

# Draft Housing Master Plan City Council Work Session





# Review and Approval Process

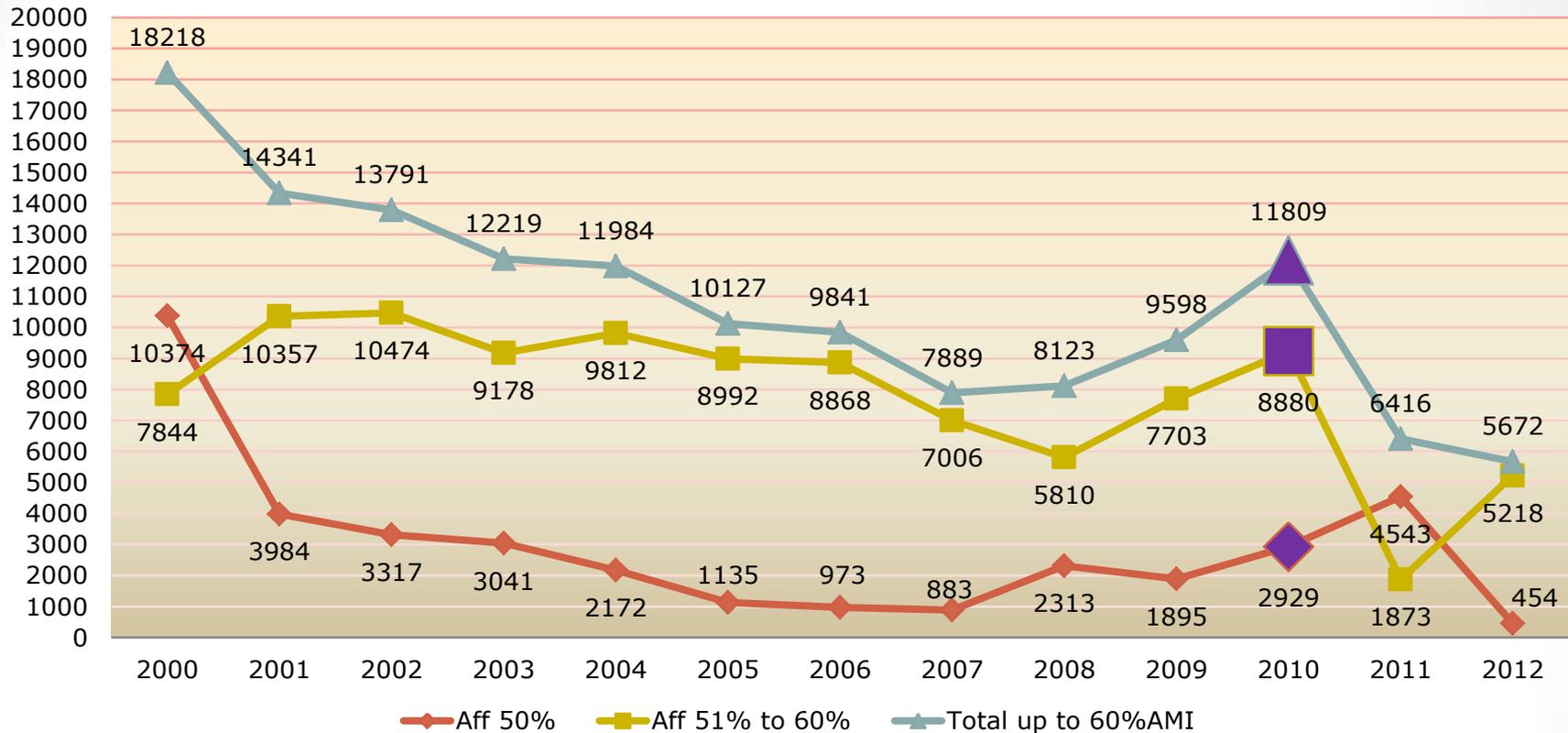
- ✓ 90 day public comment period for Draft  
(November 30 – March 1)
  
- ✓ Town Hall Meetings
  - ✓ January 24 7-9 Samuel Tucker School
  - ✓ February 11 7-9 Jefferson Houston School
  
- PC/CC Work Sessions
  - ✓ PC work session – March 5
  - CC work session – April 9
  
- Public Hearing and Consideration
  - June 2013



# Incomes and Housing Costs

- **From 2000 to 2012:**
  - HUD median income for Washington, DC metropolitan area increased by **30%**, from \$82,800 to \$107,500
  - Average rent for market rate two bedroom unit in Alexandria increased by **71%**, from \$1,034 to \$1,776
  - Average assessed value of residential property increased by **140%**, from \$191,341 to \$458,422:
    - Single family: 143%, from \$260,907 to \$632,958
    - Condominiums: 150%, from \$106,875 to \$266,919
  - Inflation (CPI-U) was **40%**

## Market Affordable Rental Units, 2000 to 2012



### Threatened Assisted Rental Housing

- 871 assisted units of non-Resolution 830 units will face potential loss by June 2015
- An additional 480 units face threats from July 2015 – June 2020

# Out of Reach 2013

## The National Low Income Housing Coalition

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom unit, without paying more than 30% of their income.



NATIONAL LOW INCOME HOUSING COALITION // OUT OF REACH 2013

Virginia is the ninth most expensive state with regard to the hourly wage required to rent a 2 bedroom apartment.



# Out of Reach 2013

*The National Low Income Housing Coalition*

2BR FMR DC MD VA MSA	Hourly Wage Necessary to Afford 2BR FMR	Income Needed to Afford 2BR FMR	Number of Full Time Jobs at Minimum Wage Needed to Afford 2BR FMR	2013 AMI DC MD VA MSA	Rent Affordable at AMI	30% AMI	Rent Affordable at 30% AMI
\$1,412	\$27.15	\$56,480	3.7	\$107,300	\$2,683	\$32,190	\$805

Alexandria's average 2BR market rent exceeds the HUD Fair Market Rent and requires an even higher hourly wage:

Average 2BR Rent in Alexandria City (Jan 2013)	Hourly Wage Necessary to Afford Average 2BR in Alexandria	Income Needed to Afford Average 2BR Rent in Alexandria
\$1,800	\$34.62	\$72,000



Retail Sales Person: \$13.46



Janitor: \$12.50



Housekeeper: \$12.50



## Typical Hourly Salary

Hourly wage needed to rent  
(not to exceed 30% of income):

Child Care Worker: \$23.58



1 Bedroom: \$28.03

Police Officer II: \$ 28.64



2 Bedroom: \$34.62

Auto Mechanic: \$20.19



Administrative Support II: \$18.52



Bus Driver: \$15.65





# Who Needs Affordable and Workforce Housing

## AFFORDABLE

## WORKFORCE

### Rental

**(2 persons @ 60% AMI or 51,600)**

- Two Food Preparation Workers
- Construction Worker and Housekeeper
- Licensed Practical Nurse (LPN)
- Teacher

### Rental

**(2 persons @ 80% AMI \$68,800)**

- Teacher and Home Health Aid
- Accountant
- Librarian
- Bus Driver and Receptionists

### Ownership

**(3 PH @ 80% AMI -\$77,400)**

- Fire Fighter
- Retail Manager and Medical Assistant
- Police Officer

### Ownership

**(3 persons @ 120% AMI -\$115,992)**

- School Psychologist
- Two Schoolteachers
- Electrician & Retail Manager





# Plan Structure

## Guiding Principles

## Goals and Strategies

## Tools

# Guiding Principles

- **Principle 1:** Variety of housing options at all incomes
- **Principle 2:** Housing choice for all ages and abilities
- **Principle 3:** Active partnerships
- **Principle 4:** Key priorities for distribution and preservation
  - Access to transportation and services
  - Strategic preservation or location opportunities
  - Geographic distribution
- **Principle 5:** Social and cultural diversity through mixed income communities
- **Principle 6:** Healthy and growing economy requires affordable housing



# Goals



**Goal 1:** Preserve long-term affordability and physical condition of assisted and market affordable rental housing



**Goal 2:** Provide or secure affordable and workforce rental housing through strategic development and redevelopment

**Goal 3:** Provide affordable home purchase opportunities

**Goal 4:** Enable homeowners to remain in their homes

**Goal 5:** Provide safe, quality housing choices



**Goal 6:** Enhance public awareness of the benefits of affordable Housing





# Zoning Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
<b>Zoning Tools</b>				
<b>Accessory Dwelling Unit Policy</b>				
<b>Phase 1 (New CDD Zones)</b>	N	✓		Local Policy Development Community Outreach, Research and Analysis, Local Policy
<b>Phase 2 (Full Program)</b>	N		✓	Local Policy Development, Local Ordinance Amendment
<b>Additional Density in Exchange for Affordable Housing</b>	E, M	✓		Local Ordinance Amendment
<b>Parking Requirements for Substantial Rehabilitation</b>	N	✓		Local Policy Development
<b>Parking Requirements for Affordable Housing</b>	E, M	✓		Further Study, Legislative Action, Local Ordinance
<b>Transfer of Development Rights</b>	N		✓	

E-Existing; M-Modified; N-New



# Additional Density for Affordable Housing

- Previous City Council Work Session
  - Amend Ordinance to include formula calculation affordable housing for density achieved via rezoning
- Draft HMP Recommendation
  - Create policy pertaining to density achieved through rezoning that states:
    - “when additional density is provided through rezoning, developer contributions should take into account that affordable housing is one of the City’s highest priorities.”



# Transfer of Development Rights

- Previous City Council Work Session
  - Explore possibility and creation of TDR Program via State Code
- Draft HMP Recommendation
  - No Program through statutorily authorized approach because:
    - Limited designated sending areas (unused density)
    - Limited and controversial Receiving Areas
    - Substantial staff time for small return
  - Policy for “TDR-like” transfer of density within Small Area Planning Process.



# Section 7-700 Update

- Affordable Units Off-Site
- Cash in-lieu of on site units
- Require 1/3 of Bonus Units be dedicated Affordable
  - unless the City and the Applicant mutually agree to a different number of units in order to address a stated City objective (e.g., a particular configuration of unit sizes).



# Zoning Tools

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<b>Transfer of Development Rights</b>	N		✓	

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# Voluntary Contribution Formula Update



<b>Development Category</b>	<b>2005 Rates</b>	<b>2012 Rates</b>
<b>Non-Residential</b>	\$1.50	\$1.78
<b>Tier 1 Residential</b>		
<b>For-Sale</b>	\$2.00	\$2.37
<b>Rental</b>	\$1.50	\$2.37
<b>Tier 2 Residential</b>	\$4.00	\$4.74



# Timing for Update

The new formula should be applied to all projects with concept plans submitted after acceptance of the formula by City Council, and should be docketed for Council as soon as possible.



# Program Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
<b>Programmatic Tools</b>				
<b>Community Land Trust</b>	N	✓		Further Study; Policy Development
<b>Development Fee Relief</b>	N	✓		Further Study; Policy Development
<b>Fair Housing Testing and Education</b>	E			
<b>Home Purchase Assistance Loan Program Enhancements</b>	E, M	✓		Local Program Modification
<b>Home Rehabilitation Loan Program Enhancements</b>	E, M	✓		Local Program Modification
<b>Homelessness Prevention/Assistance</b>	E			
<b>Housing Choice in New Construction and Rehabilitation</b>	N		✓	Partnerships, Further Study, Policy Development
<b>Housing Development Loans (Rental and Ownership)</b>	E			
<b>Landlord Tenant Relations</b>	E			
<b>Maximizing Public Land for Affordable Housing</b>	N		✓	Partnerships, Further Study, Policy Development

E-Existing; M-Modified; N-New



# Program Tools (cont.)

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
<b>Programmatic Tools</b>				
<b>Mixed-Income Affordable Assisted Living</b>	N	✓		Partnerships, Affordable Assisted Living Work Group Formation, Advocacy and Outreach
<b>Predevelopment Funds</b>	E, M			Local Policy Development
<b>Rent Relief Program for Seniors and Disabled</b>	E			
<b>Rental Housing Assistance (Set Aside, Res. 830, HCV, etc.)</b>	E			
<b>Resource Center for Affordable Housing</b>	N	✓		Research, Data Collection, Website update
<b>Special District to Enable Access to Historic Tax Credits</b>	N	✓		Partnerships, Study and Analysis, Advocacy and Outreach
<b>Voluntary Developer Contribution Policy Update</b>	E, M	✓		Local Program Modification

E-Existing; M-Modified; N-New



# Financial Tools

Tool	Implementation Schedule			Required Action
	Type	1-3 Years	4-6 Years	
<b>Financial Tools</b>				
<b>General Fund Direct Allocation Support</b>				
Annual Lump Sum Appropriation	E,M	✓		Local Policy Development
Increased Dedicated Real Estate Tax	E,M	✓		Local Policy Development
Tax Increment Funding	E,M	✓		Local Policy Development
<b>General Fund Foregone Revenue (Tax Relief)</b>				
Homeowner Tax Relief – Seniors/Disabled	E			
Tax Abatement for Substantial Rehab	N			
Loan Consortium	N		✓	Partnerships, Education Process, Local Program Development
Loan Guarantees	E,M		✓	Local Policy Development

E-Existing; M-Modified; N-New



# Public Outreach



# Plan Distribution (Electronic)

- Planning Commission
- HMP Advisory Group (includes AHAC)
- ARHA
- Alexandria Commission on Persons with Disabilities
- Alexandria Community Services Board
- Alexandria Economic Development Partnership
- Commission on Aging
- Economic Opportunities Commission
- Federation of Civic Associations
- Individual Civic and Condominium Associations
- Landlord-Tenant Relations Board
- Partnership to End Homelessness
- Housing Master Plan interested parties list
- Distribution list for HUD-related documents



# Community Outreach

- Presentations (provided on request)
  - ARHA
  - Children, Youth and Families Collaborative Commission
  - Commission on Aging (general housing presentation prior to plan release; included plan summary)
- Town Hall Meetings
  - January 24, Samuel Tucker Elementary
    - Approximately 15 speakers
  - February 11
    - Approximately 20 speakers



# Organizations Providing Written Comments

- Alexandria Commission on Persons with Disabilities
- Economic Opportunities Commission
- Northern Virginia Affordable Housing Alliance (NVAHA)
- Partnership for a Healthier Alexandria
- Public Health Advisory Commission

# Major Recurring Comments

- Plan should have specific targets
- Plan should have dedicated funding stream (variations of this)

These comments were received from multiple organizations and individuals



# Other Public Comment Highlights

- Support for Housing Master Plan's:
  - overall goals
  - thoughtfulness and comprehensiveness
  - consideration of accessory dwellings
  - Treatment of accessible housing choice issues
- Need for accountability through annual review/reporting
- City should provide locally-funded and/or shallow rent subsidy program
- Expand plan to address impact of housing on health
- Form partnerships to develop assisted living facility
- Expand Resolution 830



# Other Public Comment Highlights

- Importance of:
  - Transitional housing
  - Housing for seniors and persons with disabilities
  - Affordable homeownership
    - For very low income households
    - For moderate income households/public employees
    - For stabilizing families and protecting against rent increases
  - Rental housing compared to homeownership
  - Balance between rental housing and homeownership
  - Preservation of market affordable housing
    - As alternative to tearing down
    - As alternative to new construction, which is more expensive
  - Collaboration between City and ARHA



# Funding



# Affordable/Workforce Rental Units Matrix

	Preservation			Built new (non-replacement)	Replaced	Total
	Purchased Only	Rehabbed Only	Purchase/ Rehabbed			
<b>Total FY 2002-2012</b>	119	662	181	84	176	1,222
<b>Total Cost</b>	\$13.8M	\$9.4M	\$11.3M	\$10.4M	\$12.9M	\$57.8M
<b>Avg./Year</b>	11	61	16	7	16	111
<b>Avg Cost</b>	\$115K	\$14K	\$62K	\$124K	\$73K	\$47K

	Preservation			Built new (non-replacement)	Replaced	Total
	Purchased Only	Rehabbed Only	Purchase/ Rehabbed			
<b>FY 2013</b>		10				10
<b>Total Cost</b>		\$300K				\$300K

# Affordable/Workforce Ownership Units Matrix

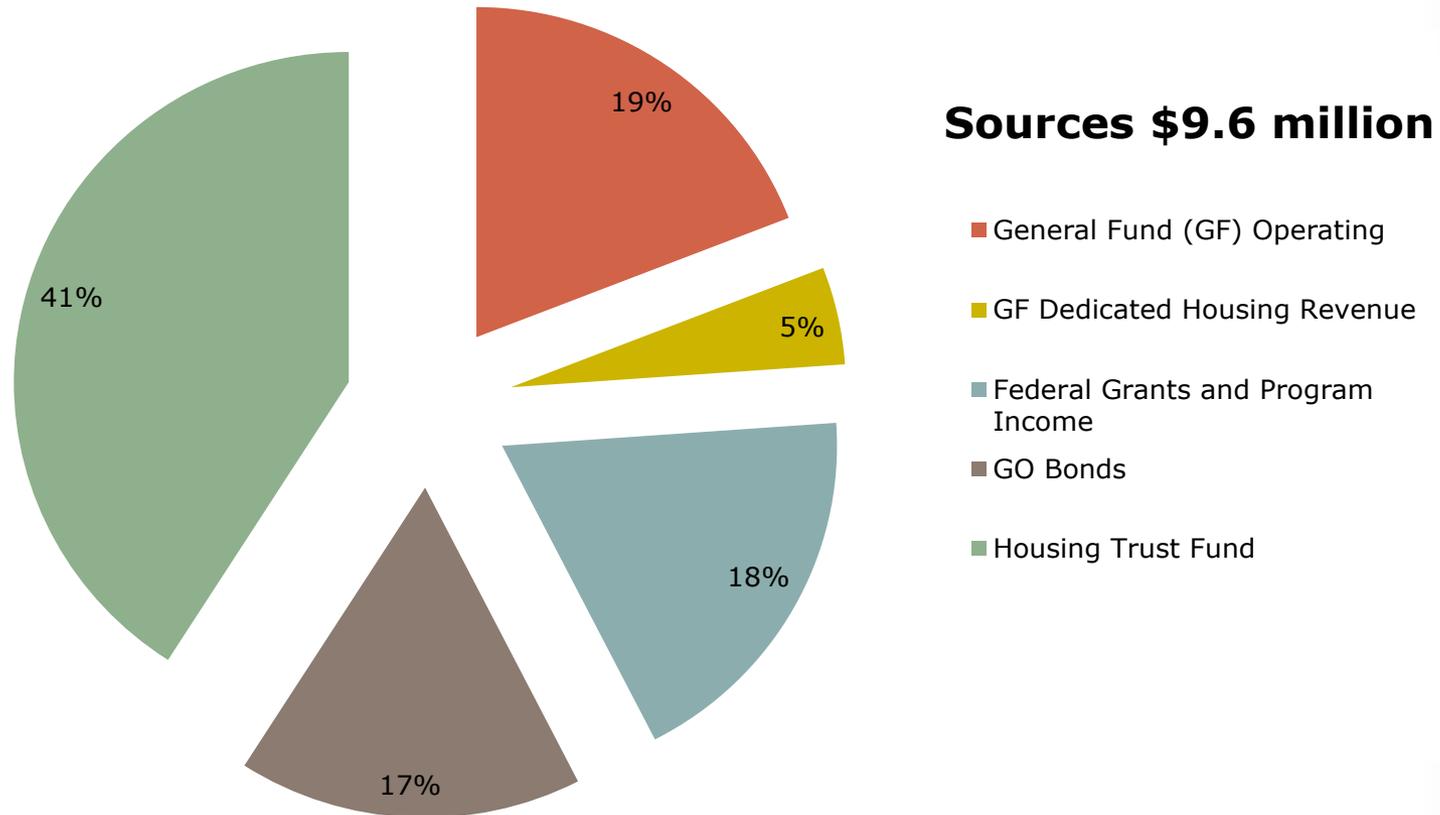


	Homeownership Assistance Programs (Unduplicated)	Home Rehab	Total (unduplicated)
<b>Total FY 2002-2012</b>	684	105	789
<b>Total Cost</b>	\$23.5M	\$7.8M	\$31.3M
<b>Units/Yr.</b>	62	11	73
<b>Cost/Unit</b>	\$34K	\$73K	\$40K

Total column reflects unduplicated figures; duplication exists when recipients of HAP or MIHP loans also receive EHIP loans.

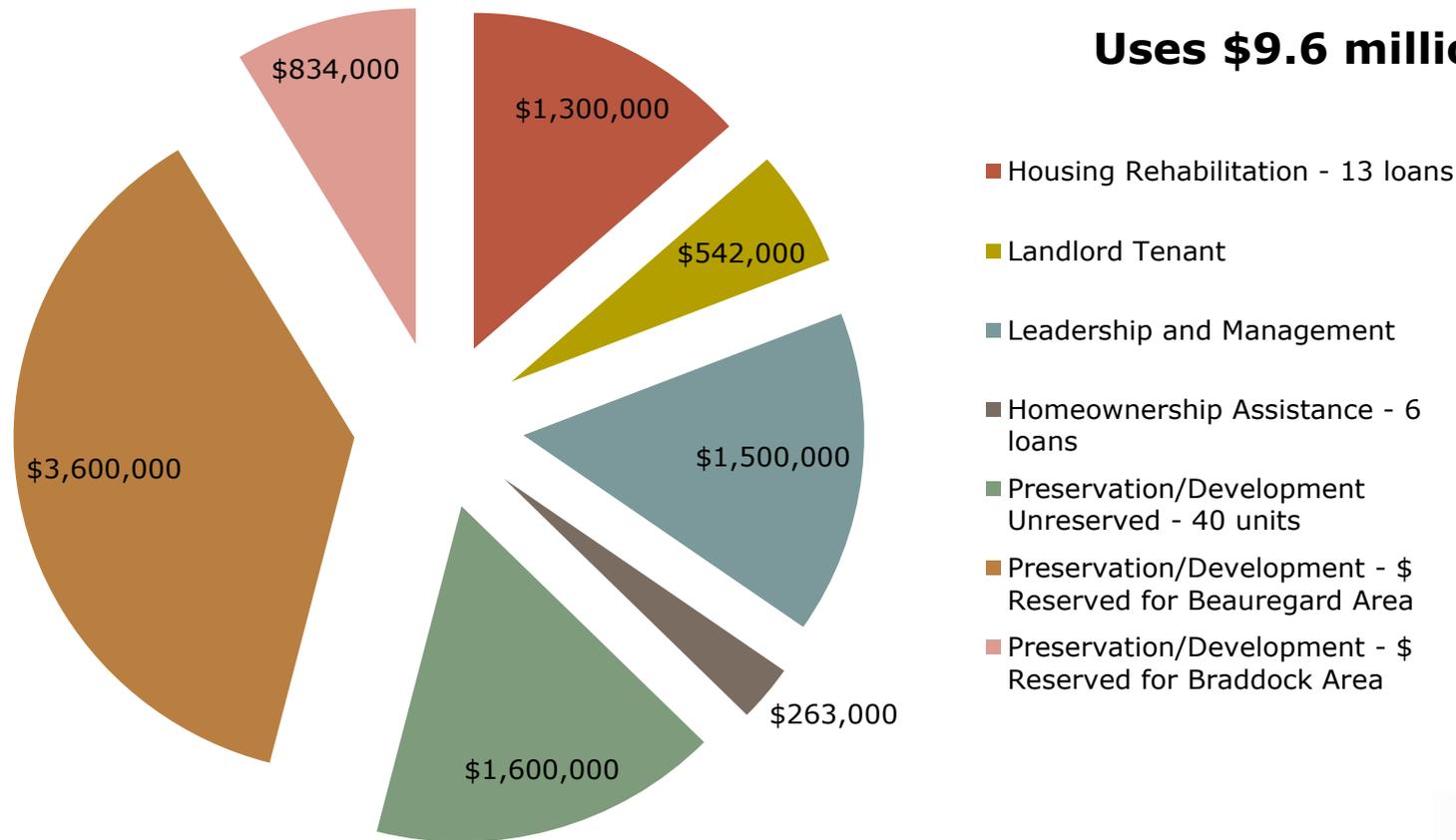
	Homeownership Assistance Programs (Unduplicated)	Home Rehab	Total (unduplicated)
<b>FY 2013</b>	4	9	13
<b>Total Cost</b>	\$.6M	\$.7M	\$1.3M

# Proposed Sources FY 2014



# Proposed Uses FY 2014

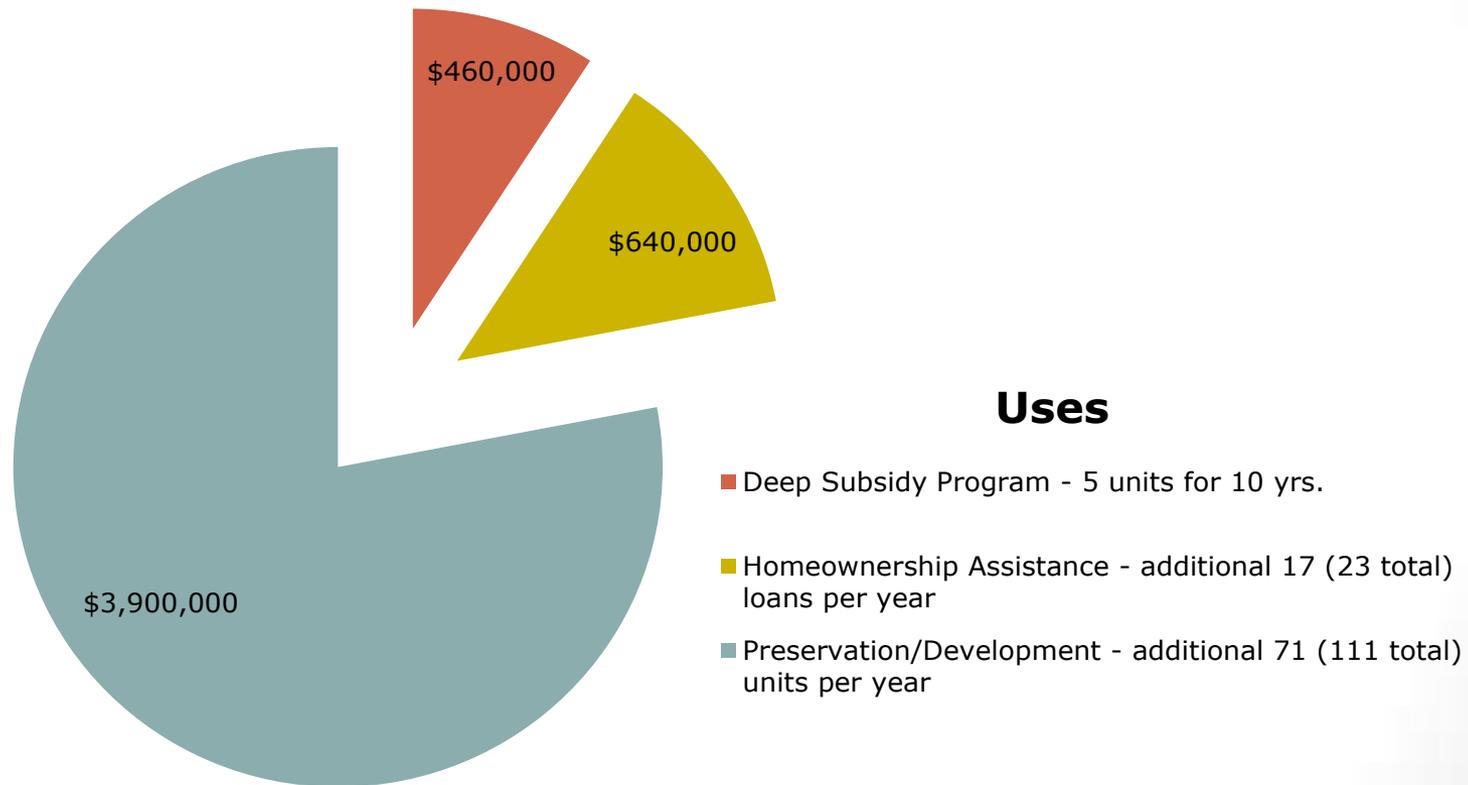
**Uses \$9.6 million**



Note: In addition debt service on previously issued affordable housing bonds is \$1.5 million in FY2014.

# Production Cost Examples:

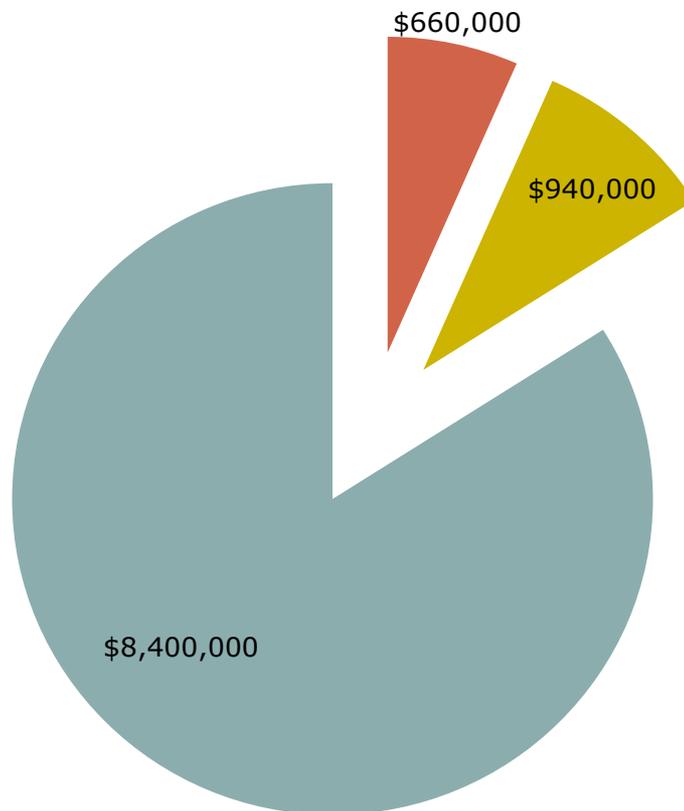
## Example 1



This option funds preservation/development at the average number of units the City funded from FY 2002 – FY 2012 (total 111 units).

# Production Cost Examples:

## Example 2



### Uses

- Deep Subsidy Program - 7 units for 10 yrs.
- Homeownership Assistance - additional 24 (total 30) loans per year
- Preservation/Development - additional 160 (total 200) units per year

This option increases the total number of preservation/development units to 200 per year.



# What can be done with specified amounts of ADDITIONAL Funding

- \$5 Million – Example 1
  - Preservation/Development of 71 units of affordable rental housing per year
  - 17 homeownership loans per year
  - Deep subsidy program 5 units for 10 years
- \$10 Million – Example 2
  - Preservation/Development of 160 units of affordable rental housing per year
  - 24 homeownership loans per year
  - Deep subsidy program 7 units for 10 years

## Other Amounts -

- \$1 Million
  - Preservation/Development of 8 units of affordable rental housing per year
  - 14 homeownership loans per year
- \$3 Million
  - Preservation/Development of 30 units of affordable rental housing per year
  - 25 homeownership loans per year
  - Deep subsidy program 5 units for 10 years