Housing Master Plan
Advisory Group Meeting
Funding Affordable Housing
Thursday, October 7, 2010 6:30p.m. – 9 p.m.
Jefferson Houston School

Meeting materials are available online at: www.Alexandriava.gov/housingplan

Meeting Summary

Introduction
Midrilyn Davis, Director (Office of Housing) welcomed meeting attendees and introduced Tom Hart and Jesse Wiles, consultants.

Presentation: Funding Affordable Housing
The presentation can be found online at www.alexandriava.gov/housingplan

Q&A on the Presentation:

- Has the City of Alexandria had an opportunity to refinance the debt service from the "1-penny" tax housing trust fund? *A: As of yet, the City has not refinanced, because the conditions have not been more advantageous yet (i.e., better rate or terms at low transactional cost), but they look into this on a regular basis.*
- Where do faith-based organizations generally obtain their funding? A: Typically from offerings. They then invest these funds in real estate and pursue mission-based housing projects.
- What type of affordable housing are you looking at? *A: All types, but one of the key areas is at or below 60% AMI"— and market affordable rental. Public/private partnerships are important in closing the gap for development of affordable housing.*
- Parcview is a great example of a building that is affordable. Does the City keep track of sites that have a high concentration of affordable units to ensure that they don't get converted? Also, does the City keep track of census data to assess where clusters of elderly populations are living, and target these areas for senior housing to be targeted for preservation? *A: The City does monitor affordable housing sites and works to intervene wherever possible when a site is at risk of losing its affordability. Good suggestion, to get more information about*

properties which may have large senior populations. The City will review new census data to inform strategy for targeting senior affordable housing preservation.

- Can you explain the difference between tax credit of 9% and 4%? *A: 9% credits are available for new construction or substantial rehabilitation projects which do not include other federal funding subsidies. The amount of credits awarded is based on a 10 year present value calculation of 70% of the qualified basis (cost) of the low income units. 4% credits are also used for new and substantial rehabilitation projects which are subsidized with tax exempt bonds. The credit amount is determined by a present value calculation on 30% of the qualified basis over ten years. In Virginia, the 9% credits are awarded competitively once a year; 4% credits are available year round. 4% credits are also available for the acquisition of existing projects, subject to some conditions regarding ownership tenure and prior affordability restrictions.* It is particularly hard for the disabled community at the lowest income levels. Will the City look at increasing the minimum of 5% dedicated to that population? *A: The City recognizes that there is a serious need for housing with accessible units for people at 30% AMI and lower. The HSCC, CSB, and the ARHA Strategic Plan all have, or will, also be looking at this issue. The HMP AG will be discussing this issue in January 2011. It is very difficult to fill this need as it requires the greatest subsidy.*
- Is the City currently using bonus density as a way of securing affordable units? *A: Section 7-700 of the zoning ordinance allows the City to allow bonus density in exchange for the provision of affordable housing units.*
- It is important to look at other examples around the country for providing affordable housing which focus on improving the quality of life for the lowest income residents and help them become working citizens. One example of this is the "growth communities" as seen in Seattle.
- How does a nonprofit housing developer know where to begin if they were interested in developing affordable housing in the City? *A: The Housing Master Plan will provide priorities, goals, strategies, and partners for affordable housing. In addition, the Office of Housing works as a clearinghouse, providing information about opportunities and needs, and facilitating partnerships.*

Discussion Session

What role should the City play in providing affordable housing – a dealmaker or a more passive role?

- Members of the advisory group acknowledged that the City already is a dealmaker – by putting people together, sharing information about properties that have potential, providing technical assistance – and should continue to act in that role. In some cases, the group thinks the City should be even more proactive in in this role.

- Community Land Trusts could be a good way to preserve affordable housing.
- The City should pursue enabling legislation for those tools that are deemed appropriate to achieve goals.
- The City needs to be even more active in funding affordable housing.
- Need to look at new tools AND be creative with existing tools, and be more creative in leveraging existing funding.
- One of the goals of the MP should be to address the fact that many higher income households are occupying the units set aside for lower incomes. The City should find a way to reserve those units – maybe by setting maximum income limits. *Note: City funded units and/or units provided as affordable "set asides" do have maximum income limits that govern who is qualified to rent or purchase them.*

Should the City take advantage of "bargains" in the marketplace?

- I do think the City should take advantage of lower prices, and potentially consider splitting units into multiple units
- Yes, the City should take advantage of lower prices – while recognizing funding limits.
- The City should investigate some sort of tax increment financing tool for funding affordable housing?
- "Bargain" purchases should be unit based, in alignment with goals, and without financial risk.
- Deciding whether or not to pursue "bargains" should take into account how the revenue stream plays out over time – need to look at the expected gains in the revenue out years to replenish what is spent.

Should the City pursue new affordable housing partners?

- Yes, the City needs more investment/development partners, especially for the under 30% of AMI market.
- The City does a good job in leveraging partners, but should continue to pursue as many partners as possible.
- Should follow some of the California examples in the presentation by pursuing more bank and corporate partners

Additional Public Discussion

- Would like to see the City doing a better job building constituencies for affordable housing, so that there are more supporters for allocating time and funding to this effort. The City should do a better job of encouraging and welcoming community input – by integrating the community more into the meeting discussion. Like tonight at this meeting, for example.
- Master plan should promote new tools that the City currently is not currently using, such as:
    - Payment in lieu of taxes (PILOT) for non-profits
    - Waiving development fees for non-profits

    - Being more aggressive in capturing affordable housing in new development
- Financing tools consistently change; simple financing not available; the Office of Housing should be people/needs-oriented – not chasing money. Use brokers to analyze options, gap and develop the deals.
- Affordable housing targets should be developed and monitored – particularly low income accessible units. These units should not be separate/segregated. These targets should be codified.
- Should look to Arlington for examples.
- Should develop a replacement policy when market affordable properties redevelop.
- Should use as many tools as possible that are available. Need affordable housing and accessible units for people with special needs.
- Members of the Advisory Group noted for the community that they are a volunteer group – not paid staff – and that the information being presented has been useful in building background knowledge on the challenges and tools.

It is noted that there were some public comments requesting that opportunities for general audience comment and participation occur earlier. The agenda is provided as a guide: the pace of presentations, questions and discussion among the Advisory Group may change proposed times for each portion of the meeting.

Meeting adjourned at 9:00PM.