AFFORDABLE HOUSING ADVISORY COMMITTEE
LOCATION: ROOM 2000
CITY HALL
THURSDAY, APRIL 5, 2012, 7:00PM

AGENDA

1.	Consideration of the Minutes of March 1, 2012 meeting	7:00 p.m.
2.	Consideration of AHDC Funding Request	7:05 p.m.
3.	Consideration of Housing Trust Fund (HTF) Budget Transfer	7:20 p.m.
4.	Overview of City of Alexandria Draft FY 2013 Action Plan	7:35 p.m.
5.	Proposed Office of Housing Budget	8:00 p.m.
6.	Beauregard Small Area Plan discussion	8:15 p.m.
7.	Information Items: a. Housing Trust Fund Financial Summary for February 2012 b. Housing Opportunities Fund Financial Status for February 2012 c. Homeownership Programs Report for February 2012	8:50 p.m.
8.	Announcements and Upcoming Housing Meetings a. Beauregard Community Town Hall Meeting Monday April 9, 2012 7:00 PM - 9:00 PM John Adams Elementary School b. City of Alexandria FY2013 Draft Action Plan Public Hearing Saturday April 14, 2012 City Council Chambers c. Housing Master Plan Advisory Group TBD d. City Council Work Session on Housing Master Plan Tuesday April 24, 2012 6:00 PM City Council Workroom	8:55 p.m.
9.	Adjournment	9:00 p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE

Minutes of the Meeting: March 1, 2012
Room 2000, 301 King Street, Alexandria 22314

Members Present	Staff Present	Guests
Michael Caison, Chair	Helen McIlvaine	Steve Peer
Michael Butler	Eric Keeler	Will Adams
Laura Lantzy	Jon Frederick	BJ Moriarty
Patrick McCreesh		Mary Catherine Gibbs
Bill Harris		Bud Hart
Mildrilyn Davis (non-voting)		

The meeting was called to order by Michael Caison, 7:10pm.

1. Minutes were passed and approved from March 1, 2012 Meeting

2. Staff provided a presentation on the Affordable Housing Plan for the Braddock Metro Place Project. The applicant is proposing two options for Planning Commission and City Council to consider. Option A uses Section 7-700 to achieve additional height and provides an affordable housing plan consisting of ten (10) affordable units to be affordable at 60% of AMI. Option B does not use Section 7-700 and consists of a monetary contribution only of approximately $375,000. The applicant's attorneys, Bud Hart and Mary Catherine Gibbs, discussed the applicant's proposal and stated their preference for Option A. The staff recommendation was to approve the Affordable Housing Plan for Option A, for use in the event Option A is approved. The committee discussed the project, Laura Lantzy made a motion that the committee approve as a committee of the whole the applicant's affordable housing plan and recommend approval of Option A. Bill Harris seconded the motion and all approved.

3. City Staff provided a presentation of the City Manager's FY2013 proposed budget for the Office of Housing. Staff discussed the severe federal funding cuts for the CDBG and HOME programs. Staff discussed the difficulties due to the federal budget cuts and informed the committee that the Office of Housing had proposed the elimination of the Homeownership Programs and two staff positions (one vacant) to address budget shortfalls. Laura Lantzy asked questions pertaining to the City's overall tax revenue and if tax rate had increased. Staff answered that the current proposed budget did not increase tax rates, but revenues increased slightly due to increasing assessments. Mike Caison asked if Office of Housing funding could be increased to make programs whole, and express support for the continuance of the programs. City Staff informed the committee above future meeting dates on proposed budget. The committee deferred further discussion until the April meeting, in hopes that more members would be present.

4. City Staff presented a FY 2013 funding request from AHDC. The funding request increased from $200,000 in previous years to $291,000 for FY 2013. Staff explained the increased funding request was due to the need for AHDC to offer a more competitive salary package to attract an executive director and increasing rent costs. Several committee members expressed concern and asked for additional information regarding AHDC actual FY 2012 expenditures and ways in which AHDC plans to increase fundraising efforts. Since a quorum was not present no vote was taken and the item was deferred to the April meeting.

5. Staff provided an update on the Housing Master Plan. Staff stated they were nearing a final draft that would be released in the near future. Staff informed the committee members that a HMP Advisory Group meeting would be held to present the draft when completed.

6. The committee members discussed the housing portion of the Beauregard Small Area Plan and the comments they had heard at the Housing Town Hall Meeting. The committee discussed issues such more units vs. deeper subsidies. No official vote was taken on the plan and the committee agreed to discuss the plan after revisions were made by staff based on citizen comments.

7. All financial reports from Housing Trust Fund, Housing Opportunities Fund, and Homeownership Program Reports were self explanatory.

The meeting adjourned at 9:00pm.

Minutes prepared by Michael Caison

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 29, 2012

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING msd

SUBJECT: CONSIDERATION OF A FUNDING REQUEST FOR THE FY 2013 ANNUAL OPERATING BUDGET OF THE ALEXANDRIA HOUSING DEVELOPMENT CORPORATION

ISSUE: Consideration of a funding request for the FY 2013 annual operating budget of the Alexandria Housing Development Corporation.

RECOMMENDATION: That the Committee approve a new allocation of up to $291,000 for the FY 2013 annual operating budget of the Alexandria Housing Development Corporation (AHDC) from Housing Opportunities Fund (HOF).

BACKGROUND: In 2003, City Council sponsored the creation of AHDC with the understanding that the City would be the nonprofit housing development organization's primary source of support pending self-sufficiency. City general fund budget allocations have been made since then to cover AHDC's annual operating budget. In November 2011, the AHDC Board of Directors approved the attached FY 2013 budget.

DISCUSSION: AHDC is requesting an allocation of $291,000 from the HOF for FY 2013. This amount is an increase from the $200,000 requested by AHDC, and approved by AHAC, last year. It is noted that, although AHDC owns and operates 64 affordable and workforce rental units at The Station at Potomac Yard, and earned a significant developer fee for its efforts in developing and securing financing for that project, the fee earned by AHDC will be paid only as project debt is retired and cash flow permits, in annual installments, beginning around five or six years from now. In 2011, AHDC purchased 119 units from RPJ Housing and is developing plans for their renovation and refinancing. They also continue to look for new projects. AHDC works closely with the City, and in recent years has collaborated in a very successful NSP initiative with the City and Rebuilding Together Alexandria (resulting in seven foreclosed homes being rehabilitated and sold to low income first time homebuyers); it also owns and operates a Residential Police Officer unit in Arlandria.

AHDC's work is conducted by two paid staff positions, a full time Executive Director and a part time Director of Operations and Communication. AHDC is currently conducting a search for an Executive Director. City staff has provided technical and operational support to AHDC during the interim, for which AHDC has offered reimbursement. Bookkeeping and property management services are outsourced to third party firms. In November 2010, AHDC lost the use of donated space on Beauregard Street and leased an office at 801 N. Pitt Street at an estimated cost of $15,000 for FY 2013. Pursuant to a Strategic Planning initiative undertaken by the organization's staff and Board in June 2010, AHDC is expanding its community outreach, education and branding efforts and in 2011 it successfully applied to be included in the 2012 United Way-CFC fundraising campaign. It received donations from 100% of its Board members. This year it will use a $10,000 grant from Capital One to support a resident wellness program in partnership with the Alexandria YMCA. Last year, AHDC also had an audited financial statement prepared for 2010. It distributes a monthly newsletter regarding its activities and other housing information to nearly 500 e-mail subscribers.

FISCAL IMPACT: Allocation of up to $291,000 from the Housing Opportunities Fund in the City FY 2013. The current distribution within the HOF would be $138,595 from the General Fund allocation and $152,405 from the Housing Trust Fund allocation. AHDC would first offset any carryover from FY2012 funds and from its own development/fundraising efforts against the amounts to be drawn from the City.

ATTACHMENT: Alexandria Housing Development Corporation FY 2013 operating budget request.

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

ALEXANDRIA HOUSING DEVELOPMENT CORPORATION

November 8, 2011

Ms. Mildrilyn Stephens Davis
Director, Office of Housing
421 King Street, Suite 200
Alexandria, VA 22314

Re: City FY 2013 Funding Request for AHDC Operating Support

Dear Mildrilyn:

AHDC is requesting a total of $291,000 in City FY 2013 funding to cover operating support during the period from July 1, 2012 through June 30, 2013. As in prior years, any carryover available from FY 2012 would be drawn first to meet organizational expenses within this total amount.

As you will see from the attachment, the main change from last year's proposed budget reflects the anticipated additional cost of providing a competitive salary and benefits package to attract and retain executive staff. We must ensure that the Executive Director and staff have the experience necessary to continue the growth of the organization and implement prudent management and financing strategies to expand AHDC. Staff must successfully complete the rehabilitation and permanent financing of preservation projects in our pipeline, manage current operating assets and identify new development opportunities. Although AHDC's size remains small, its work and mission have grown increasingly complex and requires a multi-skilled leader to take this start up to the next level of financial self sufficiency and production. Professional management of AHDC's mission requires expertise in varied financial techniques and public/private partnerships.

It is AHDC's goal to become independent from City support. However, this proposed budget recognizes that the growth of project income and philanthropic support will have an extended timeline. As you know, AHDC completed its first audit this year and is applying to participate in the local United Way and Combined Federal Campaigns. In 2011, AHDC Board Members, who have long provided professional services pro bono to support the organization's work, all became financial contributors. While AHDC continues to explore capacity building grants which may supplement the budget on a short term basis, we know that the organization's long term sustainability will be built on developing strong projects that will be long term affordable housing assets to the

801 N. Pitt Street, Suite 121, Alexandria, Virginia 22314
703-739-7760 – Office 703-739-7760 – Fax www.housingalexandria.org

City of Alexandria as well as AHDC's primary source of operating revenue. The addition of the Arbelo, Lacy Court and Longview Apartments, totaling 119 units, to AHDC's portfolio this year is an important step forward in achieving this goal. With the 64 units at the Station at Potomac Yard, AHDC now owns 183 affordable housing units in Alexandria. AHDC also owns the retail space at the Station, leased to the securities broker, Edward Jones, Inc., and a Resident Police Officer townhouse unit at ARHA's project at Glebe Park. Additionally, AHDC has successfully employed funds awarded under the Neighborhood Stabilization Program (NSP) to purchase, renovate and sell seven homes to income eligible buyers.

AHDC values its ongoing collaboration with the City, and appreciates the City's continued financial support and technical assistance. Please contact me or Cathy Pharis, AHDC's Treasurer, if you have questions regarding the proposed 2013 budget request. It will be presented to the AHDC Board at its next meeting on November 21, and if approved, we expect to bring it to the Affordable Housing Advisory Committee for consideration in early December.

As always, thank you for your assistance.

Sincerely,

Daniel R. Abramson
President

801 N. Pitt Street, Suite 121, Alexandria, Virginia 22314
703-739-7760 – Office 703-739-7760 – Fax www.housingalexandria.org

AHDC Draft FY 2013 Budget (July 2012 - June 2013)

	Proposed FY 2013	FY 2012 Budget (Approved)
SOURCES		
City FY 2013 Operating Support	**$ 291,000**	
City FY 2012 Operating Support		**$ 200,000**
City Prior Year Carryover		**$ 50,000**
Grants		**$ 10,000**
Fundraising		**$ 15,000**
Program Revenue		**$ 9,081**
Donations & Contributions		**$ 2,500**
TOTAL	**$ 291,000**	**$ 286,581**
USES		
Administrative Expenses	**$ 2,600**	**$ 8,100**
Meetings/Conferences/Meals/Travel		$ 900
Mileage/Tolls/Parking		$ 7,200
Salaries	**$ 196,000**	**$ 150,955**
Executive Director		
Salary	$ 110,000	$ 89,500
Health Insurance	$ 18,000	
Retirement/Other Benefits	$ 7,500	$ 20,000
Associate		
Salary	$ 43,000	$ 35,296
Health Issurance		
Retirement/Other Benefits	$ 3,500	
Insurance/Other costs (FICA)	$ 14,000	$ 6,159
Rent (Office)	**$ 15,000**	**$ 13,400**
Office Expense	**$ 6,300**	**$ 15,020**
Postage	$ 450	$ 900
Supplies	$ 1,000	$ 2,400
Telephone	$ 1,200	$ 2,600
Computer/Internet	$ 1,500	$ 2,400
Furn/equipment	$ 750	$ 1,560
Misc/banking	$ 250	$ 2,520
Business licenses/permits, etc	$ 250	$ 1,140
Cleaning service	$ 900	
Advertising/Marketing/Printing	**$ 550**	**$ 506**
Annual Report		
Newsletter/Solicitation (UW/other)		
Other organizational expense	**$ 4,800**	**$ 4,200**
Board meetings	$ 300	
D&O Insurance	$ 3,500	$ 1,800
Liability insurance		$ 900
Staff training	$ 250	
Memberships	$ 750	$ 1,500
Legal	**$ 1,250**	**$ 2,400**
Accounting/Bookeeping	**$ 30,000**	**$ 24,500**
Audit	**$ 9,500**	**$ 17,500**
Resident Services		
Professional Services	**$ 5,000**	
Consulting (Organizational)		
Strategic Plan Update		
Ethics/other Board training		
Predevelopment	**$ 10,000**	**$ 50,000**
Contingency	**$ 10,000**	
TOTAL	**$ 291,000**	**$ 286,581**

AHDC Draft FY 2013 Budget (July 2012 - June 2013)

	Proposed FY 2013	FY 2011 Budget (Approved)	FY 2011 Actual	FY 2012 Budget (Approved)	FY 2012 Actual (thru Feb 2012)
Administrative Expenses	**$ 2,600**	**$ 3,900**	**$ 8,039**	**$ 8,100**	**$ 728**
Meetings/Confs/Meals/Travel		$ 2,400	$ 5,837	$ 900	$ 690
Mileage/Tolls/Parking		$ 1,500	$ 2,202	$ 7,200	$ 38
Salaries	**$ 196,000**	**$ 128,184**	**$ 134,542**	**$ 150,955**	**$ 40,440**
Executive Director					
Salary	$ 110,000	$ 88,615	$ 80,487	$ 89,500	$ -
Health Insurance	$ 18,000				
Retirement/Other Benefits	$ 7,500		$ 4,750	$ 20,000	$ -
Associate					
Salary	$ 43,000	$ 30,000	$ 39,686	$ 35,296	$ 33,733
Health Issurance					
Retirement/Other Benefits	$ 3,500				$ 3,810
Insurance/Other employee related	$ 14,000	$ 9,569	$ 9,619	$ 6,159	$ 2,897
Rent (Office)	**$ 15,000**	**$ 12,000**	**$ 9,132**	**$ 13,400**	**$ 9,066**
Office Expense	**$ 6,300**	**$ 12,556**	**$ 20,327**	**$ 15,020**	**$ 3,652**
Postage	$ 450		$ 498	$ 900	$ 134
Supplies/Other Expense	$ 1,000	$ 2,400	$ 9,897	$ 2,400	$ 622
Telephone	$ 1,200	$ 2,600	$ 1,580	$ 2,600	$ 496
Computer/Internet	$ 1,500	$ 2,400	$ 2,596	$ 2,400	$ 1,000
Furn/equipment	$ 750	$ 1,560	$ 4,455	$ 1,560	
Misc/banking	$ 250	$ 3,476	$ 745	$ 2,520	$ 15
Business licenses/permits, etc	$ 250	$ 120	$ 556	$ 1,140	$ 786
Cleaning service	$ 900				$ 600
Advertising/Marketing/Printing	**$ 550**	**$ -**	**$ 232**	**$ 506**	**$ 50**
Annual Report					
Newsletter/Solicitation (UW/other)					
Other organizational expense	**$ 4,800**	**$ 5,760**	**$ 2,513**	**$ 4,200**	**$ 673**
Board meetings	$ 300				
D&O Insurance	$ 3,500	$ 360	$ 1,474	$ 1,800	$ 83
Liability insurance		$ 3,000	$ 500	$ 900	$ 590
Staff training	$ 250		$ 164		
Memberships	$ 750	$ 2,400	$ 375	$ 1,500	
Legal	**$ 1,250**	**$ 3,600**	**$ -**	**$ 2,400**	
Accounting/Bookeeping	**$ 30,000**	**$ 40,000**	**$ 34,068**	**$ 24,500**	**$ 28,868**
Audit	**$ 9,500**	**$ -**	**$ 4,800**	**$ 17,500**	**$ 7,500**
Resident Services					
Professional Services	**$ 5,000**	**$ -**	**$ 9,500**		
Consulting (Organizational)			$ 5,000		
Strategic Plan Update			$ 4,500		
Ethics/other Board training					
Predevelopment	**$ 10,000**	**$ 50,000**	**$ 15,175**	**$ 50,000**	
Contingency	**$ 10,000**	**$ -**			
TOTAL	**$ 291,000**	**$ 256,000**	**$ 238,328**	**$ 286,581**	**$ 90,977**

Note: AHDC operating grant support from the City in FY 2011 and FY 2012 was $200,000. Actual expenditures in excess of this amount were funded by prior year carryover and/or other program income, grants or fees earned by the organization.

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 4, 2012

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF HOUSING TRUST FUND (HTF) BUDGET TRANSFER

ISSUE: Consideration of a budget transfer of Housing Trust Fund (HTF) monies.

RECOMMENDATION: That AHAC approve the transfer of $200,000 in HTF monies to the traditionally federally-funded Homeownership Assistance Program (HAP) from the Moderate Income Homeownership Program (MIHP).

DISCUSSION: The Office of Housing is requesting the transfer of $200,000 from the Moderate Income Program (MIHP) to the Homeownership Assistance Program (HAP). HAP provides loans of up to $50,000 for downpayment and closing costs for lower income (up to 80 percent of area median income) City residents and workers who are first-time homebuyers, while MIHP offers up to $30,000 for households with incomes up to 100 percent of area median income.[1] The loans in both programs are no-interest, 99-year deferred payment loans. As of FY 2010, both programs 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, MIHP loan activity has declined significantly. In FY09, the City approved 35 MIHP loans at a total cost of $832,049, while a total of only 21 loans totaling $478,977 have been approved in the two subsequent years. Only two MIHP loan has been approved to date in FY 2012.

While MIHP applications have been limited in both FY 2011 and FY 2012 to date, participation in HAP remains extremely strong, with 26 loans closed during the first three quarters of the City's FY 2012 (July – March). The HAP budget was funded at $951,239 for this fiscal year, an amount adequate to fund 19 loans at the maximum loan amount. In addition, AHAC recommended and City Council approved a transfer of $350,000 in MIHP funding to HAP in November 2011. Of the budgeted and transferred amounts $1,138,500 has already been committed to eligible first-time homebuyers. Staff anticipates that the current HAP balance will fund three loans anticipated through April 2012, and the recommended transfer is expected to support activity through the final three months of the FY2012. HAP activity was suspended

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[1] For a four-person household, the maximum HAP income limit is $86,000 and the MIHP limit is $107,500.

before the end of three of the last five fiscal years (FY2008, FY2010, and FY2011) due to depletion of funds; the recommended action is designed to prevent that outcome in FY2012.

The recommended transfer will help leverage favorable mortgage financing from the Virginia Housing Development Authority (VHDA). The VHDA reservation for these funds will expire on June 30, 2012.

In September 2011, the City received an allocation of $250,000 under VHDA's Community Homeownership Revitalization Program (CHRP)[2], to support homebuyers participating in the City's Neighborhood Stabilization Program (NSP) and an additional $650,000 to support other HAP participants purchasing homes within one of the three approved NSP target areas. Given limited NSP acquisition opportunities, VHDA at staff's request approve a reallocation of $100,000 in CHRP funding to HAP eligible buyers. The funds are expected to serve a total of eight households, in conjunction with City funding of up to $317,000 in NSP funds as well as up to $250,000 in HAP funds. To date, four CHRP loans totaling $487,328 have been committed, each at rate of 2.875% for a 30-year fixed rate mortgage. 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 City funding to leverage the remaining CHRP allocation.

If approved, the transferred funds, along with the leveraged CHRP funds, will provide additional resource to expand the range of units affordable to low- and moderate-income households. The CHRP funds will be provided to subsidize first trust mortgage financing at 0.5% below VHDA's normal loan rate. 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 limited MIHP activity levels in FY2012 (only two loans have been approved to date), the proposed budget transfer is not expected to have a negative impact on program participants. After the recommended $200,000 transfer to HAP, MIHP will retain a balance of $172,379. These remaining MIHP funds will be used to provide $22,379 for assistance to one income-eligible first-time homebuyers in the remainder of FY2012 and provide the $150,000 in budgeted carryover for the FY2013 Proposed Budget for the Flexible Homeownership Assistance Program.

FISCAL IMPACT: None. All funds are programmed in the City's approved FY 2012 budget.

STAFF:
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

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[2] 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.

City of Alexandria
FY 2013 Draft Action Plan

Citizen Summary

City of Alexandria, Office of Housing, 421 King Street, Suite 200, Alexandria, VA 22314, Tel: 703.746.4990, Website: alexandriava.gov/Housing

Inside the Summary — Page

What is the Annual Action Plan?

The City of Alexandria's Annual Action Plan for the period July 1, 2012 to June 30, 2013 describes activities to be undertaken to promote the City's Fiscal Year (FY) 2011- 2015 Consolidated Plan goals. The Plan also describes how federal, state, City, and private funds are allocated during the Plan period to address the housing and community development needs of the City's low- and moderate-income populations, and homeless and special needs populations during the one-year period.

The U.S. Department of Housing and Urban Development (HUD) requires localities receiving federal funds, including the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG)*, and Housing Opportunities for Persons with AIDS (HOPWA), to complete and submit the Action Plan each year as a condition of receipt of funds. The FY 2013 Action Plan will serve as the City's application for the Federal Fiscal Year (FFY) 2012 allocations of CDBG and HOME funds estimated at $678,236 and $373,796 respectively. This equals a 46% reduction in grant funds from the City's FY 2012.

The City of Alexandria is an entitlement grantee under the CDBG and HOME programs, but not under the ESG and HOPWA programs. However, the City receives ESG funds through the state's allocation. HOPWA funds from a HUD allocation to the entire Washington, DC Metropolitan area may be used in Alexandria.

**Emergency Solutions Grant (ESG) replaces the Emergency Shelter Grant, and expands the eligible activities to include homelessness prevention and rapid-rehousing components.*

Citizen Participation in the Development of the Plan

The Office of Housing is the lead agency for overseeing the development of the City's Consolidated Plan, Action Plan, and Consolidated Annual Performance Evaluation Report (CAPER).

Throughout the development of the Action Plan the City consults with public and private housing, health services, and social services agencies, which provide one year goals and objectives and federal, state and local resources expected to be available, to address priority needs as identified in the Consolidated Plan.

Included in this consultation are the Homeless Services Coordinating Committee, headed by the Department of Community and Human Services and whose clientele includes persons with disabilities, elderly persons, children, homeless persons, persons with HIV/AIDS and their families, persons affected by mental illness, intellectual disabilities and substance use disorders; the Alexandria Redevelopment and Housing Authority; and the City's Planning and Zoning Department. The full list of major public and private agencies responsible for administering programs are listed in the Action Plan.

As required by HUD, the City is providing 30 days for citizens to comment on the Draft Action Plan and will be conducting a public hearing in the spring on April 14, 2012 before the Alexandria City Council to obtain citizen input prior to the Plan's finalization and submission to HUD. A public hearing was also conducted in the fall on Wednesday, September 22, 2011 by City staff. Notices of the Draft Action Plan, public hearings, and 30-day comment period are published in the local newspaper with general circulation in the City. The notices are printed in English-language and Spanish language newspapers, and the Draft Action Plan is made available for public review at Alexandria libraries and on the Office of Housing website at alexandriava.gov/Housing. ***See page vi for public comments***

Congressional Budget Allocation, 2010 Census and the American Community Survey Effect on The City of Alexandria FY 2013 Federal Grants

The combined HOME and CDBG grant loss from FY 2012 to FY 2013 is $905,611 or 46%. This loss is attributable to a combination of federal budget reductions and grant formula adjustments based on the 2010 Census and the American Community Survey (ACS) data. The result of the federal funds reduction is the minimizing of

(Continue on page ii.)

During FY 2009, ARHA and its development partner EYA received City approval for the redevelopment of ARHA's James Bland property. The approved plan proposes demolition of the existing 194 public housing units and construction of 379 new residential units, of which 134 are planned to be replaced on site, 44 have been replaced at Alexandria Crossing, and 16 have been replaced at scattered sites identified and secured by the City in collaboration with ARHA. Construction of Phase 3 (44 ARHA units) and demolition of Phase 4 and 5 are projected to begin during FY 2013.

HUD *Performance Measure* *Provide and preserve decent housing with improved affordability*

(Continued from page i.)

the City's Home Ownership Programs. A Flexible Homeownership Assistance Program will be created to provide assistance only for the purchase of previously assisted resale-restricted units and for special projects. This program which replaces the City's three downpayment assistance programs, will operate based on loan repayments and minimal projected carryover funds from FY 2012. The current homeownership counseling program is also not funded.

The current proposed FY 2013 Budget also calls for the elimination of the CDBG Funded Eviction Storage Program. Although no new funding is proposed for the Rental Accessibility Modification Program (RAMP), the program will continue to operate with carryover monies.

Renters

***Goal**: Preserve and maintain the existing supply of affordable housing and achieve a net increase.*

The City's primary objective for affordable rental units is to maintain the supply of a minimum of 1,150 subsidized (publicly-assisted) rental units, as required by Resolution 830. The Old Town Commons (James Bland redevelopment) effort addresses this objective.

Over the remaining three years of the Consolidated Plan, 867 units in non-Resolution 830 properties will face potential loss of subsidy as private entities that own and operate these units become eligible to remove units from the City's assisted rental housing stock. The City's five-year objective involving privately-owned rental units with project based assisted is to continue to preserve and maintain approximately 2,542 units, and to achieve a net increase in this number.

FY 2013 Annual Objectives and Outcomes
(all subject to available resources)

- Preserve and maintain the existing supply of 1,150 Resolution 830 housing units in the City;
- Preserve and maintain the current supply of approximately 2,560 privately-owned rental units with project-based assistance available to households at or below HUD's moderate-income limits;
- Provide 1,450 tenant-based rental housing vouchers per year to households that are at or below HUD's moderate-income limits;
- Secure pledges of affordable set-aside rental units in new development projects; and
- Secure completion of six set-aside rental housing units affordable to households at 60% AMI.

Old Town Commons Redevelopment of ARHA's James Bland Property

Homebuyers and Homeowners

***Goals**: Provide education, training and affordable homeownership opportunities to City residents and employees working within the City with incomes at or below the HUD moderate-income limits; and improve living conditions and maintain affordability for existing homeowners within HUD's moderate-income limits.*

The City will provide a revised program to meet the needs of homebuyers and continue to provide the existing homeowners program for Alexandrians with incomes at or below HUD's moderate-income limits. These programs include the following:

Flexible Homeownership Assistance Program— Provides deferred-payment second trust loans of up to $50,000 for down payment and closing cost assistance to income qualified first-time homebuyer households, specifically for resale of previously assisted resale restricted units and special projects. Special assistance to City and ACPS employees may also be provided for this program.

Home Rehabilitation Loan Program— Provides no-interest deferred payment loans to low-and moderate-income homeowners for home rehabilitation activities that include energy efficiency improvements.

FY 2013 Annual Objectives and Outcomes
(all subject to available resources)

- Assist up to eight households meeting income and other eligibility criteria to secure ownership housing;
- Provide nine no-interest rehabilitation loans to homeowner households with incomes at or below HUD's moderate –income limits; and
- In collaboration with private agencies, provide modest, free repairs or renovations to 125 owner-occupied housing units for households at or below HUD's moderate-income limits.

Homelessness

***Goals**: Provide programs and services to prevent homelessness; coordinate programs and services to address the individual needs of homeless individuals and families; provide emergency shelter facilities and transitional housing; and provide transitional and permanent supportive housing for homeless families and individuals.*

The City's public and private homeless service providers offer a comprehensive array of services and facilities through a continuum of care system designed to address the needs of persons in the City who are homeless or threatened with homelessness. The goal is to promote successful placement in permanent, affordable housing without recurring episodes of homelessness.

A Continuum of Care document was developed by the Homeless Services Coordinating Committee (HSCC) and is revised each year for submission to HUD so that agencies and organizations serving the homeless in Alexandria will be eligible for federal homeless-services funding. In preparation for the development of each year's Continuum of Care, HSCC conducts a one-day "point-in-time" count of the homeless in a variety of settings. The City has also developed a 10-Year Plan to End Homelessness including Chronic Homelessness.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)

- Provide 145 beds for emergency shelter;
- Provide 67 beds for Winter Shelter;
- Provide 21 units in facility-based transitional/ permanent housing;
- Provide transitional housing in six programs;
- Provide 12 permanent supportive housing beds for the chronic homeless; and
- Provide 30 homeless households residing in shelter or overcrowded situations with budget/ housing counseling and emergency housing payments to move into affordable housing.

HUD
Performance Measure
Provide decent housing with improved affordability and/or accessibility

Elderly Persons and Persons with Disabilities

***Goals** Promote housing stability for elderly renters and homeowners and enable elderly persons to age successfully in place; promote housing stability for disabled renters.*

The City promotes housing affordability to assist lower-income elderly and frail elderly persons, and disabled renters and homeowners. The following programs are offered through the City:

Rent Relief Program-
Provides rent assistance to income eligible elderly and/or disabled renters who are not paying income-based rents under a federal or state assistance program.

Rental Accessibility Modification Program (RAMP)-
Offered to disabled renter households with incomes at or below HUD's moderate-income limits who are living in privately owned rental properties and require accessibility modifications.

Property Tax Relief Program-
Provides forgiveness or deferral of real property taxes for income eligible elderly homeowners who are over age 65 and/or who are permanently disabled. Other guidelines may apply.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)

- Relieve the housing cost burden for 1,222 income-eligible elderly and/or disabled homeowners under the Real Property Tax Relief Program;
- Relieve the housing cost burden for 52 income eligible and/or disabled renters under the Rent Relief Program; and
- Provide modifications for one privately-owned rental housing units occupied by disabled renters with incomes at or below HUD's moderate-income limits.

HUD

Performance

Measure

Provide decent housing with improved affordability and accessibility

Persons Affected by Mental Illness, Intellectual Disabilities and Substance Use Disorders

***Goal*: Deliver compassionate best-practice services that measurably improve the quality of life for Alexandrians affected by mental illness, intellectual disabilities and substance use disorders.**

Alexandria Community Services Board and Sheltered Homes of Alexandria operate permanent supportive housing programs that are open to persons who need supportive housing in 8 group homes and 34 supervised apartments with a combined capacity of 130 beds.

Another 44 transitional and permanent supportive housing beds that include 3 placement housing for family households are also available through programs that specifically target homeless persons in 1 group home and 20 supervised apartments.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)

- Continue to provide a continuum of residential services to individuals with mental illness, intellectual disabilities and substance use disorders; and
- Continue to manage 50 tenant-based Section 8 Housing Choice Vouchers to ACSB clients per year.

Persons with HIV/AIDS

***Goal*: The City's general goal for persons living with HIV/AIDS is to continue to address the housing and supportive service needs of such persons and their families.**

Northern Virginia Family Services (NVFS) offers long-term tenant-based rental assistance to persons living with AIDS. This program provides vouchers to eligible households living in the City of Alexandria. NVFS also offers short-term housing assistance and other housing services including housing and financial counseling and emergency utility assistance, which are provided on a regional basis and are available to Alexandrians living with HIV/AIDS.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)

- Maintain tenant-based rental housing vouchers to provide rent subsidies to income eligible persons living with HIV/AIDS and their families, including providing Tenant Based Rental Assistance Vouchers to an estimated 10 Alexandrians, and providing short-term rental housing assistance and short-term security deposit assistance to 10 Alexandria households.

Persons with Physical and Sensory Disabilities

***Goal*: Promote housing stability and accessibility for disabled renters and homeowners with incomes at or below HUD's moderate-income limits.**

The City's objectives involving the use of resources to rehabilitate existing ownership and rental housing for accessibility purposes are intended to increase the supply of accessible housing and to improve quality of life without creating undue financial burden for persons with disabilities whose incomes are at or below HUD's moderate-income limits. The City's Rental Accessibility Modification Program (RAMP) provides grants to assist with the costs associated with retrofitting rental units.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)

- Support accessibility modifications in three existing privately-owned rental housing units occupied by disabled renters with incomes at or below HUD's moderate-income limits.

Non-Housing Community Development

***Goal*: Improve Alexandria's economy and create jobs through a variety of economic development activities.**

The City provides the infrastructure, services and other economic development incentives to attract businesses that will create jobs in low-income neighborhoods. It is anticipated that job training will be provided to over 4,250 residents per year. The City's economic development efforts are directed toward building a stable economy and a diversified business base capable of supporting job growth, commercial development, professional and retail trades and tourism activities that contribute to an expanded tax base.

FY 2013 Annual Objectives and Outcomes (all subject to available resources)
• Provide job training to 4,573 residents including persons with incomes at or below HUD's moderate-income limits; and
• Continue to convene an implementation advisory group to help implement the recommendations of the 2003 Arlandria Plan and, as it relates to economic development, to prioritize projects in the Plan for CIP funding, considering goals such as economic development, incentives for redevelopment, public safety, and community identity.

HUD Performance Measure

Provide economic opportunity

EVALUATION OF PAST PERFORMANCE

The City of Alexandria did well in achieving, meeting or exceeding its program goals during City FY 2011, the first year of the 2011-2015 Five-Year Consolidated Plan period. For example, 170% of the first-year goal was achieved in providing transportation and up to 60 days of storage to 37 low-income households facing eviction; 104% of the first-year goal was achieved in providing 101 income eligible elderly and disabled households with rent assistance; 100% of the first-year goal was met in providing 28 low-and moderate-income first-time homebuyers with down payment and closing cost assistance; 79% of the first-year goal was achieved in assisting 1,200 elderly and disabled households under the Real Property Tax Relief Program; and 70% of the first-year goal was met in completing rehabilitation work for 7 extremely low-, low-, and moderate - income households. A total of 67 beds continued to be available for homeless persons living outdoors during hazardous weather exposure, and 41 permanent and supportive housing units continued to be maintained to assist 151 low-income persons with mental health, intellectual disabilities, and/or substance use disorders. Details of other past performance are found in the City's FY 2011 Consolidated Annual Performance Report (CAPER).

CDBG and HOME Geographic Distribution

Unless otherwise indicated in the Action Plan, the geographic area to be served by programs supported with CDBG and HOME funds during City FY 2013 will be the entire City of Alexandria, which includes areas of minority concentration.

CDBG and HOME Funded Programs

Program	Proposed FY 2013 Federal Funding	FY 2013 Performance Measure
Affordable Housing Development/Preservation Assistance	$1,939,409 (New HOME - $336,639; HOME Match - $71,073; HOME Carryover - $1,531,697)	2 Projects
Home Rehabilitation Loan Program	$973,184 (New CDBG -$464,867; Carryover-$383,317; Program Income - $125,000)	9 Units
Homeownership Assistance Program	$61,000 (Projected CDBG Program Income-$25,000; Projected HOME Program Income-$36,000)	2 Units
Rental Accessibility Modification Program	$57,500 (CDBG Carryover)	1 Units
Transitional Assistance Program	$52,000 (New CDBG)	30 Households
Winter Shelter	$20,000 (New CDBG)	67 Beds
Fair Housing Testing	$21,383 (New CDBG - $11,383; Carryover-$10,000)	One Round of Testing
Program Administration	$167,146 (New CDBG - $129,986; New HOME - $37,157)	n/a

Other Major Federally Funded Housing Programs

Program	Projected FY 2013 Federal Funding	FY 2013 Performance Measure
Resolution 830 (Public and Replacement Housing)	$6.6 Million	1,150 Units
Housing Choice Voucher Program	$19.4Million	1,450 Vouchers
Private Owned Subsidized Rental Units	LIHTC, Tax-Exempt Bonds, Section 8 Project Based	2,560 Units
Emergency Shelter	$164,163	145 Beds
Safe Haven	$54,608	12 Beds
ACSB Transitional/Permanent Supportive Housing	$402,638	44 Beds
HOPWA (Long-term Tenant Based)	$87,120	10 Vouchers
Ryan White Comprehensive AIDS Response Emergency (CARE)	$625,000	249 Persons

Public Comment Period Notice

The FY 2013 draft Action Plan will be available for public comment beginning April 2, 2012 and ending Wednesday, May 2, 2012. A public hearing will be held on Saturday, April 14, 2012, in the City Council Chambers, located on the second floor of Alexandria City Hall, 301 King Street, Alexandria, Virginia, beginning at 9:30 a.m. Copies of the draft FY 2013 Action Plan will be available for review beginning Monday, April 2 at the Office of Housing, 421 King Street, Suite 200, from 8 a.m. to 5 p.m., Monday through Friday. The draft FY 2013 Action Plan is also available on the City's website at alexandriava.gov/Housing and for review at the following City libraries:

BEATLEY CENTRAL LIBRARY:	5005 Duke Street, Alexandria
BARRETT BRANCH LIBRARY:	717 Queen Street, Alexandria
BURKE BRANCH LIBRARY:	4701 Seminary Road, Alexandria
DUNCAN BRANCH LIBRARY:	2501 Commonwealth Avenue, Alexandria

The draft FY 2013 Action Plan is in a format accessible to persons with disabilities, upon request. Written comments could be delivered to the Office of Housing or emailed to cindy.metcalf@alexandriava.gov.

Mission Statement: The mission of the Office of Housing is to preserve and expand decent, safe and affordable housing opportunities for City residents, primarily low & moderate-income families; to monitor compliance with fair housing laws and requirements for relocation assistance to tenants displaced by condominium conversions; to facilitate compliance with state and local laws affecting landlord tenant rights & responsibilities; and to encourage residential and commercial revitalization.

Expenditure and Revenue Summary

Expenditure By Classification	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change 2012-2013
Personnel	$1,688,331	$1,788,808	$1,669,723	-6.7%
Non-Personnel	5,014,665	3,844,045	4,922,505	28.1%
Capital Goods Outlay	0	0	0	0.0%
Total Expenditures	$6,702,996	$5,632,853	$6,592,228	17.0%
Less Revenues				
CDBG, NSP and Home New Revenue	$605,763	$2,164,110	$980,032	-54.7%
CDBG, NSP and Home Carryover Revenue	1,070,527	318,000	1,682,784	429.2%
CDBG, NSP and Home Program Income	1,003,576	255,000	186,000	-27.1%
ARRA New Revenue	0	0	0	0.0%
ARRA Carryover Revenue	330,503	208,000	0	-100.0%
Housing Trust Fund New Revenue	549,442	511,500	993,966	94.3%
Housing Trust Fund Carryover Revenue	472,159	461,960	595,477	28.9%
Other Non-Federal New Revenue	0	6,540	0	-100.0%
Other Non-Federal Carryover Revenue	0	56,038	0	-100.0%
Affordable Housing Bonds & Dedicated Revenue Carryover*	1,018,979	0	0	0.0%
Total Designated Funding Sources	$5,050,949	$3,981,148	$4,438,259	11.5%
Net General Fund Expenditures	**$1,652,047**	**$1,651,705**	**$2,153,969**	**30.4%**

Note: Carryover monies are shown in the FY 2011 Actual and FY 2012 & 2013 Budgets to provide more accurate information on expenditures from year to year. Carryover monies are included for non-General Fund sources (CDBG and HOME Grants, ARRA, Housing Trust Fund, Other Non-Federal Revenue and Affordable Housing Bonds and Dedicated Revenue.)

Highlights

• In FY 2013 the General Fund budget for Housing increases by $502,264 or 30.4%. The increase in general fund expenditures includes $87,542 for personnel and operating expenses and $414,722 in dedicated real estate tax revenue to be used for affordable housing projects. There is additionally $272,000 that could be used for some portion of debt service or for other affordable housing projects. This totals $686,722 and represents the difference between the current value of 0.6 cents of the City's real estate tax and the amount needed to pay for debt that has already been issued.

• FY 2013 total personnel costs decrease by $119,085 or 6.7% due to the loss of two positions, one vacant and one currently filled position, offset with merit-step and benefit increases.

• FY 2013 total non-personnel costs increase by $1,118,666 or 29.1% due to increases in the federal HOME carryover revenue and projected Housing Trust Fund (HTF) revenues based on increased development activity (HTF contributions are received at Certificate of Occupancy).

Highlights, continued

- Compared to the FY 2012 budgeted amount, the CDBG and HOME federal grant revenues reflect a loss of $1,184,078 or 54.7%, attributable to a combination of federal budget reductions and grant formula adjustments based on Census data. In actuality, the FY 2012 approved budget reflects a significantly higher estimate than the final grant amounts received by the City in FY 2012. The actual grant loss from FY 2012 to the estimate for FY 2013 is $905,611 or 46.4%.

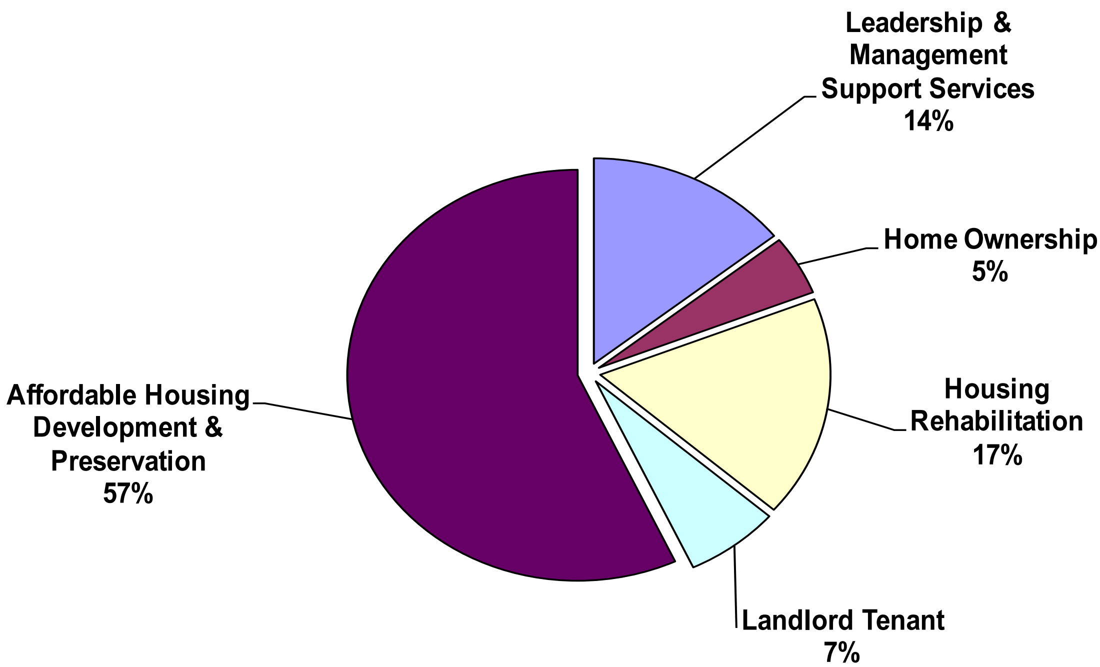
- The result of the federal fund reduction is the minimizing of the Home Ownership Program which will only operate based on loan repayments and minimal projected carryover funds from FY 2012. As a result the total amount budgeted for the Homeownership Program will decrease by 84% from $1,987,602 in FY 2012 to $309,584 in FY 2013, and two positions will be eliminated. The Home Ownership Program consists of three down payment assistance programs and homeownership counseling. Home purchase assistance will be provided only for resale of previously assisted resale-restricted units and special projects.

- The dedicated 0.6 cents of the City's real estate tax rate, which supports affordable housing is projected to be continued into FY 2013. A portion of the dedicated funds are allocated to existing and projected debt service on City issued bonds whose proceeds have been or will be used for affordable housing lending and the remainder of these funds are proposed to be used for the same purposes.

Selected Performance Measures

Selected Performance Measures	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
# of participants served in home buyer training and education opportunities	156	200	0
Total # of households receiving homeownership loans	35	41	8
Total # of rehabilitation loan or grants obligated	4	17	12
# landlord tenant disputes mediated	1,176	1,000	1,000
% of tenant issues successfully resolved	98%	95%	95%
# of affordable units pledged by developers	0	10	10
# of Lending projects financed (counted at City loan approval)	2	1	2

FY 2013 Proposed Expenditures by Program



Activity Level Summary Information

Expenditure Summary

Expenditure By Program	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change 2012-2013
Leadership & Management Support Services*	$1,310,968	$956,418	$943,117	-1.4%
Home Ownership	$2,516,222	$1,987,602	$309,584	-84.4%
Housing Rehabilitation	$620,598	$1,330,345	$1,147,785	-13.7%
Landlord Tenant	$376,874	$391,574	$437,014	11.6%
Affordable Housing Development & Preservation	$1,878,334	$966,914	$3,754,728	288.3%
Total Expenditures	**$6,702,996**	**$5,632,853**	**$6,592,228**	**17.0%**

*FY 2011 figure includes Housing Master Plan and ARHA Strategic Plan.

Staffing Summary

Authorized Positions (FTE's) by Program	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change 2012-2013
Leadership & Management Support Services	5.3	5.3	5.3	0.0%
Home Ownership	4.2	4.2	0.8	-81.0%
Housing Rehabilitation	2.2	2.2	1.9	-13.6%
Landlord Tenant Relations	3.3	3.3	3.3	0.0%
Affordable Housing Development & Preservation	2.0	2.0	3.7	85.0%
Total full time equivalents (FTE's)	**17.0**	**17.0**	**15.0**	**-11.8%**

Housing Programs and Activities

Leadership & Mgmt Support Services
- Leadership & General Management
- Grant & Financial Management

Home Ownership
- Lending & Loan Management
- Counseling & Training
- Sales & Marketing

Housing Rehabilitation
- Financing & Loan/Grant Management
- Counseling & Training
- Sales & Marketing

Landlord Tenant Relations
- Landlord Tenant Mediation & Education
- Fair Housing Enforcement & Education

Affordable Housing Development & Preservation
- Securing & Fostering Affordable Unit Development
- Lending

Dept Info

Department Contact Info
703.746.4990
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Department Staff
Helen McIlvaine, Deputy Director
Melodie Seau, Division Chief, Landlord-Tenant Relations
Shane Cochran, Division Chief, Program Implementation
Eric Keeler, Division Chief, Program Administration
Vacant, Fiscal Officer

Leadership & Management Support Services Program

The goal of Leadership and Management Support Services is to administer departmental resources effectively, and to work effectively with members of the public and with state and regional bodies to heighten awareness of Alexandria's housing goals, in order to advance the realization of the City's affordable housing goals.

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
% of All Funds Budget	19.6%	17.0%	14.3%
Total Expenditures	1,310,967	$956,418	$943,117
CDBG, and Home New Revenue	176,400	334,678	167,143
CDBG, and Home Carryover Revenue	137,356	5,000	0
Affordable Housing Bonds and Dedicated Revenue Carryover	475,324	0	0
Net General Fund Expenditures	521,886	$616,740	$775,974
Program Outcomes			
% of activities achieving target service levels	90%	100%	100%

Activity Data

LEADERSHIP & GENERAL MANAGEMENT – The goal of Leadership and General Management is to ensure the efficient administration of departmental activities, provide support to City-appointed citizen bodies, provide input to regional or statewide housing bodies, and inform the public about housing issues and Office of Housing programs.	**FY 2011 Actual**	**FY 2012 Approved**	**FY 2013 Proposed**
Expenditures	896,260	$485,357	$588,854
FTE's	1.6	1.6	1.6
# of departmental FTEs supported	17.0	17.0	15.0
# of activities managed	10	10	10
# educational presentations made	22	20	20

GRANT AND FINANCIAL MANAGEMENT – The goal of the Grant and Financial Management Activity is to secure, monitor, and report on federal, state and local funds for housing and community development activities in order to provide adequate funding for housing programs.			
Expenditures	414,707.36	$471,061	$354,263
FTE's	3.8	3.8	3.8
$ amount of federal funds awarded	$2,280,989	$2,164,110	$980,032
# of federal applications and reports produced	14	12	10
% funding sources administered within budget	100%	100%	100%

Home Ownership Program

The goal of the Homeownership Program is to provide financing, training, and counseling in order to make home ownership possible for low and moderate income Alexandria residents and workers.

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
% of All Funds Budget	37.5%	35.3%	4.7%
Total Expenditures	$2,516,222	$1,987,602	$309,584
CDBG, NSP and Home New Revenue	397,427	885,475	0
CDBG, NSP and Home Carryover Revenue	458,238	0	0
CDBG, NSP and Home Program Income	876,408	55,000	61,000
Housing Trust Fund New Revenue	4,545	276,500	61,500
Housing Trust Fund Carryover Revenue	269,977	377,460	150,000
Other Non-Federal New Revenue	0	4,500	0
Net General Fund Expenditures	509,628	$388,667	$37,084
Program Outcomes			
% of lender-ready applicants receiving City loan assistance	51%	30%	30%

Activity Data

LENDING & LOAN MANAGEMENT – The goal of the Lending and Loan Management Activity is to provide home purchase loans to low and moderate income Alexandria workers and residents in order to improve their economic stability.	**FY 2011 Actual**	**FY 2012 Approved**	**FY 2013 Proposed**
Expenditures	2,294,394.20	$1,754,834	$283,911
FTE's	3.3	3.3	0.4
Total # of households receiving homeownership loans	35	41	8
Cost per household receiving homeownership loan	$65,554	$42,801	$35,489
% of loans closed within 60 days of receipt of loan package	100%	100%	100%

COUNSELING & TRAINING – The goal of the Counseling and Training Activity is to provide home buyer training and education opportunities to low and moderate income Alexandria workers and residents in order to improve their readiness for home ownership.			
Expenditures	$91,535	$116,022	$0
FTE's	0.4	0.4	0.0
# of participants served in home buyer training and education opportunities	156	200	0
Cost per participant served	$587	$580	$0
% of prescreened applicants completing home buyer training curriculum	44%	40%	0%

SALES AND MARKETING – The goal of the Sales and Marketing Activity is to place eligible buyers in committed long term affordable units in order for the community to remain economically diverse.			
Expenditures	$130,293	$116,746	$25,673
FTE's	0.5	0.5	0.4
# of sales units placed under contract (including resale)	8	2	8
Cost per unit under contract	$16,287	$58,373	$3,209
% of units under contract within 6 months of listing	88%	100%	100%

Housing Rehabilitation Program

The goal of the Housing Rehabilitation Program is to provide finance, consulting and project management in order to improve the quality of the City's existing housing stock and maintain accessible, decent, safe and sanitary housing for low income City residents.

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
% of All Funds Budget	9.3%	23.6%	17.4%
Total Expenditures	$620,598	$1,330,345	$1,147,785
CDBG and Home New Revenue	0	577,845	464,867
CDBG and Home Carryover Revenue	458,430	305,000	440,817
CDBG and Home Program Income	127,168	200,000	125,000
ARRA Carryover Revenue	0	208,000	0
Housing Trust Fund New Revenue	0	35,000	0
Housing Trust Fund Carryover Revenue	35,000	4,500	3,000
Net General Fund Expenditures	$0	$0	$114,101
Program Outcomes			
% of applicants with improved housing conditions	100%	100%	100%

Activity Data

FINANCING & LOAN/GRANT MANAGEMENT – The goal of Financing and Loan/Grant Management is to provide home rehabilitation loans to low income Alexandria home owners to improve the condition or accessibility of their housing. Accessibility improvements are available to Alexandria renters.	**FY 2011 Actual**	**FY 2012 Approved**	**FY 2013 Proposed**
Expenditures	$620,598	$1,330,345	$1,147,785
FTE's	2.3	2.3	1.9
Total # of rehabilitation loan or grants obligated	4	17	12
Total # of home rehabilitation loan subordinated	4	4	4
Cost per loan transaction	$77,575	$63,350	$71,737
% of non-lead based projects completed within 6 months of contract execution	67%	100%	90%
% of lead based projects completed within 9 months of contract execution	100%	90%	90%

Landlord Tenant Relations Program

The goal of Landlord Tenant Relations is to mediate disputes, provide counseling, referrals, and information regarding the rights and responsibilities of both landlords and tenants in order to foster positive relations and prevent evictions where appropriate.

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
% of All Funds Budget	5.6%	7.0%	6.6%
Total Expenditures	$376,874	$391,574	$437,014
CDBG and Home New Revenue	31,936	46,112	11,383
CDBG and Home Carryover Revenue	16,502	8,000	10,000
Net General Fund Expenditures	$328,436	$337,462	$415,631
Program Outcomes			
% of tenant issues successfully resolved	98%	95%	95%

Activity Data

LANDLORD TENANT MEDIATION & EDUCATION – The goal of Landlord Tenant Mediation and Education is to provide information and mediation to landlords and tenants based on legal rights and responsibilities, and to provide oversight of condominium conversions in order to enhance the understanding of landlord and tenant rights and responsibilities, resolve disputes satisfactorily, and ensure compliance with state and local laws regarding condominium conversion.	**FY 2011 Actual**	**FY 2012 Approved**	**FY 2013 Proposed**
Expenditures	$295,592	$303,716	$376,067
FTE's	2.6	2.6	2.6
# landlord tenant disputes mediated	1,176	1,000	1,000
# of clients served for information and referral	4,825	4,000	4,000
Program cost per 1,000 Alexandria rental units	$9,334	$9,591	$11,876

FAIR HOUSING ENFORCEMENT & EDUCATION – The goal of Fair Housing Enforcement and Education is to eliminate housing discrimination through testing, training of housing industry professionals and educating consumers regarding their fair housing rights.			
Expenditures	$81,282	$87,858	$60,947
FTE's	0.8	0.8	0.8
# testing reports completed	1	1	1
Cost per housing unit in the City	$518	$560	$388
% positive evaluation by participants of training	100%	100%	100%

Affordable Housing Development & Preservation Program

The goal of Affordable Housing Development and Preservation is produce and preserve a range of permanent affordable housing types for low and moderate income Alexandria workers and residents in order to promote a diverse and vibrant community.

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
% of All Funds Budget	28.0%	17.2%	57.0%
Total Expenditures	$1,878,334	$966,914	$3,754,728
CDBG and Home New Revenue	0	320,000	336,639
CDBG and Home Carryover Revenue	0	0	1,231,967
ARRA Carryover Revenue	330,503	0	0
Housing Trust Fund New Revenue	544,897	200,000	932,466
Housing Trust Fund Carryover Revenue	167,183	80,000	442,477
Affordable Housing Bonds and Dedicated Revenue Carryover	543,654	0	0
Other Non-Federal Carryover Revenue	0	58,078	0
Net General Fund Expenditures	$292,098	$308,836	$811,179
Program Outcomes			
% of all residential/mixed-use development activity resulting in committed affordable units	0%	33%	33%

Activity Data

SECURING & FOSTERING AFFORDABLE UNIT DEVELOPMENT – The goal of Securing and Fostering Affordable Unit Development is to work with private developers to facilitate commitments of funds for affordable housing and/or commitments of on-site affordable units in new developments, and to provide affordable housing developers technical assistance, project oversight, and construction supervision, as required, to ensure that all available financial resources are leveraged to maximize opportunities for quality affordable housing production.	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed
Expenditures	$261,398	$272,558	$318,391
FTE's	1.3	1.3	1.7
# of affordable units pledged by developers	0	10	10
# of units resulting from technical assistance provided by the City	119	30	30
Total # of affordable units (rental & sales) pledged or receiving city technical assistance	119	40	40
$ contributed to Housing Trust Fund by developers	$598,722	$400,000	$900,000
% of affordable units of total units developed	100%	100%	100%

LENDING – The goal of Lending is to provide City-secured funds to non profit development organizations and private developers to subsidize the costs of producing and/or preserving affordable rental or special needs housing.			
Expenditures (1)	$1,616,936	$694,357	$3,436,337
FTE's	0.7	0.7	2.0
# of projects financed (1&2)	2	1	2
# of units committed (1&2)	121	10	56
Average loan amount committed per unit financed	$13,363	$69,436	$61,363
% of loans approved or denied within 60 days of application	100%	100%	100%

(1) FY 2011 expenditures include AHDC acquisition of the three properties from another non-profit and grant funds for public housing replacement units acquistion. FY 2013 includes a potential project for which funds would have to be carried over from FY2012. Excludes additonal $1.6 million in bond capacity.

(2) Counted at City loan approval

FY 2013 Housing Program Sources and Uses

Program	Home Ownership			Housing Rehab.	Landlord Tenant		Affordable Housing Development & Preservation		Leadership & Mgmt Support Services		
Activity (Uses) / Funding (Sources)	Lending & Loan Management	Counseling & Training	Sales & Marketing	Financing & Loan/Grant Management	Landlord Tenant Mediation & Education	Fair Housing Enforcement & Education	Securing & Fostering Affordable Development	Lending	Leadership & General Management	Grant & Financial Management	**Totals**
CDBG											
New Grant	0	0	0	464,867	0	11,383	0	0	37,543	92,443	606,236
Program Income	25,000	0	0	125,000	0	0	0	0	0	0	150,000
Carryover	0	0	0	440,817	0	10,000	0	0	0		450,817
	25,000			1,030,684		21,383			37,543	92,443	**1,207,053**
	1 Loan			**9 HPRLP Loans 1 RAMP**		**1 Testing Round**					
HOME											
New Grant		0	0	0	0	0	0	336,639	0	37,157	373,796
Program Income	36,000	0	0	0	0	0	0	0	0	0	36,000
Carryover											0
Carryover HOME Match								1,231,967			1,231,967
	36,000							1,568,606	0	37,157	**1,641,763**
	1 Loan							**1 Project Financed**			
GENERAL FUND											
New	11,411		25,673	114,101	376,067	39,564	246,987	543,113	551,311	224,663	2,132,890
New HOME Match	0	0	0	0	0	0	0	21,079	0	0	21,079
	11,411		25,673	114,101	376,067	39,564	246,987	564,192	551,311	224,663	**2,153,969**
	Admin Support for Homeownership Program		**8 units placed under contract**		**1,000 disputes mediated & 4,000 clients served**		**10 Pledged Units Completed**				
Housing Trust Fund											
New	61,500	0	0	0	0	0	0	932,466	0	0	993,966
Carryover	150,000		0	3,000	0	0	71,404	200,000	0	0	424,404
HOME Match (Carryover)	0	0	0	0	0	0	0	71,073	0	0	71,073
Reserved for FY 2014 HOME Match	0	0	0	0	0	0	0	100,000	0	0	100,000
	211,500							1,303,539			**1,589,443**
	6 Loans			**2 Mini-RAMP Grants**				**1 Project Financed**			
ALL FUNDS	**283,911**	**0**	**25,673**	**1,147,785**	**376,067**	**60,947**	**318,391**	**3,436,337**	**588,854**	**354,263**	**6,592,228**

Miscellaneous Information

Proposed Housing Trust Fund (HTF) expenditures include a new allocation of up to $242,477 in estimated carryover Housing Trust Fund monies for the following ongoing programs:

- $71,404 for the Housing Opportunities Fund; and
- $173,073 for HOME Match for the Housing Opportunities Fund

In addition to the estimated Housing Trust Fund carryover monies, new projected Housing Trust Fund revenue received in FY 2013 will be used to supplement the following ongoing program:

- $900,000 for the Housing Opportunities Fund

The FY 2013 Housing Opportunities Fund (HOF) includes $291,000 for the Alexandria Housing Development Corporation (AHDC).

Expenditure Reductions

Activity	Reduction	FTE's	FY 2013 Proposed
Various	*Loss of Federal Funding*	**-2.00**	**($905,611)**

Due to federal funding reductions from the U.S. Department of Housing and Urban Development (HUD) the Office of Housing will be losing approximately 46.4% of their CDBG and HOME grants (after taking into account receipt of a lower FY 2012 grant amount than budgeted), of which 22.5% is attributed to federal budget reductions and 23.9% is formula adjustments from Census data. As a result of this reduction the Home Ownership Program will be reduced by two positions (one filled and one vacant). The Homeownership Assistance Program (HAP), Moderate Income Homeownership Program (MIHP) and Employee Homeownership Incentive Program (EHIP) will only operate based on loan repayments and minimal carryover from FY 2012 to assist very low income purchasers participating in the City Affordable Set-aside Sales Units Program, as well as resale set-aside units already in the City’s portfolio of long-term affordable sales units. The homebuyer training and counseling programs will be terminated.

Note: Although MIHP, EHIP and Homeownership Counseling are funded with Housing Trust Fund (HTF) monies rather than federal grants, their elimination is attributed to grant reductions. Specifically, HTF monies have been used to replace General Fund monies that were needed to replace formerly grant-funded personnel, rent and operating costs that are subject to grant administrative ceilings that declined along with the grants. In addition, the elimination of the two staff positions severely limits the capacity to process loans.

DRAFT BEAUREGARD CORRIDOR SMALL AREA PLAN
TIMING OF DELIVERY OF AFFORDABLE/WORKFORCE HOUSING
COMPARISON OF JANUARY 2012 PLAN AND MARCH 2012 PLAN

Year	Old Plan	New Plan	Net Additional Units	Cumulative Old Plan	Cumulative New Plan	Net Cumulative Additional Units
2014	**-**	**47**	**+47**	**-**	**47**	**+47**
2015	**-**	**46**	**+93**	**-**	**93**	**+93**
2016	**-**	**-**	**+93**	**-**	**93**	**+93**
2017	**-**	**-**	**+93**	**-**	**93**	**+93**
2018	**56**	**-**	**+37**	**56**	**93**	**+37**
2019	**-**	**58**	**+95**	**56**	**151**	**+95**
2020	**76**	**56**	**+75**	**132**	**207**	**+75**
2021	**53**	**62**	**+84**	**185**	**269**	**+84**
2022	**82**	**38**	**+40**	**267**	**307**	**+40**
2023	**50**	**60**	**+50**	**317**	**367**	**+50**
2024	**50**	**60**	**+60**	**367**	**427**	**+60**
2025	**50**	**60**	**+70**	**417**	**487**	**+70**
2026-30	**70**	**150**	**+150**	**487**	**637**	**+150**
2031-35	**148**	**100**	**+102**	**635**	**737**	**+102**
2035-40	**68**	**63**	**+97**	**703**	**800**	**+97**
Total Units	**703**	**800**	**+97**	**703**	**800**	**+97**

[1]Note projected timing of development has been shifted out one year as initial development timetable was earlier than is now projected.

City of Alexandria
3-23-12

REVISED PROPOSAL

BEAUREGARD SMALL AREA PLAN: AFFORDABLE AND WORK FORCE HOUSING

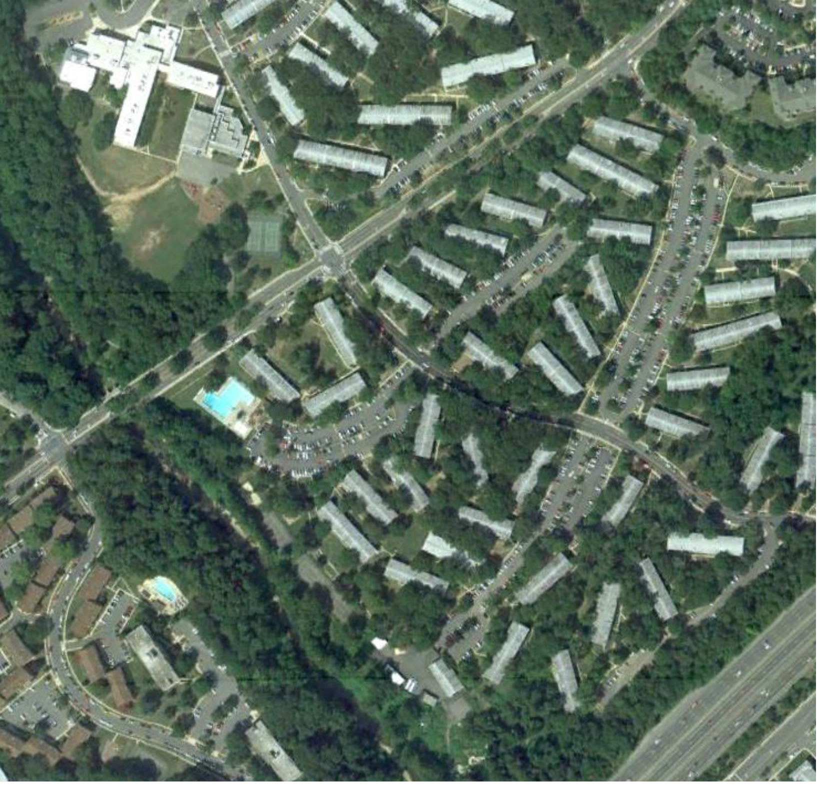
	INITIAL PLAN[2]	PROPOSED PLAN[2]
Developer's Cash Share[1]	$48.2 Million	$ 49.7 Million
Mortgage Value of Donation	-0-	$ 8.0 Million
City Tax Increment Share	$31.5 Million	$ 52.4 Million
City Housing Trust Fund	-0-	$ 4.0 Million
Total	$79.7 Million	$114.1 Million
Rent Buy Down - New	647	599
Rent Buy Down – Existing	-0-	101
Donated	56	100
Total Units	703	800
Units Available Before Demolition	No	Yes
First Units Available	2018/2020	2014
Income Ranges	55% to 80% AMI	40% to 75% AMI
Perpetuity	Buy Down Only to 30 Years	Buy Down to 30 Years, ability to negotiate 10-year extension
	No Nonprofit/ARHA Acquisitions Specified	Nonprofit/ARHA ability to negotiate acquisition of land and/or units
Tenant Survey	No	Yes

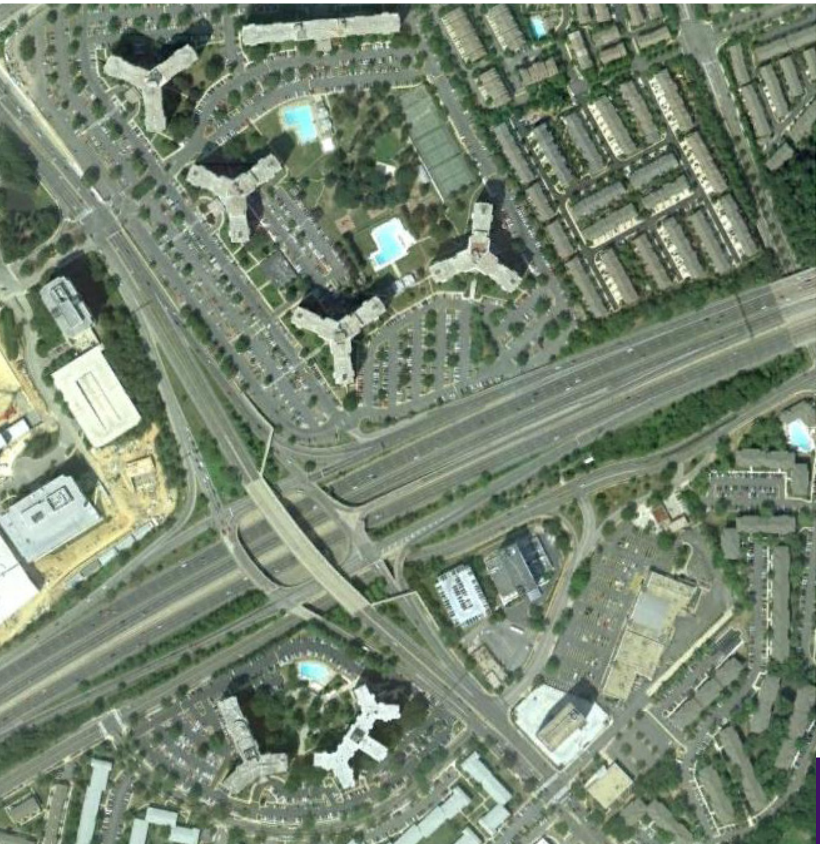
[1]Excludes Market Value of donated apartment units.
[2]Stated in 2011 dollars. Nominal costs and funding sources would be greater over time of implementation due to economic inflation.

3-22-12

Housing

5





Housing

The Plan envisions a series of neighborhoods designed to accommodate households at a range of incomes, ages, ~~and household~~ types and sizes. The Plan identifies $114.1 ~~$87~~ million (in 2011 dollars)in private and public resources to accomplish the creation of 800 ~~over approximately 700~~ replacement affordable and workforce housing units. This is $34 million more in private and public resources and includes 97 more units than in the first draft of this Plan. This goal number of units may grow as other sources of leverage are identified over time. Reflecting this diversity, Beauregard is intended to be a home for families with children, couples, singles, and seniors, with diverse incomes and backgrounds, from all walks of life.

A. Beauregard is an important source of Affordable Units.

The existing residential development in Beauregard contains approximately 5,500 residential units, with a mix of efficiencies, and one, two and three bedroom units. As of 2011 approximately 44% of the existing units were ~~are~~ market ~~rate~~ affordable units, which constitutes more than 25% of the City's total market affordable housing inventory. Many residents of Beauregard are families who depend on the relatively affordable housing.

~~The City defines housing as~~ Housing is generally considered affordable if the cost of the housing and its ~~related expenses (e.g.~~ utilities are ~~at~~ no more than 30% of a household's gross income. Many of the households in the Plan area likely spend 50% or more of their income on housing and housing-related costs.

~~In Alexandria,~~ The City defines the income group for affordable housing ~~consists of~~ as households making up to 60% ($63,660) of the area median income for rental units and up to 80% ($84,880) of the area median income (AMI) for sales units, adjusted for household size. Annual income guidelines

Table 5A: City of Alexandria, VA Area Median Income (AMI), 2011 60% AMI incomes and rents

2012 INCOME LIMITS					
PERCENTAGE OF AMI	ONE PERSON HOUSEHOLD	TWO PERSON HOUSEHOLD	THREE PERSON HOUSEHOLD	FOUR PERSON HOUSEHOLD	FIVE PERSON HOUSEHOLD
60%	$45,150	$51,600	$58,050	$64,500	$69,660

2012 MAXIMUM RENT LIMITS AT 60% AMI (including utility cost allowance)				
RENTCALCULATION FACTOR	EFFICIENCY	1 BEDROOM	2 BEDROOM	3 BEDROOM
30% of 60% of AMI	$1,129	$1,209	$1,452	$1,677

Source: City of Alexandria, Office of Housing

for the Washington, DC area median income are established by the U.S. Department of Housing and Urban Development (HUD).

Future rent increases for affordable rental units depend on HUD's determination regarding AMI growth. Table 5 shows maximum incomes and rents in ~~2011~~ 2012 for City households with incomes at or below 60% AMI. For each size household, this table shows the highest income possible to qualify which means that households with incomes below 60% AMI may qualify, but to do so may exceed the 30% rent to income ratio.

The Plan ~~area~~ does not currently contain any publicly-assisted affordable, non-profit owned, Resolution 830 or ARHA owned public housing units. ~~As a result, there is currently not a single dedicated affordable housing unit in the Plan area~~. In addition, none of the rental properties owned by the developers in the Plan area currently accept Section 8/Housing Choice vouchers that enable low and moderate income households to find housing in the private rental market by providing assistance to supplement what the household can pay. ~~up to the fair market rent.~~

Public Housing serves extremely low income households (typically 0-30% AMI) in the City. Public housing is owned and operated by the Alexandria Redevelopment and Housing Authority (ARHA). Residents pay 30% of their income for rent, and federal funds are paid to ARHA to help with costs of managing and maintaining public housing. There are approximately 823 public housing units in Alexandria.

Affordable rental housing serves households with incomes up to 60% AMI. Some units may be specifically designated to be affordable to households at lower income ranges. Owned or developed by both nonprofit and private developers, affordable housing may be funded with a variety of sources including low income housing tax credits and bonds which help attract private investment to subsidize project costs. Many affordable housing projects have covenants or regulatory agreements which specify the terms and conditions of affordability, including resident eligibility and qualification. The City monitors affordable housing when it is a lender or investor in the project, or when a develop provides as a set-aside, pursuant to a DSUP.

Workforce rental housing usually designates units that have rents that are affordable to households with incomes between 60-80% AMI. Because there are no state or federal subsidies to specifically fund the cost of constructing workforce housing, this type of housing must be subsidized or financed privately and/or by the local government. At The Station at Potomac Yard, 20 workforce units were developed using funds contributed by the developer to the City's Housing Trust Fund. Within the City's rental market, there are options for workforce housing in many existing developments.

Housing choice vouchers (formerly known as Section 8) are administered by ARHA. Vouchers provide a supplement help low and moderate income households find apartments within the general rental market. The program expands housing choices and helps create mixed income communities. The participating household pays 30% of its income toward rent, with the voucher making up the rest up to a fair market rent established by HUD. Households are re-certified each year. Vouchers may be used wherever a landlord agrees to accept them.

B. Current Affordable and Workforce Housing Units

Although Beauregard is one of the largest sources of market affordable and workforce housing in the City, none of the units are dedicated affordable units. Market affordable and workforce units have rents that are considered to be affordable because of the property's age, condition, location, and/or limited on-site amenities. Since the rents for these units are not regulated by agreements or restrictive covenants they may cease to be affordable due to increases in the market rents caused by market pressures. Over time an increased demand for housing coupled with the existing zoning will likely eliminate most all of the current market rate affordable units.

Another way that market affordable rental housing may be lost is by renovation and repositioning of an existing property. An example of this can be found just outside the Plan area at The Encore property. When this property, which was formerly known as Seminary Forest, was acquired in the mid-2000's it was rehabilitated and rents were increased, resulting in an economic dislocation of most residents. No relocation assistance was provided. During the decade rents rose nearly 90% at this rehabilitated property, more than twice the rent increases experienced across the street at a comparable market affordable garden apartment property.

Although market affordable housing is usually lost through rent increases that take the property out of the range considered affordable, in a desirable market like Alexandria, garden apartments are susceptible to redevelopment. Prior to the Beauregard Plan process, JBG filed a plan to redevelop the Lynbrook community by demolishing the largely affordable apartments there and replacing them with townhomes. Because the proposed density is permitted by the existing zoning, the developer could not be required to replace any of the market affordable rental units.

To ensure that some affordable and workforce level housing within the Plan area remains affordable over time the Plan is ~~recommending dedicated~~ recommends that 800 committed affordable and workforce units, ~~which would enable some of the units to be committed to be maintained as affordable housing potentially for as many as~~ with terms ranging from 30 years to perpetuity be provided throughout the Plan area, including both new and existing units. Residents of ~~dedicated~~ committed affordable and workforce units would ~~need~~ have to be qualified as "income eligible," and both the tenant income certifications and the lease agreements for these units would be monitored by the City's Office of Housing to ensure compliance based on specific conditions incorporated during the development review phase. Ideally, income eligibility would result in a household spending only 30% of its income on rent and utilities. If a Beauregard Plan Area tenant is already paying more than 30% of income towards rent and is a tenant in good standing, the tenant will not be disqualified from a committed affordable unit, but may need to spend more than 30% of income on rent and utilities.

C. Funding Challenges

It is estimated that the average cost to maintain a new affordable and workforce housing for a range of households between 40%-75% ~~55%-80%~~ AMI over thirty years, equates today to an average of ~~$123,000~~ $173,000/unit because of the loss of rent revenue compared to the rent revenue generated by an equivalent market rate unit. ~~The cost to maintain, over 30 years, an affordable or workforce unit varies with the cost today ranging from $251,000 for a 2-bedroom unit at 55% of AMI to $48,000 to maintain a 1-bedroom unit at 80% of AMI. The cost to purchase or subsidize an existing unit is generally less than to produce and maintain a new unit as affordable. However, when the renovations costs for the lifespan of the existing units is considered, the cost of an existing unit and a new rental are more comparable.~~ The average cost to buy down an existing unit for 30 years is less (estimated at

Table 5B: Affordable Housing Unit Cost by Income Group

AVERAGE COST OF A NEW AND EXISTING AFFORDABLE HOUSING UNIT in Beauregard Plan Area, 2012		
INCOME GROUP	NEW UNIT COST	EXISTING UNIT COST
40% AMI	$251,500	$119,000
50% AMI	$202,500	$70,000
55% AMI	$178,000	$45,500
60% AMI	$153,500	$21,000
75%AMI	$80,000	xx

$58,000 in 2011 dollars) and may vary depending on the unit's condition as renovated of not. Table 5B illustrates potential average costs to maintain affordability in new and existing units across a range of affordability levels.

D. Ensuring Economic Sustainability

The Plan's success in providing committed affordable and workforce housing could impact Alexandria's future economic sustainability. Without an adequate supply of affordable and workforce housing, the City's ability to compete for future job and economic growth is compromised. A recent George Mason University Center for Regional Analysis study underscores this need for an increased supply of affordable and workforce housing in the City and the Washington metro area. As a result, Alexandria may lose talented human capital and its associated consumer spending to other jurisdictions. City businesses such as car repair shops, retail establishments, restaurants, hotels, and many service sector employers need to have an adequate supply of affordable and workforce housing options for their workers in order for their business to thrive and serve the Alexandria community.

E. Affordable Housing Strategies

A goal of the Plan is to ensure that over time, at least 32% ~~28%~~ of the existing 2,475 units, ~~when replaced, become~~ to be demolished, are replaced with new and existing committed affordable and workforce units. The Plan's focus is to provide options for lower income households which have limited choices in the City's private rental market. The Plan recognizes that the cost to develop and maintain committed affordable units over time, while a high priority still, needs to be balanced with other Plan public benefits such as transit and a new fire station. The Plan proposes to achieve ~~a 28%~~ this 32% affordable and workforce target based on an identified public-private investment of over ~~$87~~ $114.1 million, in 2011 dollars . ~~will be needed to reach the goals of the Plan~~ This target will be met, and possibly improved, through several strategies including:

Old Town Commons

I. Phased ~~implementation~~ dedication of ~~the 28%~~ committed affordable and workforce ~~housing target using developer contributions, state and federal funds, as well as City funds~~ units beginning before demolition starts;

II. Tenant Relocation and Assistance Program;

III. Affordable units dispersed throughout the Plan area;

IV. Innovative building types and parking approaches, when feasible;

V. Incentivizing green technology, enhanced accessibility and proximity to transit;

VI. Encouraging enhanced regional coordination;

VII. Retention of some existing 100 units, through developer donation;

VIII. Use of Tools and Resources ~~Developed~~ to be recommended in the Forthcoming Housing Master Plan;

IX. Funding and third-party leverage; ~~Submission of a Comprehensive Affordable Housing Plan for Beauregard.~~

X. Collaboration with housing non-profits and the Alexandria Redevelopment and Housing Authority (ARHA);

XI. Exploring partnerships to achieve affordable senior housing units; and

XII. Continued outreach and consultation with stakeholders and advocacy groups.

I. Phased ~~Implementation of Affordable Housing~~ Dedication of Committed Long-Term Affordable and Workforce Rental Units

The Plan recommends that ~~28% (703 units)~~ 800 units (equals to 32% of the existing units ~~which are~~ to be demolished) ~~will be replaced with~~ be provided as committed affordable and workforce rental housing for households with incomes ranging from ~~55% to 80%~~ 40% to 75% AMI. To achieve this target will require that some of the developer contributions for Beauregard, as well as voluntary affordable housing contributions, be applied to finance the affordable housing plan. In addition, the City plans to dedicate $52.4

The Alexandria Redevelopment and Housing Authority (ARHA) is partnering again with private developer, EYA, to redevelop 194 obsolescent units of public housing at its James Bland properties into a mixed-income development known as Old Town Commons that will include market rate sales townhomes and condominiums, workforce sales condominiums and public housing rental units. Some of the existing public housing at James Bland, which covers five City blocks, will be relocated to other sites within the City; however, 134 will be redeveloped onsite. The cost to redevelop the public housing units (around $56 million) is being funded by private equity induced by federal low income housing tax credits, proceeds from the sale of ARHA-owned land to EYA and through a portion of the proceeds earned by ARHA from EYA's sales of market rate and workforce units. Old Town Commons is modeled on a prior collaboration between ARHA and EYA, which also accessed federal HOPE VI grant funds. Old Town Commons is phased over five years. Market rate townhomes in the first two phases of have sold quickly, and reservations for the first phase of condominiums was recently offered to the public.

As designed by EYA, the public housing rental units are integrated seamlessly into its market rate product through innovative design as shown in the accompanying illustration. Three public housing apartments are incorporated into a multistory structure which mimics the exterior of neighboring market rate sales townhomes. By locating the public housing, which requires no-minimal parking, within the corner units the design efficiently maximizes the floor space available by eliminating a garage.

million of the future real estate tax revenue that is realized due to an increase in the assessed values of properties as a result of redevelopment in the Plan area. The Plan ~~aims to continue the City's on-going efforts~~ also envisions an active role for the City to meet and/or increase affordable housing by leveraging available third-party funding through ~~City~~, state, federal and other public and private sources. ~~City sources would include a percentage of real estate taxes gained from the redevelopment of the Plan area~~.

With early money being made available by through a reduction of contingency funding for the Ellipse and the Transitway, as well as $4.0 million from the City's Housing Trust Fund account and other City housing sources, the City will be able to acquire 101 committed affordable units within existing apartment developments so that some dedicated, long term units will be available by the time the first phase of demolition occurs. The City and the developers have set a preliminary target of having committed units, available of at least 20% of the units which are proposed to be demolished in each phase, prior to the start of each phase of redevelopment.

The City and the developers, in consultation with Tenant and Workers United (TWU) plan to sponsor a survey of the households that will be impacted by redevelopment. Survey data regarding household income and demographics of current residents will help refine planning for housing needs and targets for the rezoning in the fall and subsequent DSUP processes.

The City also hopes to improve the housing target by extending the affordability period beyond thirty to forty years, when possible. The developers have agreed to negotiate in good faith with the City for this ten year extension. The City would need to pay for that extension at the time it occurred.

In order to create units that would be dedicated affordable housing units in perpetuity, JBG has agreed to donate 100 existing units to the City. The value of these units is estimated at least $14.3 million, with the mortgage value, including rehabilitation, projected at around $8 million. These would include two buildings (56 units) in HIllwood and two buildings (44 units) in Lynbrook. The City would designate the future owner-operators of these affordable housing units. The owner-operators could be either a housing non-profit or ARHA. While the household incomes to be served in these buildings would be determined at a later date, it is the intent of this Plan that a range of incomes would be served in these 100 donated units. Since the units would have net income generated, that value can be captured through small mortgages whose proceeds can then be used to help increase the number of Plan area dedicated affordable housing units to the desired 800 unit level.

In addition to the donated units, in order to increase the number of units that could be considered held in perpetuity for affordable housing, the developers have agreed, after the CDD adoption and before DSUP consideration, to negotiate, in good faith with the City and non-profit housing provider and ARHA to sell building pads or sites to be developed. The sales prices in such transactions are contemplated to be at market rates, and the City would be able to apply some of the $114.1 million in affordable housing funds contemplated in this Plan for acquisition and development of acquired sites. Funding from federal housing tax credits and the Virginia Housing Development Authority (VHDA) would also be potential sources of financing for such acquisitions.

~~Phase I – Tenant Assistance~~

~~Many of the necessary improvements such as the fire station and transit corridor are needed in the early stages (2012 to 2020) of the proposed redevelopment. As a result, the funding necessary for elements such as affordable and workforce housing does not become available until approximately after 2020 (See Implementation - Chapter 9).~~

II. Interim Tenant Relocation and Assistance Program

Even as committed affordable units are acquired, it is anticipated that there will be an ongoing demand, exceeding the capacity provided by these units, for additional relocation resources within the Plan area for residents impacted by redevelopment. Some tenants may be eligible for committed affordable and workforce units if/as available on a priority basis; others may have incomes above the threshold for qualification for these units.

The Plan proposes that the developers provide coordinated relocation and tenant assistance to impacted households as soon as DSUPs are filed. The tenant relocation and assistance program will include:

- Notice and regular, ongoing communication with residents beginning when a DSUP is filed, including information regarding the projected timing of demolition and relocation. This should provide around two years advance notice to tenants before demolition so that they can prepare. To ensure that residents understand the process and can participate in planning for their future, translation and language services will be provided, as needed.
- After the initial notice, affected residents will be surveyed regarding their household's composition and income to assess housing need and qualification for a committed unit. The survey will also collect information regarding other factors to determine whether the household should be considered on a priority basis for a committed affordable unit when available. These factors could include income, age (seniors), tenure, a disabled or special needs household member and children enrolled in elementary school in the Plan area.
- A relocation coordinator will provide assistance based on information provided in the survey. The coordinator will maintain a database of all available units and upcoming vacancies in the Plan area. The developers will cooperate in providing information about their properties. For residents who wish to relocate in the Plan area, the coordinator will offer available comparably priced units and will help with the leasing process. All resident households in good standing will be allowed to relocate without further credit or background checks. They will not be required to meet a minimum income standard to qualify for a comparably priced unit. The household shall be defined as consisting of every member listed on the lease.
- The relocation coordinator will also keep information regarding other affordable housing resources nearby and throughout the City, as well as information and referrals to other multifamily rental properties.

- The City's Office of Housing will provide information regarding housing resources. It will also work with the relocation coordinator to manage the process to prioritize households for relocation into a committed affordable or workforce housing unit and maintain a waiting list, as necessary.
- All households in good standing at the time of relocation shall receive financial assistance to help defray costs of the move. These payments shall be no less than as set out in the City's Voluntary Conversion Assistance Policy.

The tenant relocation and assistance program will be reviewed by the Landlord Tenant Board as part of the subsequent zoning(s) and development review process. That Board will seek comment from the Economic Opportunities Commission and the Social Services Advisory Board.

The Plan is recommending that the developers within the redevelopment sites and the City develop a Tenant Assistance Plan which would assist existing tenants in finding new rental units at the time their existing rental units are planned to redevelop.

Phase II – Tenant Assistance and New Units

Based on the projected development phasing, beginning in 2020, the developers will be responsible for providing monetary contributions to fund long term committed affordable and workforce units, which will total ~~$56.2~~ 62.5 million, as follows (in 2011 dollars):

- ~~$22,400,000~~ $23,900,000 - Developer public amenities fund for Beauregard (contribution allocated for housing); and
- $25,800,000 - Developer voluntary affordable housing contributions to City based on current contribution formula for proposed density.
- ~~$8,000,000 - Developer contribution of existing 56 units at Hillwood.~~
- $8,000,000 - Mortgage value of donation of existing 100 units at Hillwood (56) and Lynbrook (44).

To meet the ~~28%~~ 32% replacement goal the City, with cooperation from the developers, will work to leverage up to ~~$31~~ $52.4 million in ~~federal, state,~~ City and other~~/TBD~~ funding sources to supplement the developer contributions. In total, ~~$87.2~~ $114.1 million is estimated to be needed to develop and maintain ~~28%~~ 32% of the ~~new and redeveloped~~ units to be demolished as affordable to households with incomes at or below 40%, 50%, 55%, 60%, and 75%, ~~and 80%AMI~~ for ~~a thirty year period~~ a minimum of 30 years, and in some instances considerably longer.

III. Affordable and Workforce Units Dispersed throughout the Plan Area

The Plan ~~requires~~ envisions distribution of affordable and workforce housing throughout the Beauregard Plan area. As planned development occurs, in each DSUP developers will work with the City towards the goal of providing some committed units ~~affordable and workforce housing~~ in every residential phase including conditions to allow the City to "reach back" to buy additional new units in the future, as funding and opportunities may arise. Distribution of unit types would be defined as both distribution of individual affordable units within a market rate building, as well as buildings which would be comprised of either a range of affordable housing levels or a mix of market and affordable income levels. ~~For the units delivered prior to the start of the use of developer contributions to fund affordable and workforce housing, a plan to "reach back" to acquire~~

~~committed units within the early projects would be implemented.~~ With the proposed acquisition of existing units to expand the commitment target, distribution will extend to Southern Towers and Seminary Towers, potentially adding three bedroom units to the available mix. Unit types and sizes may be considered in determining the appropriate level of affordability to best meet the necessary housing needs. The new committed affordable and workforce housing units would be able to accept residents with housing choice/ Section 8 vouchers, providing expanded housing options.

IV. Innovative Building Types and Parking Approaches

Beauregard will offer a range of housing products and types. Creative design ~~can~~ may increase the pool, location, and amount of affordable and workforce housing ~~achieved~~ options available while integrating these units into the larger mixed-income community. Old Town Commons, offers ~~an~~ local example of ~~a~~ mixed-income development which combines market rate (sales) townhomes and affordable (rental) housing units ~~in~~ through a design in which all of the units appear to be townhomes from the street. The Plan recommends the use of innovative building types such as stacked townhouses, back to back townhouses, reduced width townhouses and accessory units to maximize the number of committed affordable and workforce rental units when/if feasible. ~~they can be incorporated into a buildings design.~~

Smaller and/or more efficiently designed units may help yield a larger number of ~~assisted~~ committed units, or to reach households with very low incomes and/or special housing needs. Allowing accessory dwelling units ~~within~~ in the Plan ~~could~~ may also increase affordable options. Lowering the parking requirements (and its associated cost) for affordable housing units is a potential way to ~~potentially~~ increase the ~~dedicated~~ committed housing that can be developed. Such reductions reflect a documented lower rate of auto ownership and usage (and higher rate of public transportation usage) ~~for affordable housing~~. Among residents of affordable housing, this strategy is also consistent with/supportive of the Plan's goal of fostering transit-oriented development.

~~IV. Tenant Assistance~~

~~The Plan recommends that the developers provide a plan to address issues impacting current residents of the properties to be redeveloped. This Plan, which will be reviewed by Housing's Landlord Tenant Relations Board, will include strategies and timelines for outreach and notice for tenants, including translation, as needed; commitments for technical and financial assistance to be provided for relocation; and provision of housing and other resources to facilitate relocation within the Plan area, particularly for income eligible tenant households, elderly residents, tenant households with special needs members, long term residents (5 years), and tenant households which include children attending schools in the Plan area.~~

V. Green Technology, Enhanced Accessibility and Proximity to Transit

Over the 20 - 30 year period of redevelopment, new construction offers ~~potential~~ opportunities ~~for~~ to incorporate green technologies to increase energy efficiency ~~to~~ and reduce monthly utility costs for residents ~~which will increase~~ enhancing affordability. In addition, new construction will also enable accessible and universally designed units to enhance affordable housing options for aging residents and/or persons with disabilities. Residents of affordable housing units ~~could~~ will also benefit from proximity to improved transit, jobs, amenities and

services. Expanding economic opportunity and lowering transportation costs will enhance financial self-sufficiency. An appropriate jobs-housing balance is important to Alexandria's future economic growth. Funding to incentivize green, accessible, and transit-oriented development are available through federal and private sources invested in sustainable smart growth.

VI. Enhanced Regional Coordination

The potential impact from the loss of market affordable and workforce housing in the Plan area is exacerbated by the anticipated loss of other affordable and workforce housing resources in the region, particularly in adjoining areas such as Columbia Pike and Bailey's Crossroads over the next several decades as redevelopment and revitalization occur. While each jurisdiction is developing plans and strategies to preserve and/or produce committed affordable and workforce housing, financial constraints ~~may~~ make regional collaboration and potential pooling of resources a mutually beneficial and pragmatic option for future consideration.

VII. Retaining Existing Units

Incorporating existing units as part of the pool of committed affordable housing not only enhances opportunities to meet/improve the target number (by lowering initial acquisition costs) but also increases options to secure a variety of units sizes and dispersion through the Plan area. The per unit cost of affordable and workforce units ~~may~~ will be ~~reduced~~ more financeable if some of the existing market affordable units in Beauregard, ~~or immediately adjacent to the Plan Area~~, are preserved as committed units, because the cost is ~~slightly~~ substantially lower than new units. This approach may be helpful in securing unit types or sizes that are not widely produced within redeveloped Beauregard, particularly to the extent that they are desirable for relocation of existing income-eligible households. Using this strategy, it may also be possible to more deeply subsidize some ~~component of~~ units down to a 40% AMI level ~~to ensure that existing very low and low income residents have affordable options~~. The cost to preserve existing units must include allowances for adequately rehabilitating and maintaining these units over time. Part of the preservation strategy may include accessing funding sources such as low income housing tax credits and/or bonds to attract investment of private equity, along with other public financing mechanisms.

~~JBG has offered and the City has conceptually agreed to, as part of this Plan,~~

Hillwood and Lynbrook Donation of Existing Units

JBG has offered to transfer ownership of ~~two~~ four existing multi-family buildings in the Hillwood and Lynbrook communities to the City around 2020 (Hillwood) and 2028 (Lynbrook). Pending their transfer, the City would buy down some units in Lynbrook to be part of the Plan's committed affordable stock at a price calculated to recognize this interim arrangement. ~~and/or to its designated nonprofit development partner for preservation as affordable housing sometime in about 2018. The timing of the transfer depends on current financing restrictions.~~ It is likely that the City will designate the Alexandria Housing Development Corporation (AHDC), a non-profit entity, and/or ARHA to own and operate these properties, totaling 100 units as affordable mixed-income housing in perpetuity.

~~These 56 units, which will~~ The mortgage value of the Hillwood and Lynbrook properties adds an additional $8 million of value to the overall public benefit being contributed by the developers. The future ~~non profit~~ owner will leverage resources from available federal and state sources, including tax credits, to renovate the buildings, if/as necessary, and to enhance livability and energy efficiency.

Through coordination and cooperation between the City and the developers, it is anticipated that this type of public-private and non-profit collaboration may be replicated elsewhere in the Plan to incent and maximize affordable housing preservation of other apartment properties.

The Plan anticipates the acquisition of existing units, as well, as part of the City's strategy to meet or exceed the target number. The developers have agreed to offer up to 10% of the units in the apartment buildings that are not proposed for redevelopment to be bought down as committed affordable units. Currently these include Southern Towers, Berkeley Building (46 units) and Seminary Towers (55 units). Since JBG's donation of Lynbrook is not planned for 10-15 years or more, the City will likely buy down affordability in the 44 units in that development pending transfer of ownership. The revised Plan now has a target of preserving more than 200 existing units as affordable, when Lynbrook and Hillwood are added.

VIII. Tools and Resources ~~Developed~~ ~~to be Recommended~~ in the Forthcoming Housing Master Plan

Other tools and resources now being developed in the Housing Master Plan, may also help to increase the target number of ~~dedicated~~ committed affordable housing units in the future. Potential tools for Beauregard could include a bridge or construction loan facility offered through a regional loan consortium, City loan guaranties, accessory dwellings and reduction of parking requirements for affordable housing units and incentives for universal design and supportive housing. When efficiencies enabled by the City result in savings for developers, these could be quantified and applied to increase the overall pool of resources for affordable and workforce housing. If additional development, beyond what is proposed in the Plan be approved in the future as "bonus density" subject to traffic and other studies to demonstrate sufficient capacity of infrastructure in place. It would be subject to the provision of affordable housing in conformance with the City's bonus density policy in effect at the time of approval.

IX. Funding and Third-Party Leverage ~~City Plays an Active Role - Facilitating Partnerships and Providing Technical Assistance~~

More than $114 million in public amenities fund, developer voluntary contributions for affordable housing, City real estate tax increment revenue and in-kind donations of land and buildings has been proposed to create and fund a stock of 800 long-term committed affordable and workforce housing units in the Plan area.

As presented, these funds are unleveraged. It is anticipated that this unprecedented investment will be leveraged with other third party sources to improve the Plan's target, extend the term of affordability, provide deeper subsidies and to renovate existing buildings that are preserved, acquire other sites and/or units, if feasible, and meet other City affordable housing goals.

Table 5C: Affordable and Workforce Housing Funding Sources

AFFORDABLE AND WORKFORCE HOUSING FUNDING SOURCES for Beauregard Plan Area	
FUNDING SOURCE	AMOUNT ($ IN MILLIONS)
Developer's Cash Share	$49.7
Mortgage Value of Donation	$8.0
City Tax Increment Share	$52.4
City Housing Monies	$4.0
Total	$114.1

Among the sources that may be leveraged are federal grant funds specified for sustainable communities and green or transit oriented development, private foundation grants and funds (e.g., Enterprise, MacArthur), bridge funds for preservation (Virginia Community Capital), and other federal and state funding sources (VHDA, FHA, housing tax credits and bonds) as well as private equity investment.

To achieve the greatest number of units, the City will be a partner and investor ~~in the~~ throughout the redevelopment process. Not only will there need to be continued communication, collaboration and coordination with developers, the City will also take an active role in potentially facilitating public private partnerships and/or joint ventures, including with non-profits and private developers ~~in order~~ as a means to maximize access to public and private resources~~, such as federal low income housing tax credits and foundation grants. ARHA and AHDC~~ AHDC and/or ARHA are are likely partners.

The City, can also provide information and technical assistance. The City can identify and secure a wide range of public and private resources to fund affordable and workforce housing. These may include organizing a loan consortium, securing loan and development guarantees, accessing soft funding sources such as Federal Home Loan Bank grants for affordable housing production, providing local support to enable federal low income housing tax credits, funding bridge, pre-development or construction loans through the City's Housing Opportunities Fund and accessing foundations funds from Enterprise, MacArthur, Calvert and other affordable housing funders to underwrite affordable housing production or preservation costs ~~(e.g., Enterprise green multifamily loans to enhance sustainable affordable housing~~. To fully implement the Plan, funding for additional Housing staff will be necessary.

X. Collaboration with Housing Non-profits and ARHA

The Plan area may provide an important resource for some public housing replacement units, if/as deemed needed, when future ARHA redevelopment occurs. ARHA's draft Strategic Plan, anticipated to be released in spring 2012, provides a road map for the Authority's redevelopment plan and timeline for its Braddock Metro rail station area properties.

~~Tools and incentives to preserve existing rental units as dedicated affordable and workforce housing will need to be explored in collaboration with owners. In addition, the dedicated affordable housing built or preserved within the Plan area could potentially be supplemented by preserving dedicated affordable~~

The Station at Potomac Yard

The Station at Potomac Yard, an innovative mixed use development combining a state-of-the-art City fire station, retail space and 64 affordable and workforce rental units, was completed in 2009. An underground parking structure, with 142 spaces, serves all building users, and provides some potential commercial leasing revenue. A private developer provided the one acre site for the project, as well as a significant monetary contribution toward the design and construction costs of the fire station and housing elements. To finance, develop and construct the project, the City of Alexandria formed an limited liability corporation with a local nonprofit housing organization, the Alexandria Housing Development Corporation (AHDC). The completed building operates as a condominium, with the City owning the fire station and its associated parking and AHDC owning the residential facility and the retail space and their associated parking. The City and AHDC own the structure's common areas, including a community room.

The Station's public, private and nonprofit collaboration allowed the partners to access a wide range of financing tools and resources to fund the $34 million project. In addition to the developer's donation of land and $14.1 million, other sources for the project included federal low income housing tax credits ($8.6M), a construction to permanent loan from the Virginia Housing Development Authority (VHDA) ($8.3M), a loan from the nonprofit (its deferred developer fee of $900,000), and City grants and loans totaling approximately $2.9M.

This award-winning model of municipal, mixed use development has received national and international recognition. It is currently being replicated by jurisdictions in the U.S. and abroad.

~~housing nearby at Southern Towers and Willow Run or other comparable locations. A VHDA planning grant will allow the City to engage a consultant to assist in developing financing strategies to amplify affordable housing development and preservation efforts. Any preservation at those sites would need the agreement from the property owners.~~

~~XI. Submission of an Affordable and Workforce Housing Plan~~

~~The Plan recommends an affordable and workforce housing plan with the City and the developers to address the strategies, timing, financing and implementation of both interim and long term committed affordable housing in Beauregard. The plan will also address resources to be provided to facilitate relocation of existing residents and to enable income eligible households to remain within the Plan area as redevelopment occurs.~~

XI. Exploring Partnerships to Achieve Affordable Senior Housing Units

The City will explore potential partnerships to achieve affordable senior housing units, including the possibility of affordable assisted living, with The Hermitage and with Goodwin House, two senior housing communities located in the Plan area. This initiative is consistent with recommendations in both the Strategic Plan for Aging and the draft Housing Master Plan. The City will explore the feasibility of developing senior or other supportive housing above the proposed fire station.

XII. Continued Outreach and Consultation with Housing Groups

In addition to multiple community meetings, the City has been active in reaching out to residents, neighbors, stakeholders, housing advocates (like Tenant and Workers United), neighbors, AHDC and regional non-profits with projects in the City, ARHA and the Affordable Housing Advisory Committee (AHAC) to provide information and to solicit feedback to improve and enhance the Plan. In February, AHAC sponsored a Town Hall meeting in the Plan area so that residents impacted by redevelopment and other stakeholders could provide comments. There has also been preliminary outreach to potential funders, such as VHDA and Enterprise, and to local and community lenders, to assess what financing products and resources might be made available to leverage the considerable investment already pledged to increase the target number of committed affordable and workforce units. This consultation will continue through each phase of redevelopment as the Plan is implemented.

HOUSING RECOMMENDATIONS

5.1 A minimum of ~~twenty-eight percent (28%)~~ thirty-two percent (32%) of the existing units ~~(703)~~ (2,475) which are demolished will be replaced with 800 committed affordable and workforce rental housing, including a mix of units to serve households with incomes at or below 40%, 50%, 55%, 60%, and 75% ,~~and 80%~~AMI. Committed affordable and workforce units will also be available to otherwise qualified participants in the Housing Choice Voucher/Section 8 rental assistance program.

Phase I - Tenant Assistance/Reach Back

An umbrella tenant assistance plan should be agreed upon between the City and the developers concurrently with the rezoning(s) contemplated by the Plan. Then, as DSUPs are proposed, developers will provide a specific tenant relocation plan to the City for its review and approval, and shall comply with the City's Voluntary Conversion Assistance ~~program~~ Policy. As part of the Plan for affordable housing, the developer(s) will provide tenant assistance through a developer-sponsored relocation coordinator. Tenants will be surveyed and, depending on their qualification and income, will receive financial assistance and direction to comparably priced housing resources.

An agreement will also be developed between the City and the developers in the Plan area regarding the future process through which the City may reach back to acquire and preserve units constructed in the early years of development ~~recent, but not new, units~~ as "committed."

Phase II – Tenant Assistance and New Units

As part of the provision of committed affordable and workforce housing the developer(s) will be responsible for providing a monetary contribution based on square footage for each new building as part of the redevelopment. The Implementation Chapter of the Plan will detail the amount and structure of these contributions. During each DSUP process where residential units are included, affordable and workforce housing plans for each of the residential units in that DSUP shall be addressed.

5.2 Affordable home ownership will not be subsidized through the Beauregard public amenities fund and/or through Beauregard developer voluntary affordable housing contributions. These sources will be dedicated to produce and/or preserve affordable and workforce rental housing since that is the type that is being redeveloped in Beauregard and can be most effectively maintained as affordable over the long term. Within the Plan area, home ownership assistance may be provided to qualified buyers within ~~existing~~ whatever City ~~programs and~~ resources ~~established~~ may exist for this purpose.

5.3 All affordable and workforce housing should be distributed throughout the Plan area to the degree feasible. ~~Preserving or securing affordable and workforce housing units in areas immediately outside the Plan area could be considered as an alternative strategy to exceed the target number established, to achieve even more deeply subsidized units (i.e., reach lower ranges of affordability than 55% or 60% AMI), and/or as a means to obtain particular unit types or sizes not available within the Plan Area when redeveloped.~~ This would include units within market-rate buildings as well as individual buildings which had a mix of affordable housing incomes or had that mix of incomes including market-rate housing units.

5.4 As part of the redevelopment process, explore the provision of innovative building types such as stacked units, back-to-back townhouses and accessory dwelling units. ~~Also, retention of existing units should be explored.~~

5.5 Explore parking that will incentivize affordable and workforce housing while also being consistent with the intent of the Plan.

5.6 Utilize the green technologies and systems to provide energy efficient units to minimize utility bills. If preservation opportunities arise, the City will review plans for rehabilitation to ensure they are adequate to extend the function, efficiency and livability of the building throughout the proposed affordability period.

5.7 In new construction, integrate universal design and/or accessibility features to accommodate multiple life stages and abilities, in compliance with applicable ADA requirements.

5.8 Explore opportunities for public, private and non-profit collaborations to maximize the use of land and to leverage all available resources for the development and preservation of affordable and workforce housing. As an active participant in the redevelopment process, the City will facilitate public, private and non-profit partnerships as well as potential joint ventures in order to help access a range of funding and financing sources.

5.9 Create perpetual affordable housing units through an option to extend thirty year affordable housing units by ten years, as well as create opportunities for non-profit and/or ARHA site or building acquisition during the plan implementation process.

IMPLEMENTATION

9

Implementation

A. Overview

The Plan is a 30 year vision for Beauregard, which will enable the City to coordinate the existing and planned growth. While new development will generate a variety of local public revenues (property taxes, sales taxes, real estate transfer taxes, etc.), additional investments in dedicated affordable and workforce housing, transit, a fire station and open space —beyond what can be provided through these local General Fund revenue sources—are required to implement the vision of the Plan. Developer contributions are necessary to fund on-site and off-site improvements not normally required as part of a development review process. The developer contributions (Table 7) will be required as part of any rezoning(s) for the designated redevelopment sites (Figure 8).

B. Zoning

The City's Zoning Ordinance is the primary regulatory tool, and is used to direct the size, character, use, and location of development throughout the City. As part of a future rezoning(s), the Plan recommends new Coordinated Development District zoning for the designated redevelopment sites. The proposed increase in allowable development from approximately 10,000,000 sq. ft. to approximately 12,400,000 sq. ft. The increase in the maximum amount of development generates value for the landowners. The Plan recommends that a significant portion of the added value be required as developer cash and in-kind contributions of real estate to implement the Plan.

C. Funding Public Benefits

As described in the previous chapters of this Plan, there are many needed public benefits necessary to increase the livability for those residing and/or working in the Plan area, in the adjacent neighborhoods, as well as those in the Alexandria community at large. Beyond the on-site developer provided amenities and public infrastructure (streets, sidewalks, utilities, parks and plazas, etc.), the desired public benefits described in this Plan document that go above and beyond what is customary for a developer to be required to provide and pay for include:

- New Fire and EMS station at North Beauregard and Sanger;
- Ellipse to replace the Seminary and North Beauregard intersection;
- High Capacity Rapid Transitway on North Beauregard;
- Enhanced landscaping on North Beauregard;
- Various street, bike and pedestrian improvements;
- New athletic field at Ramsay with artificial turf and lights;
- Other parks and recreation improvements in or near the Plan area; and
- Replacement Affordable and Workforce Housing
- Enhanced Tree Canopy

The cost of the above public benefits has been calculated at a planning level basis and more detailed cost estimates based on engineered plans will come at a later date. These costs include substantial contingency funds in order to provide protection for the City until the actual costs become known. If these contingencies are not needed they will be able to be reallocated first to other public benefit infrastructure and facility elements, and if not needed in those categories would be able to be allocated to producing more affordable and workforce housing units than the 800 units that the Plan contemplates. The Plan requires, and the developers have agreed, to pay for the public amenities in the Table 7 that totals $~~147.5~~ $153.8 million in value in 2011 dollars. This includes $121.5 million in cash contributions and $~~26.0~~ $32.3 million in land and apartment building contributions. An annual adjustment for inflation (CPI-U) will be added so that the real buying power of these contributions does not diminish during the life of the Plan. Using a 3% estimated annual inflation change this would nominally increase the $121.5 million in developer cash contributions (in 2011 dollars) increases to $~~187.1~~ $192.9 million by the year 2041 ~~2040~~.

Table 7: Developer Contributions

PUBLIC BENEFITS	DEVELOPER CONTRIBUTIONS
A. Transportation Improvements	
1. Ellipse [4]	$ 27,310,704
2. Transitway for BRT	$ 22,500,000
3. Other Transportation Improvements	$ 501,600
Transportation Subtotal	**$ 50,312,304**
B. Fire Station Facility #211	$ 9,256,025
C. Enhanced Landscaping and Streetscape for North Beauregard Street	$ 3,000,000
D. Enhanced Tree Canopy	$1,000,000
E. Athletic Field/ Recreation Enhancements	$ 8,150,500
F. Affordable and Workforce Housing	
1. Public Amenity Contribution	$ 23,926,504
2. Voluntary Formula Contribution Housing	$ 25,817,136
3. 56 Hillwood Units	$ 8,000,000 [3]
4. 44 Lynbrook Units	$ 6,300,000
Housing Subtotal	**$ 64,043,640**
G. Right-of-way Dedication for Transportation and Fire Station Land	$ 18,046,718 [3]
Total	**$ 153,809,187** [1,2]

Notes:

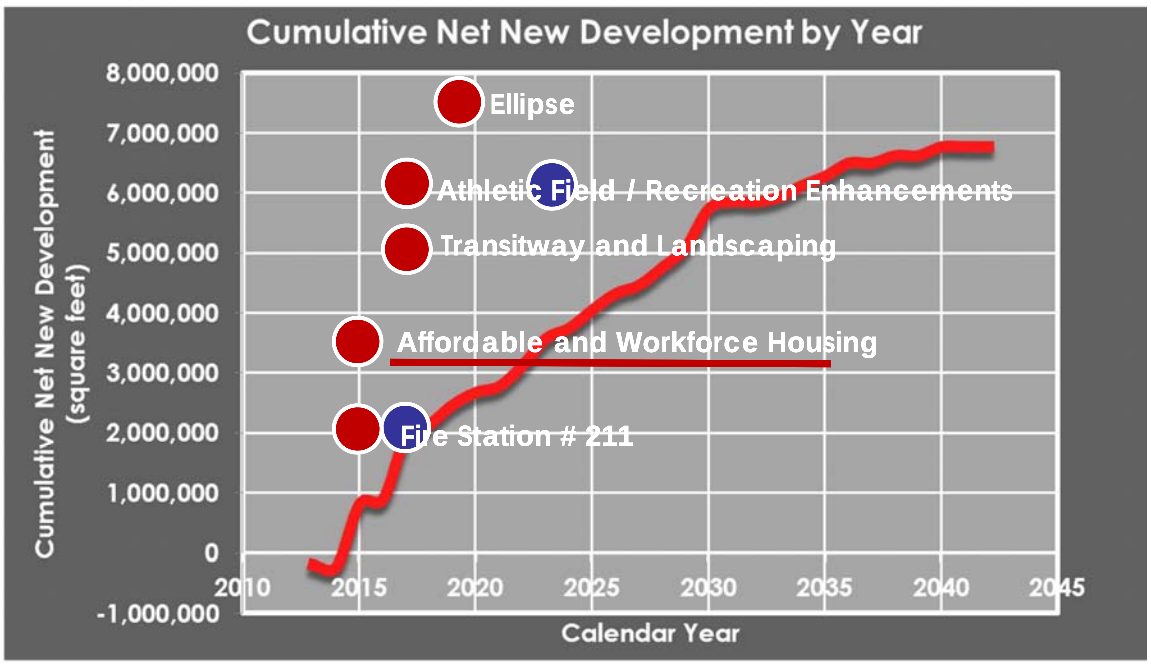
1. All costs in 2011 Dollars
2. Excludes develop-paid sanitary sewer tap and building permit fees as well as with development site public infrastructure
3. Represents in-kind non-cash contribution
4. Includes a contingency of $9 million dollars; Design base features for Ellipse included so as to provides standard construction elements.

Because of the large complex, urban infill redevelopment efforts contemplated in the Plan, and due to real estate demand driven market absorption rates which will set practical limits as to how much new development can occur each year, this Plan will likely take about 30 years to fully implement as depicted in the Figure 55. Real estate development cycles and market demand will determine the actual rate of build out.

The three-decade build out schedule will mean that the timing of the implementation of the infrastructure will have to occur over time as each phase of the new development comes on line. This is because each phase of development will need to have a total cost to the developer that is in line with the resultant value (i.e., future income stream) that each phase of development creates. The fact that there are multiple property owners with different ownership structures, timelines and financial resources also adds a complicating factor. As a result, as has been the case with other small area plans in the City, the payment for public benefits will occur when each building of a project is completed and its certificate of occupancy is issued. For this Plan, this will mean that the developer contribution to the public benefits will occur over about a 30-year period. The consequences are that the public benefits listed on the prior page, if reliant on solely on developer contributions, also would need to be released and then scheduled and implemented over about a 30-year period.

Because this near 30-year developer payment schedule for the public benefits would significantly delay when the ~~public~~ community could begin to gain the benefits of this Plan, it is proposed that a portion of the incremental real estate tax revenues generated by the real estate value growth in this Plan area be earmarked and set aside by the City to advance fund (using new Plan area real estate tax revenues derived from new Plan area construction) and front load the desired public benefits so that the public benefits can be implemented earlier than would otherwise be the case. For this value capture tax increment financing earmarking, the City would then be reimbursed when future development occurs for ~~its providing~~ having provided up front the incremental real estate tax

Figure 55: 30-year Implementation Projection



revenues ~~for the~~ through receipt of ~~the~~ developer contributions ~~that would be made~~ in the following 16 years of the projected development build out schedule. This would be a pay-as-you-go financing plan that would not require the use of any current City General Fund revenues ~~monies~~, nor would it require the City to issue any debt. It does assume, however, that the development build out would occur. The City would apply some $4.0 million in Housing Trust Funds and other housing monies to this Plan in its early years to facilitate buy down of some committed units prior to demolition.

It is estimated that the Plan and the resultant development schedule will generate from the developers some $121.5 million in 2011 dollars in cash, which due to inflation would equal to $192.9 ~~$187.1~~ million dollars in developer contributions over the next 30 years, as well as, significant new added real estate tax revenues from the first delivery of new development product in ~~2015~~ 2016. In addition, after ~~2022~~ 2025, most new development real estate tax revenues generated by this Plan (estimated at $16.9 ~~$16.2~~ million in 2026 ~~2025~~ dollars, rising to $46.0 ~~$47.6~~ annually in 2040 dollars) will be able to flow to the City's General Fund, as will some of the $112.6 ~~$93.8~~ million in remaining developer contributions projected to be paid in the 2026 to 2041 ~~2027 to 2040~~ time period. Most of the developers contributions during this time period will be expended on affordable and workforce housing.

Given the fact that the payment of developer contributions would be made over about a 30-year period and given the implementation of the public benefits would normally occur over a 12 year period, it is necessary to adjust for inflation in both what the developers would pay and for likely inflationary cost increases in the public benefit projects. As a result, the developer's contribution of $121.5 million in pay-as-you-develop cash (which amounts to $12.55 per square foot in 2011 dollars) would be adjusted annually by the change in the Consumer Price Index (CPI-U). Using an estimated 3% inflationary adjustment this $12.55 per square foot contribution rate would increase to $14.54 ~~$14.12~~ per square foot by the time it ~~was~~ is paid in 2016 ~~2015~~, $19.55 by 2026 and $29.56 by 2040. The actual amounts will be determined by the actual rate of annual CPI-U change. It is also necessary to add an inflationary adjustment to the public benefits cost side as well, which at a projected 3% annual CPI-U rate adjustment, increases (excluding donated land and the 100 apartment units) from $185.1 ~~$121.5~~ million to $258 ~~$219.7~~ million ($91 ~~$89.5~~ million in infrastructure and public facilities and $167 ~~$130.2~~ million for affordable and workforce housing).

Because of the need to schedule the public benefits over a multi-decade year period, it is necessary to prioritize the public benefits. The proposed prioritization is displayed in Table 8. This is not a simple task as all the public benefits are important. It is proposed to make the public safety benefits (fire station) the first priority, as the need for the fire station now exists, and then the second priority would be transportation public benefits (Ellipse, Rapid Transitway, etc.) as the community has continually expressed transportation as a very high priority. In addition, the Ellipse needs to be put in place by the time net new construction reaches about 2.4 million square feet ~~that would be in about~~ around 2020. ~~Affordable and workforce housing replacement and~~ Parks, tree canopy enhancements, and recreation amenities then follow. ~~The exception would be the~~ Two Hillwood apartment buildings containing a total of 56 units are proposed to be ~~that JBG is proposing to~~ donated by JBG in about 2020 ~~2018~~. Two Lynbrook apartment buildings containing 44 units are proposed by JBG for donation in about 2028.

Scheduling the affordable and workforce housing replacement housing to start in 2014 ~~2020~~ is enabled in part because the projected demolition schedule of the existing rental housing is drawn out over 30 years and therefore there will only be a 18% ~~15%~~ reduction in the existing 5,500 unit rental housing in the Plan area in the first ten years of redevelopment. ~~by 2020~~. The demolition plan leaves 82% ~~85%~~ of existing rental housing (which equates to 4,473 ~~4,200~~ units) in place by 2020 and therefore it lessens to some degree the immediate criticality of new, replacement affordable and workforce housing in the short term. Starting in the year 2020, funding of the replacement affordable and workforce housing begins and then continues annually until all of the 800 ~~703~~ affordable and workforce housing units are in place by 2040. ~~In order to have these affordable and workforce housing units be able to located throughout the Plan area. In 2020 through 2025, the affordable and workforce housing developer and City tax increment dollars are proposed to be used to reach back to make 10% of the 2,800 new housing units constructed and completed in the 2010 to 2025 time period available to income eligible affordable and workforce households. This in addition to the 56 units in the current Hillwood complex that would be donated for affordable housing purposes in about 2018. This will also help to create mixed income neighborhoods throughout the Plan area.~~

The funding proposal for the implementation of this Plan proposes the dedication of a portion of new real estate tax revenues generated in the Plan area. For the first twelve ~~eleven~~ years of the Plan nearly all of these new real estate tax revenues, or just over $81 ~~$60~~ million, generated in the Plan area during that time period will be needed to provide the cash flow to implement the public benefits projects and to initiate the affordable and workforce housing program. In particular in order to implement public benefits such as the fire station, the rapid transitway and the ellipse in the near term, and then be able to start implementing the affordable and workforce housing program in 2014 ~~2020 (including the reach back provision)~~, it is necessary to infuse into this Plan these incremental real estate tax revenues. About one third ~~half~~ of that $81 ~~$60~~ million in City tax increment revenues will be reimbursed by developer contributions over the last two decades of the Plan as the developers complete the new development contemplated by the Plan. The balance of these City tax funds not reimbursed represents the City's contribution to the 800 ~~703~~-unit affordable and workforce housing replacement program. In about 2023 ~~2022~~, the City's General Fund will start to receive net new Plan real estate tax revenues to utilize for general City tax rate and budget setting purposes. This amount starts at $1.0 ~~$2.2~~ million in 2023 ~~2026~~ and continues to increase annually after that until it exceeds $24 ~~$30~~ million in 2030 and then grows to over $51 ~~$50~~ million annually by 2042 ~~2040~~.

The proposed schedule and funding plan for the public benefits that the Plan contemplates is detailed on the following chart:

Table 8: Beauregard Plan Public Benefit Funding ($ in Millions)

PUBLIC BENEFITS	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2030	2031 to 2035	2036 to 2040	GRAND TOTAL
Fire Station			1.1	5.0	5.1											11.2
Ellipse					3.4	15.6	16.0									35.0
Rapid Transitway			2.6	12.1	12.5											27.2
Landscaping Beauregard				1.8	1.8											3.6
Tree Canopy			0.2					0.3					0.3	0.4	0.4	1.6
Other Roads				0.2	0.2	0.1	0.1									0.6
Ramsay Field/ Other								0.6	2.9	3.6	0.9					8.0
Other Parks										0.4	1.7	1.7				3.8
A/W Housing	2.0	2.0				5.1	in-kind	14.4	9.0	15.8	15.3	15.7	in-kind 30.3	33.2	24.2	167.0
Total	2.0	2.0	3.9	19.1	23.0	20.8	16.1	15.3	11.9	19.8	17.9	17.4	30.6	33.6	24.6	258.0
FUNDING SOURCES:																
Developer Contributions			19.1	1.1	19.5	3.1	6.6	7.7	1.7	8.8		4.6	37.5	38.5	36.6	192.9
RE Tax Revenues			2.8	3.1	6.3	7.1	8.3	9.5	10.2	11.0		12.8	(10.9)	(4.9)	(12.0)	53.1
City Housing Trust Fund/Other	2.0	2.0					4.0						4.0			12.0
Total	2.0	2.0	21.9	4.2	25.8	10.2	18.9	17.2	11.9	19.8		17.4	30.6	33.6	24.6	258.0

Table 9: Beauregard Plan Affordable and Workforce Housing

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 to 2030	2031 to 2035	2036 to 2040	GRAND TOTAL
Set-aside Affordable and Workforce Housing Units	47	46				58	56	62	38	60	60	60	150	100	63	800
Cumulative Set-aside Affordable and Workforce Housing Units	47	93	93	93	93	151	207	269	307	367	427	487	637	737	800	

In addition to the developer contributions, each redevelopment site will be subject to elements and recommendations as part of the development review process, which generally include elements such as the following:

- Street and related improvements such as sidewalks, street right-of-way- necessary to serve the needs of the site;
- Applicable utilities such as sanitary and storm sewers, utilities such as water, electric, natural gas, and telecommunications;
- Public art under any Voluntary Art Contribution policy that is adopted by the City in the future;
- High quality architecture and high quality streetscape;
- Underground parking; and
- Design and programming of parks and public spaces

Finally, agreements between the City and each of the five developers will be needed to affirm and to implement the funding plan and schedule detailed in this Implementation section. These agreements would come forward for Planning Commission and City Council review and authorization to execute as part of the rezoning.

Housing Trust Fund Programs Financial Status

As of February 29, 2012

Balance as of January 31, 2012		**2,264,630**

Revenues for February 2012		
Contributions	0	
Loan Repayments		
Community Lodgings, Inc. (CLI)	0	
Moderate Income Homeownership Program (MIHP)	6,873	
Employee Homeownership Incentive Program (EHIP)	65	
Fees Offsetting Expenditures	0	**6,938**

Expenditures for February 2012		
Employee Homeownership Incentive Program (EHIP)	0	
Homeownership Counseling	5,330	
Housing Opportunities Fund - *see attached report*	0	
HTF Homeownership Assistance Program-712661	0	
Moderate Income Homeownership Program (MIHP)	0	
Rental Accessibility Modification Program (RAMP)	1,089	**(6,419)**

Balance Available Before Outstanding Commitments/Reservations		**2,265,149**

Outstanding Commitments/Reservations as of February 29, 2012		
ARHA Set-Aside (James Bland 16 replacement units) - *other HTF revenue*	60,717	
Employee Homeownership Incentive Program (EHIP)	90,686	
HOME/HOF Match	233,098	
Homeownership Counseling	80,030	
HTF Homeownership Assistance Program	350,000	
Housing Opportunities Fund - *see attached report*	592,038	
Moderate Income Homeownership Program (MIHP)	403,405	
Rental Accessibility Modification Program (RAMP)	6,101	**(1,816,074)**

Unreserved Balance as of February 29, 2012		**449,075**

HOMEOWNERSHIP PROGRAMS REPORT
February 2012

	February 2012				*Total FY 2012 as of February 29, 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	$50,000 - HOME $50,000 CDBG	1	$40,000 - HOME	19	$829,537 - HOME $50,000 CDBG	17	$778,323.67- HOME
MIHP	0	0	0	$0	1	$30,000 - HTF	1	$30,000 - HTF
HTF-Homeownership Assitance	0	0	0	$0	0	0	0	0
EHIP	0	$0	0	$0	6	$57,500 - HTF	6	$57,500 - HTF

Loan Balances as of February 29, 2012:

HOME HAP	$ 140,285	*Grants*
CDBG HAP	$ 9,458	
HTF HAP	$ 350,000	
MIHP	$ 402,380	*Housing Trust Fund*
EHIP	$ 90,621	

Performance Balances
$ 112,347.99

Housing Opportunities Fund Financial Status

As of February 29, 2012

	HTF	General Fund	HOME	TOTAL
Balance as of February 29, 2012	**592,038**	**260,610**	**1,514,041**	**2,366,689**
January 2012 Expenditures				
Alexandria Housing Development Corporation (AHDC) adjustment for 772160		(10,610)		
Balance Available Before Outstanding Commitments	**592,038**	**250,000**	**1,514,041**	**2,356,079**
Outstanding Commitments				
Alexandria Housing Development Corporation (AHDC)		100,000		100,000
CLI Notabene Predevelopment		25,000		25,000
Unreserved Balance as of January 31, 2012	**592,038**	**125,000**	**1,514,041**	**2,231,079**