

Memorandum

To: Ad Hoc Joint City-Schools Facility Investment Task Force

From: Alexandria Housing Affordability Advisory Committee (AHAAC)

As members of the AHAAC, we advise City Council on issues regarding the maintenance and promotion of affordable housing in the City. We have been following the work of your task force and hope you will consider including the recommendations that we propose in your final report.

Housing affordability is identified as a top priority of human need in the City, according to public surveys and research commissioned by Alexandria's Coalition of Human Service Organizations. A few months ago, a majority of Council members also cited the loss of affordable housing and the need to build more as a top concern going into this legislative session.

While Council and the Office of Housing have made progress increasing our affordable housing stock, the City requires a more proactive approach. While the continued loss of older affordable housing stock threatens our economic viability and diversity, more new affordable units would provide opportunities for households and families of all incomes to live in and contribute to Alexandria.

We believe you have been granted wide latitude to 'push the envelope' on this critical subject. We encourage you to use it to consider **our recommendation that affordable housing be included as infrastructure in the CIP, and that a formal process for feasibility of co-location with new public facilities be included in the planning process.**

(1) Housing as Infrastructure in the CIP

We wish to call to your attention the need, both outstanding and looming, for affordable housing subsidy for known projects over the next few years. At City Council's FY 2018 budget retreat last November, staff estimated the five-year shortfall for affordable housing projects in the pipeline at \$12 million. The anticipated FY 2018 deficit of \$4.3 million ended up being funded in an ad hoc way during the budget process so that the Church of the Resurrection project might go forward, but the year-to-year funding uncertainty can potentially be a deterrent to both land owners and developers interested in exploring affordable projects. In addition to these specific project needs, other especially acute general housing needs include stock for "very low income" households (30-50 percent of the area media income) and elderly assisted living. As you discuss project alternatives that could free up tens of millions of dollars, we ask that you press Council to consider a broader project "portfolio" and to shunt additional funds to these yet-to-be-seized housing opportunities.

Moreover, as you develop recommendations to improve the overall budget process, structure and policies, we encourage you to consider how to incorporate a surer and more robust funding mechanism for housing. The city's Housing Master Plan says the "best" tool to achieve its goals would be "a consistent, reliable source of annual funding." But currently the only "dedicated"

source of housing funding is 0.6 cents on the real estate tax rate — down from one cent previously. Since interest on past debt issuance consumes the majority, this stream is not sufficient to enable the city to assume an opportunistic, future-oriented posture toward affordable housing. Moreover, the bulk of affordable housing funding comes from voluntary developer contributions and federal tax credits, subject to the vagaries of the market and of national politics.

To improve upon this state of affairs, one possibility that you may consider recommending is to include affordable housing subsidy as a standing CIP line item. While housing may not fit the traditional definition of public facilities, we believe it nevertheless comprises the city's social, economic and moral infrastructure; we should plan for and fund it as such. Including housing in the CIP would ensure that funds are earmarked well in advance, ensuring that they are in place when the projects that need them take form. This would serve the intended function of “consistent” and “reliable” annual funding.

All in all, we think housing-as-infrastructure should feature prominently in the city's ‘big’ conversations about ‘big’ money. Please do all that you can to ensure that any revamped planning and budget structure issuing from your task force includes affordable housing, explicitly and decisively.

(2) Co-locating Housing with Public Facilities

There are many examples across NoVA where housing is co-located with public facilities such as community centers, libraries, fire stations, and schools. The first example developed in the region is the Station at Potomac Yard — 64 units of affordable housing located above a fire station. This kind of use of public land can lower development costs considerably, allowing more of the development budget to go toward actual housing units.

We know that you have already been charged to consider co-location options for your assigned list of facilities. We encourage you in this endeavor. But we ask you to go further by recommending that Council structure such consideration into the planning process for all future projects as well.