

City of Alexandria
HOUSING MASTER PLAN
PRIORITY HOUSING PRESENTATION

January 13th, 2011

Presented By:

Kyle Talente, Vice President and Principal
RKG Associates, Inc.

Roy Priest, CEO and Executive Director
ARHA

Ben Bell, Executive Officer
Juan Patterson, Senior Project Manager
MDStrum Housing Services, Inc.



AGENDA

- **Introduction**
- **What Is ARHA?**
- **ARHA Strategic Plan Update**
 - Where are we in the plan?
 - Physical and strategic facility assessment
 - “At risk” units
 - Potential redevelopment areas
- **Coordinating the ARHA and City Efforts**
- **Housing Need and Affordability**
- **Existing Programs for Greatest Needs**
- **Impediments to Providing Housing below 50% AMI**
- **Approaches to Address Needs**



ALEXANDRIA REDEVELOPMENT
AND HOUSING AUTHORITY



600 N. FAIRFAX STREET
ALEXANDRIA, VA 22314

(703) 549-7115 FAX: (703) 549-8709 TDD: (703) 836-6425

WHAT IS THE ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY (ARHA)?



ARHA IS...

- **The Alexandria Redevelopment & Housing Authority**
 - Authorized by Housing Authority Law, Chapter 1, Title 36 Code of VA , 1938
 - ARHA is an Independent agency
 - It is a Corporate Body Politic under VA law and charter
 - Is not part of City Government
 - Is a Housing Authority
 - Is a Redevelopment Authority
 - Able to issue tax-exempt bonds
 - Has special powers (Chapter 19, Title 36 Code of VA)
- **Operates under Federal, State and Local laws, regulations and ordinances**

ARHA MISSION

- **Active Mission - Provide adequate and affordable housing, economic opportunity and an environment free of discrimination to the residents of Alexandria**
- **Long Range Mission & Goal:**
 - Be the leader and a model community for affordable housing
 - Maintain a diverse portfolio of moderate and low income families
 - Promote individual self-sufficiency and economic opportunities
 - Leverage older developments through mixed-income ventures becoming the premier leading real estate company in the community

HOW WE DO IT

- **Through efficient and effective use of resources**
- **By defining unmet needs and crafting programs and strategies to address them**
- **By promoting empowerment, economic self sufficiency, and quality of life among its residents**

ARHA ACTIVITIES EXAMPLES

- **Administers and manages Public and Affordable Housing**
- **Administers the Housing Choice Voucher Program (Section 8)**
- **Expands the availability of affordable housing**
- **Markets, Selects and Places residents into affordable housing**
- Provides affordable homeownership opportunities
- Enforces rules, guidelines and laws through Management Policy
- Conducts routine and extraordinary maintenance and inspection of units
- Plans and implements strategies to promote new housing opportunities
- Provides range of supportive service and self-sufficiency programs
- Partnering with other private and governmental organizations

HOW ARHA IS GOVERNED

- **Policy-making Board of nine (9) Commissioners appointed by the City Council**
- **An Executive Director/ CEO hired by the Board executes Board policies**

ARHA'S IDENTITY

- **Annual Operating Budget – approximately \$32,907,000**
 - Sec. 8 Subsidy and Fees - \$20,870,900
 - Public Housing Operating Subsidy - \$5,928,200
 - Tenant Rent - \$4,720,100
 - Developer's Fee - \$358,700
 - Local Grants - \$80,000
 - Other (misc. sources) - \$949,100
- **Utilizes another \$5 to \$7 Million annually for Capital Improvements & Development**
- **Manages 839 Public Housing Units**
- **Authorized for 1,722 Section 8 Vouchers (funding supports 1,422 units)**
- **Administers 237 Other Assisted Housing Units (LIHTC, Market Affordable Housing, Moderate Rehab)**
- **Units are located throughout City of Alexandria**

INCOME CHARACTERISTICS OF ARHA RESIDENTS

■ **Public Housing Residents**

- Average household income of \$15,493
- 44% of households have earned income (wages)
- 31% of households are elderly or disabled
- 1% of households report no income

■ **Section 8 Housing Choice Voucher Participants**

- Average household income of \$16,942
- 50% of households have earned income (wages)
- 39% of households are elderly or disabled
- 0% of households report no income



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WHERE ARE WE IN THE STRATEGIC PLAN?



STRATEGIC PLAN UPDATE

- **ARHA is refining its mission and defining long-term strategies to serve needs of our clients**

- **Existing community plans and local agreements will be incorporated into context of the Plan to:**
 - Ensure efficient resource utilization
 - Promote sustainability and benefits

- **The Plan is being developed through input and consensus**
 - Stakeholder involvement in issue meetings
 - 9 meetings have been held since September with more to be held in 2011
 - Meetings provide information and elicit input on 4 key issue areas:
 - Physical
 - Economic
 - Resources
 - Social

PHYSICAL TOPIC AREA – THEMES

- **Housing need and supply, Housing affordability, Housing location, Conditions of existing housing, Housing rehabilitation, Housing development**
 - New development models & paradigms should be considered
 - Mixed income - Mixed use housing is preferred
 - Access to public transportation and proximity to work and recreation are important
 - Lifestyle differences are real factors in designing new housing
 - Building Design is an important deterrent to crime

ECONOMIC TOPIC AREA – THEMES

- **Homeownership, Area economic development, Employment, Impact on area businesses**
 - Market conditions pose challenges to ARHA's Home Ownership Program
 - Significant challenges exist in hiring and training low income residents
 - ARHA's Policies & Goals should continue to encourage self-sufficiency
 - Disadvantaged Businesses should be used where applicable
 - Slow state of the economy must be considered in all planning

RESOURCES TOPIC AREA – THEMES

- **Community partnerships, Resources for rehabilitation, Resources for development, Resources for infrastructure, Resources for social & economic development, Resources for ARHA operations**
 - ARHA should increase its grant-seeking efforts
 - Cost of Sec 8 program has reduced number of families served
 - Database or Guide identifying services and resources should be developed by the City and ARHA
 - ARHA resources used for public safety activities are effective

SOCIAL TOPIC AREA – THEMES

- **Family self-sufficiency, Upward mobility, Security, Crime prevention, Education, Transportation**
 - ARHA Residents and non-ARHA neighbors generally desire the same things
 - Residents need orientation or training when transitioning to new communities
 - Education and communication are necessary to modify negative perceptions
 - Economically mixed communities reduce criminal activities & victimization
 - Resident needs must be better matched to available resources



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PHYSICAL AND STRATEGIC FACILTIY ASSESSMENT



INITIAL FINDINGS

- **ARHA Public Housing is in relatively good condition for its age**
- **Conventional public housing not at risk due to operations (Older properties are strong performers)**
- **ARHA Market Affordable housing is in good condition**
- **Many ARHA units are new or newly-rehabbed (Bland I, W. Glebe, Old Dominion, Quaker)**
- **Properties currently slated for redevelopment won't require major modernization in the interim (Bland, Bland Addition)**

INITIAL FINDINGS

- **Short-Term (5-Year) capital needs pose the biggest challenge with shortfall of \$2.3 Million**
 - Average 5-year need is \$ 8,786,752
 - Anticipated 5-year CFP funding is \$ 6,471,720
- **ARHA's basic long-term (20-year) Public Housing and ACC capital needs exceed available funding**
 - Average 20 Year Need is \$26,162,762
 - Anticipated 20 CFP is \$25,886,880
 - Some CFP funds used for non-capital expenses

STRATEGIES TO BE CONSIDERED

- **Carefully select public housing properties for reinvestment of Capital Funds using criteria such as:**
 - Current and anticipated need for units
 - Viability of property (Financial, Physical, Social, Economic)
 - Use is consistent with existing plans for property and neighborhood
- **Redevelop properties that meet one or more of the following criteria:**
 - Property is non-viable
 - Property presents considerable and acceptable economic opportunity for alternate use
 - Property is already slated for redevelopment
 - Current use is grossly inconsistent with highest and best use or with pending area transformation plans
- **Maintain other properties consistent with highest and best use determinations**

PRELIMINARY CONCLUSIONS

■ FINANCIAL RISK FACTORS

- Financial performance of most conventional properties (apartments, townhouses) is not main concern or factor of risk
 - Conventional PH is generating substantial net income for ARHA (Madden, Ramsey, Adkins, Bland, Ladrey, Scattered Site III)
 - Other Affordable Housing performing well financially (Jefferson, Hopkins-Tancil, LIHTC/ACC)
- Financial performance of existing ACC units in condos is a major factor of risk
 - Saxony Square and Park Place condos are operating at a substantial loss
 - Other properties are subsidizing these units

PRELIMINARY CONCLUSIONS

- **CAPITAL FUNDING PRIORITIES**

- ARHA will need to direct CFP resources to priority properties
- AHRA needs to devote larger % of CFP grant to hard construction costs
- Use capital funds not needed by Bland and Bland Addition for improvements at Public Housing properties that meet CFP reinvestment criteria

PRELIMINARY CONCLUSIONS

■ REDEVELOPMENT

- ARHA will need to refine the condo model for replacement housing
- Some public housing properties in “Small Area Plan” zone are performing well but are inconsistent with SAP objectives of:
 - Mixed-income housing
 - Mixed-use developments
- ARHA must ensure that cash flow to agency from conversion or redevelopment equals or exceeds cash flow from properties being converted or redeveloped



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ARHA AFFORDABLE HOUSING UNITS "AT RISK"



PUBLIC HOUSING UNITS AT RISK

- **Ramsey has a degree of risk due to functional obsolescence (15 units)**
- **Madden and Adkins may be at some risk due to best use and economic opportunities (156 units)**
 - Highest and best use issues (Madden and Adkins)
 - Location in commercial corridor and heavy traffic area (Madden)
- **Saxony Square and Park Place may be at risk due to financial performance (43 units)**

OTHER UNITS AT RISK

- **Obsolescence and economic opportunity places Hopkins-Tancil at risk (109 units)**
 - Location in Old Town presents opportunity for physical and financial scaling
 - Units are very old and very small
 - Project-based assistance is tied to annual Federal appropriations



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POTENTIAL REDEVELOPMENT AREAS



BRADDOCK EAST

- **Madden: Potential treatment includes:**
 - Change to mixed-use
 - Take advantage of commercial opportunity of Patrick/Henry corridor
- **Adkins: Potential treatment includes:**
 - Change to mixed-income residential
 - Achieve higher residential density
 - Maximize economic opportunity of its proximity to Braddock Road Station
- **Ramsey: Potential treatment includes:**
 - Change to mixed income
 - Change architecture to match area character
 - Take advantage of economic opportunity presented by location

HOPKINS-TANCIL

- **Hopkins-Tancil: Potential treatment includes:**
 - Change to mixed income
 - Upgrade property to market and area standards
 - Take advantage of economic opportunity presented by proximity to Old Town

COORDINATING ARHA AND CITY EFFORTS



HOW THE TWO PLANS RELATE

It is essential that the City and ARHA continue to coordinate efforts to ensure that the mission of preserving and providing safe, quality affordable housing for Alexandria residents is being carried out in a cooperative manner.

Contradictions in approach can lead to inefficiencies in the use of public resources.

COORDINATED EFFORT BENEFITS

- **Mutual “buy-in” between Alexandria’s two largest affordable housing entities**
- **Support/acknowledgement of existing community priorities**
- **Sharing of ideas, concerns and opportunities**
- **More comprehensive and viable solutions**
- **Integrated capital and policy implementation steps (efficiency)**
- **Improved continuum of affordability thresholds**

BRIEF REVIEW OF HOUSING NEED AND AFFORDABILITY BELOW 50% OF AMI



AFFORDABILITY THRESHOLDS

- **Affordability Defined By HUD, Based On Prevailing Incomes Within The Specific Region (Washington DC Metro Area)**
- **“Low/Very Low Income”**
 - 50% of Area Median Income (AMI)
 - \$41,420 for a 2-person HH
 - \$1,036 per month in rent
 - \$145,720 for a fee-simple home (FHA guidelines)
 - Less for condos (fees)
- **“Extremely Low”**
 - 30% of AMI
 - \$24,852 for a 2-person HH
 - \$621 per month in rent
 - \$87,400 for a fee-simple home (FHA guidelines)
 - Less for condos (fees)

RENTAL SUPPLY VS. DEMAND

Percent AMI Annual HH Income Rent Level	Under 30% \$24,850 \$621	30% - 50% \$41,420 \$1,036	50% - 60% \$49,704 \$1,243	60% - 80% \$66,272 \$1,657	Above 80% \$66,272+ \$1,657+	TOTALS
EFFICIENCY						
Supply	130	2,108	202	455	0	2,895
Demand	599	605	290	702	1,470	3,665
Difference	(469)	1,503	(88)	(247)	(1,470)	(770)
1 BEDROOMS						
Supply	883	3,985	3,644	4,542	1,153	14,207
Demand	2,259	2,282	1,092	2,647	5,542	13,820
Difference	(1,376)	1,704	2,553	1,896	(4,389)	387
2 BEDROOMS						
Supply	735	0	1,387	4,415	3,900	10,437
Demand	1,764	1,782	852	2,067	4,329	10,793
Difference	(1,029)	(1,782)	535	2,348	(429)	(356)
3+ BEDROOMS						
Supply	450	0	0	846	344	1,640
Demand	1,137	1,146	548	1,331	2,786	6,948
Difference	(687)	(1,146)	(548)	(485)	(2,442)	(5,308)
TOTAL						
Supply	2,198	6,093	5,233	10,258	5,397	29,179
Demand	5,758	5,814	2,781	6,746	14,126	35,225
Difference	(3,560)	279	2,452	3,512	(8,729)	(6,046)

WAITING LISTS

PRIORITY HOUSING WAITING LISTS

Program	Existing Supply	Occupied %	Waiting List	Estimated Wait
Public Housing - General	669	100%	1,321	8+ Years
Public Housing - Elderly	170	100%	364	5+ Years
Section 8 - Choice Vouchers [1]	1,422	100%	752	8+ Years
Setion 8 - Mod Rehab	109	100%	2,443	15+ Years
Private Section 8 Units [2]	813	100%	411	2+ Years

[1] - 1,722 vouchers allocated, but funding level only supports 1,422

[2] - Based on 3 reporting properties. All numbers aggregate.

NOTES:

Waiting lists are regularly purged to remove inactive applicants

Most of these waiting lists have been closed for more than three years.

OWNERSHIP AFFORDABILITY

- **Fee Simple**
 - 13 units are affordable to households earning 50% of AMI
 - 5 units are affordable to households earning 30% of AMI
- **Condominium**
 - 243 units affordable to households earning 50% of AMI
 - No units affordable to households earning 30% of AMI
- **More than 11,000 households earn below 50% AMI**

NEW CONSTRUCTION CALCULATIONS

- **Rental Gap Range (PER UNIT)**

	50% of AMI	30% of AMI
▪ Fairlington/Bradlee:	\$37,750	\$116,500
▪ Braddock Road Metro:	\$161,000	\$239,750

- **Condo Ownership Gap Range (PER UNIT)**

	50% of AMI	30% of AMI
▪ Alexandria West:	\$150,600	\$209,000
▪ King Street Metro:	\$473,750	\$532,000

- **Gaps substantially greater for townhouse/SF**

REHABILITATION

- **New Construction Only One Facet**
 - City has substantial supply of aging housing (SF to MF)
 - Those properties most affordable tend to be in need of rehabilitation and/or modernization
 - Condo conversions has impacted rental affordable housing supply
- **Rehabilitation Costs Can Match/Exceed New Construction**
 - Property acquisition costs are substantial
 - Almost exclusively functioning assets
 - Rehabilitation costs have ranged from \$56 to \$112 PSF (building only)
 - Construction costs for apartments range from \$100 to \$200 PSF (building only)
 - Recent City investment ranges from \$45,000 to \$148,000 per unit
 - “Gap” range per unit for rental at 50% AMI similar

EXISTING PROGRAMS FOR GREATEST NEED HOUSEHOLDS



ARHA PROGRAMS

■ **Low Income Public Housing Program**

- Administers all 839 public housing units in the City
- Funded through Federal subsidies and tenant rents
- Must remain compliant with the Annual Contributions Contract (ACC)
- FY2010 budget of \$12.2 million
- No City funding for operations

■ **Section 8 Choice Voucher Program**

- HUD funded program providing subsidies to income-qualifying households
- 1,722 authorized units, current funding supports 1,422 units
- Most of the 1,422 vouchers used in privately owned units
- ARHA monitors compliance by HUD guidelines
- FY2010 budget of \$19.4 million

ARHA PROGRAMS

- **Section 8 Moderate Rehab Program**

- Project-based assistance supporting 109 units at Hopkins-Tancil
- Waiting list of more than 2,400 households for access
- FY2010 budget of \$1.2 million

- **Stimulus Capital Fund Improvement Program**

- Received \$1.8 million in funding in FY2009
- One-time grant to ARHA
- All funds spent in FY2010 on capital improvements
- No future allocations planned

ARHA PROGRAMS

- **Capital Fund**
 - HUD funding provided based on formula
 - Used for capital investments in public housing
 - FY2010 budget of \$1.3 million
- **Additional Development Programs**
 - Bond financing fees total \$109,000
 - Affordable housing development programs (mixed-finance development)
 - Totals \$3 to \$5 million annually
- **Service Programs**
 - Several programs aimed at supporting residents in improving quality of life and employability
 - Intervention programs (i.e. school aged...)
 - Funded through a series of Federal, state, City, non-profit and private (donations) sources
 - Total FY2010 budget of \$599,000

OFFICE OF HOUSING PROGRAMS

■ **Homeownership Assistance Program (HAP)**

- Offers income-qualified households downpayment assistance up to \$50,000 for households earning below 50% AMI (Tier 1)
- Funded through HOME and CDBG monies (City entitlement)
- Must follow Federal HOME/CDBG standards
- FY2011 budget of \$1.2 million

■ **Affordable Housing Initiatives**

- Property acquisition and rehabilitation program
- Funded through series of City sources
 - Mostly tax revenue, bonding and housing trust fund
- Total FY2011 budget of \$6.4 million – all dedicated to Bland replacement
- Program not funded in FY 2012 (unallocated tax revenue rescinded)

OFFICE OF HOUSING PROGRAMS

■ **Housing Opportunities Fund (HOF)**

- Property acquisition and rehabilitation program for HHs below 60%
- Funded through HOME, Housing Trust Fund and general fund
- FY2011 total budget of \$600,000 (\$320,000 HOME Funds)
- Requires compliance with HOME program guidelines
 - i.e. – 1-for-1 unit replacement, URA and Davis-Bacon

■ **Home Rehabilitation Loans**

- CDBG funded program for households meeting HUD 80% income levels
- Provides soft costs (15% of total development costs) and construction loan (\$90,000) to owner
- FY2011 funding of \$1.0 million
 - \$550,000 in new allocation

OUTSIDE PROGRAMS

- **There are outside entities that fund and administer affordable housing programs targeted to households earning below 50% AMI available in Alexandria (examples)**
- **Low Income Housing Tax Credits**
 - Provides tax credits for construction costs experienced for the development of affordable housing (only)
 - Minimum of 20% of units for 50% AMI OR 40% of units for 60% AMI
 - Administered by VHDA in Virginia
- **Tax Exempt Bond Financing**
 - Non-competitive financing mechanism that offers competitive rates
 - Non-recourse loans
 - Administered by both VHDA and ARHA

COMPLIANCE REQUIREMENTS

- **Units receiving federal subsidies must be managed consistent with grant contract**
 - Mandatory status reporting
 - Mandatory audits
 - Procurement requirements
 - Property condition standards
- **All properties must also comply with local standards where such standards exceed federal standards**
 - Zoning
 - Building and maintenance codes
 - Fire and safety ordinances
 - Use restrictions

ARHA COMPLIANCE REQUIREMENTS

- **Must provide HUD with an Annual Plan**
- **Must comply with HUD and State regulations for procurement**
- **Must comply with mandatory asset management requirements**
- **Must involve residents in planning and decision-making**
- **Must meet un-funded federal mandates**
 - Economic self-sufficiency
 - Resident community service

IMPEDIMENTS TO PROVIDING HOUSING FOR HOUSEHOLDS EARNING BELOW 50% AMI



IMPEDIMENTS

- **Limited availability of land for development**
- **Limited/declining funding available for affordable housing development and operation**
- **High cost of affordable housing development in Alexandria**
- **Potential market changes that will pose risks to the preservation of affordability of units that currently qualify for assistance**
- **Uncertainty of long-term approach to developing new affordable housing units**
- **Households with disability needs have additional challenges**

IMPEDIMENTS

- **Gaining public acceptance of new/replacement housing sites**
- **Lack of all parties' mutual understanding of the critical issues**
- **Inaccurate perceptions of affordable housing programs, conditions and challenges**
- **Affordable housing properties that are viable and have useful life remaining not always compatible with expressed community preferences (i.e. – Braddock East)**
- **Lack of public understanding of ARHA's status as a Redevelopment Authority**

ARHA IMPEDIMENTS

- **Contrast in current vs. required skills to fully employ ARHA as a comprehensive Redevelopment agency**
- **Challenge in financing ARHA's administration devoted to planning, developing and supervising the management of affordable housing in order comply with un-funded HUD mandates**
- **Operation in national environment of decreasing resources devoted to the development and administration of affordable housing**

APPROACHES TO ADDRESS NEED



PROTECTION OF PRIORITY UNITS

- **Priority Property Type Options**

- ARHA units
- Non-profit owned, publicly assisted
- Non-profit owned, affordable
- Privately-owned, publicly assisted
- Privately-owned, affordable

- **Priority Property Financial Commitment Options**

- City guarantees financial support for replacement and preservation of priority units
- City commits to supporting existing properties, but not redevelopment efforts
- City provides support subject to prioritization and available resources
 - Non-mandatory
- City provides support subject to available resources
 - Non-mandatory
- City does not make a commitment to financial support

PROTECTION OF PRIORITY UNITS

■ Financially Supported Priority Property Investment Options

■ REPLACEMENT

- City will support replacement of priority units at a one-for-one level
 - Replacement must be on site
 - Replacement may be off site
- City will support replacement of priority units at a proportional level (i.e. 1 replacement unit for every 2 demolished)
 - Replacement must be on site
 - Replacement may be off site
- City will support the number of priority units to be replaced on a case-by-case basis

■ PRESERVATION

- City will support preservation of existing priority units at a one-for-one level
- City will support preservation of existing priority units at a proportional level (i.e. 1 remaining unit for every 2 existing units)
- City will support preservation of existing priority units on a case-by-case basis

ADDITION OF PRIORITY UNITS

- **Financially Supported Priority Property Investment Options**
 - NEW DEVELOPMENT AND ACQUISITION PROJECTS
 - City commits to supporting acquisition or development of units with a long term commitment to serve households earning below 50% of AMI
 - City will support acquisition or development of units with a long term commitment to serve households earning below 50% of AMI subject to prioritization and available resources
 - City will support acquisition or development of units with a long term commitment to serve households earning below 50% of AMI subject to available resources
 - City does not commit to or support new development or acquisition of priority units

EXISTING PROTECTION LEVELS

- **Resolution 830 Units**

- 1,060 ARHA public housing and replacement units and 90 Annie B. Rose
- Mandatory one-for-one replacement of all displaced units in City
- City guarantees financial support for replacement

- **Privately-Owned Assisted Units (includes non-profits)**

- 2,523 privately owned, publicly assisted units
- Deemed priority for preservation, but have no replacement requirement or guaranteed financial backing

- **Market Rate Affordable Units**

- No protections

PHUP RECOMMENDATIONS

- **3,457 housing units to be defined as “priority housing units”**
 - 1,150 units covered by Resolution 830
 - 1,450 Housing Choice vouchers (may change)
 - Less the 110 used in Resolution 830 units (Quaker Hill and Jefferson Village)
 - Less the 26 used in New Brookside
 - 980 privately owned, publicly assisted units with project-based Section 8 contracts
 - 13 units at 607/612 Notabene
- **No guarantees of financial support to keep all 3,457 units**
 - Support contingent upon strength of projects **AND** availability of funds
 - Potential to access additional resources (i.e. R.E tax treatment)
- **Promotes the use of project-based Housing Choice vouchers**
- **Encourages continued redevelopment of ARHA properties**

PHUP RECOMMENDATIONS

- **Treats all unit types (Resolution 830 and other) equally, subject to prioritization based on:**
 - Provides unique ability to access financing for capital costs and operations
 - Level of permanent/long term commitment and strength of contractual commitment
 - Demographic trends
 - Quality of operations
 - Project's ability to maintain and contribute to the creation of a mixed income setting and appropriate balance of housing throughout the City
 - Project's ability to leverage existing assets to maintain and expand the number of priority housing units

DISCUSSION QUESTION

Which of the following housing types should be defined as “priority housing” types?

- ARHA units
- Non-profit owned, publicly assisted
- Non-profit owned, affordable
- Privately-owned, publicly assisted
- Privately-owned, affordable

DISCUSSION QUESTION

Of the priority housing types, which should the City provide a commitment of financial support?

- ARHA units
- Non-profit owned, publicly assisted
- Non-profit owned, affordable
- Privately-owned, publicly assisted
- Privately-owned, affordable

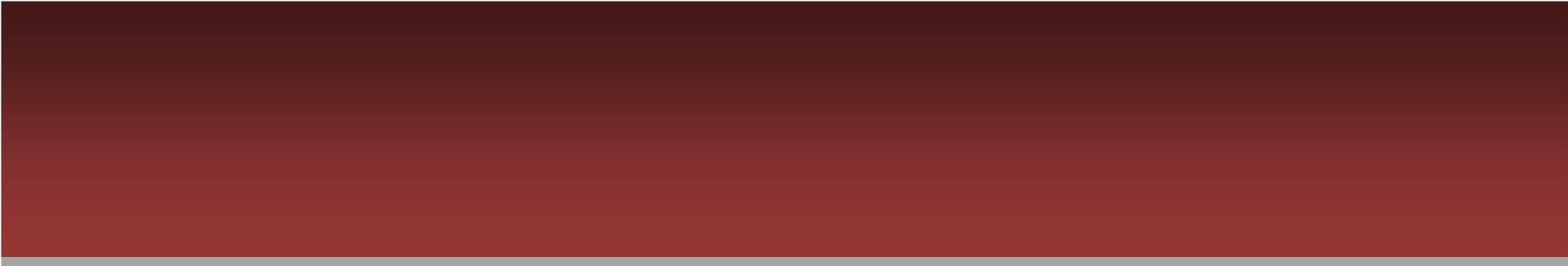
Should the support be solely for preservation and replacement, or should it include expansion of the number of priority housing units (new development/acquisition)?

DISCUSSION QUESTION

If the City commits financial support, what should the level of investment policy be for the priority housing types?

- ARHA units
- Non-profit owned, publicly assisted
- Non-profit owned, affordable
- Privately-owned, publicly assisted
- Privately-owned, affordable

Should the level of commitment be the same for expansion as it is for preservation/replacement ?



WHERE ARE WE IN THE PLAN?



Strategic Plan Update

Major Themes from Topic Area Meetings

AVERAGE 2-BEDROOM UNIT MONTHLY COST

SMALL AREA	RENT
Alexandria West	\$1,610
Braddock Road Metro	\$2,118
Eisenhower East	\$2,440
Fairlington_Bradlee	\$1,300
King Street Metro_Eisenhower Ave.	\$1,963
Landmark_Van Dorn	\$1,549
North Ridge_Rosemont	\$1,300
Northeast	\$1,518
Old Town	\$1,414
Old Town North	\$1,620
Potomac West	\$1,430
Potomac Yard_Potomac Greens	\$1,550
Seminary Hill	\$1,530
Southwest Quadrant	\$1,480
Taylor Run	\$1,323

FACTORS OF DEMAND AND SUPPLY

- **Strong demand across all unit sizes**
- **Wait list composed heavily of extremely low income families <15% AMI**
- **Weak demand for ARHA units by traditional elderly individuals**
- **Very little turnover of units in 2009**
 - Public Housing (general population) - 43 families housed
 - Public Housing (elderly/disabled) – 28 families housed
 - Section 8 HCV - 55 families housed
 - Section 8 Mod Rehab 13 families housed

OWNERSHIP AFFORDABILITY

- **Fee Simple Units Not Very Affordable**

- Average single family value - \$712,350
- Average townhouse/rowhouse value - \$536,900
- Approximately 1,200 of 20,900 units affordable at 100% of AMI
 - 5.7% of total

- **Condominium Units Provide Little Relief**

- Average garden condominium value: \$268,500
- Average high-rise condominium value: \$249,950
- Approximately 6,000 of the City's 19,200 condos affordable at 80% AMI
 - 31.3% of total

OWNERSHIP SUPPLY VS DEMAND

INCOME CATEGORY	Below				TOTAL
	80% Less than \$66,272	80% to 100% \$66,272 to \$82,840	100% to 120% \$82,840 to \$99,408	Over 120% More than \$99,400	
Supply					
Condo	5,944	3,778	3,213	6,071	19,006
Fee Simple	603	538	998	18,435	20,574
Total Supply	6,547	4,316	4,211	24,506	39,580
Total Demand	15,810	6,140	6,025	22,300	50,275
Difference	(9,263)	(1,824)	(1,814)	2,206	(10,695)

- Includes approximately 7,000 units currently being used for rentals
- Removed those households uninterested or unlikely to become homeowners
 - Preference and extremely low incomes
- Follows reported current lending levels of 90% FHA and 10% conventional

NEW CONSTRUCTION

- **New development adds to overall supply**
- **Impact of affordability measured in “gap” between market rate and affordability threshold**
 - What would the unit be worth on the competitive market?
 - What is the unit worth with a cap placed on the rent/sale price?
- **Factors that influence cost (and value):**
 - Land costs
 - Zoning
 - Construction type
 - Parking requirements
 - Etc...

ARHA AFFORDABLE HOUSING STAKEHOLDERS

<ul style="list-style-type: none"> ▪ ARHA's Residents, Board, Administration, Staff, and Contractors 	<ul style="list-style-type: none"> ▪ Resource Organizations
<ul style="list-style-type: none"> ▪ Property Owners surrounding ARHA properties 	<ul style="list-style-type: none"> ▪ Other Landlords
<ul style="list-style-type: none"> ▪ City Officials and Leadership 	<ul style="list-style-type: none"> ▪ City Agencies & Staffs
<ul style="list-style-type: none"> ▪ HUD and federal officials 	<ul style="list-style-type: none"> ▪ VHDA and other VA entities
<ul style="list-style-type: none"> ▪ Housing Shelters 	<ul style="list-style-type: none"> ▪ Volunteer groups
<ul style="list-style-type: none"> ▪ Safety and Protection agencies 	<ul style="list-style-type: none"> ▪ Criminal Justice System
<ul style="list-style-type: none"> ▪ Labor groups and agencies 	<ul style="list-style-type: none"> ▪ Cultural and Ethnic groups
<ul style="list-style-type: none"> ▪ Non-Profit Groups 	<ul style="list-style-type: none"> ▪ Private Businesses
<ul style="list-style-type: none"> ▪ Community Organizations 	<ul style="list-style-type: none"> ▪ Schools and Colleges
<ul style="list-style-type: none"> ▪ Hospitals and clinics 	<ul style="list-style-type: none"> ▪ Churches and church groups
<ul style="list-style-type: none"> ▪ Retail Establishments 	<ul style="list-style-type: none"> ▪ Business professionals
<ul style="list-style-type: none"> ▪ Community Role Models 	<ul style="list-style-type: none"> ▪ Housing and Condominium Associations