

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
MEETING**

DATE: March 7, 2024

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

LOCATION: City Hall, Room 2000, 301 King Street

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

- | | |
|---|-----------|
| 1. Introduction and Chair Remarks (Chair) | 7:00 p.m. |
| 2. AlexWest Planning Update (José Delcid/Andra Schmitt)
<i>Action Requested: Information Item/Opportunity to Ask Questions</i> | 7:05 p.m. |
| 3. Development Preview (Tamara Jovovic)
<i>Action Requested: Information Item/Opportunity to Ask Questions and Provide Input</i>
a. Vulcan update | 7:35 p.m. |
| 4. Legislative Update Part II (Staff/All) | 7:45 p.m. |
| 5. Consideration of February 1, 2024, Minutes
<i>Action Requested: Review and Vote on February Minutes</i> | 7:55 p.m. |
| 6. Report Outs (Committee Members)
a. PRGS
b. Eisenhower West/Landmark Van Dorn Implementation Advisory Group | 8:00 p.m. |
| 7. ARHA Updates (Michelle Krockner) | 8:10 p.m. |
| 8. Housing Alexandria Updates (Jon Frederick) | 8:15 p.m. |
| 9. Information Items:
Financial Report
FY 2025 Budget Update | 8:20 p.m. |
| 10. Staff Updates (Staff)
a. HMP Update | 8:35 p.m. |
| 11. Announcements and Upcoming Housing Meetings (Staff) | 8:45 p.m. |

[Alexandria West Community Meeting](#)

Monday, March 4; 7:00 p.m. – 9:00 p.m.

[Virtual](#)

[City Council Public Hearing: FY2025 Budget](#)

[Monday, March 11; 5:30 p.m. – 7:30 p.m.](#)

City Hall, 301 King Street/[Virtual](#)

ARHA Redevelopment Work Group

Thursday, March 21; 5:30 p.m. – 7:00 p.m.
Council Work Room, City Hall, 301 King Street

Northern Virginia Housing Expo

Saturday, March 23; 10:00 a.m. – 3:00 p.m.
Charles Colgan High School, 13833 Dumfries Road, Manassas, VA 20112

12. Adjournment (Chair)

9:00 p.m.

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

[Virtual](#) | February 1, 2024

	Members Present	Members Absent	Staff
1	Annette Bridges		Eric Keeler, Deputy Director
2	Jan Macidull		Tamara Jovovic, Housing Program Manager
3	Michelle Krocker		Kenny Turscak, Housing Analyst
4	Michael Doyle		
5	Betsy Faga, Chair		
6	Coss Lumbé		
7		Yeshewase Ayele	
8	Jon Frederick		
9	Robyn Konkell		
10	Peter Sutherland		
11	Michael Jackson		
12	Shelley McCabe		
13	Peter-Anthony Pappas		
14	Aschalew Asabie		
15	Melissa Sathe		
16	Michael Butler		
17	Felicia Brewster		
18	Sean Zielenbach		
	Helen McIlvaine*, Housing		
	Alison Coleman*, DCHS		
	Guests	Affiliation	
1	Sarah Taylor	Assistant City Manager	
2	Delaney Colbert		
3	Fatima Davis		
4	Silvia Burgos		

*non-voting

1. Introductions and Chair remarks (Chair)

The Chair called the meeting to order at 7:03 p.m.

2. Virginia General Assembly: Housing Legislation Update (Sarah Graham Taylor)

Assistant City Manager and Legislative Director Sarah Taylor joined the Committee virtually from Richmond to provide an update on the 2024 Virginia General Assembly legislative session.

First, Ms. Taylor described a bill which will expand boards and commissions accessibility by extending virtual participation options to members caring for family members and would provide the option to hold up to 50% of all committee meetings on a virtual platform. This legislation would affect AHAAC and similar committees, if passed.

Ms. Taylor stated that several housing-related bills have received hearings in the General Assembly. In the House of Delegates Housing Subcommittee, legislation regarding leases continues to receive hearings. This legislation would require that landlords provide model lease translations for certain languages. Similarly, another bill in the House proposes that leases must be translated, and a cover sheet must be provided. Both bills have passed out of the Housing Subcommittee.

Also in the Housing Subcommittee, delegates have considered eviction prevention legislation. One bill proposes that if a tenant is less than one month behind on rent, the landlord must enter a payment plan with the tenant if requested; this bill has passed out of the Subcommittee.

Another bill in the Housing Subcommittee proposes authorizing localities to enact rent stabilization measures. This bill has passed out of the Subcommittee and will be referred to a subcommittee that covers finance and appropriations.

One member asked if the General Assembly is considering legislation that would provide access to counsel during eviction proceedings. Ms. Taylor responded that a delegate has entered this proposal as a budget amendment to be considered.

Another member asked if any legislation proposes localities' rights to first refusal for affordable housing with expired subsidies. Ms. Taylor responded that this bill has passed out of the Housing Subcommittee. Ms. McIlvaine added that when the City invests in affordable housing, it includes a right of first refusal. This bill will expand localities' rights of first refusal to other properties in which government investment (state or federal) has occurred.

Another member inquired about the status of amendments to the [Virginia Residential Landlord and Tenant Act](#) (VRLTA). Ms. Taylor stated that a Senate version of the bill, which would allow local enforcement of the health, life, and safety portions of the VRLTA, has passed out of the General Laws Committee.

Ms. Taylor also described a bill which would require that landlords post fees associated with advertised units and explanations on how fees will be utilized. Another bill would prevent landlords from assessing fees to residents who utilize rent and maintenance portals.

3. Electronic Participation Policy Update (Kenny Turscak)

Kenny Turscak presented a draft Electronic Participation Policy (EPP) to replace AHAAC's current EPP, adopted July 1, 2020. The updated EPP will align with State and City regulations; updates include the expansion of opportunities for electronic participation to members who are caring for a family member, clarification of excused absences for personal matters, and other minor policy modifications.

Michelle Krocker made a motion to adopt the updated EPP; Sean Zielenbach seconded the motion. The Committee adopted the updated Electronic Participation Policy unanimously.

4. Consideration of December 7, 2023, Minutes

Shelley McCabe motioned to approve the December minutes; Michelle Krocker seconded the motion. The Committee voted to approve the December minutes unanimously.

5. Report Outs (Committee Members)

a. Alexandria West Small Area Plan

Betsy Faga reported that the Alexandria West planning team presented updates to City Council.

Jon Frederick remarked on the Beaugard Small Area Plan (BSAP) which will be replaced by the AlexWest SAP. Mr. Frederick noted that the BSAP included dedicated funding sources derived from future development in the area, part of which would be dedicated to affordable housing. Mr. Frederick noted that this does not appear to be included in the latest AlexWest SAP recommendations, while other proactive housing policies unique to the BSAP (including affordable housing plans for specific plan-designated neighborhoods) may also not be retained. Mr. Frederick stated he will share his written analysis and comments with the Committee.

b. PRGS

Robyn Konkel reported that Hilco has posted an open space survey on its [website](#) and is soliciting public feedback. Hilco has also posted a list of frequently asked questions and responses.

Ms. Konkel noted that Hilco plans to deconstruct the existing power plant in the second half of calendar year 2024; current architectural details propose a 172-foot tall structure, which is marginally taller than the existing structure.

6. ARHA Updates (Michelle Krocker)

Michelle Krocker reported that ARHA continues to rebuild its staff after the departure of former CEO Keith Pettigrew and other staff members. The ARHA board has appointed Ricky Maddox, formerly ARHA's compliance officer, as interim CEO. The ARHA board hopes to appoint Merrick Malone, who is currently an ARHA Commissioner; ARHA is petitioning HUD to approve a waiver to allow a commissioner to serve as CEO. Due to pressing staffing challenges, the search for a permanent CEO has not yet commenced.

Ms. Krocker noted that the board has hired a new CFO, Marissa Stanley, who is working to align ARHA's finances with its housing goals. Additionally, the ARHA Board of Commissioners has created a Finance Committee to support the CFO.

Ms. Krocker informed the Committee that City Council approved Ladrey's redevelopment proposal at its January 20, 2024, meeting. While neighbors at Annie B. Rose raised concerns regarding construction, Ms. Krocker stated that ARHA has invited these residents to participate in the development process. ARHA intends to submit a tax credit application for the project in March 2024.

In response to staffing changes and development activity, ARHA staff will soon conduct an outreach tour for residents and City Council members. The purpose of the outreach tour is to introduce residents to current staff and update them on current and future redevelopment projects. Ms. Krocker noted that ARHA would like to have increased dialogue with City staff, including the Office of Housing, and with boards and commissions.

Finally, Ms. Krocker shared that ARHA is conducting a voucher study to reestablish who is using vouchers and how they are being utilized.

7. Housing Alexandria Updates (Jon Frederick)

Jon Frederick provided an update on Housing Alexandria's [Seminary Road Project](#); this project began construction in January 2024. Mr. Frederick is awaiting word on Virginia Housing Trust Fund's 2024 awards, to which Housing Alexandria has applied for project funding; awards are expected to be announced in February.

Mr. Frederick also informed the Committee that the City has changed its sewer tap fee payment schedule; these fees, which were once due at the time an applicant submitted a Final Site Plan, will now be due at the time a project's Certificate of Occupancy (CO) is issued. Mr. Frederick applauded this policy change and noted that by requiring this payment later in the development process, developers can avoid paying interest on these fees prior to lease up.

8. Information Items:

Ali Coleman informed the Committee that DCHS has recently conducted its annual Point in Time (PIT) count. The PIT count, mandated by HUD, is a nationwide count of persons experiencing homelessness that occurs once per year. The survey counts both persons utilizing shelters and those who are living unsheltered. DCHS will report the PIT count results in about one month.

Ms. Coleman added that the [Partnership to Prevent and End Homelessness](#) (PPEH) has created a new Strategic Plan for preventing homelessness. The Plan, which replaces the previous Strategic Plan that expired in 2023, includes policies for intentional advocacy and partnerships surrounding affordable housing. The new Strategic Plan is anticipated to receive a City Council hearing within the next two months.

Ms. Coleman shared that the City has recorded an increase in persons experiencing homelessness compared to last year, mirroring a regional trend. While the average amount of arrears has declined, evictions have remained steady and affordable housing options have become more limited region wide. Ms. Coleman stated that the number of families and individual men on homeless services lists are at record high numbers. There are two year-round emergency shelters, a domestic violence shelter, and a winter shelter (open from November to April from 7:00 p.m. to 7:00 a.m.) in the city for those experiencing homelessness.

A member noted that there is one permanent supportive housing (PSH) [Safe Haven](#) in the city and asked if the City is considering adding additional PSH units. Ms. Coleman responded that additional funding for PSH has become available and that DCHS is having these discussions based on interest and need for additional PSH in the city.

Financial Report

Eric Keeler shared the January 2024 financial report. Mr. Keeler shared that while there is currently a large Housing Trust Fund (HTF) balance, projects like Housing Alexandria's Seminary Road will soon begin receiving funds. Going forward, Mr. Keeler noted that due to the City and Committee's emphasis on receiving units in lieu of contributions, the HTF will likely see fewer monetary contributions in the future (~\$1 million per year vs. ~\$3-4 million in some prior years).

Housing Master Plan Progress Report

Tamara Jovovic shared the Housing Master Plan Progress Report.

1201 E. Abingdon Drive Update

Ms. Jovovic provided an update on 1201 E. Abingdon Drive's development proposal; AHAAC endorsed the proposed project's Affordable Housing Plan, to include seven units and a monetary contribution, in December 2023. Since December, the applicant has proposed increasing the project's unit count without increasing its size, which would affect the committed affordable unit contribution under one policy interpretation. While the City and the applicant have negotiated a final set-aside count, Ms. Jovovic

noted that there are gaps in the City's rezoning housing contribution policy pertaining to bonus height that must be addressed through Housing Master Plan Update process or through a parallel process.

Ms. Jovovic also provided the Committee with an update on the Alate, an independent living project which will contain 133 units, including nine discounted one-bedroom units. Residents living in discounted units will receive the same full-service package, including concierge service, certain meals, and other amenities, as residents in market-rate units. Ms. Jovovic noted that the Alate is the first independent living facility that has utilized the city's bonus density program; set-aside units will be reserved for households that make up to 60% of the Area Median Income (AMI). While units are discounted, many households at the 60% AMI level will be challenged to afford the approximately \$5,000 monthly cost. Ms. Jovovic stated that bonus density and senior housing, including independent living, will need a clarified policy in the future to ensure affordability for targeted households.

Helen McIlvaine previewed the City's FY 2025 budget process and informed the Committee that an update will be provided at AHAC's March meeting; the City Manager will formally introduce the budget to City Council on February 27.

Ms. McIlvaine also informed the Committee that she is participating in conversations surrounding the proposed Potomac Yard arena and entertainment district. Ms. McIlvaine stated that, while conversations have been preliminary, developer JBG SMITH has committed to preserving 500 units of affordable housing in the city. Ms. McIlvaine reiterated that the project is still in its early planning stages and will present an Affordable Housing Plan to AHAC if it moves forward. Additionally, Ms. McIlvaine shared preliminary estimates for the project's HTF impact, which will be derived through the meals tax and developer contributions.

9. Announcements and Upcoming Housing Meetings (Staff)

[ARHA Redevelopment Work Group](#)

Thursday, February 15; 5:30 p.m. – 7:00 p.m.

Council Work Room, City Hall, 301 King Street

AlexWest Community Meeting

Monday, March 4; 7:00 p.m. – 9:00 p.m.

Virtual (link to be provided)

10. Adjournment (Chair)

Peter Sutherland motioned to adjourn the meeting; Michelle Krocker seconded the motion. The Chair adjourned the meeting at 8:40 p.m.

FY 2023 Affordable Housing Development Funds

Financial Report

February Highlights

Payments Received	Reference	DSUP or Transaction ID	\$ Amount
Developer Contributions	669 Prince Street	2018 - 00003	\$47,690
Multifamily Loan Repayments	ARHA	Quaker Hill	\$152,239
Grand Total			\$199,929

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

New Transaction(s)	Fund	Date	\$ Amount
AHDC - Arlandria	Housing Opportunity Fund	2/29/2024	-\$3,949,611
Pilot Rental Assistance			-\$35,852
Grand Total			-\$3,985,463

Revenues

	2023						2024						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total
Developer Contributions	\$0	\$85,417	\$10,412	\$0	\$0	\$0	\$486,165	\$47,690	\$0	\$0	\$0	\$0	\$629,684
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	\$152,239	\$0	\$0	\$0	\$0	\$345,960
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	\$486,165	\$199,929	\$0	\$0	\$0	\$0	\$13,126,774

Balance Available
\$801,774

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	-\$41,592	-\$2,720	-\$35,852	\$0	\$0	\$0	\$0	-\$186,889	\$211,502
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	-\$41,592	-\$2,720	-\$35,852	\$0	\$0	\$0	\$0	-\$2,286,889	\$234,775
Housing Opportunity Fund															
AHDC - Arlandria	\$9,500,000	\$24,700,000	\$0	\$0	\$0	\$0	-\$2,000,000	\$0	-\$3,949,611	\$0	\$0	\$0	\$0	\$18,750,389	\$28,250,389
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	-\$2,000,000	\$0	-\$3,949,611	\$0	\$0	\$0	\$0	\$8,378,889	\$46,674,389

PROPOSED BUDGET-IN-BRIEF

FISCAL YEAR 2025

FY 2025 BUDGET OVERVIEW

The FY 2025 Proposed Budget invests in employee compensation, School operating needs, and advances the City's progress across several strategic priorities. FY 2025's budget development forecasted expense pressures driven by employee compensation, collective bargaining, Alexandria City Public Schools (ACPS) operating and debt service, and supplemental funding requests from departments and other agencies. Increased City expenditures and flat City property tax revenue growth required collaborative efforts to close an initial \$19.0 million budget gap.

The proposed FY 2025 General Fund Operating Budget totals \$911.3 million and makes several investments in City Council priority areas without a real estate or property tax rate increase, or significant service reductions. The budget recommends a step increase and a 2% pay scale adjustment for non-collectively bargained City employees and funds the respective collective bargaining agreements for Fire, Police, and Labor and Trades groups. The proposed budget also recommends strategic investments to several City Council priority areas including community connections, employee attraction and retention, affordable housing, eliminating community disparities, and improving the City's economic strength. Key highlights of the proposed budget include:

- Maintains the current real estate tax rate of \$1.11 per \$100 of assessed value;
- No proposed change in personal property tax, sanitary sewer, or refuse rates;
- Increases stormwater utility fee rates from \$308.70 to \$324.10 as scheduled;
- Funds an increase of \$10.3M or 4% in the ACPS Operating transfer;
- Provides a step increase and 2% market rate adjustment for non-collectively bargained City employees;
- Fully funds the first year of Labor and Trades collective bargaining agreements and second year of Police and Fire collective bargaining agreements;
- Increases DASH funding to support collective bargaining and fare elimination expenses;
- Funds a Police and Sheriff public safety cadet program;
- Adds staffing and operating expenses for the Minnie Howard aquatics facility;
- Pilots a "Clean Team" litter collection program;
- Funds free admission to the Tons of Trucks community event
- Provides advertising support for Visit Alexandria;
- Allocates funding for economic and fiscal impact studies;
- Supports community-based food hub operations;
- Funds youth safety and resiliency activities;
- Adds staffing, voting machines, and electronic polls to support upcoming elections;
- Enhances City and Library cybersecurity services; and
- Uses \$2.2 million in efficiency and cost-cutting savings to balance the budget.

ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson
Vice Mayor Amy B. Jackson
Councilman Canek Aguirre
Councilmember Sarah R. Bagley

Councilman John T. Chapman
Councilwoman Alyia Gaskins
Councilman Kirk McPike

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Routt

PROPOSED BUDGET-IN-BRIEF FISCAL YEAR 2025 CAPITAL IMPROVEMENT PROGRAM

The Proposed FY 2025 – 2034 Capital Improvement Program (CIP) totals \$2.33 billion and is a \$73.2 million decrease over last year’s 10 Year CIP.

HIGHLIGHTS OF THE 10 YEAR PLAN

- \$314.0 million for Schools capital projects. This provides funding to maintain the anticipated funding level planned for FY 2025 – FY 2034 as presented in the Superintendent’s proposed CIP;
- \$189.1 million to support capital program of WMATA regional public transit system;
- \$64.7 million over the ten-year plan for street reconstruction and repaving program;
- \$337.3 million to fund the City’s Capital Facility Maintenance Programs and other major renovations projects (i.e., City Hall);
- \$264.1 million for investments in the City’s stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$282.6 million state and federal grant sources identified to support transportation and transit projects throughout the City; and
- \$79.2 million, over the 10-year plan, to support affordable housing initiatives, including funds from the one percent dedication of the restaurant meals tax and other committed funds.

FY 2025 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The FY 2025 Capital Budget (only year formally appropriated by City Council) totals \$470.7 million, which is a \$45.0 million decrease from FY 2025 in last year’s approved CIP. Highlights of the FY 2025 projects are as follows:

- \$87.6 million for Alexandria City Public Schools capital funding request;
- \$16.9 million for the City’s contribution to WMATA’s Capital Improvement Program;
- \$93.4 million for the renovation of City Hall and Market Square Garage;
- \$5.0 million for replacement of fair-weather crossing in Dora Kelley park;
- \$5.3 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 50-55 lane miles in FY 2025;
- \$3.0 million for bridge repairs and refurbishments;
- \$55.8 million to continue work on the Duke Street Transit Corridor (Transit Corridor “B”); and \$14.4 million to support DASH Bus Fleet Replacement and Electrification.

DEBT AND CAPITAL FUNDING POLICIES

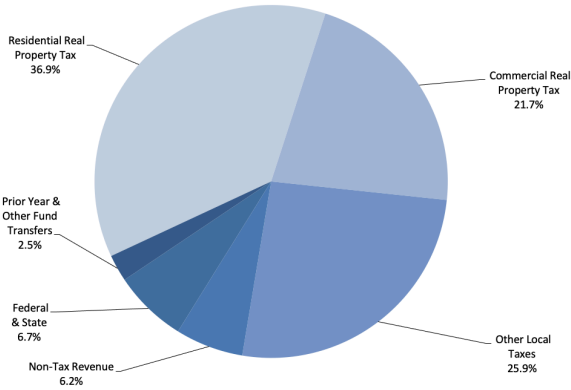
- The Proposed CIP is in compliance with the City’s adopted debt ratios throughout the ten-year plan. See the Proposed CIP document for additional details.
- The CIP has 46% cash sources versus 54% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is in compliance with the City Council approved policy. The percentage as relates to total General Fund expenditures in FY 2025 is 2.45%.

Type	Unit	CY 2023 Approved Rate	CY 2024 Proposed Rate
Real Estate	\$100/AV	\$1.11	\$1.11
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500	\$500
Average Home Assessed Value		\$700,905	
Average Residential Tax Bill CY 2023 (\$1.11 Current Rate)		\$7,547	
Average Residential Tax Bill CY 2024 (\$1.11 Proposed Rate)		\$7,757	

PROPOSED BUDGET-IN-BRIEF
FISCAL YEAR 2025

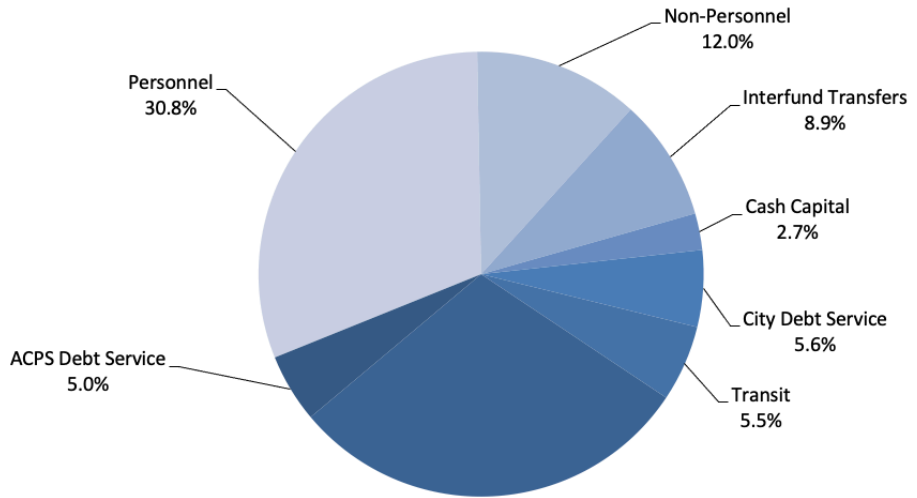
GENERAL FUND REVENUES & EXPENDITURES

FY 2025 PROPOSED GENERAL FUND REVENUES



	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Change From FY 24 Approved
Real Property Tax	532.1	526.6	534.2	0.4%
Other Taxes	216.5	223.3	236.4	9.2%
Non-Tax Revenue	48.9	56.7	56.7	18.2%
Fed & State Revenue	58.9	61.0	61.5	4.2%
Prior Year Surplus & Other Fund Transfers	27.9	11.5	22.4	-23.7%
TOTAL:	884.3	879.1	911.3	3.0%

FY 2025 PROPOSED OPERATING EXPENDITURES



General Fund Expenditures	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change	% Change
City Operations	\$420,256,202	\$457,847,700	\$471,177,640	\$13,329,940	2.9%
City Related Debt Service	\$40,239,562	\$48,235,001	\$50,743,148	\$2,508,147	5.2%
City Subtotal	\$460,495,764	\$506,082,701	\$521,920,788	\$15,838,087	3.1%
Schools					
School Operations	\$248,737,300	\$258,686,800	\$269,034,300	\$10,347,500	4.0%
School Related Debt Service	\$31,941,000	\$32,220,940	\$45,527,862	\$13,306,922	41.3%
Schools Subtotal	\$280,678,300	\$290,907,740	\$314,562,162	\$23,654,422	8.1%
Transit Services	\$44,404,006	\$49,040,006	\$50,511,206	\$1,471,200	3.0%
Cash Capital	\$67,881,807	\$38,297,581	\$24,256,175	(\$14,041,406)	-36.7%
Total Expenditures	\$853,459,877	\$884,328,028	\$911,250,331	\$26,922,303	3.0%



PROPOSED BUDGET-IN-BRIEF

FISCAL YEAR 2025

FY 2025 BUDGET CALENDAR

City Council and City Staff will hold a series of meetings during the budget process to discuss and deliberate the FY 2025 budget. This year, there will be two budget public hearings and a public presentation. All meetings begin at 7 p.m., unless otherwise noted. Scheduled budget meetings will have both in person and remote attendance options. Visit alexandriava.gov/Budget for the most up-to-date list of meeting dates, times, and locations.

Tues., Feb. 27	Proposed Budget Presentation
Wed., Feb. 28	Work Session #1: City and ACPS Capital Improvement Programs
Thu., Feb. 29	Public Budget Presentation
Wed., Mar. 6	Work Session #2: Alexandria City Public Schools (Operating)
Mon., Mar.11	Budget Public Hearing (5:30 p.m.)
Tues., Mar. 12	Introduce and Set the Maximum Property Tax Rates
Wed., Mar. 13	Work Session #3
Sat., Mar.16	Budget Public Hearing (9:30 a.m.)
Wed., Mar. 20	Work Session #4
Wed., Apr. 3	Work Session #5
Sat., Apr. 13	Add/Delete Public Hearing (9:30 a.m.)
Wed., Apr. 24	Tax Rate Public Hearing 6 p.m. & Preliminary Add/Delete Work Session (7 p.m.)
Mon., Apr. 29	Final Add/Delete Work Session
Wed., May 1	Budget Adoption/Tax Rate Adoption (6 p.m.)

Visit alexandriava.gov/Budget for the most up-to-date list of meeting dates, times, and locations.

Office of Housing



The Office of Housing coordinates and administers City-assisted housing and housing-related programs and services. The Office makes recommendations to the City Manager and City Council on housing policy and potential affordable housing opportunities and investments. The department supports citywide planning and development. Major programs administered are Homeownership Assistance, Home Rehabilitation, Energy Efficiency, Landlord Tenant Relations, and Affordable Housing Development & Preservation. The chief policy initiatives that the Office of Housing works on are implementation of the City's Housing Master Plan and the Metropolitan Washington Council of Governments' Regional Housing Initiative (RHI). Approved in 2013, the Master Plan sets a goal of developing or preserving new affordability in 2,000 housing units by 2025; the RHI adds another 2,250 affordable and workforce units to the City target by 2030. In 2024, the Office of Housing is beginning to update the Housing Master Plan.

Department Contact Info

703.746.4990

www.alexandriava.gov/Housing

Department Head

Helen McIlvaine



EXPENDITURE SUMMARY

	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Expenditures By Character					
Personnel	\$2,112,904	\$2,430,029	\$2,411,505	(\$18,524)	-0.8%
Non-Personnel	\$2,672,823	\$7,141,982	\$7,463,393	\$321,411	4.5%
Interfund Transfer to Other Funds	\$4,906,000	\$6,240,000	\$6,854,000	\$614,000	9.8%
Total	\$9,691,727	\$15,812,011	\$16,728,898	\$916,887	5.8%
Expenditures by Fund					
General Fund	\$1,958,623	\$2,205,616	\$2,332,754	\$127,138	5.8%
Non-Fiscal Year Grants	\$327,073	\$0	\$0	\$0	0.0%
Fiscal Year Grants	\$1,669,461	\$1,889,949	\$2,606,960	\$717,011	37.9%
Affordable Housing	\$5,682,718	\$11,716,446	\$11,789,184	\$72,738	0.6%
American Rescue Plan Fund	\$53,852	\$0	\$0	\$0	0.0%
Total	\$9,691,727	\$15,812,011	\$16,728,898	\$916,887	5.8%
Total Department FTEs	15.00	16.00	16.00	-	0.0%



FISCAL YEAR HIGHLIGHTS

- Personnel decreased by \$18,524 or -0.8% due to standard step and benefit rate adjustments and a total pay scale increase of 2.0% for non-collectively bargained City employees, which are partially offset by an increased City-wide vacancy savings factor for FY 2025, turnover savings due to vacancies, and a \$93,000 decrease from the removal of funding for one relocation advisor overhire position previously funded through ARPA.
- Non-Personnel increases \$321,411 or 4.5%. This increase is largely due to \$100,000 in additional one-time funding for the Housing Master Plan update. Another main driver is the inclusion of \$575,000 in program income revenue estimates, which go towards affordable housing acquisition and rehabilitation, and down payment assistance. Non-personnel includes \$7.2 million in affordable housing initiatives for acquisition and rehabilitation, and other services such as rental assistance, and 0% loans.
- The interfund transfer to other funds represents the revenue raised by a 1% meals tax dedication for affordable housing, which is transferred from the General Fund through the Affordable Housing Fund to the Capital Improvements Program (CIP) for affordable housing initiatives.
- The FY 2025 to FY 2034 City Capital Improvement Program (CIP) proposes \$79.2 million in Affordable Housing monies, with \$7.9 million for FY 2025. This represents \$6.9 million based on the Meals Tax Dedication for Affordable Housing and \$1.0 million in additional cash capital funding.
- The Housing budget includes \$11.6 million in dedicated revenue from 1.0 cent per \$100 of assessed value on the real estate tax rate (\$4.7 million) and one-fifth of the 5% meals tax (\$6.9 million).
- The General Fund budget increases due to a \$568,054 increase in dedicated revenue from the meals tax and \$127,138 million increase in operating costs, which includes the \$100,000 in additional one time funding for the Housing Master Plan.
- Fiscal Year Grants increased by \$717,011 or 37.9%, largely due to the first time inclusion of \$575,000 in program income estimates. Program income includes the re-payment of housing rehabilitation and ownership loans issued by the City. For a more accurate picture of the Department's planned Revenue and Expenditures, these amounts have been added to the budget and will be adjusted based on actual revenue received at the end of a fiscal year, as needed. Further changes were adjustments to better align the budget with the most recent HOME and Community Development Block Grant (CDBG) awards.
- Approximately \$11 million of the Affordable Housing Fund's FY 2025 budget resources was approved on June 27, 2023 to be used for the Housing Alexandria Mount Vernon – Glebe Development. Site work and infrastructure improvements are underway. The City funds supported the 4% Low Income Housing Tax Credit application to Virginia Housing in January 2024.
- Towards the end of each fiscal year, the Department assesses if there are any unspent grant dollars (particularly CDBG and HOME grants), or special revenue that need to be carried over into the new fiscal year. These funds are added back into the budget through the City's Supplemental Appropriation Ordinances. These carryover funds have the potential to increase Housing's budget in FY 2025. Most of these funds are committed to existing projects as defined in prior budgets, and/or Council actions.



DEPARTMENT CHANGES TO CITY SERVICES

Adjustments	FTE	Amount
TOTAL FY 2024 APPROVED ALL FUNDS BUDGET	16.00	\$15,812,011
<p>All Programs</p> <p>Current services adjustments reflect the change in cost of continuing the current level of service into the next fiscal year, including regular increases and/or decreases in salaries & benefits, contracts, and materials. Personnel increases include a total pay scale increase of 2.0% for non-collectively bargained City employees.</p>	0.00	\$200,199
<p>Multiple Programs</p> <p>Grant funding adjustments made in current services based on updated projections for HOME, CDBG, and State Rental Assistance Program (SRAP) awards.</p>	0.00	\$115,807
<p>Affordable Housing Development & Preservation</p> <p>The FY 2025 budget includes an increase in dedicated revenue for affordable housing from meals tax revenues.</p>	0.00	\$614,000
<p>Affordable Housing Development & Preservation</p> <p>The FY 2025 budget includes a decrease in dedicated revenue for affordable housing from real estate tax revenues as a result of CY 2024 assessments.</p>	0.00	(\$77,700)
<p>Affordable Housing Development & Preservation</p> <p>The FY 2025 budget includes program income estimates. Program income includes the re-payment of housing rehabilitation and ownership loans issued by the City. This funding is dedicated to affordable housing acquisition and development.</p>	0.00	\$325,000
<p>Affordable Housing Development & Preservation</p> <p>The Housing Trust Fund donation revenue projection was reduced from \$1 million to \$500,000, which reduces affordable housing acquisition and development funding.</p>	0.00	(\$500,000)



DEPARTMENT CHANGES TO CITY SERVICES

Adjustments	FTE	Amount
<p>Affordable Housing Development & Preservation</p> <p>The proposed FY 2025 budget includes one-time additional funding for the Housing Master Plan update. FY 2024's Approved budget included \$250,000 in funding for the plan. This brings the City contribution to \$350,000. An additional \$350,000 in grants for the Plan are currently being pursued.</p>	0.00	\$100,000
<p>Home Ownership</p> <p>The proposed FY 2025 budget includes program income estimates. Program income includes the re-payment of housing rehabilitation and ownership loans issued by the City. This funding is dedicated to down payment assistance.</p>	0.00	\$250,000
<p>Housing Leadership & Management</p> <p>Portions of the Director's and Deputy Director's salaries are to be paid for with dedicated real estate tax revenue for housing, reducing the Department's General Fund contribution.</p>	0.00	(\$17,419)
<p>Landlord & Tenant Relations</p> <p>The FY 2025 Proposed Budget removes the one-time funding included in the prior year's budget for one a Relocation Advisor position originally funded by American Rescue Plan Act (ARPA). This position supports renters in the eviction process to identify and secure stable housing.</p>	0.00	(\$93,000)
<p>TOTAL FY 2025 PROPOSED ALL FUNDS BUDGET</p>	16.00	\$16,728,898



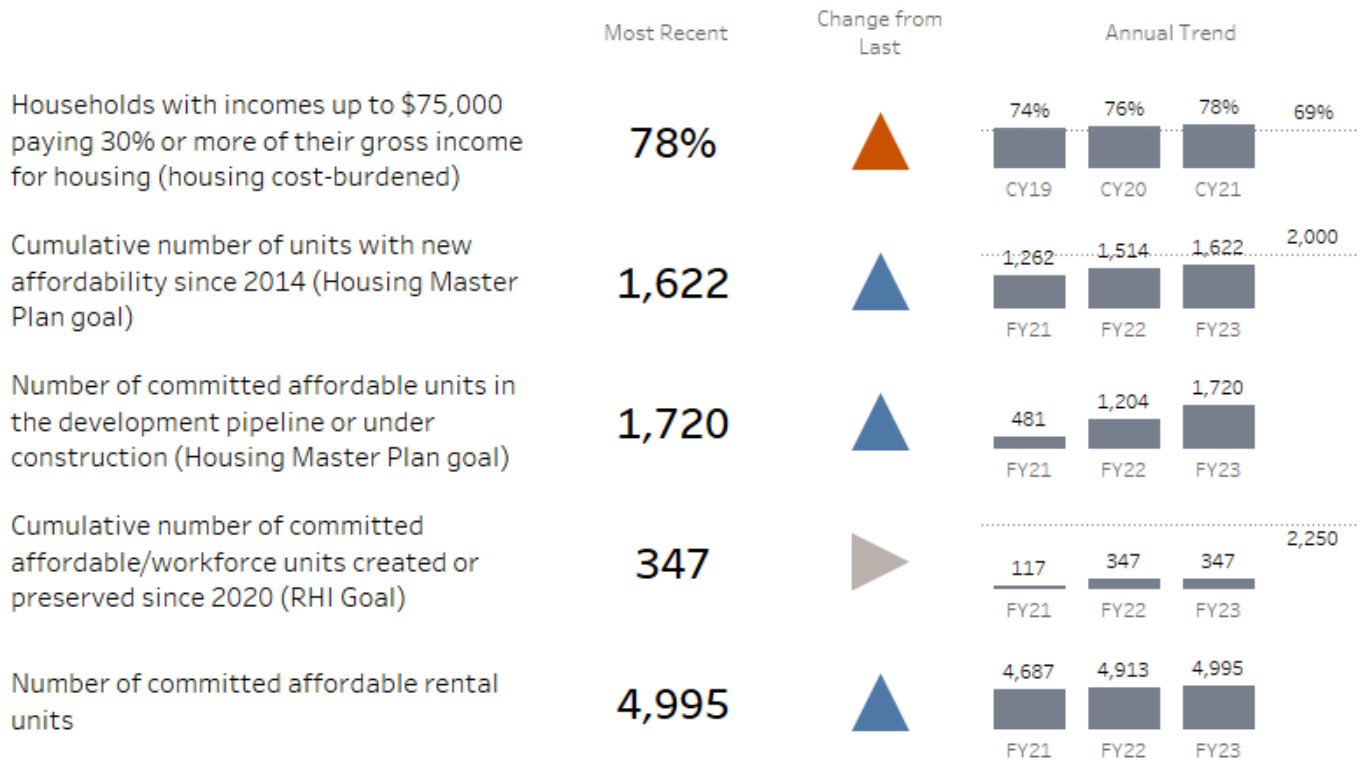
PERFORMANCE INDICATORS

Indicators in the City Council Priorities this Department contributes to:

- Year to-year increases in percent of residential units within a half-mile walk to food options
- Reduction in the rate of eviction summonses filled in the Alexandria General District Court
- Reduce the percent of renter households, with incomes below \$50,000, who spend 30% or more of their income on housing
- Percent of housing providers, tested by the Office of Housing, that are compliant with fair housing laws
- Increase the number of Alexandrians who received affordable homeownership loan assistance through the City
- Increase the number of Alexandrians who receive a home rehabilitation loan
- Increase the number of Alexandrians who receive a rental accessibility modification grant through the City
- Increase the number of committed affordable housing units created or preserved since FY 2014
- Increase the cumulative number of committed affordable and workforce affordable housing units to align with the Regional Housing Initiatives goals for the City

Key Department Indicators

All data is reported by the department. Blue arrows indicate improvement, red arrows indicate a need for improvement, gray arrows are neutral, and N/A does not indicate a trend. The dashed line is the target selected by the department.





PERFORMANCE INDICATORS

Key Department Indicators

All data is reported by the department. Blue arrows indicate improvement, red arrows indicate a need for improvement, gray arrows are neutral, and N/A does not indicate a trend. The dashed line is the target selected by the department.

Indicators	Most Recent	Change from Last	Annual Trend with Target								
Percent of all multifamily rental units inventoried that are committed affordable	12%	▶	<table border="1"> <tr> <td>13%</td> <td>12%</td> <td>12%</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> </tr> </table>	13%	12%	12%	FY21	FY22	FY23		
13%	12%	12%									
FY21	FY22	FY23									
Eviction rate	4.26%	▲	<table border="1"> <tr> <td>1.13%</td> <td>0.93%</td> <td>4.26%</td> <td>3.80%</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> <td>Target</td> </tr> </table>	1.13%	0.93%	4.26%	3.80%	FY21	FY22	FY23	Target
1.13%	0.93%	4.26%	3.80%								
FY21	FY22	FY23	Target								
Number of landlords and tenants that have received mediation from the Office of Housing	2,011	▲	<table border="1"> <tr> <td>1,785</td> <td>1,997</td> <td>2,011</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> </tr> </table>	1,785	1,997	2,011	FY21	FY22	FY23		
1,785	1,997	2,011									
FY21	FY22	FY23									
Percent of tested housing providers that were compliant with fair housing laws	100%	▶	<table border="1"> <tr> <td>94%</td> <td>100%</td> <td>100%</td> <td>95%</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> <td>Target</td> </tr> </table>	94%	100%	100%	95%	FY21	FY22	FY23	Target
94%	100%	100%	95%								
FY21	FY22	FY23	Target								
Number of homeownership assistance program recipients	11	▼	<table border="1"> <tr> <td>19</td> <td>15</td> <td>11</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> </tr> </table>	19	15	11	FY21	FY22	FY23		
19	15	11									
FY21	FY22	FY23									
Number of home rehabilitation loan program & Rebuilding Together DC-Alexandria project recipients	15	▲	<table border="1"> <tr> <td>14</td> <td>7</td> <td>15</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> </tr> </table>	14	7	15	FY21	FY22	FY23		
14	7	15									
FY21	FY22	FY23									
Number of rental accessibility rehabilitation program recipients	1	▼	<table border="1"> <tr> <td>2</td> <td>2</td> <td>1</td> </tr> <tr> <td>FY21</td> <td>FY22</td> <td>FY23</td> </tr> </table>	2	2	1	FY21	FY22	FY23		
2	2	1									
FY21	FY22	FY23									



SERVICES PROVIDED BY DEPARTMENT

Service	Description
Affordable Housing Development and Preservation	Provides technical assistance to development partners, including nonprofits, ARHA and private developers to secure and foster the production and preservation of affordable units. Participates in the development process review as well as City-wide and small area planning processes to maximize opportunities for housing affordability. Performs underwriting and lending, as well as loan/grant management for multifamily projects; performs lending and asset management functions for loan portfolio, including compliance monitoring; supports and implements the Housing Master Plan, including tracking progress related to tools and goals, and provides staff support to the Alexandria Housing Affordability Advisory Committee (AHAAC).
Leadership and Management	Provides education, training and counseling, general and fiscal management (budget, HR, admin support; federal grant management, reporting and compliance), administration support, communications, outreach and partnership development and management.
Home Ownership	Provides sales and marketing for set aside and resale restricted units, as well as special homeownership programs; underwriting, lending and asset management for first time homebuyer loan assistance program; offers pre and post purchase training, including financial literacy and budget counseling, foreclosure prevention and condominium governance education. Supports the annual Regional Housing Expo.
Housing Rehabilitation	Utilizes Federal grant funds and program income to provide loans/grants to City residents to make homes and apartments safe, suitable, accessible and green. Manages all aspects of construction and accessibility projects, including coordination with resident, property owner (as appropriate) and development of work-scope and budget, and management of architect and contractor, including progress payments and inspections.
Landlord- Tenant Relations	Provides information and referrals, including to affordable housing resources; relocation support and technical assistance; mediation of landlord-tenant complaints and issues, including foreclosure prevention; compliance monitoring of set-aside affordable units; fair housing testing and training; tenant rights education; and staff support to the Landlord Tenant Relations Board which promulgates voluntary rent guidelines each year. Produces an annual survey of all Alexandria rental properties and tracks market affordability trends.



PROGRAM LEVEL SUMMARY

Program	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Affordable Housing Development & Preservation	\$7,374,957	\$12,759,024	\$13,233,453	\$474,429	3.7%
Home Ownership	\$413,845	\$569,619	\$852,393	\$282,774	49.6%
Leadership & Management	\$739,406	\$811,587	\$813,429	\$1,842	0.2%
Housing Rehabilitation	\$634,512	\$1,044,559	\$1,266,265	\$221,706	21.2%
Landlord & Tenant Relations	\$529,007	\$627,222	\$563,358	(\$63,864)	-10.2%
Total Expenditures (All Funds)	\$9,691,727	\$15,812,011	\$16,728,898	\$916,887	5.8%

- Affordable Housing Development & Preservation increases primarily because of the \$614,000 increase in the transfer to the CIP for affordable housing based on anticipated meals tax revenue, and the \$100,000 in additional funding for the Housing Master Plan. Further increases are due to updated grant projections and regular salary and benefit adjustments. This increase is offset by the \$500,000 decrease in projected Housing Trust Fund donation dollars.
- Home Ownership increase is largely due to the first time inclusion of \$250,000 of program income revenue to be applied to down payment assistance.
- Leadership & Management has a slight increase due to salary and benefit costs.
- Housing Rehabilitation increases primarily due to the first time inclusion of \$325,000 in projected program income to be applied to affordable housing acquisition and rehabilitation, and grant adjustments based on FY 2024 grant amounts.
- Landlord & Tenant Relations decrease is primarily due to the removal of one-time funding for an overhire position, offset by increases due to regular salary and benefit adjustments.

Program	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Affordable Housing Development & Preservation	3.80	4.80	4.80	0.00	0.0%
Home Ownership	0.95	0.95	0.95	0.00	0.0%
Leadership & Management	5.20	5.20	5.20	0.00	0.0%
Housing Rehabilitation	1.45	1.45	1.45	0.00	0.0%
Landlord & Tenant Relations	3.60	3.60	3.60	0.00	0.0%
Total FTEs	15.00	16.00	16.00	-	0.0%

- The FY 2025 Proposed Operating Budget removes a Relocation Adviser overhire position originally funded by American Rescue Plan Act (ARPA). This position supports renters in the eviction process to identify and secure stable housing. There is no change to the FTE count, since the position was a temporary overhire.



AFFORDABLE HOUSING DEVELOPMENT & PRESERVATION

Program Description: This program provides technical assistance, development process review and oversight, along with financial tools and loan/grant management, as well as lending and asset management functions, to secure and foster the development and preservation of affordable units. These activities are provided with the goal of the City having committed affordable rental housing to serve households at a variety of income levels at or below 60 percent of the Area Median Income (AMI).

Expenditures by Character	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Personnel	\$632,771	\$768,212	\$811,776	\$43,564	5.7%
Non-Personnel	\$1,836,186	\$5,750,812	\$5,567,677	(\$183,135)	-3.2%
Interfund Transfer to CIP	\$4,906,000	\$6,240,000	\$6,854,000	\$614,000	9.8%
Total Program Expenditures (All Funds)	\$7,374,957	\$12,759,024	\$13,233,453	\$474,429	3.7%
Total Program FTEs	3.80	4.80	4.80	0.00	0.0%

HOME OWNERSHIP

Program Description: This program provides lending and asset management, and sales and marketing for affordable set-aside and resale restricted units. This activity is offered with the goal of low, moderate and workforce income level Alexandria residents and workers having affordable home purchase opportunities in Alexandria with City assistance/involvement. Counseling and training are also provided to help homeowners, including condominium owners, successfully maintain their homes.

Expenditures by Character	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Personnel	\$142,326	\$145,751	\$153,597	\$7,846	5.4%
Non-Personnel	\$271,519	\$423,868	\$698,796	\$274,928	64.9%
Total Program Expenditures (All Funds)	\$413,845	\$569,619	\$852,393	\$282,774	49.6%
Total Program FTEs	0.95	0.95	0.95	0.00	0.0%



LEADERSHIP & MANAGEMENT

Program Description: This program provides education, general management, asset management, and compliance oversight for Federal, State or local funding, as well training, and partnership development. These activities help maintain Housing as a high performing organization.

Expenditures by Character	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Personnel	\$640,549	\$719,487	\$713,690	(\$5,797)	-0.8%
Non-Personnel	\$98,857	\$92,100	\$99,739	\$7,639	8.3%
Total Program Expenditures (All Funds)	\$739,406	\$811,587	\$813,429	\$1,842	0.2%
Total Program FTEs	5.20	5.20	5.20	0.00	0.0%

HOUSING REHABILITATION

Program Description: This program provides financing and loans/grants to City residents with the goal of making homes safe, suitable, accessible and green living environments through City assisted rehabilitation and modification projects.

Expenditures by Character	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Personnel	\$216,551	\$227,618	\$236,578	\$8,960	3.9%
Non-Personnel	\$417,961	\$816,941	\$1,029,687	\$212,746	26.0%
Total Program Expenditures (All Funds)	\$634,512	\$1,044,559	\$1,266,265	\$221,706	21.2%
Total Program FTEs	1.45	1.45	1.45	0.00	0.0%



LANDLORD & TENANT RELATIONS

Program Description: This program provides compliance monitoring, counseling, relocation support and fair housing testing. These activities help resolve issues in compliance with the Virginia Residential Landlord Tenant Act, monitor housing discrimination, and mitigate displacement of tenants that may occur during redevelopment.

Expenditures by Character	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change 2024 - 2025	% Change 2024 - 2025
Personnel	\$480,707	\$568,961	\$495,864	(\$73,097)	-12.8%
Non-Personnel	\$48,300	\$58,261	\$67,494	\$9,233	15.8%
Total Program Expenditures (All Funds)	\$529,007	\$627,222	\$563,358	(\$63,864)	-10.2%
Total Program FTEs	3.60	3.60	3.60	0.00	0.0%

AFFORDABLE HOUSING

DOCUMENT SUBSECTION: Affordable Housing
 MANAGING DEPARTMENT: Office of Housing

PROJECT LOCATION: Citywide
 REPORTING AREA: Citywide
 PROJECT CATEGORY: Affordable Housing
 ESTIMATE USEFUL LIFE: Varies

Affordable Housing Funding													
	A (B + M)	B	C	D	E	F	G	H	I	J	K	L	M (C:L)
	Total Budget & Financing	Prior Appropriations	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	Total FY 2025 - FY 2034
Expenditure Budget	135,963,210	56,738,200	7,854,000	7,991,000	7,854,001	7,991,000	7,854,002	7,991,000	7,854,003	7,991,000	7,854,004	7,991,000	79,225,010
Financing Plan													
Cash Capital	34,400,000	24,400,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	10,000,000
Meals Tax Dedication for Affordable H	101,563,210	32,338,200	6,854,000	6,991,000	6,854,001	6,991,000	6,854,002	6,991,000	6,854,003	6,991,000	6,854,004	6,991,000	69,225,010
Financing Plan Total	135,963,210	56,738,200	7,854,000	7,991,000	7,854,001	7,991,000	7,854,002	7,991,000	7,854,003	7,991,000	7,854,004	7,991,000	79,225,010
Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-

CHANGES FROM PRIOR YEAR CIP

Funding schedule updated to reflect most recent estimate of revenue from the restaurant meals tax dedication for Affordable Housing.

PROJECT DESCRIPTION & JUSTIFICATION

As part of the Approved FY 2019 Operating Budget and FY 2019 – FY 2028 CIP, City Council approved a one percent increase in the restaurant meals tax (from 4% to 5%), to provide dedicated funding for Affordable Housing projects. The CIP continues this allocation of dedicated funding for affordable housing through the meals tax. Over the 10-year CIP, this dedicated funding source is projected to provide \$69.2 million for Affordable Housing projects.

Additionally, as part of Northern Virginia’s efforts to attract the Amazon HQ2 campus, the City continues to be committed to an additional \$1 million per year of support to Affordable Housing initiatives in Alexandria. Over the 10-year CIP, this commitment will provide an additional \$10 million in cash funding for Affordable Housing projects.

These funds have been used and can be used in numerous ways such as gap financing for development/new construction, preservation, rehabilitation, planning, predevelopment, and employee homeownership assistance.

To ensure the continued effective use of the City housing funds, and to meet the City’s 2013 Housing Master Plan goals regarding production and preservation (2,000 committed affordable units by 2025), as well as targets established for affordable and workforce housing through the Regional Housing Initiative endorsed by City Council in March 2020 (an additional 2,250 units in Alexandria by 2030) a robust pipeline of projects has been created that could be potentially implemented. The City funding for affordable housing uses gap financing, so all projects are contingent on a mix of funding sources beyond City funding, which may include private, state, and federal funds, with the City funding the remaining need.

The following projects have been allocated funds utilizing portions of this funding stream. These projects have been brought to City Council for consideration as funding packages:

- **Arlandria Project – AHDC** - Redevelopment of site on the corner of Glebe Road and Mount Vernon Avenue, including a City parcel used as a public parking lot, into 474 units of affordable and workforce housing, with a substantial component of the project planned to provide deep affordability. The project is being developed in phases. In addition to the housing, the mixed-use development includes open space, Infrastructure improvements, an underground parking garage, commercial space, flex space for city and nonprofit agencies and neighborhood-serving retail. City Council on June 27, 2023 approved a funding package for \$31.5m in FY 23 and 24 Affordable Housing funds along with \$22m in FY2025 and FY 2026 Affordable Housing Funds Previously City Council had approved \$10.5m in funds in support of the first phase of affordable housing in related to the 9% competitive LIHTC application to Virginia Housing that was awarded in the Spring of 2022.
- **Arlandria Chirilagua Housing Cooperative Rehabilitation** – ARPA funding in the amount of \$2,500,000 has been allocated to conduct a physical needs assessment and execute the capital needs identified at the 284-unit ACHC property. The Cooperative, which is privately owned by its members is one of the City’s key housing assets for very low-income renters. Design work is underway for this project

(Continued on next page)

EXTERNAL OR INTERNAL ADOPTED PLAN OR RECOMMENDATION

N/A

ADDITIONAL OPERATING IMPACTS

No additional operating impacts identified at this time.

Affordable Housing (continued)

- **Witter Place - 2712 Duke Street – Community Housing Partners** - Multi-story building will be comprised of 94 family sized two- and three-bedroom units and will offer rents affordable to households with incomes ranging from 40-60% AMI . This project was allocated \$10.5m from FY 2024 Affordable Housing Funds and received LIHTC in the Virginia Housing 2023 funding round. Project is currently in final site plan review.

The following projects have approved DSUPs or are part of CDD approvals and could utilize portions of this funding stream. When appropriate, these projects will be brought to City Council for consideration for funding packages and further development approvals as required:

- **CLI Elbert Ave** – Redevelop and expand an existing 28-unit nonprofit-owned affordable building in Arlandria to an 91 unit development.
- **Landmark/West End Affordable Housing-Fire Station Colocation:** To maximize affordable housing production in the new community being developed pursuant to the Landmark Mall CDD, City financial participation in a leveraged (low- income housing tax credit-funded project) would be required to achieve the 200 units deemed feasible.
- **ParcView II – Wesley Housing** - Expansion of the existing Wesley ParcView project with new development to occur on the property’s existing surface parking lot and pool area, to add 224 new affordable units, along with preservation of 149 existing units through refinancing and a substantial rehabilitation.
- **PRGS Site** - To provide a substantive affordable housing component in the new community being developed pursuant to CDD #30, City financial participation in a leveraged public-private partnership, involving a low- income housing tax credit-funded project, would be required to achieve the approximately 100 affordable units deemed feasible.