

City of Alexandria, Virginia

ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

In-Person | December 5, 2024

	Members Present	Members Absent	Staff
1		Aschalew Asabie	Eric Keeler, Housing Deputy Director
2		Yeshewase Ayele	Tamara Jovovic, Housing Program Manager
3		Felicia Brewster	Mayra Jordan, Landlord-Tenant
4	Annette Bridges (Zoom)		Christopher Do, Housing Analyst
5	Michael Butler		Jose Gonzalez, Housing Program Manager
6	Michael Doyle		
7	Betsy Faga		
8	Jon Frederick		
9	Michelle Krockner		
10	Coss Lumbé		
11	Jan Macidull		
12	Shelley McCabe		
13	Melissa Sathe (Zoom)		
14		Peter Sutherland	
15	Anderson Vereyken		
16	Sean Zielenbach		
	Helen McIlvaine*, Housing		
	Ali Coleman Tokarz*, DCHS		
	Guests	Affiliation	
1	Stephen Koenig	Planning Commission	
2	Peter Carlson	Resident	
3	Shelley Spacek Miller	ACT	

*non-voting

1. Introduction and Chair Remarks (Chairs)

Co-Chair Sean Zielenbach called the meeting to order at 7:00 pm. Mr. Zielenbach welcomed guests and Committee members.

2. Consideration of November 6 and 18, 2024 Minutes (Chris Do)

Jan Macidull motioned to approve the November 6 and November 18 minutes, Mike Butler seconded the motion. The Committee voted unanimously to approve the minutes. Michelle Krockner and Coss Lumbé abstained from the November 6 vote.

3. Presentation of Housing 2040 Financial Tools for Affordable Housing (Jose Gonzalez)

Jose Gonzalez gave a [presentation on financial tools for affordable housing](#) that will be explored under Housing 2040. Co-Chair Shelley McCabe emphasized the importance of expanding the affordable housing financial toolkit.

Eric Keeler also presented an interactive pro forma that demonstrated the financial challenges with developing affordable housing. The Committee discussed the changes in LIHTC equity rates. One committee member added that operating expenses have increased significantly. Helen McIlvaine noted that construction costs and maintenance costs have increased.

Another member asked if there was a specific target for the AMI ratio in the pro forma. Mr. Keeler responded that competitiveness for LIHTC equity often dictates the affordability mix, with a tradeoff between more deeply affordable units (40-50% AMI) and 60% AMI units. A committee member commented that the goal is to enable developers to build more deeply affordable units.

A committee member asked if the payback on City loans can be leveraged. Mr. Keeler explained that loans are subordinate and are not "must pay" so leveraging revenue from City loans could negatively impact the City's bond rating.

One member asked for clarification on loan guarantees and how it would impact costs. Mr. Keeler noted that it would reduce the cost of the loan or enable access to third-party loans that the developer would not otherwise have.

Mr. Keeler explained that ARHA receives tax abatement through statutory authority because housing authorities receive federal money and taxing ARHA developments would tax federal assistance. In comparison, fee relief is granted by City Council. Co-Chair Shelley McCabe noted that if tax abatement and fee relief could be extended to non-ARHA affordable housing projects that that would expand the affordable housing financial toolkit and support the deepening of affordability in projects.

The Committee discussed the challenge with financing mixed-income communities, including the cost of maintaining the level of amenities that market-rate tenants expect. Jon Frederick noted that for Parkstone, a preservation project acquired under Housing Alexandria, the market-rate units were intended to subsidize the affordable units. However, a significant rise in vacancy rates during Covid posed challenges to the mixed-income model.

4. Housing 2040 Goals Discussion (Committee Members)

The co-chairs asked the Committee to provide input on the 2013 Housing Master Plan goals as part of the Housing 2040 process as a continuation of the principles and goals

discussion. Jan asked if ideas and feedback could be sent to the co-chairs after members had time to think about what goals they would like to set. The co-chairs will incorporate feedback into suggested goals and principles.

5. Housing 2040 Update and Workplan (Tamara Jovovic)

Tamara Jovovic provided an update on the Housing 2040 process. In January, Housing staff will provide a presentation to AHAAC on homeowner programs for Housing 2040. In February, the new ARHA CEO Eric Johnson will present information to the Committee. In March, the focus will be placed on tenants' resources and affordable housing procedures and policies. April will revisit financial tools. Updates to City Council are anticipated in February and May.

6. Staff Updates (Staff)

Eric Keeler noted that Witter Place is closing in December. The Heritage is also anticipated to close in the spring. The first phase of the Olde Towne West redevelopment is in the Concept II stage.

7. ARHA Updates (Michelle Krockner)

Michelle Krockner did not have any updates.

8. Housing Alexandria Updates (Jon Frederick)

Jon Frederick provided an update on the construction timeline for the Seminary Road project. For Sansé, he noted that using soft debt first has saved money on debt service, which could be considered as a financial tool.

9. Information Items (Eric Keeler/Staff)

Eric Keeler reported that a considerable amount of funding had been issued this year on projects that had previously been pending. Mr. Keeler noted that City money goes in first in the funding stack. He also highlighted that predevelopment funding has helped many projects and that the meals tax has been a steady source of funding for housing.

10. Announcements and Upcoming Meetings

The next AHAAC meeting date is rescheduled to Wednesday, January 8, 2025 due to the holidays.

11. Adjournment (Chair)

Coss Lumbé motioned to adjourn the meeting; Michelle Krockner seconded the motion. The Co-Chairs adjourned the meeting at 9:00 pm.