

*City Of Alexandria, Virginia*

**MEMORANDUM**

DATE: APRIL 9, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 80 : STATUS OF DEDICATED TAX REVENUES AND BONDS FOR AFFORDABLE HOUSING

---

The following information was provided to Council at its April 7<sup>th</sup> meeting, and now it is provided for the official budget memorandum file.

As shown on the attached pie charts, the tax revenues received and projected for FY 2006 through FY 2009, along with the \$22.1 million in bonds authorized by City Council, are expected to yield a total of \$35.8 million in revenues, of which all but \$1.4 million has been spent or committed.<sup>1</sup>

Staff estimates that the dedicated one cent in real estate tax revenues could support \$30.1 million in bonds, or approximately \$8 million more than currently authorized. Authorization for the full bond capacity that can be supported by the one cent may be needed in the near future. If any of the affordable housing offers for Olde Towne West are accepted by the seller, most if not all of the additional bond amount (depending on the specific offer accepted) would be needed to support the preservation of affordable housing at this property, subject to Council approval.

Once the additional amount, if authorized, has been used, no additional projects can be funded by the dedicated tax revenues and bonds until such time as the City receives repayments from projects that have been supported from this funding source. This assumes that Gunston Hall funding does occur. All of the loans made to date are long-term, residual receipts loans, with substantial repayments not expected to begin for at least 13 years. The date of the earliest anticipated start of repayment is 2021 (ParcView Apartments loan).

**ATTACHMENT:** Housing Bonds and Dedicated Tax Revenues

**STAFF:**

Mildrilyn Davis, Director, Office of Housing

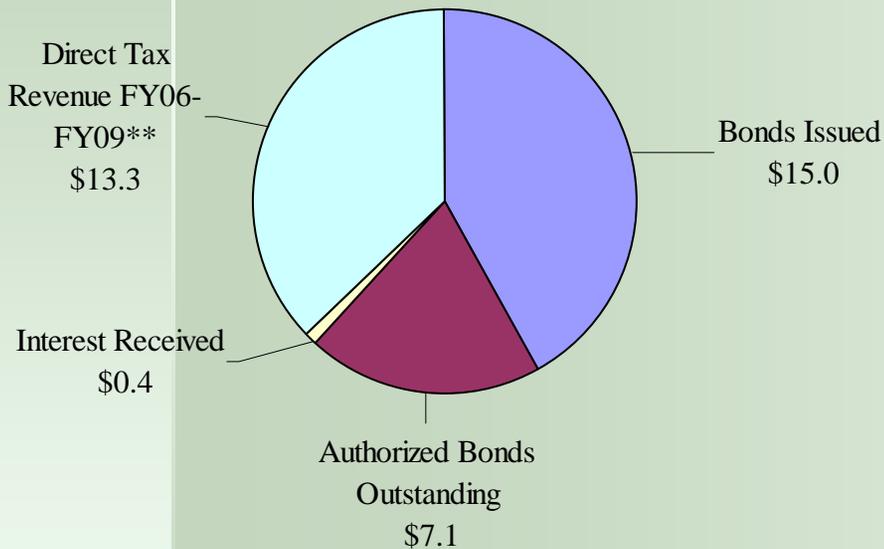
---

<sup>1</sup> This includes the assumption that the Gunston Hall project will proceed, and reflects a reduction in the authorized Gunston Hall approval from \$12.8 million to \$7.2 million, based on the assumption that the remaining \$5.6 million can be covered by a combination of open space monies and a mortgage AHDC should be able to obtain based on rent revenues.

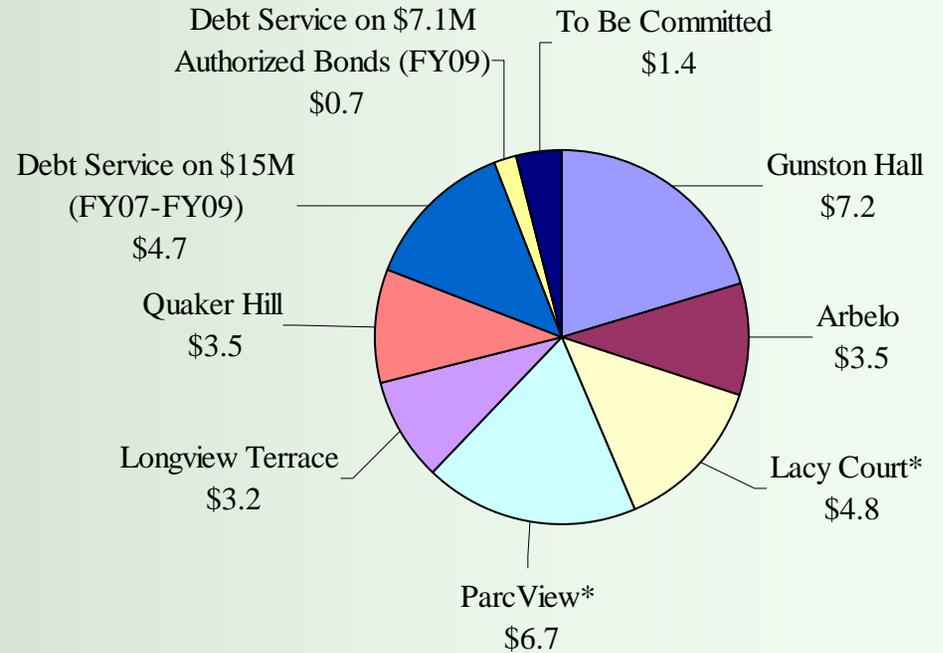


# Office of Housing

## SOURCES (in millions)\* \$35.8 million



## USES (in millions) \$35.8 million



\* The dedicated one cent could support \$30.1 million in bonds, or approximately \$8 million more than currently authorized

\*\* (includes recordation tax in FY06)

\*Partial costs; projects also involved additional City funding sources