



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 25, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES F. PARAJON, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Resolution Designating the Community Lodgings, Inc. (CLI) Elbert Avenue Project Site a “Revitalization Area” pursuant to Virginia Code Section 36-55.30:2.A. [ROLL-CALL VOTE].

ISSUE: A Resolution designating the Community Lodgings, Inc. (CLI) Elbert Avenue Project Site a “Revitalization Area” pursuant to Virginia Code Section 36-55.30:2.A.

RECOMMENDATION: That City Council:

- (1) Approve a Resolution designating the Elbert Avenue Project site a Revitalization Area pursuant to Section 36-55.30:2A of the Virginia Code; and
- (2) Authorize the City Manager to execute any necessary documents related to this Resolution or otherwise in support of CLI’s application for Virginia Housing Opportunity Tax Credits.

BACKGROUND: CLI received development approvals in February 2023 for the Elbert Avenue Project, a 91-unit affordable housing project located at 3908-3916 Elbert Avenue in Arlandria. Rents for the units will be affordable to households with incomes from at-or-below 30% to 60% of the Area Median Income (AMI). The total development cost of Elbert Avenue is approximately \$51.5 million, and the project’s funding package is anticipated to include a permanent City loan of \$3,475,000 (including \$450,000 in predevelopment funds and the balance of a prior rehabilitation loan) and a Housing Trust Fund-sourced rental subsidy grant of \$350,000, along with state and federal low-income housing tax credit equity, bonds, a deferred developer fee, and monies from various other sources.

CLI is preparing an application to Virginia Housing (VH) for state Housing Opportunity Tax Credits which is due in mid-July. A City Council resolution designating the project site a Revitalization Area will provide key points to CLI’s application and allow CLI to take advantage of point criteria available within the scoring

parameters set by VH. if that is considered by the City Council.

DISCUSSION: The Resolution designating the Elbert Avenue Project site a revitalization area makes CLI's Elbert Avenue application for state housing opportunity tax credits more competitive by aligning the project with funding priorities established by Virginia Housing. Consistent with the City Attorney's past interpretation of the relevant Virginia Code Section, staff believes that the proposed development of affordable housing at Elbert Avenue, including a component of deeply affordable housing, provides an economic benefit to the City that would not occur without government assistance, including local financial support and state and federal tax credits, as well as other planned public and private resources. These criteria are consistent with the requirements of the designation.

FISCAL IMPACT: None for the City specifically related to the Resolution.

ATTACHMENTS:

1. Resolution Designating the CLI Elbert Avenue Project Site a Revitalization Area
2. Site Map

STAFF:

Emily A. Baker, Deputy City Manager
Christina Zechman Brown, Deputy City Attorney
Helen McIlvaine, Director, Office of Housing
Eric Keeler, Deputy Director, Office of Housing