

**AFFORDABLE HOUSING ADVISORY COMMITTEE**  
**LOCATION: ROOM 2000**  
**CITY HALL**  
**THURSDAY, OCTOBER 6, 2011, 7:00PM**

**AGENDA**

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|--|-----------|
| 1. Consideration of the Minutes of September 8, 2011 meeting                 | 7:00 p.m. |
| 2. Mount Vernon Village Center Affordable Housing Plan                       | 7:05 p.m. |
| 3. Presentation of the Draft Strategic Plan on Aging, 2012-2016              | 7:20 p.m. |
| 4. Consideration of Temporarily Unsecured Loan Advances for Old Town Commons | 7:35 p.m. |
| 5. Consideration of Housing Trust Fund (HTF) budget transfers                | 7:45 p.m. |
| 6. Discussion of the Beauregard Plan   | 7:55 p.m. |
| 7. Report from the Alexandria Redevelopment and Housing Authority (ARHA)     | 8:05 p.m. |
| 8. Report from the Alexandria Housing Development Corporation (AHDC)         | 8:10 p.m. |
| 9. Information Items:  | 8:15 p.m. |
| a. Housing Trust Fund Financial Summary for August 2011                      |           |
| b. Housing Opportunities Fund Financial Status for August 2011               |           |
| c. Homeownership Programs Report for August 2011                             |           |
| d. Threatened Assisted Properties Report                                     |           |
| 10. Announcements and Upcoming Housing Meetings                              | 8:20 p.m. |
| 11. Adjournment  | 8:25 p.m. |

## AFFORDABLE HOUSING ADVISORY COMMITTEE

Minutes of the Meeting of September 8, 2011

| <u>Members Present</u> |                              | <u>Staff Present</u> | <u>Guests Present</u> |
|------------------------|------------------------------|----------------------|-----------------------|
| Michael Caison, Chair  | Rick Liu                     | Eric Keeler          | Doug Owens            |
| Bill Harris            | Carter Flemming              | Helen McIlvaine      |                       |
| Sonya Sacks            | Michael Butler               | Jon Frederick        |                       |
| Laura Lantzy           | Mildrilyn Davis (non-voting) |                      |                       |

The September meeting of the Affordable Housing Advisory Committee was held in Conference Room 3 at 421 King Street, Alexandria VA. The meeting was called to order at 7:05 PM by Michael Caison, Chair.

1. The Minutes of the meeting July 7, 2011 were approved by unanimous consent with minor spelling corrections.
2. Reports from the Office of Housing:
  - a. Beauregard Plan – Office of Housing Staff gave an overall summary of the proposed Beauregard Planning Area and impact on specific development sites.
    - i. Based on the current proposal as many as 9,400 dwelling units and up to 2.8 million square feet of non-residential space would become available at build-out when new and existing development is combined. Staff explained that if approved build-out would likely occur over a 25-30 year timeframe.
    - ii. In 2010, the Beauregard Planning Area contained 4,843 market affordable rental units which represented 40% of the City’s market affordable units. In 2011, the number of market affordable rental units in the planning area was reduced to 2,822 due to market rent increases. However, these 2,822 market affordable units represented 44% of the City’s total market affordable units.
    - iii. Specific sites which are currently expected to have some level of (re)development would include; The Hamlets (JBG) 130 acres, Southern Towers 46 acres, Home Properties 23 acres and Duke Realty 19 acres.
    - iv. Helen McIlvaine – discussed the history of the planning area and the current citizen based initiative. Six (6) developers have been active participants in the process with infrastructure and transportation concerns dominating the conversations.
    - v. A joint working session is scheduled for September 19<sup>th</sup> with the various citizen groups and is expected to produce various recommendations to be submitted to the City for consideration.
    - vi. Various stakeholders have asked that the plan take into account the current stock of market rate affordable units in the planning area. Statistics for the area indicate that 78% of the rental housing stock was considered Market Rate Affordable in 2010, representing 40% of all of the Market Affordable units and 30% of all affordable housing stock in the City.

- vii. Further discussions centered on the home ownership needs and the concerns of the long-term residents in the area as well as the level of involvement of the various housing advocacy organizations.
3. Assisted Housing Transactions - Mildrilyn Davis, highlighted several recent transactions that could impact the existing affordable housing stock.
  - Old Towne West (Phase I & II) was resold;
  - Parkwood Court – sold; affordability remains controlled until 2014
  - New Brookside – repaid the existing bond financing; remaining affordable
  - Brent Place - repaid the existing bond financing; remaining affordable under tax credit program
4. Green Revolving Loan Fund (EECBG) – The Staff described the existing Federal loan program a 5-year, low interest loan available to eligible City homeowners (up to 100% of AMI) for qualified improvements up to \$5,000. In addition, a portion of the EECBG funds are being used to improve energy efficiency at the 284 unit Arlandria Chirilagua Housing Corporation property.
5. Arlandria Chirilagua Housing Corporation (ACHC) – Mildrilyn Davis reviewed the City’s report and recommendations concerning the operations and physical needs of the ACHC included in the June 2011 docket before the City Council.
6. Report from the Alexandria Redevelopment Housing Corporation (ARHA) – Doug Owens (ARHA) provided an update on the recent activities of ARHA and the progress in acquiring the remaining replacement units pertaining to the 16 units from the James Bland Redevelopment Project.
7. Report from the Alexandria Housing Development Corporation (AHDC) – Michael Caison, (Chair) provided an update in the search of a new Executive Director. Mr. Caison also provided an update on the recent acquisition of the three apartment complexes previously owned by RPJ Housing Corporation.
8. Staff provided an update on the financial status of the City’s Housing Trust Fund and Housing Opportunities Fund.
9. Homeless Services Coordinating Committee Letter to the Mayor and City Council- Staff reviewed the request for the Council’s attention to the homeless and discussed how it could dovetail into the current Housing Master Plan.
10. Staff discussed the draft Strategic Plan on Aging, 2012-2016 and its scheduled hearing date in October 2011 with the City Council. Committee members requested a presentation on the report from the Commission on Aging or staff at the next meeting.
11. Following the Staff announcements the meeting adjourned at 8:45 PM.

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** OCTOBER 5, 2011  
**TO:** AFFORDABLE HOUSING ADVISORY COMMITTEE  
**FROM:** MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING *msd*  
**SUBJECT:** CONSIDERATION OF HOUSING TRUST FUND (HTF) BUDGET TRANSFER

**ISSUE:** Affordable Housing Advisory Committee (AHAC) consideration of a budget transfer of Housing Trust Fund (HTF) monies.

**RECOMMENDATION:** That AHAC approve the following FY 2011 transfer of HTF monies to the traditionally federally-funded Homeownership Assistance Program:

| <u>From Program:</u>                         | <u>To Program:</u>                     | <u>Amount</u> |
|--|--|---------------|
| Moderate Income Homeownership Program (MIHP) | Homeownership Assistance Program (HAP) | \$350,000     |

**DISCUSSION:** The Office of Housing is requesting the transfer of \$350,000 from the Moderate Income Program (MIHP) to the Homeownership Assistance Program (HAP). The HAP Program provides assistance of up to \$50,000 for downpayment and closing costs for low-income City residents and workers to purchase their first home in the City of Alexandria while the MIHP Program offers up to \$30,000 for moderate income households. The loans in both programs are no-interest, 99-year deferred payment loans, and as of July 1, 2009, have included an equity sharing component that requires a future price discount for subsequent income-eligible buyers. Since the inception of the equity sharing component of the City home purchase assistance programs, MIHP loan activity has declined significantly. In FY09, the City approved 35 loans under the MIHP Program at a total cost of \$832,049, while a total of only 20 loans totaling \$448,977 have been approved in the two years since the equity sharing component was introduced. No loans have been approved to date in the current fiscal year.

While applications to the MIHP Program have been limited in both FY 2011 and FY 2012 to date, participation in the HAP Program remains extremely strong, with 14 loans committed during the first quarter of the City's FY 2012 (July – September). Due to reductions in funding under the federal HOME and Community Development Block Grant (CDBG) Programs, the HAP Program budget was funded at \$951,239 for this fiscal year, an amount adequate to fund 19 loans at the maximum loan amount. Of the budgeted amount, \$698,500 has already been

committed to eligible first-time homebuyers. Staff anticipates that the current funding will support the program only through October 2011. This would be the second consecutive year that demand exceeded the program budget in HAP. FY 2011 activity was suspended in March 2011.

The recommended transfer will help leverage favorable mortgage financing from the Virginia Housing Development Authority (VHDA). During City Council's 2011 summer recess, VHDA made mortgage finance grant funds available to support local homeownership efforts. The City submitted an application to participate in the new funding program, called the Community Homeownership Revitalization Program (CHRP)<sup>1</sup>, contingent on City Council's ratification. On September 13, 2011, City staff was notified by VHDA that its application for funds was approved and City Council ratified the application to VHDA on September 27, 2011 (Attachment 1). As noted in the staff report to City Council, allocations provided through CHRP must be targeted to specific areas that are the focus of local revitalization efforts, including Neighborhood Stabilization Program (NSP) target areas. The City's NSP target areas include the Hume Springs community and two West End Census Tracts, 515102001.03 and 515102004.01. These areas include the South Van Dorn Street area and the communities on the west side of I-395 along the southern portion of Beauregard Street. The VHDA reservation for these funds will expire on June 30, 2012.

The City received an allocation of \$250,000 in CHRP funds to support homebuyers participating in the City's NSP Program and an additional \$650,000 to support other HAP participants purchasing homes within one of the three approved NSP target areas. The CHRP funds will be provided to subsidize first trust mortgage financing at 0.5% below VHDA's normal loan rate. The funds are expected to serve a total of eight households, with City leverage of up to \$317,000 in NSP funds as well as up to \$250,000 in HAP funds. Given the level of HAP expenditures to date, staff is requesting the MIHP funds be transferred to support continuation of the HAP Program and to provide the needed leverage for the CHRP Program.

CHRP funds and City-leveraged funds are to be targeted to lower income households as an additional resource to expand the range of units affordable to these individuals. As of October 4, 2011, the VHDA CHRP 30-year fixed loan rate is only 2.875% for conventional financing and 3.175% for the FHA Plus product. All program participants will be required to complete the City's homebuyer training curriculum and loans will be underwritten by the Office of Housing as well as participating lenders to ensure that the participant's monthly housing payments will be affordable and sustainable based on housing and other debt payment requirements.

Given the activity levels in the MIHP Program, the proposed budget transfer is expected to have a limited impact on program participation during FY 2012. After the transfer of \$350,000 from MIHP to HAP, the MIHP Program will retain a balance of \$393,365, an amount adequate to assist a minimum of 13 income-eligible first-time homebuyers.

**FISCAL IMPACT:** None. All monies in these transfers are included in the City's approved FY 2012 budget.

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<sup>1</sup> CHRP is a more limited version of the old SPARC (Sponsoring Partnerships and Revitalizing Communities) Program in which the City participated for many years until its termination in December 2010.

**STAFF:**

Mildrilyn Stephens Davis, Director, Office of Housing

Helen McIlvaine, Deputy Director, Office of Housing

Shane Cochran, Division Chief, Program Implementation, Office of Housing

Eric Keeler, Division Chief, Program Administration, Office of Housing

**ATTACHMENT:** City Council docket item concerning ratification of CHRP application

EXHIBIT NO. 114

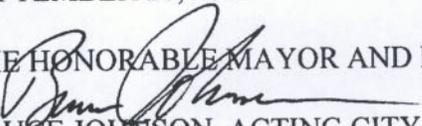
9-27-11

## City of Alexandria, Virginia

## MEMORANDUM

**DATE:** SEPTEMBER 20, 2011

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:**  BRUCE JOHNSON, ACTING CITY MANAGER

**SUBJECT:** RATIFICATION OF SUBMISSION OF AN APPLICATION TO THE VIRGINIA HOUSING DEVELOPMENT AUTHORITY (VHDA) FOR A SET-ASIDE ALLOCATION OF FUNDING THROUGH THE COMMUNITY HOMEOWNERSHIP REVITALIZATION PROGRAM

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**ISSUE:** Ratification of submission of an application to the Virginia Housing Development Authority (VHDA) for a set-aside allocation of funding through the Community Homeownership Revitalization Program (CHRP).

**RECOMMENDATION:** That City Council ratify the submission of an application to VHDA for a total of \$900,000 in CHRP program funding to provide first-trust, low-interest, mortgage financing for eligible participants in the City Homeownership Assistance and Neighborhood Stabilization Programs.

**BACKGROUND:** During City Council's 2011 summer recess, VHDA made mortgage finance grant funds available to support local homeownership efforts. The City submitted an application to participate in the funding program, contingent on City Council's ratification. On September 13, 2011, City staff was notified by VHDA that its application for funds was approved.

**DISCUSSION:** For many years, the City has participated in VHDA's special mortgage financing programs, such as Sponsoring Partnerships and Revitalizing Communities (SPARC) Program, which provided funds at up to 1% below its standard rates. The Office of Housing has successfully deployed SPARC funds with the City's already budgeted HAP and Moderate Income Homeownership Program (MIHP) loans providing leverage for these resources. The SPARC Program ended in December 2010 and has been replaced by VHDA by the more limited CHRP Program. Allocations provided through CHRP must be targeted to specific areas that are the focus of local revitalization efforts, including Neighborhood Stabilization Program (NSP) target areas. The City's NSP target areas include the Hume Springs community and two Census Tracts, 515102001.03 and 515102004.01, in the City's West End. These areas include the South Van Dorn Street area and the communities on the west side of I-395 along the southern portion of Beauregard Street. The VHDA reservation for these funds will expire on June 30, 2012.

The recent CHRP application requested an allocation of \$250,000 to support homebuyers participating in the City's NSP Program and \$650,000 to support other HAP participants purchasing homes within one of the three approved NSP target areas. The CHRP funds will be provided to subsidize first trust mortgage financing at 0.5% below VHDA's normal loan rate. The funds are expected to serve a total of eight households, with City leverage of up to \$317,000 in NSP funds as well as up to \$250,000 in HAP funds. The City's maximum down payment assistance of up to \$50,000 for HAP recipients provides no-interest, deferred payment financing and includes an equity sharing component that helps preserve an assisted unit's long term affordability.

The approved CHRP funds and City-leveraged funds would be targeted to lower income households as an additional resource to expand the range of units affordable to these individuals. All program participants will be required to complete the City's homebuyer training curriculum and loans will be underwritten by the Office of Housing as well as participating lenders to ensure that the participant's monthly housing payments will be affordable and sustainable based on housing and other debt payment requirements.

**FISCAL IMPACT:** None to the City. CHRP funds do not pass through the City treasury, but are made available by a VHDA lender directly on the client's behalf at settlement. Up to \$900,000 will be provided through this resource for first trust financing for low- and moderate-income homebuyers in the City. Leveraged City funds will be provided through existing programs. It is noted that the total non-VHDA funding to be leveraged for this initiative is estimated to equal approximately 63% of the total CHRP request, or \$587,160. In addition to the HAP (CDBG and HOME) and NSP resources mentioned above, homeownership education and counseling resources (funded through Housing Trust Fund in the amount of \$4,160) and homebuyer down payment and closing cost contributions, in an estimated amount of \$16,000, will complete the sources leveraged through the City's efforts.

**STAFF:**

Mark Jinks, Deputy City Manager

Mildrilyn Stephens Davis, Director, Office of Housing

Helen McIlvaine, Deputy Director, Office of Housing

Shane Cochran, Program Implementation Division Chief, Office of Housing