

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
MEETING**

DATE: December 7, 2023

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

LOCATION: City Hall, Room 2000, 301 King Street

****Spanish interpretation will be provided****

AGENDA

- | | |
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| 1. Introductions and Chair remarks (Chair) | 7:00 p.m. |
| 2. Consideration of an Affordable Housing Plan for Ladrey
(Kim Cadena/Steve Mikulic)
<i>Action Requested: Review and Vote on Affordable Housing Plan</i> | 7:05 p.m. |
| 3. Consideration of an Affordable Housing Plan for 820 Gibbon Street
(Kenny Turscak/Cathy Puskar)
<i>Action Requested: Review and Vote on Affordable Housing Plan</i> | 7:30 p.m. |
| 4. Consideration of an Affordable Housing Plan for 1201 E. Abingdon Drive
(Kenny Turscak/Ken Wire)
<i>Action Requested: Review and Vote on Affordable Housing Plan</i> | 7:55 p.m. |
| 5. Alexandria West Small Area Plan Update (Tamara Jovovic/All) | 8:20 p.m. |
| 6. Consideration of November 2, 2023, Minutes
<i>Action Requested: Review and Vote on November Minutes</i> | 8:30 p.m. |
| 7. Report Outs (Committee Members)
a. PRGS | 8:35 p.m. |
| 8. ARHA Updates (Michelle Krockner) | 8:40 p.m. |
| 9. Housing Alexandria Updates (Jon Frederick) | 8:45 p.m. |
| 10. Information Items:
Financial Report | 8:50 p.m. |
| 11. Announcements and Upcoming Housing Meetings (Staff) | 8:55 p.m. |

[Local Rental Subsidy Study Community Meeting](#)

Monday, December 4; 6:30 p.m. – 8:00 p.m.

[Virtual](#)

[Solutions for Affordable Housing Conference](#)

Thursday, December 7; 9:00 a.m. – 5:00 p.m.

National Press Club, 529 14th St NW, Washington, DC

AlexWest Planning Community Meeting

Monday, December 11; 7:00 p.m. – 9:00 PM

Virtual

12. Adjournment (Chair)

9:00 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 1, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: KIM CADENA, HOUSING ANALYST

SUBJECT: THE LADREY SENIOR HIGH-RISE REDEVELOPMENT – DSUP 2023-10011

ISSUE: Consideration of an Affordable Housing Plan for the Ladrey Senior High-Rise Apartments DSUP 2023-10011, dated November 14, 2023.

ACTION REQUESTED: That the Committee review and vote on the associated Affordable Housing Plan.

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) recommend that City Council approve the Alexandria Redevelopment and Housing Authority’s affordable housing plan as part of Development Special Use Permit (DSUP) #2023-10011.

BACKGROUND: Located at 300 Wythe Street within the Old Town North Small Area Plan, the Ladrey Senior High-Rise Apartments is an eleven-story affordable rental building for seniors and persons with disabilities (Figure 1). Built in 1978 and owned and managed by ARHA, the building has 170 units—60 studios and 110 one-bedrooms. The former ARHA headquarters building is adjacent to the Ladrey building at 600 N. Fairfax Street. It was built in 1956 and used as their headquarters until ARHA moved to their current location at 401 Wythe Street. It is currently vacant.

ARHA has entered into a development partnership with Winn Companies and IBF Development to demolish the existing buildings and construct on the combined parcels an affordable rental building that ranges in height from five to seven stories with 270 units for seniors and persons with disabilities. The new building will have 252 one-bedroom units and 18 two-bedroom units.

The Ladrey project has requested a rezoning from the High Density Apartment Zone (RC) to the Residential Multifamily Zone (RMF) and bonus density through Section 7-700 of the Zoning Ordinance. The RMF Zone will enable the 1.3-acre site to secure additional density for the purposes of creating new deeply affordable housing, with 63% of the units proposed to be deeply affordable at

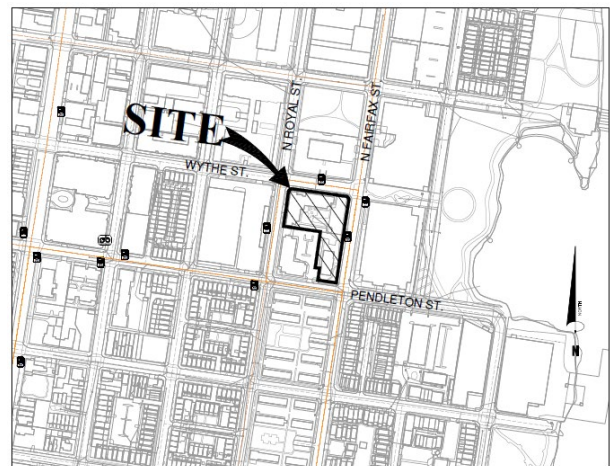


Figure 1 Site Map

The RMF zone was created in 2019 following the adoption of the South Patrick Street Housing Affordability Strategy to incentivize the preservation and production of deeply affordable housing. In exchange for an increase in density from 0.75 FAR (floor ratio ratio) to up to a 3.0 FAR, a project must provide one third of the increase in density as housing affordable to households with incomes averaging 40% AMI. This is the sixth project in the city to propose using this zone.

30% Area Median Income (AMI), 7% at 60% AMI and the balance at 80% AMI (Tables 1 & 2). 53 units are attributed to the RMF Zone and 19 to Section 7-700.

The 170 units affordable at 30% AMI will be Resolution 2876 public housing replacement units and have Project-Based Vouchers, which will be tied to the property. These vouchers are funded by the U.S. Department of Housing and Urban Development (HUD). The remaining 100 units will be funded using Low-Income Housing Tax Credits (LIHTC). All of the units will be committed affordable for a minimum of 40 years.

Resolution 2876 is a joint commitment between the City and ARHA to maintain the city’s supply of 1,150 publicly supported housing units, including replacing any demolished units on a one-for-one basis. ARHA is replacing all of the Ladrey units on site.

Table 1: 2023 Area Median Household Incomes for DC Metro Area

Area Median Income by Household Size	1-Person	2-Person	3-Person	4-Person
30% AMI	\$31,650	\$36,200	\$40,700	\$45,200
40% AMI	\$42,200	\$48,240	\$54,280	\$60,280
60% AMI	\$63,300	\$72,360	\$81,420	\$90,420
80% AMI	\$84,400	\$96,480	\$108,560	\$120,560

Source: HUD & Office of Housing, City of Alexandria 2023

Table 2: Proposed Unit Mix by Level of Affordability and Size*

Unit Mix/Level of Affordability	30% AMI	60% AMI	80% AMI	Total
1-Bedroom	160	18	74	252
2-Bedroom	10	2	6	18
Total	170	20	80	270

*The unit mix may be subject to nominal change to optimize LIHTC scoring.

ARHA will operate the new community as “housing for persons 55 years of age and above.” As defined in federal and state law, 80% of the units in the community will be restricted to households that have at least one member who is 55 or older. The remaining 20% of the units can be occupied by households of any age. This mix of ages allows existing Ladrey residents with disabilities who are under 55 to return to the community while reserving the majority of the units for senior housing.

DISCUSSION: The 2014 City’s Housing Master Plan “established a target of providing, preserving, or assisting 2,000 units from FY 2014 through 2025”. This 270-unit affordable project (with 100 net new units) contributes to that target by preserving existing and creating new affordable rental opportunities for seniors and people with disabilities, in addition to supporting the City’s commitment to meeting the Metropolitan Washington Council of Government’s (COG) Regional Housing Initiative’s housing production goals. As such, the development program implements two Housing Master Plan goals:

- Preserving the long-term affordability and physical condition of the existing stock of publicly assisted rental housing; and
- Providing safe, quality housing choices that are affordable and accessible to households of all ages and abilities.

The project’s preservation of 170 existing deeply affordable rental units for seniors and people with disabilities and the addition of 100 new affordable units for these populations in proximity to transit, retail, and amenities

aligns with the goals and housing priorities of the Old Town North SAP. In addition, the project contributes towards the 2021 ALL Alexandria Resolution to advance racial and social equity. It also supports two of the goals of the 2023 COG Regional Fair Housing Plan:

- Implementing preservation policies designed to preserve affordable housing and prevent displacement with a goal of no net loss of existing affordable rental units; and
- Increasing community integration and reducing housing barriers for persons with disabilities.

Two percent of the units will be Type A/ANSI units; an additional two percent will be accessible to residents with visual or hearing disabilities. Ten percent of the units will meet the Uniform Federal Accessibility Standards and will be equipped with roll-in showers.

Amenities at The Ladrey project will consist of a landscaped courtyard, a community room, a rooftop terrace, in-unit laundry, secure parking, and universal design features in all units. Residents will have access to several bus lines along North Fairfax Street, North Royal Street, and Wythe Street, and will be within walking distance of the Potomac River waterfront and numerous restaurants, services, and retail shops. Exterior features include a pocket park, a mural, and streetscape improvements.



Figure 2 Exterior Elevation

ARHA has been hosting monthly tenant meetings in the Ladrey community room since April 2022 to inform residents about the status of the development and solicit resident feedback about the project. The Winn Companies established an office in the building in October 2022, open four days a week in the afternoons, to answer resident questions and listen to resident concerns and input about the development and relocation process. ARHA has also held three hybrid meetings open to the general public and a series of meetings with community and homeowners' associations.

The existing community is fully occupied. Consistent with the RMF Zone Tenant Assistance and Relocation Policy, ARHA presented a draft Relocation Plan to the Landlord Tenant Relations Board for its consideration. The Plan outlines notification and relocation assistance requirements for existing tenants as well as the right to return for all households in good standing. The LTRB unanimously approved the Plan at its October 4, 2023 meeting.

During relocation, all households will have Tenant Protection Vouchers (TPV) that will provide ongoing rental assistance to ensure impacted household continue to pay only 30% of their income in rent. Housing to Home (HTH), the company contracted to coordinate the relocation process, will assist residents with completing paperwork associated with the TPVs, locating appropriate housing with rents in alignment with HUD payment standards, and moving from their current to their temporary units. Through its Connected Communities program, HTH will work with community partners, including the Department of Community and Human Services, to ensure residents have continued access to services.

On November 9, ARHA, the Winn Companies, and IBF Development briefed the Commission on Aging. They responded to Commission questions about the relocation process, resident services, rents, and building design.

FISCAL IMPACT: None at this time. Neither the Applicant nor ARHA has submitted a request to the City for financial assistance for the purpose of carrying out this redevelopment project.

ATTACHMENT:

- (1) Affordable Housing Plan

STAFF:

Helen S. McIlvaine, Director, Office of Housing
Eric Keeler, Deputy Director, Office of Housing
Tamara Jovovic, Housing Program Manager, Office of Housing

The Ladrey
DRAFT Affordable Housing Plan
Updated 11.14.2023

1.1 Project Name and Address.

Project Name: The Ladrey

Address: 300 Wythe Street and 600 N. Fairfax Street (the “Property”)

Applications: MPA #2023-00006, REZ #2023-00004, DSUP #2023-10011 and related SUP applications (the “Applications”).

1.2 Brief description of the application and proposed development program.

WinnCompanies (“Winn”) and IBF Development (“IBF” and collectively with Winn as the “Applicant”), in collaboration with the Alexandria Redevelopment and Housing Authority (“ARHA”), are seeking approval of the Applications for redevelopment of the Property into a new 270-unit, 100% affordable development, which will operate as “housing for older persons” for individuals 55 years of age or older, along with individuals with disabilities (“The Ladrey” or “Project”). The Applications are inclusive of approximately 12,820 sq. ft. of resident amenity space, 18,092 sq. ft. of open space including pocket parks, a generous interior resident courtyard, and impressive views from rooftop open space.

In total, the Applications envision a 5 and 6 story building with ground floor residence entrances along N. Fairfax Street, and a larger 7 story building replacing the footprint of the existing Ladrey apartment building along Wythe Street. As the current Ladrey building contains 170 existing public housing units, the Applications include replacements for each of the existing apartment homes on the Property today, aligned with the City Council and ARHA Board of Commissioners adopted Resolution 2876 (“Resolution 2876”).

1.3 Requested zoning changes or waivers (if any).

Applicant proposes to rezone the Property from the RC zone to the RMF zone, a master plan amendment to the Old Town North Small Area Plan (“OTNSAP”) for changes to density, height, and zoning recommendations for the Property, along with an SUP for an increase in density within the RMF zone up to a 3.0 FAR, an SUP for a parking reduction, and an SUP for bonus density and height consistent with Section 7-700 of the City’s Zoning Ordinance.

1.4 A brief discussion on how the affordable housing goals and recommendations of its applicable small area plan are being addressed by the AHP.

While there is no specific target established for affordable housing on the Property, the Project is responsive to the Policy, and achieves the goals of Resolution 2876, while also

expanding on the opportunities for affordable housing identified in the Old Town North Small Area Plan (“OTNSAP”).

The OTNSAP identifies the Property as one of several areas for future development, including it within the recommendations per the Illustrative Concept Plan – A. Of the six objectives highlighted for this Plan – A area, #1 recommends that “Proposed new residential development is encouraged to provide affordable housing to the extent feasible, consistent with the recommendations in the Housing Chapter.”

Turning to Section 3.4 of the Housing Chapter of the OTNSAP, the Applicant’s proposal for The Ladrey, and this Affordable Housing Plan, clearly align with the relevant recommendations therein, in pertinent part (see page 60 of the OTNSAP):

1. *Prioritize high quality, mixed-income residential development in the plan area to provide opportunities for a range of households of varying sizes, ages, abilities, and income groups.*

The Applicant’s proposal ensures the retention of all existing 170 public housing units at 30% AMI within the OTNSAP, and anticipates creating an additional 20 units for households at 60% AMI, and 80 units for households at 80% AMI, subject to minor deviations between 60% and 80% AMI based on a final determination of the most efficient mix for the LIHTC application.

Furthermore, ARHA and the Applicant’s efforts will ensure that vulnerable populations maintain access to residential opportunities within the OTNSAP. All 170 of the public housing units being replaced as part of the Project are set aside for use by public housing residents who qualify as elderly or as an individual with a disability. ARHA maintains a separate waitlist for filling units for this specific population as units become available. The remaining 100 units shall be made available to individuals 55 years of age or older, or those with a disability.

2. *Encourage mixed-income housing and maximize affordability throughout the plan area by implementing an increase in the density bonus provision from 20% to 30% pursuant to Section 7-700 of the Zoning Ordinance. The provision of the arts and cultural incentives as outlined in the Plan will not preclude the potential use of Section 7-700.*

As noted above, the Applicant’s proposal ensures a maximum of affordable housing is provided on the Property, employing both the RMF Zoning District and Section 7-700 to provide the maximum development potential on the Property.

3. *Achieve the goal of a 40-year term of affordability for new affordable housing units in the plan area.*

As provided elsewhere, the Applicant proposes to operate the 100 new CAUs as committed affordable for a 40-year term.

- 4. Prioritize the goal of one-for-one on-site replacement of Resolution 830 units within the plan area.*

All existing units covered under Resolution 2876 (the successor to Resolution 830) are replaced on a one-for-one on-site basis per the Applications.

- 5. Explore other regulatory strategies to further expand mixed-income housing and to foster public-private-nonprofit partnerships.*

The Applicant's proposal employs recent regulatory tools, such as the RMF Zoning District, to ensure the maximum amount of affordable housing, mixed between 30%, 60%, and 80% of AMI.

- 8. Incorporate universal design to enable residents to age-in-place and improve the safety and utility of housing for people with disabilities including visitability features.*

As previously discussed, all units in the Project shall be reserved for a population identified as elderly (55+) and/or individuals with disabilities. The Project's design comports with Virginia Housing's mandatory requirements for design for an elderly population, including the incorporation of universal design principles, and provides resident services geared towards helping residents age gracefully and to assist those with disabilities, mobility challenges, and similar impediments have an equal access to quality affordable housing.

- 10. Ensure that new residential development meets the sustainability objectives of the Plan.*

While not strictly related to the Affordable Housing Plan, the Project also achieves this important goal, by meeting and exceeding the City's requirements under the 2019 Green Building Policy.

2. The number, type (rental/for-sale), size (number of bedrooms), level of affordability (percent of area median income), location, and length and terms of affordability of existing CAUs being demolished as part of redevelopment.

As previously mentioned, there are 170 existing apartment rental units as part of the current Ladrey building, which is proposed for demolition prior to commencing construction of the Project. Of those 170 existing units, all are currently one-bedroom units, and are affordable at the 30% AMI level.

As with any public housing units, the length and terms of affordability of these units are defined by an Annual Contributions Contract with HUD and the subsidy level is subject to annual appropriations by Congress.

3. The status of tenant engagement efforts.

ARHA's engagement of existing tenants commenced prior to the selection of a development team for the Project. ARHA's Staff and CEO advised existing tenants in advance of the November 2021 issuance of the RFP for the Property and recruited four (4) existing tenants to join the RFP evaluation panel in February of 2022, in anticipation of the receipt of formal replies from developer respondents and their presentations. This ensured that residents would have a voice in the selection of the Applicant as the development team. More broadly, ARHA commenced holding monthly resident meetings in April of 2022, to ensure the entire existing tenant community had an opportunity to hear more about, and comment on, the process.

Since the selection of the Applicant as ARHA's development partner, they have collaborated on the development and execution of a comprehensive plan for ensuring clear, consistent, and relevant engagement with the existing residents around the redevelopment plans for the Property. ARHA's regularly meetings with the existing tenants have continued monthly and are typically held on the fourth Thursday of each month. The intent of these regular meetings is to ensure a clear line of communication with the existent tenants to receive existing tenant feedback on issues important to the redevelopment process, including the specific needs that the redevelopment aims to address. In addition to ARHA's participation, the Applicant team is often invited to attend to address any resident questions the Project proposal and overall development process, and to provide presentations, answer questions, and solicit specific feedback. Acknowledging that the existing tenant population is diverse, and represents a variety of ethnicities and languages, the Applicant and ARHA coordinate to ensure that translators and interpreters are present at meetings, to enable the full participation of the existing tenants. In addition, the Applicant's team has provided other means of providing feedback on design elements, such as an exercise wherein graphic boards with various aspects of the proposed Project, were produced, and left for a period of time in which the existing tenants were given an opportunity to feedback via the placement of stickers – green for positive feedback, and red for negative.

Furthermore, the Ladrey resident committee remains constituted and continues to engage in its regular role on behalf of the residents, with an opportunity for the resident committee's leadership to address the ARHA Board directly at each ARHA Board meeting.

Outside of the regularly scheduled resident meetings, starting in October of 2022, the Applicant established a permanent presence in the Ladrey building, with a member of the Applicant's team holding office hours where any Ladrey resident can come by to discuss the proposed redevelopment, potential relocation, and other issues every Monday through Thursday, from 1-4PM.

Additionally, the Applicant has made a point of engaging with existing tenants outside of the formal meeting structure, by participating in and sponsoring social events that create opportunities to meet existing tenants that a traditional outreach does not. For example, the Applicant maintained a presence at and participated in both the 2022 and 2023 ARHA National Night Outs, coordinated with ARHA to provide Thanksgiving and Christmas/Holiday Celebrations in 2022, and held a resident cookout event in May of 2023. The Applicant looks forward to repeating some of these successful tenant outreach efforts later in 2023, and beyond as appropriate.

4. The status of tenant relocation planning efforts and outreach to the Landlord-Tenant Relations Board.

As a member of the City’s Affordable Housing Working Group, ARHA provided input into the revision of the former Resolution 830 and the drafting of Resolution 2876, adopted by the City Council on April 23, 2019. The aforementioned resolutions are the City’s commitment to preserving minimum levels of affordable housing units in the City, ensuring a safe and orderly resident relocation process, and recognizing ARHA’s commitment to providing housing units for low-income households within a mixed-income property.

ARHA and the Applicant affirm their commitment that no resident will be displaced unless and until a replacement unit has been identified for the resident. The Applicant and ARHA have developed a Tenant Relocation Plan, a copy of which is submitted alongside the Applications’ Verification of Completeness #1 Submission dated October 19, 2023, and was approved on October 4, 2023 by the Landlord-Tenant Relations Board.

While the full draft Tenant Relocation Plan is available for review, a number of key aspects of the relocation plan are important to highlight.

Relocation Planning: Together with the Applicant, ARHA has contracted with HousingToHome (“HTH”) to coordinate all relocation services, provide case management while residents are in their temporary homes, and otherwise work alongside the Applicant and ARHA to ensure a smooth and timely relocation off-site and return to the redeveloped site when the units become available.

Relocation Expenses: Relocation expenses incurred by residents of the Ladrey building will be paid through ARHA and the Applicant. Residents will not be required to pay moving expenses, purchase moving supplies, disconnect and connection fees, and other such fees.

Right of Return: Consistent with the Section 18 process, and ARHA policy, all relocated residents in good standing have the right to return to the redeveloped site and into a unit that accommodates their household composition. While living in temporary housing for the duration of construction, expected to be a period of approximately three years, HTH will provide case management services to ensure that household information and needs remain current. ARHA and the Applicant share a goal of ensuring that the maximum number of current Ladrey residents choose the option to return to the Project.

5. The number, type (rental/for-sale), size (number of bedrooms), level of affordability (percent of area median income), location, and length and terms of affordability of proposed CAUs.

The Applicant’s plans call for a 100% affordable development featuring a total of 270 residential units, of which 170 will be Resolution 2876 replacement units and reserved for households the 30% AMI level, with 20 units reserved for households up to 60% AMI, and an additional 80 units reserved for households at the 80% AMI level, subject to minor deviations between 60% and 80% AMI based on a final determination of the most efficient mix for the LIHTC

application. While the breakdown of unit types may be modified pending final design of the Project, the Applicant anticipates that the unit mix shall be as follows:

Unit Types	30% AMI	60% AMI	80% AMI	Total
<i>1 Bedroom</i>	160	18	74	252
<i>2 Bedrooms</i>	10	2	6	18
<i>Total</i>	170	20	80	270

The Applicant proposes to operate the 100 new units as committed affordable units for 40 years. The Project meets and exceeds zoning requirements for new committed affordable units under both the relevant requirements for an RMF SUP and Sec. 7-700 SUP. The requirements are outlined below, and then are further broken down as requested by AMI and the requirements that they fulfill.

Policy	CAU Requirements	Provided
Resolution 2876 Units	170 Units at 30% AMI	170 Units at 30% AMI
RMF SUP Density	54 Units at average 40% AMI	Project has 170 Units at 30% AMI
7-700 Additional Density	19 Units at 60% AMI	Project has 20 units at 60% AMI

6. A description of existing and proposed affordable housing financing agreements with third parties (including the Department of Housing and Urban Development).

For the existing 170 units at the Ladrey, which will be replaced per Resolution 2876, the Applicant, together with ARHA, seeks to reposition the operating subsidy for existing units through HUD’s Section 18 disposition process. This repositioning process will allow ARHA to convert the subsidy on these existing units from public housing subsidies (ACC contract rents) to Section 8 project-based vouchers. This repositioning of subsidy has no impact on existing public housing rules which call for the household to pay no more than 30% of household income for rent and it does not require the family to reapply for these units.

In the alternative, ARHA will apply for conversion of the 170 public housing units through HUD’s Rental Assistance Demonstration (RAD) program. This program also has no impact on the household share of rent and other rights afforded to public housing residents.

The existing 170 units are not encumbered with any debt or leveraged in any way to support various bond programs authorized by HUD (energy enhancements, capital fund acceleration, etc.). Similarly, the property is not encumbered with any debt that ARHA has obtained from city or state funds.

All of the affordable units will also be financed through the Low-Income Housing Tax Program (“LIHTC”) administered by Virginia Housing. In addition, it is anticipated that the construction debt and permanent mortgages will be secured through HUD’s 221(d)(4) program. All HUD subsidies and debt, including Section 18, RAD, Faircloth, and project-based vouchers will be subject to HUD Regulatory and Use Agreements. All LIHTC units will further be subject to a Land Use Restrictive Agreement and an Extended Use Agreement.

AMI	Units	Subsidy Source
30%	170	HUD RAD/Section 18 Project-Based Vouchers
60%	20	LIHTC
80%	80	LIHTC

7. An equivalency analysis that compares the value and location of CAUs proposed to be provided off-site to that of CAUs constructed on-site.

The Applicant proposes to provide all CAUs on-site throughout the Project.

8. A description of how proposed CAUs will be incorporated into the overall project to create a successful mixed-income community, including whether CAU residents will have access to amenities available to residents of market-rate rental units.

The Project shall feature 100% CAUs. These CAUs are not identified as particularly 30% or 60% or 80% AMI units in the development but are instead a floating designation applied on an as-appropriate basis; each unit is built and maintained to the same specifications regardless of being designated as a 30% AMI CAU, 60% AMI CAU or as an 80% AMI CAU.

Because there is no separation between CAUs, all amenities shall be available to all residents of The Ladrey in identical fashion.

9. Information on proposed phasing and implications such phasing would have on the delivery of proposed CAUs.

The Project is intended to be developed in a single phase. As a result, proposed CAUs would be delivered as the Project is completed, with no deferral of units to a later time.

10. Information on contributions proposed to be made to the Housing Trust Fund.

No contributions are anticipated from 100% affordable projects like the Project.

11. An estimate of the types and number of jobs to be created by mixed-use projects (for informational purposes only).

The Project does not consist of a mixed-use component, as The Ladrey is planned for 100% residential use.

12. Other information the applicant deems relevant to the AHP.

As discussed above, The Ladrey is intended to be operated much as the current property is today, providing residences for individuals 55 years of age or older, and individuals with disabilities. Operations of The Ladrey shall, to the extent necessary, comply with the requirements of the Federal Fair Housing Act and Virginia Fair Housing Law to claim exemptions from typical

protections based on “familial status” to restrict occupancy of The Ladrey to the population mentioned above.

For additional details, please see 24 CFR 100.300 et seq. for federal regulations, and 18VAC135-50-210 for related state regulations.

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 7, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: KENNY TURSCAK, HOUSING ANALYST

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 820 GIBBON STREET

ISSUE: Affordable Housing Plan for 820 Gibbon Street (DSUP #2023-10017)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the Affordable Housing Plan for 820 Gibbon Street as submitted by the applicant (attached).

BACKGROUND: Located in the Southwest Quadrant Small Area Plan (SAP), 820 Gibbon Street occupies an approximately one-half acre lot at the corner of S. Alfred and Gibbon streets. The site is currently occupied by Becker Electric's 1960s-era commercial office building, as well as a parking lot. The applicant proposes to demolish the existing building to construct 14 fee-simple townhouses, totaling approximately 34,000 net square feet of new residential development.



Existing zoning at the site, Commercial Low (CL), allows for residential uses up to a .75 Floor Area Ratio (FAR)¹. The applicant is seeking a rezoning to the CRMU-L zone to allow density up to 1.5 FAR with a Special Use Permit (SUP). As the applicant is seeking a zone with density beyond what is envisioned in the Southwest Quadrant SAP, the applicant will provide ten percent of residential floor area above what is recommended in the underlying small area plan as affordable housing, totaling approximately 1,500 square feet. Additionally, the applicant is utilizing Section 7-700 to secure approximately 4,000 additional net square feet; of this bonus density, one-third, or 1,335 square feet, must be provided as committed affordable housing.

¹ FAR determines the maximum amount of developable floor area, as defined by the Zoning Ordinance and adjusted for permitted exclusions, that a site has. FAR = max floor area / lot area

The project includes the following applications and modifications:

- Master Plan Amendment regarding permitted land use;
- DSUP to increase FAR to 1.5 under CRMU-L zone;
- SUP to increase density from 1.5 to 1.7 pursuant to Sec. 7-700.

DISCUSSION: Since the project plans to deliver fee-simple homeownership units, one committed affordable homeownership unit will be provided. Like all other units in the project, the CAU will have three bedrooms and offer finishes comparable to the market-rate units.



Rendering: Facing northeast from S. Alfred Street

Permitted development under existing zoning: 15,020 square feet

Permitted development under requested zoning: 30,041 square feet

Total proposed development: 34,045 square feet

Ten percent bonus density associated with rezoning: 1,502 square feet

One-third bonus density associated with Sec. 7-700: 1,335 square feet

Total number of residential units: 14

Average square feet per unit: $34,045 / 14 = 2,432$ square feet/unit

Committed affordable square footage required through bonus density associated with rezoning and Sec. 7-700: 2,837 square feet

Proposed affordable unit: 1 unit

The affordable for-sale unit is priced at \$325,000, which is consistent with the City's standard for-sale price for a unit of this type with parking; parking will not be unbundled as the unit features a garage.

Consistent with the City's Procedures Regarding Affordable Housing Contributions, the residential floor area permitted under the existing zoning (.75 FAR) is subject to the 2023 Residential Tier 1 voluntary contribution rate of \$3.37/square foot. The applicant will provide a voluntary monetary contribution of \$50,618 to the Housing Trust Fund. Since the project will develop as for-sale, the monetary contribution may be utilized to enable the City, as needed, to provide down payment and closing cost assistance to help qualified first-time buyers.

FISCAL IMPACT: \$50,618 to the Housing Trust Fund

ATTACHMENT:

(1) Affordable Housing Plan for 820 Gibbon Street DSUP #2023-10017; September 19, 2023

STAFF:

Helen S. McIlvaine, Director, Office of Housing

Eric Keeler, Deputy Director, Office of Housing

Tamara Jovovic, Housing Program Manager, Office of Housing

Kenny Turscak, Housing Analyst

**816 and 820 Gibbon Street, 608 and 614 S Alfred Street
Affordable Housing Plan
September 19, 2023**

1.1 Project name and address

Project Name/Address: 816 and 820 Gibbon Street, 608 and 614 S Alfred Street

1.2 Application number

CDSP #2023-00007 , DSUP # TBD

1.3 Brief description of the application and the proposed development program

The Applicant proposes to construct 14 four-story townhouses and associated site improvements.

1.4 Requested zoning changes or waivers (if any)

- **Master Plan Amendment to the Southwest Quadrant Area Plan Land Use Map**
- **Rezoning from the Commercial Low (“CL”) to Commercial Residential Mixed Use (Low) (“CRMU-L”)**
- **DSUP with Preliminary Site Plan for a development containing 14 townhouses at a 1.5 FAR, with modifications to open space and side yard setback**

1.5 The Small Area Plan in which the project is located and a brief discussion of how relevant affordable housing goals and recommendations are being addressed by the AHP

The project is located in the Southwest Quadrant Small Area Plan. The proposed project is consistent with the City’s Housing Master Plan in that it will replace an existing aging office building with a new townhouse development and will provide a voluntary housing contribution as well as one on-site affordable housing unit, consistent with the City’s Affordable Housing Contributions Policy and Procedures.

2. Description of the AHP to include:

2.1 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of proposed affordable units

The Applicant proposes to provide one townhouse unit available to a household earning incomes between 70% to 100% of AMI. The affordable townhouse unit will be designed and constructed with a comparable design, floor plan, and materials as the 13 market rate units in the development. All townhouse units will be four stories with an average size of approximately 2,400 square feet of floor area.

2.2 General description of location of affordable units in the project

The affordable unit will be one of the internal units located on Gibbon Street.

2.3 Confirmation that residents of affordable units will have equal access to all amenities available to residents of market-rate units

N/A

2.4 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of existing affordable units being demolished as part of redevelopment (if any)

No residential uses exist on the property, and therefore no affordable units are proposed to be demolished.

2.5 Brief discussion of tenant relocation plan approved by the Landlord-Tenant Relations Board (if applicable)

N/A

2.6 Description of the phasing of the project and any implications it may have on the delivery of units (if any)

The development will be constructed in a single phase and the affordable unit will be delivered with the completion of construction.

2.7 Description of any voluntary contributions to be made to the Housing Trust Fund in addition to the provision of affordable units (if any)

In addition to the one on-site unit, the Applicant will be providing a monetary contribution to the Housing Trust Fund of \$50,618, consistent with the voluntary contribution rates in effect at the time of this Application.

2.8 Any other information the applicant deems relevant to the AHP

N/A

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 7, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: KENNY TURSCAK, HOUSING ANALYST

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 1201 E. ABINGDON DRIVE

ISSUE: Affordable Housing Plan for 1201 E. Abingdon Drive (DSUP #2023-10012)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the Affordable Housing Plan for 1201 E. Abingdon Drive as submitted by the applicant (attached).

BACKGROUND: 1201 E. Abingdon Drive, also known as Parkway Center, is a five-story Class A office building built in 1984. The lot is approximately 1.5 acres in area and is located in the Old Town North Small Area Plan (SAP). The applicant proposes to convert the existing building to residential uses, construct an addition, and add a sixth floor. The project is anticipated to deliver 136 rental units.



The site is currently zoned OCM (50), which allows for residential uses up to a 1.5 Floor Area Ratio (FAR)¹. The applicant is seeking a rezoning to the CRMU-X zone to allow density up to 2.5 FAR with a Special Use Permit (SUP). As the applicant is seeking a zone with density beyond what is envisioned in the Old Town SAP, the applicant will provide ten percent of residential floor area above what is recommended in the underlying small area plan be provided as affordable housing consistent with the 2020/21 Housing Contribution Policy Update. Additionally, the project is within 50-foot height district and is already noncomplying as-built at 53 feet tall. With a proposed sixth story addition, the applicant is seeking a Master Plan Amendment (MPA) to permit a 65-foot-tall project.

¹ FAR determines the maximum amount of developable floor area, as defined by the Zoning Ordinance and adjusted for permitted exclusions, that a site has. FAR = max floor area / lot area

The project involves the following applications and modifications:

- DSUP for a multifamily building in CRMU-X zone;
- SUP to increase the maximum permitted FAR to 2.5 in CRMU-X; and
- Master Plan Amendment to rezone and increase building height to 65 feet.

DISCUSSION: Due to its location within Height District 1, which has a 50-foot height limit, the project is unable to request bonus height through Section 7-700; the project is pursuing additional height through a Master Plan Amendment to the SAP.



Rendering of the site viewed from George Washington Memorial Parkway

The applicant has proposed to provide seven committed affordable units (CAUs). Staff finds this contribution to be consistent with the requirements of the Housing Contribution Policy Update; and an equivalency analysis of what would have been required if the project could have utilized bonus height.

The CAUs comprise one (1) one-bedroom, four (4) one-bedroom and dens, and two (2) two-bedrooms unit; This unit mix is generally proportional to the building’s planned unit mix (Table 1). While the project’s total unit count may be subject to change at Final Site Plan, the applicant will provide no fewer than seven CAUs.

Table 1

Unit Type	Units	Unit Mix as % of Total Units	Affordable Units	Affordable Unit Mix as % of Total Affordable Units
Studio	7	5%	0	0%
One-bedroom	28	21%	1	14%
One-bedroom + den	72	53%	4	57%
Two-bedroom	29	21%	2	29%
	136		7	

Rents (adjusted for utilities and parking fees) will be affordable to households with incomes at 60% AMI (equivalent to \$63,300-\$90,420 in 2023 for a household with one to four members, respectively), as well as to eligible households with Housing Choice (Section 8) vouchers as required by State law. In addition, ‘non-standard’ unit types such as one-bedroom + den units must have rent limits equal to their closest equivalent; one-bedroom + den units will rent at a one-bedroom rate. The units will remain affordable for a 40-year period from the date of initial occupancy. The residents of CAUs will have the same access to amenities as do market-rate residents in the project.

If the project converts from a rental to a for-sale condominium structure or is constructed as such, the applicant will provide the seven committed affordable for-sale units. For-sale units will be affordable to households with incomes generally ranging between 70% and 100% of the area

median income (AMI) (Table 2). City homeownership assistance will be available to eligible households to help with down payment and closing costs. The units will remain affordable with equity sharing enforced through deeds of covenant restricting their resale.

Table 2

2023 Affordable For-Sale Committed Affordable Unit Program Income Limits				
	Household Size			
Percent of AMI	1 Person	2 People	3 People	4 People
70%	\$73,850	\$84,420	\$94,990	\$105,490
100%	\$105,500	\$120,600	\$135,700	\$152,100

The starting point for the prices of the affordable for-sale units are the City’s 2023 standard prices, which include one parking space: \$225,000 for a one-bedroom; and \$275,000 for a two-bedroom. Consistent with the City’s policy which requires the unbundling of housing from parking, buyers of the affordable units will have the opportunity to purchase up to one parking space per household for \$30,000; if the buyer does not purchase a parking space, the unit will be discounted \$30,000 from the standard price. In addition, units with dens are priced \$25,000 above the standard price due to the added value created by the additional space (Table 3). For the purposes of CAUs, dens are defined as being enclosed with a door, having a minimum of 70 square feet of floor area, being no less than seven feet in any horizontal dimension, and not housing any substantial mechanical equipment.

Table 3

2023 Affordable For-Sale Prices		
Unit Type	Price (w/ parking space)	Price (w/o parking space)
One-Bedroom	\$225,000	\$195,000
One-Bedroom Plus Den	\$250,000	\$220,000
Two-Bedroom	\$275,000	\$245,000

Consistent with the City’s Procedures Regarding Affordable Housing Contributions, the application is subject to the contribution rate in effect at the time the application’s concept plan was accepted for review (2022). The applicant will provide a voluntary monetary contribution of \$181,568 to the Housing Trust Fund based on the floor area associated with the office to residential conversion. Should the project proceed as for-sale condominiums, it is anticipated that the contribution would help fund the majority of the City’s downpayment and closing cost assistance needed for the project’s future CAU purchasers.

FISCAL IMPACT: \$181,568 to the Housing Trust Fund

ATTACHMENT:

(1) Affordable Housing Plan for 1201 E. Abingdon Drive DSUP #2023-10012; October 20, 2023

STAFF:

Helen S. McIlvaine, Director, Office of Housing
 Eric Keeler, Deputy Director, Office of Housing
 Tamara Jovovic, Housing Program Manager, Office of Housing
 Kenny Turscak, Housing Analyst

1201 E. Abingdon Drive
CDSP #2022-00026
Affordable Housing Plan
October 20, 2023

PF III Abingdon, LLC (the “Applicant”), an affiliate of The Pinkard Group proposes a Development Special Use Permit (“DSUP”) for the residential conversion of the existing office building on the property known as 1201 E. Abingdon Drive (the “Property”). The Property is bordered to the west by E. Abingdon Drive and the George Washington Memorial Parkway; the Riverton Condominium to the north; and the recently developed Towns of Abingdon to the south. East of the building, there is a row of surface parking for the Property, N. St. Asaph Street and a surface parking lot for the Pitt Street Office Centre building. The Property sits on a site of approximately 67,480 SF or 1.55 acres. The future development of the Property is guided by the Old Town North Small Area Plan (“OTN SAP”).

The Applicant proposes a building conversion that includes a total of 156,227 SF of Floor Area. A total of 136 residential units is proposed. The proposed residential units are planned to be rental, with seven (7) studios (5 %), twenty-eight (28) one-bedrooms (21%), seventy-two (72) one-bedrooms with dens (53%), and twenty-nine (29) two-bedrooms (21%). The Applicant proposes a rezoning to the CRMU-X zone, a DSUP and a master plan amendment to allow for occupiable penthouse over 50’, to a height of approximately 65’.

The Applicant is able to convert 112,775 SF of Floor Area of the existing building to residential use by right. The Applicant proposes to add Additional Density of 43,452 SF including the penthouse level. Under the applicable, existing 2020 City Affordable Housing policy, residential developments in a core market that exceed the recommended density in the applicable small area plan (SAP), are required to provide 10% of the increase in residential development as affordable housing. Here, the Additional Density of 43,452 SF is density in excess of the Old Town North SAP and therefore 10% or 4.3 units rounding to five (5) units is the required affordable housing contribution under the applicable City policy.

The Applicant recognizes the great need for affordable housing and proposes seven (7) units affordable housing. This contribution is 63% greater than the amount of affordable housing required pursuant to the City policy detailed above. The Applicant agrees to provide a mix of affordable unit types proportionate to the market rate unit types.

In addition to the proposed on-site affordable housing, the Applicant agrees to pay to the voluntary affordable housing contribution applied to 112,775 SF of converted, existing density. At the 2022 rate of \$1.61/SF, the voluntary contribution totals \$181,568.

The Applicant’s affordable housing proposal exceeds the current City policy and the Zoning Ordinance. This high-quality development will add more than anticipated affordable housing to an area of the City where more affordable housing is needed. Additionally, the project adds housing consistent with Metro-DC regional goals of increasing housing to meet unmet needs.

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

City Hall Room 2000 | November 2, 2023

	Members Present	Members Absent	Staff
1	Annette Bridges (via phone)		Tamara Jovovic, Housing Program Manager
2	Jan Macidull		Arthur Thomas, Housing Program Specialist
3	Michelle Krocker		Kenny Turscak, Housing Analyst
4	Michael Doyle		Kim Cadena, Housing Analyst
5	Betsy Faga, Chair		Mayra Jordan, Bilingual Intake Specialist
6	Coss Lumbé		
7		Yeshewase Ayele	
8		Jon Frederick	
9	Robyn Konkel		
10		Peter Sutherland	
11		Michael Jackson	
12		Shelley McCabe	
13		Peter-Anthony Pappas	
14	Aschalew Asabie (via phone)		
15	Melissa Sathe		
16	Michael Butler		
17	Felicia Brewster		
18	Sean Zielenbach		
	Helen McIlvaine*, Housing		
	Alison Coleman*, DCHS		
	Guests	Affiliation	
1	Stephen Koenig	Commissioner, Alexandria Planning Commission	
2	Alex Sprague	Commission on Persons with Disabilities	

*non-voting

The Committee began with information items until quorum was met.

Note: Agenda items appear in the order that they were discussed.

7. Report Outs (Committee Members)

Robyn Konkel provided an update on the Hilco Potomac River Generating Station, sharing that Hilco held a community meeting on October 19 focused on the design of the project's first three blocks—A, B, and C.

8. ARHA Update (Michelle Krocker)

Michelle Krocker noted that no changes have occurred with any of ARHA's ongoing projects, including the Samuel Madden and Ladrey redevelopments since last month's AHAAC meeting. Ms. Krocker stated that ARHA's biggest challenge is staffing; CEO Keith Pettigrew and several key staff have left the organization. HUD regulations will guide the six-month transition period as ARHA searches for a new CEO. Ms. Krocker also noted that ARHA has hired a new Chief Financial Officer.

9. Housing Alexandria Updated (Jon Frederick)

No Housing Alexandria update was provided due to Jon Frederick's absence.

4. Development Preview (Kenny Turscak)

Kenny Turscak gave the Committee an overview of the 820 Gibbon Street project, which proposes 14 townhouses in the Southwest Quadrant Small Area Plan. Mr. Turscak noted that the project is seeking bonus density through both Section 7-700 and a rezoning, through which a portion of the floor area associated with the increase in density must be reserved for affordable housing. The applicant has proposed providing one townhouse as a committed affordable homeownership unit, which would be marketed to households with incomes between 70% and 100% of the Area Median Income.

One member asked how the unit will be appraised relative to other units in the project; Eric Keeler responded that the unit be assessed at its discounted value and that the assessment will not affect surrounding properties. The member followed up and asked why set-aside rental units cannot receive tax abatement when homeownership units are able. Another member responded that multifamily properties are taxed based on rental income which factors in the affordability of rents.

Another member asked how long affordability covenants are in place for homeownership units. Mr. Keeler stated that the covenant is reset each time the unit is sold, and covenants are in place for 40 years.

1. Introductions and Chair Remarks (Betsy Faga)

The chair called the meeting to order at 7:31 p.m. when quorum was met; the chair asked members and guests to introduce themselves.

2. Update on Arlandria-Chirilagua Housing Cooperative Project (Arthur Thomas & Helen McIlvaine)

Helen McIlvaine introduced Arthur Thomas, Housing Program Specialist, who is leading the Arlandria-Chirilagua Housing Cooperative (Coop) rehabilitation project. Mr. Thomas runs the Office of Housing's Home Rehabilitation programs and monitors construction projects in which City and federal money are invested; in addition, Mr. Thomas is leading the Pendleton Street Rooming House rehabilitation project.

The City has invested in the Coop since 1994, when the predecessor to Tenants and Workers United (TWU) purchased the property and converted it to a cooperative. Prior to City investment, the property was held by the Treasury Department following a foreclosure; upon sale to TWU, the Treasury Department placed a Land Use Regulatory Agreement on the property, which is the source of the property's affordability period. Because affordability restrictions derive from this federal investment, the City is unable to modify the affordability period.

The Coop spans 15 buildings comprising 282 units. Households purchase shares of the Coop, valued at approximately \$1,500, and pay a monthly fee of approximately \$700. TWU is no longer involved with the property's ownership or management.

\$2.5 million of ARPA-like funding will support renovations including new roofs and HVAC system upgrades, and Community Impact Grant funding from Virginia Housing will support with the membership recordation process. All construction work is expected to be completed by spring 2024. Through existing City investment, the property is required to remain affordable through 2037. The City is currently working with residents and offering technical assistance so residents can plan the future of the property after 2037.

One member suggested that a member of the Coop board could serve on AHAAC; Ms. McIlvaine responded that this is a good idea and that the Office of Housing can work to recruit this member.

Another member asked why the Coop is reluctant to take on additional debt and if the property has other loans besides the City loan. Ms. McIlvaine explained that the Coop also has a loan with Wells Fargo, with only three-to-four million dollars left to pay. The member followed up and asked if the Coop is able to meet its payment obligations; Ms. McIlvaine said that the budget is very tight.

A member asked if Coop units are included in the City's published list of Committed Affordable Units (CAUs). Eric Keeler stated that these units are not classified as CAUs since they are technically homeownership units; if residents leave the Coop, they must sell their membership shares.

A member asked if having membership in the Coop helps residents with their credit. Ms. McIlvaine stated that some residents were worried about creditors being attached to share recordation but are now comfortable with the idea.

Another member asked how unit shares are calculated; Ms. McIlvaine stated that this process has not been consistent over time, but a process will be established with the upcoming share recordation.

3. Office of Housing Updates (Tamara Jovovic/Eric Keeler)

Tamara Jovovic discussed the current [Procedures Regarding Affordable Housing Contributions](#), explaining that contributions are locked in at Concept 1 of the City's review, but contributions are not paid until a Certificate of Occupancy (CO) is issued. The time between Concept 1 and the CO issuance, however, may take two to three years or longer, further devaluing the amount of the contribution. Staff are discussing a modification to the contributions in cases in which there is an extended delay between the concept and completeness stages of the development review process.

One member asked if this would pose a challenge to developers. A member with development experience stated that if there is a predictable formula, developers will likely be able to factor in heightened contributions into their pro formas.

Another member asked how other jurisdictions approach affordable housing contributions, citing examples in Boston, Minneapolis, Philadelphia, and other cities nationwide. Additionally, the member asked if staff have talked to local developers about the proposed modification; Ms. Jovovic noted that developers are aware of the overall issue and may expect this proposal. Mr. Keeler added that this proposal may motivate developers to expedite projects.

Mr. Keeler then provided the Committee with an update on the FY2025 budget process, including the Capital Improvement Plan (CIP). Mr. Keeler noted that all FY2025 and FY2026 dollars have been allocated to Housing Alexandria's Glebe-Mount Vernon project. Mr. Keeler stated that since the City does not have funding available at this time for the ARHA Ladrey project, none has been requested.

One member asked if there are sources beyond City dollars that can fulfill funding needs. Mr. Keeler stated that the City is looking to development partners to identify new sources, with Ms. McIlvaine adding that the City actively monitors funding opportunities.

Another member noted that the pipeline has tens of millions of dollars in unfunded projects and asked if City Council is discussing methods to fund these projects; another member asked if the Committee will recommend funding. Mr. Keeler responded that staff is providing information, and that it will be up to the Committee to recommend funding if it decides to do so. A member recommended that AHAAC convene key stakeholders including leaders from the City, Chamber of Commerce, faith community, development community, and others to discuss funding solutions. Betsy Faga told the Committee that she will discuss recommendations with members and draft a letter to City Council.

Eric Keeler presented an overview of the Housing Master Plan update schedule; staff is working internally to formally kickoff the planning process in summer/fall 2024, with an adoption goal of late 2025.

5. Zoning for Housing

Planning Commissioner Stephen Koenig attended as a guest and briefed members on Zoning for Housing updates. On November 1, Planning Commission recommended passage of all Zoning for Housing/Housing for All to City Council.

Commissioner Koenig stated that Planning Commission discussed two provisions at length—adjustments to townhouse and single-family zones, and recommended changes. Commissioner Koenig told members that he believes the recommendations are well-grounded and researched, though many believe that the recommendations are moderate in scope. The Commissioner outlined two crises the city is currently facing, environmental and housing affordability, noting that the city's current trajectory will not be able to meet these challenges. Commissioner Koenig stated that he and other commissioners plan to continue this conversation and push for a Zoning for Housing phase II in the future.

There will be several City Council public hearings in November, at which multiple AHAAC members have volunteered to speak in support of recommendations. City Council is expected to vote on Zoning for Housing/Housing for All recommendations on November 28.

6. Consideration of October 4, 2023 Minutes

Coss Lumbé motioned to approve the October 5, 2023, minutes; Michelle Krockner seconded the motion. The Committee voted to approve the October 5, 2023, minutes unanimously.

14. Adjournment (Chair)

There were no additional staff updates or announcements. The Chair adjourned the meeting at 9:03 p.m.

FY 2023 Affordable Housing Development Funds

Financial Report

November Highlights

Payments Received	Reference	DSUP or Transation ID	\$ Amount
Grand Total			

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

New Transaction(s)	Fund	Date	\$ Amount
Pilot Rental Assistance			-\$25,332
Grand Total			-\$25,332

Revenues

	2023						2024						FY Total
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Developer Contributions	\$0	\$85,417	\$10,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$95,829
Developer Contributions - Braddock SAP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Multifamily Loan Repayments	\$0	\$193,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$193,721
New Revenue Allocated by City Council	\$12,151,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,151,130
ARPA CIP Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FY Total	\$12,151,130	\$279,138	\$10,412	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,440,680

Balance Available
\$115,680

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	\$2,123,273	-\$2,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,100,000	\$23,273
Pilot Rental Assistance	\$398,391	-\$18,589	-\$14,437	-\$26,289	-\$22,078	-\$25,332	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$106,725	\$291,666
Rebuilding Together Alexandria (RTA)	\$0	\$50,000	-\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Housing Trust Fund Total	\$2,521,664	-\$2,068,589	-\$64,437	-\$26,289	-\$22,078	-\$25,332	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,206,725	\$314,939
Housing Opportunity Fund															
AHDC - Arlandria	\$9,500,000	\$24,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,700,000	\$34,200,000
AHDC - Operating	\$0	\$275,000	-\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
AHDC - Seminary	\$2,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,250,000
ARHA - Redevelopment and Repositioning	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
ARHA - Samuel Madden	\$1,000,000	\$2,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,100,000	\$3,100,000
Arlandria Chirilagua Housing Coop	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500,000	\$2,500,000
ARPA Projects	\$14,500,000	-\$14,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$14,500,000	\$0
CHP - Witter Place	\$10,500,000	-\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$400,000	\$10,100,000
CLI - Elbert Avenue	\$170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$170,000
EHIP	\$75,500	-\$41,500	-\$15,000	-\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$71,500	\$4,000
Housing Opportunity Fund Total	\$38,295,500	\$14,633,500	-\$290,000	-\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,328,500	\$52,624,000

MEMORANDUM

TO: Mr. James Parajon, City Manager
FROM: Alexandria Housing Affordability Advisory Committee
DATE: November 21, 2023
RE: Priorities for FY 2025 City of Alexandria Budget

The Alexandria Housing Affordability Advisory Committee (AHAAC) advises the Office of Housing and City Council on housing affordability, home ownership, and equity for all Alexandria residents. As Council considers the challenges of the FY 2025 budget, our Committee requests that the following needs be addressed in your deliberations.

This year's emphasis by City Council on Zoning for Housing/Housing for All highlights the importance the City puts on the need for adequate and affordable housing for all. The preliminary estimates of the number of units each strategy might produce was disappointing. However, increased funding is needed to meet even these modest projections.

THE COST OF CREATING NEW AFFORDABLE HOUSING HAS RISEN DRAMATICALLY

Previously, a developer's typical request for gap funding to advance a single multifamily affordable housing project was about \$7 million. The pandemic, inflation, and supply chain slowdowns, volatility in interest rates, as well as the complexity of the projects and the need to expand affordability to deeper levels have increased gap amounts to almost \$10 million. City funding is insufficient at current levels to meet development costs, impacting current pipeline projects as well as new pipeline projects. As a result, the City may jeopardize its ability to meet Housing Master Plan goals for affordable housing by 2025 and its Metropolitan Washington Council of Governments (MWCOC) 2030 Regional Housing Initiative targets although a number of projects to meet these targets has been identified.

THE CURRENT AFFORDABLE HOUSING SITUATION IN ALEXANDRIA

We commend the Office of Housing staff for securing multiple resources to help fund the various housing projects. However, there is always a funding gap.

- Approximately 15,000 low- to moderate-income city households are estimated to pay more than 30% of their income on rent and utilities; of these, more than 7,000 households with incomes below \$50,000 are estimated to pay more than half of their incomes on housing-related costs. In 2023, the City counts approximately 8,300 units as market affordable.
- There are currently two projects (Elbert Avenue and ParcView II) that have received development approvals, but City/gap funds to move these projects forward are estimated at approximately \$55 million and have not yet been identified. These projects will result in 464 new units and the City should consider ways to get these underway. There are also three projects proposed as part of Small Area Plans in the mid-term: NPY Block 23 (school and up to 150 affordable units); PRGS affordable housing (approximately 100 units); and Landmark fire station – affordable housing (up to 200 units). When projects are proposed pursuant to Small Area Plans, CIP funding should be incorporated in the budget to ensure these projects – which have already received community support in concept – can proceed. AHAAC estimates that about \$50 million will be needed as City support for these to proceed.

- Resident input into the Zoning for Housing/Housing for All proposals highlights the need for an increased supply for the most economically vulnerable populations – those making 30-50% AMI. The inability of lower income individuals to afford living inside the city exacerbates lower-wage sector labor shortages. With many workers forced by housing costs to live outside the city, there are increased demands on our regional transportation network.
- It costs approximately \$550,000-\$600,000 to build an affordable unit, including costs related to development fees, required contributions towards public amenities, and a variety of infrastructure improvements. Housing funds are loaned to meet about 20% of these costs; because of the City's investment, the remaining funds can be leveraged from debt and equity provided by third parties.


FY 2025 BUDGET RECOMMENDATIONS

City Council, with staff support, is urged to be bold and take a strong leadership role and tangible actions to increase the funding for affordable housing in Alexandria by:

- Playing a leadership role in convening and coordinating the efforts of key parties to meet these needs together. Convened parties may include local public, private (e.g. JBG Smith, Amazon, developers and their attorneys), nonprofit (e.g. the Chamber, ACT), and faith leaders, who may identify opportunities and commit to obtaining more affordable housing in Alexandria.
- Considering increasing the dedicated portion of the meals tax which currently generates about \$6 million annually and/or finding another source of dedicated funds among other fees or taxes collected by the City.
- Considering a tax on hotels and short-term rentals dedicated to housing.
- Considering a one time or multi-year tax on home purchases above \$1 million and a higher tax above \$5 million as done in other jurisdictions.
- Considering using the City's bonding capacity to fund affordable projects as was originally done in 2005-06.
- Considering evaluating tax abatement for committed affordable projects.
- Considering adoption of §15.2-958.4 Code of Virginia that allows a locality to provide for the waiver of building permit fees and other local fees associated with the construction, renovation, or rehabilitation of housing by a § 501(c)(3) organization with a primary purpose of assisting with the provision of affordable housing, and by a private-sector entity that is pursuing an affordable housing development.

Thank you for considering our input. We look forward to working with you, City staff, and City Council on the most basic of needs – adequate and affordable housing.

Sincerely,



Betsy Faga, Chair
Alexandria Housing Affordability Advisory Committee (AHAAC)