

Affordable Housing and Colocation

OFFICE OF HOUSING



October 2020



Housing Affordability

- What is affordable housing?
- What is the demand for affordable housing in the City of Alexandria?
- Who needs affordable housing?
- How is affordable housing funded?
- What is colocation?
- Alexandria affordable housing - colocation models
- National examples of affordable housing - colocation

What is Affordable Housing?

Affordable Housing

- **Housing Affordability** is defined as paying no more than 30% of gross household income on housing-related costs
- If a household pays more than 30%, they are considered **housing cost burdened** and have limited ability to invest in healthcare, daycare, education, savings, and other key necessities
- **Housing Providers** include non-profit organizations, redevelopment and public housing authorities, as well as private property owners

Housing Affordability Defined by Income and Household Size (2020)

2020 Area Median Income	1-Person Household	4-Person Household	
20% AMI and below	Up to \$17,640	Up to \$25,200	COMMITTED AFFORDABLE RENTALS
30% AMI	\$26,500	\$37,800	
40% AMI	\$35,280	\$50,400	
50% AMI	\$44,100	\$63,000	
60% AMI	\$52,920	\$75,600	COMMITTED AFFORDABLE HOMEOWNERSHIP
80% AMI	\$70,560	\$100,800	
100% AMI	\$88,200	\$126,000	

Sources: 2020 HUD Income Limits for 30% and 50% AMI for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro Fair Market Rent Area; FY 2020 Multifamily Tax Subsidy Project Income Limits for 60% AMI; and Office of Housing for 40% AMI and Mathematical 80% AMI

Who is Eligible for Affordable Housing?

Local Examples of Affordable Housing

Old Town Commons



Lacy Court



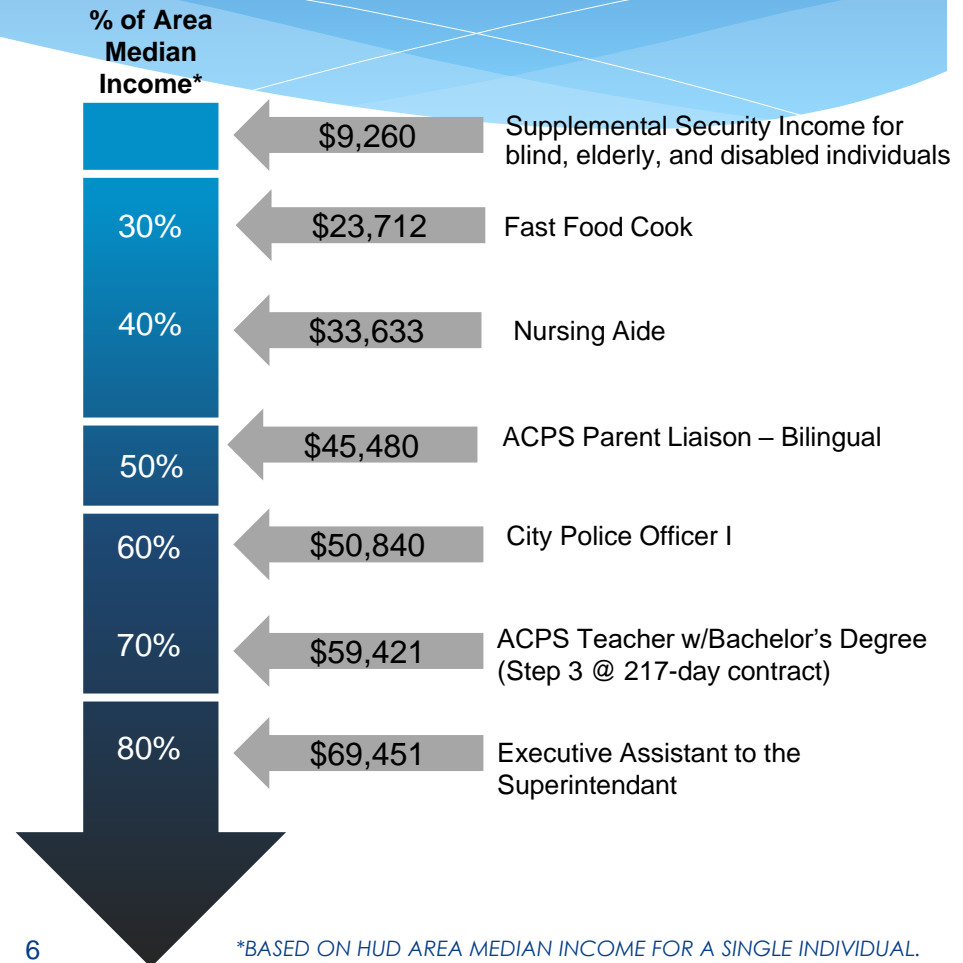
The Station at Potomac Yard



Parkstone

80% AMI
↑ Incomes Served ↓
30% AMI

Occupations and Annual Incomes (2019)



*BASED ON HUD AREA MEDIAN INCOME FOR A SINGLE INDIVIDUAL. SOURCES: NHC REGIONAL PAYCHECK TO PAYCHECK CALCULATOR OF AVERAGE 2019 SALARIES; CITY OF ALEXANDRIA 2019 EMPLOYMENT OPPORTUNITIES; ACPS 2020-2021 SALARY SCALES

There are many project types:

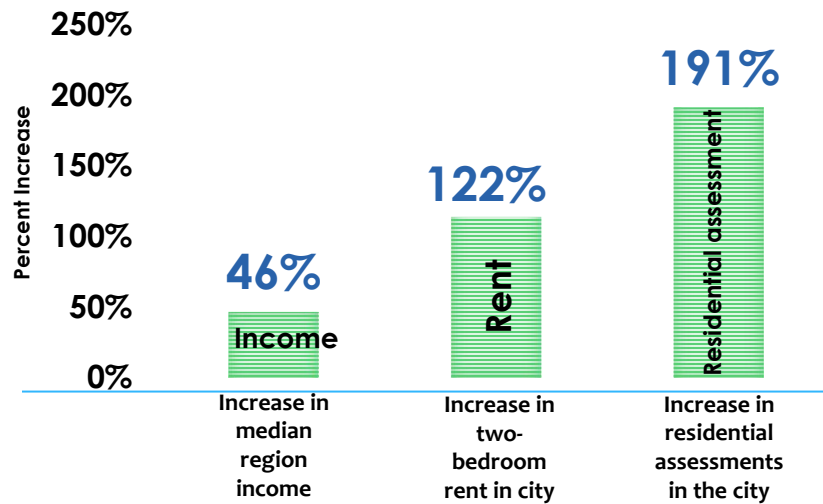
- SET-ASIDE UNITS IN PRIVATE DEVELOPMENT
- 100% AFFORDABLE OR MIXED-INCOME
- CO-LOCATED WITH PUBLIC USE
- BUILT ON PUBLIC LAND
- INFILL WITH GROUND LEASE
- DEVELOPMENT RIGHTS IN LARGER PROJECT
- MIXED-USE WITH COMPLEMENTARY OR COMMERCIAL USE
- PARTNERSHIP WITH RELIGIOUS INSTITUTION
- SENIOR HOUSING
- JOINT VENTURES WITH PRIVATE SECTOR



Demand for Affordable Housing

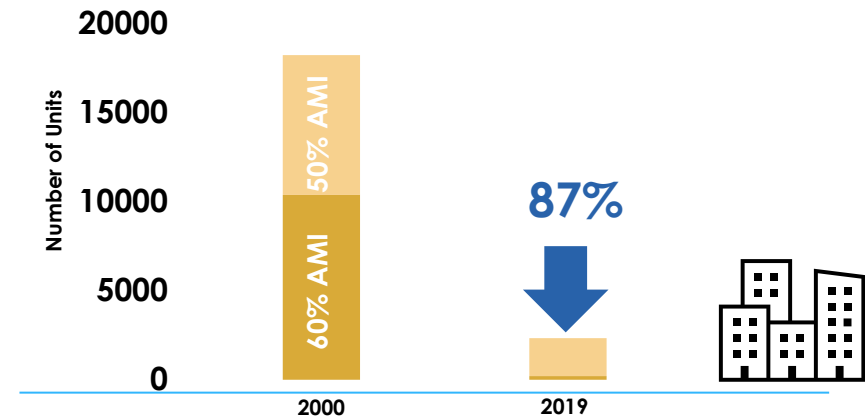
Economic Drivers Impacting Housing Demand and Supply

INCOME VS HOUSING COSTS



Costs for both rental and ownership housing outpaced incomes from 2000 - 2019.

LOSS OF MARKET-RATE AFFORDABLE RENTAL HOUSING



From 2000 – 2019, Alexandria lost ~16,000 market-affordable units due to market rent increases.

MOST LOW- TO MODERATE-INCOME ALEXANDRIANS

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

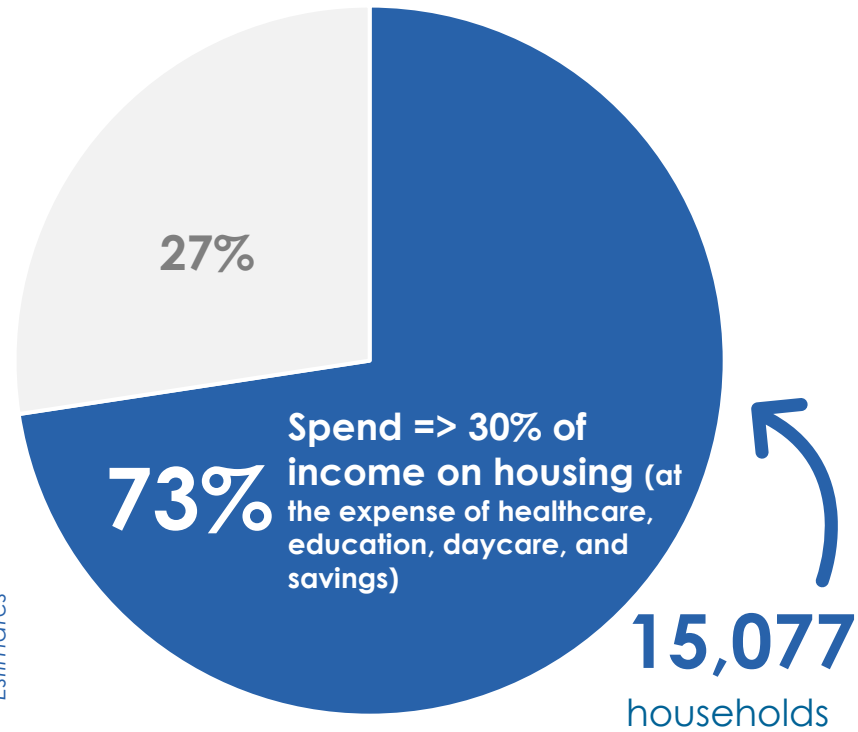
SPEND TOO MUCH ON HOUSING

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

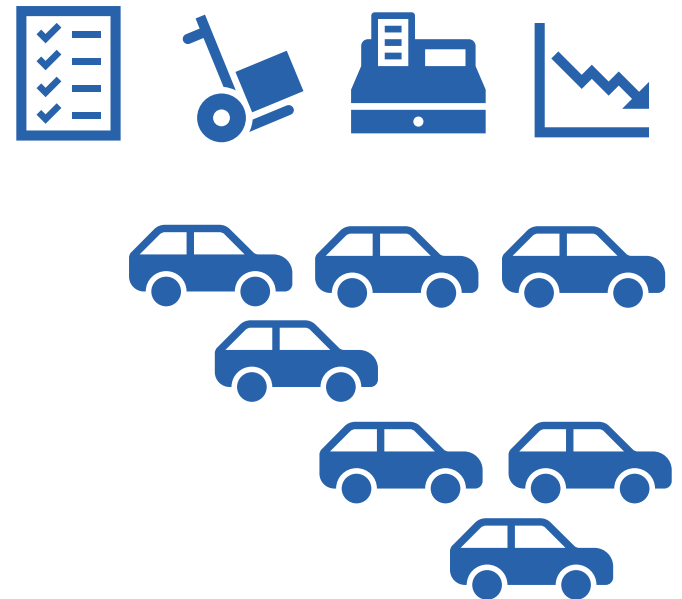
MOST ALEXANDRIA WORKERS COMMUTE INTO THE CITY

75% of Alexandrian's workforce lives outside the City

Source: 2014--2018 American Community Survey 5-Year Estimates



Source: 2012-2016 American Community Survey Estimates—County to County Commuting Flows



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

~6% citywide housing stock

AFFORDABLE CONDOMINIUMS
units assessed up to \$249,000

~9% citywide housing stock

CITY HOUSING STOCK

37,315 Rental Units

21,709 Single-Family Homes

+19,790 Condominiums

78,814 Housing Units

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)



Who Needs Affordable Housing?

Who Needs Affordable Housing?

Leisure & Hospitality



- Cafeteria Aide – 30% AMI
- Hotel Front Desk Manager – 65% AMI

Education & Health Services



- Firefighter – 60% AMI
- Elementary School Teacher – 70% AMI

Construction



- Equipment Operator – 60% AMI
- Carpenter – 70% AMI



Retail & Entertainment

- Cashier – 30% AMI
- Retail Manager – 60% AMI



Office

- Head Custodian – 30% AMI
- Receptionist – 40% AMI



Personal Services & Transportation

- Daycare Worker – 40% AMI
- School Bus Driver – 50% AMI

WHO CAN AFFORD TO RENT IN THE CITY?

Typical Hourly Wages:

- Fast Food Cook: \$11.40
- Housekeeper: \$13.60
- City Temporary Front Desk Clerk: \$15.12
- ACPS Cafeteria Aide: \$15.48
- Retail Salesperson: \$15.70
- Bank Teller: \$15.87
- Nursing Aide: \$16.17
- Parking Lot Attendant: \$16.89
- Child Care Worker: \$17.22
- ACPS School Security Officer: \$19.04
- EMT: \$19.17
- City Residential Support Counselor: \$20.38 (starting)
- Medical Billing Clerk: \$20.42
- ACPS Parent Liaison Bilingual: \$22.74
- City Police Officer 1: \$24.44 (starting)
- City Librarian Volunteer Coordinator: \$24.79 (starting)
- Auto Mechanic: \$26.37
- ACPS Teacher w/Bachelor's Degree (Step 1, 220-day contract): \$26.65
- Hotel Front Desk Manager: \$27.01
- City Vocational & Pre-Vocational Services Coordinator: \$27.32 (starting)
- Plumber: \$30.14
- ACPS Teacher w/Master's Degree (Step 1, 220-day contract): \$30.42
- Electrician: \$32.07
- Dental Hygienist: \$39.56
- Computer Programmer: \$42.72
- City Race and Social Equity Officer: \$44.38 (starting)
- Physical Therapist: \$45.97

\$36.96/hr

(~\$76,880/year)

Hourly wage needed in 2020 to rent an average 1-bedroom apartment (\$1,922) in the City (rent assumed to equal 30% of gross income)

Sources: National Housing Conference 2019 Paycheck to Paycheck (www.nhc.org) with 2% inflationary multiplier; City of Alexandria Public Schools 2019-20 Salary Scales; City of Alexandria Job Opportunities webpage (August 19, 2019); City of Alexandria 2020 Market Rent Survey Wage: ((average rent/.3)*12months)/2,080 work hours per year

How is Alexandria Affordable Housing Funded?



ZONING + FINANCING

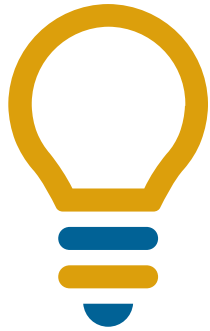
TOOL #1: BONUS DENSITY + HEIGHT

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



PARTNERSHIPS

HOW AFFORDABLE HOMES GET BUILT, PRESERVED, AND ENHANCED



INNOVATION

TODAY'S CHALLENGE!

\$40k

\$80-\$95k

2013

2019

CITY INVESTMENT NEEDED TO CONSTRUCT ONE NEW AFFORDABLE UNIT

What is Colocation?

Defining Colocation

- Colocation is an approach to combine different types of uses in one development or building to meet different community needs
- In the context of a public facility, it helps maximize limited land and financial resources
- Colocation is a tool recommended in the 2013 Housing Master Plan, the 2018 Joint City-Schools Investment Task Force Report, multiple Small Area Plans (Eisenhower West, NPY, Eisenhower East, Potomac Yard) and is currently being studied in the Joint Facilities Master Plan

Alexandria Affordable Housing - Colocation Examples

The Station at Potomac Yard: Affordable and Workforce Apartments, Retail, City Fire Station #209 (operating since 2009)



Fire Station

- Owner: City of Alexandria
- 21,953 SF Fire Station
- 4 Fire Bays plus bunkrooms, offices, and training space

Financing: \$34 million

- Tax credits (equity)
- VHDA loan
- Developer contribution
- City Loan

Governed as a Condominium Structure by AHDC and City with elements owned/operated in common

Residential and Retail Uses

- Owner: Alexandria Housing Development Corporation (nonprofit)
- 64 Affordable Residential Units (60% AMI AND 80% AMI)
- 1-, 2-, and 3-Bedroom Units
- 169,000 SF Total
- Rooftop Garden
- Ground Floor Retail Space

Shared spaces (AFD and AHDC: Fee parcel; Community Meeting Room; Underground parking garage)



Jackson Crossing Apartments and Campagna Early Learning Center (operating since 2014)

Jackson Crossing

- Owner: AHC, Inc
- Campagna Center preschool program (some residents attend)
- 78 Affordable Units
- 1-, 2-, and 3-bedroom units
- 0.69-acre parcel size
- 100,700 Total SF
- 60% AMI Units
- 12,000 SF open space



Financing: \$28 million

- Tax credits (equity)
- Private Loan
- City Loan
- City-owned land combined with developer-acquired land to assemble the project parcel



St. James Plaza Apartments and Campagna Early Learning Center (operating since 2017)

St. James Plaza

- Owner: AHC, Inc
- Campagna Center preschool program
- 93 Affordable Units (50% AMI and 60% AMI Units)
- 1-, 2-, and 3-bedroom units
- 377,729 SF Total
- 3.12-acre site
- 14,000 SF open space
- Parcel also includes adjacent market-rate townhome development



Financing: \$33.8 million

- Tax credits (equity)
- Private first trust mortgage
- City loan
- Land sale proceeds (townhome development)
- Deferred developer fee



The Nexus at West Alexandria (operating since 2019)



Overall Project

- 5.2-acre parcel size
- Mixed use, mixed development: residential, retail (Harris Teeter, Silver Diner, etc.), and office
- 515,000 Total SF
- 39,000 SF ground level open space
- 40,000 SF rooftop open space
- Shared courtyard with playground
- Shared parking

The Nexus Apartments

- Owner: Alexandria Housing Development Corporation
- 74 Affordable Housing Units (50% AMI and 60% AMI)
- Studio, 1-, 2-, and 3-bedroom units
- Shared Amenities
- Residential units built above a retail podium
- Other uses: Silver Diner and a Montessori school

Other Buildings:

- Owner: Weingarten
- The Array: 278 Market-Rate Housing Units
- 71,000 SF Office Building
- 73,000 SF Harris Teeter Grocery Store

Financing: \$65.9 million

- Tax credits (equity)
- City Loan
- VHDA First Trust Loan
- Developer Contribution

Condominium Structure for Master Development

The Bloom Apartments and Carpenter's Shelter (November 2020)



**Carpenter's
Shelter**

Carpenter's Shelter

- Ground floor of development
- 16 shelter units (room for multiple persons per unit)
- Space for client counseling, programs, and administrative work

The Bloom Apartments

- Owner: Alexandria Housing Development Corporation (AHDC)
- 97 affordable units (40% AMI, 50% AMI and 60% AMI; including 10 permanent supportive housing units)
- 1-, 2-, and 3-bedroom units
- 0.82-acre parcel size
- 128,100 Total SF
- Community Room
- Rooftop Garden
- 8,700 SF Ground Level Open Space
- 7,300 SF 2nd floor Open Space
- Shared parking

Financing: \$44.5 million

- Tax credits (equity)
- City loan
- State/Federal Housing Trust Fund
- Private mortgage
- Federal HOME funds

Condominium Ownership Structure

The Spire Apartments/Church of the Resurrection - Spring 2021



Church of the Resurrection

- Owner: Church of the Resurrection
- 5,000 SF church building
- 28 surface parking spaces
- Space for offices, sacristy and choir room, parish hall, and nursery/classroom

The Spire Apartments

- Owner: AHC, Inc.
- 113 affordable units (40% AMI, 50% AMI and 60% AMI)
- 1-, 2-, and 3-bedroom units
- 2.01-acre parcel size
- Former church site redeveloped for housing
- 154,150 SF residential building
- Community room and gym
- 36,550 SF open space
- Access to multiple bus routes
- Shared access road

Financing: \$45 million

- Tax credits (equity)
- City loan
- Private mortgage
- HOME funds
- Ground lease from church

National Affordable Housing/School Colocation Examples

Why Communities Undertake Schools/Housing Colocation

- Housing affordability, security and stability improves student educational outcomes and attainment
- Maximizes use of public land and financial resources (P-3 can leverage private resources, too)
- Promotes more equitable access to housing by unlocking neighborhoods of opportunity
- Addresses community housing needs in high cost areas
- Tool to recruit/retain teachers and other school employees
- Approaches are flexible: may be separate on a shared campus or a physical colocation within one building
- Models are found in rural, suburban and urban places

Sage Park Apartments - Los Angeles, CA



- Owner: Los Angeles Unified School District
- 3.5-acre site on a high school campus; it shares the land but is separate from the school
- 130,000 sf total
- 90 affordable units for 30-60% AMI; mix of 1-, 2-, 3-bedroom units
- On-site laundry, fitness room, community garden, computer lab, club room, and courtyard areas, LEED Silver

Financing: \$28 million

- LA United School District ground lease, Tax Credit (equity), FHLB loan, City of LA funds, CA Reinvestment Corp funds
- **NOTE:** Two other school-housing co-location projects have followed! Besides teachers, there is great demand among other school system employees.

Teachers' Village - Newark, NJ



- 400,000 sf total
- Six buildings over five block campus, using former parking lots
- 4-6 story buildings
- 204 units of housing marketed to all Newark educators; 41 affordable at 60% AMI and 143 market-rate (70% are occupied by educators)
- 3 charter schools
- 65,000 sf of retail space (20 businesses)
- Residential common rooms are equipped with smart boards to

facilitate learning

Financing: \$150 million

- New Markets Tax Credits
- Urban Transit Hub Tax Credit
- Qualified School Bonds and Redevelopment Area Bonds
- City of Newark CDBG funds and city loan
- Investment from Goldman Sachs, Prudential, TD Bank, and New Jersey Community Capital

East Harlem Center for Living and Learning - New York City



- 54,000 sq ft 4-story K-8 charter school
- 6,000 sq ft non-profit offices
- 80,000 sq ft 11-story residential wing
- 89 units at 60% AMI
- Residential wing has fitness room, bike storage, laundry, computer room, and social services office
- Open space provided through revitalization of adjacent park
- School functions and non-profit offices located on first two floors of residential wing
- School has full kitchen, gym/auditorium, and outdoor garden
- **Financing: \$46.5 million school, \$26.7 million housing**
- School, office space, park: School Construction Authority Grant and private donations
- Housing: Tax Credit (equity), City loan, NYC school grant funds (Reso A), permanent mortgage

College Vista – San Mateo, CA

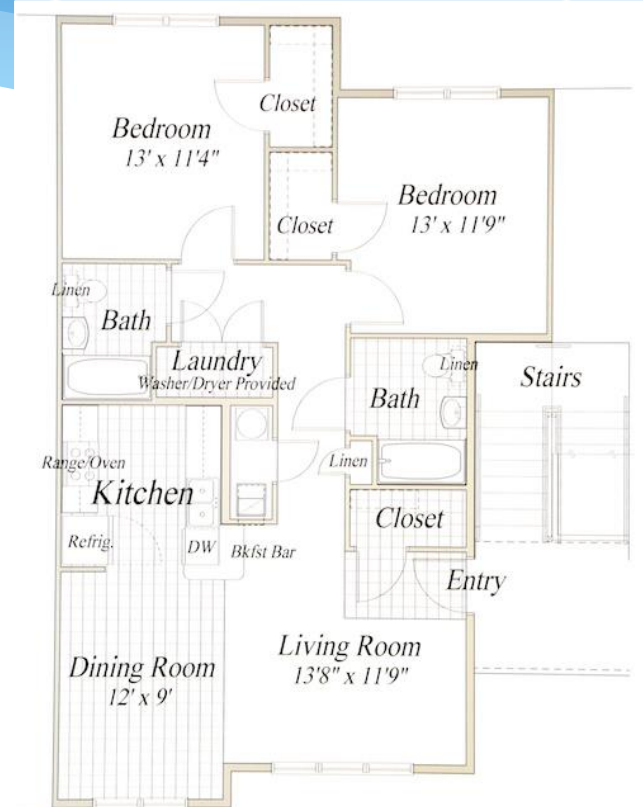


- 44-unit apartment building constructed on campus parking lot for community college faculty and staff
- Employee survey indicated reason most leave related to housing/commuting cost
- Mortgage assistance didn't work
- Below market rents help teachers save
- Fully occupied since 2005 completion
- Replicated at larger scale (60 units) at Cañada College in Redwood City

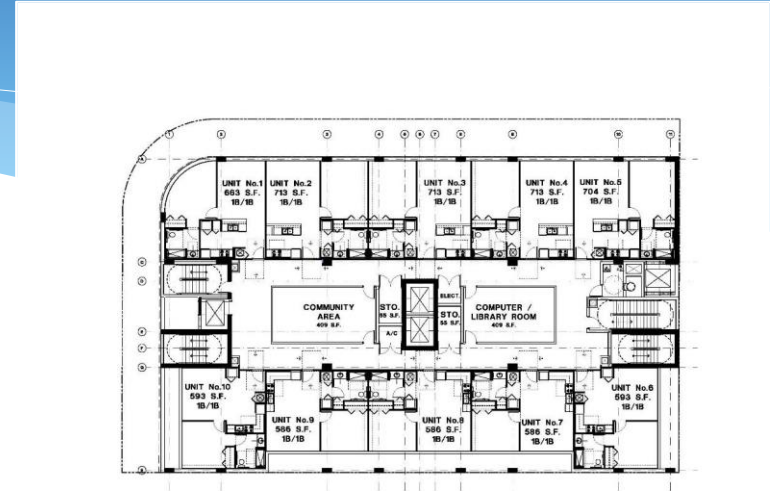
Williams Baldwin Teacher Campus - Asheville, NC



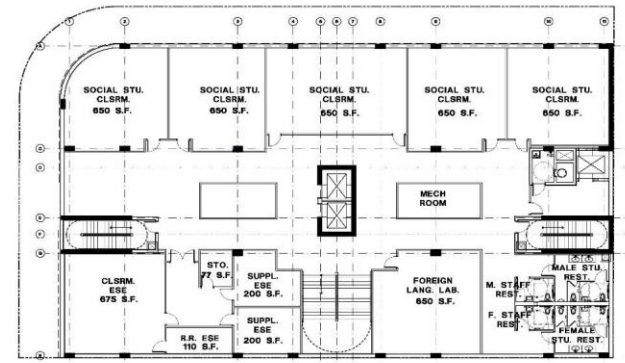
- 24-unit complex located on district owned land adjacent to intermediate school
- Apartments (~1100 sf) include 2 BRs and 2 BAs, as well as washer-dryer in unit
- NC has robust teacher housing program, both on and off school campuses



Phillis Wheatley Elementary School - Miami-Dade, FL (in progress)



SOLUTION C
2nd. FLOOR PLAN
SCALE: 1/8"=1'-0"



SOLUTION B
SCHOOL 2nd. FLOOR
(LEVEL 8)
SCALE: 1/8"=1'-0"

- Proposed – community engagement and development approval processes are nearing completion
- One floor of apartments in mid-rise school building, with apartment tower next door on adjacent school property
- School employees have priority
- Multiple school-housing P3 projects underway, including BOE HQ to address long term disinvestment in downtown area