

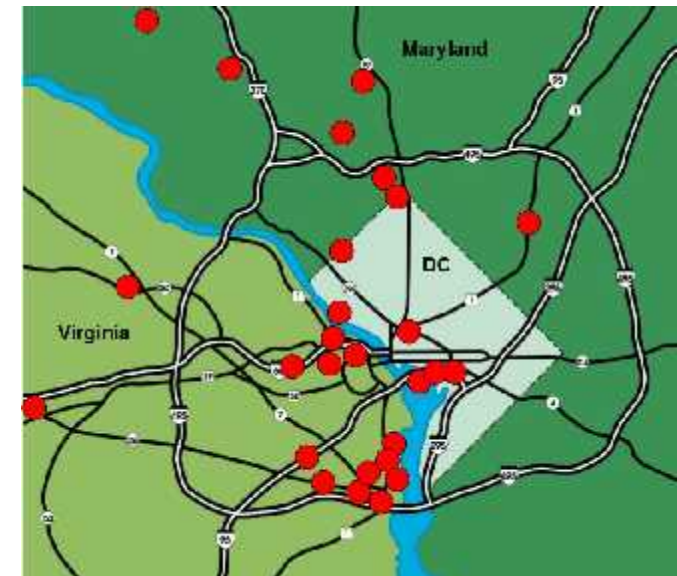
# Developing Mixed-Income Communities



# About EYA



- Founded in 1992 with the vision of building innovative urban neighborhoods
- EYA Team – Fully integrated – acquisition, entitlement, planning and design, land development, construction, and sales
- Public Private Partnership Experience – Montgomery County, MD (4), Washington, DC (3), Alexandria, VA (4).
- 39 Communities, and over 4,500 homes in premium locations around the region
- More than 300 National & Regional Awards
  - **Developer of the Year**  
(Maryland Building Industry Association, 2016)
  - **National Housing Quality Gold**  
(2015)
  - **America's Best Builder**  
(2000, 2009)
  - **ULI Award of Excellence**  
(Winner 1998 / Finalist '97, '99, '02, '06)
  - **Project of the Year Grand Award**  
(NAHB)
- Transit-oriented walkable communities: *“life within walking distance®”*



# Free Land is Not Enough

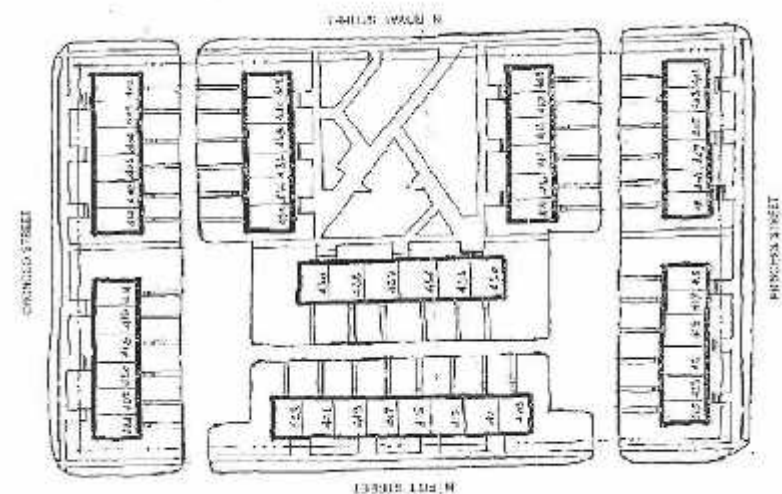


<u>Typical Development Costs</u>	<u>3BR/2BA HOME</u>	1,500 SqFt
Architecture/Engineering/Misc Consultants	\$ 18,000	
Legal/Entitlement/Review	\$ 10,000	
Site Development Costs	\$ 55,000	
Unit Construction Costs	\$ 135,000	\$90 per SqFt
Contingency (5%)	\$ 6,750	
Settlement & Transfer Costs	\$ 2,500	
Administration, Insurance, G&A	\$ 6,200	
Loan Fees	\$ 2,335	1%
Interest	\$ 15,000	4.50%
Permits & Fees	\$ 12,000	
Real Estate Taxes	\$ 2,200	
Marketing, Advertising & Sales	\$ 7,500	6%
Total Development Costs <u>excl</u> Land & Profit	\$ 272,485	
Required Income at 3.5x	\$ 77,853	71% of AMI



# James Bland Homes

Alexandria, VA



*Developing Mixed-Income Communities*

# Alexandria Crossing Alexandria, VA



8 Market-Rate Units  
10 Workforce Housing Condos  
12 Affordable Apartments



48 Affordable Apartments  
(West Glebe)



# Old Town Commons Alexandria, VA



Location: Old Town Alexandria, VA

Three blocks to Braddock Metro

Units: 379 total: 159 TH, 86 condo, 134 affordable rentals

Unit Size: 1 BR flats to 4 BR luxury townhomes

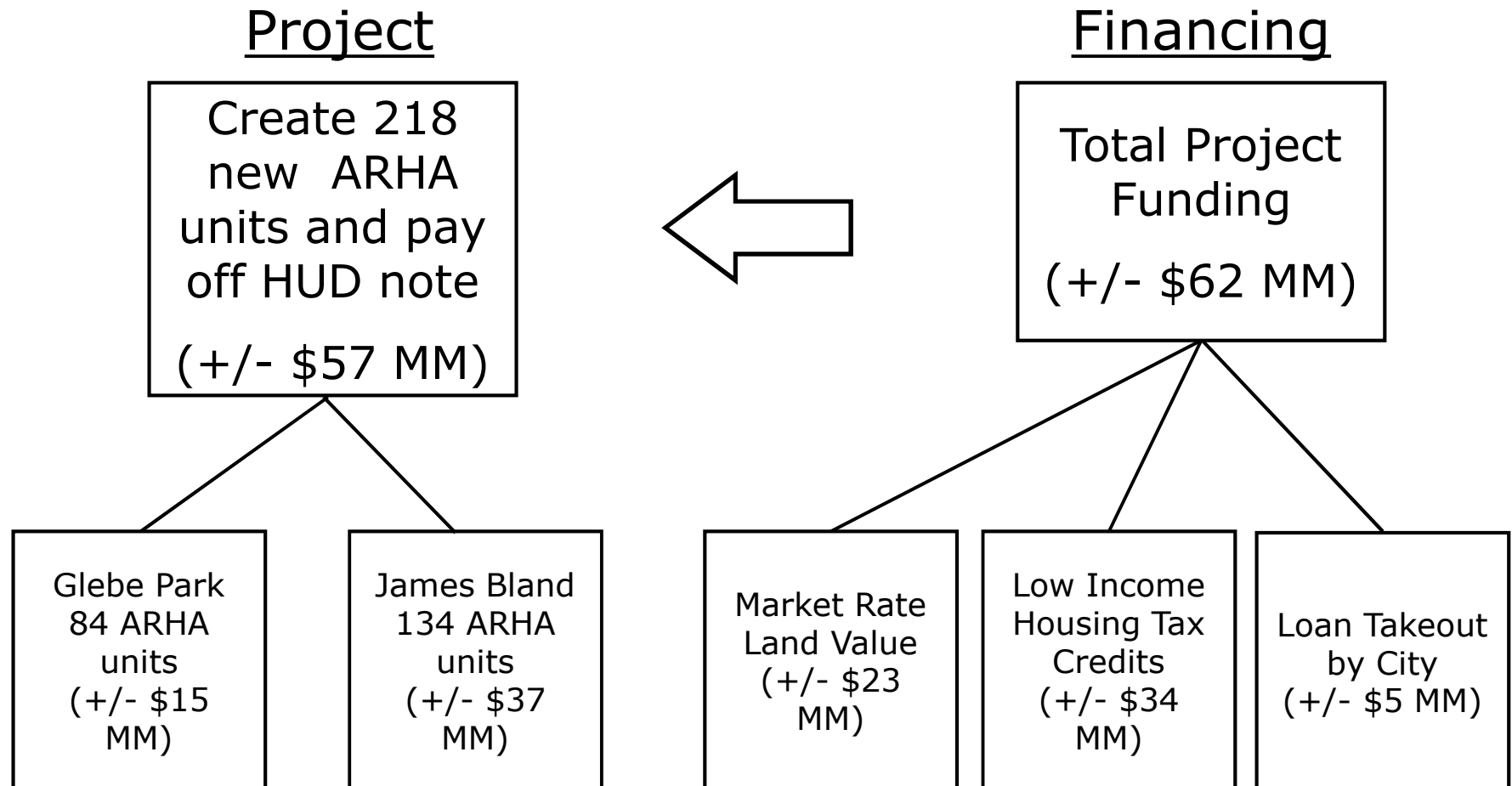
Site Size: 8.5 acres



# Mixed Income Concept



# Financing Old Town Commons





# Component Financing



## Glebe Park

### Uses

Build Public Housing:	\$15,000,000
Repay mortgage	\$5,000,000

**Total Uses: \$20,000,000**

### Sources

Tax Credit Equity:	\$9,800,000
City Loan	\$5,000,000
Land Sales Proceeds	\$1,440,000

**Total Sources: \$16,240,000**

**DEFICIT: \$3.8MM**

## Old Town Commons

### Uses

Build Public Housing:	\$37,000,000
Repay City Loan:	\$5,000,000

**Total Uses: \$42,000,000**

### Sources

Tax Credit Equity:	\$25,000,000
Land Sales Proceeds:	\$21,300,000

**Total Sources: \$46,300,000**

**SURPLUS: \$4.3MM**

# City Investments



Glebe Park  
Mortgage Takeout

\$5MM



Alexandria Crossing  
Land Loan

\$1.44



Old Town Commons  
Park Expansion

\$1.31MM



# Partner Commitments



## EYA

- Advance all pre-development costs (\$4.2MM)
- Commit to 'build first' strategy and bridge loan for 50% of Phase 1 deficit.

## ARHA

- Commit to fund half of the bridge loans
- Escrow all land payments until project completion

## City

- Additional height and density in Historic District & form based approval
- New Community Center
- Purchase 16 'scattered site' units
- Financing assistance for workforce housing buyers.



- Workforce Housing must be sold
  - Workforce housing = market rate buyer
  - Units and program must be financeable
  - Flexibility in program requirements and sales strategy
- Keep restrictions simple & clear
  - Household size / Bedroom count
  - Residency requirements
  - First time home buyer
  - Control periods / covenants
- Moderate income households have unique needs
  - Household size
  - Financial capacity
  - Preparation / training

# Factors for Success



## ■ Design

- Indistinguishable by income level
- Efficient size to control costs
- Finish level consistent with price point
- Appropriate ratio of income levels
- Unique parking and open space needs.

## ■ Financing

- New market rate land value to replace affordable and public housing
- Reduced fees, allocation of soft costs and LD
- Fannie/Freddie pre-approval of covenants / terms

## ■ Marketing

- Sell the location and lifestyle
- Focus on consistent quality
- Buyers comparison shop home & program
- Equal or greater sales effort & expense

## ■ Implementation

- Community orientations for all residents
- Integrated HOA's and Condo boards
- Appropriate HOA fees
- Well functioning buyer/renter qualification system
- Clear priorities & acknowledgement of tradeoffs

# Mixed-Income Development Tools



- Infrastructure improvements
- Supplemental Investments (e.g. community center/transit/park)
- PILOT/TIF Financing
- Density, height, use, zoning flexibility
- Permit relief and 'green tape' processing
- Bridge financing







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*life within walking distance®*