

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

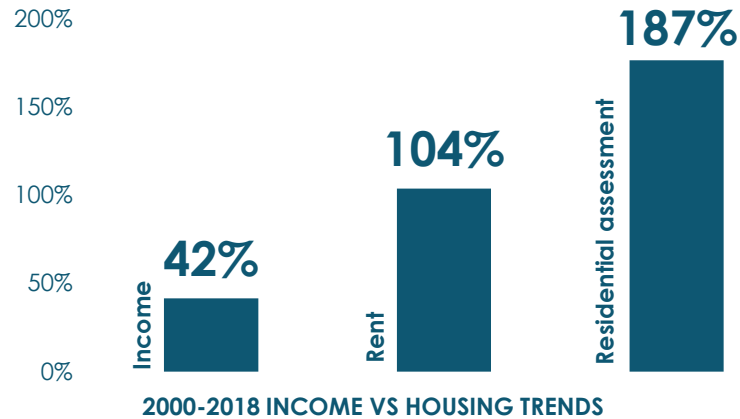
What's next



WHY HOUSING AFFORDABILITY MATTERS

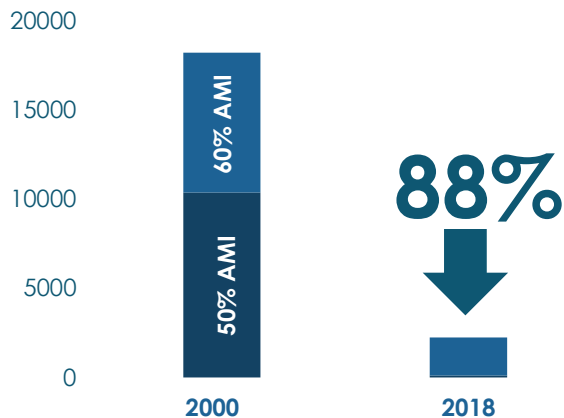
What drives need for housing affordability
Consequences of unmet demand
Importance of preservation





 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

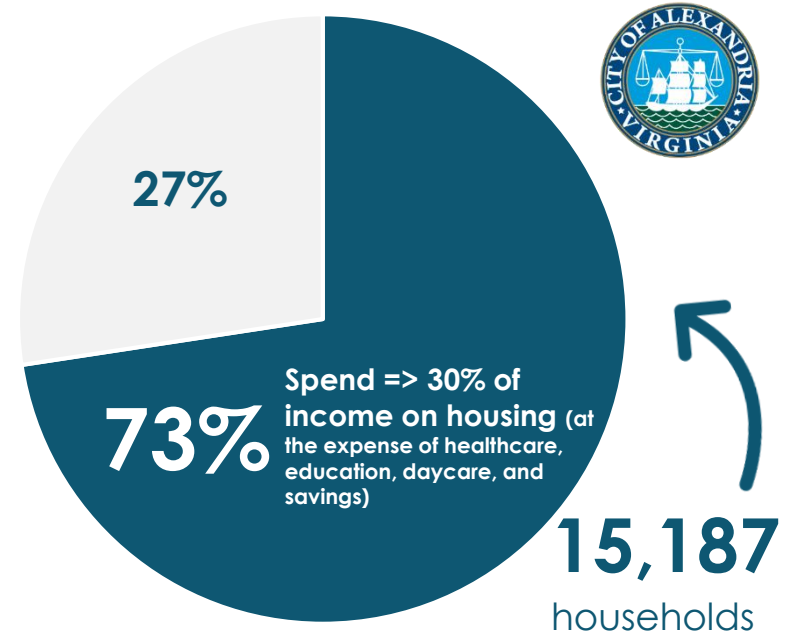
 **13%** GROWTH IN CONSTRUCTION JOBS

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

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

73% of low- to moderate-income renter households are housing cost burdened

75% of Alexandrian's workforce lives outside the City





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

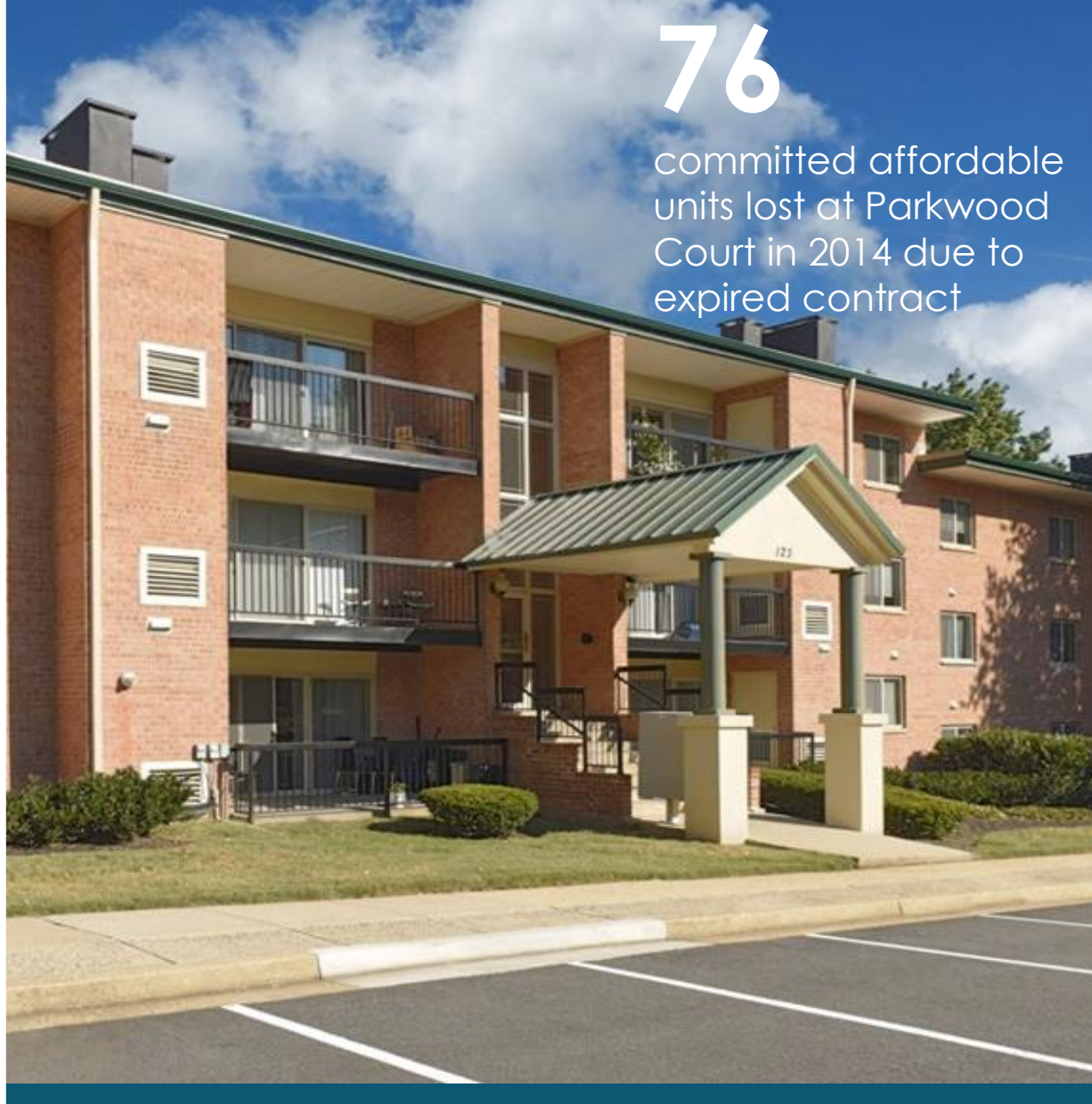
+

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

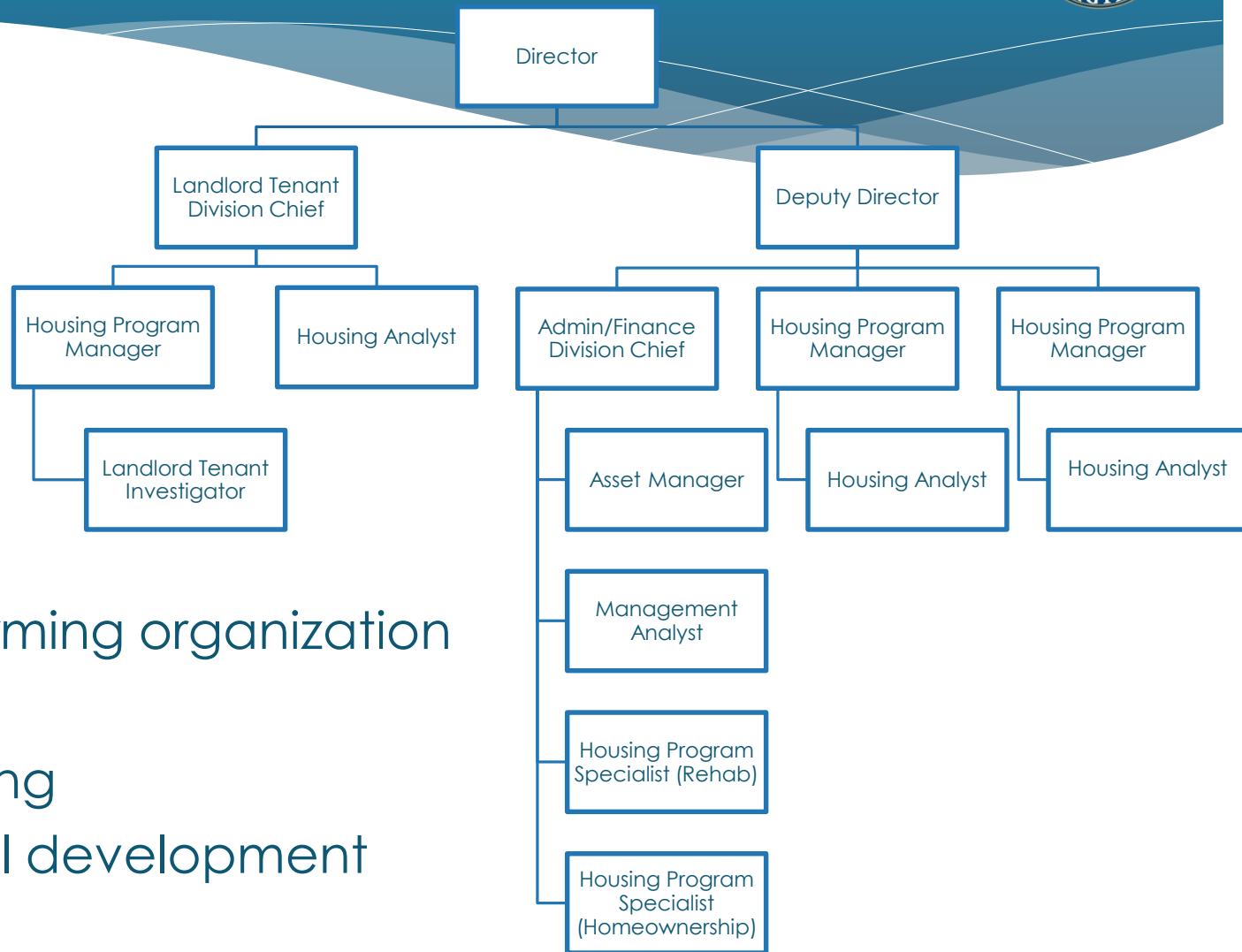


Works to secure affordable units through development



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

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% AML 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

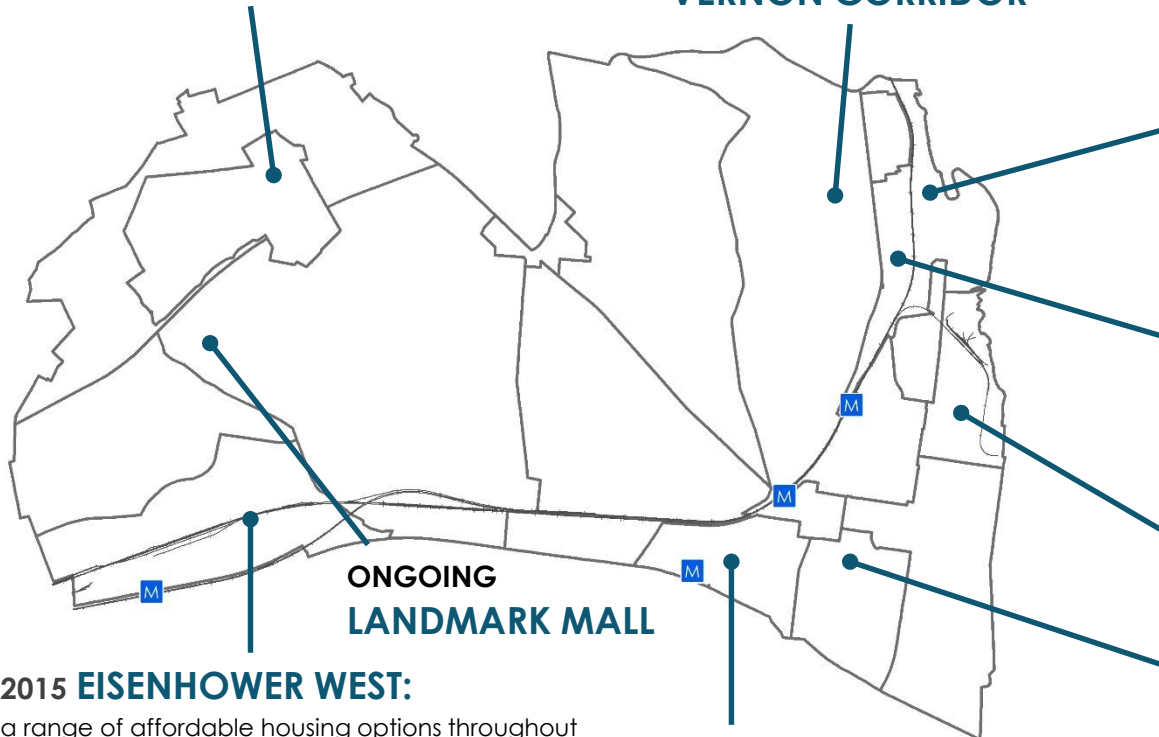
PROPOSED MOUNT VERNON CORRIDOR

ONGOING EISENHOWER EAST

ONGOING LANDMARK MALL

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.



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

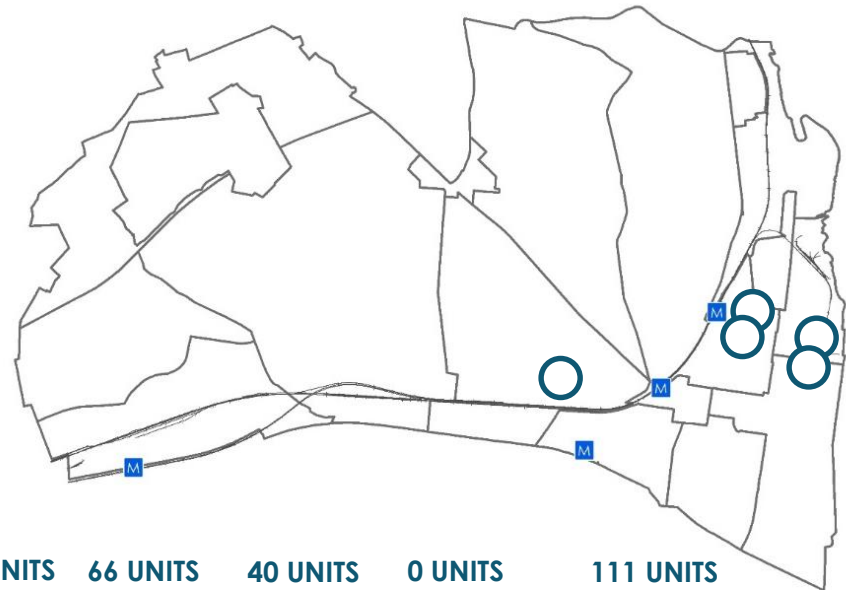
- ✓ Working Group
- ✓ Draft Revised Resolution
 - Next Steps



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

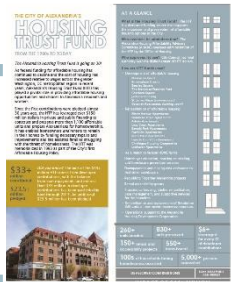
111 UNITS
Hopkins-
Tancil Courts

ARHA Redevelopment Sites

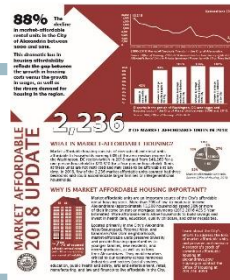
- Portfolio Assessment
- Consultant Report on Strategy and Timeline
- Next Steps

ENGAGEMENT

BEAUREGARD



Housing Trust Fund Report



Market Affordable Report

ROUTE 1 SOUTH PLANNING

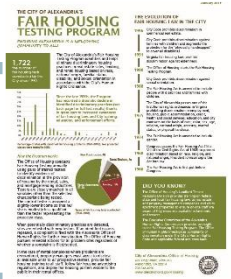


Set-Aside Report



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



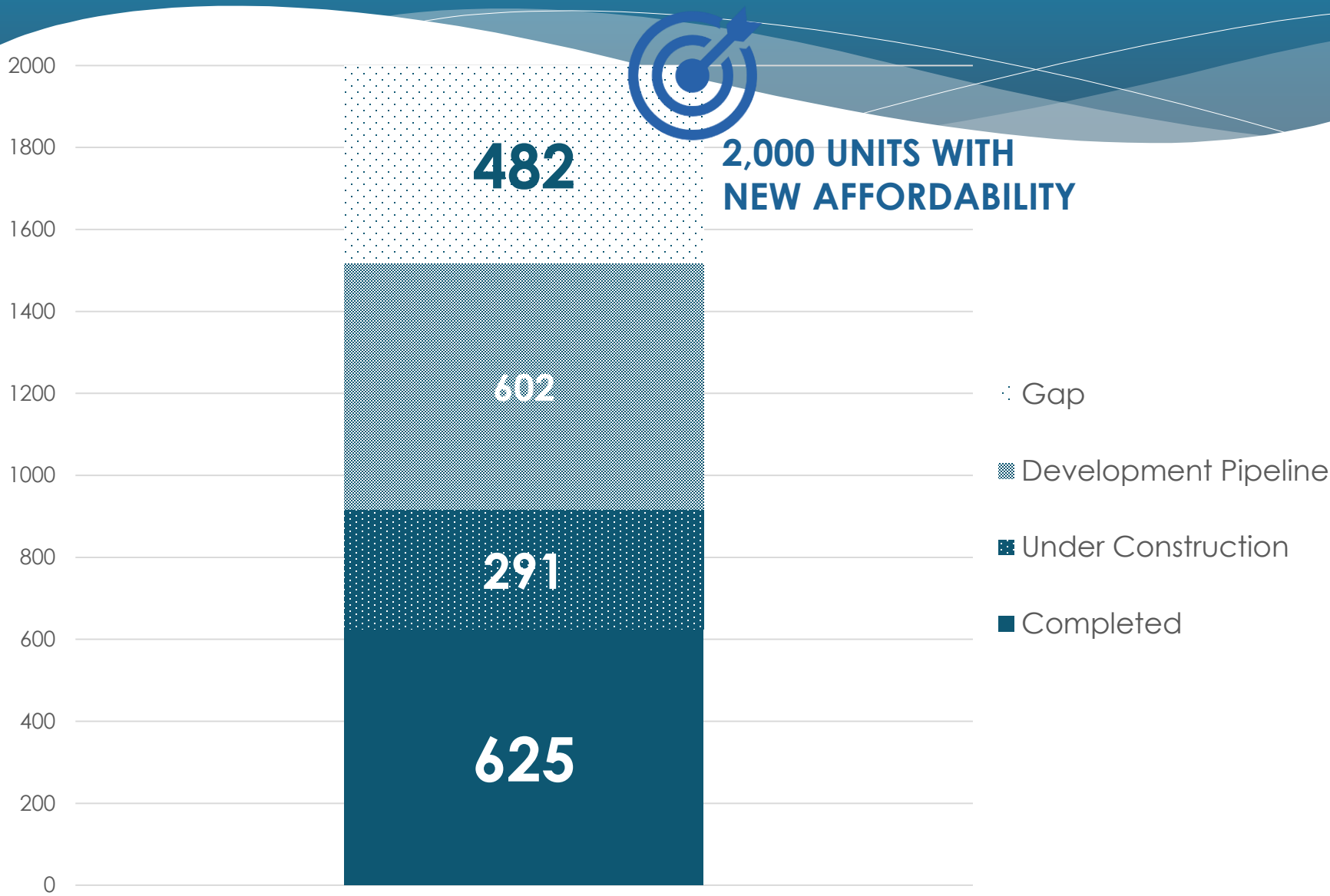
- Housing options at all incomes, life stages, and abilities
 - ✓ Energy efficient
 - ✓ Healthy and safe
 - ✓ Accessible
- Citywide distribution of affordable units to foster social and cultural diversity and mixed-income communities
- Emphasis on opportunities in higher-density areas with strong access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



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

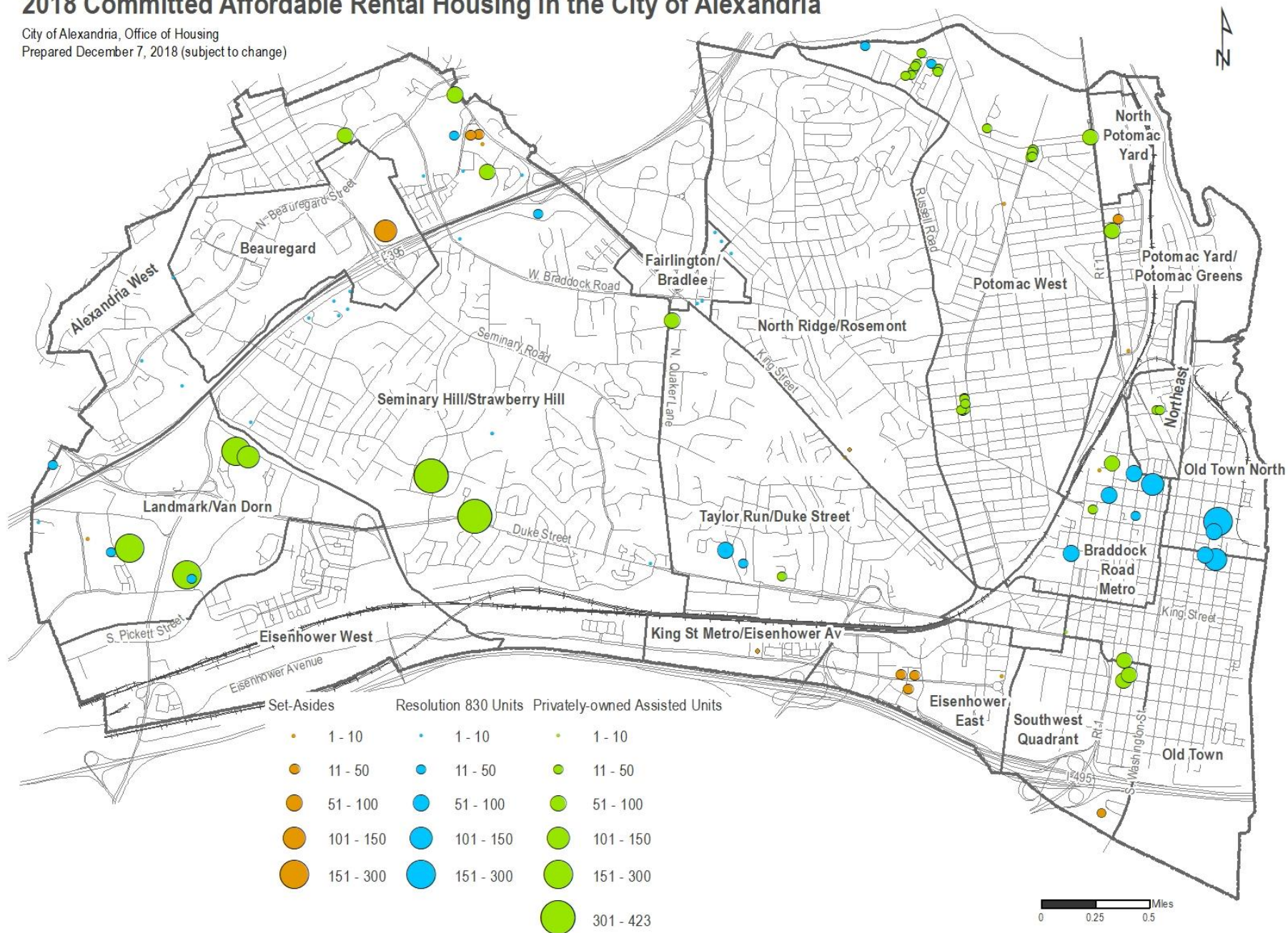
HOUSING MASTER PLAN

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:

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


\$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



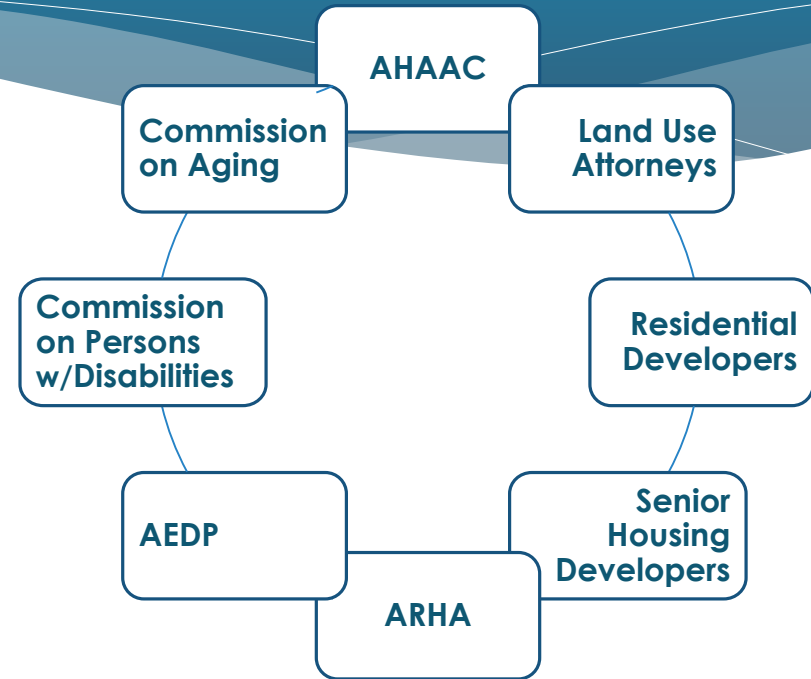
- Bonus density and height (20%  30%)
- New Residential Multifamily Zone
- Right-sizing parking
- Co-location
- Microunits study



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

