



AMAZON HQ2 – VIRGINIA TECH INNOVATION CAMPUS ALEXANDRIA'S RESPONSE



Helen McIlvaine, Director
Office of Housing
APRIL 16, 2019

WHO CAN AFFORD TO RENT IN THE CITY?

Typical Hourly Wages:

Housekeeper: \$13.03
Retail Salesperson: \$14.83
Bank Teller: \$14.94
City Temporary Park Operations Laborer 1: \$15.15
Nursing Aide: \$15.25
Parking Lot Attendant: \$15.86
Child Care Worker: \$16.27
EMT: \$17.76
Receptionist: \$18.12
Fast Food Cook: \$18.29
Medical Billing Clerk: \$19.21
City Residential Counselor: \$19.46 (starting)
City Marketing Specialist: \$22.47 (starting)
Cardiac Technician: \$22.89
City Policy Officer 1: \$24.44 (starting)
City Librarian Youth Services Manager: \$24.78 (starting)
Auto Mechanic: \$24.89
Hotel Front Desk Manager: \$25.53
City Building Manager: \$26.02 (starting)
ACPS Teacher w/Bachelor's Degree (Step 1, 220 day contract): \$26.38
Plumber: \$27.97
ACPS Teacher w/Master's Degree (Step 1, 220 day contract): \$30.11
Electrician: \$30.30
City Smart Mobility Program Manager: \$34.86 (starting)
Dental Hygienist: \$37.32
Computer Programmer: \$40.26
Physical Therapist: \$43.28

\$32.84/hr

(~\$68,320/yr)

Hourly wage needed in 2018 to rent an average 1-bedroom apartment (\$1,708) in the City (rent assumed to equal 30% of gross income)

*Sources: National Housing Conference 2018 Paycheck to Paycheck (www.nhc.org); City of Alexandria Public Schools 2018-19 Salary Scales; City of Alexandria Job Opportunities webpage (February 1, 2019); City of Alexandria 2018 Market Rent Survey Wage: ((average rent/.3)*12months)/2,080 work hours per year*



New rental and assessment data will become available in the spring!

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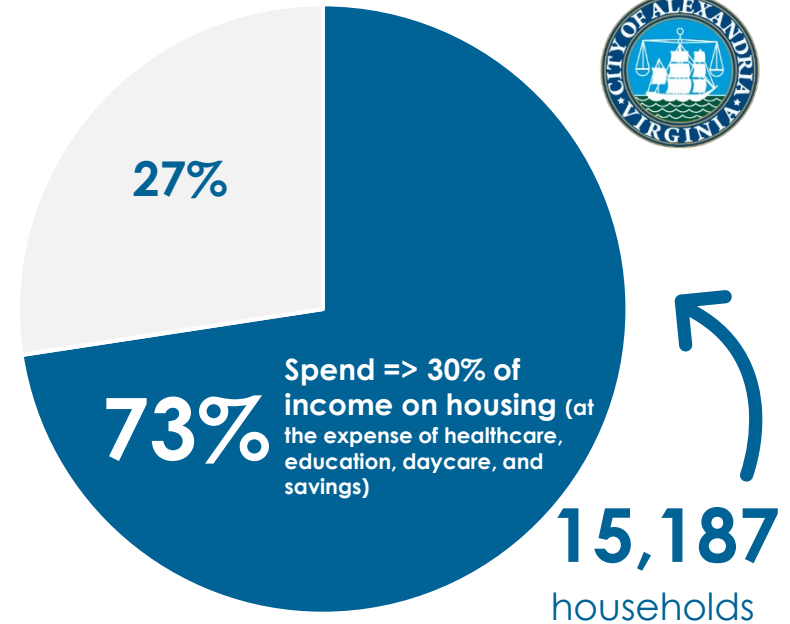
MOST LOW- TO MODERATE-INCOME ALEXANDRIANS

(w/incomes up to \$75,000)

SPEND TOO MUCH ON HOUSING

73% of low- to moderate-income renter households are housing cost burdened

Source: 2013-2017 American Community Survey 5-Year Estimates





HOUSING OPPORTUNITY

MARKET AFFORDABLE
non-subsidized units affordable due to their age, amenities, condition, and/or location
~3% citywide housing stock

COMMITTED AFFORDABLE
units receiving assistance (local and/or federal) or made affordable through developer contributions
~5% citywide housing stock

AFFORDABLE CONDOMINIUMS
units assessed up to \$249,000
~13% citywide housing stock

Rental and for-sale set-aside units secured through development process, including through bonus density and height

Publicly assisted housing units (public housing, nonprofit housing projects, HUD-funded affordable units in privately-owned properties)

AFFORDABILITY DEFINED



	2018 Area Median Income	1-Person Household	4-Person Household	
ARHA/ DCHS	20% AMI and below	Up to \$16,420	Up to \$23,440	COMMITTED AFFORDABLE RENTALS COMMITTED AFFORDABLE HOMEOWNERSHIP FOR-SALE SET-ASIDES
	30% AMI	\$24,650	\$35,150	
NON-PROFIT PARTNERS	40% AMI	\$32,840	\$46,880	
	50% AMI	\$41,050	\$58,600	
	60% AMI	\$49,260	\$70,320	
RENTAL SET-ASIDES	80% AMI	\$65,680	\$93,760	
	100% AMI	\$82,100	\$117,200	

Sources: 2018 HUD Income Limits for 30% and 50% AMI for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro Fair Market Rent Area); FY 2018 Multifamily Tax Subsidy Project Income Limits for 60% AMI; and Office of Housing for 40% AMI and Mathematical 80% AMI

RENTAL SUBSIDY PROGRAM



- Applies to 10% of units in recent City-assisted tax credit projects (so far, 37 units)
 - Lacy Court
 - The Bloom (Carpenter's Shelter)
 - Church of the Resurrection
 - Fairlington Presbyterian
- Helps avoid displacement of low-income residents of existing affordable housing when rents increase to pay for renovation
- Expands housing opportunity for DCHS clients and others by providing deeper levels of affordability (DCHS coordinates referrals)

COLLABORATION—Integrating housing opportunity into planning



2012 BEAUREGARD:

commitment to preserve 800 affordable units with 50% serving very-low income households; relocation coordinator hired; placement into Southern Towers affordable units and referrals to other housing resources and city services.

PROPOSED MOUNT VERNON CORRIDOR

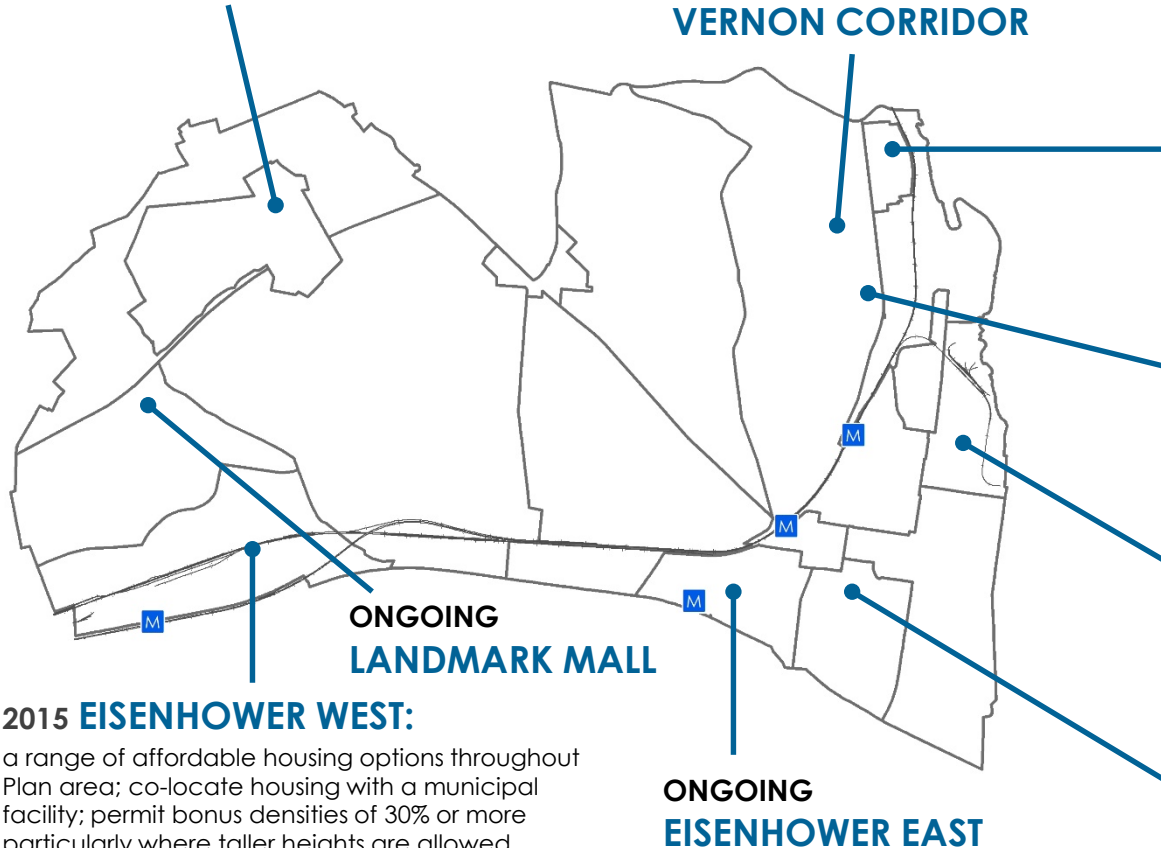
2017 NORTH POTOMAC YARD:

permit bonus densities of 30%; allow for potential ARHA replacement units; integrate universal design and incorporate visitability features, when feasible; permit micro-units; encourage colocation of affordable housing, including senior or assisted living, with future civic, municipal, and other uses where possible.

2015 OAKVILLE TRIANGLE: 65 units (mostly studios) affordable at 60% AMI approved for Triangle site to accommodate likely future workers; other projects in Route 1 area will follow the Housing Master Plan and contribution formula.

2017 OLD TOWN NORTH: permit bonus densities of 30%; prioritize one-for-one on-site replacement of Resolution 830 units within the plan area; encourage artist housing; incorporate universal design, including visitability features.

2018 SOUTH PATRICK STREET: preserve housing opportunity and affordability along Route 1 South through redevelopment and additional density; ensure eligible tenants have the right to return and receive support and assistance to mitigate impacts of temporary relocation



2015 EISENHOWER WEST:

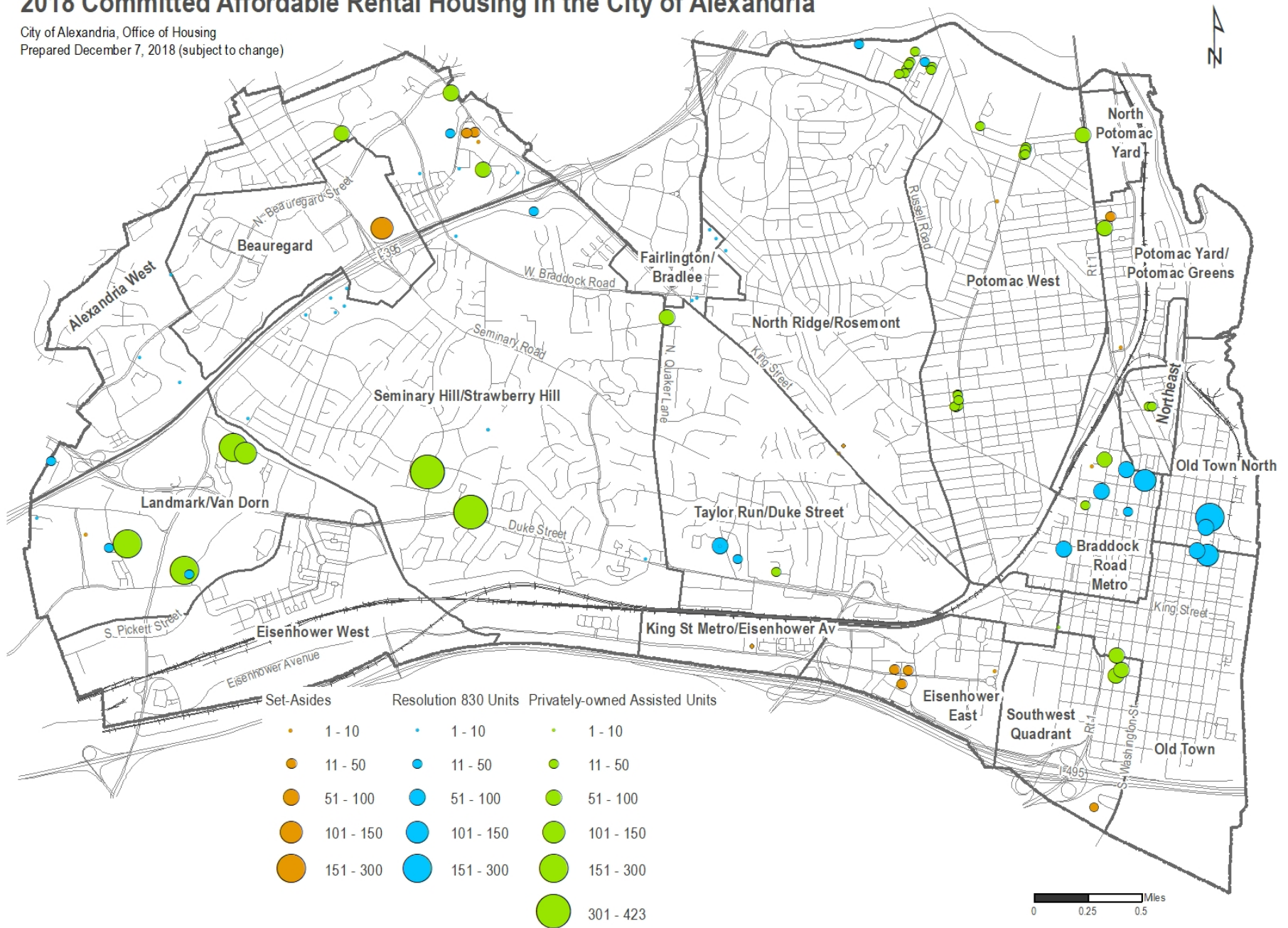
a range of affordable housing options throughout Plan area; co-locate housing with a municipal facility; permit bonus densities of 30% or more particularly where taller heights are allowed.

ONGOING LANDMARK MALL

ONGOING EISENHOWER EAST

2018 Committed Affordable Rental Housing in the City of Alexandria

City of Alexandria, Office of Housing
Prepared December 7, 2018 (subject to change)

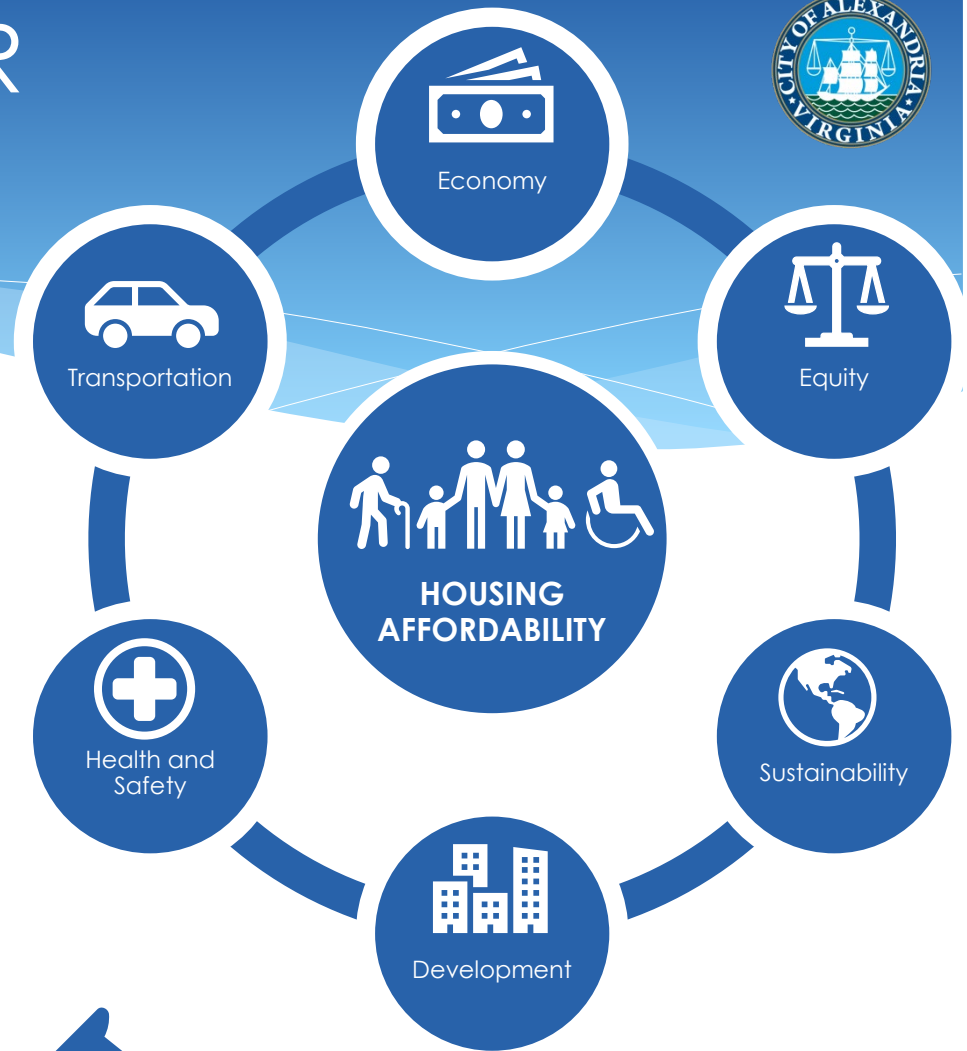


NOTES: Set-aside units are defined as committed affordable units secured through the development process, typically for 40 years, in market-rate projects. Privately-owned assisted units have received some form of local, state, and/or federal support; these units may be located in mixed-income communities (e.g. Foxchase and the Heritage at Old Town). Some projects exclusively serve seniors (e.g. Beasley Square and the Claridge House). Transitional and supportive housing, shelters, and units pledged or in the pipeline, but not under construction, are not reflected.

HOUSING MASTER PLAN



- Housing options at all incomes, life stages, and abilities
 - ✓ Energy efficient
 - ✓ Healthy and safe
 - ✓ Accessible
- Citywide distribution of affordable units to foster social and cultural diversity and mixed-income communities
- Emphasis on opportunities in higher-density areas with strong access to transit, jobs, and amenities



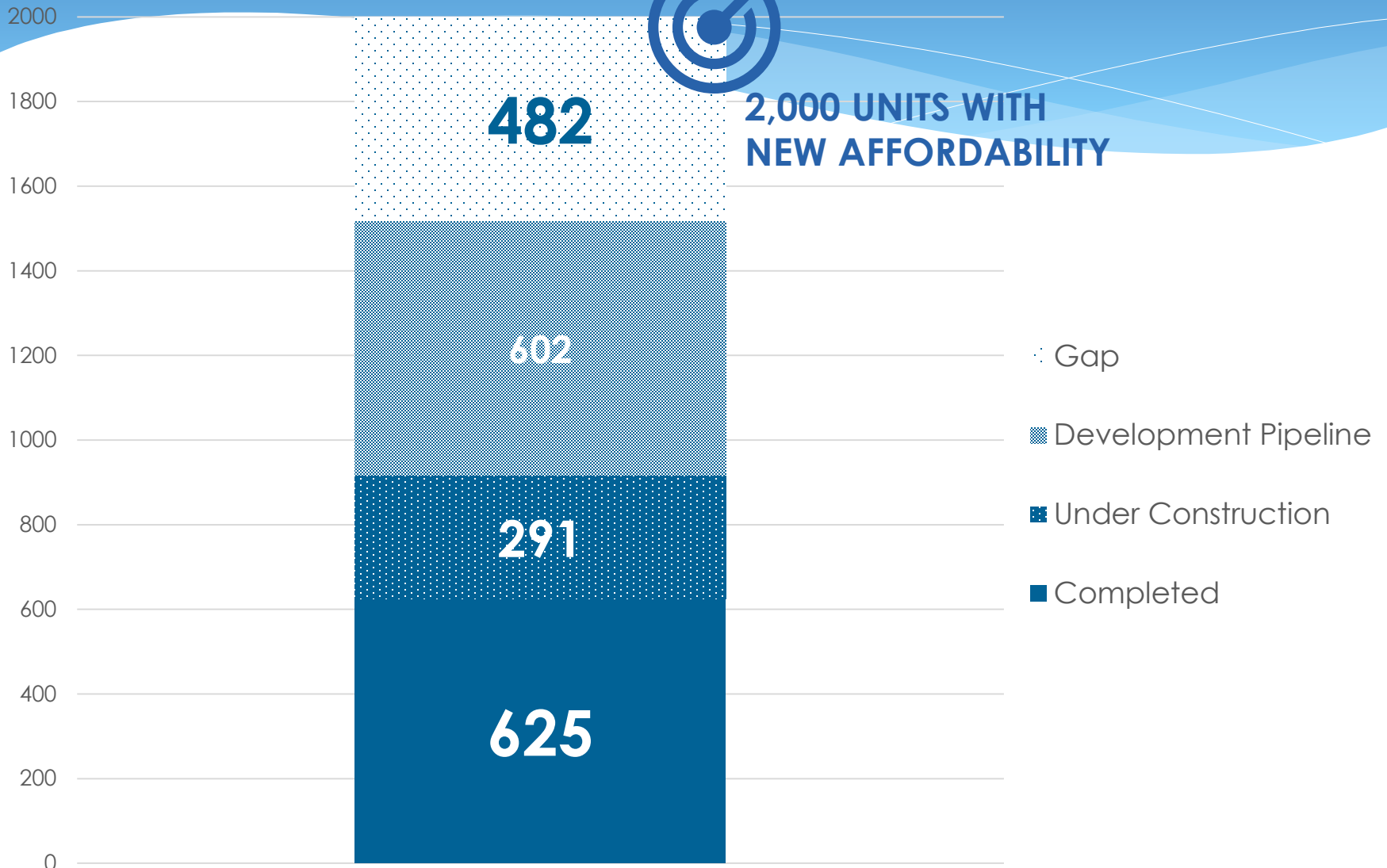
**HOUSING MASTER PLAN GOAL:
Create new affordability in 2,000
units by 2025**

HOUSING MASTER PLAN

PROGRESS THROUGH DEC 2018



2,000 UNITS WITH
NEW AFFORDABILITY





● TOOL #1: BONUS DENSITY + HEIGHT

● TOOL #2: VOLUNTARY DEVELOPER CONTRIBUTIONS TO HOUSING TRUST FUND + REVENUE FROM MEALS TAX INCREASE + HOME/CDBG



HOW AFFORDABLE HOMES GET BUILT, PRESERVED, AND ENHANCED

TODAY'S CHALLENGE!

\$40k

\$80-\$95k

2013

2018+

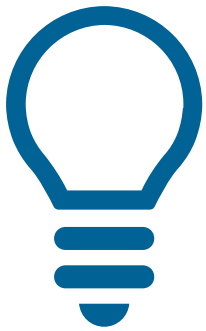
CITY INVESTMENT NEEDED TO CONSTRUCT ONE NEW AFFORDABLE UNIT





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HOW AFFORDABLE HOMES GET BUILT, PRESERVED, AND ENHANCED



THE REASONS...

STEEP INCREASES IN COST OF CONSTRUCTION

COST OF PROVIDING DEEPER LEVELS OF AFFORDABILITY (40-50% AMI)

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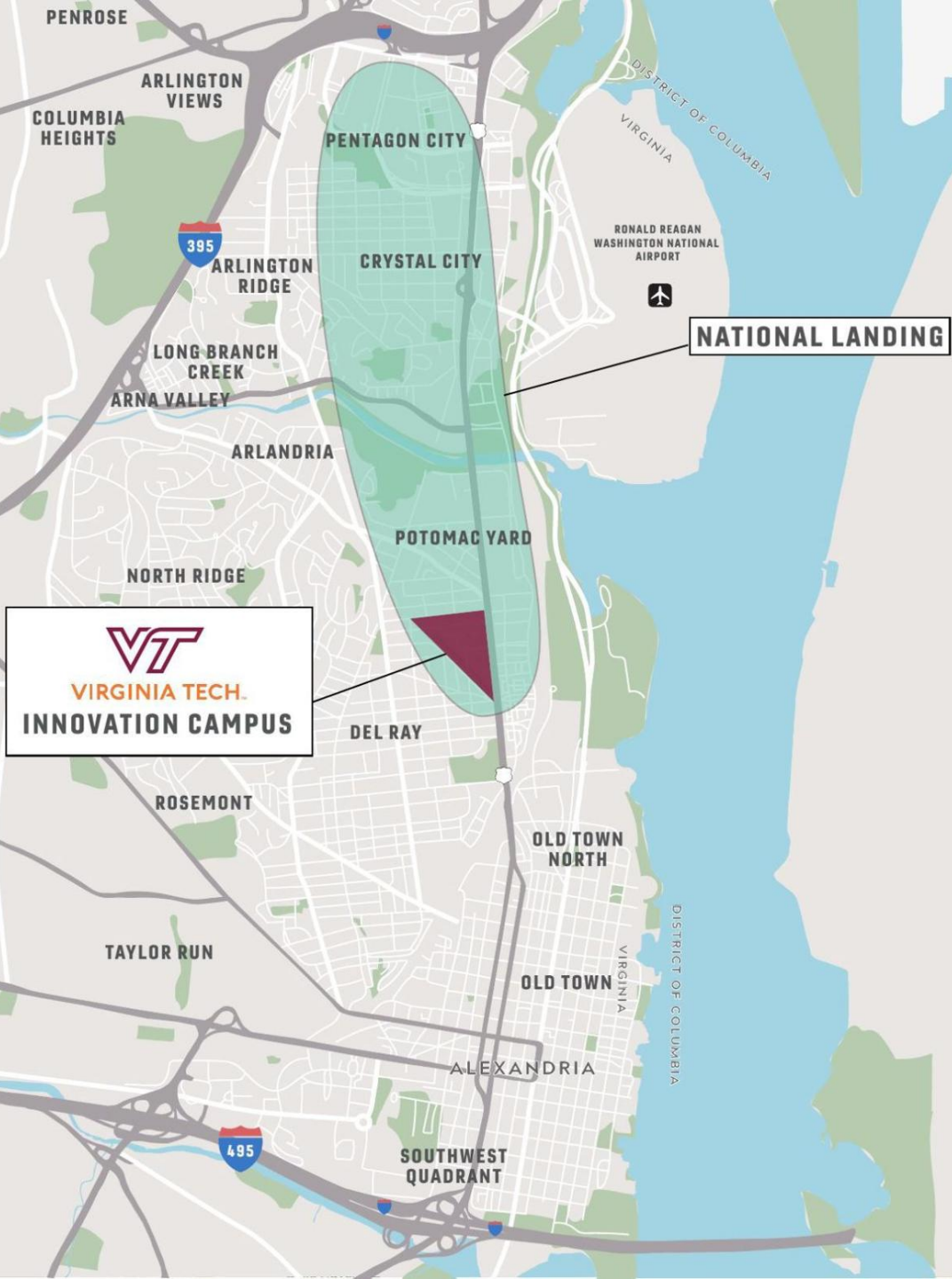


2013

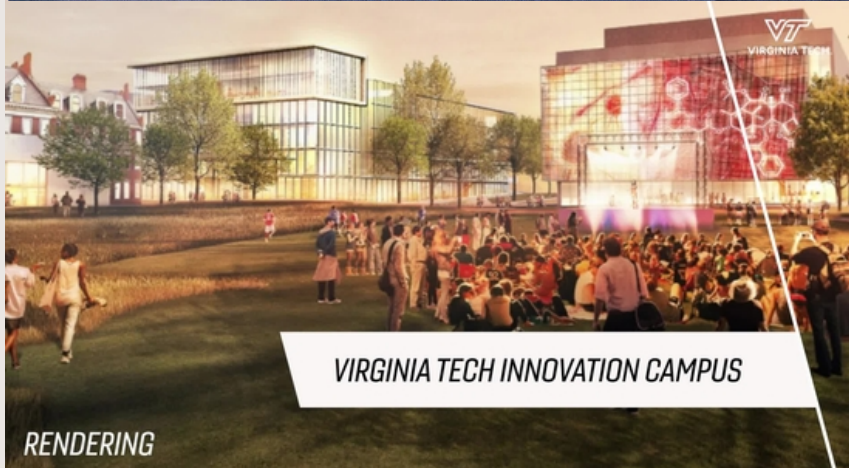
\$80-\$95k



2018+



Alexandria's Housing Response to Amazon HQ2 and the Virginia Tech Innovation Campus



The HQ2 RFP Process



- Joint response - Alexandria/Arlington
- Economic development: housing affordability is a critical factor
- What is the biggest challenge Amazon -Seattle faces?
- Collaboration among local and regional partners and VHDA to develop housing response for RFP
 - A range of housing choices (levels of affordability, rental, ownership) affordable for workers at range of incomes, including jobs that support HQ2
 - HQ2: 25,000 jobs @ median salary of \$150,000
 - Estimated that 40% of all jobs generated by HQ2, will be of a type that requires housing affordability/workforce-level affordability

Virginia Tech Innovation Campus



- VT graduate-level programs related to STEM and data analytics
- VT looking for a campus location in area that draws a diverse student body
- More than \$1B to be invested at Innovation Center, George Mason and other VA universities that offer STEM and data analytics programs
- Investment in K-12 STEM-related education
- Amazon: “we came for talent and future talent”

<https://www.research.vt.edu/>

New Collaboration and Resources



- New focus on housing has led to more resources being committed to production and preservation of housing affordability, including workforce options
- Governor's Executive Order #25: Housing affordability is key to Virginia's economic sustainability and competitiveness
 - VHDA \$75 M REACH (\$15M x 5 years) to meet NoVA housing need
 - VHDA Funding for Opportunity Zone land banking
- JBG Smith Social Impact Fund (~“regional loan consortium” - Alexandria Housing Master Plan) raises capital from new (to housing) sources
- New investors include business, philanthropy, healthcare, technology
- Alexandria \$8M+ annually (new \$1 M proposed in FY 2020 budget for Amazon, \$5 M from meals tax and \$2 M+ Housing Trust Fund)
- COG, Housing Leaders Group, Greater Washington Partnership, Urban Institute and others studying housing capacity/economic development, and seeking innovative, regional solutions for the first time

Alexandria's Housing Response



- Continue to fulfill commitments to implement the 2013 City Housing Master Plan, including its target of new affordability in 2000 units by 2025
- Provide annual dedicated resources for affordable housing of at least \$8 M
- Utilize non-financial tools to maximize affordable housing and secure affordable units through city development and planning processes (bonus density, residential multifamily zone, city-owned property, co-location)
- Explore new regulatory tools, including accessory dwelling units and IZ
- Explore opportunities to leverage City resources through impactful third party investment

Alexandria's Housing Response



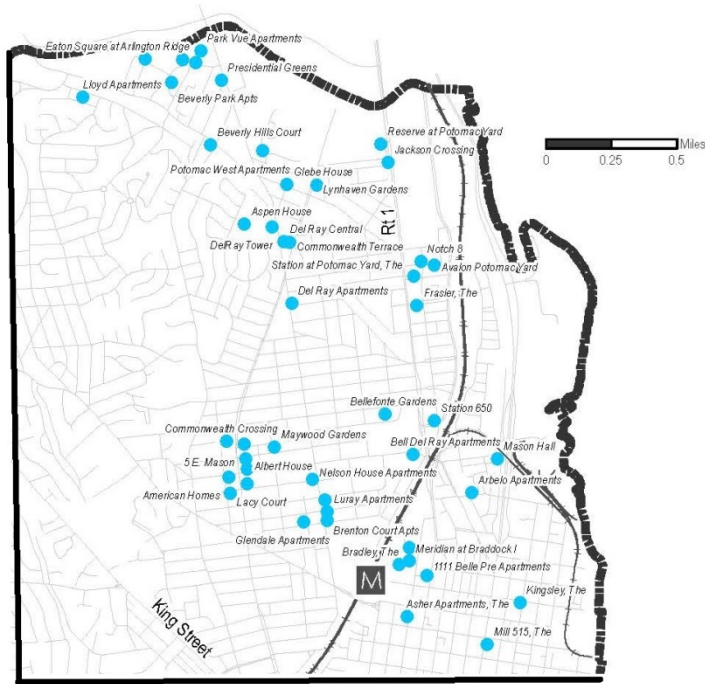
- Work with network of nonprofit and other partners, including VHDA, to preserve committed affordable units facing expiration over the next decade (~1500 units in City)
- Expand existing homeownership program to provide a wider range of workforce-affordable options within Alexandria's condominium stock and maximize use of CHRP and federal program resources
- Explore OZ incentives
- Explore opportunities to collaborate and innovate with Arlington County
 - jointly fund and/or develop affordable housing in National Landing or adjacent areas
 - convert underutilized commercial and industrial space

Alexandria's Housing Response - Most Impacted Communities



- Focus on most impacted neighborhoods
 - Track rental housing costs in Arlandria and other neighborhoods near National Landing
 - Continue culturally competent outreach to Arlandria communities and organizations, offering information and technical/financial assistance to property owners and residents, including resources to
 - preserve and expand housing affordability, including assistance to improve existing housing stock
 - avoid/mitigate displacement of current residents
 - empower residents to participate in, and benefit from, decisions impacting their housing
- Support upcoming Mount Vernon Corridor planning initiative (Del Ray to Arlandria), including assessment of housing affordability and development of strategies for preservation, including through potential redevelopment

Alexandria's Housing Response - Most Impacted Communities



Monthly rent review for properties closest to National Landing and Oakview Triangle

Office of Housing

Office of Housing

421 King Street, Suite 215

www.alexandriava.gov/Housing

703-746-4990 (main)

703-746-3088 (Helen McIlvaine)

703-746-3085 (Eric Keeler)

