

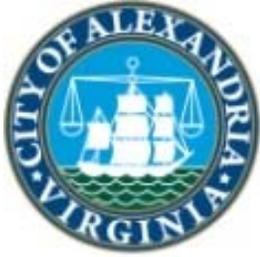
Beauregard Small Area Plan

Beauregard Community Meeting - Housing

March 6, 2012

7:00 PM





Agenda

- A. Key Issues
- B. Incomes and Cost of Housing
- C. Market Pressures
- D. Phasing Timetable and Proposed Affordable Housing Plan
- E. Cost Calculations
- F. Southern Towers, Willow Run
- G. Other Jurisdictions
- H. Funding

A graphic for the "Beauregard Small Area Plan" with a green background. On the left, the word "BEAUREGARD" is written vertically in white. In the center, there is a horizontal strip of six small images: a street scene, a bus stop, a group of children, an arched walkway, a stone bridge, and a modern building. Below the images, the words "SMALL AREA PLAN" are written in white. At the bottom, the text "WORKING DRAFT 1.23.12" is displayed in white.

BEAUREGARD

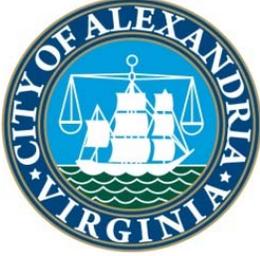
SMALL AREA PLAN

WORKING DRAFT 1.23.12



Meetings and Outreach

- Beauregard Corridor Stakeholders Group
- City sponsored community meeting
- Work sessions with City Council and Planning Commission
- Presentations to Federation of Civic Associations, City commissions and boards, and others
- AHAC Town Hall on Affordable Housing in Beauregard
- Developer-sponsored meetings
- Meetings with Tenant and Workers United, Northern Virginia Affordable Housing Alliance, Alexandria housing nonprofit CEOs



Proposed Affordable and Workforce Housing

WITH THE PROPOSED PLAN:

703 new (647) and preserved (56) committed affordable and workforce rental units -- equal to 28% of the number of units to be demolished, 18% of net new units, and 11% of total new units

- Affordable for 30 years to households with incomes ranging from 55% – 80% AMI
 - Average subsidy cost estimated at \$123,000 per unit
 - Same subsidy could serve lower incomes with fewer units and/or for shorter term
 - Hillwood provides greater potential to serve households with lower incomes
- Available to qualified households with Section 8 Housing Choice Vouchers
- Located throughout the Plan area
- More livable and energy efficient
- Monitored for compliance by the City



Income and Housing Cost

Incomes and Housing Costs 2000-2011



Income Growth vs. Housing Cost

From 2000 to 2011:

- Median income for the DC metropolitan area increased by **28%** to \$106,100
- The average rent for a market rate two bedroom unit in Alexandria increased by **71%** to \$1,765
- The average assessed value of residential property increased by **135%** to \$449,411:
 - Single family units increased by 137% to \$617,826
 - Condominium units increased by 149% to \$266,481



Defining "Affordable"

How does the City define or determine what is affordable?

Affordability is based on two factors adjusted for Household Size:

- Household Income
- Housing Related Cost (rent and utilities)



Defining "Affordable"

How much rent can households afford?

- National goal/standard typically has been 30% of income towards rent
- In higher rent urban communities households may have to spend more than 30% of income towards rent
- Example:
 - If income is \$56,000, then using 30% = \$1,400 monthly rent
 - This equals an income of \$42,000 spending 40% of income on rent



Income and Household Size

2012 Maximum Income Limits

%AMI*	1 Person	2 People	3 People	4 People
30%	\$22,600	\$25,800	\$29,050	\$32,250
40%	\$30,100	\$34,400	\$38,700	\$43,000
50%	\$37,650	\$43,000	\$48,400	\$53,750
55%	\$41,400	\$47,300	\$53,250	\$59,150
60%	\$45,180	\$51,600	\$58,080	\$64,500
75%	\$56,500	\$64,500	\$72,600	\$80,650
80%	\$60,200	\$68,800	\$77,400	\$86,000

*AMI = Area Median Income



Affordable Rents

2012 Maximum Rent Limits				
%AMI	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom
30%	\$564	\$605	\$726	\$839
40%	\$753	\$806	\$968	\$1,118
50%	\$941	\$1,008	\$1,210	\$1,397
55%	\$1,035	\$1,109	\$1,330	\$1,537
60%	\$1,129	\$1,209	\$1,452	\$1,677
75%	\$1,411	\$1,512	\$1,814	\$2,096
80%	\$1,505	\$1,613	\$1,935	\$2,236

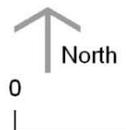
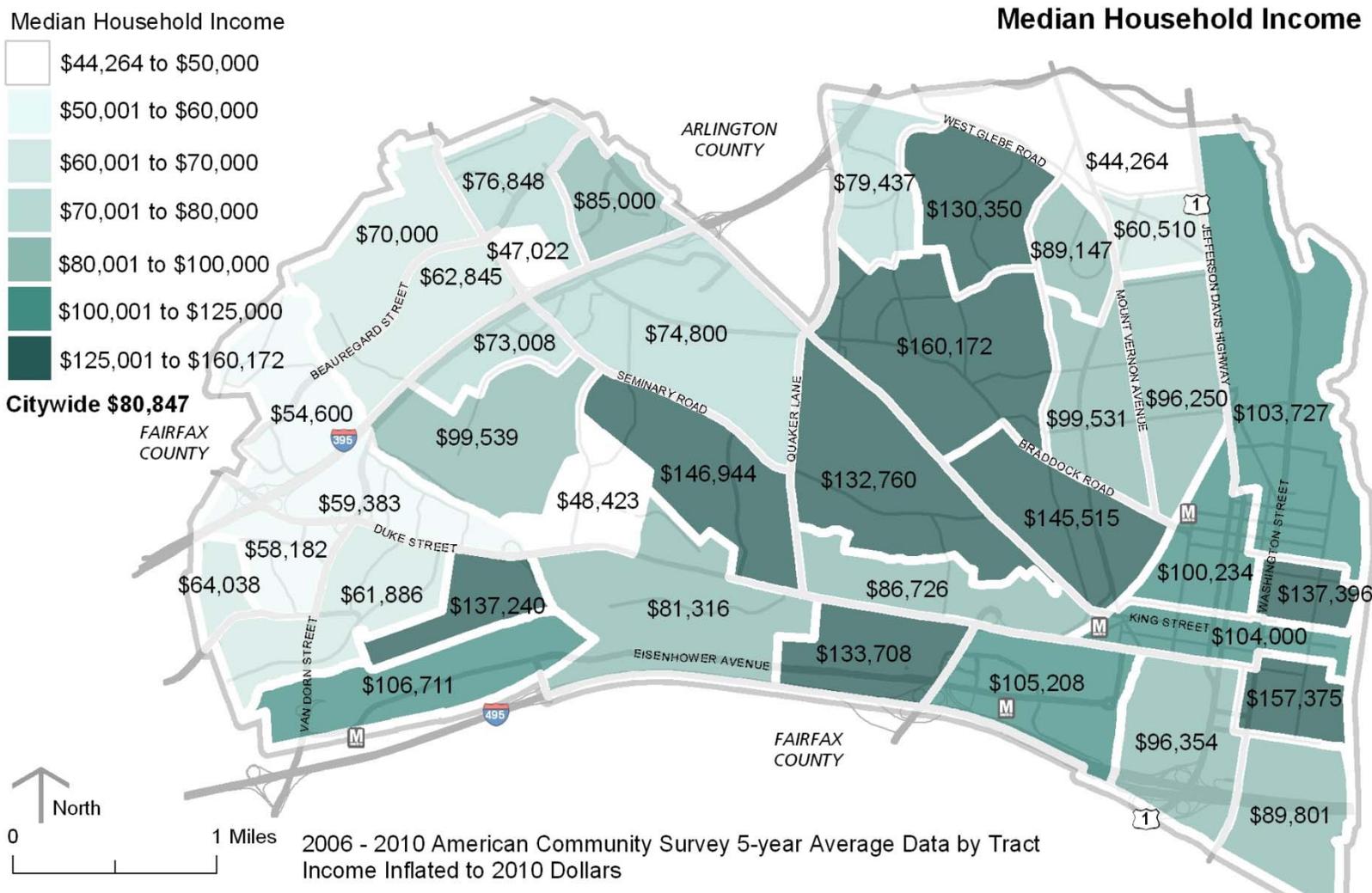


City Income – Median Income by Census Tract

Median Household Income

- \$44,264 to \$50,000
- \$50,001 to \$60,000
- \$60,001 to \$70,000
- \$70,001 to \$80,000
- \$80,001 to \$100,000
- \$100,001 to \$125,000
- \$125,001 to \$160,172

Citywide \$80,847

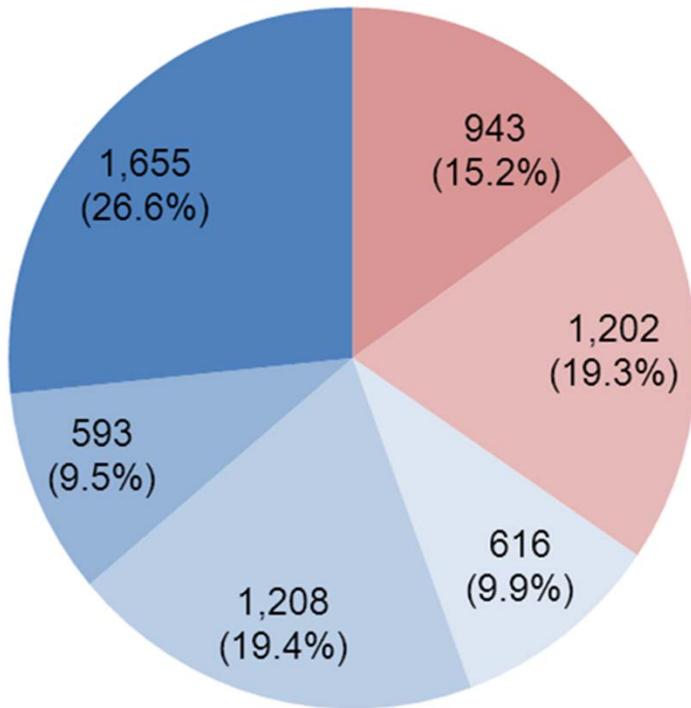


2006 - 2010 American Community Survey 5-year Average Data by Tract
Income Inflated to 2010 Dollars



Distribution of Household Incomes

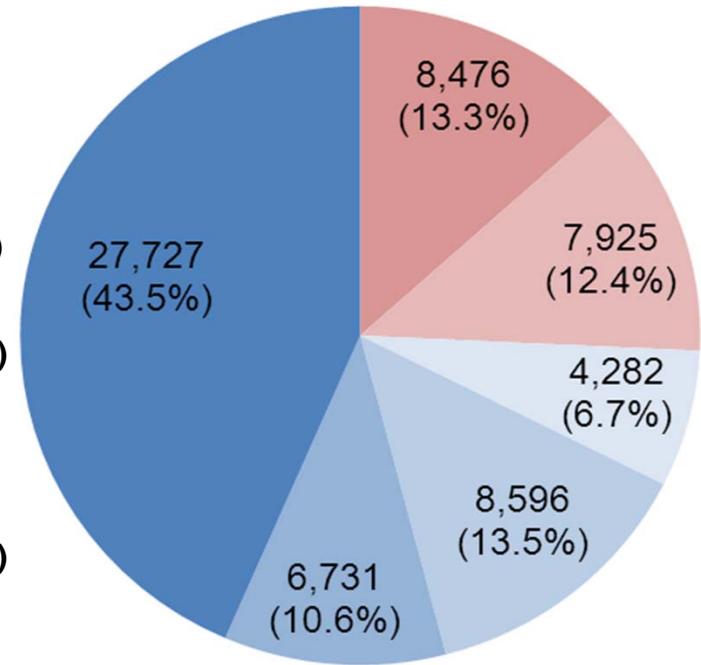
Beauregard Incomes



2010 Income

- (\$0 - \$27,950)
- (\$27,951 - \$46,600)
- (\$46,601 - \$55,890)
- (\$55,891 - \$74,550)
- (\$74,551 - \$93,150)
- More than \$93,150

City-wide Incomes





Housing – Affordability Trends and Market Pressures

Affordability Trends And Market Pressures 2000-2011



Housing – Affordability Trends and Market Pressures

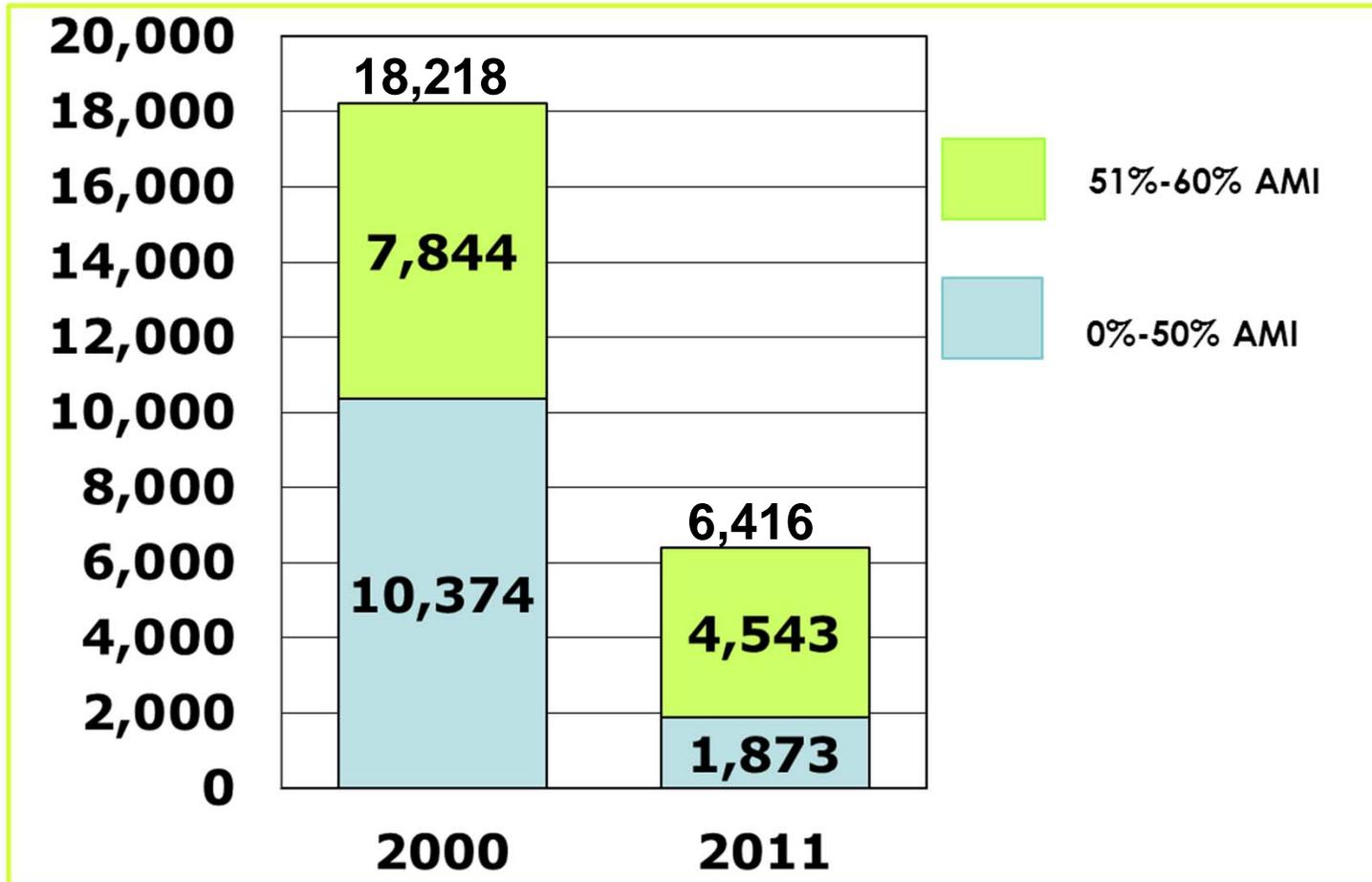
Three ways the City loses market affordable housing units:

- Market rents outpace incomes
- Renovation and Repositioning
- Demolition and Rebuild under existing zoning



Affordability

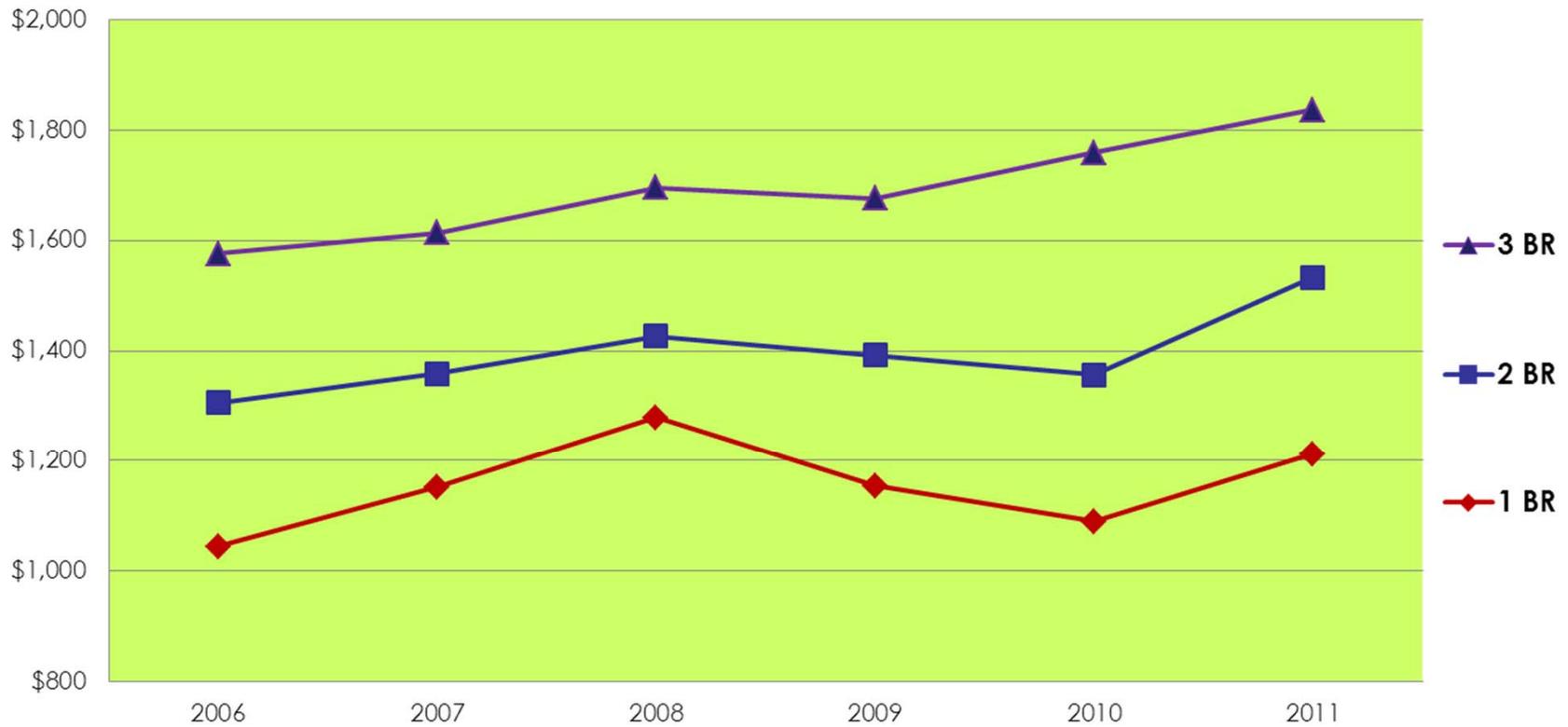
Rental apartments affordable at 50% and 60% of median income, 2000 and 2011

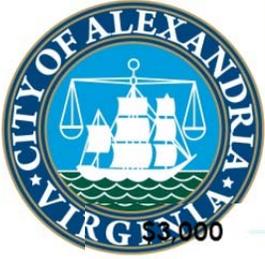




Housing – Affordability and Market Pressures

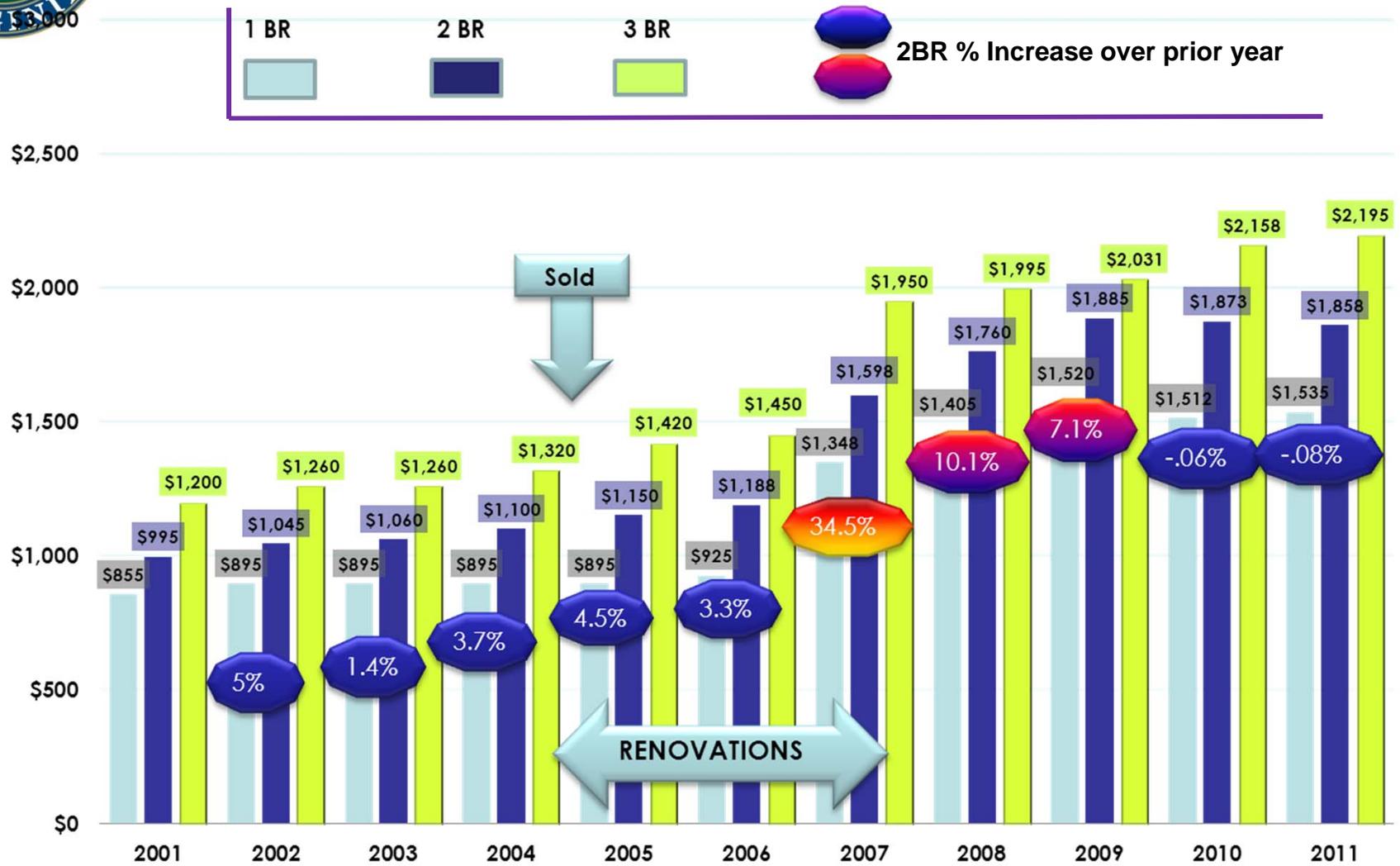
Beauregard Plan Area Average Rents 2006-2011





Increased Rents Due to Renovation

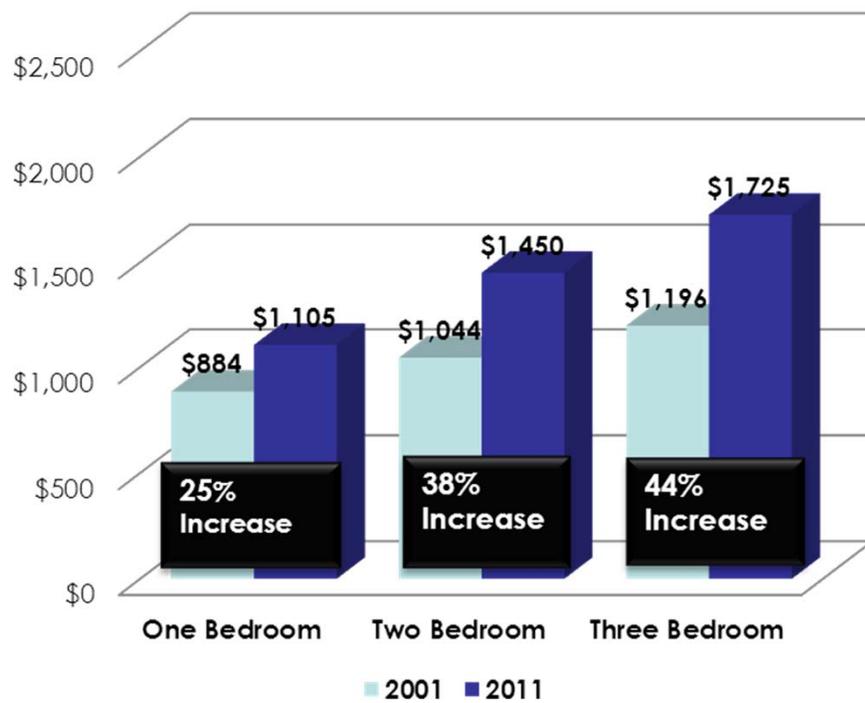
Seminary Forest/Encore Rent Increase 2001-2011



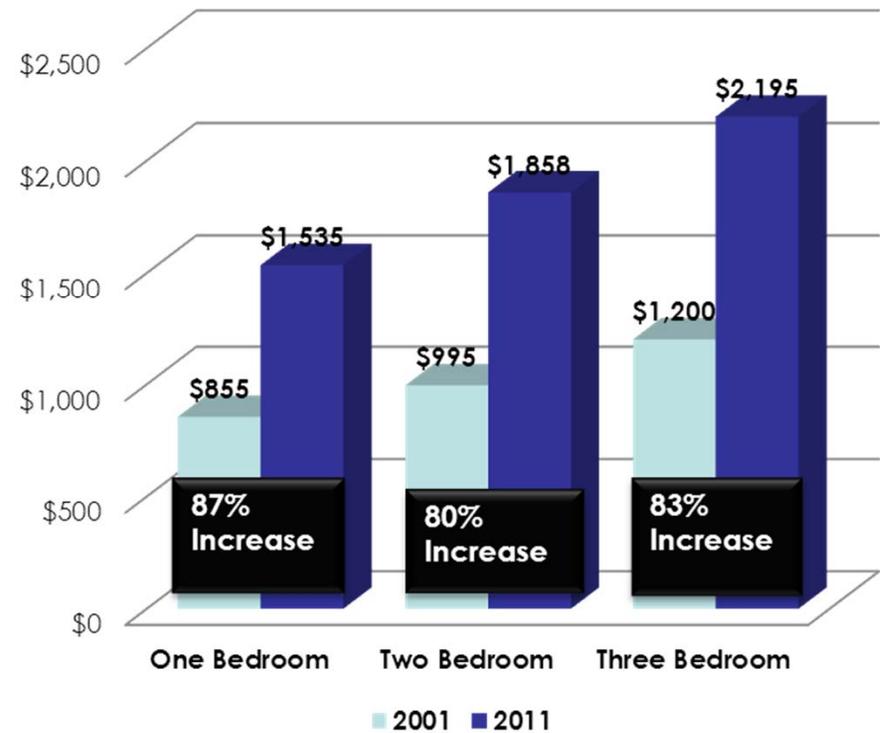


Increase due to Renovations

Seminary Hill Increase 2001 vs 2011



Seminary Forest/Encore Rent Increase 2001 vs 2011





Lynbrook – Original Proposal





Housing – What Happens to Housing with No Plan

- Existing affordable housing stock will continue experience market pressures.
- A continued loss of market affordable housing over time, especially as local jobs expand, DC area congestion increases.
- Section 8 vouchers will likely continue not to be accepted

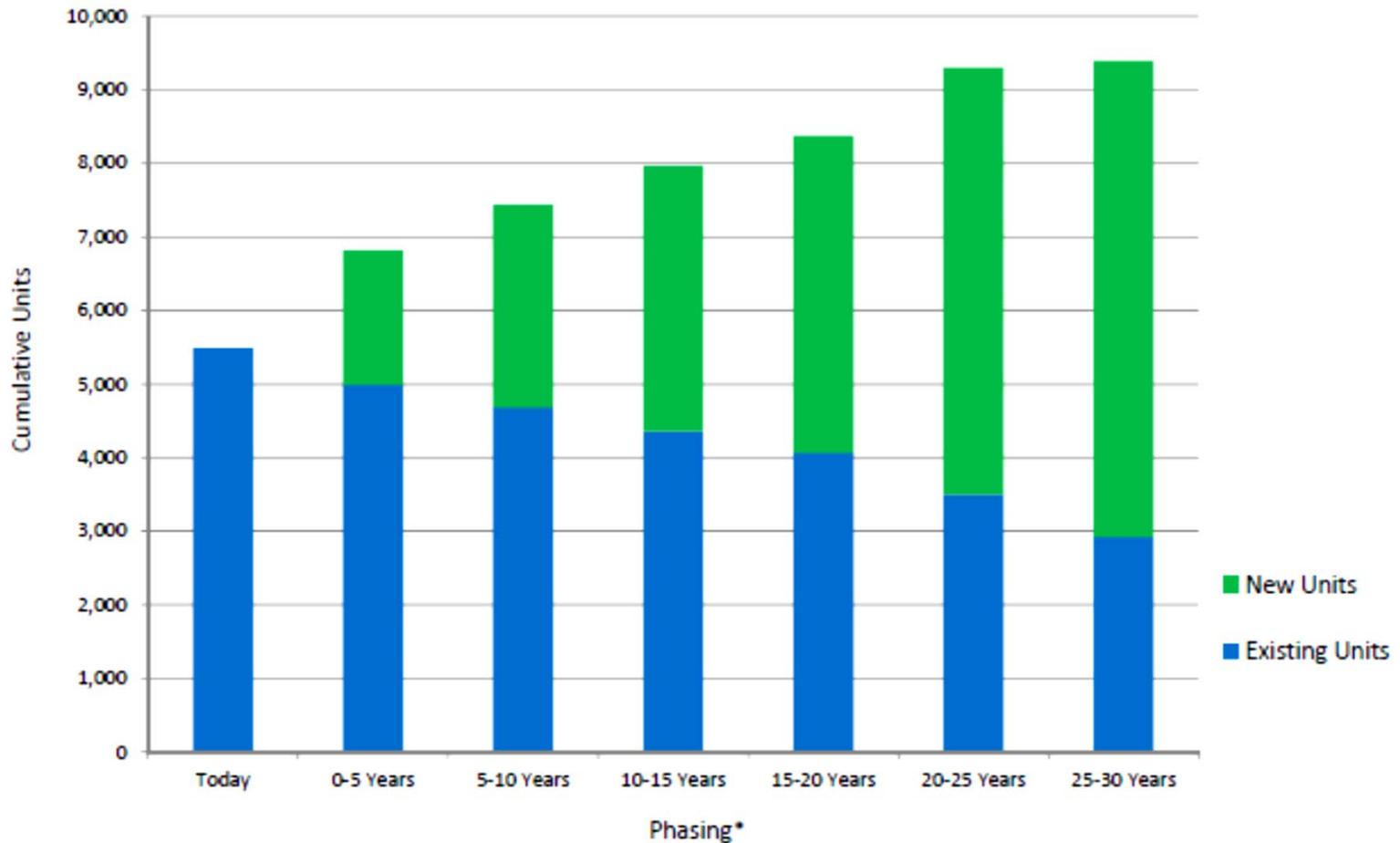


Housing – Phasing and Timetable

What is the planned timing and phasing of demolition and the acquisition of committed affordable units?



Phasing of Existing and New Housing Units



*Based upon current anticipated phasing and subject to change based upon market demand.



Remaining and Demolished Units Under Proposed Plan

Current Units in the Plan Area	5,500
Current units to remain	2,981
Current Units to be demolished	2,519

- **Of the 2,981 units to remain:**
 - Approximately 2,400 were affordable in 2010
 - Approximately 2,000 were affordable in 2011
 - Affordable Units to remain are located at Southern Towers and Hillwood
 - Loss is attributed to rent increases at Southern Towers
- **Of the 2,519 units to be demolished**
 - Approximately 2,300 were affordable in 2010
 - Approximately 829 were affordable in 2011
 - Loss is attributed to increased rents at all properties



Phasing of Redevelopment

Phase 1: 0-5 Years
+ Hekemian
+ Home Properties

Phase 2: 5-10 Years

Phase 3: 10-15 Years

Phase 4: 15-20 Years

Phase 5: 20-25 Years

Phase 6: 25-30 Years





Proposed Affordable Housing Plan

- 703 long-term committed affordable units
- An interim tenant assistance program for all households, in good standing, that are impacted by redevelopment.
- Use of natural annual attrition

The tenant assistance program includes:

- Coordinated relocation information and referrals to comparably priced units in the Plan area and throughout the City
- Financial assistance to help with moving/transition expenses



Cost Calculations

The City says that the average cost of a committed affordable unit over thirty years is \$123,000. How is this calculated?



Affordable Housing Cost over 30 Years

Income Group	Efficiency	1BR	2br	Average
30% of AMI	\$212,600	\$301,999	\$397,032	\$303,877
40% of AMI	\$167,043	\$243,461	\$338,739	\$249,748
50% of AMI	\$121,730	\$194,720	\$280,445	\$204,435
55% of AMI	\$98,707	\$170,227	\$251,299	\$173,411
60% of AMI	\$76,173	\$145,979	\$197,414	\$139,855
75% of AMI	X	\$72,744	\$133,977	\$103,361
80% of AMI	X	\$48,496	\$104,830	\$76,663

Average of bold figures = \$123,000



Housing – Originally Proposed Plan

Available Funds:					\$79,800,000
Income Group	Unit Type			Total	
	Efficiency	1BR	2BR		
30% of AMI	0	0	0	0	
40% of AMI	0	0	0	0	
50% of AMI	0	0	0	0	
55% of AMI	82	65	47	194	
60% of AMI	79	65	50	194	
75% of AMI	X	65	64	129	
80% of AMI	X	65	65	130	
Committed Unit Total	161	260	226	647	
		Hillwood Units		56	
		Total Units		703	



Housing – Affordable Housing Matrix

Switch to Interactive Model



Housing – Maintenance of Affordability

- How will affordable rents be maintained?
- The City would monitor compliance.



Housing – Establishing Affordable Set Aside Units

Affordable Rental Set Aside Units

- DSUP Conditions – negotiated at the time of plan approval
- Establish firm income and unit mix
- Adjust for utilities
- Developers administer – recertifies to city annually
- City monitors for life of program





Southern Towers, Willow Run, Hillwood

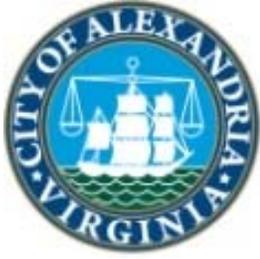
- What will happen at Southern Towers?
- Can the City negotiate for Willow Run/units at Willow Run?
- Who will own Hillwood after it is transferred to the City in 2018?



Southern Towers

- Only a small portion of Southern Towers is in the Plan Area
- Proposes to develop: mixed use building that will include ground level grocery store and retail, office, and hotel
- Structured Parking
- Berkley building renovation planned in 18-24 months (scope not yet determined)
- Future rent increase are anticipated but amount unknown





Willow Run

Can the City negotiate for Willow Run/units at Willow Run?

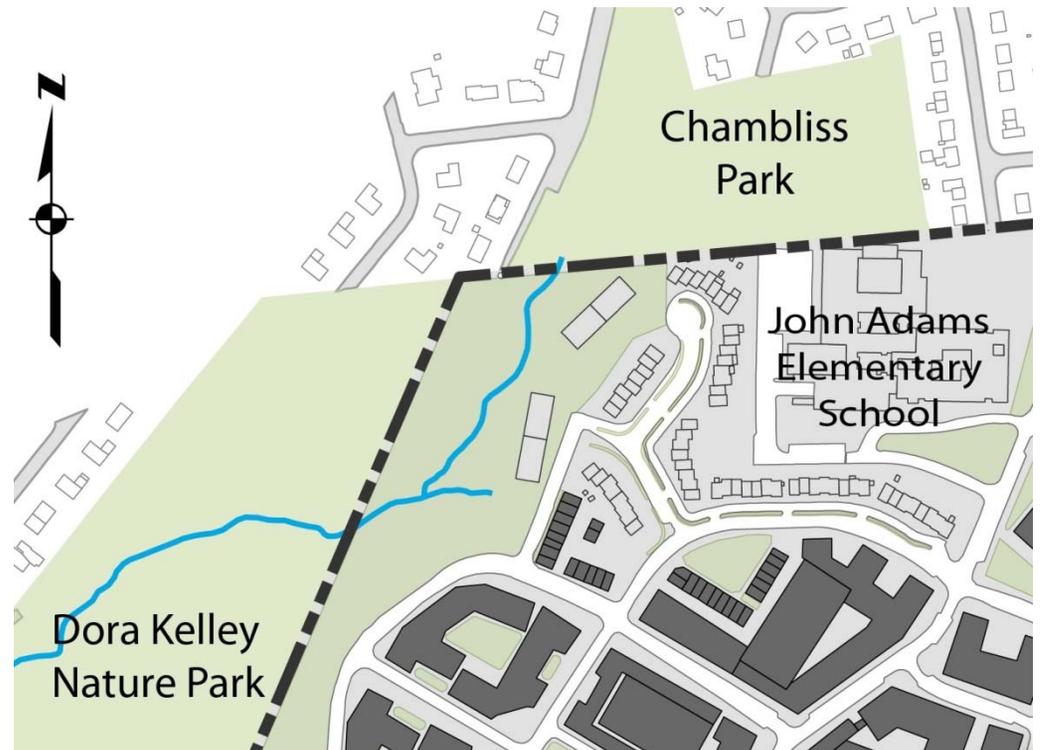
- Not part of the Beauregard Plan's housing current proposal
- Willow Run has large number of three bedroom units
- Willow Run is not for sale at this time
- Potential interim use of some units
- In the future JBG may wish to sell Willow Run as a single package



Housing – Hillwood Ownership

Who will own Hillwood after it is transferred to the City in 2018

- The City may designate a non-profit entity like AHDC, or ARHA, to own and operate Hillwood
- Can potentially serve lower incomes
- Equity can be leveraged





Housing – Income Levels and Units Size

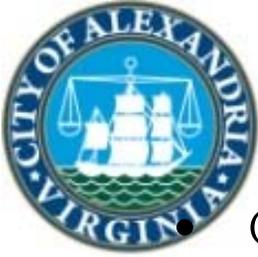
- Is it possible to have some committed units at even lower incomes?
- Is it possible to have larger units available if families need them?
- Deeper subsidies will cost more.
- Three bedroom units would need to be identified and negotiated.
- Non-profits, Seminary/Southern Towers options offer larger size units.



Other Jurisdictions

What do other jurisdictions, like Arlington, do when market affordable housing redevelops?

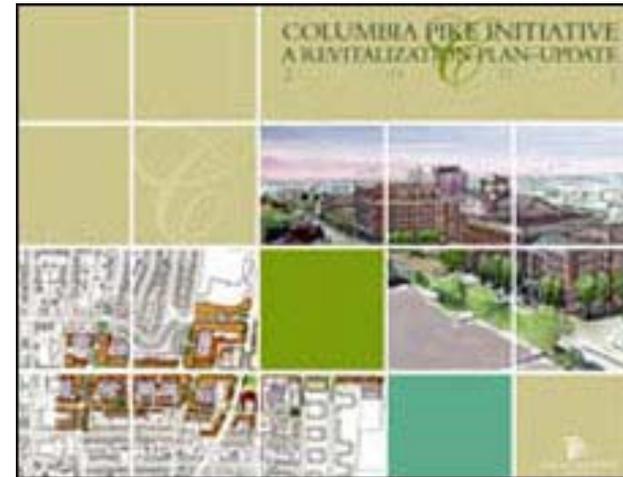
How does the Beauregard affordable housing proposal compare to what is happening at Columbia Pike and Buckingham Village?



Housing – Columbia Pike

Columbia Pike Neighborhoods Plan - February 2012 draft plan proposes:

- County incentives to preserve existing market affordable/60%AMI units, i.e., tax abatements; green loans; TDRs -- County gets right of first refusal
- 20% of net new development achieved due to higher density/form based code to be affordable at 60% AMI
- If units are affordable below 60%, developer may provide fewer (and/or County will subsidize)





Housing – Buckingham Village

Buckingham Village

MOU between County and Owner to achieve as much affordable housing as possible within Villages and immediate neighborhood

Goal: 300 units at 60% AMI and a robust relocation plan

Village 1 – mixed income, 152 affordable

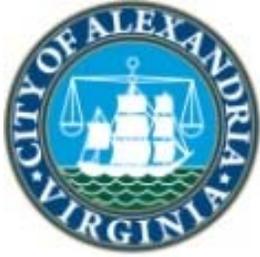
Village 2 – all market rate

Village 3 – preserve 140 existing using historic designation (condos & apts.)

Offsite: 10 units

County investment totaling \$43 million+



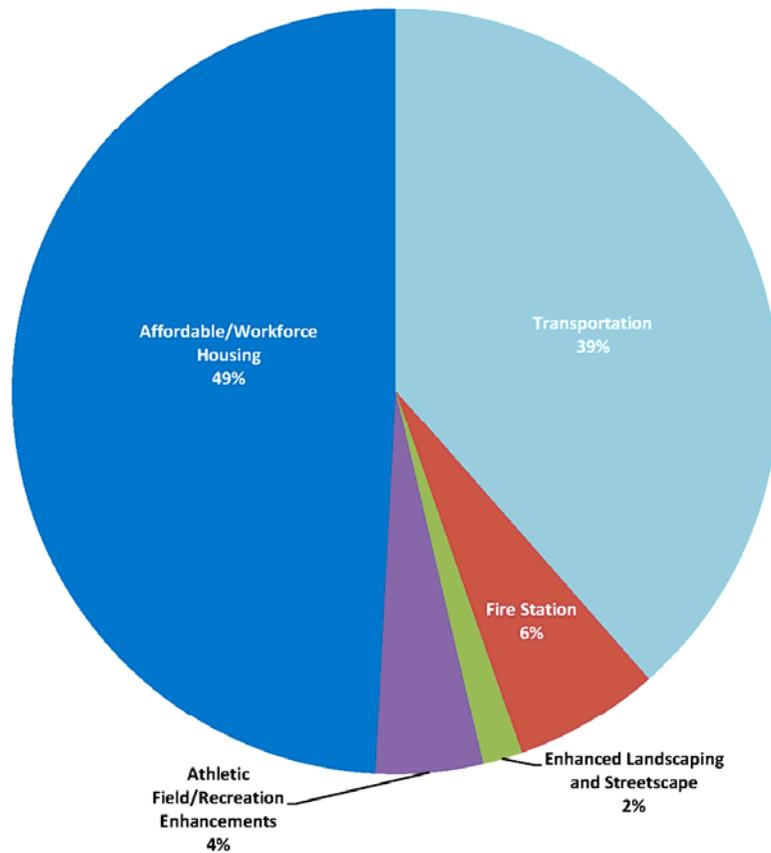


Funding

- How much are the Developers contributing toward affordable housing?
- How does the housing contribution proposed in the Plan differ from what would be contributed through by-right development?
- Why is the future City revenue used to fund affordable housing?



Public Benefits of Proposed Small Area Plan



	Contributions	
Transportation Improvements		
Ellipse	\$29,310,704 ¹	
Transitway for BRT	\$23,000,000	
Other Transportation Improvements	\$501,600	
Right-of-Way Dedication	\$16,252,728 ³	
Transportation Subtotal		\$69,065,032
Fire Station		
Facility	\$9,256,025	
Land Dedication	\$1,793,990 ³	
Fire Station Subtotal		\$11,050,015
Enhanced Landscaping and Streetscape		\$3,000,000
Athletic Field/Recreation Enhancements		\$8,150,500
Affordable/Workforce Housing		
Public Amenity Contribution	\$21,976,504	
Voluntary Contribution	\$26,267,136	
Hillwood Dedication	\$8,000,000 ³	
Tax Increment Funding	\$31,548,282 ⁵	
Affordable/Workforce Housing Subtotal		\$87,791,922
Total		\$179,057,469^{1,2}

Source: Beauregard Corridor Developer Stakeholders
February 9, 2012

¹All costs in 2011 Dollars

²Excludes developer paid sanitary sewer tap and building permit fees as well as development site public infrastructure

³Represents in-kind, non-cash contribution

⁴Includes a contingency of \$11 million

⁵Represents City re-investment of incremental increases in real estate tax revenue attributable to redevelopment



Housing – Sources of Funds

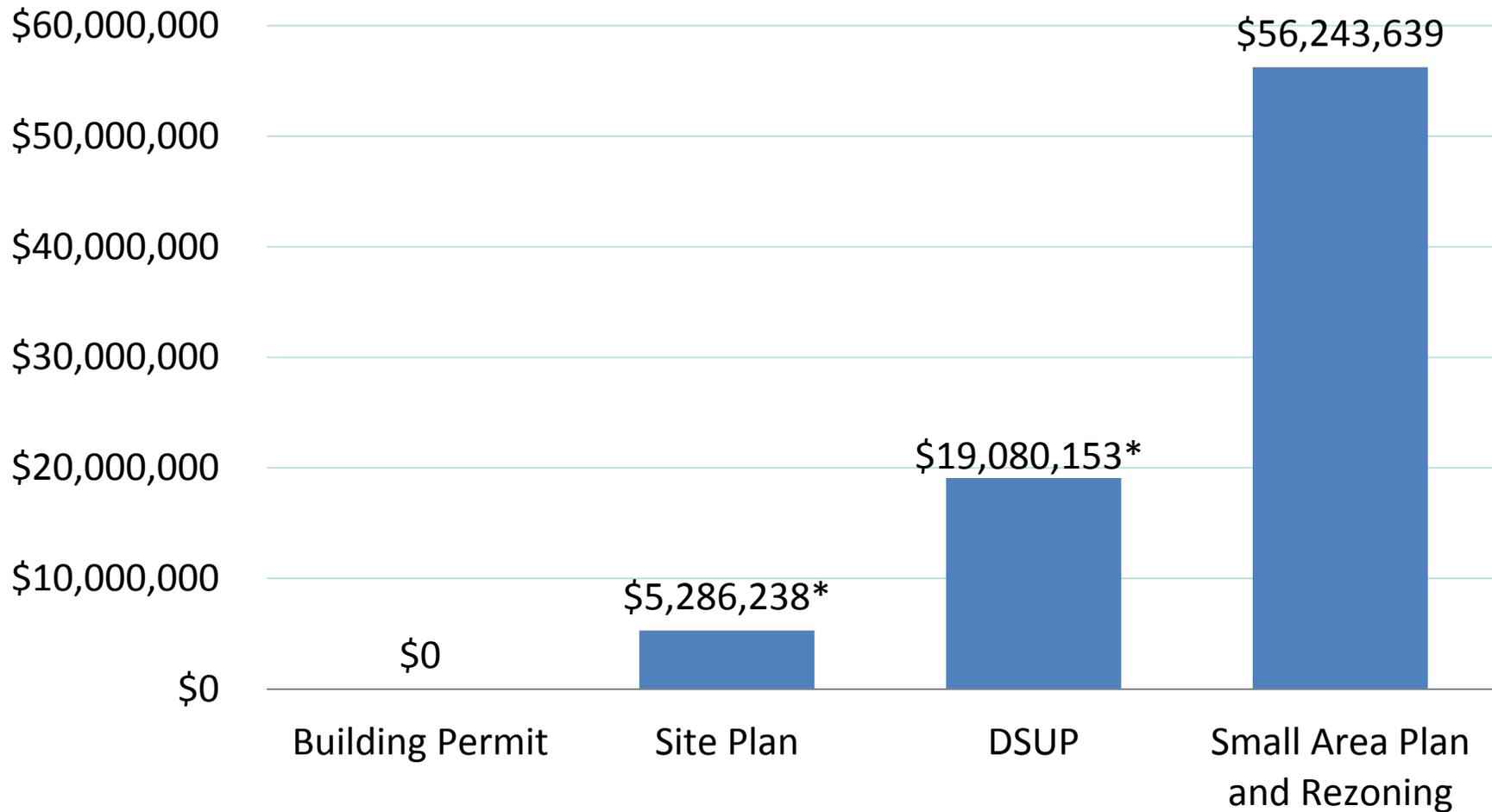
\$87.8+ million in funding for committed affordable and workforce units will come from:

\$22.4 M	Public amenities fund (Developer)
\$25.8 M	Voluntary developer contributions for affordable housing (City will reinvest in Beauregard)
\$31.6 M	Future incremental real estate tax revenues from Beauregard area (City)
\$8 M	In-kind donation: 56 apartments at Hillwood (Developer)
\$TBD	Other public and private sources to be leveraged (City, nonprofits, foundations, etc.)
<hr/>	
\$87.8 M+	TOTAL FUNDING FOR COMMITTED AFFORDABLE AND WORKFORCE HOUSING



Housing – Comparison of By-right vs. Small Area Plan

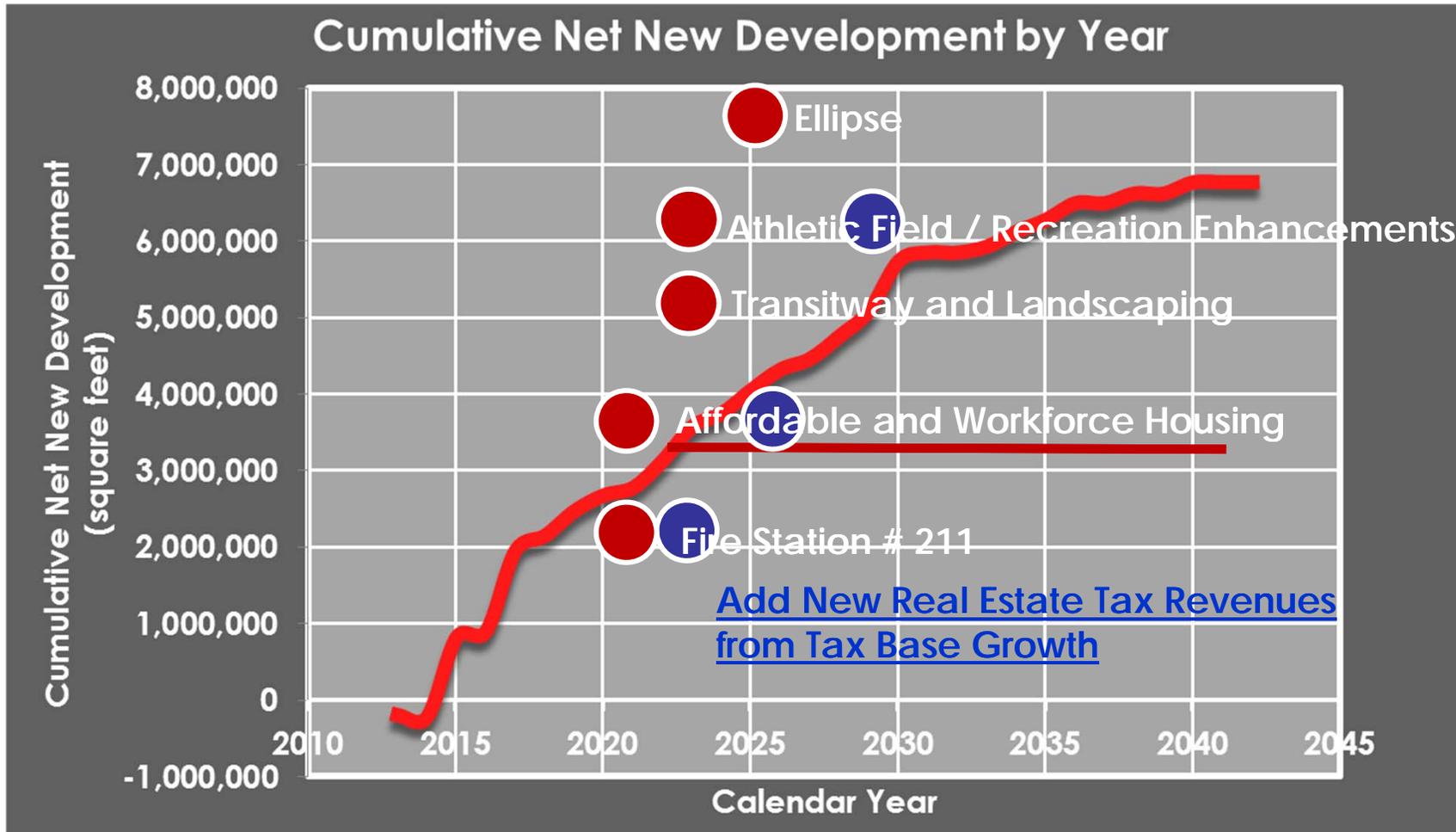
Developer Housing Contributions



*Assumes voluntary contributions would be paid



Housing – Future City Revenue





Project Schedule

- March 7:** Transportation Commission Public Hearing
- March 12:** Beauregard Community Meeting –
Land Use/Open Space/Transportation/Housing
- About March 21:** Release of Revised Beauregard Draft Plan
- March 22:** Parks and Recreation Commission Meeting – Public Hearing
- April 2:** Beauregard Town Hall Meeting –
Revised Beauregard Draft Plan
- April 3:** Planning Commission Work Session
- April 5:** Affordable Housing Advisory Committee Meeting
- May 1: Planning Commission Public Hearing*
- May 12: City Council Public Hearing*