

The City of Alexandria Housing Opportunities Funds (HOF) Process
September 2015

Requests for City loan (and grant) funds for affordable housing projects and activities will be evaluated, based on a variety of criteria including availability of funding and other non-City leverage to be achieved, feasibility (including the project's ability to repay the City's loan), impact/number of households served and/or period of committed affordability, identified priority housing needs served (for example, affordable assisted living, special needs, very low income), and green features, proximity to public transit and/or other amenities offered which align with the City's housing policies and goals.

While requests for City loans or grants are typically reviewed and awarded on a rolling basis, competitive project and/or funding solicitations and awards are possible in order to maximize available resources. City staff from the Office of Housing initially review loan applications and may request additional information or documentation necessary for underwriting purposes.

Unless specific items are waived by staff, the attached checklist of required documents and the accompanying certifications must be provided for a loan application to be considered complete.

Except for certain predevelopment funding requests which may be administered internally, all loan requests will be reviewed by the Alexandria Housing Affordability Advisory Committee (AHAC) and then by City Council. While staff and AHAC may provide recommendations to City Council, the authority to approve loans resides with City Council.

Applicants should expect that the City loan process, from application through underwriting to approval and funding may take 90 days or longer. For certain types of requests, including City-funded rehabilitation, a third party cost confidence review of the proposed scope and budget may be required. Additional time may be necessary to review and revise the loan documents, particularly if other lenders or investors are part of the transaction. Potential applicants are encouraged to contact staff as early in project development as possible so that staff may provide technical assistance and information to positively facilitate the City funding process.

Project Description:

Provide a general description of the proposed project, including project type, size, location, short/long term goals, and population that will be served. Also describe the project's current or proposed design and a summary of any planned rehabilitation. Include any green building design, techniques or materials that will be incorporated.

Describe the status of applicant's site control and if any land use approvals/zoning changes will be required to accomplish the project and the potential timeline to secure these. What discussions have been held with other City departments? What known or potential development challenges

Site Control/Land Use/Zoning:

State whether or not the owner has site control, and if not, what is the status/timeline/plan is to secure site control.

Describe the project's location, including the immediate neighborhood or civic association and the context of other development/uses in the adjacent area. List the amenities and services available near the development, particularly access to public transit.

What is the project's current use? What is the proposed use? Describe whether the site is appropriately zoned for the proposed use, and whether any zoning variances or waivers (e.g. height, density, parking, open space, etc.) are likely to be required. What is the status/timeline of any land use approvals being sought? What coordination has occurred with other City departments regarding the project (Planning and Zoning, Code, other)?

Identify any potential or known development challenges related to the site, including environmental, preservation, historic or geotechnical issues, as well as any plans to address and/or remediate the issues.

Please indicate the project has been discussed with neighbors and or surrounding civic associations. Describe the level of support or opposition. Have any letters of support been received? If community outreach has not yet occurred, describe the strategy and timeline for this.

Project Target Population:

Describe the anticipated market for the development as proposed. If a rental project, describe the number of market units, the number of affordable units, the proposed rents for each and the target population to be served. If the project is an existing development, describe the current resident demographic, including the number of current housing choice voucher holders. How will the project impact existing tenants? Is relocation anticipated and, if so, what plans have been developed to support tenants? What accessibility accommodations and/or universal design elements are planned?

Project Budget:

Provide a description of the proposed financing plan for the project. Attach a sources and use, listing all of the planned sources and uses to meet the project development budget, including amount, source (federal, other public, private), status of commitment, timing and intended use. Evidence of financing commitments should be provided, if available. The project budget should detail, to the greatest extent possible, known acquisition costs, rehabilitation/or construction costs, contingencies and all anticipated financing and soft costs (professional/legal/appraisal fees, architectural and engineering fees, construction loan interest, developer fees; marketing costs; real estate taxes; insurance costs; any loan or financing fees; building permits costs; anticipated relocation expense; and consultant fees.

Identify the total amount of funds being requested from the City to fund gaps in the planned financing and how such funds will be used. Based on the total development cost, provide the anticipated per unit cost.

Project Proforma:

A multi-year proforma (project income and expenditure statement) should be attached which includes anticipated rental revenues and ancillary income, as well as expenses such as market vacancy, operating and management costs, real estate taxes and debt service. Reserves for operating deficits, lease up and future capital expenses should be shown, as required. The proforma should represent the term required to fully repay the City's loan and/or the term of the City's required affordability period (usually 40 years).

PLEASE NOTE: If 4 or 9 percent tax credits are anticipated as a source, a copy of the most recent year's VHDA application for reservation should be downloaded from the VHDA website and completed for submission with the loan request.

Project Schedule:

Indicate the proposed project schedule, including predevelopment, site control, zoning approval, financing and construction milestones, along the critical path, through completion/lease up.

Development Experience/Project Team:

Describe the applicant's development and management team, and the organization's experience and ability to undertake and complete the proposed project. Provide a list of the project team (including project architect, structural and geotechnical engineers, environmental consultants, the general contractor, transactional/real estate and tax credit counsel (as applicable), accountants, lenders, investors, and any other consultants, as well as the property management firm that will manage and operate the project and monitor compliance) and a summary of similar activities or projects completed by your organization and project team, including the current status of those projects and the demographic being served. List the specific project development experience of key personnel who will be administering the project. If a partnership is involved, list all participating partners and state which agency will serve as the lead developer.

Organizational structure and capacity:

Provide detailed information regarding the organization, its mission or purpose, and provide a summary of existing projects or programs developed or administered by the organization, including a summary of the organization's prior experience working in the City of Alexandria. You may be asked to provide resumes for all full time or key staff members who will be involved in implementing this project. Describe the organization's financial position and its ability to support the project for which loan funds are requested. Provide copies of the organization's financial statements. Requests for additional financial information, including budgets and/or financial statements of other existing projects, is likely.

Describe the organization's governing board, subcommittees and any advisory groups that assist the organization with its projects and programs. If the organization is a Community Housing Development Organization (CHDO), please provide supporting documentation regarding the composition of the governing board and the organization's previous certification. You may be asked to provide board member resumes, if they will be involved in the project. A Board resolution authorizing the loan application will be required prior to City Council's consideration of the request.

Submission Process:

The loan application, including the project narrative and proformas, (and including the most current year version of the VHDA low income housing tax credit application, if applicable) should be submitted electronically to the Office of Housing. Electronic submissions and or questions about the loan application process should be directed to Helen McIlvaine at 703-746-4990 or helen.mcilvaine@alexandriava.gov. In addition, a hard copy of the entire application and all attachments should be provided to the Office of Housing, 421 King Street, Suite 200, Alexandria, Virginia 22314, Attention: Helen McIlvaine, Acting Director. Your application will be acknowledged within a business day of receipt so please contact the Office of Housing if you do not receive a confirmation.