

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 6, 2025

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: KENNY TURSCAK, HOUSING ANALYST

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 802 & 808 NORTH WASHINGTON STREET

ISSUE: Consideration of an Affordable Housing Plan for 802 & 808 N. Washington Street (DSUP #2024-10017)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the Affordable Housing Plan for 802 & 808 N. Washington Street.

BACKGROUND: Located in the Old Town North Small Area Plan (SAP), 802 & 808 N. Washington Street occupy a 0.45-acre lot on N. Washington Street at the intersection of Madison Street. The site was formerly occupied by the Towne Motel, which operated on the site for approximately 60 years, and a historic townhouse. In 2016, the project received City Council approval to redevelop into a 98-room hotel with below grade parking, retaining and relocating the on-site townhouse. Construction began following Council approval but halted in 2021 due to unfavorable market conditions. The unfinished project, with a partially completed foundation and underground parking structure, has remained inactive since 2021.



The project site has been purchased by a new owner who has proposed to complete the planned hotel structure as a 49-unit condominium project, totaling approximately 50,000 square feet of new residential development. The applicant has named the development “The Whitley Phase II,” referencing The Whitley Phase I which the applicant is actively constructing adjacent to the subject site at 805 N. Columbus Street.

The now-conceived condominium project includes the following applications and modifications:

- Rezoning to CRMU-X;
- Special Use Permit (SUP) to increase CRMU-X FAR to 2.5;
- SUP for bonus density pursuant to Section 7-700;
- SUP for parking reduction;
- Encroachment for buildings, balconies, and stoops; and
- Modification for reduction in the tree canopy cover requirement.

Existing zoning at the site, CD-X (Commercial Downtown Zone) allows for multifamily residential uses up to 1.25 Floor Area Ratio (FAR) ¹, or up to 1.5 FAR for single-unit, two-unit, and townhouse dwellings. As this project proposes 2.54 FAR, which exceeds permitted density under the existing zoning, the applicant is seeking a rezoning to the CRMU-X (Commercial Residential Mixed Use) zone; CRMU-X allows density up to 2.5 FAR with a Special Use Permit (SUP) for mixed-use, commercial, or residential projects.

It is noted that while City Council adopted an [Affordable Housing Contribution Policy Update](#) in 2020-21 which requires an on-site unit contribution for residential development permitted through an increase in density beyond that recommended in a SAP, since the level of density sought through the rezoning is consistent with the level and type of density envisioned by the underlying Old Town North SAP the Policy Update does not apply to this project. The applicant is also utilizing Section 7-700 to secure 877 additional net square feet, a 1.6 percent increase over permitted density; of this bonus density, one-third, or 292 square feet, must be provided as committed affordable housing on site.

The project, which will retain the below-grade parking already built in anticipation of the hotel use, will provide 43 garage spaces and two surface spaces; the project is seeking a parking reduction (listed in modifications below) from the required 47 spaces to 45 spaces for 49 units.

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¹ FAR determines the maximum amount of developable floor area, as defined by the Zoning Ordinance and adjusted for permitted exclusions, that a site has. FAR = max floor area / lot area

DISCUSSION: The project's use of bonus density yields a minimum of 292 square feet of committed affordable housing. The applicant proposes providing a one-bedroom, 650-square foot, committed affordable for-sale unit.

Below is the methodology used to calculate the required floor area and resulting unit.

Permitted development under existing CD-X zoning: 24,696 square feet

Permitted development under CRMU-X zoning with SUP: 49,393 square feet

Bonus density associated with §7-700: 877 square feet

Total proposed development: 50,269 square feet

Affordable housing floor area generated by §7-700: $877 * 1/3 = 292$ square feet

Total number of residential units: 49

Average square feet per unit: $50,269 \text{ square feet} / 49 \text{ units} = 1,026 \text{ square feet/unit}$

Number of affordable units generated through bonus density: $292 \text{ square feet} / 1,026 \text{ square feet} = 0.3 \text{ units}$

Proposed affordable units: 1 unit

As described above, due to the extent to which the set-aside unit's size (650 square feet) exceeds the required affordable square footage (292 square feet) and the unique development and financing challenges associated with a stalled, partially constructed project, Housing has accepted the applicant's explanation that it is unable to provide a voluntary monetary affordable housing contribution which is estimated by staff to be approximately \$261,000. The voluntary



Rendering of the proposed project viewed from Washington Street.

monetary contribution was calculated based on a Residential Tier I rate of \$3.52 per square foot of by-right density and a Residential Tier II rate of \$7.04 per square foot on the additional density secured through the SUP. Consistent with practice, floor area associated with Sec. 7-700 bonus density is exempt from calculations of the contribution.

Based on neighborhood comparable sales and the affordable sales price for the unit (discussed below), staff estimate that the value of the discount exceeds \$300,000. The 358 square feet of additional floor area offered by the developer in order to produce a marketable unit adequately offsets the voluntary monetary affordable housing contribution amount.

The set-aside will have one bedroom and comparable finishes to market-rate units, and the purchaser of the set-aside unit will have the same access to amenities as residents of market-rate units in the project.

The applicant has indicated that the project will be operated as a condominium. The one-bedroom CAU will be sold at the City's current one-bedroom set aside price of \$195,000. Consistent with City policy, the unit's discounted price excludes \$30,000 associated with a parking space, since one is not available for purchase. The set-aside unit will be affordable to households with incomes generally ranging between 70% and 100% of the area median income (AMI) (equivalent to \$75,810-\$123,800 in 2024 for a household with one to two members, respectively). City homeownership assistance will be available to the eligible household selected to help with down payment and closing costs. The unit will remain affordable with equity sharing enforced through a deed of covenant restricting its future resale consistent with City policy.

If the project converts to a rental tenure, the applicant will provide one one-bedroom rental set-aside affordable to households with incomes up to 60 percent AMI (equivalent to \$64,980-\$74,280 in 2024 for a household with one to two members, respectively), as well as to eligible households with Housing Choice (Section 8) vouchers as required by State law. The unit would remain affordable for a 40-year period. The residents of the set-aside units would have the same access to amenities as residents of market-rate units.

FISCAL IMPACT: None

ATTACHMENT:

(1) Affordable Housing Plan for 808 N. Washington Street DSUP #2024-10017; December 16, 2024

STAFF:

Helen S. McIlvaine, Director, Office of Housing
Eric Keeler, Deputy Director, Office of Housing
Tamara Jovovic, Housing Program Manager, Office of Housing

808 N. Washington Street
CDSP # 2024-00001
Affordable Housing Plan
December 16, 2024

808 Washington LLC (the “Applicant”) proposes a rezoning to CRMU-X with a Development Special Use Permit Amendment (“DSUP”) to the prior-approved DSUP #2015-0004 for the property known as 808 N. Washington Street (the “Property”). The Property contains approximately 19,757 SF or 0.4536 acres and is located in the Old Town North Small Area Plan (“OTN SAP”) at the northwest intersection of Washington and Madison Streets.

As background, on January 23, 2016, the City Council approved DSUP #2015-0004 for a 98-room hotel with the retention of an historic townhouse on the Property (the “hotel approval” of “hotel development”). As part of the recent DSUP Amendment and Rezoning request, the Applicant proposes a residential development of 48 multifamily units and the retention of the historic townhouse. The building height varies and extends up to 50 feet at its highest point. The proposed development is generally compatible with the OTN SAP and the existing surrounding neighborhood.

This DSUP Amendment is unique in that development had begun and some of the conditions of the hotel approval were begun or completed; however, the hotel development was unable to continue. The Applicant has been able to make the development financially viable through the conversion of the hotel use to residential. As part of this unique circumstance, the Applicant worked with City Staff to both take into account the hotel approval and the current 2020 City Housing Policy.

The proposed project density is slightly over the allowable CRMU-X density: the Applicant seeks a 2.54 FAR (50,269 SF) where 2.5 FAR (49,392 SF) is permitted. The density delta is 0.04 FAR. Pursuant to Zoning Ordinance Section 7-700, the Applicant agreed to provide one, one-bedroom unit at 650 square feet, or comparable in size to market-rate one bedrooms, priced at \$195,000. The Applicant will not be providing a voluntary monetary contribution since the 650 SF unit is more floor area than what would otherwise be required through Section 7-700.

The Applicant’s affordable housing proposal is consistent with the current City policies and the Zoning Ordinance. This high-quality development will add for-sale affordable housing to an area of the City where more affordable housing is needed. The project adds housing and ownership opportunities consistent with City and regional goals of increasing housing to meet unmet needs.