

**AFFORDABLE HOUSING ADVISORY COMMITTEE**

**DATE: JUNE 4, 2015**

**LOCATION: ROOM 2000**

**CITY HALL**

**REVISED AGENDA**

1. Consideration of May 7, 2015 meeting minutes (Chair) 7:00 p.m.
2. Chair Remarks (Chair) 7:05 p.m.
3. Update on Oakville Triangle/Route 1 Corridor Planning Study and Affordable Housing (Staff) 7:10 p.m.
4. Update on predevelopment loan applications and upcoming projects (Staff) 7:35 p.m.
5. Review of draft FY15 AHAC Annual Report 7:40 p.m.
6. Update on Community Consultation re: Creating Successful Mixed-Income Communities (Staff) 7:50 p.m.
7. Feedback on Eisenhower West Steering Committee Meeting (Staff) 8:00 p.m.
8. Alexandria Redevelopment and Housing Authority Update (Committee Member) 8:05 p.m.
9. Alexandria Housing Development Corporation Update (Committee Member) 8:15 p.m.
10. Information Items: Financial Reports (Staff) 8:20 p.m.
11. Announcements and Upcoming Housing Meetings (Staff) 8:25 p.m.

City Council Legislative Meeting

Change to AHAC Name and Membership—June 10, 2015, 7:00 p.m., Council Chambers, City Hall

Affordable Housing Advisory Committee Ad Hoc Meeting

FY 16 Action Plan—June 17, 2015, 7:00 p.m. City Hall, Room 2000

Eisenhower West Small Area Plan

Steering Committee Meeting—June 22, 2015, 7:00 p.m., Cameron Station Clubhouse Great Room (200 Cameron Station Boulevard)

Oakville Triangle/Route 1 Planning Study

City Council Work Session—June 23, 2015, 7:00 p.m., Council Chambers, City Hall

12. Adjournment (Chair) 8:30 p.m.

# AFFORDABLE HOUSING ADVISORY COMMITTEE MINUTES

City Hall Room 2000 | May 7, 2015

	Members Present	Members Absent	Staff
1	Brandi Collins	Peter-Anthony Pappas (excused)	Tamara Jovovic, Housing Analyst
2	David Taylor	Joe Ouellette (excused)	Melodie Seau, Division Chief
3	Katharine Dixon	Carter Flemming (excused)	Radhika Mohan, Urban Planner, P&Z
4	Michelle Krocker	Janelle Beverly(excused)	
5	Helen McIlvaine*	Nan Goodwin*	
6	Bill Harris	Edric Kirkman	
7	Michael Butler		
8	Robyn Konkel		
9	Jon Frederick		
10	Eric Weiss		
	Guests	Affiliation	Email
	Betsy Faga	Episcopal Church of the Resurrection	

\*non-voting

The meeting was called to order by Katharine Dixon at 7:03 pm.

## 1. Introductions

Katharine Dixon introduced the new AHAC member—David Taylor, a marketing director at the Goodwin House. David represents employers with greater than 100 employees.

## 2. April AHAC Minutes

Michelle Krocker motioned to approve the 04/06/15 meeting minutes with the following changes:

- Add “per unit” after the three parking ratios specific to affordable housing on page 3.
- Note Joe Ouellette and Robyn Konkel had excused absences for the meeting.

Bill Harris seconded. The Committee unanimously voted to approve the minutes.

### **3. Update on Eisenhower West Small Area Plan (Radhika Mohan)**

Radhika Mohan provided an overview of the Eisenhower West Small Area Plan (EW SAP) which was last updated in 1992. She discussed landmarks, key concepts, and nodes as well as key community concerns and ideas. Five community meetings have been held to date. A 12-member steering committee serves as advisory to the planning team and City Council. The draft plan will be presented in the summer to the community and will be considered for adoption by the City Council in the late fall.

Housing staff is scheduled to discuss with the steering committee at their upcoming May 13 meeting a draft housing goal for the EW SAP along with several ideas for their consideration, including:

- Allowing a 30% or more bonus density to encourage the production of additional affordable units
- Co-locating future community center/municipal use with affordable senior or family-friendly housing
- Exploring opportunities to build partnerships between property owners interested in redevelopment and non-profit developers
- Providing affordable housing in every neighborhood (including, potentially, ARHA replacement housing, affordable housing, and workforce housing)

Committee members asked for a definition of flex space, the location of the floodplain, and whether microunits would be permitted. Helen noted that the City has some microunits (for example in Hunting Towers), but that the market in the City has not justified new construction according to developers working here. Microunits are also not currently specifically prioritized with tax credits by VHDA. Jon Frederick added that requiring parking for microunits might outweigh the cost benefits of their modest sizes.

Members underscored the importance of retaining flex space in the area. Michelle raised the example of WE Works in Brookland which provides communal and entrepreneur-oriented office space.

### **4. Update on Consolidated Plan 2016-2020/Issue re Other Eligible CDBG Uses (Helen McIlvaine)**

Helen briefed the Committee on the City Council's discussion of future uses of the City's CDBG allocation, in particular for early childhood education. She noted that CDBG funding has historically been used in the City for a range of housing-related projects including home rehabilitation programs, shelter and emergency housing, accessibility modifications and micro-loans. It cannot replace existing funding provided by the City, but can be applied towards the expansion of ongoing programs and projects.

Committee members expressed interest in seeing a summary of the full memo prepared by the Office of Housing on the City's historic and future use of CDBG funds.

Michael Butler noted the opportunities created by supporting organizations, such as Community Lodgings, Inc., which provide both housing and supportive/educational services.

Katharine discussed the letter she had drafted to Councilman Wilson regarding the future use of CDBG funding. Michelle motioned to approve and send the letter to City Council. Robin and Bill seconded the motion. Katharine directed staff to submit the letter to City Council on behalf of AHAC.

#### **5. Update on Parking Standards for New Development Projects (Brandi Collins)**

Brandi Collins updated the Committee on the status of the first phase of the project, related to new multifamily development, including affordable housing. With Council's approval, parking ratios applicable to affordable housing will be reduced and additional reductions can be achieved based on proximity to transit and other factors. The City Council is scheduled to hold the first reading of the proposed amendments to the Zoning Ordinance on May 12 and a second reading on May 26.

#### **6. Update on Rental Housing Market and Trends (Melodie Seau)**

Melodie Seau provided an overview of the activities of the Tenant-Landlord Division, including:

- Landlord-Tenant Complaint Mediation
- An Annual Rent/Vacancy Survey/Voluntary Rent Guidelines
- The Fair Housing Testing Program
- Fair Housing Training
- The Beauregard Small Area Plan Relocation and Committed Affordable Units
- Monitoring Affordable Rental Set-Asides
- Training for Housing Industry Professionals

Melodie clarified that affordable rental set-asides are negotiated with developers and administered by property owners, are affordable to residents earning 60% of AML, and are required to accept vouchers. Melodie also noted that vacancy rates reflect stabilized rates and that rent increases are generally in line with increases in the District and Arlington.

#### **7. Progress Report on Implementation of Housing Master Plan (Helen McIlvaine)**

Helen presented the Housing Master Plan Implementation Timeline and Quarterly Housing Progress Report noting that the format of both was being reexamined by staff. Helen clarified that the units recorded showed those that had been completed, not those that had secured funding or that were in the pipeline.

The Committee directed staff to continue to work on improving the legibility and format of the documents, including reorganizing the HMP implementation timeline based on fiscal (rather than calendar) year.

Katharine recommended a portion of the June AHAC meeting be dedicated to a thorough discussion of the Office of Housing's FY 16 action plan to determine

how the Committee can more effectively contribute. One option included sending a letter in support of the HMP's goals for the year to the City Council prior to its fall 2015 retreat.

Helen committed to following up with the City Attorney's Office and with the Clerk's office to determine if letters to the editor were an appropriate form of committee action.

Michelle requested a calendar of key dates and deadlines be created for the Committee.

**8. Report on Community Consultation re Creating Successful Mixed-Income Communities (Helen McIlvaine)**

Helen briefed the Committee on the purpose and timing of the scheduled stakeholder consultations on creating successful mixed-income communities and encouraged committee members to participate and help serve as champions for the project.

**9. Alexandria Redevelopment and Housing Authority Update**

Carter Flemming indicated via email prior to the meeting that an ARHA update would be circulated the following week. ARHA offices are in the process of being relocated to their new headquarters at 401 Wythe Street.

**10. Alexandria Housing Development Corporation Update**

An AHDC representative will present an update at the June 4<sup>th</sup> meeting.

**11. The Update on the City Housing Budget and Community Engagement**

Due to the hour, this agenda item was deferred by the Chair.

**12. Other**

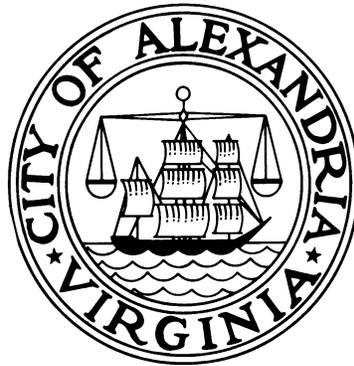
Helen noted that the discussion on AHAC's name was moved to June 10<sup>th</sup> and that the City Manager had recommended that the Chamber of Commerce identify a representative to sit on the Committee. The Chamber has indicated an interest in getting its members more engaged in civic affairs and issues. Michelle made a motion to approve this recommendation. Bill Harris seconded it. The vote to approve was unanimous.

Bill made the motion to extend Katharine's term as chair of AHAC by one more year. Jon seconded the motion. The vote to approve was unanimous.

David Taylor noted that he would not be able to attend the June 4<sup>th</sup> meeting.

The meeting adjourned at 8:54 pm.

**The Affordable Housing Advisory Committee  
FY15 (July 2014-June 2015) Annual Report**



**June 2015 DRAFT**

## **The Affordable Housing Advisory Committee (AHAC) FY15 Annual Report, July 2014-June 2015**

The Affordable Housing Advisory Committee (AHAC) comprises members appointed by the Alexandria City Council and is staffed by the Office of Housing. A list of the committee members and members during Fiscal Year 15 is included at the end of this report. The purpose of the committee is to advise City Council on issues regarding the maintenance and promotion of affordable housing, to make recommendations for policies governing the expenditures of the City's Housing Trust Fund and Housing Opportunities Fund monies, and to oversee the administration of the Trust Fund. AHAC held ten meetings during the annual report period.

### **FY 15 Accomplishment Overview**

- Reviewed and conducted a public hearing on the 2016-2020 Consolidated Plan and FY16 Action Plan.
- Provided feedback on the ongoing Bonus Density Study and endorsed the recommendations of the Parking Standards for Multifamily Development Study which addressed ratios for affordable housing.
- Recommended approval of a \$300,000 loan to support the renovation of Community Lodgings, Inc. and preserve six units serving low-income families and residents transitioning from homelessness.
- Recommended approval of a \$5,700,000 permanent loan to AHC for the Fillmore project which will provide 93 new units of rental housing affordable to households at 50 and 60% AMI immediately adjacent to the Beaugard Plan Area.
- Recommended  of a \$360,000 predevelopment loan to AHDC for the Gateway at King and Beaugard project which proposes to deliver 72 units affordable to households with incomes ranging from at or below 40-60% AMI.
- Recommended  of a predevelopment loan of up to \$400,000 to AHC, Inc. for Phase I of the Church of the Resurrection project which proposes to deliver 85 affordable units as part of a mixed-use development to include a new church and preschool program center on the existing church parcel. (A second affordable building is planned for a future phase).
- Approved affordable housing plans for the Alexandria Memory Care Center and Goodwin House yielding at least eight new housing units with care options for low- and moderate-income seniors.
- Approved an affordable housing plan for Pickett's Place which will provide four affordable homeownership units in the Landmark Van Dorn Small Area, as well as \$200,000 to be used for downpayment and closing cost assistance to income-eligible, first-time buyers.
- Provided feedback on two ongoing planning efforts—the Eisenhower West Small Area Plan and the Oakville Triangle/Route 1 Corridor Planning Study.
- Reviewed and provided guidance on the implementation timeline of the Housing Master Plan and the FY16 Housing Action Plan.
- Provided input on the structure and format of the planned community meetings on creating guiding principles for successful mixed-income communities.
- Received updates on and provided counsel to the FY 16 budget process.
- Participated in the FY16 budget civic engagement process.

- Received updates on the implementation of the Beauregard Small Area Plan and activities of the relocation coordinator.
- Recommended changes to the name and composition of the committee.

During the past year, AHAC dealt with the following funding requests, affordable housing plans, and issues:

**A. Housing Funding Requests:** During the reporting period, AHAC voted on four funding requests described below.

1. **AHC, Inc.:** In December 2014, AHC requested a permanent loan of up to \$5,700,000 from the Housing Opportunities Fund (HOF), federal HOME funds, and dedicated tax revenue for a proposed 93-unit affordable rental housing development with ground-floor community space on Fillmore Avenue. AHC received a predevelopment loan of \$460,000 in April 2014 to assist with the purchase of two parcels occupied by St. James United Methodist Church and the Methodist District Building. AHC plans to develop the three-acre site with two multifamily buildings—one rental affordable building that AHC will develop, own, and operate to serve households with incomes at 50% and 60% AMI and one market-rate condominium building that will be developed by a development partner. The permanent loan would leverage over \$28 million in private and public funding sources. AHC will maintain 46 units as a substitute for the long-term committed affordable units the City had originally planned to buy down at Southern Towers' Berkley Building. **AHAC voted unanimously to approve the loan.**
2. **Community Lodgings, Inc.:** In an effort to renovate its 75-year-old property at 607 Notabene Drive, CLI requested \$300,000 in gap financing from the HOF in March 2015. The loan would leverage over \$500,000 of support from HomeAid and private financing. The six-unit building provides transitional and affordable housing to some of the City's most vulnerable residents, but requires substantial interior and exterior improvements based on a 2006 third-party capital needs assessment. Identified improvements include new windows and doors, an HVAC system replacement, an electrical and plumbing upgrade, a new roof, unit modernization with bathroom and kitchen upgrades, common area updates, and new flooring. The City has previously provided funds in the form of loans and grants to assist CLI in purchasing and rehabilitating properties, most recently in 2012. The proposed loan is structured as a no-interest loan with a term of repayment if the property ceases to operate as affordable housing; under those circumstances, the City will retain the right of first refusal to purchase the property. AHAC requested that no City loan funds be used to pay for construction management expenses. **AHAC voted unanimously to approve the loan contingent upon the City Council's approval of a transfer of CDBG excess funds to the HOF.**
3. **AHDC:** In June 2015 AHDC requested a predevelopment loan of up to \$360,000 to assist with the development of the Gateway at King and Beauregard project. As part of a larger mixed-use development featuring market-rate units, retail, and office, the project proposes to deliver 72 units affordable to households with incomes ranging from at or below 40-60% AMI. **AHAC voted...**

4. **AHC, Inc:** In June 2015, AHC requested a predevelopment loan of up to \$400,000 to assist with the first phase of redevelopment of a two-acre site at 2280 North Beauregard Street. In partnership with the landowner, the Episcopal Church of the Resurrection (ECR), AHC proposes to develop, own, and operate 85 affordable units atop of a new ECR sanctuary and community space (used for a preschool/daycare for special needs children and for regularly scheduled food distribution). A second affordable building is planned for a future phase. **AHAC voted...**

**B. Affordable Housing Plans:** During the reporting period, AHAC voted on three affordable housing plans that were included as part of the development process. The plans are described below.

1. **Alexandria Memory Care Center:** The proposed 66-bed memory care facility is located at 2811 King Street. In lieu of a monetary contribution, the developer offered to provide a 40% discount on two beds at the new facility for a term of 20 years once the project achieves a 95% occupancy rate. In light of the importance of increasing the City's supply of affordable assisted units—as identified by the Housing Master Plan, Strategic Plan on Aging, and Consolidated plan—**AHAC voted unanimously to approve the Alexandria Memory Care Center Housing Plan at its January meeting contingent upon the MOU addressing the two-bed eligibility criteria and occupancy requirement.** (At the City Council public hearing the developer agreed to provide the discounted beds beginning when the facility opens, rather than at 95% occupancy, and for the life of the project, i.e., so long as the facility is operated as a memory care center.)
2. **Goodwin House:** Goodwin House, a 501(c)3 that provides a range of housing and continuing care options for seniors at its Alexandria campus, is located at the intersection of Beauregard Street and Seminary Road. It proposed two phases of redevelopment: in the first it will renovate and add a small addition to convert some of its existing building space into new intensive care units. Since the size and scope of this first phase of redevelopment did not result in a net increase in square footage, the City agreed to waive the Developer Contributions that would otherwise be required by the Beauregard Small Area Plan. In the future second phase, Goodwin House proposed to provide support, through their Foundation, in the form of entrance fees subsidies and/or monthly fee subsidies to benefit several new low- or moderate-income residents, who would not otherwise be served by Goodwin House, as a credit against those portions of the developer's contributions up to \$1.3 million. It is anticipated that at least six seniors will be served. **AHAC voted unanimously, with one abstention, to approve the Goodwin House Housing Plan at its January meeting.**
3. **Pickett's Place:** The proposed development is located at 100 South Pickett Street. AHAC had previously considered and approved an affordable housing plan for the site—referred to as the Delaney Project—in May 2012. Due to changing market conditions, the developer proposed to replace the mixed-use 189-unit apartment complex with a 48-unit townhome development, including 4 three-bedroom affordable units; the developer also agreed to provide \$200,000 as a cash contribution that could be used as downpayment

and closing cost assistance to potential homebuyers earning as low as 70% AMI. The proposal presented a rare opportunity to add three-bedroom units to the City's stock of affordable sales units and to replenish some of the City's "first generation" of set aside homes. **Though a quorum was not present, AHAC voted unanimously as a committee of the whole to approve the Pickett Place Housing Plan at its October meeting.**

**C. Housing Trust Fund Overview: FY 2015 – PRELIMINARY FIGURES**

\$3 million pledged to the Housing Trust Fund; \$1.6 million received into the Housing Trust Fund and \$171,000 expended from the Housing Trust Fund.

**D. Housing Master Plan:**

AHAC is an important champion and steward of the Housing Master Plan. As such, in FY15 AHAC helped monitor implementation through the following efforts:

- 1. Parking Requirements for Affordable Housing Development:** This effort was the first phase of a larger project to modernize and “right-size” parking regulations for multifamily developments citywide. In addition to reducing minimum parking requirements for market-rate housing, the study proposed voluntary lower requirements for affordable housing projects based on household income. AHAC unanimously endorsed the proposed zoning amendment with the recommendation that the data be reevaluated every five years.
- 2. Additional Density in Exchange for Affordable Housing:** Building on a provision in Section 7-700 that allows small area plans to grant density bonuses exceeding 20% in exchange for additional affordable housing, staff, in collaboration with Planning, is analyzing the impact an increase in bonus density could have on the supply of affordable housing units in the City. AHAC provided feedback on and endorsed the findings of the ongoing work.

**E. Other**

As part of its monthly meetings, AHAC received regular updates on the activities of AHDC and ARHA.

**Voting Members: 14 – Will be updated following June 10 council meeting**

- 1 Builder or developer of residential property
- 1 Real estate professional with knowledge and experience in residential real estate
- 1 Landlord of residential property in the City
- 1 Residential tenant in the City
- 1 Homeowner in the City
- 1 Commissioner from the ARHA Board
- 1 Representative of the City's faith community
- 1 Representative of a civic association in the City
- 1 Representative who is employed by or affiliated with an organization that promotes and maintains affordable housing
- 1 Financial professional with knowledge and experience in the field of finance as it relates to residential housing
- 1 Representative of an employer in the city who employs at least 100 employees
- 1 Licensed and practicing attorney
- 1 Person designated by, but who need not be a member of the Commission on Aging
- 1 Person who is either a City employee or a teacher with the Alexandria City Public Schools

**Voting Members between July 2014 and June 2015:**

Katharine Dixon, Chair  
Michael Butler  
Carter Flemming  
William Harris  
John Catlett (through February 2015)  
Deena de Montigny (through October 2014)  
Robyn Konkel  
Eric Weiss  
Edric Kirkman  
Peter Anthony-Pappas (October 2014 – present)  
Michelle Krockner (December 2014 – present)  
Jon Frederick (December 2014 – present)  
Elizabeth Lucchesi (May 2014 – January 2015)  
Joe Ouellette (May 2014 – present)  
Janelle Beverly (April 2015 – present)  
Brandi Collins (April 2015 – present)  
David Taylor (May 2015 – present)

## Housing Trust Fund Programs Financial Status

As of April 30, 2015

<b>Balance as of March 31, 2015</b>	<b>8,219,657</b>
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<b>Revenues for April 2015</b>	
Contributions	0
Loan Repayments	
Community Lodgings, Inc. (CLI)	0
Moderate Income Homeownership Program (MIHP)	17,852
Employee Homeownership Incentive Program (EHIP)	10,000
HCS - Subordination Fee Deposits	0
Fees Offsetting Expenditures	0
	<b>27,852</b>

<b>Expenditures for April 2015</b>	
Flexible Homeownership Program	(20,000)
Homeownership Counseling	(6,500)
AHC Inc. - Fillmore	0
Rebuilding Together Alexandria	0
Housing Opportunities Fund - <i>see attached report</i>	0
Rental Accessibility Modification Program (RAMP)	0
	<b>(26,500)</b>

<b>Balance Available Before Outstanding Commitments/Reservations</b>	<b>8,221,009</b>
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<b>Outstanding Commitments/Reservations as of April 30, 2015</b>	
Braddock Small Area Plan Fund	834,080
Flexible Homeownership Program	403,909
HOME/HOF Match	433,657
Homeownership Counseling	38,802
FY 2016 Budget Reservation	300,000
Housing Opportunities Fund - <i>see attached report</i>	1,727,782
AHC Inc. - Fillmore	1,286,375
Rebuild Together Alexandria	0
Beauregard Fund	1,900,000
Rental Accessibility Modification Program (RAMP)	5,514
	<b>(6,930,118)</b>

<b>Unreserved Balance as of April 30, 2015</b>	<b>1,290,891</b>
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# Housing Opportunities Fund Financial Status Report

## As of April 30, 2015

	HTF	General Fund	HOME	Tax Revenue Account	TOTAL
<b>Balance as of April 30, 2015</b>	<b>\$1,727,782</b>	<b>\$0</b>	<b>\$2,093,971</b>	<b>\$1,249,266</b>	<b>\$5,071,019</b>
REVENUES					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
EXPENDITURES					
Alexandria Housing Development Corporation (AHDC)	\$59,327				\$59,327
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
<b>TOTAL EXPENDITURES</b>	<b>\$59,327</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,327</b>
<b>Balance Available Before Outstanding Commitments</b>	<b>\$1,668,455</b>	<b>\$0</b>	<b>\$2,093,971</b>	<b>\$1,249,266</b>	<b>\$5,011,692</b>
OUTSTANDING COMMITMENTS					
Alexandria Housing Development Corporation (AHDC)					\$0
CLI Notabene			\$393		\$393
Wesley Lynhaven Apartments			\$1,035,825		\$1,035,825
AHC Inc. Fillmore	\$1,646,605		\$1,057,754	\$1,249,266	\$3,953,625
Fees for Professional Services	\$21,850				\$21,850
					\$0
					\$0
					\$0
					\$0
					\$0
					\$0
<b>TOTAL OUTSTANDING COMMITMENTS</b>	<b>\$1,668,455</b>	<b>\$0</b>	<b>\$2,093,972</b>	<b>\$1,249,266</b>	<b>\$5,011,693</b>
<b>Unreserved Balance as of April 30, 2015</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# Homeownership Programs Report

As of April 30, 2015

Apr 2015			Total FY as of April 30, 2015								
Loans Committed			Loans Settled			Loans Committed			Loans Settled		
Count	Amount	Source	Count	Amount	Source	Count	Amount	Source	Count	Amount	Source
1	\$20,000	MIHP	1	\$20,000	MIHP	8	\$50,000	HOME	8	\$50,000	HOME
							\$40,000	HOME		\$40,000	HOME
							\$20,000	MIHP		\$20,000	MIHP
							\$10,000	EHIP		\$10,000	EHIP
							\$38,500	HOME		\$38,500	HOME
							\$50,000	MIHP		\$50,000	MIHP
							\$50,000	HOME		\$50,000	HOME
							\$20,000	MIHP		\$20,000	MIHP
	\$20,000			\$20,000			\$278,500			\$278,500	