

Docket Items #25, 26 and 27  
Development Special Use Permits #2004-020 (#25)  
2004-021 (#26)  
2004-022 (#27)

ARHA Scattered Sites Housing

Planning Commission Meeting  
June 1, 2004

**ISSUE:** Consideration of a request for extension of previously approved development special use permits, with site plans, for construction of residential townhouses and multiple-family dwellings as affordable housing.

**APPLICANT:** Alexandria Redevelopment and Housing Authority  
by Harry P. Hart, Attorney

**LOCATIONS:** 1600-1706 West Braddock Road  
423 South Reynolds Street  
325 Whiting Street

**ZONES:** RB / Townhouse Zone  
CRMU-M / Commercial Residential Mixed Use, Medium  
RC / High Density Apartment Zone

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**I. BACKGROUND:**

The applicant, the Alexandria Redevelopment and Housing Authority (ARHA) is requesting approval of an 18-month extension for the three “scattered site” public housing locations. The three sites are located on Braddock Road, Reynolds Street and Whiting Street. The three applications were previously approved by City Council on December 14, 2002 (*prior staff reports are attached*).

As part of the redevelopment of the Samuel Madden site in Old Town, 52 units are to be retained on the Samuel Madden site and the remaining 48 units are to be at the Braddock, Reynolds and Whiting Street locations. The Samuel Madden redevelopment is currently under construction.

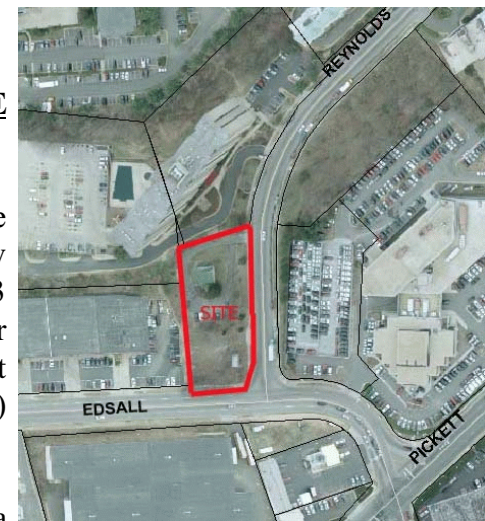
**II. STATUS OF THE APPLICATIONS SINCE THE CITY COUNCIL APPROVALS:**

Following the City Council approval, ARHA applied to the Virginia Housing Development Authority (VHDA) for state low income housing tax credits in March of 2003. In July of 2003 ARHA was awarded the tax credits. In November of 2003, after a public comment period and documentation (*i.e.* proof that ARHA controlled the land upon which the units would be built) the tax credits were secured.

While the tax credit funding was being pursued, ARHA filed a condemnation petition for the Whiting Street property. This formal proceeding was held in Circuit Court in December of 2003 and resulted in a considerable delay in acquiring the Whiting Street site. After the final decision by the Circuit Court in February 2004, ARHA took possession of the property. At that time, ARHA was able to submit the site acquisition proposals for all three sites for approval by the Department of Housing and Urban Development (HUD) in order to have access to its grant (HOPE VI) funding for the off-site locations. The approval by HUD has been granted.



**Braddock Road Aerial**



**Reynolds Street Aerial**



**Whiting Street Aerial**

ARHA's legal counsel took the position in 2003 that ARHA should negotiate the on-site units at Samuel Madden first, secure HUD approval of the documents and then modify the documents for the off-site units. While this resulted in significantly lower legal fees for the off-site locations, it has delayed the preparation of the final site plan documents.



**Braddock Road Elevations**

The off-site plans have also been forced to follow scheduling of the on-site (Samuel Madden) development, because the off-site funding was also dependent on the proceeds from the sale of the two-block Samuel Madden site. The closing on Samuel Madden was delayed due to the *ARC v. HUD* lawsuit, which the City ultimately enjoined, and which did not settle until September of 2003. This caused negotiations with the developer partner, and subsequently the architects and engineers, to remain at a standstill. The sales proceeds from the Samuel Madden site were not available until after the sales transaction closed, in February of 2004.



**Reynolds Street Elevations**

ARHA, after going through a competitive selection process, decided to enter into negotiations with the original architect who had developed the preliminary special use permit plans to complete the final construction documents and final site plans. After extensive and time-consuming negotiations regarding fees and terms, ARHA was unable to finalize a contract and was forced to select another architectural firm. This added time to the process but saved more than \$200,000 in architectural and engineering costs.



**Whiting Street Elevations**

In summary, completion of the final site plans for the off-site public housing units has been delayed due to the extensive time needed for ARHA to acquire funding from three different sources (HOPE VI, tax credits and the proceeds from the sale of Samuel Madden).

### **III. STAFF ANALYSIS:**

The off-site redevelopment has involved a complex series of financial transactions and procedures, including approval and sale of tax credits and approval by agencies such as Housing and Urban Development (HUD), which has extended the time frame for ARHA to begin development of the sites. In addition, one of the sites (Whiting Street) had to be acquired as part of a court settlement which also added time to the overall process. In general, ARHA has had to complete the financing and preparation of the plans in a much more linear fashion than typically occurs with most development cases.

Developments utilizing multiple sources of funds are invariably more time consuming. Each step in the process had to be completed prior to moving onto the next step. This is in contrast to private development, where it is not uncommon for the developer to assume a level of risk and provide funds to pay for costs such as architectural and engineering fees, prior to completion and sale.

The primary criteria for granting an extension are whether the applicant has been pursuing completion of the project, and whether circumstances have changed that would warrant an extension. In this case, staff believes that the applicant has completed the complicated financial arrangements of tax credits, sale of the Samuel Madden property, approval by HUD, VHDA approvals and Hope VI grant allocations that were necessary before ARHA could proceed with the current applications. The applicant has secured the necessary funding and is also actively proceeding with the site plans for each of the sites. All three final site plans have been submitted by the applicant and are being reviewed by the City. The applicant has indicated that they intend to begin construction of the off-site units in the Fall of 2004, with completion of all three sites by December of 2005, the date by which all units must be delivered in order to receive the tax credits.

In general, staff is extremely supportive of ARHA's proposal for scattered sites affordable housing. It provides the City with new affordable housing units, many of which are handicap accessible, reduces the concentration of public housing, promotes mixed-income communities, and improves the physical design of public housing by creating townhouse style homes compatible with the character of the adjoining neighborhoods.

The applicant is requesting the standard 18-month extension. Staff believes that the applicant can begin construction within several months. However, because many of the sites involve extensive site preparation, several additional months will likely be needed to allow the applicant to complete "substantial construction" for all of the sites. Therefore, staff recommends an extension of 10 months, rather than the 18 months requested by the applicant.

**IV. STAFF RECOMMENDATION:**

Staff recommends a maximum ten (10) month extension of the development special use permit subject to the conditions of the previous approvals.

- Attachments: 1) DSUP #2002-0033 Staff Report (W. Braddock)  
2) DSUP #2002-0034 Staff Report (S. Reynolds)  
3) DSUP #2002-0035 Staff Report (S. Whiting)

**STAFF:** Eileen Fogarty, Director, Department of Planning and Zoning;  
Jeffrey Farnier, Chief, Development;  
David Sundland, Urban Planner.

DSUPs #2004-020, -021, & -022  
ARHA Scattered Sites Housing

**REPORT ATTACHMENTS AVAILABLE IN THE PLANNING AND ZONING OFFICE**