

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE
MEETING**

DATE: November 18, 2024

LOCATION: [Virtual \(Zoom\)](#)

TIME: 6:30-7:15 P.M.

****Spanish interpretation will be provided upon request up to 24 hours before the meeting****

AGENDA

1. Introductions (Co-Chairs) 6:30 p.m.
2. Consideration of an Affordable Housing Plan for 5001
Eisenhower Avenue (Housing Staff/Wire Gill) 6:35 p.m.
Action Requested: Review and Vote on Affordable Housing Plan
3. Information Item: 7:05 p.m.
 - Housing 2040 Update
4. Announcements and Upcoming Housing Meetings (Staff) 7:10 p.m.
[ARHA Redevelopment Work Group Meeting](#)
November 20: 5:30-7 p.m.
City Hall, Council Work Room, 301 King Street
5. Adjournment (Co-Chairs) 7:15 p.m.

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 14, 2024

TO: THE ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE

FROM: HELEN S. MCILVAINE, DIRECTOR

SUBJECT: CONSIDERATION OF AN AFFORDABLE HOUSING PLAN FOR 5001 EISENHOWER AVENUE

ISSUE: Affordable Housing Plan for 5001 Eisenhower (DSUP #2023-10019)

RECOMMENDATION: That the Alexandria Housing Affordability Advisory Committee (AHAAC) review and endorse the Affordable Housing Plan for 5001 Eisenhower Avenue (Victory Center) as submitted by the applicant (attached).

BACKGROUND: Located in the Eisenhower West Small Area Plan (EWSAP), the subject property, the Victory Center, a vacant 605,000 square foot office building, occupies an approximately 2.77-acre site bounded by Eisenhower Avenue to the south and the Norfolk Southern rail line to the north. The property is approximately one-half a mile from the Van Dorn Metro Station. The site is zoned OCM(100). It is noted that the adjoining 5.34-acre site, also owned by the applicant, is not part of this affordable housing plan.

The Victory Center has remained vacant for two decades despite several efforts to attract a commercial and/or federal tenant. These efforts are summarized in the [City Council memo](#) dated November 6. The applicant has proposed a tax abatement structure to support the conversion of the building to a 377-unit residential rental building including components of affordable and workforce affordable housing, as well as a component of units where rents will remain affordable up to 100% of the area median income (AMI), with all to remain committed for at least 40 years (extensions may be required if aspects of the performance agreement are not met). These apartments will act as set-asides, and the Office of Housing will monitor them over the affordability period.

In addition to the committed affordable and workforce units and the 100% AMI rent controlled units, the developer is providing a 2,000 square foot community space at the property that the City will control.

The proposed project involves the following zoning and development requests:

- Modification in drive aisle width
- Modification in dimensions to standard and compact parking

- Special use permit for a parking reduction
- Rezoning from OCM(100) to a Coordinated Development District (CDD) and a Master Plan Amendment

DISCUSSION: It is noted that the proposed project does not involve a request for density in excess of what is envisioned in the underlying EWSAP. As a result, the project is subject to the City’s voluntary monetary affordable housing contribution policies for office to residential building conversions. Excluding parking, which is exempt from affordable housing contributions, staff have estimated a contribution of \$797,551 (in 2024 \$) on 453,154 net square feet of residential development. The developer has asked that this contribution be waived in consideration of the committed affordable housing proposed to be provided.

The applicant has proposed a tax abatement structure to support the conversion of the building to a 377-unit residential rental building. The unit mix and associated levels of affordability proposed by the applicant as part of this proposal are shown in Tables 1 and 2. The question of a tax abatement on the improvements being considered here to return this property to active use will not be considered a precedent—tax abatement and exemption tools as inducements for housing affordability are anticipated to be studied during the Housing 2040 process. Tax abatements have previously been offered at this site to incentivize commercial tenants, but those leases did not materialize and the site is now deemed likely obsolete for the once-planned office use. The applicant has proposed a 40-year term of affordability consistent with current City policy.

Table 1 Unit Mix by Level Affordability

Unit Type/AMI	50%	60%	80%**	100%
Junior one bedroom	20	20		
Two bedroom (including an interior bedroom)	21	20		
Two bedroom (including an interior bedroom) + den		1		
Total*	41	41	190	105

*The applicant has requested flexibility to allow for the total unit count to increase from 377 to up to 400 to permit internal design changes at the time of Final Site Plan.

**Additional information about the unit breakdown of the 80% AMI units will be provided at the November 18 Committee meeting.

Table 2 Maximum Incomes by Household Size

% AMI	1 Person	2 People	3 People	4 People
50%	\$54,150	\$61,900	\$69,650	\$77,350
60%	\$64,980	\$74,280	\$83,580	\$92,820
80%	\$86,640	\$99,040	\$111,440	\$123,760
100%	\$108,300	\$123,800	\$139,300	\$154,700

It is noted that there are currently no committed affordable rental units in the EW area. The closest comparable property is The Reserve at Eisenhower located across the street at 5000 Eisenhower Avenue. Per CoStar, the 2024 rents at the 226-unit property are in the range of

workforce affordability (affordable to households with incomes at 80% AMI). There are no other multiunit residential properties within a ½ + mile radius. The residential conversion is anticipated to bring potential transit users to this metro-proximate site.

City Council will consider the proposed tax abatement and the affordable housing plan concurrent with the CDD and DSUP approval requests in December. It is noted that future development of the adjacent parcels will be subject to the City’s standard affordable housing contribution policy which is projected to yield approximately \$4M. The performance agreement would require this future development within a proscribed time period; it also will anticipate delivery of the converted affordable units within a four-year period.

Additional information about the proposal is available at alexandriava.gov/5001-eisenhower-avenue.

FISCAL IMPACT: No affordable housing funding is being requested to support the proposed committed affordable units. Based on recent affordable housing developments, the average City investment to produce a new unit affordable at 50-60% AMI through nonprofit partners who use the City’s investment to leverage low-income housing tax credit equity is approximately \$90,000.

ATTACHMENT:

(1) Affordable Housing Plan for Eisenhower Avenue, DSUP #2023-10019; November 12, 2024

STAFF:

Eric Keeler, Deputy Director, Office of Housing
Tamara Jovovic, Housing Program Manager, Office of Housing
Kenny Turscak, Housing Analyst, Office of Housing

**5001 Eisenhower Avenue
Affordable Housing Plan
November 12, 2024**

The Applicant is submitting this affordable housing plan concurrent with the Coordinated Development District Concept Plan (the “CDD”) and the Development Special Use Permit (“DSUP”) for the conversion of the existing office building at 5001 Eisenhower Avenue into a multifamily residential mixed used building (the “Property”). The Property is approximately ¼ mile to the east of the Van Dorn Metro Station and is bordered to the south by Eisenhower Avenue and the railroad tracks to the north. The Property is currently improved with a vacant 605,000 square foot office building surrounded by surface parking lots. The building on the Property has been vacant since 2005.

The Applicant is working closely with the City on a tax abatement structure to support the conversion of the building into a 100% rent controlled residential apartment building. The proposed unit mix and affordability rates supported by the tax abatement are:

41 units at 50% AMI

- 20 Junior 1 bedroom, 1 bathroom units
- 21 2 bedroom, 2 bathroom (1 interior bedroom) units

41 units at 60% AMI

- 20 Junior 1 bedroom, 1 bathroom units
- 20 2 bedroom, 2 bathroom (1 interior bedroom) units
- 1 2 bedroom, 2 bathroom, plus den (1 interior bedroom and den) unit

190 units at 80% AMI

105 units at 100% AMI

The proposed affordability period for the above units is 40 years. The City Council will be considering the proposed tax abatement and the proposed affordability mix and term concurrent with the CDD and DSUP approval at the December 14, 2024 public hearing.