

- (b) Authorize the City Manager to execute documents related to the tax credit application and the financing plan, including a letter of support.

BACKGROUND: AHDC has assembled several vacant and/or underutilized land parcels in the Arlandria-Chirilagua neighborhood, at the intersection of Mount Vernon Avenue and Glebe Road, in order to create a new mixed-use development that will combine approximately 475 units of affordable housing for households with incomes up to 80% of the area median income, including more than 100 rental units that will be deeply affordable to households with incomes up to 40% AMI.

The project's planned funding package is anticipated to include a permanent City loan (including predevelopment loans), a City pilot rental subsidy grant, low income housing tax credit equity, Virginia Housing Amazon Impact grant funds totaling more than \$16 million, developer fee deferred by AHDC, as well as other sources.

AHDC is preparing a funding application to Virginia Housing (formerly the Virginia Housing Development Authority) for competitive (9%) low-income housing tax credits for Phase I of the development. The application is due in mid-March 2022. A City Council resolution designating the project site a Revitalization Area will provide key points to AHDC's application and allow AHDC to take advantage of all appropriate point criteria available within the scoring parameters.

DISCUSSION: The Resolution designating the Mount Vernon Avenue - Glebe Road site a revitalization area helps make AHDC's application for low-income housing tax credit equity more competitive in terms of 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 the site provides an economic benefit to the City that would not occur without government assistance, including local financial support and federal tax credits, as well as other planned public and private resources, which criteria complies with requirements of the designation.

FISCAL IMPACT: None related to the Resolution.

ATTACHMENT: Resolution Designating the Mount Vernon Avenue - Glebe Road Project Site a Revitalization Area

STAFF:

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