

Hunting Terrace Stakeholder Group Meeting

Monday, March 12, 2007

Lyles Crouch Elementary School

7:00 p.m.

Introduction

Mr. John Komoroske, Vice Chair of the Planning Commission and the Hunting Creek Stakeholders Group Leader, called the meeting to order at 7:00 p.m. Mr. Komoroske provided a brief overview of the meeting agenda, and then introduced Jeff Farner, Division Chief of Development, Department of Planning and Zoning, and Tom Canfield, City Architect, to discuss comments from previous meetings, specifically development on the Hunting Towers Site.

Site Constraints and Development Opportunities

Mr. Canfield began by stating that the primary purpose of the evening's presentation was to address the question posed at the December stakeholder meeting regarding potential development options at the Hunting Towers site. He indicated that examining the development options at Hunting Towers broke down into a number of categories including: existing site conditions, existing zoning, non-conforming conditions, and site constraints. He then proceeded to describe each of these categories to the Stakeholders Group and other attendees.

After providing a brief description of the Hunting Towers site, Mr. Canfield used photographs to illustrate the existing site conditions, including the existing entrance, the Capital Beltway sound wall, the location of the sewer easement, the pavement and impervious surfaces, the open space, the location of the 100 year floodplain, and the location of the Resource Protection Area (RPA).

Mr. Canfield then described the existing zoning on the site. He identified that the site contains approximately 10 acres of potentially developable land. Furthermore, there are currently 530 dwelling units on the site and the density permitted is 54.45 dwelling units per acre or 544 total dwelling units. Without considering the density bonus, 14 additional dwelling units could be provided on the site. Mr. Canfield indicated that the open space required for the site is 40% of the lot area, which would presumably not be a development constraint due to the presence of the RPA. Finally, Mr. Canfield described that the current height limit on the site is 50 feet, but the height of the existing structures, which are nonconforming, is 82 feet.

Following a description of the existing zoning requirements, Mr. Canfield described the nonconforming conditions on the site. He stated that currently the parking for the existing structures is approximately one parking space per dwelling unit. If improvements in excess of 33% of the value were completed, the parking is then required to comply with the zoning ordinance, requiring a substantial increase in parking.

Similarly, the building height is nonconforming, as are the impervious surfaces located within the RPA.

In addition to the nonconforming conditions, Mr. Canfield also described the site constraints including environmental, regulatory, and physical / design constraints. The environmental constraints include the RPA, the 100-year floodplain, the sewer easement, and additional easements such as the Virginia Department of Transportation maintenance easement. Regulatory constraints include the 80 foot setback on the George Washington Memorial Highway, the elimination of impervious surface in the RPA with subdivision, substantial increase in parking if the building improvements in excess of 33% of the value are completed, as well as issues regarding density and open space. The physical and design related constraints included waterproofing for underground parking structures, access and fire service, sight lines, and additional traffic.

Mr. Canfield summarized the presentation with a graphic which depicted the location of each constraint identified in the presentation.

IDI Group Companies Presentation

Upon the completion of Mr. Canfield's presentation, Mr. John Cecchi of IDI Group introduced himself and then provided a brief overview of the latest conceptual plan proposed for the Hunting Terrace site.

Mr. Cecchi began by stating that the conceptual plan envisions enhanced pedestrian connections, which are coordinated with the landscaped urban deck, the 80 foot setback on South Washington Street, and the landscaped buffer along the banks of Hunting Creek. The 80 foot landscaped setback is considered the front yard of the Washington Street buildings and as well as a view corridor into the site. Mr. Cecchi indicated that the placement of the condominium buildings allowed for an "urban garden", which accommodates a tennis court, a pool, and other amenities. According to IDI Group, the urban deck, the 80 foot landscaped buffer, the landscaped buffer along Hunting Creek, and the "urban garden" amenity area provide pedestrian-friendly green space in the southern gateway of Old Town.

Mr. Cecchi then used illustrated renderings to describe the views of the site which would be visible from specific points on the George Washington Memorial Highway. These specific points included directly across the Highway from the Hunting Towers site, the entrance to Porto Vecchio, and farther south near Porto Vecchio. As Mr. Cecchi showed the renderings, he identified that the IDI design team has incorporated varied building heights and styles into the overall design, as well as masonry facades, color schemes, bay windows, pitched roofs, and window patterns in addition to other design features. Furthermore, Mr. Cecchi described techniques used to break down the perceived mass and scale of the structures fronting the Memorial Highway, as well as those fronting the internal street.

Finally, Mr. Cecchi provided computer generated images which illustrated the view of the project from Church Street, the edge of the urban deck, and from the Hunting Creek Bridge.

Questions and Comments from Stakeholders and Participants:

Question: Is the sewer easement something that would preclude building location or is it something on which buildings could be built?

Response: The sewer easement would not preclude buildings from being constructed in this location. Like many of the other limitations presented, this obstacle may be difficult to overcome but is not insurmountable. The sewer line could be relocated.

Question: Does the amount of additional units permitted include the density bonus?

Response: The figure included in the chart does not include the 20% density bonus. With the density bonus, you could potentially add slightly more than 100 units.

Question: Could some or all of the additional parking required be reduced for an affordable housing project.

Response: A parking reduction could be requested through the special use permit (SUP) process to allow fewer parking spaces than the zoning ordinance requires.

Question: Given the cost of waterproofing for underground parking and the constraints of the site, is structured parking possible?

Response: Yes, structured parking is possible, but due to the height limits on the site, structured parking may be difficult.

Question: Is it possible to see a written document that outlines the proffer proposed by IDI Group Companies?

Response: The proffer was introduced during the January 18, 2007 Stakeholder meeting with a proposal that considered both the Hunting Terrace and the Hunting Towers site. This proposal provided all market rate units on the Hunting Terrace site and the renovation of all 530 units on the Hunting Towers site. The concept was that the Hunting Terrace plan shown at this meeting would be submitted to the City. As a condition of approval of the Hunting Terrace plan, \$20 million would be set aside to purchase the Hunting Towers site. If the Hunting Towers site were not available for purchase, the \$20 million would be provided to the City for the purchase or renovation of affordable housing. If the Hunting Towers site were available then the \$20 million would be released to IDI for the purchase of the site. The proffer is placed in escrow with approval of the plan.

Question: With the \$20 million are you ensuring that all 530 units would be preserved?

Response: If the \$20 million were not enough, then the proffer would be reduced or at the discretion of the City, a number of the units could be market rate units. If the property were acquired at the present offering price, then the \$20 million would be applied toward the renovation of the units or would preserve 530 units as affordable housing.

Question: Are there rental units included in the Hunting Towers proposal?

Response: Yes, 100 units will be sold to the City or to a non-profit organization to provide rental units.

Question: What does \$20 million dollars buy?

Response: The law provides that VDOT has to offer the property to the previous owner at the fair market value. The project being proposed is not the best and highest use, as the best and highest use is luxury condominiums. Therefore, the fair market value will be based on the best and highest use of the site. The \$20 million dollar gap is the amount that IDI Group Companies believes will allow the preservation of affordable units.

Question: The \$20 million will close the gap between the acquisition and the projected rehab costs? Has this considered the increase in rehab costs that has happened in the last year, and how much it might go up in the years before acquisition?

Response: Negotiations are under way now, and even if this round of negotiations is unsuccessful we expect the sale in 2008.

Question: The Stakeholder Group has been meeting for quite awhile and the plan has been adjusted, but where are we in the development process?

Response: A concept plan was submitted to the Department of Planning and Zoning on March 12, 2007. The proposed plan will go through a City review and then a preliminary plan will be submitted for inclusion on the Planning Commission and City Council docket. Due to the site's location in the Old and Historic Alexandria District, the proposed plan will also go through a Board of Architectural Review process. At this point, it is anticipated that the proposed plan will be scheduled for public hearing in the fall.

Question: Was a "by-right" development plan also submitted for concurrent review?

Response: A site plan [for a development under the current zoning without seeking additional density or floor area for extraordinary affordable housing] has not been filed to date, but this is something that IDI has proposed.

Question: At what cost will the units be sold?

Response: For existing tenants the price will be calculated so that the monthly net payment would be the market rent of the unit. Then IDI will evaluate the financing to determine the prices as well as the condominium fees. If the existing tenant stays, eventually these units will need to go to market rent.

- Question:** Is it possible to provide a cost range that would be tangible?
Response: At this point, IDI does not have a cost range, but the rates will be comparable to the market rent of a comparable unit type.
- Question:** What is the cost that you plan to spend in renovating each of the 530 units?
Response: IDI Group Companies plans to spend what is necessary to renovate the units. While IDI can divulge the renovation plans, they cannot attribute a dollar figure to the renovation at this time.
- Question:** If a concept plan was submitted March 12th, how did IDI submit the plan without the extraordinary affordable housing included?
Response: The concept is that IDI expects to obtain the 530 units for the preservation of affordable housing but if that does not occur, the proffer indicates that the contribution for affordable housing is \$20 million. IDI is asking the City Council to determine whether \$20 million represents an extraordinary contribution to affordable housing.
- Comment:** There is a possibility that the Virginia Department of Transportation (VDOT) will not sell Hunting Towers, or will sell Hunting Towers at a date that is too late for this proposal.
Response: Mayor Euille is actively working with state representatives to encourage negotiations with Mr. Kay for the sale of Hunting Towers. It is possible that Hunting Towers will not be sold for a number of years and in that case, the \$20 million would be provided to the City.
- Question:** Is the \$20 million proffer eliminated without the two 14-story buildings on the Hunting Terrace site?
Response: Without the two 14-story buildings on the Hunting Terrace site, IDI cannot afford to purchase the Hunting Towers site.
- Question:** How much money is currently in the Housing Trust Fund?
Response: This year the City expects approximately \$3.3 million each year in property tax revenue for affordable housing. A good portion of this is committed to debt service on \$22.1 million of general obligation bonds authorized by the City Council for affordable housing., All of that \$22.1 million has been committed to projects. There is likely to be an additional authorization for bonds.
- Question:** What other programs are available that could assist in the renovation of the Hunting Towers units?
Response: The City considers the Hunting Towers site a high priority project.. There are many things that could be considered. More information could be provided at a future meeting.

Comment: It might be beneficial for the members of the Planning Commission and the City Council to attend a meeting in order to be briefed on the efforts of the Stakeholders Group.

Comment: A covenant should be associated with the Hunting Towers property to ensure that the workforce housing units remain affordable long-term. When a sales contract is offered, it should be known to the buyer that there will be some appreciation in value, but it will not be the appreciation of the market rate.

Response: Mr. Cecchi indicated that IDI Group Companies is willing to work with the City to ensure that a covenant exists and offered to include such language in the proffer.

Question: What is the best and highest use and how does this relate to market value? Is it the value of the existing apartments if they were renovated, or is it the value of what could be built? When we use the term best and highest use does that mean the best and highest use according to the existing zoning and regulatory requirements or is that the best and highest use that could be derived from the site?

Response: The fair market value is what can be derived under the existing constraints and zoning.

Question: Is the description of the proffer available on the City's website?

Response: If the description of the proffer is not currently on the website, staff will ensure that it is included on the site. (The proffer is outlined in the January 18 IDI Group PowerPoint presentation.)

Question: If current residents would like to go beyond the standard upgrades that are being considered for the renovation, is there a discount to tenants?

Response: IDI currently has no plan for renovations. It is assumed that all the units will be completed to the same standard but as we go farther in the process, it may be possible for people to invest their own equity to make desired improvements.

Comment: The residents of Hunting Towers suggest that the next Stakeholder meeting be held at Hunting Towers where a tour can be given and the history of the Towers can be presented.

Comment: Two important values are in conflict with each other in this situation: the desire to preserve affordable housing and historic preservation. The Stakeholder Group members have attended several meetings to be informed on affordable housing, the history of Washington Street, the regulatory guidelines, and the proposed plan. The Stakeholder Group members also attended a brainstorming work session. Most of the groups identified very similar ideas for the site. Each group desired something that combined the Hunting Towers and the Hunting Terrace sites. Groups

also indicated that they desired more rental units, shared amenities, and reduced height. Since the work session, the inclusion of rental units and the shared amenities have been incorporated into the proposal but nothing has been changed with regard to the height.

Question: Is staff going to describe the options associated with combining Hunting Terrace and Hunting Towers to reduce heights on the Hunting Terrace site?

Response: Staff attempted to describe the constraints on the site during this meeting's presentation. These constraints included the resource protection area, the floodplain, and the existing zoning. Under that existing zoning, approximately 14 additional units can be captured on the Hunting Towers site.

Comment: Need to identify options and possibilities for these sites.

Comment: Many compromises have been achieved in this process, but there are still a number of issues, such as open space and historic preservation that must be considered. This is an academic experience until the land is purchased.

Question: What is an alternative to this proposal that would provide a large number of affordable housing units but would also be consistent with historic preservation interests?

Comment: The biggest accomplishment that has resulted from this process is the preservation of 530 affordable units at Hunting Towers. In addition to the preservation of the units, this process is also an example of historic preservation as it is historic preservation to maintain Hunting Towers.

Comment: A staff presentation on including a memorial circle in this location on S. Washington Street is also needed. If the 530 affordable units at Hunting Towers are preserved and a memorial circle is constructed, then all interests would win.

Comment: If the developer is granted permission to construct two, 14-story buildings, the City will relinquish control to the development community.

Comment: It was described earlier that the community has two win-lose options: either the affordable housing community loses or the historic preservation community loses. This intelligent group of individuals should be capable of developing a win-win proposition that meets the regulations of the City.

Next Steps

Mr. John Komoroske provided a recap of the role of the stakeholders group and the events that transpired since its inception. There was discussion about the timing of the next Stakeholders meeting which could be in April or May.

Attendees

Stakeholder Group

Members

John Komoroske
Van Van Fleet
Marguerite Lang
Ellen Pickering
Michael Hobbs
Lewis Simon
Herb Cooper-Levy
Caroline Faiella
David Bush
Jim Mercury
Boyd Walker
Nancy Carson
Jim Hoben
Ardith Campbell
Dentzer
Holly Hemphill
Katy Cannady

Charles Benagh

Lillie Finklea

Jim Lamb

Joan Renner

Other Participants

John Cecchi

Guiseppe Cecchi

Howard Middleton

David Frame

David Herbst

Vickie Allen

Douglas Thurman

Michelle L'Heureux

Mary Moore

Joe Kyle

Cecilia Kowalsh

Terrence Boring

Joe Garcia

Rick Stepp

William Johnson

Julie Crenshaw Van

Fleet

Lorraine Wanek

Eric Bryda

Jose Santos

Staff

Pat Mann

Helen McIlvaine

Mildrilyn Davis

Claudia Hamblin-Katnik

Lee Webb

Kathleen Beeton

Jeff Farner

Tom Canfield

Gary Wagner

Jessica Ryan