

AFFORDABLE HOUSING ADVISORY COMMITTEE
LOCATION: ROOM 2000
CITY HALL
THURSDAY, NOVEMBER 7, 2013 7:00PM

AHAC AGENDA

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| 1. Introduction of new members | 7:00 p.m. |
| 2. Consideration of October 3, 2013 meeting minutes | 7:10 p.m. |
| 3. Discussion of City Council Work session on HMP targets | 7:15 p.m. |
| 4. Summary of ARHA RFP process and schedule | 7:45 p.m. |
| 5. Information Items: | 8:00 p.m. |
| a) Housing Trust Fund Financial Summary for September 2013 | |
| b) Housing Opportunities Fund Financial Status for September 2013 | |
| c) Homeownership Programs Report for September 2013 | |
| d) Tax and Bond Report for September 2013 | |
| 6. Adjournment | 8:10 p.m. |

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the October 3, 2013 Meeting

Members Present

Bill Harris
Mike Caison
Michael Butler
Rick Liu
Alma Allen
Deena de Montigny
Robyn Konkel
Katharine Dixon
Mildrilyn Davis (non-voting)

Staff Present

Eric Keeler
Jon Frederick
Helen McIlvaine

Guests

Cheryl Malloy
Eric Weiss
Elizabeth Nicholson
Pat Arnado

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

1. Caison asked for a motion to approve the June 27 and September 5 minutes. Dixon motioned, Liu seconded, all approved.
2. Caison resigned as Chair of AHAC. Harris motioned to elect Dixon as Chair, Butler seconded. All approved.
3. Frederick presented the Slater's Lane Affordable Housing Plan recommendation of the Office of Housing. The applicant will include two dedicated affordable condo units, 1 one-bedroom and one 2-bedroom unit, in exchange for an increase in density of five units, bringing the total number of condo units at this site to 33. The two affordable units will be of the same size, type and amenities as other units in the development. The set-aside units shall have a 40 year affordability period established through deed restrictions. A voluntary contribution to the City's Housing Trust Fund of \$117,272 is also included.

Harris motioned to approve the recommendation, Dixon seconded. All approved.

4. Frederick reviewed the 2014 work program and projects:
 - a. Madison (Braddock East): \$920,000 voluntary contribution
 - b. Harris Teeter (Old Town): \$592,000
 - c. Calvert (Mt. Vernon): \$400,000
 - d. Potomac Yard: ~ \$175,000-\$200,000/Q
 - e. Landmark Gateway: \$1.2 million
 - f. Braddock Metro Place: no voluntary contribution
 - g. In the future: Hunting Terrace and Cameron Parke redevelopment

Frederick noted that the NSF will provide no voluntary contribution (\$1 million for HTF was negated during negotiations) but hopefully that development will spur other surrounding development which will yield future voluntary contributions.

5. Frederick reviewed a draft of the BSAP affordable housing tracking chart. As units are committed, they will be noted on the chart, showing progress of AHAC's originally agreed upon distribution of

800 units.

6. Misc.:

- a. Financials were provided to AHAC members.
- b. Housing Master Plan City Council work session, October 8, 5:30pm.
- c. Planning Committee meeting re. HMP, Nov 7.
- d. AHAC November 7 meeting will be rescheduled.
- e. Council public hearing on HMP, Nov 16.

Caison adjourned the meeting at 8:40pm.

Minutes respectfully submitted by Katharine Dixon.

Housing Trust Fund Programs Financial Status

As of September 30, 2013

Balance as of August 31, 2013	4,271,336
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Revenues for September 2013	
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Contributions	0	
Loan Repayments		
Community Lodgings, Inc. (CLI)	2,288	
Moderate Income Homeownership Program (MIHP)	83,649	
Employee Homeownership Incentive Program (EHIP)	65	
Fees Offsetting Expenditures	0	86,002

Expenditures for September 2013	
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Flexible Homeownership Program	41	
Homeownership Counseling	459	
Rebuilding Together Alexandria FY 2014	0	
Housing Opportunities Fund - <i>see attached report</i>		
Rental Accessibility Modification Program (RAMP)	0	(500)

Balance Available Before Outstanding Commitments/Reservations	4,356,837
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Outstanding Commitments/Reservations as of September 30, 2013	
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Braddock Small Area Plan Fund	374,080	
Flexible Homeownership Program	884,696	
HOME/HOF Match	375,245	
Homeownership Counseling	56,867	
FY 2015 Budget Reservation	200,000	
Housing Opportunities Fund - <i>see attached report</i>	830,248	
AHC East Reed	399,885	
RTA	50,000	
Beauregard Fund	500,000	
Rental Accessibility Modification Program (RAMP)	5,615	(3,676,635)

Unreserved Balance as of September 30, 2013	680,202
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Housing Opportunities Fund Financial Status
As of September 30, 2013

	HTF	General Fund	HOME	TOTAL
Balance as of August 31, 2013	830,248	313,798	1,659,493	2,803,539
September 2013 Expenditures	0	0	0	
AHDC 1st Draw Request (9/5/13)		\$ (69,667)		(69,667)
Balance Available Before Outstanding Commitments	830,248	244,131	1,659,493	2,733,872
Outstanding Commitments				
Alexandria Housing Development Corporation (AHDC)	-	0		0
Alexandria Housing Development Corporation (AHDC)	140,405	68,928		209,333
CLI Notabene			392.78	393
Wesley Lynhaven Apt			1,078,000.00	1,078,000
Fees for Professional Services	14,600			14,600
Unreserved Balance as of September 30, 2013	675,243	175,203	581,101	1,431,547

HOMEOWNERSHIP PROGRAMS REPORT

September 2013

September 2013		Total FY 2014 as of September 30, 2013					
Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds	Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds
0	CDBG - \$0 HOME - \$0	0	CDBG - \$0 HOME - \$0	2	CDBG - \$40,000 HOME - \$33,280	2	CDBG - \$40,000 HOME - \$33,280
Flexible Homeownership Program							

Flexible Homeownership Loan Balances by source as of September 30, 2013:

HOME \$ 126,165
 CDBG \$ 19,740
 Housing Trust Fund 884,720

Other Housing Development Fund Financial Status

As of September 30, 2013

	Tax Revenue Account	Bond Account	TOTAL
Balance as of August 31, 2013	2,122,246	486,326	2,608,572
September 2013 Expenditures			
Balance Available Before Outstanding Commitments	2,122,246	486,326	2,608,572
Outstanding Commitments			
AHC East Reed Project	1,613,789	486,326	2,100,115
Unreserved Balance as of September 30, 2013	508,457	0	508,457

Note: An additional \$174,235 is reserved for Affordable housing in the contingent reserve account

2013 ARHA OFFERING

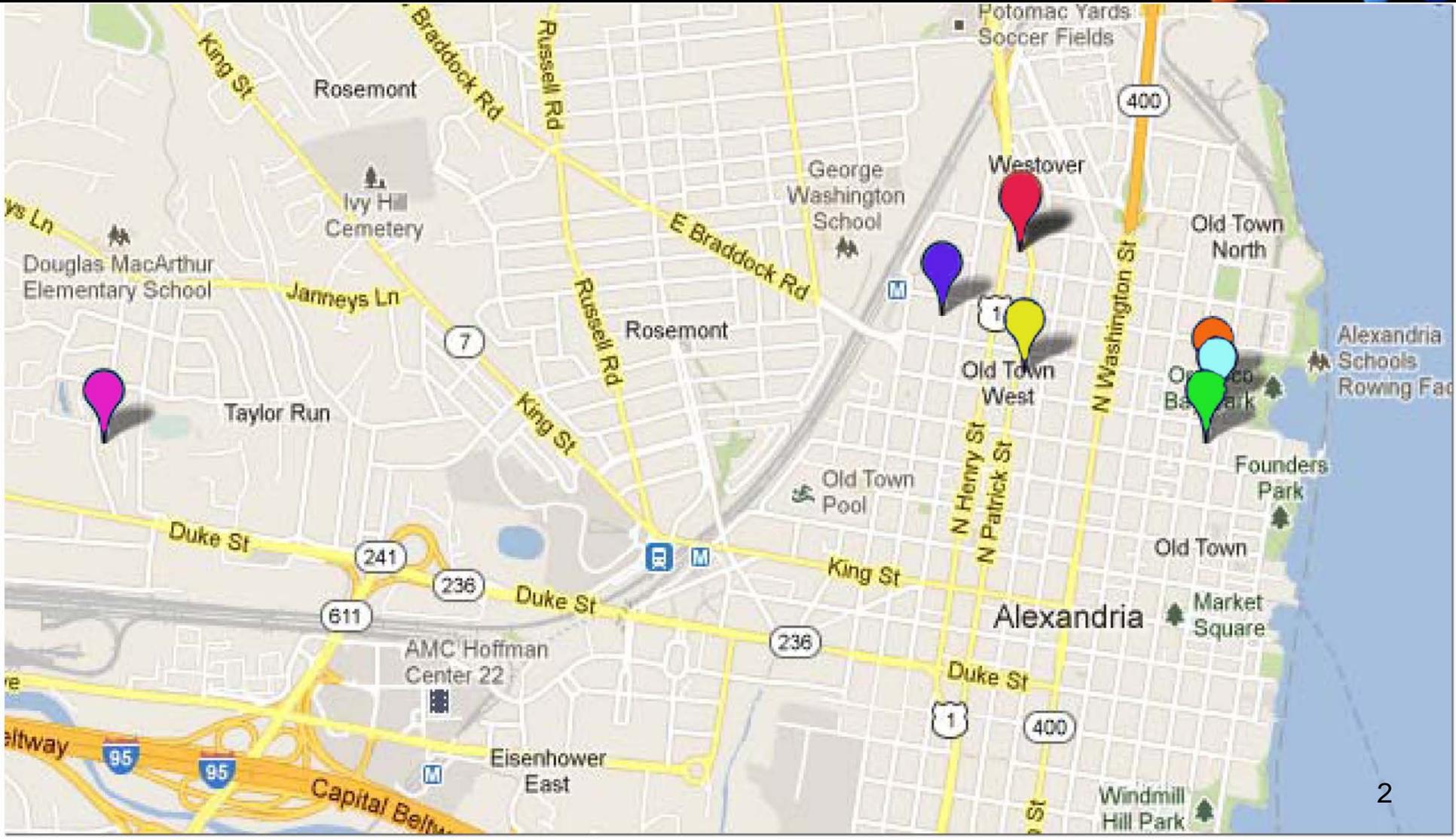
Presentation to the ARHA Redevelopment Work Group

By: Roy Priest, CEO

October 21, 2013



SITES IN OFFERING



THE OFFERING



- This Offering represents a significant percentage of ARHA's current portfolio of properties
- Replaces 545 units of housing
- Creates additional housing choices for ARHA's clients



THE OFFERING



- Presents an opportunity for ARHA to increase its portfolio as well as assist the City in accommodating a broader range of households to make up for some of the recent affordable housing losses
- Ability for ARHA to create long term income streams to sustain the agency through budget shortfalls and to continue development efforts



THE OFFERING



- The redevelopment of all sites is meant to be “soup to nuts” and each Partner will collaborate with ARHA on implementing all development activities for each site where ARHA determines the proposed solution to be in the best interest of the agency
- There are many large and talented developers that are interested in this Offering and therefore, we believe that developers will present creative solutions that will result in the highest and best use of the land assets in order to compete with their peers



THE OFFERING



- ARHA will engage in a 2-Part process to seek solutions from highly-qualified development partners for the redevelopment of 7 sites; which Process shall:
 - be consistent with past practices;
 - be consistent with the ARHA Procurement Process for Competitive Sealed Bidding;
 - be consistent with HUD Mixed-Finance regulations;
 - allow for a level playing field so as to avoid costly (legal, financial, time) challenges and protest



THE OFFERING



- Scale of Offering will impact multiple parties: ARHA Board, ARHA Staff, governmental approval bodies, City Staff
- Process could result in multiple partnerships
- Because of the simultaneous processing of sites in Offering, ARHA staff must collaborate with City staff on a one-stop internal process for developers that provides efficiencies and consistency



THE OFFERING



- Outcome of the Offering could mean a significant increase in real estate tax base given that earlier efforts which were smaller by scale and had a significant impact on the tax base
- Will be transforming for the City given the location of the sites

THE PROCESS



- MAKE-UP OF THE 2-PART PROCESS:
 - Part 1 is qualifications based but respondents will be required to identify those specific sites they would submit a proposal for, should they be invited to Part 2
 - Only teams that clearly demonstrate their capacity (including financial) and readiness to perform the required scope of services expeditiously will be short listed

THE PROCESS



In Part I, the ideal Partner must clearly demonstrate its capabilities, financial capacity and experience to perform all tasks related to large scale, turn-key development projects

THE PROCESS



- The published Part 1 solicitation will contain:
 - Information on each of the 7 sites
 - ARHA's 2012-2022 Strategic Plan
 - Relative City documents
 - All materials and procedural guidelines required for interested developers to prepare a thorough response
- Interested developers will be required to identify the sites they will be submitting a proposal on in Part 2

THE PROCESS



In Part 2, proposers will be expected to submit concepts and to demonstrate that their proposed solution for each site they have indicated interest in, reflects the important value of each site to the ARHA, its clients, the City and the community, and that it embodies specific characteristics and outcomes important to ARHA

THE PROCESS



- After Part 2 submissions, ARHA will begin negotiations with some or none of the submitting teams
- ARHA shall retain the ultimate discretion to select the most qualified, experienced and financially capable Partner or Partners that offer the most outstanding development solution for a site or sites collectively

THE PROCESS



- Depending on the number of responses ARHA will either:
 - Engage a consultant or consultant(s) to create a matrix of all responses for ease of review by a committee
 - Development staff will create a matrix of all responses for ease of review
- A committee seated by the CEO will review the condensed information, discuss and make a recommendation to the CEO. Committee could consist of ARHA staff, City staff, and even residents, so long as the ARHA staff have the majority vote
 - Committee members may be required to participate in HUD training for Mixed-Finance Development
 - Committee members will be required to participate in ethics training and sign a confidentiality agreement
- CEO shall make a recommendation to ARHA Board of Commissioners at their next scheduled meeting



THE PROCESS



REPRESENTATIVE PART 1 SCHEDULE:

- Day 1: Publish Solicitation
- Day 20: Site Tour and Pre-Submittal Meeting
- Day 40: Deadline to Submit All Questions and Requests for Clarification
- Day 50: Posting of Answers to Questions and Requests for Clarification
- Day 60: Response Due Date
- Day 90: Publication of a Short-List, per Site, and a detailed Part 2 Solicitation, including Schedule



DESIRED OUTCOMES



- Maximize owner retention of land assets
- Create a long-term income stream for the purpose of sustaining ARHA given program funding cuts
- Capture greater value created by the redevelopment effort in order to reinvest into other affordable housing efforts
- To build the capacity of the three (3) ARHA affiliate corporations



DESIRED OUTCOMES



- Through Resolution 830, ARHA and the City took formal action related to the joint goal of preserving affordable housing through 1-for-1 replacement of all publicly assisted units
- 1-for-1 unit replacement will be required; however, bedroom size per program shall be determined based on the current waiting list or other method agreed upon by ARHA in cooperation with the City

DESIRED OUTCOMES



- With the continuing cuts in federal subsidies, ARHA has had to increasingly adopt policies that will result in a client population that can take on a reasonable share of the responsibility for the household rent
- VHDA is similarly relaxing point categories to allow the higher household incomes to be a higher percentage of overall units (e.g., 60% AMI)
- ARHA will consider viable income tiering solutions; or other creative financing models



DESIRED OUTCOMES



- In order to assist our client population with the shouldering of the responsibility for household rent, ARHA expects through this effort and beyond that jobs will be created consistent with the ARHA Strategic Plan and Section 3 regulations for:
 - 1) ARHA clients,
 - 2) economically disadvantaged residents of the City of Alexandria, and
 - 3) economically disadvantaged residents of the metropolitan statistical area

DESIRED OUTCOMES



It is ARHA's intention to deliver development products to the market with strategic timing that are quality, market-sensitive and financially viable products, services and amenities to the residents and businesses of the City by encouraging stakeholder involvement and input throughout the development process

DESIRED OUTCOMES



The right to quiet enjoyment of the property by the families residing at the sites is a concern and as such it is ARHA's desire to limit displacement and minimize disruption of the families residing at the sites.

DESIRED OUTCOMES



- ARHA will select those proposals that promote creation of sustainable, mixed-income communities that are well integrated with the surrounding neighborhoods and uses
- ARHA is seeking signature design solutions
- ARHA envisions development that improves the streetscape and that stimulates pedestrian activity

DESIRED OUTCOMES



The built communities must increase the desirability of each site neighborhood by making it an area in which people who can afford market rate housing will choose to live in mixed-income housing because of its location in a stable and thriving community, some walkable to one or more metro stations

DESIRED OUTCOMES



- ARHA envisions built communities:
 - that respect and preserve the neighborhood history, community institutions and cultural values, factoring non-economic values into the redevelopment equation
 - that exhibit the tolerance and tradition of both its developed and social environments; an environment where ARHA residents will have a voice that is heard

ARHA'S ROLE



- Through this RFP, ARHA will select one or more Partner(s). The Partner(s) will build a team of highly-qualified professionals, one of which will be ARHA
- Financial constraints (e.g., competition for affordable development funds) and the lack of relocation options, could force phasing
- ARHA shall take the lead in phasing decisions



ARHA'S ROLE



- ARHA, through its affiliated entities, shall serve at a minimum as:
 - affordable units developer (VHDLLC)
 - affordable units property management company
 - subcontractor for those construction trades it is qualified to perform

ARHA'S ROLE



- Since 2003, ARHA and VHDLLC have managed affordable housing projects with a combined budget of **\$101,043,151 (exclusive of land value)**. Of this total amount, \$43M or 43% was competitively awarded tax credit equity and more than \$15M or 15% was competitive grant funding
- In the past 10 years, ARHA and VHDLLC have won 10 allocations of LIHTC with multiple applications scoring the highest in the state



ARHA'S ROLE



- ARHA will fully participate in the Development Site Plan and DSUP approval processes and will use its relationships with the local government, VHDA and HUD, to assist in and advocate for an agreed upon approval and financing process that is respectful of the efficiencies required by an affordable housing development
- Process must be mindful of cost containment measures recently instituted by VHDA



ARHA'S ROLE



- ARHA vacancy rates are trending between 1% at the low end and 2% at the high end
- Partners will be required to work cooperatively with ARHA's affiliated PM company in determining how the occupants (per site) are housed during the redevelopment of any site, albeit permanently or temporarily

ARHA'S ROLE



- ARHA will utilize this effort to accomplish the mission-based objectives, including those related to social and resident services, set forth in the ARHA Strategic Plan (the “Plan”)
- Proposers will be expected to familiarize themselves with the Plan and the goals for resident related efforts and speak to their strategy for meeting the goals in their Part 2 submissions



SUMMARY



- Past efforts have proven hugely successful because of collaborative efforts of all stakeholders
 - Quaker Hill was trail blazing!
 - Chatham Square and BWR were big!
 - James Bland is bigger!
 - This Offering will be the biggest effort yet at ARHA and we look forward to seeing the innovative solutions brought forward by talented developers