

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 14, 2025

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

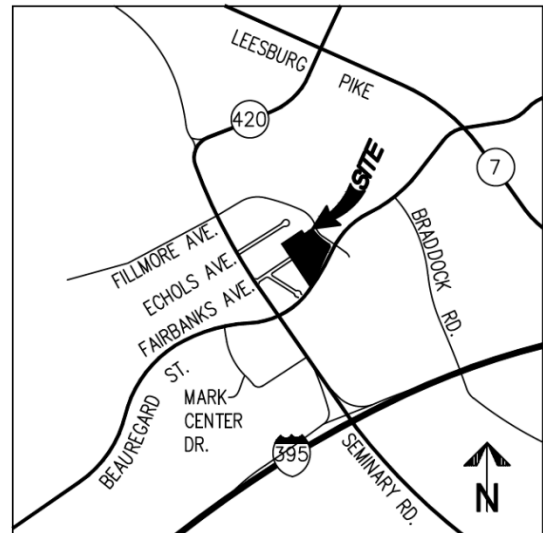
FROM: KENNY TURSCAK, HOUSING ANALYST

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR THE VIEW

ISSUE: Consideration of an Affordable Housing Plan for The View (DSUP #2025-10003)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the attached Affordable Housing Plan for The View

BACKGROUND: The View is an existing 126-unit independent living senior living facility built in 1963 with skilled nursing/memory care offered in an adjoining building. It is owned and operated by Goodwin Living (the “applicant”), a faith-based, not-for-profit senior living and health care services organization with multiple properties throughout Northern Virginia and in Washington, DC. The property is in the AlexWest plan area on an approximately seven-acre site at the intersection of Fillmore Avenue and North Beauregard Street. The applicant proposes constructing two new towers on the site which will operate as a life plan model community, housing independent living, assisted living, and skilled nursing/memory care units. The existing property is anticipated to be renovated and retain its existing use as independent living, while the existing skilled nursing/memory care building will be demolished with future skilled nursing/memory care beds incorporated into the new portion of the project. The project as proposed will add approximately 379,000 net square feet of residential floor area.



The site’s by-right density derives from its underlying zoning, RC/High Density Apartment Zone, which allows up to 1.25 FAR, or approximately 381,000 square feet. The applicant is proposing to utilize Section 7-700 bonus density for a 30 percent floor area increase above the by-right zoning; the proposed total project, including the retained building, will provide 495,999 net square feet of residential floor area, including approximately 4,500 square feet of committed

affordable housing. Consistent with the City's affordable housing policies and procedures, a market-rate rental project of equivalent scale would be required to provide 26 on-site committed affordable units. Due to the project's design as a senior housing + care community, the proposed affordable housing yield and level of subsidy are structured differently as discussed further below.

The project includes the following applications and modifications:

- Special Use Permit for bonus density for the provision of affordable housing (Sec. 7-700)
- Special Use Permit for Parking Reduction; and
- Special Use Permit for penthouse height greater than 15 feet.

DISCUSSION: As a life plan model community, The View differs from multifamily rental projects in the city. Under a life plan model, residents pay an entry fee (or buy in)—anticipated, in this project, to range from approximately \$340,000 to \$1.4 million depending on the size of the units and number of occupants/unit—which functions as an insurance-like payment as residents progress from independent living to assisted living and/or skilled nursing/memory care. Additionally, residents pay a monthly service fee ranging from approximately \$4,200 to \$9,500 (estimated in 2025 \$) depending on unit size and number of occupants/unit; this fee will cover a monthly meals allowance (estimated to be approximately one meal per day), services such as light housekeeping, community programming, and amenities, including a fitness center and other activity spaces. Residents may opt for à la carte services, including laundry, heavy housekeeping, overnight family visitation, and other services for an additional fee. Fees will not include doctor visits or prescriptions, which will be covered through each resident's insurance.



Rendering: view from southeast. The existing building is located at the bottom right.

While the project in its entirety will be designed to assisted living standards, the project is anticipated to comprise 217 independent living units, 16 assisted living units, and 24 skilled nursing/memory care units. The View's existing 126 independent living units will be retained for a total of 383 units in the community. Independent living units will be full apartments, and assisted living units will provide more limited amenities (i.e. kitchenette versus kitchen).

Creating affordability in senior housing + care projects presents unique challenges due to the magnitude of resident buy-ins and monthly charges and fees. These challenges are compounded by the structure of the City's bonus density and height program which is designed to provide increases in density and height in exchange for reductions in rents and sales prices in traditional market-rate rental and homeownership projects as opposed to reductions in the cost of care and services typical in senior housing projects. As a result, the City has historically negotiated

contributions of equivalent value in senior housing projects to address senior housing needs identified and prioritized in consultation with the Commission on Aging and the Division of Aging and Adult Services. Attachment 2 summarizes the range of affordable housing contributions secured in recent senior projects. It is noted that 12 new auxiliary grant funded units¹ have been created through the development process in the last five years, greatly expanding the City's capacity to meet the assisted living needs of very low-income Alexandrians with limited savings and assets.

The approach recommended with the View's affordable housing contribution is to help expand housing + care options for Alexandria seniors who have more moderate incomes up to 60-80 percent of the area median income (AMI) and some savings and assets, but who cannot afford the market-rate independent and assisted living options currently available in the city. It is anticipated that seniors with incomes up to 60 percent AMI would be prioritized; should a unit not be able to be filled within a reasonable period of time, the unit would be opened to seniors with incomes up to 80 percent AMI.

To address both the buy-in and monthly service fees while maintaining the value of the project's on-site unit contribution, staff conducted an equivalency analysis of the value of the 26 discounted units, ranging in size from studios to two bedrooms, which would have been required in a comparable market-rate rental project. Staff then explored multiple scenarios that retained the value of the overall contribution while maximizing the unit yield and affordability. Staff determined that single-occupancy one-bedroom/one-bath units with a discounted entry fee of \$175,000 and monthly service fees equivalent to 60 percent AMI gross rent would achieve that objective (Tables 1-2). The units will be affordable for 40 years or five turnovers per unit, whichever comes first.

AHAAC members raised questions about the term of affordability, with some expressing concerns that if all units turned over five times before 40 years, then the City would lose the remaining discounted value of those units. The applicant indicated that the five turnovers per unit was based on an actuarial study of the average length of occupancy of residents which has averaged eight years at their other communities. In addition, if a resident moves out or passes away within a predetermined length of time² of initial residency, a prorated entry fee refund would be issued.

¹ The Auxiliary Grant Program provides financial assistance to very low income-eligible adults who are aged, blind, and/or disabled and who need help with one or more activities of daily living but do not require nursing home care. Paired with the resident's resources, the AG covers the cost of room, board, and assistance with ADLs in a licensed assisted living facility (ALF).

² The developer has estimated this to be 50 months. While this length of time may change, residents of the affordable units will be subject to the same policies as the market-rate residents.

Table 1

Committed Affordable and Total Unit Mix (Proposed Building)		
Unit Mix	Total Units	Total Affordable Units
Independent Living One-bedroom	68	7
Independent Living Two-bedroom	149	0
*Assisted Living	16	<i>See note</i>
*Skilled Nursing/Memory Care	24	<i>See note</i>
Total	257	7
<i>*Note: Life plan model residents will enter at the independent living level and are guaranteed the ability to transition to assisted living and skilled nursing/memory care units as their needs progress.</i>		

Table 2

Affordability Breakdown				
Unit Type	Total Affordable Units	Entry Fee	*Monthly Service Fee (2025 Dollars)	2025 Income Limits
Independent Living One-bedroom	7	\$175,000	\$1,845	Up to \$91,840 for a 1-person household (with priority given to 1-person households up to \$68,800)
<i>*Monthly service fees shall not exceed the equivalent of maximum amounts allowed for rent under the Federal Low Income Housing Tax Credit (LIHTC) program for households with incomes at 60 percent of the Washington D.C. Metropolitan Area Median Family Income (including utility allowances and any parking charges).</i>				

Residents of the committed affordable units will receive the same services and access to amenities as do residents of market-rate units. All residents will enter the community in independent living units with the option to transition to assisted living and/or skilled nursing/memory care as their needs progress. Residents of affordable units will pay the equivalent of 60 percent AMI in monthly service fees regardless of their level of care, as is the standard for residents paying market-rate monthly service fees. These terms will be memorialized in a Memorandum of Understanding between the applicant and the City.

Noted above, the project will provide 16 assisted living units and 24 skilled nursing/memory care units. The applicant has indicated that the number of proposed assisted living and skilled nursing/memory care units is sufficient to meet projected needs at The View. If all assisted living or skilled nursing/memory care units are filled at the site, residents requiring these services will be accommodated at other Goodwin Living properties. Though all units are planned to be built according to assisted living standards, only 16 are anticipated to be formally licensed as such at this time. Skilled nursing/memory care units are anticipated to be certified by Medicare and/or Medicaid.

In addition to the on-site units, staff have calculated a voluntary monetary contribution of \$932,862 on the new by-right density.

At the April 3, 2025 AHAAC development preview, some members asked if the applicant would accept cohabitating couples in discounted units. The applicant declined, stating that while couples may enter an independent living unit together, they may diverge in their care needs; if one member of the couple required assisted living or skilled nursing/memory care while the other remained in an independent living unit, the applicant would be serving two residents in separate units at the discounted cost of one unit. Additionally, a second resident in any unit would subject that unit to increased entry and monthly service fees, presenting challenges in limiting the monthly service fee to the equivalent of 60 percent AMI.

The applicant briefed the chair of the Commission on Aging on February 14, 2025, and presented a development preview at AHAAC's April 3, 2025 meeting. During the AHAAC development preview, Committee members raised several questions regarding the term of affordability, services and amenities, availability of assisted living units, and other topics. The applicant met with the Commission on Aging at its May 8, 2025 meeting; discussion topics included leasing, access to amenities for residents in affordable units, and the function of the entry fee.

FISCAL IMPACT: \$932,862 to the Housing Trust Fund

ATTACHMENT:

- (1) Affordable Housing Plan for 5000 Fairbanks Avenue (The View) DSUP #2025-10003 dated May 8, 2025
- (2) Affordable Housing Contributions in Recent Senior Housing Developments

STAFF:

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

**5000 Fairbanks Avenue and 5101 Fillmore Avenue
Affordable Housing Plan
May 8, 2025**

1. Project Overview

1.1 Project name, address, and application number

Project Name: The View Alexandria

Project Address: 5000 Fairbanks Avenue and 5101 Fillmore Avenue

Application Number: DSUP #2025-10003

1.3 Brief description of the application and the proposed development program

The Applicant proposes to retain the existing 126-unit independent and assisted living building and construct a new building containing 217 independent living units, 16 assisted living units, and 24 skilled nursing and memory care units.

1.4 Requested zoning changes or waivers (if any)

- Development Site Plan (“DSP”) for construction of a new 257 multi-unit building
- Special Use Permit (“SUP”) for bonus density and height pursuant to Section 7-700 of the Zoning Ordinance
- SUP for penthouse height greater than 15 feet
- SUP for a parking reduction

1.5 The Small Area Plan in which the project is located and a brief discussion of how relevant affordable housing goals and recommendations are being addressed by the AHP

The project is located within Area 3 of the AlexWest Plan, which provides that development may occur under the existing zoning regulations. and policy recommendations for the Property. The proposed project is consistent with the City’s Age Friendly Report and the City’s Affordable Housing Master Plan as the project is providing new independent and assisted living units and is utilizing Section 7-700 of the Zoning Ordinance to provide additional density for the provision of seven affordable units in the new building. The proposed project will also provide a voluntary housing contribution for base density associated with the new building.

2. The number, type (rental/for-sale), size (number of bedrooms), level of affordability (percent of area median income), location, and length and terms of affordability of existing Committed Affordable Units (“CAUs”) being demolished as part of redevelopment

Not applicable. There are no existing CAUs on the Property.

3. The status of tenant engagement efforts

The Applicant met with existing residents of The View Alexandria on February 28th and held a virtual community meeting for all interested parties to attend on March 12th.

4. The status of tenant relocation planning efforts and outreach to the Landlord-Tenant Relations Board

The Applicant is winding down operations of the medical building to be demolished. If there are any residents remaining at the time of construction of the proposed project, they will be relocated to either Goodwin House Alexandria or Goodwin House Bailey's Crossroads.

5. The number, type (rental/for-sale), size (number of bedrooms), level of affordability (percent of area median income), location, and length and terms of affordability of proposed CAUs

The Applicant proposes to provide seven one-bedroom independent living units within the new building at a reduced buy-in rate of \$175,000 and a reduced monthly services payment up to 60% of Area Median Income for 40 years or five turnovers per unit (based on an 8-year turn average), whichever comes first.

Unit Mix			
Unit Type	Market Rate	Affordable	Total
<i>Existing Building (AL/IL Mix)</i>			
1 BR	115	0	115
2BR	11	0	11
<i>Proposed Building (IL/AL/SN&MC)</i>			
<i>Independent Living</i>			
1 BR	61	7	68
2 BR	149	0	149
<i>Assisted Living</i>			
1 BR	14	0	14
2 BR	2	0	2
<i>Skilled Nursing/Memory Care</i>			
1 BR	24	0	24
Total	375	7	383

6. A description of existing and proposed affordable housing financing agreements with third parties (including the Department of Housing and Urban Development)

Not applicable.

7. An equivalency analysis that compares the value and location of CAUs proposed to be provided off-site to that of CAUs constructed on-site

Not applicable.

8. A description of how proposed CAUs will be incorporated into the overall project to create a successful mixed-income community, including whether CAU residents will have access to amenities available to residents of market-rate rental units

The affordable units will be located in the new building and residents of these units will have equal access to the amenities available to the other residents of the building.

9. Information on proposed phasing and implications such phasing would have on the delivery of proposed CAUs

The Applicant intends to construct the building in one phase.

10. Information on contributions proposed to be made to the Housing Trust Fund

In addition to the seven on-site affordable units, the Applicant will provide a voluntary contribution to the Housing Trust Fund of \$932,862.

11. An estimate of the types and number of jobs to be created by mixed-use projects (for informational purposes only)

The proposed new building will create approximately 80 new jobs in the multi-unit building.

12. Other information the applicant deems relevant to the AHP

None.

Attachment 2

Affordable Housing Contributions in Recent Senior Housing Developments			
Project	Type	Contribution Approach	Affordable Housing Contribution
Silverado	Memory Care	Rezoning	2 units with a 40% discount on room, board, and care
Cogir of Old Town (former Elance and Sunrise)	Continuum of Care	Rezoning	2 units at the Auxiliary Grant level
The Landing	Continuum of Care	Bonus height	7 units at the Auxiliary Grant level
Benchmark	Continuum of Care	Change in use from office to Continuum of Care	3 units at the Auxiliary Grant level
The Alate	Independent Living	Bonus density	9 rental units with a base rent at 60% AMI + monthly service charge