

**AFFORDABLE HOUSING ADVISORY COMMITTEE  
LOCATION: SISTER CITIES CONFERENCE ROOM 1101  
CITY HALL**

**WEDNESDAY, MAY 2, 2012, 6:30PM**

**AGENDA**

1. Consideration of the Minutes of April 5, 2012 meeting 6:30 p.m.
2. Consideration of Affordable Housing Plan for The Delany 6:35 p.m.
3. Information Items: 6:50 p.m.
  - a. Housing Trust Fund Financial Summary for March 2012
  - b. Housing Opportunities Fund Financial Status for March 2012
  - c. Homeownership Programs Report for March 2012
4. Announcements and Upcoming Housing Meetings 6:55 p.m.
  - a. Beauregard Planning Commission Meeting  
Thursday May 3, 2012 7:00 PM – 11:00 PM  
John Adams Elementary School
  - b. City Council Work Session for HMP  
Tuesday May 8, 2012  
City Council Work Room
5. Adjournment 7:00 p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE

Minutes of April 5, 2012 meeting

Room 2000, 301 King Street, Alexandria, VA 22314

Members Present

Michael Caison, Chair  
Michael Butler  
Laura Lantzy  
Carter Fleming  
Rick Liu  
Michelle Saylor  
Bill Harris  
John Catlett  
Katherine Dixon  
Mildrilyn Davis (non voting)

Staff Present

Helen McIlvaine  
Eric Keeler  
Shane Cochran

Guests

Danny Abramson  
Ann Marie Hay  
Boyd Walker

The meeting was called to order by Michael Caison, 7:06pm.

1. The minutes were passed and approved from the March 1, 2012 meeting.
2. Staff provided an updated presentation on the FY 2013 funding request from AHDC. The funding request increased from \$200,000 in previous years to \$291,000 for 2013. Danny Abramson addressed several specific concerns related to the change. The hiring of a new Executive Director is imminent; that person will have the experience necessary to grow the organization and implement prudent strategies. AHDC's goal is to become independent from City support. Bill Harris made a motion to approve the FY funding request of \$291,000; the motion was seconded, and approved.
3. Staff provided an updated presentation on the Beauregard Small Area Plan outlining the revisions in the housing proposal. The target has increased to 800 committed affordable units. Acquisition is now earlier, some units are scheduled to be available in 2014. Deeper subsidies are being provided to target 40-75% AMI. These subsidies are funded by savings achieved from acquiring existing units, \$52.4 million increment of future City real estate tax revenue from the Beauregard redevelopment and third party leverage to be identified. The 30 year affordability period can be negotiated for a 10 year extension or non-profit/ARHA ownership. Next steps are presenting the revised plan at Town Hall meeting April 9, and Planning Commission meetings in May. Bill Harris made a motion to recommend City's approval of the Housing Chapter 5 of the Beauregard Plan; the motion was seconded and approved by a 7-1 vote.
4. Staff addressed consideration of a budget transfer of Housing Trust Fund monies. The Office of Housing requests transfer of \$200,000 from the Moderate Income Program (MIHP) to the

Homeownership Assistance Program (HAP). Discussion followed. Katherine Dixon made a motion to approve the transfer; it was seconded and approved.

5. Staff presented a summary of the City of Alexandria FY 2012 Draft Action Plan. There was an overall 46% reduction in grant funds from the City's FY2012 Action Plan. This represents a \$900,000 reduction in federal money; City money remained the same. Mildrilyn Davis reviewed several key areas of the draft plan, and discussion followed. Katherine Dixon made a motion that AHAC support the draft Action Plan as presented; it was seconded and approved.
6. Staff presented the proposed Office of Housing budget. The budget was reviewed in detail and discussions followed. The AHAC members were in agreement that a move toward restoration of the City Employee Assistance program is necessary so that more workers can afford to live in the city. Michelle Saylor made a motion to approve the proposed Office of Housing Budget, and if funds become available during the year move toward restoring the Homeownership Assistance Program and the Employee Homeownership Incentive Program; the motion was seconded and approved. It was agreed that Committee Chair Mike Caison would convey the Committee's views to council

The meeting adjourned at 9:10pm.

Minutes prepared by Michelle Saylor

City of Alexandria, Virginia

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MEMORANDUM

DATE: MAY 1, 2012  
TO: AFFORDABLE HOUSING ADVISORY COMMITTEE  
FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING *msd*  
SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR THE DELANY

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**ISSUE:**

Consideration of the Affordable Housing Plan for The Delany (Attached).

**RECOMMENDATION:**

That the Affordable Housing Advisory Committee approve the Affordable Housing Plan submitted by the Delany Applicant.

**BACKGROUND:**

The proposed site is located at 100 South Pickett Street directly west of Cameron Station (See Attached Map). The developer proposes to construct a mixed use development containing 189 dwelling units and 8,944 sq. ft. of non-residential space. The site is currently zoned CG which allows a maximum .75 FAR and will require both a rezoning and a Master Plan Map amendment to be built as proposed.

**DISCUSSION:**

The proposed project requires both additional density and height to be constructed. Section 7-700 of the City's zoning code allows a developer to obtain additional density and/or height in exchange for dedicated affordable housing units within the project. However, this zoning provision allows a density increase of no more than 20% and the additional density required for this project exceeds this limit. Section 7-700 also allows an applicant to receive additional height in exchange for affordable housing when the underlying zoning already allows height limits in addition to 50 feet which is not the case for this particular site. Therefore, the use of Section 7-700 was not an option for this particular development and the applicant will seek both a rezoning to allow additional density and a Master Plan Map amendment to allow additional height.

In exchange for the rezoning and in lieu of a monetary contribution to the City's Housing Trust Fund, the applicant has submitted an affordable housing plan that proposes to proffer twenty-three (23) housing units that would be affordable to households at or below 60% of the area median income. Table 1 estimates the value of the applicant's proposed affordable housing plan, while Table 2 shows the monetary calculation that would result if the applicant simply followed City's voluntary contribution guidelines. Staff estimates that the value of the applicant's proposed Affordable Housing Plan exceeds the voluntary monetary contribution by approximately \$2.6 million. Staff believes this additional value provides a significant community benefit in exchange for the additional density required by the applicant.

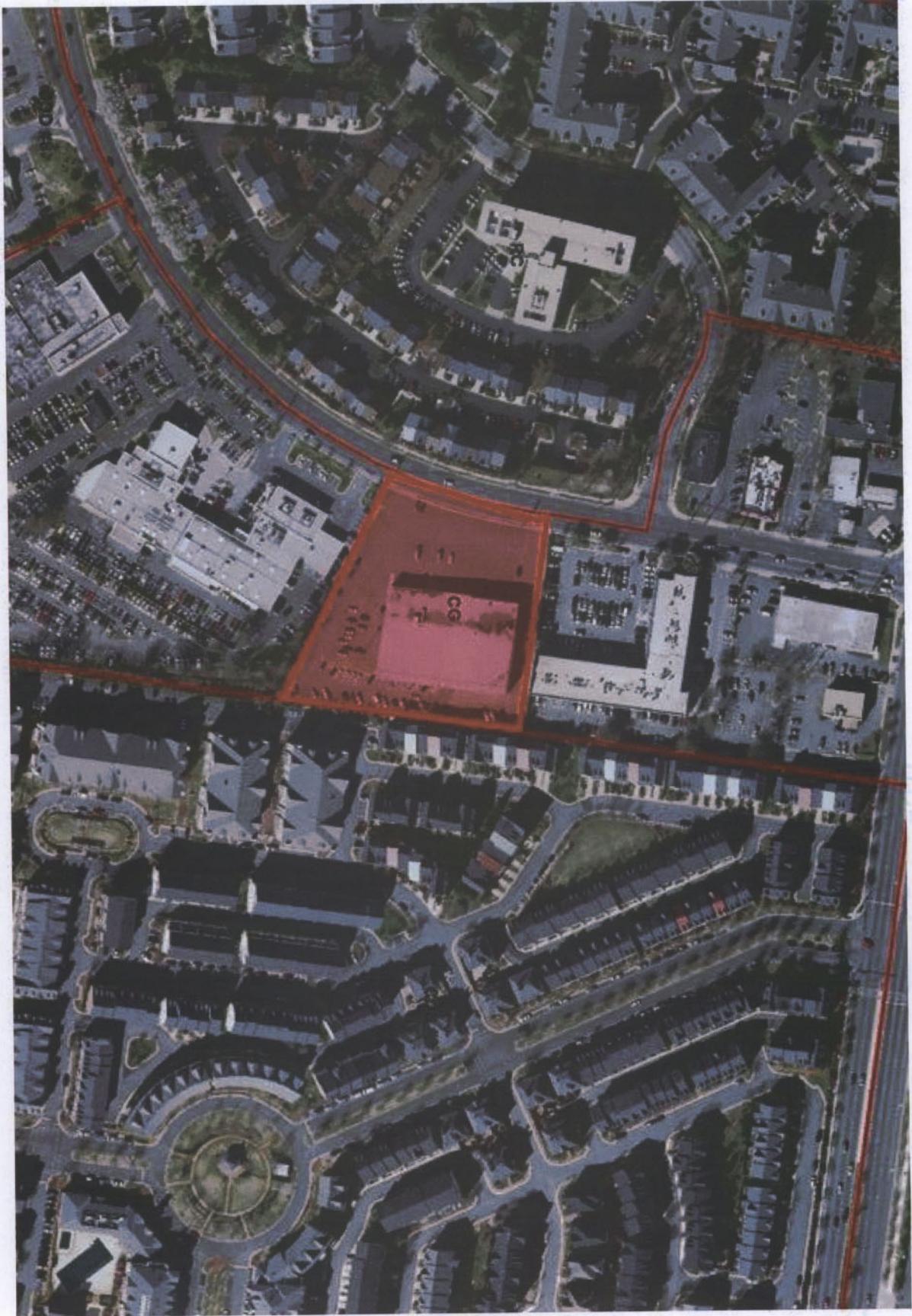
<b>Table 1: The Delany Affordable Housing Plan Value</b>						<b>Cap Rate</b>	<b>6.00%</b>
<b>Unit Type</b>	<b>Number of Units</b>	<b>Market Rent</b>	<b>Affordable Rent</b>	<b>Monthly Difference</b>	<b>Yearly Difference</b>	<b>Total Loss</b>	<b>Value</b>
<b>1BR</b>	15	\$1,800	\$1,209	\$591	\$7,092	\$106,380	\$1,773,000
<b>2BR</b>	8	\$2,350	\$1,452	\$898	\$10,776	\$86,208	\$1,436,800
<b>Total Value</b>							<b>\$3,209,800</b>

<b>Table 2: Monetary Contribution based on City's Voluntary Contribution Guidelines</b>			
<b>Development Type</b>	<b>Sq. Ft</b>	<b>\$/Sq. Ft.</b>	<b>Contribution</b>
<b>Non-Residential</b>	8,994	\$1.50	\$13,491
<b>Tier 1 Residential</b>	67,019	\$1.50	\$100,529
<b>Tier 2 Residential</b>	119,516	\$4.00	\$478,083
<b>Total:</b>	<b>195,529</b>		<b>\$592,083</b>

Another issue that must be weighed by staff is the tradeoff between hard units on the ground and monetary contributions that allow the City to run other affordable housing programs, including affordable rental housing preservation. This site is located within the Landmark/Van Dorn Small Area Plan and the within close proximity to the Landmark/Van Dorn Corridor Plan recently adopted by City Council. The Landmark Gateway project was the first redevelopment project approved within this corridor, and it has committed to a \$1,233,267 contribution to the City's Housing Trust Fund. Staff feels that this project helps to strike a balance between units and monetary cash contributions within this planning area. Furthermore, the affordable units provided in this project will be located in one of the City's high capacity transit corridors which will offer significant transportation options that could further reduce the cost to residents of the affordable units. For these reasons and the estimated value of the proposed set aside units, staff supports the applicant's proposed affordable housing plan.

The recommended conditions of affordable housing plan are as follows:

1. The developer shall provide 23 affordable set-aside rental units, with the mix of units to include an equivalent percentage of each type of unit as in the whole project to the satisfaction of the Director of Housing. The portion of the affordable units applicable to each building shall be provided as each building is occupied.
2. Rents payable for the set-aside units shall not exceed 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. Rents shall remain at the established affordable rates for a period of 30 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 30-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 #2011-0007  
Affordable Housing Plan  
April 25, 2012

**Project Overview**

As part of their application under DSUP # 2011-0007, for the 100 South Picket Street site, the Applicant is proposing 189 dwelling units and 8,994 sq. ft. of retail space. The applicant is requesting a rezoning for the subject site from Commercial General (CG) to Commercial Residential Mixed Use Medium (CRMU-M), along with a Master Plan Map amendment to increase the maximum development height from 50 feet to 77 feet. The applicant proposes the following Affordable Housing Plan for the Project.

**Affordable Housing Plan**

In exchange for the rezoning and in-lieu of a monetary contribution to the City's Housing Trust Fund, the applicant proposes to proffer twenty-three (23) housing units that would be affordable to households at or below 60% of the area median income. The bedroom sizes of the affordable units would be proportionate to the bedrooms sizes of the project as a whole. The applicant would abide by the conditions established by the city for the affordable housing set aside program.

## Housing Trust Fund Programs Financial Status

As of March 31, 2012

<b>Balance as of March 31, 2012</b>	<b>2,265,149</b>
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<b>Revenues for March 2012</b>	
Contributions	253,200
Loan Repayments	
Community Lodgings, Inc. (CLI)	4,577
Moderate Income Homeownership Program (MIHP)	102
Employee Homeownership Incentive Program (EHIP)	65
Fees Offsetting Expenditures	0
	<b>257,944</b>

<b>Expenditures for March 2012</b>	
Employee Homeownership Incentive Program (EHIP)	0
Homeownership Counseling	6,920
Housing Opportunities Fund - <i>see attached report</i>	0
HTF Homeownership Assistance Program-712661	27,444
Moderate Income Homeownership Program (MIHP)	30,000
Rental Accessibility Modification Program (RAMP)	(64,364)

<b>Balance Available Before Outstanding Commitments/Reservations</b>	<b>2,458,729</b>
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<b>Outstanding Commitments/Reservations as of March 31, 2012</b>	
ARHA Set-Aside (James Bland 16 replacement units) - <i>other HTF revenue</i>	60,717
Employee Homeownership Incentive Program (EHIP)	90,751
HOME/HOF Match	233,098
Homeownership Counseling	73,110
HTF Homeownership Assistance Program	322,556
Housing Opportunities Fund - <i>see attached report</i>	592,038
Moderate Income Homeownership Program (MIHP)	373,507
Rental Accessibility Modification Program (RAMP)	6,101
	<b>(1,751,878)</b>

<b>Unreserved Balance as of March 31, 2012</b>	<b>706,852</b>
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## Housing Opportunities Fund Financial Status

As of March 31, 2012

	HTF	General Fund	HOME	TOTAL
<b>Balance as of March 31, 2012</b>	592,038	260,610	1,514,041	2,366,689
<b>March 2012 Expenditures</b>				
Alexandria Housing Development Corporation (AHDC)				
<b>Balance Available Before Outstanding Commitments</b>	592,038	260,610	1,514,041	2,366,689
<b>Outstanding Commitments</b>				
Alexandria Housing Development Corporation (AHDC)		100,000		100,000
CLI Notabene Predevelopment		25,000		25,000
<b>Unreserved Balance as of March 31, 2012</b>	592,038	135,610	1,514,041	2,241,689

**HOMEOWNERSHIP PROGRAMS REPORT  
March 2012**

	March 2012				Total FY 2012 as of March 31, 2012			
	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
HAP	2	\$86,606.00 - HOME	4	\$50,000 - CDBG \$150,000 - HOME	21	HOME - \$914,929.67 CDBG - \$50,000	21	\$914,929.67 - HOME \$50,000 CDBG
MIHP	1	\$30,000 - HTF	0	\$0	2	\$60,000 - HTF	1	\$30,000 - HTF
HTF-Homeownership Assistance	0	0	0	\$0	0	HTF (712661)- \$13,394	1	HTF (712661)- \$13,394
EHIP	0	\$0	0	\$0	6	\$57,500 - HTF	6	\$57,500 - HTF

**Loan Balances as of March 31, 2012:**

HOME HAP \$ 25,950 Grants  
 CDBG HAP \$ 9,458  
 HTF HAP \$ 336,606

MIHP \$ 373,507 Housing Trust Fund

EHIP \$ 90,751