

**Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group
December 14, 2017**

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

James Banks, City Attorney's Office

Christina Brown, City Attorney's Office

Roy Priest, ARHA

Connie Staudinger, ARHA

Martin Lucero, ARHA

DeeDee George, 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 November 9, 2017 meeting.

Feedback Regarding Andrew Adkins Redevelopment/Financial Models

During the November 9, 2017 ARHA Redevelopment Work Group meeting, Helen McIlvaine presented a financial development model for the redevelopment of Andrew Adkins. The financial development model was subsequently shared with members of the City Council, the ARHA Board of Commissioners and with the Alexandria Housing Affordability Advisory Committee (AHAAC), which held a public hearing on the model. The model was also posted on the Office of Housing webpage to solicit feedback. The model includes different project scenarios (number of affordable/market units, density, etc.). This model was developed by City, with input from ARHA and its development partner, CRC. The purpose of the development model is to provide information on the financial feasibility of developing potential redevelopment scenarios. It includes assumptions regarding land values, likely LIHTC pricing, construction costs, etc., but do not include considerations regarding operating costs. A separate operating model is being developed.

Comments and observations from members of City Council, ARHA Board of Commissioners, and Alexandria Housing Affordability Advisory Committee (AHAAC) were summarized as follows:

- AHAAC
 - Preference that 90 ARHA units return to the site.

- Concerns related to timing and availability of replacement units.
- Concerns related to removing households from an amenity-rich neighborhood to other locations (group acknowledged that not all families may want to return to the site).
- Concerns that ARHA’s strategy “to leverage the land value of the Adkins property to raise funds for future RFP sites and potentially increase the number of affordable units more cheaply elsewhere” is faulty: Where would these offsite replacement units be located? When would they be available?
- Interest in seeing how operating model may show how additional units could increase number of deeply affordable units.

Selena Zellers concurred that not all ARHA families may wish to return to the neighborhood. She noted that a Braddock Implementation Advisory Group (BIAG) meeting will be held this evening to discuss Andrew Adkins and that the BIAG perspective is very different from those of the housing advocates.

Daniel Bauman shared that the ARHA Board of Commissioners’ priority is financial sustainability of its properties.

Councilman Wilson stated that his preference is for Options C and G based on the number of ARHA units that are provided (60 units and 76 units respectively). Planning Commission Chair Lyman concurred.

Andrew Adkins Operating Model for Redevelopment for Redevelopment Scenarios

Helen McIlvaine presented a [Financial Operating Model](#) for the redevelopment of Andrew Adkins. Comments and observation from members of the Work Group included the following:

- This analysis does not include operating costs for off-site units.
- Operating expenses for off-site units will be more expensive than operating units that are on-site (scattered sites are not as efficient to manage and maintain).

The Work Group discussed other issues that impact the timing of DSUP approval process. Those comment sand observations included the following:

- Bonus Density issue needs to be resolved (utilizing [Section 7-700 of City of Alexandria Zoning Ordinance](#)); Section 7-700 requires provision of on-site affordable housing units marketed at households earning up to 60% of Area Median Income (AMI) in exchange for additional development density allowed on a development site.
- However, given that additional density will result from a CDD, Section 7-700 need not be used, there is some opportunity for flexibility regarding the level of affordability outside of Section 7-700; once a consensus is reached. CRC commented that the affordable housing contribution could essentially be doubled if the AMI is increased to 80% of the AMI form 60% AMI. The CDD would allow for this AMI. This AMI would also satisfy the community input of a true mixed-income community at all levels of affordability.
- Housing stated that there is sufficient supply of housing affordable at 80% AMI citywide, and the 7-700 policy for set-asides are intended to create housing that serves the greatest unmet need (at or below 60% AMI). If set-asides here are approved to be affordable at income levels above 60% AMI, Housing would support a compromise where those located within the CRC building and are rented at “Small Area Fair Market Rent” and accept Housing Choice Voucher holders (potentially available to Adkins residents impacted by the redevelopment).
- Should the targeted incomes in the redeveloped ARHA building have rent limits reflecting income of current residents? The discussion concluded in consensus that a sustainable redevelopment would not reflect existing tenant profiles, therefore part of the relocation effort would include application to HUD for tenant protection vouchers.

- ARHA prefers to have as many units renting at 60% of AMI within its building as possible to provide operating income flexibility since this would be the ceiling rent level and ARHA would be able to rent to AMI levels as low as possible without jeopardizing operations of the building.
- There was discussion relative to the ARHA debt and servicing of that debt. The point was made that the ARHA loan is necessary to prevent returning excess cash to the investor.
- The housing program/unit mix (in terms of incomes served) cannot be determined in the ARHA building at this time; it cannot cap future rents based on incomes of current residents.
- CRC needs direction from the City on the number of affordable housing units to include in next Concept Plan in order to move forward.

Next steps to move toward approval of a DSUP application for Andrew Adkins include:

- Housing/ARHA staff and CRC work to resolve the remaining issues (Bonus Density/Set-Aside units, housing program) before the next ARHA Redevelopment Work Group Meeting and during the next meeting provide some scenarios that all agree are viable options for Work Group to consider. City/ARHA/CRC pursue feasibility of options C, F, and G; incorporating input from Financial Models (development and operating).
- City/ARHA staff to develop estimates for off-site costs (operating and acquisition).
- Receive feedback at a Joint City Council/ARHA Board of Commissioners/Planning Commission Work Session. A Joint Work Session is being planned for January 29, 2018 at the AlexRenew facility. The Adkins project is one of the topics to be discussed.
- CRC would submit a new DSUP Concept Plan in late March 2018.
- Goal is Planning Commission and City Council consideration in June 2018.

Resolution 830 Working Group

John Chapman, Mary Lyman, and Salena Zellers will be the representatives to the Working Group. The proposed schedule of public meetings and Working Group roster are on the project webpage.

Ramsey Homes:

Keith Pettigrew provided the following update on Ramsey Homes:

- HUD has approved the Disposition Application and Tenant Protection Vouchers.
- Tenant move out will be completed by the end of January 2018.
- Section 106 Mitigation continues. A symposium is expected to occur January/February 2018 regarding the original construction (prior to full demolition).

Other Updates

Daniel Bauman, ARHA Chairman stated that he will share the outcome of Mr. Pettigrew's 90-Day assessment of the agency priorities with the Working Group.

Next Meeting Date

The next meeting of the ARHA Redevelopment Work Group is January 11, 2018. The meeting was adjourned by Vice Mayor Wilson.