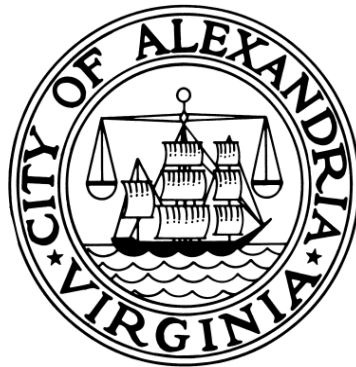


**The Alexandria Housing Affordability Advisory  
Committee  
FY19 (July 2018-June 2019) Annual Report**



**September 2019**

**The Alexandria Housing Affordability Advisory Committee (AHAAC)  
FY18 Annual Report, July 2018-June 2019**

The Alexandria Housing Affordability Advisory Committee (AHAAC) comprises members appointed by the Alexandria City Council and is staffed by the Office of Housing. A list of the committee positions and members during Fiscal Year 2019 is included at the end of this report. The purpose of the committee is to advise City Council on issues regarding the preservation and creation of affordable housing; make recommendations on policies governing the expenditures of the City's Housing Trust Fund (HTF) and Housing Opportunities Fund monies; review affordable housing plans; work with staff to monitor the implementation of the Housing Master Plan and the Beauregard Small Area Plan; and to oversee the administration of the HTF. AHAAC held eleven meetings during the annual reporting period.

Four new members joined the Committee, including a person who is an employee of the City, a person representing housing consumers under the age of 30, a developer of residential property, and a financial professional with knowledge and experience in the field of finance. As of June 2019, the Committee has three vacancies for its faith-based, small business representative, and Commission on Persons with Disabilities-appointed positions.

**FY 19 Accomplishments Overview**

- Recommended approval of an additional \$700,000 permanent loan to AHDC for the Gateway at King and Beauregard (The Nexus) project to address escalating construction costs.
- Recommended approval of an additional \$1.7 million permanent loan to AHDC for the Carpenter's Shelter (The Bloom) project to address escalating construction costs.
- Recommended approval of a \$7.65 million permanent loan to Wesley Housing for the Fairlington Presbyterian Church project which proposes to deliver 81 units affordable to households with incomes ranging between 40% and 60% AMI. Approved the application's affordable housing plan. Endorsed provision of a grant of \$270,000 from HTF to provide a rental subsidy to make nine units deeply affordable.
- Recommended approval of an additional \$940,000 permanent loan to AHC for the Church of the Resurrection (The Spire) project to address escalating construction costs.
- Recommended approval of a \$145,000 loan to the Friends of Guest House to support the renovation of a new leased facility at 120 S. Payne Street.
- Recommended approval of a \$450,000 loan to Sheltered Homes of Alexandria to support the renovation and associated infrastructure improvements of Bellefonte Apartments.
- Recommended approval of a \$1.8 million permanent loan to AHDC to acquire, renovate and preserve the Ellsworth Apartments as housing affordable to households with incomes between 50% and 60% AMI.
- Approved an affordable housing plan for the 1200 North Henry project which proposes to deliver 11 affordable rental units, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the Silverstone Senior Living project which proposes to deliver seven auxiliary-grant (AG) funded units.
- Approved an affordable housing plan for the Monday Properties project.

- Approved an affordable housing plan for the Greenhill North Coordinated Development District which proposes to deliver up to 164,000 square feet of affordable housing, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the WMATA Bus Barn project which proposes to deliver 12 affordable rental units, in addition to providing a HTF contribution.
- Approved an affordable housing plan for the Greenhill South Coordinated Development District which proposes to deliver 5 affordable rental units, in addition to providing a HTF contribution.
- Provided representatives to attend community and advisory group meetings and give feedback on four planning efforts—Resolution 830 Modernization Process (Dan Brendel), the Eisenhower West/Landmark Van Dorn Implementation Advisory Group and Landmark Mall Small Area Plan Update (Bill Harris), and the Braddock Implementation Advisory Group (Robyn Konkel).
- Monitored meetings of the ARHA Redevelopment Work Group.
- Reviewed and provided guidance on a quarterly basis on the implementation timeline of the Housing Master Plan.
- Received updates on and provided counsel to the FY19 budget process.
- Received updates on the Green Building Policy Update process.
- Received updates on the Eisenhower East Small Area Plan Update.
- Participated in the 2019 Housing Contributions Workgroup.

During the past year, AHAAC dealt with the following funding requests, affordable housing plans, and issues:

**A. Housing Funding Requests:** During the reporting period, AHAAC voted on seven funding requests described below.

1. **Gateway at King and Beauregard (The Nexus):** In September AHAAC considered AHDC’s request for additional loan funds of \$700,000 to address recent escalations in construction costs and uncertainty regarding the pricing of materials in the future due to tariff issues. In November 2015, at AHAAC’s recommendation, City Council approved a loan to AHDC of up to \$5.5 million (including a previously authorized predevelopment loan of \$350,000) for a 74-unit affordable housing building that is part of the Gateway at King and Beauregard (now branded “West Alex”) mixed-use development. The requested increase brought the total loan to \$6.2 million. **AHAAC voted to approve the loan request with one abstention.**
2. **Carpenter’s Shelter (The Bloom):** In September AHAAC also considered AHDC’s request for additional loan funds of \$1.7 million to address recent escalations in constructions costs and uncertainty regarding the pricing of materials in the future due to tariff issues. In December 2016, at AHAAC’s recommendation, City Council approved a loan to AHDC of up to \$7.1 million (including a previously authorized predevelopment loan of \$500,000) for a 97-unit affordable housing building to be developed in conjunction with, and above, a new Carpenter’s Shelter facility. Once completed, the residential building will contain a mix of 87 units affordable at 40-60% of the area median income (AMI) and 10 deeply affordable units that will serve

households transitioning from chronic homelessness, including case management support from Carpenter's Shelter.

AHDC had been able to absorb several rounds of increases due to the cushion provided by its state and national housing grant award totaling \$1.6 million, increased VHDA loan funding, and deferral of more of its developer fee; however, a gap projected to be up to \$1.7 million remained to be closed in 2018. **AHAAC voted to approve the loan request with one abstention.**

- 3. Fairlington Presbyterian Project (Waypoint at Fairlington):** In October AHAAC considered Wesley Housing's proposed affordable housing plan and request for a permanent loan of up to \$7.65 million (including \$400,000 of previously approved predevelopment funds) for the proposed development of 81 apartments affordable at 40-60% AMI on an underutilized parking lot currently serving Fairlington Presbyterian Church. The project meets several City housing needs articulated in the Housing Master Plan, including collaborating with and among nonprofit partners, providing deeply affordable, accessible, and family-size units, and locating affordable housing development near transit and amenities. Once completed, the project will provide a mix of studios, one-, two-, and three-bedroom apartments, including nine fully accessible units. The units will be committed as affordable housing for 40 years.

The Committee also considered a grant of \$270,000 to support rental assistance subsidy via the City's pilot program to make nine units in the project deeply affordable. **AHAAC voted unanimously to approve the affordable housing plan, loan request, and grant.**

- 4. Church of the Resurrection (The Spire):** In April AHAAC considered AHC Inc's request for additional loan funds of \$940,000 to address increases in construction costs, the complexity of the financing structure (which includes a ground lease), and soft costs. In December 2017 AHAAC approved AHC Inc.'s request for a permanent loan of up to \$8.4 million (including \$565,000 of previously approved predevelopment funds) for the proposed redevelopment of the Church of the Resurrection site to provide 113 apartments. (As part of the redevelopment, the church will construct a new building on the southern portion of the site to continue its worship ministry, food pantry, and other community services.) The proposed rental units in the affordable building will serve incomes ranging between 40% and 60% AMI and provide a mix of one-, two- and three-bedroom apartments, including 12 fully accessible units. The Committee at the time also endorsed City Council's provision of a \$350,000 grant from the HTF to create 12 deeply affordable units as part of the project. It is noted that the loan was subsequently increased to up to \$9.0 million to allow for the undergrounding of extensive and complex utilities.

AHC had been able to absorb several rounds of increases in the project budget through its \$1.12 million State and National Housing Trust grant award, increased private loan funding from Freddie Mac, and a Federal Home Loan Bank loan of \$500,000; however, a gap projected to be up to \$940,000 remained to be closed in 2019. **AHAAC voted unanimously to approve the loan request.**

5. **Friends of Guest House:** In June 2019 AHAAC considered a loan of \$145,000 to the Friends of Guest House to support the renovation of 120 S. Payne Street which will expand and help consolidate the organization's residential program. The Committee had previously submitted a letter of support on behalf of the organization's SUP application. **AHAAC voted to approve the loan request.**
6. **Bellefonte Apartments:** In June 2019 AHAAC considered a loan of \$450,000 to Sheltered Homes of Alexandria to complete the funding package to renovate Bellefonte Apartments in Del Ray. The Bellefonte Apartments, located at 417 E. Bellefonte Avenue in Del Ray, is a 12-unit apartment complex owned by Sheltered Homes of Alexandria (SHA), a local nonprofit entity that owns housing for adults with intellectual and development disabilities. The proposed refinancing and renovation project is a partnership between SHA and AHDC which is providing development consulting service. While no City financial support was initially anticipated, an off-site stormwater improvement with an estimated cost of \$300,000 is required to connect the building to the City's stormwater system. The scope of work also includes closing a curb cut to the parking lot and replacing an accessible ramp to the group home. The Committee was also briefed on the temporary relocation plan for the twelve residents and their caseworkers at Southern Towers. **AHAAC voted to approve the loan request with one abstention.**
7. **The Ellsworth:** In June 2019 AHAAC considered AHDC's loan request for \$1.8 million to acquire, renovate and preserve the Ellsworth Apartments as committed affordable housing. The Ellsworth Apartments is a 20-unit garden-style rental property located at 2801 Seay Street, across the street from AHDC's 41-unit Longview Terrace Apartment complex. Purchasing the property will not only enhance housing affordability in a corridor that is likely to redevelop over the next several decades and provide a potential future land banking/redevelopment opportunity, but will also provide operational efficiencies to AHDC immediately if it consolidates property management and maintenance services for Longview Terrace and the Ellsworth. AHDC will preserve four of the 20 units at rents affordable at 50% AMI, with the remaining 16 units affordable at 60% AMI. No residents will be displaced. **AHAAC voted to approve the loan request with one abstention.**

**B. Affordable Housing Plans:** During the reporting period, AHAAC voted on six affordable housing plans that were included as part of the development process.

1. **1200 North Henry:** The site is located at 1200 North Henry Street within the Braddock Small Area Plan. The applicant proposed to construct an approximately 115 rental unit project with 17,000 square feet of ground-level retail and 10,000 square feet for a daycare use. As part of proposed project, the applicant requested a master plan amendment, rezoning, and bonus density and height for the provision of affordable housing.

In exchange for the application of bonus density and height, the project will provide 11 rental units affordable at 60% AMI for a 40-year period. In addition, the applicant agreed to provide a voluntary monetary contribution to the Housing Trust Fund in the amount of

\$263,583. **At its August meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

- 2. Silverstone Senior Living:** The site is located on Landbay H-West in South Potomac Yard; the parcel is bounded by Mainline Boulevard, Maskell Street, Route 1, and East Swann Avenue. The applicant proposed to construct two senior-living buildings—a nine-story building with approximately 186 assisted living units and an eight-story building with approximately 146 independent living units—along with approximately 12,000 square feet of ground floor retail. A portion of the first facility will be assigned to provide care to residents with memory care or other cognitive needs.

The applicant presented three options for the Committee's consideration: 14 units discounted by 40%, nine units discounted by 60%, and seven deeply affordable Auxiliary-Grant (AG) funded units. The contribution of the units was valued at approximately \$19-25 million. **AHAAC selected the third option and voted unanimously to approve the applicant's Affordable Housing Plan at its October meeting.**

- 3. 2000 North Beauregard/Monday Properties:** The site is located at 2000 North Beauregard Street within the Adams Neighborhood of the Beauregard Small Area Plan (BSAP). The applicant proposed to replace a vacant office building with an approximately 300-unit multifamily building. The Committee acknowledged the project's potential as a development catalyst and determined it would expand housing choice in the BSAP and contribute approximately \$1.7 million in Housing Trust Fund dollars in the future. It also underscored the importance that future development in the neighborhood include affordable units consistent with the CDD conditions and that the City's future buy down option to secure committed affordability in up to 15% of future units be preserved. **At its September meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

It is noted that the during the October public hearing, the applicant subsequently agreed to provide five rental units affordable at 60% AMI for 40 years.

- 4. Greenhill North:** The 14.9-acre site is bounded by South Pickett Street, Edsall Road, and South Van Dorn Street and falls within in the Landmark Van Dorn Small Area Plan. The applicant presented two mixed-use options—one predominantly residential and one with a balance of office and residential uses. As part of proposed project, the applicant requested a master plan amendment, rezoning, and bonus density for the provision of affordable housing.

The applicant agreed to provide a contribution to the Housing Trust Fund (estimated to be \$7.68 million, in 2019 dollars, at the time of full buildout) in addition to up to 164,000 square feet of affordable housing units associated with the use of Section 7-700. **At its November meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

5. **Bus Barn:** The site is located at 600 North Royal Street within the Old Town North Small Area Plan. The applicant proposed to construct an approximately 287-rental unit project. As part of proposed project, the applicant requested a rezoning and bonus density for the provision of affordable housing.

In exchange for the application of bonus density, the project will provide 12 rental units affordable at 60% AMI for a 40-year period. In addition, the applicant agreed to provide a voluntary monetary contribution to the Housing Trust Fund in the amount of \$846,470. **At its January meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

6. **Greenhill South CDD:** The 5.44-acre site is located at 600 S. Pickett Street in the Eisenhower West Small Area Plan (EWSAP) area. The applicant proposed to demolish the existing commercial uses and construct approximately 14,000 square feet of retail and 931,540 square feet of residential development. As part of the project, the applicant requested a rezoning and a Coordinated Development District Concept Plan to develop the site with a mix of land uses as envisioned in the 2015 EWSAP.

The applicant agreed to provide a contribution to the Housing Trust Fund (estimated to be \$4.6 million, in 2019 dollars, at the time of full buildout). In addition, the applicant agreed to provide five committed affordable units for a 40-year period. **At its June meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

**C. Housing Trust Fund Overview: FY 19**

\$3 million was pledged; \$1.4 million was received; and \$1.7 million was expended from the Housing Trust Fund.

**D. Housing Master Plan:**

AHAAC is an important champion and steward of the Housing Master Plan. The Committee helped monitor implementation through:

- Quarterly review of the Housing Master Plan Progress Report
- Regular updates on the activities of AHDC and ARHA
- Distribution of educational and outreach materials produced by staff in FY19, including the City's Microunits Report.

**E. Small Area Plans and Planning Initiatives:**

AHAAC was actively engaged in various planning efforts throughout the year, including the South Patrick Street (Route 1 South) Housing Affordability Strategy, the Braddock Implementation Advisory Group (BIAG), the Landmark Mall Small Area Plan Update, and the Eisenhower East Small Area Plan Update.

The Committee also received updates on the proceedings of the:

- ARHA Redevelopment Work Group
- Resolution 830 modernization process
- Green Building Policy Update

- South Patrick Street (Route 1 South) Housing Affordability Strategy implementation process
- The City's response to Virginia Tech's Innovation Campus and Amazon HQ2

## **F. Other**

AHAAC advised the City Council on potential priorities to be put forward before the General Assembly as part of the City's annual legislative packet. At the City Manager's request AHAAC provided feedback regarding FY2019 budget priorities.

Chair Robyn Konkel participated in a Housing Work Session with City Council in February 2019 and presented AHAAC's mission and current projects. She also represented AHAAC in the quarterly Boards and Commissions meetings convened by DCHS.

AHAAC members participated in the 2019 Housing Contribution Workgroup convened to help establish greater consistency, certainty and clarity regarding affordable housing contribution procedures for rezonings involving additional density, senior housing projects, and commercial building conversions.

In an effort to enhance coordination of activities and policy priorities among city commissions and boards, AHAAC conducted outreach to the Environmental Policy Commission (EPC) and the Commission on Aging (COA).

1. In December AHAAC held a joint work session with the EPC during which the two bodies discussed their work programs and opportunities to collaborate; subcommittees of the two bodies subsequently held a follow up meeting in April. Members discussed the interconnectivity of, as well as potential tension between, affordability and sustainability and potential tools and initiatives, including the use of CPACE, green zones, and SparkFund, as well as the establishment of heightened baseline environmental standards. AHAAC members discussed the importance of preserving the City's existing bonus density and height zoning program (Sec. 7-700). EPC members underscored the critical role well-designed density plays in enhancing housing affordability, in particular when constructed near mass transit.
2. In January AHAAC held a joint work session with the Commission on Aging (COA). As a result of the meeting, the Office of Housing worked with the COA on incorporating clearer universal design recommendations for affordable housing projects seeking new construction funding through the City's Housing Opportunity Fund.

In June, AHAAC voted to elect a new chair, Michelle Krockner.



**Committee Composition (voting members): 19**

- 1 Builder or developer of residential property
- 1 Real estate professional with knowledge and experience in residential real estate
- 1 Landlord of residential property in the City
- 1 Residential tenant in the City
- 1 Homeowner in the City
- 1 Commissioner from the ARHA Board
- 1 Representative of the City's faith community
- 1 Representative of a civic association in the City
- 1 Representative who is employed by or affiliated with an organization that promotes and maintains affordable housing
- 2 Financial professional with knowledge and experience in the field of finance
- 1 Representative of an employer in the city who employs at least 100 employees
- 1 Licensed and practicing attorney
- 1 Person designated by, but who need not be a member of the Commission on Aging
- 1 Person who is either an employee of the City or the Alexandria City Public Schools
- 1 Person who represents housing consumers under 30 years of age
- 2 Representatives of the City's small business community, including the retail, restaurant, or hospitality sectors
- 1 Person designated by, but need not be a member of, the Commission on Persons with Disabilities

**Voting Members between July 2018 and June 2019:**

Robyn Konkel, Chair  
Katharine Dixon  
Michael Butler  
Carter Flemming  
William Harris  
Peter-Anthony Pappas  
Michelle Krockner  
Jon Frederick  
Mary Parker (membership ended February 2019)  
Marian Wiggins (membership ended October 2018)  
Yasin Seddiq (membership ended February 2019)  
Nechelle Terrell (membership ended September 2018)  
Holly Hanisian  
Michael Doyle  
Dan Brendel (membership ended June 2019)  
William Alexander  
Zachary DesJardins (membership began April 2019)  
Frank Fannon (membership began January 2019)  
Annette Bridges (membership began November 2018)  
Shelley Murphy (membership began November 2018)