



Docket Item #8
Text Amendment #2025-00009
Commercial-to-Residential Conversions

Issue: (A) Initiation of a Zoning Text Amendment and (B) Public Hearing and consideration of a Text Amendment to Article XII – Noncompliance and Nonconformity of the City’s Zoning Ordinance to establish provisions for office to residential conversions and to clarify the regulations related to the use of noncomplying structures generally.	Planning Commission Hearing:	January 6, 2026
	City Council Hearing:	January 24, 2026
Staff: Tony LaColla, AICP, Division Chief anthony.lacolla@alexandriava.gov Sam Shelby, Principal Planner sam.shelby@alexandriava.gov Catie McDonald, Urban Planner catherine.mcdonald@alexandriava.gov		
Staff recommendation: Staff recommends that the Planning Commission INITIATE and recommend APPROVAL of the text amendment.		

I. SUMMARY

Staff proposes a text amendment to the City's Zoning Ordinance to establish a standardized and streamlined Special Use Permit (SUP) process for commercial-to-residential conversions.

II. BACKGROUND AND CONTEXT

Zoning History

The City has permitted residential uses by-right in nearly all zones since 1931, when Alexandria established its original Zoning Ordinance. Beginning with the original Zoning Ordinance and subsequent re-writes, the City has maintained a regulatory framework that creates distinct and often more restrictive standards for residential development compared to nonresidential development. These differences can pose substantial barriers to converting nonresidential buildings to residential use even though both uses are permitted by the zone.

The Zoning Ordinance imposes several requirements on residential development that do not apply to nonresidential development. Residential development must comply with setbacks, open space, and minimum lot (frontage, width, and size) requirements whereas nonresidential development does not. Given this, a legally constructed nonresidential building often cannot comply with the Zoning Ordinance's residential requirements. Many zones also establish higher Floor Area Ratio (FAR) limits for nonresidential development. This disparity often means that an existing nonresidential building would exceed the allowable FAR if converted to a residential use, making such conversions difficult under strict application of the ordinance. In general, these differences can create a regulatory barrier that may preclude adaptive reuse of a vacant or obsolete office building without significant building modifications or demolition.

The 1992 comprehensive Zoning Ordinance rewrite also complicated matters. As part of the rewrite, the allowable FAR in many of the City's commercial zones was lowered to almost half that of pre-1992 levels. After 1992, existing buildings that exceeded the new, lowered FAR limits were classified as noncomplying structures and were subject to special regulations governing changes. Critically, the Zoning Ordinance did not clearly address how to regulate changes of use within noncomplying buildings. Over time, staff has interpreted the Zoning Ordinance's noncomplying provisions to allow changes of use that do not increase noncompliance.

Some conversions remain entirely impermissible when a zone permits a lower FAR for residential development than it does for nonresidential and the existing building would exceed the permitted residential FAR. In these cases, an applicant may seek a rezoning to a zone that offers FAR parity between residential and nonresidential. The rezoning would serve primarily to legitimize the existing building's size and configuration rather than advance a significant land use purpose or goal. Having a rezoning as the only relief mechanism for properties with these circumstances makes these conversions, which would otherwise be straightforward adaptive reuse project, unnecessarily procedurally complex.

The Zoning Ordinance does offer a relief mechanism through modifications from setback, open space, and other minimum requirements, but applicants can only access these modifications through SUP or site plan approvals. Modifications are not currently available as a standalone

process. Because of this, applicants seeking to convert buildings that cannot meet residential requirements must navigate approval processes that sometimes require creative regulatory interpretations to access the modification provisions. As an example, an applicant may seek SUP approval to reduce a building's off-street parking requirement to access the modification provisions even if the reduction is not technically necessary. Basically, the Zoning Ordinance's structure can require applicants to pursue approvals that may not be functionally necessary, but whose procedural value is essential to legally convert a building.

Conversion Policy Evolution

The permanence of the City's historic buildings through multiple economic eras partially demonstrates that the City has long accommodated some form of use flexibility to maintain its built environment. The City first formally codified a modern conversion policy in 2002. This policy allowed for conversions of buildings on King Street that exceeded the zone's maximum FAR with SUP approval. Staff recognized that retrofitting existing buildings in the City's Old and Historic Alexandria District would not always be compatible with the character of the historic district. As such, the policy exempted these buildings from many residential requirements including setbacks and open space. Overall, this framework balanced the City's interest in supporting adaptive reuse while maintaining an appropriate mix of residential and nonresidential uses along King Street.

The City revisited its conversion policy in 2023 as part of the Zoning for Housing initiative. Staff analyzed conversion trends, building characteristics, and regulatory challenges to determine whether the City should update its approach. The analysis confirmed that Alexandria had emerged as a nationwide leader in office-to-residential conversions, with successful projects demonstrating both the feasibility and fiscal benefits of adaptive reuse. Staff found that office conversions produced clear financial benefits for the City, with tax revenue increases significantly outpacing the cost of providing services to residential development, and that student generation in converted buildings had been very modest.

The 2023 analysis also identified the regulatory barriers described in the previous section of this report. For the FAR disparities described above, staff recommended that applicants utilize Zoning Ordinance section 7-700—the ordinance's bonus density program—to obtain additional FAR for residential use in exchange for providing affordable housing. Staff recommended that conversions applicants access bonus density to bridge the gap between the lower residential FAR limits and the existing building's size, with one-third of the additional density provided as committed affordable housing.

The section 7-700 approach has not proven viable in practice, and no applicants have pursued conversions using this mechanism since the City adopted the policy in 2023. Conversion projects face substantial financial challenges that make the Section 7-700 framework unworkable for most potential applications. Developers describe conversions as inherently challenging projects that require high procurement costs, have exposure to unpredictable structural and building system challenges during construction, and demand higher contingencies than new development. The scale of most conversion projects exacerbates these financial pressures because smaller buildings do not generate sufficient unit counts to make affordable housing requirements financially feasible for developers to absorb while managing the elevated risks and costs associated with adaptive reuse. Additionally, the maximum bonus density available through section 7-700 proves

insufficient in many cases to bridge the gap between the residential FAR limit and the existing building's FAR, meaning that even applicants willing to provide affordable housing cannot use the policy to legitimize the building's FAR. These combined factors and additional experience with recent conversions have led staff to recommend refinements to the City's conversion policy.

Since 2023, City Council has approved the following conversion projects:

Address	Approval	# of units
720 North Saint Asaph Street	SUPs for parking reduction and FAR up to 2.5	12
628 King Street	King Street conversion and parking reduction SUP	11
2525 Mount Vernon Avenue	SUP for parking reduction	30
601 Wythe Street	Rezoning, SUP for multi-unit residential use	18
1625 Prince Street	SUP for parking reduction	45
2051 Jamieson Avenue	Development SUP	181

Market Conditions

The national office market faces unprecedented challenges and uncertainty with vacancy rates reaching an all-time high of 20.7 percent in 2025. Office loan delinquencies have spiked to 14.26 percent as of the second quarter of 2025, reflecting the compound pressures of higher interest rates, increased carrying costs, and persistent uncertainty about long-term space requirements. Industry analysts identify adaptive reuse as a key strategy to right-size the market over the next five to 10 years.

Alexandria's office market mirrors national trends with an office vacancy rate of 21.1 percent. The City contains approximately 18.9 million square feet of office space with about 4.1 million square feet currently vacant. The table below shows the vacancy rates within the City by submarket.

Alexandria Office Market Statistics by Submarket Q2 2025

SUBMARKET	VACANCY RATE	NET ABSORPTION	INVENTORY
Old Town	14.3%	-26,860 SF	7,670,164 SF
Carlyle	29.1%	32,377 SF	1,881,912 SF
Potomac Yard	0.9%	33,488 SF	991,041 SF
West End	18.6%	-12,630 SF	1,894,861 SF

Generally, the Carlyle submarket experiences the highest vacancy rate due to federal government space compression while the Old Town submarket maintains the lowest vacancy rate due to its attractive live-work-play environment. These conditions reflect the character of the current

demand for office space. In general, the highest office demand is for Class A office space with excellent access to public transportation in mixed-use areas with lively activity levels. Market activity indicates that businesses with smaller workforces typically rely on teleworking and co-working spaces until their needs are great enough for office space.

Surrounding Jurisdictions

Arlington County, Montgomery County, and the District of Columbia have all established office-to-residential conversion policies within the last five years. These policies vary but generally provide streamlined approval processes and tax incentives to convert outdated office space to residential use.

III. DISCUSSION OF PROPOSED TEXT CHANGES

Staff recommends amendments to Zoning Ordinance Article XII to establish a standalone SUP procedure for conversions. Staff also recommends changes to the noncomplying provisions to establish parameters for changes of use in noncomplying buildings generally.

A. Establish SUP procedure to allow conversions.

Staff proposes new section 12-1100 which would establish an SUP procedure for conversions of existing buildings, in whole or in part, to residential use. To be eligible for SUP review, the proposed residential use must comply with the use provisions in the zone. For example, a conversion SUP could not be sought in the I/Industrial zone because it does not permit residential uses.

Given the zoning challenges identified in the background section of this report, staff recommends including provisions that allow reductions to minimum zoning requirements to be requested with the SUP. These reductions include yard/setbacks, open space, off-street parking, width, frontage, and other minimum requirements established by the Zoning Ordinance. To receive approval for these reductions, the applicant must demonstrate that meeting them would be infeasible and City Council would have to determine that such reductions would comply with all applicable SUP considerations pursuant to Zoning Ordinance section 11-504. The SUP would not authorize an increase to the existing floor area or height unless the increase would comply with applicable FAR and height requirements.

B. Utilize existing SUP considerations to evaluate conversion requests.

In reviewing a conversion SUP, including whether to grant reductions from minimum requirements, City Council would evaluate the request based on the existing SUP considerations established by Zoning Ordinance section 11-504. In all cases, section 11-504 would require City Council to determine that the conversion:

- Will not adversely affect the health, welfare, or safety of persons residing or working in the neighborhood of the proposed use;

- Will not be detrimental to the public welfare or injurious to property or improvements in the neighborhood of the proposed use; and
- Will substantially conform to the Master Plan of the City.

The most relevant of the above is the Master Plan conformity criterion. City Council would have to find that the proposed conversion will be aligned with the land use goals and objectives of the applicable Small Area Plan (SAP) chapter of the City's Master Plan. As an example, blocks closest to the Metro station are required to have a minimum of 60 percent office. If a conversion SUP came forward that reduced the office percentage below 60 percent, it would be difficult for an applicant to make the case that the conversion would be consistent with the Master Plan.

As another example, the Eisenhower East and Old Town North SAP also state that certain building characteristics (age, condition, amenities, and proximity to transit) indicate whether it remains competitive for an office tenant. If a conversion SUP were proposed for a newer building with good amenities and proximity to transit, City Council could find that the proposal would not be consistent with the SAP.

Further, staff's proposal would enable City Council to consider whether the conversion itself would be consistent with the City's Master Plan. Under the current policy, applicants must pursue approvals for specific relief such as parking reductions or open space waivers rather than seeking approval for the conversion as a whole. This limits City Council's review to the narrow modification request rather than the broader conversion proposal. For example, the recent conversion project at 2525 Mount Vernon Avenue sought a parking reduction with modifications to open space and yard requirements. City Council's review was essentially limited to whether the parking reduction would be consistent with the Master Plan and whether it would create parking impacts on the surrounding neighborhood. Evaluations as to whether the conversion itself aligned with Master Plan goals for the area, such as maintaining a balance of commercial and residential uses or preserving competitive office space may not have been an appropriate consideration on review of the request. Staff's proposed amendments would authorize City Council to conduct a more holistic review of whether the proposed conversion complies with SUP approval criteria and Master Plan policies, rather than limiting review to individual modification requests that happen to provide procedural access to the conversion.

Last, conversion SUP requests would be subject to City Council's 2020/2021 Housing Contribution Policy Update's commercial to residential conversion guidance. This guidance establishes a voluntary contribution to the Housing Trust Fund based on the amount of net floor area being converted to residential use. In 2025, the conversion rate is \$1.83 per square foot.

C. Formalize current staff interpretation to allow changes of use in noncomplying buildings generally.

Staff recommends changes to sections 12-101 and 12-102 to formalize staff's current practice related to a change of use within a noncomplying building. With staff's proposal,

a noncomplying building could be occupied by any use that is: listed as a permitted use in the zone, is listed as a special use in the zone and receives SUP approval, or permitted by the Zoning Ordinance's noncomplying or nonconforming use provisions. Further, the proposed use must not increase the building's noncompliance. This proposal reflects current staff interpretation of the existing noncomplying structure provisions and does not represent a policy change.

D. Relocate and update residential reversion language.

Staff recommends relocating the existing residential reversion language to another section of the Zoning Ordinance. Currently, it's located within "terms defined" and because it describes a procedure, staff finds that it belongs in a new section. Further, staff recommends amending the existing limitation to the proposed number of dwelling units in a reversion project.

IV. OUTREACH AND COORDINATION

In addition to coordination with the Alexandria Economic Development Partnership, Transportation and Environmental Services, Office of Housing, and Office of Climate Action staff conducted the following outreach:

Community Outreach	Date
Website launch	8/29
Planning Commission work session	10/7
eNews notifications	9/8, 9/9, 9/10, 10/8, 10/9
Community open house	10/22
Open house video and comment board posted	10/23
Bi-monthly P&Z virtual community updates	6/17, 9/2, 10/30
Meeting with Arlington County staff	9/19
NAIOP "office to opportunity event" and monthly meetings	10/9, 10/15, 12/17

V. RECOMMENDATION

Staff recommends initiation and approval of the proposed text amendments.

Staff: Tony LaColla, AICP, Division Chief
Sam Shelby, Principal Planner
Catherine McDonald, Urban Planner

VI. RECOMMENDED TEXT CHANGES

ARTICLE XII. – NONCOMPLIANCE AND NONCONFORMITY

12-101 – Terms defined.

- (A) Noncomplying structure means any building or structure that:
- (1) Existed prior to the effective date of any change in the zoning regulations or restrictions, but which thereafter, by reason of such change, is not in compliance with the zoning regulations or restrictions then in effect or
 - (2) Changed in use pursuant to section 12-1100 and, by reason of such change, is not in compliance with applicable zoning regulations or restrictions.
- (B) ~~Reserved. A building on a lot that does not meet the current zoning requirements for residential use, that was originally constructed or principally used prior to June 24, 1992 as a residence, may be reverted from commercial use to a residential use and shall be a noncomplying structure provided that:~~
- ~~(1) The proposed residential use is permitted in the zone or is located in a building which faces the north side of the 1400 or 1500 block of King Street, or the south side of the 1600 block of King Street, which is setback from the front property line and has a first floor at least three feet above grade at the front building wall;~~
 - ~~(2) The proposed residential use contains a number of dwelling units equal to or less than previously existed on the property;~~
 - ~~(3) Since the most recent conversion to a commercial use, or since June 24, 1992, whichever is more recent, there has been no expansion to the structure and no changes to the lot of record that increase the degree of noncompliance for a residential use; and~~
 - ~~(4) Since the building was last a residential use, the number of parking spaces has not been reduced notwithstanding the requirements to provide parking in section 8-200.~~

12-102 – Noncomplying structures.

Noncomplying structures shall be permitted to continue indefinitely and shall be considered legal structures, but subject to the following restrictions:

- (D) Use of noncomplying structures. A noncomplying structure may be used for or occupied by any use that is listed as a permitted or special use in the zone or is permitted pursuant to section 12-200 or 12-300 provided that the proposed use does not increase the existing structure's noncompliance. If the proposed use increases a structure's existing noncompliance or would not otherwise comply with this ordinance, it may only be permitted pursuant to section 12-1100.
- ~~Residential reuse. A building which faces the unit through 1400 block of King Street and which is a noncomplying structure because it exceeds the floor area~~

~~ratio of the KR zone, may be converted from nonresidential to same residential use, notwithstanding any requirement of the KR zone applicable to residential uses, provided that a special use permit is approved to allow such conversion.~~

Sec. 12-1100 – Residential re-use of existing buildings.

Any nonresidential building or portion thereof may be changed from nonresidential to residential use provided that such residential use is listed as a permitted or special use in the zone or permitted pursuant to section 12-200 or 12-300 and subject to this section 12-1100.

12-1101 – Nonresidential to residential conversions.

Any change in use other than pursuant to 12-102(D) may be permitted with special use permit approval pursuant to section 11-500 and the following:

- (A) *Reductions to minimum requirements.* In approving a special use permit under the provisions of this section 12-1101, city council may reduce minimum yards, open space, off-street parking, and other minimum requirements imposed by this ordinance subject to the following:
 - (1) The applicant shall demonstrate that meeting these requirements would be infeasible.
 - (2) The remedy provided by this section shall be the exclusive remedy for reductions from these requirements.
- (B) *Floor area ratio and height.* The special use permit approval shall not authorize any increase to the existing floor area ratio or height unless such increase would comply with applicable floor area ratio and height requirements.

12-1102 – Residential reversion.

Any nonresidential building, that was originally constructed or used as a residence may be reverted to a residential use subject to the following:

- (A) A residential reversion of any building on the north side of the 1400 or 1500 block, or south side of the 1600 block of King Street, may be permitted regardless of the first-floor residential use prohibitions established by the KR zone.
- (B) Since the most recent conversion to a nonresidential use, or since June 24, 1992, whichever is more recent, there has been no expansion to the building or changes to the lot of record that increase the degree of noncompliance for a residential use.
- (C) The proposed residential use would comply with the zone's density limitations, except that where these limitations would result in fewer dwelling units than previously existed, the proposal may provide up to the previous number of units.