

## **The City of Alexandria Housing Opportunities Fund (HOF) Application Process and Requirements**

The Alexandria Housing Opportunities Fund (HOF) provides grants and loans for affordable housing projects and activities consistent with the goals and principles of the Housing Master Plan and City Strategic Plan. HOF requests will be evaluated based on a series of criteria including availability of funding and anticipated non-City leveraged resources, feasibility (including the project's ability to repay the loan) and the borrower's past performance in repaying City loans, project impact (number of households served and/or period of affordability), identified priority housing needs served (for example, affordable assisted living, special needs, and very-low incomes), accessibility and green features, and proximity to public transit, jobs, and/or other services and amenities.

While requests for City loans or grants are typically reviewed and awarded on a rolling basis, competitive projects and/or funding awards may be offered to maximize available resources.

Unless waived by staff, each item on the attached checklist of required documents (Attachment 1) and the accompanying certifications must be provided for a loan application to be considered complete. All loan requests will be reviewed by the Alexandria Housing Affordability Advisory Committee (AHAAC) and City Council, except for certain predevelopment funding requests, which may be administered internally at staff's discretion. Staff and AHAAC will provide recommendations to City Council, however, the authority to approve loans resides with City Council. Projects serving special populations may be reviewed by other city agencies and/or commissions so staff can consider other stakeholder input.

Applicants should expect the loan review and approval process to take at least 90 days. 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 loan documents, particularly if other lenders or investors are part of the transaction. Potential applicants are encouraged to contact the Office of Housing early in the project development process (preferably during the concept stage of development) so that staff can provide technical assistance and information during the City development review and funding process.

The City actively manages its investments at all stages of a project. The Office of Housing will assign staff to provide technical assistance during the development approval process, to monitor construction or renovation activities, and to oversee asset management, including future performance of the City loan pursuant to terms of the agreement. Borrowers are expected to cooperate with the City in coordinating annual or requested site visits, making tenant files available (including demographic information), and in providing annual and/or quarterly financial statements and records.

Although typically a subordinate lender, the City's financial interests must be reasonably secured in all transactions: the City reserves notice and cure rights in all projects and will require an option to purchase a project if the borrower decides to sell the project in the future. Developing sustainable, long-term, committed affordable housing is our shared

goal with all partners, and borrowers are required to provide the City with notice regarding any adverse conditions throughout the loan period so that the City can act to preserve and protect its investments.

**Applications for Housing Opportunity Funds should include a cover letter that provides an overview of the project and anticipated funding needs. Applications should also address the following:**

**A. 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 how the project is incorporating accessibility and universal design pursuant to VHDA's Guidelines for Universally Designed Units.

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

**B. Site Control/Land Use/Zoning:**

Describe the status of the applicant's site control, and if any master plan amendments (MPAs), special use permits (SUPs), zoning changes, and/or waivers or variances are likely to be required to accomplish the project (e.g. height, density, parking, open space, etc) and the expected timeline to secure these. Note if any discussions have been held with other City departments (Planning and Zoning, Historic Preservation, Code, Transportation & Environmental Services, or others) and the nature of those discussions.

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 if 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.

**C. Project Target Population:**

Describe the anticipated market for the development as proposed. If a rental project, describe the number of market-rate 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 demographics, 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?

**D. Project Budget:**

Provide a description of the proposed financing plan for the project. Attach a Sources and Uses table 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 non-city 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.

Applicants will be asked to update the budget through the time of loan closing. Two general contractor bids or equivalent analyses may be required to document costs at staff's request.

**E. Project Proforma:**

Provide a multi-year proforma (project income and expenditure statement) that 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).

*If tax credits are anticipated as a funding source, a completed copy of the most recent year's VHDA application for reservation must be submitted with the loan request. The application can be found on VHDA's website.*

**F. Project Schedule:**

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

**G. Project Team:**

Identify the applicant's development and management team, to include the 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. Describe the specific project development experience of key personnel who will be administering the project (resumes for key staff members involved in implementing the project may be requested). If a partnership is involved, list all participating partners and state which agency will serve as the lead

developer. The City will review and provide comments on the applicant's loan and partnership documents before finalizing or closing on any City loan documents.

**H. Organizational Structure and Capacity:**

Provide detailed information regarding the applicant's organization, including its mission/purpose; experience; capacity; financial position to undertake, complete, and support the proposed project; past work with similar target demographics, and ability to secure funding. Provide a summary and status of similar projects or programs developed or administered by the organization, including the organization's prior experience working in the City of Alexandria and the repayment status of other City housing loans, if any. Provide copies of the organization's recent 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 CHDO certification. The applicant 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 completed loan application (Attachment 1) should be submitted electronically. All submissions and/or questions regarding the application process should be directed to Eric Keeler, Office of Housing Deputy Director at 703-746-3085 or [eric.keeler@alexandriava.gov](mailto:eric.keeler@alexandriava.gov). Applications will be acknowledged within one business day of receipt. Please contact Tamara Jovovic, Housing Program Manager, at [tamara.jovovic@alexandriava.gov](mailto:tamara.jovovic@alexandriava.gov) if you do not receive confirmation.

**Attachment:**

1. Housing Opportunities Fund Loan application checklist of required documents

