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29
2-14-17
* Roy Priest

Roy Priest, Chief Executive Officer

February 14, 2017

Mark B. Jinks, City Manager
City of Alexandria

Re: Repayment of Glebe Park Loan

Dear Mark:

Enclosed is a check in the amount of \$5,970,274.78 that, along with the initial \$600,000 payment made at the financial closing, represents the full repayment of \$6,579,274 in full, of all outstanding principal and accrued interest due and owing on the Glebe Park Loan. I appreciate your effort to revise the docket to allow us to make this presentation that will celebrate a major milestone in our joint effort to use our collective financial resources to provide nationally award winning affordable housing in the City.

Your affirmation of the commitment to apply the repaid loan proceeds towards the financing of the other public housing on-site or off-site replacement units is consistent with the original terms and conditions set forth in Item 25 of the Exhibit B (Glebe Park and James Bland Redevelopment Proposed Terms and Conditions) that was negotiated between the City and ARHA on March 31, 2008. The capacity to achieve our redevelopment objectives for the five RFP sites will be enhanced by the availability of these funds.

Over the years, the City has provided \$18,487,967 to ARHA for specific properties. With the repayment of this Loan, ARHA has repaid \$14,496,681 in principal alone or 78% of the funds borrowed and \$1.9M in interest payments. The majority of the remaining obligation stems from a \$4,704,600 Quaker Hill loan executed between ARHA and the City in 2010 which is being repaid at an accelerated schedule, with a current outstanding balance of \$3,215,696. The redevelopment of Glebe Park has been a long journey which is very well chronicled; a short version of which is attached. This history exemplifies the outstanding results that are achieved when we work collaboratively to plan and develop quality affordable housing in mixed income communities. I along with the ARHA Board look forward to our future work together that will provide sustainable affordable housing for our residents and the City.

Very truly yours,

Roy O. Priest
Chief Executive Officer

cc: ARHA Board of Commissioners



ATTACHMENT 1: SUMMARY OF GLEBE PARK REDEVELOPMENT CHRONOLOGY

- 1987: Acquisition of Glebe Park on approval of both the City and ARHA as part of the replacement of units lost in the Cameron Valley redevelopment
- 1996: 1987 bonds are refunded and ARHA mortgages the property with PMC
- 1997 - 2004: Study of the Comprehensive Physical Needs Assessment at Glebe Park Apartments by Diversified Engineering; and, Feasibility Study conducted by Tise Diamond Associates
- 2006: ARHA issues RFP for Developer Partner and selects EYA to redevelop Glebe Park using the land value in the James Bland and James Bland Addition development sites
- 2007: City approves Loan and ARHA and City execute Loan Agreement in order to pay-off the existing Glebe Park mortgage
- 2008: Glebe Park mortgage of \$5.6M is paid with Loan and ARHA immediately pays the principal down at the closing to \$5M using the replacement reserves held by the mortgage company
- 2008: ARHA is successful in securing tax credit funding for the West Glebe and Old Dominion development sites
- 2010: Alexandria Crossing at West Glebe and Alexandria Crossing at Old Dominion are placed-in-service
- 2009 - 2014: James Bland Phases I, II, IV and V are awarded and placed-in-service
- 2015: Multi-phase project is closed out and cost certified
- 2016: 2nd amendment to the 2008 HUD Disposition Application approval is submitted requesting use of the surplus sale proceeds resulting from the redevelopment of the James Bland sites is submitted and approved
- 1/17/2017: ARHA receives approval from HUD to use the surplus sales proceeds to repay the Loan. The approval letter, page 6, notes that the Loan Agreement includes language conditioning the use of the re-paid funds to the financing of other public housing on-site or off-site replacement units and ARHA's intention to negotiate language in the payoff documents that memorializes this commitment so that the language is enforceable. As such, ARHA has counsel draft a Loan Agreement. May be able to edit this based on outcome.