

AFFORDABLE HOUSING ADVISORY COMMITTEE
LOCATION: ROOM 2000
CITY HALL
THURSDAY, FEBRUARY 6, 2014 7:00PM

AHAC AGENDA

- | | |
|--|-----------|
| 1. Consideration of November 7, 2013 and January 2, 2014 meeting minutes | 7:00 p.m. |
| 2. Consideration of Hunting Terrace Affordable Housing Plan | 7:05 p.m. |
| 3. Introduction of Seminary Overlook Development Special Use Permit | 7:35 p.m. |
| 4. Discussion on ARHA Request for Proposal | 8:05 p.m. |
| 5. Information Items: | 8:35 p.m. |
| a) Housing Trust Fund Financial Summary for December 2013 | |
| b) Housing Opportunities Fund Financial Status for December 2013 | |
| c) Homeownership Programs Report for December 2013 | |
| d) Tax and Bond Report for December 2013 | |
| 6. Adjournment | 9:45 p.m. |

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the Nov 7, 2013 Meeting

Members Present

Deena de Montigny
Mike Caison
Michael Butler
Rick Liu
John Catlett
Alma Allen
Demeka McCleave
Eric Weiss
Katharine Dixon
Mildrilyn Davis (non-voting)

Staff Present

Eric Keeler

Guests

The meeting was called to order by Katharine Dixon, 7:07pm.

1. Introductions were made by new members: Eric Weiss and Demeka McCleave.
2. M. Davis reviewed the City Council work session on HMP targets. M Caison raised a discussion on the current \$.06 set aside (\$.04 goes to pay current debt) and the BSAP debt service. K. Dixon asked various questions raised by NVAHA members. R. Liu questioned whether we could develop a policy re affordable housing use on city-owned property ... M. Davis reminded Committee that public land use is a tool in the HMP. Next steps: Planning Commission hears targets on 12/3, and then Council will vote on HMP at the 12/14 public meeting.
3. Dixon asked for a motion to approve the October 3, 2013 minutes. Catlett motioned, Caison seconded, all approved.
4. Davis reviewed the summary of the ARHA RFP process and phase 1 and 2 schedules. Committee suggested bringing Roy Priest in to review with AHAC.
5. E. Keeler reviewed all of the financial statements for HTF, HOF, and Homeownership Programs.
6. Misc.:
 - a. Dixon requested Housing send out to all AHAC members the current HUD low-income guidelines.
 - b. A. Allen questioned progress on any senior assisted living facility. Davis noted that no plans were on the horizon.
 - c. Dec 3 7:00pm, Planning Commission meeting; Dec 14 9:30am, Council meeting.
 - d. Dixon reminded all members that they need to attend 75% of AHAC meetings. Dixon requested a BSAP update be included in every meeting packet, as development gets underway. Davis said staff will provide this once the first plan is submitted.

Dixon adjourned the meeting at 8:15pm.

Minutes respectfully provided by Katharine Dixon

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the Jan 2, 2014 Meeting

Members Present

John Catlett
Mike Caison
Michael Butler
Bill Harris
Eric Weiss
Robin Konkel
Katharine Dixon
Mildrilyn Davis (non-voting)

Staff Present

Jon Frederick

Guests

The meeting was called to order by Katharine Dixon, 7:02pm.

1. Jon F provided an update on the Beauregard Seminary Overlook Neighborhood. SUP Concept 2 was presented to Housing with details/schedules: 168 units are slated for demo beginning 2015, with the remaining 128 units being demolished beginning 2017-2018. There will be 720 new units constructed. The project will require both a neighborhood affordable housing plan as well as a specific affordable housing plan for the proposed DSUP. An introduction to the plan will be presented to AHAC at the February meeting.
2. Jon F noted that the Hunting Terrace plan will be presented for review by AHAC at the February meeting.
3. Mildrilyn D updated AHAC on the Housing Master Plan: Planning Commission requested minor changes re Section 7-700 of the City's Zoning Ordinance pertaining to bonus density for affordable housing (see handout). Council, during their 12/14 meeting, approved the HMP with a target of adding 2,000 affordable housing units by 2025.
4. Financial statements for HTF, HOF, and Homeownership Programs were self-explanatory.
5. Misc.:
 - a. Nov 7, 2013 minutes were not approved as AHAC did not have a quorum to do so.
 - b. AHAC discussed ARHA's RFP re. redevelopment of some of their sites. Mildrilyn D requested Roy Priest of ARHA meet with AHAC in the near future.
 - c. Dixon reminded all members that they need to attend 75% of AHAC meetings.

Dixon adjourned the meeting at 7:47pm.

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 30, 2014

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR HUNTING TERRACE

ISSUE:

Consideration of the Affordable Housing Plan for Hunting Terrace Redevelopment

RECOMMENDATION:

That the Affordable Housing Advisory Committee approve the Affordable Housing Plan submitted by the Applicant which includes twenty four (24) dedicated affordable rental units.

BACKGROUND:

The proposed site is located at 1199 South Washington Street within the Southwest Quadrant Small Area Plan of the City as shown on the attached map. The site is zoned High Density Apartment (RC) and is currently developed with five 2-3 story apartment buildings totaling 115 units.

In 2001, The Virginia Department of Transportation (VDOT) purchased both Hunting Terrace and Hunting Towers from Kay Management as part of the Woodrow Wilson Bridge project. Three Hunting Terrace buildings and one Hunting Towers building were demolished for the bridge project, and VDOT continued to own and operate the remaining buildings at both complexes as rental properties. A partnership of Kay Management and the IDI Group, using Kay's right of first refusal to re-acquire the properties, purchased the Hunting Terrace garden apartments in 2006 and relocated tenants in anticipation of redevelopment. However, IDI's proposal to redevelop the site as a luxury condominium did not obtain City approval, and in 2009 IDI made minimal repairs to the property and began operating it as rental apartments once again. In 2012, the property was acquired by Foulger Pratt, which has proposed a redevelopment of the site.

DISCUSSION:

Proposed Affordable Housing Plan

Foulger Pratt has submitted a redevelopment proposal for this site that would demolish the existing 115 garden style apartments units and replace them with two apartment buildings totaling 443 rental units. The current zoning of the site would allow for the development of 369 units, and the applicant has requested the use of Section 7-700 of the code which would increase the number of units that could be built on the site by 74 for the total of 443 units. In exchange for the use of Section 7-700 the applicant has submitted an affordable housing plan (attached) that would set aside twenty-four (24) rental units for low to moderate income households. The twenty four units would consist of one (14) one-bedroom units one (10) two-bedroom units that would be affordable to households at or below 60 percent of the area median income and would remain as committed affordable units for a period of 40 years.

Voluntary Contribution to Housing Trust Fund

As part of new developments, developers typically make a voluntary contribution to the City's Housing Trust Fund. In addition to the affordable housing plan that has been submitted by the applicant and explained above, the applicant has also proposed to make a voluntary contribution to the City's Housing Trust Fund in an amount of \$553,681 which is consistent with the voluntary formula accepted by City Council in June of 2005.

Tenant Demographics and Relocation

After Foulger Pratt purchased the property, they conducted a survey to get a better understanding of the demographics of the existing tenants. The results of this survey showed that the average annual income of the tenants was approximately \$64,500, with 83 percent of the existing tenants making incomes that exceed 60 percent of the area median income. In addition, over 70 percent of those surveyed were single-person households. Less than four percent of households included children. The applicant has also agreed to submit a relocation plan that will abide with the City's voluntary relocation plan guidelines as part of the redevelopment of the site.

The recommended conditions of affordable housing plan are as follows:

- 1 The developer shall provide 24 affordable set-aside rental units consisting of fourteen one-bedroom units and ten two-bedroom units.
2. Rents payable for the set-aside units shall not exceed the lesser of the maximum rents (taking into account utility allowances) allowed under the federal Low Income Housing Tax Credit (LIHTC) program for households at or below 60% of the Washington DC Metropolitan Area Family Median Income or the maximum rents established for Section 8 and Housing Voucher Programs. Rents shall remain at the established affordable rates for a period of 40 years from the date of initial occupancy of each affordable unit. The owner shall re-certify the incomes of such households annually.

3. 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.
4. Applicants receiving Housing Choice Voucher (Section 8) assistance will not be denied admission on the basis of receiving Section 8. Section 8 payments will be treated as income for the purpose of determining minimum income eligibility.
5. The set-aside units shall be of the same size, floor plan and with the same amenities as other similar units in the development. Concentrations of affordable units will be avoided.
6. If the market rents are less than anticipated, the affordable rents as defined above (as adjusted for allowances) 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.
7. The developer shall provide the City with access to the necessary records and information to enable annual monitoring of compliance with the above conditions for the 40-year affordability period.
8. Occupants of the affordable rental units shall be charged a parking fee equivalent to no more than any commonly applied management fee for one parking space per unit. Normal charges shall apply with regard to any additional parking spaces rented by such occupant.
9. Amendments to the approved Affordable Housing Plan must be submitted to the Affordable Housing Advisory Committee for consideration, and require final approval from the City Manager.

DSUP #2013-0007
Affordable Housing Plan for Hunting Terrace
January 13, 2014

Project Overview

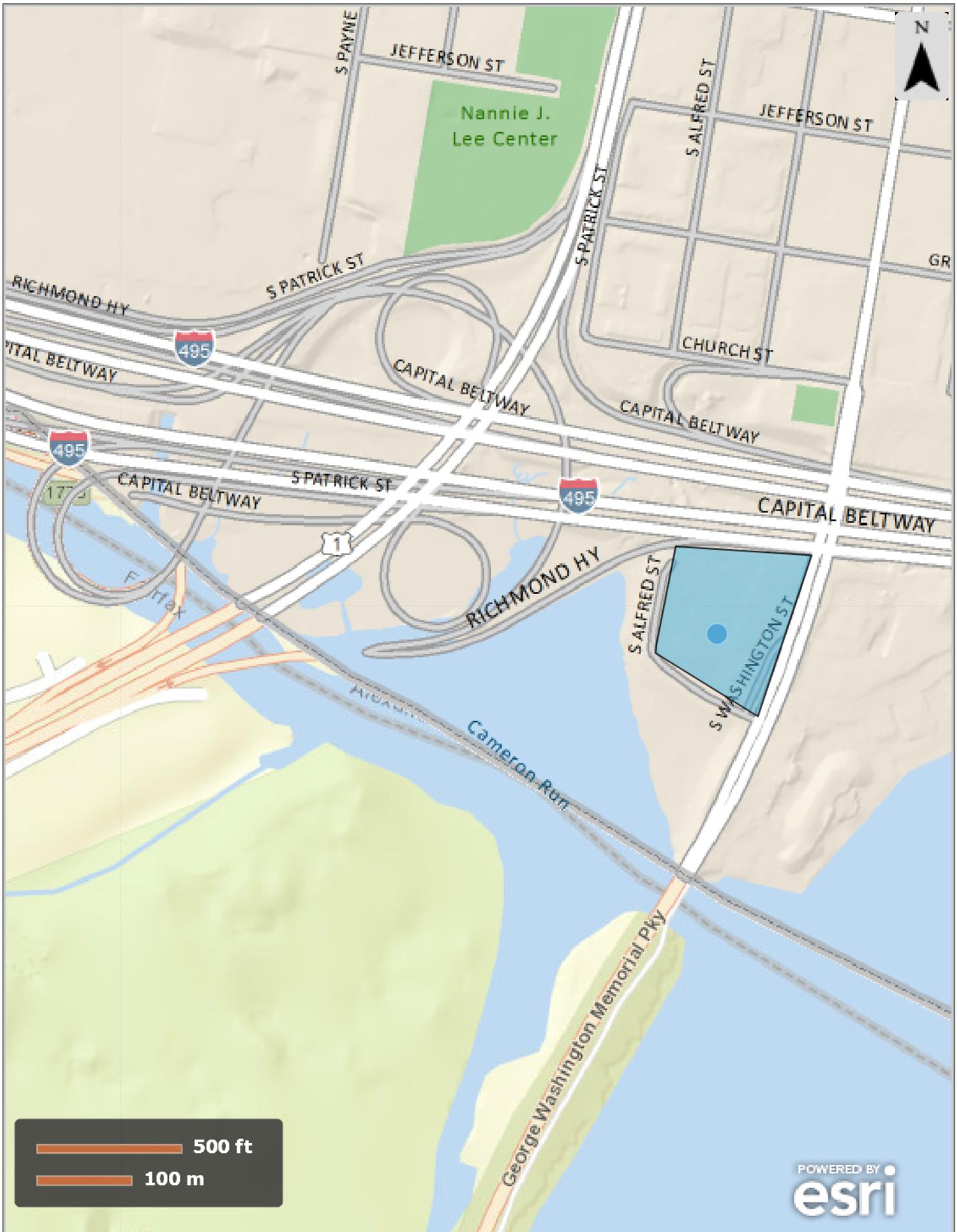
As part of DSUP #2013-0007 for the Hunting Terrace site, the Applicant proposes to demolish the existing 115 garden apartments and redevelop the site under the current zoning to create a 443-unit residential community in two, five-story multi-family residential buildings with 643 parking spaces, the majority of which are located in a two-level below-grade garage. The project includes a request for bonus density under Section 7-700 for the provision of affordable housing. The Applicant proposes the following Affordable Housing Plan for the Project.

Affordable Housing Plan

In exchange for the use of Section 7-700 of the City of Alexandria's Zoning Ordinance, the Applicant will provide twenty four (24) affordable units within the project. The affordable units will include fourteen (14) one-bedroom unit to be marketed and rented at 60% of AMI for 40 years and ten (10) two-bedroom units to be marketed and rented at 60% of AMI for 40 years to households with incomes as designated by the City of Alexandria.

In addition to the use of bonus density provisions of Section 7-700 of the City's Zoning Code, the Applicant agrees to make a voluntary contribution to the City's Housing Trust Fund consistent with the conclusion of the Developer Housing Contribution Work Group, accepted by the Alexandria City Council on June 14, 2005. The Applicant proposes a contribution as follows: \$1.50 per square foot on the base residential gross floor area (369,121 SF) for a total contribution of \$553,681.

Hunting Terrace Redevelopment Site



City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 30, 2014

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: SEMINARY OVERLOOK HOUSING CONDITIONS

DISCUSSION: As part of the approved rezoning for the Beauregard Small Area Plan parcels, City Council approved a number of development conditions. Attached are the development conditions for the Seminary Overlook Neighborhood pertaining to affordable housing.

ATTACHMENTS:

- I. Seminary Overlook Affordable Housing Development Conditions

Seminary Overlook Affordable Housing Development Conditions

1. Prior to the submission of the first preliminary DSUP within each neighborhood, the Applicant(s) shall submit an affordable housing plan for the entire neighborhood reflecting the proposed distribution of affordable and workforce units within the neighborhood. This plan shall reflect at least 10% of the total new units to be developed and 10% of the existing units within Seminary Towers Building in order to achieve the goal of 800 units set forth in the BSAP within CDD#21 and CDD #22. This plan shall be amended with subsequent DSUPs, as necessary, to reflect any revisions to the plan. (Housing)
2. Unless otherwise mutually agreed by the Applicant(s) and the City, the Applicant(s) shall:
 - a) Allow the City to buy down up to 15% of the units in any new building developed within the CDD.
 - b) Upon approval of the first DSUP within either CDD#21 or CDD#22, allow the City to buy down up to 10% of the existing units within the Seminary Towers buildings.
 - c) The buy-down methodology used to determine the cost of affordable and workforce housing units shall be consistent with the formula set out in the Beauregard Affordable Housing Buy-Down Formula, which may be amended from time to time, as mutually agreed by the City and the Applicant(s).
 - d) The City and the Applicant for the Seminary Overlook neighborhood may negotiate a mutually agreed upon alternative to the 10% buy down in the existing Seminary Towers Buildings to maximize availability of affordable units during the first phases of redevelopment. Such an agreement may include, but is not limited to, providing additional units for a shorter time at a discounted buy down price or potentially no buy down price to the City. If an alternative plan that is mutually agreed upon by the City and the Applicants is not finalized within one year of the approved CDD zoning, the City shall have the ability to proceed with the buy down of 10% of the existing units subject to other conditions herein.
 - e) The buy-down of affordable and workforce housing units within the existing Seminary Towers Building, within the Seminary Overlook Neighborhood may occur prior to the start of new development.
 - f) The number, unit mix, and levels of affordability for affordable and workforce units to be bought down within new buildings shall be determined as part of the DSUP approval, taking into consideration the timetable and phasing of development for such DSUP. If sufficient funds are not available prior to the issuance of the final certificate of occupancy for the building, the Applicant(s) shall permit the City to buy down the affordable and workforce housing units consistent with the approval and subject to the buy-down formula as of the date of the actual buy-down for a period of time extending for fifteen (15) years after the completion of the Ellipse and Transitway improvements identified in Beauregard Small Area Plan.
 - g) The buy-down shall be made using resources from the Beauregard Implementation Fund and/or other resources provided by or leveraged by the City

and its partners for the purpose of creating dedicated affordable and workforce housing.

- h) The dedicated affordable and workforce housing units shall be dispersed throughout each neighborhood within the CDD boundaries and shall include a variety of unit sizes consistent with the market rate mix, unless otherwise mutually agreed upon by the Applicant(s) and the City, as well as a mix of affordability levels (i.e., various ranges of incomes). Specifically, dedicated units shall be priced to serve households with incomes ranging from 40% AMI to 75% AMI in accordance with the proportions established at the time of the rezoning, and as may be amended over time. No one project should include a disproportionate share of any income range or any bedroom size, with the understanding that the general income mix in existing units to be bought down or dedicated may differ from that in new units, and that the mix of affordable unit sizes may vary based on the unit sizes available in a particular project.
 - i) The Applicant(s) agree to coordinate with the City, if requested during the DSUP process, to make a good faith effort to include three bedroom dedicated affordable and workforce units within projects that would not typically include three bedroom units. Provision of such three bedroom units shall not require larger units than those contemplated in the market rate unit mix.
 - j) All dedicated affordable and workforce housing units within the CDD shall remain affordable for a minimum of 40 years. (Housing)
3. Any Applicant(s) obtaining a DSUP for development which necessitates demolition of existing units shall abide by the provisions of the Beauregard Tenant Assistance and Relocation Plan in effect as of the date of this approval, which may be amended from time to time, as mutually agreed by the City and the Applicant(s). (Housing)
 4. Residents of committed affordable and workforce units within the Plan area who receive Housing Choice Voucher assistance (or any future equivalent) shall not be denied admission on the basis of receiving this assistance. Minimum income requirements shall not be applied to Voucher holders who are otherwise qualified based on other selection criteria. (Housing)
 5. Residents of affordable housing units shall not be precluded from obtaining parking in the same manner which is available to market rate households. (Housing)
 6. If mutually agreed upon by the City and the Applicant(s), resources from the Beauregard Implementation Fund and/or other resources provided by or leveraged by the City and its partners may be used to acquire sites or parcels for affordable and/or mixed income development and/or to develop and construct units above public structures if/when feasible. (Housing)
 7. If mutually agreed upon by the City and the Applicant(s), land for the purposes of construction of dedicated affordable and workforce housing may be donated in lieu of a monetary contribution. (Housing)

8. In the event of an acquisition of land through purchase or donation for an affordable housing project, the contract between the Applicant and the City or its designee shall include terms detailing the allocation of units to be developed that will count toward the percentage goal of affordable units for that neighborhood. (Housing)

Housing Opportunities Fund Financial Status

As of December 31, 2013

| | HTF | General Fund | HOME | TOTAL |
|---|----------------|----------------|------------------|------------------|
| Balance as of November 30, 2013 | 830,248 | 244,131 | 1,659,493 | 2,733,872 |
| December 2013 Expenditures | 0 | 0 | 0 | |
| AHDC 2nd Draw Request December | | \$ (69,500) | | (69,500) |
| Balance Available Before Outstanding Commitments | 830,248 | 174,631 | 1,659,493 | 2,664,372 |
| Outstanding Commitments | | | | |
| Alexandria Housing Development Corporation (AHDC) | 139,833 | 0 | | 139,833 |
| CLI Notabene | | | 393 | 393 |
| Wesley Lynhaven Apt | | | 1,078,000 | 1,078,000 |
| Fees for Professional Services | 14,600 | | | 14,600 |
| Unreserved Balance as of December 31, 2013 | 675,815 | 174,631 | 581,101 | 1,431,547 |

Housing Trust Fund Programs Financial Status

As of December 31, 2013

| | |
|--|------------------|
| Balance as of November 30, 2013 | 4,793,336 |
|--|------------------|

| Revenues for December 2013 | |
|---|---------------|
| Contributions | 35,352 |
| Loan Repayments | |
| Community Lodgings, Inc. (CLI) | 2,288 |
| Moderate Income Homeownership Program (MIHP) | 32,101 |
| Employee Homeownership Incentive Program (EHIP) | 5,000 |
| Misc. | |
| Fees Offsetting Expenditures | 0 |
| | 74,741 |

| Expenditures for December 2013 | |
|---|----------|
| Flexible Homeownership Program | 0 |
| Homeownership Counseling | |
| Rebuilding Together Alexandria | |
| Housing Opportunities Fund - <i>see attached report</i> | |
| Rental Accessibility Modification Program (RAMP) | 0 |
| | 0 |

| | |
|--|------------------|
| Balance Available Before Outstanding Commitments/Reservations | 4,868,077 |
|--|------------------|

| Outstanding Commitments/Reservations as of December 31, 2013 | |
|---|--------------------|
| Braddock Small Area Plan Fund | 494,191 |
| Flexible Homeownership Program | 961,396 |
| HOME/HOF Match | 375,245 |
| Homeownership Counseling | 57,667 |
| FY 2015 Budget Reservation | 200,000 |
| Housing Opportunities Fund - <i>see attached report</i> | 830,248 |
| AHC East Reed | 399,885 |
| RTA | 0 |
| Beauregard Fund | 500,000 |
| Rental Accessibility Modification Program (RAMP) | 5,815 |
| | (3,824,446) |

| | |
|---|------------------|
| Unreserved Balance as of December 31, 2013 | 1,043,630 |
|---|------------------|

HOMEOWNERSHIP PROGRAMS REPORT
December 2013

| | <i>December 2013</i> | | | | <i>Total FY 2014 as of December 31, 2013</i> | | | |
|---------------------------------------|----------------------|--|------------------|--|--|--|------------------|--|
| | Loans Committed | Amount and Source of Committed Loan Funds | Loans Settled | Amount and Source of Settled Loan Funds | Loans Committed | Amount and Source of Committed Loan Funds | Loans Settled | Amount and Source of Settled Loan Funds |
| Flexible Homeownership Program | 0 | | 0 | CDBG - \$0 HOME - \$0 | 4 | CDBG - \$90,000 HOME - \$83,280 | 3 | CDBG - \$40,000 HOME - \$33,280 |

Flexible Homeownership Loan Balances by source as of December 31, 2013:

HOME \$ 126,970
CDBG \$ -
Housing Trust Fund \$ 961,397

Other Housing Development Fund Financial Status
As of December 31, 2013

| | Tax Revenue Account | Bond Account | TOTAL |
|---|---------------------|--------------|----------------|
| Balance as of November 30, 2013 | 2,122,246 | 486,326 | 2,608,572 |
| December 2013 Expenditures | | \$0 | |
| Balance Available Before Outstanding Commitments | 2,122,246 | 486,326 | 2,608,572 |
| Outstanding Commitments | | | |
| AHC East Reed Project | 1,613,789 | 486,326 | 2,100,115 |
| Unreserved Balance as of December 31, 2013 | 508,457 | 0 | 508,457 |