

1600 S. Eads St. – Crystal Towers 3 Site Plan

Action – June 1, 2023

Location

1600 S. Eads St. (a map of the site is located at the end of this document).

Site Plan Application

The applicant, Dweck Properties, proposes to construct a new residential building and new retail building. The proposed residential building would be 10-stories containing 209 units. The proposed retail building would be 1-story and contain 27,901 sq. ft. of retail.

Affordable Housing Program

The Applicant has committed to meet the base affordable housing requirements of the Zoning Ordinance (choice of \$819,388 or approximately 6 on-site units, 8 off-site nearby units or 11 off-site units). Additionally, the Applicant will contribute \$1,421,380 to the Affordable Housing Investment Fund (AHIF) to earn additional density.

The Crystal City Sector Plan serves as the main policy document for Crystal City. The plan guides the County to maximize a stock of committed affordable housing within Crystal City and states that in the context of all desired community benefits potentially achievable through the realization of the Plan, affordable housing is a high priority.

For residential projects, one of the goals of the Crystal City Sector Plan is that 20% of the GFA above the standard site plan base density be provided as on-site units affordable up to 60% of the area median income (AMI) for a term of 30 years. However, applicants may submit an alternative affordable housing plan for consideration by the County Board.

This proposed AHIF contribution to earn additional density in lieu of on-site committed affordable units (CAFs) was negotiated with several policy considerations in mind. First, cash contributions often leverage more CAFs off-site and for longer affordability periods than on-site CAFs. In this case, the proposed cash contribution for additional density could provide the gap financing for approximately 18 CAFs at the nearby Crystal Houses infill development project, a project which is anticipated to request a significant amount of AHIF financing. In comparison, if on-site units were provided instead of the proposed cash contribution, only 5-6 CAFs could likely have been negotiated. Additionally, the CAFs at Crystal Houses will be affordable for 99 years, which is more than three times as long as is conditioned through standard site plan on-site unit contributions.

The second consideration for negotiating an AHIF contribution to earn additional density in lieu of on-site CAFs is the County's budget. The County currently has significant recent and anticipated financial commitments for affordable housing including the Crystal Houses infill development project and the Barcroft Apartments. The County is expecting an AHIF request of approximately \$53M for the Crystal Houses project and opened a \$150M Line of Credit to help

acquire and preserve the affordability of the Barcroft Apartments for 99 years. Receiving a cash contribution in place of the on-site CAFs will greatly benefit these ongoing commitments to existing projects.

The final policy consideration for negotiating an AHIF contribution to earn additional density in lieu of on-site CAFs is CAF compliance. Housing staff has noted that sites where the contribution would be six or less CAFs do not benefit from economies of scale in terms of administration and monitoring; this applies to the time required per unit for both ownership/management and County staff. For site plans that would generate six or less on-site CAFs it can be beneficial to take cash in lieu of on-sits units.

The proposed development meets the following County Goals, Objectives and Policies of the County Board adopted Affordable Housing Master Plan (AHMP):

- Policy 1.1.1 Encourage the construction and preservation of affordable rental housing through land use/zoning policy, financial and technical assistance.

Staff Recommendation: County staff supports the proposed affordable housing program which includes a base ordinance contribution of \$819,388 and an additional AHIF contribution of \$1,421,380 to earn additional density.

Location of Proposed Crystal Towers 3 Site Plan

