

# CITY COUNCIL WORKSESSION

OFFICE OF HOUSING

February 26, 2019



City of Alexandria  
Virginia



# ALEXANDRIA'S VISION

In 2022, Alexandria is a historic, inclusive city of kindness, with distinct, vibrant and safe neighborhoods, a well-managed government, flourishing arts, culture, and recreation, a strong economy, thriving children and youth, active and secure older adults, environmental sustainability, healthy residents of all ages, and multimodal transportation.



# TONIGHT'S AGENDA

Why housing affordability matters

How we work

What we do

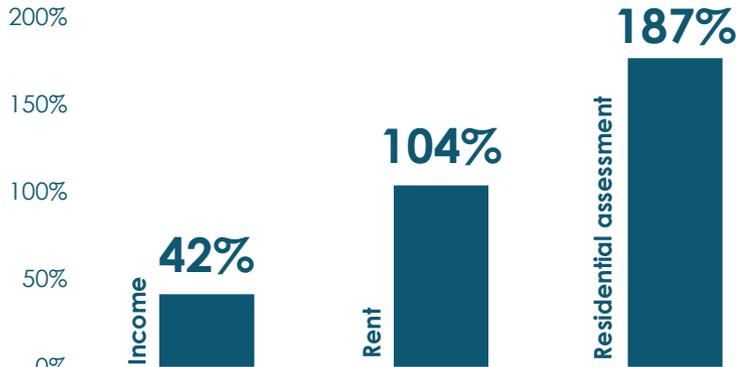
What's next



# WHY HOUSING AFFORDABILITY MATTERS

What drives need for housing affordability  
Consequences of unmet demand  
Importance of preservation

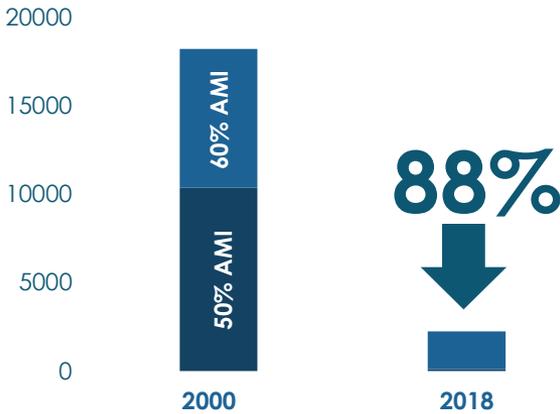




2000-2018 INCOME VS HOUSING TRENDS

 Growing gap in income vs housing costs

 Declining federal housing funding



Loss of **16,500+** market-affordable units (2000-2018)

 Demographic changes

 **14%** GROWTH IN LEISURE AND HOSPITALITY JOBS

 **13%** GROWTH IN CONSTRUCTION JOBS

 **12%** GROWTH IN EDUCATION AND HEALTH SERVICE JOBS



Projected regional job growth in lower-wage sectors (2017-2021)





76

committed affordable  
units lost at Parkwood  
Court in 2014 due to  
expired contract

# IMPORTANCE OF PRESERVATION

**140**

committed affordable units threatened due to expired contract at The Heritage

+

**75**

committed affordable units threatened due to expiring contract at Olde Towne West III

+

**1,503**

committed affordable units (excluding set-asides) at risk in next 10 years



**76**

committed affordable units lost at Parkwood Court in 2014 due to expired contract

# IMPORTANCE OF PRESERVATION

# HOW WE WORK

Teamwork

Collaboration

Partnerships

ARHA update

Engagement

Informed decision-making and stewardship

Due diligence



# TEAMWORK—KEY HOUSING PROGRAMS



15 FTEs



Provides landlord-tenant services (complaint resolution, mediation, and relocation assistance)



Develops affordable housing policy



Conducts fair housing testing and training



Provides loans and technical assistance to partners



Provides home purchase assistance and training, foreclosure prevention, and condo governance education

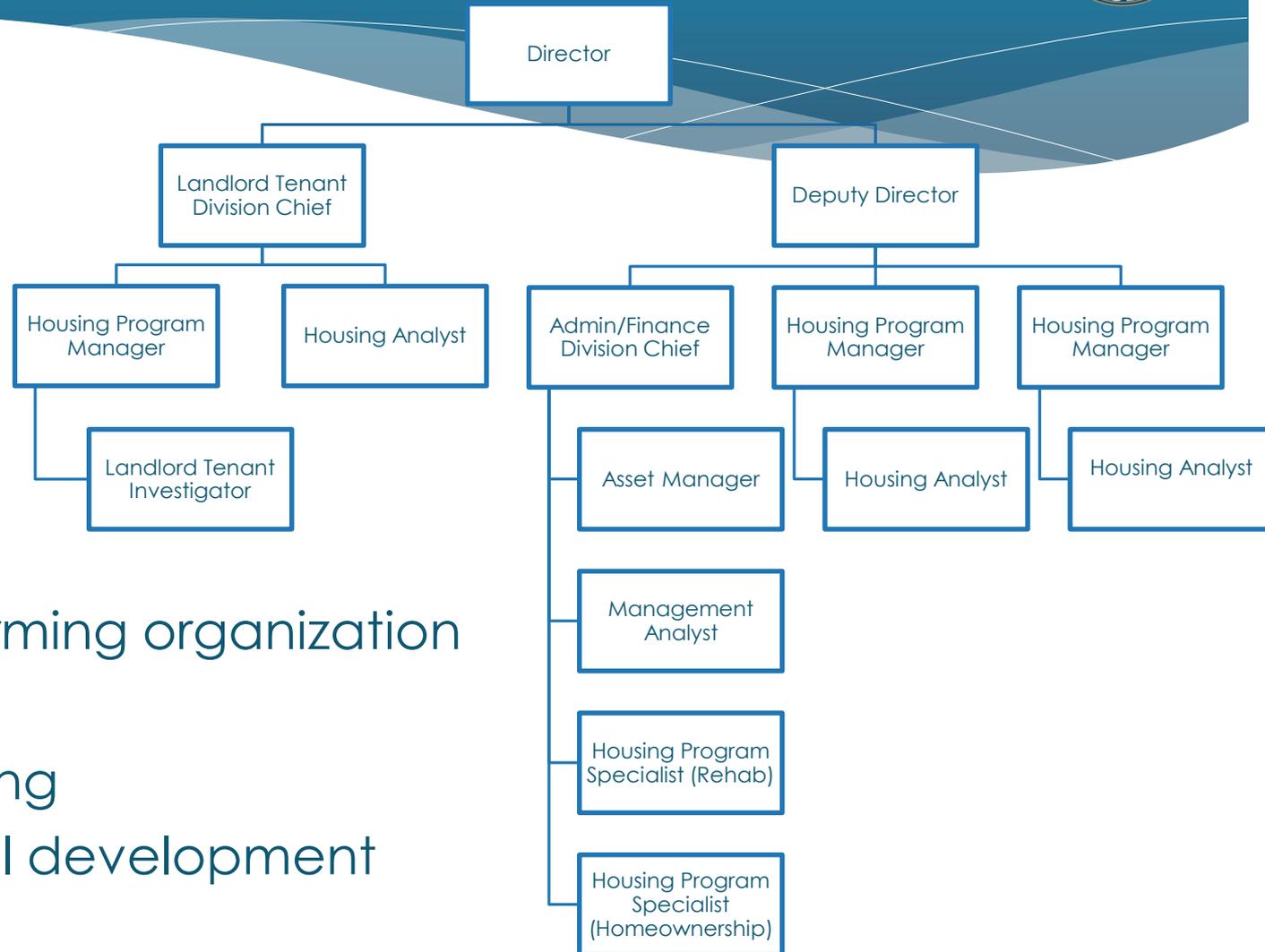


Works to secure affordable units through development



Runs home rehabilitation loan program, and manages rental accessibility grants

# TEAMWORK—OFFICE ORGANIZATION



- High-performing organization
- Teamwork
- Cross-training
- Professional development

# TEAMWORK— Alexandria Housing Affordability Advisory Committee



**ACTS** in advisory role to City Council

**MONITORS** implementation of the  
Housing Master Plan and  
Beauregard Small Area Plan

**COLLABORATES** with other City  
boards and commissions

**REVIEWS** affordable housing plans  
for market-rate projects and funding  
requests for affordable housing  
projects

**PARTICIPATES** in small area plans  
and on advisory groups



# COLLABORATION— Interdepartmental initiatives



# COLLABORATION—Integrating housing opportunity into planning



## 2012 BEAUREGARD:

commitment to preserve 800 affordable units with 50% serving very-low income households; relocation coordinator hired; placement into Southern Towers affordable units and referrals to other housing resources and city services.



## ONGOING GREEN BUILDING POLICY

## PROPOSED MOUNT VERNON CORRIDOR

## 2017 NORTH POTOMAC YARD:

permit bonus densities of 30%; allow for potential ARHA replacement units; integrate universal design and incorporate visitability features, when feasible; permit micro-units; encourage colocation of affordable housing, including senior or assisted living, with future civic, municipal, and other uses where possible.

**2015 OAKVILLE TRIANGLE:** 65 units (mostly studios) affordable at 60% AMI approved for Triangle site to accommodate likely future workers; other projects in Route 1 area will follow the Housing Master Plan and contribution formula.

**2017 OLD TOWN NORTH:** permit bonus densities of 30%; prioritize one-for-one on-site replacement of Resolution 830 units within the plan area; encourage artist housing; incorporate universal design, including visitability features.

**2018 SOUTH PATRICK STREET:** preserve housing opportunity and affordability along Route 1 South through redevelopment and additional density; ensure eligible tenants have the right to return and receive support and assistance to mitigate impacts of temporary relocation



## 2015 EISENHOWER WEST:

a range of affordable housing options throughout Plan area; co-locate housing with a municipal facility; permit bonus densities of 30% or more particularly where taller heights are allowed.

## ONGOING EISENHOWER EAST

# COLLABORATION—Regional and beyond



## Agency partnerships

- PPEH
- VHDA

## Regional partnerships

- HousingExpo
- COG
- Housing Leaders Group
- NVAHA

## National partnerships

- NCDA
- ULI
- HUD



# PARTNERSHIPS



- AHDC
- ARHA
- Rebuilding Together Alexandria
- Nonprofit and private housing partners
- Southern Towers
- Housing Heroes



# ARHA UPDATE



## Revised Resolution 830

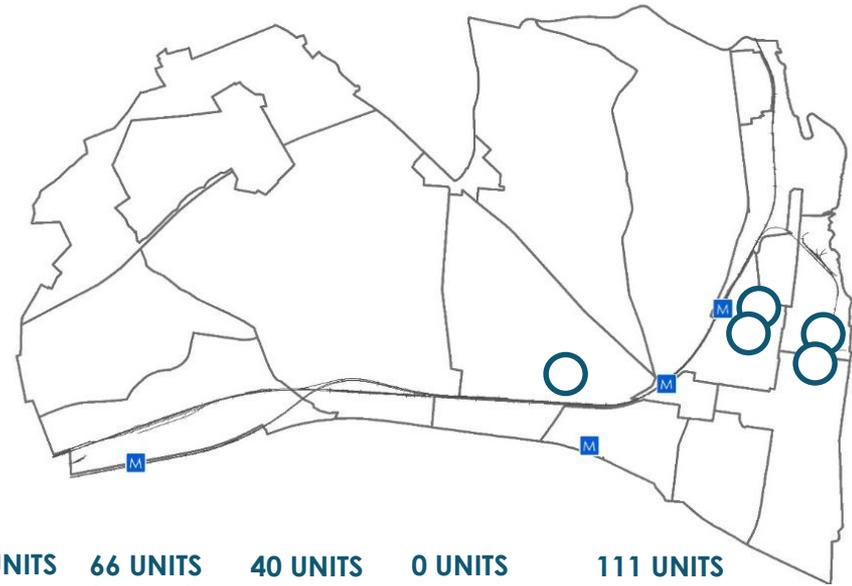
- ✓ Working Group
- ✓ Draft Revised Resolution
  - Next Steps



# ARHA UPDATE

## Revised Resolution 830

- ✓ Working Group
- ✓ Draft Revised Resolution
- Next Steps



**90 UNITS**  
Andrew  
Adkins

**66 UNITS**  
Samuel  
Madden

**40 UNITS**  
Cameron  
Valley

**0 UNITS**  
ARHA  
Former HQ

**111 UNITS**  
Hopkins-  
Tancil Courts

## ARHA Redevelopment Sites

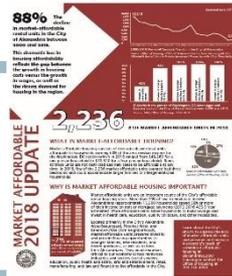
- Portfolio Assessment
- Consultant Report on Strategy and Timeline
- Next Steps

# ENGAGEMENT

BEAUREGARD



Housing Trust Fund Report



Market Affordable Report

ROUTE 1 SOUTH PLANNING

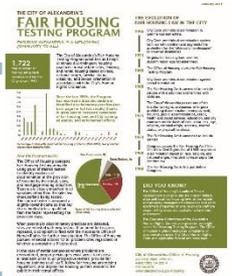


Set-Aside Report



Housing Resource Guide

ROUTE 1 SOUTH IMPLEMENTATION



Fair Housing Report



Home-ownership Report

ARLANDRIA



# INFORMED DECISION MAKING AND STEWARDSHIP



## Asset Management

- Portfolio of multifamily rental and ownership loans
- The Housing Opportunity Fund (HOF) application process and requirement for leverage
- Ongoing disclosure and dialogue/technical assistance
- Maximizing loan performance
- Tracking city investment
  - Annual property visits
  - Annual partner check-ins

**\$77.2 M**

Value of multifamily loans

**24** active projects

**\$30.5 M**

Value of homeowner loans

**788** homeowner loans

# DUE DILIGENCE

- Construction monitoring
- Partner meetings
- Structuring projects for most impactful investment



# WHAT WE DO

Housing Master Plan—Housing for all  
How affordable rental housing happens  
Non-financial tools  
Housing contributions workgroup  
Paths to homeownership  
Sustaining homeownership



# HOUSING MASTER PLAN



- Housing options at all incomes, life stages, and abilities
  - ✓ Energy efficient
  - ✓ Healthy and safe
  - ✓ Accessible
- Citywide distribution of affordable units to foster social and cultural diversity and mixed-income communities
- Emphasis on opportunities in higher-density areas with strong access to transit, jobs, and amenities



**HOUSING MASTER PLAN GOAL:  
Create new affordability in 2,000  
units by 2025**

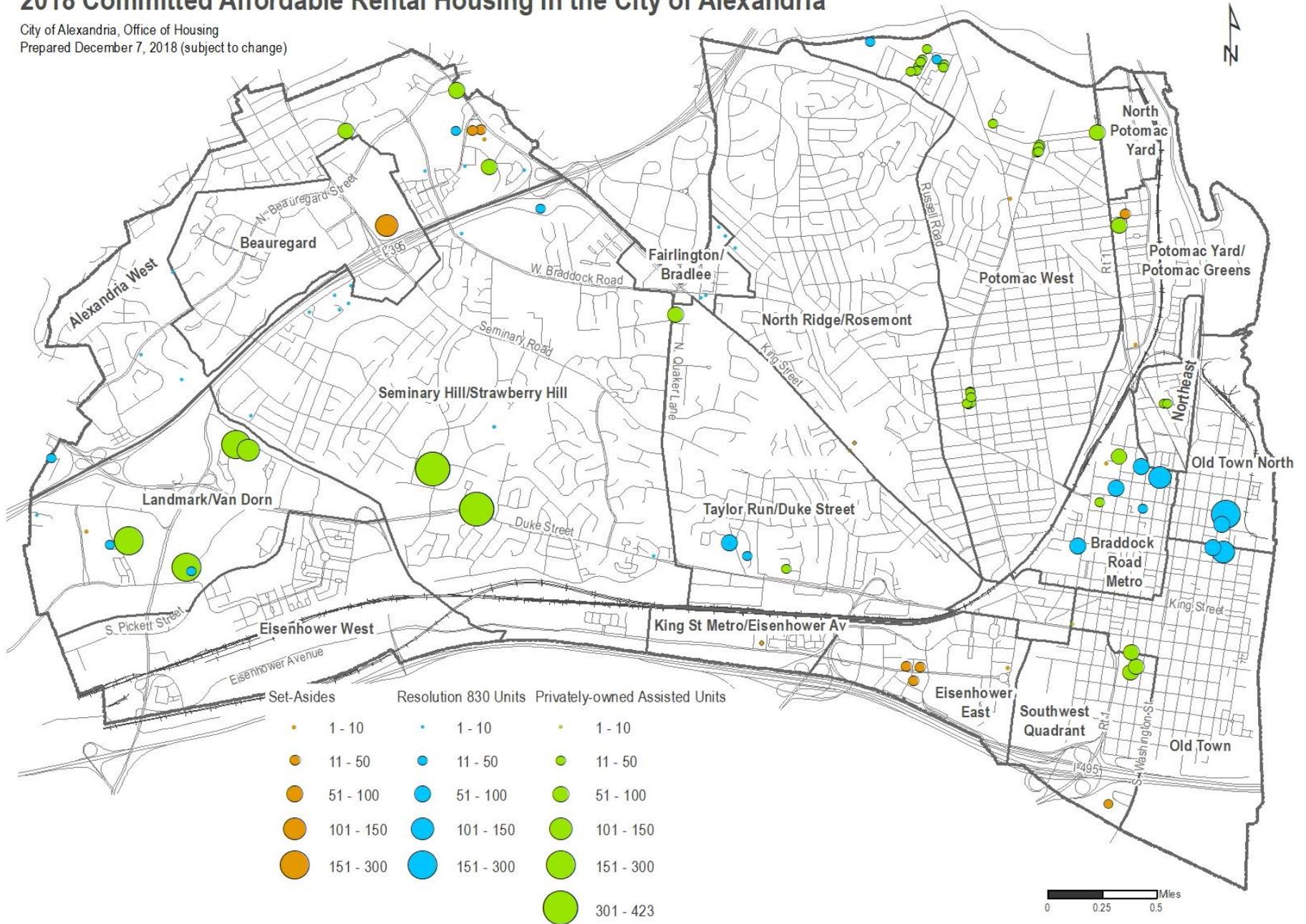
# HOUSING MASTER PLAN

PROGRESS THROUGH DEC 2018



# 2018 Committed Affordable Rental Housing in the City of Alexandria

City of Alexandria, Office of Housing  
Prepared December 7, 2018 (subject to change)



NOTES: Set-aside units are defined as committed affordable units secured through the development process, typically for 40 years, in market-rate projects. Privately-owned assisted units have received some form of local, state, and/or federal support; these units may be located in mixed-income communities (e.g. Foxchase and the Heritage at Old Town). Some projects exclusively serve seniors (e.g. Beasley Square and the Claridge House). Transitional and supportive housing, shelters, and units pledged or in the pipeline, but not under construction, are not reflected.

# HOW AFFORDABLE RENTAL HOUSING HAPPENS



FEDERAL TAX CREDITS, HOME & CDBG, FEDERAL AND STATE GRANTS

COMMERCIAL DEBT

DEVELOPER INVESTMENT

**GAP FUNDING**

HOUSING TRUST FUND, MEALS TAX & OTHER DEDICATED TAX REVENUE

VIABLE PROJECT

TODAY'S CHALLENGE!

\$40k



CITY INVESTMENT NEEDED TO CONSTRUCT ONE NEW AFFORDABLE UNIT

\$80-\$95k



THE REASONS WHY...



STEEP INCREASES IN COST OF CONSTRUCTION



COST OF PROVIDING DEEPER LEVELS OF AFFORDABILITY (40-50% AMI)

# THE BLOOM

AHDC/CARPENTER'S SHELTER

97 apartments affordable for 40 years at 40%-60% of the area median income, including 10 permanent supportive units

## TOOLS:

ZONING—Bonus density (Section 7-700)

PARTNERSHIP: AHDC and Carpenter Shelter working together to build a new shelter and affordable housing building



## FINANCIAL PROFILE:

<b>\$22.6M</b>	Tax Credit (LIHTC) Equity
<b>\$10.3M</b>	Private Debt
<b>\$1.5M</b>	Developer Investment (fee)
<b>\$1.6M</b>	Fed/State Housing Trust Fund

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**\$8.8M** City Gap Loan

City Housing Trust Fund  
Federal HOME and Match  
General obligation bonds  
Dedicated tax revenue  
Meal tax revenue

+ \$350k City grant for rental assistance subsidy

# NON-FINANCIAL TOOLS



- Bonus density and height (20%  30%)
- New Residential Multifamily Zone
- Right-sizing parking
- Co-location
- Microunits study



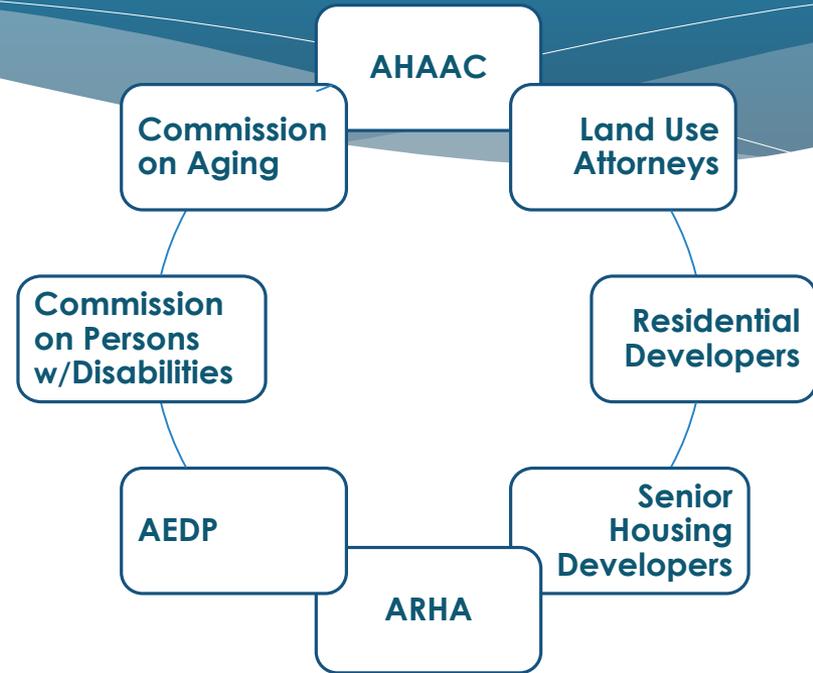
2020/21

Inclusionary zoning  
Accessory dwelling units

# HOUSING CONTRIBUTIONS WORKGROUP



**PURPOSE:** Establish policy guidance regarding housing contributions for rezoning, land use change, senior housing, and conversion projects



**March 7**

- Education and goal setting

**April 4**

- Rezoning
- Land use changes

**May 2**

- Senior housing projects
- Commercial to residential building conversions

**June/July**

- Planning Commission and City Council public hearings



# PATHS TO HOMEOWNERSHIP

- Take advantage of City's stock of affordable sales housing (condos)
- Use legacy program income
- Leverage non-City resources (CHRP, HAP)
- Provide ownership opportunities for local workers (including ACPS, City, etc.)
- Stabilize housing costs
- Relatively low City investment
- Equity-sharing = long-term affordability





# SUSTAINING HOMEOWNERSHIP

- Homeownership and financial counseling, including foreclosure prevention
- Condo/HOA trainings
- Home Rehabilitation Loan Program
- New condo survey
- Future assistance to stabilize condominium communities



# INNOVATION AND WHAT'S NEXT

Looking forward  
Our team



# LOOKING FORWARD



1. Amazon response and outreach
2. Route 1 South implementation
3. ARHA redevelopment and sustainability
4. Addressing expiring affordability
5. Leveraging City investment
6. Converting commercial space for affordable housing
7. Co-location
8. Growing housing's resource base
9. Housing Summit – January 2020

