

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
MEETING**

DATE: June 1, 2023

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

LOCATION: City Hall, Room 2000, 301 King Street

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

AGENDA

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. Consideration of Loan Request for 1022 Pendleton Street Boarding House (Staff) 7:05 p.m.
Action Requested: Review and Vote on Loan Request
3. Eviction Prevention Briefing Part One (Ali Coleman/Katherine Key) 7:20 p.m.
4. Consideration of a Loan Request for Samuel Madden (Staff/ARHA) 7:35 p.m.
Action Requested: Review and Vote on Loan Request
5. Consideration of a Loan Request for Housing Alexandria Glebe/Mount Vernon Project 7:55 p.m.
(Staff/Housing Alexandria)
Action Requested: Review and Vote on Loan Request
6. Alexandria West Small Area Plan Update (Tamara Jovovic/All) 8:15 p.m.
May 8 Community Meeting [Slideshow](#)
[Community Poll](#) (Closing June 7)
Poll also available in [Amharic](#) | [Arabic](#) | [Spanish](#) | [Dari](#) | [Pashto](#)
7. Chair Election (All) 8:25 p.m.
8. Consideration of May 4, 2023 Minutes 8:30 p.m.
Action Requested: Review and Vote on May Minutes
9. Report Outs (Committee Members) 8:35 p.m.
 - a. Zoning for Housing
May 22 Community Meeting Slideshows
[Background and Resources Previously Shared](#)
[Components of the Zoning for Housing Initiative](#)
[Community Questionnaire](#) (Closing June 19)
Questionnaire also available in [Amharic](#) | [Arabic](#) | [Spanish](#) | [Dari](#) | [Pashto](#)
 - b. PRGS
10. ARHA Updates (Michelle Krockner) 8:40 p.m.
11. Housing Alexandria Updates (Jon Frederick) 8:45 p.m.
12. Information Items: 8:50 p.m.
Financial Report

13. Staff Updates (Staff)

8:55 p.m.

Announcements and Upcoming Housing Meetings (Staff)

***Condominium and Community Association Training Series:
Environmentally Conscious Communities***

May 27, 2023; 9:30 a.m. – 11:30 a.m.

[Virtual](#)

Alexandria Housing Stability from the Lens of Youth

June 7, 2023; 4:00 p.m. – 6:00 p.m.

Virtual

ARHA Redevelopment Work Group

June 15, 2023; 5:30 p.m. – 7:00 p.m.

City Hall, Council Work Room, 301 King Street

Alexandria West Planning Community Meeting

June 28, 2023; 7:00 p.m. – 9:00 p.m.

TBD/Hybrid

ARHA Redevelopment Work Group

July 20, 2023; 5:30 p.m. – 7:00 p.m.

City Hall, Council Work Room, 301 King Street

14. Adjournment (Chair)

9:00 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 1, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

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

SUBJECT: CONSIDERATION OF A LOAN AND A GRANT TO RENOVATE AND PRESERVE 1022 PENDLETON STREET AS A ROOMING HOUSE/BOARDING HOUSE

ISSUE: City Funding up to \$1.95 million in funds to include a Loan of \$750,000 and \$1.2 million in grant funds to the project which is owned and operated by Corrine J. Dixon Trust LLC for renovation and preservation of a boarding house.

RECOMMENDATION: That City Council approve:

- 1) City funding of up to \$1.95 million to include a loan of \$750,000 secured on the property and \$1.2 million in grant funds to the project which is owned and operated by Corrine J. Dixon Trust LLC from federal HOME-ARPA grant funds received by the City during the COVID-19 pandemic and;
- 2) authorize the City Manager to execute such agreements as may be necessary to implement the project.

BACKGROUND: 1022 Pendleton Street is operated as a boarding or rooming house serving 8 residents. The property's ownership entity is Corrine J. Dixon Trust, LLC, a limited liability corporation represented by Ms. Dixon's daughter, Janice Howard. Ms. Dixon, who is deceased, was a prominent black businesswoman and local philanthropist in the second half of the 20th century. Her grandfather, known as "Baker John", bought the Pendleton Street- Parker Gray neighborhood property around 1910 and turned the house, with a separate commercial space, into a family home with a successful bakery attached. Ms. Dixon was well-known in Alexandria's black community for her generosity in supporting the personal needs, educational attainment goals, and professional aspirations of her extended family, as well as members of her church and the wider Parker Gray neighborhood.

During segregation, Ms. Dixon used the Pendleton property as green-book style lodgings for African American entertainers and notables not allowed to stay in Alexandria and Washington, DC hotels. When the property ceased operating as lodgings in the late 1960's, Ms. Dixon converted the property into a rooming house for eight small households (typically single individuals, but occasionally couples or a parent and child). Each household had a separate

bedroom, but shared bathrooms, and the kitchen, dining room, and “living room” areas in common. The property does not operate as committed affordable housing but by its nature and condition the rents are low and most residents have incomes that are very low and low. Some residents are transitioning from homelessness and shelters, and/or would be at risk of experiencing homelessness if not for the low cost of leasing at the boarding house. A few current tenants have lived at the property for several decades: with its rents generating little revenue after real estate property taxes and utility costs are paid by the owner, the Pendleton property has experienced significant interior and exterior deterioration resulting from deferred maintenance. The condition of the building was cited as a problem to be addressed before its SUP is renewed in 2024 (Attachment 1).

Staff of the Office of Historic Alexandria (OHA) and the Department of Planning and Zoning’s Historic Preservation division have cited the building’s historic, cultural, and architectural significance to the Parker Gray neighborhood in supporting the Office of Housing’s plan to extensively renovate the property, returning its 1920’s-era “Italianate” character, while modernizing the interior, upgrading HVAC and all building systems, and enhancing overall safety and accessibility, including one fully ADA-accessible bedroom and bathroom (Attachment 2). A total of ten sleeping rooms is planned, with one suite available for an onsite manager. The State Historic Preservation Office (SHPO) has reviewed the architect’s plans and SHPO’s guidance and modifications have been incorporated into the final design. One very modern upgrade that is planned is the installation of a geothermal heating and cooling system that will significantly reduce utility costs, moving forward. Images of the property currently can be found in Attachment 1. Project plans are in Attachment 2.

The necessary archeological work on the property preceding renovation-related construction will be completed this summer, and existing residents will be located into nearby rental properties. All existing residents will have a right to return. Housing’s Landlord Tenant Relations Board will review the proposed Tenant Relocation Plan at its June meeting. Housing’s Relocation Specialist is providing technical assistance for this process. Construction is expected to be completed within twelve months. Housing will be providing project management and oversight for all construction related activities (including supervision of the architect, engineer, consultants, and contractors) and payments, through its Housing Rehabilitation Loan Program Manager. While OHA is familiar with the property and its history, it will continue to collaborate with Ms. Howard in documenting and memorializing the role of the building and the contributions of its occupants over time to 20th century Black Alexandria and to the community’s black businesses. The commercial space will be restored, and it is hoped a local entrepreneur may be able to use it again.

DISCUSSION: Boarding or rooming houses (the designation for these properties in the City’s Zoning Ordinance) offer an increasingly rare, and uniquely affordable, housing typology. As described above, the naturally occurring very low rent offers housing options for very low income persons, including those experiencing, at risk, or transitioning from homelessness. The HOME-ARPA funds are a good funding source for the project, as they are intended to support those at risk of homelessness in various ways, including through deep housing affordability without income restrictions. As a result, Housing recommends that the bulk of the City’s allocation of HOME ARPA funds (totaling \$2.2 million) be dedicated to this project. Any

remaining funds would be directed to housing and related activities that will prevent homelessness for persons who have been involved in the justice system, a group which has traditionally been excluded from receiving federal housing and supportive service benefits.

The project budget, including relocation expenses, is estimated at \$1.9 million (Attachment 3). It is noted that Housing submitted a request for a federal earmark of \$1.5 million for the project that is supported by Senators Warner and Kaine, and Congressman Beyer. In the event the project receives a funding award, the HOME ARPA funds will be redirected to the types of projects generally described above.

The interdepartmental staff team working on this project are very grateful for the cooperation and collaboration of Ms. Janice Howard in choosing to continue to preserve the property and operate it as a boarding house for at least fifteen years following renovation in honor of her mother's legacy of helping others. Very low rents will continue, and a referral process based on funding source criteria will be created in coordination with Ms. Howard and the City to include the Office of Housing and DCHS, as vacancies may occur in the future. The operation of the property as a boarding house will be recorded via a restrictive covenant in the land records to maintain this arrangement and Ms. Howard has confirmed the desire of other descendants to continue this use. The City will retain a right of first refusal to acquire the property if, and when, it is sold in the future.

Staff believe that splitting the cost of the project into a loan and a grant is appropriate to reflect that the rent schedule will continue to primarily meet bare costs of operating the property, even though the restrictive covenant will assist with the future assessment. The loan portion (\$750,000) is believed to be consistent with the value anticipated to be added to the property's real estate assessment and the approximate hard costs of construction.

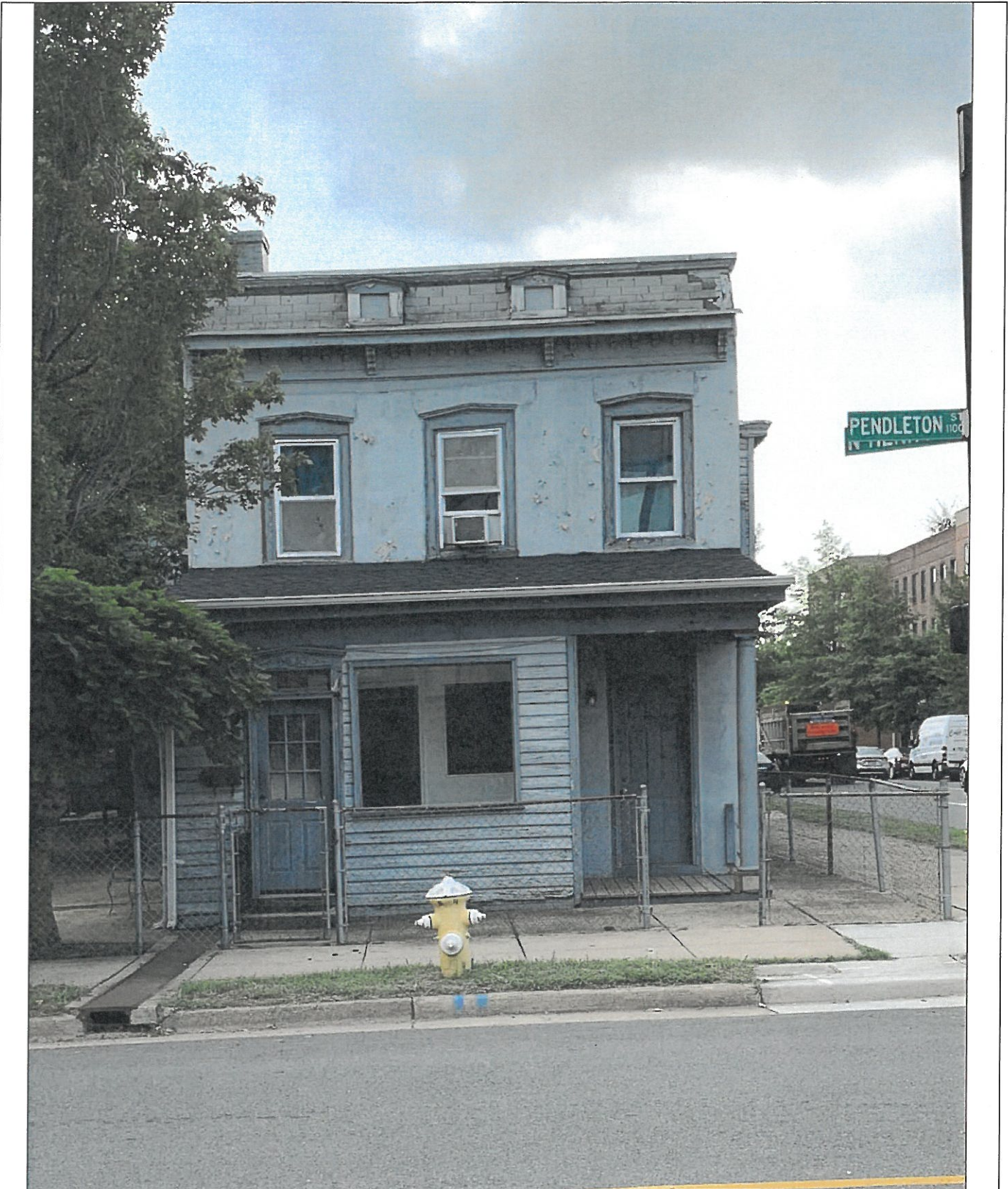
FISCAL IMPACT: Commitment of up to \$1,950,000 in HOME ARPA funds for the preservation and renovation of the Pendleton boarding house property, with \$750,000 to be recorded as a loan secured by the property, and \$1.2 million to be provided as a grant funding. This potential expenditure of the HOME ARPA funds was designated in the HOME ARPA Allocation submitted to HUD.

ATTACHMENTS:

- 1) Images of Pendleton Street Boarding House
- 2) Elevation and floor plans
- 3) Project budget

STAFF:

Helen S. McIlvaine, Director, Office of Housing
Eric Keeler, Deputy Director, Office of Housing
Melodie Seau, Chief, Landlord Tenant Division, Office of Housing
Tamara Jovovic, Housing Program Manager, Affordable Housing Division, Office of Housing
Virginia Patton, Housing Program Manager Landlord Tenant Division, Office of Housing
Arthur Thomas, Home Rehabilitation Loan Specialist, Office of Housing (Project Manager)
Kenneth Turscak, Housing Analyst, Affordable Housing Division, Office of Housing



1022 Pendleton Street, Alexandria, VA 22314

PHOTO OF EXISTING PENDLETON STREET (FRONT) ELEVATION

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CLIENT:
Affordable Housing Rehabilitation
1022 Pendleton Street
Alexandria, VA 22314

ARCHITECT: 325 north patrick street
alexandria, va 22314
703 . 589 . 4550
info@conkeyarchitects.com

22 NOVEMBER 2022

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SHPO SUBMITTAL

**ASK
1.1A**

NOT FOR CONSTRUCTION



1022 Pendleton Street, Alexandria, VA 22314

PHOTO OF EXISTING SIDE ELEVATION

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**ASK
 1.1D**

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1022 Pendleton Street, Alexandria, VA 22314

PHOTO OF EXISTING N. HENRY STREET (SIDE) ELEVATION

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ASK
1.1B

NOT FOR CONSTRUCTION



1022 Pendleton Street, Alexandria, VA 22314

PHOTOS OF EXISTING REAR ELEVATION

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22 NOVEMBER 2022

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SHPO SUBMITTAL

ASK
1.1C

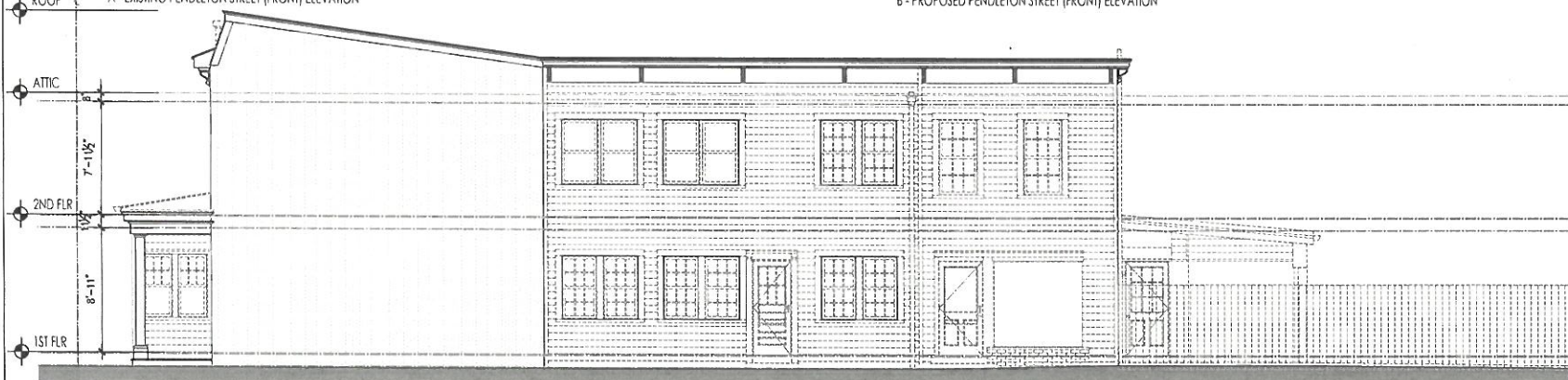
NOT FOR CONSTRUCTION



A - EXISTING PENDLETON STREET (FRONT) ELEVATION



B - PROPOSED PENDLETON STREET (FRONT) ELEVATION



C - EXISTING NORTH HENRY STREET (SIDE) ELEVATION



D - PROPOSED NORTH HENRY STREET (SIDE) ELEVATION

ARCHITECT
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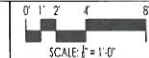
CLIENT:
**Affordable Housing
 Rehabilitation**
 1022 Pendleton Street
 Alexandria, VA 22314

STRUCTURAL ENGINEER
Goughnour Engineering
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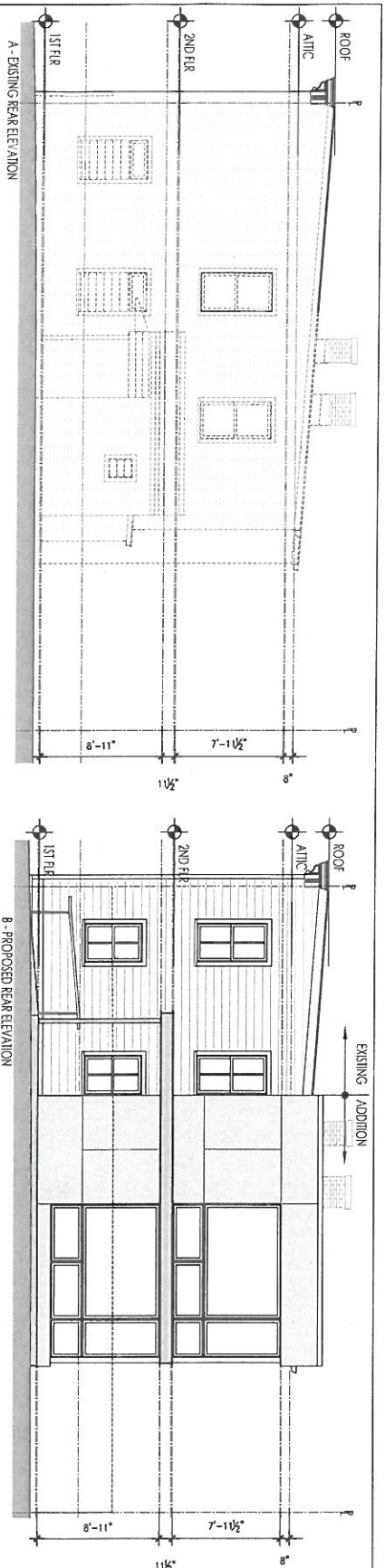


22 NOVEMBER 2022

PROJECT NAME:
1022 Pendleton Street
 Alexandria, VA 22314

DRAWING TITLE:
 EXISTING & PROPOSED STREET FACING
 EXTERIOR ELEVATIONS

NOT FOR CONSTRUCTION
ASK 3.1
 SHPO SUBMITAL



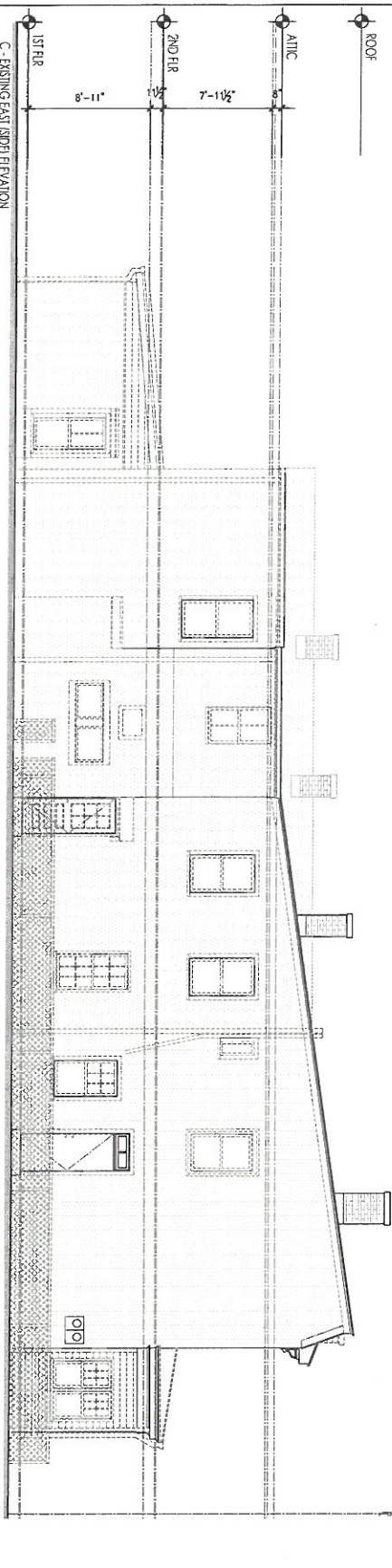
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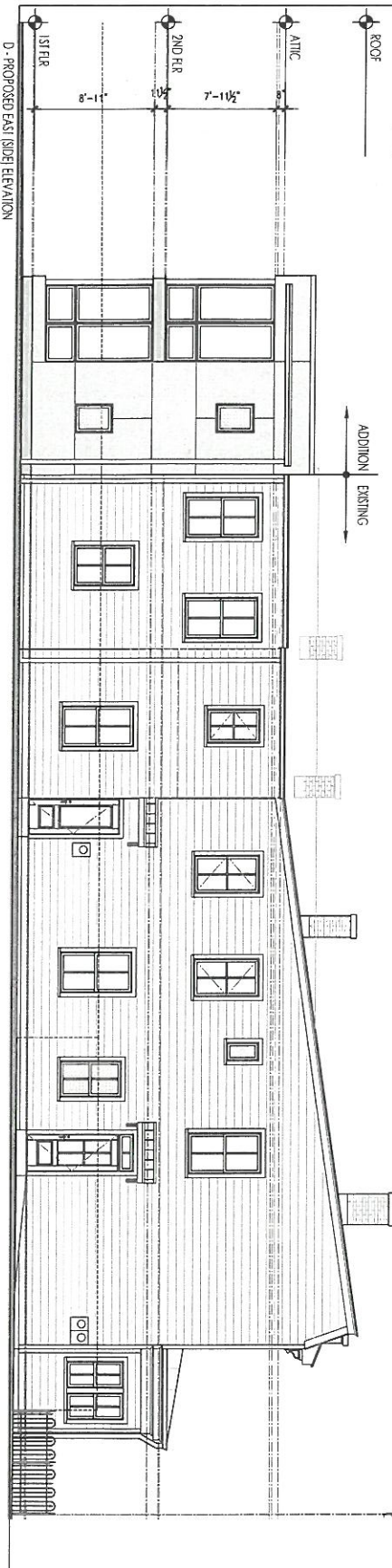
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PROJECT NAME:
1022 Pendleton Street
Alexandria, VA 22314

22 NOVEMBER 2022

SCALE: 1/8" = 1'-0"

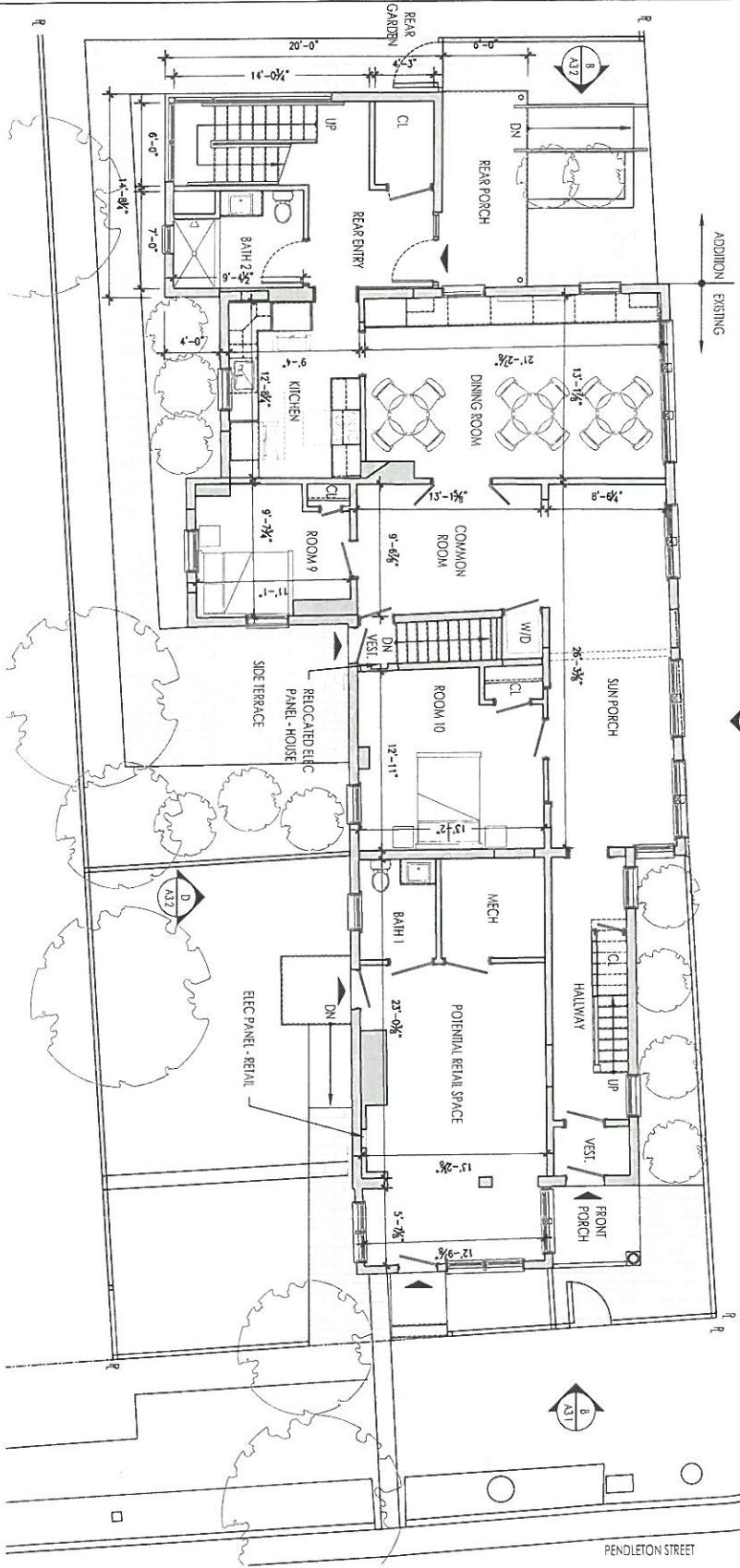
DRAWING TITLE:
EXISTING & PROPOSED REAR & SIDE EXTERIOR ELEVATIONS

NOT FOR CONSTRUCTION

ASK 3.2

S/PRO SUBMITTAL

NORTH HENRY STREET



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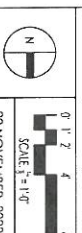
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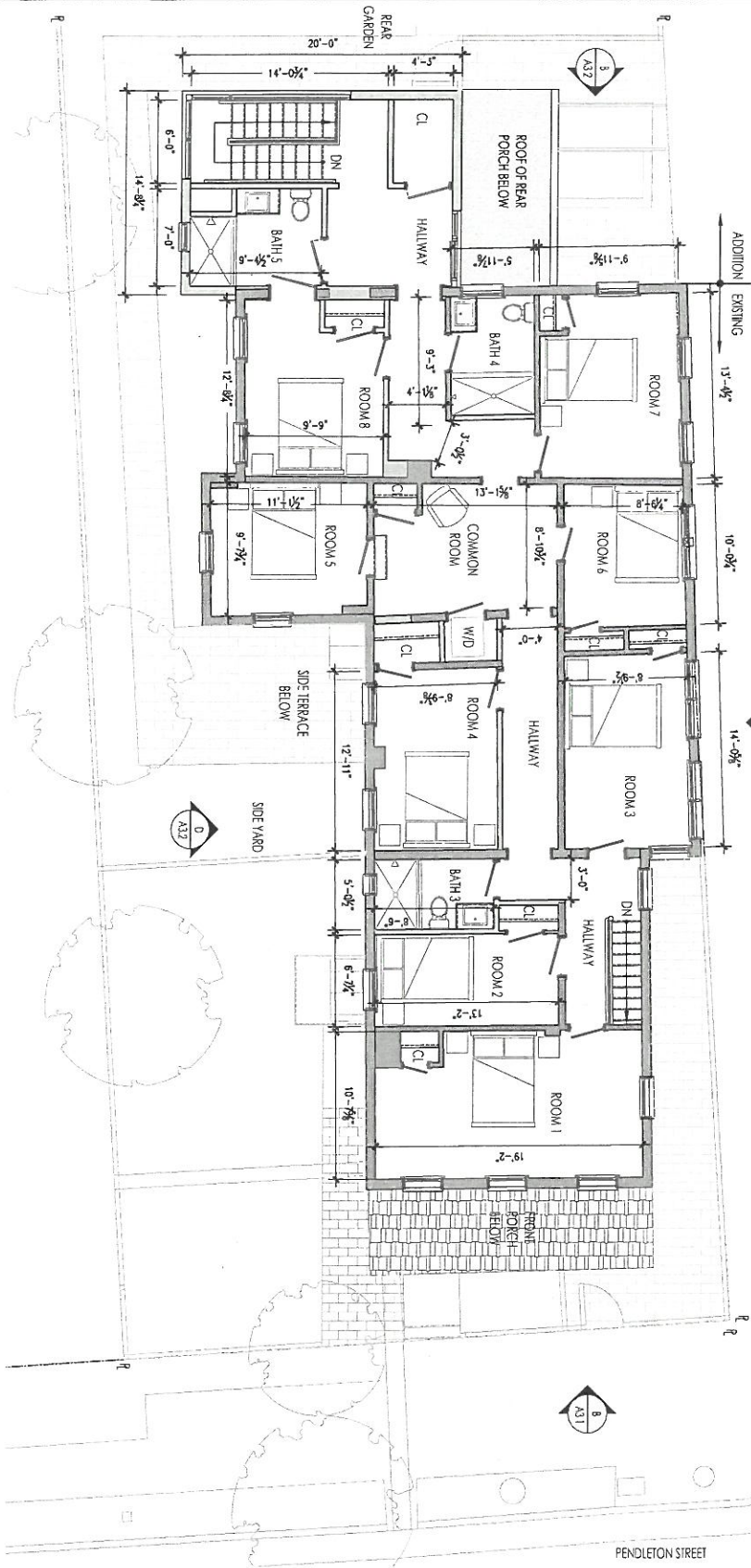
PROJECT NAME:
22 NOVEMBER 2022
1022 Pendleton Street
Alexandria, VA 22314

DRAWING TITLE:
PROPOSED 1ST FLOOR PLAN

NOT FOR CONSTRUCTION

ASK 2.1A
SHPD SUBMITTAL

NORTH HENRY STREET



PENDELTON STREET

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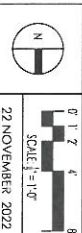
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PROJECT NAME:
 22 NOVEMBER 2022
 1022 Pendleton Street
 Alexandria, VA 22314

DRAWING TITLE:
 PROPOSED 2ND FLOOR PLAN

NOT FOR CONSTRUCTION

ASK 2.2A
 SHPO SUBMITTAL

Pendleton Street Boarding House	
Project Rehab Budget	\$1,950,300
Acquisition	\$0
Soft Costs (A&E)	\$350,000
Relocation	\$165,000
Financing Costs	\$300
Hard Costs	\$1,150,000
Construction Management	\$135,000
Reserves	\$150,000
Developer Fee	\$0

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 26, 2023

TO: ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: BRANDI D. COLLINS, HOUSING PROGRAM MANAGER

SUBJECT: SAMUEL MADDEN HOMES – HOUSING OPPORTUNITIES FUND (HOF)
LOAN REQUEST

ISSUE: Discussion of an additional \$2,100,000 funding request by Alexandria Redevelopment and Housing Authority (ARHA) to support the redevelopment of Samuel Madden Homes.

ACTION REQUESTED: That the Committee consider ARHA’s \$2,100,000 funding request.

BACKGROUND: The Alexandria Redevelopment and Housing Authority (ARHA) has requested an additional \$2,100,000 to support the redevelopment of Samuel Madden Homes, a garden-style apartment community comprised of sixty-six public housing units built in 1945. ARHA has entered a development partnership with Fairstead, Millcreek Residential, and The Communities Group (Applicant) to redevelop Samuel Madden Homes into a mixed-income, mixed-use development across two buildings with a total of 532 apartment homes, ground floor retail, an ALIVE! Food Hub, as well as a preschool operated by Hopkins House Preschool Academies. The development application for this project, as well as a \$1,000,000 loan request from the City’s Housing Opportunities Fund (HOF), was approved by City Council on February 25, 2023.



DISCUSSION: In May 2023, ARHA submitted an HOF loan request for an additional \$2,100,000 to fund construction of the north building. The project budget increased by \$2,871,332 due to increases in construction hard costs, interest rates, inflation; and a decrease in anticipated funding from the Virginia Housing Low-Income Housing Tax Credit (LIHTC) program. To fill the new funding gaps, ARHA is requesting additional funds from the City, increased the amount of the first-trust construction loan, and increased their deferred developer fee. See tables below for a comparison.

February 2023 Project Budget

Sources	Total	Per Unit
Tax Credit Equity:	\$ 50,393,000	\$ 243,444
First Mortgage:	\$ 45,922,401	\$ 221,847
Deferred Developer Fee:	\$ 5,600,000	\$ 27,053
RAD Income (18mo)	\$ 473,616	\$ 2,288
City of Alexandria	\$ 1,000,000	\$ 4,831
	\$ 103,389,017	\$ 499,464

Uses	Total	Per Unit
Acquisition Costs	\$ -	\$ -
Construction Costs	\$ 75,722,306	\$ 365,808
Project Soft Costs	\$ 12,735,438	\$ 61,524
Financing Costs	\$ 3,653,929	\$ 17,652
Reserves and Escrows	\$ 3,277,345	\$ 15,833
Developer Fee	\$ 8,000,000	\$ 38,647
	\$ 103,389,017	\$ 499,464

May 2023 Project Budget

Sources	Total	Per Unit
Tax Credit Equity:	\$ 52,601,000	\$ 254,111
First Mortgage:	\$ 44,649,488	\$ 215,698
Deferred Developer Fee:	\$ 5,909,861	\$ 28,550
City of Alexandria	\$ 3,100,000	\$ 14,976
	\$ 106,260,349	\$ 513,335

Uses	Total	Per Unit
Acquisition Costs	\$ -	\$ -
Construction Costs	\$ 78,991,222	\$ 381,600
Project Soft Costs	\$ 12,125,555	\$ 58,578
Financing Costs	\$ 3,648,433	\$ 17,625
Reserves and Escrows	\$ 3,286,114	\$ 15,875
Developer Fee	\$ 8,209,025	\$ 39,657
	\$ 106,260,349	\$ 513,335

In March 2023, the applicant applied for 9% competitive Low-Income Housing Tax Credits from Virginia Housing. They anticipated requesting and being awarded \$2.6 million but after Virginia Housing clarified a policy during the application process, ARHA was only permitted to request \$2.2 million. The project is currently ranked first in the program's initial results and Virginia Housing will announce the final awards no later than July 2023. The City's additional investment

will not only help fill the funding gap, but also strengthen their tax credit application's competitiveness.

FISCAL IMPACT: The fiscal impact is use of an additional \$2,100,000 from the City Housing Trust Fund using funds allocated from the Braddock reservation within the City's Housing Opportunities Fund (HOF) account. This will exhaust all remaining funds in that account and leave a balance of \$0 for future ARHA projects.

ATTACHMENTS:

(1) Letter from Keith Pettigrew, CEO, Alexandria Redevelopment Housing Authority, dated May 17, 2023

STAFF:

Helen S. McIlvaine, Director, Office of Housing

Eric P. Keeler, Deputy Director, Office of Housing

Kimberly Cadena, Housing Analyst, Office of Housing

May 17, 2023

Helen S. McIlvaine
Director
Office of Housing
421 King Street, Suite 215
Alexandria, VA 22314

RE: Housing Opportunity Fund
Loan Request for Samuel Madden - \$3,100,000

Dear Ms. McIlvaine:

On behalf of the Alexandria Redevelopment & Housing Authority (ARHA), its Board of Commissioners and residents, I hereby submit a loan request in the amount of \$3,100,000 from the City of Alexandria Housing Opportunity Fund (Fund). The funds will be used as part of the capital stack for the redevelopment of the Samuel Madden Homes community (Madden).

In February 2023, the City's Planning Commission and the City Council approved the Madden project. Shortly thereafter, the City Council also approved a previous request from the Fund of one million dollars for this project. We are requesting that the previously approved loan amount be increased by \$2,100,000.

We are making this request for an increase to the loan amount in large part due to the reduction in available 9% tax credits that will be made available to the Madden project by Virginia Housing. Unlike in past years where Virginia Housing has funded tax credit applications to the requested amounts, this year Virginia Housing has provided notice to applicants that it will only fund applications to the maximum stated amount for each pool. Whereas our development team had been assuming a \$2.6M funding for the tax credits, we have been informed that the project is only eligible for a maximum award of \$2.2M. This reduction in tax credit equity, plus escalating interest rate hikes on all debt products and the continued escalation of construction labor and materials has created the need to secure additional funds to fill a gap that has materialized.

As you are aware, the development team has applied 9% tax credits and subsequently will apply for 4% tax credits. To make this tax credit twining possible, two condo structures will be created to fund the construction of the building on the north parcel of the Madden property. If

the loan amount increase that we are seeking is approved, we will work with the City's attorney and Housing staff to properly record these funds against the 9% tax credit condo owner.

We will be submitting the required documents to the Housing Department staff for submission and approval by the AHAAC and subsequently approval by the City Council. I seek your support for this additional request of an additional loan from the Fund of \$2.1M, thereby making the total loan for the project of \$3.1M.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Keith Pettigrew
Chief Executive Officer

CC: Brandi Collins
Eric Keeler

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 26, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

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

SUBJECT: CONSIDERATION OF A FUNDING PLAN FOR HOUSING ALEXANDRIA'S MOUNT VERNON–GLEBE DEVELOPMENT

ISSUE: Commitment of FY 2023-24 City Housing Funds as well as a FYs 2025-26 funding of up to \$16 million to be provided as a loan to HALX to enable construction of the initial phase of the Mount Vernon – Glebe Development Project, including land acquisition, site work, infrastructure improvements, underground parking, city flex space, and 416 units of affordable rental housing.

RECOMMENDATION: That the Committee consider HALX's funding request which includes an additional loan of \$31.5 million in FY 2023-24 housing funds as planned for upcoming components of Building One (to be partially funded with tax credits), as well as a commitment of up to \$16 million in FY 2025-26 City Housing/CIP funds to complete the City funding package for a Summer 2023 start on the Arlandria project.

BACKGROUND: Housing Alexandria's Mount Vernon – Glebe project received development approvals in early 2022 and, with initial City loan support of \$10.5 million, was successful in applying for a competitive tax credit award later that year for a first tax credit funded building. Beside the HOF loan, City Council approved the transfer of a city-owned parcel (currently operating as an interim public parking lot) valued at \$1.7 million, as well as a grant to enhance deep affordability in 10% of the units in the development's first building. Overall, 25% of all units at the site are anticipated to offer rents affordable to households at 40% AMI or below.

Over the past year, Housing Alexandria and the City have worked to identify and secure multiple sources of funding to enable construction of Phases Zero, 1 and 2. Phase Zero includes land acquisition, site work and infrastructure improvements, and underground parking that will serve Building One (and future Building Two), as well as the 416 units of affordable rental housing and City flex space that will bring city services to the Arlandria neighborhood, with Phases 1 and 2 comprising Building One (Attachment 1).

Building Two, a separate structure, will be sequenced to be built in the near term when its funding package is complete, including some sources cyclically available this year and next (new

market tax credits and potential CDFI funding, among others). With 40,000+ sf of neighborhood-serving commercial space on the first two floors of Building Two, the stories above are planned as 58 for-sale affordable condominiums. The two largest anchors of the commercial space have recently signed LOIs with HALX, and now that their square footage is set, it is anticipated that other commercial tenants will execute LOIs this summer for the remaining space. The City flex space has been incorporated into Building One to accommodate robust interest in Building Two's commercial space.

DISCUSSION: So far, City support for project totals approximately \$44 million including the \$10.5 HOF Loan; the city parcel valued at \$1.7 million; a federal earmark of \$1.5 million (awarded in December 2022 through a sponsorship from Senators Warner and Kaine and Congressman Beyer); \$1 million in HOME funds; \$12 million in ARPA-derived funds (for infrastructure improvements and costs associated with the City flex space); and a CDBG Section 108 loan of approximately \$6 million. Besides these sources, additional FY 2023-24 City housing monies reserved for this project are formally requested as a loan to support HALX's upcoming applications for non-competitive credits and bonds. (Attachment 2 – Sources and Uses table for Phases Zero, One and Two; and Table of City housing funding projected).

To launch this phase with as much soft money as possible, the City also successfully applied for competitive Virginia Housing Amazon REACH funding and received a grant of \$18 million for the project. It is anticipated that \$20 million in proceeds from HALX's refinancing of a 2022 Amazon Housing Equity Fund (HEF) loan provided to acquire Park Vue Apartments can be reinvested in this project. City leadership and Housing Alexandria are also pursuing other investment and loans from the Amazon HEF for the Arlandria development and have received expressions of support. At this time HEF activities are temporarily paused through Q2 pending new direction from Amazon, so staff has not been able to firm up the \$20 million commitment. The City's potential support for Phases Zero, I and II could grow if Amazon monies did not materialize (Attachment 2 – Phase Zero and Building One Sources and Uses Table, including a breakdown of project City funding sources).

The City funding commitment request now is intended to provide sellers, investors, and lenders involved in the project comfort that resources will be available to complete Building One. In addition to the sources described above, HALX will be applying for state and national housing trust fund dollars, additional non-competitive 4% tax credits and state housing opportunity tax credits, as well as drawing on construction financing once the multiple layers of soft funding are fully drawn down.

FISCAL IMPACT: An additional loan of \$31.5 million in FY 2023 -24 City housing funds and commitment of up to \$16 million in FY 2025-26 City housing funds. Additional City commitments may be considered when the funding package for Building Two is assembled, or if anticipated funds from Amazon are not committed. At all times, the City's financial interests will be fully secured by the underlying property. FY 2022 funds were previously approved in the amount of \$10.5 million loan for the competitive tax credit funded building.

As the City's designated "highest housing priority," funding for the Mount Vernon – Glebe project will be set aside, as needed, over several budget cycles to ensure its completion. Besides this development, funding has been approved in FY 2024 for a loan to Witter Place (currently

anticipated to be awarded tax credits) and for a loan in support of the Samuel Madden Redevelopment (currently anticipated to be awarded tax credits).

ATTACHMENTS:

- (1) Graphic of Mount Vernon – Glebe Development, by Phases
- (2) Sources and Uses for Phases Zero, I and II (Building 1), including table of projected City funding sources

STAFF:

Eric Keeler, Deputy Director, Office of Housing
Tamara Jovovic, Housing Program Manager, Housing
Kenneth Turscak, Housing Analyst, Housing

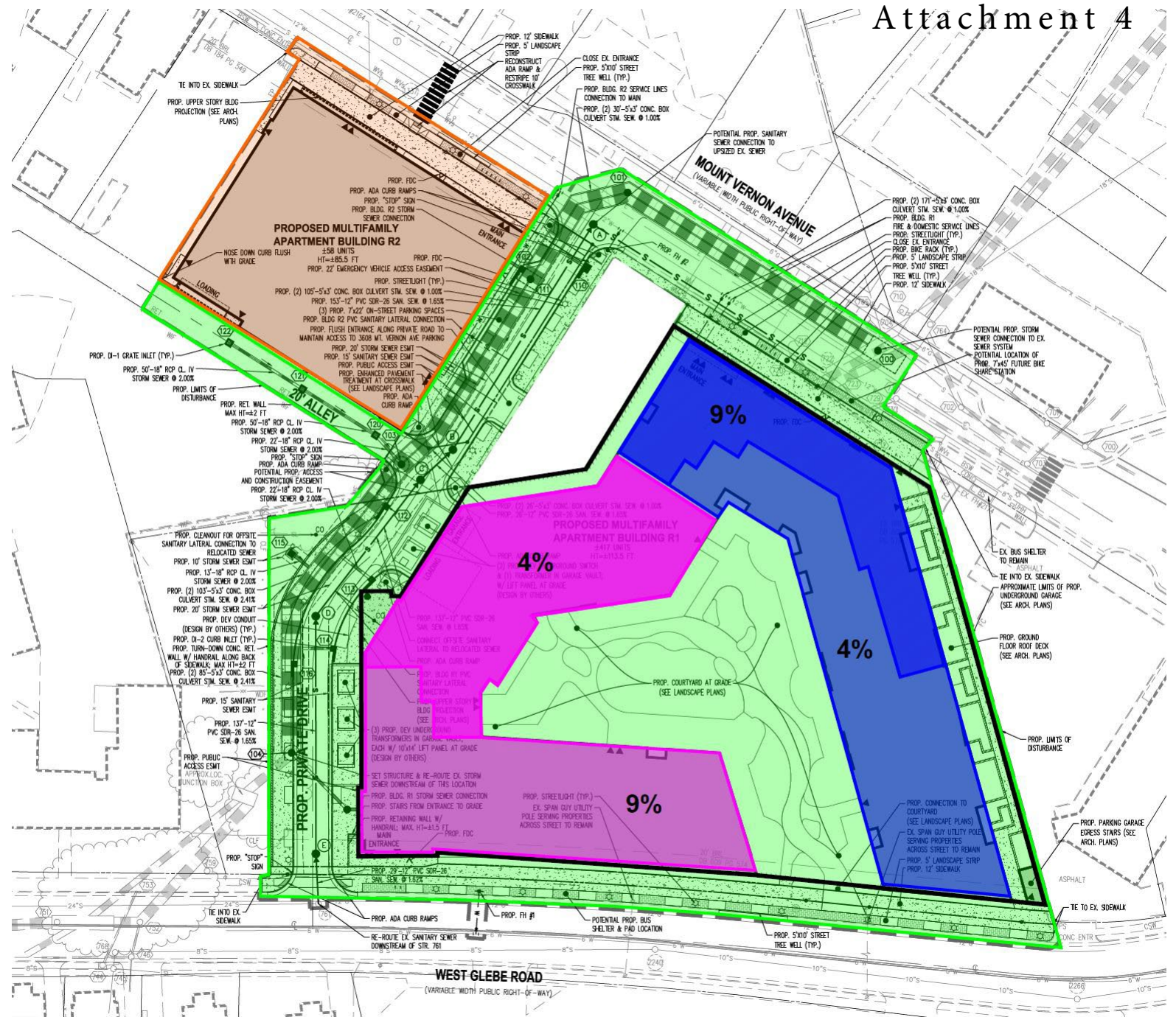
Development Phasing

PHASE 0

PHASE 1

PHASE 2

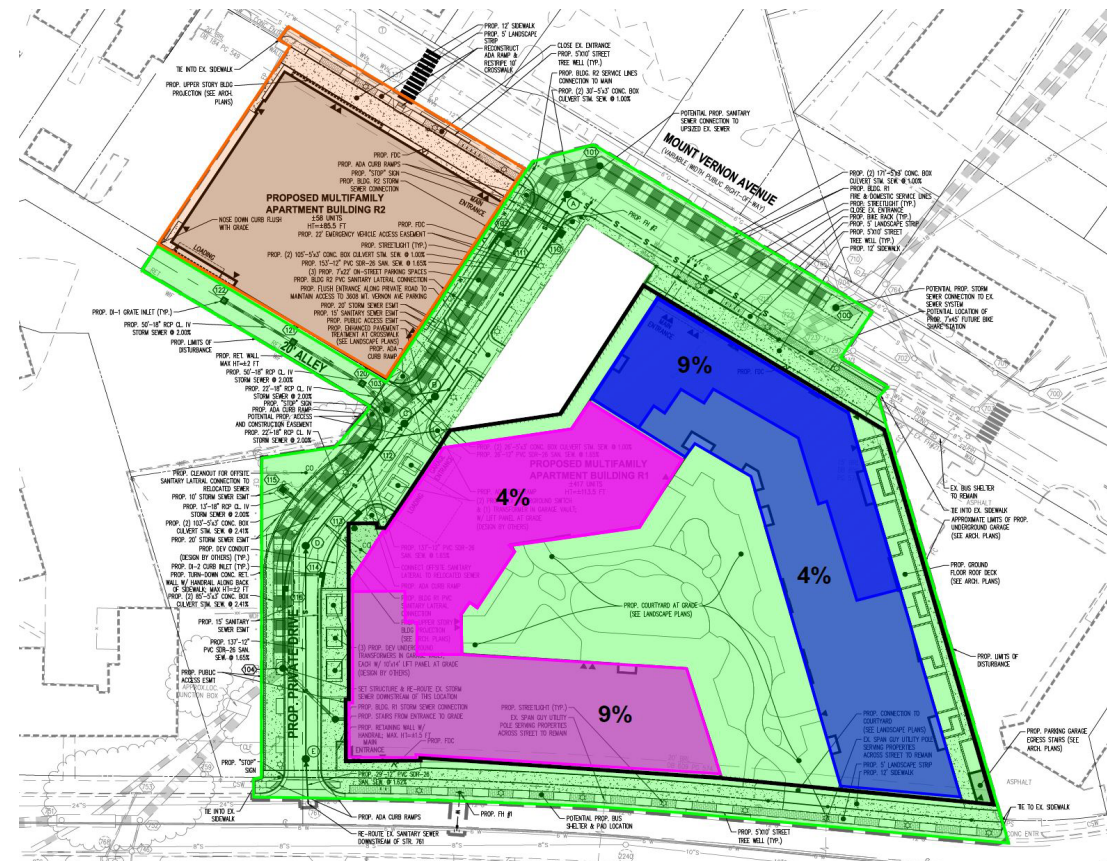
PHASE 3







Development Phasing



	Garage & Sitework	Building One		Building Two		
Phase	Phase 0	Phase I		Phase II		Phase III
Units		4%	9%	4%	9%	
		131	76	150	60	
		207		210		58
Construction Start	Q2 2023	Q2 2024		Q2 2025		Q2 2024
Construction Completion	Q4 2025	Q1 2026		Q4 2026		Q1 2026

Attachment 2 – Phase Zero and Building One Sources and Uses Table

HALX Glebe & Mt Vernon			
City Loan Sources - Site work & Building 1			
City Funding		FY 2022,23,24	FY25&26
CIP Housing Funds		\$15.5m	\$9m
Dedicated Revenue		\$3m	\$6m
Housing Trust Fund		\$3.5m	\$1m
City Federal Funds			
CDBG 108 Loan		\$5.7m	
Federal Earmark		\$1.5m	
HOME Program		\$1m	
	ARPA	\$12m	
Total		\$42m	\$16m

Glebe & Mt Vernon Sources & Uses - Site work & Building 1			
	Phase 0	Phase I & II	Total Phase 0, I, & II
Uses			
Total Acquisition	18,600,000		18,600,000
Soft Costs	11,600,000	19,700,000	31,300,000
Financing Costs		17,600,000	17,600,000
Reserves		5,200,000	5,200,000
Total Construction Costs	46,200,000	139,200,000	185,400,000
Developer Fees		8,000,000	8,000,000
Total Uses	76,400,000	189,700,000	266,100,000
Sources			
LIHTC Equity		100,500,000	100,500,000
State Opportunity Tax Credit		2,800,000	2,800,000
First Trust Debt		43,300,000	43,300,000
Seller Loan	11,600,000	-	11,600,000
Projected Amazon HEF (Loan/Grant)	-	20,000,000	20,000,000
VH REACH Grant	16,800,000	-	16,800,000
City Funds from Multiple Sources	46,300,000	11,600,000	57,900,000
City Land Value	1,700,000	-	1,700,000
VHTF / NHTF		10,200,000	10,200,000
FHLB		1,400,000	1,400,000
Total Sources	76,400,000	189,800,000	266,200,000

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

City Hall Room 2000 | May 4, 2023

	Members Present	Members Absent	Staff
1	Annette Bridges (via phone)		Eric Keeler, Deputy Director
2	Jan Macidull (via phone)		Tamara Jovovic, Housing Program Manager
3	Michelle Krocker		Kenny Turscak, Housing Analyst
4		Michael Doyle	Patricia Vuylsteke, Landlord-Tenant Relations Support
5	Betsy Faga, Chair		Maggie Cooper, Planning & Zoning
6	Coss Lumbé		Maya Contreras, Planning & Zoning
7		Yeshewase Ayele	
8	Jon Frederick		
9	Robyn Konkell		
10	Peter Siderovski		
11	Michael Jackson		
12	Shelley Murphy (via phone)		
13		Peter-Anthony Pappas	
14	Aschalew Asabie		
15	Michael Butler		
16	Felicia Brewster		
17	Sean Zielenbach		
18	Helen McIlvaine*, Housing		
19	Alison Coleman*, DCHS		
	Guests	Affiliation	
1	Ken Wire	WireGill	
2	Megan Rappolt	WireGill	
3	Tom Glatzel	WMH Development LLC	
4	Bill Krokowski	Requity Real Estate Group	

*non-voting

The Chair called the meeting to order at 7:00 pm. Jon Frederick took minutes.

1. Introductions and Chair remarks (Chair)

Chair Betsy Faga welcomed new member Sean Zielenbach to the Committee.

2. Consideration of an Affordable Housing Plan for The Rutherford (5000 Seminary Road) (Helen McIlvaine/Ken Wire)

Ken Wire of WireGill presented an overview of the Rutherford on behalf of the applicant, Requity Real Estate. The applicant proposes constructing a 367-unit multifamily building which will include 25 committed rental units affordable at 60% AMI. The proposed project is in the Beauregard Small Area Plan (BSAP) and Coordinated Development District (CDD) #4.

The applicant noted that the proposed project is the first application within the BSAP to involve an increase in density following the adoption of the 2020 Housing Policy Update and underscored its efforts to maximize the total affordable housing contribution. While not specific to the project under discussion, some AHAAC members expressed concerns over when and how the City would be able to buy down affordability in other projects anticipated in the BSAP. Another member inquired if some of the monetary contributions could have been put towards deepening the affordability of several of the set-aside units; staff noted that the applicant had declined this option citing investor concerns. Expressing overall support for the 25 set-aside units, the Committee voted unanimously to approve the AHP. It was noted by staff, the developer and AHAAC that the resolution of the housing contribution for this development should not be considered a precedent for others but reflected a shared desire that the project move forward despite current market uncertainties and the additional, unanticipated development square footage emerging within the BSAP.

Mr. Wire noted that the applicant is complying with three separate policies including the 2020/21 rezoning policy, the voluntary monetary contribution policy, and the BSAP, resulting in a \$1,000,000 contribution to the Housing Trust Fund.

One member asked if the applicant proposed any changes to the BSAP. Mr. Wire stated that no part of the plan was amended, but certain provisions, including transportation and affordable housing contributions, were negotiated with City staff. The member also remarked that the BSAP seems to prioritize transportation over affordable housing. Ms. McIlvaine responded that the plan envisioned infrastructure improvements before affordable housing production, with a large portion of affordable housing funds deriving from tax increment financing (TIF).

Peter Siderovski motioned to approve the Affordable Housing Plan; Coss Lumbé seconded the motion. The Committee voted to approve the Affordable Housing Plan unanimously.

3. Update on Senior Housing + Care Options (Tamara Jovovic/Committee Members)

Tamara Jovovic provided an overview of [senior housing and care options](#) in the city, including a summary of City policies; Ms. Jovovic also listed assisted living or independent living properties with affordable or discounted units secured through these policies or through negotiations.

One member remarked that additional regulations imposed by senior living communities pose affordability challenges for residents interested in these properties. Ms. Jovovic suggested that AHAAC invite members of the Alexandria Commission on Aging to educate the Committee about the demand for senior housing + care and other senior housing priorities.

4. Development preview (Kenny Turscak/Tamara Jovovic)

Kenny Turscak presented a brief overview of 301 N Fairfax Street, a proposed project in the Concept II stage of the development review process. The applicant proposes demolishing the existing commercial office building to construct a 48-unit multifamily residential building, the tenure of which is not yet determined. Through a proposed rezoning from CD to CRMU-H, it is anticipated that the applicant will be required to provide two committed affordable set-aside units.

5. Consideration of April 6, 2023 Minutes (Chair)

Felicia Brewster motioned to approve the April 6, 2023, minutes; Jon Frederick seconded the motion. The Committee approved the April 6 minutes unanimously with three members abstaining.

6. Report Outs (Committee Members)

a. [Zoning for Housing](#)

Betsy Faga reminded the Committee that Zoning for Housing will host a community meeting on May 10 and encouraged members to attend.

b. [Alexandria West Small Area Plan](#)

Ms. Faga reported attending the Office of Housing's overview of the Alexandria West Community Engaged grant application process. The City will issue subgrant awards, funded by Virginia Housing, to a number of local organizations to further support community engagement in the plan area.

Tamara Jovovic reminded the Committee that the City will host an AlexWest community meeting on May 10 and encouraged Committee members to attend.

Felicia Brewster volunteered to attend the meeting and report updates at AHAAC's June meeting.

c. [PRGS](#)

Robyn Konkel reported that Hilco will be providing tours of the PRGS site in the coming weeks and that an open space community survey is available on the project website. In addition, Hilco will host an open space community meeting on May 24. Ms. Jovovic stated that the project's current focus of discussion continues to be open space and sustainability.

7. ARHA Updates (Michelle Krocker)

Michelle Krocker reported that the Samuel Madden redevelopment project scored highest amongst competing projects in the 2023 LIHTC Local Housing Authority Pool.

Ms. Krocker also reported that ARHA's Ladrey redevelopment plans continue to progress; the project is expected to advance to the Concept II stage of the development review process in the coming months. ARHA is pursuing an accelerated development review schedule for the project to meet LIHTC application deadlines in early 2024.

Finally, Ms. Krocker reported on recent public safety concerns near ARHA's Andrew Adkins property. ARHA CEO Keith Pettigrew is meeting with the Alexandria Police Department to explore mitigation strategies.

8. Housing Alexandria Updates (Jon Frederick)

Jon Frederick reported that Housing Alexandria's Seminary Road project is behind schedule, but work will continue this summer.

On the Glebe-Mount Vernon project, Mr. Frederick reported that he intends to return to AHAAC next month with updates, including a revised financing package. The project will break ground at a ceremony in late June.

Mr. Frederick reported that The Bloom recently experienced a small fire which caused sprinklers to activate; two units were impacted by water damage. Housing Alexandria intends to retrofit The Bloom with range hoods to prevent future cooking fires. One member asked if any households were displaced; Mr. Frederick responded that all impacted households were temporarily relocated to similarly sized vacant units within The Bloom.

9. Information Items:

Financial Report

Housing Master Plan Update

Tamara Jovovic provided an overview of the Housing Master Plan Progress Report and explained its purpose to new members.

10. Staff Updates (Staff)

FY 2024 Proposed Budget Update

Eric Keeler provided an update on the City's recently approved FY 2024 budget. Mr. Keeler reported that the Office of Housing will receive more dollars than anticipated due to an adjusted revenue estimate, including revenue derived from the meals tax; after receiving approximately \$5M in FY 2023, the Office of Housing expects to receive approximately \$6.3M derived from the meals tax in FY2024.

Additionally, Mr. Keeler noted that the FY 2024 budget includes \$250,000 to study a City-run housing voucher program.

11. Announcements and Upcoming Housing Meetings (Staff)

Alexandria West Planning Community Meeting

May 8, 2023; 7:30 p.m. – 9:00 p.m.

[Hybrid](#)/Ferdinand T. Day Elementary School, 1701 N Beauregard St.

Zoning for Housing Community Meeting

May 10, 2023; 6:00 p.m. – 7:30 p.m.

[Hybrid](#)/Charles E. Beatley, Jr. Central Library, 5005 Duke St.

ARHA Redevelopment Work Group

May 18, 2023; 5:30 p.m. – 7:30 p.m.

May 8, 2023; 6:00 p.m. – 7:30 p.m.

City Hall, Council Work Room, 301 King St.

Zoning for Housing Community Meeting

May 22, 2023; 6:00 p.m. – 8:00 p.m.

[Hybrid](#)/ Lee Center, 1108 Jefferson St.

Condominium and Community Association Training Series: Environmentally Conscious Communities

May 27, 2023; 9:30 a.m. – 11:30 a.m.

[Virtual](#)

12. Adjournment (Chair)

The Chair adjourned the meeting at 8:51 p.m.

FY 2023 Affordable Housing Development Funds

Financial Report

May Highlights

Payments Received	Reference	DSUP or Transation ID	\$ Amount
Developer Contributions	Robinson Terminal South (Robinson Landing)	2014 - 00006	\$10,412
Grand Total			\$10,412

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

New Transaction(s)	Fund	Date Loan Closed	\$ Amount
Pilot Rental Assistance			-\$28,677
Grand Total			-\$28,677

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	\$10,412	\$10,412	\$0	\$551,003
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	\$53,339	\$0	\$0	\$0	\$178,956
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	\$53,339	\$10,412	\$10,412	\$0	\$26,009,074

Balance Available
\$10,384,074

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	-\$1,000,000	\$0	\$0	\$0	\$0	-\$1,000,000	\$2,123,273
Pilot Rental Assistance	\$648,025	\$0	-\$28,282	-\$6,100	-\$15,850	-\$22,182	-\$12,432	-\$13,330	-\$22,009	-\$27,779	-\$8,886	-\$28,677	\$0	-\$185,527	\$462,498
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	-\$1,022,009	-\$27,779	-\$8,886	-\$28,677	\$0	-\$1,185,527	\$2,585,771
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
ARHA - Samuel Madden	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
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	-\$73,500	\$0	\$0	\$170,000	\$170,000
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	\$926,500	\$0	-\$73,500	\$0	\$0	\$16,070,000	\$28,517,000