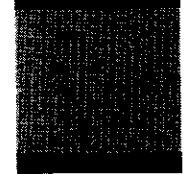
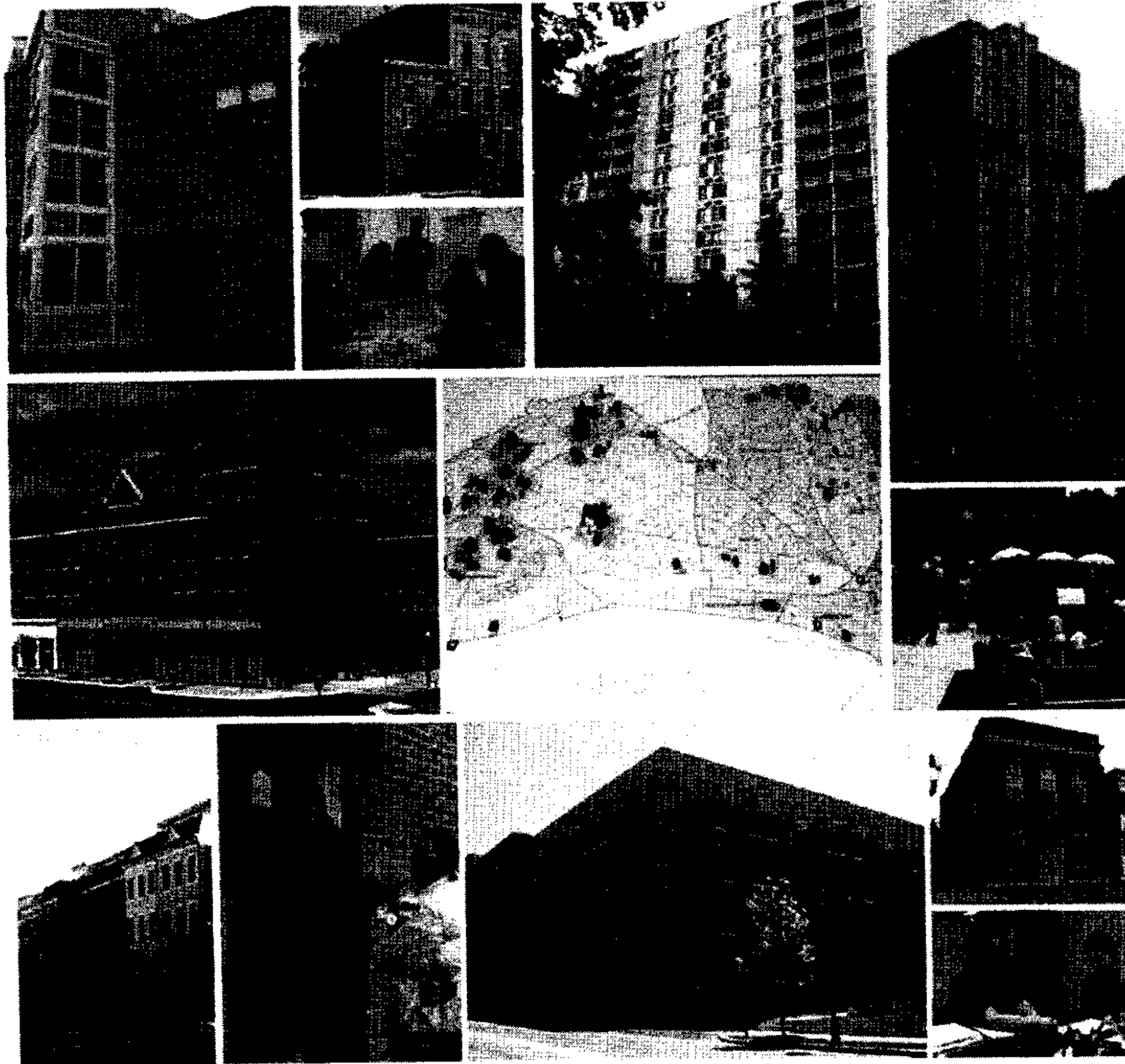
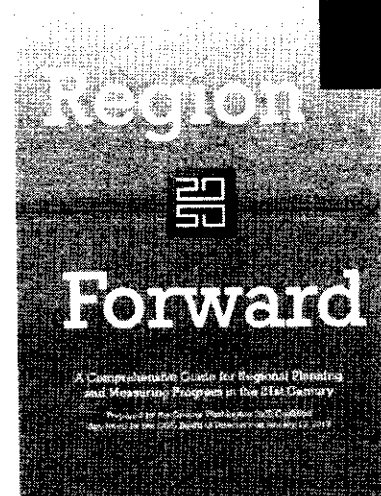
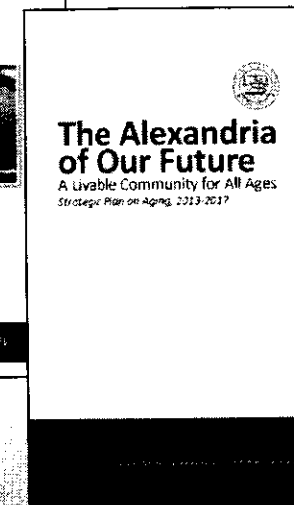
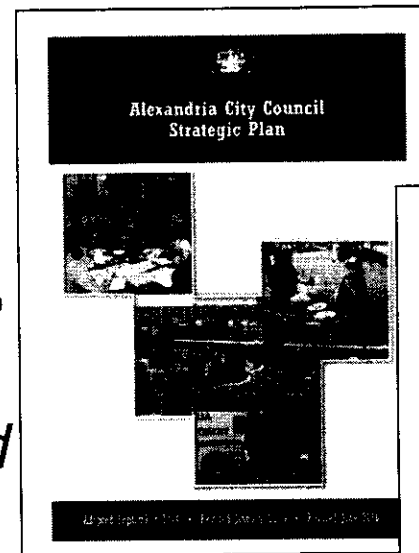


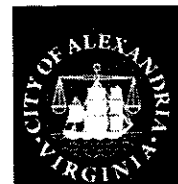
Draft Housing Master Plan City Council Work Session



Consistency with Other Plans

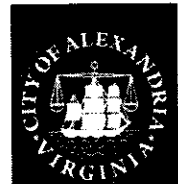
- *2010 City Council Strategic Plan*
- *ARHA Strategic Plan*
- *The Alexandria of Our Future (Strategic Plan on Aging)*
- *Strategic Plan to Prevent and End Homelessness*
- *Transportation Master Plan*
- *Eco-City Alexandria*
- *Green Building Policy*
- *MWCOG's "Region Forward" Plan*





Supply and Demand

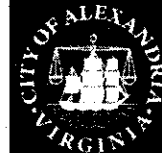
14,353	Households at or below 60% AMI
- 3,710	Committed affordable units
- 5,642	Market affordable units (occupancy not limited by income)
<hr/>	
5,001	MINIMUM # households not served by affordable units



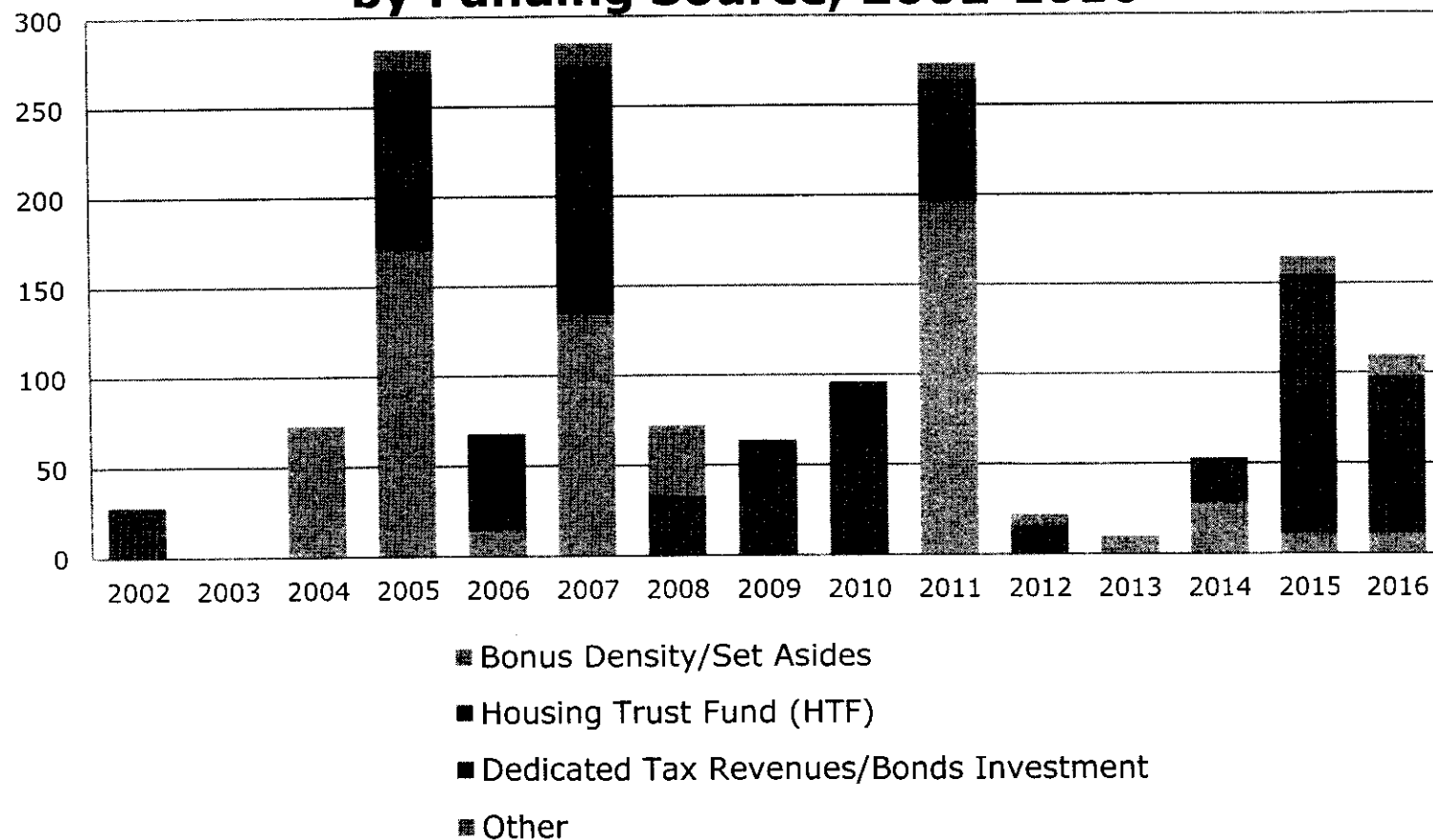
Current assisted housing inventory

Type	No. units
Resolution 830	1,150
Other publicly owned	24
Privately owned, federally subsidized	2,304
State or local subsidy only	159
TOTAL	3,716

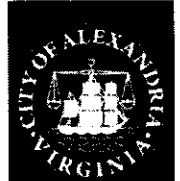
- As of 5/1/13, 53% of vouchers under lease within Alexandria are in assisted units



Completed Affordable/Workforce Rental Units by Funding Source, 2002-2016

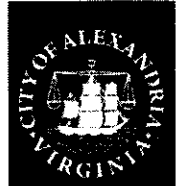


Affordable Housing Bonds and Dedicated Revenue FY 2006 - 2013 (\$ millions)



Uses	Dedicated Revenue	Bonds	Total	% of Total Dedicated Revenue and Bond Funding
ARHA Loans	\$4.4	\$3.2	\$7.6	27%
Quaker Hill	2.8	0.7	3.5	12%
James Bland	1.2	1.5	2.7	10%
Glebe* (repaid in full)	0.4	1.0	1.4	5%
Other Loans	\$6.7	\$14.2	\$20.9	72%
ParcView	4.5	2.2	6.7	23%
Lacy Court	0.0	4.8	4.8	17%
Arbelo	0.0	3.5	3.5	12%
Longview Terrace	0.0	3.2	3.2	11%
East Reed (Pending)	1.6	0.5	2.1	7%
AHDC A-L-L	0.6	0.0	0.6	2%
Operating	\$0.4	\$0.0	\$0.4	1%
Housing Master Plan	0.4	0.0	0.4	1%
Total	\$11.5	\$17.4	\$28.9	100%

*The City loaned ARHA an additional \$5.6 M (of which \$0.6 M has been repaid) in General Obligation bonds NOT from the authorized housing bonds to pay off the Glebe Park mortgage prior to redevelopment. The remaining \$5 million is to be repaid from James Bland net proceeds at the end of the project.



Plan Structure

Guiding Principles

Goals and Strategies

Tools

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

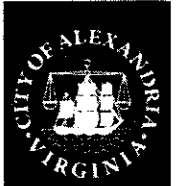


Goals and Strategies

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

Strategies:

- 1.1** Priority for units affordable at or below 50% AMI
- 1.2** Obtain affordability commitments from owners of market affordable units
- 1.3** Partner with affordable housing providers to acquire and/or rehabilitate affordable units
- 1.4** Increase the number of units :
 - affordable below 30% of AMI, and
 - serving seniors in areas with transportation retail, recreation, and other services.
- 1.5** Support ARHA's acquisition and rehabilitation efforts

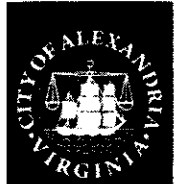


Goals and Strategies

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

Strategies:

- 2.1** Develop policies and regulations to incorporate affordable housing in development and redevelopment
- 2.2** Partner with nonprofit and for profit developers
- 2.3** Add affordable housing plans/tools to Small Area and Corridor Plans
- 2.4** Support ARHA in redevelopment or new development
- 2.5** Seek substantial replacement of market affordable housing in redevelopment



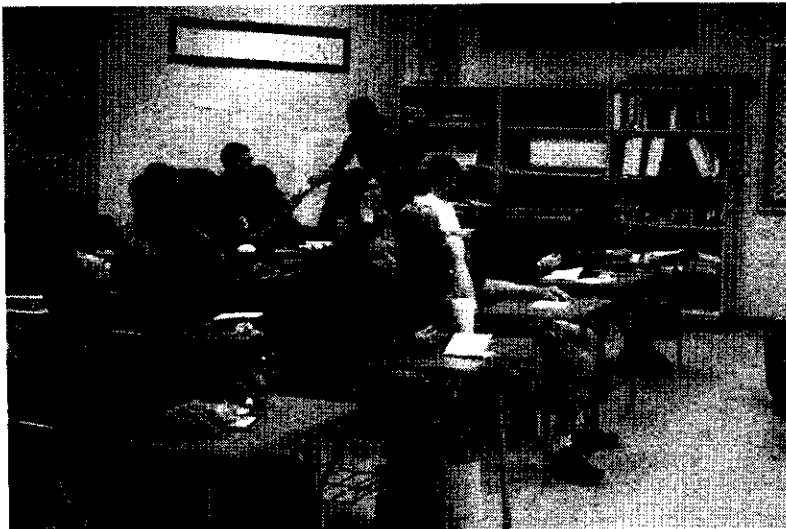
Goals and Strategies



Goal 3: Provide affordable home purchase opportunities

Strategies:

- 3.1 Homebuyer training and counseling
- 3.2 Provide financial assistance to:
 - Low and moderate income households
 - City and School employees



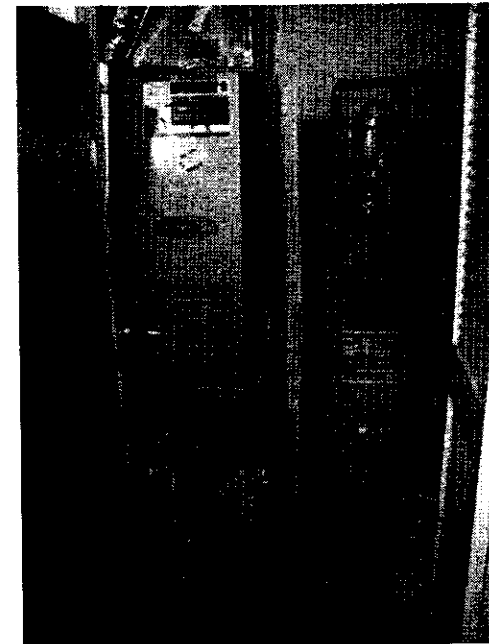
Goals and Strategies



Goal 4: Enable homeowners to remain in their homes

Strategies:

- 4.1** Provide home rehabilitation services to lower income homeowners
- 4.2** Assist low/moderate-income homeowners with maintenance and energy efficiency improvements
- 4.3** Provide assistance to seniors to strengthen ability to age in place



Goals and Strategies

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

Strategies:

- 5.1** Improve housing for visitability and habitation by persons with physical disabilities
- 5.2** Promote universal design
- 5.3** Promote and encourage accessible and adaptable units in excess of minimum requirements
- 5.4** Promote and encourage visitable and accessible units in new construction
- 5.5** Develop minimum standards for adaptability in multi-family rehabilitation
- 5.6** Facilitate use of Virginia Livable Home Tax Credit
- 5.7** Develop assisted living facility serving affordable income levels in Alexandria



Goals and Strategies

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

Strategies:

- 6.1** Continue and enhance community outreach to foster understanding of need for, and benefits of, affordable housing
- 6.2** Work with the City agencies and service providers to ensure awareness of resources and services
- 6.3** Conduct stakeholder outreach to developers, financial institutions, lenders, property owners and real estate professionals
- 6.4** Encourage public-private partnerships



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			
Maximizing Public Land for Affordable Housing	N		✓	Partnerships, Further Study, Policy Development

E-Existing; M-Modified; N-New

Program Tools (cont.)



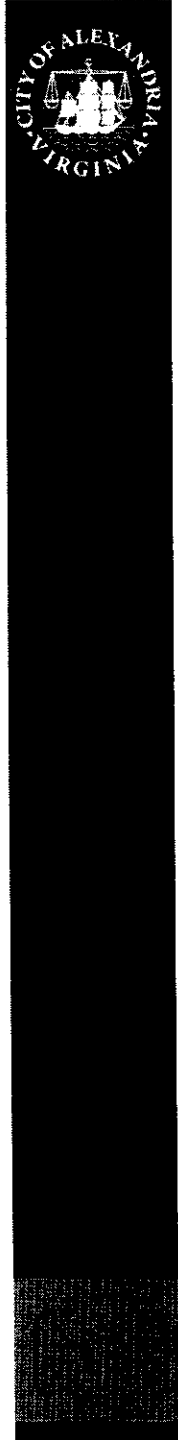
Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
Programmatic Tools				
Mixed-Income Affordable Assisted Living	N	✓		Partnerships, Affordable Assisted Living Work Group Formation, Advocacy and Outreach
Predevelopment Funds	E, M			Local Policy Development
Rent Relief Program for 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



Use of zoning/land use strategies for affordable housing

- Code of Virginia §15.2-2304
 - Localities "may by amendment to the zoning ordinances...provide for an affordable housing dwelling unit program...[that] shall...encourage the construction and continued existence of moderately priced housing by providing for optional increases in density in order to reduce land costs for such moderately priced housing."



Arlington County Affordable Housing Program

- Requirements for a site plan that exceeds 1.0 FAR:

1. Dedicated Units

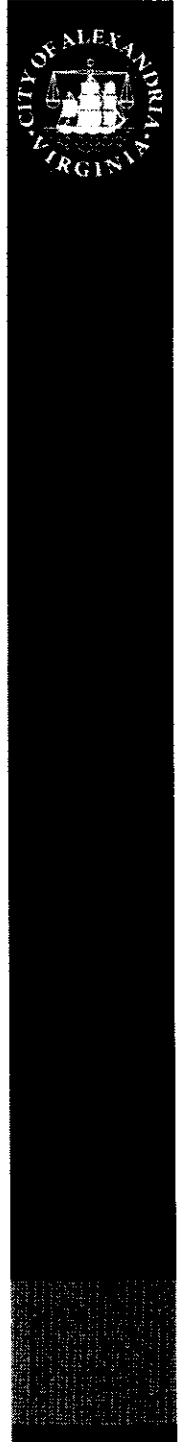
- a. Onsite: 5% of GFA over 1.0 FAR
- b. Offsite Nearby: 7.5% of GFA over 1.0 FAR
- c. Offsite Elsewhere: 10% of GFA over 1.0 FAR

OR

2. Cash Contribution

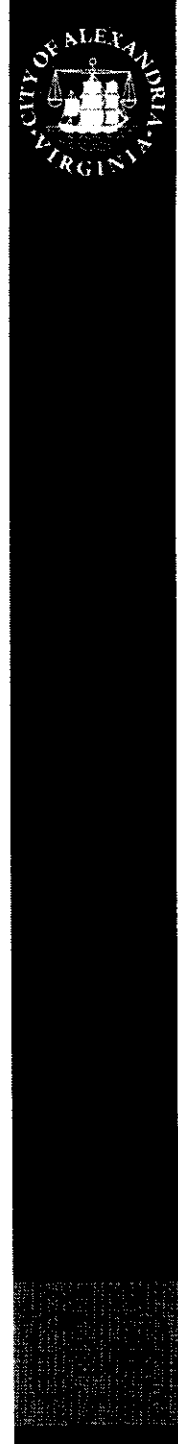
FAR	Commercial	Residential
1.0 FAR	\$1.77/Sq. Ft.	\$1.77/Sq. Ft.
1.0 – 3.0 FAR	\$4.72/Sq. Ft.	\$4.72/Sq. Ft.
3.0 – 5.0 FAR	\$4.72/Sq. Ft.	\$9.45/Sq. Ft.

Alexandria/Arlington Contribution Comparison



Project Information		Alexandria Housing Contribution			Arlington County Estimated Housing Contribution**
Acres	Type	Monetary Contribution	Units (Cash Equivalent)*	Total Contribution	Estimated Contribution under Arlington formula
2.04	Apartment	\$0.2M	\$1.4M	\$1.6M	\$0.3M
2.80	Apartment	\$0.9M		\$0.9M	\$1.0M
2.04	Commercial	\$0.2M		\$0.2M	\$0.2M
0.84	Commercial	\$0.2M		\$0.2M	\$0.5M
6.42	Mixed Use	\$3.3M	\$9.8M	\$13.1M	\$7.8M
1.00	Condo	\$0.1M	\$1.3M	\$1.4M	\$0.2M
2.70	Single Family	\$0.1M		\$0.1M	\$0.0M

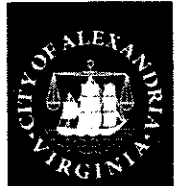
* Project used Alexandria's Bonus Density Program
 **Additional affordable housing could be required via additional negotiated polices (i.e. bonus density, WDU Program, etc)



Fairfax County Bonus Density Program

- No Formula for cash contribution
- Density Bonus for projects exceeding 50 Dwelling Units
- Bonus Density included within zoning categories

Building Type	Density Bonus	ADU Requirement
Single Family	Up to 20%	12.5%
Multi-family (no elevator OR ≤ 3 stories)	Up to 10%	6.25%
	10-20%	12.5%
Multi-family (elevator OR ≥ 4 stories)	Up to 17%	6.25%



Zoning Tools

Tool	Implementation Schedule		Required Action
	Type	1-3 Years	
Zoning Tools			
Accessory Dwelling Unit Policy			
Phase 1 (New CDD Zones)	N	✓	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



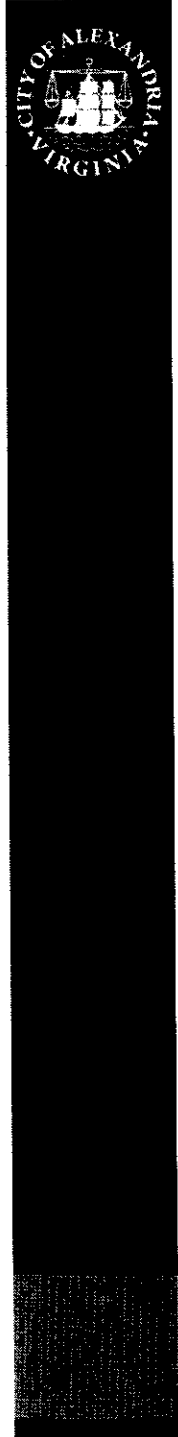
Voluntary Contribution Formula Update

Development Category	2005 Rates	2013 Rates
Non-Residential	\$1.50	\$1.82
Tier 1 Residential		
For-Sale	\$2.00	\$2.43
Rental	\$1.50	\$2.43
Tier 2 Residential	\$4.00	\$4.85



Section 7-700 Update

- Affordable Units Off-Site
- Cash in-lieu of on site units
- Require 1/3 of Bonus Units be dedicated Affordable
 - unless the City and the Applicant mutually agree to a different number of units in order to address a stated City objective (e.g., a particular configuration of unit sizes).



Funding

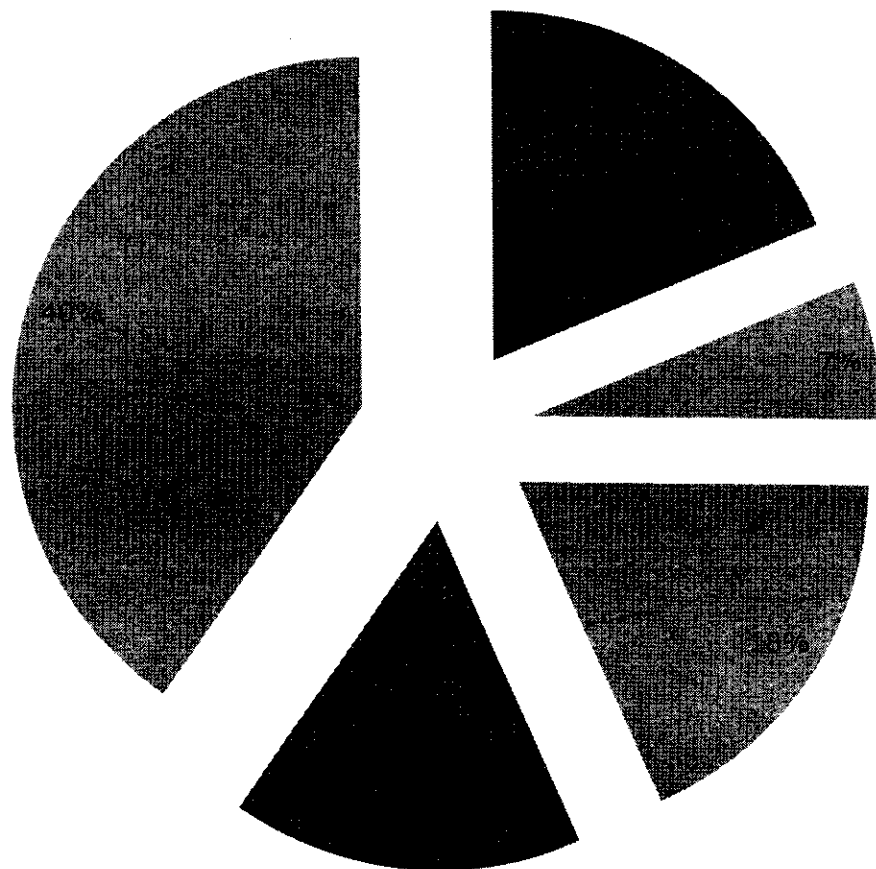


Financial Tools

Tool	Implementation Schedule		Required Action
	Type	1-3 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		
Loan Consortium	N		Partnerships, Education Process, Local Program Development
Loan Guarantees	E, M		Local Policy Development

E-Existing; M-Modified; N-New

Approved Sources FY 2014

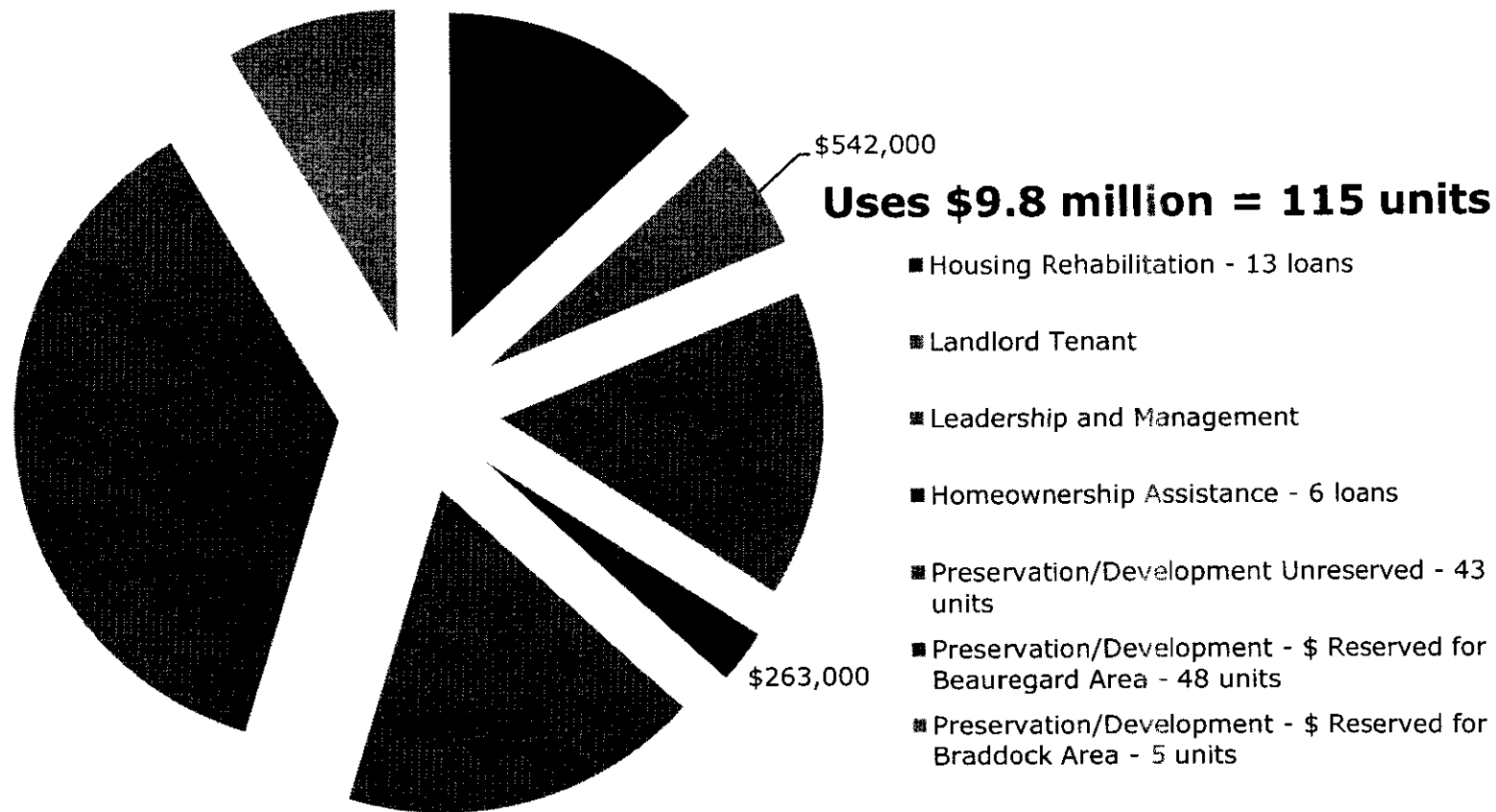


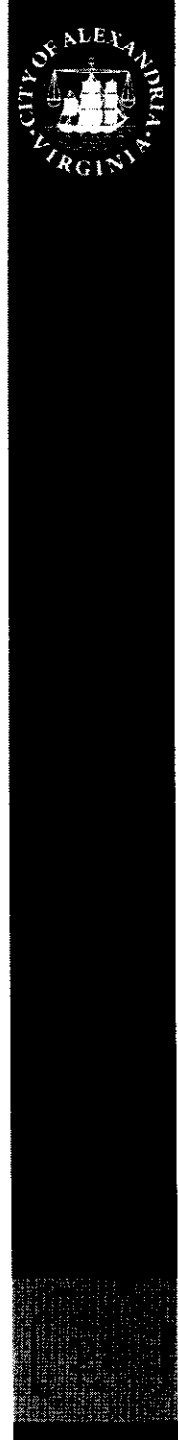
Sources \$9.8 Million

- General Fund (GF) Operating
- GF- Housing Programs
- Federal Grants and Program Income
- GO Bonds
- Housing Trust Fund



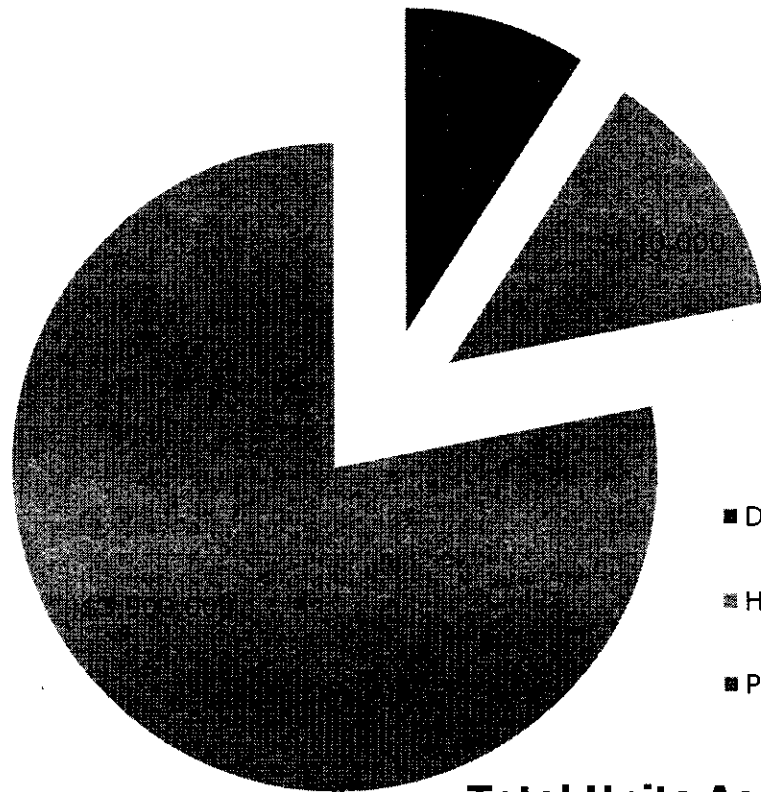
Approved Uses FY 2014





Production Cost Examples:

Example 1: +93 Units Per Year



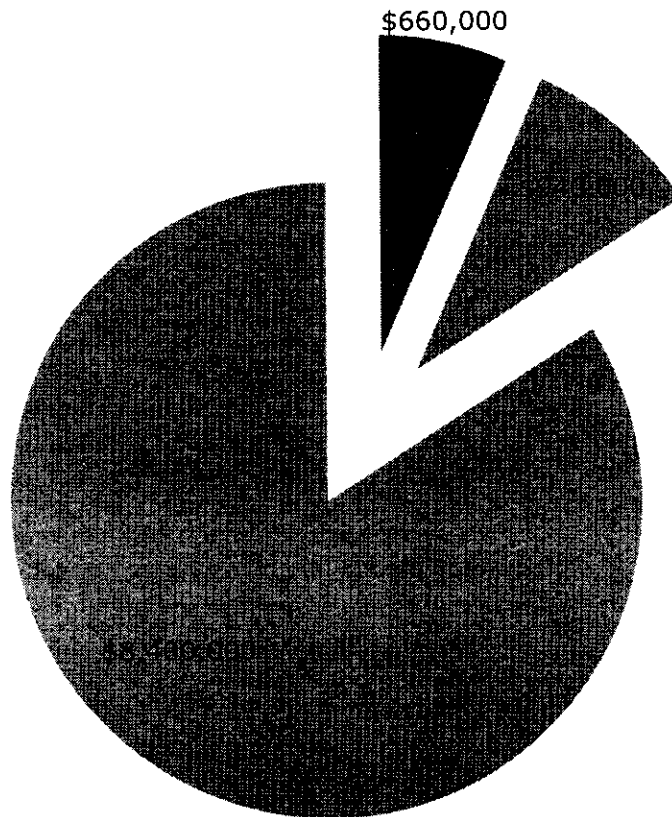
Uses

- Deep Subsidy Program - 5 units for 10 yrs.
- Homeownership Assistance - additional 17 loans per year
- Preservation/Development - additional 71 units per year

Total Units Assisted: $115+93=208$ Units per year

Production Cost Examples:

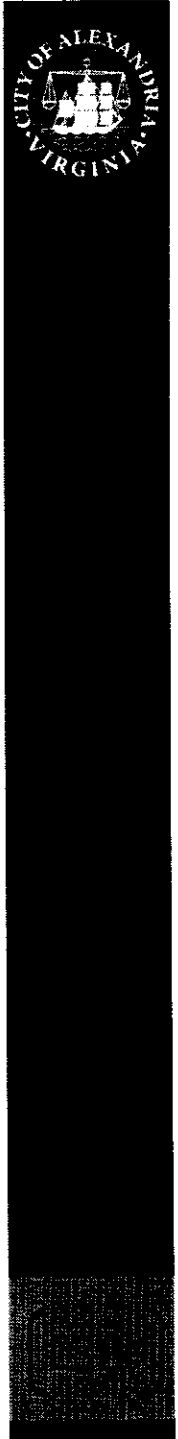
Example 2: +191 Units Per Year



Uses

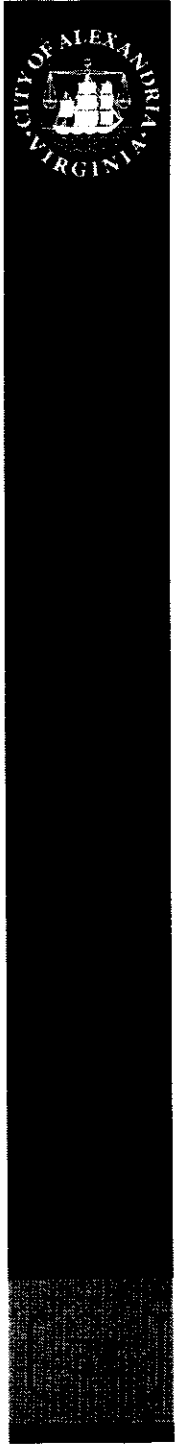
- Deep Subsidy Program - 7 units for 10 yrs.
- Homeownership Assistance - additional 24 loans per year
- Preservation/Development - additional 160 units per year

Total Assisted Units: $115+191=306$ Units Per Year

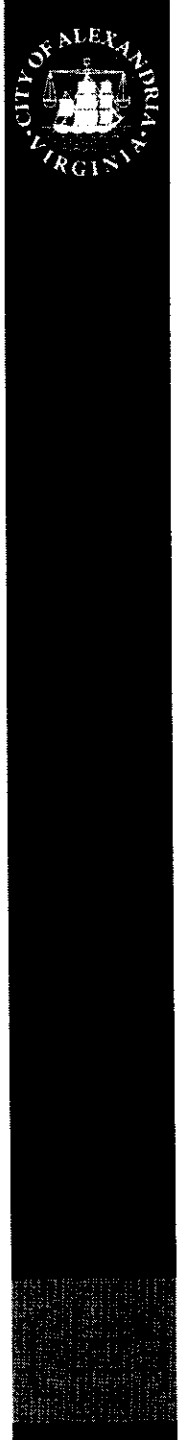


Items to be forwarded for approval along with HMP (September/October)

- Local Ordinance Amendment
 - Changes to Section 7-700 of Zoning Ordinance
 - Parking Requirements for Substantial Rehabilitation
- Local Program Modifications
 - Modifications to Homeownership Programs and Home Rehabilitation Loan Program
- Policy Items
 - Predevelopment Funds
 - Accessory Dwelling Units in new CDDs



SLIDES COVERED IN APRIL WORK SESSION

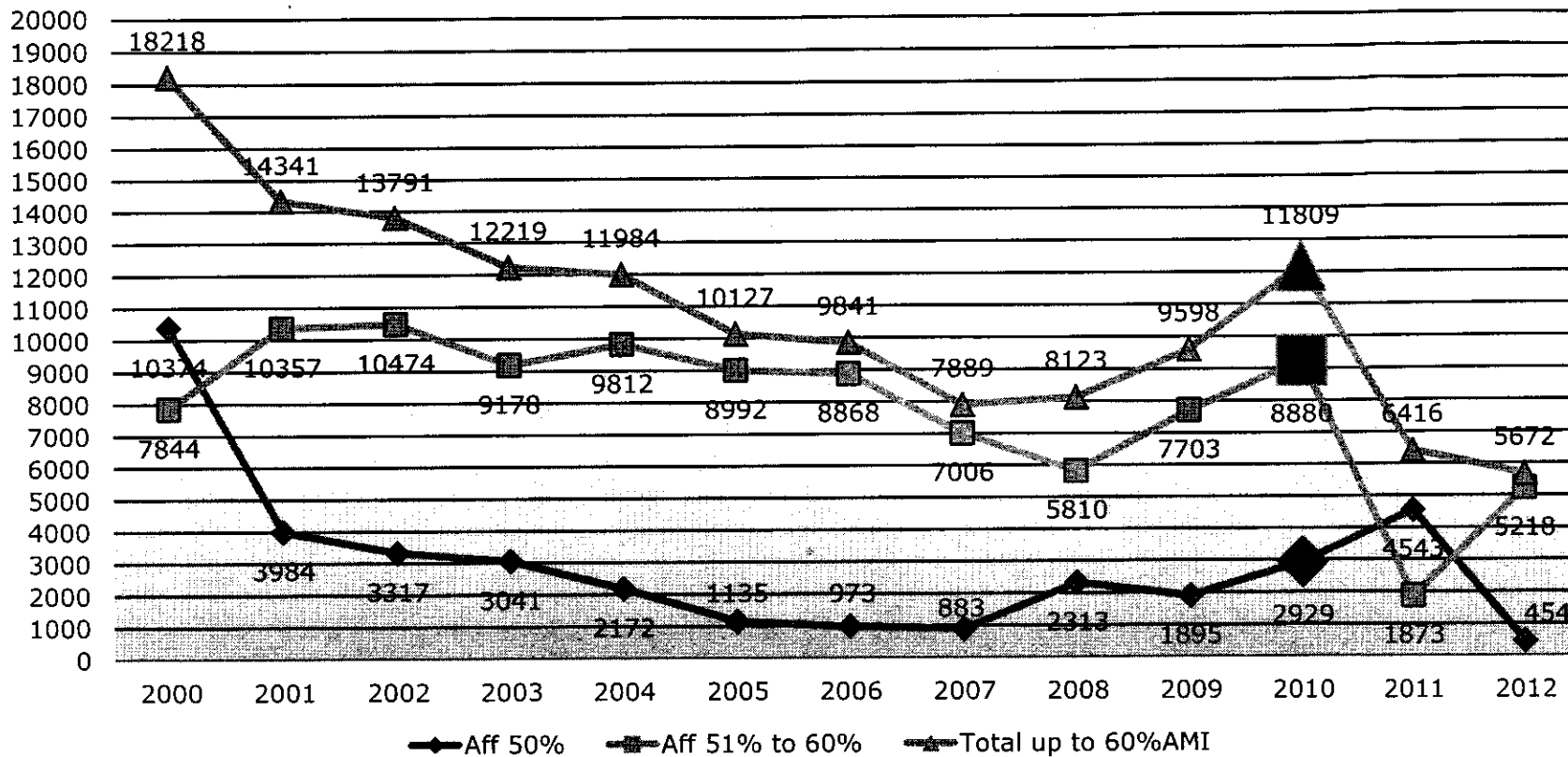


Incomes and Housing Costs

- **From 2000 to 2012:**
 - HUD median income for Washington, DC metropolitan area increased by **30%**, from \$82,800 to \$107,500
 - Average rent for market rate two bedroom unit in Alexandria increased by **71%**, from \$1,034 to \$1,776
 - Average assessed value of residential property increased by **140%**, from \$191,341 to \$458,422:
 - Single family: 143%, from \$260,907 to \$632,958
 - Condominiums: 150%, from \$106,875 to \$266,919
 - Inflation (CPI-U) was **40%**



Market Affordable Rental Units, 2000 to 2012



Threatened Assisted Rental Housing

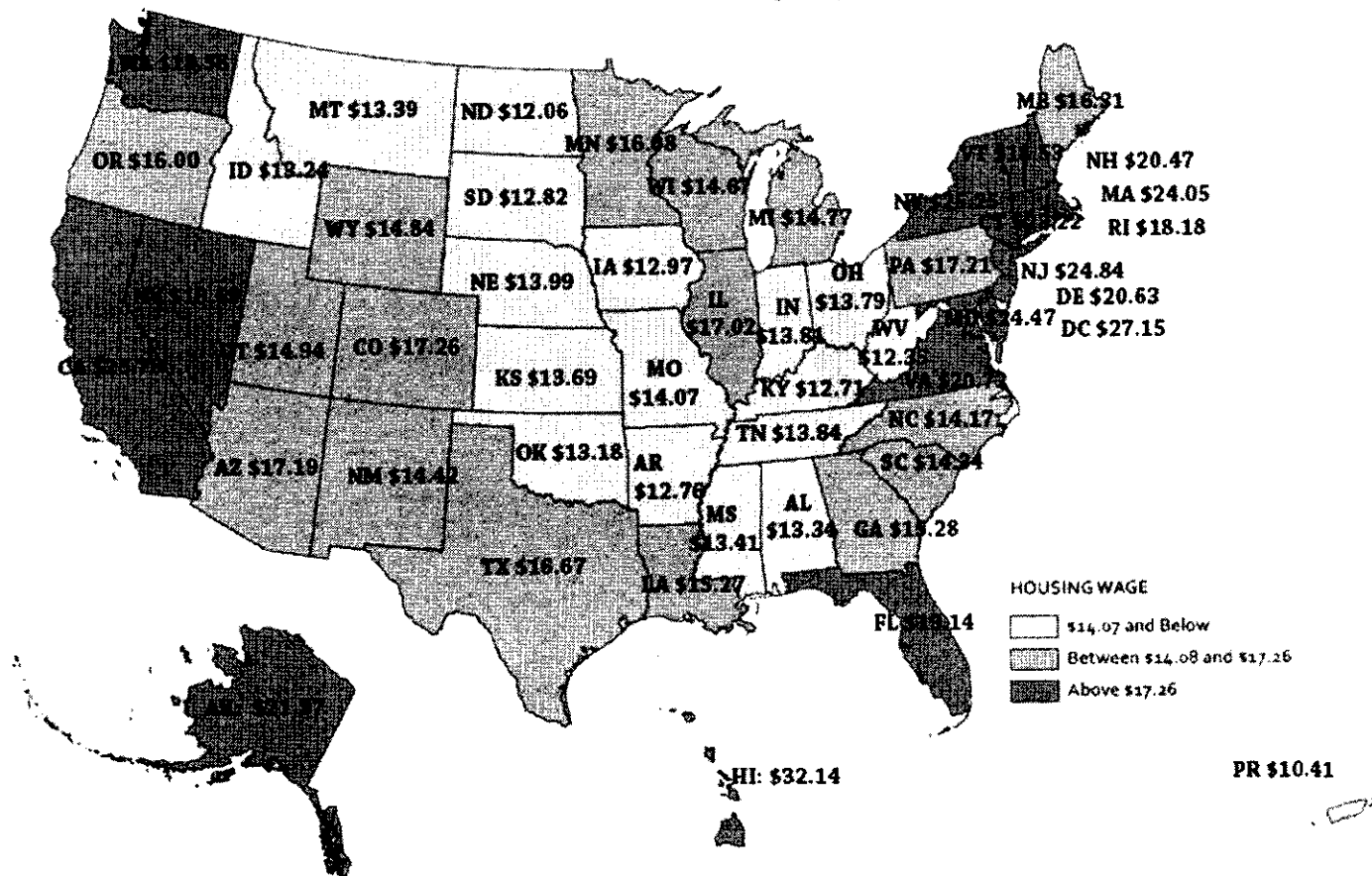
- 871 assisted units of non-Resolution 830 units will face potential loss by June 2015
- An additional 480 units face threats from July 2015 – June 2020



Out of Reach 2013

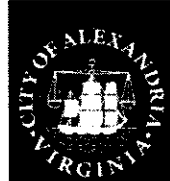
The National Low Income Housing Coalition

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

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



Out of Reach 2013

The National Low Income Housing Coalition

2BR FMR DC MD VA MSA	Hourly Wage Necessary to Afford 2BR FMR	Income Needed to Afford 2BR FMR	Number of Full Time Jobs at Minimum Wage Needed to Afford 2BR FMR	2013 AMI DC MD VA MSA	Rent Affordable at AMI	30% AMI	Rent Affordable at 30% AMI
\$1,412	\$27.15	\$56,480	3.7	\$107,300	\$2,683	\$32,190	\$805

Alexandria's average 2BR market rent exceeds the HUD Fair Market Rent and requires an even higher hourly wage:

Average 2BR Rent in Alexandria City (Jan 2013)	Hourly Wage Necessary to Afford Average 2BR in Alexandria	Income Needed to Afford Average 2BR Rent in Alexandria
\$1,800	\$34.62	\$72,000



Retail Sales Person: \$13.46



Janitor: \$12.50



Typical Hourly Salary

Housekeeper: \$12.50



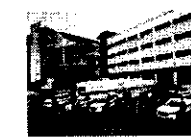
Hourly wage needed to rent
(not to exceed 30% of income):

Child Care Worker: \$23.58



1 Bedroom: \$28.03

Police Officer II: \$ 28.64



2 Bedroom: \$34.62

Auto Mechanic: \$20.19



Administrative Support II: \$18.52



Bus Driver: \$15.65



Source: Web site (Indeed.com/salary); City of Alexandria 2013 Market Rent Survey
Wage: ((average rent/.3)*12months)/2,080 work hours per year

Who Needs Affordable and Workforce Housing



AFFORDABLE

Rental

(2 persons @ 60% AMI or 51,600)

- Two Food Preparation Workers
- Construction Worker and Housekeeper
- Licensed Practical Nurse (LPN)
- Teacher

Ownership

(3 PH @ 80% AMI -\$77,400)

- Fire Fighter
- Retail Manager and Medical Assistant
- Police Officer

WORKFORCE

Rental

(2 persons @ 80% AMI \$68,800)

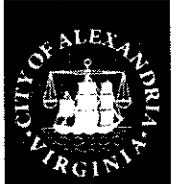
- Teacher and Home Health Aid
- Accountant
- Librarian
- Bus Driver and Receptionists

Ownership

(3 persons @ 120% AMI -\$115,992)

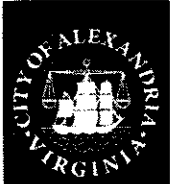
- School Psychologist
- Two Schoolteachers
- Electrician & Retail Manager





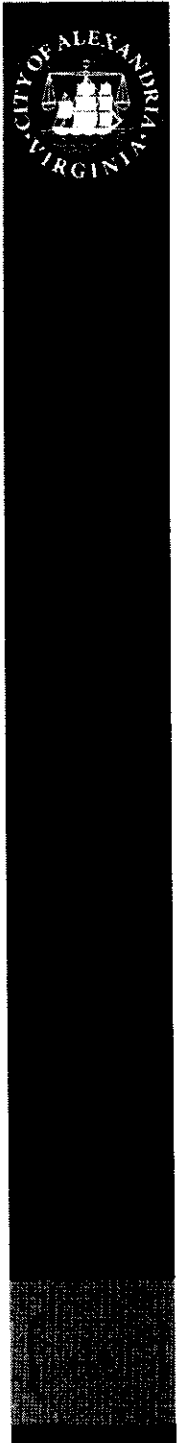
Additional Density for Affordable Housing

- Previous City Council Work Session
 - Amend Ordinance to include formula calculation affordable housing for density achieved via rezoning
- Draft HMP Recommendation
 - Create policy pertaining to density achieved through rezoning that states:
 - "when additional density is provided through rezoning, developer contributions should take into account that affordable housing is one of the City's highest priorities."



Transfer of Development Rights

- Previous City Council Work Session
 - Explore possibility and creation of TDR Program via State Code
- Draft HMP Recommendation
 - No Program through statutorily authorized approach because:
 - Limited designated sending areas (unused density)
 - Limited and controversial Receiving Areas
 - Substantial staff time for small return
 - Policy for "TDR-like" transfer of density within Small Area Planning Process.



Timing for Update

The new formula should be applied to all projects with concept plans submitted after acceptance of the formula by City Council, and should be docketed for Council as soon as possible.