

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

DATE: MAY 5, 2016

LOCATION: ROOM 2000 - CITY HALL

AGENDA

1. Introductions (Chair) 7:00 p.m.
2. Chair remarks (Chair) 7:05 p.m.
3. Consideration of April 7, 2016 meeting minutes (Chair) 7:10 p.m.
Action Requested: Review and Approve Minutes
4. 2016 Apartment Survey Findings and Market Affordable Trends (Melodie Seau) 7:15 p.m.
5. Asset Management Presentation (Gypsy Erostequi) 7:35 p.m.
6. Celebrating CDBG and Home in Alexandria (video) 7:55 p.m.
7. Policy Discussion regarding City investment in "Workforce" Housing (Helen McIlvaine/Eric Keeler) 8:05 p.m.
8. North Potomac Yard Written Update (Jon Frederick /Tamara Jovovic) 8:25 p.m.
9. City Budget Process Written Update (Helen McIlvaine)
10. Old Town North Small Area Plan Written Update (Helen McIlvaine)
11. Strategic Plan Written Update (Tamara Jovovic)
12. Alexandria Redevelopment and Housing Authority Written Update (Carter Flemming)
13. Alexandria Housing Development Corporation Written Update (Jon Frederick)
14. Information Items: 8:35 p.m.
Financial Reports (Eric Keeler)
Housing Master Plan Progress Report (Tamara Jovovic)
15. Announcements and Upcoming Housing Meetings (Staff) 8:50 p.m.
Old Town North Small Area Plan
Community Meeting—May 12, 2016, 7:00-9:00 p.m., Crowne Plaza Hotel, 901 N. Fairfax Street, Washington Room
Old Town North Small Area Plan
Advisory Group Meeting—May 26, 2016, 6:30-9:00 p.m., Crowne Plaza Hotel, 901 N. Fairfax Street, Washington Room
Old Town North Small Area Plan
Advisory Group Meeting—June 23, 2016, 7:00-9:00 p.m., Crowne Plaza Hotel, 901 N. Fairfax Street, Washington Room
Old Town North Small Area Plan
Mini Charrette—June 23-26, 2016 (tentative), time and location to be determined

North Potomac Yard Small Area Plan Update

Advisory Group Meeting #2a—May 17, 2016, 7:00-9:00 p.m., Charles Houston Recreation Center, 901 Wythe St., Alexandria, VA 22314

Advisory Group Meeting #2b—May 24 *or* 25, 2016, 7:00-9:00 p.m., Charles Houston Recreation Center, 901 Wythe St., Alexandria, VA 22314

Strategic Plan

Community Meeting—May 2016, date, time, and location to be determined

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| 16. Other | 8:55 p.m. |
| Housing Trust Fund Report | |
| Topics of interest for future meetings | |
| Adjournment (Chair) | 9:00 p.m. |

North Potomac Yard Small Area Plan Update

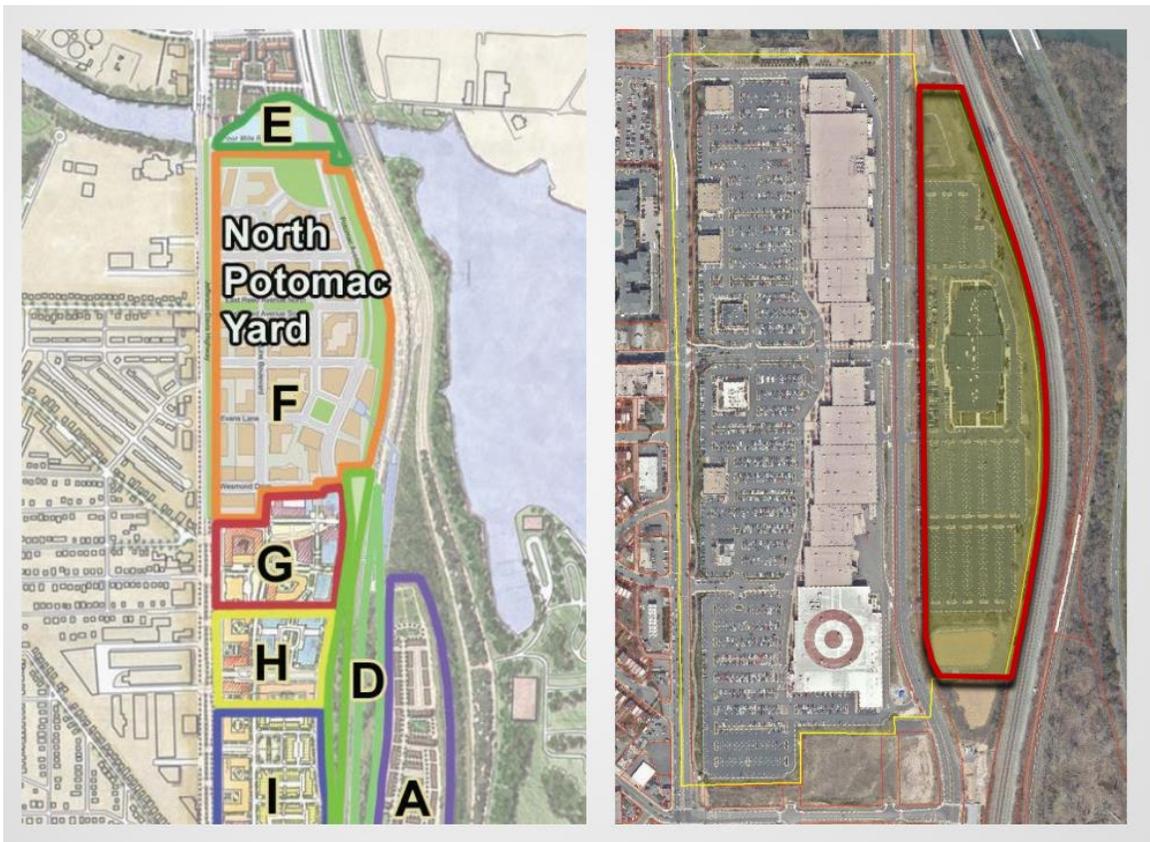
04.28.16

The North Potomac Yard Small Area Plan, approved in 2010, provides a planning blueprint to guide public and private investment and development decisions in the northern portion of Potomac Yard (referred to as Landbay F; please see maps below). *“The Plan focuses on the creation of dynamic urban forms, a complementary mix of land uses, community amenities, and a range of housing opportunities. The Plan is a framework to create one of the most sustainable series of neighborhoods within the region, known for its outstanding Four Mile Run waterfront, parks, public transportation, innovative architecture, environmentally sustainable design and practices, and incorporation of Alexandria’s rich history and culture.”*

In 2015, the North Potomac Yard developer representative, JBG Companies, indicated a desire to begin the process for redeveloping North Potomac Yard; this action has triggered the need to amend the 2010 North Potomac Yard Small Area Plan and Design Standards. JBG has indicated that it intends to meet the intent of the existing Plan for a mixed-use, transit-oriented urban community and the specified mix of office, residential, retail and other permitted uses. The planning process is expected to take 12-14 months.

The North Potomac Yard Advisory Group (NPYAG), established by City Council in February 2016, conducted its first meeting on April 18th. Staff presented an overview of North Potomac Yard, as well as a review of plans approved following the 2010 small area plan (including the Housing Master Plan). The presentation is available online at <https://www.alexandriava.gov/uploadedFiles/NPYAGMtgPres04182016.pdf>.

The next two NPYAG meetings are tentatively scheduled to be held on May 17th and either May 24th or 25th at 7:00 pm.



City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 28, 2016

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY
COMMITTEE (AHAAC)

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: UPDATE REGARDING CITY FY 2017 BUDGET

The City's FY 2017 budget process is nearing its conclusion. A preliminary add-delete work session was held on April 26, and a final add-delete work session is scheduled for May 2. It is anticipated that City Council will adopt the FY 2017 budget at a special meeting on May 5, 2016. No changes have been made so far to Housing's proposed budget which would allow approximately \$760,000 in dedicated revenue to be used to leverage up to \$5.9 million in general obligation bond debt to support a 2017 affordable housing tax credit project (Church of the Resurrection).

During the course of the budget process, Council members may ask questions or request information regarding various funding issues. Staff provide responses and these are posted to the City's website. This year, Housing had only one inquiry, from Councilman Bailey, regarding the penny for affordable housing. A copy of Housing's response is attached here for your information.

STAFF:

Eric Keeler, Division Chief, Program Administration

Can you please provide background on the dedicated penny for affordable housing - when was it started? How much money was generated? How was it used? Why was it discontinued?

Page updated on [Apr 19, 2016 at 12:45 PM](#)

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- [FY 2017 Budget Memoranda & Questions \(Q&A\)](#)

Creation of a dedicated revenue fund for affordable housing was approved by City Council in FY 2006. For the first four years (FY 2006-2009), one penny of the real estate tax rate (valued from \$3.2 million to \$3.5 million during this period) was dedicated to affordable housing. The impact of Alexandria's "penny for housing" fund, the first penny program to be adopted in the Northern Virginia region, was amplified by the City's initial use of some of the dedicated revenue as a source to service general obligation debt. For affordable housing providers, the City typically provides a subordinate loan (with their rents restricted, these developments are limited in how much conventional/first trust debt can be financed) to fill the gap that is not supported by tax credits and first trust debt. City loans are usually repaid from project cash flow remaining after first trust debt and all operating expenses and other fees are paid. This is called the residual receipts. Typically, repayments on City loans are projected to begin 9 to 10 years or more after a project is first "placed in service" after development or renovation. Since rental revenues at affordable properties are capped, there is a limit on how much

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hard pay debt can be borrowed. The City fills the gap that cannot be financed or covered by low income housing tax credit equity. At the time of the penny fund's adoption in 2006, it was estimated that nearly \$23 million of general obligation bond debt could be serviced from each penny.

With the economic downturn, in the City's FY 2010 budget the dedication for affordable housing was reduced to 7/10 of a penny (\$2.2 million) and was further reduced in FY 2011 to 6/10 of a penny (\$1.9 million). These reductions were set at amounts to meet existing debt service obligations only (around \$15 million), and not service any new general obligation bond debt. The 6/10 of a penny continues to be the rate proposed in the City's FY 2017 budget, however, as the City has paid down bond debt and refinanced its general obligation portfolio to more advantageous terms and interest rates, a portion of the funds provided within the 6/10 of a penny has become available again for some affordable housing purposes. In recent years, some dedicated revenue dollars have been used directly as part of the City's overall funding support for various affordable housing developments; during the Beauregard Small Area Plan, these dollars were also identified as the source to fund a Relocation Coordinator (approximately \$126,000 in the FY 2017 budget).

From FY 2006-2016 the penny fund has generated over \$27.9 million in dedicated revenue and has leveraged \$18.1 in bonds. General obligation bonds and dedicated revenue have helped develop, preserve and/or renovate nearly 600 units of affordable housing and to fund the Beauregard Relocation Coordinator position. Among the projects funded or partially funded through these sources are Arbelo (34 units), Lacy Court (44 units), Parcview (151 units), Quaker Hill (60 units), Longview Terrace (41 units), Miller Homes (ARHA replacement units for James Bland) (16 units), Jackson Crossing (78 units), St. James Plaza (93 units), and The Gateway at King & Beauregard (74 units).

Since the City's support for affordable housing projects is provided as a loan, over time the City's investment will be repaid and create a revolving fund for future housing. Some of the first loans made with penny funds are reaching the project timeframe to begin repayments and Housing's Asset Manager is reviewing development financials to ensure these loans perform as anticipated.

Specifically, Housing's FY 2017 proposed budget includes \$2.3 million (0.6 of a penny) that is dedicated to affordable housing be used in the following way: \$1.4 million for debt service on previously issued bonds, \$127,000 for one Relocation Coordinator FTE, and \$758,000 to leverage up to \$5.2 million, as/if needed to supplement Housing Trust Funds, for AHC's 132-unit affordable housing project at 2280 N. Beauregard.



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22314

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Old Town North Small Area Plan Update

04.27.16

Old Town North Small Area Plan is currently in Phase 3 (Study and Testing Findings) of the planning process. Phase 3 tests design concepts against study findings and the plan framework that was created through public and staff input during the public comment period and the November Charrette. Under Phase 3, the Advisory Group organized itself into four Subcommittees, including the Planning, Land Use, and Design and Housing Subcommittee, with each subcommittee to meet at least twice between January and April 2016. The subcommittees would provide staff with guidance in the exploration of the feasibility of concepts/ideas which came out of Phase I (Plan Framework/Vision Phase), and which pertain to the respective planning categories for which the four Subcommittees are responsible.

On March 9 Housing staff gave a presentation to the Old Town North Planning, Land Use, and Design and Housing Subcommittee that could help attain affordable housing in Old Town North. The presentation was based on City policies, zoning, programmatic and financial tools included in the Housing Master Plan. After discussion with the Subcommittee, there was a consensus on the following objectives:

- Pursuant to Section 7-700 Zoning Ordinance, under the Density Bonus Program, allow an increase from 20% to 30% as part of the Old Town North Small Area Plan;
- Utilize Resolution 830 for the one for one replacement of the Alexandria Redevelopment and Housing Authority units, preferably on site;
- Apply the City's longest affordability terms (40 to 60 years) for affordable housing; and
- Explore opportunities for affordable housing development, including potential Artist Housing with performance/studio space.

To begin exploring opportunities for affordable housing development, on April 18 and 26, the Subcommittee toured four artist housing sites. Two of the sites are located in Baltimore, Maryland: The Artist Housing Incorporated, a 30-unit, three story townhome building renovated after the riots; and the City Arts Housing, a 69-unit, newly developed apartment building that includes one and two bedrooms and a gallery and studio space on the ground floor. The other two sites are the Mount Rainer Artist Lofts and the Brookland Artspace Lofts. The Mount Rainer Artist Loft, located in Mount Rainer, Maryland, is a 44- unit, newly constructed, four-story building that includes studios, and one and two bedroom units, which feature high ceilings, and energy efficient appliances. The Brookland Artspace, located in N.E Washington DC, is a mixed-use artist housing development that contains 39 affordable units, each with both residential and studio space for artist and their families, and a rehearsal studio along with 2 units that serve as classroom, office space and intern housing for Dance Place.

The Subcommittee will present its findings on Artist Housing to the Advisory Group at its April 28th meeting.

Strategic Plan Update

04.28.16

In the fall of 2015, City Council approved the general outline for a proposed spring 2016 process to draft an updated City Strategic Plan. The new Plan will use community input as the foundation to define community values; communicate a clear direction to the public and City Government; include measures and targets to more easily track progress, share success, and identify and solve problems; set a six-year plan from FY 2017-2022 with a mid-point check-in/refinement in FY 2019; and align with the City's performance management system, [Results Alexandria](#). The draft City Strategic Plan will be considered for adoption by City Council in the fall of 2016.

On Saturday, April 9, a public meeting was held to develop draft statements for each of the eight Strategic Plan themes (listed below) based on feedback provided online and at previous meetings. **Housing is addressed under theme #5.**

- 1. In 2022, Alexandria is HEALTHY.** *In 2022, Alexandria ensures equal and ready access to opportunities that promote mental and physical well-being and an active life. Alexandria is a clean, sustainable community with policies and educational opportunities that promote environmental quality and community wellness.*
- 2. In 2022, Alexandria has a UNIQUE IDENTITY.** *In 2022, Alexandria celebrates its history and respects and honors its diverse communities and neighborhoods. The city has a small town feel amid growth, with complementary and varied architecture, a lush tree canopy, and an aesthetically beautiful and people-scaled built environment.*
- 3. In 2022, Alexandria is WELL-MANAGED.** *In 2022, Alexandria is a sustainable community with a long term vision focused on quality of life. Major decisions go to City Council and are reflective of resident inclusion. The City government is accountable, transparent and efficient and is supported by quality staff.*
- 4. In 2022, Alexandria's CHILDREN AND YOUTH THRIVE.** *In 2022, Alexandria ensures that basic needs are met. Childcare, education, and before and after school activities are accessible to all and of high quality. The City takes pride and responsibility for collaboration with and support of programs and schools.*
- 5. In 2022, Alexandria is INCLUSIVE.** *In 2022, Alexandria is a caring, fair, just, and equitable city that supports an affordable and livable community for all. The city is welcoming to people in all stages of life and provides high quality social services to vulnerable Alexandrians.*
- 6. In 2022, Alexandria is MOBILE AND CONNECTED.** *In 2022, Alexandria is regionally linked, safe, and easy to get around regardless of resources or ability. The city supports a wide variety of connected transportation options that enable access to daily activities. Public transportation has reliable and frequent service, communicated through useful real time information.*
- 7. In 2022, Alexandria is ECONOMICALLY VIBRANT.** *In 2022, Alexandria is a business destination and center of innovation with a thriving small business community. Mixed use development is oriented around transit hubs and activity centers. Alexandria's economy is diverse and resilient.*
- 8. In 2022, Alexandria is SAFE.** *In 2022, Alexandria allows residents and visitors to feel comfortable at all hours. If they require help, the response is timely, courteous and professional from a well-trained staff member. Public safety staff are visible as friendly, non-militarized members of the community. Infrastructure planning efforts consider the safety impact of development. Preventable problems are avoided and the City takes a regional view of planning for safety and emergency response and recovery. The City guards its electronic data, mitigates the threat of climate change, and seeks to provide a high level of customer service to all.*

The Strategic Plan team is encouraging feedback on the draft statements through Sunday, May 8. To provide input, please visit [AlexEngage](#). The next community meeting will occur in May.

For more information, please visit <https://www.alexandriava.gov/StrategicPlan> or contact Radhika Mohan at radhika.mohan@alexandriava.gov or 703.746.3850.

*Working to make homes affordable
in the City of Alexandria*



MEMORANDUM

TO: Alexandria Housing Affordability Advisory Committee

FROM: Jon Frederick, AHDC Executive Director

DATE: April 28, 2016

RE: AHDC Update

Gateway Apartments: The 2016 LIHTC application preliminary rankings are due to be released by the Virginia Housing Development Authority (2016) on May 3, 2016. We should know by the meeting next week how the project scored and where it ranks as compared to other projects.

Carpenter's Shelter Redevelopment: We submitted a concept II plan to the City for review on April 15, 2016. We anticipate comments back on the plan by May 6, 2016 that will further guide our development of the project. Once we have received comments from the City we will schedule a number of meetings with the community to discuss the project and get feedback. Our current schedule puts us on path for a public hearing this fall/winter.

AHDC Operations: On May 2, 2016 a full time operations manager will start with AHDC. This position will allow our organization to continue run efficiently and increase our communication efforts as we continue to grow.

Housing Trust Fund Programs Financial Status

As of March 31, 2016

Balance as of February 29, 2016	9,132,963
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Revenues for March 2016	
Contributions	0
Loan Repayments	
Community Lodgings, Inc. (CLI)	0
Moderate Income Homeownership Program (MIHP)	19,214
Employee Homeownership Incentive Program (EHIP)	2,661
Subordination Fee Deposits	225
	22,100

Expenditures for March 2016	
Flexible Homeownership Program	0
Homeownership Counseling	(600)
AHC Inc. - Fillmore	
Rebuilding Together Alexandria	0
Housing Opportunities Fund - <i>see attached report</i>	0
Rental Accessibility Modification Program (RAMP)	(818)
	(1,418)

Balance Available Before Outstanding Commitments/Reservations	9,153,645
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Outstanding Commitments/Reservations as of March 31, 2016	
Braddock Small Area Plan Fund	834,080
Flexible Homeownership Program	679,146
HOME/HOF Match	321,058
Homeownership Counseling	86,695
FY 2016 Budget Reservation	500,000
Housing Opportunities Fund - <i>see attached report</i>	5,047,982
AHC Inc. - Fillmore	
Rebuild Together Alexandria	0
Beauregard Fund	0
Rental Accessibility Modification Program (RAMP)	6,122
	(7,475,083)

Unreserved Balance as of March 31, 2016	1,678,562
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