

City of Alexandria Affordable Housing



Location and Demographics



City Demographics

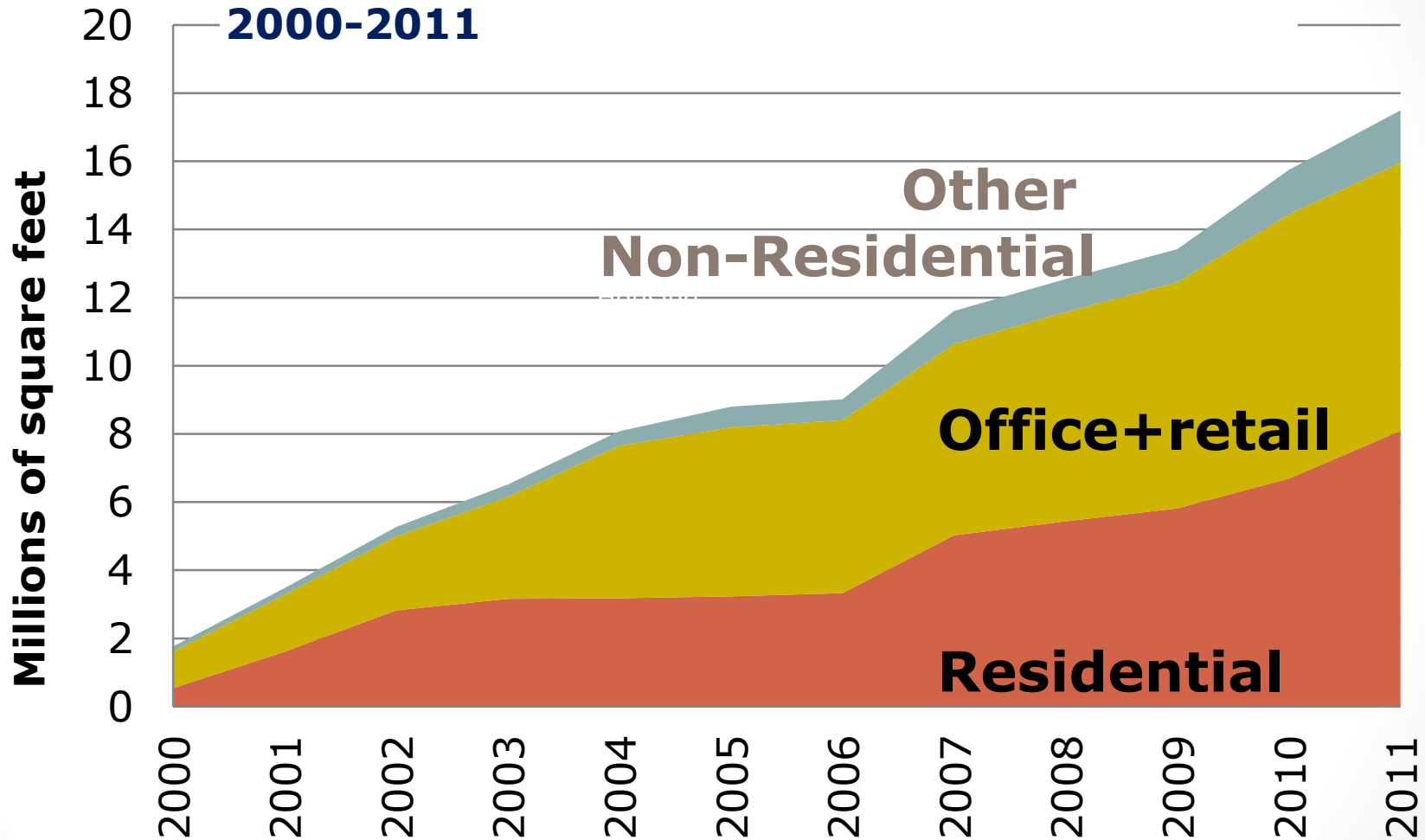
Population (2012)	146,294
Land Area (Sq. Miles)	15.4
Owner Occupied Units	29,103
Renter Occupied Units	34,635

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Development Constructed

Alexandria Cumulative Development Activity 2000-2011



Development Planned

FY	Area	Development
1999	Potomac Yard	3.8 million
2001	Upper Potomac West	0.4 million
2003	Arlandria	1.7 million
2003	Eisenhower East	8.9 million
2005	Mount Vernon Avenue	0.2 million
2006	Hunting Creek	0.2 million
2008	Braddock Metro and Braddock East	3.6 million
2009	Landmark/Van Dorn	12.1 million
2010	Potomac Yard North	7.5 million
2012	Waterfront	0.8 million
2012	Beauregard	12.0 million
Total		51.4 million



Why a Housing Master Plan?

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Importance of Affordable Housing

- Alexandria's ability to offer a spectrum of affordable housing options is both
 - critical to the City's future economic growth, and
 - central to the City's vision of itself as a diverse and caring community.
- The loss of affordable housing over the last decade is a clear and present threat to the City's economic and racial/ethnic diversity.

From the Introduction to the Affordable Housing Initiatives Work Group Interim Recommendations.



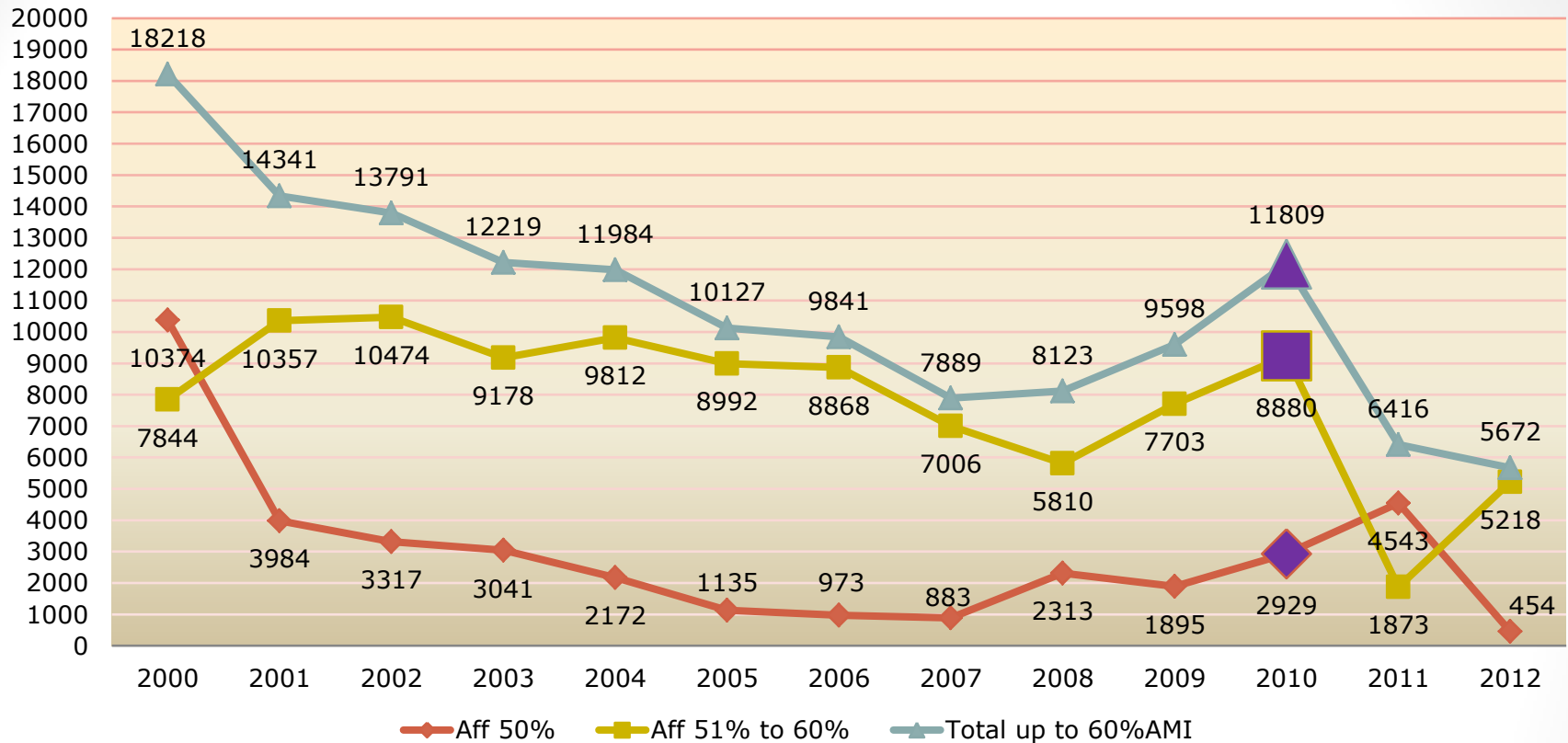
Incomes and Housing Costs

- **From 2000 to 2014:**

- HUD median income for Washington, DC metropolitan area increased by **30%**, from \$82,800 to \$107,000
- Average rent for market rate two bedroom unit in Alexandria increased by **70%**, from \$1,034 to \$1,753
- Average assessed value of residential property increased by **156%**, from \$191,341 to \$490,442:
 - Single family: 160%, from \$260,907 to \$677,375
 - Condominiums: 171%, from \$106,875 to \$287,495



Market Affordable Rental Units, 2000 to 2012



Threatened Assisted Rental Housing

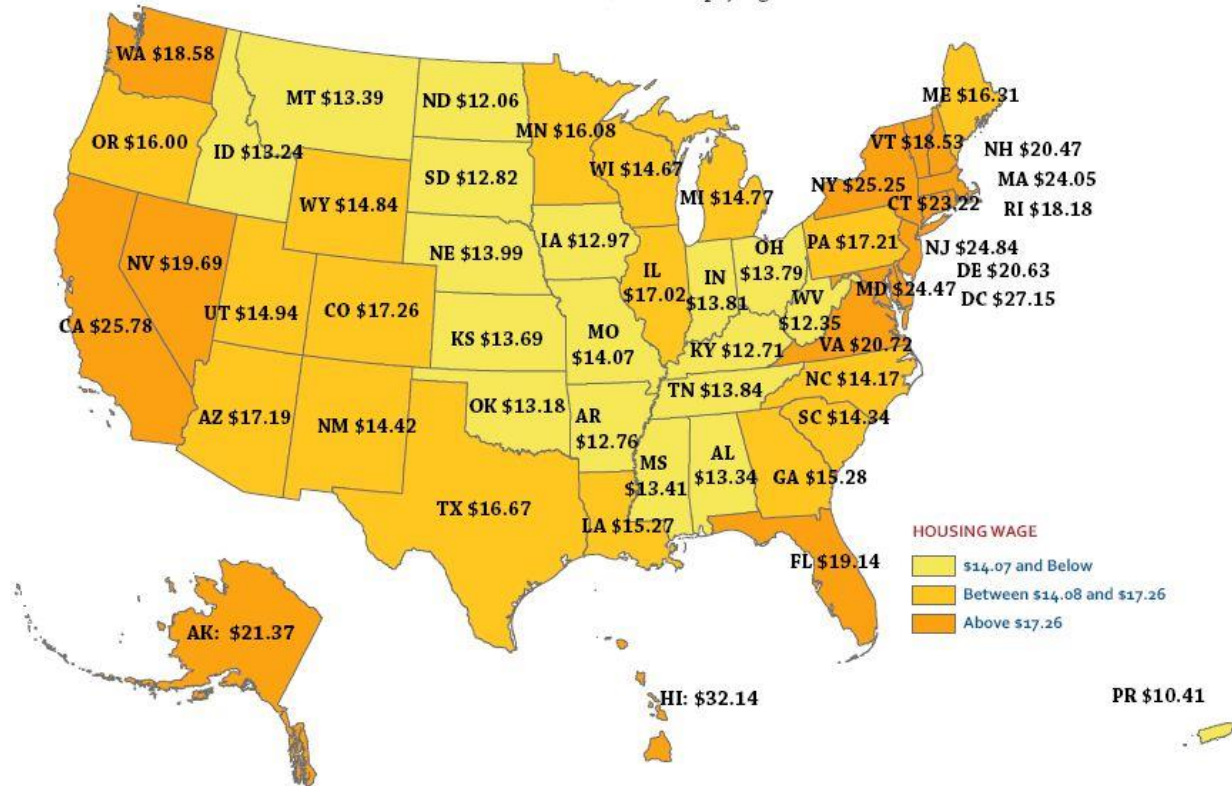
- Over 1,300 in assisted non-Resolution 830 units will face potential loss by 2025



Out of Reach 2013

The National Low Income Housing Coalition

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom unit, without paying more than 30% of their income.



NATIONAL LOW INCOME HOUSING COALITION // OUT OF REACH 2013

Virginia is the ninth most expensive state with regard to the hourly wage required to rent a 2 bedroom apartment.



Assisted Rental Housing

Assisted Housing Type	Number of Units
Resolution 830 (public housing and replacement units)	1,150
Non Resolution 830	
Project-Based Sec. 8	950
LIHTC and/or Tax Exempt Bonds	1,378
Set-aside rental units	79
Local assistance (incl. federal CDBG/HOME) only	159
TOTAL	3,716

Housing Choice Vouchers	1,906
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Need for Additional Publicly Assisted Units

- Currently 3,716 Publicly Assisted Rental Units
- 2010 demand was approximately 14,000
- Market Rate Affordable Housing is continuing to decline
- ARHA Voucher Wait list has 7,895 households and the Public Housing Wait list has 7,796 households



Alexandria Housing Master Plan



Presentation to Montgomery County

2/27/2014

Overarching Theme– Housing for All

- Persons of all incomes
- Persons of all ages
- Persons of all abilities



Guiding Principles

- **Principle 1:** Variety of housing options at all incomes
- **Principle 2:** Housing choice for all ages and abilities
- **Principle 3:** Active partnerships
- **Principle 4:** Key priorities for distribution and preservation
 - Access to transportation and services
 - Strategic preservation or location opportunities
 - Geographic distribution
- **Principle 5:** Social and cultural diversity through mixed income communities
- **Principle 6:** Healthy and growing economy requires affordable housing



Housing Master Plan Goals

Goal 1: Preserve long-term affordability and physical condition of assisted and market affordable rental housing

Goal 2: Provide or secure affordable and workforce rental housing through strategic development and redevelopment

Goal 3: Provide affordable home purchase opportunities

Goal 4: Enable homeowners to remain in their homes



Housing Master Plan Goals

Goal 5: Provide safe, quality housing choices for households of all ages and abilities

Goal 6: Enhance public awareness of the benefits of affordable Housing

Goal 7: Enhance public awareness of the benefits of healthy, well-designed, and energy efficient housing.



Limitations Imposed by Virginia's Dillon Rule

- Dillon Rule (1868): local governing bodies only have powers **explicitly granted** them by the Virginia General Assembly, powers that are fairly and necessarily implied from a specific grant of authority, and powers that are essential and indispensable to the purposes of government.
- The City of Alexandria is regulated by Code of Virginia §15.2-2304 under which covered localities “may by amendment to the zoning ordinances...provide for an affordable housing dwelling unit program...**by providing for optional increases in density** in order to reduce land costs for such moderately priced housing.”
- Therefore, the City may require the development of affordable housing only in exchange for density increases.



Voluntary Contribution Formula

Development Category	2005 Rates	2014 Rates
Non-Residential	\$1.50	\$1.85
Tier 1 Residential		
For-Sale	\$2.00	\$2.47
Rental	\$1.50	\$2.47
Tier 2 Residential	\$4.00	\$4.94



Bonus Density: Section 7-700

- Allows City approval of up to 20% increase in allowed density
 - may exceed 20% where allowed by Small Area Plan (NEW)
- Requires dedicated affordable units in exchange for bonus
 - 1/3 of bonus units (or equivalent) (NEW REQUIREMENT)
 - equivalency can be established with a different number of units if the size (square footage or number of bedrooms) of the units provided achieves an equivalent contribution (NEW)
- Allows affordable units off-site (NEW)
 - equivalent to on-site contribution value
- Allows cash in-lieu of on site units (NEW)
 - equivalent to on-site contribution value



Zoning Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
Zoning Tools				
Accessory Dwelling Unit Policy				
Phase 1 (New CDD Zones)	N	✓		Further Study, Local Policy Development
Phase 2 (Full Program)	N		✓	Community Outreach, Research and Analysis, Local Policy
Additional Density in Exchange for Affordable Housing*	E, M	✓		Local Policy Development, Local Ordinance Amendment
Parking Requirements for Substantial Rehabilitation*	N	✓		Local Ordinance Amendment
Parking Requirements for Affordable Housing	E, M	✓		Local Policy Development
Transfer of Development Rights	N		✓	Further Study, Legislative Action, Local Ordinance
Voluntary Developer Contribution Policy Update*	E, M	✓		Local Program Modification

E-Existing; M-Modified; N-New; *Included in Plan Adoption



Additional Density for Affordable Housing

- Developer Contribution Work Group Recommendation
 - “when additional density is provided through rezoning, developer contributions should take into account that affordable housing is one of the City’s highest priorities.”
- When an application for a rezoning is proposed that increases the permitted density or otherwise adds value to the parcel being rezoned, the City should consider whether, among the variety of public benefits that may be under consideration, there should be a significant cash or in-kind contribution to affordable housing in excess of what would normally be provided with a Development Special Use Permit.



Program Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
Programmatic Tools				
Community Land Trust	N	✓		Further Study; Policy Development
Development Fee Relief	N	✓		Further Study; Policy Development
Fair Housing Testing and Education	E			
Home Purchase Assistance Loan Program Enhancements	E, M	✓		Local Program Modification
Home Rehabilitation Loan Program Enhancements	E, M	✓		Local Program Modification
Homelessness Prevention/Assistance	E			
Housing Choice in New Construction and Rehabilitation	N		✓	Partnerships, Further Study, Policy Development
Housing Development Loans (Rental and Ownership)	E			
Landlord Tenant Relations	E			
Public Land for Affordable Housing	N	✓		Partnerships, Further Study, Policy Development

E-Existing; M-Modified; N-New



Program Tools (cont.)

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
Programmatic Tools				
Mixed-Income Affordable Assisted Living	N	✓		Partnerships, Affordable Assisted Living Work Group Formation, Advocacy and Outreach
Predevelopment Funds*	E, M	✓		Local Policy Development
Rent Relief Program for Seniors and Disabled	E			
Rental Housing Assistance (Set Aside, Res. 830, HCV, etc.)	E			
Resource Center for Affordable Housing	N	✓		Research, Data Collection, Website update
Special District to Enable Access to Historic Tax Credits	N	✓		Partnerships, Study and Analysis, Advocacy and Outreach

E-Existing; M-Modified; N-New; *Included in Plan Adoption



Financial Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
Financial Tools				
General Fund Direct Allocation Support				
Annual Lump Sum Appropriation	E,M	✓		Local Policy Development
Dedicated Real Estate Tax	E,M	✓		Local Policy Development
Tax Increment Funding	E,M	✓		Local Policy Development
General Fund Foregone Revenue (Tax Relief)				
Homeowner Tax Relief – Seniors/Disabled	E			
Tax Abatement for Substantial Rehab	N		✓	Local Policy Development
Loan Consortium	N		✓	Partnerships, Education Process, Local Program Development
Loan Guarantees	E,M		✓	Local Policy Development

E-Existing; M-Modified; N-New



Housing Master Plan Target

- The City has established a target of providing, preserving, or assisting 2,000 units from FY 2014 through FY 2025 through the implementation of the goals, strategies, and tools contained in this Housing Master Plan.



Innovative Approaches

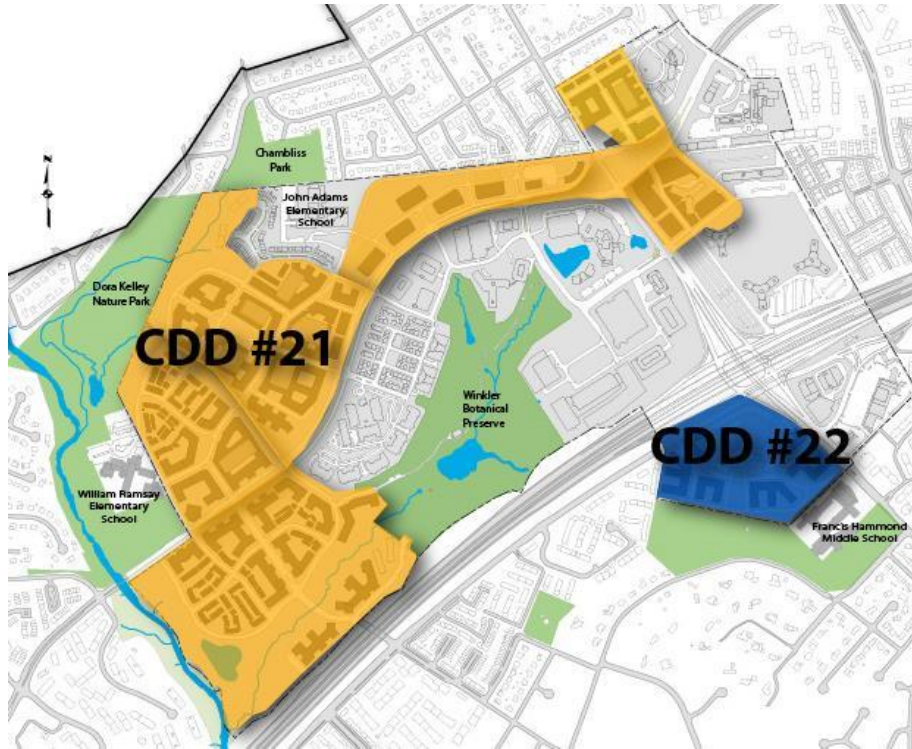


“Housing for All”

- Focus on rental housing, but homeownership when possible
- Units secured by:
 - Working with nonprofits, private developers and ARHA to create/preserve affordable housing – partnerships!
 - Pledges from developers pursuant to bonus density and/or rezoning
- City’s role: Loans, technical assistance and land
- In exchange, City gets ROFR and long term affordability
- Priorities: Low/mod income (deep subsidies); accessibility, green building/energy efficiency; TOD; mixed-income neighborhoods



Beauregard Small Area Planning Process



- City updates its Comprehensive/Master Plan via “Small Area Plans”
- New ownership triggers redevelopment
- Economic analysis prior to planning: City to capture redeveloped value as community benefits – the “bucket”
- Beauregard bucket included transit system/ellipse, a new fire station, open space and **AFFORDABLE HOUSING!**

Beauregard Small Area Committed Affordable Units

	Household Area Median Income Groups					
	40%	50%	55%	60%	75%	> 75%
Distribution Analysis						
A. Small Area Plan Distribution	12%	20%	30%	30%	8%	0%
B. Tenant Survey Results (All Participants)	38%	11%	5%	5%	13%	28%
C. Tenant Survey Results (Households <75% AMI)	52%	16%	7%	7%	18%	NA
D. AHAC/Staff Recommended Distribution	51%	16%	7%	8%	18%	0%

- 800 committed affordable units, with half at 40% AMI
- Funding: Developer contributions, City \$ and TIF like financing (future RE tax revenue due to increased value)



Development Approval Process

Bonus Density



- 20 percent density increase and/or 25' height increase
- At least 1/3 set of units aside for 60% AMI for 40 years
- Creative approaches to get units the market does not provide (e.g. 3 BRs)
- Lower parking ratio for affordable housing helps induce developers
- Rental and homeownership units

The Station at Potomac Yard

Mixed Use: Municipal, Retail and Affordable Housing



- Public/Private/Non Profit Partnership
- Developer – Land +\$
- Non profit brings access to public and private leverage, including LIHTCs, as well as commitment to long term affordability
- 64 workforce and affordable units
- Easily replicated - White Flint ?

Jackson Crossing

Public Land/ PPP

- City-AHC Partnership
- City parcel completes land assemblage
- \$2.5 M City loan leveraged 10:1
- TOD: BRT, future PY metro station
- Challenge: Right sized parking/paid parking



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Beasley Square

Faith Based Development



- Shiloh Baptist Church/Harambee CDC
- 99 year ground lease from church
- City: \$ for predevelopment and construction, as well as technical assistance
- Adaptive reuse/new construction results in 8 senior affordable apartments
- New NAACP initiative targeting faith community: 130+ acres in City belongs to 305 churches

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James Bland/Old Town Commons Public Housing Redevelopment

- ARHA partnership with EYA
- Mixed income: apartments, condos and townhomes
- Creative design makes different types of tenure seamless
- Resolution 830 requires 1:1 replacement of ARHA units
- Jan 2014 RFP – 7 other sites for redevelopment (546 units)



Acquisition and Rehabilitation Garden Apartments

- Preserves community diversity and income mix while retaining character and context of neighborhood
 - Extends property's useful life and creates opportunity for long term affordability (40 years)
 - Increases the # of family sized units
 - Accessibility
 - Energy improvements/efficiencies lower operating costs
- Subordinate loans from City HOF (developer contributions and other City financial resources)



Acquisition and Rehabilitation ParcView Apartments



141 Units/120 affordable

Financing included:

\$7.9 M 4% LIHTC

\$11.9 M Tax exempt bonds (VHDA)

\$3.5 M SPARC loan (VHDA)

\$1.06 M Deferred developer fee

\$9.0 M City of Alexandria loan

\$33.5 M Total

City per unit investment = \$74K

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Proposed New Tools to Enhance Affordable Housing

- Community land trusts
- Transfer of development rights
- Accessory units
- City right of first refusal to acquire existing MF properties
- Special multiple-resource historic districts (tax credits)
- New funding sources and financing options: loan consortium, City loan guarantees



Questions?

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