ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
DATE: FEBRUARY 4, 2016
LOCATION: ROOM 2000 - CITY HALL

AGENDA

1. Consideration of January 7, 2016 meeting minutes (Chair) 6:00 p.m.
   Action Requested: Review and Approve Minutes

2. Ramsey Homes AHP and Loan Application (Helen McIlvaine/Roy Priest) 6:05 p.m.
   Action Requested: Review and Approve

3. Affordable Housing Plan for ABC/Giant Site (Tamara Jovovic/Cathy Puskar) 6:25 p.m.
   Action Requested: Review and Approve

4. Predevelopment Loan for Carpenter's Shelter Site (Helen McIlvaine/Jon Frederick) 6:45 p.m.
   Action Requested: Review and Approve

5. Alexandria Housing Development Corporation Update (Jon Frederick) 7:05 p.m.

6. Update on Old Town North Small Area Planning Process (Tamara Jovovic) 7:10 p.m.

7. Alexandria Redevelopment and Housing Authority Written Update (Carter Flemming)

8. Information Items: 7:15 p.m.
   Financial Reports (Eric Keeler)
   Housing Master Plan Progress Report Q1-Q2 FY16 (Tamara Jovovic)

9. Announcements and Upcoming Housing Meetings (Staff) 7:20 p.m.

   Ramsey Homes (land use approvals, loan, and revitalization certification)
   Planning Commission Public Hearing—February 4, 2016, City Hall
   City Council Public Hearing—February 20, 2016, City Hall

   Old Town North Small Area Plan
   Advisory Group Meeting—February 11, 2016, 6:00 p.m., City Hall, Sister Cities Conference Room (Room 1101)
   Advisory Group Planning, Land Use and Design & Housing Subcommittee Meeting—March 9, 2016, 7:00 p.m., City Hall, Location tbd

   Planning Commission Worksession
   Housing briefing—March 1, 2016, 6:00 p.m., City Hall

10. Other 7:25 p.m.

Adjournment (Chair) 7:30 p.m.

City of Alexandria, Virginia

AFFORDABLE HOUSING ADVISORY COMMITTEE MINUTES

City Hall Room 2000 | January 7, 2016

	Members Present	Members Absent	Staff
1	Bill Harris	David Taylor	Allan Fye, TES
2	Daniel Foreman	Joe Ouellette	Eric Keeler, Division Chief
3	Michelle Krocker	Edric Kirkman	
4	Peter-Anthony Pappas	Michael Butler	
5	Eric Weiss	Helen McIlvaine* (excused)	
6	Carter Flemming	Donna Browning	
7	Robyn Konkel	Jessica Lurz*	
8	Jon Frederick		
	Guests	Affiliation	Email
	Mary Parker	Commission on Persons with Disabilities	

*non-voting

Bill Harris, acting chair in the absence of Katharine Dixon who was ill, opened the regular monthly promptly at 7:00 p.m.

1. **Presentation West End Transit Way (Allan Fye, TES)**

   The West End Transit Way is planned to be Rapid Bus Transit with a combination of dedicated lanes, transit in mixed traffic, and in the HOV lanes of I-395. One route will run from the Eisenhower Metro station on Van Dorn and Beauregard Streets to the Mark Center and on to the Shirlington Transit Center. The alternate route will leave the Mark Center and travel on I-395 to the Pentagon. Major stops include Landmark Mall, Mark Center, Southern Towers, Northern Virginia Community College, and the planned Gateway development at Beauregard and King Streets. Along the route improvements will be made for pedestrian and bike traffic. Special consideration is being given to coordinating routes with existing and planned affordable housing projects. Current planning includes engineering drawings and environmental impact studies. Operation is scheduled to begin by 2020 or 2021.

   Discussion included commendations for TES's efforts to coordinate the transit routes with current and planned affordable housing projects. Krocker moved, and Konkel seconded, that the committee send a letter to TES commending them for these efforts. Frederick offered to write the letter for the Committee's Chair to sign. His offer was accepted by consent.

2. **Discussion of Affordable Housing Needs – Levels of Affordability and Unit Mix (Eric Keeler)**

- Wages are not keeping pace with city housing costs
- The number of affordable housing units available to people earning up to 60% of AMI has shrunk from approximately 18K in 2000 to 6K in 2015, and for people earning up to 41% to 50% of AMI from approximately 10K in 2000 to 207 in 2015.
- The Metro Area expects an increase of 410K new households between 2011 and 2023. Of that number 149K will have incomes of less than 80% of MI, and nearly half of those will have incomes under 30% of AMI. In Alexandria housing needed to accommodate these new households will require 2,760 units for people with incomes under 30% of AMI, 2,320 units for those from 30 - 50% AMI, and 520 units for those from 50 - 80% AMI.
- Alexandria's housing affordability challenge is that incomes are not keeping pace with housing costs. Future needs are hard to estimate because of so many variables that continually change.

3. **Alexandria Redevelopment and Housing Authority Update (Carter Flemming)**

- On Wednesday, January 13th, 6:30 PM at the Charles Houston Center ARHA will have a public hearing on it plans to replace 15 units of Ramsey housing with 53 new units. ARHA's plans will be reviewed by its Board, by the Planning Commission, by AHAAC at its February meeting, and finally by City Council.
- Planning for a major renovation of the Ladrey elderly/disabled housing facility continues. An architect and engineer have been engaged. Work is to be done by ARHA staff.
- HUD has yet to act on ARHA's appeal to change Ladrey's designation from "elderly/disabled" to "elderly only."
- Proposals received for best use of five ARHA sites have been reviewed by the ARHA board one time. No action has been taken on the proposals.

4. **Alexandria Housing Development Corporation Update (Jon Frederick)**

- Work is progressing toward a March deadline to submit an application to VHDA for funding of the Gateway project.
- AHDC has moved to a larger office in the same building.

5. **Informational Items (Eric Keeler)**

- The rehabilitation of the 28 units at Lynhaven Apartments (at East Reed Avenue and Commonwealth Avenue) will be completed soon.
- Jackson Crossing with 78 units of affordable housing (at East Reed Avenue and US 1) will be fully leased in a couple of months.
- The Church of the Resurrection project is moving forward. Currently they are working to resolve access issues over the private road which is used by both Goodwin House and the church.

6. **Consideration of December 3 AHAAC Minutes**

Consideration of the December 3, 2015 minutes was deferred at the beginning of the meeting due to a lack of quorum. Once quorum was reached, Harris called for a motion to approve the minutes as distributed. Frederick moved and Krocker seconded approval. The vote to approve was unanimous.

The meeting adjourned at 8:25 pm.

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 29, 2016

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN AND A LOAN TO THE ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY (ARHA) FOR THE REDEVELOPMENT OF RAMSEY HOMES INTO A MIXED INCOME COMMUNITY

ISSUE: Consideration of an Affordable Housing Plan guiding the redevelopment of Ramsey Homes into a mixed income community and a loan of up to $1 million to the Alexandria Redevelopment and Housing Authority (ARHA) to cover costs for certain elements of the Ramsey Homes redevelopment with the loan to be funded from proceeds of ARHA's future repayment of the City's 2008 loan for Glebe Park.

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee recommend that City Council:

(a) approve a permanent loan to ARHA of up to $1,000,000 for redevelopment of Ramsey Homes which loan is to be funded from proceeds of ARHA's future repayment of the City's 2008 Glebe Park loan; and

(b) approve the affordable housing plan as part of the DSUP.

BACKGROUND: ARHA has requested a City loan of up to $1 million to support offsite infrastructure improvements and other amenities required to enhance its application for land use approvals to enable the proposed redevelopment of the existing 15-unit Ramsey Homes public housing development into a mixed income community (Attachment 1). As is described in the Affordable Housing Plan (Attachment 2)—included for the Committee's review and endorsement—ARHA's proposal includes 15 new replacement housing units per Resolution 830 that are affordable to households with incomes up to 30% of the Area Median Income (AMI) and 38 new units affordable to households at 50 and 60% AMI (Attachment 3).

The 15 public housing families that are being displaced will be given the option to move to another comparable public housing unit or to accept a Tenant Protection Voucher which they can use to find

housing in the private market. Households displaced by the redevelopment of Ramsey Homes will be given the first opportunity to return to the new units. ARHA has committed to covering tenant moving costs and to maintaining a site-specific waiting list with preference given to income-qualified city employees to help them live in the city. The Landlord Tenant Board will review ARHA's relocation plan.

Among the improvements and amenities to be funded with the City loan are upgrades to the storm water and sewer lines serving Ramsey Homes; sidewalk and traffic signal improvements; and rooftop amenities to meet open space requirements the ground level. ARHA cannot finance these improvements within the anticipated funding package to be provided by low income housing tax credit equity, first trust debt and its deferred developer fee.

DISCUSSION: ARHA proposes to redevelop the existing 15 public housing units at Ramsey Homes into a new 53-unit mixed income community through its development entity, Virginia Housing Development LLC (VHDLLC). The Ramsey Homes project is proceeding separate from a concurrent RFP through which ARHA seeks market rate development partners to help it redevelop five other ARHA-owned sites as mixed income communities.

With regard to the source of City assistance, in 2008 when City Council approved a $5.6 million loan to ARHA to pay off its mortgage on Glebe Park to facilitate that redevelopment, it was envisioned that the loan would be repaid from (a) property reserve funds immediately available at the financial closing (in fact, $600,000 was repaid soon after City loan funds were disbursed) and (b) future proceeds to be realized by ARHA on land sales and project upside shared with market rate partner EYA for the redevelopment of the James Bland sites as Old Town Commons. Given ARHA's future plans (subsequently memorialized in its Strategic Plan for Redevelopment as well as the City's Braddock Metro Neighborhood and Braddock East Plans) to redevelop the majority of its aging housing portfolio following completion of James Bland, at the time of the 2008 loan approval City Council stipulated that when the loan was repaid by ARHA, these funds would be earmarked within the Housing Opportunity Fund as a revolving loan source for ARHA to support its future redevelopment efforts.

ARHA reports that it has recently completed its final reconciliation of the Old Town Commons (OTC) project with EYA and will be submitting a revised disposition application to the U.S. Department of Housing and Urban Development (HUD) seeking that agency's approval to use OTC sales proceeds to repay the City loan. ARHA's current timeline for loan repayment is sometime in mid to late July 2016.

FISCAL IMPACT: Up to $1,000,000 of Housing Opportunities Fund dollars to ARHA with the disbursement of the monies contingent on ARHA's repayment of the City's Glebe Park loan.

ATTACHMENTS:

(1) ARHA Loan Request for Redevelopment of Ramsey Homes as Mixed-Income Development (TO BE PROVIDED)
(2) Affordable Housing Plan for Ramsey Homes
(3) HUD Income and Rent Limits for 30, 50 and 60% AMI

STAFF:

Eric Keeler, Division Chief, Program Administration, Office of Housing

Tamara Jovovic, Housing Analyst, Office of Housing

Ramsey Homes Redevelopment
Affordable Housing Plan
December 28, 2015

The Ramsey Homes Project involves the redevelopment of, an underutilized and obsolete, fifteen (15) unit public housing site into a fifty-three (53) unit mixed-income, multi-family rental housing site.

The Project site is .71 acres, occupying one half of a city block, the east side of the 600 block of North Patrick Street between Pendleton and Wythe Street. Ramsey Homes is comprised of four buildings: three of the buildings are quadruplexes and one is a triplex, a total of fifteen (15) two-bedroom/one-bathroom units. ARHA is requesting a Floor Area Ratio (FAR) of 2.0, from the current .75 FAR.

The City of Alexandria has suffered a profound loss of affordable housing over the last fifteen years.

According to the City of Alexandria's Housing Master Plan (2013), from 2000 to 2011 Alexandria lost 6,051 market affordable rental housing units for households earning up to 60% of the Area Median Income (AMI), compared to more than 18,000 in 2000. During the same period the AMI grew from $82,800 to $103,500.

The George Mason Center for Regional Analysis (CRA) projects that by 2023, Alexandria will need an additional 24,400 units for households earning up to 80% of AMI. Of the projected gap, according to the CRA, more than 9,700 units will be needed for families at, or below, 30% of AMI.

More than 40% (14,353 households) of the overall rental housing demand in the city consists of households with incomes at or below 60% AMI. For extremely low-income households within this group (those at or below 30% AMI), there are no committed permanent affordable units or market affordable units subsidized to be affordable to this income level outside of a limited number of project-based Section 8 units, ARHA-owned public housing and some operated by city or nonprofit agencies for the benefit of special needs clients.[i]

The redevelopment of the Ramsey Homes is a modest effort to reverse the City's loss of affordable and Workforce housing, and assist the City in meeting its declared affordable housing objectives. The Project is consistent with the ARHA 2012-2022 Strategic Plan, the City's Housing Master Plan and the BEMP.

The BEMP goal is to create a mix of affordable and/or workforce housing to support the low-income public housing units. The Project includes an approximate 1/3-2/3 ratio of low-income households to households with incomes up to a workforce housing income. The unit mix is driven by market factors, land value, public policy and funding availability. The BEMP recognizes that these and other variables will drive the viability of redevelopment projects, and ARHA's ability to meet the BEMP's objectives. Specifically, the BEMP notes:

> The precise ratio for this mix should be determined through the development planning process, as it will be influenced by the funding available at that time.

The focus of the ARHA Strategic Plan is on preserving ARHA's present affordable housing stock until opportunities arise that will enable ARHA to substantially improve conditions while complying with

Alexandria's ordinance mandating preservation or replacement of ARHA's affordable housing (Resolution 830).

This mixed-income Project would be available to the extremely low-income families that reside at the Project today, as well as to households at up to 60% of the AMI, currently at approximately $86,000, which is the city Workforce Housing limit for rental housing. ARHA is committed to maintaining a site-based waiting list with a preference for income-qualified city employees in order to incent workers to live in the Alexandria city.

This concept redevelops the Ramsey Homes public housing site into vibrant and sustainable mixed-income housing which is consistent with the BEMP. The Project provides an appropriate level of residential density given that it is within a ½-mile radius from the Braddock Road metrorail station, thereby better utilizing transportation infrastructure and potentially decreasing negative impacts of car traffic. The BEMP encourages greater mobility, especially for those with limited access to automobiles[ii]. The Ramsey Homes redevelopment achieves this goal.

The 15 public housing families that are being displaced will be given the option to move to another comparable public housing unit or, accept a Tenant Protection Voucher that they can use to find housing available in the private sector where the landlord will accept a voucher. ARHA will pay all costs of the move. The households displaced by the redevelopment of the Project will be given the first opportunity to return to the newly constructed Project.

Should the existing 15 households choose to return, they will be in community with an additional thirty eight (38) households with incomes up to 50% and 60% of the Area Median Income. This will provide for a mix of incomes to replace the exclusive public housing that exists on the site today, with the ultimate goal of providing improved residential and social conditions for the residents of the new Project, as well as the surrounding neighborhoods.

No. of Units	% of Units	Income Levels
15	28%	30%
11	21%	50%
27	51%	60%

It is intended that the rents of approximately four units will continue to be subsidized under a HUD Annual Contributions Contract, or that the replacement units will be operated as conventional public housing. Existing residents that return to the newly constructed units could use Housing Choice Vouchers to subsidize their rents and others will pay rents set by the Low Income Housing Tax Credit (Tax Credit) funding for households at up to 50 – 60% of AMI. ARHA will also accept other Housing Choice Voucher recipients who were not original residents of Ramsey.

Six of the units will be constructed as Accessible (as defined in the code) for individuals with special needs, meaning that all required accessibility features are present at first occupancy. The remaining units on the first floor will be designed to meet Type B units, consistent with the design and construction requirements of the American National Standards Institute (ANSI) and federal Fair Housing Act. A Type B unit is constructed to a convertible level of accessibility than an Accessible unit, geared more toward persons with lesser mobility impairments. In order to accommodate the Accessible units, there are accessible parking spaces in the parking garage and one elevator, per building, on the garage level with stops on each of the three floors and the rooftop, so that the amenities for the accessible units are

identical to the other units. Please see the attached Timeline for more information about the Project's milestones.

Ramsey Homes Timeline

Submittal/Review	Date
Submission of DSUP Combined Concept Stage 1 & 2	June 8, 2015
City Issues Comments on DSUP Combined Concept Stage 1 and 2	June 25, 2015
File DSUP Submission for Completeness Review	July 17, 2015
City issues Completeness Review Comments	August 7, 2015
DSUP Submission of Preliminary Plan	August 21, 2015
City Council hears Appeal of BAR Denial of Permit to Demolish	September 12, 2015
ARHA receives Completeness Review Letter (CRL) from City	November 30, 2015
ARHA submits DSUP CRL	December 7, 2015
Docketed for City Planning Commission Consideration of DSUP Application	February 2016
Docketed for City Council Public Consideration of DSUP Application	February 2016
VHDA Tax Credit Application	March 4,2016
BAR Hearing: Certificate of Appropriateness	Spring, 2016
Relocation of Ramsey Residents*	September, 2016
Construction Commencement*	December 2016
Construction Completion*	October 2018

[i] City Housing Master Plan (December 14, 2013)
[ii] Braddock East Master Plan (October, 2008)

*Contingent on successful tax credit application

HUD FY 2015 Income Limits for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area

2015 Income Limits*	1 Person	2 People	3 People	4 People
30% AMI	$22,950	$26,200	$29,500	$32,750
40% AMI	$30,600	$34,950	$39,300	$43,700
50% AMI	$38,200	$43,700	$49,150	$54,600
60% AMI	$45,850	$52,400	$58,950	$65,500

Source: HUD

**Numbers are rounded pursuant to HUD guidelines.*

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 29, 2016

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: EDENS-ABC/GIANT SITE AFFORDABLE HOUSING PLAN

ISSUE: Consideration of an Affordable Housing Plan for the Edens-ABC/Giant Site (DSUP 2015-00019)

ACTION REQUESTED: That the Committee review and endorse the associated Affordable Housing Plan.

BACKGROUND: The applicant plans to redevelop the site of the former Giant and ABC stores at the 500 block of First Street and 900 block of North Asaph Street with a mixed-use building featuring 232 residential units and approximately 50,000 square feet of ground-floor retail. The redevelopment project is consistent with the vision set forth by the 1992 Old Town North Small Area Plan. As part of the redevelopment process, the applicant is requesting a rezoning to a new Coordinated Development District.

Aerial view looking southwest

DISCUSSION: The applicant proposes to meet its voluntary housing contribution by making nine units (on-site) affordable to households earning incomes at or below 60% of the area median income (AMI) for a period of 40 years (Attachment 1). This proposal is consistent with the City's Housing Master Plan (2013) which recommends focusing affordable housing efforts in areas near transit and with the greatest potential for increased density and mixed-use development. It encourages housing options affordable to a range of incomes and household types, including young

professionals, families, seniors, and workers critical to the economic competitiveness and sustainability of the city.

In the event of a rezoning or Coordinated Development District application when additional density is being requested (as is the case with this application), the Housing Master Plan recommends developer contributions take into account that affordable housing is one of the City's highest priorities and that there should be a significant monetary or in-kind contribution to affordable housing in excess of what would normally be required with a Development Special Use Permit.

The contribution of nine on-site rental units (seven studios and two one-bedrooms) is valued at approximately $2.4 million, which is approximately $1.1 million more than the standard monetary contribution. The unit composition (with its emphasis on studio units) was designed to meet the needs of current and future retail, hospitality, and office workers in the Old Town North area.

The units will be affordable to households with incomes at or below 60% of the area median income (AMI) which equates to $45,864 and $65,520 for a household of one and four, respectively (Source: HUD, 2015) and will remain affordable for a 40-year period.

The DSUP housing conditions, as proposed by the Office of Housing, are included in Attachment 2.

FISCAL IMPACT: None

ATTACHMENTS:

(1) Affordable Housing Plan Edens-ABC/Giant Site–DSUP 2015-00019, dated January 28, 2016
(2) DSUP 2015-00019 Draft Conditions

STAFF:

Eric Keeler, Division Chief, Program Administration
Tamara Jovovic, Housing Analyst, Office of Housing

Attachment 1

Affordable Housing Plan
Edens-ABC/Giant Site (DSUP 2015-00019)
January 28, 2016

1.1 Project name and address

Project Name: Edens – ABC/Giant, 530 First Street
Project Address: 500 First Street and 901 N. St. Asaph St.

1.2 Application number

DSUP2015-00019

1.3 Brief description of the application and the proposed development program

The Applicant proposes the construction of a mixed-use building with 232 residential units and approximately 50,000 square feet of retail.

1.4 Requested zoning changes or waivers (if any)

Master Plan Amendment for increase in height
Rezoning to CDD #25
CDD Concept Plan for CDD #25
DSUP
TMP SUP
SUP for parking reduction
Comprehensive Sign Plan SUP
Umbrella SUP for restaurants and outdoor dining
SUP for increase in number of penthouses

1.5 The Small Area Plan in which the project is located and a brief discussion of how relevant affordable housing goals and recommendations are being addressed by the AHP

Old Town North Small Area Plan (1992)
There are no affordable housing goals or recommendations in this Small Area Plan for this site.

2. Description of the AHP to include:

2.1 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of proposed affordable units

The Applicant proposes to provide 7 studio units and 2 one-bedroom units for 40 years at 60% of AMI.

2.2 General description of location of affordable units in the project

The units will be located throughout the building.

2.3 Confirmation that residents of affordable units will have equal access to all amenities available to residents of market-rate units

The residents of the affordable units of the building will have equal access to all amenities available to residents of the market-rate units within the building.

2.4 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of existing affordable units being demolished as part of redevelopment (if any)

N/A

2.5 Brief discussion of tenant relocation plan approved by the Landlord-Tenant Relations Board (if applicable)

N/A

2.6 Description of the phasing of the project and any implications it may have on the delivery of units (if any)

The building will be constructed in one phase and there should be no implications on the delivery of the units.

2.7 Description of any voluntary contributions to be made to the Housing Trust Fund in addition to the provision of affordable units (if any)

The Applicant is providing the on-site units in lieu of the voluntary contribution. The value of the on-site units ($2.4 million) exceeds the value of the voluntary contribution ($1.29 million) by approximately $1.1 million.

2.8 Any other information the applicant deems relevant to the AHP

N/A

Attachment 2

DSUP 2015-00019 Draft Conditions

a. The developer shall provide the following affordable rental set-aside units: 7 studios and 2 one-bedrooms.
b. Rents payable for the set-aside units shall not exceed the maximum rents allowed under the Federal Low Income Housing Tax Credit program for households with incomes at or below 60% of the Washington D.C. Metropolitan Area Median Family Income for a period of 40 years from the date of initial occupancy of each affordable unit. The developer shall re-certify the incomes of resident households annually.
c. Once an income-eligible household moves into a unit, that unit will be considered an affordable unit until the household's income increases to more than 140% of the then-current income limit. At that time, the over-income household shall be allowed to remain, but the next available unit of comparable size (i.e., with the same number of bedrooms, den space, and/or approximate square footage) must be made available to a qualified household. Once the comparable unit is rented, the rent of the over-income unit may then be increased to market rate in accordance with any lease restrictions. If a comparable unit within the building does not exist (e.g. a three-bedroom unit), the over-income tenant must be given notice and required to vacate the unit and replaced with an income-eligible household.
d. Households receiving Housing Choice Voucher assistance will not be denied admission on the basis of receiving such assistance. A household will be considered income qualified if the amount of rent it can pay based on income, together with the voucher payment, is sufficient to cover the applicable rent.
e. The developer agrees that residents of set-aside units shall have access to all amenities offered on the entire Development at the same rates and terms as offered to other residents.
f. The set-aside units shall be of the same size and floor plan and with the same finishes as other similar units in the Development. Concentrations of set-aside units will be avoided.
g. If the market rents are less than anticipated, the tax credit rents will continue to be used as the affordable rents; however, in the event the differential between the market rents and the affordable rents falls below $150, the affordable rents shall be reduced to maintain a differential of at least $150 at all times.
h. Residents of the set-aside units shall have access to leased parking at the same rates and terms as offered to other residents.
i. The developer shall provide the City with access to the necessary records and information to enable annual monitoring for compliance with the above conditions for the 40-year affordability period.
j. Amendments to the approved Affordable Housing Plan must be submitted to the Alexandria Housing Affordability Advisory Committee for consideration, and require final approval from the City Manager.

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 28, 2016

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: CONSIDERATION OF A PREDEVELOPMENT LOAN TO AHDC FOR A MIXED USE DEVELOPMENT, INCLUDING A NEW SHELTER FACILITY AND AFFORDABLE HOUSING, AT THE CARPENTER'S SHELTER SITE

ISSUE: A predevelopment loan to the Alexandria Housing Development Corporation (AHDC) for a joint project with Carpenter's Shelter (CS) to redevelop the CS site to construct a mixed use building including a new shelter, permanent supportive housing and affordable/workforce rental housing.

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee recommend that City Council approve a predevelopment loan to AHDC of up to $500,000 for a proposed redevelopment of the Carpenter's Shelter site to provide a new shelter and related administrative and case management space; 10 units of permanent supportive housing for households transitioning out of the shelter; and approximately 100 affordable and workforce apartments, all above underground parking.

BACKGROUND: AHDC and Carpenter's Shelter, two City-based nonprofit housing organizations, are collaborating on a proposal to redevelop Carpenter Shelter's existing .82 acre property located at 930 N. Henry Street in the Braddock Metro Neighborhood Plan area. Pursuant to a Memorandum of Understanding between the parties, AHDC is acting as the developer for the joint venture and will acquire development rights for the affordable/workforce rental housing from CS pursuant to an third party appraisal. As AHDC states in its predevelopment loan application (Attachment 1), "the area has experienced significant growth over the past several years" including a large amount of luxury apartments and the shelter site, which is only .25 miles from the Metro station is identified in the BMNP for future redevelopment.

A preliminary concept vetted with the City shows underground parking, a first floor level that will include a new shelter facility, related administrative and case management space, and 10 units of permanent supportive housing, to be topped with five stories of rental housing affordable to incomes ranging from 40-60% of the area median income (AMI) (Attachment 2). The planned building design is consistent with the 2008 Braddock Neighborhood Metro Plan, while taking advantage of bonus density to maximize the potential affordable housing (Attachment 3). It is important to note that current shelter activities are not proposed to be intensified; rather the redevelopment will help CS build a facility that

models current best practices with regard to serving persons experiencing homelessness, including permanent housing options paired with case management so that clients may successfully transition out of the shelter. Adopting this approach will enhance opportunities for CS to attract future funding for its operations and bolster the organization's long term sustainability.

AHDC proposes a mix of one, two and three bedroom apartments, including 10 fully accessible units. In addition to a community room, an internal courtyard will provide recreational and open space for building residents. As is standard with all new affordable housing developed in the City, the apartments will be constructed to meet third-party certified energy efficiency/green building standards. Similar to the mixed- use model at The Station at Potomac Yard, the shelter and the affordable housing components will be owned and operated within a condominium regime by their respective nonprofit owners.

While the parties presently expect CS to own the ten permanent supportive housing units that are planned, if a rental subsidy source can be identified to advantage AHDC's tax credit application related to these units, they may be built by AHDC as part of its development but for the use of CS clients. As proposed the redevelopment meets several City housing needs articulated in the Housing Master Plan (HMP), including collaborations with and among nonprofit partners, deeply affordable subsidized units, location of affordable housing development near transit, jobs and amenities, accessible housing and family-sized units. Due to the significant level of luxury residential development nearby, the proposed joint project continues and adds an important element of affordable and workforce housing to critical to Alexandria's goals of creating mixed income communities. Department of Community and Human Services (DCHS) staff who lead the Partnership to Prevent and End Homelessness have reviewed the redevelopment concept and find the proposed changes to Carpenter's Shelter's program, including the creation of ten permanent supportive housing units, are consistent with City's strategies and goals related to providing a real continuum of housing choice for Alexandria's most vulnerable.

DISCUSSION: Requests for City predevelopment loan assistance are typical for affordable housing projects. While the Housing Master Plan enabled staff to administratively approve predevelopment loans for amounts totaling up to $5,000 per unit, staff has adopted the practice of bringing large predevelopment funding requests to AHAAC and to City Council in order to vet developments and solicit guidance early in the development process. This has also been useful in setting priorities and identifying resources that will be required to induce third party leverage and in measuring progress in meeting HMP targets by establishing a pipeline of future projects.

Based on the number of affordable units anticipated to be achieved through redevelopment of the Carpenter's Shelter site, AHDC has requested $500,000 in predevelopment loan funding to advance the design and development of the project, to take it through the City development review and community outreach processes and to secure financing for the affordable housing component including, potentially, the permanent supportive units. AHDC's planned acquisition of development rights from Carpenter's Shelter will cover that entity's portion of costs for construction of the new shelter facility and related space, as well as the permanent supportive housing units if tax credit funding is not a viable option. A Concept 1 plan will be submitted in February: in the meantime, AHDC will preview the development concept for the Braddock Implementation Advisory Group at its January 28 meeting and will present its predevelopment funding request to the Housing Affordability Advisory Committee on February 4. It

also plans to undertake extensive outreach to various civic associations and neighborhood groups and businesses in upcoming months to discuss the project and solicit community feedback.

Because AHDC proposes to serve households with incomes at or below 60% of the area median income, Housing staff proposes that at least $250,000 of federal HOME funds be allocated for the predevelopment loan, with the balance from housing trust funds derived through developer contributions.

Although projections are very preliminary, the proposed permanent total financing package of $41 million for the joint redevelopment anticipates $21.5 million in competitive/9% low income tax credit equity, $7.5 in first trust mortgage debt, a CS contribution of $5.2 million, and a City gap loan of around $5 million, as well as potential state housing trust fund dollars. The Virginia housing trust (HTF) is a new source of funding for projects that serve households at very low incomes. AHDC believes this project, with its shelter, permanent supportive housing and 40 and 50% AMI apartments meets many criteria for state HTF funding. AHDC hopes to secure this and other soft funds to close the projected $1 million gap.

Although AHDC will move forward expeditiously in seeking development approvals for the proposal, its currently-stated timeline of applying for competitive tax credits in the March 2017 round places it in potential conflict with an AHC project for which the City has already committed predevelopment support (The Church of the Resurrection). Based on anticipated local resources for affordable housing development, only one project can likely be supported in the 2017 round. Unless the Resurrection project is not able to go forward competitively for some reason in 2017, Housing staff recommend that the AHDC-CS redevelopment be sequenced as the City's 2018 LIHTC project.

FISCAL IMPACT: $500,000 in Housing Trust Fund and federal HOME funds to AHDC, with the funds to be released as draws are submitted. Staff will return with a permanent loan request at the appropriate time in the future.

ATTACHMENTS:

(1) AHDC Predevelopment Loan Request for Redevelopment of the Carpenter's Shelter Site
(2) HUD Income and Rent Limits for 40, 50 and 60% AMI
(3) Preliminary elevation of proposed Carpenter's Shelter Redevelopment

STAFF:

Eric Keeler, Division Chief, Program Administration, Office of Housing
Tamara Jovovic, Housing Analyst, Office of Housing

Working to make homes affordable in the City of Alexandria

ALEXANDRIA HOUSING DEVELOPMENT CORPORATION
– AHDC –

January 19, 2016

Ms. Helen McIlvaine, Director
Director, Office of Housing
City of Alexandria
421 King Street Suite 200
Alexandria, VA 22314

By Hand & Email

Re: **Pre-development loan application**

Alexandria Housing Development Corporation (AHDC) is pleased to present this application to the City of Alexandria (City) for a predevelopment loan of $500,000. AHDC has signed a memorandum of understanding with the Carpenter's Shelter (CS) to redevelop the site of their current shelter located at 930 North Henry Street. I have attached a project summary and pro forma for your review and we will provide additional information upon your request.

The CS site is approximately .82 acres in size and located about a quarter mile from Braddock Metro Station. The current plan is to redevelop the site and create a new shelter on the ground level along with ten units of permanent supportive housing. The new shelter will be topped with 100 units of housing affordable to low and moderate income families. The entire building will be placed on top underground parking structure. The new shelter will be owned by CS and the affordable housing owned by AHDC and the each will be titled with a separate condominium unit similar to the Station at Potomac Yard.

AHDC is excited to be working with Carpenter's Shelter on this project. We feel it is a great opportunity to provide housing diversity to a neighborhood that is walkable to one of the City's metro stations and has seen a large amount of luxury rental built in the last few years. AHDC is currently planning to submit a concept one development plan to the City by the end of February with the goal of receiving entitlements for the site by the end of 2016. This schedule will allow AHDC to be ready to submit for an allocation low income housing tax credits as well as other funding sources in 2017.

If you have any questions regarding this application, please do not hesitate to contact me at 703-739-7775 or at jfrederick@housingalexandria.org.

Sincerely,

Jonathan Frederick
Executive Director

801 N. Pitt Street, Suite 116, Alexandria, Virginia 22314
Phone: 703-739-7775 Fax: 703-739-7760 www.housingalexandria.org

Carpenter's Shelter Redevelopment

Proposed Project Description

AHDC has signed a memorandum of understanding (MOU) with the Carpenter's Shelter (CS) to redevelop their site located at 930 N. Henry Street. The redevelopment will include a new shelter that will be owned and operated by CS topped by 100 units of affordable housing that will be owned and operated by AHDC.

AHDC plans to submit the first concept plan to the City by the end of February with the goal of gaining entitlements by the end of 2016. AHDC currently envisions serving households that make between 40% and 60% of the area median income. The project will include a community room and outdoor courtyard to serve the residents of AHDC units. It is also contemplated that ground floor will include ten units of permanent supportive housing that will help fill a huge gap in the housing continuum in the City. The ownership structure of the permanent supportive housing units is flexible to allow AHDC to be as competitive as possible for both low income housing tax credits and other funding opportunities. The current pro forma and budget provided with this application does not anticipate AHDC owning the supportive housing units. The main factor that will determine if it will be advantageous for AHDC to own the permanent supportive housing units is the availability of a rent subsidy that will allow for scoring opportunities on a LIHTC and other funding applications.

AHDC's project will be built with high quality exterior finishes to mend seamlessly with neighborhood. The project is currently contemplated as a five story wood frame construction built over a ground floor and concrete podium that will host the residential lobby and a new shelter facility. The residential units will be equipped with Energy Star kitchen appliance packages and high-efficiency individually controlled HVAC systems. Residents of the project will enjoy access to laundry facilities strategically located on floors 2-5, a community room, and exclusive courtyard

Property

The project site is walkable to the Braddock Metro located in a neighborhood directly north of the newly developed Belle Pre project. This area has experience significant growth over the past several years as the City has been implementing the Braddock Metro Small Area Plan. The site is approximately .82 acres in size and is located that is anticipated for redevelopment in the Braddock Metro Small Area Plan

Proposed Project Target Population:

AHDC's development will be a rental project that will target a range of affordability levels between 40% area median income (AMI) and 60% AMI. The project affordability targets will be as follows: ten percent of the units at 40 percent AMI, 40 percent of the units at 50 percent AMI, and 50 percent of the units at 60 percent AMI. The units will be a mix of efficiencies, one bedroom, two bedroom, and three bedrooms with 80 percent of the project being dedicated for two and three bedroom units. Ten percent of the units will be full accessible for tenants with disabilities. AHDC believes the proposed unit and affordability mix will assist those households in the City that are the most in need, while at the same time maximizing scoring opportunities provided in the Virginia qualified action plan.

Ownership Structure

AHDC has executed MOU with the Carpenter's Shelter and is beginning work on a purchase and sale agreement. The current planned ownership structure will be two separate condominium units within the new building including a new shelter facility and the AHDC housing development. AHDC will pay an acquisition cost of $6,250,000 to Carpenter's Shelter based on an appraisal of the project. CS will use the proceeds of this sale to build a new shelter and AHDC will own outright the affordable housing project that is the subject of this application.

Financing Plan

AHDC's financing plan includes submitting an application for a nine percent low income housing tax credit allocation in March 2017. The LIHTC equity will be supplemented by a conventional first trust mortgage, City of Alexandria subordinated debt, AHDC deferred developer fee, as well as other financing sources that may be available including VA housing trust fund and federal home loan bank grants.

Market Demand

AHDC has yet to commission a full market study to demonstrate demand for the proposed project. However, the City of Alexandria Housing Master Plan (HMP) provides a significant amount of data that demonstrates a demand for the housing type and affordability levels that will be provided in this project. The HMP demonstrated the need for additional affordable units that at or below 60 percent AMI specifically those at or below 50 percent AMI. The report also showed the need for additional affordable 3BR units to support families. The approved Beauregard Small Area Plan provides additional data demonstrating the market demand for affordable housing in the City, specifically highlighting the need for units at or below 40 percent AMI.

Proposed Project Schedule (estimated to date):

- Completion of entitlements – December 2016
- Submission of VHDA 9% LIHTC application – March 2017
- Award of 9% LIHTC application – June 2017
- Acquisition – September 2017
- Begin Construction – 1st quarter 2018
- Completed Construction – 3rd quarter 2019

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
Project Summary

Sources			Uses	
Equity			**Development Costs**	
Tax Credit Equity		21,597,840	Acquisition	6,280,000
Sponsor Equity		5,200,000	Development Soft Costs	5,458,460
			Financing Costs	1,822,335
Debt			Construction Costs	25,347,408
Permanent Debt		7,541,856	Developer Fee	2,531,005
[Reserved]				
State HTF		-		
Gap		5,987,979		
Deferred Developer Fee	45%	1,138,952		
Total Sources		**$ 41,466,627**	**Total Uses**	**$ 41,439,208**
			Surplus/(Deficit)	27,419
Permanent Debt		$ 7,541,856		
Annual Debt Service		$ 516,035	Total Cost / Unit	414,392
Terms (Years)		35	Hard Cost / Unit	253,474
Interest Rate		6.00%	Soft Cost / Unit	160,918

Project Schedule	
Purchase/Dev Start	01/01/18
Comm Operating Date	08/01/19
Const Period (Months)	18
Lease-up Period (Months)	6
Perm Loan Conversion Date	04/01/20

Income & Operating Expenses	
	Yr 1 Stabilized
Revenue	
Potential Gross Income	$1,424,295
Less: Vacancy Allowance	(71,215)
Effective Gross Income	**1,353,080**
Other Income	17,100
Total Income	**1,370,180**
Operating Expenses	
Administration	204,538
Repairs & Maintenance	56,560
Contract Services	97,840
Utilities	100,000
Taxes, Licenses, & Insurance	229,000
Miscellaneous	33,000
Total Operating Expenses	**720,938**
Replacement Reserves	30,000
Net Operating Income	**619,242**
DSCR	**1.20**
OpEx per unit (excl RR)	**$ 7,209**

Unit Type / Affordability Mix

	%	No. Units		%	No. Units
Efficiency	10%	10	30% AMI	0%	0
One Bed	10%	10	40% AMI	10%	10
Two Bed	55%	55	50% AMI	40%	40
Three Bed	25%	25	60% AMI	50%	50
Four Bed	0%	0	80% AMI	0%	0
			100% AMI		0
Total Units	**100%**	**100**	**Total**	**100%**	**100**

Investment Period	40

HUD AMI	**109,200**

Finance	**I/P**
Tranche 1 Permanent Debt	
Principal	7,541,856
Loan-to-Value	
Terms (Years)	35
Interest Rate	6.00%
Debt Coverage Ratio	1.2
Structure (1-CPM, 2-I/O, 3-Custom)	1
Tranche 2 [Reserved]	
Principal	-
Term (Years)	30
Interest Rate	2.90%
Structure (1-CPM, 2-I/O, 3-RR)	1
Origination Fee	0.0%
Residual Receipts Repayment Terms	50%
Tranche 3 State HTF	
Principal	-
Term (Years)	20
Interest Rate	2.00%
Structure (1-CPM, 2-I/O, 3-RR)	2
Origination Fee	0.0%
Residual Receipts Repayment Terms	50%
Tranche 4 Gap	
Principal	5,987,979
Term (Years)	40
Interest Rate	2.00%
Structure (1-CPM, 2-I/O, 3-RR)	3
Origination Fee	0.0%
Residual Receipts Repayment Terms	50%

Deferred Fee Interest Rate	**2%**

Construction Loan	
Principal	21,163,201
Loan-to-Value	51%
Terms (Years)	
Interest Rate	3.50%
Debt Coverage Ratio	
Structure (1-CPM, 2-I/O, 3-Custom)	2

Tax Credit Rates	
9% Discount Rate	9.00%
4% Discount Rate	3.24%
Equity Sale Price	$1.08
Basis Boost	0%

Operations	
Vacancy Rate	5%
Rent Escalation	2%
Expense Escalation	3%
Administration	
Repairs & Maintenance	
Contract Services	
Utilities	
Taxes, Licenses, & Insurance	
Miscellaneous	
Replacement Reserves	
Expense/Unit (excludi	**$ 7,209**

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
Development Costs

Development Costs		Total Budget	Total Per SF	Total Per Unit	Residential	Per GSF	Per Unit	Shelter/PSH	Per GSF	Per Unit
			131,170	100		110,000	100		21,170	0
Acquisition						84%			16%	
Structure		-	0.00	0	-	0.00	0	-	0.00	#DIV/0!
Land		6,250,000	47.65	62,500	6,250,000	56.82	62,500	-	0.00	#DIV/0!
Recording Fees			0.00	0		0.00	0		0.00	#DIV/0!
Closing Costs (title/surveyed)		30,000	0.23	300		0.00	0		0.00	#DIV/0!
Acquisition Subtotal		**6,280,000**	**47.88**	**62,800**	**6,250,000**	**56.82**	**62,500**	**-**	**0.00**	**#DIV/0!**
Development Soft Costs										
Architectural and Design										
Conceptual Drawings		544,683	4.15	5,447	456,775	4.15	4,568	87,908	4.15	#DIV/0!
Working Drawings		364,682	2.78	3,647	305,825	2.78	3,058	58,857	2.78	#DIV/0!
Construction Administration		182,343	1.39	1,823	152,914	1.39	1,529	29,429	1.39	#DIV/0!
Interior Design		137,283	1.05	1,373	115,126	1.05	1,151	22,157	1.05	#DIV/0!
Landscape		75,158	0.57	752	63,028	0.57	630	12,130	0.57	#DIV/0!
Engineering Fees										
Civil		238,175	1.82	2,382	199,735	1.82	1,997	38,440	1.82	#DIV/0!
Structural		89,000	0.68	890	74,636	0.68	746	14,364	0.68	#DIV/0!
MEP		148,000	1.13	1,480	124,114	1.13	1,241	23,886	1.13	#DIV/0!
Geotech/Soils		25,000	0.19	250	20,965	0.19	210	4,035	0.19	#DIV/0!
Environmental		15,000	0.11	150	12,579	0.11	126	2,421	0.11	#DIV/0!
Traffic		34,500	0.26	345	28,932	0.26	289	5,568	0.26	#DIV/0!
Legal - Owner										
Organization		10,000	0.08	100	8,386	0.08	84	1,614	0.08	#DIV/0!
Loan Documents		50,000	0.38	500	41,930	0.38	419	8,070	0.38	#DIV/0!
Zoning		110,000	0.84	1,100	92,247	0.84	922	17,753	0.84	#DIV/0!
Tax Credit		60,000	0.46	600	50,316	0.46	503	9,684	0.46	#DIV/0!
Other		15,000	0.11	150	12,579	0.11	126	2,421	0.11	#DIV/0!
Gov Fees and Cert										
Building Permits		275,000	2.10	2,750	230,617	2.10	2,306	44,383	2.10	#DIV/0!
Plan Submittal Fees		100,000	0.76	1,000	83,861	0.76	839	16,139	0.76	#DIV/0!
Green Building		75,000	0.57	750	62,895	0.57	629	12,105	0.57	#DIV/0!
Construction Inspection		20,000	0.15	200	16,772	0.15	168	3,228	0.15	#DIV/0!
Sewer Tap Fees	$7,700	992,000	7.56	9,920	860,000	7.82	8,600	132,000	6.24	#DIV/0!
Sanitary Sewer Fee		-	0.00	0	-	0.00	0	-	0.00	#DIV/0!
Other/Miscellaneous										
Appraisal		10,000	0.08	100	10,000	0.09	100		0.00	#DIV/0!
Market Study		10,000	0.08	100	10,000	0.09	100		0.00	#DIV/0!
Construction Management		130,000	0.99	1,300	109,019	0.99	1,090	20,981	0.99	#DIV/0!
Project Management		100,000	0.76	1,000	83,861	0.76	839	16,139	0.76	#DIV/0!
FF&E		100,000	0.76	1,000	50,000	0.45	500		0.00	#DIV/0!
Insurance: Builders Risk		100,000	0.76	1,000	83,861	0.76	839	16,139	0.76	#DIV/0!
Insurance: Umbrella		35,000	0.27	350	29,351	0.27	294	5,649	0.27	#DIV/0!
Marketing / Lease UP		50,000	0.38	500	50,000	0.45	500	-	0.00	#DIV/0!
Management Start Up Costs		50,000	0.38	500	50,000	0.45	500	-	0.00	#DIV/0!
R/E Taxes During Con.		80,000	0.61	800	67,089	0.61	671	12,911	0.61	#DIV/0!
Utilities During Construction		60,000	0.46	600	50,316	0.46	503	9,684	0.46	#DIV/0!
Security - Professional		-	0.00	0	-	0.00	0	-	0.00	#DIV/0!
Relocation		250,000	1.91	2,500	-	0.00	0		0.00	#DIV/0!
Soft Cost Contingency	6.0%	254,149	1.94	2,541	216,464	1.97	2,165	37,686	1.78	#DIV/0!
Reserves										
Operating Reserve	6	360,469	2.75	3,605	360,469	3.28	3,605	-	0.00	#DIV/0!
Debt Service	6	258,017	1.97	2,580	258,017	2.35	2,580	-	0.00	#DIV/0!
Lease Up Reserve		25,000	0.19	250	25,000	0.23	250	-	0.00	#DIV/0!
Replacement	$250	25,000	0.19	250	25,000	0.23	250	-	0.00	#DIV/0!
Soft Cost Subtotal		**5,458,460**	**41.61**	**54,585**	**4,492,679**	**40.84**	**44,927**	**665,781**	**31.45**	**#DIV/0!**
Financing Costs										
Tax Credit Fees										
Tax Credit Application Fee	7.00%	140,000	1.07	1,400	140,000	1.27	1,400	-	0.00	#DIV/0!
Syndicator Legal		40,000	0.30	400	40,000	0.36	400	-	0.00	#DIV/0!
Syndication Fee			0.00	0	-	0.00	0	-	0.00	#DIV/0!
Cost Certification		25,000	0.19	250	25,000	0.23	250	-	0.00	#DIV/0!
Tax Credit Consultant Fee		20,000	0.15	200	20,000	0.18	200	-	0.00	#DIV/0!
Acq./Cons. Loan										
Loan Origination Fee	1.00%	211,632	1.61	2,116	173,366	1.58	1,734	38,266	1.81	#DIV/0!
Lender Legal		60,000	0.46	600	60,000	0.55	600	-	0.00	#DIV/0!
Inspections		20,000	0.15	200	20,000	0.18	200	-	0.00	#DIV/0!
Cost of Issuance/Bond Expense		-	0.00	0	-	0.00	0	-	0.00	#DIV/0!
Letter of Credit fees/rate		-	0.00	0	-	0.00	0	-	0.00	#DIV/0!
Interest Acq./Construction Loan	3.50%	1,095,284	8.35	10,953	1,095,284	9.96	10,953	-	0.00	#DIV/0!
Site work			0.00	0	-	0.00	0	-	0.00	#DIV/0!
Permanent Loan Costs										
Loan Origination Fee	1.00%	75,419	0.57	754	75,419	0.69	754	-	0.00	#DIV/0!
Lender Legal			0.00	0		0.00	0		0.00	#DIV/0!
Recording/Title/Closing		135,000	1.03	1,350	135,000	1.23	1,350	-	0.00	#DIV/0!
Financing Subtotal		**1,822,335**	**13.89**	**18,223**	**1,784,069**	**16.22**	**17,841**	**38,266**	**1.81**	**#DIV/0!**

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
Development Costs

Development Costs		Total Budget	Total Per SF	Total Per Unit	Residential	Per GSF	Per Unit	Shelter/PSH	Per GSF	Per Unit
Construction Costs										
Construction/Rehab Costs	$120	15,740,400	120.00	157,404	13,200,000	120.00	132,000	2,540,400	120.00	#DIV/0!
Construction Escalation	2%	497,008	3.79	4,970	407,142	3.70	4,071	89,866	4.24	#DIV/0!
Structured Parking	$45,000	4,500,000	34.31	45,000	$3,375,000	30.68	33,750	1,125,000	53.14	#DIV/0!
Demolition		100,000	0.76	1,000	-	0.00	0	100,000	4.72	#DIV/0!
Off-Site Improvements		-	0.00	0		0.00	0		0.00	#DIV/0!
Utility Undergrounding		200,000	1.52	2,000	167,721	1.52	1,677	32,279	1.52	#DIV/0!
Site Work		1,200,000	9.15	12,000	1,006,328	9.15	10,063	193,672	9.15	#DIV/0!
Public Improvements		-	0.00	0		0.00	0	-	0.00	#DIV/0!
General Requirements		850,000	6.48	8,500	712,815	6.48	7,128	137,185	6.48	#DIV/0!
Builders Overhead		250,000	1.91	2,500	209,652	1.91	2,097	40,348	1.91	#DIV/0!
Builders Profit		775,000	5.91	7,750	649,920	5.91	6,499	125,080	5.91	#DIV/0!
Bonding Fee		135,000	1.03	1,350	113,212	1.03	1,132	21,788	1.03	#DIV/0!
Environmental Remediation		-	0.00	0		0.00	0	-	0.00	#DIV/0!
Contingency	5%	1,100,000	8.39	11,000	922,467	8.39	9,225	177,533	8.39	#DIV/0!
Construction Total		**25,347,408**	**193.24**	**253,474**	**20,764,257**	**188.77**	**207,643**	**4,583,151**	**216.49**	**#DIV/0!**
Subtotal Project Costs		**38,908,203**	**296.62**	**389,082**	**33,291,005**	**302.65**	**332,910**	**5,287,198**	**249.75**	**#DIV/0!**
Developer Fee	10.0%	**2,531,005**	**19.30**	**25,310**	**2,531,005**	**23.01**	**25,310**	**-**	**0.00**	**#DIV/0!**
Total Development Cost		**$ 41,439,208**	**$315.92**	**$ 414,392**	**$ 35,822,010**	**$325.65**	**$ 358,220**	**$ 5,287,198**	**$249.75**	**#DIV/0!**

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
CF (Annual)

Valuation:

Year		1	2	3	4	5	6	7	8	9	10	11	12	13
Revenue														
Rental		1,442,295	1,471,141	1,500,563	1,530,575	1,561,186	1,592,410	1,624,258	1,656,743	1,689,878	1,723,676	1,758,149	1,793,312	1,829,178
Vacancy		72,115	73,557	75,028	76,529	78,059	79,620	81,213	82,837	84,494	86,184	87,907	89,666	91,459
Total Revenue		1,370,180	1,397,584	1,425,535	1,454,046	1,483,127	1,512,789	1,543,045	1,573,906	1,605,384	1,637,492	1,670,242	1,703,646	1,737,719
Expense														
Administration		204,538	210,675	216,995	223,505	230,210	237,116	244,229	251,556	259,103	266,876	274,882	283,129	291,623
Repairs & Maintenance		56,560	58,257	60,005	61,805	63,659	65,569	67,536	69,562	71,649	73,798	76,012	78,292	80,641
Contract Services		97,840	100,775	103,798	106,912	110,120	113,423	116,826	120,331	123,941	127,659	131,489	135,433	139,496
Utilities		100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	134,392	138,423	142,576
Taxes, Licenses, & Insurance		229,000	235,870	242,946	250,234	257,742	265,474	273,438	281,641	290,090	298,793	307,757	316,990	326,499
Miscellaneous		33,000	33,990	35,010	36,060	37,142	38,256	39,404	40,586	41,803	43,058	44,349	45,680	47,050
Replacement Reserves		30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317	41,527	42,773
Total Expenses		750,938	773,467	796,671	820,571	845,188	870,543	896,660	923,559	951,266	979,804	1,009,198	1,039,474	1,070,659
Net Operating Income		619,242	624,117	628,865	633,475	637,939	642,246	646,385	650,347	654,118	657,688	661,043	664,172	667,061
DSCR		1.20	1.21	1.22	1.23	1.24	1.24	1.25	1.26	1.27	1.27	1.28	1.29	1.29
Debt														
Tranche 1		516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035
Tranche 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3		-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 4		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt		516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035
Net Sale Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		103,207	108,082	112,830	117,441	121,904	126,211	130,351	134,312	138,083	141,653	145,009	148,138	151,026
Total Cash Flow		103,207	108,082	112,830	117,441	121,904	126,211	130,351	134,312	138,083	141,653	145,009	148,138	151,026
Deferred Fee Balance	1,138,952	1,058,524	971,613	878,215	778,338	672,001	559,229	440,063	314,553	182,760	44,763	-	-	-
Residual Payment		0	0	0	0	0	0	0	0	0	0	72,504	74,069	75,513

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
CF (Annual)

Valuation:

Year	14	15	16	17	18	19	20	21	22	23	24	25	26	27
Revenue														
Rental	1,865,762	1,903,077	1,941,139	1,979,961	2,019,561	2,059,952	2,101,151	2,143,174	2,186,037	2,229,758	2,274,353	2,319,840	2,366,237	2,413,562
Vacancy	93,288	95,154	97,057	98,998	100,978	102,998	105,058	107,159	109,302	111,488	113,718	115,992	118,312	120,678
Total Revenue	1,772,474	1,807,923	1,844,082	1,880,963	1,918,583	1,956,954	1,996,093	2,036,015	2,076,736	2,118,270	2,160,636	2,203,848	2,247,925	2,292,884
Expense														
Administration	300,371	309,383	318,664	328,224	338,071	348,213	358,659	369,419	380,502	391,917	403,674	415,784	428,258	441,106
Repairs & Maintenance	83,060	85,552	88,119	90,762	93,485	96,290	99,178	102,154	105,218	108,375	111,626	114,975	118,424	121,977
Contract Services	143,681	147,992	152,432	157,004	161,715	166,566	171,563	176,710	182,011	187,472	193,096	198,889	204,855	211,001
Utilities	146,853	151,259	155,797	160,471	165,285	170,243	175,351	180,611	186,029	191,610	197,359	203,279	209,378	215,659
Taxes, Licenses, & Insurance	336,294	346,383	356,775	367,478	378,502	389,857	401,553	413,599	426,007	438,788	451,951	465,510	479,475	493,859
Miscellaneous	48,462	49,915	51,413	52,955	54,544	56,180	57,866	59,602	61,390	63,231	65,128	67,082	69,095	71,168
Replacement Reserves	44,056	45,378	46,739	48,141	49,585	51,073	52,605	54,183	55,809	57,483	59,208	60,984	62,813	64,698
Total Expenses	1,102,778	1,135,862	1,169,937	1,205,036	1,241,187	1,278,422	1,316,775	1,356,278	1,396,967	1,438,876	1,482,042	1,526,503	1,572,298	1,619,467
Net Operating Income	669,696	672,062	674,144	675,928	677,396	678,532	679,318	679,737	679,769	679,395	678,594	677,345	675,627	673,417
DSCR	1.30	1.30	1.31	1.31	1.31	1.31	1.32	1.32	1.32	1.32	1.32	1.31	1.31	1.30
Debt														
Tranche 1	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035
Tranche 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035
Net Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow	153,661	156,027	158,110	159,893	161,361	162,497	163,284	163,702	163,734	163,360	162,559	161,311	159,593	157,382
Total Cash Flow	153,661	156,027	158,110	159,893	161,361	162,497	163,284	163,702	163,734	163,360	162,559	161,311	159,593	157,382
Deferred Fee Balance 1,138,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual Payment	76,830	78,014	79,055	79,947	80,681	81,249	81,642	81,851	81,867	81,680	81,280	80,655	79,796	78,691

AHDC/Carpenter's Shelter Partnership
Carpenter's Shelter_01.15.16
CF (Annual)

Valuation:

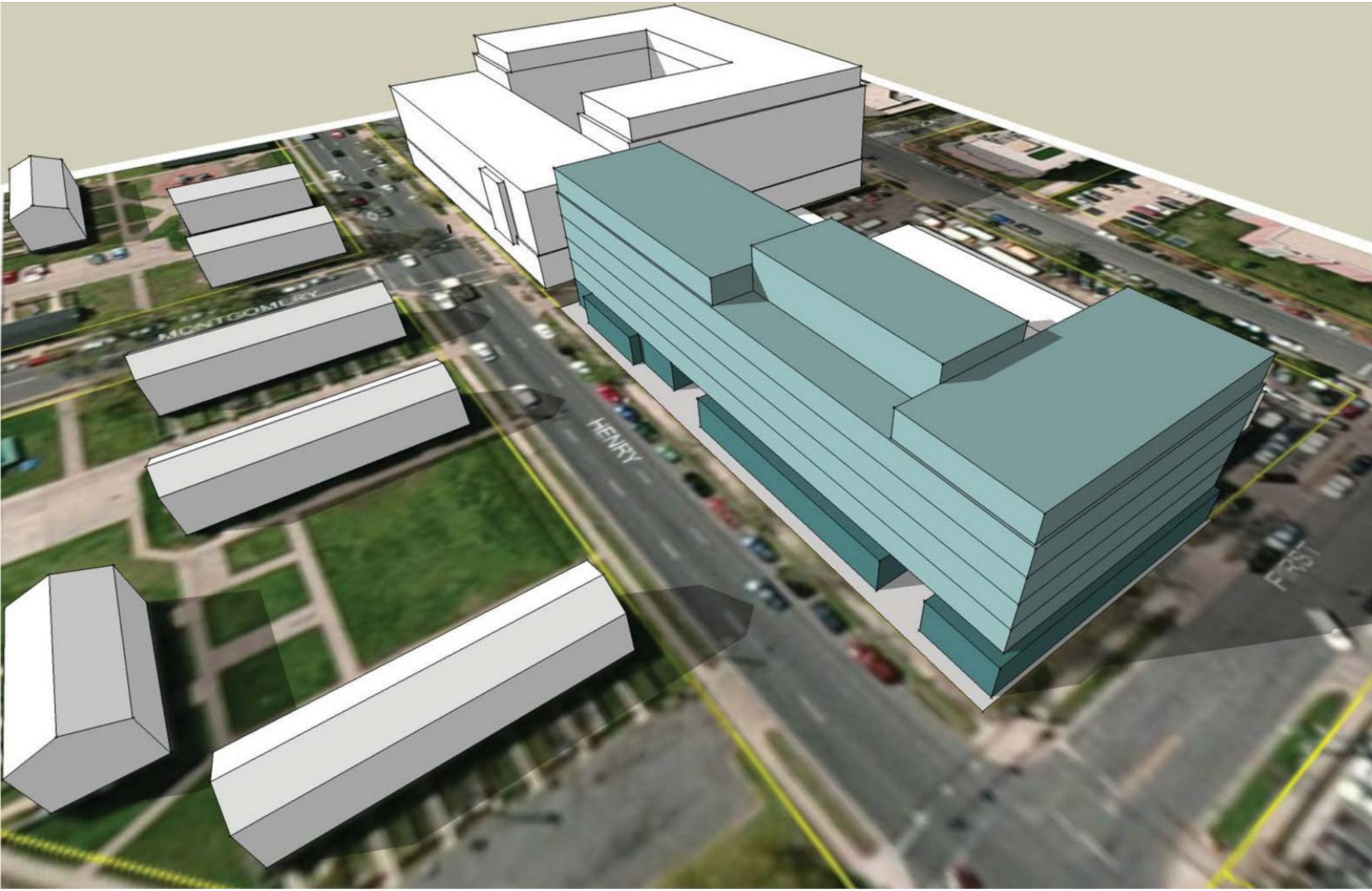
Year		28	29	30	31	32	33	34	35	36	37	38	39	40
Revenue														
Rental		2,461,833	2,511,070	2,561,291	2,612,517	2,664,767	2,718,063	2,772,424	2,827,873	2,884,430	2,942,119	3,000,961	3,060,980	3,122,200
Vacancy		123,092	125,553	128,065	130,626	133,238	135,903	138,621	141,394	144,221	147,106	150,048	153,049	156,110
Total Revenue		2,338,742	2,385,516	2,433,227	2,481,891	2,531,529	2,582,160	2,633,803	2,686,479	2,740,208	2,795,013	2,850,913	2,907,931	2,966,090
Expense														
Administration		454,339	467,969	482,008	496,468	511,362	526,703	542,504	558,779	575,543	592,809	610,593	628,911	647,778
Repairs & Maintenance		125,636	129,405	133,287	137,286	141,405	145,647	150,016	154,517	159,152	163,927	168,844	173,910	179,127
Contract Services		217,331	223,851	230,566	237,483	244,608	251,946	259,504	267,290	275,308	283,568	292,075	300,837	309,862
Utilities		222,129	228,793	235,657	242,726	250,008	257,508	265,234	273,191	281,386	289,828	298,523	307,478	316,703
Taxes, Licenses, & Insurance		508,675	523,935	539,654	555,843	572,518	589,694	607,385	625,606	644,375	663,706	683,617	704,125	725,249
Miscellaneous		73,303	75,502	77,767	80,100	82,503	84,978	87,527	90,153	92,857	95,643	98,512	101,468	104,512
Replacement Reserves		66,639	68,638	70,697	72,818	75,002	77,252	79,570	81,957	84,416	86,948	89,557	92,244	95,011
Total Expenses		1,668,051	1,718,093	1,769,635	1,822,724	1,877,406	1,933,728	1,991,740	2,051,492	2,113,037	2,176,428	2,241,721	2,308,973	2,378,242
Net Operating Income		670,690	667,424	663,591	659,167	654,123	648,431	642,063	634,986	627,171	618,584	609,192	598,958	587,848
DSCR		1.30	1.29	1.29	1.28	1.27	1.26	1.24	1.23	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt														
Tranche 1		516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	-	-	-	-	-
Tranche 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 3		-	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 4		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt		516,035	516,035	516,035	516,035	516,035	516,035	516,035	516,035	-	-	-	-	-
Net Sale Proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		154,656	151,389	147,557	143,132	138,088	132,397	126,028	118,952	627,171	618,584	609,192	598,958	587,848
Total Cash Flow		154,656	151,389	147,557	143,132	138,088	132,397	126,028	118,952	627,171	618,584	609,192	598,958	587,848
Deferred Fee Balance	1,138,952	-	-	-	-	-	-	-	-	-	-	-	-	-
Residual Payment		77,328	75,695	73,778	71,566	69,044	66,198	63,014	59,476	313,586	309,292	304,596	299,479	293,924

HUD FY 2015 Income Limits for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area

2015 Income Limits*	1 Person	2 People	3 People	4 People
40% AMI	$30,600	$34,950	$39,300	$43,700
50% AMI	$38,200	$43,700	$49,150	$54,600
60% AMI	$45,850	$52,400	$58,950	$65,500

Source: HUD

**Numbers are rounded pursuant to HUD guidelines.*


MONTGOMERY
HENRY
FIRST

Housing Trust Fund Programs Financial Status

As of December 31, 2015

Balance as of November 30, 2015		**7,169,445**
Revenues for December 2015		
Contributions	227,800	
Loan Repayments		
Moderate Income Homeownership Program (MIHP)	52,711	
Employee Homeownership Incentive Program (EHIP)	7,586	
HCS - Subordination Fee Deposits	150	
		288,247
Expenditures for December 2015		
Flexible Homeownership Program	0	
Homeownership Counseling	360	
Rebuilding Together Alexandria	0	
Housing Opportunities Fund - *see attached report*	0	
Rental Accessibility Modification Program (RAMP)	0	**(360)**
Balance Available Before Outstanding Commitments/Reservations		**7,457,332**
Outstanding Commitments/Reservations as of December 31, 2015		
Braddock Small Area Plan Fund	834,080	
Flexible Homeownership Program	622,981	
HOME/HOF Match	321,058	
Homeownership Counseling	79,409	
FY 2016 Budget Reservation	500,000	
Housing Opportunities Fund - *see attached report*	5,047,982	
Misc Project	0	
RTA	0	
Beauregard Fund	0	
Rental Accessibility Modification Program (RAMP)	5,514	**(7,411,024)**
Unreserved Balance as of December 31, 2015		**46,308**

Housing Opportunities Fund Financial Status

As of December 31, 2015

	HTF	General Fund	HOME	Tax Revenue	Bonds	TOTAL
Balance as of November 30, 2015	**4,819,765**	**23,110**	**1,437,170**	**571,584**	**1,600,000**	**6,280,044**
Housing Trust Fund	228,217					228,217
						0
						0
December 2015 Expenditures						
AHDC King and Beauregard						0
AHC Inc. Fillmore						0
Balance Available Before Outstanding Commitments	**5,047,982**	**23,110**	**1,437,170**	**571,584**	**1,600,000**	**6,508,261**
Outstanding Commitments						
Alexandria Housing Development Corporation (AHDC)	105,669	23,110	0	0	0	128,779
AHDC King and Beauregard	2,928,217	0	379,416	571,584	1,600,000	5,479,217
AHC Inc. Fillmore	1,582,246	0	1,057,754	0	0	2,640,000
AHC Inc. Church of the Resurrection	400,000	0	0	0	0	400,000
Fees for Professional Services	31,850	0	0	0	0	31,850
Unreserved Balance as of December 31, 2015	**0**	**0**	**0**	**0**	**0**	**0**

Housing Master Plan Bi-Annual Progress Report

Period: FY16 Q1 & Q2

City of Alexandria, Office of Housing

Updated: 1.29.16

TYPE OF ACTIVITY	FY16 Q1-Q2 Impact (Jul-Dec 2015)			Prior Reported Impact (Jan 2014-Jun 2015)	Total Impact (Jan 2014-Dec 2015)	Housing Master Plan (Jan 2014-Dec 2025)	
	Completed	Underway	Pipeline*	Prior Completed	Total Completed	Target	Balance
Rental Units Created or Preserved/Rehabilitated	**78**	**28**	**305**	**75**	**153**	**660**	**507**
Created Jackson Crossing	78						
Created Fillmore			93				
Created Gateway at King and Beauregard			74				
Created Church of the Resurrection			132				
Preserved Arbelo Apartments				34			
Preserved Longview Terrace Apartments				41			
Preserved Community Lodgings			6				
Preserved Lynhaven Apartments		28					
Units Created through the Development Process	**0**	**37**	**55**	**30**	**30**	**336**	**306**
Alexandria Memory Care Center			2				
Goodwin House			6				
Cambria Square (Pickett's Place/The Delaney)		4					
Notch 8				12			
Station 650				8			
The Bradley (Braddock Station/Braddock Metro Place)				10			
Park Meridian		33					
Hunting Terrace			24				
Slater's Lane			2				
2901 Eisenhower Avenue			21				
Beauregard Committed Units	**0**	**105**	**0**	**0**	**0**	**494**	**494**
Southern Towers		105					
Units Created or Preserved through Redevelopment Support to ARHA	**0**	**0**	**223**	**0**	**0**	**176**	**176**
Ramsey Homes			53				
Ladrey Senior Highrise			170				

TYPE OF ACTIVITY	FY16 Q1-Q2 Impact (Jul-Dec 2015)	Prior Reported Impact (Jan 2014-Jun 2015)	Total Impact (Jan 2014-Dec 2015)	Housing Master Plan (Jan 2014-Dec 2025)	
	Loans Closed/Grants Issued	Prior Closed/Issued	Total Closed/Issued	Target	Balance
Rental Accessibility Modification Projects [Grants]	**0**	**6**	**6**	**24**	**18**
Homebuyer Loans	**4**	**13**	**17**	**72**	**55**
Homeowner Rehab Loans /RTA Projects [Rebuilding Together Alexandria Grants]	**1**	**32**	**33**	**240**	**207**

HOUSING MASTER PLAN PROGRESS REPORT SUMMARY	FY16 Q1-Q2 Impact (Jul-Dec 2015)	Prior Reported Impact (Jan 2014-Jun 2015)	Total Impact (Jan 2014-Dec 2015)	Housing Master Plan (Jan 2014-Dec 2025)	
	Created & Preserved (Completed) Units/Loans Closed/Grants Issued			Target	Balance
TOTAL	**83**	**156**	**239**	**2,000**	**1,763**