

**Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group
January 11, 2018**

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Vice Mayor, City of Alexandria

John Taylor Chapman, Councilman, City of Alexandria

Mary Lyman, Chair, Planning Commission

Daniel Bauman, Chair, Alexandria Redevelopment and Housing Authority (ARHA) Board of Commissioners

Salena Zellers, Vice Chair, ARHA Board of Commissioners

Keith Pettigrew, CEO, ARHA

Mark Jinks, City Manager, City of Alexandria

Helen McIlvaine, Director, Alexandria Office of Housing

Karl Moritz, Director, Alexandria Department of Planning and Zoning

City of Alexandria/Alexandria Redevelopment and Housing Authority Staff

Eric Keeler, Alexandria Office of Housing

Brandi Collins, Alexandria Office of Housing

Tamara Jovovic, Alexandria Office of Housing

Ryan Price, Alexandria Department of Planning and Zoning

Katherine Carraway, Alexandria Department of Planning and Zoning

Carrie Beach, Alexandria Department of Planning and Zoning

Joanna Anderson, City Attorney's Office

Connie Staudinger, ARHA

Martin Lucero, ARHA

Introductions and Meeting Summary Approval

Vice Mayor Wilson convened the meeting and introductions were made of Work Group members, City and ARHA staff, and others attending. Upon a motion, the Work Group approved the summary of the December 14, 2017 meeting.

Andrew Adkins Redevelopment Development Special Use Permit (DSUP)

Casey Nolan and John Dameron of CRC Companies, LLC and Connie Staudinger of ARHA provided a presentation on a revised redevelopment plan for the 90-unit Andrew Adkins residential development; which includes the following:

- 76 units within an ARHA-owned building with rents priced at some level of affordability that achieves a competitive LIHTC application and attains viable and sustainable on-going building operations .
- By increasing the number of on-site units, the need to acquire off-site units is reduced to 14 units.
- ARHA-owned building would be 5 stories.
- The 76 ARHA-owned units are currently modeled as a combination of 1-bedroom units (20%), two-bedroom units (60%), and three- and four-bedroom units (20%). That mix could change based on requirements promulgated in the funding process.
- 14 "workforce" units within the CRC-owned buildings with rents proposed to be priced at levels affordable to households earning up to 80% Area Median Income (AMI); these units would not be owned by ARHA.
- The Project includes a ¼ acre shared open space. Design elements will be explored to facilitate integration and interaction of the full community.

Connie Staudinger stated that ARHA is committed to providing housing within the redevelopment for existing ARHA residents. Those existing residents, with rents subsidized by Tenant Protection Vouchers, will be able to rent the new apartments. ARHA will apply for Tenant Protection Vouchers as part of the HUD Disposition process. The rent levels, when determined, are anticipated to serve a range of households earning up to 60% of AMI at some mix that enables the property to operate in a financially sustainable way. Currently the highest LIHTC application score is achieved with 10% of the units being available to households at 40% AMI; 50% at 50% AMI and 40% at 60% AMI. The final affordability test cannot be determined until the design is developed but ARHA's desire is to have some units available to households who earn less than 40% AMI, which is the current practice. New clients with much lower incomes will also be able to rent the units with the use of a Housing Choice Voucher.

There was a discussion about how the 76 (versus the prior 60 units) was able to be achieved. Mr. Nolan explained that by adding the 5th story and reducing the bedroom size/square footage of the units they have determined loosely that up to 76 could be provided but qualified his comments by saying that the designers have not been re-engaged to confirm the program numbers. It was suggested by Mark Jinks that future presentations footnote "up to 76" units in the ARHA building on future slides. Karl Moritz asked if ARHA can designate some units within its building for deeply subsidized rents for households with incomes up to 30% of AMI. Ms. Staudinger responded that the LIHTC scoring system does not award points for including housing that serves households with incomes at less than 40% of AMI so ARHA prefers not to incorporate this at the time of the application. Once the target rent/income limits are selected in the LIHTC application, those limits are recorded against the deed and cannot change, they become regulatory. Generally, including units priced to serve households at some range earning up to 60% AMI allows for a stable operating budget while achieving the 1.15 Debt Coverage Ratio (DCR) that is required for investor funding. Mr. Moritz asked if there is flexibility to add deeply subsidized units to the housing program if the minimum DCR is maintained. Ms. Staudinger said that flexibility is in fact the key to sustainability and ARHA will consider including deeply subsidized units if sustainable operations are being achieved. Helen McIlvaine commented that this test could be determined when the NOI, less the debt service, is achieving the DCR. If this test is being met, at that time ARHA can begin to evaluate lowering the affordability level for new clients.

There was discussion related to shared amenities between the ARHA-owned building and the two CRC-owned buildings. CRC representatives stated that the community open space is the shared community amenity and currently interior amenity spaces are not anticipated to be shared. Councilman John Chapman stated his concerns that the open space does not facilitate a mixing of residents in the three proposed buildings. Salena Zellers and Daniel Bauman cited the example of the Braddock Interim Park (currently a ¼-acre park that is located 2 blocks southeast of Adkins) to show that programmed open space can bring a diverse range of patrons. There was discussion related to trade-offs if the ARHA-owned building could provide an interior community space that might be shared by all as an alternative. Councilman Chapman stated that the burden of the community space should not be borne by the affordable building at the loss of maximizing residential units. It was suggested that an on-site early childhood education facility or a playground could facilitate interaction among a diverse range of parents and children, and could fill a need in the neighborhood.

Members of the Redevelopment Work Group and some members of the Braddock neighborhood community have expressed a desire for the Adkins DSUP to be considered for approval by the City Council before the 2018 summer recess. Staff and CRC have discussed an approach that considers time and staff constraints; as well as the timing of the August release of the Virginia Housing Development Authority's (VHDA) Qualified Allocation Plan (QAP) which outlines the requirements for a successful 2019 LIHTC application. Karl Moritz shared the following ideas regarding a bifurcated process for their consideration:

There will be a two-phase approval process. In June 2018, Planning Commission and City Council will consider approval of a Coordinated Development District (CDD) which would outline general land use, density, building heights, and the amount of open space. In October 2018, the Planning Commission and City Council will consider approval of a Development Special Use Permit (DSUP) which would include architecture and design, parking requirements, number of units, and technical layout of infrastructure and Right-of-Way (ROW).

Helen McIlvaine asked for feedback from members of the Redevelopment Work Group regarding the standard to use for calculation of 80% AMI for the 14 proposed workforce units within the CRC-owned building. She noted that there are several ways to calculate 80% of AMI, including some very recent HUD guidance on 80% Small Area Fair Market Rents. Councilman Wilson asked that staff obtain guidance from the Alexandria Housing Affordability Advisory Committee (AHAAC) and report back.

Daniel Bauman shared the ARHA Board of Commissioners' priority as it relates to redevelopment efforts:

- The project must be viable per HUD and LIHTC requirements
- The project must be financially sustainable per operating needs
- The project must allow some flexibility for changes

Resolution 830 Community Engagement Process

Ms. McIlvaine shared that the first community meeting, Module 1, was held on January 10th and it was a success. Members of the Redevelopment Work Group shared the following feedback:

- Members of the Working Group are very engaged and informed; asked many questions and requested data
- Great meeting
- Discussion had a positive tenor

The next community meeting, Module 2, is scheduled for January 31, 2018.

Ramsey Homes

Keith Pettigrew provided the following update for Ramsey Homes:

- Tenants in the southernmost building will move out in January 2018
- Financial closing is scheduled for March 1, 2018
- "Careful Deconstruction" per Section 106 Mitigation will begin on Friday, January 26, 2018
- Public Tours of the deconstructed building are scheduled for Friday, February 9 and Saturday, February 10, 2018
- All buildings to be vacated by February 28, 2018

Other Updates

Staff and members of the Redevelopment Work Group discussed the agenda for the January 29, 2018 Joint Planning Commission/City Council/ARHA Board of Commissioners Work Session. Those discussion items included:

- Adkins redevelopment update, including Joint Work Session feedback
- ARHA RFP sites update
- ARHA Strategic Vision
- Potential replacement opportunities per City plans, etc.
- Resolution 830 Community Engagement Process Update

Next Meeting Date

The next meeting of the ARHA Redevelopment Work Group is Thursday, February 8, 2018. The meeting was adjourned by Vice Mayor Wilson.