

Date: February 23, 2018

To: Glenda Blake, Sarah Coyle-Etro, Loudoun County Department of Family Services
Bo Machayo, Office of Chair Phyllis Randall

From: Leadership Council, Northern Virginia Affordable Housing Alliance

Re: Guidelines for Housing Revolving Loan Fund Program

We have been encouraged by members of the Leadership Council of the Northern Virginia Affordable Housing Alliance (NVAHA) to share our ideas on the draft Housing Revolving Loan Fund Program. We commend Loudoun County for seeking comment from several sources, both public and private sector, as you finalize the plan for your Fund.

While many of the suggestions we will make have been stated by others, we believe they are important and worth emphasis.

Per Unit Subsidy: In order to meet the desired income levels for households between 30-50% Area Median Income, \$30,000 per unit is insufficient. Much depends on the total development cost of the project, but neighboring jurisdictions are allocating between \$55,000 - \$75,000 per unit to achieve those levels of affordability. Additional consultation with those housing agencies may be helpful in thinking through the appropriate level of per unit subsidy.

Additionally, the per unit development cost of \$90,000 is too low and not supported by the experience of affordable housing developers in neighboring jurisdictions. VHDA's cost limit guidelines may also be helpful in re-assessing this number.

LIHTC and HUD 221(d) 4 programs: Given the recent changes in the tax laws reducing the attractiveness of LIHTC, combined with oversubscription to VHDA's tax credit program, this exclusive adherence to these two programs is limiting. More creative financing schemes may come forward – tech companies in CA are building housing for their workforce – and you should be open to reviewing all viable projects that produce affordable housing for the County.

Additional Strategies to Reduce Subsidy/Grow the Housing Fund:

- Consider whether some housing can be co-located with public facilities or on public land. This reducing the cost of land for the developer and can bring down the per-unit subsidy allocation. This has been done successfully throughout the region where housing is included with fire stations, community centers, libraries and even schools. A substantial amount of local research has been done on this topic.
- Contribution by Commercial Developers to Housing. Commercial development provides jobs and those jobs require employees who need a place to live. While job growth is desirable, many jurisdictions have asked commercial developers to contribute to a housing fund to mitigate the impact of commercial development. This also provides opportunities for the workforce to live in closer proximity to their jobs.

We applaud Loudoun's commitment to affordable housing. Please know that NVAHA and our Leadership Council stand ready to assist in whatever ways are helpful in moving this discussion forward.

Thank you for the opportunity to share our recommendations.

Sincerely,

Michelle Krockner, Executive Director
The Leadership Council of the Northern Virginia Affordable Housing Alliance

AHC, Inc.
Alexandria Housing Development Corporation
ALIVE!
Alliance for Housing Solutions, Arlington
Arlington Partnership for Affordable Housing
Coalition for Smarter Growth
Cornerstones, Inc.
Enterprise Community Partners, Inc.
Good Shepherd Housing and Family Services
Habitat for Humanity, Northern VA
Housing Virginia
JBG Smith
E&G Group
The Michaels Group
Neighborhood Fundamentals
Rebuilding Together Alexandria
Virginia Housing Alliance
Virginia Housing Development Authority
Wesley Housing Development Corporation