City of Alexandria, Virginia

# ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE DRAFT MINUTES

Virtual | July 30, 2025

	Members Present	Members Absent	Staff
1	Aschalew Asabie		Eric Keeler, Housing Deputy Director
2	Felicia Brewster		Tamara Jovovic, Housing Program Manager
_3	Michael Butler		Christopher Do, Housing Analyst
4	Joseph Dammann		Kenny Turscak, Planning & Zoning
5	Michael Doyle		
6	Betsy Faga		
_7	Jon Frederick		
8	Stephon Hill		
9	Michelle Krocker		
_10	Coss Lumbé		
_11	Jan Macidull		
_12	Shelley McCabe		
_13	Melissa Sathe		
_14	Peter Sutherland		
_15	Anderson Vereyken		
_16	Sean Zielenbach		
_17	Helen McIlvaine*, Housing		
	Ali Coleman Tokarz*,		
	DCHS		
	Guests	Affiliation	
1	Mary Catherine Gibbs	Wire Gill, LLP	
2	Michelle Chang	Hilco Global	

<sup>\*</sup>non-voting

#### 1. Introduction and Chair Remarks (Chairs)

Chair Sean Zielenbach called the meeting to order at 7:02 p.m. Members of the Committee introduced themselves. Chris Do explained the webinar format and invited members of the public to use the Q&A function.

## 2. Consideration of June 5, 2025 Minutes (Chris Do)

Michelle Krocker motioned to approve the June 5, 2025 minutes; Jon Frederick seconded the motion. The Committee voted unanimously to approve the June 5, 2025 minutes; Betsy Faga and Mike Butler abstained.

## 3. Housing 2040 Affordability Targets

Tamara Jovovic provided a <u>presentation on Housing 2040 Affordability Targets</u>. One member asked if the affordable housing pipeline factors in the potential loss of existing affordable housing. Ms. Jovovic noted that it does not, though the Office of Housing collects data on expired committed affordable housing.

One member asked if the City is seeking community-wide partnerships with partners like DCHS and the Chamber of Commerce. Eric Keeler responded that the Office of Housing collaborates with multiple non-profit partners, agencies, and organizations. The Committee member emphasized the importance of finding partners that will address community needs for housing.

One member of the public asked for the breakdown of unit sizes in the committed affordable unit count and the number of affordable units developed by non-profit partners. Staff will compile information to send later.

One Committee member asked if the City was working with Amazon and had alternative funding sources with federal funding cuts. Mr. Keeler noted that the majority of funding for affordable housing comes from local funding, not federal funding.

One member noted that resources already exist for affordable housing and Housing Trust Fund contributions remain steady (staff clarified that developer contributions have trended downward as the number of affordable set-aside units secured as part of development has increased). Regarding targets, the member asked if affordability targets will be designated at 40%, 50%, and/or 60% AMI, noting that it is easier to leverage funding for 60% AMI units while deeper affordability requires greater subsidy. The member also noted the importance of the Pilot Rental Assistance Program in providing deeply affordable units.

One Committee member emphasized the importance of being thoughtful and creative without large amounts of subsidy, citing tax relief and the pilot rental subsidy program as examples. Filtering of affordable units could also help if the stock of middle-income housing between 61-80% AMI increases. At the state level, NVAHA and the Virginia Housing Alliance are pushing for increased state resources and hope the upcoming governor will support affordable housing.

One Committee member asked why there was a reduction in the number of set-aside and pipeline units in the projections after five years. Mr. Keeler responded that the projections were more conservative, and there were more projected in the near future than in 10 to 15 years because those projects are in development. Mr. Keeler emphasized that there is still room to increase these affordable housing numbers.

One member asked if Staff preferred contributions to the Housing Trust Fund or set-aside affordable units. Ms. Jovovic noted that more set-aside units are being created through Section 7-700 bonus density and the Rezoning Contribution Policy. Staff noted that the amount of Housing Trust Fund contributions has declined in recent years compared to the past, around \$600,000 this year compared to peaks of \$3 to \$4 million.

One Committee member commented that the quality of the credit market has dropped, with risk of collections and default. One member asked for data on expiring committed affordable units. Staff explained that almost 900 units are set to expire by 2040, including LIHTC properties and set-aside units, but Staff are working to extend the affordability of these units as part of the City's preservation efforts.

One member asked for the difference in cost for new construction compared to acquisition and preservation. Staff responded that the cost to acquire a property is less per unit, but different funding resources exist for new construction compared to preservation. Staff noted that a key consideration under Housing 2040 is how to prioritize funding for preservation versus new construction.

One member asked about the timeline to finish the Housing 2040 Master Plan. Ms. Jovovic responded that the project should be finished in 2026. The member asked Staff to prepare for a "what if" scenario if the housing markets crash.

One Committee member asked Staff to track which landlords have below standard living conditions and how the Office of Housing will address them. The member noted that the plan seems to be driven by the availability of City resources, and not actual housing needs, but it would be helpful to show gap between what the City can provide and what the housing need is. Mr. Keeler noted that Housing Staff are working with Code and Alex 311 to identify housing needs.

One member of the public asked if the City is supporting Community Land Trusts (CLTs) and cooperatives. Mr. Keeler noted that the City has supported mission driven non-profits that aim to ensure long-term affordability. The City will continue to look at using public land to keep affordability long-term. Christopher Do highlighted that the City has supported the Arlandria-Chirilagua Cooperative, which provides deeply affordable housing.

A member of the public asked if affordable housing projects are maximizing the use of tax credits. Mr. Keeler explained that almost all of the affordable housing projects in the City have relied on LIHTC. A member of the public asked what is happening to the ARHA redevelopments at Samuel Madden and Ladrey. Mr. Keeler responded that ARHA has the right to return to residents in good standing, relocation plans, and the replacement of public housing units under Resolution 2876. Mr. Keeler also noted that in many cases, the number of affordable units is increased in redevelopment projects.

A member of the public commented that federal funding for housing is used to implement unjust immigration policies to threaten communities. A member of the public asked how the City defines affordable housing. Mr. Do explained that affordability is linked to Area Median Income (AMI) and properties have rents that are calculated to

be affordable based on a percentage of this income (ex. 60% AMI means the households makes 60% of the Area Median Income for that household size). Ms. Jovovic added that housing cost burden should not exceed 30% of a household's gross income in order to be defined as affordable.

## 4. Development Preview: Potomac River Generating Station (Kenny Turscak)

Kenny Turscak and Mary Catherine Gibbs presented a development preview for the <u>Potomac River Generating Station</u> (PRGS). Blocks B and C are proposing mixed-tenure multifamily developments, totaling over 800 rental and condominium units.

One Committee member asked what AMI levels are planned for the Committed Affordable Units (CAUs). Mr. Turscak noted that the rental units would be 60% AMI while the homeownership units would be eligible to households between 70% and 100% AMI. One Committee member pointed out that the number of CAUs provided in Blocks B and C is only 2% of the total units. Ms. Gibbs noted that the entire project considered together would have a higher number of affordable units, inclusive of a public-private partnership to build an affordable housing project in a later phase. The initial build-out and environmental remediation increases the development cost of the early phases.

One Committed member pointed out that tax abatement could serve as a potential tool to assist in the project's financing. Another Committee member asked if the City prioritized on-site units or a monetary contribution. Mr. Turscak noted the City typically prioritizes on-site units. The monetary contribution could be converted to units within the project, but could be used towards other projects, as well. Ms. Gibbs noted that the public-private partnership project will need additional funding to be feasible, and the monetary contribution could contribute to that.

### 5. Housing 2040 Updates (Staff)

Tamara Jovovic noted that the work program for Phase II of the Housing 2040 Master Plan will address senior housing and care. One Committee member commented that affordable assisted living facilities should be included as part of that effort.

#### 6. ARHA Updates (Michelle Krocker)

Michelle Krocker provided updates that the settlement for Silver Fox is moving forward and relocation is planned for September. The Samuel Madden North building is under construction. ARHA is looking to fill key personnel roles, including finding a new CFO. ARHA is focused on improving the resident experience and maintaining projects.

#### 7. Housing Alexandria Updates (Jon Frederick)

Jon Frederick reported that Housing Alexandria's construction work continues on the Seminary Road and Sansé projects. Sanse Phase II will begin this summer and will deliver towards the end of 2026. The Seminary Road Project (Cardinal Path) will start to be delivered in the early fall through December. The affordable homeownership application opened on July 14, and Housing Alexandria received 90-95 applications.

Housing Alexandria is working on completing applications and will host a lottery for applicants in August.

#### 8. Staff Updates (Staff)

Shelley congratulated Eric on his retirement from Alexandria and his new opportunity in Loudoun County. Shelley thanked Eric on behalf of the Committee for his service.

## 9. Information Items (Staff)

Staff did not report on information items.

#### 10. Announcements and Upcoming Meetings

#### ARHA Redevelopment Work Group Meeting

September 3: 5:30 p.m. – 7:00 p.m.

City Hall, Sister Cities Room 1101, 301 King Street

### Housing 2040 Community Meeting #4

September 8: 6:00 p.m. – 9:00 p.m. Minnie Howard Campus, 3775 W. Braddock Road

## October AHAAC Meeting

October 15: 7:00 p.m. – 9:00 p.m. Virtual

## 11. Adjournment (Chair)

Mike Doyle motioned to adjourn the meeting, Mike Butler seconded the motion. The Co-Chairs adjourned the meeting at 9:00 p.m.