

# City of Alexandria, Virginia

## MEMORANDUM

DATE: MAY 1, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER *ml*

FROM: NELSIE SMITH, DIRECTOR, MANAGEMENT AND BUDGET *ns*

SUBJECT: BUDGET MEMO #32: STATUS OF HOUSING TRUST FUND AND HOUSEHOLDS QUALIFYING FOR AFFORDABLE HOUSING

### Housing Trust Fund

The City of Alexandria Housing Trust Fund (HTF) receives revenues primarily from developer contributions and loan repayments of prior affordable housing loans. By the end of FY 2013, after setting aside monies earmarked by the small area planning processes for affordable housing purposes in those areas (Braddock and Beauregard), it is projected that there will be approximately a \$0.1 million undesignated balance available for future projects. From FY 2013 through FY 2016 (see below) it is estimated that there will be a total of \$3.1 million available. To put that in perspective, and using the City's per unit loan support on the AHC Reed Avenue tax credit project, that \$3.1 million would create/preserve over the upcoming three years about 75 units of affordable housing, or 25 units per year.

### Housing Trust Fund (in Millions)

	FY 2013	FY 2014	FY 2015	FY 2016
<b>Sources</b>				
Reserved Carryover	\$3.6	NA	NA	NA
Beauregard Developer Contributions	\$0.0	\$0.0	\$0.0	\$0.0
Other Developer Contributions/Other Revenue	<u>\$0.2</u>	<u>\$2.4</u>	<u>\$1.0</u>	<u>\$2.0</u>
Total Sources	\$3.8	\$2.4	\$1.0	\$2.0
<b>Uses</b>				
Beauregard Reservation	\$1.1	\$1.3	\$0.0	\$0.0
Braddock Reservation	\$0.4	\$0.5	\$0.0	\$0.5
Approved Projects	<u>\$2.2</u>	<u>\$0.1</u>	<u>\$0.0</u>	<u>\$0.0</u>
Total Uses	\$3.7	\$1.9	\$0.0	\$0.5
Balance Available for Future Projects	\$0.1	\$0.5	\$1.0	\$1.5
Total Available over 3 years				\$3.1 million

In addition to Housing Trust Fund money, City Council has dedicated six tenths of one cent (\$0.006) for affordable housing purposes. This dedication generates approximately \$2.1 million, of which \$1.5 million is used to pay for debt service for bonds previously issued. Additional planned bonds of approximately \$1.6 million are anticipated to be issued for affordable housing related to the adopted Beauregard Small Area Plan and will require roughly \$135,000 million in debt service payment. The remaining \$0.45 million of the dedicated revenue is used for affordable housing acquisition and generates approximately 10 units each year.

### **Households Qualifying for Affordable Housing**

The Housing Master Plan estimates that there were 14,353 Alexandria renter households with incomes at or below 60% of area median income as of 2010.

14,353 – households at or below 60% AMI

-3,710 – committed affordable units (most but not all at or below 60% AMI)

-5,642 – market affordable units, 2012, available to any income level (meeting minimum requirements)

5,001 – MINIMUM number not served by affordable apartments

NOTE: ARHA can fund roughly 1,550 vouchers (less than its total authorized allocation, due to budget constraints), but this number cannot be added to the above because some vouchers (the total number is unknown and may vary from month to month) are used by households renting committed affordable units.