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
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
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)
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

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

*AMI = Area Median Income
# Affordable Rents

## 2012 Maximum Rent Limits

<table>
<thead>
<tr>
<th>%AMI</th>
<th>Efficiency</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>$564</td>
<td>$605</td>
<td>$726</td>
<td>$839</td>
</tr>
<tr>
<td>40%</td>
<td>$753</td>
<td>$806</td>
<td>$968</td>
<td>$1,118</td>
</tr>
<tr>
<td>50%</td>
<td>$941</td>
<td>$1,008</td>
<td>$1,210</td>
<td>$1,397</td>
</tr>
<tr>
<td>55%</td>
<td>$1,035</td>
<td>$1,109</td>
<td>$1,330</td>
<td>$1,537</td>
</tr>
<tr>
<td>60%</td>
<td>$1,129</td>
<td>$1,209</td>
<td>$1,452</td>
<td>$1,677</td>
</tr>
<tr>
<td>75%</td>
<td>$1,411</td>
<td>$1,512</td>
<td>$1,814</td>
<td>$2,096</td>
</tr>
<tr>
<td>80%</td>
<td>$1,505</td>
<td>$1,613</td>
<td>$1,935</td>
<td>$2,236</td>
</tr>
</tbody>
</table>
City Income - Median Income by Census Tract

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

- $0 – $27,950: 1,655 (26.6%)
- $27,951 – $46,600: 943 (15.2%)
- $46,601 – $55,890: 1,202 (19.3%)
- $55,891 - $74,550: 616 (9.9%)
- $74,551 – $93,150: 1,208 (19.4%)
- More than $93,150: 593 (9.5%)

City-wide Incomes

- 2010 Income
  - $0 – $27,950: 8,476 (13.3%)
  - $27,951 – $46,600: 7,925 (12.4%)
  - $46,601 – $55,890: 4,282 (6.7%)
  - $55,891 - $74,550: 8,596 (13.5%)
  - $74,551 – $93,150: 6,731 (10.6%)
  - More than $93,150: 27,727 (43.5%)
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

<table>
<thead>
<tr>
<th>Year</th>
<th>51%-60% AMI</th>
<th>0%-50% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>18,218</td>
<td>10,374</td>
</tr>
<tr>
<td>2011</td>
<td>7,844</td>
<td>6,416</td>
</tr>
</tbody>
</table>
| 0    | 1,873       | 4,543
Housing - Affordability and Market Pressures

Beauregard Plan Area
Average Rents 2006-2011

- 3 BR
- 2 BR
- 1 BR
Increased Rents Due to Renovation

Seminary Forest/Encore Rent Increase 2001-2011

2BR % Increase over prior year

RENOVATIONS
Increase due to Renovations

Seminary Hill Increase 2001 vs 2011

- One Bedroom: $884 (25% Increase)
- Two Bedroom: $1,044 (38% Increase)
- Three Bedroom: $1,196 (44% Increase)

Seminary Forest/Encore Rent Increase 2001 vs 2011

- One Bedroom: $855 (87% Increase)
- Two Bedroom: $995 (80% Increase)
- Three Bedroom: $1,200 (83% Increase)
Lynbrook - Original Proposal
• 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
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Units in the Plan Area</td>
<td>5,500</td>
</tr>
<tr>
<td>Current units to remain</td>
<td>2,981</td>
</tr>
<tr>
<td>Current Units to be demolished</td>
<td>2,519</td>
</tr>
</tbody>
</table>

- **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
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

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

Average of bold figures = $123,000
### Housing - Originally Proposed Plan

**Available Funds:** $79,800,000

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Efficiency</th>
<th>Unit Type</th>
<th>1BR</th>
<th>2BR</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% of AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>40% of AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50% of AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>55% of AMI</td>
<td>82</td>
<td>65</td>
<td>47</td>
<td></td>
<td>194</td>
</tr>
<tr>
<td>60% of AMI</td>
<td>79</td>
<td>65</td>
<td>50</td>
<td></td>
<td>194</td>
</tr>
<tr>
<td>75% of AMI</td>
<td>X</td>
<td>65</td>
<td>64</td>
<td></td>
<td>129</td>
</tr>
<tr>
<td>80% of AMI</td>
<td>X</td>
<td>65</td>
<td>65</td>
<td></td>
<td>130</td>
</tr>
</tbody>
</table>

**Committed Unit Total:** 161 260 226 647

**Hillwood Units:** 56

**Total Units:** 703
Housing - Affordable Housing Matrix

Switch to Interactive Model
• 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
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
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
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.
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?
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)
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

Transportation Improvements

- Ellipse: $29,310,704\(^4\)
- 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 Stations Subtotal: $11,050,015

Enhanced Landscaping and Streetscape: $2,000,000

Athletic Field/Recreation Enhancements: $8,180,500

Affordable/Workforce Housing

- Public Amenities Contribution: $21,975,504
- Voluntary Contribution: $26,267,107
- Hiliwood Dedication: $8,000,000\(^3\)
- Tax Increment Funding: $31,548,282\(^2\)
- Affordable/Workforce Housing Subtotal: $87,791,922

Total: $179,057,469\(^2\)

\(^1\) All costs in 2011 Dollars
\(^2\) Includes developer paid sanitary sewer tap and building permit fees as well as development site public infrastructure
\(^3\) Represents in-kind, non-cash contribution
\(^4\) Includes a contingency of $11 million

Source: Beauregard Corridor Developer Stakeholders Report
February 9, 2012
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.)

$87.8 M+ TOTAL FUNDING FOR COMMITTED AFFORDABLE AND WORKFORCE HOUSING
Housing - Comparison of By-right vs. Small Area Plan

Developer Housing Contributions

- Building Permit: $0
- Site Plan: $5,286,238*
- DSUP: $19,080,153*
- Small Area Plan and Rezoning: $56,243,639

*Assumes voluntary contributions would be paid
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