



2300 WILSON BOULEVARD
7TH FLOOR
ARLINGTON, VA 22201
PHONE 703.525.4000
FAX 703.525.2207

Mark M. Viani
Ext. 299
mviani@beankinney.com

May 25, 2018
Revised May 29, 2018

VIA EMAIL AND REGULAR MAIL

Tamara Jovovic
Housing Planner
City of Alexandria, Office of Housing
421 King St, #200
Alexandria, VA 22314
Tamara.Jovovic@alexandriava.gov

**Re: Braddock Gateway – Phase III
Affordable Housing Plan**

Dear Ms. Jovovic,

On behalf of the applicant, CP VI Braddock Station LLC (“Applicant”), please accept this letter as the Applicant’s proposed affordable housing plan for Phase III of the Braddock Gateway project (“Phase III”). The Applicant intends to submit a Preliminary DSUP application for Phase III by June 2018, with the intention of receiving public hearings in September 2018. However, it is our understanding that the Alexandria Housing Affordability Advisory Committee may not meet in time to consider the Applicant’s affordable housing plan. Therefore, we are submitting the proposed plan now with the hopes of meeting with the Committee on May 31.

Phase III is the final piece of the Braddock Gateway project approved under CDD #15. With its DSUP submission, the Applicant will propose two multifamily buildings, totaling 296,782 net square feet, situated over a common garage. This proposal conforms to the total net floor area approved with CDD #15. In total, Phase III will have approximately 370 multifamily apartment units. Approximately 282 of the units will be one-bedroom units and studios, and 88 of the units will be two-bedroom units. The Applicant chose the proposed unit mix and unit count based on comparable conditions found in the Alexandria submarket. In fact, the average unit size is 760 SF, which is comparable to recent projects in the City. The Applicant believes the proposed unit mix and unit count is the most appropriate for Phase III under current market conditions.

Per Condition 52 of CDD #15, the entire Braddock Gateway project is required to contribute a total of \$5 million dollars for affordable housing purposes. Given the amounts assessed to Phase I (\$1 million) and Phase II (\$1.84 million), Phase III will provide the remaining \$2.16 million of the total



contribution. Similar to Phase II, the Applicant foresees providing part of the contribution in cash and part of the contribution through onsite units. It is also worth noting that the Applicant will be developing Phase II of Braddock Gateway and will be providing \$920,000 in a cash contribution, 2 one-bedroom units, and 2 two-bedroom units in Phase II, per the approved conditions.

The Applicant anticipates providing \$1,080,000 as a cash contribution and four onsite units. The onsite units will be split between two 1-bedroom and two 2-bedroom units. As noted in the chart below, the onsite units produce an additional \$63,916 in affordable housing benefits, based upon current market rental rates in the City, that was unanticipated with CDD #15 approval. Onsite units will be affordable to persons renting at 60% AMI and committed for a period of 40 years. Based on the procedures used by the City’s Office of Housing, the Applicant is providing the following chart to summarize its contribution.

BRADDOCK GATEWAY PHASE 3A/3B AFFORDABLE DWELLING UNIT CONTRIBUTION CALCULATION			
	1 Bedroom	2 Bedroom	Note
Monthly market rent	\$2,060	\$2,960	The Dalton (Braddock Gateway Phase I)
Monthly 60% AMI rent	\$1,319	\$1,582	4/1/18 - VHDA Maximum Rents
Utility Allowance estimates	\$64	\$81	VHDA
Monthly rent differential per unit	\$805	\$1,459	
Annual differential per unit	\$9,660	\$17,508	
Number of affordable dwelling units by type	2	2	
Capitalization Rate	4.75%	4.75%	Guidance from CBRE Appraiser
Affordable unit valuation	\$203,368	\$368,589	
Affordable unit total	\$406,737	\$737,179	
Total Requirement for 3A/3B	\$2,160,000		
Required Cash Contribution (50%)	\$1,080,000		
Remaining CDD Required Contribution	\$1,080,000		
Owner Suggested Affordable Dwelling Unit Contribution	\$1,143,916		
Value of Affordable Units in Excess of CDD#15 Requirements	\$63,916		

We hope that this adequately summarizes the Applicant’s affordable housing plan for Phase III. If you require any further details or have any questions regarding the above, please do not hesitate to contact me. Thank you for your time and attention to this matter.

Very truly yours,

Mark M. Viani

MGR:mlw