

AFFORDABLE HOUSING ADVISORY COMMITTEE

**WILLIAM RAMSEY RECREATION CENTER
5650 SANGER AVENUE ALEXANDRIA, VA 22311**

**THURSDAY, JULY 19, 2012
7:00 PM**

AGENDA

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| 1. Introduction of New Members | 7:00 p.m. |
| 2. City Council Housing and Related Changes to Beauregard Housing Master Plan | 7:10 p.m. |
| 3. AHAC's Responsibilities and Schedule in preparation for Beauregard Rezoning | 7:30 p.m. |
| 4. Update on the Beauregard Tenant Survey | 7:50 p.m. |
| 5. Issues to be Considered in Tenant Relocation Plan | 8:10 p.m. |
| 6. Adjournment | 8:45 p.m. |

City of Alexandria, Virginia

MEMORANDUM

DATE: JULY 17, 2012

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: AHAC ROLE IN BEAUREGARD LAND USE REZONING

ISSUE: Council request that AHAC provide recommendations related to affordable housing to Beauregard rezoning.

RECOMMENDATION: That the Committee review this memorandum and the attached materials in preparation for the discussion at Thursday's meeting.

BACKGROUND: The Beauregard Small Area Plan (BSAP) was approved by City Council on May 12, 2012. As part of this approval, City Council added a number of amendments that directly impact the provision of affordable housing within the BSAP. Attached to this memo is a list of all housing related amendments City Council added to the BSAP and copy of the Housing and Implementation chapters of the BSAP. Several of the City Council amendments provide a series of tasks that need to be completed prior to the rezoning of any property within the BSAP. Specifically, amendment number 15 added by City Council (requirement 5.14 in the Housing Chapter) describes the specific role AHAC should play as the rezoning of the land within the BSAP moves forward.

DISCUSSION: The City has partnered with the interested developers of the BSAP and Tenant and Worker's United to contract with Lincoln Park Strategies to survey the tenants currently living in the apartment complexes that are planned for redevelopment. This survey will allow the City to better understand the key demographic characteristics of the population living in the plan area such as income, family size, and length of residency within the area. A copy of the survey questions that will be asked during this survey is attached for your review. Lincoln Park Strategies is currently conducting the survey and the City expects to receive results sometime in September of this year.

In addition to requiring the survey be completed prior to rezoning, City Council also added a condition to the BSAP that requires AHAC to provide recommendations to them based on the results of the survey. Specifically, Condition 15.4 of the approved BSAP reads as follows:

Prior to rezoning the Affordable Housing Advisory Committee shall provide recommendations related to the provision of affordable housing to City Council and the Planning Commission. These recommendations will take into account the results of the tenant survey and the funding recommendations of the plan.

The Implementation Chapter of the BSAP (attached) provides specific funding allocations for the provision of affordable housing within the plan area. The Housing Chapter calls for a minimum of 800 committed affordable and workforce units to be provided (as both new units and existing units), utilizing the resources identified in the plan. These units would be priced to serve households at 40%, 50%, 55%, 60%, and 75% of median income, and would be available to households with incomes up to those levels. Based on the condition 15.4 provided above, it will be the responsibility of AHAC to review the results of the tenant survey, which staff expects to provide to you in September, and the recommendations of the BSAP Housing chapter to see if any changes should be made to the manner in which the dollars identified in the Implementation chapter of the BSAP should be used. Any recommendation will need to take into consideration both the current population living in the BSAP; as well as a distribution of housing that would support a healthy mixed-income community. Discussion of these issues will begin in September once the survey results are available. As currently envisioned, AHAC will be expected to adopt draft recommendations at its October meeting, which would be followed by a town hall meeting on the draft recommendations later in October, and then to adopt its final recommendations in November.

The requirements established by the BSAP also call for the developers and the City to create a relocation plan to assist households impacted by the redevelopment described in the BSAP. The relocation plan is discussed beginning on page 8 of the attached BSAP Housing chapter (page 86 of the full plan). The City's voluntary Conversion Assistance Policy, which provides specific information on what is normally requested/required¹ of developers in displacement-causing situations, is also attached for your review. City staff has established a list of issues (attached) that will need to be addressed in developing the relocation plan. Although the Landlord-Tenant Board is the entity to which the relocation plan will be submitted for approval, staff is soliciting your input and requests that AHAC review this list and, at Thursday's meeting, help identify any additional issues that you believe should be addressed during the creation of the relocation plan.

STAFF:

Helen S. McIlvaine, Deputy Director
Eric Keeler, Division Chief for Program Administration
Melodie Seau, Division Chief for Landlord and Tenant Relations

ATTACHMENTS:

BSAP Conditions added by City Council
BSAP Housing Chapter
BSAP Implementation Chapter
Beauregard Tenant Survey Questions
Conversion Assistance Policy
Beauregard Relocation Plan List of Issues

¹ Relocation payments can be required only in the case of condominium conversion, but are requested in cases of demolition or substantial rehabilitation.

HOUSING AND RELATED AMENDMENTS ADDED BY CITY COUNCIL

DURING ADOPTION OF BEAUREGARD SMALL AREA PLAN

(Excerpted from City Council Action Docket/Minutes, May 12, 2012)

(2) on page 96, regarding Southern Towers additional affordable housing, insert language stating, "the portion of the Southern Towers property remaining in the Beauregard Small Area Plan (BSAP) but not currently planned for redevelopment and contains a large concentration of market rate and affordable housing. The City shall consider amending the BSAP to permit redevelopment of Southern Towers provided that any such redevelopment contains an affordable housing component."

(10) add a section to the Implementation Section stating, "in order to provide oversight and to ensure the plan is implemented carefully and thoughtfully, the City will create a citizen advisory group to monitor and provide guidance to the Planning Commission, City Council and City staff on all aspects of this small area plan. The group will include a broad cross section of community stakeholders and will be appointed by the City Council prior to rezoning."

(11) add language to the Implementation Section stating, "in order to carefully manage the various financing approaches called for in this plan, the City shall prepare for Council a regular (annual or as appropriate) update on the financial projections and costs associated with the plan."

(12) add language to the affordable housing section stating, "Any property owners that provide committed, dedicated units at the time of the rezoning shall have such dedication count toward their obligation to provide 40 years of dedicated housing."

(13) add language to the affordable housing section stating, "Prior to any rezoning the City shall complete a survey of current area tenants and that information shall be used to design the specific implementation plans of the affordable housing elements of the plan."

(14) add language to the affordable and workforce housing distribution section stating, "Properties that are proffered or purchased to achieve affordable housing goals should be distributed throughout the plan area and should provide a range of subsidies."

(15) add language to the affordable and workforce housing distribution section stating, "Prior to rezoning the Affordable Housing Advisory Committee shall provide recommendations related to the provision of affordable housing to City Council and the Planning Commission. These recommendations will take into account the results of the tenant survey and the funding recommendations of the plan."

(16) add language to the affordable housing section stating, "Due to the expected competition for affordable housing units in the BSAP, the Office of Housing should give preference to current, income-qualified tenants in the BSAP at the time of adoption, to obtain the affordable units."

(17) add language to the affordable housing section stating, "The Office on Housing shall circulate among City employees, including firefighters, teachers, police officers, and sheriff's office, information regarding the availability of units in the BSAP area."

(20) revise the language at Section 5.9 regarding the affordable housing recommendation stating that cost-sharing between the City and the Developer shall be negotiated for an extension of ten years.

City Council requested that staff shall create a clear and detailed delineation of responsibilities for property owners as it relates to the implementation of the BSAP. City Council also requested that staff bring a recommendation for the establishment of the citizen advisory group by the last legislative meeting in June.

HOUSING

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HOUSING

The Plan envisions a series of neighborhoods designed to accommodate households at a range of incomes, ages, types and sizes. The Plan identifies \$120.4 million (in 2011 dollars) in private and public monetary and in-kind resources to accomplish the creation of 800 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.

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 market 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.

Housing is generally considered affordable if the cost of the housing and its 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.

The City defines the income group for affordable housing as households making up to 60% (\$64,500) of the area median income for rental units and up to 80% (\$86,000) of the area median income (AMI) for sales units, adjusted for household size. Annual income guidelines for the Washington, DC area median income are established by the U.S. Department of Housing and Urban Development (HUD).

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)				
RENT CALCULATION 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

Future rent increases for affordable rental units depend on HUD’s determination regarding AMI growth. Table 5 shows maximum incomes and rents in 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 that is considered optimum.

The Plan area does not currently contain any publicly-assisted affordable, non-profit owned, Resolution 830 or ARHA owned public housing units. 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.

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 developer 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 to 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 rents caused by market pressures. Over time an increased demand for housing 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 recommends that 800 committed affordable and workforce units, with terms ranging from 30 years to perpetuity be provided throughout the Plan area, including both new and existing units. Residents of committed affordable and workforce units would 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.

C. FUNDING CHALLENGES

It is estimated that the average cost to maintain new affordable and workforce housing for a range of households between 40%-75% AMI over thirty years, equates today to an average of \$173,000/unit because of the loss of rent revenue compared to the rent revenue generated by an equivalent market rate unit. The average cost to buy down an existing unit for 30 years is less (estimated at \$58,000 in 2011 dollars) and may vary depending on the unit’s condition as renovated or 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

Table 5B: Affordable Housing Unit Cost by Income Group

AVERAGE COST OF A NEW AND EXISTING AFFORDABLE HOUSING UNIT in Beaugard 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

businesses such as car repair shops, retail establishments, restaurants, hotels, as well as 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% of the existing 2,475 units 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 this 32% affordable and workforce housing target based on an identified public-private investment of over \$120.4 million, in 2011 dollars. This target will be met, and possibly improved, through several strategies including:

- I. Phased dedication of committed affordable and workforce 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 to be recommended in the forthcoming Housing Master Plan;
- IX. Funding and third-party leverage;
- 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 Dedication of Committed Long-Term Affordable and Workforce Rental Units

The Plan recommends that 800 units (equals to 32% of the existing units to be demolished) be provided as committed affordable and workforce rental housing for households with incomes ranging from 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 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 also envisions an active role for the City to meet and/or increase affordable housing by leveraging available third-party funding through state, federal and other public and private sources.

With early money being made available through \$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



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.

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 regarding the terms for this ten year extension.

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 mortgages with the proceeds then used to help increase the number of Plan area dedicated affordable housing units to or beyond 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 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.

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 will 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 \$57 million, as follows (in 2011 dollars):

- \$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.

In addition, JBG will donate 100 units at Hillwood (56) and Lynbrook (44).

To meet the 32% replacement goal the City, with cooperation from the developers, will work to leverage up to \$52.4 million in City and other funding sources to supplement the developer contributions. In total, \$120.4 million is estimated to be needed to develop and maintain 32% of the units to be demolished as affordable to households with incomes at or below 40%, 50%, 55%, 60%, and 75%, for a minimum of 30 years, and in some instances considerably longer.

III. Affordable and Workforce Units Dispersed throughout the Plan Area

The Plan 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 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. 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 may increase the pool, location, and amount of affordable and workforce housing options available while integrating these units into the larger mixed-income community. Old Town Commons, offers a 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. Smaller and/or more efficiently designed units may help yield a larger number of committed units, or to reach households with very low incomes and/or special housing needs. Allowing accessory dwelling units in the Plan may also increase affordable options. Lowering

the parking requirements (and its associated cost) for affordable housing units is a potential way to increase the 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) among residents of affordable housing. This strategy is also consistent with/supportive of the Plan's goal of fostering transit-oriented development.

V. Green Technology, Enhanced Accessibility and Proximity to Transit

Over the 20 - 30 year period of redevelopment, new construction offers opportunities to incorporate green technologies to increase energy efficiency and reduce monthly utility costs for residents 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 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 will be more financeable if some of the existing market affordable units in Beauregard are preserved as committed units, because the cost is 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 units down to a 40% AMI level. 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.

Hillwood and Lynbrook Donation of Existing Units



JBG has offered to transfer ownership of 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. 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.

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 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 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 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

More than \$120 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, 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	\$14.3
City Tax Increment Share	\$52.4
City Housing Monies	\$4.0
Total	\$120.4

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.

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.



X. Collaboration with Housing Non-profits and ARHA

To achieve the greatest number of units, the City will be a partner and investor 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 as a means to maximize access to public and private resources. AHDC and/or ARHA are likely partners.

The City can also provide information and technical assistance as well as 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. To fully implement the Plan, funding for additional Housing staff will be necessary.

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.

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 REQUIREMENTS

- 5.1 A minimum of thirty-two percent (32%) of the existing units (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% 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 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 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 Beaugard public amenities fund and/or through Beaugard 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 Beaugard 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 whatever City resources may exist for this purpose.
- 5.3 All affordable and workforce housing should be distributed throughout the Plan area to the degree feasible. 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.
- 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 by creating opportunities for non-profit and/or AHRA site or building acquisition during the plan implementation process. Cost-sharing between the City and the Developer shall be negotiated for an extension of ten years.
- 5.10 The portion of the Southern Towers property remaining in the Beauregard Small Area Plan (BSAP) but not currently planned for redevelopment contains a large concentration of market rate and affordable housing. The City shall consider amending the BSAP to permit redevelopment of Southern Towers provided that any such redevelopment contains an affordable housing component.
- 5.11 Any property owners that provide committed, dedicated units at the time of the rezoning shall have such dedication count toward their obligation to provide 40 years of dedicated housing.
- 5.12 Prior to any rezoning the City shall complete a survey of current area tenants and that information shall be used to design the specific implementation plans of the affordable housing elements of the Plan.
- 5.13 Properties that are proffered or purchased to achieve affordable housing goals should be distributed throughout the Plan area and should provide a range of subsidies.
- 5.14 Prior to rezoning the Affordable Housing Advisory Committee shall provide recommendations related to the provision of affordable housing to City Council and the Planning Commission. These recommendation will take into account the results of the tenant survey and the funding recommendations of the Plan.
- 5.15 Due to the expected competition for affordable housing units in the BSAP, the Office of Housing should give preference to current, income-qualified tenants in the BSAP at the time of adoption, to obtain the affordable units.
- 5.16 The Office on Housing shall circulate among City employees, including firefighters, teachers, police officers, and sheriff's office, information regarding the availability of units in the BSAP area.

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 \$153.8 million in value in 2011 dollars. This includes \$121.5 million in cash contributions and \$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 \$192.9 million by the year 2042.

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:

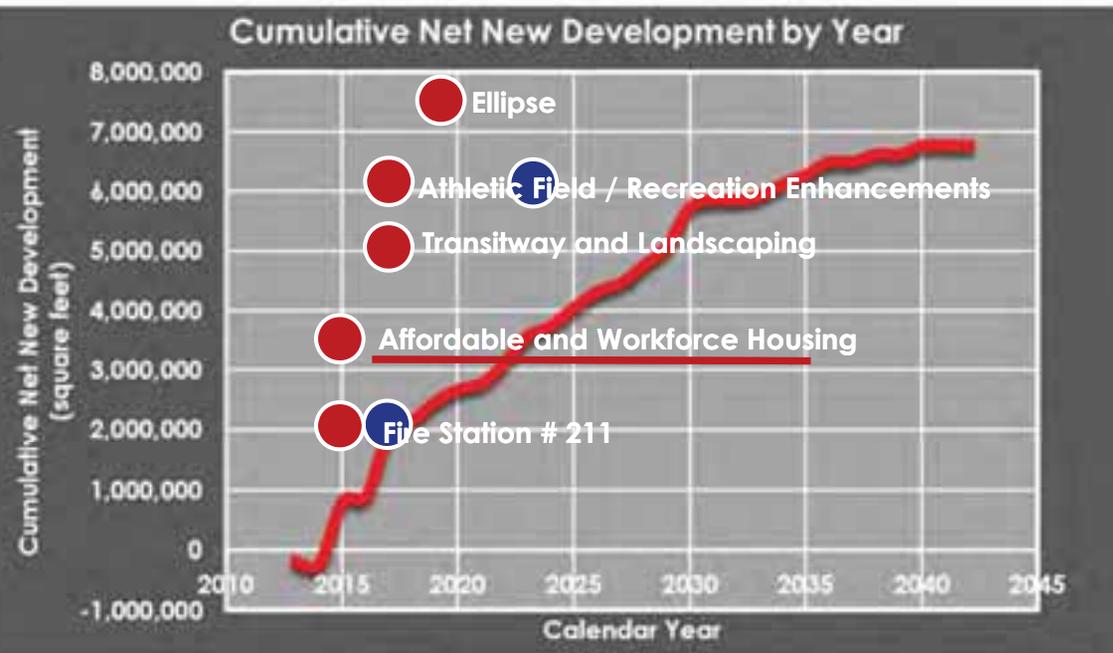
1. All costs in 2011 Dollars
2. Excludes develop-paid sanitary sewer tap and building permit fees as well as with development site public infrastructure
3. Represents in-kind non-cash contribution
4. Includes a contingency of \$9 million dollars; Design base features for Ellipse included so as to provides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

Figure 55: 30-year Implementation Projection



Because this near 30-year developer payment schedule for the public benefits would significantly delay when the 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 having provided up front the incremental real estate tax revenues through

receipt of developer contributions 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 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 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 2016. In addition, after 2025, most new development real estate tax revenues generated by this Plan (estimated at \$16.9 million in 2026 dollars, rising to \$46.0 annually in 2042 dollars) will be able to flow to the City's General Fund, as will some of the \$112.6 million in remaining developer contributions projected to be paid in the 2026 to 2042 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 per square foot by the time it is paid in 2016, \$19.55 by 2026 and \$29.56 by 2042. 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 million to \$258 million (\$91 million in infrastructure and public facilities and \$167 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 around 2020. parks, tree canopy enhancements, and recreation amenities then follow. two Hillwood apartment buildings containing a total of 56 units are proposed to be donated by JBG in about 2020. 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 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% reduction in the existing 5,500 unit rental housing in the Plan area in the first ten years of redevelopment. The demolition plan leaves 82% of existing rental housing (which equates to 4,473 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 affordable and workforce housing units are in place by 2042.

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 years of the Plan nearly all of these new real estate tax revenues, or just over \$81 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, it is necessary to infuse into this Plan these incremental real estate tax revenues. About one-third of that \$81 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-unit affordable and workforce housing replacement program. In about 2023, 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 million in 2023 and continues to increase annually after that until it exceeds \$24 million in 2030 and then grows to over \$51 million annually by 2042.

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

Table 8: Beaugard 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 2042	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 Beaugard				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	8.1		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	9.8		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	17.9		17.4	30.6	33.6	24.6	258.0

Table 9: Bearegard 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 2042	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.

IMPLEMENTATION REQUIREMENTS

- 9.1 In order to provide oversight and to ensure the plan is implemented carefully and thoughtfully, the City will create a citizen advisory group to monitor and provide guidance to the Planning Commission, City Council and City staff on all aspects of this small area plan. The group will include a broad cross section of community stakeholders and will be appointed by the City Council prior to rezoning.
- 9.2 In order to carefully manage the various financing approaches called for in this Plan, the City shall prepare for Council a regular (annual or as appropriate) update on the financial projections and costs associated with the Plan.

SURVEY ID #: 14216

Thank you for taking the time to respond to this survey. Please answer each of the questions to the best of your ability. Responses to the survey will be kept completely confidential and all findings will be reported in the aggregate and will not be individually identifiable. We thank you in advance for your participation. Your cooperation will help provide the best services possible for the community.

Please mark the appropriate box or fill in answers unless asked to do otherwise. You can use pen or pencil.

1. Which apartment complex do you live in?

- Brookdale
- Hillwood
- Stoneridge
- Lynbrook
- Meadow Creek
- Seminary Hills

2. How many bedrooms are in your apartment?

- None/ Efficiency apartment
- 1 bedroom
- 2 bedrooms
- 3 bedrooms
- More than 3 bedrooms

3. Approximately how long have you lived in your current apartment?

- Less than a year
- 1 year
- 2 years
- 3 years
- 4 years
- 5 years or more

4. Before you moved into your current apartment, did you live in another apartment in the Beauregard area?

- Yes
- No

5. When does your current lease end? _____

6. How many adults and children live in your apartment at this time? (Please include all family and non-family members.)

Number of adults (18 years old or older) _____
 Number of children (Under 18 years old) _____

7. Is any person living in your apartment over 62 years of age? (Please include all family and non-family members.)

Yes
 No

8. Does any person living in your apartment have a special need/disability? (If Yes, please describe, i.e., mental, physical, other.)

Yes (Specify) _____
 No

9. [IF THERE ARE CHILDREN IN YOUR APARTMENT] What grade/grades are the children in?

	Child 1	Child 2	Child 3	Child 4
Infant (not old enough for school)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Preschool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kindergarten	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1-5 th grade/ elementary school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6-8 th grade/ middle school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9-12 th grade/ high school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Completed high school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Which of the following languages are spoken in your apartment? [Please mark the boxes for all that apply.]

English
 Spanish
 Urdu
 Farsi
 Amharic
 French
 Other (Specify) _____

11. Where do the people living in your apartment work? [Please mark all that apply]

- In the City of Alexandria, VA
- Arlington, VA
- Fairfax County, VA
- Prince William County, VA
- Stafford County, VA
- Other county in Virginia
- Washington, DC
- Montgomery County, Maryland
- Prince George's County, MD
- Howard County, MD
- Other county in Maryland
- Other (Specify) _____

12. Do you or someone in your apartment own a car?

- Yes
- No

13. [IF OWN A CAR] How many cars are owned by the people living in your apartment?

- 1
- 2
- 3
- 4 or more

14. What was the approximate combined total income of all of the people living in your apartment last year?

- Less than \$5,000
- \$5,000-\$9,999
- \$10,000-\$14,999
- \$15,000-\$19,999
- \$20,000-\$24,999
- \$25,000-\$34,999
- \$35,000-\$49,999
- \$50,000-\$74,999
- \$75,000-\$99,999
- \$100,000-\$149,999
- \$150,000 or more

15. About how much do you spend each month on utilities (water, sewer, electric, gas, including any RUBs payment)?

- Less than \$20
- \$20-\$50
- \$50-\$75
- \$75-\$100
- More than \$100

16. As you may know the Alexandria Redevelopment and Housing Authority offers programs to assist households with rent. Has anyone in your apartment ever applied for such assistance?

- Yes
- No

17. [IF YOU HAVE APPLIED FOR ASSISTANCE] Are you currently on a waiting list for Section 8 or Housing Choice vouchers?

- Yes
- No

18. [IF YOU ARE ON A WAITING LIST] Which of the following waiting lists are you on?

- On ARHA waiting list
- On other Housing Authority waiting list

THANK YOU FOR COMPLETING THE SURVEY

HOUSING CONVERSION ASSISTANCE POLICY CITY OF ALEXANDRIA, VIRGINIA

The City of Alexandria, since May 1980, has had in effect a voluntary conversion assistance policy.

A conversion plan is submitted to the Landlord/Tenant Relations Office prior to the zoning permit application. The Landlord/Tenant Relations Board holds a public hearing on the conversion plan and makes recommendations on the plan. Next, the plan goes to the City Council for a public hearing and action. Eventually, a legal contract for the plan is signed between the City and the developer.

Below, in its entirety, is the City of Alexandria Housing Conversion Assistance Policy as adopted by City Council:

The Alexandria City Council encourages developers of any rental project in the City covered by the Virginia Residential Landlord-Tenant Act to submit a conversion plan to the Chief of the Office of Housing's Landlord-Tenant Relations Division when such a project is proposed for:

- 1) Demolition;
- 2) Substantial rehabilitation (any rehabilitation which causes temporary relocation or permanent displacement of a tenant);
- 3) Conversion to condominiums, planned unit development, cooperative, hotel, motel, unfurnished units, other commercial or all elderly use;
- 4) Termination of subsidy payments in subsidized buildings when the owner(s) of the buildings, and not the public agencies, has decided either to terminate subsidy payments or to prepay Federal mortgages which would cause tenants in any affected units to vacate;
- 5) Termination of lower-rent set-aside units required under Federal bond regulations in buildings using tax-exempt bonds which causes tenants of these units to vacate; and
- 6) Sale of rental condominium or cooperative units if a majority of the complex's units are under single ownership and are under a coordinated sales program and if the resale would cause tenants to vacate.

Such plan should be submitted if developers intend to issue notices to tenants of pending conversions or substantial rehabilitation as previously described. This plan would indicate the measures the developer plans to take to retain current tenants in the project, as well as provisions for assistance for all tenants who face displacement.

In order to allow sufficient time for staff review and public hearing before the Landlord-Tenant Relations Board, Council encourages developers to submit their conversion plans to the Office of Housing's Division of Landlord-Tenant Relations 30 days prior to the application for any special use permit or site plan approval, if applicable.

For projects that do not require a special use permit or site plan approval, City Council encourages developers to submit proposed conversion assistance plans to the Office of

Housing and the Office of Landlord-Tenant Relations 60 days prior to the filing of their public offering statement with the state and City.

New tenants should be informed in their leases of any application for conversion, demolition, rehabilitation, change to other commercial/residential use, owner termination of subsidy payments, or termination of lower-rent set-aside units which cause tenants of these units to vacate.

Council recognizes that features of the plan may vary among developers, but strongly suggests that it include at least the following provisions:

1. **Adequate Notification.** State law requires that in the case of a condominium conversion, tenants be given a 120-day Notice to Vacate which includes the price of each unit and the estimated amount of all condominium fees for each unit. During the first sixty days after such notice, each tenant shall have the exclusive right to purchase the unit he/she occupies, but only if such unit is to be retained in the condominium conversion without substantial alteration to its physical layout.

State law also requires that tenants be given a 120-day notice with regard to the conversion of a building containing at least four residential units, to a hotel, motel, or other commercial use, or to a cooperative or planned unit development, or any demolition or substantial rehabilitation which would result in displacement of tenants, or sale to a contract purchaser which requires an empty building. State law for condominium and cooperative conversions does not allow renovations during the 120-day period which would force the tenant to relocate. Renovations can only be done during this period, according to State law, if the tenant gives written permission or is absent from the unit.

In cases of owner termination of subsidy payments in subsidized units or lower-rent set-aside units in buildings using tax-exempt bonds, the City encourages developers to give tenants of such units a 120-day notice of the market rent for their unit, and offer them the option of renting the unit at full market rent if qualified. It would also be useful that prior to such official notice, a Notice of Intent to Convert, rehabilitate, change use or terminate subsidy be given to tenants as soon as conversion plans are decided upon.

Copies of all 120-day Notices should be sent to the Office of Landlord-Tenant Relations when issued to tenants.

In the past, some tenants have been asked to vacate their apartments prior to the filing of the public offering statement by the developer in order that their apartments could be used as a model units. Council strongly recommends that these tenants be afforded the minimum 120-day notification period and 60-day opportunity to purchase their units, or other comparable units in the complex on the same terms as any other qualified tenant who would be able to purchase their unit. If the developer wishes the tenant to move in order to use the tenant's unit as a model unit, the tenant should be relocated within the complex in a comparable unit and moved at the developer's expense. This relocation should be agreed to by

the tenant and the developer under mutually acceptable conditions and may occur during the 120-day period.

- Relocation Payments According To The State Highway Administration Schedule.** City law requires that relocation payments be made to persons displaced by condominium and cooperative conversion. Payments should be made according to Table I, which is based on the State Highway Administration schedule of fixed payment for residential moving expenses. In addition, City Council strongly encourages developers of projects proposed for demolition, substantial rehabilitation, termination of subsidy payments, and termination of lower-rent set-aside units in properties using tax-exempt bonds, to provide relocation payments in accordance with Table I to all eligible tenants.

Relocation Payment Schedule

Source: 24VAC30-41-220 Moving Expense Schedule

Table I (For all Residents who are not Very Low Income, Elderly or Disabled)

Unfurnished

One Room	\$550
Two Rooms	\$750 (Most Efficiency Units)
Three Rooms	\$950 (Most Standard One-Bedroom Units)
Four Rooms	\$1,150 (Most Two-Bedroom Units or One with Den)
Five Rooms	\$1,350 (Most Three-Bedroom or Two with Den)
Six Rooms	\$1,550
Seven Rooms	\$1,750
Eight Rooms	\$1,950
Each Additional Room	\$200

Furnished

One Room \$350 + \$75 for each additional room

Room counts include all occupied rooms within the dwelling unit plus personal property located in attics, unfinished basements, garages and outbuildings, or significant outdoor storage. Any spaces under lease containing sufficient personal property as to constitute a room are included. Full size kitchens are considered separate rooms, even in efficiency units.

Periodic revisions made by the State will be incorporated into the relocation payment schedule under this Housing Conversion Assistance Policy. It is expected that if the Relocation Payment Schedule is revised by the State, the developer will adhere to whatever payment levels are in effect at the time payments are made to tenants. Council also recommends that tenants whose income is less than Section 8 very-low income levels or who are elderly or disabled receive a higher payment equal to 200% of this payment as listed below.

Table II (For Elderly (over 62), Disabled Residents or Very Low-Income)

Unfurnished	
One Room	\$1,100
Two Rooms	\$1,500
Three Rooms	\$1,900
Four Rooms	\$2,300
Five Rooms	\$2,700
Six Rooms	\$3,100
Seven Rooms	\$3,500
Eight Rooms	\$3,900
Each Additional Room	\$400

Furnished

One Room \$700 + \$150 for each additional room

In regard to the timing of payments, developers are encouraged to provide relocation payments to all tenants when tenants give 30-day notice after receiving their 120-day Notices to Vacate in conversions, substantial rehabilitation, owner termination of subsidy payments, termination of lower-rent set-aside units, or changes in property use. Payments should occur in full when the tenant has notified the developer after the 120-day Notice to Vacate has been issued, even if he/she does not vacate the unit until the end of the 120-day period. This payment is to make funds available during the period in which the tenant must look for an apartment. In cases of demolition, developers should provide relocation payments when tenants receive their 120-day Notices to Vacate.

City Council further expects all developers undergoing this process to abide by the City's rent increase guidelines currently in effect.

- 3. Eligibility for Relocation Assistance.** Developers are encouraged to provide relocation assistance payments to all tenants who are in residency when the first 120-day notice was issued, and who are 'in good standing' with rent payments. In condominium and cooperative conversions, the City recommends that relocation payments be provided to tenants who indicate in writing that they are unable or unwilling to purchase a condominium or cooperative unit. In complexes in which the developer is seeking to terminate subsidy or set-aside units, payments should be made to tenants who indicate in writing that they are unwilling or unable to rent a unit at the property's market rent, except as limited by the following paragraph.

For properties that are remaining rental (e.g. substantial rehabilitation, termination of subsidy or set-aside units), and continued tenancy at the property is available to current residents, a tenant is not eligible for relocation benefits if the tenant chooses to move after being offered in writing a unit at a rent increase (including any increase in utility costs to the tenant resulting from the rehabilitation) that is within the City's rent increase guidelines. For this purpose, the developer may

require that tenants apply for continued residency prior to a determination of eligibility for relocation payments.

4. **Temporary Relocation.** In the case of substantial rehabilitation or change in use in which tenants are required to temporarily relocate to another unit, developers should pay the tenant's actual moving expenses (including any utility hook-up fees incurred by the tenant as a result of the move) not to exceed the payment identified in Table I for residents who are not very low income, disabled or elderly.
5. **Prompt Return of Security Deposit.** For projects undergoing demolition, the return of security deposits should be arranged at the time of Notice to Vacate. For projects undergoing conversion, substantial rehabilitation, termination of subsidy, or other use changes, deposits should be returned within fifteen days of the date of vacating by the tenant. Some developers have allowed security deposits to be applied to the last month's rent.
6. **Description Of Relocation Services And Distribution Of Information To Tenants.** The developer should identify a person to act as the relocation coordinator who will be available on site, during regular hours and by appointment, to provide assistance and information to tenants such as locating comparably-priced units, making arrangements for moving, assisting with application for local or federal housing subsidy programs, and providing assistance for those with special problems, such as the elderly and disabled. A special packet of information should be given to each tenant, outlining development plans as soon as the conversion is announced. The packet should include all information concerning the benefits to which tenants are entitled under the Conversion Assistance Plan. The developer should distribute regular notices and newsletters to the tenants and should also meet regularly with the tenants. Translation services and translation of materials should be provided to residents who speak foreign languages.
7. **Measures Taken To Retain Current Tenants.** The developer is to indicate what arrangements are being made to allow and/or encourage current tenants to remain in the complex. State and City law requires that three-year leases be offered to elderly and disabled residents in condominium conversions for up to 20% of the units in certain situations. City Council encourages developers to offer three-year leases to low-income tenants. All rent increases applied to units with three-year leases, as well as units in projects for which continued tenancy is available to current tenants should be within the City's voluntary rent guidelines (which provide for taking into account any unusual costs, improvements to the property, and extraordinary (more than 50%) increases in assessments).

Among the provisions that have been made in previous relocations plans, which Council expects developers to pursue, are rehabilitation performed at an affordable level to tenants (including an option to purchase a unit "as is" or renovated for the interior of the unit), reduced unit prices for current tenants (developers have given from 10-20% discounts, plus special discounts for the

elderly and disabled long-term residents, and residents who purchase their units without renovation); and efforts to obtain special financing. Reservation of a portion of the units for a low-equity cooperative should also be explored.

Substantial rehabilitation projects should give tenants a sixty-day period following the developer's issuance of a 120-day notice to vacate, during which the tenants may elect to re-rent their original apartments if practical. Developers should provide an explanation of their rehabilitation program showing how it will not disrupt residents in occupied units.

8. **Distribution Of Information To City.** Council strongly suggests that the developer provide relevant information on current tenants to the Landlord-Tenant Relations Office at the time the plan is submitted, along with the name(s) of the relocation coordinator(s) in the project. This office has a Relocation Advisor who will be of assistance in making arrangements for relocation. Tenant profile surveys, including income, age, marital status, etc., should be taken and given to the City as part of the Conversion Assistance Plan. The new addresses of tenants who move should also be provided to the City. Such information is also important in compiling data on the overall displacement situation and rental market in the City. In addition, timely reports on the progress of the conversion, along with copies of all notices and newsletters distributed to the tenants, should be given to the City.
9. **Phasing Of Conversion.** Council urges developers to phase a project's conversion plans and notices to vacate when at all possible, to allow for a more gradual relocation process for displaced tenants. Some projects have phased notices based on projected renovation and sales. Families with children in school should have notices phased in order not to disrupt the completion of the school year.
10. **Conversions covered by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).** Benefits provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) are more generous than the City's, and a developer who makes payments in accordance with URA shall be considered in compliance with the relocation payment requirements of this Housing Conversion Assistance Policy. Developers following URA requirements are encouraged to comply also with the provisions of the City's Housing Conversion Assistance Policy with regard to timing of Notices to Vacate, prompt payment of relocation benefits and return of security deposits, identification of a relocation coordinator, measures to retain current tenants, and phasing of conversion or rehabilitation. Developers are encouraged to file conversion assistance plans with the Office Housing's Landlord-Tenant Division as required by the Housing Conversion Assistance Policy, and to provide regular status reports to the City. City staff may recommend modifications based on URA requirements at the time of consideration of a conversion assistance plan by the City.

BEAUREGARD RELOCATION PLAN LIST OF ISSUES

- Timing of notification to tenants at various points in the process leading up to notices to vacate prior to demolition.
- Point at which an applicant will be required to share a tenant survey results with City relocation staff.
- Timing of when a household must be in residence in order to be eligible for relocation benefits.
- Roles and timing of availability for developer-provided relocation coordinator and City staff involved in relocation process.
- Criteria and process for the selection of tenants (including displaced tenants on waiting lists to return) for the committed affordable units within the plan area.
- Method of selecting among identically-qualified households when there currently are not enough suitable committed plan area units for all.
- Method of relocating affected tenants to committed affordable units that maximizes ability to provide scarce 3BR units (which may exist ONLY in existing units that will become committed affordable units) to the largest households throughout all phases of redevelopment.