

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
MEETING**

DATE: March 2, 2023

TIME: 7:00-9:00 P.M.

LOCATION: City Hall, Room 2000, 301 King Street

AGENDA

- | | |
|---|-----------|
| 1. Introductions and Chair remarks (Chair) | 7:00 p.m. |
| 2. Public Hearing in Consideration of Financing Strategy for Housing Alexandria's Park
Vue Apartments
(Helen McIlvaine/Jon Frederick)
<i>Action Requested: Information Item/Opportunity to Ask Questions and Provide Input</i> | 7:05 p.m. |
| 3. Overview of Financing Strategy for Housing Alexandria's Glebe-Mount Vernon Project
(Eric Keeler/Aaron Remolona)
<i>Action Requested: Information Item/Opportunity to Ask Questions and Provide Input</i> | 7:20 p.m. |
| 4. Pilot Rental Subsidy Program Update (Kenny Turscak) | 7:40 p.m. |
| 5. Housing Budget and Projections (Eric Keeler/Tamara Jovovic) | 7:55 p.m. |
| 6. Zoning for Housing Update (Tamara Jovovic) | 8:10 p.m. |
| 7. Consideration of February 2, 2023 Minutes
<i>Action Requested: Review and Vote on Minutes</i> | 8:15 p.m. |
| 8. Report Outs (Committee Members) | 8:20 p.m. |
| 9. ARHA Updates (Michelle Krocker) | 8:30 p.m. |
| 10. Housing Alexandria Updates (Jon Frederick) | 8:35 p.m. |
| 11. Information Items:
Financial Report | 8:40 p.m. |
| 12. Staff Updates (Staff) | 8:50 p.m. |
| 13. Announcements and Upcoming Housing Meetings (Staff) | 8:55 p.m. |

City Council Public Hearing Meeting

February 25, 2023; 9:30 a.m.

City Hall, Council Chamber, 301 King St.

Regional Fair Housing Plan Public Listening Session

March 5, 2023; 2:00 p.m.

[Virtual](#)

ARHA Redevelopment Work Group

March 16, 2023; 5:30 p.m.

City Hall, Council Work Room, 301 King Street

14. Adjournment (Chair)

9:00 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 2, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: HELEN S. MCILVAINE, DIRECTOR, OFFICE OF HOUSING

SUBJECT: REQUEST FROM HOUSING ALEXANDRIA FOR A COMMITMENT OF \$5M IN FEDERAL FUNDING TO SUPPORT CAPITAL IMPROVEMENTS AT PARCVUE APARTMENTS PLUS A GRANT OF \$350,000 TO FUND RENTAL SUBSIDIES FOR 10 UNITS

ISSUE: Commitment of \$5 million overall in federal funding (CDBG funds on hand, future program income/loan proceeds, and TBD grant funds) to Housing Alexandria for capital improvements at Parc Vue Apartments plus a grant of \$350,000 from the Housing Trust Fund to create a component of ten units with rents affordable at 40% AMI.

RECOMMENDATION: that AHAAC recommend that City Council approve the following:

- (1) A commitment of up to \$5 million in federal funding overall to be disbursed pursuant to a loan agreement with Housing Alexandria for capital improvements at ParcVue Apartments, to include:
 - (a) a transfer of \$1 million in currently available CDBG grant carryover and program income from the Home Rehabilitation Program to the HOF Multifamily Rehabilitation Program Funds; and
 - (b) future transfers of CDBG program income, including loan repayment proceeds, as available, and as necessary to meet this commitment, from City-administered federally funded programs eligible for this use; and
 - (c) from funding awards, appropriate for this purpose pursuant to other TBD federal grant applications, on which the City and Housing Alexandria will collaborate; along with a
- (2) A grant of up to \$350,000 from city Housing Trust Fund monies to be used for rental subsidies for 10 committed deeply affordable (40% AMI) units at ParcVue Apartments.

BACKGROUND: With a loan from Amazon's Housing Equity Fund (HEF), the Alexandria Housing Development Corporation (AHDC, now rebranded as "Housing Alexandria" or HALX), acquired the 196-unit ParcVue Apartments in Arlandria in February 2022 for preservation as affordable/workforce housing. The HEF enabled Housing Alexandria to act nimbly to secure the

property: while no Alexandria funding was required for the purchase, it was anticipated that City financial participation would occur in the short term pursuant to a planned refinancing. Based on Housing Alexandria's agreement with Amazon, the rents on all units are capped to be affordable at the 60% AMI level, however, up to 20% of the households may have incomes ranging up to 80% AMI.

Housing Alexandria has proposed a refinancing strategy to make use of a GSE/Fannie Mae first trust loan that will repay the HEF approximately \$20 million and keep the rest of the HEF money in the project as both loan and a grant (Attachment). The City will help fund two capital needs projects – identified during Housing Alexandria's due diligence process – through a commitment of various federal fund sources administered by Alexandria, including CDBG grant carry over and program income on-hand totaling \$1 million, anticipated CDBG future program income and loan proceeds, and from potential grant award funds if City/HALX applications are successful, to a range of federal initiatives now being offered to induce infrastructure improvements, building rehabilitation and energy efficiency. Housing Alexandria will bridge up to \$4 million of the City commitment, if required, to complete the project in a timely manner, while giving the City space to aggregate funding.

Besides the City loan for capital improvements, and separate from that loan, staff are also recommending a \$350,000 grant from Housing Trust Fund monies so that Alexandria's pilot rental subsidy program can be extended to create a small component of 40% AMI units at ParcVue. This will create deeply affordable options as unit turnover occurs in the future and/or to prevent potential displacement of current households that are income eligible and would be housing cost burdened at 60% AMI level rents. Housing Alexandria's census of resident incomes as lease renewals have occurred over this first year of ownership have not shown a large demand for this across the existing tenant base, however, the subsidy both addresses displacement concerns and strengthens the City's commitment to enable deeper affordability, when feasible, pursuant to recommendations in the 2021 Arlandria-Chirilagua Plan.

DISCUSSION: The City's commitment, as proposed, offers an approach that maximizes the use of federal funds already on hand that must be obligated and which will efficiently further multiple housing goals (e.g., preservation of affordable/workforce housing, energy/efficiency and related savings to reduce housing costs for residents), and incorporate flexibility that allows federal funds, when available and if appropriate, to be dedicated in the future while also enabling the City and HALX to identify and secure, if possible, federal grant funds suited to the project. As mentioned above, HALX will arrange a bridge contingency to allow the City to fulfill its commitment over a reasonable period of time to leverage non-City funds, too.

The City's commitment also furthers a potential financial partnership with Amazon's Housing Equity Fund that Alexandria hopes will create a template that can be replicated to advance other pipeline projects. The City funds, and the resulting restrictive affordability covenant, will additionally induce more favorable lending terms to benefit the project.

While Alexandria's pilot rental subsidy program has been deployed so far only to enable deeply affordable units in City-supported low income housing tax credit developments, extending it to

some preservation projects makes sense as a tool to mitigate cost burden for existing residents and prevent economic displacement. Conversations among Amazon, the City and Arlandria-based community organization, Tenant and Workers United, all suggest that creating more 40% AMI options are especially critical in that neighborhood.

It is noted that staff are working currently to identify a source, within dedicated Housing fund revenues, to sustain the pilot rental subsidy program beyond its initial five-year period. The program is currently operating across five properties. AHAAC will receive a briefing on the program at its March 2023 meeting that will be shared with City Council and other stakeholders thereafter. The City will also revive discussions with ARHA to again explore a potential collaboration regarding future allocations of project based vouchers administered by ARHA.

As a condition of the City's investment, Housing Alexandria has agreed to comply with the housing preference policy being developed when it is implemented (prioritizing units when they are available for qualified neighborhood residents first).

FISCAL IMPACT: Commitment of up to \$5 million overall in City-administered federal funding, with \$1 million in currently available CDBG grant carryover and program income transferred from the Home Rehabilitation Program to the HOF Multifamily Rehabilitation Program Funds and released pursuant to the refinancing. Grant of \$350,000 from the HTF. Federal funds will be secured pursuant to a City loan agreement with HALX. As is typical for affordable housing, the City loan agreement will be subordinate to the GSE and HEF loan agreements, and Alexandria will be repaid from residual receipts generated by the property.

ATTACHMENT: Housing Alexandria HOF Request

STAFFING:

Emily Baker, Deputy City Manager

Helen McIlvaine, Director Office of Housing (Housing)

Eric Keeler, Deputy Director, Housing

Gypsy Roberts, Chief, Finance and Program Administration Division, Housing

Tamara Jovovic, Housing Program Manager, Housing

Kenneth Turscak, Housing Analyst, Housing



February 22, 2023

Ms. Helen McIlvaine, Director
Director, Office of Housing
City of Alexandria
421 King Street Suite 200
Alexandria, VA 22314

By Hand & Email

Re: HOF Loan Application for Park Vue Apartments

On behalf of the Housing Alexandria Board of Directors, I am pleased to apply for a City of Alexandria Housing Opportunities Fund (HOF) loan in the amount of \$5.0 MM to assist with capital improvements at Park Vue Apartments. Housing Alexandria acquired the property in February 2022 using an acquisition loan from the Amazon Housing Equity Fund. We have been actively working on a refinance that would repay some of the Amazon money and move their loan to a second position. Attached to this letter is an overview of our request and a proforma that details the financial of the project.

We appreciate our continuing partnership with the City of Alexandria, and we look forward to working with you on this project in efforts to strengthen our relations with the Amazon Equity Fund and make a lasting impact in the Arlandria-Chirilagua neighborhood.

If you have any questions regarding this application, please do not hesitate to contact me at 703-739-7775 or at jfrederick@housingalexandria.org.

Sincerely,

Jonathan Frederick
President/CEO

Park Vue Apartments Acquisition and Capital Improvements

Overview

Housing Alexandria (HALX, formerly Alexandria Housing Development Corporation) worked with the Amazon Housing Equity Fund (Amazon) to acquire Park Vue Apartments (Parc Vue) in February 2022 for a cost of \$50 MM. The Project is 14-story residential tower consisting of 196 units located in the Arlandria-Chiralagua neighborhood within the City of Alexandria (the “City”). ParcVue is fully occupied and has several community features include significant open space for both residents and the neighborhood, a fitness facility, a business center, and attractive leasing/lobby area. Figure 1 below provides images of the common area amenities of the project.

Although a market rate property, as requirement of the acquisition HALX agreed to cap all rents at Parc Vue at 60% of the area median income (AMI) for a period of 99 years as attrition occurs and/or as units are re-leased. Half of the units will be rented to households at or below 60% AMI while the remaining units will all be required to have incomes under 80% AMI. This means that no household residing at Parc Vue will be required to leave due to the new income restrictions. As part of the acquisition HALX used a City of Alexandria predevelopment loan for the deposit and worked with the City and Amazon on a permanent funding strategy for the acquisition and capital improvements.

Figure 1: Park Vue Common Area Amenities



Funding Strategy

Acquisition loan and perm conversion

A current proforma and budget is attached. HALX acquired Parc Vue using an acquisition loan from Amazon with the understanding that a refinancing would occur in the short term. Since last year HALX has been working with M&T Bank, Amazon, and Fannie Mae to structure a first trust loan that would yield approximately \$20 MM in proceeds and reduce the amount of Amazon's initial acquisition loan. Amazon's loan would move to a second position and remain with the project for up to 30 years. During this process, Amazon has also agreed to convert \$2.5 MM of the original loan to a grant to help facilitate a more attractive loan for agency lenders. Currently HALX anticipates closing on the first trust loan in Q2 of 2023. This transaction will free up Amazon resources for use on other projects.

Capital Improvements

The previous owner of Parc Vue completed several improvements in the building that added value to the property. The most significant pertain to the interior finishes of the units and the addition of washer-dryers to each unit. Figure 2 below provides an overview of typical finishes within each unit. A previous owner also completed some repairs/updates to the mechanical systems (within the past decade) that, will have a significant useful life with proper maintenance, as scheduled.

Figure 2: Park Vue Standard Finishes



Even with some improvements, during the due diligence period of the acquisition, HALX identified the need for additional capital improvements at the Project to ensure efficient operations over time. Specially, HALX identified the need for elevator modernization, new energy efficient windows, and a creation of a capital reserve to address potential plumbing issues, over time, due to aging pipe infrastructure. As part of the property budget HALX identified the need for a \$5.0 MM capital expenditure budget to address needed repairs. Over the past year HALX has refined the budget and is now submitting an HOF application to assist with Parc Vue's capital expenditure plan. Table 1 provides a general overview of those expenditures. The City's investment will be advantageous to the terms of Parc Vue's refinancing, both in terms of the interest rate to be offered, and in terms of adding a City restrictive covenant further safeguarding long term affordability (Amazon requires 99 years). It also demonstrates Alexandria's financial commitment, which is highly regarded by Amazon.

Table 1: Park Vue Capital Expenditure Plan	
Soft Cost	
Architecture and Engineering	\$150,000
Construction Management / Oversight	\$200,000
Financing Fee	\$300,000
Developer Fee	\$330,000
Hard Cost	
Elevator Modernization (\$350-\$500K per cab)	\$1,050,000 - \$1,500,000
Windows	\$2,000,000
Contingency/ Other Repairs/Reserve	\$520,000 - \$970,000

Schedule

Table 2 provides a schedule for the completion of the refinance and the planned capital improvements. Depending on the anticipated schedule for City funding to be available to fund capital improvements, HALX will work with one its lending partners to bridge City monies to ensure improvements can be completed in an efficient and timely manner. HALX anticipates completing capital improvements by Q2 2024.

Table 2. Park Vue Schedule	
Acquisition	February 2022
COA Capital Improvements Loan Approval	March 2023
First Trust Refinance	June 2023
Capital Improvement Design	Jan 2023 – May 2023
Capital Improvement Permitting / Bid	May 2023 – October 2023
Capital Improvement Construction	October 2023 – August 2024

Park Vue_Refinance_2-23
Summary

Sources		Uses	
Equity		Development Costs	
Tax Credit Equity		Acquisition	51,528,571
Sponsor Equity	-	Architecture & Engineering	-
		Legal	-
Debt		Fees, Permits & Utilities	-
Fannie Mae #1	20,000,000	Other/Miscellaneous	-
Amazon Equity Fund (Must Pay)	18,300,000	Soft Cost Contingency	-
Amazon Equity Fund (Soft Pay)	11,200,000		
City of Alexandria	5,000,000	Financing Costs	255,583
Amazon Grant	2,500,000	Reserves	5,000,000
	-	Construction Costs	-
Deferred Developer Fee	0.0%	Hard Cost Contingency	-
I/O Period	-	Developer Fee	193,411
Total Sources	\$ 57,000,000	Total Uses	\$ 56,977,564
		Surplus/(Deficit)	22,436
Permanent Debt	\$ 20,000,000	Total Cost / Unit	290,702
Interest Rate	5.80%	City Subsidy / Unit	25,510
Mezzanine Debt Must Pay	\$ 18,300,000		
Interest Rate (I/O)	1.5%		
Combine Must Pay Debt Service	\$ 1,610,874		
Combined Rate	2.34%		

Unit Type / Affordability Mix					
	%	No. Units		%	No. Units
Efficiency	29%	56	30% AMI	0%	0
One Bed	57%	112	40% AMI	0%	0
Two Bed	14%	28	50% AMI	0%	0
Three Bed	0%	0	60% AMI	100%	196
Four Bed	0%	0	80% AMI	0%	0
			100% AMI	0%	0
Total Units	100%	196	Total	100%	196

Project Schedule	
Acquisition Closing	02/01/22
Development Start	N/A
Community Opening	N/A
Construction Period (Months)	N/A
Lease-up Period (Months)	N/A
Perm Loan Conversion	05/01/23
Income & Operating Expenses	
Revenue	
Potential Gross Income	\$3,585,064
Less: Vacancy Allowance	(179,253)
Effective Gross Income	3,405,811
Other Income	340,203
Total Income	3,746,014
Operating Expenses	
Administrative	296,940
Payroll	420,420
Utilities	323,204
Building Maintenance	289,002
Taxes & Insurance	559,562
Total Operating Expenses	1,889,128
Replacement Reserves	58,800
Net Operating Income	1,798,086
Hard Pay DSCR	1.12
OpEx per unit (incl RR)	\$ 9,938

Park Vue_Refinance_2-23
Budget

	Park Vue Budget	\$/SF	\$/Unit
		133,000	196
Acquisition			
Structure	50,000,000	375.94	255,102
Land/Podium		0.00	0
Recording Fees		0.00	0
Closing Costs (title/surveyed)	1,528,571	11.49	7,799
Subtotal	51,528,571	387.43	262,901
Development Soft Costs			
Architecture & Engineering			
Conceptual Drawings		0.00	0
Working Drawings		0.00	0
Construction Administration		0.00	0
Interior Design		0.00	0
Landscape		0.00	0
Civil		0.00	0
Structural		0.00	0
MEP		0.00	0
Geotech/Soils		0.00	0
Environmental		0.00	0
Traffic		0.00	0
Other		0.00	0
Subtotal	-	0.00	0
Legal			
Organization		0.00	0
Loan Documents		0.00	0
Zoning		0.00	0
Tax Credit		0.00	0
Other		0.00	0
Subtotal	-	0.00	0
Fees, Permits & Utilities			
Building Permits		0.00	0
Plan Submittal Fees		0.00	0
Green Building		0.00	0
Construction Inspection		0.00	0
Sewer Tap Fees	\$0	\$0	0.00
Sanitary Sewer Fee		-	0.00
Subtotal	-	0.00	0
Other/Miscellaneous			
Appraisal		0.00	0
Market Study		0.00	0
Construction Management		0.00	0
Project Management		0.00	0
FF&E		0.00	0
Insurance: Builders Risk		0.00	0
Insurance: Umbrella & GL		0.00	0
Marketing / Lease Up		0.00	0
Management Start Up Costs		0.00	0
R/E Taxes During Con.		0.00	0
Utilities During Construction		0.00	0
Security - Professional		0.00	0
Benchmarking Hardware		0.00	0
Soft Cost Contingency	5.00%	0.00	0
Subtotal	-	0.00	0

Park Vue_Refinance_2-23
Budget

	Park Vue Budget	\$/SF	\$/Unit
Total Soft Costs	-	0.00	0
<u>Financing Costs</u>			
Tax Credit Application Fee		0.00	0
Syndicator Legal		0.00	0
Syndication Fee		0.00	0
Cost Certification		0.00	0
Tax Credit Consultant Fee		0.00	0
Const Loan Origination Fee	0.75%	0.00	0
Lender Legal		0.00	0
Inspections		0.00	0
Cost of Issuance/Bond Expense		0.00	0
Letter of Credit fees/rate		0.00	0
Interest Acq./Construction Loan	1.50%	0.00	0
Predev/Bridge Loan Interest	5.00%	0.00	0
Perm Loan Origination Fee	1.00%	0.00	0
Perm Loan Broker Fee		0.00	0
Recording/Title/Closing		0.00	0
Origination Fee	1%	255,583	
Subtotal	255,583	1.92	1,304
<u>Reserves</u>			
Operating Reserve	6	0.00	0
Debt Service	6	0.00	0
Lease Up Reserve		0.00	0
Replacement	\$0	5,000,000	37.59
Subtotal	5,000,000	37.59	25,510
<u>Construction Costs</u>			
Construction/Rehab Costs	\$185	0.00	0
Parking/Parking - Acq	\$40,000	-	0.00
Podium Const Cost		-	0.00
Demolition		-	0.00
Off-Site Improvements		0.00	0
Utility Undergrounding		0.00	0
Site Work		-	0.00
Public Improvements		0.00	0
General Requirements		0.00	0
Builders Overhead (General Conditions)		0.00	0
Builders Profit		0.00	0
Bonding Fee & GC Liability Insurance		0.00	0
Environmental Remediation		0.00	0
Hard Cost Contingency	10.00%	-	0.00
Subtotal	-	0.00	0
Subtotal Project Costs	56,784,154	426.95	289,715
Developer Fee	193,411	1.45	987
Total Development Cost	\$ 56,977,564	\$428.40	\$ 290,702

Park Vue_Refinance_2-23
CF (Annual)

Valuation:											
	Year	1	2	3	4	5	6	7	8	9	10
Revenue											
Rental		3,870,484	3,967,246	4,066,427	4,168,088	4,272,290	4,379,097	4,488,575	4,600,789	4,715,809	4,833,704
Vacancy		179,498	183,985	188,585	193,299	198,132	203,085	208,162	213,366	218,700	224,168
Total Revenue		3,690,986	3,783,261	3,877,843	3,974,789	4,074,158	4,176,012	4,280,413	4,387,423	4,497,108	4,609,536
Expense											
Administrative		296,940	305,848	315,024	324,474	334,209	344,235	354,562	365,199	376,155	387,439
Payroll		420,420	433,033	446,024	459,404	473,186	487,382	502,003	517,064	532,575	548,553
Utilities		323,204	332,900	342,887	353,174	363,769	374,682	385,922	397,500	409,425	421,708
Building Maintenance		289,002	297,672	306,602	315,800	325,274	335,033	345,084	355,436	366,099	377,082
Taxes & Insurance		559,562	576,349	593,639	611,449	629,792	648,686	668,146	688,191	708,836	730,101
Replacement Reserves		58,800	60,564	62,381	64,252	66,180	68,165	70,210	72,317	74,486	76,721
Total Expenses		1,947,928	2,006,366	2,066,557	2,128,554	2,192,410	2,258,182	2,325,928	2,395,706	2,467,577	2,541,604
Net Operating Income		1,743,058	1,776,895	1,811,286	1,846,235	1,881,748	1,917,830	1,954,485	1,991,717	2,029,532	2,067,932
DSCR		1.08	1.33	1.36	1.38	1.41	1.44	1.46	1.49	1.52	1.55
Debt											
Fannie Mae #1		1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374
Fannie #2 Year 11-30		-	-	-	-	-	-	-	-	-	-
Amazon Grant		-	-	-	-	-	-	-	-	-	-
	0	-	-	-	-	-	-	-	-	-	-
City of Alexandria		-	-	-	-	-	-	-	-	-	-
Amazon - Soft Pay		-	-	-	-	-	-	-	-	-	-
Amazon - Hard Pay		274,500	274,500	274,500	274,500	274,500	274,500	274,500	274,500	274,500	274,500
Tranche 6: Refi #3		-	-	-	-	-	-	-	-	-	-
Total		1,610,874	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374	1,336,374
Sale / Refi Proceeds #1											
Sales / Refi Proceeds-1		-	-	-	-	-	-	-	-	-	-
Sales / Refi Closing Costs-1		-	-	-	-	-	-	-	-	-	-
Fannie Mae #1		-	-	-	-	-	-	-	-	-	-
Net Sale/Refi Proceeds 1		-	-	-	-	-	-	-	-	-	-
Sales / Refi Proceeds #2											
Sales / Refi Proceeds		-	-	-	-	-	-	-	-	-	-
Sales / Refi Closing Costs		-	-	-	-	-	-	-	-	-	-
Fannie #2 Year 11-30		-	-	-	-	-	-	-	-	-	-
Tranche 2		-	-	-	-	-	-	-	-	-	-
Tranche 3		-	-	-	-	-	-	-	-	-	-
Tranche 4		-	-	-	-	-	-	-	-	-	-
Amazon - Soft Pay		-	-	-	-	-	-	-	-	-	-
Amazon - Hard Pay		-	-	-	-	-	-	-	-	-	-
Net Sale/Refi Proceeds		-	-	-	-	-	-	-	-	-	-
Reversion Cash Flow		-	-	-	-	-	-	-	-	-	-
Operating Cash Flow		132,185	166,021	200,412	235,361	270,875	306,956	343,611	380,843	418,658	457,058
Total Cash Flow		132,185	166,021	200,412	235,361	270,875	306,956	343,611	380,843	418,658	457,058

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

City Hall Room 2000 | February 2, 2023

	Members Present	Members Absent	Staff
1	Annette Bridges		Eric Keeler, Deputy Director
2	Jan Macidull		Tamara Jovovic, Housing Program Manager
3	Devin Stokes		Kenny Turscak, Housing Analyst
4	Michelle Krockner		Siomara Amaya, Landlord-Tenant Relations Support (Interpretation)
5	Michael Doyle		
6	Betsy Faga, Chair		
7	Coss Lumbé		
8		Yeshewase Ayele	
9		Jon Frederick	
10	Robyn Konkell		
11	Peter Siderovski		
12	Michael Jackson		
13	Shelley Murphy		
14	Peter-Anthony Pappas		
15		Aschalew Asabie	
16	Michael Butler		
17	Felicia Brewster		
	Helen McIlvaine*, Housing		
	Alison Coleman, DCHS*		
	Guests	Affiliation	
1	Ken Wire	WireGill	
2	Megan Rappolt	WireGill	
3	Wish Carr	Carr Companies	

*non-voting

The Chair called the meeting to order at 7:00 pm. Mike Doyle took minutes.

1. Introductions and Chair remarks (Chair)

2. Consideration of an Affordable Housing Plan for Montgomery Center (Kenneth Turscak/Ken Wire)

Action Requested: Review and Vote on Affordable Housing Plan

Kenny Turscak introduced Ken Wire and Wish Carr of WireGill and Carr Companies, respectively, who provided an overview of Carr Companies' proposed Montgomery Center redevelopment. The applicant proposes demolishing the current Montgomery Center, which comprises a mix of commercial uses, to construct an eight-story, 413,685 gross square foot mixed-use building featuring 327 multifamily residential units, retail space, and an arts component. The project intends to utilize bonus height and density which will provide affordable housing (Section 7-700) and arts and cultural space (Section 6-900). Through Section 7-700, the applicant is required to provide 22 committed affordable units with rents affordable at 60% AMI, which will be proportional to the overall unit mix. In addition, the applicant will provide a \$878,201 contribution to the City's Housing Trust Fund.

Some AHAAC members expressed continued reservations about the arts bonus density policy, citing the relatively modest amount of arts anchor space required to be provided in exchange for up to a 30% increase in density (as compared to the requirements of the affordable housing bonus density program), and inquired about the timeline for the City's review of the Old Town North Arts and Cultural District Overlay. In addition, members relayed their concern for existing commercial tenants impacted by the redevelopment and questioned if the applicant was providing relocation assistance and/or a right to return (they are not).

Michelle Krockner made a motion to approve the Affordable Housing Plan; Peter Siderovski seconded the motion. The Committee voted unanimously to approve the Affordable Housing Plan, with one member abstaining.

3. Zoning for Housing Update (Tamara Jovovic)

Action Requested: Discuss Projects and Identify Committee Liaisons

Tamara Jovovic presented an overview of the City's upcoming Zoning for Housing (ZFH) initiative. Ms. Jovovic explained the various topics within the initiative and recommended that members volunteer to serve as policy area liaisons for a topic of their interest.

One member asked if Zoning for Housing will be similar to Arlington's Missing Middle Housing Study. Helen McIlvaine responded that while the topic of single-family zoning will be analyzed as part of ZFH, the initiative will focus on a broader range of study including bonus height, opportunities for expansion of transit oriented development, coordinated development districts, industrial zones, and others. Ms. McIlvaine also noted that this process will differ from the Housing Master Plan (HMP); while the HMP identified where and at what incomes housing needs were greatest, ZFH will examine how zoning can help increase housing production to meet growing housing demand. Some members expressed that they would like to learn more about ZFH before choosing a topic. As topics will be

discussed concurrently with a goal of bringing a proposal package to City Council in fall 2023, ZFH will require many members participating to cover all relevant topics.

4. Discussion of AHAAC's Role in Advising City Council on Housing Matters and Policy (Helen McIlvaine/Betsy Faga)

Action Requested: Provide Input on Council Advisory Role

Tamara Jovovic provided background on a development case in which an applicant proposed a commercial to residential conversion.

During the project's Special Use Permit discussion at City Council's January 21, 2023, legislative meeting, some Councilmembers expressed concern that the 2020/2021 Policy Update does not adequately capture the value of conversions. One Councilmember voiced his desire for AHAAC to provide a greater advisory role to Council, including guidance on commercial to residential conversion policy.

Members discussed the current voluntary affordable housing contributions, with some questioning if most applicants comply because rates are too low. Ms. McIlvaine stated that contribution rates, including the commercial to residential conversion rate, were formulated through a collaborative process involving staff and developers. Some members recommended researching other local jurisdictions' policies for policy guidance, though others warned that comparisons are difficult as housing and commercial markets vary throughout the region. One member reminded the committee that commercial to residential conversions are difficult and costly, and it is sometimes less expensive to demolish and redevelop a property than it is to convert an existing structure.

To support AHAAC in its advisory role to Council, Ms. Jovovic stated that Housing staff will begin providing regular updates on cases in the pipeline, including on some—such as conversion cases—that do not require affordable housing plans. Ms. Jovovic also stressed the importance of members attending City Council meetings and voicing support for projects. Ms. Jovovic reminded the Committee that development approvals for CLI's Elbert Avenue and ARHA's Samuel Madden projects are upcoming City Council docket items.

5. Consideration of January 19, 2023, Minutes (Kenneth Turscak)

Action Requested: Review and Vote on Draft Minutes

The Committee approved the January 2023 minutes unanimously with one member abstaining.

6. Report Outs (Committee Members)

Tamara Jovovic again reminded the Committee of Samuel Madden's upcoming public hearings; Planning Commission will consider the project on February 7 followed by City Council on February 25.

Robyn Konkel reported that Hilco's Potomac River Generating Station held a community meeting on January 30 during which the developer discussed deconstruction, site abatement, and open space. Ms. Konkel noted that the developer will provide weekly updates on its [website](#) and will soon provide a 24/7 hotline.

Felicia Brewster reported updates from the [Eisenhower West Landmark Van Dorn Implementation Advisory Group](#) which met on January 26, 2023. Ms. Brewster reported that on the West End, Landmark Mall blocks E, G, I, and K received Council approval in December 2022. These blocks are anticipated to deliver approximately 1,100 apartments. In addition, development plans for the Inova Hospital are scheduled for a March 2023 City Council meeting.

7. ARHA Updates (Michelle Krocker)

Michelle Krocker reiterated that redevelopment plans for Samuel Madden will be considered by City Council in February 2023. Ms. Krocker noted that the project will provide 77 deeply affordable units available to households with incomes up to 30% AMI.

Ms. Krocker also reported that the planning process for the Ladrey senior housing redevelopment project is moving forward.

8. AHDC Updates (Jon Frederick)

No AHDC update was provided.

9. Information Items:

Financial Report

Housing Master Plan Update

Eric Keeler gave a brief overview of the monthly financial report and Tamara Jovovic provided an overview of the Housing Master Plan Update. One member asked if many projects recommit to a committed affordable status upon expiration. Ms. Jovovic explained that while projects with set-aside units typically revert to market rate rents upon expiration of affordability terms, some projects have utilized financing and zoning tools, in partnership with the City, to maintain affordability and, when possible, to expand affordability.

10. Staff Updates (Staff)

In response to members' requests for additional quantitative housing data, Tamara Jovovic presented a slideshow outlining housing cost burden, rental housing costs and income limits, and information on committed affordable units including levels of affordability and geographic distribution. Some members requested additional data, including selected data on race and ethnicity, to better address equity goals.

Helen McIlvaine informed the Committee that the City will be hosting a series of public comment events for the recently released Draft Regional Fair Housing Plan. Additional information is available on the City's [project website](#).

11. Announcements and Upcoming Housing Meetings (Staff)

Planning Commission Public Hearings on Samuel Madden and Elbert Avenue Projects

February 7, 2023; 7:00 p.m.

City Hall, Council Work Room, 301 King Street; [Virtual](#)

To register to speak: alexandriava.gov/Participate

ARHA Redevelopment Work Group

February 16, 2023; 5:30 p.m.

City Hall, Council Work Room, 301 King Street

City Council Public Hearings on Samuel Madden and Elbert Avenue Projects

February 25, 2023; 9:30 a.m.

City Hall, Council Work Room, 301 King Street; [Virtual](#)

To register to speak: alexandriava.gov/Participate

Current Committee Vacancies

Financial Professional

Representative of the Commission on Persons with Disabilities

12. Other

13. Adjournment (Chair)

The Chair adjourned the meeting at 9:06 PM.

FY 2023 Affordable Housing Development Funds

Financial Report

February Highlights

Payments Received	Reference	DSUP or Transation ID	\$ Amount
Developer Contributions	Robinson Terminal South (Robinson Landing)	2014 - 00006	\$20,824
	Potomac Yard Landbay H/I East Multifamily (Dylan Coi2016 - 00022		\$315,000
Grand Total			\$335,824

New Pledges / Project Name	Developer	Project Type	\$ Pledged
Grand Total			

New Transaction(s)	Fund	Date Loan Closed	\$ Amount
Pilot Rental Assistance			-\$22,009
CLI - Elbert Avenue	Housing Opportunity Fund	2/20/2023	-\$73,500
CLI - Elbert Avenue Total			-\$73,500
Grand Total			-\$95,509

Revenues

	2022						2023						FY Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Developer Contributions	\$31,236	\$10,412	\$0	\$0	\$0	\$0	\$152,708	\$335,824	\$0	\$0	\$0	\$0	\$530,179
Developer Contributions - Braddock SAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Loan Repayments	\$3,339	\$108,919	\$3,339	\$3,339	\$0	\$3,339	\$3,339	\$0	\$0	\$0	\$0	\$0	\$125,616
New Revenue Allocated by City Council	\$10,779,115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,779,115
ARPA CIP Funds	\$14,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,500,000
FY Total	\$25,313,690	\$119,331	\$3,339	\$3,339	\$0	\$3,339	\$156,047	\$335,824	\$0	\$0	\$0	\$0	\$25,934,910

Balance Available
\$10,309,910

Commitments and Reservations

The lifecycle of a project often spans more than a single FY. The "Start" column in the table below represents remaining monies already committed and/or reserved for a project on July 1 of the current FY.

Fund / Project	Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total	Grand Total
Housing Trust Fund															
Braddock SAP	\$3,123,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,123,273
Pilot Rental Assistance	\$648,025	\$0	-\$28,282	-\$6,100	-\$15,850	-\$22,182	-\$12,432	-\$13,330	-\$22,009	\$0	\$0	\$0	\$0	-\$120,185	\$527,840
Rebuilding Together Alexandria (RTA)	\$0	\$50,000	\$0	\$0	-\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Housing Trust Fund Total	\$3,771,298	\$50,000	-\$28,282	-\$6,100	-\$65,850	-\$22,182	-\$12,432	-\$13,330	-\$22,009	\$0	\$0	\$0	\$0	-\$120,185	\$3,651,113
Housing Opportunity Fund															
AHDC - Arlandria Ph 1	\$9,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,500,000
AHDC - Operating	\$0	\$275,000	-\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AHDC - Seminary	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000
ARHA - Redevelopment and Repositioning	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
ARPA Projects	\$0	\$14,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,500,000	\$14,500,000
CHP - Witter Place	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$400,000	\$400,000
CLI - Elbert Avenue	\$0	\$400,000	\$0	\$0	\$0	\$0	-\$83,000	\$0	-\$73,500	\$0	\$0	\$0	\$0	\$243,500	\$243,500
EHIP	\$147,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,000
Housing Opportunity Fund Total	\$12,447,000	\$15,575,000	-\$275,000	\$0	\$0	\$0	-\$83,000	\$0	-\$73,500	\$0	\$0	\$0	\$0	\$15,143,500	\$27,590,500