

**AFFORDABLE HOUSING ADVISORY COMMITTEE**  
**LOCATION: ROOM 2000**  
**CITY HALL**  
**THURSDAY, DECEMBER 1, 2011, 7:00PM**

**AGENDA**

1. Consideration of the Minutes of November 3, 2011 meeting 7:00 p.m.
2. Consideration of the Alexandria Housing Development Corporation's proposed permanent financing strategy for Arbelo, Lacy Court, and Longview Terrace apartments 7:05 p.m.
3. Discussion of the Beauregard Plan 7:15p.m.
4. Information Items: 8:15 p.m.
  - a. Housing Trust Fund Financial Summary for October 2011
  - b. Housing Opportunities Fund Financial Status for October 2011
  - c. Homeownership Programs Report for October 2011

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5. Announcements and Upcoming Housing Meetings 8:20 p.m.
6. Adjournment 8:25 p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE

Minutes of the Meeting: November 3, 2011  
Room 2000, 301 King Street, Alexandria 22314

Members Present

Michael Caison, Chair  
Sonya Sacks  
Dimitri Warren  
Laura Lantzy  
Bill Harris  
Mildrilyn Davis (non voting)

Staff Present

Helen McIlvaine  
Eric Keeler  
Jon Frederick

Guests

Duncan Blair  
Steve Weinstock  
Doug Owens  
Maya Contreras  
Annabelle Fisher

The meeting was called to order by Michael Caison, 7:04pm.

1. Mt. Vernon Village Center Affordable Housing Plan: M. Davis introduced the plan, briefly reviewed the Office of Housing's recommendation to approve the affordable housing plan submitted by the Mt. Vernon Village Center. Duncan Blair presented the plan for 3809-3843 Mt. Vernon Avenue: mixed use development with retail on lower floor, 478 dwellings above it (with 28 affordable set-aside rental units within the project, HUD 80% AMI). Requesting bonus height under Section 7-700 of the City's zoning code for this LEED Silver certified complex.

L. Lantzy inquired re. parking: the plan meets City's requirements. Discussion re. universal design also followed.

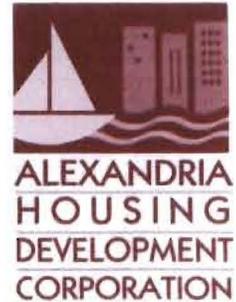
K. Medina motioned to approve Office of Housing's recommendation, M. Butler seconded. P. McCreesh and L. Lantzy abstained. All in favor.

2. September 8<sup>th</sup> and October 6<sup>th</sup> minutes were approved with the following changes to the October 6<sup>th</sup> minutes: correct spelling of M. Davis's name and D. Warren's name and the Room was 2000.
3. Draft Strategic Plan on Aging: There will be a Council work session to review the plan in December with a public hearing tentatively scheduled for early 2012. M. Caison to attend sessions, if available.  
L. Lantzy motioned that AHAC should provide a letter of support to Council re. the housing elements only of the Strategic Plan on Aging. P. McCreesh seconded, all in favor.
4. Beauregard Small Area Plan: M. Caison led the discussion of this 'largest stock' of market affordable housing in the area. Suggested AHAC review the plan (not seen yet) and determine if more than 10% affordable housing set asides should be 'requested.' R. Liu agreed but suggested we find a logical way to view current levels of affordable housing – is 10% enough or should it be 25%, 30%, even 50%? P. McCreesh and S. Sacks agreed that AHAC should voice its opinion, especially in light of the upcoming release of the Housing Master Plan. L. Lantzy disagreed with a 'general 10% allocation' and recommended reviewing plans on a case by case basis.

M. Davis discussed subsidy and contribution options and informed all that the 10% allocation was in discussion w/ the developer. It will cost \$83.5 million over the next 30 years just to get the 10% rental units. J. Frederick will email to AHAC the stakeholder's report. M. Caison, Chair, recognized guest A. Fisher and allowed her to address the Committee on this subject. A. Fisher voiced her opinion of the Beauregard plan and informed AHAC of the 11/14 and 11/21 meetings. M. Caison suggested that AHAC set aside time at the December meeting to discuss this in depth.

5. Virginia Housing Trust Fund: E. Keeler reviewed the Virginia Housing Coalition and Economic Impact studies. There is a current push to get the Trust Fund as a legislative action.
6. ARHA: Doug Owens reviewed ARHA's recent activities. See report for specifics but Old Town Commons Phase One is completed and Phase Two has 39 units out of 56 sold to date. M. Davis informed all that during a one week 'sign up' time this past summer, more than 15,000 residents joined the waiting list for ARHA housing.
7. AHDC: M. Caison informed all that the search for an Executive Director continues and that the group is working on financial plan for the recent acquisition of 119 RPJ units (to be presented to Council in December).
8. Financials: Staff provided an update on the financial status of the City's Housing Trust Fund and Housing Opportunities Fund.
9. The meeting adjourned at 8:30pm.

Minutes prepared by Katharine Medina



*Working to make affordable housing a reality  
in the City of Alexandria.*

November 28, 2011

The Honorable Mayor and Members of City Council  
City Hall  
301 King Street, Suite 2300  
Alexandria, VA 22311

Re: AHDC report regarding the rehabilitation and refinancing plan for Arbelo,  
Lacy and Longview Terrace Apartments

Dear Mayor Euille and City Council:

Thank you for the opportunity to provide City Council with an update regarding AHDC's progress in developing a plan for the rehabilitation and permanent refinancing of the Arbelo, Lacy and Longview Terrace Apartments ("A-L-L").

**Background and Summary of Current Operations**

When AHDC acquired these properties from RPJ in June 2011, it assumed a first trust \$9.5 million bridge loan with BB&T, as well as subordinate City loans totaling just over \$14 million. The terms of the BB&T financing (24 month term, interest-only at 4.5%) have allowed AHDC to achieve a positive cash flow from property operations which has averaged approximately \$30,000 per month. During AHDC's ownership, operations at Arbelo, Lacy and Longview have stabilized, and there is currently a balance of more than \$150,000 in the property account. Except for the transactional costs of \$213,000 incurred by AHDC at settlement (including delinquent real estate property taxes owed by RPJ, transfer fees and legal fees) drawn from the \$574,000 reserve established by City Council to support the transfer, no subsequent draws have been necessary to meet capital or operating expenses. The \$213,000 expended is memorialized in an amendment to AHDC's Promissory Note secured by Longview Terrace, due to that property's capacity to absorb additional leverage.

Pursuant to the management plan presented to City Council last spring, AHDC has worked closely with Equity Management II, LLC (Equity), its third party property management company, to improve the financial and physical condition of the three properties, enhance the living environment for residents and strengthen relationships with surrounding neighborhoods. AHDC and Equity have a scheduled weekly meeting to discuss operations, prioritize work items and develop guidelines for rent and resident behavior. Among the issues addressed and completed to date are:

- o Implemented plan to resolve all code, life, health and safety issues (including scheduling regular bulk trash pickup service)

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- Completed deferred maintenance (e.g., plumbing system repairs, replace aging/failed hot water heaters, serviced boilers, serviced/replaced broken or missing appliances and air conditioning units, replaced washers and dryers to restore all laundry facilities to working order)
- Completed comprehensive bed bug elimination treatment at all three properties
- Reviewed property security and installed keyed entry systems
- Aesthetic enhancements, including new signage (with contact information for management), new exterior entry doors, masonry repairs to stairways and building exteriors, paving of driveways and parking lots, tree trimming and other landscaping improvements, updates to entries, hallways, laundry facilities and common areas )
- Consolidated property operations of A-L-L properties and The Station to achieve maximum efficiency
- Hired four full time Equity staff persons for AHDC's Alexandria properties, including two property management and two maintenance personnel
- Established an onsite property management/leasing office at Lacy Court to serve residents of AHDC's four Alexandria developments
- Created a residential unit for a maintenance staff person at Arbelo
- Established online financial and management records for the A-L-L properties, with Equity's portal accessible to AHDC
- Linked marketing and leasing information on Equity's website regarding A-L-L properties to major online apartment guide resources
- Established online system for residents to report/track service and maintenance calls (tenant-generated requests are resolved within 24 hours), pay rent and/or contact property management staff
- Restored residential unit that was off line for several years
- Strengthened communications and working relationships with ARHA to support voucher holders residing at the properties
- Established and enforced management standards regarding timely rent payment, housekeeping and resident behavior (tenants who can't or won't comply with management expectations—including a few involved with criminal behavior—have been removed from properties by non-renewals or evictions)
- Completed unit turnovers within one week of vacancy so available units can be marketed and re-leased as quickly as possible
- Engaged Dominion Due Diligence, a national engineering firm, to conduct a Property and Capital Needs Assessment (PCNA) and provide a written report prioritizing the scope and cost of critical, midterm and long term work items.
- Completed all critical work items noted in Dominion's PCNA report
- Met with civic association adjacent to Arbelo and with community police liaisons serving the Arbelo and Longview Terrace properties
- Conducted property visits for AHDC Board members, as well as representatives of BB&T, VHDA and other potential lenders and investors

AHDC has continued to solidify its relationship with BB&T. Bank officials have expressed a continuing interest to work with AHDC through the properties' rehabilitation, and potentially, through permanent financing.

As lease renewals occur or as units turn over when residents move out, rents are being increased in conformance with the City's voluntary rent guidelines which cap annual increases. So far, no economic displacement has resulted, despite the fact that RPJ had not raised rents during its tenure. Due to owner-directed non-renewals and evictions, as of December 1 there are six active vacancies in the 119 unit portfolio, reflecting a vacancy rate just above 5%. Even without substantial renovation, apartments are quickly leased at the new rent structure because of the properties' desirable locations and their proximity to schools, transportation, and amenities. Affordability is governed by the terms of the City's loan agreements, including some requirements related to federal HOME funds that were part of the City's financing package for Lacy Court. As a result, there are currently 101 units that have rents affordable to households with incomes at or below 60% of the area median income (AMI); 18 have rents affordable to households with incomes at or below 50% AMI.

### **AHDC's Progress in Developing a Rehabilitation and Refinancing Plan/Options**

**Considered** Since AHDC assumed ownership, its Development Committee has met bi-weekly to develop and analyze potential rehabilitation and refinancing strategies for the A-L-L portfolio and to provide direction for staff and Equity to help drive the value of the asset pending rehabilitation. The AHDC Directors who participate on the Development Committee are:

**Daniel R. Abramson** *Danny is President and Chief Executive Officer of Abramson Properties, a real estate development firm in Alexandria that specializes in developing residential projects on urban sites and in historic neighborhoods. He has extensive affordable housing experience, including serving on the Board of Directors of AHC, Inc. from 1982-88 and on the City's Affordable Housing Advisory Committee (AHAC) for several years. Danny is the AHDC Board President and is one of the organization's five incorporating Board members appointed by City Council in 2004.*

**Joseph Resende** *Joe is President and a principal owner of The Franklin Capital Group, a real estate investment and development firm specializing in residential rental properties (both affordable and market rate), which is headquartered in Alexandria. Prior to forming Franklin Capital Group in 1996, Joe practiced law for twenty years in the Washington, D.C. area, with a practice focused on real estate and corporate transactions, investments and finance. He is active in many real estate and affordable housing trade associations. Joe joined AHDC's Board in 2004.*

**Michael Caison** *Mike is a federal real estate consultant, representing GSA and other clients, with more than thirteen years in the leasing and property management industry. Chairman of the Affordable Housing Advisory Committee since 2009 and a stakeholder for housing interests in the North Potomac Small Area Planning process in 2009-2010, Mike is an active advocate and volunteer for affordable housing. Mike is also an incorporating member of the AHDC Board appointed by City Council in 2004*

**Catherine Pharis** Cathy is Head of FHA Platform Lending for Wells Fargo Multifamily Capital, where she oversees the origination and underwriting of the FHA Group. With more than twenty-five years in the multifamily lending industry, Cathy also has experience with Fannie Mae and Freddie Mac programs as well as expertise in GNMA and whole loan placements. Cathy has extensive experience in the financing of properties utilizing low income housing tax credits, tax exempt bonds (with a variety of credit enhancement sources), IRP de-couplings and other non-traditional funding mechanisms. Cathy is the AHDC Treasurer, and is one of the organization's incorporating members appointed by City Council in 2004.

**Joseph Ouellette** Joe is Director of Affordable Transactions and Asset Management with Apartment Investment and Management Company (AIMCO), working out of its Bethesda, MD office. AIMCO is one of the nation's largest owners and operators of market rate and affordable apartment communities in the United States. Joe has more than ten years of experience in commercial real estate, including expertise in acquisitions, dispositions, asset management and debt/equity procurement. Joe has worked extensively with syndicated tax credit, government-subsidized, bond and state agency financed and conventionally financed products for projects located throughout the United States. Joe became a member of the AHDC Board in 2004.

The following criteria provided a framework for the Development Committee's assessment of options:

- o Develop an appropriate scope for rehabilitation (with maximum positive impact for the properties' functioning life), to minimize tenant displacement
- o Ensure the properties are self-sustaining when rehabilitation and refinancing are complete
- o Maximize third party financial participation and private equity (to minimize requirements for new City investment)
- o Consider the sale/partial sale and/or conversion of some units to market rate, if necessary, to achieve the best long term strategy for the portfolio's economic viability
- o Develop options and alternatives that can be executed prior to June 2013 (when the BB&T loan expires)

So far, the following options have been modeled and analyzed by the Development Committee.

- o 9% low income housing tax credits for rehabilitation (\$30,000/unit average) and permanent financing for all three properties (combined in a consolidated application)(2012/2013)

- 9% low income housing tax credits for Longview Terrace (2012) for rehabilitation (up to \$42,000/unit average) and permanent financing<sup>1</sup>
- Maintain Lacy and Arbelo with conventional financing (through 2016) and minimal rehabilitation from cash flow, pending a possible 9% LIHTC application in 2016 (see explanation in discussion below)
- 4% low income housing tax credits and tax exempt bonds for all properties (2012/2013) for rehabilitation (\$30,000/unit average) and permanent financing
- 4% low income housing tax credits and tax exempt bonds for Lacy Court and Arbelo only (assuming Longview Terrace successfully receives 9% credits )
- FHA 221(d)(4) for all properties, for moderate rehabilitation (\$17,500/unit average) with permanent financing
- Refinance to permanent conventional loan with minor rehab financed in the loan (up to around \$12,000/unit), with other rehabilitation to occur as cash flow permits
- Refinance to permanent conventional loan, performing rehab as cash flow allows
- Other executions (Fannie Mae, Freddie Mac), refinancing and critical needs addressed

Although the Development Committee did consider the sale of portions of the portfolio and potential conversion of some of the affordable units to "market" rate, these options actually did not appear to yield significant added value or return money to the City, given the level of first and second trust debt. The properties are not well suited for repositioning due to the constraints of age, condition and lack of onsite amenities which limit the additional revenue that can be generated as a "market" product without very significant capital investment. As affordable rental housing, the 119 units at Arbelo, Lacy and Longview provide a critically needed benefit to the community. The last several months have demonstrated that the properties are physically sound and economically viable.

While there are challenges inherent to all of the approaches, it appears to the Committee that a number of viable alternatives are available. With regard to the competitive 9% credits, although this option facilitates the greatest amount of third party equity to support rehabilitation, competition is stiff for this scarce resource. It is particularly difficult for existing properties with limited opportunities to meet scoring preferences for three bedroom units, multiple bathrooms, community facilities and accessible/universally designed units. Due to a tax credit requirement regarding continuity of ownership, transfers of ownership in the chain of title prior to RPJ's

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<sup>1</sup> A 20-unit property adjacent to Longview Terrace has been offered for sale to AHDC. While it is unlikely that AHDC can meet the property owner's sales price expectations, if AHDC were to secure an option to acquire the property contingent on a successful 9% LIHTC application, that property could be consolidated with Longview Terrace in a March 2012 submission.

acquisition of Arbelo and Lacy Court recommend deferring an application in applying for 9% tax credits for these properties until 2016 in order to leverage the maximum credits that might be available. Pursuing interim financing strategies on these properties will also provide time for AHDC to fully explore the potential for redevelopment at these sites.

The non-competitive 4% credit and bond option assures that credits will be awarded, but limits the amount of equity that can be raised, increasing the amount that must be borrowed for rehabilitation. An FHA-financing product also offers certainty and a moderate rehabilitation resource that can be deployed in stages. This option may provide a good tool to manage rehabilitation in a way that would minimize tenant impacts. With current, low interest rates, even though all of the costs of the rehabilitation and financing are included in the loan, projections of cash flow indicate that additional capital investment could be funded, over time, if needed. For the conventional scenarios, the challenges include varying loan to value requirements among lenders, constraints on the additional future net operating income that can be achieved given limited room for rent growth, and limited opportunities for additional operational savings.

In all cases, the scope for rehabilitation established by AHDC will prioritize investment in building systems and infrastructure to extend the properties' useful life and to achieve maximum savings on utilities, minimize administrative costs and/or enhance efficiencies in property operations. The Property Capital Needs Assessment (PCNA) performed by Dominion confirms this approach. From cash flow, AHDC has already been able to address all of the items listed as "critical needs" in Dominion's October report. Focusing on building systems will also yield the potential for energy savings and lessen ongoing maintenance requirements. Desirable, but non-critical improvements (standardizing and modernizing kitchens and bathrooms) would occur over time, as rehabilitation funds are available and/or as property cash flow can support.

### **Preliminary Recommendations**

Based on its review of the options available and the criteria established by the Committee regarding long term sustainability, AHDC proposes that it pursue a 9% LIHTC application for Longview Terrace in March 2012. If that application is successful, AHDC will pay off the BB&T first trust loan of \$3.5 million for Longview Terrace, and could then seek a modification of its bridge arrangement on Arbelo and Lacy Court with BB&T until a 9% LIHTC application would be productive in 2016.

If the March 2012 9% LIHTC application for Longview Terrace is not successful, AHDC would pursue a consolidated 4% LIHTC/bond option or an FHA rehab/refinance option for all three properties. Either of these will provide funds to address high priority mid and long term needs as well as modest improvements to enhance livability. AHDC would also seek and compare possible conventional financing options that may be available at that time. With continued successful management of the properties, a strong tenant mix, and a longer established record regarding occupancy, and utility and operating costs, AHDC believes it will also be better positioned to negotiate possible conventional options with local, CRA-motivated lenders. Although the timeline for some financing options may take six months or longer, any of these can be executed

prior to the end of the current BB&T bridge loan in June 2013. In the event of interest rate or financial risk due to changing market conditions in 2012, AHDC believes that it can successfully mitigate short term exposure by working with BB&T or another conventional lender to secure another bridge arrangement.

The Development Committee presented this report and its preliminary recommendations to the AHDC Board on November 21, 2011. The Board endorsed the Development Committee's recommendations, including its proposal to move forward with a March 2012 application for 9% competitive low income housing tax credits for Longview Terrace, and to pursue other options for rehabilitation and refinancing pending the outcome of the March application.

**Managing and protecting City investment; future requirements** Protecting the City's substantial investment in the affordable housing asset provided at Arbelo, Lacy Court and Longview Terrace Apartments is of the utmost importance to AHDC's analysis of all of the rehabilitation and refinancing options considered. While the City's investment will continue to remain long term, at this time no new investment of direct City dollars is projected for any of the options actively being considered, beyond the \$574,000 reserve approved in June. As discussed with City Council previously, managing the level of debt owed to the City in order to facilitate third party financing may require that the City loan amounts be captured through a ground lease arrangement, in which ownership of the land associated with the properties is transferred to the City, with AHDC owning the improvements (buildings) subject to a lease agreement with a minimal payment requirement. Counsel for AHDC and for the City would work through the details of such an arrangement should it be necessary.

While no new direct financial support is anticipated, in the future it may necessary for AHDC to request back stop guaranties from the City to induce third party loans and investment. These guaranties were provided for The Station at Potomac Yard, allowing that project to proceed despite the implosion of the national markets in 2008. Should a back stop guaranty or a ground lease be required, AHDC will come back to City Council to seek its approval. Of course, AHDC appreciates the ongoing technical assistance provided by City staff, and anticipates that such support may continue to be required in the near term to complete rehabilitation plans and permanent financing arrangements.

I will attend the City Council meeting on Tuesday, December 13, 2011 to answer any questions you may have regarding this report or AHDC's plans to rehabilitate and refinance the Arbelo, Lacy and Longview Terrace properties. As always, AHDC appreciates City Council's continued interest in, and support of, the organization's work to develop and preserve affordable housing.

Sincerely,

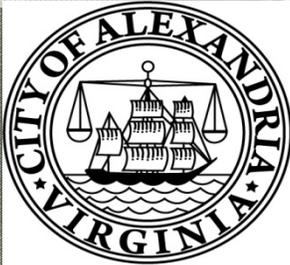


Daniel R. Abramson  
President

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## Beauregard Small Area Plan



## Beauregard Community Meeting

November 21, 2011

# BEAUREGARD – Introduction

- **INTRODUCTION**
- **OVERVIEW OF POTENTIAL PUBLIC AMENITIES**
  - Open Space
  - Ellipse
  - Transitway
  - Landscaping
  - Fire Station
  - Affordable Housing
- **POTENTIAL DEVELOPER CONTRIBUTIONS**
- **OVERVIEW OF TRANSPORTATION ANALYSIS**
- **UPCOMING MEETINGS – SCHEDULE**
- **NEXT STEPS**



Beauregard Community Meeting

November 21, 2011

# BEAUREGARD – Overall



# BEAUREGARD – Comparison of Development (Zoning)

Development Summary				
Developer Land Owner	Acres	Existing Development (sq. ft)	Zoning Maximum (sq. ft.)	Proposed (sq. ft.)
Duke Realty	19.18 ac.	304,894	835,481	1,135,764
Hekemian	8.18 ac.	16,500	109,707	759,469
Home Properties 1	22.31 ac.	918,074	1,027,953	1,607,163
JBG Properties	129.64 ac.	2,291,789	5,647,118	6,415,751
Southern Towers 1	40.81 ac.	1,921,770	2,221,964	2,321,770
WRIT	1.94 ac.	141,963	253,519	240,110
<b>TOTAL</b>	<b>222.06 ac.</b>	<b>5,594,990</b>	<b>10,095,742</b>	<b>12,480,027</b>

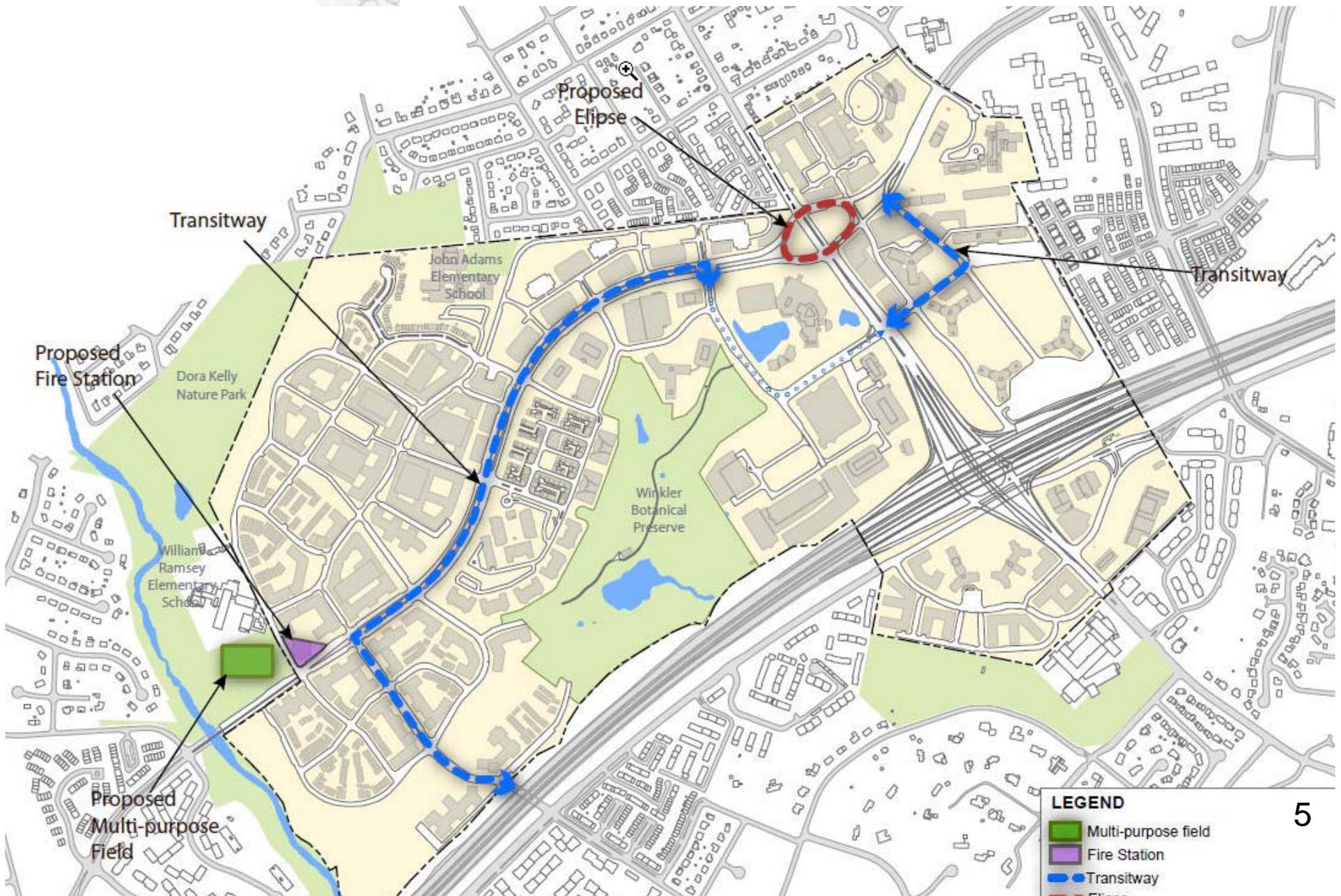
(1) – Numbers include proposed development and existing building(s) that will remain.

Beauregard Community Meeting

November 21, 2011



# BEAUREGARD – Potential Developer Contributions



## BEAUREGARD – Multi-Purpose Field



# BEAUREGARD – Elipse



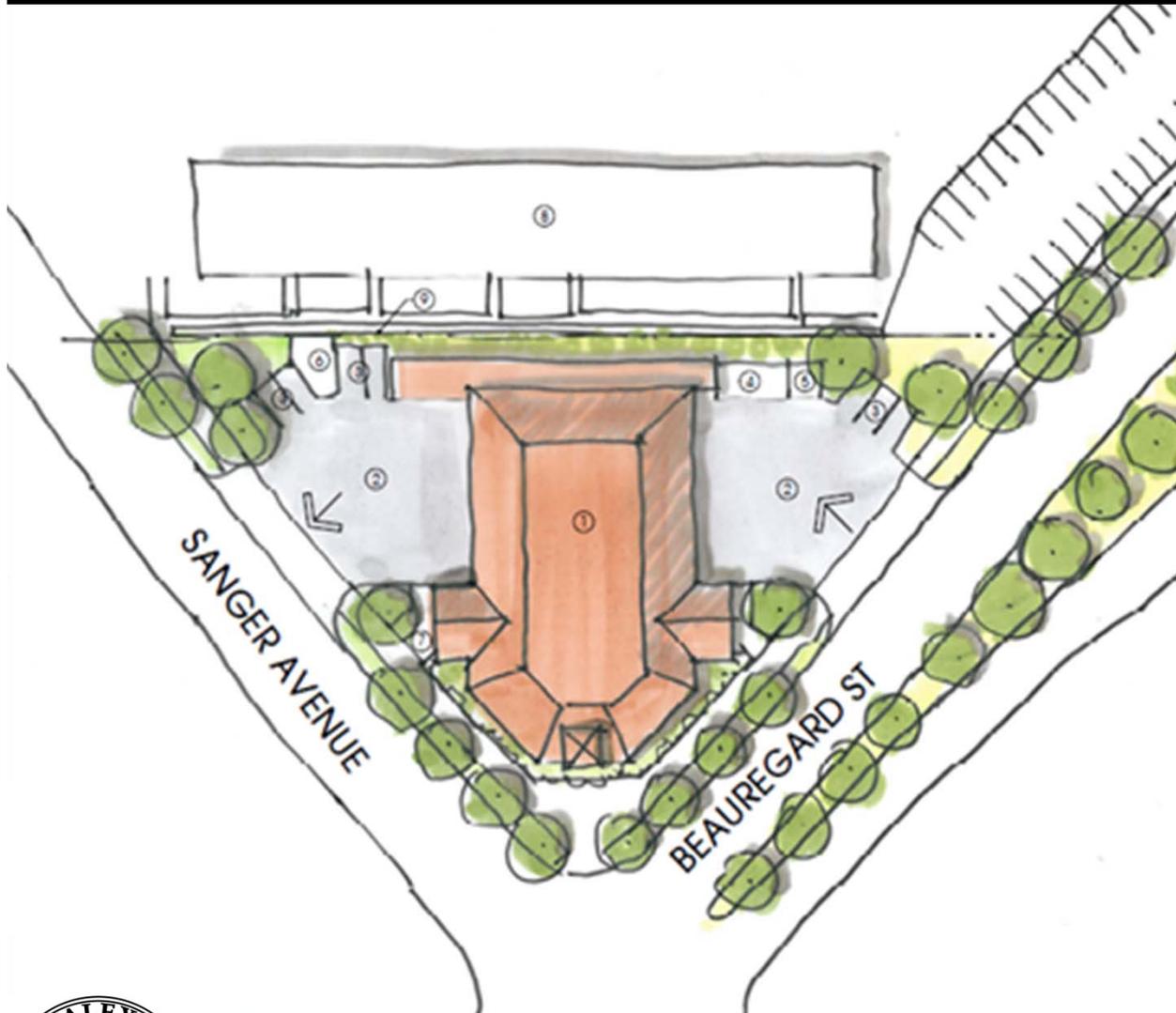
## Beauregard – Proposed Transitway



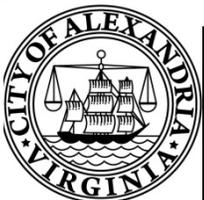
Beauregard Community Meeting

November 21, 2011

## Beauregard – Proposed Fire Station



- Building area – +/- 19,000 sq. ft.
- Two-story structure
- 4 Bays
- Community Room – +/- 900 sq. ft.
- 8 parking spaces onsite / approximately 20 parking spaces to be located east of the existing apartment building



Beauregard Community Meeting

November 21, 2011

## Beauregard – Affordable Housing

- Total New and Replacement Units Proposed to be Constructed = 6,469 units
- Proposed Goal of 10% (647 units) as long term affordable/workforce housing
- Short Term vs. Mid-Long Term
- Mix of household income levels served also impacts cost



Beauregard Community Meeting

November 21, 2011

## BEAUREGARD – Negotiation Participants

### Developers/Land Owners

JBG  
Hekemian  
Home Properties  
Duke Realty  
Southern Towers

### City Departments

Planning & Zoning  
Transportation and  
Environmental Services  
Recreation, Parks and  
Cultural Activities  
Office of Housing  
City Manager's Office  
Office of Management  
and Budget



Beauregard Community Meeting

November 21, 2011

## BEAUREGARD – Developer Negotiation - Objective

Negotiate a proposed financing plan in regard to the specific **Beauregard Small Area Plan** public benefits to be paid by developers as part of the proposed development which may be contained in the eventual Beauregard Small Area Plan, including the timing, amount and form of contributions.



## BEAUREGARD – Negotiation Process

- Consider public discussions and work of BCSG
- Define individual development-paid public improvements
- Identify desired area-wide public improvements
- Price the proposed public improvements
- Review financing options
- Negotiate form, timing and amount of contributions



Beauregard Community Meeting

November 21, 2011

## BEAUREGARD – Public Benefits

### A. Transportation Improvements

1. Ellipse	\$ 29,310,704
2. Transitway for BRT	23,000,000
3. Other Transportation Improvements	501,600

<b>Transportation Subtotal</b>	<b>\$ 52,812,304</b>
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### B. Fire Station Facility #211

\$ 9,256,025

### C. Enhanced Landscaping and Streetscape for Beauregard Street

\$ 3,000,000

### D. Athletic Field / Recreation Enhancements

\$ 8,150,500

### E. Affordable and Workforce Housing

1. Public Amenity Contribution	\$ 22,426,504
2. Voluntary Formula Contribution Housing	25,817,136

<b>Housing Subtotal</b>	<b>\$ 48,243,640</b>
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### F. Right-of-way Dedication for Transportation and Fire Station Land

\$ 18,046,718 <sup>3</sup>

<b>Total</b>	<b>\$139,509,187 <sup>1,2</sup></b>
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**Notes:**

1. All costs in 2011 Dollars
2. Excludes developer-paid sanitary sewer tap fees
3. Represents in-kind non-cash contribution



## BEAUREGARD – Cost of Affordable and Workforce Housing

- Costs to write down housing costs vary substantially
- Driven by family/unit size, family income and cost
- Cost Range = \$48,000 to \$251,000 for 30-year preservation
- Average Cost = \$123,000 per unit estimate



## BEAUREGARD – Affordable and Workforce Housing

- **City-proposed Goal = 10% of new units over 30 years**
- 10% of new = 647 units
- **647 units x \$123,000 per unit average cost = \$ 79.8 million**



## Funding Proposal for 647 units over 30 years:

Developers: Existing Voluntary Contribution	\$ 22.4 million
<b>Developers: Public Amenity Contribution</b>	<b>25.8 million</b>
Federal/State/City Long-Term Funding	31.6 million
<b>Total</b>	<b>\$ 79.8 million</b>

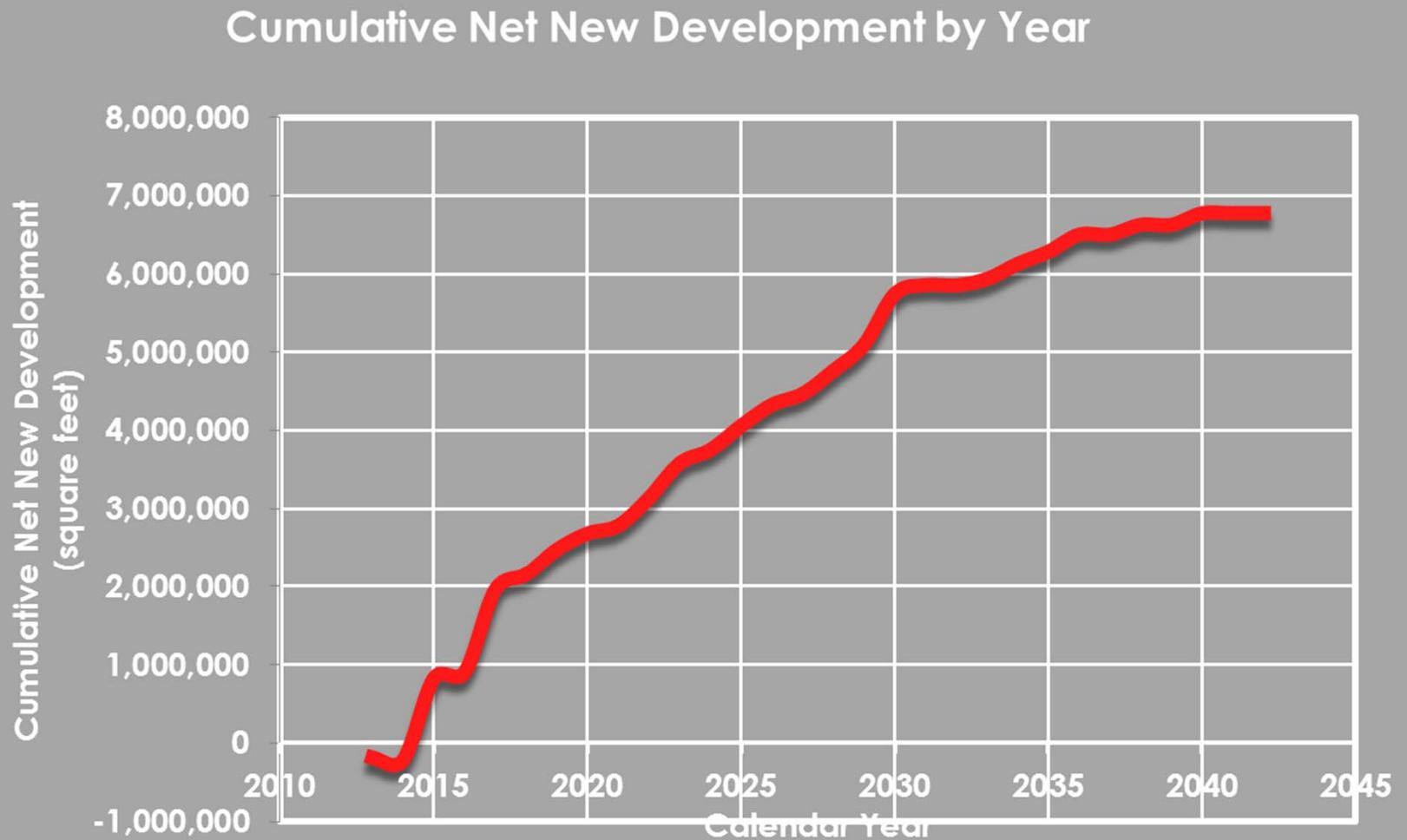


## How would the contributions be paid?

- \$121.5 million in cash contributions divided by 9.7 million square feet of gross new construction equals \$12.55 per square foot
- **9.7 million square feet of gross new less 2.9 million square feet of demolition = 6.8 million of net new**
- Paid into a “Beauregard Fund” upon building completion



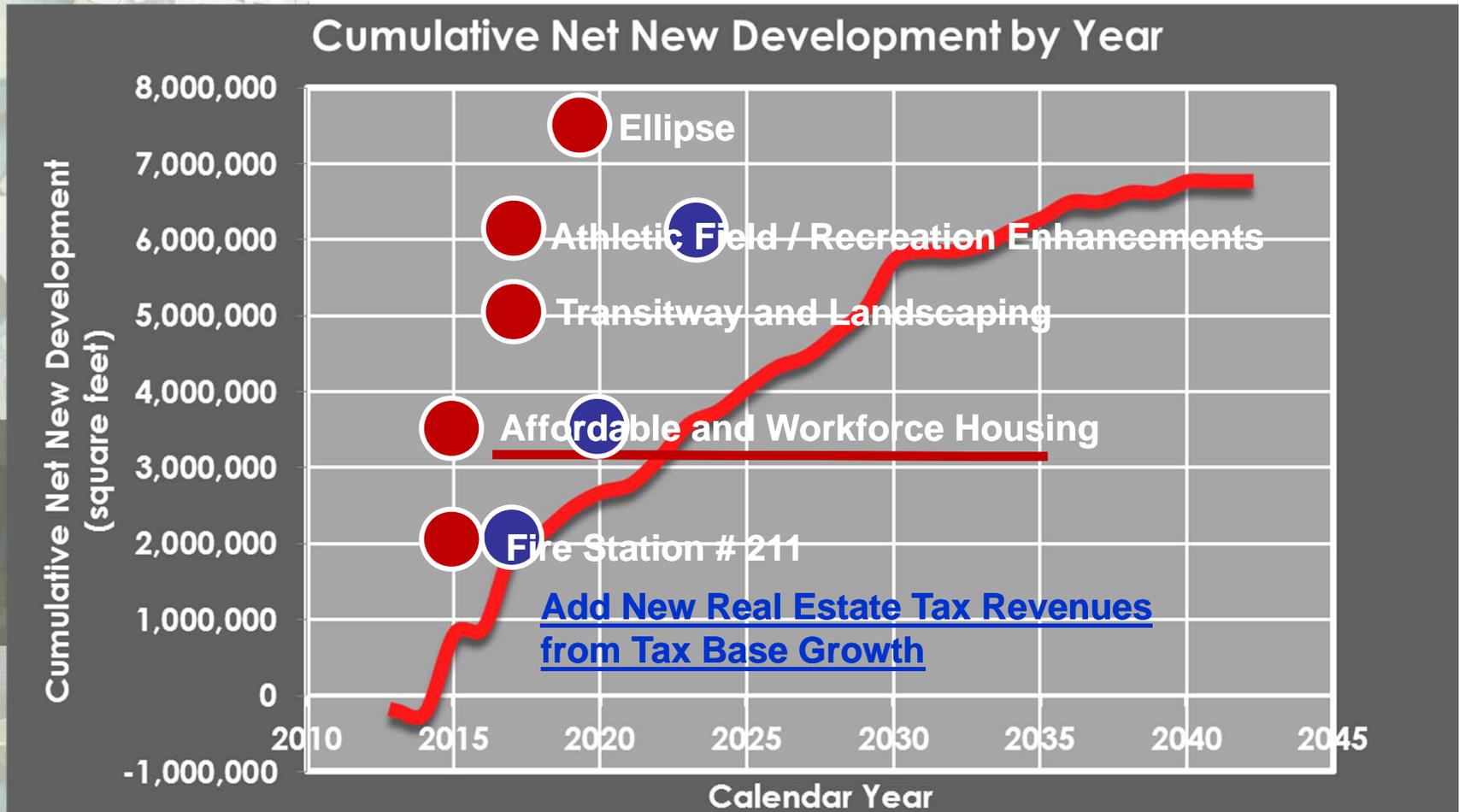
## BEAUREGARD – Projected Timing of Development



Beauregard Community Meeting

November 21, 2011

# BEAUREGARD – Cash Flow Conundrum/Solution



Beauregard Community Meeting

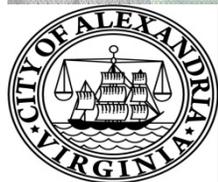
November 21, 2011

## Solution to Cash Flow Problem

- Defer timing on some projects
- **Value captured with development generated**
- New real estate tax revenues
- **Start Affordable/Workforce Housing later**
- Create interim affordable housing preservation plan



## Questions and Feedback



# Housing Trust Fund Programs Financial Status

As of October 31, 2011

**Balance as of October 31, 2011** **2,922,886**

## Revenues for October 2011

Contributions	2,000	
Loan Repayments		
Employee Homeownership Incentive Program (EHIP)	5,064	
Moderate Income Homeownership Program (MIHP)	15,991	
Fees offsetting Expenditures	0	
Community Lodgings, Inc. (CLI)	2,288	<b>25,344</b>

## Expenditures for October 2011

Employee Homeownership Incentive Program (EHIP)	10,000	
ARHA Set-Aside (James Bland 16 replacement units)	565,671	
Homeownership Counseling	4,580	
Housing Opportunities Fund - <i>see attached report</i>	0	
Moderate Income Homeownership Program (MIHP)	0	
Rental Accessibility Modification Program (RAMP)	0	<b>(580,251)</b>

**Balance Available Before Outstanding Commitments/Reservations** **2,367,979**

## Outstanding Commitments/Reservations as of October 31, 2011

ARHA Set-Aside (James Bland 16 replacement units) - 50% <i>contributions</i>	(120,580)	
ARHA Set-Aside (James Bland 16 replacement units) - <i>other HTF revenue</i>	270,245	
Employee Homeownership Incentive Program (EHIP)	95,428	
HOME/HOF Match	233,098	
Homeownership Counseling	104,850	
Housing Opportunities Fund - <i>see attached report</i>	592,038	
Moderate Income Homeownership Program (MIHP)	743,868	
Rental Accessibility Modification Program (RAMP)	7,190	<b>(1,926,135)</b>

**Unreserved Balance as of October 31, 2011** **441,844**

**Housing Opportunities Fund Financial Status**  
**As of October 31, 2011**

	HTF	General Fund	HOME	TOTAL
<b>Balance as of September 30, 2011</b>	602,648	300,000	1,514,041	2,416,689
<b>October 2011 Expenditures</b>				
<b>Balance Available Before Outstanding Commitments</b>	602,648	300,000	1,514,041	2,416,689
<b>Outstanding Commitments</b>				
Alexandria Housing Development Corporation (AHDC)		150,000		150,000
<b>Unreserved Balance as of October 31, 2011</b>	602,648	150,000	1,514,041	2,266,689

**HOMEOWNERSHIP PROGRAMS REPORT**  
**October 2011**

	<i>October 2011</i>				<i>Total FY 2012 as of October 31, 2011</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
<b>HAP</b>	4	\$190,000 - HOME	2	\$100,000 - HOME	14	\$678,500 - HOME	10	\$488,500 - HOME
<b>MIHP</b>	0	0	0	\$0	0	0	0	0
<b>EHIP</b>	1	\$10,000 - HTF	0	\$0	5	\$47,500 - HTF	3	\$27,500 - HTF

**Loan Balances as of October 31, 2011:**

HOME HAP     \$ 291,322 *Grants*  
CDBG HAP     \$ 38,717

MIHP             \$ 759,762 *Housing Trust Fund*

EHIP             \$ 95,428