

# The City of Alexandria, Virginia

---

## MEMORANDUM

DATE: DECEMBER 12, 2025

TO: MAYOR GASKINS AND MEMBERS OF THE CITY COUNCIL

FROM: PAUL STODDARD, DIRECTOR,  
DEPARTMENT OF PLANNING & ZONING

SUBJECT: CONDITION AMENDMENT TO ALIGN WITH VIRGINIA HOUSING  
LENDING REQUIREMENTS

---

**ISSUE:** Staff recommends revising conditions #88 and #89, which speak to affordable housing requirements. The proposed changes accommodate Virginia Housing's new lending requirements in the event they are a permanent lender to the affordable housing project. Council considered and approved similar changes for other projects in Spring 2025. Under those changes, in the event of an incurable default, as the senior lienholder now operating the property, Virginia Housing may reduce the overall number of affordable units to 20% and set the affordability level at 60% AMI.

This situation is different because the City is not a financial partner in the project, which ordinarily gives the City an opportunity to cure any defaults. To account for this, the proposed condition language includes a provision that Wesley will seek notice and cure rights for the City as additional mitigation.

Staff coordinated the proposed condition with the applicant and they are in agreement.

### **PROPOSED CONDITION AMENDMENT:**

88. **CONDITION AMENDED BY STAFF:** Provide a minimum of 88 affordable set-aside rental units.
- a. In the event of the Virginia Housing Development Authority or successor is the first lienholder of the permanent loan and if there is a incurable foreclosure by the Virginia Housing Development Authority and it is the successful bidder and becomes the successor in interest, then the committed affordable housing units may be reduced to no less than 20 percent of the originally approved units. In such a situation, Wesley will seek notice and cure rights for the City in the event of default.

89. **CONDITION AMENDED BY STAFF:** Rents payable for the affordable units shall not exceed the maximum amounts allowed under the Federal Low Income Housing Tax Credit (LIHTC) program for households with incomes at 30 percent, 40 percent, 50 percent, 60 percent, and 80 percent of the Washington D.C. Metropolitan Area Median Family Income (including utility allowances and any parking charges) for a 40-year period from the date of initial occupancy of each affordable unit, as applicable.

- a. If the Virginia Housing Development Authority or successor is the first lienholder of the permanent loan and if there is a uncurable foreclosure by the Virginia Housing Development Authority and it is the successful bidder and becomes the successor in interest, then the City shall agree to release the covenant placed on Landbay G Block G to permit a reduction in the affordable units to no less than 20 percent of the originally approved units required at 60 percent of the area median income for the Washington D.C. Metropolitan Statistical Area. Under no other circumstances will a reduction in the committed affordable units be allowed or considered. In such a situation, Wesley will seek notice and cure rights for the City in the event of default.

**STAFF:**

Helen S. McIlvaine, Director, Office of Housing

Rob Kerns, Development Division Chief, Planning and Zoning

Abigail Harwell, Urban Planner, Planning and Zoning

Kenneth Turscak, Urban Planner, Planning and Zoning