


## City of Alexandria, Virginia

## MEMORANDUM

DATE: MARCH 15, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF AUTHORIZING THE PURCHASE OF A RESIDENTIAL POLICE OFFICER (RPO) UNIT AT ALEXANDRIA CROSSING (GLEBE PARK)

---

**ISSUE:** Authorizing the purchase of an RPO unit at Alexandria Crossing.

**RECOMMENDATION:** That City Council:

1. Approve an allocation of up to \$335,000 from expected repayment of Glebe Park bridge loan funds for the acquisition, by the Alexandria Housing and Development Corporation (AHDC), of one workforce housing unit at Alexandria Crossing to be operated as an RPO unit, and
2. Authorize the City Manager to execute all necessary documents, including an agreement with AHDC for its ownership of the unit.

**BACKGROUND:** In approving the Glebe Park development applications in October 2007, City Council added language to the DSUP (attached) to require that

“The applicant shall amend its Affordable Housing Plan, to require the provision of one workforce unit that shall be used for an ARHA area manager, or for a Resident Police Officer (RPO) or for other Police Department use, to the satisfaction of the Director of Housing. Such plan may include the purchase and operation of the unit by the City or its designee. In the event the City decides such use is no longer needed, the unit may be sold to an eligible purchaser.”

During the discussion that preceded this action, ARHA representatives made it clear that they could not afford to give up one of the Low-Income Housing Tax Credit/public housing units for this purpose, nor to lose any revenue from the sale of the workforce housing lot to EYA. Council agreed that ARHA would not have to lose tax credit or land sales revenue in order to accomplish this. ARHA representatives also stated that they did not intend to have a resident manager at this property, as they do not have resident managers at any of their other properties (ARHA utilizes a regional management system). Therefore, subsequent discussions have focused on this property's use as an RPO unit. Historically, there has been an RPO and a

community officer assigned to Arlandria. The RPO unit has been at Glebe Park, and it is proposed to continue. The FY 2011 proposed budget proposes to eliminate the other community oriented police officer position in that area. Because the City government typically does not own residential units, the City-created Alexandria Housing Development Corporation (AHDC), which is a non-profit, is proposed to be the owner (and property manager) of the RPO unit.

The funding initially identified for this purchase was subsequently authorized by Council to be used in a \$1.44 million bridge loan to ARHA for the Glebe Park project, and therefore the actual purchase of this unit will occur after sufficient repayment is received from ARHA, but only after ARHA receives funds from the developer (EYA) from the sales proceeds of the other workforce units. Action is being requested at this time so that the unit can be placed under contract, and EYA will have the assurance that it does not need to market the unit to other buyers.

In the RPO program because the officer typically lives in a public housing unit, ARHA covers utilities and unit maintenance. In this case, the unit is a condominium that will have condo fees, utilities, real estate taxes, and other costs. ARHA, citing budget constraints, has declined to fund (or even partially fund) the operating costs of this RPO unit. Staff currently estimates that a total of \$846 per month, or \$10,152 annually, will be needed in FY 2011(Attachment 2). OMB staff will include these costs as a technical adjustment to the Police Department's budget for FY 2011.

The City will also need to enter into an agreement with AHDC concerning this unit. As currently contemplated, this agreement will spell out the costs to be paid by the City, and will provide for the sale of the property in the event Council decides to terminate the RPO use, or to cease providing the agreed-upon payments. In return for AHDC's cooperation with regard to the ownership of this unit, it is anticipated that the agreement will provide for AHDC to retain a small (10%) share of any appreciation in value in the event of a sale to an income-eligible buyer. However, in the event the City wishes to assume ownership of the property for any reason, there would be no cost to the City, other than the cost of the site transfer transaction.

**FISCAL IMPACT:** The cost of the purchase of the unit is estimated at \$335,000, with an ongoing annual operating cost of \$10,152. The cost of the purchase is proposed to be financed with proceeds from the repayment of the Glebe Park bridge loan.

**ATTACHMENT:**

Attachment 1. Glebe Park DSUP RPO Site Plan Condition

Attachment 2. Non-Traditional RPO Costs Recommended for City Funding

**STAFF:**

Mildrilyn Stephens Davis, Director, Office of Housing

Helen McIlvaine, Deputy Director, Office of Housing

Shane Cochran, Division Chief, Housing Program Implementation

Captain Dianne Gittins, Police Department

24. The Developer will submit a project-specific Housing Conversion Assistance Plan for residents of the existing units to be reviewed and approved by the Landlord-Tenant Relations Board. (Housing)
25. The new development will include accessible units at the minimum as required by the Virginia Uniform Statewide Building Code, the Low Income Housing Tax Credit program and any other applicable state or federal law. (Housing)(PC)

→ 25A. The applicant shall amend its Affordable Housing Plan, to require the provision of one workforce unit that shall be used for an ARHA area manager, or for a Resident Police Officer (RPO) or for other Police Department use, to the satisfaction of the Director of Housing. Such plan may include the purchase and operation of the unit by the City or its designee. In the event the City decides such use is no longer needed, the unit may be sold to an eligible purchaser. (City Council)

**F. PARKING**

26. Condition deleted. (City Council)
27. A minimum of 62 parking spaces shall be provided. The applicant shall install "Visitor Parking Only" markings and/or signs for the visitor spaces. (T&ES)
28. Relocate handicap parking space(s) to area in front of Building #1 to facilitate pedestrian circulation. (P&Z)

**G. SITE PLAN**

29. The dumpster screen shall be constructed of a combination of brick pillars similar to the brick used as part of the proposed buildings, board on board fencing and metal. The final design will be to the satisfaction of the Director of P & Z. (P&Z)
30. The dumpster pad and approach shall be concrete. (RP&CA)
31. A freestanding subdivision or development sign(s) shall be prohibited. (P&Z)
32. The applicant shall submit a wall check to the Department of Planning & Zoning prior to the commencement of framing for the building(s). The building footprint depicted on the wall check shall comply with the approved final site plan. The wall check shall also provide the top-of-slab and first floor elevation as part of the wall check. The wall check shall be prepared and sealed by a registered surveyor, and shall be approved by the Department of Planning & Zoning prior to commencement of framing. (P&Z)
33. As part of the request for a certificate of occupancy permit, the applicant shall submit a building location survey to the Department of P&Z for all site improvements. The applicant shall also submit a certification of height for the building as part of the certificate of occupancy for each building(s). The certification shall be prepared and

## NON-TRADITIONAL RPO COSTS RECOMMENDED FOR CITY FUNDING

## Old Dominion RPO Unit (Monthly charge for operating and maintenance costs)

	FY 2011	FY 2012
Real estate taxes (\$329,360 sales price @0.973/12)	\$269.73	\$275.12
Maintenance/capital reserves allowance (@\$350/year)	\$29.00	\$30.16
Homeowner Association fees (includes trash pick up)	\$200.00	\$225.00
Casualty and Liability insurance (@\$680/year)	\$57.00	\$59.28
<i>Monthly charge amount due to Owner</i>	<b>\$555.73</b>	<b>\$589.56</b>
Estimated utilities (electric, gas and water)	\$240.00	\$249.60
AHDC/Owner administrative costs	\$50.00	\$52.00
<b>TOTAL COST</b>	<b>\$845.73</b>	<b>\$891.16</b>

Notes: FY 2012 reflects a 4% increase in operating costs, based on industry underwriting practices. HOA fee escalation in 2012 reflects current trends in the market for new construction. EYA provided the initial fee amount for 2011.