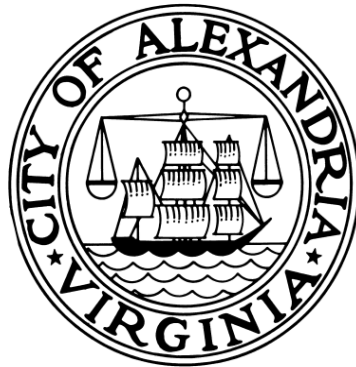


**The Alexandria Housing Affordability  
Advisory Committee  
FY21 Annual Report**



**September 2021**

**The Alexandria Housing Affordability Advisory Committee (AHAAC)  
FY21 Annual Report, July 2020-June 2021**

The Alexandria Housing Affordability Advisory Committee (AHAAC) comprises members appointed by the Alexandria City Council and is staffed by the Office of Housing. A list of the committee positions and members serving during Fiscal Year 2021 is included at the end of this report. The purpose of the committee is to advise City Council on issues regarding the preservation and creation of affordable housing; to make recommendations on policies governing expenditures of the City's Housing Trust Fund (HTF) and Housing Opportunities Fund monies; to review affordable housing plans; to monitor implementation of the Housing Master Plan and the Beauregard Small Area Plan; and to oversee the administration of the HTF. AHAAC held eleven meetings during the annual reporting period.

No new members joined the Committee in FY21. Two members were reappointed for another term. As of June 2021, the Committee had two vacancies.

**FY21 Accomplishments Overview**

- Recommended approval of a \$2.5 million permanent loan to Landmark Towers, LLC to preserve market affordability of the units.
- Recommended approval of a \$400,000 predevelopment loan to Wesley Housing to explore redevelopment of an underutilized portion of the parking lot and pool area of the existing ParcView Apartments site to expand the number of committed affordable units.
- Recommended approval of two \$500,000 predevelopment loans to AHDC for a proposed mixed-use project in Arlandria that will include a significant number of affordable (and deeply affordable) committed units.
- Recommended approval of a \$250,000 predevelopment loan to AHDC for an affordable homeownership project with a component of permanent supportive housing for adults served by SHA.
- Recommended approval of a \$1.9 million loan modification request from AHDC for Lacy Court and The Bloom.
- Approved an affordable housing plan for the mixed-use North Potomac Yard Phase 1 development.
- Approved an affordable housing plan for Benchmark at West Alex, a continuum of care facility with 117 units.
- Approved a revised affordable housing plan for a mixed-use Oakville Triangle development.
- Approved an affordable housing plan for the mixed-use Braddock West development.
- Approved an affordable housing plan involving the redevelopment of two garden-style multifamily buildings at Newport Village.
- Approved an affordable housing plan involving the redevelopment of three garden-style mixed-income multifamily buildings at The Heritage to preserve the existing federally funded HAP contract and expand the depth of committed housing affordability on the site.
- Approved an affordable housing plan for Phase 1 of Upland Park.
- Approved an affordable housing plan for the mixed-use redevelopment of Landmark Mall.

- Monitored meetings of the ARHA Redevelopment Work Group, the OTN Power Plant Redevelopment, the INOVA hospital site rezoning, and the Landmark Mall Redevelopment/Eisenhower West-Landmark Mall Advisory Group.
- Received monthly progress reports from ARHA and AHDC representatives.
- Reviewed and provided guidance on a quarterly basis on the implementation of the Housing Master Plan.
- Received updates and provided input on the Accessory Dwelling Unit Policy, including a recommendation for adoption.
- Received updates and provided input on the Co-living Initiative.
- As part of the stakeholder group, AHAAC received updates and provided input on the Affordable Housing Contribution Policy Updates, including a recommendation for adoption.
- Received updates and provided input on COVID-19 related housing programs and funding, including the City emergency rental assistance program.
- Received updates on and provided counsel to the 2022-2026 Consolidated Plan and FY22 Annual Action Plan.
- Received updates on and provided counsel to the FY22 City budget process.
- Received updates on the Arlandria-Chirilagua Plan Update.
- Received updates on the Zoning for Housing Initiative and project timelines.

It is noted that AHAAC met virtually throughout FY21 due to limitations on public meetings related to the pandemic health emergency.

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

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

- 1. Landmark Towers (Landmark Towers, LLC):** In September, AHAAC considered a request for a loan of \$2.5 million to Landmark Towers, LLC to preserve market affordability of the 154 units. The loan will be used to make capital improvements, including to the HVAC and elevator. These improvements will address life-safety and deferred maintenance issues and make the building more energy efficient. In exchange for the loan, Landmark Towers, LLC agreed to long-term compliance with the City's voluntary rent guidelines, provision of a right of first refusal in the event of a future sale, and a commitment to jointly explore potential redevelopment opportunities, if mutually beneficial, to add committed affordable and workforce units. **AHAAC voted unanimously to approve the loan request.**
- 2. ParcView II (Wesley Housing):** In September, AHAAC considered Wesley Housing's request for a predevelopment loan of \$400,000 to evaluate the potential redevelopment of an underutilized portion of the parking lot serving ParcView Apartments with up to 200+ additional units ranging in affordability from 40% to 80% AMI. As part of the overall project, Wesley also plans to enhance community amenities and address capital maintenance needs in the existing ParcView Apartments. **AHAAC voted to approve the loan request with one abstention.**

3. **Arlandria Project (AHDC):** In September, AHAAC considered AHDC’s request for a predevelopment loan of \$500,000 for a proposed mixed-use project in Arlandria containing approximately 375 new committed affordable and workforce units ranging in affordability from 40% to 80% AMI. The project will require the assemblage of four privately-owned parcels, as well as one City-owned lot. The project will create opportunities for neighborhood-serving businesses and non-profits, community space, and city flex space. **AHAAC voted to approve the loan request with one abstention.**
4. **Seminary Road Project (AHDC):** In September, AHAAC considered AHDC’s request for a predevelopment loan of \$250,000 for an affordable rental project with a component of permanent supportive housing for individuals with developmental disabilities. It is noted that later in the Fall, the development was changed to be affordable homeownership. AHAAC was subsequently updated and supported the change in tenure. As now proposed, the development will provide 37 workforce affordable homeownership units (31 townhomes and 6 condominium flats), as well as three deeply affordable units to be owned and occupied by up to 12 residents of Sheltered Homes of Alexandria, as well as associated parking. The project will also preserve approximately 51% of the site’s open space. **AHAAC voted to approve the loan request with two abstentions.**
5. **Arlandria Project Second Predevelopment Loan (AHDC):** In May, AHAAC considered AHDC’s request for a second predevelopment loan of \$500,000 for its proposed mixed-use project in Arlandria. In response to community requests for the expansion of deeply affordable housing, AHDC increased the number of proposed units from approximately 375 to up to approximately 480 units (with 20% planned to be deeply affordable at 40% AMI). It is noted that the percentage of deeply affordable units has since increased in more recent plan submissions. **AHAAC voted to approve the loan request with one abstention.**
6. **Lacy Court and The Bloom Loan Modifications (AHDC):** In June, AHAAC considered AHDC’s request for \$1,910,000 in additional loan proceeds from the Housing Opportunity Fund to cover costs incurred to complete Lacy Court and The Bloom. While some excess costs resulted from impacts of the pandemic, others were incurred to address site conditions not anticipated by third-party due diligence that exceeded budgeted contingency allowances. Providing additional City loan funds to cover capital costs for Lacy Court and The Bloom is consistent with the City’s past practice and will enable AHDC to complete the permanent financing of The Bloom and its strategic re-financings of other properties to take advantage of the current low-interest lending environment to improve project cash flow. **AHAAC voted to approve the loan request with eight members in favor, three abstaining, and four members against.** At AHAAC’s request, highlights of their discussion were reported to City Council in advance of its consideration of the modifications.

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

1. **North Potomac Yard Phase 1 Development Special Use Permits:** The site is located at 3601 Potomac Avenue within the North Potomac Yard Small Area Plan. The applicant

proposed to construct four office buildings, two multifamily residential buildings (containing 211 and 262 units), a pump station, and associated public and private open spaces.

Consistent with the Coordinated Development District Condition #114, the applicant will provide 14 dedicated affordable rental units at 60% AMI for 40 years, distributed proportionately between the two buildings—six units in Block 15 and eight units in Block 19. **At its September meeting, AHAAC voted to unanimously approve the applicant’s affordable housing plan.**

2. **Benchmark at West Alex Development Special Use Permit:** The site is located at 3425 North Beauregard Street. The applicant proposed to construct a 102,430 square foot continuum of care facility with 117 units (45 studio units, nine companion units, 55 one-bedroom units, and 8 two-bedroom units) with 143 beds. The applicant will provide three Auxiliary Grant (AG) funded assisted living facility units for a term of 40 years. **At its October meeting, AHAAC voted to approve the applicant’s affordable housing plan with one abstention.**

1. **Oakville Triangle Coordinated Development District:** The project lies on an approximately 12-acre site bounded by Richmond Highway, Calvert Avenue, and Jefferson Park. The original development program for the subject site was approved in 2016 under CDD Concept Plan #2014-00002. In response to Virginia Tech’s decision to build its Innovation Campus in Potomac Yard, the applicant re-evaluated the earlier concept plan and proposed a modified development program comprised of 780,000 square feet of multifamily residential, 90 townhomes, 65,000 square feet of retail, 115,000 square feet of medical use (Inova HealthPlex Medical Facility), and 45,000 square feet of service uses.

Under the original Affordable Housing Plan, the applicant agreed to provide 65 multifamily set-aside units (63 studios and two 2-bedroom units) with rents affordable at 60% of the area median income for a period 25 years, exclusive of utilities. As part of the CDD amendment application, the applicant offered to extend the term of affordability to 35 years, which more closely aligns with the City’s standard term of 40 years. **At its November meeting, AHAAC voted to unanimously approve the applicant’s affordable housing plan.**

2. **Braddock West Development Special Use Permit:** The site is located at 727 North West Street. The applicant proposed to construct 180 residential units, as well as ground floor retail and flex spaces. The applicant agreed to provide a heightened affordable housing contribution consistent with Housing Contribution Work Group’s draft recommendation (10% of the additional density achieved by Special Use Permit should be committed as affordable housing) which generated two affordable units.

In exchange for the application of bonus density, the project will also provide an additional 12 affordable units. In total, the applicant will provide 14 units affordable to households at 60% AMI for 40 years and a voluntary monetary contribution of \$531,927. **At its November meeting, AHAAC voted to unanimously approve the applicant’s**

**affordable housing plan.** It is noted that the DSUP was approved at Council’s reconsideration on May 15, 2021. While other conditions were revised, the affordable housing plan was not.

3. **Newport Village Development Special Use Permit:** The site is located at 4898 West Braddock Road. The applicant proposed to demolish two garden-style multifamily buildings (a total of 24 units) and construct a new 383-unit multifamily building.

The applicant initially agreed to provide a voluntary monetary contribution of \$418,608 to the Housing Trust Fund, as well as 5% of the increase in density above the density envisioned in the small area plan, consisting of a minimum of 12 units affordable to households at 60% AMI for 40 years. **At its January meeting, AHAAC voted to unanimously approve the applicant’s affordable housing plan.**

At City Council, the affordable housing contribution was amended to eliminate the voluntary monetary contribution and lower the AMI served by the 12 set-aside affordable units from 60% to 50%.

6. **The Heritage Development Special Use Permit:** The multi-parcel site is located between South Patrick Street and South Columbus and Wolfe and Gibbon Streets. Consistent with the affordable housing vision and goals of the South Patrick Street Housing Affordability Strategy, the applicant proposed to redevelop the existing 244 unit mixed-income apartment community in order to preserve 140 deeply affordable units subsidized with a federal housing assistance payment contract, as well as to create new committed affordability.

In addition to replacing the existing HAP units on a one-for-one basis with new, larger modernized units, the applicant will provide 53 new affordable units (serving households with incomes averaging at 40% AMI) as well as two affordable units at 60% AMI (in exchange for the application of bonus density). Existing residents will receive relocation assistance and be guaranteed a right to return once the redevelopment is completed. A relocation plan was reviewed and approved by the Landlord Tenant Relations Board.

The 750-unit mixed-income project is the first to use the RMF Zone, a zoning tool created to incentivize the creation and preservation of deep affordability. **At its January meeting, AHAAC voted to unanimously approve the applicant’s affordable housing plan.**

7. **Upland Park Development Special Use Permit:** Phase One of the Upland Park site is located at 5165 Seminary Road and consists of 19 parcels totaling 9.25 acres. The applicant proposed to demolish 14 single-family detached homes (12 of which were occupied and leased) to redevelop the property with 92 townhomes and 0.87 acres of open space.

Consistent with the conditions of CDD #21, the applicant will provide a developer contribution of \$3,208,099, with an estimated \$1,283,239 of that contribution earmarked for future affordable housing purposes as envisioned in the Beauregard Small Area Plan. The applicant will also permit the City to buy-down up to 15% of the future multifamily

rental units expected to be proposed as part of Phase Two of the development. **At its February meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.** It is noted that during its consideration of the proposal at City Council, members expressed support for affordable homeownership options in future redevelopment, including at potential workforce income levels.

8. **Landmark Mall Coordinated Development District:** The approximately 51-acre site is located at 5801 Duke Street and currently consists of a vacant mall and parking garage. The development will proceed pursuant to a partnership among INOVA, Foulger Pratt and the City. The site is proposed to be redeveloped with a mix of uses, including approximately 2,172 residential units, 397,000 square feet of office, 298,000 square feet of retail, 125,000 square feet of hotel, and a 52,000 square feet fire station, anchored by a state-of-the-art Inova medical facility and cancer center.

The CDD established an aspirational target percentage of 10% of all new on-site residential units to be committed affordable units and workforce housing units. These units will serve households earning between 30% - 80% AMI for a minimum of 40 years. Monetary contributions will be consistent with the affordable housing contribution policies, procedures, and rates in effect at the time future DSUPs are submitted. Based on the 2020 housing contribution rates, the CDD is subject to a voluntary contribution of approximately \$13.8 million. In lieu of providing these monies to the City's Housing Trust Fund, the funds will be used to develop 74 on-site committed affordable units. 45 will be scattered in other multifamily buildings onsite, and 29 will be located in an approximately 200-unit Low-Income Housing Tax Credit (LIHTC) building which will be collocated with a new City fire station within the development.

Additionally, in the first condominium building delivered, the developer will set aside fifteen homeownership units to be available for eligible income-qualified homebuyers earning up to 80% of the area median income.

In the event CoC facilities are constructed within the CDD Concept Plan area, the applicant will comply with current housing contribution policies and provide 2% of such residential units as affordable at the Auxiliary Grant level, or affordable units of equivalent value. **At its May meeting, AHAAC voted to unanimously approve the applicant's affordable housing plan.**

#### **C. Housing Trust Fund Overview: FY 21**

\$2.3 million was pledged, and \$2.2 million was received.

#### **D. Housing Master Plan:**

As stewards of the Housing Master Plan, the Committee helped monitor implementation through:

- The quarterly review of the Housing Master Plan Progress Report
- Updates on progress made toward meeting Alexandria's allocation of the Regional Housing Initiative target (an additional 2,250 affordable and workforce units by 2030) Regular updates on the activities of AHDC and ARHA
- A review of the 2020 draft legislation proposing Enhanced Tenant Protections

- City adoption of an Accessory Dwelling Unit policy

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

AHAAC was actively engaged in planning efforts throughout the year, including the Arlandria-Chirilagua Plan Update.

AHAAC identified volunteers within the Committee to participate and report on two planning and development applications: the Potomac River Generating Station and the Inova Seminary Road Hospital Site. They received updates on Landmark Mall, Zoning for Housing, the Heritage, the Accessory Dwelling Unit Policy, the proposed Co-living Policy, the Inclusionary Zoning study and the ARHA Redevelopment Work Group, as well as on developments supported by City investment in predevelopment and/or permanent loan funding. In addition, Chair Michelle Krocker, participates in a Boards and Commissions group convened by DCHS to support information sharing.

#### **F. Other**

In response to the City's ALL Alexandria Resolution, AHAAC has begun exploring how to more intentionally incorporate consideration of race and social equity in its decisions regarding housing and community development and funding.

AHAAC provided input to the City Council on FY2022 budget priorities, including recommending a \$1 million increase in the City's Housing Budget.

AHAAC provided input on the City's FY 2022 Annual Action Plan for Housing and Community Development.

AHAAC provided input to City Council on the proposed Housing Contribution Policy Updates.

AHAAC provided input to City Council on the 2022-2026 Consolidated Plan.

The Chair, Michelle Krocker, was reelected for another one-year term at AHAAC's June meeting.



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

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

**Voting Members between July 2020 and June 2021:**

Michelle Krockner, Chair  
Robyn Konkel  
Katharine Dixon  
Michael Butler  
Carter Flemming (membership ended May 2021)  
William Harris  
Peter-Anthony Pappas (membership ended May 2021; reappointed May 2021)  
Jon Frederick  
Holly Hanisian (membership ended April 2021)  
Michael Doyle  
William Alexander (Membership ended May 2021, reappointed May 2021)  
Zachary DesJardins  
Frank Fannon  
Annette Bridges  
Shelley Murphy  
Paul Zurawski  
Betsy Faga  
Felicia Brewster  
Merle Cuthrell