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Office of Housing
Program Implementation Division
421 King Street, Suite 200
Alexandria, Virginia 22314

Phone: (703) 746-4990
FAX: (703) 838-4309

Housing Opportunities Funds (HOF) Process January 2014

City Loan Process and Timeline: Requests for City loan or grant funds for affordable housing projects and activities will be evaluated based on a variety of criteria, including the availability of City funding and non-City leverage, feasibility (including the project's ability to repay a City loan), the applicant's organizational and financial capacity to deliver the proposed project, the number of households served and/or period of committed affordability, and identified priority housing needs or goals being addressed pursuant to the Housing Master Plan (for e.g., deeply subsidized units for households with incomes at or below 30%, green building features, and proximity to public transit or other amenities) or which help achieve other goals aligned with the City's housing policies.

Requests for City loans or grants are usually reviewed and awarded on a rolling basis, however, from time to time, competitive project or funding solicitations may be undertaken to maximize available resources. Housing staff review complete loan applications when received, and may request additional information when necessary for underwriting purposes. Unless items are specifically waived by staff, the attached Checklist of Required Documents and certifications must be provided for a loan application to be considered complete.

Except for predevelopment funding requests (capped at the greater of \$50,000 per project or \$5,000 per unit) which may be internally administered by staff, loan requests are reviewed by the Affordable Housing Advisory Committee (AHAC) and by City Council. While staff and AHAC provide recommendations to City Council, the authority to approve housing loans resides with City Council.

Applicants should expect that the City loan process, from application through underwriting to approval and funding may take 90 days or longer. When City assistance is provided for rehabilitation, a third party cost confidence review of the proposed project scope and budget may be conducted at the City's expense. Please note that when the City participates financially in a project, staff will monitor construction activity and will continue to monitor project operations throughout the term of the City's loan. Additional time may be necessary to review and revise City loan documents, particularly if other lenders and investors are also participating in the transaction.

Potential City loan applicants are encouraged to contact staff as early in project development as Possible so that staff may provide technical assistance and information to positively facilitate the City funding process and to support an applicant's community engagement efforts and outreach.

City Loan Application: Separate from a cover letter summarizing the funding request, a City loan application should include the following:

Project Description: A general description of the proposed project, including project type, size, location, short/long term goals, and population to be served. Also describe the project's current or proposed design

and a summary of planned rehabilitation, if applicable. Note any green building design, techniques or materials that will be incorporated. Please summarize which housing needs, policies or goals are being addressed by the proposed project.

Site Control/Land Use/Zoning: Describe whether or not the applicant has site control and if not, what the status/timeline/plan is to secure site control.

Describe the project's location, including the immediate neighborhood or civic association and the context of other development/uses in the adjacent area. List the amenities and services available near the development, including access to public transit.

What is the project's current use? What is the proposed use? Describe whether the site is appropriately zoned for the proposed use, and whether any zoning variances or waivers (e.g. height, density, parking, open space, etc.) are likely to be required. What is the status/timeline of any land use approvals being sought? What coordination has occurred with other City departments regarding the project (Planning and Zoning, Code, other)?

Identify any potential or known development challenges related to the site, including environmental, preservation, historic or geotechnical issues, as well as any plans to address and/or remediate the issues.

Has the community been engaged yet? Please note if the project has been discussed with neighbors and or surrounding civic associations yet. If yes, describe the level of support or opposition expressed. Have letters of support been solicited? If community outreach has not yet occurred, describe the strategy and timeline for this.

Project Target Population: Describe the anticipated market for the development as proposed. If a rental project, describe the number of market units, the number of affordable units, the proposed rents for each and the target population to be served. If the project is an existing development, describe the current resident demographic, including the number of current housing choice voucher holders. How will the project impact existing tenants? Is relocation anticipated and, if so, what plans have been developed to support tenants? What accessibility features and/or universal design elements are planned? Please provide a market study, if available, which demonstrates support for the project.

Project Budget: Provide a description of the proposed financing plan for the project. Attach a sources and uses which details the full development budget, including amount, source (federal, other public, private), status of commitment, timing and intended use. Evidence of projected financing commitments should be provided, if available. The project budget should list, to the greatest extent possible, known acquisition costs, rehabilitation/or construction costs, contingencies and all anticipated financing and soft costs (professional/legal/appraisal fees, architectural and engineering fees, construction loan interest, developer fees; marketing costs; real estate taxes; insurance costs; any loan or financing fees; building permits costs; anticipated relocation expense; and consultant fees.

Identify the total amount of funds being requested from the City to cover gaps in the planned financing and how such funds will be used. Based on the total development cost, provide the anticipated per unit cost.

Project Proforma: A multi-year pro forma (project income and expenditure statement) should be attached which includes anticipated rental revenues and ancillary income, as well as expenses such as market vacancy, operating and management costs, real estate taxes and debt service. Please include all fees that the applicant would expect to be paid from the operating budget. Reserves for operating deficits, lease up and future capital expenses should also be shown, as required. The pro forma should represent the term required to fully repay the City's loan and/or the term of the City's required affordability period (usually 40 years).

PLEASE NOTE: *If low income housing tax credits (4 or 9%) are anticipated as a source, applicant should provide a copy of the current year's VHDA application for reservation, including score sheet and attachments. The application can be downloaded from VHDA's website.*

Project Schedule: Provide the proposed project schedule, including predevelopment, site control, development and/or zoning approvals, financing and construction milestones, through completion, occupancy and lease up.

Development Experience/Project Team: Describe the applicant's development and management teams and the organization's experience and ability to undertake and complete the proposed project. Provide a list of key project team members (including project architect, structural and geotechnical engineers, environmental consultants, the general contractor, transactional/real estate and tax credit counsel (as applicable), accountants, lenders, investors, and any other consultants, as well as the property management firm that will manage and operate the project and monitor compliance. Provide a summary of similar projects completed by your organization and the project team, including the current status of those projects and the demographic being served. List the specific project development experience of key personnel who will be administering the project. If a partnership is involved, list all participating partners and state which agency will serve as the lead developer.

Organizational Structure and Capacity: Provide detailed information regarding the organization, its mission or purpose, and provide a summary of existing projects or programs developed or administered by the organization, including a summary of the organization's prior experience working in the City of Alexandria. You may be asked to provide resumes for staff members who will be involved in implementing this project. Describe the organization's financial position and its ability to support the project for which loan funds are requested. Provide copies of the organizations audited financial statements for the past three years. The City may request additional financial information, including budgets and/or financial statements of other existing projects.

Describe the organization's governing board, subcommittees and any advisory groups that assist the organization with its projects and programs. If the organization is a Community Housing Development Organization (CHDO), please provide supporting documentation regarding the composition of the governing board and the organization's CHDO certification. You may be asked to provide board member resumes, if they will be involved in the project. A Board resolution authorizing the loan application will be required prior to City Council's consideration of the request.

Submission Process: The loan application (hard copy **and** electronic copy), including the project narrative and proformas, (and including the most current year version of the VHDA low income housing tax credit application, if applicable) should be submitted to:

City of Alexandria – Office of Housing
Attention: Helen McIlvaine
421 King Street, Suite 200
Alexandria, Virginia 22314
Helen.McIlvaine@alexandriava.gov

Your application will be acknowledged when received