

EXHIBIT NO. 1

26
5-8-07

City of Alexandria, Virginia

MEMORANDUM

DATE: . MAY 4, 2007
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: RESOLUTION CONCERNING THE RETENTION OF AFFORDABLE HOUSING AT HUNTING TOWERS

ISSUE: Retention of Hunting Towers as affordable housing.

RECOMMENDATION: That City Council adopt the revised resolution (Attachment I) concerning affordable housing and Hunting Towers and request staff to forward it to the elected and appointed officials cited in the resolution. The staff sent copies of the resolution to each of the members of the Hunting Creek Stakeholders Panel and received comments from five panel members.

BACKGROUND: The preservation of affordable housing is one of the City's highest priorities, as the demand for housing in the Northern Virginia region, coupled with favorable interest rates has combined to cause apartment rental rates to soar. In recent years it also has caused the conversion of many affordable apartments to higher-priced condominiums, as well as the threatened demolition of housing structures with historic value such as Gunston Hall. This housing market condition resulted in Council undertaking a series of new initiatives aimed at preserving existing affordable housing, as well as creating new affordable housing. This has included the dedication of one-cent of the City's real estate tax rate for affordable and workforce housing, leveraging that one cent with the issuance of bonds, increased affordable housing contribution levels by the development community, as well as innovative, affordable and workforce housing solutions such as Chatham Square, and the planned housing/fire station project in Potomac Yard.

Finding affordable and workforce housing solutions is not easy, as each project has unique challenges and issues that need to be successfully addressed. This is the case with the desired preservation of affordable housing at Hunting Towers, which has been of concern to the City for some time. Many long-time residents of the 530 unit Hunting Towers complex are concerned about the ultimate outcome because their currently affordable rental housing is slated to be sold by the Virginia Department of Transportation (VDOT). VDOT purchased Hunting Towers along with the neighboring property Hunting Terrace as part of the Woodrow Wilson Bridge project.

VDOT has been seeking to sell the property, but the process has not worked smoothly for VDOT, the potential buyers, or Hunting Towers residents. This past winter, with the assistance of the City, VDOT and the potential buyers (the Kay-Cecchi interests) restarted the sale discussion process, but that process appears to be going slowly, with its outcome uncertain. At the same time the plans for the redevelopment of the Hunting Terrace land continue to evolve and progress. With the Hunting Towers sale outcome uncertain and not resolved, residents of Hunting Towers are concerned about the future of their homes and their ability to continue living at Hunting Towers under affordable conditions.

The attached resolution is intended to underscore and reiterate the City's strong support for preserving Hunting Towers as affordable and workforce housing. Also, because the land sale process is proceeding slower than desired by the City and the Hunting Towers Stakeholders Group, this resolution is aimed at getting the VDOT and Kay-Cecchi interests to accelerate the land sale process with all deliberate speed to a successful conclusion.

Council first considered this item at its April 24 meeting, but tabled it when it learned that the proposed resolution had not been subject to input (as Council members had requested) from the Hunting Creek Stakeholders Panel. Council then asked that staff send the draft resolution to the members of the Stakeholders Panel for individual input. Staff sent the draft to the 31 members of the Stakeholders Panel and received comments from five members (Attachment II).

The resolution (Attachment I) has been revised to include many of the comments and suggestions of five members of the 31 member Hunting Creek Stakeholders Panel (Attachment II) reflected in either the exact language, or the language intended to be close in intent to that suggested. Some suggested language was not included as it was not consistent with the original intent of the first draft resolution. In total, the proposed resolution accomplishes its original intent, but the language is more inclusive of the key issue areas related to the preservation of Hunting Towers and the potential redevelopment of Hunting Terrace.

ATTACHMENTS:

Attachment I. Proposed Resolution

Attachment II. Hunting Creek Stakeholder Panel Member Comments

STAFF:

Mark Jinks, Deputy City Manager

Mildrilyn Davis, Director, Office of Housing

REVISED DRAFT as of May 4, 2007

RESOLUTION NO. _____

WHEREAS, over the past 35 years, like other American cities, Alexandria has lost significant numbers of affordable and workforce housing units to redevelopment and changing market conditions;

WHEREAS, Alexandria has historically had a diverse, hard-working population that has made possible our success and has been the cornerstone of our community character;

WHEREAS, the loss of affordable and workforce housing, including the 331 units of Hunting Towers and Hunting Terrace that have already been demolished, as well as the 116 remaining units of Hunting Terrace that are proposed for demolition, affects our economy and job base, strains our transportation systems and threatens the fabric and history of our diverse multiracial and mixed-income community;

WHEREAS, the preservation of affordable, workforce housing is a , as well as preservation and enhancement of the natural environment and historic resources, are core components of Alexandria's Strategic Plan and is viewed by the City Council as a key strategies to foster the long-term economic success and prosperity of our community;

WHEREAS, the City, through the creation of the one-penny affordable housing set-aside along with the partnership of area non-profits has demonstrated its commitment to preserve affordable and workforce housing throughout the City;

WHEREAS, there are approximately 12,000 units of affordable housing remaining in the City;

WHEREAS, the Alexandria City Council believes that the Federal government, the Commonwealth of Virginia, local citizens, private organizations and corporations should continue to work cooperatively with the City of Alexandria to ensure the preservation of affordable and workforce housing;

WHEREAS, the Virginia Department of Transportation (VDOT) currently owns 530 units of affordable housing at Hunting Towers which were constructed in 1949 and many of which have served as affordable, workforce housing since construction in 1949 for decades;

WHEREAS, VDOT plans to sell Hunting Towers and is therefore required to dispose of Hunting Towers utilizing established State and federal policies and procedures;

WHEREAS, over the past decade scores of over 1,000 citizens have urged the City Council to preserve Hunting Towers as affordable housing;

WHEREAS, Hunting Towers has been and is home to exemplary Virginians from a variety of backgrounds, including a feminist author and politician, soldiers, sailors, veterans, government employees, an astronaut, a U-2 spy plane pilot, airline pilots, flight attendants and many other important residents of Virginia;

WHEREAS, Hunting Towers sits at the entrance to one of our Country's oldest historic districts and on the celebrated George Washington Memorial Parkway that connects George Washington's home at Mt. Vernon to the United States Capitol;

WHEREAS, the City has established a Hunting Creek Stakeholders Panel to review issues of development, affordable housing and historic significance affecting Hunting Towers and Hunting Terrace;

WHEREAS, the opportunity to preserve Hunting Towers is a once-in-a-lifetime chance to preserve an enormous amount of affordable, workforce housing;

WHEREAS, the best opportunity to preserve Hunting Towers and to respect the important historic character of the George Washington Memorial Parkway, as well as the Washington Street Guidelines and Standards, the Historic District, and these properties location as a gateway to the City, will come through innovative ongoing, community planning and collaboration; and

WHEREAS, the lack of certainty over the future ownership of Hunting Towers makes it difficult to successfully carry out holistic community planning, as well as to create specific Hunting Towers affordable housing plans;

NOW THEREFORE, BE IT RESOLVED, THAT THE ALEXANDRIA CITY COUNCIL:

1. Affirm to the community, ~~and particularly to the Hunting Creek Stakeholders Group~~, its strong desire to preserve as much affordable, workforce housing as possible throughout the City including, if possible, all 530 units of in Hunting Towers, with such preservation needing to give due consideration to the Washington Street Guidelines and Standards, the Historic District, and these properties location as a gateway to the City;
2. Continue to take all reasonable actions to persuade VDOT and the Kay-Cecchi interests to expedite negotiations and to enter into an agreement as quickly as possible for the disposition of Hunting Towers;
3. Direct City staff to report to Council, the Affordable Housing Advisory Commission, and the Hunting Creek Stakeholders Group monthly on progress towards this objective;

4. Direct City staff to prepare a report to Council concerning the additional borrowing capacity of the one-penny affordable housing set-aside;
5. ~~Recognize April 21 to 28, 2007, as Affordable Housing week in Northern Virginia;~~
- ~~6.5.~~ Send a copy of this Resolution to Governor Kaine, the City's legislative delegation, the Virginia Secretary of Transportation, the Commissioner of the Virginia Department of Transportation, as well as to the Virginia Office of the Federal Highway Administration (FHWA), to encourage them to continue to take actions within their purview and with all deliberate speed to help the City of Alexandria remain a community where any person can expect to find affordable housing; and
- 7.6. Send a copy of this Resolution to Senators Warner and Webb, and Congressman Moran, accompanied by a letter asking that (a) the resolution be placed in the Congressional Record and referred to the Congressional committees, as appropriate, and (b) they contact and write FHWA to urge the federal government to assist in ensuring that sale negotiations are expedited.

ADOPTED: XXXXXXXXXXXX

WILLIAM D. EUILLE
MAYOR

ATTEST:

Jackie M. Henderson, CMC City Clerk

Comments received on Hunting Towers affordable housing resolution from Hunting Creek Area Stakeholders Group members.

Jim Mercury

SUGGESTIONS FOR THE HUNTING TOWERS RESOLUTION

1. Insert after: "WHEREAS, the Alexandria City Council....."

WHEREAS, the Woodrow Wilson Bridge Project has already resulted in the demolition of approximately 300 units of affordable workforce housing at Hunting Creek;

WHEREAS, another 116 units of said housing is in imminent peril of demolition;

WHEREAS, no other local jurisdiction has remotely borne the costs and disrupting impacts related to construction of the new Wilson Bridge as has the City of Alexandria;

WHEREAS, the new Wilson Bridge is a transportation asset to the entire metropolitan area and the east coast of the country;

WHEREAS, the cost of that asset should not continue to be borne in a disproportionate manner by the City of Alexandria;

(Rationale: the resolution as written is too weak on this subject; if it's getting too long, perhaps eliminate or consolidate some of the preceding 'WHEREAS's

2. Insert after: 'WHEREAS, the Virginia Department of Transportation....'

WHEREAS, VDOT has been the landlord of Hunting Towers for six years and has done little significant capital investment in the buildings which are now over 50 years old, neglecting repeated recommendations of repairs and upgrades by studies commissioned by its own contractors;

(Rationale: the same)

3. Replace "scores" with the underlined:

WHEREAS, over the past decade over a thousand citizens have urged.....

(Rationale: the Alexandria Coalition for Hunting Towers (ACT) alone collected nearly the many signatures on a petition calling for the preservation of all units at both the Terrace and Towers in the spring of 2006 and presented the results to the City Council)

4. Insert after "flight attendants" in "WHEREAS, Hunting Towers has been and is home....."

..... teachers, police officers, professional athletes and many other noteworthy and everyday hardworking residents of the City of Alexandria.

5. Change the first “THEREFORE, BE IT RESOLVED” to read:

Affirm to the community, and particularly to the Hunting Creek Stakeholders Group, its strong desire to preserve all of the affordable, workforce housing at Hunting Towers.

(Rationale:

- Delete “as much as possible” – we’ve already lost 300, with the 116 at the Terrace looking very iffy. The publicly stated goal at this point regards the 530 at the Towers should be to save them all.

If this requires compromise at some point, then let’s have that debate then.

- Delete “throughout the City” – same reason as above, plus this resolution is directed at Hunting Towers, not the many other worthy projects in the City. In particular, to allow destruction of units at the Towers, and its historical continuity, in exchange for contributions elsewhere in the City, especially in exchange for the ‘extraordinary’ nature of SUPs currently proposed is simply not acceptable.

6. Delete number 5. – it’s already over.

7. Add to the end of the final “THEREFORE”:

..... appropriate; and to enlist their support in persuading the Federal Highway Administration to support the goals of this resolution by way of their influence with VDOT on the sale of the Towers.

Chuck Benagh

- I welcome any expression of support for affordable housing, and particularly any expression of support for retaining the extant affordable housing at the Towers AND Terraces.
- However, it is worthwhile to note that along with the irrecoverable loss of more than one-third of the original affordable housing at the Towers and Terraces location by the Wilson Bridge construction, in the current proposal by the developer the City seems to assume concession of the loss of an additional 116 affordable units at the Terraces site.
- Polling the Stakeholders (and others) individually, without opportunity to hear and consider the points of view of other Stakeholders, with a presumed digest of opinions prepared by City Staff to be presented to Council, while efficient, seems--how does one put it--undemocratic(?).
- Along the lines of the above comment, I was gratified to hear Council ask for the opinion of the Stakeholders. While Stakeholders were informed at our initial

meeting that *no votes were to be taken*, and the subsequent minutes of our meetings I found to be short of some pertinent comments, I thought perhaps that finally we Stakeholders would be able to present our recorded opinions through a vote on something, albeit an easy call--*affordable housing, generally*. But, apparently, an estimation of the consensus by admittedly well-meaning and overworked staff was all that was being requested.

- Earlier Stakeholder meetings, particularly the meeting at Lyles-Crouch, seemed to develop a consensus for a progressive framework for **All interested parties-- Stakeholders representing ALL interests, the City of Alexandria, AND developers** to explore a creative win-win-win solution for this once-in-a-half-century opportunity to reinforce the rhetoric about preservation, affordable housing, and a fair market return for developer-investors. But this consensus movement seemed to just kind of fade away....
- A true and fair solution will require some compromise by all, and some honest and open give and take, with all interests seeking an honorable and fair solution that will reflect positively on the City of Alexandria AND its leadership. This means no hidden agendas, open books and true numbers--with specificity, and cooperative give and take that includes the opportunity for frank and open presentation of all points of view in an open forum attended by Members of Council (notably largely absent at previous Stakeholder meetings), with the decisions ultimately made by Council truly representing the democratic will of the community in which we live and call home.
- Do I support the resolution? Yes, while I might suggest some modifications to some of the wording, any resolution that expresses a desire to preserve affordable housing in our community merits support. But there are two kinds of resolutions-- a rhetorical written resolution, and a RESOLUTION. It is my fervent hope that Council seeks positive resolutions in both senses of the meaning.

Ellen Pickering

The Whereas'es" ignore the Historic Preservation issue so bound up in this approval of Kay-IDI/Cecchi.

The Resolution severs the GW Parkway and all its meaning and value from the negotiations with VDOT and that is not "cricket" since the historic value is the trading card for the affordable housing.

I have numbered the "whereas es" from small "a" to small "p"....and will refer to them as such in my comments...

"d" Historic Preservation is also part of Alexandria's Strategic Plan which more than factors in long-term economic success but is indeed the economic engine for Alexandria as recognized by many economist and land use planners

"f" With approximately 22,000 single family homes in Alexandria , 12,000 affordable units is a reasonable ratio when some single family are also affordable.

"h" In 1949 when folks were moving into Hunting Towers it was hardly considered workforce housing. People were leaving their big houses just as they did when Carlyle Towers was built and it was pretty swish to have an apartment on the Potomac River in Old Town. The Garden Club of Virginia held its annual meeting at Hunting Towers and I'm certain other prestigious groups partied there.

"j" add after "preserve Hunting Towers as affordable housing" remove ";" add...but not at the cost of infringing on the on the Washington Street Standards or the Historic District.

"k" Remove...no different than any other apartment in Alexandria...

"n" After "workforce housing" remove ";" add... while protecting the Historic District and the GW Memorial Parkway.

Now for my comments on the "Now Be It Resolved"

#1 Add..."after including in Hunting Towers; while protecting the Historic District and the GW Memorial Parkway.

#5 Remove.. no longer applicable.

#6 Add after ..."affordable housing and remove " ; and" " while protecting the Historic GW Memorial Parkway from intrusion of inappropriate buildings.

It is an honor to have the George Washington Memorial Parkway pass through Alexandria and it is incumbent upon all of us to protect the right-of-way of the road to Mount Vernon the home of our first President.

Marguerite Lang

If the reason for this resolution, as the video seems to indicate, is to encourage VDOT to come to an agreement with Kay-Cecchi very soon so that ownership is finally determined and the uncertainty that the residents of Hunting Towers have suffered will be resolved, and holistic community planning can take place, then a resolution makes sense. If that is not the case and this is aimed at Alexandrians it is unnecessary since we in Alexandria already know that the retention of affordable workforce housing is one of our City's goals.

If VDOT and the federal government are the focus for this resolution then the part of the sentence in #1 that reads *,and particularly to the Hunting Creek Stakeholders Group*, is extraneous and meaningless to the people to which it is aimed and should be removed. If, on the other hand, this is meant for the Stakeholder's Group then it is insulting and indicates that we either have not

taken our task seriously or that some of us are indifferent to affordable/workforce housing. Nothing could be further from the truth. Each stakeholder recognizes the need to retain as much affordable/workforce housing at Hunting Terrace/Tower as possible while balancing the zoning ordinances and the historic significance of the GW Parkway and Washington Street. This is not an easy task and the stakeholders have been diligent in an effort to find the proper balance between competing values to the City. In either case the reference in #1 to the Stakeholder's Group should be removed.

If City Council by this resolution means that affordable/workforce housing is the most important value at Hunting Creek and that all other values are secondary and subordinate to a/w housing then they should abolish the Stakeholder's Group since a balance need not be achieved and the developer can build as high and dense as he wishes as long as there is an extraordinary contribution to a/w housing. Any developer who wishes to build in Alexandria will take note.

Holly Hemphill

I believe there would be plenty of support among the members of the Stakeholders Group for the idea of City Council encouraging action to persuade VDOT and Kay-Cecchi interests to expedite negotiations for disposition of Hunting Towers, as indicated in proposed resolutions #2 and #3. Delays have been a concern of the Stakeholders Group.

The wording of proposed resolution #1 would be more controversial, however, because it does not recognize any balancing of interests in terms of the development of the Towers/Terrace site and could be read to suggest that housing is the Council's only concern for that location. The Hunting Creek Stakeholders Group was formed to consider a number of important City objectives. In this regard, the Stakeholders Group has been diligently discussing how best to keep affordable housing at the Towers/Terrace site, while taking into account such other considerations as compliance with the Washington Street Guidelines and other historic preservation objectives.

Just to recap, in a facilitated discussion session on December 6, 2006, the Stakeholders Group was asked to address the following question, for purposes of forwarding responses to Planning Commission and City Council:

What issues should the Planning Commission and the City Council consider in balancing extraordinary affordable housing with height, protection of the character of the George Washington Memorial Parkway, and the Old and Historic Alexandria District, and other concerns, in evaluating the potential redevelopment of Hunting Terrace and Hunting Towers?

The feedback on this question (and three other questions) was recorded in minutes for the December 6, 2006 meeting of the Stakeholders Group. The feedback

reflects concerns in addition to affordable housing preservation, including particularly the height of buildings proposed for the Terrace portion of the site. (We have not been advised whether this feedback has been provided to Planning Commission and Council.)

Further, in the minutes of the Stakeholders Group meeting held on January 18, 2007, one of the common themes of the December 6, 2006 meeting is reported as follows: "The heights of the buildings proposed on the Hunting Terrace site remain an issue of concern. If the number of affordable units proposed were greater, the height may be more justified." Further, the January 18, 2007 minutes record that Mr. Josephson of the Department of Planning and Zoning stated that the Group's discussions had served as an instruction to staff that alternative development options must be considered, including buildings with lower heights. (Alternative designs including buildings with lower heights have not as yet been presented to the Stakeholders Group.)

Accordingly, it would be appropriate to revise resolution #1 to recognize all of the valid concerns that are implicated in the development at Hunting Towers/Hunting Terrace by adding language at the end along the following lines: ". . . [the Council's] strong desire to preserve as much affordable, workforce housing as possible throughout the City including Hunting Towers, with due consideration for established building height restrictions and the need to protect the character of the GW Memorial Parkway and the Old and Historic District."

Stewart Dunn

The first paragraph in the staff report should also include mention of the Gunston Hall project, which involved saving an existing historic site and existing affordable housing units.

I suggest that the first "resolved" should include at the end, "and to preserve the present status of the Hunting Towers and Hunting Terrace area as the southern gateway to the City of Alexandria."

RESOLUTION NO. 2227

WHEREAS, over the past 35 years, like other American cities, Alexandria has lost significant numbers of affordable and workforce housing units to redevelopment and changing market conditions;

WHEREAS, Alexandria has historically had a diverse, hard-working population that has made possible our success and has been the cornerstone of our community character;

WHEREAS, the loss of affordable and workforce housing, including the 331 units of Hunting Towers and Hunting Terrace that have already been demolished, as well as the 116 remaining units of Hunting Terrace that are proposed for demolition, affects our economy and job base, strains our transportation systems and threatens the fabric and history of our diverse multiracial and mixed-income community;

WHEREAS, the preservation of affordable, workforce housing, as well as preservation and enhancement of the natural environment and historic resources, are core components of Alexandria's Strategic Plan and is viewed by the City Council as key strategies to foster the long-term economic success and prosperity of our community;

WHEREAS, the City, through the creation of the one-penny affordable housing set-aside along with the partnership of area non-profits has demonstrated its commitment to preserve affordable and workforce housing throughout the City;

WHEREAS, there are approximately 12,000 units of affordable housing remaining in the City;

WHEREAS, the Alexandria City Council believes that the Federal government, the Commonwealth of Virginia, local citizens, private organizations and corporations should continue to work cooperatively with the City of Alexandria to ensure the preservation of affordable and workforce housing;

WHEREAS, the Virginia Department of Transportation (VDOT) currently owns 530 units of affordable housing at Hunting Towers which were constructed in 1949 and many of which have served as affordable, workforce housing for decades;

WHEREAS, VDOT plans to sell Hunting Towers and is therefore required to dispose of Hunting Towers utilizing established State and federal policies and procedures;

WHEREAS, over the past decade over 1,000 citizens have urged the City Council to preserve Hunting Towers as affordable housing;

WHEREAS, Hunting Towers has been and is home to exemplary Virginians from a variety of backgrounds, including a feminist author and politician, soldiers, sailors, veterans, government employees, an astronaut, a U-2 spy plane pilot, airline pilots, flight attendants and many other important residents of Virginia;

WHEREAS, Hunting Towers sits at the entrance to one of our Country's oldest historic districts and on the celebrated George Washington Memorial Parkway that connects George Washington's home at Mt. Vernon to the United States Capitol;

WHEREAS, the City has established a Hunting Creek Stakeholders Panel to review issues of development, affordable housing and historic significance affecting Hunting Towers and Hunting Terrace;

WHEREAS, the opportunity to preserve Hunting Towers is a once-in-a-lifetime chance to preserve an enormous amount of affordable, workforce housing;

WHEREAS, the best opportunity to preserve Hunting Towers and to respect the important historic character of the George Washington Memorial Parkway, as well as the Washington Street Guidelines and Standards, the Historic District, and these properties location as a gateway to the City, will come through innovative ongoing, community planning and collaboration; and

WHEREAS, the lack of certainty over the future ownership of Hunting Towers makes it difficult to successfully carry out holistic community planning, as well as to create specific Hunting Towers affordable housing plans;

NOW THEREFORE, BE IT RESOLVED, THAT THE ALEXANDRIA CITY COUNCIL:

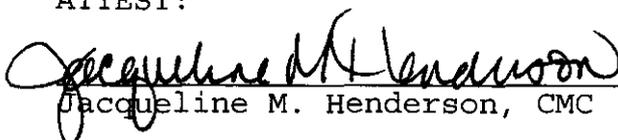
1. Affirm to the community its strong desire to preserve as much affordable, workforce housing as possible throughout the City including, if possible, all 530 units of Hunting Towers, provided, however, that due consideration should be given to the Washington Street Guidelines and Standards, the Historic District, and these properties location as a gateway to the City;
2. Continue to take all reasonable actions to persuade VDOT and the Kay-Cecchi interests to expedite negotiations and to enter into an agreement as quickly as possible for the disposition of Hunting Towers;
3. Direct City staff to report to Council, the Affordable Housing Advisory Commission, and the Hunting Creek Stakeholders Group monthly on progress towards this objective;
4. Direct City staff to prepare a report to Council concerning the additional borrowing capacity of the one-penny affordable housing set-aside;
5. Send a copy of this Resolution to Governor Kaine, the City's legislative delegation, the Virginia Secretary of Transportation, the Commissioner of the Virginia Department of Transportation, as well as to the Virginia Office of the Federal Highway Administration (FHWA), to encourage them to continue to take actions within their purview and with all deliberate speed to help the City of Alexandria remain a community where any person can expect to find affordable housing; and
6. Send a copy of this Resolution to Senators Warner and Webb, and Congressman Moran, accompanied by a letter asking that (a) the resolution be placed in the Congressional Record and referred to the Congressional committees, as appropriate, and (b) they contact and write FHWA to urge the federal government to assist in ensuring that sale negotiations are expedited.

ADOPTED: May 8, 2007


WILLIAM D. EULLE

MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk