

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

DATE: FEBRUARY 1, 2018

LOCATION: ROOM 2000 - CITY HALL

AGENDA

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. Consideration of January 11, 2018 meeting minutes (Chair) 7:05 p.m.
Action Requested: Review and Approve Minutes
3. Arts District Text Amendment Update (Heba ElGawish/Jeffrey Farner) 7:10 p.m.
Action Requested: Review and Provide Feedback
4. Partner Profile: Community Lodgings (Lynn Thomas) 7:25 p.m.
5. Discussion on Workforce Housing (Tamara Jovovic) 7:45 p.m.
Action Requested: Review and Provide Recommendation on Target Income and Rent Levels
6. Updates on Resolution 830 Community Engagement and Joint Worksession (Helen McIlvaine/Dan Brendel) 8:00 p.m.
7. Draft FY19 Long Range Planning Workplan Update (Tamara Jovovic) 8:10 p.m.
8. Route 1 South Housing Affordability Strategy Update (Tamara Jovovic) 8:20 p.m.
9. Alexandria Redevelopment and Housing Authority Update (Carter Flemming) 8:25 p.m.
10. Alexandria Housing Development Corporation Update (Jon Frederick) 8:30 p.m.
11. Information Items: 8:35 p.m.
Financial Report (Eric Keeler)
12. Staff Updates 8:40 p.m.
13. Announcements and Upcoming Housing Meetings (Staff) 8:50 p.m.

City Council – ARHA Joint Work Session

January 29, 2018, 8:30 pm, Alexandria Renew, 1800 Limerick Street

Resolution 830 Working Group Meeting (Module 2)

January 31, 2018, 8:30 am, Charles Houston Recreation Center, 901 Wythe Street (Doors open at 8:15 am)

ARHA Redevelopment Work Group Meeting

February 8, 2018, 5:30 pm, City Hall

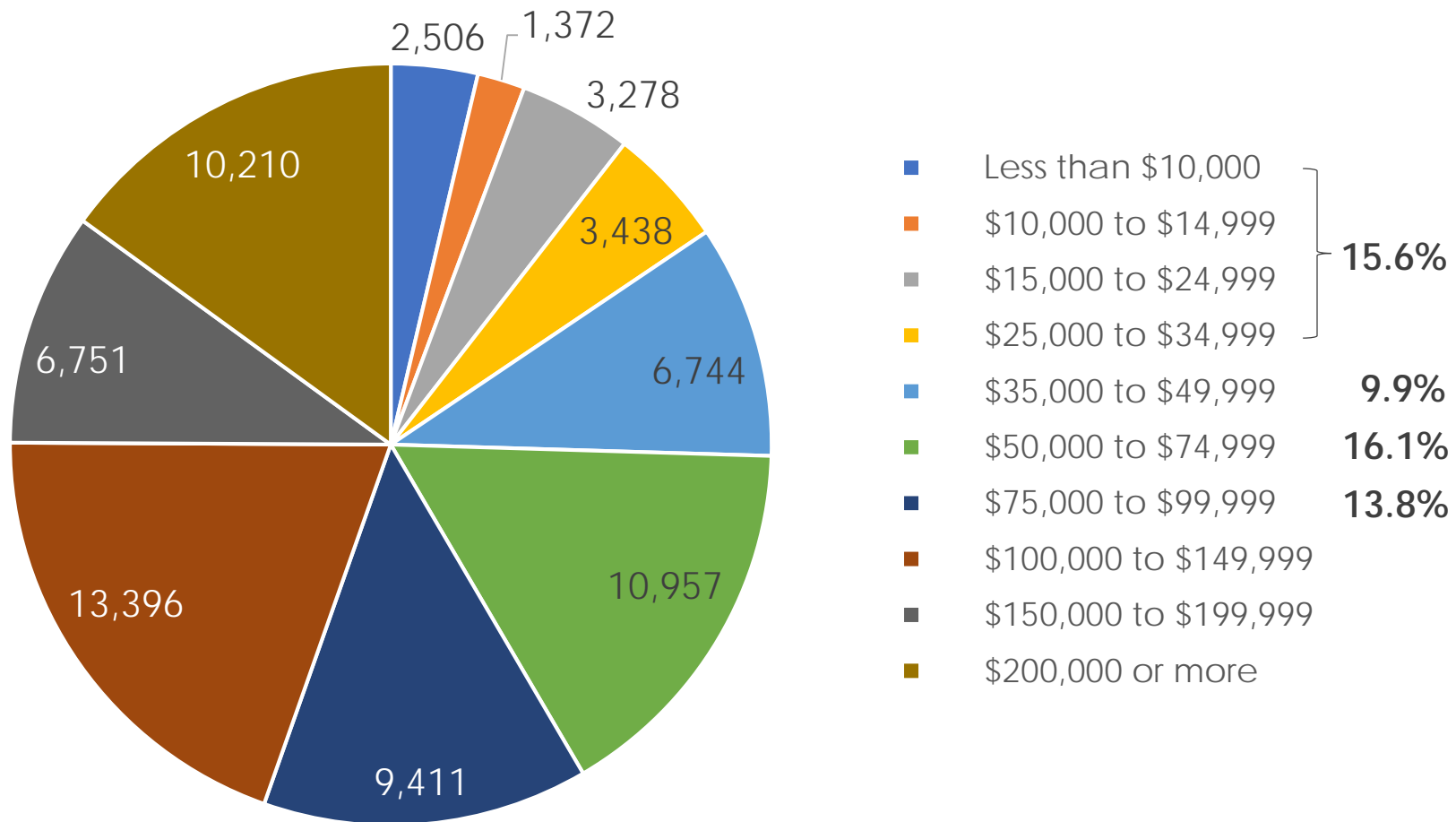
Resolution 830 Working Group Meeting (Module 3)

February 21, 2018 8:30 am, tbd

14. Other 8:55 p.m.
Adjournment (Chair) 9:00 p.m.

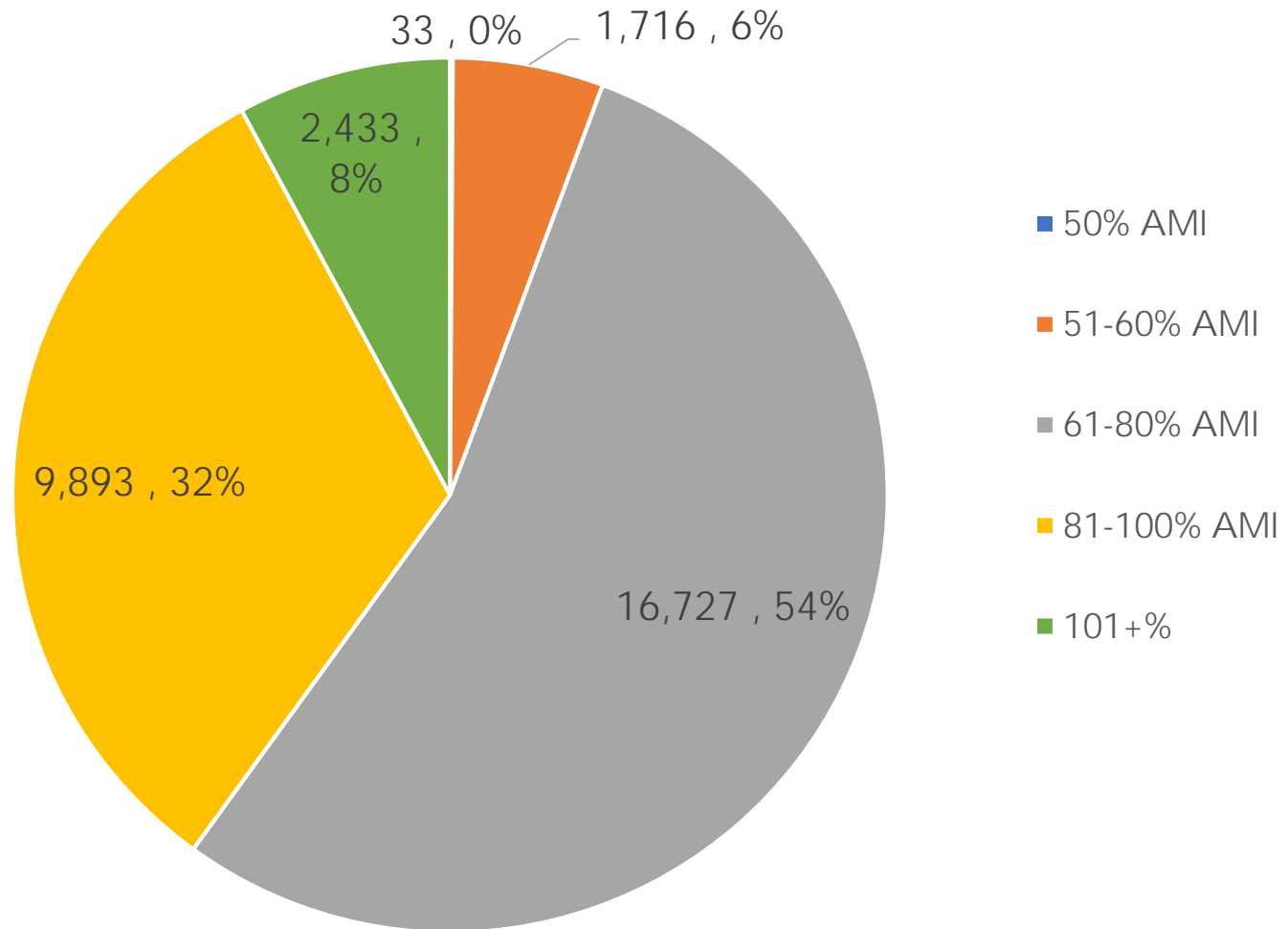
WORKFORCE
HOUSING –
BACKGROUND
SLIDES

Household Income and Benefits in Alexandria



Source: ACS 2012-2016 5-Year Estimates

Apartment Survey 2017 by Level of Affordability



Source: 2017 Point-in-time survey of apartment properties with 10 or more units, City of Alexandria

2017 %AMI	1 Person	2 People	3 People	4 People	5 People	6 People	Source
20%	\$ 15,460	\$ 17,660	\$ 19,860	\$ 22,060	\$ 23,840	\$ 25,600	Calculated: 20% of 100%
30%	\$ 23,200	\$ 26,500	\$ 29,800	\$ 33,100	\$ 35,750	\$ 38,400	HUD FY17 Income Limits
40%	\$ 30,920	\$ 35,320	\$ 39,720	\$ 44,120	\$ 47,680	\$ 51,200	Calculated: 40% of 100%
50%	\$ 38,650	\$ 44,150	\$ 49,650	\$ 55,150	\$ 59,600	\$ 64,000	HUD FY17 Income Limits
55%	\$ 42,515	\$ 48,565	\$ 54,615	\$ 60,665	\$ 65,560	\$ 70,400	Calculated: 55% of 100%
60%	\$ 46,380	\$ 52,980	\$ 59,580	\$ 66,180	\$ 71,520	\$ 76,800	MF Tax Subsidy Project Income Limits
65%	\$ 50,245	\$ 57,395	\$ 64,545	\$ 71,695	\$ 77,480	\$ 83,200	Calculated: 65% of 100%
75%	\$ 57,975	\$ 66,225	\$ 74,475	\$ 82,725	\$ 89,400	\$ 96,000	Calculated: 75% of 100%
HUD 80%	\$ 52,550	\$ 60,050	\$ 67,550	\$ 75,050	\$ 81,100	\$ 87,100	HUD FY17 Income Limits
Fair Market Rent (working estimate)	\$ 57,600	\$ 59,060	\$ 69,840	\$ 80,920	\$ 103,100	\$ 114,200	Calculated: based on published rents and methodology used to calculate 20% rents.
Math 80%	\$ 61,840	\$ 70,640	\$ 79,440	\$ 88,240	\$ 95,360	\$ 102,400	Calculated: 80% of 100%
FY17 Small Area Fair Market Rent (working estimate)	\$ 67,600	\$ 69,200	\$ 81,600	\$ 94,200	\$ 120,200	\$ 133,600	Calculated: based on published rents and methodology used to calculate 20% rents.
90%	\$ 69,570	\$ 79,470	\$ 89,370	\$ 99,270	\$ 107,280	\$ 115,200	Calculated: 90% of 100%
100%	\$ 77,300	\$ 88,300	\$ 99,300	\$ 110,300	\$ 119,200	\$ 128,000	Calculated: 2*50% (HUD FY17 Income Limits)
120%	\$ 92,760	\$ 105,960	\$ 119,160	\$ 132,360	\$ 143,040	\$ 153,600	Calculated: 120% of 100%
%AMI	Studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	Source	
20%	\$ 387	\$ 414	\$ 497	\$ 574	\$ 640	Calculated	
30%	\$ 580	\$ 621	\$ 745	\$ 861	\$ 960	Calculated	
40%	\$ 773	\$ 828	\$ 993	\$ 1,147	\$ 1,280	VHDA Max LIHTC Gross Rents	
50%	\$ 966	\$ 1,035	\$ 1,241	\$ 1,434	\$ 1,600	VHDA Max LIHTC Gross Rents	
60%	\$ 1,159	\$ 1,242	\$ 1,489	\$ 1,721	\$ 1,920	VHDA Max LIHTC Gross Rents	
HUD 80%	\$ 1,314	\$ 1,501	\$ 1,689	\$ 1,876	\$ 2,028	Calculated	
Fair Market Rent	\$ 1,440	\$ 1,513	\$ 1,746	\$ 2,300	\$ 2,855	FY 2017 HUD Fair Market Rent	
Math 80%	\$ 1,546	\$ 1,656	\$ 1,986	\$ 2,295	\$ 2,560	Calculated	
FY17 Small Area Fair Market Rent	\$ 1,690	\$ 1,770	\$ 2,040	\$ 2,670	\$ 3,340	FY2017 Hypothetical Small Area FMRs	
100%	\$ 1,933	\$ 2,070	\$ 2,483	\$ 2,869	\$ 3,200	Calculated	
FY18 Small Area Fair Market Rent*	\$ 2,030	\$ 2,110	\$ 2,420	\$ 3,180	\$ 3,920	FY2018 Advisory Small Area FMRs	

*The FY18 SAFMR is included because it is substantially higher (approx 25%) than the FY17 SAFMR.

2017-2018 ACPS Salary Scales-Bachelors

Step (1-23)*	196 days** (~ 9 months)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
1	\$47,242	\$1,181	HUD 80% AMI (\$1,314)
5	\$54,733	\$1,368	fair market rent (\$1,440)

2017-2018 ACPS Salary Scales-Masters

Step (1-24)*	196 days** (~ 9 months)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
1	\$54,188	\$1,355	fair market rent (\$1,440)
5	\$62,024	\$1,551	FY17 small area fair market rent (\$1,690), but not for FY18 SAFMR (\$2,030)

2017-2018 Alexandria Police Officer

Level	Beginning salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Salary ceiling	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$47,863	\$1,197	HUD 80% AMI (\$1,314)	\$82,884	\$2,072	would not qualify

2017-2018 Alexandria Firefighter

Level	Beginning salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Beginning salary (upon completion of recruit school & paramedic internship)	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$46,947	\$1,174	HUD 80% AMI (\$1,314)	\$54,341	\$1,359	fair market rent (\$1,440)

2017-2018 Alexandria Librarian

Level	Min salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...	Max salary	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Level 1	\$46,759	\$1,169	HUD 80% AMI (\$1,314)	\$51,551	\$1,289	HUD 80% AMI (\$1,314)

Other sample occupations (Source: National Housing Conference--Paycheck-to-Paycheck Calculator)

Occupation	Median Regional Income	Max monthly housing costs***	A 1-person household would qualify for a studio rented at...
Nurse (LPN)	\$ 50,753	\$ 1,269	HUD 80% AMI (\$1,314)
Hotel Front Desk Manager	\$ 53,113	\$ 1,328	fair market rent (\$1,440)
Plumber	\$ 58,195	\$ 1,455	mathematical 80% AMI (\$1,546)
Carpenter	\$ 58,133	\$ 1,453	mathematical 80% AMI (\$1,546)

Summary of AHAAC discussion regarding Workforce Housing at Andrew Adkins
from Minutes (not reviewed/approved yet) of the 02/01/18 AHAAC Meeting

Staff introduced the discussion stating that the ARHA Redevelopment Work Group had asked for AHAAC's recommendation regarding how "workforce housing" be defined with regard to ARHA's Andrew Adkins redevelopment. CRC, ARHA's development partner, has agreed to voluntarily add 14 workforce units to its market-rate building, mainly in order to accommodate the surrounding neighborhood's desire to see a greater spectrum of affordability. Helen McIlvaine said that these workforce units would not count toward the Housing Master Plan's target in terms of affordable units and that they won't be subsidized by the city.

Tamara Jovovic gave a presentation, showing the potential variation in rents and the types of jobs held by potentially qualifying households, depending on which of 4 different methods of defining "workforce" income levels is utilized. The 4 methods include, from lowest to highest income limits: HUD's 80% of AMI calculation (which takes into account national income averages), Fair Market Rent, a mathematical calculation of 80% of AMI based on the DC metropolitan area, and HUD's FY17 Small Area Fair Market Rent, a new standard that is neighborhood-based. Tamara provided examples of household incomes and benefits for public sector professions often targeted for workforce housing programs, i.e., ACPS teachers, APD police officers, and AFD firefighters. Housing staff concluded by stating that they did not see a great need for the 80% AMI units as more than one-half of Alexandria's rental stock falls into this category.

AHAAC discussed various considerations: on the one hand, if maximum income levels are set too low, certain such Alexandria employees would make too much to qualify, though the units would become more accessible, through the use of HCVs, to returning ARHA households. On the other hand, if maximum rents are set too high, ARHA would have to use a relatively high proportion of its HCV budget capacity to ensure accessibility for lower income families, constraining its overall utilization of vouchers as the number that can be used is bounded by the money available to subsidize the vouchers. Many of the higher rent standards would also be "unaffordable" (based on the 30% of gross income for housing baseline) to targeted workforce households. While it was noted that some other jurisdictions define workforce affordability as high as 120% of AMI, Michelle Krocker suggested that Alexandria households at that income level already have sufficient choices in the local market. Michelle also pointed out that many households, including hers, spend more than 30% of their household income on housing. She related that she spends about 35% on housing, and suggested that the traditional HUD measure may not be keeping up with reality.

Jon Frederick observed that The Station at Potomac Yard used the mathematical 80% method, perhaps providing some precedent for the city. He stated that the relative lack of amenities at that building and the time it took for the area to develop made it hard initially to lease the workforce units at the 80% rents in AHDC's proforma as households with 80% incomes had choices. As Fair Market Rents are standard for nonprofit and private developers that accept HCVs, he suggested that might be applied here, too. As such, Michelle made a motion to recommend defining the maximum income/rent for Adkins' workforce units using the Fair Market Rent method. Dan Brendel seconded the motion. The motion was approved with abstentions from Marian Wiggins, Mary Parker, and Carter Flemming.

Helen thanked the Committee for its discussion and said their comments and recommendation, as summarized by Dan Brendel (taking minutes for the meeting) would be reported to the ARHA Redevelopment Work Group.