



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 6, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of an Amended Resolution Designating a Portion of the Fairlington Presbyterian Church Site a Revitalization Area.
[ROLL-CALL VOTE]

ISSUE: Consideration of an amended Resolution (Attachment 1) designating a portion of the Fairlington Presbyterian Church site a "Revitalization Area" pursuant to VA Code Section 36-55.30:2.A.

RECOMMENDATION: That City Council approve the proposed amended resolution (Attachment 1).

BACKGROUND: On November 17, 2017, Alexandria City Council adopted a Resolution (Attachment 2) designating a portion of the Fairlington Presbyterian Church site a revitalization area, in order to facilitate the financing and construction of affordable housing on that site. The portion of the site which is proposed for the designation, and which will be redeveloped by nonprofit Wesley Housing Development Corporation ("Wesley") as an affordable rental building, includes the underutilized surface parking lot behind the Church. Wesley's project will include a mix of 81 apartments with rents affordable to households with incomes ranging up to 60% AMI. Nine units will be deeply affordable.

The project's planned funding package for the \$38.2 million project includes a permanent City loan of up to \$7.65 million, including a predevelopment loan, a City grant of \$270,000 to fund the pilot rental assistance to subsidize the nine deeply affordable (rents will be affordable to households with incomes below 40% AMI), low-income housing tax credit equity of approximately \$20 million, private first trust loan monies of around \$9 million and \$1.6 million of developer fee deferred by Wesley.

Wesley is preparing a funding application to the Virginia Housing Development Authority (VHDA) for competitive (9%) low-income housing tax credits. The application is due in mid-March. In reviewing the application and attachments, Wesley and the City have learned that VHDA is now requiring that specific language from Virginia Code Section 36-55.30:2.A be incorporated in Revitalization Area Designation Resolutions, rather than jurisdictions adapting the Code language to fit the relevant local circumstances as had been the prior practice. The City has been advised that Alexandria's designation might be challenged if deemed deficient, and recommended that the Resolution be amended to mirror the language directly from Code Section 36-55.30:2.A. The primary language changes in the new resolution include a new second "Whereas" clause as well as a new "Now, therefore, be it hereby determined" clause.

Since the designation provides 10 key points to Wesley's application, City staff believe that it is appropriate to seek an amended resolution to avoid a challenge and potentially take advantage of every potential point available within the scoring criteria established

by VHDA.

DISCUSSION: The Resolution designating a portion of the Fairlington Presbyterian Church site where the affordable housing will be located as a revitalization area will help make Wesley's application for low-income housing tax credit equity more competitive in terms of aligning the project with funding priorities established by VHDA. Consistent with the City Attorney's past interpretation of the 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, which criteria complies with the requirements of the designation.

FISCAL IMPACT: None related to the Resolution.

ATTACHMENTS:

- (1) Amended Resolution Designating a Portion of the Fairlington Presbyterian Church Site a Revitalization Area
- (2) Resolution Designating a Portion of the Fairlington Presbyterian Church Site a Revitalization Area (adopted by City Council on November 17, 2017).

STAFF:

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