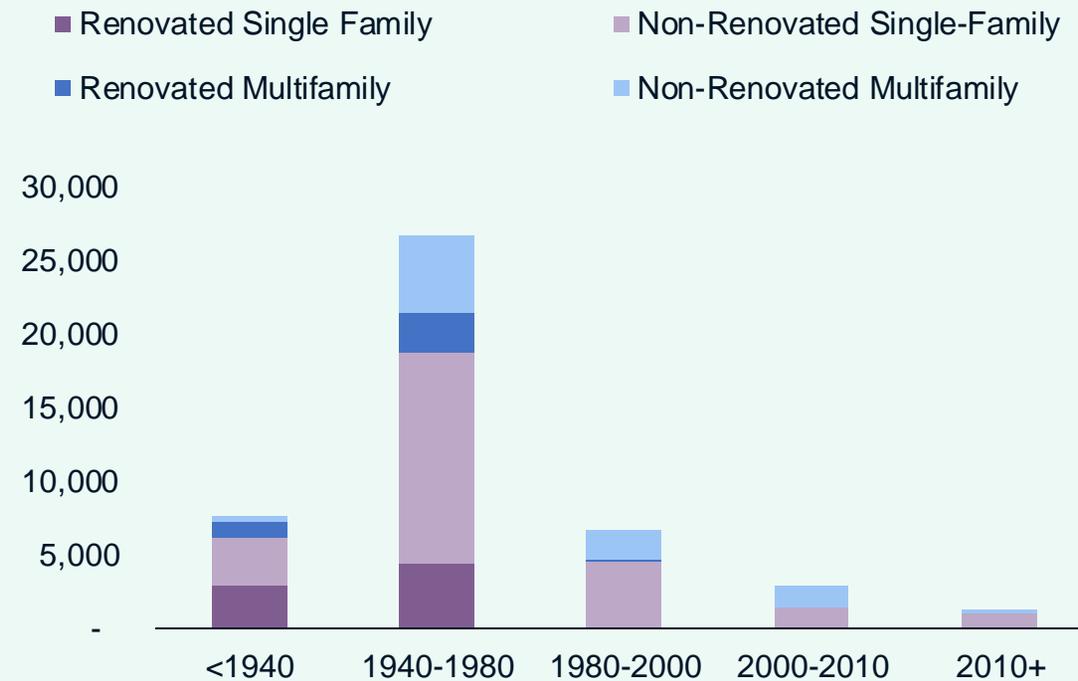
**Portsmouth’s existing housing stock is dominated by aging single-family units.** As housing ages, the risk of low housing quality increases. Older properties may become obsolete as older roofing, and systems including electrical, heating and cooling, and plumbing, may require costly upgrades or repairs to remain functional. Older interior finishes and layouts may also be less desirable, increasing the likelihood of homes needing significant rehabilitation to be marketable. When structural or systems repairs remain unaddressed, they can lead to more serious housing quality issues. The majority of Portsmouth’s Single-Family housing built between 1940 and 2000 has not had significant renovation and may be nearing obsolescence.

Multifamily units represent less than one third of total housing units.

**Typology of Existing Housing Units (2019)**



**Age and Renovation Status of Existing Housing Units (2019)**

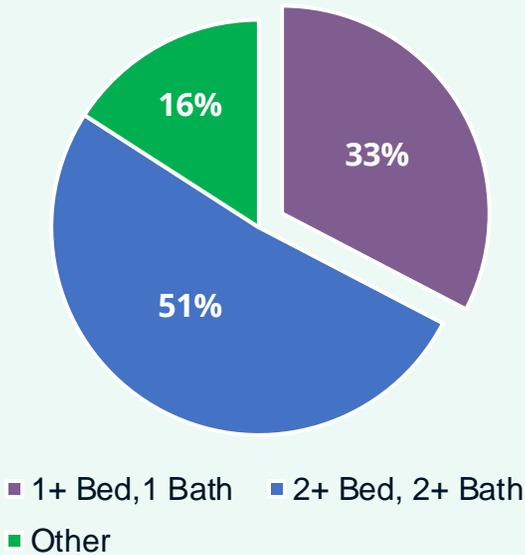


Source: City of Portsmouth

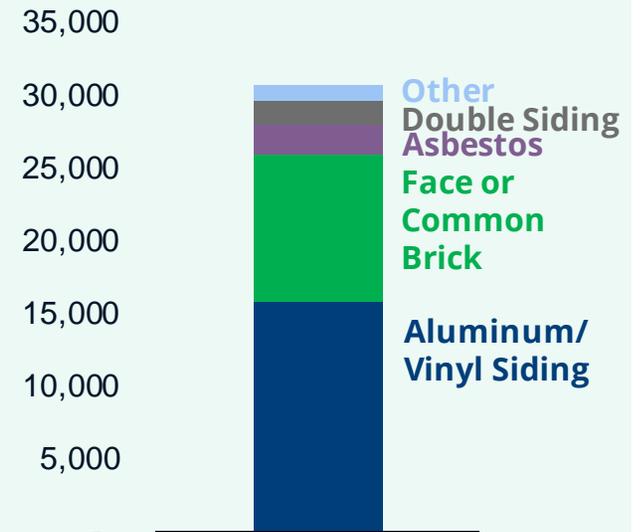
## EXISTING HOUSING CONDITONS | Existing Single-Family Stock

**Existing single-family building types reflect the development trends of the post-war period.** The prevalence of ranch houses, small houses including those with only one bathroom, and homes with older building materials reflects the age and era in which most housing units were built. A third of Portsmouth's single-family housing units have only one bathroom for all of the bedrooms in the unit, equating to need to share one shower and toilet among all members of a household. These older and smaller units are typically considered less desirable compared to newly built units built with size, bedroom to bathroom ratios, and construction materials more suited to modern preferences.

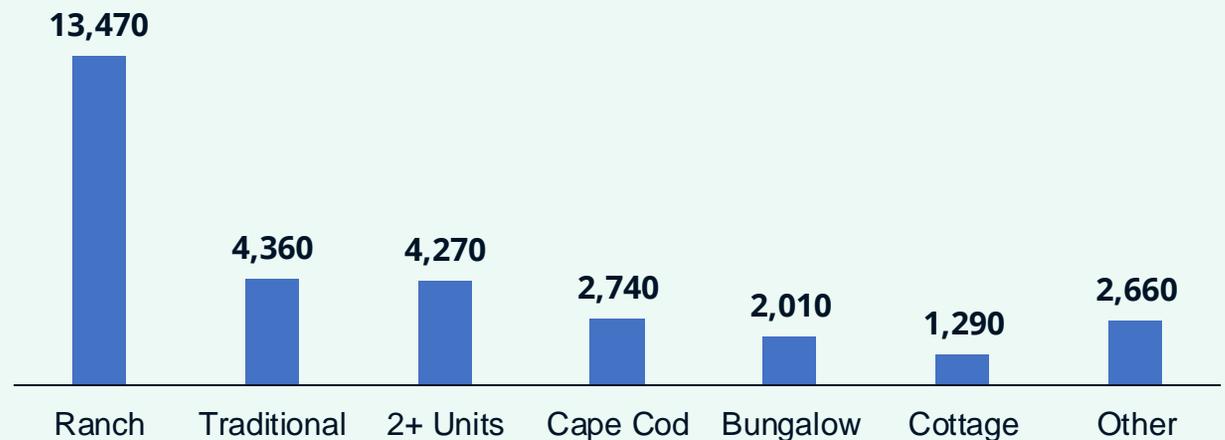
### Bed/Bath Composition, Existing Single-Family



### Construction Type, Existing Single Family



### Building Style, Existing Single-Family

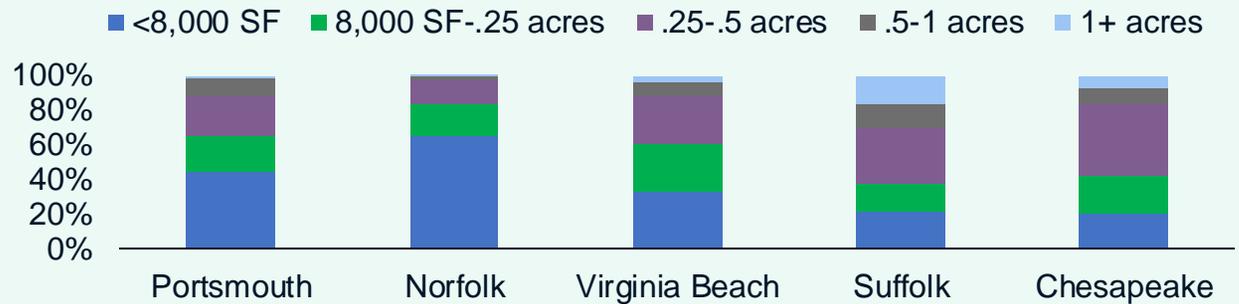


Source: City of Portsmouth

## EXISTING HOUSING CONDITONS | Regional Single-Family Stock

**Portsmouth's existing single-family stock is smaller and older than competitive housing stock in the region, placing Portsmouth at a disadvantage.** Trends in lot size, housing size, and year built illustrate the extent to which Portsmouth's housing is older and smaller, on average, than suburban Hampton Roads communities, including Suffolk and Chesapeake. Homes selling in other Hampton's Roads regions tend to be much newer, larger, and contain bigger yards – and as a result, are more suited to modern preferences for living, particularly for married households with children.

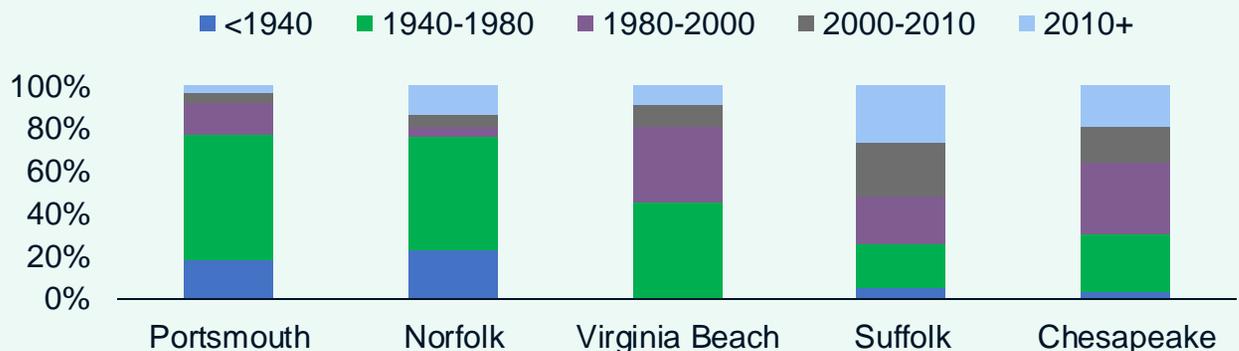
### Total Lot Size, Portsmouth & Competitive Housing Stock



### Total Square Footage, Portsmouth & Competitive Housing Stock



### Year Built, Portsmouth & Competitive Housing Stock

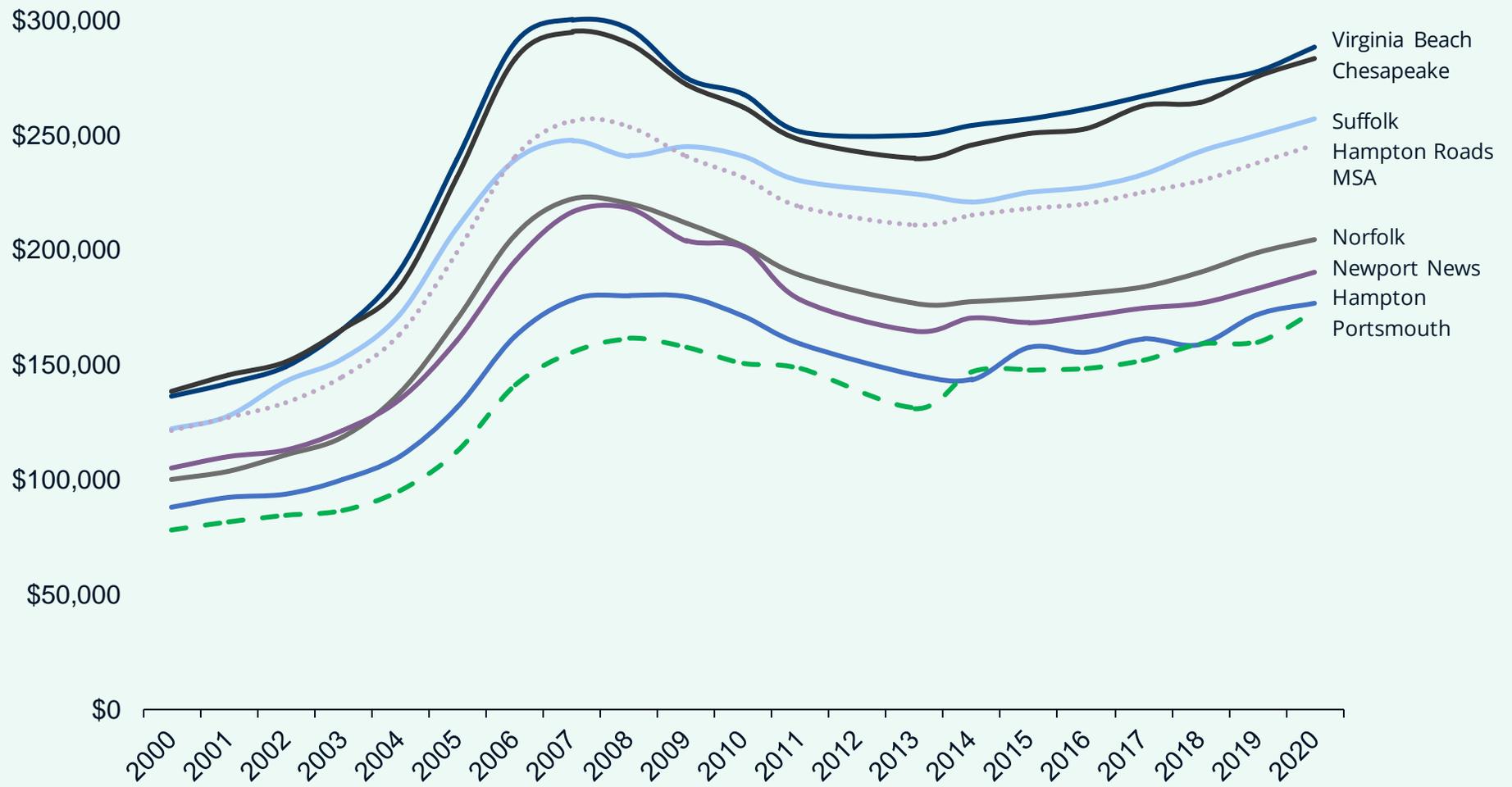


Source: Redfin, City of Portsmouth

## EXISTING HOUSING CONDITONS | Regional Single-Family Home Values

As a result, single-family home values are among the lowest in the region. In 2019, the median home value in Portsmouth was approximately \$160,000, compared with \$199,000 for Norfolk and \$264,000 for Chesapeake.

### Median Single-Family Home Values (2000-2020)



# PILOT NEIGHBORHOOD SELECTION



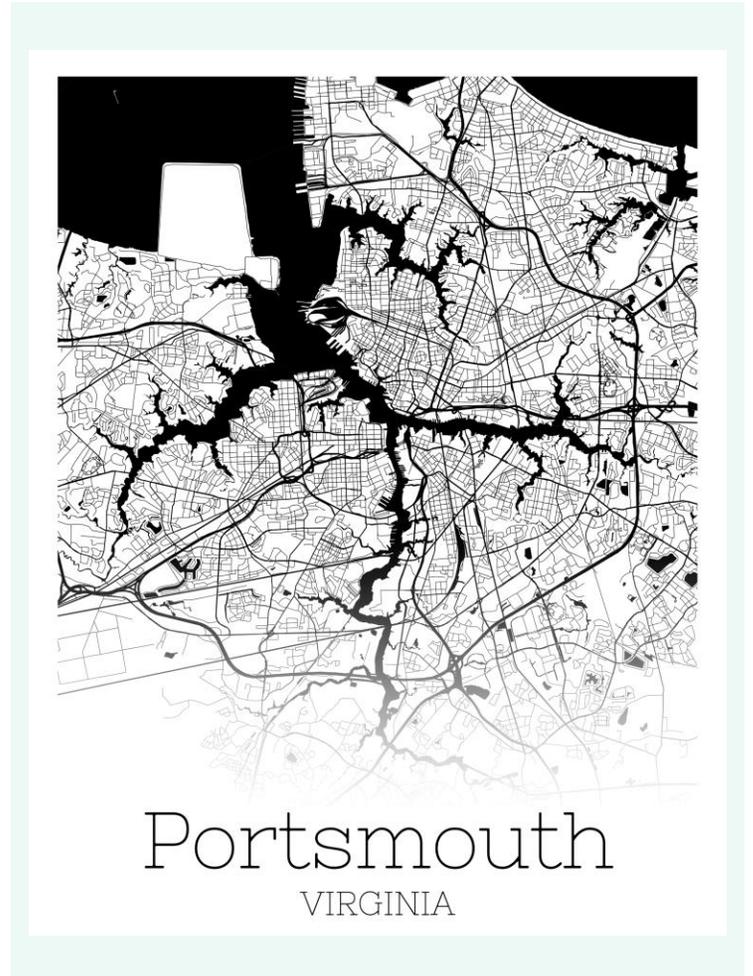
Pokey Smokey miniature train in Portsmouth City Park

## PILOT NEIGHBORHOOD SELECTION | Overview

**To have maximum impact in neighborhood revitalization, cities should designate areas in which they will cluster their public investments.** Neighborhood selection is a form of investment where cities make improvements in a targeted set of neighborhoods for a more visible impact. The City of Portsmouth can address its challenges with disinvested, non-competitive housing stock by first selecting a series of neighborhoods in which to pilot investment.

**Portsmouth should strategically invest in neighborhoods with the most capacity for public participation and the greatest potential for private market interest.** Targeting limited public funds in areas that have engaged, organized neighborhood groups and value-enhancing amenities sets initial public investment up to be matched and expanded by non-governmental activity. The City will empower resident and market-led reinvestment and make the best use of limited funding by connecting its investments to neighborhoods with the strongest potential for partnerships,

**Neighborhood selection should be grounded in market data, public priorities, and existing local capacity.** The following section includes guidance on the methodological approaches to neighborhood selection, organization of the City's previously identified character areas into four neighborhood typologies, and emblematic neighborhoods within these typologies for reference. Portsmouth's Planning Department can work in tandem with other departments, community groups, and private-sector partners to identify pilot neighborhoods for reinvestment, using the section's guidance as a starting point.



## PILOT NEIGHBORHOOD SELECTION | Metrics

**The first step of Neighborhood Selection is identifying neighborhood typologies.** This can be done by evaluating a city's neighborhoods across four primary areas and a range of quantitative and qualitative metrics, in order to discover shared characteristics.



### Civic Engagement

Does the identified neighborhood have an active presence from civic leagues or resident groups who could act as partners in and champions for their neighborhood's reinvestment process?



### Market Activity

Has the neighborhood seen private market activity that the City's limited investments could build upon to further momentum and establish a self-sustaining market?



### Quality of Housing Stock

Do homes have desirable floorplans or architectural features that would attract new buyers?

Do homes have underlying health hazards that could be addressed through investment?



### Neighborhood Amenities & Investment

Is the neighborhood walkable and within proximity to nearby commercial spaces?

Is it close to major public investments or amenities that could provide further neighborhood appeal?

## PILOT NEIGHBORHOOD SELECTION | Typologies

Portsmouth's comprehensive plan identified two major residential character areas for its neighborhoods. HR&A translated these character areas into four neighborhood typologies in order to account for market conditions, proximity to amenities, and other dynamics beyond urban or suburban contexts.



### Greater Downtown & Waterfront Stock

This typology includes communities in both the Neighborhood Type 1 and 2 character areas, with relatively high-performing markets. These neighborhoods share historic or vacation-style homes with spacious floorplans, existing market activity, and relatively high sales prices. Their proximity to Downtown and local waterways positions them among Portsmouth's most amenitized areas.

*Emblematic Neighborhoods: Olde Towne, Park View, Park Manor, Waterview*



### Walkable, Pre-War Neighborhoods

This typology is comprised of communities in the Neighborhood Type 1 character area. These neighborhoods largely are comprised of traditional or ranch-style homes with varied success in terms of market competition. They are often close to mixed-use nodes, a result of their industrial or commercial historic contexts. They have a range of renovation needs, including conversions, bathroom additions, asbestos removal, and compliance with historic district guidelines.

*Emblematic Neighborhoods: Cradock, Port Norfolk, Prentis Park*



### Post-War Middle Neighborhoods

This typology is primarily comprised of communities in the Neighborhood Type 2 character area. Its neighborhoods are comprised of mid-century ranch and cottage homes on suburban-style streets, most of which are proximate to major arterial roads. Present challenges include market competition and retention of high homeownership rates as long-standing residents begin to age.

*Emblematic Neighborhoods: Cavalier Manor, Highland-Biltmore*



### Inner-Ring Suburban Communities

This typology is comprised of communities in the Neighborhood Type 2 character area. These neighborhoods include higher-value, early suburban stock on larger lots in Churchland and surrounding areas. While these communities are mostly comprised of single-family detached homes, there is some townhome infill development. Many of the homes in this area are dated compared to the region's exurban stock, and dated housing stock (such as fewer bathrooms and older finishes) make reinvestment a challenge.

*Emblematic Neighborhoods: Green Acres, Long Point, Westmoreland*

## PILOT NEIGHBORHOOD SELECTION | Metrics

The City should assess prospective pilot areas across a range of metrics. The tables below outline several example metrics for each category. In addition to the following data points, the City should also consider more qualitative metrics that measure neighborhood amenities and investment, such as whether candidates have walkable environments, nearby mixed-use offerings such as commercial centers or restaurants, and/or planned city investments such as parks.

 <b>Civic Engagement</b>			
Metric	Cavalier Manor	Park View	Citywide
Homeownership Rate	77%	39%	<b>54%</b>
Active Neighborhood Organization?	Yes	Yes	--

 <b>Market Activity</b>			
Metric	Cradock	Long Point	Citywide
% of Homes Renovated	30%	4%	<b>23%</b>
Single-Family Building Permits since 2012	26	1	<b>910</b>

 <b>Quality of Housing Stock</b>			
Metric	Port Norfolk	Green Acres	Citywide
Average SF of Home	1,766 SF	2,466 SF	<b>1,547 SF</b>
Share of Homes with 2+ Bathrooms	52%	81%	<b>61%</b>
% of Homes with Asbestos as Primary Construction Style	16%	0%	<b>6%</b>

## PILOT NEIGHBORHOOD SELECTION | Recommendation

Focused investment in a few pilot neighborhoods will build concentrated market momentum and provide proof of concept for the reinvestment process so it can expand in the future.

**Portsmouth's Walkable, Pre-War Neighborhoods and Post-War Middle Neighborhoods contain the best candidates for reinvestment.** While some neighborhoods within the Greater Downtown & Waterfront Stock and Inner-Ring Suburban Communities have seen some private market investment, many of these areas do not have the core urban amenities where Portsmouth is best qualified to compete. Many of the recommended neighborhood typologies have strong neighborhood groups to partner in the reinvestment process, and/or lower flood risks, which could contribute to the affordability of any housing investments. With commitment to the reinvestment process, Portsmouth could unlock the potential of these aging neighborhoods to meet market demand for areas with amenities in walking distance and a variety of housing options.



*Entrance Sign in Port Norfolk*

In order to determine the specific areas within these typologies best suited to be pilot neighborhoods for reinvestment, the City will need to evaluate metrics in the aforementioned four categories, and other local considerations such as availability of funding, public priorities, and areas of most need as a result of COVID-19. These ongoing decisions should be made through rigorous data analysis as well as consistent community outreach, to ensure that all pilot neighborhoods have the full support of their civic leagues and local organizations.

The following pages include profiles of emblematic neighborhoods within all four identified typologies. These can serve as an example for the analytical component of the selection process. This exploration of the housing supply and demand in several emblematic neighborhoods can offer guidance for which quantitative metrics are most useful in identifying housing quality and market pressures in a given area. When evaluating potential pilot neighborhoods, the City should seek to further this data analysis, and work in tandem with local leaders to ensure it has an equally strong qualitative understanding of all candidate areas of reinvestment.

# PARK VIEW | Housing Supply

**Park View’s historic homes, tree-lined areas, and small-scale commercial/multi-family properties are characteristic of the neighborhoods in Greater Downtown.**

Park View is a historic area immediately north of Downtown, with several spacious, pre-war homes that are reminiscent of those in Olde Towne. Given the area’s proximity to the commercial nodes along London Boulevard, it is considerably more mixed-use than historic neighborhoods in some cities. Furthermore, Park View also benefits from soft density including several small apartment complexes, townhomes, and duplexes.



922 Crawford Parkway

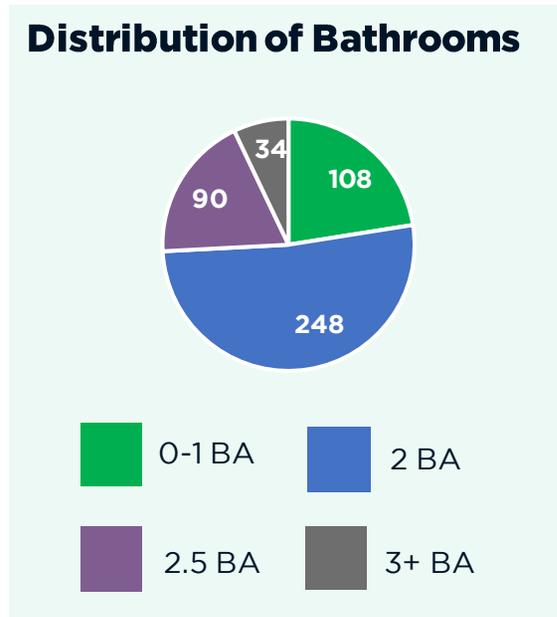
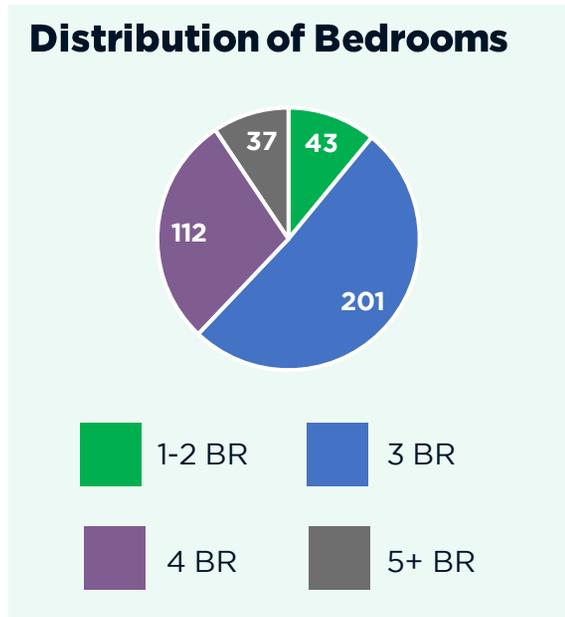
Public investment in this community could allow a broad range of residents to live in a growing neighborhood with beautiful stock and easy access to amenities like local shops and public transportation routes along London Boulevard.

**Historic District Classification?**  
Yes

**Character Area:**  
Neighborhood Type 1

**Top Housing Type:**  
Traditional (212 homes)

**Top Construction Style:**  
Aluminum/Vinyl (192 homes)



	Park View	Citywide
<b>Average Year Built</b>	1932	1960
<b>Average Home Value</b>	\$130,213	\$122,319
<b>Average Sales Price</b>	\$170,000	\$180,000
<b>Single Family Permits</b>	8	910
<b>Average SF per Home</b>	1,966 SF	1,547 SF
<b>Average Lot Size</b>	0.15 ac.	0.29 ac.
<b>% of Homes Remodeled</b>	41%	23%

Source: City of Portsmouth

# PARK MANOR | Housing Supply

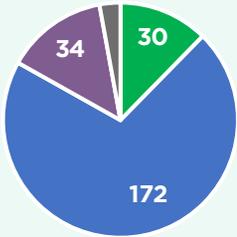
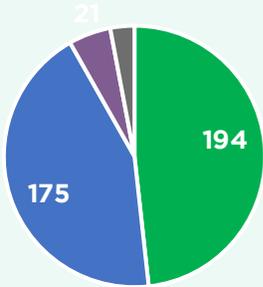
**Park Manor is a mid-century community with waterfront housing that is less prone to flood risks than urban core neighborhoods.**

Park Manor is a neighborhood directly across from Churchland, on the other side of the Elizabeth River. Its exterior, waterfront location is matched by its housing stock, complete with ranches and cape cod units on suburban-style streets, many of which resemble the style of vacation homes.



57 Sandie Point Lane

The high home values and competitive sales prices suggest the already-strong market within this community. It is particularly affordable compared to other waterfront property in neighboring suburbs with higher property values and in Downtown Portsmouth, which has a greater flood risk in many areas, leading to higher insurance rates.

<p><b>Historic District Classification?</b> No</p> <p><b>Character Area:</b> Neighborhood Type 2</p>	<p><b>Top Housing Type:</b> Regular Ranch (288 homes)</p> <p><b>Top Construction Style:</b> Face Brick (245 homes)</p>		<p><b>Park Manor</b></p>	<p><b>Citywide</b></p>								
<p><b>Distribution of Bedrooms</b></p>  <table border="1"> <tr> <td>1-2 BR</td> <td>3 BR</td> </tr> <tr> <td>4 BR</td> <td>5+ BR</td> </tr> </table>	1-2 BR	3 BR	4 BR	5+ BR	<p><b>Distribution of Bathrooms</b></p>  <table border="1"> <tr> <td>0-1 BA</td> <td>2 BA</td> </tr> <tr> <td>2.5 BA</td> <td>3+ BA</td> </tr> </table>	0-1 BA	2 BA	2.5 BA	3+ BA	<p><b>Average Year Built</b></p> <p><b>Average Home Value</b></p> <p><b>Average Sales Price</b></p> <p><b>Single Family Permits</b></p> <p><b>Average SF per Home</b></p> <p><b>Average Lot Size</b></p> <p><b>% of Homes Remodeled</b></p>	<p>1957</p> <p>\$133,109</p> <p>\$157,500</p> <p>7</p> <p>1,565 SF</p> <p>0.33 ac.</p> <p>21%</p>	<p>1960</p> <p>\$122,319</p> <p>\$180,000</p> <p>910</p> <p>1,547 SF</p> <p>0.29 ac.</p> <p>23%</p>
1-2 BR	3 BR											
4 BR	5+ BR											
0-1 BA	2 BA											
2.5 BA	3+ BA											

Source: City of Portsmouth

# CRADOCK | Housing Supply

**Cradock is an example of Portsmouth's aging, walkable pre-war neighborhoods located in mixed-use areas.**

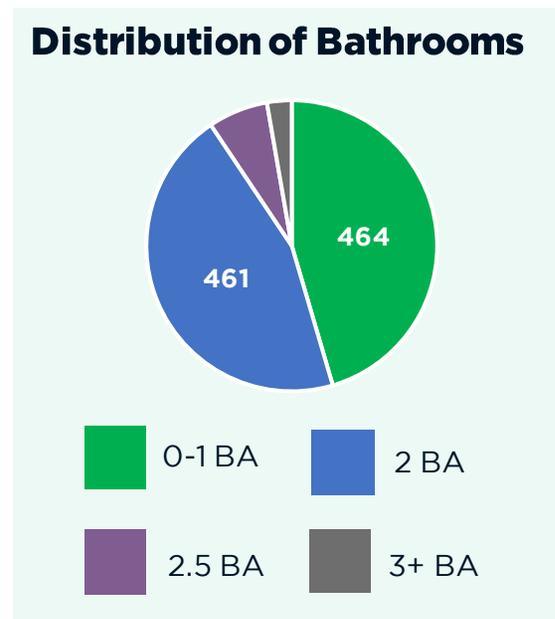
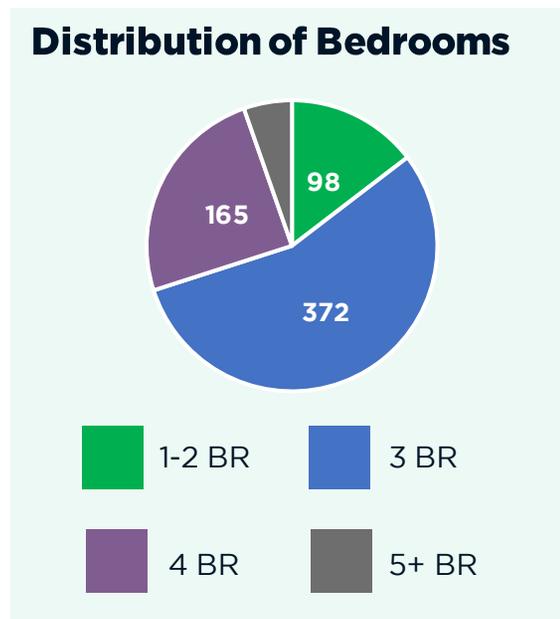
Cradock is a historic neighborhood developed in the early twentieth century as temporary housing for workers in the naval shipyard.

Given the proximity of commercial areas like Afton Square, and the lack of intended long-term housing in the community, this neighborhood has both potential amenities and declining stock that needs to be renovated for better regional competition.



73 Ericsson Street

<b>Historic District Classification?</b> Yes	<b>Top Housing Type:</b> Traditional (382 homes)
<b>Character Area:</b> Neighborhood Type 1	<b>Top Construction Styles:</b> Aluminum/Vinyl (714 homes), Asbestos (75 homes)



	Cradock	Citywide
<b>Average Year Built</b>	1937	1960
<b>Average Home Value</b>	\$97,844	\$122,319
<b>Average Sales Price</b>	\$130,500	\$180,000
<b>Single Family Permits</b>	26	910
<b>Average SF per Home</b>	1,439 SF	1,547 SF
<b>Average Lot Size</b>	0.16 ac.	0.29 ac.
<b>% of Homes Remodeled</b>	30%	23%

Source: City of Portsmouth

## CRADOCK | Housing Demand

**Cradock is an example of Portsmouth’s aging, walkable pre-war neighborhoods located in mixed-use areas.**

Cradock lost residents in the previous decades, including many homeowners and moderate-income households. This population decline, combined with disinvestment, has contributed to the neighborhood’s high rates of poverty and lower median incomes, both of which lag citywide figures. Given its low demand and existing housing stock, **Cradock is a prime candidate for retention efforts.** By providing rehabilitation funds and working with the area’s active neighborhood groups to achieve strategic code compliance, the City can provide quality, healthy, and affordable homes that incentivize existing Cradock residents to remain in their neighborhood.



47-49 Cushing Street

### CRADOCK DEMOGRAPHICS, 2018

<b>Total Population:</b> 4,335
<b>Total Households:</b> 1,511
<b>Median Household Income:</b> \$40,735
<b>Homeownership Rate:</b> 36%

### PORTSMOUTH DEMOGRAPHICS, 2018

<b>Total Population:</b> 95,311
<b>Total Households:</b> 36,471
<b>Median Household Income:</b> \$50,224
<b>Homeownership Rate:</b> 54%

### DEMOGRAPHIC CHANGE, 2010-2018

	Population Change	Household Change	Change in Income	Change in Homeowners	Change in Non-Family HHs	Change in Senior HHs
<b>Cradock</b>	-12%	-14%	-7%	-41%	8%	4%
<b>Citywide</b>	-2%	-2%	10%	-14%	9%	15%

Source: City of Portsmouth, 2010 & 2018 ACS Estimates, Zillow

# PORT NORFOLK | Housing Supply

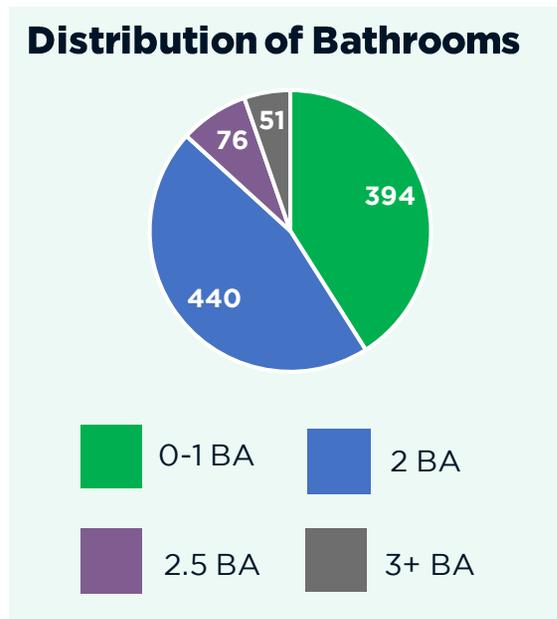
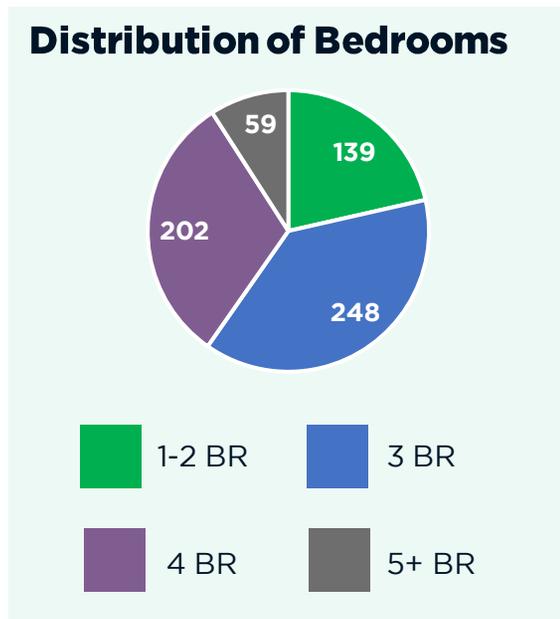
**Port Norfolk is a promising example of Portsmouth's walkable, post-war neighborhoods that have benefitted from adaptive reuse.**

Port Norfolk is a mixed-use area with proximity to the Marine Terminal, several industrial and commercial areas, and the I-264 Downtown Tunnel to Norfolk. Due to its modern aesthetic and larger historic stock (many homes have two stories, wrap-around porches, and 2 bathrooms), it has seen considerable market activity, including a significant number of conversion homes built on previously non-residential properties.



Public support that decreases the expense of rehabilitating historic homes, provides health-based renovations for the large number of homes with asbestos, and better connects pedestrians to nearby amenities will help Port Norfolk continue its market acceleration, leading to a consumer base that can support infill on vacant commercial sites.

<b>Historic District Classification?</b> Yes	<b>Top Housing Type:</b> Traditional (342 homes)
<b>Character Area:</b> Neighborhood Type 1	<b>Top Construction Styles:</b> Aluminum/Vinyl (450 homes), Asbestos (142 homes)



	Port Norfolk	Citywide
<b>Average Year Built</b>	1930	1960
<b>Average Home Value</b>	\$117,677	\$122,319
<b>Average Sales Price</b>	\$169,825	\$180,000
<b>Single Family Permits</b>	18	910
<b>Average SF per Home</b>	1,766 SF	1,547 SF
<b>Average Lot Size</b>	0.23 ac.	0.29 ac.
<b>% of Homes Remodeled</b>	32%	23%

Source: City of Portsmouth

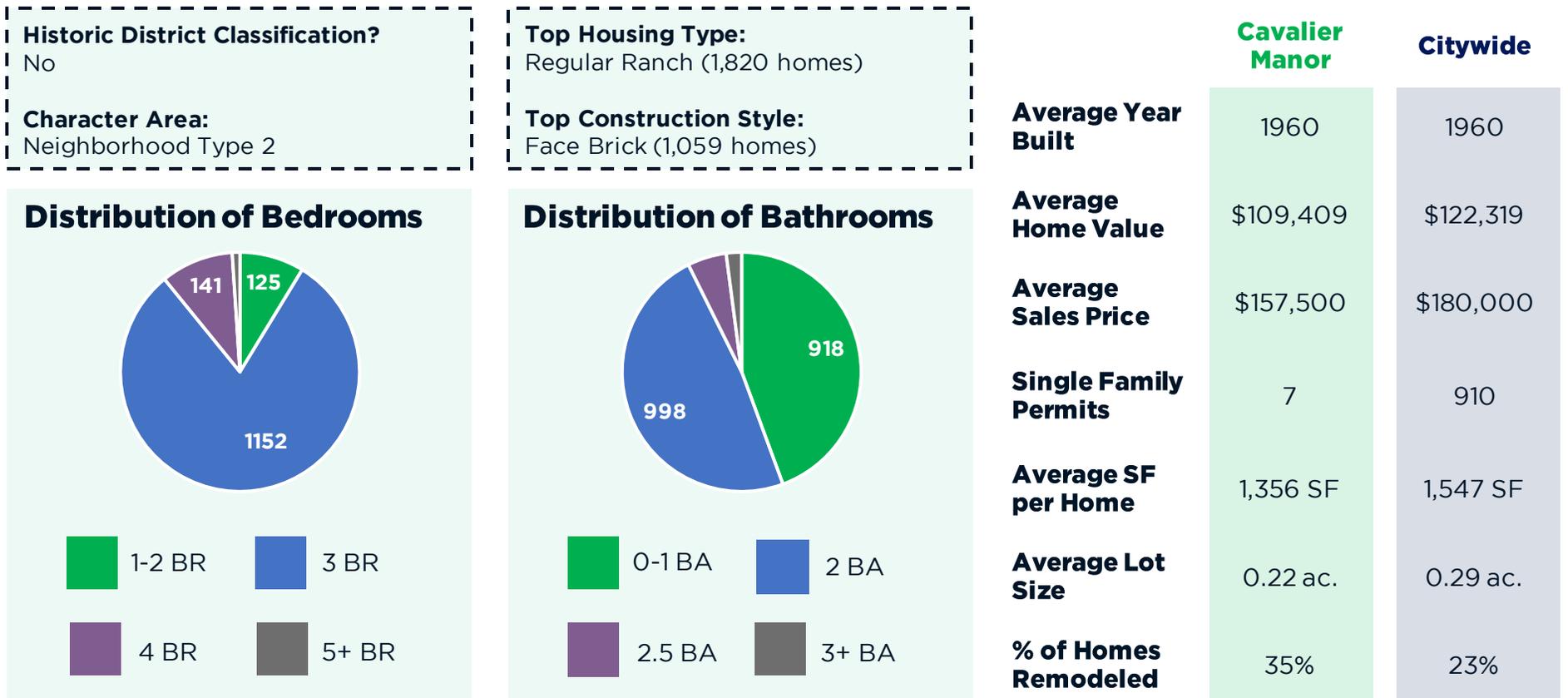
# CAVALIER MANOR | Housing Supply

**Cavalier Manor is a blend of suburban and urban typologies, similar to many of Portsmouth’s interior, post-war neighborhoods.**

Cavalier Manor has a proud history as one of the first Hampton Roads communities to offer suburban-style homes to black residents. The community has had a decades-long reputation as one of Portsmouth’s most stable neighborhoods. However, as its residents have begun to age, homeownership and home maintenance have declined in this community. In terms of housing stock, Cavalier Manor units balance their mid-century, suburban-style design with their location in the urban core. For instance, while many of its streets lack the sidewalks found in Portsmouth’s urban core neighborhoods, the neighborhood is proximate to downtown and major corridors, and small lot sizes support a cohesive neighborhood “feel”.



906 Hancock Avenue



Source: City of Portsmouth

## CAVALIER MANOR | Housing Demand

**Cavalier Manor is a blend of suburban and urban typologies, similar to many of Portsmouth’s interior, post-war neighborhoods.**

While Cavalier Manor has lost residents in recent years, it still maintains a large population with an incredibly high homeownership rate, and actually grew in median household income since 2010.

These signs indicate that **Cavalier Manor could benefit from investments geared towards both retention and attraction.** Rehabilitation support for the neighborhood’s aging ranch homes will allow them to become more habitable for residents who want to age in place, and more competitive in the market. Down payment assistance will provide a new generation of homeowners with the necessary resources to preserve the area’s strong community fabric.



522 Bunche Boulevard

### CAVALIER MANOR DEMOGRAPHICS, 2018

<b>Total Population:</b> 10,004
<b>Total Households:</b> 3,097
<b>Median Household Income:</b> \$49,659
<b>Homeownership Rate:</b> 77%

### PORTSMOUTH DEMOGRAPHICS, 2018

<b>Total Population:</b> 95,311
<b>Total Households:</b> 36,471
<b>Median Household Income:</b> \$50,224
<b>Homeownership Rate:</b> 54%

### DEMOGRAPHIC CHANGE, 2010-2018

	Population Change	Household Change	Change in Income	Change in Homeowners	Change in Non-Family HHs	Change in Senior HHs
<b>Cavalier Manor</b>	-9%	-6%	14%	-10%	69%	6%
<b>Citywide</b>	-2%	-2%	10%	-14%	9%	15%

Source: City of Portsmouth, 2010 & 2018 ACS Estimates, Zillow

# GREEN ACRES | Housing Supply

**Green Acres is a community that is emblematic of the single-family dominant neighborhood typologies within Churchland.**

Green Acres has a high-value, mid-century housing stock with significantly larger homes than the majority of Portsmouth. Despite this competitiveness within the City, many homes in the community are fairly dated compared to newer suburban product, with few 3+ bathroom homes or remodels of the now decades-old homes.



4407 Green Acres Parkway

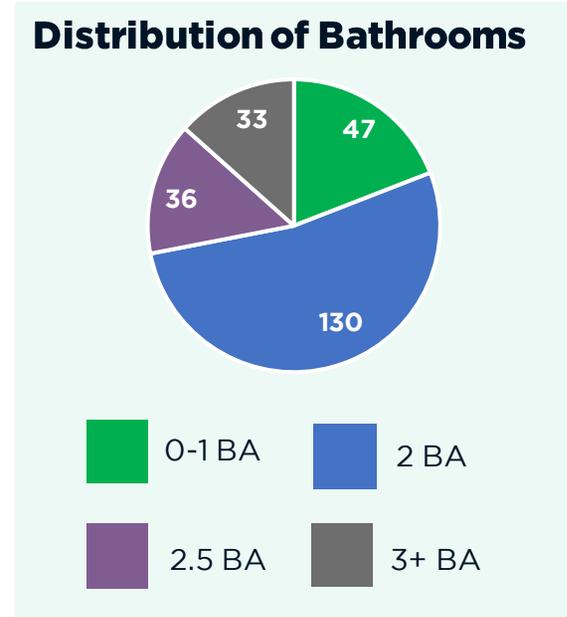
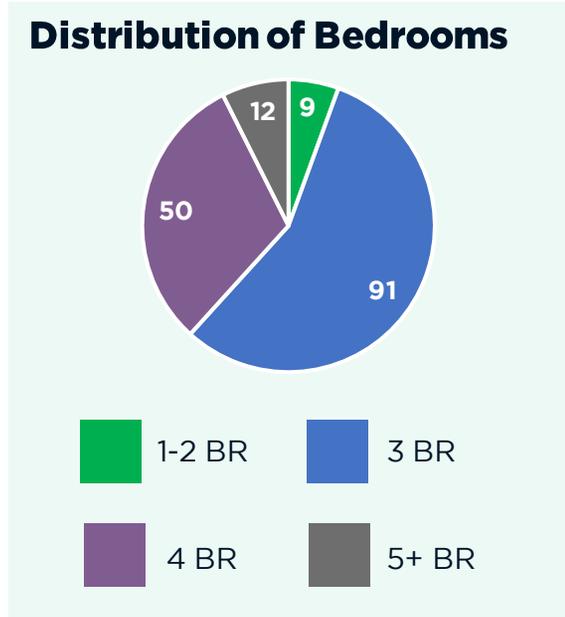
This suggests that support for renovations and updates and new public amenities may be necessary for neighborhood's housing to compete with suburban stock in second-ring suburbs like Chesapeake and Virginia Beach.

**Historic District Classification?**  
No

**Character Area:**  
Neighborhood Type 2

**Top Housing Type:**  
Regular Ranch (106 homes)

**Top Construction Style:**  
Face Brick (161 homes)



	Green Acres	Citywide
<b>Average Year Built</b>	1953	1960
<b>Average Home Value</b>	\$198,442	\$122,319
<b>Average Sales Price</b>	\$229,900	\$180,000
<b>Single Family Permits</b>	3	910
<b>Average SF per Home</b>	2,466 SF	1,547 SF
<b>Average Lot Size</b>	0.56 ac.	0.29 ac.
<b>% of Homes Remodeled</b>	22%	23%

Source: City of Portsmouth

## GREEN ACRES | Housing Demand

**Green Acres is a community that is emblematic of the single-family dominant neighborhood typologies within Churchland.**

Despite citywide population decline, Green Acres has added residents and income in recent years, and has better retained homeowners. Its somewhat unique stock of denser housing types (such as townhomes and duplexes) contributes to its increase in non-family households.

Given the recent growth in population, Green Acres likely has the demand to become a **candidate for neighborhood attraction**. City efforts could include providing targeted down-payment assistance or supporting the development of adjacent mixed-income housing, so more residents can live in this high-opportunity area.



4417 Norman Road

### GREEN ACRES DEMOGRAPHICS, 2018

<b>Total Population:</b> 4,213
<b>Total Households:</b> 1,772
<b>Median Household Income:</b> \$67,212
<b>Homeownership Rate:</b> 77%

### PORTSMOUTH DEMOGRAPHICS, 2018

<b>Total Population:</b> 95,311
<b>Total Households:</b> 36,471
<b>Median Household Income:</b> \$50,224
<b>Homeownership Rate:</b> 54%

### DEMOGRAPHIC CHANGE, 2010-2018

	Population Change	Household Change	Change in Income	Change in Homeowners	Change in Non-Family HHs	Change in Senior HHs
<b>Green Acres</b>	7%	6%	7%	-3%	5%	11%
<b>Citywide</b>	-2%	-2%	10%	-14%	9%	15%

Source: City of Portsmouth, 2010 & 2018 ACS Estimates, Zillow

# LONG POINT | Housing Supply

Long Point is representative of the varied, suburban-style of communities within Churchland.

Like the majority of communities within Churchland, Long Point is located farther from the city core, and has a newer housing stock than the rest of the city. However, while keeping the subdivision-style layout, the mixture of townhomes and single-family housing within this community shows the range of housing types across the bridge.



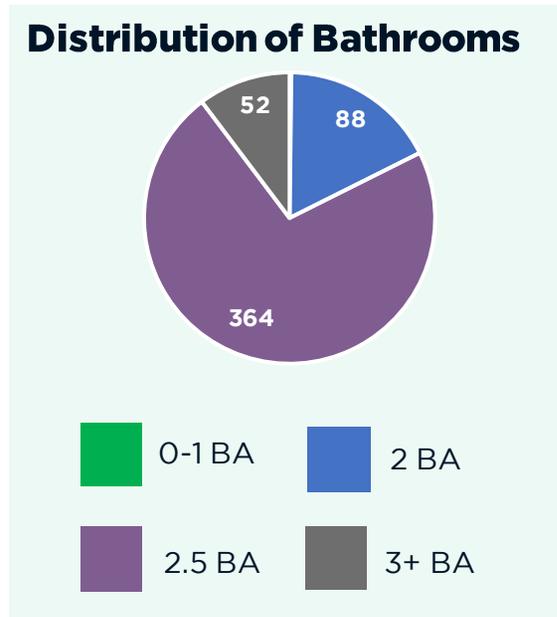
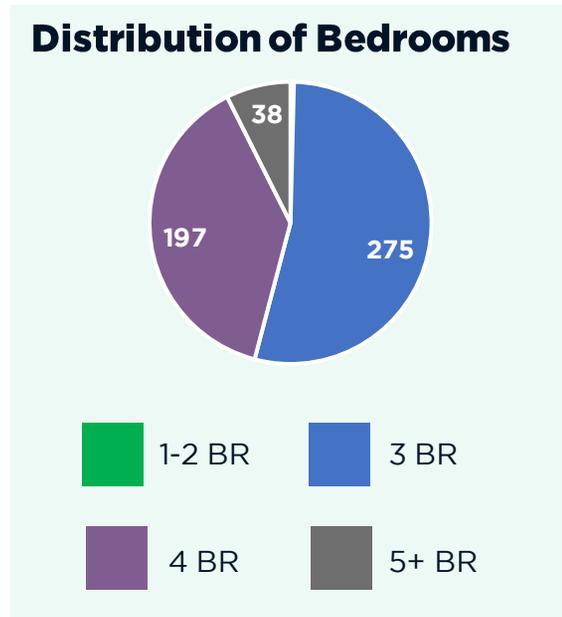
4027 Long Point Boulevard

**Historic District Classification?**  
No

**Character Area:**  
Neighborhood Type 2

**Top Housing Types:** Townhouse (170 homes), Transitional (147 homes)

**Top Construction Style:**  
Aluminum/Vinyl (425 homes)



	Long Point	Citywide
<b>Average Year Built</b>	1996	1960
<b>Average Home Value</b>	\$173,829	\$122,319
<b>Average Sales Price</b>	\$284,933	\$180,000
<b>Single Family Permits</b>	1	910
<b>Average SF per Home</b>	2,147 SF	1,547 SF
<b>Average Lot Size</b>	0.36 ac.	0.29 ac.
<b>% of Homes Remodeled</b>	4%	23%

Source: City of Portsmouth

# POLICY CONSIDERATIONS



Pokey Smokey miniature train in Portsmouth City Park

## POLICY CONSIDERATIONS | Impact of Existing Policies and Programs

Existing Practice	Lead Entity	Description	Policy Considerations
<b>Down Payment and Closing Cost Assistance Program</b>	Hampton Roads Planning District Commission and City of Portsmouth	Portsmouth's existing down payment assistance program offers up to \$20,000 for qualified first-time homebuyers earning 50% to 60% AMI and up to \$14,500 for those earning 60% to 80% AMI.	Naturally-affordable residential units are plentiful in Portsmouth, but most are within zones that require flood insurance, making them less affordable to lower-income homebuyers.
<b>Rehabilitation Tax Credit</b>	City of Portsmouth	Portsmouth's current rehabilitation program offers a 10-year tax credit to encourage the revitalization and renovation of existing structures 25+ years of age.	Regulatory hurdles limit participation by homeowners, while the amount of the exemption is too low to be a sufficient incentive to investor-owners.
<b>Land Use &amp; Development Review Policy</b>	City of Portsmouth	<p>Future land use planning indicates the desire for a mixed-use Downtown, but current practices require a conditional use permit to build multifamily units.</p> <p>Proposals for development can currently be solicited through RFP or RFQ interest, and the City can market properties for sale.</p>	<p>Conditional use permits and non-by-right zoning for higher densities add additional regulatory burden to developers. Clear by-right development processes that support higher densities promote an increased supply of housing.</p> <p>Some developers feel the City offers little support, while others are happy working with the City's approval process. In the past, unsolicited proposals have met barriers due to lack of clarity about development goals and public benefits. Multiple public owners of property may pose a barrier to future development.</p>
<b>Code Enforcement Policy</b>	City of Portsmouth	Code enforcement officials encourage compliance citywide, but about 30% of citation notices are for frequently delinquent properties. Court processes and receivership authority have limited potential to address repeat offenses or problem properties, including absentee owners.	Lack of funding or tax abatement programs can hinder ability to fully complete repairs for lower-income and elderly residents. The City is limited in its ability to enact or enforce stronger penalties for properties with repeated code violations.

Source: City of Portsmouth

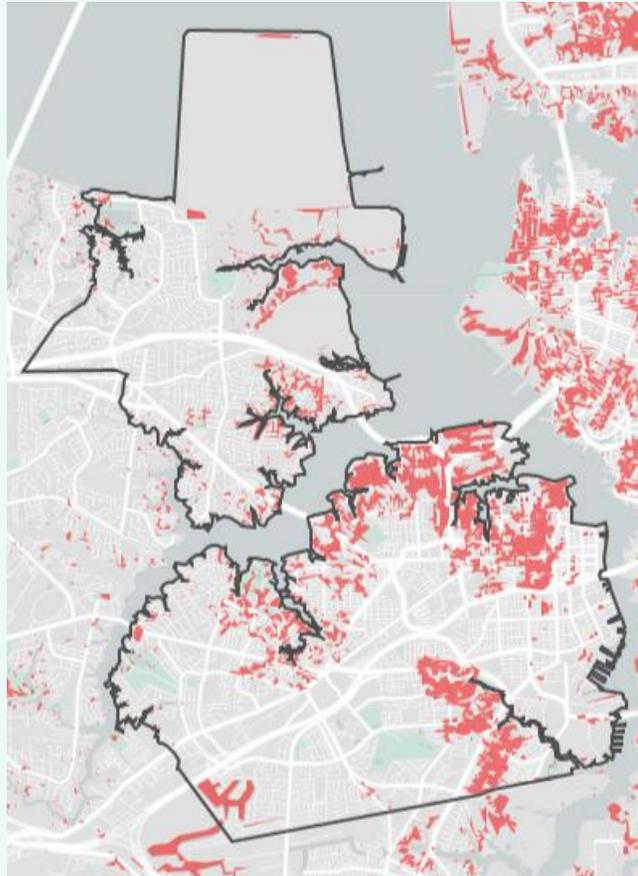
## POLICY CONSIDERATIONS | Impact of Flood Risk on Housing

### A third of the city's single-family parcels are at risk of flooding.

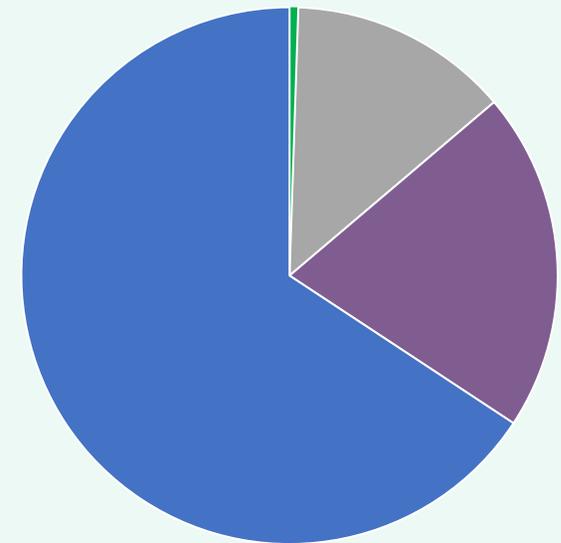
Housing within the flood zone poses a risk to the long term resilience of neighborhoods and to housing quality. Homeowners in designated flood hazard areas may have difficulty securing affordable insurance to protect against risks, and many federally-funded programs make it difficult for developments in flood hazard areas to qualify for financing. Homeowners can face costly repairs when flood damage occurs, and mitigating flood risks can require costly infrastructural investments. These challenges can compound at the neighborhood level by reducing the desirability of housing in flood hazard zones. Though only 172 residential parcels in Portsmouth are in the high risk flood zone, 4,300 parcels face a one percent annual chance of a flood event, while an additional 6,700 face a 0.2 percent annual chance of flooding.

Source: City of Portsmouth, FEMA

### Areas of .2% Flood Hazard



### Single-Family Parcels by Risk



- High Risk - Coastal High Hazard Area
- High Risk - 1% annual risk
- Moderate Risk - .2% annual risk
- Low Risk

## POLICY CONSIDERATIONS | Flooding Policy Interventions

A plan for long term resilience will require multiple approaches to mitigating the impacts of flooding on housing in Portsmouth. In the near term, the City can limit the risk posed to new housing while using its community partnerships to develop and pursue approaches to mitigating flood risk in neighborhoods.

	Policy Description	Potential Cost	
<b>Require elevation for new development in the flood plain</b>	This approach crucially mitigates risk for new development but may limit the feasibility of infill development in some neighborhoods. It also does not reduce the risk to existing housing.	This policy does not require public investment, though compliance may increase development costs requiring incentives. C-PACE programs in Virginia are designed to leverage private investment to finance resiliency renovations and may be a tool to finance needed improvements.	<i>Low public subsidy</i>
<b>Education on national programs</b>	An educational campaign enacted through community partnerships can help connect property owners to resources and technical assistance.	This policy requires minimal public cost.	
<b>Support for affordable flood insurance</b>	The City can create partnerships with local insurance providers to encourage and support the provision of affordable insurance. The City's CRS program does this in part.	This policy may require the City to provide a credit enhancement or other incentive to insurance providers, as well as costs to market the program.	
<b>Purchase homes in flood plain</b>	The City can purchase homes located in areas of flood hazard and offer relocation assistance to residents.	This is a potentially costly policy, as it requires the purchase of homes at fair market value plus costs for relocation assistance. Community partnerships should be used to evaluate the potential interest in this approach in pilot neighborhoods.	
<b>Support stormwater park and infrastructure interventions</b>	The City is already pursuing shared infrastructure approaches to mitigating flood risk in developed areas including Downtown.	This approach is high-cost but the benefits are shared equally by a broad range of property owners and residents.	<i>High public subsidy</i>



## POLICY CONSIDERATIONS | Potential Funding Sources

Below is a list of funding sources referenced throughout the Housing Plan, as well as other sources the City of Portsmouth could potentially leverage to achieve the goals outlined. Funding sources have been summarized based on *accessibility*, or the ease of accessing and implementing funding, as well as *flexibility* in potential uses.

Funding Source	Description	Potential Benefits	Accessibility	Flexibility
<b>CARES Act</b> ( <i>note: expires in July 2020</i> )	Short-term economic assistance for municipalities to address economic fallout and need brought on by the COVID-19 pandemic.	Potential funding source to support housing stabilization as relates to COVID-19 economic insecurity.	<b>High</b>	<b>Low</b>
<b>Choice Neighborhood Implementation (CNI) Grant Program</b>	Federal grant program that leverages significant public and private dollars to support large-scale revitalization in neighborhoods with distressed public or HUD-assisted housing.	Potential funding source to support comprehensive neighborhood transformation in areas with distressed public housing.	<b>Low</b>	<b>Low</b>
<b><u>Commercial Property Assessed Clean Energy (C-PACE)</u></b>	“Loan” through property tax assessment lien to be used for property upgrades that reduce energy consumption or generate energy.	Increase energy efficiency and resilience in multifamily and commercial properties through redevelopment supported with C-PACE loans.	<b>Mid</b>	<b>Low</b>
<b>General Fund</b>	Primary fund through which City expenditures are budgeted and paid.	Allows for high degree of flexibility in uses, depending on accessibility of priorly-allocated funds.	<b>Low</b>	<b>High</b>
<b>HOME/CDBG</b>	Annual federal entitlement dollars for housing programs allocated based on size of population and community need.	Entitlement dollars can support a variety of housing programs under income beneficiary and use constraints.	<b>High</b>	<b>Mid</b>
<b>Tax Increment Financing (TIF)</b>	Redirects increases in property tax revenue resulting from new development in designated areas for use for revitalization projects.	Lasting source of revenue for continued revitalization activities in a district. TIF revenues can be bonded against to support upfront investments.	<b>Mid</b>	<b>Mid</b>

# IMPLEMENTATION



Pokey Smokey miniature train in Portsmouth City Park

# IMPLEMENTATION | Summary of Recommendations

## Catalytic Downtown Redevelopment

Recommendation	Timeline	Lead and Partners	Resources Required	Metrics
<b>Market Public Properties for Redevelopment</b>	Immediate (Month 1-6)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Portsmouth Partnership</li> <li>• Portsmouth Economic Development Authority</li> <li>• Greater Portsmouth Development Corp.</li> <li>• Developers</li> </ul>	Public land City staff capacity	<ul style="list-style-type: none"> <li>• Number and acreage of sites made available for redevelopment</li> <li>• Private investment leveraged through public land</li> <li>• Number and type of housing units developed</li> </ul>
<b>Build Transparency in Redevelopment</b>	Immediate (Month 1-3)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Community members</li> </ul>	City staff capacity	<ul style="list-style-type: none"> <li>• Number of meetings held</li> <li>• Comments and feedback received</li> <li>• Demographic makeup of commenters</li> </ul>
<b>Invest in Shared Infrastructure</b>	Intermediate to Long-Term (Month 4-18)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Portsmouth Economic Development Authority</li> </ul>	Approx. \$2.0 M in public funding for stormwater park City staff capacity	<ul style="list-style-type: none"> <li>• Miles of streetscape improved</li> <li>• Dollars invested in infrastructure projects</li> <li>• Stormwater system capacity</li> </ul>
<b>Reform Land Use &amp; Development Processes</b>	Long Term (Month 7-12)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Developers</li> </ul>	City staff capacity	<ul style="list-style-type: none"> <li>• Time for development or zoning approvals</li> <li>• Multifamily density allowed by-right in Downtown</li> </ul>

## Neighborhood Reinvestment

Recommendation	Timeline	Lead and Partners	Resources Required	Metrics
<b>Build community partnerships</b>	Near Term (Month 1-6)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Neighborhood organizations</li> </ul>	Dedicated City staff liaison	<ul style="list-style-type: none"> <li>• Number of community partnerships formed</li> <li>• Number of meetings held</li> <li>• Meeting attendance</li> <li>• Change in property values</li> </ul>

## IMPLEMENTATION | Summary of Recommendations

### Neighborhood Reinvestment (continued)

Recommendation	Timeline	Lead and Partners	Resources Required	Metrics
<b>Provide Funding for Owner-Occupied Rehabilitation</b>	Intermediate to Long-Term (Month 4-18)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Non-profit partners</li> <li>• Neighborhood organizations</li> </ul>	Dedicated annual funding of \$1M+ City staff capacity Non-profit capacity	<ul style="list-style-type: none"> <li>• Number of rehabs completed in pilot neighborhoods</li> <li>• Average loan size</li> </ul>
<b>Incentivize Infill Development and Renovation</b>	Long Term (Month 7-24)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Mission-oriented developers and small developers</li> <li>• Neighborhood organizations</li> </ul>	Public land City staff capacity	<ul style="list-style-type: none"> <li>• Number of infill development projects or renovation projects in pilot neighborhoods</li> <li>• Homeownership rate</li> <li>• Number of developer partners</li> <li>• Private investment leveraged</li> </ul>
<b>Revise Tax Exemption Program</b>	Intermediate Term (Month 6-12)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> </ul>	City staff capacity Tax revenue foregone	<ul style="list-style-type: none"> <li>• Dollar value of renovations incentivized</li> <li>• Number of projects completed in pilot neighborhoods</li> </ul>

### Senior Housing

Recommendation	Timeline	Lead and Partners	Resources Required	Metrics
<b>Provide Technical Assistance for Aging in Place</b>	Intermediate Term (Month 7-12)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Non-profit partners</li> <li>• Neighborhood organizations</li> <li>• Contractors</li> </ul>	City staff capacity Non-profit capacity	<ul style="list-style-type: none"> <li>• Number of senior households receiving technical assistance</li> <li>• Number of senior households investing in modifications to age in place</li> </ul>
<b>Include Seniors in Owner-Occupied Rehabilitation</b>	Intermediate to Long-Term (Month 7-18)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Small contractors</li> <li>• Neighborhood organizations</li> </ul>	No additional resources	<ul style="list-style-type: none"> <li>• Average loan size provided to senior households</li> <li>• Percent of loan recipients that are seniors</li> </ul>
<b>Consider Senior Housing in Public Land Disposition</b>	Near Term (Month 1-6)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Developers</li> </ul>	No additional resources	<ul style="list-style-type: none"> <li>• Number of age-restricted housing units produced through public land disposition</li> <li>• Senior population Downtown</li> </ul>

# IMPLEMENTATION | Summary of Recommendations

## Deconcentration of Poverty

Recommendation	Timeline	Lead and Partners	Resources Required	Metrics
<b>Deploy Short-Term Rental Assistance</b>	Immediate (Month 1-6)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• Poverty taskforce</li> <li>• Landlords</li> <li>• Nonprofit partners</li> </ul>	CDBG-CV and other available funding	<ul style="list-style-type: none"> <li>• Number of households served who avoid eviction</li> <li>• Income of households served</li> <li>• Eviction rate</li> </ul>
<b>Support Mixed-Income Development</b>	Intermediate to Long-Term (Month 7-18)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• <b>PRHA</b></li> <li>• Poverty taskforce</li> <li>• Affordable housing developers</li> </ul>	City staff capacity Public land	<ul style="list-style-type: none"> <li>• Number of new housing units developed in mixed-income developments</li> <li>• Number of affordable housing units developed in high-opportunity areas</li> <li>• Private investment leveraged</li> <li>• Income of households served</li> </ul>
<b>Establish a Moving to Opportunity Program</b>	Intermediate to Long-Term (Month 7-18)	<ul style="list-style-type: none"> <li>• <b>City of Portsmouth</b></li> <li>• <b>PRHA</b></li> <li>• Poverty taskforce</li> <li>• Regional partners</li> <li>• Private landlords</li> </ul>	City staff capacity Funding for relocation assistance and landlord risk reduction (PRHA)	<ul style="list-style-type: none"> <li>• Number of PRHA residents served</li> <li>• Income of PRHA residents</li> <li>• Portsmouth poverty rate</li> <li>• Other quality of life metrics including health and school outcomes</li> </ul>
<b>Create Pathways to Homeownership for PRHA Residents</b>	Intermediate Term (Months 7-12)	<ul style="list-style-type: none"> <li>• City of Portsmouth</li> <li>• <b>PRHA</b></li> <li>• Hampton Roads Planning District Commission</li> </ul>	City staff capacity	<ul style="list-style-type: none"> <li>• Number of households served</li> <li>• Homeownership rate</li> </ul>

## Catalytic Downtown Development

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Market Public Properties for Redevelopment</b>				
<ul style="list-style-type: none"> <li>Engage the development community</li> <li>Conduct feasibility assessments for priority sites</li> </ul>	<ul style="list-style-type: none"> <li>Identify the City's preferred partnership structure and priority sites for disposition</li> <li>Develop an RFP and evaluation criteria to guide disposition of publicly-owned properties</li> <li>Release the RFP and market it to local and regional developers</li> </ul>	<ul style="list-style-type: none"> <li>Review and score responses and select a development partner</li> <li>Negotiate terms and finalize a development agreement</li> <li>If applicable, release additional RFPs for additional sites</li> <li>Plan for the relocation of City operations</li> </ul>	<ul style="list-style-type: none"> <li>Continue to solicit developers for publicly owned sites</li> <li>Continue to negotiate for desired public benefits</li> <li>Oversee development and support entitlements as needed</li> <li>Relocate City operations away from Downtown waterfront properties</li> <li>Track implementation impacts</li> </ul>	

### Build Transparency in Redevelopment

- Organize existing goals from previous planning efforts
- Hold community engagement meetings to identify public priorities and educate about development tradeoffs
- Develop implementation strategies for community-backed priorities

## Catalytic Downtown Development (continued)

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Invest in Shared Infrastructure</b>				
	<ul style="list-style-type: none"> <li>Evaluate political and financial feasibility of value capture strategies for infrastructure investment</li> <li>Evaluate other potential funding strategies, including General Obligation bonds to finance stormwater park construction</li> </ul>	<ul style="list-style-type: none"> <li>Commit public funding for stormwater park</li> <li>Provide infrastructure investments or reimburse developer costs for utility and streetscape improvements as part of negotiation</li> <li>Evaluate use of C-PACE loans to support resilient multifamily and commercial redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>Oversee construction of infrastructure projects</li> <li>Continue to include infrastructure investments as part of developer negotiations</li> <li>Track implementation impacts</li> </ul>	
<b>Reform Land Use &amp; Development Processes</b>				
		<ul style="list-style-type: none"> <li>Ensure that proposed land use changes align with vision and priorities for Downtown</li> <li>Convene a cross-departmental working group to focus on implementing proposed zoning code, regulatory policy and process changes</li> </ul>	<ul style="list-style-type: none"> <li>Communicate the City's revised processes to developers</li> <li>Track implementation impacts</li> </ul>	

## Neighborhood Reinvestment

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Build community partnerships</b>				
<ul style="list-style-type: none"> <li>Hire or designate a City staff liaison</li> <li>Identify resident or neighborhood groups in a few pilot neighborhoods</li> <li>Connect community groups with capacity-building resources</li> </ul>	<ul style="list-style-type: none"> <li>Formalize partnerships and create a preliminary list of City and regional resources</li> <li>Host initial community partner meetings to identify priorities</li> </ul>	<ul style="list-style-type: none"> <li>Continue to revise resource “toolkit”</li> <li>Host regular community partnership meetings</li> <li>Track implementation impacts</li> </ul>		<ul style="list-style-type: none"> <li>Expand community partnerships into new pilot neighborhoods</li> </ul>
<b>Provide Funding for Owner-Occupied Rehabilitation</b>				
	<ul style="list-style-type: none"> <li>Identify and dedicate funding</li> <li>Identify nonprofit partners</li> </ul>	<ul style="list-style-type: none"> <li>Finalize program parameters and administrative and marketing capacity</li> <li>Conduct outreach to community partners</li> <li>Begin making loans</li> </ul>	<ul style="list-style-type: none"> <li>Track implementation impacts</li> </ul>	<ul style="list-style-type: none"> <li>Continue to market program to community partners</li> <li>Evaluate opportunities to expand program funding</li> </ul>

## Neighborhood Reinvestment (continued)

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Incentivize Infill Development and Renovation</b>				
		<ul style="list-style-type: none"> <li>Review regulatory policies that may be extending the construction process</li> <li>Develop a list of “good-faith” investors and developers</li> </ul>	<ul style="list-style-type: none"> <li>Develop a process for public land disposition</li> <li>Identify available sites in pilot neighborhoods</li> <li>Make properties available for bid</li> <li>Track implementation impacts</li> </ul>	<ul style="list-style-type: none"> <li>Continue disposal of available properties and identify properties for acquisition</li> <li>Expand list of “good-faith” investors</li> <li>Engage with “good-faith” investors to identify further opportunities to incentivize infill development and renovation</li> <li>Expand efforts to new pilot neighborhoods</li> </ul>

### Revise Tax Exemption Program

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Work with community groups and City departments to reduce regulatory barriers for property owners</li> <li>Review and adopt proposed program changes</li> </ul> | <ul style="list-style-type: none"> <li>Market the tax exemption program through community partnerships</li> <li>Track implementation impacts</li> </ul> |
|--|---|

# IMPLEMENTATION | Timeline

## Senior Housing

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Provide Technical Assistance for Aging in Place</b>				
		<ul style="list-style-type: none"><li>• Identify a non-profit partner to provide technical assistance</li><li>• Develop materials about age-in-place resources</li><li>• Connect non-profit partner with community partnerships</li></ul>	<ul style="list-style-type: none"><li>• Continue to support age-in-place through community partnerships</li><li>• Track implementation metrics</li></ul>	
<b>Include Seniors in Owner-Occupied Rehabilitation (N/A)</b>				
<b>Consider Senior Housing in Public Land Disposition (N/A)</b>				

## Deconcentration of Poverty (continued)

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Deploy Short-Term Rental Assistance</b>				
<ul style="list-style-type: none"> <li>Estimate the need for emergency housing assistance due to COVID-19</li> <li>Identify short-term funding streams</li> <li>Where possible, connect households facing eviction to legal assistance</li> </ul>	<ul style="list-style-type: none"> <li>Identify state funding and other stable funding sources to support the program for the longer term</li> <li>Track implementation metrics</li> <li>Provide education to landlords and residents about tenants' rights, landlord responsibilities, and eviction processes</li> </ul>	<ul style="list-style-type: none"> <li>Continue to conduct outreach and education for eviction prevention, potentially through nonprofit partners</li> <li>Continue to track implementation metrics</li> </ul>		

## Support Mixed-Income Development

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>Work with PRHA and other partners to identify sites suitable for mixed-income development in Downtown and neighborhoods</li> <li>Engage with private developers to determine feasible methods of support for development</li> </ul> | <ul style="list-style-type: none"> <li>Begin to solicit proposals for mixed-income developments on identified sites and negotiate development terms</li> </ul> | <ul style="list-style-type: none"> <li>As the Downtown market strengthens, begin to require mixed-income units for residential development on public land</li> <li>Track implementation impacts</li> </ul> |
|--|--|--|

## Deconcentration of Poverty (continued)

Months 1-3	Months 4-6	Months 7-12	Year 2	Years 3-5
<b>Establish a Moving to Opportunity Program</b>				
		<ul style="list-style-type: none"> <li>Identify areas of high opportunity within the City and region</li> <li>Establish a working group with PRHA and regional entities</li> <li>Engage with Norfolk to determine the potential to leverage existing capacity and identify shared goals</li> <li>Hold regular working group meetings</li> </ul>	<ul style="list-style-type: none"> <li>Establish program parameters in coordination with the working group</li> <li>Conduct outreach to private landlords to build support and understanding</li> <li>Begin serving PRHA residents</li> <li>Continue working group meetings to track program implementation and identify new opportunities for regional collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Increase program enrollment</li> <li>Track implementation impacts</li> </ul>

### Create Pathways to Homeownership for PRHA Residents

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>Attend or conduct an event to promote the down payment assistance program to tenants who may qualify</li> <li>Develop educational materials about the program and the benefits of homeownership catered to current tenants</li> </ul> | <ul style="list-style-type: none"> <li>Engage with PRHA to determine other ways the City can support homeownership opportunities for PRHA residents</li> </ul> | <ul style="list-style-type: none"> <li>Continue to engage and collaborate with PRHA</li> <li>Track implementation impacts</li> </ul> |
|--|--|--|

# FUTURE POLICY CONSIDERATION: STRATEGIC CODE ENFORCEMENT



Pokey Smokey miniature train in Portsmouth City Park



**In the future, the City should establish a tiered code compliance approach that collaborates with neighborhood groups and holds landlords responsible for maintaining their properties.** This two-pronged approach will provide OOR support for owner-occupants and administer penalties for investor owners, incentivizing both groups to maintain the stock of safe and healthy homes in Portsmouth's neighborhoods.

**Strategic code enforcement can be effective at improving housing quality for residents and incentivizing property owners to make needed improvements or sell noncompliant property.** Strategic code compliance supports neighborhood reinvestment goals by reducing blight, improving property values, and increasing quality of housing for residents. The process provides a mechanism to address neighborhood quality of life and safety concerns, while positively impacting the investments made by existing homeowners.

**As a long-term neighborhood reinvestment consideration, Portsmouth can adjust its process for code violations to increase its impact and support neighborhood reinvestment, and leverage rehabilitation resources to establish a strategic toolkit for code compliance.** To ensure that code compliance processes do not displace or penalize individuals who cannot afford to make repairs on their homes, the City of Portsmouth currently takes a conflict resolution approach, which includes several warnings to property owners who are out of code, and culminates in an administrative hearing where City staff attempts to help property owners find solutions to property maintenance. This strategy is effective in ensuring that residents have technical support from staff, but does not include substantial rehabilitation resources for owner-occupants who need financial support to maintain their properties. The City should use its owner-occupied rehabilitation (OOR) program as the basis of its code compliance response to owner-occupants, to ensure that it can provide adequate help to homeowners with code compliance cases, and prevent displacement as well as blight.

## Key Partners

- City of Portsmouth
- Neighborhood and civic organizations

## Action Steps

1. Work with community partners to identify pilot areas for code enforcement, including properties with multiple violations.
2. Design and implement a strategic code enforcement process.
3. Communicate code enforcement priorities to property owners.

## Major Outcomes

1. Improved appearance and standard of living in Portsmouth's housing stock
2. Greater number of move-in ready homes available for ownership
3. Increased protection for low-income/vulnerable residents (decreased displacement)

## Timing

Long Term



**In the intermediate term, as OOR resources are developed, the City should strategically deploy code enforcement in reinvestment areas and towards properties with landlords, investors, or other property owners that do not occupy the residence**, in order to raise the standard for treatment of tenants in Portsmouth’s neighborhoods, and to provide them with quality homes. This code enforcement initiative will not be intended to force non-owner occupants out of their properties, but instead to provide persistent delinquent property owners with an option to sell their property. More clearly communicating the City’s priority areas, processes, and recourse for property owners with undue hardship, will help increase the impact of code compliance activities.

**When strategically implemented, the code compliance process will improve the appearance and standard of living in Portsmouth’s neighborhoods, while increasing the number of quality homes available for ownership.** Through coordinated neighborhood input and participation in the process, it will also improve response times and help address residents’ complaints. These improvements will raise the social, physical, and communal health of Portsmouth’s neighborhoods, beginning with its housing stock.

**The City should adopt and formalize a strategic approach to code compliance.** It should work with property owners to address disinvested properties by clearly communicating the City’s processes and available resources to make repairs. The City should only take action through liens and receivership when the owner will not cooperate. The goal is to assist residents interested in maintaining their homes and to deter slumlords and absent property owners.

**The recommended strategic approach should contain three overarching scenarios for the resolution of code compliance cases: Fix it Up, Pay it Up, or Give it Up.** This will provide a predictable process for residents and neighbors impacted by blighted properties and develop a process to return delinquent properties to the market.





**Strategic code enforcement ensures that investor properties are being kept in good repair.** The City should use this process to push landlords and other non-owner occupants who aren't repairing their properties, so these homes can become healthy, safe places for tenants. At the same time, the City should support homeowners with rehabilitation funding. This will ensure that the code enforcement process adequately supports individuals who can't afford to make repairs on their homes and does not result in any discrimination or displacement.

**The City should also work with neighborhood groups to identify focus properties for enforcement.** Their on-the-ground understanding of the neighborhood's housing stock equips these groups with useful knowledge in the reinvestment process, such as which blocks are the "gateways" to their community, and which properties are suffering from neglect and absentee landlords. The City should strategize with its community partners to understand where the focus areas in neighborhoods should be, based on community need and market demand. This will require education campaigns and outreach to empower neighborhood reinvestment champions, by informing community groups of available City resources and programs that they can share with residents. This can take place through existing avenues, such as code enforcement officer attendance at Civic League meetings, as well as through new formats, such as online engagement or specific reinvestment meetings.

**In the longer term, the City will need to increase its Code Compliance capacity.** Given the magnitude of the strategic approach recommended to reduce Portsmouth's blight, it will be important to provide additional staff and financial support to the division tasked with implementation. These additions will include social workers to help individuals manage their code enforcement cases, additional assigned code enforcement officers that work with community and private partners in each reinvestment area, and staff with expertise in property acquisition, receivership, and land banking processes. While some of these staff members will fall under the existing Code Enforcement division, the City should also explore the feasibility of gaining more staff capacity through collaboration with regional partners, such as HRPDC, in the receivership process. The City should also ensure the Code Enforcement division has sufficient capital to contract out repairs to properties, and then wait to be reimbursed through lien payments.



**The City of Portsmouth can learn from Cleveland's strategic approach to code enforcement in disinvested neighborhoods struggling with blight.** The Ohio city used a Code Enforcement Partnership to build the reinvestment capacity in these neighborhoods, by working with local code enforcement officials.

The Cleveland model is a prime example of how Portsmouth can strike community-based partnerships in code enforcement, which will allow residents to have input in priority properties, and work with City staff to prevent code compliance violations in their own homes. **Portsmouth can apply these lessons to its own alignment of strategic code enforcement and owner-occupied rehabilitation.**

### **Code Enforcement Partnership |** Cleveland, OH

In 2008, Cleveland listed 8,009 blighted and vacant homes as public nuisances. This blight was exacerbated by the ongoing foreclosure crisis, a national problem that grew to have strong local impacts.

Given the considerable number of citywide properties to address, Cleveland's Building and Housing Department partnered with 19 neighborhood organizations to share information and coordinate enforcement. This communication allowed the City to establish a code enforcement strategy that was responsive to community needs and complaints. They achieved this responsiveness by assigning Building & Housing inspectors to specific neighborhoods.

By leveraging the community groups' daily involvement with neighborhood residents and geographic expertise with local properties, the City was able to tailor its enforcement to properties that were priorities for the community. It charged its code enforcement officers not just to report violations in their assigned neighborhoods, but also to work with community groups and residents to identify and fix minor problems before they became violations. As a part of this proactive approach, code enforcement partners transferred information about City rehabilitation programs to community groups. As a result, leaders of these groups were better able to shepherd their neighbors through the rehabilitation programs, to prevent and resolve issues of substandard housing.

This partnership has resulted in a significant increase in the City's ability to quickly react to neighborhood concerns and nuisance properties. Since the program was enacted, demolitions increased by 484%, and board-up acquisitions within the City increased by 187%, suggesting the effectiveness of a strategic approach with community input can have on the availability of land or homes for infill development and renovation, and the quality of housing for existing neighbors.

