

HOUSING COMMISSION

APPROVED MEETING NOTES – September 13, 2018

Attendance			
	Present		Present
Berkey, Eric	-	Lederer, John	-
Brescia, Eric	Y	Withers, Larry	Y
Borthwick, Russell	Y		
Blank, Rolf	Y	Staff:	
Bray, Holly	Y	Franklin, Joel	Y
Browne, Paul	Y	Planning Comm. Liaison:	
Certosimo, Jeff	-	Weir, Daniel	-
de Ferranti, Matt	Y		
Gee, Evelyn	Y	Disability Advisory Comm Liason	
Hogan, Alice	Y	Ray, Doris	Y
Langenbeck, Kay	-		

Held in: Courthouse Plaza, 2100 Clarendon Blvd, Room 311

Other Staff Present: Maureen Markham and Melissa Danowski of the Housing Division, Department of Community Planning, Housing and Development (CPHD).

The Chair, Holly Bray, called the meeting to order.

Public Comment

Jim Hurysz said that he lives in north Fairlington and that when he moved here there was a wide choice of townhomes to choose from for \$135,000 and now they sell for far more. He said that the Affordable Housing Master Plan is a failure, almost no housing is being built for low income households and the units that are being built are at high per unit costs. He added that residents of garden apartments have been given no assistance to take the building to condominium and there has been no effort in any leadership position to raise the minimum wage to \$15.

Approval of Notes

Holly Bray moved approval of the June 28, 2018 notes, Larry Withers seconded and the motion passed unanimously.

Notice of Funding Availability Update

Staff Presentation

Four affordable housing project applications were received under the Housing Division's FY19 Federal and Local Loan Funds NOFA issued on April 16. The applications sought a total of \$26.1 million in Federal and local loan funds for 478 committed affordable units (CAFs) as follows:

Name	Neighborhood	Developer	Request	Total Development Costs	CAFS
3436 Lee Highway [1] Acquisition	Cherrydale	AHC	\$2,096,250	\$5,396,250 (acquisition)	60

				only)	
The Carlin Renovation, 4% Low Income Housing Tax Credits (LIHTC)	Buckingham	Retirement Housing Foundation	\$3,025,000	\$36,557,895	161
American Legion [2] New Construction, 9%/4% Hybrid LIHTC	Ballston-Virginia Square	APAH	\$9,939,481	\$74,590,709	160
Trenton Street New Construction, 4% LIHTC	Buckingham	Wesley	\$11,021,036	\$46,475,985	97
Total	-	-	\$26,081,767	\$163,020,839	478

1. The 3436 Lee Hwy application is for acquisition only. AHC anticipates building 60 new construction CAFS and requesting an additional \$5.4M in County loan funds in a future NOFA round for development of the building.
2. The American Legion application is for a hybrid 9%/4% LIHTC development. The \$9.9M total request includes \$4.2M for the 9% LIHTC and \$5.7M for the 4% LIHTC.

The recommendation is to move forward with loan fund negotiations and public process for the top three scoring applications: Trenton Street (\$11.0M) and The Carlin (\$3.0M), and American Legion (9% request - \$4.2M).

Commission Questions and Discussion

Holly Bray asked how we can be that far off on the budget and noted that in the past we have asked for a list of developer contributions, it seems like we should know what is coming in. Melissa Danowski said that we weren't counting the full year of contributions and since they have been very accurate we decided to include them and she also noted that the Carlin is able to repay the \$2 million HOME loan. Holly Bray said that we lost a floor of the Trenton Street development and wondered what other deals we might have seen since we only advertised \$8 million available, this doesn't seem very transparent. Alice Hogan said that we are getting to \$18 million by assuming more repayments are coming in and assumed that we don't have that to work with. Melissa Danowski said that is correct. Russell Borthwick asked if there is any way of knowing who is out there and who might have submitted an application. David Cristeal said that we still have the same discussions we always have, we have a new process but still hear from people and the way to apply is through the NOFA. Melissa Danowski said that we have our contact info on the NOFA webpage and developers reach out to us. Paul Browne said that the planning process is so public that you know what is happening and you can look to see how others might score and are able to judge your likelihood earlier on.

Alice Hogan said that she was surprised that DMF was so flexible and about the Multifamily Loan Advisory Group. She asked when in the process of the NOFA does the consultation with Multifamily Loan Advisory Group happen. Melissa Danowski said that they had their first meeting on the Carlin two days ago. Holly Bray asked how much time this will add to the process and David Cristeal said that this has to go to the Board in November and that it won't add more time. Alice Hogan asked if American Legion and Ballston are getting shifted and David Cristeal said that American Legion is going through the site plan process so that they can make the 9% credits in 2020 and Ballston station is going for 4% credits in that same timeframe. Paul Browne asked if both the original allocation and the placeholder for Ballston would carry forward and David Cristeal said that is correct. Paul Browne asked if we are putting in additional funds for this year and then does that

mean it won't be there next year, so just AHIF for next year. Melissa Danowski said that we counted all loan contributions for 2019 and we are anticipating that there will be additional contributions in 2020. Paul Browne asked what changed and Melissa Danowski said that we weren't looking at all of the contributions for 2019, we weren't accounting for December through June. Holly Bray said that she thinks we could do better on projections and put together a list of what is coming. Doris Ray asked what accessible standard is used for Type A units for the NOFA. Paul Browne said that they would have to meet UFAS standards if you are going after tax credits, anything else is state code.

The Carlin

Presentation

The Carlin is an existing 162-unit 10-story project located in the Ballston Metro corridor serving low income elderly residents. The majority of residents are retired with fixed annual incomes below \$20,000. Approximately 50 households receive Section 8 Housing Choice Vouchers, with approximately 60 others receiving Housing Grants. The newly renovated property will have 102 units at 60% AMI and 59 units at 50% AMI. There are 153 one-bedroom and 9 two-bedroom units. The renovation scope includes replacement and updating of basic building systems and elements such as HVAC, roof, elevators, and common areas; repair of water intrusion issues; updating of unit fixtures and appliances, including replacement of gas stoves in all units; installation of new fire alarm, security camera, and emergency call systems; and improvement of energy efficiency, including (if feasible) a rooftop solar system for electricity. The total development cost is estimated at \$42 million. In addition to the County CDBG loan, Sources include 4% tax credit equity, tax-exempt bond proceeds, seller and sponsor notes, and deferred developer fee.

Public Comment

Aleksandr Belinskiy said that according to Novogradac and Company the target population in both 2017 (annual income \$31,050 to \$52,980) and 2022 (\$34,114 to \$58,208, assuming 1.9% AMGI growth) will constitute approximately one third of the total households 65+ with income greater than 60% AMI. With AMI expected to increase up to 20% from 2017 to 2019, allowable maximum rent could increase up to \$1489, which means for tenants without rental assistance a \$384 rent increase in three years or \$300 for Housing Grant recipients with the current \$1189 program cap.

Commission Questions and Discussion

Holly Bray asked what kind of first mortgage will there be and Maureen Markham said that it will be the bonds from the IDA and then that will be paid off and then it will be Freddie Mac. Paul Browne asked if there is a TAF proposed here and Holly Bray noted that there is a relocation fee. Maureen Markham said that the fee is for moving tenants around in the building. Holly Bray asked if the rent will go up and the applicant said that it will be around a \$10 increase. Paul Browne asked how much is the outstanding HOME loan and Maureen Markham said that it is about \$2 million. Paul Browne noted that it is about a net of \$1 million, so the county is just investing \$1 million for the renovation. Holly Bray asked if you can talk about the seller note and Paul Browne asked if the borrower or seller is getting any cash at closing. Maureen Markham said that there was already notes on this property so in this structure the difference in price is the seller note and then there is the subordinate debt. Paul Browne asked if this was built with 4% or 9% tax credits and the answer was 4%. Alice Hogan said she was wondering about the relocation process especially with this population. The applicant said that they have done this with about 2000 units before. He said that they will keep vacant units vacant and will get movers and move them to the vacant unit and then back to the original unit when it is complete. Holly Bray asked what the thinking is on solar panels. The applicant said that they have just started talking with County staff about this, they have done this with a couple other buildings and are currently looking at feasibility. Russell Borthwick asked if any of the renovations

will increase the accessibility. The applicant said that it will, especially with the bathrooms and they will stack the accessible units. Doris Ray asked how many units will be Type A and the applicant said that they will have more accessible information at the next meeting, believe there will be 10 fully accessible units.

Affordable Housing Month

Staff Presentation

Affordable Housing Month will be in October this year and there will be a County Board Proclamation on September 25. A traveling affordable housing display will happen all of October. The display will describe Arlington's commitment to affordable housing and will travel between Arlington Libraries. In addition, a permanent scrolling PowerPoint will be in the Courthouse lobby during the month of October. Events include the Live in Arlington Information Fair on October 13 and the Affordable Housing Bus Tour and Columbia Hills Sneak Peak on October 27.

Eviction Discussion Update

Staff Presentation

More than 60 people attended the Evictions in Arlington event on July 17, representing service providers, housing providers, housing advocates, commission members and residents. While Arlington's resources compare favorably to many jurisdictions through the state and nationwide, resulting in a relatively low eviction rate, several themes emerged as warranting further discussion and action:

- Additional analysis on evictions in Arlington, including who is most impacted and why. This will enable us to better understand strategies for assisting these vulnerable residents.
- Better access for tenants to legal representation. Virginia residents with legal representation in a civil action are much more likely to be successful.
- Education for residents about their rights and responsibilities, and available resources and services. Tenants who understand their rights are more likely to avoid or navigate an eviction process successfully.
- Better communication between tenants and landlords. Some landlords are willing to work with tenants on issues such as non-payment of rent, but may not be aware until it is too late to avoid eviction notice.
- Legislative changes to provide more protections to tenants. Changes to the law at the statewide level could help level the playing field for tenants.

As part of the next steps after the eviction forum, the Housing Commission was invited to join the Tenant Landlord Commission at their meeting on September 12 to have a discussion on evictions at the state level. This discussion was facilitated by Nady Peralta from Legal Aid Justice Center and Adele McClure, Outreach and Policy Director for Lieutenant Governor Fairfax. The meeting focused on providing feedback on eviction prevention methods at the state level.