

## **Hunting Terrace Stakeholders Group Meeting**

Wednesday, October 18, 2006

Room 2000, City Hall

7:00 p.m.

### *Introduction*

Mr. John Komoroske, Vice Chair of the Planning Commission and the Hunting Creek Stakeholders Group Leader, called the meeting to order. Mr. Komoroske welcomed the attendees and re-stated the purpose of the Stakeholders Group. He indicated that the main focus of the evening was affordable housing. He then invited introductions from the stakeholder group members.

### *Staff Presentation*

After the stakeholder introductions, Mildrilyn Davis, the Director of the Office of Housing, provided a presentation on affordable housing. Ms. Davis began the presentation by discussing the income groups and persons in need of affordable or workforce housing, which City staff consider as 80% of median income, using either the Department of Housing and Urban Development (HUD) “capped” limit or the mathematical 80% for rental projects.

Data indicate that the increases in incomes have not kept pace with the increases in housing costs. For example, from 2000 to 2006, the HUD-determined median income for the Washington, D.C. metropolitan area increased by 9% while the average rent for a market rate, two bedroom unit in Alexandria, as measured by the Office of Housing’s annual rent survey, increased by 40.6%. Due to the change in the ratio of income to housing costs during this six year span, the percentage of rental units affordable to households at or below 60% of the median income has dropped dramatically. A loss of rental units through condominium conversion has further reduced the amount of rental units available, exacerbating the situation. In addition to the decline in affordable rental units, the percentage of condominiums and single family homes with an assessed value of less than \$225,000 has also dropped dramatically in the last eight years.

Ms. Davis then provided maps illustrating the location of existing public housing units, privately owned properties with project based assistance and affordable set aside units in the City. Ms. Davis also provided maps illustrating the location of condominium and single family units with a 2006 assessed value below \$250,000, \$225,000, and \$175,000 in the City.

After providing this overview information, Ms. Davis described the methods to produce new affordable housing, including direct funding support for construction or rehabilitation and securing affordable units in new developments, as well as non-City financing for affordable housing, such as the Low Income Housing Tax Credit (LIHTC). Examples of current and planned affordable units were described in the following

locations: Cameron Station, Potomac Yard Landbay H, and Lane Development Condominiums (on Eisenhower Avenue), among other development projects. Ms. Davis also provided an overview of the developer housing contribution formula for residential and commercial development, as well as resources available to assist with housing costs, both homeownership and rental costs. A variety of homeownership programs, including no-interest, deferred down payment and closing cost assistance were described, as were rental assistance programs.

With regard affordable housing at the Hunting Terrace site, Ms. Davis indicated that staff is working with the applicant to assess the amount of density permitted on this site without a bonus. Using very gross assumptions, City staff anticipates that, to be consistent with the formula developed by the Developer Housing Contribution Policy Work Group, a housing contribution for this site would be 64 affordable units plus a cash contribution on non-bonus density to be determined at a later date. Due to the request for increased density, City Council, with input from the Planning Commission and the Stakeholder Group, must determine the amount of units that constitutes an “extraordinary” contribution. A number of factors must be considered when making this decision including: the number of affordable units, the level of affordability, and the length of affordability among other factors.

A copy of the presentation is available on the City’s website at the following address: [http://alexandriava.gov/planningandzoning/pdf/huntingcreek\\_presentation\\_101806.pdf](http://alexandriava.gov/planningandzoning/pdf/huntingcreek_presentation_101806.pdf)

#### *Developer Presentation*

Mr. Giuseppe Cecchi, the president of the IDI Group Companies (IDI) and co-owner of the Hunting Terrace property with Kay Management, began by providing a historical context of the development proposed for the site. Originally the development proposal included both Hunting Terrace and Hunting Towers, as both properties were for sale. The Virginia Department of Transportation, the property owner at the time, withdrew the sale offer for Hunting Towers, but IDI and Kay Management purchased the Hunting Terrace site. As a result of the sale withdrawal, IDI was unable to purchase both sites, and the development proposal was altered to include only the Hunting Terrace site.

After providing this background information, Mr. Cecchi indicated that he envisions two options for the development of the Hunting Terrace site. In his opinion, the first option is to develop approximately 300 luxury condominium units 50 feet in height by-right. This by-right development option would not include affordable workforce housing units. The second option, according to Mr. Cecchi, is to develop a plan that provides 116 units of affordable housing and 300 luxury condominiums through a development special use permit. While the by-right development would be easier, Mr. Cecchi indicated that IDI is attempting to preserve affordable housing in Alexandria.

Mr. Cecchi then described the plan proposed for the site. Under the current proposal, the site would be subdivided into two City blocks and separated by Hunting Creek Drive. In this proposal, 116 workforce units would front Washington Street. The units would have

an 80-foot setback from Washington Street and would have a maximum building height of 50 feet. Hunting Creek Drive would be located behind the workforce housing units. The plan proposes 14 story buildings with 300 luxury condominiums fronting Hunting Creek Drive.

The plan proposes that the 116 workforce housing units would be first offered to the tenants of Hunting Terrace that were residents in December 2005, then to the residents of Hunting Towers and City employees, and finally to the general public. The price of the workforce housing units will be set to ensure that a majority of the residents will be able to afford a significant percentage of the down payment. According to Mr. Cecchi, the development of these 116 units represents extraordinary affordable housing for three reasons: the proposed plan replaces all of the 116 affordable units in kind; the 116 workforce units represent an approximate increase of 40% of the units that would be provided with a by-right development; and the 116 workforce units represent approximately three to four times the amount of affordable housing preserved annually through development related payments or set-aside units in the City of Alexandria.

*Questions and Comments from stakeholders and participants:*

**Question:** What is the ratio between the cost of an affordable unit compared to the cost of a luxury unit?

**Response:** Mr. Cecchi stated that the cost of new construction for each unit type will be the same, but the difference in cost occurs with the interior finishes. The difference in cost is approximately 20%. While the cost of each unit is similar, the price will be different. The luxury condominiums will subsidize the affordable units.

**Question:** Will the affordable units be offered to a certain income level, or will they be offered to a mixture of incomes?

**Response:** The income levels to which the affordable units are available depends on how the property is financed. Various federal and state programs require that the occupants' incomes not exceed certain levels. The City also imposes income requirements.

**Question:** Are criminal background checks required for everyone in the affordable units?

**Response:** Many landlords, especially non-profit agencies, choose to conduct background checks.

**Question:** The affordable housing information was difficult to digest due to the number of acronyms. Will there be an opportunity to sit down with the housing staff to go over these issues?

**Response:** Yes, the Office of Housing staff agreed to meet with anyone who has questions.

- Question:** Is it possible to have information on how the affordable housing affects real estate prices?  
**Response:** Yes, that information can be provided.
- Question:** Will the affordable housing units also be ADA accessible?  
**Response:** The property will meet the legal requirements for accessibility. A certain percentage of the units will be fully accessible.
- Question:** Will there be something included in the sales contract that keeps these units affordable?  
**Response:** There will be a limit on the resale price. While a formula has not been developed for the limited resale price, IDI will work with the City to determine the formula.
- Question:** Do we currently limit the resale price of affordable units in Alexandria?  
**Response:** Yes. When the affordable units are ready to sell, the property is appraised. It must be sold at a reduced price to an eligible party. The restrictions are established in a covenant that is recorded in the land records.
- Question:** By what date must the current residents vacate Hunting Terrace? When will the new units be available?  
**Response:** The time to vacate was extended from January 2007 until March 2007. It is not possible to provide an exact exit date at this time as it is necessary to proceed farther in the development process. Presumably, the date will be extended again. Approximately two years after construction begins, the units will be available. In the meantime, one option for tenants is to rent in Hunting Towers or to rent somewhere else. IDI is helping residents to find comparable units.
- Question:** When Hunting Towers becomes available what will you do with it?  
**Response:** Mr. Cecchi indicated that IDI will attempt to preserve the affordable housing units. He stated that it should be possible to preserve a large number of units because the cost of renovation is much less than the cost of new construction. The amount of units preserved depends on the cost VDOT requires for the property. If IDI acquires the property, Hunting Towers would be a mix of affordable and market rate units.
- Question:** What supports the assertion that 300 units can be developed by-right?  
**Response:** The legally permitted number of units is 397, per the zoning ordinance. 300 units are certainly not inconceivable due to current zoning and lot area. The amount of units that can actually be built below the 50 ft height limit has not been determined.
- Question:** How does the City do the property tax with these affordable properties?  
**Response:** The affordable properties are assessed at the restricted value.

**Question:** Is the City monitoring the actions between IDI and the Hunting Terrace residents to determine how the residents are being treated in this process? Have the environmental justice impacts been evaluated? Executive Order 12898 signed by Clinton in 1996 requires localities complete an environmental justice impact statement to evaluate displacement.

**Response:** Staff is aware of IDI's plans for assisting tenants, and will continue to monitor the situation. Staff is not aware of an environmental justice impact statement by VDOT.

**Question/  
Comment:** Will the affordable units benefit the current residents if they are not rental units, but rather are units for sale? Only a few of the current residents have indicated that they will have the capacity to purchase.

**Response:** At the request of staff, IDI has indicated a willingness to make some units available for purchase by a non-profit organization to be operated as rental units.

**Question:** Square footage will be a determining factor in whether a unit is affordable or luxury. It is important for the stakeholder group to have the square footage of the units, rather than simply the number of units. The stakeholder group also needs to know what will be developed on the Hunting Towers site.

**Response:** The original plan, which included both Hunting Towers and Hunting Terrace, offered 400 luxury units. This plan, for Hunting Terrace alone, includes 300 luxury units and 116 affordable units.

**Question:** Would IDI be willing to relinquish the right of first refusal to the City?

**Response:** VDOT is required to offer the property to Mr. Kay, but this is not the same as a right of first refusal.

**Comment:** The stakeholder group needs to decide if we want to breach the law in Alexandria and allow the applicant to exceed 50 feet in height. The City is 15 square miles and there are other areas in the City where additional height is permitted. This area is not the only area in the City for affordable housing, but it is the only place for the Historic District.

**Comment:** A better visual representation of the project, such as a three dimensional model, is needed.

**Question:** The chart which illustrated "*Median Income versus Price of Housing*" suggests that the number of affordable housing units dropped considerably. Can this be quantified by the number of housing units lost?

**Response:** Yes, it is possible to quantify this number. There is a slide included in the presentation that illustrates the units which are 50 and 60% affordable, but not 80% affordable. This information can be provided.

**Comment:** If we assume that the by-right development is 300 units, you can assume that these units are 1,100 square feet. If we want meaningful affordable housing, we must move away from the by-right development approach. With the by-right development, we can only expect to receive two or three affordable units. With the affordable units, you often lose money with the cost of construction today. This is not an easy economic equation, as the historic component, the architectural component, and other components must be considered.

**Response:** The City is working on the economic analysis, and there are a number of components that must be weighed.

**Comment:** Is it possible for the stakeholder group to receive a copy of the Washington Street Standards? Also, is it possible to examine another option? For example, is it possible to provide four eight story buildings, rather than two fourteen story buildings?

**Response:** The Washington Street Standards were provided to the stakeholder group at the first meeting and are available on the City's website.

**Comment:** The Federal Highway Administration and VDOT are not represented here. The FHWA is still angry with the City for the lawsuit the City filed which delayed the Woodrow Wilson Bridge project. The FHWA and VDOT need to be here. It makes more sense to look at this in a comprehensive manner, examining both Hunting Towers and Hunting Terrace.

**Comment:** The stakeholder group should extend a formal invitation to VDOT and the FHWA requesting that they attend a meeting. It would also be helpful if the Department of Housing could provide information on the number of people that lived at Hunting Terrace in December 2005.

**Question:** Is it possible for City staff to describe the benefits of this project? In addition to the height requirements, can City staff also examine the impact this project would have on bordering neighborhoods?

**Response:** The staff will examine the impact that this project will have on adjoining neighborhoods, specifically the traffic impacts.

**Comment:** It would be very worthwhile for City staff to meet with VDOT to obtain information pertaining to Hunting Towers.

**Response:** Staff will see if this is possible, but it is unclear that the City will be able to do so as a result of ongoing negotiations.

**Comment:** The subject of this evening's meeting was to discuss affordable housing. We are talking about police officers and firefighters who can't afford to live in Alexandria, grow tired of commuting, and move to other counties. Affordable housing is a need in our community and we need to balance all of these competing values.

**Comment:** In the previous stakeholder meeting, it occurred to me that the proposed affordable housing is segregated from the luxury condominiums. This is an issue of concern. These units should be blended with the market rate housing. With regard to entering discussions with VDOT, the representatives in Congress should talk with VDOT.

**Comment:** Housing maintains the diversity and vibrancy of the City. Affordable housing has gone from a NIMBY issue to something that is very valued. There is only so much money that the City can allocate to affordable housing and it is very valuable for a developer to come forward and offer to provide 116 affordable housing units. The part of the history that is necessary to preserve on this site is the affordable housing portion.

**Comment:** There are examples of historic, turn-of the century, high-rise buildings with wonderful architecture in Quebec. There are architects that can do these types of designs.

**Comment:** It is unclear if the City of Alexandria and City Council supports affordable housing. City Council has repeatedly heard of the need to preserve affordable housing at the Hunting Towers and the Hunting Terrace site. Nothing was mentioned in the settlement agreement about the preservation of affordable housing at Hunting Point. This settlement agreement can be amended to include a clause pertaining to the preservation of affordable housing.

**Response:** It was necessary for the City to wait until VDOT was ready to dispose of the property. The City has the opportunity to take action to preserve affordable housing, and the City would like to see as much affordable housing as possible, but all of these issues must be balanced. The City is doing as much as it can to preserve and obtain affordable housing.

*Attendees:*

Stakeholders

Ellen Pickering  
Marguerite Lang  
Caroline Faiella  
Charles Benagh  
Lewis Simon  
Nancy Carson  
Holly Hemphill  
David Murphy  
Michael Hobbs  
Lisa Henderson  
Jim Mercury  
Boyd Walker  
Lee Weber

Maureen Dugan  
Joan Renner  
Sean McCabe  
Maurice Barboza  
Ardith Dentzer  
Van Van Fleet  
Charles Trozzo  
Dave Bush  
John Komoroske

Staff

Rich Josephson  
Kathleen Beeton  
Tom Canfield

Pat Mann  
Gary Wagner  
Jessica Ryan  
Mildrilyn Davis  
Helen McIlvane  
Melodie Baron  
Shane Cochran  
Ralph Rosenbaum  
Mark Jinks

Other Attendees

Maria Wildes  
Guiseppe Cecchi  
Carlos Cecchi  
Enrico Cecchi  
Julie Crenshaw Van Fleet  
Jeannie Cummins  
Dave Olinger  
Katy Cannady  
Jim Lamb