To: Members of City Council

Members of Planning Commission

From: Alexandria Housing Affordability Advisory Committee

Re: 5001 Eisenhower Avenue Redevelopment

Date: November 27, 2024

The Alexandria Housing Affordability Advisory Committee (AHAAC) endorses the 5001 Eisenhower Avenue Redevelopment Plan. While the Committee had several questions, there are many good reasons to support the plan. We welcome the conversion of the vacant former office building into residential uses and the economic and community benefits that conversion will bring to the area. We also applaud the developer's commitment to ensure 41 of the resulting apartments will remain affordable to households earning 50% or less of the area median income (AMI) and another 41 will remain affordable to those earning 60% or less of AMI. We are especially pleased with the 40-year affordability commitment.

At the same time, there are several aspects of the project that raised concerns within the Committee:

- As the Department of Housing has documented in the course of its work on the Housing 2040 Plan, there is a critical shortage of housing affordable to individuals and families earning 40% or less of AMI. This is arguably the greatest affordable housing need in the city. Yet the 5001 Eisenhower project does not involve the creation of any such units.
- The apartments within the complex that will be designated as affordable are all smaller units, with either one or two bedrooms. There are no three-bedroom apartments included within the affordable units; they are all designed to be rented at market rates. Given the documented shortage of affordable apartments for larger low-income families, the current unit allocation seems ill-suited to community needs. We would ask that there be more proportionality in the unit sizes offered for the designated affordable unit.
- The developers have emphasized that about half of the units will be "workforce affordable," with rents priced for households earning 80% of AMI. About 30% of the units will be priced at a level that is affordable to households earning up to 100% of AMI. This "affordability" merely reflects existing market rents in the area; existing apartments around the Van Dorn metro station currently rent for amounts that are affordable to households earning 80% of AMI. Thus as proposed, the development's unit composition would consist of about 78% market-rate apartments and only 22% affordable apartments.
- In exchange for their commitment to preserve 82 apartments for households making 50% or 60% of AMI for 40 years, the developers are receiving 25 years of tax abatements as well as a zoning change that will facilitate the creation of approximately 450 additional residential units on the adjacent western property. The developers have no plans to set aside any of

those new units as affordable housing, although they expect a negotiation with the Department of Housing. Thus the developers ultimately will receive future tax abatements worth up to \$37.5 million to set aside less than 10% of the total planned residential units as affordable; the remainder will be rented at market rates (at least based on current pricing). In effect, the developers will be receiving tax abatements for the development of both affordable and market-rate units.

The developers calculate the estimated present value of the foregone tax revenues to be about \$16 million. As a point of comparison, the City's typical per-unit contribution at the 50-60% AMI level for affordable housing developments financed through the Low-Income Housing Tax Credit or other sources is about \$90,000. For the 5001 Eisenhower property, this would translate into a Housing Trust Fund contribution of \$7.4 million. In effect, the net present value of the tax abatement is more than double the value of a comparable City contribution for the same number of units.

• To date, the City has been reluctant to offer tax abatements to incentivize affordable housing development, so there is no policy to guide the use of this tool. We encourage the City to consider it as a potentially valuable tool, especially in light of Housing 2040, the update to the current Housing Master Plan. Several other jurisdictions in Virginia have used tax abatement effectively for affordable housing. It will be important to weigh the costs of such abatements against the benefits. For instance, does the City receive proportionally greater value from tax abatements than from a similar amount of actual expenditures? How can the City best combine targeted tax abatements with direct contributions toward the development of affordable housing that meets the needs of the community, including those at the lowest income levels?

The developers and the Department of Housing have been clear that the tax abatements and affordable housing commitments associated with the 5001 Eisenhower project should not be viewed as a precedent. However, it may provide a baseline template for other commercial building conversions. It also will inform the discussion of sorely needed financial tools to restart the development pipeline for affordable housing in the city, which is currently stalled until 2030 due to lack of funding. A clear policy for the use of tax abatements for affordable housing is a necessary outcome of the Housing 2040 process.

Shelley McCabe AHAAC co-chair

Show mcCabe

Sean Zielenbach AHAAC co-chair

Sean Zielenbach



3 December 2024

Members of the Alexandria Planning Commission,

As the Alexandria leadership team for YIMBYs of Northern Virginia, we are excited to see two impactful housing developments on this month's docket, and we ask you to vote yes on both of them. Together, these developments will add 487 desperately needed homes to our city.

The Victory Center redevelopment will transform a long-vacant office building into 377 desperately needed new homes. In addition to all units having varying levels of affordability between 50% and 100% AMI, the significant number of new homes will make a real impact on the root cause of our affordability crisis, which is the housing shortage. The CDD will allow for future development of even more homes on the site's large parking lot, and the development will benefit the surrounding community with a publicly accessible park and playground, as well as an improved sidewalk and new cycle path.

We're concerned that a Special Use Permit is required to build a multi-unit residential building within 1000 feet of Eisenhower Avenue. We ask you to eliminate this requirement, as well as any similar requirements that may exist for other streets in Alexandria, so that housing is legal to build along all streets in our city. We also ask you to eliminate the City's parking minimum policy, so that developments like this one don't have to request an SUP to build the appropriate amount of parking to serve residents.

The condos at 2200 and 2250 Dock Lane will add 110 desperately needed new homes on a vacant parcel close to the Eisenhower Avenue Metro station, including the first affordable homeownership units in the neighborhood. The development will benefit its neighbors with shared-use paths increasing pedestrian and bicycle connectivity.

We hope Alexandria will continue to welcome new homes of all types, all price points, and in all parts of our city to address our regional housing crisis and make our city better for everyone.

Phoebe Coy, Alex Goyette, Peter Sutherland, Stephanie Elms, and Trip Hook YIMBYs of Northern Virginia Alexandria leads



November 27, 2024

RE: 5001 Eisenhower Avenue Office Building Conversion Project (Victory Center Redevelopment Project)

Dear Alexandria Planning Commission and the Alexandria City Council,

The Alexandria Environmental Policy Commission (EPC) is writing this letter in support of the Victory Center Redevelopment project at 5001 Eisenhower Avenue. At the EPC's regular meeting on November 18, 2024, staff members from Alexandria's Office of Planning & Zoning and the Office of Climate Action shared details about the project with the EPC.

The EPC applauds the innovative design that allows for the adaptive reuse of the long-vacant office building. The EPC recognizes that this conversion addresses both the City's current office vacancy challenge and the need for additional housing options. The EPC commends both the City and the project developer for reusing the building.

The EPC is highly supportive of many sustainable design elements including embodied carbon savings from the building reuse, the open space and park plans, the stormwater best management practices, all-electric new HVAC equipment, commitment to affordable housing units, and the project's approach to "right-sizing" parking in line with Alexandria's Mobility Plan.¹

While the EPC supports the project and urges the Alexandria Planning Commission and City Council to approve this project, two additional considerations could further the overall sustainability of the development:

- Conduct a lifecycle analysis on the whole-life carbon emissions of the property
- Ensure solar is installed where economically viable and physically feasible

In summary, the EPC recommends that the Planning Commission and City Council approve the 5001 Eisenhower CDD and consider requesting the above additional items.

Sincerely,

Marta Schantz, Environmental Policy Commission Chair

CC: Dustin Smith, Maya Contreras, Jared Alves, Ryan Freed, Karl Moritz, Environmental Policy Commission Members

¹ Alexandria Mobility Plan

From: <u>Stephanie Elms</u>
To: <u>PlanComm</u>

Subject: [EXTERNAL]Comments for Tuesday's hearing **Date:** Monday, December 2, 2024 9:43:54 PM

Hello. My name is Stephanie Elms and I am an Alexandria resident.

I am writing to ask that you support both the Victory Center redevelopment and the condos at 2200 and 2250 Dock Lane.

The Victory Center redevelopment will not only add 377 new units, but will do so at varying levels of affordability between 50% and 100% AMI while repurposing an long-time empty office building (and it's parking lot!) I appreciate that the City is looking at additional ways to make financing these types of projects more accessible for developers given our increasing need for housing.

The Dock Lane condos will provide much needed new homes on a currently empty lot (including affordable units!) near to Eisenhower Avenue Metro Center.

These projects are a win-win for the City and its residents and should be supported.

Thank you for your consideration.

Stephanie Elms 3 W Mount Ida Ave

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Kenneth W. Wire Letter 5 kwire@wiregill.com 703-677-3129

Megan C. Rappolt mrappolt@wiregill.com 703-362-5232

December 3, 2024

VIA EMAIL TO PlanComm@alexandriava.gov

Chairman Macek and Members of the Planning Commission 301 King Street, Suite 2100 Alexandria, Virginia 22314

RE: Docket Item 10, 5001 Eisenhower Avenue

Dear Chairman Macek and Members of the Planning Commission:

On behalf of my client, 5001 Eisenhower Office Owner, LLC ("Stonebridge"), I respectfully request the Planning Commission delete staff recommended condition 20(c)(ii) of DSUP 2023-10019. Staff's request for multi-use court is: 1) not appropriate at the entrance of a multi-family building; 2) does not fit within the existing open space dimensions and would be a substandard size half basketball court; 3) would dedicate a portion of the park to only one type of use; 4) the 10 foot height safety fence surrounding the court would be a barrier to other users trying to walk through the park, and 5) would undoubtedly result in basketballs and other game balls going over the fence into Eisenhower Avenue. The condition reads in part:

Condition 20(c) Work with City staff to develop the program and design of the Parallel Park in front of the conversion building. The following features, amenities, and design recommendations should be included:

- i. A multi-age fully fenced and safety-surfaced playground; (minimum 4,725 sq. ft.),
- ii. At least one 50' x 55' multi use court area, striped to accommodate multiple games such as racquet sports and half court basketball,
- iii. Minimum of two fixed-roof shade structures over groupings of tables and chairs,
- iv. Minimum of two additional seating area(s) with a shade grove or structure,
- v. A yard game area with selected permanent game facilities,
- vi. A play garden with low decorative fence as needed,
- vii. A flexible lawn and event space generally located in the center of the site and bisected by a path from the main building entrance to the Eisenhower Ave. public sidewalk, and
- viii. Provide landscape solutions at the west and east ends of the park space to improve user experience and delineate the space.

I look forward to discussing this application and the above requested change with you at tonight's Planning Commission hearing.

Sincerely,

Kenneth W. Wire Megan C. Rappolt