

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
VIRTUAL MEETING
DATE: MARCH 3, 2022
TIME: 6:30-8:30 P.M.
REVISED AGENDA

- | | |
|---|-----------|
| 1. Introductions and Chair Remarks (Chair) | 6:30 p.m. |
| 2. Briefing on Urban Institute Study of the Impact of Affordable Housing on Property Values
(Tamara Jovovic/Tina Stacy & Christopher Davis) | 6:35 p.m. |
| 3. Arts Bonus Discussion (Karl Moritz) | 7:05 p.m. |
| 4. Consideration of Loan Request for the Replacement of Elevator at ParcView I (Eric Keeler/Kamilah McAfee)
Action Requested: Vote on Loan Request | 7:25 p.m. |
| 5. City FY23 Budget for Housing (Eric Keeler) | 7:40 p.m. |
| 6. Report Outs (Committee Members) | 7:50 p.m. |
| 7. ARHA Updates (Salena Zellers) | 7:55 p.m. |
| 8. AHDC Updates (Jon Frederick) | 8:00 p.m. |
| 9. Information Items:
Financial Report | 8:05 p.m. |
| 10. Staff Updates (Staff) | 8:10 p.m. |
| 11. Announcements and Upcoming Housing Meetings (Staff) | 8:15 p.m. |

Budget Work Session #4: Livable, Green & Prospering

Virtual, March 23, 2022; 7:00PM-9:00PM

Zoom [registration](#); Webinar ID: 956 6829 2289; Webinar Passcode: 638277

Dial-in number: 301-715-8592

- | | |
|---------------------|-----------|
| 12. Other | 8:20 p.m. |
| Adjournment (Chair) | 8:30 p.m. |

All AHAAC meetings are open to the public. For interpretation services, please contact Kenneth Turscak at Kenneth.turscak@alexandriava.gov or at 703-746-3098 three business days prior to the meeting.

Due to the COVID-19 Pandemic emergency, the March 3, 2022 meeting of the Alexandria Housing Affordability Advisory Committee is being held electronically pursuant to Virginia Code Section 2.2-3708.2(A)(3) and/or the Continuity of Government ordinance adopted by the City Council on April 18, 2020. All of the members of the Committee and staff are participating from remote locations through a Zoom video conference. The meeting can

be accessed live by the public through Zoom at the following link
[zoom.us/webinar/register/WN_nMzk2HBcRfO62AVTWrBcmQ](https://zoom.us/join/zoom.us/webinar/register/WN_nMzk2HBcRfO62AVTWrBcmQ); or dial in number: 301-715-8592; Webinar ID:
936 2497 6512; Passcode: 415142. A recording of the meeting will be posted at www.alexandriava.gov/74631.

ORDINANCE NO. 5138

AN ORDINANCE to amend and reordain the "Official Zoning Map, Alexandria, Virginia," adopted by Section 1-300 (OFFICIAL ZONING MAP AND DISTRICT BOUNDARIES), of the City of Alexandria Zoning Ordinance, to establish the Old Town North Arts and Cultural District Overlay Zone, and to amend and reordain Article VI (SPECIAL AND OVERLAY ZONES) of the City of Alexandria Zoning Ordinance to add a new Section 6-900 (OLD TOWN NORTH ARTS AND CULTURAL DISTRICT OVERLAY), in accordance with the said zoning map and text amendments heretofore approved by City Council as Rezoning No. 2018-0001 and Text Amendment No. 2018-0002.

WHEREAS, the City Council finds and determines that:

1. In Rezoning No. 2018-0001 and Text Amendment No. 2018-0002, the Planning Commission, having found that the public necessity, convenience, general welfare and good zoning practice so require, recommended approval to the City Council on April 3, 2018 of a rezoning and corresponding text amendment to establish an arts and cultural district within the Old Town North Small Area Plan, which recommendation was approved with amendments by the City Council at public hearing on April 14, 2018;
2. The said rezoning and text amendment are in conformity with the 1992 Master Plan of the City of Alexandria, Virginia, as amended; and
3. All requirements of law precedent to the adoption of this ordinance have been complied with; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That the "Official Zoning Map, Alexandria, Virginia," adopted by Section 1-300 of the City of Alexandria Zoning Ordinance, be, and the same hereby is, amended by establishing the Old Town North Arts and Cultural District Overlay Zone, as shown on the illustration entitled "Old Town North Arts and Cultural District Overlay Map," attached to this ordinance as Exhibit 1 and incorporated fully herein by reference; and all properties within said Overlay Zone, as shown on Exhibit 1, are hereby rezoned to add the Old Town North Arts and Cultural District Overlay to their existing zones.

Section 2. That Article VI of the City of Alexandria Zoning Ordinance be, and the same hereby is, amended by adding thereto a new Section 6-900 to read as follows:

[The following is all new language]

Section 6-900 Old Town North Arts and Cultural District Overlay

6-901 – Intent

The intent of this provision is to provide incentives to retain and attract arts and cultural uses in Old Town North through the creation of an Arts and Cultural District pursuant to Virginia Code Section 15.2-1129.1. Additional floor area, density, and height may be permitted for properties within the Arts and Cultural District Overlay as part of a special use permit, subject to the provisions of this section.

The intent of the Ground Floor Arts and Cultural Tenant space defined in Section 6-902(A) is to provide a range of uses on the ground floor that will reinforce the arts, cultural, and creative identity of Old Town North.

The intent of the Arts and Cultural Anchor defined in Section 6-902(B) is to provide destination anchors that have a significant amount of public access and activity and attract additional large arts and cultural institutions.

The use of these incentives will be limited to areas within the Old Town North Arts and Cultural District Overlay Map that have frontages on the following streets: N. Washington Street, N. Saint Asaph Street, Montgomery Street, N. Fairfax Street, Third Street, or Canal Center Plaza. The regulatory incentives for arts and cultural uses as outlined in this section will not preclude the use of Section 7-700 for the provision of low- and moderate-income housing.

6-902 – Definitions

- (A) *Ground Floor Arts and Cultural Tenant*: Small scale or individual use whose purpose is the creation or display of art or design.
- (B) *Arts and Cultural Anchor*: A larger destination use or venue where visual or performing arts and cultural works are taught, created, and made available to the public by various means including live performances of theater, dance, music, or other imaginative work or producing or exhibiting of physical works created by or under the direction of one or more artists and intended for unique production or limited reproduction. Museums art schools including, but not limited to, culinary arts schools, instructional art, music, or drama academy may also qualify as Arts and Cultural Anchor.

6-903 – Incentives for Ground Floor Arts and Cultural Tenant

For parcels within the Old Town North Arts and Cultural District Overlay that front along the streets listed in Section 6-901 above, the floor area for Ground Floor Arts and Cultural Tenant spaces may be excluded from the calculation of the maximum floor area ratio permitted for the site. The allocation of Ground Floor Arts and Cultural Tenant spaces will be limited to a maximum amount of 15,000 square feet of floor area for each block.

Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section 6-902(A) for Ground Floor Arts and Cultural Tenant may be allowed by special use permit. The use of this incentive will be subject to the following:

- (A) Approval as part of a special use permit in accordance with the procedures and requirements set forth in Section 11-500.
- (B) The applicant for the special use permit shall provide sufficient assurance by way of contract, deed, or other recorded instrument in a form approved by the City that the ground floor space excluded from the floor area shall be limited to the uses defined in Section 6-902(A) or as otherwise approved in accordance with the special use permit process and that said space shall only be leased to an approved Arts and Cultural Tenant as defined in Section 6-902(A) for a minimum period of 15 years from the issuance of the certificate of occupancy for the space.
- (C) The Ground Floor Arts and Cultural Tenant space will be open to the public during regular hours.

6-904 – Incentives for Arts and Cultural Anchors

For parcels within the Old Town North Arts and Cultural District Overlay that front along the streets listed in Section 6-901 above, floor area ratio and an associated amount of density may be increased by a maximum of 30 percent above the maximum floor area ratio otherwise permitted by the Zoning Ordinance for a building or project that includes an Arts and Cultural Anchor as defined in Section 6-902(B).

Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section 6-902(B) for Arts and Cultural Anchor may be allowed by special use permit. The use of this incentive will be subject to the following:

- (A) Approval as part of a special use permit in accordance with the procedures and requirements set forth in Section 11-500.
- (B) The entire Arts and Cultural Anchor space will be limited to the uses defined in Section 6-902(B).
- (C) The space provided for the Arts and Cultural Anchor shall be a minimum size of 5,000 square feet and consolidated in one area. The final size, use, and amount of floor area ratio increase for the provision of Arts and Cultural Anchor space will be based on the type and character of the use and on achieving the intent and objectives of the Old Town North Small Area Plan.
- (D) The Arts and Cultural Anchor space may be located below grade, provided that it has a minimum area of 2,000 square feet of ground floor space, primarily accessed from the street frontages listed in Section 6-901 and with a floor-to-ceiling height of no less than 15 feet.

- (E) The total floor area for Arts and Cultural Anchor space utilizing the Arts and Cultural Anchor incentive within the Old Town North Arts and Cultural District Overlay will not exceed 100,000 square feet of floor area as defined by the Zoning Ordinance.
- (F) The public benefit of the added density will be provided through the ability of the proposed Arts and Cultural Anchor to further the goals of the Arts and Cultural District.
- (G) The applicant for the special use permit shall provide a contract, deed, or other recorded instrument in a form approved by the City prior to the release of the final site plan, which will be recorded within the land records prior to the issuance of the first certificate of occupancy permit for the site. The instrument will at minimum include:
1. Use of the space shall be limited to the uses defined in Section 6-902 (B) or as otherwise approved in accordance with the special use permit process for a minimum period of 30 years from the issuance of the certificate of occupancy for the space.
 2. In the event the Arts and Cultural Anchor space is vacated for a period of 90 calendar days, or the tenant is no longer able to operate within the space, the City shall have the right of first refusal to purchase the space, assign a purchase right, or assume a lease as specified in a Memorandum of Understanding that shall be executed.
- (H) Nothing in this Section 6-900 shall be construed to limit or otherwise interfere with any rights and obligations of the Arts and Cultural Anchor arising out of membership in a property owners' association or pursuant to any other arrangement governing management of a mixed-use property.
- (I) Height may not be increased pursuant to this section by more than 25 feet beyond the height otherwise permitted by the zone for the site. However, no building located in any zone or height district where the maximum allowable height is 50 feet or less may be allowed to exceed such height limits.
- (J) The Arts and Cultural Anchor space will be open to the public with regularly scheduled presentations, activities, classes, or performances that are open to the public for a significant number of days within the calendar year commensurate with the type of use and operation.
- (K) The applicant shall submit as part of the application for special use permit an agreement with the Arts and Cultural Anchor that will demonstrate compliance with this Section 6-900.
- (L) To qualify as an Arts and Cultural Use Anchor, the proposed operator of the arts and cultural space will be an existing organization or establishment that can demonstrate fiscal and managerial capacity to successfully operate such space as part of the special use permit process.

Section 3. That the Director of Planning and Zoning be, and hereby is, directed to record the foregoing map and text amendments.

Section 4. That the "Official Zoning Map, Alexandria, Virginia," as amended pursuant to Section 1 of this ordinance, and Article VI, as amended pursuant to Section 2 of this ordinance, be, and the same hereby are, reordained as part of the City of Alexandria Zoning Ordinance.

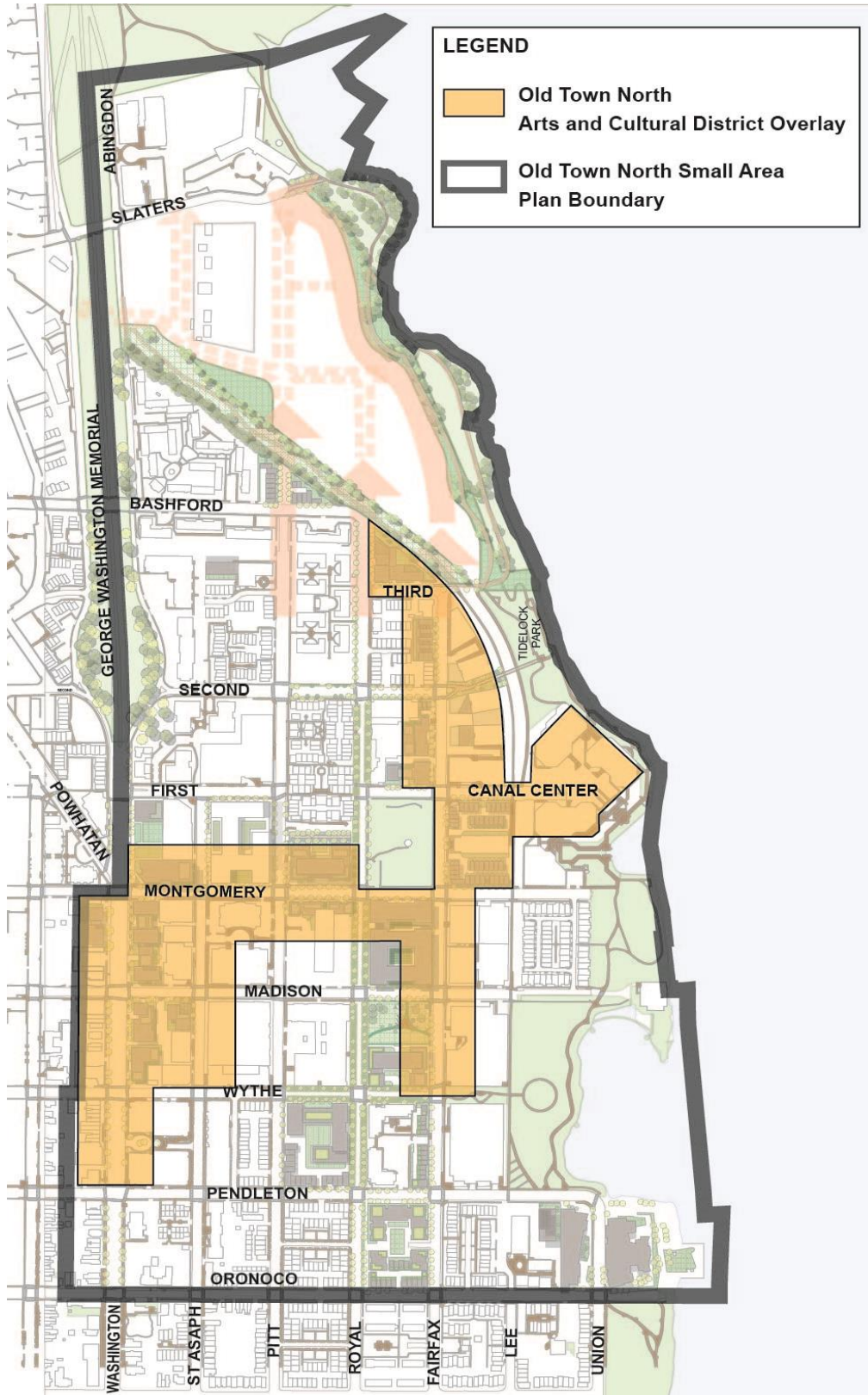
Section 5. That this ordinance shall become effective on the date and at the time of its final passage.

ALLISON SILBERBERG
Mayor

Final Passage: May 12, 2018

EXHIBIT 1

Old Town North Arts and Cultural District Overlay Map





***Rezoning #2018-0001
Text Amendment #2018-0002
Old Town North Arts and Cultural District Map***

<p>Issue: Old Town North Arts and Cultural District (A) Initiation of a Map Amendment; (B) Public hearing and consideration of an amendment to the City of Alexandria’s official zoning map to add the Old Town North Arts and Cultural District Overlay, which covers portions of N. Fairfax, Montgomery, Madison, First, N. Saint Asaph, N. Pitt, N. Royal, Third, and N. Washington Streets and Canal Center, more particularly shown in Figure 2.04 of the Old Town North Small Area Plan and depicted as “Required or Optional Retail or Arts and Cultural Uses”; (C) initiation of a Text Amendment; and (D) a Text Amendment to the Zoning Ordinance to add section 6-900 regarding Old Town North Arts and Cultural District.</p>	<p>Planning Commission Hearing:</p>	<p>April 3, 2018</p>
	<p>City Council Hearing:</p>	<p>April 14, 2018</p>

Staff Recommendation: APPROVAL of both the Rezoning and Text Amendment subject to compliance with all applicable codes, ordinances, and recommended permit conditions found in Section III of this report.

Staff: *Planning and Zoning:* Karl Moritz, Director, Jeffrey Farner, Deputy Director; Carrie Beach, Division Chief NPCD, Heba ElGawish, Urban Planner; *Recreation, Parks, and Cultural Activities:* James Spengler, Director, Diane Ruggiero, Deputy Director, Jack Browand, Division Chief.

CITY COUNCIL ACTION, APRIL 14, 2018: City Council closed the public hearing and approved the Planning Commission recommendation with an amendment to the Section 6-904 (G)(b) stating, "The City shall have the right of first refusal to purchase the space, assign that purchase right, or assume the lease as specified in the Memorandum of Understanding and change Section 6-904(F) to state that "The public benefit of the added density will be provided through the ability of the proposed Arts and Cultural Anchor to further the goals of the Arts and Cultural District."

PLANNING COMMISSION ACTION, APRIL 3, 2018:

On a motion by Commissioner Wasowski, seconded by Vice Chairman Macek, the Planning Commission voted to initiate Text Amendment #2018-0002. The motion carried 7-0.

On a motion by Commissioner Lyle, seconded by Vice Chairman Macek, the Planning Commission voted to amend provision (E) under section 6-904 of Text Amendment #2018-0002. The motion carried on a vote of 6-1, with Commissioner McMahon dissenting.

On a motion by Commissioner Wasowski, seconded by Commissioner Lyle, The Planning Commission voted to amend provision (F) under section 6-904 of Text Amendment #2018-0002. The motion carried on a vote of 6-1, with Vice Chairman Macek dissenting.

On a motion by Commissioner Wasowski, seconded by Vice Chairman Macek, The Planning Commission voted to recommend approval of Text Amendment #2018-0002 with the following amendments:

Revise Section 6-904 (E) and (F)

(E) The total floor area for Arts and Cultural Anchor space utilizing the Arts and Cultural Anchor incentive within the Old Town North Arts and Cultural District Overlay will not exceed ~~50,000~~ 100,000 square feet of floor area as defined by the Zoning Ordinance.

(F) ~~The public benefit of the Arts and Cultural Anchor space will generally be equivalent to the amount of additional market rate density requested for each site. The equivalency of the public benefit of the Arts and Cultural Anchor will be evaluated based on:~~

- ~~1. The size of the proposed Arts and Cultural Anchor compared to the added market rate density;~~
- ~~2. The type of physical improvements necessary to construct the Arts and Cultural Anchor space; and~~
- ~~3. The ability of the proposed use to further the goals of the Arts & Cultural District.~~

The public benefit of the added density will be embodied in the ability of the proposed Arts and Cultural Anchor to further the goals of the Arts and Cultural District.

The motion carried on a vote of 7-0.

On a motion by Commissioner Wasowski, seconded by Vice Chairman Macek, the Planning Commission voted to initiate map amendment for Rezoning #2018-0001. The motion carried on a vote of 7-0.

On a motion by Commissioner Wasowski, seconded by Vice Chairman Macek, the Planning Commission voted to recommend approval of map amendment for Rezoning #2018-0001. The motion carried on a vote of 7-0.

Discussion

Members of the Planning Commission expressed concern over provision (F) under Section 6-904. Given the qualitative nature of the public benefit of an Arts and Cultural Anchor, the Planning Commission believed that provision (F) was attempting to quantify that benefit by saying “The public benefit of the Arts and Cultural Anchor space will generally be equivalent to the amount of additional market rate density request for each site.” Additionally, the Planning Commission expressed concern that provision (F) would create uncertainty for developers who may be interested in utilizing the Arts and Cultural Anchor incentive. The Planning commission initially recommended to remove provision (F) and have the rest of the provisions under Section 6-904 govern the methods in which projects are being considered. However, Assistant City Attorney, Christina Zechman Brown, explained that a provision needs to be in place to set an expectation regarding what the standard is upon which projects are going to be evaluated. The Planning Commission agreed to revise provision (F) as outlined above with the understanding that a future staff policy will be in place to determine how the amount of added density in relation to the proposed Arts and Cultural Anchor space will be evaluated.

Commissioner Macek asked staff to clarify why provision (H) under Section 6-904 was changed and simplified from the previous version. Staff clarified that provision (H) concerned agreements between two private entities--the developer-applicant and the Arts and Cultural Anchor--and that the type and details of these agreements would be more appropriately addressed through the development special use permit (DSUP) process and the required MOU.

Finally, Commissioner Lyle raised a concern over the 50,000 square feet limit for the Arts and Cultural Anchor provision and suggested raising the limit to 100,000 square feet to ensure that there is enough opportunity for Arts and Cultural Anchor space to be created before the need to amend the zoning ordinance to raise the limit. Commissioner McMahan expressed her discomfort with raising the limit, stressing the importance of affordable housing across the City. Commissioner McMahan highlighted the good faith effort from staff to place a 50,000 square feet limit in order to give staff an opportunity to work with AHAAC to assess the impact of this incentive on the utilization of Section 7-700 for the provision of low- and moderate-income housing.

The Planning Commission recommended approval of Text Amendment #2018-0002, as reflected in the Memorandum from Karl Moritz to the Planning Commission dated April 3, 2018, except for the change made to subsection (F) and the additional changes made to subsections (E) and (F)

(outlined under the Planning Commission Action above). The Planning Commission recommended approval of the map amendment for Rezoning #2018-0001.

Speakers

Austin Flajser, President of Carr Companies and former member of the Old Town North Small Area Plan Advisory Group expressed his support of the creation of an Arts and Cultural District. Mr. Flajser expressed concern over a number of requirements within the text amendment, which are meant to be creative, particularly outlining the number of governors already in place and that the more barriers are added, the more difficult it becomes for developers to gauge their risks.

Matthew Stensrud, Chair of the Alexandria Commission for the Arts expressed the commission's endorsement of the Arts and Cultural District text amendment. However, Mr. Stensrud expressed concern of the 50,000 square feet limit for the Arts and Cultural Anchor space and recommended that the limit increase to open up new possibilities for visual and performing arts entities that can realize the vision for the Arts and Cultural District. Mr. Stensrud also highlighted that provision (F) under Section 6-904 is vague and may hinder developers from utilizing the Arts and Cultural Anchor incentive. Mr. Stensrud urged Planning Commission to remove provision (F) and extend the trial phase to more than 50,000 square feet.

Kenneth Wire, Partner at McGuire Woods LLP, reminded the Planning Commission that the Old

I. SUMMARY

The proposal will amend the Zoning Map and Zoning Ordinance text to implement the recommendation of the recently approved Old Town North Small Area Plan to establish an Arts and Cultural District in Old Town North as highlighted in Figure 1. The Zoning Map Amendment will add an Overlay for the Old Town North Arts and Cultural District as shown in Figure 2. In addition, the proposed text amendment will add a new Arts and Cultural District Overlay within Section 6 of the Zoning Ordinance for Old Town North, which outlines the incentives for Arts and Cultural spaces within Old Town North Arts and Cultural District. The text amendment also establishes definitions for Ground Floor Arts and Cultural Tenant and an Arts and Cultural Anchor.

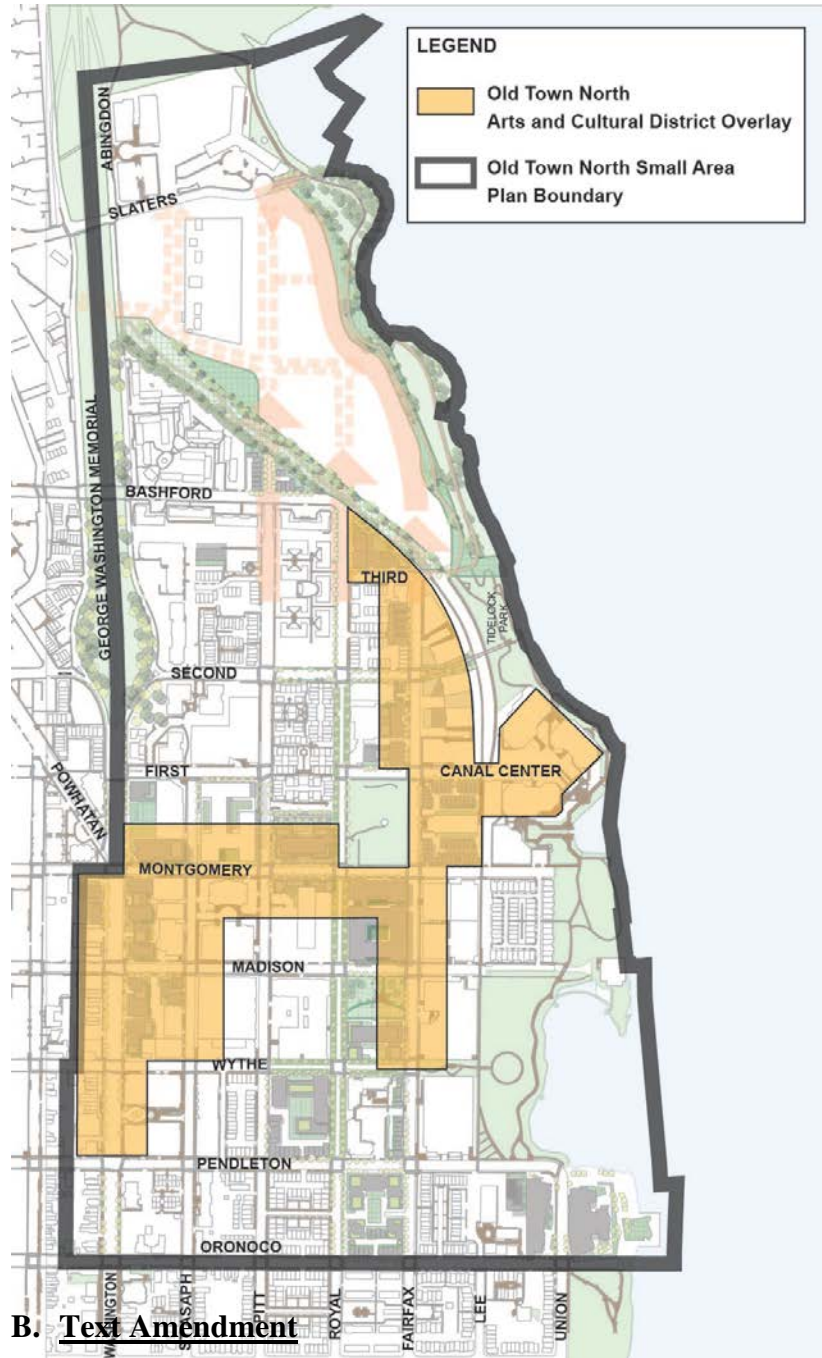
OLD TOWN NORTH SMALL AREA PLAN UPDATE IMPLEMENTATION TASKS		Short-term (0-5 years)	Mid-term (6-10 years)	Long-term (11+ years)	On-going	Developer Responsibility <i>(as part of development review process)</i>	Responsibility*	Recommendation Number Chapter # . # . # Rec. # Section
A. Establishment of OTN Developer Contributions and Funds								
1	Establish developer contributions to implement the Plan improvements based on amount of impacts.	x					City	4.4.16
2	Establish all necessary funds such as: a. Streetscape/Tree Canopy Fund b. Open Space Fund c. Combined Sewer/Stormwater Infrastructure Fund, if necessary	x					City	4.4.16
B. Land Use and Economic Development								
3	Coordinate with the former power plant site property owner(s) to attract innovation anchor/uses that build on the intent and recommendations of the Plan.	x	x			x	City	2.5.6
4	Explore the feasibility of a Business Improvement District (BID) or comparable entity to manage the implementation of the Retail Corridors and Arts District.		x				Developer/City	2.5.11
5	Zoning Ordinance change(s) to establish an Art District as permitted through Code of Virginia Section 15.2-1129.1, allowing for the implementation of additional floor area as outlined in the Plan.	x					City	2.5.14
6	Rezoning designated redevelopment sites to facilitate adopted Plan objectives.				x		Developer	2.5.15-21

Figure 1 Old Town North Small Area Plan Implementation Matrix

II. DISCUSSION

A. Map Amendment

The provisions of the Zoning Ordinance text amendment under proposed new Section 6-900 outlined further in this report will apply to the areas depicted in Figure 2. The proposed spaces for Arts and Cultural uses will be required to have frontage on the streets within the boundary highlighted in the map; N. Washington Street, N. Saint Asaph Street, Montgomery Street, N. Fairfax Street, Canal Center Plaza, and Third Street.



B. Text Amendment

Figure 2: Old Town North Arts and Cultural District Overlay Map

The proposed text amendment provides a definition for *Ground Floor Arts and Cultural Tenant* and *Arts and Cultural Anchor* - as recommended in the recently adopted Old Town North Small Area Plan - with associated regulatory incentives to retain and attract Arts and Cultural uses in Old Town North. The proposed incentives enable existing and future Arts and Cultural uses to be located within the Old Town North Small Area Plan to implement the vision of the Plan.

The use of the incentives proposed by the text amendment will be limited to properties located within the areas depicted in Figure 2, fronting the streets outlined in section A above.

The text amendment establishes two incentive categories for the creation of Arts and Cultural spaces as outlined below:

I – Ground Floor Arts and Cultural Tenant:

For the areas within the Old Town North Arts and Cultural District, floor area may be excluded if that space is leased to a Ground Floor Arts and Cultural Tenant. A *Ground Floor Arts and Cultural Tenant* is defined as small scale or individual use whose purpose is the creation or display of art or design.

The ground floor area exclusion will be limited to 15,000 square feet for each development block and a covenant, or comparable restriction, will be required to ensure that the space is used and occupied by an Arts and/or Cultural Use for a minimum period of 15 years. The 15,000 square feet limit for Arts and Cultural Ground Floor Tenant space for each block is intended to provide appropriate distribution of ground floor Arts and Cultural spaces throughout the Old Town North Arts and Cultural District.

In order to utilize this provision, developers/applicants will be required to commit to these types of uses and will need to charge rents that accommodate them in order to fill the spaces that are excluded from the maximum permitted floor area.

Use of this incentive will be subject to:

- a. Approval of a special use permit.
- b. Provide sufficient assurance by way of contract, deed, covenant or other recorded instrument in a form approved by the City that ensures the ground floor space excluded from the floor area will be limited to the uses defined above or as approved as part of the special use permit process and that said space will only be used as an approved Arts and Cultural Tenant space for a minimum period of 15 years from the issuance of the certificate of occupancy for the space.
- c. The Ground Floor Arts and Cultural Tenant space will be open to the public during regular hours.
- d. The uses will be required to front onto N. Washington Street, N. Saint Asaph Street, Montgomery Street, N. Fairfax Street, Third Street, and Canal Center Plaza.

II- Arts and Cultural Anchor:

For the areas within the Old Town North Arts and Cultural District, Floor Area Ratio (FAR) and an associated amount of density may be increased by a maximum of 30 percent above the maximum FAR otherwise permitted by the Zoning Ordinance for a building or project that includes an Arts and/or Cultural Anchor. This incentive is targeted for larger Arts and Cultural institutions (Arts and Cultural Anchors) that provide public access with significant public activity and participation.

Arts and Cultural Anchor is defined as a larger destination use or venue where visual or performing arts and cultural works are taught, created, and made available to the public by various means including presenting live performances of theater, dance, music, or other imaginative work and/or producing or exhibiting physical works created by or under the direction of one or more artists, which are intended for unique production or limited reproduction. Museums and art schools, including but not limited to culinary art schools, instructional art, music, or drama academy may also qualify as Arts and/or Cultural Anchor.

To qualify for up to a 30% increase in allowable FAR, the space provided for the Arts and Cultural Anchor will be a minimum consolidated size of 5,000 square feet. The final size, proposed use, and the FAR increase for the provision of Arts and Cultural Anchor space will be further evaluated during the development review process. The public benefit of the Arts and Cultural Anchor space will be generally equivalent to the amount of added density, the use will be restricted with a covenant, or comparable restriction, that limits the use of the space to an Arts and Cultural Anchor for a minimum period of 30 years. The intent of this provision is to ensure that the space is used as an Arts and Cultural Anchor as defined in Section 6-900 for a minimum period of 30 years. A longer period may be negotiated as part of the special use permit process. However, based on staff's analysis of lending, liability and comparable discussions regarding affordable housing, we anticipate the longest period for the covenant will likely be 30-40 years. In addition, as social and cultural trends continue to evolve and technology advances, the use of these spaces will likely need to adapt over time. While the covenant has a time limit of likely 30-40 years, the Anchor uses will also be required by a condition of the development special use permit. Any future change of the Anchor use will require an amendment to the development special use permit and approval by City Council even after the 30-40 year covenant expires. Therefore, City Council will still have the ability to review future uses for the space.

To ensure maximum public benefit and activation of the Arts and Cultural Anchor space, the proposed operator is required to offer a program of regularly scheduled presentations, activities, classes or performances that are open to the public commensurate with the use.

In the event the Arts and Cultural Anchor space is vacated for a period of 90 calendar days, or the tenant is no longer able to operate within the space, the City will have the right of first refusal to purchase the space.

The total floor area for Arts and Cultural Anchor Spaces created through the use of the Arts and Cultural Anchor incentive will be limited to 50,000 square feet throughout the Old Town North Arts and Cultural District. Given the new nature of this program and the limited precedents for

such a program, this provision aims to test the applicability and success of spaces created through this incentive.

Additionally, the Old Town North Arts and Cultural District Overlay map with associated regulatory incentives proposed under the text amendment will not apply to the redevelopment of the former power plant site. Arts and Cultural uses for that site will need to be evaluated as part of the future re-zoning for the site.

The 50,000 square foot limit and the exclusion of the power plant site represent a change from what was originally recommended in the Plan, which originally recommended 250,000 square feet of Arts and Cultural space and inclusion of the power plant site. Staff recommends this adjustment in implementation as a test period for the City to evaluate this incentive and approach. Based on the results from the initial trial period, the 50,000 square foot limit can be increased as part of a subsequent text amendment.

Additional requirements and provisions for the Arts and Cultural Anchor space incentive are outlined further in **Attachment 1**

III. OUTREACH

Department of Planning and Zoning staff met with property owners and two art institutions (the Art League School and MetroStage) in Old Town North to ensure that the text amendment provisions are applicable and implementable. In addition, the Department of Planning and Zoning presented the text amendment to the Alexandria Commission for the Arts at their January 16th meeting and to the Alexandria Housing Affordability Advisory Committee (AHAAC) at their January 11th and February 1st Meetings.

The Alexandria Commission for the Arts voted to support the proposed text amendment. The commission made a recommendation to increase the total floor area for Arts and Cultural Anchor space with the Old Town North Arts and Cultural District from 50,000 square feet to 150,000 square feet. Staff understands the Commission's desire to allow more space for Arts and Cultural Anchors, however, staff continues to recommend the 50,000 square feet limit as a trial phase in order to assess this incentive approach with the understanding that additional floor area may be evaluated in the future as part of a subsequent text amendment.

The Planning and Zoning Department will continue to work with the Office of the Arts on future development applications that utilize the incentives outlined in this report to ensure the alignment between the Old Town North Arts and Cultural District and the Arts and Cultural Master Plan 2016-2026.

During the January 11th meeting, AHAAC expressed concern over the utilization of the density bonus incentive for the creation of arts space; an incentive that has been used for the creation of affordable housing to date. Staff presented refinements at the February 1st meeting including the proposed 50,000 square foot limit for the creation of Arts and Cultural Anchor space and the exclusion of the former power plant site from the Old Town North Arts and Cultural District.

AHAAC submitted a letter dated February 20, 2018, which does not oppose the proposed incentives for arts and cultural uses.

IV. STAFF RECOMMENDATION

Staff recommends initiation and approval of the proposed Map Amendment to implement the Old Town North Arts and Cultural District Overlay and initiation and approval of the Zoning Ordinance text amendment to include Section 6-900, Old Town North Arts and Cultural District as outlined in Attachment 1.

Attachments:

1. Zoning Ordinance Text Amendment, Section 6-900 - Old Town North Arts and Cultural District Overlay
2. Old Town North Arts and Cultural District Overlay Map
3. Alexandria Housing Affordability Advisory Committee Letter

Attachment 1

Section 6-900 Old Town North Arts and Cultural District Overlay

6-901 – Intent

The intent of this provision is to provide incentives to retain and attract Arts and Cultural uses in Old Town North through the creation of an Arts and Cultural District pursuant to Virginia Code Section 15.2-1129.1. Additional floor area, density, and height may be permitted for properties within the Arts and Cultural District Overlay as part of a special use permit, subject to the provisions of this section.

The intent of the Ground Floor Arts and Cultural Tenant space defined in Section 6-902(A) is to provide a range of uses on the ground floor that will reinforce the arts, cultural, and creative identity of Old Town North.

The intent of the Arts and Cultural Anchor defined in Section 6-902(B) is to provide destination anchor(s) that have a significant amount of public access and activity and attract additional large ~~Arts~~ arts and ~~Cultural~~ cultural institutions.

The use of these incentives will be limited to areas within the Old Town North Arts and Cultural District Overlay Map that have frontages on the following streets: N. Washington Street, N. Saint Asaph Street, Montgomery Street, N. Fairfax Street, Third Street, or Canal Center Plaza. The regulatory incentives for arts and cultural uses as outlined in this section will not preclude the ~~potential~~ use of ~~all applicable provisions~~ of Section 7-700 for the provision of low- and moderate-income housing.

6-902 – Definitions

- (A) *Ground Floor Arts and Cultural Tenant*: Small scale or individual uses ~~whose purpose is the creation or display of art or design which includes art galleries, artist studios, graphic art design, and crafts such as the production or creation of art of individual handmade objects.~~
- (B) *Arts and Cultural Anchor*: A larger destination use or venue where visual or performing arts and cultural works are taught, created, and made available to the public by various means including ~~presenting~~ live performances of theater, dance, music, or other imaginative work ~~and/or~~ producing or exhibiting of physical works created by or under the direction of one or more artists ~~which are~~ and intended for unique production or limited reproduction. Museums ~~where art and/or historic artifacts are displayed or created,~~ art schools including, but not limited to, culinary arts schools, instructional art, music, or drama academy may also qualify as Arts and/or Cultural Anchor.

6-903 – ~~I~~ Incentives for Ground Floor Arts and Cultural Tenant

For parcels ~~along the frontages~~ within the Old Town North Arts and Cultural District Overlay that front along the streets listed in Section 6-901 above, the floor area for ~~ground floor~~ Ground Floor Arts and Cultural Tenant space(s) may be excluded from the calculation of the maximum floor area ratio permitted for the site. The allocation of Ground Floor Arts and Cultural Tenant space(s) will be limited to ~~the ground floor of the parcel frontages identified in the Old Town North Arts and Cultural District Overlay Map~~ and a maximum amount of 15,000 square feet of floor area for each ~~redevelopment~~ block.

Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section 6-902(A) for Ground Floor Arts and Cultural Tenant may be allowed by special use permit. The use of this incentive will be subject to the following:

- (A) Approval as part of a special use permit in accordance with the procedures and requirements set forth in Section 11-500.
- (B) The applicant for the special use permit shall provide sufficient assurance by way of contract, deed, or other recorded instrument in a form approved by the City that the ground floor space excluded from the floor area shall be limited to the uses defined in Section 6-902(A) or as otherwise as approved as part of in accordance with the special use permit process and that said space shall only be leased to an approved Arts and Cultural Tenant(s) as defined in Section 6-902(A) for a minimum period of 15 years from the issuance of the certificate of occupancy for the space.
- (C) The Ground Floor Arts and Cultural Tenant space will be open to the public during regular hours.
- ~~(D) The uses will be required to front onto N. Washington Street, N. Saint Asaph Street, Montgomery Street, N. Fairfax Street, Third Street, or Canal Center Plaza.~~

6-904 – ~~H~~ Incentives for Arts and Cultural Anchors

For parcels within the Old Town North Arts and Cultural District Overlay that front along the streets listed in Section 6-901 above, floor area ratio and an associated amount of density may be increased by a maximum of 30 percent above the maximum floor area ratio otherwise permitted by the Zoning Ordinance for a building or project that includes an Arts and Cultural Anchor as defined in Section 6-902(B).

Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section 6-902(B) for Arts and Cultural Anchor may be allowed by special use permit. The use of this incentive will be subject to the following:

- (A) Approval as part of a special use permit in accordance with the procedures and requirements set forth in Section 11-500.

Rezoning #2018-0001, Text Amendment #2018-0002
Old Town North Small Arts and Cultural District

- (B) The entire Arts and Cultural Anchor space will be limited to the uses defined in Section 6-902(B).
- (C) ~~To qualify for the 30% floor area ratio increase,~~ The space provided for the Arts and Cultural Anchor ~~will~~ shall be a minimum ~~consolidated~~ size of 5,000 square feet and consolidated in one area. The final size, use, and amount of floor area ratio increase for the provision of Arts and Cultural Anchor space will be based on the type and character of the use and on achieving the intent and objectives of the Old Town North Small Area Plan. ~~as part of the special use permit process.~~
- (D) The Arts and Cultural Anchor space may be located below grade, provided that it has a minimum area of 2,000 square feet of ground floor space, primarily accessed from the street frontages ~~located within the Old Town North Arts and Cultural District Overlay~~ listed in Section 6-901 and with a floor-to-ceiling height of no less than 15 feet.
- (E) The total floor area for Arts and Cultural Anchor space utilizing the Arts and Cultural Anchor incentive within the Old Town North Arts and Cultural District Overlay will not exceed ~~50,000~~ 100,000 square feet of floor area as defined by the Zoning Ordinance.(PC)
- (F) ~~The public benefit of the Arts and Cultural Anchor space will be generally equivalent to the amount of additional density requested for each site.~~

The public benefit of the added density will be embodied in the ability of the proposed Arts and Cultural Anchor to further the goals of the Arts and Cultural District. (PC)

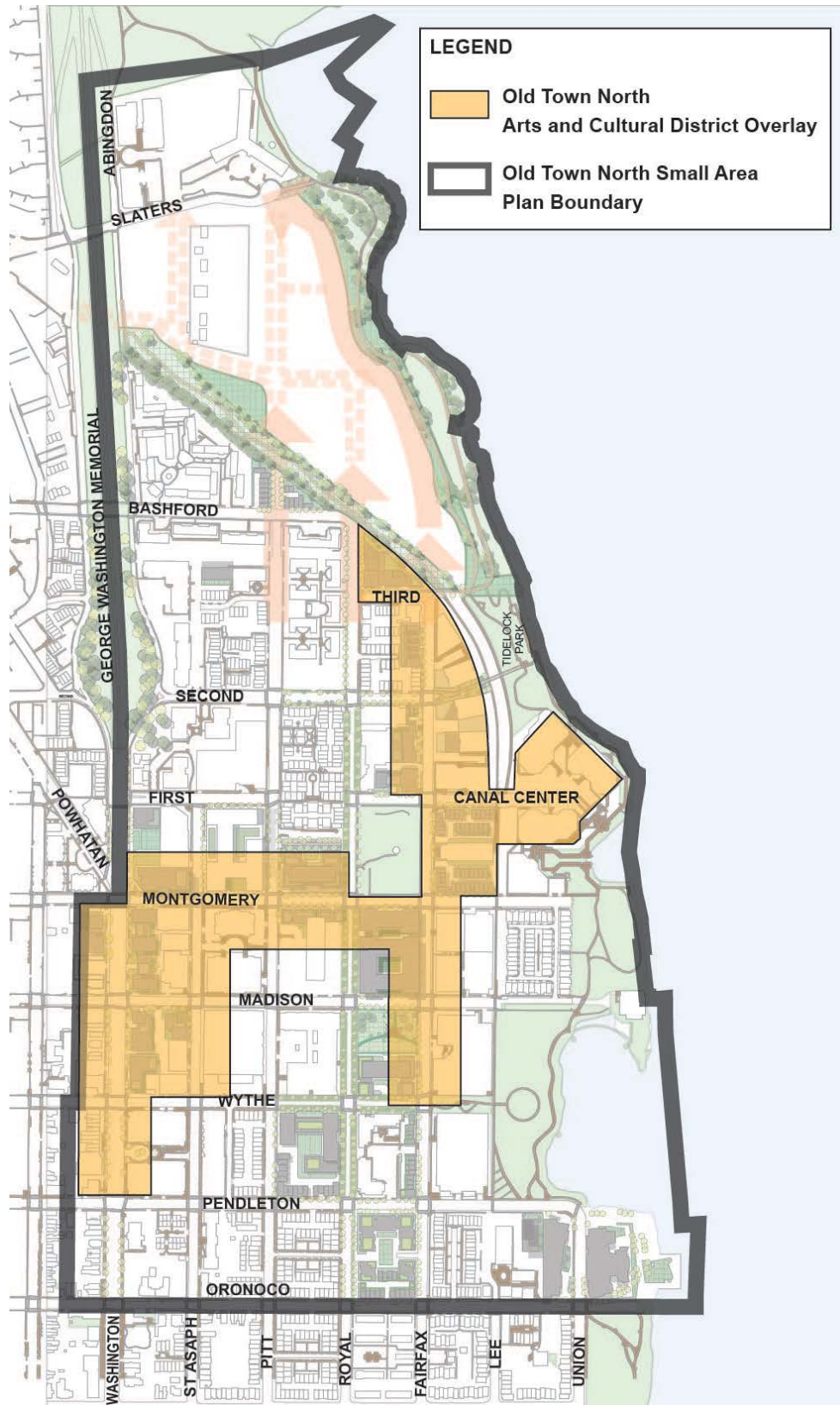
- (G) The applicant for the special use permit shall provide a contract, deed, or other recorded instrument in a form approved by the City prior to the release of the final site plan, which will be recorded within the land records prior to the issuance of the first certificate of occupancy permit for the site. The instrument will at minimum include:
- a. Use of the space ~~will~~ shall be limited to ~~an Arts and Cultural Anchor~~ the uses defined in Section 6-902 (B) ~~and as may be~~ or as otherwise approved ~~through~~ in accordance with the special use permit process for a minimum period of 30 years from the issuance of the certificate of occupancy for the ~~Arts and Cultural Anchor~~ space.
 - b. In the event the Arts and Cultural Anchor space is vacated for a period of 90 calendar days, or the tenant is no longer able to operate within the space, the City shall have the right of first refusal to purchase the space
- (H) ~~The Arts and Cultural Anchor space(s) will be subject to all applicable taxes, fees and other applicable City requirements and fees. Notwithstanding any other provisions of this ordinance, the Arts and Cultural Anchor operator may be subject to reciprocal easement agreements (REA) that provide for an allocation of shared operating expenses and capital expenditures between uses as reasonably determined by the mixed use property owner. Property management of the exterior of the Arts and Cultural Anchor space will be provided by the property manager of the overall project and a pro rata fee for such~~

~~management will be allocated to the Arts and Cultural Anchor. The Arts and Cultural Anchor operator will be responsible for the management and maintenance of the interior of the arts space.~~

Nothing in this Section 6-900 shall be construed to limit or otherwise interfere with any rights and obligations of the Arts and Cultural Anchor arising out of membership in a property owners' association or pursuant to any other arrangement governing management of a mixed-use property.

- (I) Height may not be increased pursuant to this section by more than 25 feet beyond the height otherwise permitted by the zone for the site. However, no building located in any zone or height district where the maximum allowable height is 50 feet or less may be allowed to exceed such height limits.
- (J) ~~The Arts and Cultural Anchor space will be~~ The proposed operator of the Arts and Cultural space will ensure that the space is open to the public with regularly scheduled presentations, activities, classes, or performances that are open to the public for a significant number of days within the calendar year commensurate with the type of use and operation. In the event the space is open to the public for a limited period of time within the calendar year, the space will be made available to the public and/or City for community events or City meetings for a nominal fee.
- (K) The applicant shall submit as part of the application for special use permit As part of the special use permit process, provisions such as hours of operation, public access to the space and prospective agreement an agreement with the Arts and Cultural Anchor that will demonstrate compliance with this Section 6-900.
- (L) To qualify as an Arts and Cultural Use Anchor, the proposed operator of the arts and cultural space will be an existing organization or establishment that can demonstrate fiscal and managerial capacity to successfully operate such space as part of the special use permit process.
- (M) ~~In the event the Arts and Cultural Anchor space is vacated for a period of 90 calendar days, or the tenant is no longer able to operate within the space, the City shall have the right to first refusal to purchase the space~~

Attachment 2 – Old Town North Arts and Cultural District Overlay Map



Attachment 3 – Alexandria Housing Affordability Advisory Committee Letter

February 20, 2018

Re: AHAAC Comments on the Proposed Arts District Text Amendment

The Alexandria Housing Affordability Advisory Committee (AHAAC) has been following the Old Town North (OTN) Small Area Plan (SAP) process for several years. In May of last year, AHAAC provided a letter of support for the OTN SAP in which we noted our support for the plan, especially given the plan's consistency with the goals of the Housing Master Plan. As City Staff has moved to implement the objectives in the plan they have continued to brief AHAAC on the use of a bonus density policy to encourage the construction of arts and entertainment facilities within the plan area.

AHAAC allocated a significant amount of time discussing this topic at both our January and February meetings. AHAAC members have expressed concern with the City's proposed amendment to the zoning ordinance that would allow bonus density in exchange for the construction of space for the arts. AHAAC members are not against policies that encourage arts in this area or elsewhere in Alexandria, but we are concerned about the regulatory method in which the City has decided to offer such an incentive.

Virginia's enabling legislation strictly limits local jurisdictions' ability to implement regulations that require the provision of affordable housing within new development. Due to these limitations, zoning tools such as inclusionary zoning cannot be used in Alexandria. The provision of bonus density is the one zoning tool that allows Alexandria and other Virginia local governments to require the provision of affordable housing. The Alexandria Housing Master Plan made several recommendations to further encourage developers to take advantage of this tool. City Council has approved all of these recommendations, the most recent of which increased the allowable density increase from 20 percent to 30 percent.

AHAAC's main concern is that allowing arts space to take advantage of the bonus density provision risks diluting the effectiveness of this tool for creating much needed affordable housing units. AHAAC is concerned that, if given the choice between creating arts space or affordable housing units, developers will choose arts space because it is cheaper to build, administer, and maintain, and will not face the type of neighborhood opposition often seen with the creation of affordable housing units. This concern was lessened somewhat as City Staff incorporated AHAAC's feedback between the January and February meetings by adding a provision that the costs incurred in the creation of arts space must be equivalent to the costs that would be incurred in creating affordable housing units. The idea here is that, if faced with a choice, it should be no more advantageous for a developer to create arts space than to create affordable housing. Some of our members continue to express considerable reservations about expanding uses of bonus density for any reason other than affordable housing, even with the economic parity requirement in place.

AHAAC appreciates the opportunity to provide our feedback and the openness and responsiveness to our concerns we've seen from City Staff to date. While AHAAC continues to have concerns, we appreciate that the City can learn a lot from a limited trial phase of the Arts District Text Amendment. We endorse the reduction of the trial phase from 250,000 square feet to 50,000 square feet, and feel that will provide enough experience for City Staff to study the practical effects of the Amendment.

Rezoning #2018-0001, Text Amendment #2018-0002
Old Town North Small Arts and Cultural District

We encourage City Staff to thoroughly evaluate the outcomes of the trial phase before taking any efforts to expand or make permanent the allowance of bonus density for arts space. We especially hope City Staff will pay special attention to assessing whether true cost equivalence between affordable housing and the creation of arts space is being achieved.

Thank you again for the opportunity to provide comments and for your responsiveness to our concerns. We hope you will continue to seek our advice and guidance as you start to see results during the trial phase. Please feel free to contact me if AHAAC can assist you any further.

Sincerely,



Robyn J. Konkel
AHAAC Chair

ORDINANCE NO. _____

AN ORDINANCE to amend and reordain the "Official Zoning Map, Alexandria, Virginia," adopted by Section 1-300 (OFFICIAL ZONING MAP AND DISTRICT BOUNDARIES), of the City of Alexandria Zoning Ordinance, to establish the Old Town North Arts and Cultural District Overlay Zone, and to amend and reordain Article VI (SPECIAL AND OVERLAY ZONES) of the City of Alexandria Zoning Ordinance to add a new Section 6-900 (OLD TOWN NORTH ARTS AND CULTURAL DISTRICT OVERLAY), in accordance with the said zoning map and text amendments heretofore approved by City Council as Rezoning No. 2018-0001 and Text Amendment No. 2018-0002.

WHEREAS, the City Council finds and determines that:

1. In Rezoning No. 2018-0001 and Text Amendment No. 2018-0002, the Planning Commission, having found that the public necessity, convenience, general welfare and good zoning practice so require, recommended approval to the City Council on April 3, 2018 of a rezoning and corresponding text amendment to establish an arts and cultural district within the Old Town North Small Area Plan, which recommendation was approved with amendments by the City Council at public hearing on April 14, 2018;

2. The said rezoning and text amendment are in conformity with the 1992 Master Plan of the City of Alexandria, Virginia, as amended; and

3. All requirements of law precedent to the adoption of this ordinance have been complied with; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That the "Official Zoning Map, Alexandria, Virginia," adopted by Section 1-300 of the City of Alexandria Zoning Ordinance, be, and the same hereby is, amended by establishing the Old Town North Arts and Cultural District Overlay Zone, as shown on the illustration entitled "Old Town North Arts and Cultural District Overlay Map," attached to this ordinance as Exhibit 1 and incorporated fully herein by reference; and all properties within said Overlay Zone, as shown on Exhibit 1, are hereby rezoned to add the Old Town North Arts and Cultural District Overlay to their existing zones.

Section 2. That Article VI of the City of Alexandria Zoning Ordinance be, and the same hereby is, amended by adding thereto a new Section 6-900 to read as follows:

[The following is all new language]

Section 6-900 Old Town North Arts and Cultural District Overlay

6-901 – Intent

1 The intent of this provision is to provide incentives to retain and attract arts and cultural uses in
2 Old Town North through the creation of an Arts and Cultural District pursuant to Virginia Code
3 Section 15.2-1129.1. Additional floor area, density, and height may be permitted for properties
4 within the Arts and Cultural District Overlay as part of a special use permit, subject to the
5 provisions of this section.
6

7 The intent of the Ground Floor Arts and Cultural Tenant space defined in Section 6-902(A) is to
8 provide a range of uses on the ground floor that will reinforce the arts, cultural, and creative
9 identity of Old Town North.
10

11 The intent of the Arts and Cultural Anchor defined in Section 6-902(B) is to provide destination
12 anchors that have a significant amount of public access and activity and attract additional large
13 arts and cultural institutions.
14

15 The use of these incentives will be limited to areas within the Old Town North Arts and Cultural
16 District Overlay Map that have frontages on the following streets: N. Washington Street, N.
17 Saint Asaph Street, Montgomery Street, N. Fairfax Street, Third Street, or Canal Center Plaza.
18 The regulatory incentives for arts and cultural uses as outlined in this section will not preclude
19 the use of Section 7-700 for the provision of low- and moderate-income housing.
20

21 **6-902 – Definitions**

22

23 (A) *Ground Floor Arts and Cultural Tenant*: Small scale or individual use whose purpose is
24 the creation or display of art or design.
25

26 (B) *Arts and Cultural Anchor*: A larger destination use or venue where visual or performing
27 arts and cultural works are taught, created, and made available to the public by various
28 means including live performances of theater, dance, music, or other imaginative work or
29 producing or exhibiting of physical works created by or under the direction of one or
30 more artists and intended for unique production or limited reproduction. Museums, art
31 schools including, but not limited to, culinary arts schools, instructional art, music, or
32 drama academy may also qualify as Arts and Cultural Anchor.
33
34

35 **6-903 – Incentives for Ground Floor Arts and Cultural Tenant**

36

37 For parcels within the Old Town North Arts and Cultural District Overlay that front along the
38 streets listed in Section 6-901 above, the floor area for Ground Floor Arts and Cultural Tenant
39 spaces may be excluded from the calculation of the maximum floor area ratio permitted for the
40 site. The allocation of Ground Floor Arts and Cultural Tenant spaces will be limited to a
41 maximum amount of 15,000 square feet of floor area for each block.
42

43 Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section
44 6-902(A) for Ground Floor Arts and Cultural Tenant may be allowed by special use permit. The
45 use of this incentive will be subject to the following:

1 (A) Approval as part of a special use permit in accordance with the procedures and
2 requirements set forth in Section 11-500.

3 (B) The applicant for the special use permit shall provide sufficient assurance by way of
4 contract, deed, or other recorded instrument in a form approved by the City that the
5 ground floor space excluded from the floor area shall be limited to the uses defined in
6 Section 6-902(A) or as otherwise approved in accordance with the special use permit
7 process and that said space shall only be leased to an approved Arts and Cultural Tenant
8 as defined in Section 6-902(A) for a minimum period of 15 years from the issuance of the
9 certificate of occupancy for the space.

10 (C) The Ground Floor Arts and Cultural Tenant space will be open to the public during
11 regular hours.

12
13 **6-904 – Incentives for Arts and Cultural Anchors**

14
15 For parcels within the Old Town North Arts and Cultural District Overlay that front along the
16 streets listed in Section 6-901 above, floor area ratio and an associated amount of density may be
17 increased by a maximum of 30 percent above the maximum floor area ratio otherwise permitted
18 by the Zoning Ordinance for a building or project that includes an Arts and Cultural Anchor as
19 defined in Section 6-902(B).

20 Notwithstanding any contrary provision of the Zoning Ordinance, the uses as defined in Section
21 6-902(B) for Arts and Cultural Anchor may be allowed by special use permit. The use of this
22 incentive will be subject to the following:

23
24 (A) Approval as part of a special use permit in accordance with the procedures and
25 requirements set forth in Section 11-500.

26 (B) The entire Arts and Cultural Anchor space will be limited to the uses defined in Section
27 6-902(B).
28

29 (C) The space provided for the Arts and Cultural Anchor shall be a minimum size of 5,000
30 square feet and consolidated in one area. The final size, use, and amount of floor area
31 ratio increase for the provision of Arts and Cultural Anchor space will be based on the
32 type and character of the use and on achieving the intent and objectives of the Old Town
33 North Small Area Plan.
34

35 (D) The Arts and Cultural Anchor space may be located below grade, provided that it has a
36 minimum area of 2,000 square feet of ground floor space, primarily accessed from the
37 street frontages listed in Section 6-901 and with a floor-to-ceiling height of no less than
38 15 feet.
39

1 (E) The total floor area for Arts and Cultural Anchor space utilizing the Arts and Cultural
2 Anchor incentive within the Old Town North Arts and Cultural District Overlay will not
3 exceed 100,000 square feet of floor area as defined by the Zoning Ordinance.
4

5 (F) The public benefit of the added density will be provided through the ability of the
6 proposed Arts and Cultural Anchor to further the goals of the Arts and Cultural District.
7

8 (G) The applicant for the special use permit shall provide a contract, deed, or other recorded
9 instrument in a form approved by the City prior to the release of the final site plan,
10 which will be recorded within the land records prior to the issuance of the first
11 certificate of occupancy permit for the site. The instrument will at minimum include:
12

- 13 1. Use of the space shall be limited to the uses defined in Section 6-902 (B) or as
14 otherwise approved in accordance with the special use permit process for a
15 minimum period of 30 years from the issuance of the certificate of occupancy
16 for the space.
- 17 2. In the event the Arts and Cultural Anchor space is vacated for a period of 90
18 calendar days, or the tenant is no longer able to operate within the space, the City
19 shall have the right of first refusal to purchase the space, assign a purchase right,
20 or assume a lease as specified in a Memorandum of Understanding that shall be
21 executed.
22

23 (H) Nothing in this Section 6-900 shall be construed to limit or otherwise interfere with any
24 rights and obligations of the Arts and Cultural Anchor arising out of membership in a
25 property owners' association or pursuant to any other arrangement governing
26 management of a mixed-use property.
27

28 (I) Height may not be increased pursuant to this section by more than 25 feet beyond the
29 height otherwise permitted by the zone for the site. However, no building located in any
30 zone or height district where the maximum allowable height is 50 feet or less may be
31 allowed to exceed such height limits.
32

33 (J) The Arts and Cultural Anchor space will be open to the public with regularly scheduled
34 presentations, activities, classes, or performances that are open to the public for a
35 significant number of days within the calendar year commensurate with the type of use
36 and operation.
37

38 (K) The applicant shall submit as part of the application for special use permit an agreement
39 with the Arts and Cultural Anchor that will demonstrate compliance with this Section 6-
40 900.
41

42 (L) To qualify as an Arts and Cultural Use Anchor, the proposed operator of the arts and
43 cultural space will be an existing organization or establishment that can demonstrate
44 fiscal and managerial capacity to successfully operate such space as part of the special
45 use permit process.

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Section 3. That the Director of Planning and Zoning be, and hereby is, directed to record the foregoing map and text amendments.

Section 4. That the "Official Zoning Map, Alexandria, Virginia," as amended pursuant to Section 1 of this ordinance, and Article VI, as amended pursuant to Section 2 of this ordinance, be, and the same hereby are, reordained as part of the City of Alexandria Zoning Ordinance.

Section 5. That this ordinance shall become effective on the date and at the time of its final passage.

ALLISON SILBERBERG
Mayor

Introduction: May 8, 2018
First Reading: May 8, 2018
Publication:
Public Hearing: May 12, 2018
Second Reading: May 12, 2018
Final Passage: May 12, 2018



April 3, 2018

Planning Commission | City of Alexandria
301 King Street, Alexandria, Virginia 22314

Dear Alexandria Planning Commissioners:

Re: The Old Town North Small Area Plan (OTNSAP) and Text Amendments

The Art League Board submits this letter in support of the North Old Town Small Area Plan Text Amendments being presented to you today for the creation of an "Arts District". Members of our board, our professional staff and interested teachers and students, have been actively engaged with city planners and members of the advisory group overseeing the development of the plan since the fall of 2015. We have been very impressed with the collaborative planning process and how opportunities for community and stakeholder engagement in this process have afforded us meaningful input.

We are pleased to see that the plan and text amendments recommend that arts and cultural uses be reinforced and expanded to establish an identity that emphasizes the mixed-use nature of the area seeking to build on the neighborhood's and the City's creative economy. Of the many objectives in the plan we specifically endorse the following and are willing to provide resources necessary to bring them into reality as the plan is implemented:

1. **Creating an Arts District and Arts Corridor.** - The Art League can be an important catalyst for this objective. As a long-time community asset, central to the cultural life of Alexandria for the past 45 years, we have a track record of providing citizen/students and school children with a broad array of classes at all levels of proficiency, and a venue to showcase their work in professional gallery settings as they progress. In effect, The Art League is an **Arts Anchor** that offers a lifetime learning experience for anyone interested in developing a career, or hobby, in art, or seeking practical training for employment in the creative economy.
2. **Providing regulatory incentives for affordable art and culture space**- As a 501c(3) organization with no permanent endowments, one of the perennial challenges for The Art League to stay in Alexandria is to find below market-rate space that fits our needs for our classroom activities (size, ceiling heights, depth, etc.). Granting a density bonus for new or re-purposed development that incorporates arts space at discounted rents would be a lifesaver for The Art League.
3. **Encouraging Public Art and Culture** - the plan recognizes that art in the public realm can be a community and quality of life enhancing endeavor. With the productivity and creativity of our students and teachers, we can supply a ready source of talent, energy, and resources necessary to support this objective.
4. **Sustaining a Sense of Community** -- At our Madison Annex, we have a landlord and community who appreciate us as a neighborhood based arts center. At 19,000 square feet and with an annual enrollment of over 6,500 students, we are one of the largest tenants in the study area. Our cultural meetings, lectures/events, after-school activities, and daytime and evening students populate the area day and night, and energize the adjacent retail businesses, adding vibrancy to the neighborhood.
5. **Building a Creative Economy** -The Art League has a hugely important role in sustaining a creative relationship among professional artists, photographers and designers not only within Alexandria but across the region by providing a venue for teaching. This network of symbiotic relationships guarantees not only practicing artist/teachers, but also a high level of teacher/student discourse, creativity, and the production of first rate talent supportive of the City's creative economy.

For many of us who live and work in Alexandria, we cannot begin to express how important The Art League has been in sustaining an important part of a productive cultural community life. It is fitting that this Plan and Text Amendments address several items that have been of concern for its future in Alexandria, and, in our opinion, is an initiative worthy of your approval.

Very truly yours, Board of Directors, The Art League

Mark S, Feldheim
1215 Prince Street

Planning Commission
April 3, 2018

Docket Item #9 Text Amendment to Amend Zoning Map and Ordinance to establish an Arts and Cultural District

As President of the Board and on behalf of the Board of Directors of MetroStage, a longstanding part of Alexandria's Arts and Cultural scene (and the only professional performing arts venue in Alexandria), we endorse this item and ask for your support.

These Text and Zoning Amendments are part of the foundation for the Developmental SUP and related items that are next on your docket. As part of the proposed development, the designation of ground floor space not to exceed 15,000 sf for Arts and Cultural tenant use is required. In exchange for such designation and exclusion from calculated FAR the developer will commit to an Arts and Cultural Use and further agrees to charge rents that will promote and accommodate such use.

Secondly, the Amendment and proposed Ordinance establish the requirement for an "Arts and Cultural Anchor" to promote a significant amount of public access and activity and to attract other Arts and Cultural institutions in future developments in the proposed Arts and Cultural District.

The designation and selection of a qualified Anchor is essential to the creation of the proposed Arts and Cultural District. MetroStage has participated in the OTN SAP process and has offered significant input to the proposed developer for the establishment of a performing arts venue within the proposed District. I can assure you that as a potential Anchor, MetroStage has the demonstrated capability of acting as a destination Anchor that will attract and promote public access and additional arts and cultural activities.

We look forward to continuing as a professional performing arts venue in North Old Town that is part of Alexandria's arts and cultural scene, and we urge your support of this text amendment and the Developmental SUP and related items that are part of Docket Item #10 that follow.

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 28, 2022

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE (AHAAC)

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: CONSIDERATION OF A CITY AFFORDABLE HOUSING LOAN OF \$700,000 TO WESLEY HOUSING FOR THE MODERNIZATION AND REPAIR OF THE ELEVATOR AT PARCVIEW APARTMENTS

ISSUE: Consideration of a loan to fund the modernization and repair of the elevator at ParcView Apartments.

RECOMMENDATION: That the Committee recommend City Council approve a \$700,000 loan comprised of federal CDBG funds to perform critically needed repairs to the elevator system serving ParcView Apartments.

BACKGROUND: Located at 5380 Holmes Run Parkway, ParcView Apartments is a 149-unit rental community with 120 units offering rents affordable to households with incomes up to 60% of the area median income (Table 1). The property also has an additional 29 non-income restricted units which further expand housing opportunity in the West End. As of September 2021, 79 resident households (53%) had Housing Choice Vouchers, and 87 had annual incomes at or below \$50,000.



Figure 1 Project Location

ParcView was built in 1973 by Landmark Association LP using federal funds to enhance senior housing affordability. The property was sold to Wesley Housing in 2006 with the City providing a \$9 million loan to help preserve this important housing resource. Wesley subsequently rehabilitated the building, including converting some one-bedroom units into family-sized units. ParcView’s initial tax credit partnership was scheduled to end this year and its investor, Enterprise, has exited the partnership, leaving Wesley the sole owner and operator of the property.

Wesley Housing, a regional affordable housing developer and provider, operates three residential properties in the city. Its fourth community—the 81-unit [Waypoint at Fairlington](#)—will be opening in Summer 2022.

It is noted that in February 2022, City Council approved the “ParcView II” project which proposes, as part of a phased redevelopment that will add 224 units of new affordable housing, to also renovate the existing 14-story building, retaining 146 of the existing 149 one- and two-bedroom units. At completion the redevelopment will

include a total of up to 373 committed affordable rental units and 5,125 square feet of ground floor commercial space envisioned to be occupied by a daycare. The planned rehabilitation of the existing building encompasses updating aging building systems, the renovation of units, and the addition of amenity areas. The proposed modernization of the elevator at ParcView Apartments constitutes the first step in that rehabilitation process. The scope of work includes upgrades to the drive, motor and control systems, installation of a battery powered Emergency Return Unit, and improvements to the door, hoistway and car equipment. If funding is approved, the repairs would begin this Spring and the work would be completed by December 2022. Currently, the state of repair results in the elevator being out of service frequently which is especially concerning in a high rise building that still has many senior residents (although it is not exclusively senior housing). Proceeds from the ParcView II project will supplement the budget for rehabilitation of the existing building, however, since funding for Parcview II has not yet been identified staff believe the City loan is the right approach to address this project.

DISCUSSION: Funding for this project will come from the Home Rehabilitation Loan Program’s Community Development Block Grant (CDBG) carryover funds. Due to the pandemic, the program has had lower than budgeted participation over the past two years which has resulted in a balance of funds. Many users of the HRLP are low- and- moderate income seniors who need assistance in making home modifications and repairs. While the program has experienced an increase in projects during recent months, it will continue to have sufficient resources to work with its clients after the proposed reprogramming of funds to support the elevator modernization project.

The reprogramming of the CDBG funds is in line with the City’s 2022-2026 Consolidated Plan for Housing and Community Development which guides the use of the CDBG funds the City receives from the US Department of Housing and Urban Development.

FISCAL IMPACT: Reprograming and transfer of \$700,000 Community Development Block Grant funds currently programmed under the Home Rehabilitation Loan Program.

ATTACHMENT:

Wesley Housing Application for ParcView Elevator Renovation Funds, dated February 28, 2022

STAFF:

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

**Application for ParcView Elevator Renovation Funds
February 28, 2022**

I. Project Description

ParcView Apartments is an existing 14-story, 149-unit multifamily building in the Landmark area of Alexandria. The 3-acre site is located at 5380 Holmes Run Pkwy, in the West End neighborhood of Alexandria, within minutes of both Old Town Alexandria and Downtown Washington, D.C., and served by multiple bus lines. The building was built in 1973 and purchased by Wesley Housing in 2006, at which point it underwent moderate renovation work, consisting primarily of upgraded finishes. The site includes free off-street parking, a fitness center, an in-ground pool, laundry facilities, and a secure entryway. The building sits on a 3-acre lot, surrounded by surface parking and the aforementioned pool.

ParcView II new construction will be a three-building, 9-story 373-unit multifamily community located on a 3-acre site. The project proposes to build two new-construction buildings (“Building B” and “Building C”), and to perform a full renovation of Wesley’s existing ParcView II Apartments (“Building A”), which was last renovated in 2006 after the initial acquisition. The project also proposes 314 parking spaces and 5,125 square feet of ground floor commercial space, envisioned to be occupied by a daycare.

II. Renovation Funds Use

The proposed use is to repair and modernize the elevators at ParcView Apartments. The scope of work includes: (1) The drive system will be changed to an AC flux vector system; (2) A state-of-the-art, distributed control system designed for geared applications with AC flux vector motors; (3) A battery powered Emergency Return Unit to bring the elevator to the closest floor, keep the cab light on, and open the door in the event of an unplanned power outage; (4) A new AC Variable Frequency motor; (5) The existing machine will be retained and inspected for proper operation; all lubricants will be changed; all pivot points will be cleaned, lubricated and adjusted; (6) New over-speed governors; (7) Firefighters Service operation will be provided in compliance with the latest applicable codes; and (8) Significant replacements to the door, hoistway and car equipment will be completed.

III. Project Budget

The budget is \$700,000 for the elevator repair work. It includes a modest escalation contingency. Wesley received an updated proposal from Potomac Elevator with the latest Davis Bacon Wage rates issued by the City of Alexandria.

IV. Project Schedule

Milestone	Date
Proposal Received (valid for 60 days)	February 25, 2022
Signed/Notice to Proceed No Later than	April 25, 2022
1/3 Deposit due to contractor (\$233k)	April 25 2022
Materials Arrive 26-30 weeks later	September 23, 2022
Project Complete	December 16, 2022

V. Tenant Relocation

This elevator renovation phase will not require any relocation.

VI. Organizational Structure and Capacity

Wesley Housing's connection to the City of Alexandria is significant and meaningful. First, the organization had its first offices at Fairlington Methodist Church at 3900 King Street (across the street from the FPC site discussed here). Over our 40+ year history, we have developed and managed high-quality affordable housing properties in the City. Wesley Housing has acquired and rehabilitated three Alexandria properties: the original ParcView Apartments (5380 Holmes Run Parkway), Beverly Park (613 Notabene Drive) and Lynhaven Apartments (3521 Commonwealth Avenue). Broadly speaking, Wesley Housing has developed and managed more than 1,600 apartment homes in the Washington, DC region.

In addition to property rehabilitations, Wesley Housing has significant experience in new construction projects like the one proposed here. These include 79 apartments for seniors in Manassas (Quarry Station) and 88 apartments for seniors and people with disabilities in Herndon (Coppermine Place), 193 mixed-income apartments in Arlington (Union on Queen), and 82 apartments for seniors in McLean (The Fallstead). Most recently, we have broken ground on The Arden, 126 units of affordable housing by the Huntington Metro and future home of Wesley's offices, and have completed an early acquisition closing on The Waypoint, 81 units of affordable housing in the Fairlington neighborhood.



PROPOSED BUDGET IN BRIEF

FISCAL YEAR 2023

FY 2023 BUDGET OVERVIEW

The FY 2023 City Manager's Proposed Budget proposes investments in Employee Compensation, Schools and City capital projects, and responsibly advances the City's progress across several strategic priorities. The FY 2023 budget development process started with promising signs of City revenues returning to pre-pandemic levels. Consumer spending and real estate revenues have returned to baseline levels while the City's tourism and lodging continues to recover. Collaborative efforts by departments closed an initial \$8.4 million budget gap with \$1.3 million in efficiency and cost cutting savings and \$1.5 million in revenue sources that offset general fund expenses.

The City's recovering revenues and reallocated funding allowed for the proposal of merit increases for City staff and funds a 6% increase in sworn Fire pay scales, a 5% increase in sworn Police and Sheriff pay scales, and a 4% increase in General Schedule pay scales to align City employee salaries with the regional market. The City Manager's proposed budget also recommends uses for the City's portion of the second half (\$29.8 million) of ARPA funding to support COVID-19 recovery, community engagement, housing resources, and community infrastructure.

FY 2023 PROPOSED OPERATING BUDGET HIGHLIGHTS

- Maintains the current real estate tax rate of \$1.11 per \$100 of assessed value;
- Projects an anticipated \$1.2 million in permitting revenue associated with fiber installation in public rights of way;
- Funds the ACPS School Board operating budget transfer request of \$248.7 million, which is an increase of \$9.3 million or 3.9%;
- Adds 20 SAFER grant-funded firefighters to reduce the amount overtime required to meet staffing needs;
- Funds consulting services to provide guidance for the engineering, installations, and implementation plan of initiating a Body-Worn Camera program;
- Adds a Senior Therapist and a Sworn Police Officer to expand the Alexandria Crisis Intervention Co-Responding Program;
- Funds facilities management, security resources, and shuttle services at 4850 Mark Center Drive, where DCHS and Health Department staff will be colocated;
- Adds a Program Manager to the City Manager's Office to manage and coordinate the City's race and social equity programs, projects, initiatives;
- Increases the availability of funds for DCHS' Rent Relief Program (RRP) to assist eligible tenants with their rent;
- Allocates funding to address staffing needs for the Out of School Time Program; and
- Commits \$150,000 of funding in the Commercial Corridors Vitality contingent to provide seed money to develop a Business Improvement District (BID) in Old Town.

ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson

Vice Mayor Amy B. Jackson

Canek Aguirre

Sarah R. Bagley

John T. Chapman

Alyia Gaskins

Kirk McPike

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Rott

PROPOSED BUDGET IN BRIEF FISCAL YEAR 2023

CAPITAL IMPROVEMENT PROGRAM

The Proposed FY 2023 – 2032 Capital Improvement Program (CIP) totals \$2.73 billion and is a \$63.5 million or 2.4% increase over last year’s CIP. Significant project expenses including increased investments in school facilities, maintenance of existing City assets and facilities, and continued substantial support of WMATA’s capital improvement program.

HIGHLIGHTS OF THE 10 YEAR PLAN

- Funding included for 100% of the Alexandria City Public Schools requested 10-year plan totaling \$497.8 million
- \$288.4 million to expand and accelerate flood mitigation and stormwater infrastructure
- \$203.3 million to fund the City’s Capital Facility Maintenance Programs and other major renovations (i.e., City Hall)
- \$105.0 million for DASH Bus Fleet Replacement
- \$83.2 million for the Waterfront Plan and to construct flood mitigation infrastructure
- \$66.2 million to implement the Transit Corridor “C” – West End Transitway
- WMATA capital funding of \$181.8 million

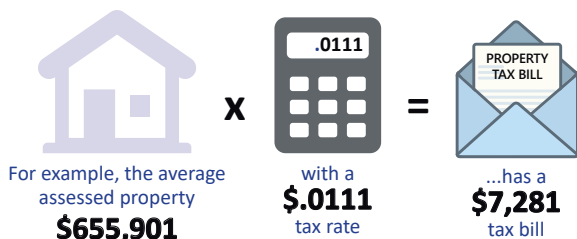
FY 2023 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The FY 2023 Capital Budget (only year formally appropriated by City Council) totals \$561.2 million, which is a \$33.3 million increase from FY 2022 in last year’s approved CIP.

- \$204.7 million for Alexandria City Public Schools capital funding request; including, \$157.4 million for the new Alexandria High School facility on the Minnie Howard campus and \$24.5 million for renovations to the recently purchased 1703 N. Beauregard office building.
- \$12.1 million for City investments for co-located City services at the Minnie Howard Campus for teen wellness, an early childhood program, and a family resource center
- \$16.3 million for the City’s contribution to WMATA’s Capital Improvement Program
- \$7.1 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 55 lane miles in FY 2023
- \$73.2 million to outfit and purchase the new DCHS/Health facility which will include a new West End Service Center
- \$26.4 million for major capacity improvements to address flooding at the intersection of Commonwealth Avenue and East Glebe Road and Ashby Street and East Glebe Road.
- \$8.4 million for investments in Affordable Housing, including \$2.5 million in funds received by the City as part of the American Rescue Plan Act (ARPA)

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 39% cash sources versus 61% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is above the City Council approved target of 2.5% of General Fund expenditures annually. The percentage as relates to total General Fund expenditures in FY 2023 is 4.1%.



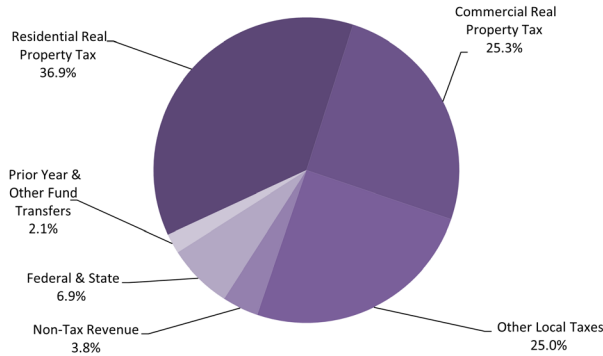
Type	Unit	CY 2021 Approved Rate	CY 2022 Proposed Rate
Real Estate	\$100/AV	\$1.11	\$1.11
Personal Property	\$100/AV	5.33	5.33
Refuse Collection Disposal	Household	\$484.22	\$484.22
Average Home Assessed Value		\$655,901	
Average Residential Tax Bill CY 2021 (\$1.11 Current Rate).....		\$ 6,836	
Average Residential Tax Bill CY 2022 (\$1.11 Proposed Rate)....		\$ 7,281	

PROPOSED BUDGET IN BRIEF

FISCAL YEAR 2023

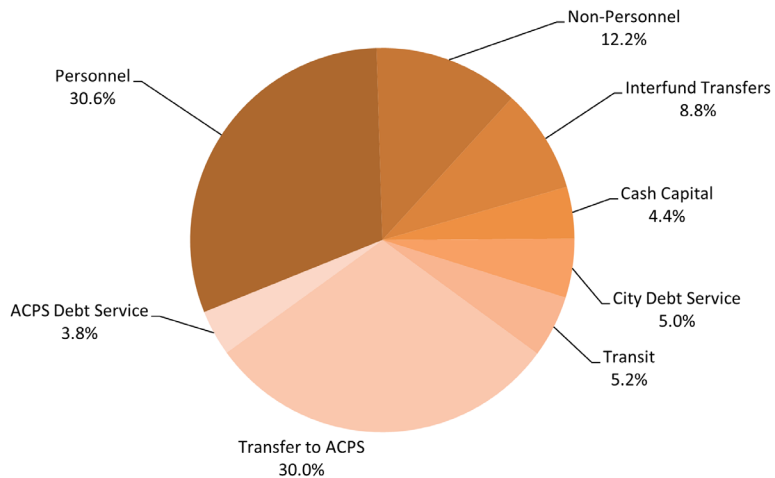
GENERAL FUND REVENUES & EXPENDITURES

FY 2023 PROPOSED GENERAL FUND REVENUES



	FY 2022 Approved	FY 2022 Projected	FY 2023 Proposed	% Change from Approved
Real Property Tax	483.3	493.5	515.9	6.7%
Other Taxes	182.1	200.5	207.5	13.9%
Non-Tax Revenue	28.5	27.5	31.8	11.6%
Fed & State Revenue	56.6	56.5	57.2	1.1%
Prior year surplus & other fund transfers	20.2	10.2	17.5	-13.4%
TOTAL:	770.7	788.2	829.9	7.7%

FY 2023 PROPOSED OPERATING EXPENDITURES



General Fund Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change
City Operations	\$372,070,672	\$391,757,594	\$428,527,818	\$36,770,224	9.4%
City Related Debt Service	\$85,899,571	\$36,851,668	\$41,170,131	\$4,318,463	11.7%
City Subtotal	\$457,970,243	\$428,609,262	\$469,697,949	\$41,088,687	9.6%
Schools					
School Operations	\$234,037,296	\$239,437,296	\$248,737,300	\$9,300,004	3.9%
School Related Debt Service	\$28,578,698	\$28,633,966	\$31,941,000	\$3,307,034	11.5%
Schools Subtotal	\$262,615,994	\$268,071,262	\$280,678,300	\$12,607,038	4.7%
Transit Services	\$24,974,297	\$39,604,152	\$43,351,782	\$3,747,630	9.5%
Cash Capital	\$38,738,144	\$34,424,271	\$36,156,190	\$1,731,919	5.0%
Total Expenditures	\$784,298,679	\$770,708,947	\$829,884,221	\$59,175,274	7.7%

PROPOSED BUDGET IN BRIEF

FISCAL YEAR 2023

FY 2023 BUDGET CALENDAR

City Council and City Staff will hold a series of meetings during the budget development process to discuss and deliberate the FY 2023 budget. This year, there will be two budget public hearings and a public presentation. All meetings begin at 7 p.m., unless otherwise noted. Due to the COVID-19 pandemic emergency, scheduled budget meetings will likely be hybrid meetings with both in-person and remote attendance options.

Tues., February 15	Proposed Budget Presentation
Thurs., February 17	Public Budget Presentation
Wed., February 23	Work Session #1: Capital Improvement Program (CIP)
Wed., March 2	Work Session #2: Alexandria City Public Schools – Operating and CIP
Mon., March 7	Budget Public Hearing (5:30 p.m.)
Tues., March 8	Introduce and Set the Maximum Property Tax Rates
Wed., March 16	Work Session #3: Healthy and Thriving Residents
Wed., March 23	Work Session #4: Livable, Green, and Prospering City
Wed., March 30	Work Session #5: Safe, Secure, and Just Community
Wed., April 6	Work Session #6: BFAAC and Accountable, Effective, and Well-Management Government
Wed., April 20	Work Session #7 Available if Needed
Sat., April 23	Tax Rate Public Hearing & Add/Delete Public Hearing (9:30 a.m.)
Tues., April 26	Preliminary Add/Delete Work Session
Mon., May 2	Final Add/Delete Work Session
Wed., May 4	Budget Adoption

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. Major programs administered are Homeownership Assistance, Home Rehabilitation, Energy Efficiency, Landlord Tenant Relations, and Affordable Housing Development. The chief policy initiative that the Office of Housing works on is implementation of the City's Housing Master Plan. Approved in 2013, the plan sets a goal of developing or preserving new affordability in 2,000 housing units by 2025.

Department Contact Info

703.746.4990

<https://www.alexandriava.gov/Housing>

Department Head

Helen McIlvaine



EXPENDITURE SUMMARY

	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Expenditures By Character					
Personnel	\$1,986,622	\$2,011,802	\$2,217,332	\$205,530	10.2%
Non-Personnel	\$3,537,588	\$2,879,778	\$3,461,727	\$581,949	20.2%
Interfund Transfer to Other Funds	\$4,100,000	\$4,000,684	\$4,906,000	\$905,316	22.6%
Housing Trust Fund	\$5,234,918	\$4,629,766	\$4,674,630	\$44,864	1.0%
Total	\$14,859,128	\$13,522,030	\$15,259,689	\$1,737,659	12.9%
Expenditures by Fund					
General Fund	\$6,577,814	\$6,403,028	\$7,850,577	\$1,447,549	22.6%
Transfer to Affordable Housing Fund ¹	\$4,717,217	\$4,588,522	\$5,830,949	\$1,242,427	27.1%
Dedicated Revenue ²	\$617,217	\$592,522	\$924,949	\$332,427	56.1%
Interfund Transfer to CIP (meals tax dedication)	\$4,100,000	\$3,996,000	\$4,906,000	\$910,000	22.8%
Other General Fund	\$1,860,597	\$1,814,506	\$2,019,628	\$205,122	11.3%
Grants ³	\$2,842,665	\$2,489,236	\$2,734,482	\$245,246	9.9%
CDBG, NSP and HOME New Revenue	\$1,325,608	\$1,504,236	\$1,749,482	\$245,246	16.3%
CDBG, NSP and HOME Carryover Revenue	\$1,222,136	\$360,000	\$360,000	\$0	0.0%
CDBG, NSP and HOME Program Income	\$294,922	\$625,000	\$625,000	\$0	0.0%
Housing Trust Fund ^{3,4}	\$5,438,649	\$4,629,766	\$4,674,630	\$44,864	1.0%
Housing Trust Fund New Revenue	\$2,130,433	\$2,579,766	\$2,624,630	\$44,864	1.7%
Housing Trust Fund Carryover Revenue	\$3,308,216	\$2,050,000	\$2,050,000	\$0	0.0%
Total	\$14,859,128	\$13,522,030	\$15,259,689	\$1,737,659	12.9%
Total Department FTEs	15.00	15.00	16.00	1.00	6.7%

1. Affordable Housing Fund monies originate from the General Fund and are transferred to the Affordable Housing Fund.

2. Dedicated Revenue represents the 0.6 cent of the real estate tax assessment available to the Affordable Housing Fund after debt service and operating expenditures.

3. Carryover monies are shown to provide more accurate information on expenditures from year to year. Carryover monies are included for non-General Fund sources (CDBG and HOME Grants, Housing Trust Fund, Affordable Housing bonds, and dedicated revenue). FY 2023 Capital Improvement monies for Housing in the amount of \$3,500,000 are not included in this Housing Operating Budget.

4. The Housing Trust Fund (HTF) has been separated from non-personnel to emphasize that this money can only be spent on affordable housing initiatives and projects. The majority of HTF carryover funds are earmarked for the Wesley Waypoint Project.



FISCAL YEAR HIGHLIGHTS

- Personnel increases by \$205,530 or 10.2% due in part to regular salary and benefit increases. The addition of 1.00 housing analyst FTE increased the proposed budget by \$82,500.
- Non-Personnel increases \$581,949 or 20.2%. Of this, \$332,427 is due to an increase in acquisition and rehabilitation expenditures as a result of adjustments to dedicated revenue associated with real estate tax estimates. Other increases are related to the restoration of the FY 2022 reduction in travel and education expenditures and adjustments based on actual grant awards.
- The Interfund transfer to the CIP (Capital Improvement Program) increases by \$905,316 or 22.6% due to an increase in anticipated meals tax revenue.
- Housing Trust Fund (HTF) increases by \$44,864 or 1.0% due to an increase in the HOME grant match.
- The General Fund budget increases by \$205,122 or 11.3% based on regular salary and benefit increases and the addition of a housing analyst position.
- The Affordable Housing Fund budget, which is based on General Fund revenue sources, increases by \$1,242,427 or 27.1% due to an increase in projected real estate and meals tax revenues. Of the dedicated real estate tax revenue, \$28,893 is being used to temporarily offset the salary and benefits of the Director and Deputy Director.
- Grants increase by \$245,246 or 9.9% to align the budget with the most recent HOME and CDBG awards.
- The FY 2023 to FY 2032 City Capital Improvement Program proposes \$76.2 million in Affordable Housing monies, with \$8.4 million proposed for FY 2023. This represents \$4.9 based on the Meals Tax Dedication for Affordable Housing, \$2.5 million in ARPA Tranche #2 funding, and \$1.0 million in additional cash capital funding.



DEPARTMENT CHANGES TO CITY SERVICES

Adjustments	FTE	Amount
TOTAL FY 2022 APPROVED ALL FUNDS BUDGET	15.00	\$13,522,030
<p>All Programs</p> <p>Current services adjustment—Current services adjustments reflect the change in cost of continuing the current level of service into the next fiscal year and includes increases and/or decreases in salaries & benefits, contracts, and materials as well as estimates for meals tax revenue. The majority of the increase can be attributed to a \$1.2 million increase in dedicated revenue for affordable housing.</p>	0.00	\$1,668,965
<p>All Programs</p> <p>The FY 2023 Proposed Budget includes funding for a 6% increase to sworn Fire pay scales, a 5% increase to sworn Police and Sheriff pay scales, and a 4% increase to General Schedule pay scales to better align City employee salaries with the regional market and recruit and retain a high-quality workforce. The budget also proposes adding three steps to General Schedule pay scales to equalize the overall scale ranges for the Public Safety and General Schedule pay scales. The total General Fund cost for these proposals is included in the Non-Departmental budget in the proposed budget and will be distributed to departments in the approved budget.</p>	0.00	\$0
<p>All Programs</p> <p>Restoration of an FY 2022 reduction that reduced all General Fund travel, conferences, mileage and education and training dollars by 50% in the FY 2022 budget due to COVID-19 and the delay or cancellation of many in person training opportunities.</p>	0.00	\$15,087
<p>Affordable Housing Development & Preservation</p> <p>Housing Analyst—This position focuses on efforts related to affordable housing development and preservation, citywide planning efforts, asset management functions, and the Housing Master Plan update.</p>	1.00	\$82,500
<p>Affordable Housing Development & Preservation</p> <p>Portions of the Director’s and Deputy Director’s salaries are temporarily to be paid for with dedicated real estate tax revenue for housing. This reduces the transfer from the General Fund to the Affordable Housing Fund, limiting capacity for affordable housing.</p>	0.00	(\$28,893)



DEPARTMENT CHANGES TO CITY SERVICES

Adjustments	FTE	Amount
<p>Affordable Housing Development & Presentation</p> <p>Arlandria Housing Projects—The 2023 Proposed Budget recommends the allocation of \$2,500,000 of ARPA Tranche #2 funding to provide City assistance to help the Arlandria Chirilagua Housing Cooperative undertake necessary capital improvements to improve sustainability and living conditions of housing that serves 286 very low income households in Arlandria. Another \$10 million of ARPA Tranche #2 funding is committed in the FY 2024 CIP to support Phase I of the AHDC Arlandria Project, addressing infrastructure needs impacting the proposed development. This project is expected to create nearly 500 affordable housing units as well as community-serving commercial space. Tranche #2 ARPA funding will be appropriated to departments in FY 2022 after the FY 2023 budget is approved by City Council. Detailed information on recommended ARPA projects can be found in the American Rescue Plan Act of 2021 subsection of the Grant Funding and Special Revenue Funds section of the FY 2023 Proposed Budget document.</p>	0.00	\$0
<p>Landlord & Tenant Relations</p> <p>The 2023 Proposed Budget recommends the allocation of \$500,000 of ARPA Tranche #2 funding for DCHS and Housing to continue providing eviction prevention and support services. These funds continue an initiative approved by City Council in September 2021 that used unspent ARPA Tranche #1 dollars to expand eviction prevention staffing and support services. At the time of proposal to City Council, City staff recommended that an additional \$500,000 for eviction related support in ARPA tranche #2 be reserved to continue these efforts. Tranche #2 ARPA funding will be appropriated in FY 2022 to departments after the FY 2023 budget is approved by City Council.</p>	0.00	\$0
<p>TOTAL FY 2023 PROPOSED ALL FUNDS BUDGET</p>	16.00	\$15,259,689



PERFORMANCE INDICATORS

Strategic Plan indicators supported by this Department

- Reduce the percentage of low and moderate income households considered to be housing cost burdened from 2015’s 67%.
- Increase the percentage of residents who do not perceive barriers to living in Alexandria based on age, gender, race, national origin, religion, disability, or sexual orientation from 2016’s 80%.
- Reduce homelessness from 224 persons in 2016 to 173.

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			
Households paying 30% or more of their gross income for housing (housing cost-burdened)	74%	▲	72% CY17	72% CY18	74% CY19	69%
Number of committed affordable units created or preserved since 2014 (Housing Master Plan goal)	1,241	▲	661 FY19	948 FY20	1,241 FY21	2,000
Number of committed affordable units in the development pipeline or under construction (Housing Master Plan goal)	481	▼	616 FY19	512 FY20	481 FY21	
Number of affordable and workforce affordable units created or preserved (Regional Housing Initiative goal)	117	▶		117 FY20	117 FY21	2,250
Number of committed affordable rental units	4,687	▲	4,084 FY19	4,599 FY20	4,687 FY21	
Percent of all multifamily rental units with 10+ units that are committed affordable	13%	▶	12% FY19	13% FY20	13% FY21	
Eviction rate (residential)	1.0%	▼	4.0% CY18	3.6% CY19	1.0% CY20	4.0%



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.

	Most Recent	Change from Last	Annual Trend			
Number of landlords and tenants that have received mediation from the Office of Housing	1,785	▲	1,330 FY19	1,572 FY20	1,785 FY21	1,500
Percent of tested housing providers that were compliant with fair housing laws	94%	▼	92% FY19	100% FY20	94% FY21	95%
Number of homeownership assistance program recipients	19	▲	3 FY19	9 FY20	19 FY21	
Number of homeownership loans repaid	48	▲	32 FY19	33 FY20	48 FY21	
Number of home rehabilitation loan program recipients	10	▲	4 FY19	9 FY20	10 FY21	
Number of rental accessibility rehabilitation program recipients	2	▼	1 FY19	4 FY20	2 FY21	



PRIORITY BASED BUDGETING RESULTS

Service	Description	FY22 Cost (\$ in M)	PBB Quartile Score
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).	0.93 M	1
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.	1.03 M	1
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.	1.80 M	2
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.	1.22 M	2
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.	1.24 M	3



PROGRAM LEVEL SUMMARY

Program	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Affordable Housing Development & Preservation	\$12,376,984	\$9,905,541	\$11,449,814	\$1,544,273	15.6%
Home Ownership	\$579,594	\$850,790	\$860,566	\$9,776	1.1%
Leadership & Management	\$798,983	\$744,653	\$812,158	\$67,505	9.1%
Housing Rehabilitation	\$620,510	\$1,543,483	\$1,641,420	\$97,937	6.3%
Landlord & Tenant Relations	\$483,057	\$477,563	\$495,731	\$18,168	3.8%
Total Expenditures (All Funds)	\$14,859,128	\$13,522,030	\$15,259,689	\$1,737,659	12.9%

- Affordable Housing Development & Preservation increases primarily because of the \$910,000 increase in the transfer to the CIP for affordable housing based on anticipated meals tax revenue. Personnel increases are associated with the addition of 1.00 FTE—a housing analyst—and regular salary and benefit increases.
- Home Ownership increases due to regular salary and benefit adjustments and the restoration of the FY 2022 reduction in travel and training expenditures.
- Leadership & Management increases due to regular salary and benefit fluctuation and the restoration of travel and training expenditures.
- Housing Rehabilitation increases primarily due to an increase to the CDBG 0% Loan Program. Other increases were the result of salary and benefit fluctuation and the restoration of travel and training expenditures.
- Landlord & Tenant Relations increases due to regular salary and benefit adjustments and updated professional services expenditures to align with actual grant amounts.



PROGRAM LEVEL SUMMARY

Program	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Affordable Housing Development & Preservation	3.80	3.80	4.80	1.00	26.3%
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	15.00	16.00	1.00	6.7%

- Affordable Housing Development & Preservation increases by 1.00 FTE due to the addition of a housing analyst position to focus on efforts related to affordable housing development and preservation, citywide planning efforts, asset management functions, and the Housing Master Plan update.



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 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Personnel	\$592,144	\$603,978	\$733,619	\$129,641	21.5%
Non-Personnel	\$2,521,422	\$1,131,113	\$1,545,565	\$414,452	36.6%
Interfund Transfer to CIP	\$4,100,000	\$4,000,684	\$4,906,000	\$905,316	22.6%
Housing Trust Fund	\$5,163,418	\$4,169,766	\$4,264,630	\$94,864	2.3%
Total Program Expenditures (All Funds)	\$12,376,984	\$9,905,541	\$11,449,814	\$1,544,273	15.6%
Total Program FTEs	3.80	3.80	4.80	1.00	26.3%

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 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Personnel	\$134,389	\$126,868	\$135,038	\$8,170	6.4%
Non-Personnel	\$423,705	\$313,922	\$315,528	\$1,606	0.5%
Housing Trust Fund	\$21,500	\$410,000	\$410,000	\$0	0.0%
Total Program Expenditures (All Funds)	\$579,594	\$850,790	\$860,566	\$9,776	1.1%
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 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Personnel	\$645,146	\$658,189	\$704,703	\$46,514	7.1%
Non-Personnel	\$153,837	\$86,464	\$107,455	\$20,991	24.3%
Total Program Expenditures (All Funds)	\$798,983	\$744,653	\$812,158	\$67,505	9.1%
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 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Personnel	\$215,081	\$203,512	\$211,919	\$8,407	4.1%
Non-Personnel	\$355,429	\$1,289,971	\$1,429,501	\$139,530	10.8%
Housing Trust Fund	\$50,000	\$50,000	\$0	(\$50,000)	-100.0%
Total Program Expenditures (All Funds)	\$620,510	\$1,543,483	\$1,641,420	\$97,937	6.3%
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 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change 2022 - 2023	% Change 2022 - 2023
Personnel	\$399,862	\$419,255	\$432,053	\$12,798	3.1%
Non-Personnel	\$83,195	\$58,308	\$63,678	\$5,370	9.2%
Total Program Expenditures (All Funds)	\$483,057	\$477,563	\$495,731	\$18,168	3.8%
Total Program FTEs	3.60	3.60	3.60	0.00	0.0%



FY 2022 HOUSING PROGRAM SOURCES AND USES

FY 2023 Housing Program Sources and Uses*

Program (Uses) Funding (Sources)	Home Ownership	Housing Rehabilitation	Landlord & Tenant Relations	Affordable Housing Development & Preservation	Leadership & Management	Total All Funds
CDBG						
New Grant	-	\$899,309	\$28,810	-	\$193,325	\$1,121,444
Program Income	\$50,000	\$325,000	-	-	-	\$375,000
Carryover	-	\$360,000	-	-	-	\$360,000
Total	\$50,000	\$1,584,309	\$28,810	-	\$193,325	\$1,856,444
HOME						
New Grant	-	-	-	\$578,520	\$49,518	\$628,038
Program Income	\$250,000	-	-	-	-	\$250,000
Total	\$250,000	-	-	\$578,520	\$49,518	\$878,038
GENERAL FUND						
New	\$150,566	\$57,111	\$360,628	\$775,715	\$569,315	\$1,913,335
Dedicated Revenue	-	-	\$106,293	\$5,830,949	-	\$5,937,242
New HOME Match	-	-	-	-	-	-
Total	\$150,566	\$57,111	\$466,921	\$6,606,664	\$569,315	\$7,850,577
HOUSING TRUST FUND						
New	\$410,000	-	-	\$2,070,000	-	\$2,480,000
Carryover	-	-	-	\$2,050,000	-	\$2,050,000
New HOME Match	-	-	-	\$144,630	-	\$144,630
Total	\$410,000	-	-	\$4,264,630	-	\$4,674,630
ALL FUNDS	\$860,566	\$1,641,420	\$495,731	\$11,449,814	\$812,158	\$15,259,689

*Does not include \$3,500,000 for Affordable Housing in the City's FY 2022 Capital Improvement Program. Of this, \$2,500,000 is a part of ARPA Tranche #2 to support the Arlandria Chirilagua Housing Cooperative Improvement Initiative.



HOUSING TRUST FUND

Housing Trust Fund (HTF) expenditures for FY 2022 include a new allocation of up to \$474,766 in estimated carryover Housing Trust Fund monies for the following programs:

\$469,630	Housing Opportunities Fund (HOF): Alexandria Housing Development Corporation (AHDC), Home Match, and Fees for Professional Services
<u>\$50,000</u>	Rebuilding Together Alexandria
\$519,630	Total

In addition to the estimated Housing Trust Fund carryover monies, new projected Housing Trust Fund revenue received in FY 2022 will be used to supplement the following programs:

<u>\$2,070,000</u>	HOF: To be used as gap funding for a development or preservation project
\$2,070,000	Total

Proposed HOF allocation to the Alexandria Housing Development Corporation of \$275,000 consisting of both General Fund and Housing Trust Fund HOF monies.

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

PRIMARY STRATEGIC THEME: Theme 1: Distinctive & Vibrant Neighborhoods

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 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Total FY 2023 - FY 2032
Expenditure Budget	109,166,200	32,948,200	8,406,000	16,004,000	6,104,000	6,206,000	6,310,000	6,417,000	6,525,000	6,635,000	6,748,000	6,863,000	76,218,000
Financing Plan													
Cash Capital	19,706,000	9,706,000	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 Housing	74,910,200	21,192,200	4,906,000	5,004,000	5,104,000	5,206,000	5,310,000	5,417,000	5,525,000	5,635,000	5,748,000	5,863,000	53,718,000
ARPA	14,550,000	2,050,000	2,500,000	10,000,000	-	-	-	-	-	-	-	-	12,500,000
Financing Plan Total	109,166,200	32,948,200	8,406,000	16,004,000	6,104,000	6,206,000	6,310,000	6,417,000	6,525,000	6,635,000	6,748,000	6,863,000	76,218,000
Operating Impact	-	-	-	-	-	-	-	-	-	-	-	-	-

CHANGES FROM PRIOR YEAR CIP

Updated to reflect most recent projection of revenue from the Meals Tax Dedication for Affordable Housing. Includes proposed usage of ARPA funding in FY 2023 and FY 2024.

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 \$53.7 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 are under consideration in the near future and could utilize portions of this funding stream. When appropriate, these projects will be brought to City Council for consideration:

- **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 475 units of affordable and workforce housing, with a substantial component of the project planned to provide deep affordability. The project is proposed to be developed in five phases. In addition to the housing, the mixed-use development will include open space, infrastructure improvements, an underground parking garage, commercial space, flex space for city and nonprofit agencies and neighborhood-serving retail.
- **Arlandria Chirilagua Housing Cooperative Rehabilitation** – ARPA funding in the amount of \$2,500,000 is requested 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.

(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)

- **Parcview II – Wesley** - 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 new affordable units, along with preservation of 149 existing units through refinancing and a substantial rehabilitation.
- **2712 Duke Street – Community Housing Partners** - Multi-story building will be comprised of approximately 95 two- and three-bedroom units and will offer rents affordable to households with incomes ranging from 40-80% AMI
- **CLI Elbert Ave** – Redevelop and expand an existing 28-unit nonprofit-owned affordable building in Arlandria to an estimated 90 plus 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.

FY 2022 Affordable Housing Development Funds Financial Report

February 18, 2022

Revenues

	2021						2022						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total
Developer Contributions	\$20,824	\$31,236	\$1,585,201	\$41,648	\$31,236	\$548,342	\$688,259	\$448,153	\$0	\$0	\$0	\$0	\$3,394,897
Developer Contributions - Braddock SAP	\$0	\$1,080,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,080,000
Multifamily Loan Repayments	\$0	\$0	\$3,339	\$67,807	\$4,846	\$3,339	\$3,339	\$0	\$0	\$0	\$0	\$0	\$82,672
New Revenue Allocated by City Council	\$9,318,522	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,318,522
FY Total	\$9,339,346	\$1,111,236	\$1,588,540	\$109,455	\$36,082	\$551,681	\$691,599	\$448,153	\$0	\$0	\$0	\$0	\$13,876,091

Balance Available
\$11,021,091

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.

	Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY Total	Grand Total
Housing Trust Fund															
Braddock SAP	\$2,343,273	\$0	\$1,080,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,080,000	\$3,423,273
Pilot Rental Assistance	\$824,957	\$0	-\$19,624	\$0	\$0	-\$71,775	\$0	-\$13,844	\$0	\$0	\$0	\$0	\$0	-\$105,243	\$719,714
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	\$3,168,230	\$50,000	\$1,010,376	\$0	\$0	-\$71,775	\$0	-\$13,844	\$0	\$0	\$0	\$0	\$0	\$974,757	\$4,142,987
Housing Opportunity Fund															
AHDC - Arlandria	\$500,000	-\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$500,000	\$0
AHDC - Carpenter's Shelter / The Bloom	\$1,100,000	-\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,100,000	\$0
AHDC - Lacy Court, L.P.	\$810,000	-\$810,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$810,000	\$0
AHDC - Operating	\$275,000	-\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$275,000	\$0
AHDC - Seminary	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
EHIP	\$162,000	\$0	-\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$15,000	\$147,000
Landmark Towers	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,500,000	\$0	\$0	\$0	\$0	\$0	-\$2,500,000	\$0
Wesley - Fairlington / The Waypoint	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Wesley - Parcview II	\$400,000	\$0	\$0	-\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$400,000	\$0
Housing Opportunity Fund Total	\$5,747,000	-\$2,685,000	-\$15,000	-\$400,000	\$0	\$0	\$5,000,000	-\$2,500,000	\$0	\$0	\$0	\$0	\$0	-\$600,000	\$5,147,000