

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 5, 2023

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: KENNY TURSCAK, HOUSING ANALYST

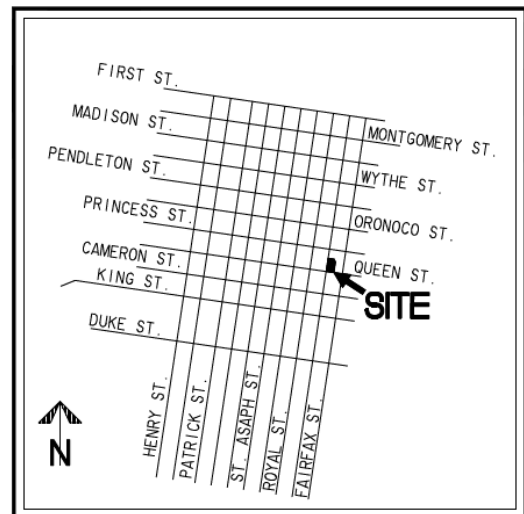
SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 301 N. FAIRFAX STREET

ISSUE: Affordable Housing Plan for 301 N. Fairfax Street (DSUP #2023-10009)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the Affordable Housing Plan for 301 N. Fairfax Street as submitted by the applicant (attached).

BACKGROUND: 301 N. Fairfax Street is currently occupied by a three-story commercial office property built in 1976. The lot is approximately 0.58 acres in area and is in the Old Town Small Area Plan (SAP). The applicant proposes to demolish the existing building to construct a four-story, 62,877 net square foot residential condominium building featuring 48 units.

Existing zoning at the site, Commercial Downtown (CD), allows for multifamily residential uses up to a 1.25 Floor Area Ratio (FAR)¹. The applicant is seeking a rezoning to the CRMU-H zone to allow density up to 2.5 FAR with a Special Use Permit (SUP). As the applicant is seeking a zone with density beyond what is envisioned in the Old Town SAP, the applicant will provide ten percent of residential floor area above what is recommended in the underlying small area plan be provided as affordable housing, totaling two units.



The project involves the following applications and modifications:

- Master Plan Amendment regarding permitted land use

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

- SUP to increase FAR to 2.5

DISCUSSION: Since the building is anticipated to be a condominium, two affordable homeownership opportunities will be created, comprising one one-bedroom plus den and one three-bedroom unit. This breakdown is generally proportional to the building’s planned unit mix (Table 1). The affordable units will have access to all amenities in the development and will not be concentrated within the building.



Rendering of the site’s west elevation

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

Permitted development under existing zoning: 31,439 square feet

Permitted development under requested zoning: 62,878 square feet

Total proposed development: 62,877 square feet

Ten percent bonus density associated with rezoning: 3,144 square feet

Total number of residential units: 48

Average square feet per unit: $62,877 / 48 = 1,310$ square feet/unit

Number of affordable units generated through bonus density associated with rezoning:

$3,144 / 1,310 = 2.40$

Proposed affordable units: 2 units

Table 1

Unit Type	Units	Unit Mix as % of Total Units	Affordable Units	Affordable Unit Mix as % of Total Affordable Units
One-bedroom	11	22.9%	0	0%
One-bedroom + den	13	27.1%	1	50%
Two-bedroom	4	8.3%	0	0%
Two-bedroom + den	10	20.8%	0	0%
Three-bedroom	10	20.8%	1	50%
	48		2	100%

The starting point for the prices of the affordable for-sale units are the City’s 2023 standard prices, which include one parking space: \$225,000 for a one-bedroom and \$325,000 for a three-bedroom. Units with dens are priced \$25,000 above the standard price due to the added value created by the additional space (Table 2). For the purposes of affordable set-aside units, dens are defined as being enclosed with a door, having a minimum of 70 square feet of floor area, being

no less than seven feet in any horizontal dimension, and not housing any substantial mechanical equipment.

Consistent with the City’s unbundling parking policy, units will be sold independent of parking spaces and will incur a \$30,000 price reduction as a result. At the time of initial sale, buyers of affordable units will have the opportunity to purchase up to one parking space per household for \$30,000.

Table 2

Proposed Affordable Units	Standard Price	Parking Space	New Price
One-bedroom w/den	\$250,000	-\$30,000	\$220,000
Three-bedroom	\$325,000	-\$30,000	\$295,000

While the project is presented and conditioned as a residential condominium, the applicant has expressed interest in including affordable rental housing conditions should the project convert to a multifamily rental tenure. The number of rental set asides would remain unchanged but would be affordable to households with incomes up at 60 percent AMI (equivalent to \$63,300-\$90,420 in 2023 for a household with one to four members, respectively), as well as to eligible households with Housing Choice (Section 8) vouchers as required by State law. Units with dens will be rented at the rents associated with the same unit type absent a den (e.g. a one-bedroom and den will rent at a one-bedroom rent). The units will remain affordable for a 40-year period. The residents of the set-aside units will have the same access to amenities as do market-rate residents in the project.

Consistent with the City’s Procedures Regarding Affordable Housing Contributions, the residential floor area permitted under the existing zoning (1.25 FAR) is subject to the 2023 Residential Tier 1 voluntary contribution rate of \$3.37/square foot. The applicant will provide a voluntary monetary contribution of \$105,948 to the Housing Trust Fund. Since it is anticipated that the project will develop as a multifamily condominium, the monetary contribution may be utilized to enable the City, as needed, to provide down payment and closing cost assistance to help qualified first-time buyers.

FISCAL IMPACT: \$105,948 to the Housing Trust Fund

ATTACHMENT:

(1) Affordable Housing Plan for 301 N. Fairfax Street DSUP #2023-10009; August 21, 2023

STAFF:

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

**301 N. Fairfax Street
Affordable Housing Plan
August 21, 2023**

1.1 Project name and address

Project Name/Address: 301 N. Fairfax Street

1.2 Application number

DSUP #2023-10009

1.3 Brief description of the application and the proposed development program

The Applicant proposes to construct a four-story multifamily condominium building containing 48 units and below grade parking.

1.4 Requested zoning changes or waivers (if any)

- **Master Plan Amendment to the Old Town Small Area Plan Land Use Map**
- **Rezoning from the Commercial Downtown (“CD”) to Commercial Residential Mixed Use (High) (“CRMU-H”)**
- **DSUP with Preliminary Site Plan for a multifamily residential building at a 2.5 FAR, with a modification of the crown coverage requirement**

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 the Old Town Small Area Plan. The proposed project is consistent with the City’s Housing Master Plan in that it will replace an existing aging office building with a new multifamily building and will provide a voluntary housing contribution as well as two on-site affordable housing units, consistent with the City’s Affordable Housing Contributions Policy and Procedures.

2. Description of the AHP to include:

2.1 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of proposed affordable units

The Applicant proposes to provide two condominium units available to households earning incomes between 70% to 100% of AMI for 40 years. The affordable units will consist of a one-bedroom with den unit and a three-bedroom unit.

Unit Mix				
Type	Market Rate	Affordable	Total	Average Unit Size (Floor Area)
1 BR	11	0	11	847.47 SF
1 BR + Den	12	1	13	1,036.84 SF
2 BR	4	0	4	1,347.92 SF
2 BR + Den	10	0	10	1,557.32 SF
3 BR	9	1	10	1,911.12 SF
Total	46	2	48	1,309.94 SF

2.2 General description of location of affordable units in the project

The affordable units will be located in the proposed building and will be dispersed throughout the building.

2.3 Confirmation that residents of affordable units will have equal access to all amenities available to residents of market-rate units

The residents of the affordable units will have equal access to all amenities available to residents of the market-rate units within the building.

2.4 Number, type (rental/for-sale), size (number of bedrooms), level of affordability (% of Area Median Income), and length of affordability of existing affordable units being demolished as part of redevelopment (if any)

No units are being demolished as part of this redevelopment.

2.5 Brief discussion of tenant relocation plan approved by the Landlord-Tenant Relations Board (if applicable)

N/A

2.6 Description of the phasing of the project and any implications it may have on the delivery of units (if any)

The building will be constructed in a single phase and both affordable units will be delivered with the completion of the building.

2.7 Description of any voluntary contributions to be made to the Housing Trust Fund in addition to the provision of affordable units (if any)

In addition to the two on-site units, the Applicant will be providing a monetary contribution to the Housing Trust Fund of \$105,948.

2.8 Any other information the applicant deems relevant to the AHP

N/A