

Glebe & Mt. Vernon Development

Project Overview

Housing Alexandria's Glebe & Mt. Vernon (GMV) project is an ambitious mixed-use development that will deliver a substantial amount of affordable housing and community serving non-residential space to the Arlandria-Chirilagua neighborhood. The project will be delivered in phases with construction starting in 2023 and fully occupied by early 2027. At completion, the project will include:

- Approximately 474 residential units of affordable housing
- 36,000 SF of commercial space
- 379 underground parking spaces
- Significant infrastructure and open space improvements

Project Site

Figure 1 provides an ariel view of the project site and the existing conditions. The GMV Project site is a 3.2-acre consolidation of six lots owned by four different owners including a 15,000 sq. ft. parcel owned by the City of Alexandria (the "COA"). It is centrally located within the Arlandria-Chirilagua neighborhood between W Glebe Rd and Mt Vernon Avenue, just one block northwest of the Glebe and Mt. Vernon intersection. The existing site conditions include surface parking, a former Safeway building with two current tenants - Cuscatleco restaurant and Sherwin Williams – and two small buildings along Mt Vernon Ave operating as the Huascaran Restaurant and the Chirilagua Hair Salon.

Figure 1: GMV Project Site



Consistency with Arlandria-Chirilagua Small Area Plan

The GMV project closely aligns with the goals and recommendations of the Arlandria-Chirilagua Plan Update. Specifically, the proposed addresses the following:

- **Expand more deeply affordable housing options**
 - 100% of the proposed residential units are planned as affordable at 80% AMI or below
 - 25% of proposed rental units target households at 40% AMI or below, 105 units in total
 - 58 of the units delivered with the potential to convert to an affordable homeownership condominium in the future.
- **Incorporate amenities and services that are responsive to community needs**
 - All commercial space within the project is intended for service providers, non-profits & mission driven organizations, and locally owned / minority-owned small businesses

Development Program

The GMV Project consists of two buildings. The large building shown as Building One in Figure 2 has frontage on both Glebe and Mt Vernon while the smaller building shown as Building Two on the northern portion of the site fronts on Mt Vernon. The two buildings are separated by a public alley, which connects to Mt Vernon Ave. A sidewalk wraps between the buildings from Mt Vernon Ave. and leads past a new park to Glebe Road. The parking for the project is in a two-level, 379 space underground garage beneath Building One.

Figure 2: GMV Site Plan



Building One

Figure 3 shows renderings of Building One as seen from both Mt. Vernon Ave and Glebe Rd. It is planned to include 416 rental units, 3,800 SF of commercial space along Mt Vernon Ave, and the parking garage that will serve the entire project. The building reaches ten stories in height throughout the middle of the site, with setbacks that are six stories in height along both Mt. Vernon Ave. and Glebe Rd. In addition to the residential units and commercial space, Building One will include a significant resident amenity space including a fitness room, children playroom, classroom space, and a resident community room. The primary residential lobby will be on Glebe Road, while an entrance on Mt. Vernon Ave will lead to a general use community room for the neighborhood. Housing Alexandria is also planning outdoor amenity spaces for residents of Building One atop both setbacks as shown in Figure 5.

Figure 3: Building One Renderings



Building One: Mt. Vernon Frontage



Building One: Glebe Frontage

Building Two

Figure 4 shows renderings for Building Two, which is planned to include 58 residential units and approximately 32,000 sq. ft. of non-residential space. The non-residential space will be located on the first two floors of the building and will include community-serving uses including the potential for a neighborhood-focused healthcare provider. The housing units will be located on floors 3-7 and will be delivered as rental units and have potential to become part of Housing Alexandria's shared equity homeownership program in the future. This program would create an opportunity for first-time homebuyers from the neighborhood to purchase a home and build wealth while at the same time preserving affordability for the life of the project.

Figure 4: Building Two Renderings



Site Amenities

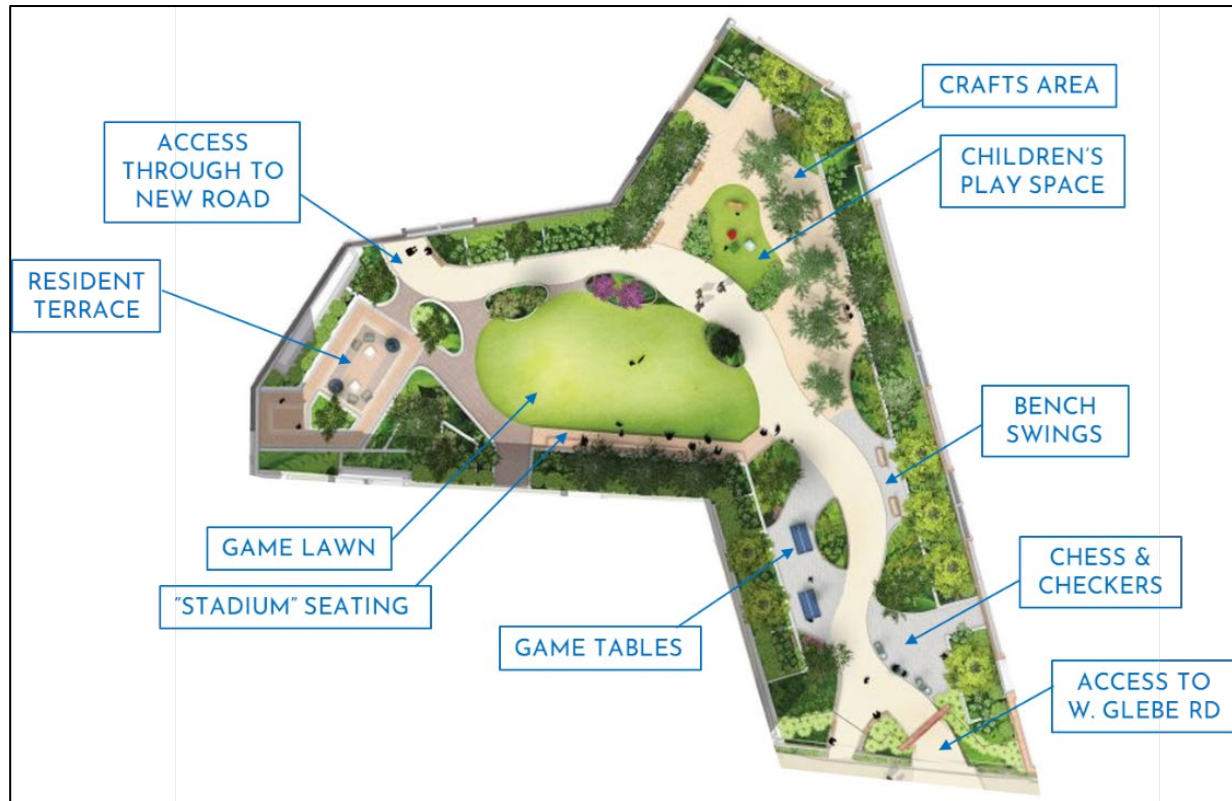
The development will provide indoor and outdoor amenities that will be enjoyable for residents of all ages. In Building One, this includes an activated courtyard, landscaped roof terraces, club and event rooms, a playroom for kids, a fitness center, and spaces to study/learn and work. In Building Two, the residential portion will include a club and event room and an outdoor terrace on the southeast corner of the building that we envision as a shared amenity space between the residents and the commercial tenants of the floors below. The rooftop terraces include grilling stations, seating areas for lounging and entertainment, and a community garden.

Figure 5: GMV Rooftop Terraces



Figure 6 shows the Building One Courtyard. The courtyard is designed with an abundance of activities and areas to explore. Features include benches, children's play areas, picnic & game tables, and the central great lawn. During the day this space is open for the public to pass through and recreate. There is a portal going through Building One at the northern part of the courtyard that connects to the public alley and Mt. Vernon Avenue. The portal enables pedestrians to travel to and from Glebe and Mt Vernon more efficiently depending on where they are headed within the neighborhood.

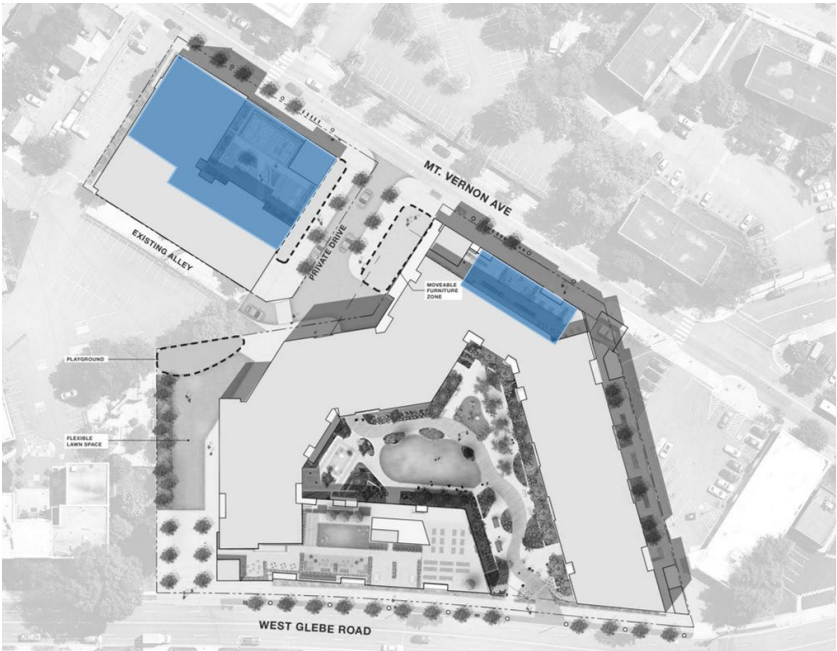
Figure 6: Building One Courtyard



Commercial Space

The locations of the commercial/non-residential spaces are shown on Figure 7. The commercial space within both buildings is located along Mount Vernon Avenue to invigorate the street front. Housing Alexandria is planning to create space for a local healthcare provider and satellite office space for city agencies. Other potential uses include offices for Alexandria-focused nonprofits and mission-based organizations, retail space for locally owned businesses, and childcare/child education services.

Figure 7: Commercial Space at GMV



Housing Affordability

Table 1 shows the breakdown of both unit sizes and affordability levels in the project. All 474 units of housing will be for households at 80% AMI or below, with over 80% of the total units at 60% AMI or below, and approximately 25% of the total units targeted at 40% AMI or below. To accommodate a range of household sizes and compositions, 60% of the units are planned as 2BR or 3BR units.

Table 1: Unit Mix and Affordability Levels

Unit Type	Bldg 1	Bldg 2	Total	%
Jr 1BD	29	0	29	6%
1BR	52	0	52	11%
1BR + Den	108	0	108	23%
2BR	146	44	190	40%
2BR + Den	29	0	29	6%
3BR	52	14	66	14%
Total	416	58	474	

AMI Level	Unit Count	%
40%	110	23%
50%	62	13%
60%	214	45%
80%	88	19%
Total	474	



Housing Alexandria believes the 58 units planned in Building Two are ideal for providing affordable homeownership opportunities in the neighborhood. However, currently the funding sources at the federal level are significantly less than for homeownership units. Therefore, HALX plans to deliver this building as a rental product with the ability to convert the building to homeownership project when the investor exists the deal in year 15. As a rental project HALX will be able to leverage additional resources and target deeper affordability. HALX will pursue a portion of the LIHTC code that allows a conversion to homeownership upon exit of the investor in year 15.

Development Schedule & Phasing (Project Timeframe – 2023 – 2027)

Due to the size of the development, the project will be financed and constructed over multiple phases. Figure 8 along with accompanying Table 2 provide the breakdown and timeline of each phase. The project will begin in 2023 with the construction of the underground garage and the associated sitework. Building One will be constructed in two phases, with the first phase (shown below in pink) commencing upon completion of the garage and Phase II beginning approximately six months later. Construction of Building Two (shown in orange) begins around the same time as the first phase of Building One. The first residential units will be completed and ready for move-in by the beginning of 2026.

Figure 8: Development Phasing and Timeline



Table 2: Phasing Schedule					
Phase	Color	Building	Description	Start Date	Completion Date
Phase 0	Green	Building 1	Garage and Sitework	Q3 2023	Q1 2026
Phase I	Pink	Building 1	Tower One (206 rental units)	Q4 2024	Q1 2026
Phase II	Blue	Building 1	Tower Two (210 rental units)	Q1 2025	Q3 2026
Phase III	Orange	Building 2	(58 units) + Commercial Space (34,000SF)	Q4 2024	Q1 2026

Financing Strategy

The primary reason the GMV project is broken into several phases is to create opportunities to leverage several allocations of low-income housing tax credits (LIHTC). Therefore, while Building One will operate and have the appearance of one building, legally it will be owned by various special purpose entities. This legal structure will also allow Housing Alexandria to apply for various allocations of LIHTC and a variety of additional funding sources for each legal entity.

The construction of Phase 0 acts as the catalyst for the project and allows subsequent LIHTC investments to be leveraged. In 2021, Housing Alexandria was awarded a \$16.8 MM grant from Virginia Housing to assist with the planning, land acquisition, and construction of Phase 0. HALX and VH have executed this grant agreement and all funds have been dispersed.

The financial overview of sources and uses per phase and an operating proforma is attached for your review. The total cost of the GMV project is projected to be \$314 MM. Funding for Building One will consist of one competitive (9%) and two non-competitive (4%) LIHTC allocations as shown in Figure 9. Building 2 is currently anticipated to be funded as 4% LIHTC, but HALX will explore a 9% allocation if it will yield additional tax credit equity. The GMV Project was awarded the 9% allocation in June 2022 and will apply for a combination of 4% and State Opportunity tax credit allocations for other phases starting in the fall of 2023. Collectively, HALX anticipates attracting approximately \$124 MM in tax credit equity for the project.

Housing Alexandria anticipates the funding gap to finance the full GMV project after other identified sources to be \$88 MM. As part of the 9% application submitted in 2022, the COA previously awarded this project an HOF loan of \$10.5 MM. HALX is requesting an additional HOF loan/grant of \$77.5 MM for a total COA investment of up to \$88 MM. As this is a large project constructed and delivered over several phases, the City's money is anticipated to be provided in phases over several years.

The attached financial overview provides the timing in which HALX anticipates COA HOF funding. HALX is requesting funding of \$42.1 MM in current HOF funds. These funds along with the VH Grant already received will allow the construction of the Phase 0. The remaining funds would be invested in the GMV Project in three \$15 MM annual installments beginning in FY 2025. This commitment will provide HALX with the surety needed to close on the property and begin construction of the garage in July 2023 and leverage the other sources identified for the project. It would also allow HALX time to explore other funding sources not currently anticipated in the capital stack including the Amazon Equity Fund and other funding sources made available through new federal programs including the Inflation Reduction Act.

Figure 9: Building One Tax Credit Structure

