

**ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**

# **2012 – 2022 STRATEGIC PLAN**

**OUR PAST, OUR PRESENT, OUR FUTURE**



**Alexandria Redevelopment and Housing Authority  
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# TABLE OF CONTENTS

**OUR PAST** ..... 4

**OUR PRESENT** ..... 8

**OUR FUTURE** ..... 16

**STRATEGIC PLAN**..... 18

**PART 1 – AFFORDABLE HOUSING**..... 19

    CHALLENGE STATEMENT ..... 19

    IMPERATIVE FOR INTERVENTION ..... 21

    EXPECTED OUTCOMES ..... 22

    ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE ..... 22

        HOUSING GOAL 1: ..... 24

            Implementation Strategies ..... 24

        HOUSING GOAL 2: ..... 27

            Implementation Strategies ..... 27

        HOUSING GOAL 3: ..... 32

            Implementation Strategies ..... 32

        HOUSING GOAL 4: ..... 34

            Implementation Strategies ..... 34

**PART 2 – RESIDENT SELF SUFFICIENCY AND QUALITY OF LIFE**..... 36

    CHALLENGE STATEMENT ..... 36

    IMPERATIVE FOR INTERVENTION ..... 38

    EXPECTED OUTCOMES ..... 39

    ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE ..... 39

        RESIDENT GOAL 1: ..... 40

            Implementation Strategies ..... 41

        RESIDENT GOAL 2: ..... 42

            Implementation Strategies ..... 43

        RESIDENT GOAL 3: ..... 44

            Implementation Strategies ..... 44

        RESIDENT GOAL 4: ..... 46

            Implementation Strategies: ..... 46

**PART 3 – COMMUNITY ECONOMIC DEVELOPMENT** ..... 48

    CHALLENGE STATEMENT ..... 48

    IMPERATIVE FOR INTERVENTION ..... 49

    EXPECTED OUTCOMES ..... 50

ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE .....50

    ECONOMIC GOAL 1: .....51

        Implementation Strategies .....51

    ECONOMIC GOAL 2: .....52

        Implementation Strategies .....52

**PART 4 – THE ARHA - COMMUNITY RELATIONSHIP .....53**

    CHALLENGE STATEMENT .....54

    IMPERATIVE FOR INTERVENTION .....56

    EXPECTED OUTCOMES .....57

    ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE .....58

        ARHA-COMMUNITY GOAL 1:.....59

            Implementation Strategies .....60

**PART 5 – ARHA VIABILITY .....61**

    CHALLENGE STATEMENT .....61

    IMPERATIVE FOR INTERVENTION .....63

    EXPECTED OUTCOMES .....64

    ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE .....64

        VIABILITY GOAL 1: .....65

            Implementation Strategies .....65

        VIABILITY GOAL 2: .....66

            Implementation Strategies .....66

        VIABILITY GOAL 3: .....67

            Implementation Strategies .....67

        VIABILITY GOAL 4: .....69

            Implementation Strategies .....69

## OUR PAST

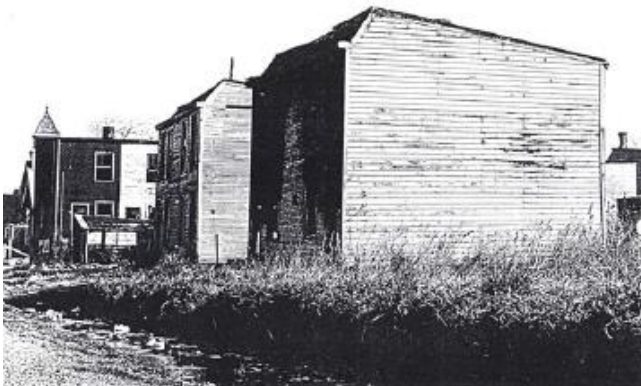
The Alexandria Redevelopment and Housing Authority (ARHA) have a rich tradition and history of service to the municipality and the citizens of the City of Alexandria, Virginia. Established by State Charter in 1939 at the request of the City, the Alexandria Housing Authority (later named the Alexandria Redevelopment and Housing Authority) was commissioned to provide safe and sanitary housing for city residents. It later became the primary force for improving neighborhoods and the living conditions for hundreds of families.

### AS A HOUSING AUTHORITY

According to Section 36-19 of the Virginia Code, ARHA has the authority to “prepare, carry out, acquire, lease and operate housing projects and residential buildings, and to provide for the construction, reconstruction, improvement, alteration or repair of any housing project, residential building, or any part thereof,.....make grants, loans or refinance loans made by others for assistance in planning, development, acquisition, construction, repair, rehabilitation, equipping or maintenance of commercial, residential or other buildings...”

From its inception to the current day, it has been fully engaged in producing, preserving and promoting the availability of decent affordable housing to a range of low and moderate income families throughout the City of Alexandria. Through its Public, Mixed-Income, Market-Affordable and its Section 8 Housing Choice Voucher Housing Programs, it has provided families with the opportunity to live and thrive in decent housing that they could afford.

### The Early Years (1939 to 1959)



N. Side of 800 Block of Madison St. View to N.W in 1940's

Early in its existence, ARHA fulfilled its priority mission of clearing slums and creating new decent and affordable housing in the Berg and Parker-Gray sections of the city. Characterized by dilapidated homes and warehouses, this area of the city had seen little capital investment during the depression era. In the 1930s, a greater awareness of substandard housing (often called slums) was evident in American life. Many individuals felt that the slums contributed to high crime rates and posed a problem to public health.

At the time of the inception of the ARHA in the late thirties, the run-up to a war economy was in full swing, and there was a serious need for decent facilities to house the myriad of workers needed for the war effort. Beginning in the 1940s, a slum clearance program was undertaken within the City of Alexandria and in 1941 the government condemned two acres for temporary public housing for African American defense workers. The condemned two acres at the site of James Bland Homes became the site of a wartime FHFA trailer camp. These were followed by a war time trailer camp that provided temporary housing for African American defense workers and residents displaced by slum clearance in the city.<sup>1</sup>

<sup>1</sup> ARSummaryJamesBlandHomesDocumentaryAX211andAX212.



*Example of Building in James Bland Homes - Alfred St*

Between 1941 and 1959, ARHA stepped in and relocated families, cleared blight and built several public housing developments such as

- George Parker Public Housing – 1942
- John Roberts Homes - 1942
- Ramsey Homes – 1942
- Hopkins-Tancil Courts – 1942
- Glebe Park Apartments – 1942 and 1945
- Samuel Madden Downtown (The Berg) - 1945
- Samuel Madden Uptown - 1945
- James Bland – 1954
- James Bland Addition - 1959

This new housing provided its residents the opportunity to raise their families in a wholesome environment with reasonable rents that permitted them to provide for living essentials and yet save for a better future. These housing developments were seen by many as their best prospect for a way to financial independence and a better life. A number of individuals who were ARHA residents during that era moved on to become stalwarts and icons of the Alexandria Community.

### **The Middle Years (1960 – 1990)**

The Alexandria Redevelopment and Housing Authority continued to expand the supply of affordable housing during this period. New public housing development included:

- Andrew Adkins – 1969
- Cameron Valley – 1985
- Ladrey High Rise – 1978
- Scattered Sites Developments – 1982 through 1990

ARHA also became involved in the preservation of affordable housing during the middle years, an activity it continues to the present day. One of its first preservation projects was Jefferson Village. This is a 69-unit apartment complex that was privately-owned but subsidized under the FHA Section 221(d) (3) below market interest rate program. In the late 1990's, the regulatory restriction requiring its use as affordable housing was due to expire. At the urging of the City of Alexandria and consistent with ARHA's need for replacement housing connected with the Cameron Valley redevelopment, ARHA purchased Jefferson Village and provisioned it with HUD operating subsidy. This preserved 69 affordable housing units, though today, they are considered market affordable, with some of its residents assisted with Section 8 Housing Choice Vouchers.

A new model of providing affordable housing to residents of Alexandria was introduced during the middle years. The Section 8 Certificate Program, later named the Section 8 Housing Choice Voucher Program, utilized privately-owned units as the housing resource. Participating households were provided with Certificates or Vouchers that guaranteed payment of a portion of their rent by ARHA. This program was, and continues to be, hugely popular with participating families and owners alike. Families are able to find suitable units anywhere in the city and ultimately in any jurisdiction with a Section 8 program, and pay only 30% of their adjusted monthly income for rent. Owners find the guaranteed payment of ARHA's portion of the rent particularly attractive. This program grew rapidly in size from its first allocation of vouchers in 1974, to the present where approximately 1,906 vouchers are authorized by HUD.

### **The Recent Years (1991 – 2011)**

The expansion of the supply of affordable housing slowed during this period, as more focus was placed on redevelopment and replacement of existing ARHA housing. This period also saw the introduction of a new model for the provision of affordable housing, known as mixed-finance and mixed-income housing. This approach to housing

production keyed on HUD's strong recommendation that housing communities should serve a broad range of incomes and that private sources of funding should be used to augment the public resources. As a result, many PHAs, including ARHA, formed public-private partnerships to address housing needs in their communities.

**Chatham Square** is a prime example of a public-private housing effort. The 100-unit Samuel Madden (Downtown) public housing complex occupied the site of what is now known as Chatham Square. ARHA obtained a HOPE VI grant and combined this federal resource with resources brought to the table by a private developer and debt financing to clear away the old public housing and create a 152-unit mixed-income townhouse development. Approximately 2/3 of the townhouses were sold to private owners and ARHA rents the remaining 1/3 to public housing-eligible families. The design of this housing community reflects the architectural style of the area, with historic overtones.

**Quaker Hill** represents a continuation of the theme of public-private partnerships for the creation of mixed-income communities. ARHA, in conjunction with a limited partnership, financed and purchased 60 townhouses and condominiums at an existing privately-owned 264-unit complex. Using tax credits, ARHA facilitated the substantial rehabilitation of the units. The ARHA units are highly desirable and are indistinguishable from the privately-owned units in this neighborhood. Families residing in the ARHA units at Quaker Hill may use Section 8 Housing Choice Vouchers to subsidize their rent payments.

#### **AS A REDEVELOPMENT AUTHORITY**

ARHA continued its slum clearance and housing development efforts through the 70's. However, it was in the 60's and 70's that ARHA gained its full footing as a primary driver of the city's urban renewal process. Consistent with its charter, ARHA was empowered to act as the City of Alexandria's redevelopment agency.

#### **Gadsby Urban Renewal**

In the early 60's, Old Town was not what it is today. The area around King Street contained ramshackle houses and buildings. The Gadsby Commercial Urban Renewal, one of the early urban renewal efforts, included the condemnation and demolition of blighted and dilapidated structures and the redevelopment of the King Street commercial area, including Market Square, Tavern Square and the areas bounded by Fairfax Street and St. Asaph Street. The City of Alexandria performed the redevelopment planning and ARHA was authorized to execute the Urban Renewal Plan. ARHA implementation activities included property acquisition, relocation of households and businesses, demolition of structures, land assembly for subsequent sale or disposition and monitoring developer activity. The beautiful and desirable commercial area of King Street, a major shopping, entertainment and dining draw for tourists and locals alike, is a direct result of ARHA intervention in its role as a Redevelopment Authority.

#### **Mudtown Urban Renewal**

The area encompassing the original TC Williams High School and its associated neighborhood was the site of the Mudtown Urban Renewal Project. This was an area that was occupied primarily by approximately 50 African-American families. The nature of the property in the urban renewal area was more rural than urban, characterized by homes lacking municipal water, sewer or electric service. ARHA participated in the planning for this urban renewal project that eventually resulted in development the Woods Avenue Subdivision, a community that represented highly desirable location for homeownership by African American families. As with previous urban renewal efforts, ARHA also performed land acquisition and assembly, relocation, demolition, land disposition and monitoring development activities. The new TC Williams School and the surrounding neighborhood is the legacy of the Mudtown Urban Renewal project, an effort in which ARHA played a central role.

#### **The Dip Urban Renewal**

The area of Alexandria south of Duke Street and between Columbus and Patrick was a problem area for the city in the late 60's and early 70's. This area was characterized by a problematic tavern, small businesses operating in a negative environment and housing of poor quality. Once again, ARHA collaborated with the City of Alexandria in developing an urban renewal plan that addressed the needs of existing small businesses, residential tenants and the

severe shortage of market rate and affordable housing in the area. Through ARHA's efforts, the existing small businesses and residents were relocated, dilapidated structures demolished, parcels assembled and sold, and new housing developed. Affordable housing included single-family homes with sales subsidized through a mortgage program similar to the familiar FHA Section 235 program, row houses, an elderly development subsidized by the FHA Section 236 mortgage program and the Old Town West development. The Alfred Street Baptist Church was also built on land that was part of the Dip Urban Renewal Project.

### **THE CORPORATE ENTITY**

Just like the nature of its housing and renewal programs, ARHA is an agency that has undergone changes over time. The ARHA organization, staffing and mission have adapted to changing and emerging realities of our agency's environment. During its early to middle years ARHA's structure and staffing was geared toward the housing development, urban renewal and property management aspect of its operations. In middle years it continued its renewal footing but also added the necessary operational emphasis and staffing to successfully implement the model for providing affordable housing through the use of Section 8 Tenant-Based assistance. In later years the organizational and staffing metamorphosis was driven by the mixed-finance, mixed-income housing model and by the paradigm shift in federal government's funding and regulation of affordable housing development and operation. Through it all, ARHA has retained its core commitment to the delivery of quality housing, housing-related programs and service to lower-income residents of Alexandria.



# OUR PRESENT

Over the last decade, ARHA has placed increasing emphasis on becoming nationally recognized as a premier provider of affordable housing. We have re-evaluated and refined our mission and guiding principles. We have also worked to adapt to evolving realities of a dynamic national and regional economy and changing federal resource allocation priorities by altering, revamping and supplementing what have traditionally been successful programs and model of operation.

## **Affordable Housing**

Today our focus is on **preserving ARHA's present affordable housing stock** until opportunities arise that will enable us to substantially improve conditions while complying with Alexandria's ordinance mandating preservation or replacement of ARHA's affordable housing (Resolution 830). ARHA recognizes that it is not enough to provide sustainable affordable housing; we must also ensure that the housing we provide meets qualitative standards that acceptable to ARHA and to the greater Alexandria community. We are actively pursuing opportunities that improve housing quality and add to the number of affordable units whenever economically and financially appealing prospects occur. The overriding recent and present objective has been to pursue these opportunities with caution in a manner consistent with ARHA's core mission and principles. A further objective has been to improve the quality of our existing affordable housing stock in a manner that it becomes indistinguishable from other housing prevalent in the surrounding neighborhoods.

## **Quality of Life**

Equally important has been ARHA's emphasis on **enhancing and enriching the Quality of Life (QOL) for all ARHA clients**. This includes not only providing affordable housing opportunities, but also activities that favorably impact other aspects of their lives. We hold the strong belief that the provision of shelter can be a much richer experience if other parts of our clients' lives are simultaneously improving. We operate under the knowledge that a stronger resident population will have increased "self-sufficiency". We are adapting our methods of service delivery to accommodate the significant decreases and changes in federal funding for self-sufficiency and security programs, such as seeking partnerships to facilitate delivery of services. Through the use of incentives and direct action, ARHA is encouraging organized Resident participation in agency planning and operations and we are promoting resident involvement in the larger Alexandria community. ARHA is also providing support to the idea providing assistance for the establishment of viable resident organizations can be a key facet of the improvement in Residents' quality of life.

## **Resource Utilization**

**ARHA is Focused on Maximizing the Use of our Limited Resources.** Because traditional sources of funding are alarmingly disappearing in today's economic environment, we have been developing and nurturing partnerships and affiliations as a key component of our operations. We have been leveraging our assets with public/private partnerships for the preservation and improvement of our affordable housing and ARHA is undergoing an organizational transformation that is improving the efficiency and effectiveness of our housing and program management.

## **Current ARHA Programs and Activities**

ARHA currently engages in four major activities:

- Affordable Housing Management
- Tenant-Based Rental Assistance
- Resident Supportive Services
- Housing Development/ Rehabilitation



### Affordable Housing Management

ARHA directly manages or oversees the management of 1,079 units of affordable housing. Traditional Public Housing and ACC dwellings comprise 839 of these units and 240 units represent a mixture of tax-credit and market-affordable dwellings. All units under the control of ARHA are managed by our staff with housing portfolios that have been allocated among three separate management areas:

- Region I (2 AMPs with 333 units),
- Region II (three AMPs with 390 units), and
- Region III (five AMPs with 356 units).

ARHA has staffed the management offices with professional, experienced personnel who strive to place the ARHA units on par with newer developments in the greater Alexandria market. Units under ARHA control exhibit a variety of styles, ranging from walk-up, townhouse, condominiums and high-rise apartments. In some housing developments, ARHA-owned affordable rental units are interspersed with privately owned or privately-managed market-rate or market-affordable units, including some upscale townhomes and condos. The model most universally applauded has been the mixed finance type units that include homeownership units, affordable housing units, and housing units reserved for occupancy by public housing residents. An example of a successful effort is Chatham Square. ARHA believes that the mixed-income model holds promise for future development activity. (See Housing Profile Below)

### Relationships

To facilitate successful and viable operations, **ARHA is working to strengthen its relationships with Residents/ Clients, Community, and governmental entities.** We emphasize effective communication, provision of needed information, and utilizing inclusionary planning processes. We are initiating plans to provide added support to customer service and the delivery of information. Along these lines, we are in the process of launching a new interactive client/user friendly website, and we are publishing newsletters and holding routine neighborhood interaction meetings. All of these activities represent our continued commitment to solicit and deliver timely and accurate information regarding our agency, our programs, our residents, and our community.



Joint Presentation to Housing Master Plan Working Group



Participants at ARHA Town Hall Meeting-Strategic Plan

2 & 10	James Bland I (Old Town Commons); James Bland Addition (1954, 1959,20120)	801 Madison; Columbus; Alfred; West Glebe	150	Family Rehab; New Construc; LIHTC
3	Andrew Adkins (1969)	Madison; Fayette, Wythe & West Sts	90	Family
3	Samuel Madden (1945)	N Henry; N Patrick (Rt 1); Madison	66	Family
3	Ramsey Homes (1942)	Wythe St N Patrick (Rt 1); Pendleton	15	Family
4	Scattered Sites (1982-1990)	Yale-Ellsworth Dr; S 28th St; Sanger Ave; S Bragg; Cameron Valley; Duke St; Beauregard St; Braddock Rd	121	Family
4	Park Place Condominium (1988)	2500 N Van Dorn	38	Condos
5	Saxony Square (1988)	N Armistead St	5	Family
6	Chatham Square (2005)	Oronoco, N Royal; Princess St; N Pitt St; Pendleton	52	LIHTC Family
7	Braddock Rd /Radford (2005)	Radford	6	LIHTC Family
7	South Whiting (2005)	Whiting St	24	LIHTC Family
7	South Reynolds (2005)	Reynolds St; Edsall Rd	18	LIHTC Family
8	Old Dominion (2009-2010)	Old Dominion Blvd; Four Mile Rd	36	LIHTC Family
9	West Glebe Rd (2010)	West Glebe Rd	48	LIHTC - New Constr. Family
	Hopkins -Tancil Cts (1945)	N Fairfax St; Pendleton St; N Royal St	111	Sec 8 Mod Rehab
	Quaker Hill (1991)	Quaker Hill Dr, Trinity, Ellsworth, Cambridge,	60	LIHTC/ Redev, Condos
	Jefferson Village (1988)	N West St; Princess St	69	HCVP; Market Rate; AH
			<b>1079</b>	
Office	Central Administration - 600 N Fairfax (Exec. Offices, Finance, Admin., Dev., PR, MIS)			
Office	HCVP/Section 8- 18 Roth Street (HCVP Admin., FSS, Counseling, Inspections)			
Office	Facilities & Modernization - 2834 Duke St (Modernization, Facilities Maintenance)			

### **Tenant-Based Rental Assistance**

ARHA operates the Section 8 Housing Choice Voucher program with annual federal funding of approximately \$19,759,000. This program presently is authorized to provide approximately 1,906 families with subsidies that allow them to rent suitable privately-owned housing units. Program beneficiaries (voucher holders) pay 30% of the adjusted monthly income for rent and ARHA pays the balance of the rent, up to a pre-determined limit (payment standard) directly to the property owner. This program allows voucher holders to obtain housing in any part of the City (or move to other locations if desired) as long as the privately-owned property meets standards for rent and housing quality.

The Section 8 Housing Choice Voucher program is a highly desirable mechanism for providing affordable housing. In addition to the rent subsidy, this program provides our participating families with choice of housing type and location and it utilizes existing housing resources to promote the availability of affordable housing. Owners enjoy the fact that a significant portion of the rent is guaranteed by the ARHA as long as the occupant family and the dwelling unit remain eligible for participation in the program. Because of the simplicity of program startup, its desirability among families and property owners and its acceptance by the community at large, the HCV program holds promise as one of the methods ARHA may use to expand the availability of affordable housing in Alexandria.

### **Resident Supportive Services**

ARHA facilitates resident access to and participation in a variety of programs aimed at improving the quality of their lives. With the overarching objectives of elevating resident self-determination, our programs promote personal development, academic achievement and job preparedness. ARHA activities that target our elderly and disabled populations are geared toward increasing or extending their capacity to live independently in a stimulating environment.

- **Family Self-Sufficiency**

This program serves both Public Housing residents and Section 8 participants. It provides the lift and support they need while they attempt to achieve greater flexibility in life choices: housing, education, jobs, etc. It facilitates their access to the proper tools and training and directs them to needed resources such as budgeting, substance abuse, family, educational or other types of counseling. Our FSS programs presently serve 35 to 40 Section 8 HCV participants and 40 to 50 Public Housing residents. Participants in the FSS programs execute a Contract of Family Participation, which establishes goals, timetables and benefits for program participation. In turn, participating families are given access to a range of supportive services, training and educational opportunities to equip them to achieve economic self-sufficiency and to better respond to the challenges of everyday living. Participating families have the opportunity to generate assets through FSS Escrow Accounts and those who successfully complete their Contract of Participation are able to “cash out” the escrowed amounts.

- **Homeownership Assistance**

FSS program participants and other qualifying ARHA residents may even be able to participate in **ARHA's Homeownership Assistance Program**. After preparation provided by classes and counseling, ARHA helps residents take the steps to become new homeowners by providing access to down payment assistance and mortgage payment assistance. More than 25 former residents have entered the Homeownership Program to date.

- **Services Centers (HUBS)**

Direct services are primarily operated out of the HUD Service Centers. ARHA personnel in addition to our service partners and volunteers staff these centers. The range of activities includes youth development, computer skills training, after school tutoring, GED preparation, preventive health screenings, financial/budgeting training, and the like. Active ARHA service centers include:

- **Montgomery Street Family Resource Center**, 1013 Montgomery St. serves James Bland, Samuel Madden, and Andrew Adkins in partnership with the Alexandria School System.
- **The Ruby Tucker Center**, 322 Tancil Ct. is located within the Hopkins-Tancil site and provides many basic self-development services to youth and adults of that area.



Ruby Tucker Center at Hopkins-Tancil

- **Charles Houston Senior Center** operates out of the Charles Houston Community Center (901 Wythe St) and offers an array of services to seniors in conjunction with the Office of Aging and Adult Services. Services include food/feeding programs, wellness information, and arts and crafts.
- **Ladrey Senior Center**, 300 Wythe St, Ladrey Senior Building offers services to the elderly including healthcare counseling, screenings, referrals, recreation, and social activities.
- **ARHA Community Programs**  
Though ARHA performs direct service delivery, we also rely heavily on our service partners and on City, County, State and volunteer efforts to fill out the slate of services offered to our residents. Among these services, programs and initiatives that are provided through the collaborative effort of these parties are:
  - **Education** - Computer Training, After School Tutoring; GED Training; Basic Youth Skill Development (Read-A-Loud, Summer Youth Internships); Environmental Awareness (Green Conference); Job Training w/Partners (Energy Auditing, Weatherization, Green Landscaping, Auto Repair, and Construction Trades);
  - **Cultural Arts/ & Others** – Theater; Gardening; Field Trips; Santa’s Winter Wonderland, Thanksgiving Basket Giveaway, Youth Arts Festival; Seniors Empowering Youth through Crafts; Boating Program; Equestrian Program; A Room of Her Own, and Resident Police Officers Program
  - **Wellness** – Health Fair (Charles Houston Center) and National Night Out on Crime, Nutrition (Meals on Wheels)

### **Housing Development/Rehabilitation**

ARHA annually utilizes over \$1.4 Million in grants for the physical and operational improvement of our public housing properties. Operating out of our Facilities and Maintenance Office, our modernization staff is tasked with the responsibility for executing major rehabilitation of public housing dwelling units and their associated facilities. In addition to the physical improvements supported through the use of our Capital Fund Program resources, this

funding source also facilitates upgrades to automated information technology and other management systems and improvement initiatives.

ARHA is also engaged in housing development, housing finance (bond financing), resource acquisition for development (i.e., grant and LIHTC applications) and the redevelopment of obsolete and non-viable housing. Operating out of the Central Office, VHDLLC is spearheading ARHA's public/private approach to preservation and development of affordable housing.

### **Resources**

ARHA is a major corporate entity with over \$79,000,000 in assets<sup>2</sup>. Its annual operating budget (all programs and business units not including CFP and Development) is approximately \$32,000,000 and its capital programs (CFP and Development) account for over \$5,000,000 in annual activity.

### **Summary of Major Sources of Funding**

The major sources of funding for ARHA in 2011 included (approximates):

- Section 8 Housing Choice Voucher Subsidy \$19,758,000
- Section 8 Mod Rehab Grant - \$1,224,000
- Public Housing Operating Subsidy - \$5,928,000
- Tenant Rents - \$4,700,000
- Capital Funds - \$1,400,000
- Developer's Fees - \$358,720
- Other \$ - \$520,000 (local and federal grants, bond fees, investment income, etc.)

ARHA is heavily dependent upon federal subsidies and grants for its operations and capital improvements to its public housing portfolio. This subsidy fills the gap between tenant contributions to rent and utilities and the actual cost to operate, maintain and improve that housing. Likewise, the Section 8 subsidy covers the difference in the tenant's rent payment and the actual rental cost of the privately-owned units. Section 8 subsidy, in the form of Administrative Fee, covers ARHA's cost of Section 8 HCV program administration.

In recent years, the amount of subsidy received for Public Housing and Section 8 operations has diminished while tenant rents, which represent the second largest source of income for Public Housing operations, has remained relatively flat. In light of increasing operating costs and declining revenues for Public Housing and Section 8 operations, ARHA, along with the nation's other PHAs, are looking to decrease their dependence on these forms of federal subsidy by identifying and tapping into alternative revenue streams. ARHA, through its non-profit affiliate known as Virginia Housing Development, LLC, is utilizing mixed finance and privately-financed housing development as one method for generating alternate income. We are also marketing ARHA's internal capability for construction (ACE Construction) to the private sector as another way of developing new revenue streams. We are also diligently working to reduce expenses and maximize the utilization of the resources currently available to us.

HUD's **Capital Fund Program** has allowed ARHA to make major improvements to its existing public housing stock. However, recent physical needs assessments indicate that improvement needs continue to accumulate. Completing the modernization, rehabilitation, or new construction of all of its housing will take many years and more funds than we currently have available. ARHA is presently in the process of evaluating the viability of these properties and determining magnitude and potential sources of the funding required to ensure their long-term viability and marketability. We are closely monitoring market conditions, which will impact ARHA's selection of mechanisms to finance capital improvements as well as development of additional affordable housing.

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<sup>2</sup> Includes current, non-current and capital assets

### **Summary of Organization and Staffing**

ARHA is governed by a highly qualified nine (9) member Board of Commissioners. The Board, whose members are appointed by the Mayor and confirmed by City Council, is composed of local citizens who represent a variety of professions and a range of interests that are essential to the provision of effective agency guidance and oversight. Their unique skills and abilities are particularly useful as the Board carries out its fiduciary responsibilities, establishes policy and charts the course of ARHA's future through its strategic planning.

ARHA is successfully managed by capable staff of housing, program, technical and administrative professionals. ARHA's Executive Director is the agency's Chief Executive Officer (CEO) and Secretary ex-Officio of the Board. Reporting directly to the Board of Commissioners, the CEO implements Board policy and directs the daily operations of the agency. The CEO supervises and coordinates a cadre of 75 ARHA employees, along with contractors, vendors and external partners for the delivery of essential housing and related services.

ARHA's organizational structure is designed for efficient operations and the placement of decision-making at the level closest to that which actually delivers services to our clients. The organizational structure is also consistent with the additional responsibilities associated with a property management and redevelopment/development agency operating in today's business climate. ARHA uses the Asset Management model of operation, in that the agency is subdivided into discrete business units. Each business unit has its unique operating objectives and performance standards. Under this model, each business unit is expected to efficiently deliver high quality services and to achieve and maintain its viability in terms of product desirability (i.e., housing and programs) and financial strength (net operating income). Presently, ARHA has twelve (12) business units:

- **9 Asset Management Projects** consisting of 24 properties with a total of 839 units. Staff of the AMPs executes the essential activities of marketing, intake and leasing, property management, property maintenance and resident supportive services. Three (3) Regional Managers to oversee the site-based operation of the 10 AMPs.
- **Section 8 Housing Choice Voucher Program** administers over 1,578 units of tenant-based rental assistance. The Director of the HCV Program oversees the distribution and utilization of vouchers, assessment housing quality and ARHA relations with participating property owners. Operation of the Family Self-Sufficiency Programs and the Homeownership program is contained within this business unit.
- **Virginia Housing Development Limited Liability Corporation (VHDLCC)** is the housing development and planning arm of ARHA. The Director of the VHDLCC plans and implements development, redevelopment and housing preservation efforts on behalf of ARHA, as well as managing ARHA's property acquisitions and dispositions.
- **Central Office Operations** provides administrative and supervisory support to the other eleven business units in the form of Legal Representation, Information Technology Support, Financial Management and Accounting, Procurement, Compliance, Reporting and other administrative services. Central Office Operations also houses a small Facilities and Modernization Staff that is responsible for major modernization and capital improvements.

### **Major Initiatives Underway**

#### **Organizational Transformation**

ARHA's organizational structure continues to evolve. We are adapting to the operational and programmatic changes resulting from HUD mandates and our desire to better serve the housing and related needs of our constituents and our community. As a result, we are refining our service delivery model, reinforcing essential skills, securing appropriate staffing and redefining our relationships with service partners. We are also modifying our operating systems to support our new and emerging business models. Finally, our renewed emphasis on involving our resident

populations in the growth and prosperity of ARHA and the Community has resulted in the creation of new mechanisms for two-way communication, collaboration and meaningful input into the planning and operation of ARHA and our associated communities.



Community Garden at Hopkins-Tancil

### Quality of Life

ARHA is engaged in other meaningful activities to improve security and other quality of life factors. The innovative **Community Policing Program with Resident Police Officers** is one example of an extremely beneficial partnership between ARHA and local law enforcement. ARHA has an exciting **Gardening Programs** for youth and adults that capitalize on the ideas of self-sufficiency and appreciating the environment.

### Affordable Housing

ARHA is a **seasoned developer of affordable housing**. A mutually beneficial partnership between ARHA and a private developer is transforming the old James Bland community into **Old Town Commons**, one of the most attractive communities in Alexandria. This community of townhouses for ownership and affordable rental units is within walking distance to downtown Alexandria and the Potomac River. With the first phase completed, it appears to be eagerly accepted by a community that was desperate for change. ARHA is also active in the **preservation of affordable housing**. We recently acquired **Pendleton Park**, a privately-owned, Section 8 Project-Based fully occupied site that was at risk of losing its affordability. This property is being rehabilitated and will maintain its affordable nature through the benefits of low-income housing tax credits.



Old Town Commons (Formerly James Bland)

# OUR FUTURE

ARHA will sustain its commitment to the preservation and expansion of the supply of affordable housing for residents of Alexandria. We will strongly emphasize the efficient use of our housing and other internal and external resources as vehicles for promoting improvement of the physical, social, and economic fabric of our communities and the quality of life of the families we serve. ARHA will anticipate and adapt to changes in the economic environment, funding priorities, market conditions and stakeholder needs and expectations, and we will increase our corporate capacity to continue ARHA's rich tradition of serving the needs of our community.

We understand that there are current and emerging challenges that our city, its lower-income residents and the ARHA corporate entity face as we journey together into our future. Through a series of interactive forums and other mechanisms, we have attempted to identify those challenges which ARHA must address if it is to fulfill its mission. Through collaboration with our residents, community and business partners and the City of Alexandria, ARHA will employ innovative strategies and adopt a business model that maximizes the prospects for our successful intervention and resolution of the affordable housing and self-sufficiency challenges facing our lower income population.

## KEY CHALLENGES

We face several challenges to improving the quality of our primary customers' lives. There is a lack of affordable housing in Alexandria, a problem that is growing more acute due to the loss of affordable units, limited production of affordable units and escalating cost of preserving existing affordable housing. Some residents of our housing are not maximizing opportunities for upward mobility because of limited incentives, self-image, educational shortcomings and limited vision of the shared responsibility for positive change in their lives. Disadvantaged individuals and businesses have had minimal participation in housing-related economic opportunities due to their limited access to those opportunities, their limited capacity to take advantage of those opportunities when offered and housing developers' lack of focus on collateral economic development. ARHA's capacity to implement the required interventions is challenged by a need for greater community support of ARHA in its role of developer and manager of quality affordable housing. That capacity will also be tested by organizational challenges created by changes in service delivery, operational requirements and availability of resources.

## ARHA VALUES

ARHA will sustain its commitment to the preservation and expansion of the supply of affordable housing for residents of Alexandria. We will strongly emphasize the efficient use of our housing and other internal and external resources as vehicles for promoting improvement of the physical, social, and economic fabric of our communities and the quality of life of the families we serve.



**ARHA VISION**

As a result of our ARHA intervention, many aspects of life in Alexandria will be improved. The prospects for the city's affordable housing situation will be more favorable, our residents will experience an enhanced quality of life and the communities touched by our efforts will be improved. Looking forward:

*ARHA envisions Alexandria with a range of affordable housing options that provide residents with a springboard to increased levels of prosperity and an improved quality of life. ARHA envisions itself as a viable and capable partner with its Residents, the City, the Private Sector and the Community in the preservation and creation of sustainable neighborhoods.*

**ARHA MISSION**

In the coming years, ARHA's mission will be stated as follows:

*ARHA is a leader in the provision, preservation and expansion of high quality affordable housing and the empowerment of low and moderate income families in Alexandria.*

**ARHA INTERVENTIONS**

To accomplish this mission, ARHA will:

1. Increase The Availability of Affordable Housing by Maintaining, Upgrading and Redeveloping Our Housing Stock, by Preserving Existing Affordable Housing and by Developing New Affordable Housing
2. Improve the Quality of Life of Our Residents By Empowering Them to Take Advantage of Educational, Employment and Business Opportunities and to Effectively Interact with Their Community
3. Improve Economic Conditions in Our Community by Using our Housing Programs to Promote Economic Development for Disadvantaged Individuals and Businesses
4. Strengthen Our Relationship with the Community by Elevating the Level of Customer Service and Creating a Greater Understanding of Mutual Needs and Expectations
5. Assure its Long-Term Viability of ARHA by Adapting Our Technical Capacity, Business Model and Resource Streams to the Requirements of Our Mission

# **ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**

## **STRATEGIC PLAN**

**2012 - 2022**

## PART 1 – AFFORDABLE HOUSING

### Guiding Principle

***“ARHA WILL INCREASE THE AVAILABILITY OF AFFORDABLE HOUSING BY MAINTAINING, UPGRADING AND REDEVELOPING OUR HOUSING, BY PRESERVING EXISTING AFFORDABLE HOUSING AND BY DEVELOPING NEW AFFORDABLE HOUSING”***

### CHALLENGE STATEMENT

#### **There is a Significant Gap between Demand and Supply of Affordable Rental Housing**

Demand exceeds supply by a substantial margin. Based on data presented by the City of Alexandria in 2010, there were nearly 15,974 resident households with incomes below 80% AMI<sup>3</sup> and approximately 3,723 units of rental housing that would be considered affordable for this group (gap of 12,251 units). This gap between demand and supply is especially acute for housing that is affordable to households with incomes below 50% of the area median. There is a shortage of approximately 12,392 units for this subset of Alexandria’s low-income population. There is a substantial unmet demand for ARHA units, as well. ARHA currently has 1,076 “hard” units of affordable housing (public housing, tax-credit, market-affordable, project-based subsidy) and 4,128 families on the waiting lists for those units. The average wait for one of these units is approximately 6 to 8 years. ARHA also has funding to support 1422 Section 8 Housing Choice Vouchers and 752 families waiting an average of 7 years for those vouchers. The rental affordability gap is affected by a number of factors, but a few include:

- **Decline in number of affordable housing units.** Area economic conditions have contributed to the gentrification of neighborhoods and conversion of rentals to condominiums. As a result, the City of Alexandria has lost over 8,000 affordable rental units between 2000 and 2009. Some privately-owned, federally subsidized affordable units were lost through the expiration of use restrictions, as the term of their subsidies ran out and the owners sold or converted to capture market rents, or the demolition of economically or physically obsolete rental units.
- **Growth in demand for affordable housing units.** New demand for affordable housing units continues to outstrip the production of affordable units. Between 2000 and 2009, population growth in all income ranges, including those at or below 60% AMI, was 15,000 or 12.16%. Lower-income households (below 80% AMI) represented 43% of the total population, therefore it can be imputed that the number of lower income households increased by 2,853.<sup>4</sup> There was no corresponding increase in the number or percentage of available affordable housing units.

#### **There is No Growth in the Supply of Affordable Housing**

The supply of affordable housing is not expanding. Even discounting the impact of the loss of affordable housing due to expiring use restrictions and conversion, there is negative growth of affordable housing as a percentage of all

<sup>3</sup> HUD 80% AMI for the Metropolitan Area (different than mathematical 80% AMI)

<sup>4</sup> Based on average 2008 household size of 2.26

housing in the City of Alexandria. In addition to reasons previously given for the decadal decline in the number of affordable units, the lack of growth in the supply may be attributed to:

- **Limited production of new affordable units.** The pace of production has not kept up with the change in demand for affordable rentals. Growth in the area all income ranges, including those at or below 80% AMI, has exceeded the rate of production of affordable housing units by a wide margin. In the last decade, ARHA has produced 150 affordable housing units, but the demolition, disposition and/or conversion of existing affordable units during that period more than offset that gain.
- **Limited economic incentive for affordable housing production.** The margin of profitability of affordable housing is extremely limited. The difference between production and operating expenses and the income generated provides little incentive for most housing developers to pursue affordable housing development. Generally, substantial write-downs of development costs and/or operating subsidies are required to achieve any level of profitability, and such supplemental resources are generally limited and difficult to obtain. Affordable housing here faces the additional challenge of Alexandria's location in a high-development cost area, thereby aggravating the issue of limited economic incentive.
- **Public ambivalence toward affordable housing production.** While most residents acknowledge the need for affordable housing in the City of Alexandria, concerns over its location mute their support for it. Some concerns relate to a range of factors including, but not limited to the affordable housing's: compatibility with prevailing architecture, impact on property values and impact on social and demographic fabric of neighborhoods.

#### There is a Lack of Opportunities for Affordable Home Ownership

Average home prices (single-family, townhouse and condominium) are beyond the reach of most lower-income families. With respective averages prices of \$712,000, \$536,000 and \$268,000, families would require incomes of at least \$160,000, \$122,000 and \$65,000 to qualify as a purchaser<sup>5</sup>. Though there are local programs to assist potential lower income homebuyers qualify for and finance homes through education, preparation and financial assistance, the dream of ownership remains out of reach to most families with income below 80% AMI. The reasons include:

- **Lack of affordable units for purchase.** According to the City of Alexandria, there were only 18 affordable fee simple (i.e., single family or townhouse) homes on the market (imputed mortgage less than or equal to 30% of monthly income of a family at 50% AMI). There were approximately 243 affordable condos on the market. These numbers pale in comparison with the more than 11,000 households with incomes up to 50% AMI. Given the economic conditions in the area and trend in property values, it is unlikely that market forces will lead to a measurable increase in the availability of affordable units for purchase.
- **Limited resources to subsidize purchases.** ARHA operates a Section 8 Homeownership program, with resources limited to 25 vouchers for purchasing families. To date, it has helped 12 families become homeowners by subsidizing their mortgage payments. The City of Alexandria operates a program that provides loans to qualified low-income families purchasing homes within the city limits. This program has an annual budget of \$1.2 million and has the capacity to assist up to 24 families each year.

#### The Modernization and Maintenance Needs of Existing Affordable Housing are Escalating

The financial pressure of maintaining existing housing is a factor that challenges the preservation of affordable housing in Alexandria. Properties must be maintained to acceptable standards and they must be able to continue to compete in the marketplace for qualified and suitable tenants, giving rise to the need to devote project income to

<sup>5</sup> Assumes 10% down payment and 30-year financing at 6% fixed rate

capital improvements. The financial challenges of modernizing and maintaining the affordable housing stock are impacted by:

- **Aging affordable housing stock.** While housing development occurs, much of the affordable housing stock continues to age. The preservation of these units requires the re-investment of dollars into capital improvements. Approximately 56% of ARHA's Public Housing is over 40 years old and its entire Public Housing and ACC portfolio requires approximately \$26 million in capital improvements over the next 20 years to retain viability. The aging stock also places pressure on routine and extraordinary maintenance budgets because deteriorating systems and components require more routine attention and repair.
- **Reduction in funds available for capital improvements.** Federal funding for capital improvement to public housing has been declining on a per-unit basis. Furthermore, rising operating costs, reductions in operating subsidy and restrictions on use of operating funds have required that more of the available capital funding be used to support routine operations, thereby leaving less available for capital reinvestment.
- **Resolution 830.** This bilateral agreement between ARHA and the City of Alexandria limits ARHA's ability to simply dispose of properties that represent a drain on agency resources. Therefore, ARHA must continue to maintain such units or engage in one-for-one replacement for any units that are removed from its affordable housing inventory. The difficulty and cost of executing one-for-one replacement is a constant consideration when evaluating the feasibility of approaches to dealing with aging properties.

#### **The Changes in Management and Operating Requirements of Affordable Housing Strain Resources**

There are challenges inherent in the operation of affordable housing. Un-funded mandates that often accompany the grants or subsidies for construction and/or operation of the housing raise the cost of operation and administration. Special needs of the affordable housing clientele serve to raise operating costs by virtue of the services required and management practices that must be employed to ensure a healthy and secure living environment. Management and operating challenges faced by ARHA include, but are not limited to:

- **Socio-Economic Integration in Mixed Income Housing.** The new model of mixed-income housing carries with it the challenge of ensuring that families who lived in homogenous settings are appropriately oriented to a mixed environment. This requires a greater level of involvement by management in tenant preparation, education and follow-up. It also requires the establishment and maintenance of new communication protocols with the former and new communities of the residents.
- **Serving Families with Multiple Needs.** Public and assisted-housing families evidence a range of needs. Because this housing serves families with members that are elderly, non-elderly, disabled and minors, ARHA has to facilitate access to a range of services to meet the unique and varying needs of the families. Ensuring this access requires the expenditure of human and financial capital in a time of receding resources.
- **Satisfying Multiple Layers of Regulatory Requirements.** ARHA is a political subdivision of the State of Virginia. It operates in the City of Alexandria under a variety of Federal, State and Local statutes, ordinances, regulations and bilateral agreements and contracts. Many of those strictures are directly tied to the assistance, in the form of loans, subsidies, or grants that facilitated the development and operation of its affordable housing portfolio. Doing business includes the cost of compliance with these requirements, thereby increasing the cost of portfolio operation and administration.

## **IMPERATIVE FOR INTERVENTION**

The gap between need for affordable housing and its supply is substantial and still growing. The City of Alexandria, through its own Strategic Plan and its Housing Master Plan, is adamant in its position in favor of the preservation and

the creation of affordable housing opportunities for its citizens. The City also recognizes that the impediments to affordable housing production and preservation include land availability, economic factors that limit the feasibility of production and operation and the limited number of entities that are committed to its production and preservation. There are other affordable units in the local market that are at risk of being lost to conversion or gentrification. Furthermore, almost all of the privately-owned housing being developed or rehabbed is targeted to higher income households.

It is clear that preservation of affordable housing must start with us because ARHA is the largest single provider of affordable housing in Alexandria. We own and/or operate over 1100 units within the City and we provide rental subsidy on behalf of residents of another 1,422 units. In recognition of the importance of the physical affordable housing units under the control of ARHA and the critical need of its preservation, Alexandria and ARHA have jointly agreed to a policy of one-for-one replacement each unit in the event of demolition or redevelopment.

ARHA has unique capabilities to preserve and develop affordable housing. Our charter from the State has granted ARHA status as a Redevelopment Authority, along with a menu of powers to enable it to fulfill that role on behalf of the citizens of the City of Alexandria. ARHA's ownership of property and land in highly desirable areas of Alexandria places us in a position where we may effectively shape communities' affordable housing strategies and use our preservation and development activities to foster collateral community development and improvement. But most importantly, we have a commitment to our current and future clients to provide them with a range of affordable housing options with which they and their families can enjoy a wholesome and affordable living environment.

## **EXPECTED OUTCOMES**

As a result of our intervention, ARHA will produce additional affordable housing units and preserve not only our own affordable units, but other affordable units that are at risk of being lost. The housing that we produce or preserve will be:

- Of a consistently high market quality regardless of the age and location of the property and the populations they serve
- Of efficient and adaptable design and consistent with the style and design prevalent in the surrounding area
- Principally for those with incomes below 50% of AMI who wish to increase their level of self-sufficiency, or who are elderly, disabled or have special needs
- A vehicle by which lower income families can achieve self-sufficiency and improve the quality of their lives
- Sustainable, providing diverse and steady revenue to support the mission of the ARHA
- Conveniently located to facilitate access to services & transportation
- Physically, socially and economically integrated with the surrounding neighborhoods

## **ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE**

As they implement the Affordable Housing element of the ARHA Mission, staff will, to the maximum extent feasible, ensure that:

- Properties are designed with substantial and meaningful input from ARHA staff and its stakeholders, reflecting lessons learned from prior efforts
- Affordable housing communities are wholly or substantially owned by ARHA whenever:
  - ARHA properties are being redeveloped, or
  - It is feasible and in ARHA's best interests when in the event of development on non-ARHA property
- When redeveloping ARHA properties:

- All ARHA's current affordable units are to be preserved or replaced with hard units, including maximum retention of ACC units where economically feasible
- Onsite replacement housing is to be maximized
- The economic, physical and social benefits equal or exceed those arising from current property operations
- Properties and communities have a range of affordable housing options, suited to residents with a range of incomes and needs
- ARHA always looks toward increasing the number of affordable housing units
- Affordable housing preservation, production and operation contribute toward ARHA viability and sustaining its mission
- The primary purpose of providing housing for those with incomes above 80% of AMI is to generate resources to provide and sustain housing for those with incomes at or below 50% of AMI

## HOUSING GOAL 1: PRESERVE VIABLE EXISTING UNITS OF ARHA HOUSING

### Justification

In 2010, ARHA conducted a Strategic Facility Analysis. This analysis examined the physical, market and operational conditions of each of its subsidized housing properties and recommended treatments appropriate to the observed conditions and the properties' potential. The strategic facility analysis concluded that many of ARHA's properties require capital reinvestment to maintain their viability. Some of the properties are aging and require normal replacement of components. Others, while not aged, are in need of facelifts or cosmetic improvements to maintain or enhance their market position and provide the best possible living environment for our families.

Most of ARHA's properties had operating conditions that were within normal parameters and, as such, were recommended for routine treatment, such as reasonable capital reinvestment and/or maximizing operating performance. Implementation of those recommendations is well within the capabilities and resources of ARHA and they can be undertaken in the normal course of events, without disruption to residents or ARHA operations. Capital reinvestment is essential if these affordable housing units are to be preserved and enhanced for our current and future residents.

### Factors Favoring Success

ARHA receives an annual capital grant from the Federal Government of approximately \$1,294,000. Additionally, its non-federal housing has replacement reserves to devote to periodic capital improvement needs. Based on the conclusions of the Strategic Facility Analysis, ARHA will have access to sufficient funds for the levels of reinvestment these properties require. It must also be noted that ARHA has the in-house expertise and capacity to plan and manage the implementation of the capital improvement program. ARHA has successfully administered over \$4 Million annually in capital improvements and development over the last several years. ARHA has also adopted an Asset Management approach to directing and monitoring the performance of properties. This should enable staff to better manage and evaluate operational performance of the properties before, during and after the physical improvements have been made.

### Obstacles to Overcome

Given the financial resources available to ARHA, we cannot undertake capital improvements to all properties at once. This will necessitate prioritization of need and phasing the capital investment in our properties. Competing considerations and resident issues must be taken into account in order to establish capital improvement priorities. Once capital improvements have been made, conditions must be maintained. This will require the accrual and distribution of future capital funds to undertake the improvements that will be required over time.

### Implementation Strategies



Ladrey

#### Strategy 1: Upgrade Ladrey High-Rise Building by 2017

This property, built in 1968, is an 11-story high-rise structure with 170 units housing the elderly and disabled. We will make physical and management improvements to enhance the livability and desirability of the property and to enable ARHA to attract an adequate number of qualified and suitable tenants. We will ultimately completely modernize or redevelop this property so that its appearance and amenities more closely match those of privately-owned and operated properties that serve a similar resident profile. Approximately \$6,000,000 to \$29,000,000<sup>6</sup> will be required over the next ten years to accomplish this. The primary source of these funds will be the Capital Fund Financing Program or Public/Private equity and debt.

<sup>6</sup> Lower amount assume rehabilitation; Higher amount assumes redevelopment



### Strategy 2: Maintain Units with Moderate Capital Reinvestment over next 10 Years

The Scattered Site developments (Scattered Sites I, II and III) consist of 9 distinct properties with between 5 to 40 public housing units each. The ages of these properties range from 1 to 22 years old. Jefferson Village is an affordable housing development with 69 units, many of which are occupied by families with Section 8 Housing Choice Vouchers. We will maintain and/or enhance their marketability by addressing the normal wear and aging through a moderate level of capital reinvestment. Approximately \$3,877,000<sup>7</sup> will be required over the next ten years to accomplish this. The primary sources of these funds will be \$3,042,400 Capital Funds (for ACC units) and \$844,600 in replacement reserves for Jefferson Village. ARHA will also undertake a comprehensive assessment of the Cameron Valley (Scattered Sites III) units and develop a plan for the redevelopment of the site.



Scattered Sites



Scattered Sites

### Strategy 3: Maintain Units with Limited Capital Reinvestment over next 10 Years

ARHA's mixed-finance and affordable developments are distributed on a scattered-site basis. Because they were built or acquired relatively recently, their current need for capital reinvestment is low. Therefore, we will maintain and operate these properties and sustain their viability and marketability through regular maintenance and operations and with limited capital reinvestment. This includes the ACC units in South Reynolds, South Whiting, Radford & Braddock, Chatham Square, West Glebe, Old Dominion (184 units) and the Tax Credit units in Quaker Hill (60 units). Approximately \$612,900<sup>8</sup> will be required over the next ten years to accomplish this. The primary sources of these funds will be \$492,900 in Capital Funds (for the ACC units) and \$120,000 in replacement reserves for Quaker Hill tax credit units.



South Whiting



Chatham Square

<sup>7</sup> Estimate based on 2010 Physical Needs Assessment

<sup>8</sup> Estimate for South Reynolds, South Whiting, Radford & Braddock, Chatham Square based on 2010 Physical Needs Assessment. Estimate for new or newly rehabbed units at West Glebe, Old Dominion and Quaker Hill based on capital improvement costs of \$2,000/unit over the 10 year period.

**Strategy 4: Maximize Utilization of Housing Choice Vouchers by 2013**

We will assess current and anticipated impediments to achieving greater utilization of the Housing Choice vouchers and identify fiscal and marketing measures that could reduce average cost of Housing Assistance and maximize availability of vouchers for use. We will also institute administrative measures to ensure that families with the greatest need are receiving adequate assistance in locating and securing suitable units under the program. Working in concert with other PHA administrators of HCV programs, we will also seek federal relief in the form of a fairer appropriate and allocation of subsidy to cover the program's true housing assistance costs. The cost associated with this initiative is limited.

## **HOUSING GOAL 2: REPLACE ARHA HOUSING WHERE IT IS NO LONGER VIABLE OR WHERE CONVERSION OR REDEVELOPMENT PROVIDES A SUBSTANTIAL ADVANTAGE TO ARHA AND ITS RESIDENTS**

### **Justification**

It is essential that we ensure that ARHA's residents are housed in living environments that are conducive to wholesome, productive living. This mandate includes assuring their access to housing that meets appropriate condition standards and whose design and amenities are not outmoded or obsolete. ARHA's inventory does include some properties where issues of age, outmoded design or lack of operating resources make it impractical to live up to these standards. Therefore, ARHA must employ a bold approach to address those issues and ensure the kind of living environment to which our residents are entitled. Further, we have some properties with non-remediable operating characteristics that represent a drain on ARHA's resources. We must take action to stop or reverse the losses incurred in order to preserve the viability of ARHA and its other housing.

ARHA has some properties that provide the dual opportunity to improve housing opportunities for our residents while improving ARHA's financial condition. Such opportunities must be explored and, where feasible, exploited when both ARHA and ARHA's constituency can benefit. . Therefore, in addition to addressing non-viable properties, we must also take advantage of opportunities to improve our portfolio to elevate our residents' quality of life, promote ARHA viability and improve the characteristics of the surrounding community.

According to the Strategic Facility Analysis, some properties are non-viable, while others present excellent opportunities for improving the lives of our residents and their neighborhoods. Because ARHA is committed to these principles of efficient operation and provision of the best possible living environment for our clients, we will execute non-routine treatment of several properties, including redevelopment as mixed-income, mixed-use housing, conversion to project-based vouchers and redesign of public housing.

### **Factors Favoring Success**

There is considerable support within our communities for the redevelopment of some of our public housing into mixed-income/mixed-use properties. The Braddock Metro Small Area Plan lists several ARHA properties that should be candidates for this treatment. HUD and taxpayers insist that our properties perform according to established standards and encourage ARHA to take decisive action when they don't. The location of some of our properties that are candidates for redevelopment make it likely that ARHA will be able to attract development partners, capital and support from the local government and business community for our redevelopment plans.

### **Obstacles to Overcome**

The lack of land for off-site development complicates our ability to meet the one-for-one replacement housing requirement set forth in Resolution 830. There is also the potential for neighborhood opposition to elements of redevelopment plans that relate to height and density restrictions. During periods of economic malaise, equity and financing at reasonable terms may be difficult to obtain. Resolution of each of these issues will require substantial time, effort, mutually beneficial partnerships and collaborative problem-solving.

### **Implementation Strategies**

#### **Strategy 1: Preserve Affordable Housing Units by Completing the Current Redevelopment Effort at James Bland and James Bland Addition by 2014**

Already underway is the development of Old Town Commons on the site of James Bland/James Bland Addition. This project is being constructed in phases and consists of market rate homeownership units and 134 ACC rental units. ARHA will continue to work with its development partner to complete all phases of the redevelopment effort and ensure that all 134 units of affordable housing are made available to deserving qualified families. Doing this will also require that ARHA complete its acquisition and rehabilitation of 16 off-site units to fulfill the housing replacement

requirement. Approximately \$37,571,000 is required over the next ten years to accomplish this<sup>9</sup>. The primary sources of these funds are debt financing, low-income housing tax credits and other equity.

James Bland Today



Old Towne Commons



### Strategy 2: Preserve Affordable Housing Units by Converting Park Place to Project-Based Vouchers by 2013

ARHA's condo units at Park Place are losing money because tenant rents and subsidy are insufficient to cover operating costs. We will convert these units to project-based assistance to enable ARHA to receive rental income based on Section 8 program guidelines. The increase in operating income should enable the agency to continue to operate these units as housing that is affordable to lower income households. Approximately \$ 363,000<sup>10</sup> will be required to achieve appropriate conditions for the conversion and an additional \$169,000 will be required for future capital improvements in years 6-10.<sup>11</sup> The primary source of funds to bring the units up to market standards will be Capital Funds. Replacement reserves will be used perform future capital improvements.

Park Place Today



### Strategy 3: Preserve Affordable Housing Units by Converting Saxony Square to Project-Based Vouchers by 2013

ARHA's condo units at Saxony Square are losing money because tenant rents and subsidy are insufficient to cover operating costs. We will convert these units to project-based assistance to enable ARHA to receive rental income

<sup>9</sup> Phases I and II, consisting of 36 units at a cost of \$9,600,000 have been completed.

<sup>10</sup> Estimate based on 2010 Physical Needs Assessment

<sup>11</sup> Estimates based on 2010 Physical Needs Assessment of Year 1-5 and Year 6-10 work items, respectively.

based on Section 8 program guidelines. The increase in operating income should enable the agency to continue to operate these units as housing that is affordable to lower income households. Approximately \$45,856<sup>12</sup> will be required over the next ten years to accomplish the conversion and to provide subsequent capital improvements. The primary sources of these funds will be \$8,000 in CFP funds for the conversion activities and \$38,000 in subsequent year capital improvements.<sup>13</sup>

Saxony Square Today



**Strategy 4: Preserve Affordable Housing Units by Redeveloping Andrew Adkins as Mixed-Income, Mixed Use Housing for Mixed-Income Populations by 2016**

This property is in a prime location near the Braddock Metro Rail Station, an area with a growing residential and commercial mix. We will redevelop this property as a mixed-use, mixed-income property with a total of 250 affordable and market rate units. This redevelopment project is also envisioned to incorporate commercial and retail facilities. We will maximize density to enable us to accomplish the construction of 100 replacement housing units, 50 LIHTC units and 100 market-rate units on the site presently occupied by Andrew Adkins. We will work with the city and the private sector to promote commercial development, both on-site and off-site adjacent to the housing site and metro station. We will utilize broad stakeholder participation as the mechanism for developing an acceptable plan and partnerships as the means for accomplishing this redevelopment effort. To the extent possible, our redevelopment plan will be consistent with the objectives outlined in the Braddock Small Area Plan. Approximately \$56,070,200 will be required over the next ten years to accomplish the residential portion of this undertaking. The primary sources of these funds will be \$33,497,000 in equity (LIHTC, ARHA capital contribution, proceeds from land sale for street, deferred developer’s fee) and private debt.

Andrew Adkins Today



Possible Future of Andrew Adkins



<sup>12</sup> Estimate based on 2010 Physical Needs Assessment

<sup>13</sup> Estimate based on 2010 Physical Needs Assessment of Year 1-5 and Year 6-10 work items, respectively.

**Strategy 5: Preserve Affordable Housing Units by Redeveloping Samuel Madden as Mixed-Finance, Mixed Use Housing for Mixed-Income Populations by 2016**

This property is in a prime location. It is located on a commercial corridor near the Braddock Metro Rail Station. We will redevelop this property as a mixed-used property. We envision the development of 200 housing units which will include 80 replacement, 40 Low-Income Tax Credit and 80 Market Rate units. Retail and office space as well as open space will be included in this mixed-use development. We will maximize density to enable us to accomplish the highest possible degree of onsite replacement of affordable housing. We will utilize broad stakeholder participation as the mechanism for developing an acceptable plan and partnerships as the means for accomplishing this redevelopment effort and, to the extent possible, our redevelopment plan will be consistent with the objectives outlined in the Braddock Small Area Plan. Approximately \$56,850,000 will be required over the next ten years to accomplish the residential and commercial aspects of this undertaking. The primary sources of these funds will likely be \$32,500,000 in debt financing and \$24,350,000 in equity, including low income housing tax credits.

Samuel Madden Today



Possible Future of Samuel Madden



**Strategy 6: Preserve Affordable Housing Units by Redeveloping Hopkins-Tancil as Rental Housing for Mixed-Income Populations by 2016**

This property is located in the highly desirable area of Alexandria known as Old Town and presents significant redevelopment potential. We will redevelop this property by creating 148 newly constructed rental units, consisting of 60 replacement, 28 Low-Income Housing Tax Credit and 60 Market Rate units. We will optimize density to enable ARHA to maximize the degree its affordable housing replacement onsite. We will utilize broad stakeholder participation as the mechanism for developing an acceptable plan and partnerships as the means for accomplishing this redevelopment effort. This redevelopment effort may be linked to a broader development program encompassing other adjacent property owned by ARHA and/or other developers. Approximately \$26,500,000 will be required over the next ten years to accomplish the redevelopment of the primary site. The anticipated sources of these funds will be Debt Financing and Equity, including LIHTC. Some off-site replacement of Resolution 830 units will be required.

Hopkins-Tancil Today



Hopkins-Tancil Possible Future



**Strategy 7: Preserve Units of Affordable Housing by Redesigning and Rebuilding Ramsey Homes by 2016**

Ramsey Homes is a small development with 15 public housing units. Though the property has good operating indices, its design is out of character with the surrounding neighborhood. We will redesign and rebuild this property, replacing the original 15 public housing units with replacement housing whose design reflects the character of the neighborhood. This redevelopment effort will also serve as an example of innovative design and management and will provide another incentive for residents to achieve the next tier of self-sufficiency. Additionally, we will optimize density to facilitate the production of up to 15 additional market-rate and/or affordable housing units on the site. Approximately \$8,250,000 will be required over the next ten years to accomplish this. The primary sources of these funds will be Public Housing Replacement Housing Factor Fund, Capital Funds, and Equity including LIHTC.

Ramsey Homes Today



Ramsey Homes Possible Future



### HOUSING GOAL 3: PRESERVE OTHER AFFORDABLE HOUSING AT RISK OF BEING CONVERTED

#### Justification

Of the 2,500 privately-owned subsidized housing units in Alexandria, approximately 1,075 units<sup>14</sup> are at risk of losing their affordability in the next ten years through sales, conversion or expiration of use restrictions. Given the difficulty in producing affordable housing, the preservation of the affordability of these units is crucial if affordable options are to be available to Alexandria's citizens. Our technical and development experience, along with the ability to attract and/or secure private and public funding, provides ARHA with the capacity to acquire, rehab and operate these units and preserve their affordability over the long term. It is crucial that ARHA be prepared to act quickly when opportunities to preserve the affordability of at-risk housing occur, as market forces and the economics of real estate will force owners to move quickly to execute the disposition of their properties.

#### Factors Favoring Success

ARHA is already involved in this type of activity to preserve the affordability of privately-owned subsidized housing. This has added to our inventory of experience and lessons learned, thereby improving the prospects for success in future endeavors of this type. Because the City of Alexandria has made the preservation of housing affordability a priority, ARHA should be able to expect substantial support and cooperation from local government.

#### Obstacles to Overcome

Convincing owners to transfer ownership to ARHA in the face of considerable economic incentives to convert their properties will be a challenge. Our ability to generate the resources for acquisition at market price and to make the required improvements will also be a factor that impacts ARHA's successful implementation of this initiative.

#### Goals Related to this Strategy

##### **Strategy 1: Acquire and rehab Pendleton Park to preserve the affordability of units by 2012**

ARHA has already begun the process of acquisition. We will follow-through on this activity and undertake required renovations to ensure that the property meets our standards and can provide the residents with decent housing with long-term affordability. Approximately \$6,148,000 is required for this effort. The primary sources of these funds will be LIHTC (approximately \$2,565,000) and debt financing (\$3,813,000).

**Pendleton Park**



<sup>14</sup> Estimate based on expiring use restrictions on privately-owned subsidized units



**Strategy 2: Develop plans for acquisition of properties at-risk of losing affordability within the next 10 years**

ARHA will work with the Alexandria Housing Office to identify at-risk properties and select candidates for our intervention. After careful evaluation of the candidates, we will establish priorities for action and develop plans and timetables for the preservation of their affordability. We will also explore additional preservation options, such as negotiating leasing options and first rights of refusal for purchase at given prices. This effort will require a cooperative effort of ARHA and the City of Alexandria. Though the cost of this initiative cannot be quantified at this time, we do anticipate that expenses will be incurred from professional services to investigate and evaluate the feasibility of candidate projects. Of particular importance will be the need to address the use restrictions at Chatham Square which are scheduled to expire in 2020.

## HOUSING GOAL 4: CREATE ADDITIONAL AFFORDABLE HOUSING

### Justification

The gap between the need for affordable housing and its supply will continue to grow. Intervention that will increase the production of affordable units is essential if there is any hope of slowing the growth of that gap. ARHA must look for and exploit any reasonable opportunity to add affordable housing units to its own inventory. The challenge of preserving and increasing the supply of affordable housing in Alexandria greatly exceeds the capacity of ARHA and its affiliates. That is why it is imperative that ARHA also serve as an advocate for and supporter of a wide range of community-based and government-sponsored initiatives. There are as of yet untapped opportunities for affordable housing production in Alexandria. ARHA and other public and private entities hold land whose use has not been optimized in terms of intensity or type of use. ARHA can and should be involved in re-tasking the use of those properties to promote or facilitate the production of additional affordable housing units. Because ARHA Alexandria's primary connection to HUD's Housing Choice Voucher Program, we must actively seek and secure federal resources to expand this program whenever possible.

### Factors Favoring Success

ARHA owns property with site, location and zoning characteristics that make re-use as affordable or mixed-income housing both desirable and feasible. ARHA also has the technical expertise and experience with partnerships to enable us to engage in planning and executing the re-use of our own properties and others that may become available in the future. HUD periodically issues NOFAs for incremental units of Section 8 Housing Vouchers, usually attached to initiatives to house persons with special needs. ARHA has the technical capacity to respond to those NOFAs and we have existing contacts and relationships with advocates and agencies that serve persons with special needs to effectively plan, design and administer programs that utilize those vouchers.

### Obstacles to Overcome

Securing adequate financial resources to embark upon a redevelopment program is always a challenge, especially in uncertain economic times, highlighting the need for effective public/private partnerships. Neighborhood resistance to change may also be an issue due to the long-term nature of the uses of some of the properties and must be addressed through public relations and community involvement in planning. There will be intense competition for federal resources that are becoming even scarcer. This will require a cooperative effort to impress upon the funding sources the strength of our proposed programs and the impact they will have on households seeking affordable housing opportunities in our community.

### Implementation Strategies



#### Strategy 1: Redevelop ARHA Office Site for additional units of Affordable Housing for the Elderly and Disabled

ARHA will develop a plan wherein the site of its main office will be re-used for affordable or mixed-income housing. As this site is currently adjacent to two facilities housing the elderly and disabled, housing of a similar nature will be the first option. The plans will be developed with community input and redevelopment will be facilitated through partnerships with local government and the private sector. Approximately \$7,860,600 (178,650 per unit) will be required over the next ten years to accomplish this initiative. The primary

sources of these funds will be Low-Income Housing Tax Credits, proceeds of the value of the land transfer and debt financing.

### **Strategy 2: Secure Additional Housing Choice Vouchers**

In addition to applying for vouchers to serve as relocation resources for our own redevelopment programs, we will actively seek opportunities to apply for special use vouchers to serve special needs populations. We will establish new and strengthen existing relationships with advocacy and service groups and create mechanisms for designing service delivery mechanisms and program design. We will also work closely with our partners to draft and review proposals in response to those funding notices and to secure the appropriate commitment of resources for program implementation. We anticipate that this initiative will be cost-neutral.

### **Strategy 3: Participate in Other Opportunities to Promote Affordable Housing**

ARHA will utilize its powers of advocacy to encourage and support public and private initiatives to increase the supply of affordable housing. We will also employ ARHA's status as a redevelopment agency and its capacity to generate financing to provide tangible support for affordable housing activities that are consistent with our mission and our operational objectives. This activity will be cost-neutral.

### **Strategy 4: Develop New Affordable Housing for Rental (Ongoing)**

ARHA will utilize its assets, partnerships and statutory powers to engage in the development of new affordable housing. ARHA will seek to serve households with incomes ranging for very low to moderate AMI. The methods to be used will include acquisition, acquisition with rehab and new construction. ARHA will endeavor to become an active partner in the development of emerging areas of Alexandria and in the conversion of housing to affordability in established Alexandria communities. Through its partnership with the City of Alexandria, ARHA will serve as a key point of contact for developers to encourage their participation in development enhanced by a substantive affordable housing component.



### **Strategy 5: Expand Opportunities for Affordable Home Ownership (Ongoing)**

ARHA will initiate affordable housing development and provide mechanisms in support of affordable homeownership. This will entail creating a pilot ownership program and using our Section 8 Housing Choice Voucher program and our Family Self Sufficiency Programs to encourage and support the ownership aspirations of our clients. We will link our efforts with those of local programs for training and preparation of potential homebuyers to maximize the prospects for the successful transition from renter to owner. ARHA will also take advantage of development and rehabilitation opportunities which make affordable ownership feasible, and it will incorporate ownership planning into such endeavors wherever practicable.

## PART 2 – RESIDENT SELF SUFFICIENCY AND QUALITY OF LIFE

### Guiding Principle

***“ARHA WILL IMPROVE THE QUALITY OF LIFE OF ARHA RESIDENTS BY EMPOWERING THEM TO TAKE ADVANTAGE OF EDUCATIONAL, EMPLOYMENT AND BUSINESS OPPORTUNITIES AND TO EFFECTIVELY INTERACT WITH THEIR COMMUNITY”***

### CHALLENGE STATEMENT

#### Limited Resident Motivation to Utilize Resources that Promote Upward Mobility

ARHA’s residents, management, and community neighbors are beginning to conclude that a more self-sufficient clientele will improve the quality of life for existing and future residents, their neighborhoods and the City as a whole. Attempts have been made by ARHA and other service groups to bring this change about through supportive programs and housing development. Despite progress, much remains to be done. ARHA has attempted to encourage, persuade and mandate increased resident participation in personal- and family-development activities with mixed results. However, residents must be willing participants by embracing the belief that their lives can be changed in tangible ways. Their participation must be encouraged and achieved in a manner that is acceptable to them, regulators and the larger community. Our residents’ ability to recognize and embrace the possibility of improved housing and enhanced quality of life through education, training and employment are challenged by:

- Residents’ concept of themselves and their ability to accomplish personal milestones
- ARHA’s ability to communicate effectively to its residents
- Provision of sufficient information to make resources (programs and opportunities) known to residents
- Acceptable agreement among service providers as to the definition of “Upward Mobility” – in light of its different interpretations that are used by those providers
- Degree of resource availability (programs, manpower or funding)
- The reasonableness and attainability of goals
- Clarity of the connection between jobs, education and training to an improved Quality of Life
- Methods available to encourage more resident interest and participation
- Degree of rewards and/or community acknowledgement of those who do well

#### Skewed Perceptions of Security and Crime

The perception of acceptable security and the existing patterns of crime generally carry more influence than the actual statistics. ARHA has invested time and resources in improving security and reducing crime, such as the addition of security hardware, use of Resident Police Officers, inclusion of police in planning activities and providing residents’ information on how to secure themselves and their units. Yet a misperception persists that crime is greater (or security is less) than it actually is. There is still the widespread belief that there is a need for more security to address what many believe to be an elevated level of crime on ARHA properties. Specific issues that sustain this misperception include the:

- Lack of resident and general public knowledge of ARHA and its security programs
- Limited resident participation in security-related and community-based activities
- Cultural and generational differences among residents and between ARHA residents and their neighbors
- Lifestyle differences
- Inadequate communication between and information about constituencies
- Changing societal norms
- Degree of consistency in the enforcement of rules and regulation
- Economic conditions
- Lack of resources for heightened presence of active security measures

#### **Limited Impact of Education and Recreation Initiatives on Attitudes and Preparedness**

The job market and economy in the Alexandria, Virginia, area is more technology-oriented than in many other communities. This limits the demand for untrained, unskilled, or limited educated individuals. In order to promote resident upward mobility, self-sufficiency and jobs programs for residents must be geared more to the needs of the employers. Whereas, ten years ago computer literacy was a marketable skill, today it is another threshold for simply being considered for employment. One must have qualities that “stand out” to achieve serious consideration for jobs that pay a living wage. This one concern that must be considered by ARHA, educational institutions and training agencies, and they must include this consideration at all levels, from grade school to adult training and education. In addition to technical proficiency, residents must also have the social skills, interpersonal skills, work habits and responsible behavior in order to be successful in the job market, skills which are best learned and/or developed in the early years. Factors that have limited the effectiveness of current self-sufficiency programs include:

- The degree to which measurable and attainable program goals have been established
- Production and dissemination of timely and relevant program information
- Incentives for youth to become more involved in personal and academic development
- Failure to fully identify and address disincentives to participation
- Degree of appropriate input into school curriculums
- Degree of adequacy of the system of reward and recognition of those who do well and attain their goals

Residents of ARHA have not embraced or become involved in the many recreational and social activities available to them, especially those offered by outside agencies and entities. ARHA Residents live in a culturally rich environment, but events, exhibits and the like are under-utilized by this population. Though ARHA has invested time and funding into creating enriched events for the residents, with the Youth Arts Festival serving as a prime example, we must develop methods for informing residents and encouraging stronger participation. Challenges that should be addressed include:

- Delivery of correct information
- Incentives for participation
- Convenient transportation to activities or events
- Consideration for all age groups
- Multi-use of resource facilities

#### **Continuing Need for Increased Personal Responsibility**

Citizens (residents, community, and staff members) have continuously emphasized the need for residents to become more responsible for their lives, property, and the property of others. While there is a degree of exaggeration in

these statements, there is agreement that, to have more influence on one's destiny, that individual must accept more responsibility. This "responsibility" ranges from monitoring their own children to ensuring that they and their family and guests obey the rules to accepting and treating the leased property as their "home" to being a "good neighbor and citizen of the community". In order for residents to accept more responsibility, they must believe it is in their best interest. But their ability or willingness to do so may be impacted by:

- Residents' image of themselves
- Residents'-Community Neighbors' perception of each other
- The consistency with which ARHA's management enforces the rules
- Resident's understanding of the consequences of violating rules and community norms
- Resident's understanding of ARHA's and the community's expectations

## **IMPERATIVE FOR INTERVENTION**

ARHA provides housing and housing assistance to over 2,600 families (6,500 individuals) in Alexandria. We house approximately 6% of the children attending public schools. About 73% of our households have incomes below the poverty level and 38% of our heads of household are elderly or disabled as of 2011. The profile of our clients distinguishes us as an agency that serves a population with significant housing and non-housing needs.

ARHA serves a significant number of families whose options to improve their economic and social circumstances have been limited by lack of access to and information concerning opportunities and/or lack of resources to take advantage of available opportunities. Additionally, their options have been limited by internal and external factors which presented personal challenges and complicated their ability to focus on personal and family development.

A substantial percentage of our families live in households where one or more members have special needs. The elderly, many of whom were aged at admission, continue to age in place, becoming more frail and dependent upon others to maintain a reasonable quality of life. The individuals with physical and mental disabilities rely upon facility, program and service accommodations to permit them to live with any degree of independence.

Though ARHA's prime focus is providing decent, safe and affordable housing, we recognize that we are in the unique position of being able to impact the quality of its families' lives in ways that go beyond just providing a roof over their heads. Indeed, the viability of ARHA's housing programs and our ability to provide the desirable living conditions depends, in part, on the ability of our families to improve their economic and educational position, and their ability to live independently and in full compliance with their leases. This is ARHA's imperative to address residents' and program beneficiaries' non-housing needs. It must provide the structure through which their economic, personal development, educational, service and quality of life needs and concerns can be appropriately addressed by local service providers. In those cases where essential or critical needs cannot be addressed by the local community, ARHA's imperative requires us to take direct action to provide the essential service.

With emphasis on coordination of community-based resources, ARHA's interventions will **ENHANCE RESIDENT QUALITY OF LIFE** by:

- Preparing residents to capitalize on business, employment and educational opportunities to become self-sufficient
- Increasing resident's ability to be leaders and active participants in the larger community to achieve a meaningful role in the process of decision-making, resource allocation and community improvement
- Modifying how residents and their living environment are perceived to improve community acceptance and understanding of challenges and opportunities of diversity

- Emphasizing shared responsibilities for the attainment of a higher standard of living to facilitate their full partnership with ARHA in community improvement efforts

## **EXPECTED OUTCOMES**

Because of ARHA's actions, the support of our service partners and the willing participations of our program beneficiaries, our residents will:

- Have the confidence and attitude that embraces the possibility and achievability of self-sufficiency
- Share a mutual expectation with ARHA that they can and will use their tenancy as an opportunity to improve the quality of life for themselves, their family and their community
- Have the ability and resources to engage in long-term planning and execution of their decisions regarding their families' futures
- Be able to progress to the next level of life achievement, such as housing, education, income or career
- Be able to achieve a level of independence where they can maintain their families without significant dependence on "governmental resources"
- Have confidence and the shared goal that they will be able to sustain themselves and/or their families in a safe, secure and wholesome living environment
- Increased participation of residents in the Family Self-Sufficiency program
- All able-bodied resident participation in the Family Self-Sufficiency program within the next ten years

Through ARHA's intervention, we expect that the lives of our residents will be enriched, their living environment will be improved and their economic circumstances will be elevated. Through ARHA's intervention, we expect that our properties will be more desirable, our operations will be more viable and our programs will be more widely accepted and supported throughout the community.

## **ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE**

ARHA's actions and programs for achieving the above outcomes will be designed and implemented consistent with several tenets. To the maximum extent feasible, as ARHA staff and Commissioners implement this element of its mission they will ensure that:

- ARHA prepares both adults and youth for the attainment of increasing levels of achievement and/or self-sufficiency.
- ARHA's interventions will maximize the impact of the resources devoted to them by:
  - Targeting resources to actual needs
  - Targeting ARHA resources to facilitate resident access to existing services in the local community
  - Maximizing resident utilization of existing resources of local entities and partners
  - Facilitating comparison of progress or achievement with established baselines
  - Using the most cost effective approach for achieving the desired results
- New and continuing residents and beneficiaries are made fully aware of and are strongly encouraged to take advantage of in RSS-QOL opportunities and activities
- All major ARHA development, construction and business activities incorporate RSS opportunities
- Public information emphasizes resident success and RSS opportunities
- The potential of ARHA housing programs to provide incentives for participation and achievement in RSS-QOL be maximized
- ARHA's expectations for resident achievement and their successes are clearly communicated to the residents, the general public and to service partners

**RESIDENT GOAL 1:                    PREPARE RESIDENTS TO CAPITALIZE ON BUSINESS,  
EMPLOYMENT AND EDUCATIONAL OPPORTUNITIES TO ACHIEVE  
ECONOMIC SELF-SUFFICIENCY**

**Justification**

ARHA will facilitate, sustain or support its own efforts and the efforts of external entities to prepare residents to capitalize on existing and emerging opportunities to engage in business, employment and educational opportunities. We understand that the attainment of economic self-sufficiency depends, in large measure, on the ability of individuals to obtain and maintain gainful employment. This, in turn, depends on the level of their preparation and acquired skills and their ability to apply those in skills in practical settings, whether working for themselves or working for others. Facilitating the removal of impediments and the promotion of access to education, jobs and business opportunities will be the focus of ARHA's strategy.

While the ultimate objective of this intervention is the attainment of self-sufficiency by our families, we understand that there are varying levels of self-sufficiency. The appropriate definition will be applied, to each of our families, depending on the point at which our intervention first touches them. In general, self-sufficiency may assume many of the following definitions or levels, depending on the initial situation of the family or individual:

- Level 1 – Having the confidence and attitude that embraces self-sufficiency as achievable
- Level 2 – Having enough of a financial buffer so they can make longer-term plans
- Level 3 – Ability to achieve the next level of housing
- Level 4 – Ability to make and execute decisions about where they live and what they do for their families
- Level 5 – Raising residents to a level where they can maintain themselves and their families without significant dependence on government or with the same level of dependence on the government as non-low income families

**Factors Favoring Success**

Alexandria is a "service rich" environment, with a multitude of programs, services and agencies that promote and support job placement, job training, business development and educational attainment. The city has a well-designed electronic information system, a well-distributed public transportation infrastructure and an interlaced comprehensive service network which provide information, access and support for residents seeking education, training or jobs. ARHA has institutionalized its commitment to resident self-sufficiency and education through its admissions and occupancy policies, its Family Self-Sufficiency programs and provision of learning centers for young and adult residents and its Section 3 program, which provides a platform upon which resident-owned businesses can be built. ARHA's mixed-finance housing and its Section 8 Homeownership programs provide tangible incentives for residents who wish to take the necessary steps to elevate their standard of living and become an integral part of the larger socio-economic community.

**Obstacles to Overcome**

Residents' lack of awareness of the self-sufficiency opportunities and the availability of support necessary to capitalize on those opportunities are impediments to broad participation. The degree of individual motivation, whether based on fear of failure or the perception of limited benefits, is also a factor that must be addressed to achieve success. The availability of cash, in-kind resources and suitable jobs, especially in the present and near-term economy, are challenges to our ability to increase the level of resident self-sufficiency.



## Implementation Strategies

### Strategy 1: Assess the service needs of ARHA resident households by December 2013

ARHA will conduct a survey of all ARHA households to determine levels of academic and professional attainment and the desire of household members to increase that level of attainment. The information from the survey will be used for service planning, establishing program performance baselines and for reporting progress. Achievement of this goal can be accomplished with the allocation of a limited amount of funds for the performance of the resident needs assessment and analysis of the results and the allocation of ARHA manpower.



Montgomery Street Learning Center

### Strategy 2: Maximize resident access to employment, training programs and education (Ongoing)

ARHA will collaborate and coordinate with service providers, educational institutions and employment entities to ensure that our residents are aware of and have full access to the services and benefits they offer. ARHA staff will establish and maintain close and cooperative working relationships with these entities to ensure that their programs are relevant to the needs of our residents and that we are kept informed of opportunities and requirements for participation in these programs. Through collaboration, outreach and information, we will seek to improve student retention and achievement, encourage resident participation in existing adult education, training and job preparation programs and to increase the ability of adult members of households to obtain meaningful employment.

### Strategy 3: Facilitate contracting activity by ARHA and its Vendors with a minimum of five (5) Resident-Owned Businesses by 2016

Utilize the Section 3 requirements to encourage the formation of resident-owned businesses. Refer interested residents to existing programs that help prepare them for the establishment and operation of small businesses. Utilize ARHA's procurement policy to facilitate contracting with resident-owned businesses. Goal attainment will be dependent upon the efforts of ARHA staff and training, in-kind and cash assistance from business development agencies.



### Strategy 4: Overcoming barriers that limit achievement of self-sufficiency in the areas of child care and transportation by 2016

Determine the need for supportive services that enhance a resident's ability to identify, participate and master programs and/or skills that foster personal independence. In addition, coordinate with community partners to eliminate barriers based on resident feedback from baseline surveys and research. Assess child care business, provider identification and alternative transportation opportunities.

**RESIDENT GOAL 2: HELP RESIDENTS ACHIEVE A MEANINGFUL ROLE IN THE PROCESS OF DECISION-MAKING, RESOURCE ALLOCATION AND COMMUNITY IMPROVEMENT BY INCREASING THEIR ABILITY TO BE LEADERS AND ACTIVE PARTICIPANTS IN THE LARGER COMMUNITY**

**Justification**

Alexandria is a vibrant and engaged community. It has established mechanisms for inviting and encouraging public participation in recreation, planning and governance. In fact, many of the decisions concerning allocation or placement of community resources, design of municipal programs and public or private facilities, and the creation or approval of community plans and ordinances come about directly as a result of public participation and input. Many of those decisions impact ARHA residents and beneficiaries.

ARHA's residents have traditionally had limited participation in the community process for input and representation. As a result, their views and desires have not been fully heard or understood by those who make key decisions affecting their communities and their lives. The disenfranchisement may be an inhibiting factor impacting residents' isolation within their communities, and the larger community's comprehension of residents' needs, desires and preferences.

We will encourage our residents to embark and/or continue upon a path of self-determination and self-actualization by supporting their formation of organizations and participation in public forums. We will help them develop and realize their leadership potential by providing opportunities for skill-building and self-expression and constituent representation. ARHA will work with its partners to establish a framework that enables residents who have already demonstrated related abilities to realize their potential. We will also create and apply motivational techniques to mold the resident perception that participation is desirable and that it carries benefits for them as individuals, for their families and for their community.

**Factors Favoring Success**

ARHA's residents have already begun the process of organizing around a common objective of strengthening their voice in ARHA operations and in community affairs. There is a core of interested and engaged resident leaders who have demonstrated a commitment to representing the interests of their housing developments and their neighbors. Additionally, ARHA has a team of dedicated personnel that has been providing support, technical assistance and guidance to those residents to help them develop their organizational and individual capacity to be effective spokespersons for and motivators of their communities. Though the number of resident leaders identified thus far is relatively small, we believe that the pool of potential leaders and committed participants runs deep, thereby presenting the potential for broader involvement among the tenant population.

There is no shortage of opportunities for resident involvement and participation in the larger community. The City of Alexandria and local Community Based Organizations (CBOs) present a plethora of official and unofficial avenues for participation by, and representation of, residents' interests. There are numerous Boards, Advisory Panels, Working Groups and community forums for which participation is invited, solicited and encouraged. Further, there are many locally-sponsored events for which volunteers and other types of participants are welcomed. This wide range of options for participation should make finding an issue or activity of interest or with applicability to their lives, families or community quite a favorable prospect for our residents.

**Obstacles to Overcome**

Lack of common interests or "Hot Button" issues are sometimes factors which inhibit an individual's assumption of the role as "Representative" or the formal organization of groups. The lack of preparation, experience and technical capacity are also obstacles to effective organization and representation. Finally, the absence of support systems to allow an individual or group to fulfill their respective duties can limit their effectiveness. The strategies and initiatives

employed by ARHA and its partners must address these obstacles if the strategy of empowering residents is to be successfully implemented.

### Implementation Strategies

#### **Strategy 1: Establish the Structure and Opportunity for Residents to Form Active, Effective Resident Councils in Each Development or Project Grouping with at least 50 Units by December 31, 2013**

Provide technical assistance to residents to enable them to form development-specific and city-wide resident councils. Provide the appropriate forums to facilitate their input and participation in the planning and management of ARHA operations and help them identify opportunities to represent their constituents' interests in the broader community. Provide financial support and technical assistance for the ongoing operation of duly organized and ARHA-recognized resident groups. ARHA staff must utilize its expertise and time to work toward the attainment of this goal.



#### **Strategy 2: Assist Resident Association's Efforts to Increase Voter Registration of Eligible Residents by 2014**

Establish an information campaign to inform residents of the importance of voting and the steps required to register to vote. Work with the local voter registrar to utilize resident gatherings and forums to facilitate voter registration. Use any appropriate opportunity to acclimatize residents to the voting process. Also work with resident leadership to invite candidates for local office to address resident groups. Staff time and assistance by voter registration workers will be required to ensure the success of this initiative.



#### **Strategy 3: Assist Resident Association's Efforts to Increase Resident Representation on City Boards and Organizations (Ongoing)**

We will work with resident leaders to identify boards and organizations that would benefit from resident participation and to identify residents who would make good representatives. We will also provide technical assistance to the interested residents to enable them to apply for appointment and/or meet the requirements for appointment. ARHA Commissioners and Executives will communicate with the appointing sources to point out the benefits of having resident representation on their boards. Staff effort will be required to undertake activities pursuant to the attainment of this goal.

#### **Strategy 4: Increase Resident Use of City-Sponsored Recreational and Enrichment Activities (Ongoing)**

Use various means to regularly communicate to residents the range of activities in which they may participate. Highlight those events and activities that have little or no cost and point out the benefits of those activities. To the extent practical, facilitate their access to those activities by coordinating pooled transportation or providing details of available public transportation. Incorporate an official ARHA presence in some activities to make residents feel more comfortable in participating. In addition to the efforts of ARHA staff, direct and in-kind services from local organizations will be required.

**RESIDENT GOAL 3:                   MODIFY HOW RESIDENTS AND THEIR LIVING ENVIRONMENT ARE PERCEIVED TO IMPROVE COMMUNITY ACCEPTANCE AND UNDERSTANDING OF CHALLENGES AND OPPORTUNITIES OF DIVERSITY**

**Justification**

Residents' perception of their living environment influences their perception of self and their prospects to play a larger role in their own advancement, their families' future and the future of their communities. The community's perception of ARHA's properties and clients impacts our ability to provide additional decent affordable housing in Alexandria. That perception also impacts community support of programs and services targeted to the resident population. Most importantly, the self- and community-perception impacts the degree to which residents and their neighbors interact harmoniously across social and economic boundaries.

We will engage in initiatives to foster a climate in which residents will see and accept their own potential and the potential of the communities in which they live. We will improve residents' self-perception by highlighting their own successes and their ability to be positive change agents in the community. We will improve their perception of their living environment by presenting them with information and opportunities to enable them to realize that the housing or housing assistance they receive is an asset that supports their own upward mobility. We will influence community perception of ARHA's residents positively with information that cuts through the stereotypes and presents a real and human perspective of their accomplishments, potential and importance to the community fabric of Alexandria.

**Factors Favoring Success**

The likelihood of ARHA's successful use of this strategy is substantial because it already has a communication network in place. It has a website that is being upgraded to provide a more interactive portal for public information and inquiry. The agency also has a newsletter that is published on a quarterly basis, with a circulation that could be easily expanded to include the entire tenant population and the public at large. ARHA's Board of Commissioners and ARHA's residents have the potential of being the best ambassadors of broadcasters of positive information about residents' accomplishments, their challenges and their aspirations. Additionally, many of ARHA's residents have already achieved reportable accomplishments in connection with upward mobility programs.

**Obstacles to Overcome**

Some segments of the community have pre-conceptions and stereotypical views of ARHA's residents and their housing. These are difficult to overcome at times when tough economic conditions affect everyone because it complicates the message. Further, the trend toward gentrification may place pressure on local media to present coverage of community concerns in a manner that perpetuates that perspective. Though it has been addressing legitimate concerns of the communities in which our residents live, ARHA must continue to ensure that the community is made fully aware of what those efforts are and how they will eventually be successful.

**Implementation Strategies**

**Strategy 1: Establish a baseline of resident and community attitudes by December 31, 2013**

Conduct a survey of residents, neighbors and the community-at-large to determine current attitudes regarding ARHA residents and ARHA housing programs. Evaluate current attitudes and perception and solicit ideas for how ARHA and residents could address or improve those attitudes. ARHA staff will resource this effort.

**Strategy 2: Increase % of ARHA staff with favorable opinion of residents and ARHA's role in serving them by December 31, 2013**

Provide opportunities for meaningful interaction between residents and staff in a collaborative environment that supports, promotes and facilitates two-way communication. Focus staff's attention on the ARHA mission and the

central theme of customer service as a means of modifying their perception of residents and the services provided. Provide formal sensitivity training to staff. ARHA will have to allocate funding for professional staff training to facilitate a key element of this activity.

**Strategy 3: Increase % of Residents and Neighbors with a Favorable Opinion ARHA Residents and ARHA Communities (Ongoing)**

Establish a public information campaign to dispel myths and misconceptions about the assisted-housing community and its residents. Engage in efforts to improve the aesthetics of ARHA properties and publicize the accomplishments associated with those efforts. ARHA should allocate Capital Fund Program and/or Operating Fund resources to cover the cost of the cosmetic improvements.

**Strategy 4: Increase % of Residents and Neighbors with a Favorable Rating of Crime in ARHA Communities (Ongoing)**

Utilize policies, physical improvements and management practices to discourage and prevent criminal and nuisance activity in and around ARHA properties. Work with the APD to compile and maintain actual crime statistics for ARHA properties and contrast those statistics with historical, area and community data and report the contrasted information to residents and the community-at-large. Highlight the ARHA and APD efforts to curtail criminal and nuisance activity and communicate it to residents and the community by any effective means. ARHA will need to allocate Capital Funds for security-related physical improvements and in-kind assistance from local law enforcement will be required.



**Strategy 5: Increase Level of Community Understanding and Acceptance of ARHA Programs (Ongoing)**

We will provide the residents and the larger community with current and relevant information on ARHA programs and accomplishments. ARHA staff, residents and commissioners shall interact personally with other entities in the community to present information and ARHA's perspective on the necessity, potential impact and actual accomplishments of its housing and related programs. ARHA will also create forums to facilitate public participation in our planning and events. This effort can be implemented by ARHA staff.

**RESIDENT GOAL 4: FACILITATE RESIDENTS' FULL PARTNERSHIP WITH ARHA IN COMMUNITY IMPROVEMENT EFFORTS BY EMPHASIZING SHARED RESPONSIBILITY FOR THE ATTAINMENT OF A HIGHER STANDARD OF LIVING**

**Justification**

Residents have the reasonable expectation that ARHA will do its best to provide a decent, livable environment for their families. They also have an expectation that the City of Alexandria will do its part to provide a wholesome setting for their families. To a great extent, ARHA and the city have complied by providing housing in good repair, taking necessary steps to provide reasonable levels of security and by making opportunities for residents to engage in upward mobility initiatives. For all of these expectations to be met, however, our residents must also achieve a clear understanding that they, too, have a clear responsibility for the quality of lives and of their neighborhoods. While the ARHA and its partners may create a supportive environment and provide opportunities, our residents must internalize and act upon their responsibility to take advantage of those opportunities and maximize the long-term benefits they offer. A partnership, common vision, and sense of shared responsibility among Residents, ARHA and the larger community can go a long way toward strengthening and accelerating efforts to enhance quality of life and build a better community.

**Factors Favoring Success**

ARHA has already put some mechanisms in place to reinforce resident understanding and acceptance of their responsibility for a better tomorrow. Admissions and Occupancy Policies that promote responsibility and mechanisms for informing and involving residents in the slate of personal improvement and community improvement activities are just some of the things ARHA is doing to achieve this. Additionally, ARHA's residents are beginning to coalesce into structured representative organizations that can provide peer-based leadership and encouragement to the larger resident population. ARHA and its partners are actively developing and evaluating incentives to encourage and reward resident responsibility and achievement. Our recent survey of residents indicates a broadening perception that they, too, have an important role to play in the quality of their lives and of their living environment.

**Obstacles to Overcome**

The inability to see immediate results or to realize immediate benefits continues to inhibit the ability of some residents to fully embrace a higher level of responsibility for the conditions of their community. Other obstacles include the limited opportunity or structure for broader participation in activities that actually demonstrate residents' acceptance of greater responsibility.

**Implementation Strategies**



Old Town Commons

**Strategy 1: Offer Transfers to at Least 5 Public Housing Families Annually to Mixed Income Housing Based on Their Attainment of FSS Performance Objectives**

ARHA will use admissions and occupancy criteria, as well as existing FSS programming, to encourage resident responsibility and their attainment of key objectives that will make them eligible to receive upgraded housing. A specific number of housing units will be designated for occupancy by residents that meet FSS performance objectives.

**Strategy 2: Achieve and Sustain an Annual Contract Completion Rate of 25% in the FSS Program (Ongoing)**

ARHA will increase the number of participants that complete the FSS program and execute a resident information campaign to encourage full participation. We will offer incentives that will speed participants' goal-attainment, which will enable us to serve more participants within a given unit of time. ARHA will also continually publicize the accomplishment of the FSS program graduates to inform prospective participants of what can be accomplished. ARHA must continue to seek and receive funding to support FSS program coordination.

**Strategy 3: Increase Curb-Appeal of Properties through Beautification Performed by Residents Beginning in 2013**

ARHA will formally incorporate incentives into its property beautification efforts by offering rewards and other inducements to residents who participate. We will contract with resident-owned businesses for some property maintenance and beautification services to facilitate the sense of "ownership" of the improvements. ARHA will also encourage management-resident cooperation by rewarding properties where such collaboration results in innovative programs that substantially improve the appearance of the property. ARHA allocation of funds and in-kind donations will be required for awards and incentives to residents. ARHA will also need to allocate Capital Funds or Operating Funds for cosmetic improvement to the properties.



## PART 3 – COMMUNITY ECONOMIC DEVELOPMENT

### Guiding Principle

***“ARHA WILL IMPROVE ECONOMIC CONDITIONS IN OUR COMMUNITY BY USING OUR HOUSING PROGRAMS TO PROMOTE ECONOMIC DEVELOPMENT FOR DISADVANTAGED INDIVIDUALS AND BUSINESSES”***

### CHALLENGE STATEMENT

#### Limited Economic Opportunities for Disadvantaged Residents and Businesses

Section 3 employment and contracting have long been ARHA objectives. Federal and local officials and agencies also promote and support Section 3 objectives. Unfortunately, ARHA has had few formal mechanisms in place to achieve those goals or to measure progress toward them. As a result, progress in contracting with Section 3 businesses and/or training and hiring low-income residents and integrating them into the economic mainstream has been slow. Additionally, our commitment to Section 3 objectives has lacked accompanying goals that provide a basis for evaluating progress. Our ability to use ARHA’s capital improvement and development programs as a vehicle to contract with disadvantaged businesses and hire residents represents a largely untapped opportunity to promote upward mobility and self-sufficiency. While some of our efforts are mandated by federal statute and establish minimum requirements, the federal mandate does not constrain ARHA’s option to establish additional realistic targets and goals that are appropriate to its mission. If ARHA’s policies and programs are to have an impact on our use of capital programs to contract with Section 3 and disadvantaged businesses or to hire residents, we must address the following:

- Lack of identified, attainable and measurable goals
- Insurance and liability issues for small or fledgling businesses
- Lack of mandated targets
- Lack of ARHA policy on home-based businesses in its housing
- Limited public advocacy for contracting with disadvantaged businesses and hiring residents
- ARHA’s limited ability to support high risks ventures
- Primacy of economic considerations of contracts over social objectives

#### Limited Formal Mechanisms to Promote Minority/ Women/ Disadvantaged Business Enterprise (M/W/DBE)

Minority, women, and disadvantaged businesses are a part of our economic fabric. In tough economic times, it becomes more difficult for these entities to get a foothold in the development activities. Without support of mandates, targets and goals, the participation from those groups is extremely limited. Though it may seem that these groups sometimes enjoy substantial economic participation, their actual participation is quite negligible when compared to total dollar amount of contracting activity. Without a concerted and directed effort, it is unlikely that the level of economic participation in ARHA contracting by disadvantaged businesses will increase by a substantial margin. Issues that present obstacles to higher levels of economic participation by disadvantaged businesses include:

- The lack of a meaningful ARHA program to encourage and support business development



- Limited effort to present needs for action to the ARHA governing body
- Lack of contract language regarding M/W/DBEs that establish measurable and enforceable targets or goals
- Non-availability of a database of certified/qualified M/W/DBEs
- Limited notification to M/W/DBEs when Requests for Proposals and Invitations for Bids are issued

### **Limited Economic Development Emphasis in Affordable Housing Production**

All of the on-going and planned development activities by ARHA present opportunities for collateral economic development efforts. Though development of housing is the primary focus, the development activity presents opportunities for laborers, tradesmen, suppliers, retailers, etc. Housing construction in a neighborhood encourages hope and interest by the entire community, generating collateral activity such as other construction, rehabilitation of homes, establishment of neighborhood stores, social or gathering centers, religious centers, etc. Although the plan may be to develop more affordable housing, our development activities could result in a more vibrant community with additional economic activity. There are concerns that must be addressed if the idea of ARHA development as a catalyst for economic activity is to take hold:

- Possible neighborhood opposition to entities that seek new business from the new residents
- Potential for increased traffic in the neighborhood
- Non-housing community's lack of knowledge of ARHA plans
- Inadequate targeting of the business community by ARHA's public information and public relations activities
- Lack of ARHA partnerships with the business community
- Incremental nature of development adds complexity to predicting changes in business activity
- Lack of commercial or retail components in current housing redevelopment plans

## **IMPERATIVE FOR INTERVENTION**

Over the last 3 years, ARHA has administered approximately \$10 Million in construction related activity. During that same period, very little of that activity was expended through contracts with Disadvantaged Business Enterprises (DBEs) or through the employment of Section 3 residents. In the years to come, it is likely that ARHA will engage in other redevelopment and rehabilitation activities of varying scale, with a substantial dollar amount of contracting activity. The federal government mandates that ARHA and its contractors make "good faith" efforts to contract with Section 3 businesses and hire/train Section 3 residents. Therefore ARHA is obligated to take the necessary steps to ensure that it complies with this mandate.

We realize that Section 3 contracting, employment and training is but one aspect of this issue. There are disadvantaged businesses that rarely have the opportunity to participate in the economic activity of Alexandria in a substantial way. ARHA has demonstrated its sensitivity to this situation by way of its procurement policies, which encourages contractors to subcontract with disadvantaged businesses. Because there is no mandate for this and no monitoring mechanism in place, success has been limited. The potential business activity associated with our current and future capital improvement and development programs, places ARHA in a position to secure greater levels of cooperation from Contractors and Vendors to help us achieve higher levels of DBE participation.

In the coming years, ARHA will be redeveloping properties in areas that are prime locations for economic development activity. This presents opportunities for collaboration with the business community for planning commercial and other economic activity directly associated with, and collateral to, our housing development programs. This will serve the dual purposes of increasing ARHA operating income and promoting economic growth in Alexandria. It also presents additional opportunities for economic participation by disadvantaged businesses.

With emphasis on utilization of our capital improvement and development programs, ARHA's interventions will **PROMOTE COMMUNITY AND ECONOMIC DEVELOPMENT** by:

- Employing formal mechanisms to facilitate ARHA and contractor compliance with Section 3 mandates and achievement of DBE participation targets
- Working collaboratively with local business development agencies to encourage and support the formation of new Section 3 business and to increase the capacity of existing disadvantaged businesses
- Identifying Section 3 and disadvantaged businesses that are qualified and willing to do business with ARHA and its contractors
- Collaborate with local businesses and economic development entities to incorporate economic, business and commercial opportunities into future redevelopment planning and concepts

## **EXPECTED OUTCOMES**

Because of our activities to promote greater economic participation by disadvantaged businesses and the inclusion of economic opportunities in our development programs, we expect that ARHA will achieve:

- Substantial economic participation in ARHA-related contracting by Section 3 and disadvantaged businesses
- Increased non-residential income resulting from project-related economic development activities
- Closer ties with the business community that will favorably impact future ARHA efforts and programs
- Increased number of viable Section 3 and disadvantaged businesses available to do business with ARHA

## **ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE**

ARHA's actions and programs for achieving the above outcomes will be designed and implemented consistent with several tenets. To the maximum extent feasible, as ARHA staff and Commissioners implement this element of its mission they will ensure that:

- Staff, contractors and vendors fully understand and embrace ARHA's position with respect to Section 3 compliance and DBE participation
- Staff works collaboratively with existing local business and economic development entities to fulfill the objectives stated herein
- ARHA capital and development programs and other initiatives fully- or partly-funded by ARHA, are used as vehicles for contractor and sub-contractor participation in Section 3 and DBE contracting activities

**ECONOMIC GOAL 1: EMPLOY FORMAL MECHANISMS TO FACILITATE ARHA AND CONTRACTOR COMPLIANCE WITH SECTION 3 MANDATES AND ACHIEVEMENT OF M/W/DBE PARTICIPATION TARGETS**

**Justification**

ARHA's desire to achieve greater economic participation by Section 3 and disadvantaged businesses must be backed by tangible requirements, benefits and sanctions. Therefore, we will establish policies, procedures and evaluation mechanisms to encourage and monitor ARHA and contractor compliance. We must institutionalize those requirements, benefits and sanctions and provide a way for Board and Staff to monitor and report the attainment of related goals and to evaluate and respond to issues that challenges their attainment. We will develop realistic and achievable performance targets for each program area and incorporate ARHA's requirements into procurement and contract administration procedures. Success of this initiative depends on all parties having full knowledge and understanding of ARHA's targets and of methods they can use to ensure compliance. For this reason we will inform and educate residents, staff, contractors and subcontractors on ARHA requirements and best practices for achieving meaningful Section 3 and Disadvantaged Business participation in contracts.

**Factors Favoring Success**

ARHA has the very strong financial incentive of its capital improvement and development programs to promote contractor participation and compliance. It also has the backing of the federal government in connection with establishing and enforcing contractor participation with respect to contracting with Section 3 businesses, as well as employing or training Section 3 residents. Our desire to see small and disadvantaged businesses develop capacity can be facilitated by organizations within the local area that already have expertise and provide these services.

**Obstacles to Overcome**

Contractor resistance, which has the potential to stymie the success of this initiative, must be overcome through education and by presenting them with mechanisms to make their compliance easier. The number and identity of many disadvantaged businesses is unknown due to their small size and lack of advertising. This adds a degree of difficulty to the identification of such businesses for the purposes of outreach and information. The fact that many disadvantaged businesses may lack capacity to contract with ARHA, could impact the degree of their participation.

**Implementation Strategies**

**Strategy 1: Facilitate \$500,000 in annual economic participation by Section 3 Businesses by 2015**

ARHA will encourage the formation and operation of resident-owned businesses through its policies and contracting activities. Working with local job training and development agencies, we will facilitate and support outreach and training activities and provide technical assistance to enable resident-owned businesses to contract with those who do business with us. Accomplishment of this goal will require efforts by ARHA staff, as well as, training and support provided by local business development entities.



Construction at Old Town Commons

**Strategy 2: Award 30% of the dollar volume of contracts to Disadvantaged Businesses by 2014**

ARHA will implement policies and procedures to require and monitor agency and contractor good faith efforts to contract with Section 3 and disadvantaged business enterprises. We will also establish mechanisms to match qualified Section 3 and disadvantaged businesses to the needs of ARHA and its contractors and vendors. Accomplishment of this goal will require efforts by ARHA staff, as well as, training and support provided by local business development entities.

## **ECONOMIC GOAL 2: INCORPORATE ECONOMIC, BUSINESS AND COMMERCIAL OPPORTUNITIES INTO FUTURE REDEVELOPMENT PLANNING AND CONCEPTS**

### **Justification**

ARHA plans to redevelop at least two residential properties that lie within or adjacent to commercial corridors. Not only would these properties provide mixed-income housing, they have the potential for hosting and fostering related and collateral business development and commercial activity. This is one reason that business and economic development should be an element of our future redevelopment plans. Another reason for this approach is the fact that ARHA must expand its revenue streams by tapping non-traditional sources of income. Rather than relying solely on dwelling rental income, we must look to non-dwelling income as a way of augmenting the resources that sustains ARHA's mission and operations. The revenue generated from commercial activity associated with our redevelopment efforts is one way of doing this.

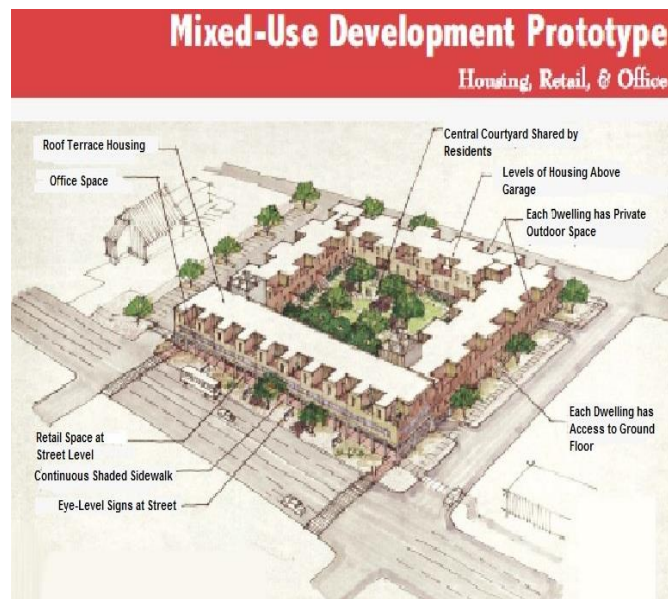
### **Factors Favoring Success**

ARHA's ownership of properties that are in prime residential and commercial locations should provide us and our partners with solid business and commercial opportunities. The City of Alexandria would also like to see increased economic activity, consistent with its desire to increase municipal revenue and to meet its larger objective of having sustainable communities. There is a strong business presence in Alexandria and its location within the Beltway, and the demographics of its residents makes additional business and commercial development attractive.

### **Obstacles to Overcome**

ARHA, as an organization, is not experienced in commercial development, therefore we will need to acquire or develop the capacity to perform effectively in this arena. We have not yet established a working relationship or partnership with the business community. Doing so will be essential to their inclusion in the planning and execution of the economic development aspects of our plans.

### **Implementation Strategies**



### **Strategy 1: Achieve Business Community Support and Advocacy for Mixed-Use Development of ARHA Properties (Ongoing)**

ARHA will form and strengthen its ties with the business community by becoming formally involved in organizations and discussions related to economic development within Alexandria in general, and the neighborhoods that encompass our developments in particular. We will facilitate the business community's involvement in ARHA collaborative identification of community/economic challenges and problem-solving. We will also educate the business community with respect to the available redevelopment options and evidence of successful mixed-use developments involving the redevelopment of affordable housing. Accomplishment of this goal will require effort by ARHA staff and Commissioners.

**Strategy 2: Develop Economic (Business/Commercial) Component of Redevelopment Plans (Ongoing)**

We will evaluate each of our future redevelopment prospects for their potential to support or promote community economic development. We will involve the business community, the City of Alexandria, our business partners and affected stakeholders in developing the economic component of ARHA's redevelopment plans. To the extent possible, the economic component of our redevelopment plans will be consistent with our commitment to growth and strengthening of disadvantaged business enterprises. ARHA will continue to work with our economic development and training community partners such as JobLink and the Small Business Administration, to utilize capital improvement and development programs as a vehicle to contract with disadvantaged businesses and hire residents to promote upward mobility and self-sufficiency. Accomplishment of this goal will require efforts by ARHA staff, and external investment and sources of funds for commercial development

## PART 4 – THE ARHA - COMMUNITY RELATIONSHIP

### Guiding Principle

***“ARHA WILL STRENGTHEN OUR RELATIONSHIP WITH THE COMMUNITY BY ELEVATING THE LEVEL OF CUSTOMER SERVICE AND CREATING A GREATER UNDERSTANDING OF MUTUAL NEEDS AND EXPECTATIONS”***

#### CHALLENGE STATEMENT

##### Mixed Public Perception of ARHA

The perception of ARHA varies, depending on the group viewing our programs, activities and clients. ARHA’s story has been told by a variety of constituencies, and the accuracy of the information has been dependent on the teller. Unfortunately, many people believe what they see in the news or what they have heard from others, thereby arriving at a skewed opinion of ARHA. We understand that we need to present our own story to overcome this.

Public perception has noticeably improved over the last few years, but generally is due to our stakeholders’ direct experiences: residing near a successful ARHA residential site; meeting an impressive ARHA resident; passing an ARHA location while driving to work; discussing issues with an ARHA resident at a public meeting and the like.

Though other housing providers exist, there is general acknowledgement that ARHA has traditionally been and continues to be the housing provider for the lowest income segment of the community. In addition to our Public Housing Program, ARHA’s role as a Housing Choice Voucher (Section Eight) Administrator has helped to mold the community’s view of that position.

ARHA’s role and mission are changing and, as they evolve, it is imperative to get that message to the community. We no longer simply provide housing for low-income households; we are also an innovator in the development of affordable housing, and a facilitator of other initiatives to improve the lives of our constituents and to enhance the quality of life in our community.

Though the public perception of ARHA is changing in a positive direction, much work is necessary on all fronts to continue that progress. Factors that challenge the potential success of that effort include:

- Community’s historical perspective of ARHA
- Inaccurate or inappropriate views of its clients
- Competition in the market for affordable housing
- Past experiences with other entities
- The general community perception of public housing
- Unwillingness of stakeholders to accept change

##### ARHA Role in the Community Not Fully Understood

The Community recognizes ARHA’s role as a provider of low-income housing, but many are only now beginning to acknowledge the need for this commodity and becoming aware of ARHA’s changing role as a provider of a range of

affordable housing options. The Community's perception depends on its relationship to the issues being addressed by ARHA. If one desires to see nearby antiquated and unsightly properties removed, and we do that in our development program, ARHA is viewed in a positive light. If our residents successfully and unobtrusively assimilate with a neighborhood, our mixed-income programs receive accolades. When the economy slows and all segments have to sacrifice, the view of ARHA and its mission is seen in a less positive light due to the resources it requires to continue its mission. It is our responsibility to help mold the Community's perception of ARHA. Factors that pose challenges to our ability to do so include:

- Existing unattractive curb appeal at some sites
- Old beliefs that are difficult to change
- Resistance to acknowledge our capability to develop innovative housing
- Changing community needs
- Difficulty in getting people to view ARHA's properties as community "Assets"
- Residents' view of themselves and their prospects for upward mobility

#### **Lack of Appreciation of ARHA Residents' Capability and Relevance to the City's Future**

For Alexandria to successfully implement its own Strategic Plan, of which affordable housing is a component, ARHA must continue to evolve. Its dedication to serving the City's low-income population must continue, but it must also assist its clients in becoming more integrated in the fabric of the City and the future plans of the City. Though this is the right thing to do, it is still necessary to demonstrate to the City and others that tangible support is needed to enable this valuable human resource to reach its full potential and contribute their vision, culture and work to the fabric of the city. The diversity of styles, cultures, and desires are all necessary for a "real" community to exist and prosper. To achieve this, ARHA will work collaboratively with others to address challenges such as:

- Resistance to change
- Generating a common understanding of the City's vision and goals
- Determining where and how ARHA can influence the City's plans
- Generating greater resident involvement in positive community activities as a means of promoting acceptance and diversity
- Demonstrating to the community-at-large the positive attributes of ARHA and its clients
- Assisting the community to become more tolerant of cultural and economic differences

#### **Lack of Definition of ARHA Service Delivery Partnerships**

ARHA cannot accomplish its mission alone; it must embrace partnerships. With respect to services to its clients, the magnitude and scope of the need for supportive service resources has become so great and the availability of those resources is decreasing so rapidly, that ARHA cannot support the initiatives required by its clients on its own. Alexandria is a service rich environment; therefore ARHA must work to bring those resources and our clients together. This is only possible through substantive partnerships and a comprehensive understanding of the need. The question remains "How does ARHA wish to deliver its services and at what level?" The challenges that accompany this question include:

- Identifying and categorizing the available resources or agencies
- Matching ARHA clients' needs to the available resources
- Determining the degree to which in-house funds will be used to augment, but not duplicate services
- Changing old ways of delivering services

- Cultivating true partnerships
- Ensuring that staff understands the necessity for developing partnerships
- Establishing a coordinating function to best direct and utilize the resources
- Expressing to the service community ARHA's service needs

### Lack of Definition of the ARHA Relationship to City Government

Without question, the relationship between ARHA and the City of Alexandria has improved in recent years. This can be attributed, in part, to ARHA's new Board and its executive leadership. ARHA residents and staff have also presented the community with a more positive aspect, in terms of accomplishments and capabilities, thereby providing some basis for the improved relationship.

It is evident that the City and ARHA need one another to accomplish their changing missions. ARHA cannot operate without the assistance from and a mutually beneficial business relationship with the City. The need for waivers, special consideration, certificates, fast reviews, and support letters from the City will be necessary throughout its development, redevelopment and resource acquisition activities. The City needs a capable and dependable partner in carrying out its affordable housing strategies. Though ARHA is and is willing to continue to be that partner, the following issues will have to be addressed:

- Recognition by both sides of their value to the process
- Understanding the history, but being open to change
- Realizing the needs of both parties
- Agreement and cooperation in matching the needs with available resources
- Understanding the issues, concerns and needs of ARHA residents and the surrounding neighborhoods
- Publicly defending plans that are in the interest of both parties

## IMPERATIVE FOR INTERVENTION

Alexandria is a vibrant cosmopolitan city that has a wealth of natural and created advantages. It is conveniently located within the Washington, D.C. Beltway and served by Metro Rail. It is situated along the Potomac and presents a mixture of the historic colonial and the newer contemporary architecture. When the foregoing is combined with its offering of dining and entertainment opportunities, it is easy to see why housing is in such great demand and why there is tremendous market pressure to gentrify this city.

The City's Strategic Plan recognizes that a community's vitality and desirability depends, not only on its wealth, but also on the richness of cultural, ethnic and economic diversity. Goal 4 of Alexandria's Strategic Plan states: ***"Alexandria is a community that supports and enhances the well-being, success and achievement of children, youth and families"***. Goal 7 unequivocally states that ***"Alexandria is a caring and inclusive community that values its rich diversity, history and culture, and promotes affordability."*** It is clear that the provision of services to promote personal success, the availability of affordable housing that serves a range of income levels and the preservation of diversity and culture are essential elements of the city's plan.

ARHA has the powers, holdings, assets and client base that place it in a unique position to help Alexandria achieve these elements of the City's Strategic Plan. In fact, our mission dovetails with those elements of the City's plan. However, because of market forces, ARHA cannot fully accomplish its mission without the support and cooperation of the city. Likewise, it will be difficult for the City of Alexandria to achieve its Goal 7 without the ARHA's cooperation and support. Though they have been partners and mutually supportive at times, their mutual goals make it imperative that this partnership between ARHA and the City of Alexandria be strengthened.



ARHA's mandate to use its assets to provide a path of upward mobility for its clients will require access to resources that we simply do not have. This means that we will need service partners to provide the direct and supportive assistance to our clients that we cannot afford. Yet, it will be important for those service agencies to work closely with ARHA to ensure that our clients are being served, and that the services are having the intended positive effect on their progress toward self-sufficiency and improvement of their quality of life.

Innovation and growth in our affordable housing programs will only be possible if there is general community acceptance of and confidence in ARHA's plans and actions. Misconceptions of ARHA capabilities, its programs and its clients must be addressed if sustainable levels of community support are to be achieved. Our ability to tap external resources to support ARHA efforts to move families toward self-sufficiency and educational accomplishment is affected by service agencies' opinion of ARHA capability to effectively administer programs or manage partnerships. The opinion of ARHA customer service and technical proficiency must be elevated to ensure our access to the resources of those agencies.

Because of the importance of development and preservation of affordable housing in the face of market forces, it will be critical that the ARHA-City relationship be clearly defined and supported by the governing and administrative structures of both entities. Furthermore, the judicious and effective use of ARHA's and Service Community's resources dictates that the nature, obligations and intent of our partnerships be clearly defined.

With emphasis on strong partnerships as an effective means for accomplishing our mission, ARHA's interventions for **Improving the ARHA – Community Relationship** will include:

- Modifying public perception of ARHA's mission and capabilities
- Redefining relationships with residents, partners and government
- Redefining the public's view of ARHA clients

## **EXPECTED OUTCOMES**

Because of ARHA's actions, the support of our partners and our residents and our emphasis on "quality customer service" as the primary means of elevating and sustaining a positive public perception of ARHA, the ARHA-Community Relationship will:

- Lead to a common understanding and appreciation of ARHA's role in and importance to the community's affordable housing agenda
- Result in the collaborative identification of shared or common problems and challenges and their resolution in a spirit of honesty, openness, teamwork and cooperation
- Result in the provision of a range of affordable housing options for Alexandria
- Result in the community's respect for ARHA's capabilities as an effective provider of quality affordable housing services

## ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE

To the maximum extent feasible, ARHA staff and Commissioners will implement this element of its mission in a manner that is consistent with the following:

- Close WORKING RELATIONSHIPS and COLLABORATION with our partners' corporate entities, their governing bodies, their staff and their stakeholders to ensure the full, timely and honest exchange of information and increased understanding of the position and objectives of ARHA and its partners.
- All ARHA interactions with clients, stakeholders, partners and public are positive, productive and respectful
- Positive information regarding ARHA, its activities and accomplishments and the accomplishments of its residents is clearly and regularly communicated to the community, using a variety of means and technologies
- Negative information concerning ARHA is immediately countered with full and appropriate presentations of the facts and explanations of the relevant circumstances
- Staff and Commissioners are kept fully informed and well-prepared to fulfill their roles as "ARHA Ambassadors"
- Problems, complaints and/or misunderstandings receive high priority for resolution and that resolution is achieved in a manner that emphasizes direct, timely and honest communication or dialogue among the parties
- High standards for customer service accompany every aspect of ARHA service delivery

## **ARHA-COMMUNITY GOAL 1:                   MODIFY PUBLIC PECEPTION OF ARHA'S MISSION AND CAPABILITIES**

### **Justification**

We will employ strategies and actions to elevate the level of support and confidence that potential funding sources, partners and supporters have in ARHA's ability to accomplish what it proposes. The viability of ARHA, its housing and its related programs depend on our ability to secure adequate resources and employ innovated strategies to provide housing and services. And because the levels of confidence and support hinge on how those entities view ARHA's staff, residents, leadership and capabilities, it is imperative that we address this issue through customer service, providing information to moderate public opinion and interacting more effectively with stakeholders and partners.

We will also address the underlying factors of public perception of capacity and mission by ensuring the public obtains a clear sense of the what, why and how of ARHA's plans and actions. We will provide the public with complete and honest information through a variety of means to facilitate a more complete understanding of ARHA and its mission. We will be proactive in our public information program to ensure that public opinion is based on a balanced assessment of ARHA conditions and our activities.

We will increase our positive and productive interaction with partners, stakeholders and government officials to improve lines of communication and trust levels. Involvement of the parties in collaborative assignments will broaden the avenues for effective communication and heighten understanding of their respective roles, responsibilities and constraints.

In the past, residents, service partners and local officials generally viewed ARHA customer service as "uninspired", resulting in the less than satisfactory characterization of the agency's service delivery system as a whole. Though this public concept of ARHA based on the quality of our service delivery is improving, ARHA must do more to improve customer service, thereby elevating ARHA in the eyes of our clients, customers and stakeholders.

Public opinion and the popular view of ARHA's housing, residents and programs is often shaped by the press and broadcast media. Unfortunately too much of this form of coverage focuses on the negative and is often based on inaccurate or incomplete information. ARHA must do a better job to counter this type of coverage and to getting its own story out. We must do more to provide the public and its stakeholders with information that allows them to form a balanced perspective of ARHA.

### **Factors Favoring Success**

ARHA has always had relationships with a variety of entities in the community that provide tangible support for its programs. In many cases these relationships are improving and will continue to do so due to our enhanced focus on communication and cooperation. ARHA also has a Board of Commissioners that continually expresses and shows its support for effective partnerships and stronger ties to the community. Within the last year, ARHA has improved its technical capacity to communicate effectively across a broad spectrum of the community and our Staff, Residents and Commissioners have been more actively engaged with the community through a variety of forums and events.

### **Obstacles to Overcome**

ARHA will have to work to overcome some misconceptions about it, its programs and its clients if it is to succeed in modifying the public's perspective. It will also have to overcome some negative attitudes resulting from stakeholders' and clients' direct experience with ARHA in the past. While there is general agreement that affordable housing and opportunities for upward mobility are needed in the community, there are competing interests at play when it comes down to the methods and resources for producing them. Limited resources such as land, subsidies, services, equity and financing all play a role in a competitive environment.

## Implementation Strategies



### **Strategy 1: Achieve and maintain a favorable public perception of the quality of ARHA's customer service (Ongoing)**

ARHA will develop and institutionalize mechanisms to ensure that all services are designed and delivered in a manner that puts the customer first. This includes enhancing our responsiveness to requests and inquiries, eliminating impediments to customers' requests for and receipt of ARHA services, assuring that all our transactions are conducted in a professional and courteous manner and commit to professional customer service training of staff.

### **Strategy 2: Ensure that stakeholders with opinions about ARHA base those opinions, in part, on information they receive directly from ARHA (Ongoing)**

We will refine and utilize our communication network to disseminate timely and accurate information about ARHA, its activities and its plans. ARHA will employ mechanisms such as newsletters, web postings, broadcasts, events and direct contact to educate and inform stakeholders and partners of the challenges, opportunities, plans and actions related to our mission, programs and clients. We will reach a broad audience through this communication effort and facilitate a two-way communication process to maximize the opportunity for learning and understanding. ARHA will need to budget for the creation and distribution of publications, and to periodically upgrade its web site.

### **Strategy 3: Establish and maintain full engagement with current and potential ARHA partners (Ongoing)**

ARHA will establish formal mechanisms to regularly interact with stakeholders and partners in a manner that promotes mutual understanding and relationship-building. We will have ARHA Staff, Commissioner and Resident participation on external boards, panels and working groups, and we will invite stakeholder participation in ARHA planning and program evaluation. We will be an active and cooperative participant in collaborative problem identification and problem-resolution through formal and informal protocols. We will also provide the general public with interactive avenues to evaluate our performance and make recommendations to the ARHA. Time must be set aside for staff participation.



## PART 5 – ARHA VIABILITY

### Guiding Principle

***“ARHA WILL ASSURE ITS LONG-TERM VIABILITY BY ADAPTING OUR TECHNICAL CAPACITY, BUSINESS MODEL AND RESOURCE STREAMS TO THE REQUIREMENTS OF OUR MISSION”***

### CHALLENGE STATEMENT

#### Gap between Community Needs and Technical Capacity to Fully Serve those Needs

Accomplishment of the ARHA mission requires that staff possess adequate knowledge, skills and expertise in a variety of disciplines. This requirement is as dynamic as the environment in which the agency operates. As the mission and strategies morph, so do the specifics of the required skill sets. ARHA’s changing approaches to affordable housing development and management, changing mechanisms for resource acquisition and changing institutional models all contribute to a need for skills and expertise that ARHA may not presently have in sufficient quantity.

- **Professional Development.** While ARHA staff presently possesses skills that have enabled the agency to achieve appropriate standards of performance under its former model of operation, gaps between current skill sets and requirements of the “New ARHA” are beginning to emerge. ARHA has a systematic mechanism for assessing and addressing the professional development needs of its employees in light of these emerging requirements. While it does encourage and support essential training of staff, ARHA has a system in place for matching employees with skill-building opportunities to address gaps in the mission-critical knowledge and techniques needed to allow the agency to adapt and flourish in the emerging operating environment. The agency will continue to strive to reach optimum skill levels in disciplines such as asset management, customer service and program evaluation.
- **Personnel.** As program and service needs change, ARHA will have to modify its staffing patterns to ensure the provision of high quality services. The current staffing model, while changing to address emerging needs, is still primarily predicated on its historical mission. As that mission transforms with the new ARHA vision, the need for different types and levels of expertise will manifest. Issues such as development of internal capacity, outsourcing, organizational structure and recruiting for enhanced capacity will rise to the forefront of consideration.

#### Gap between Mission and Administrative Capacity

The portfolio of ARHA programs is growing in number and diversity. There is wide variation in regulatory, reporting and program management requirements associated with these programs. As ARHA embarks upon activities that represent an expanded mission, the intensity and diversity of those requirements are sure to grow, thereby placing stress on existing systems for management and administration, and resulting in the need for additional or different systems. Based on current trends and without proactive intervention, ARHA can expect to experience challenges to its:

- **Accounting Systems.** The transition to the Asset Management Model of operation has already required changes to accounting and reporting practices. Future changes will be required for bookkeeping and accounting related to the growing number of ARHA's affiliated entities pursuant to VHDLLC's development activities. Furthermore, the allocation of new or more resources to accounting processes, software and personnel will be required to address the growing need to provide a timely and accurate assessment of the financial status of each of ARHA's programs and cost centers.
- **Management Systems.** While ARHA continues to manage traditional public housing, it is moving forward with the creation and management of mixed-finance and mixed-income developments. This emerging model of affordable housing requires significant changes in management approach and management systems. As tenant profiles change, the existing operational structure and processes will likely no longer fully address the emerging client, regulatory and community requirements and stakeholders' expectations with respect to issues such as tenant selection and assignment, property management and performance monitoring and reporting.
- **Information Technology Systems.** Though ARHA continues to upgrade its automated systems, much of its program management function is based on an aged AS-400 platform. Each new change in requirements for data collection and reporting necessitates patches that are increasingly difficult to accomplish with any assurance of compliance. Furthermore, the existing platform will be hard-pressed to support the kind of status and performance reporting that will be required in the future.

#### Gap between Operational Requirements and Financial Resources

As the routine cost of doing business goes up, the funds from the usual and customary sources continue to decline. Furthermore, there is a continuation of the practice by the federal government of placing restrictions on use of funds and adding un-funded mandates on ARHA and other PHAs as conditions for continued funding. Likewise, key initiatives to address critical community issues such as affordable housing production and economic self-sufficiency have seen declines in available funding. Financial factors that are of significant import to ARHA's Viability are:

- **Declining Operating Subsidy.** While the last fiscal year's Public Housing Operating Subsidy was funded at 100% of calculated eligibility, prior years were funded at much lower levels. Future years are likely to see lower levels of public housing subsidy funding as well. Funding for the administration of the Section 8 Housing programs are facing a substantial reduction as well with current estimates at 82% of eligibility. Added to this is the growth in the cost of providing subsidies on behalf of Section 8 tenants without a corresponding increase in HUD subsidy for Housing Assistance Payments. This has resulted in program under-funding and ARHA's inability to utilize approximately 300 of its authorized 1,906 Housing Choice Vouchers. This situation is likely to grow more acute as rents in the area rise.
- **Restricted Use of Funds.** HUD's Asset Management regulations and prior changes in Section 8 rules have severely limited the amount of Public Housing Subsidy and Section 8 Administrative Fee that can be used to support ARHA's administrative operations. The challenge to fund or support new program development, program oversight and general administration continues to grow.
- **Cost of Affordable Housing Development and Preservation.** Based on current patterns of Capital Fund Program utilization<sup>15</sup>, ARHA will have approximately \$4.5 million in un-funded capital improvement needs for its Public Housing and ACC units over the next 10 years.<sup>16</sup> Furthermore, ARHA will require at least \$84 million if it decides to redevelop and/or reconstruct its public and assisted housing developments that are at risk of

<sup>15</sup> 45% of Capital Fund Grant is utilized for capital improvements

<sup>16</sup> Excludes Bland, Bland Addition, Old Dominion, West Glebe

obsolescence.<sup>17</sup> If ARHA seeks to expand the supply of affordable housing, it can expect to encounter a need of approximately \$300,000 to \$400,000 per unit.

### Gap between Service Delivery Requirements and Service Delivery Mechanisms

How services are delivered has a bearing on how well they are delivered. Because of the changing federal and local operating environment and because of the changing needs of its constituents, ARHA is faced with the challenge of making an institutional transformation to enable it to adapt and remain a viable and strong manager, advocate and agent of affordable housing in Alexandria. Major service delivery mechanisms that are affected by ARHA's changing operational paradigm include:

- **Property Management.** Asset Management is based on the theory that services arranged in the best interest of the properties will result in higher performance levels at lower cost. While ARHA has put into place most of the elements of the organizational model consistent with the requirements of Asset Management, its operational model has not yet been completed. Stronger project-specific mechanisms for goal-setting, performance evaluation and reporting, quality assurance and customer-service are still pending full implementation.
- **Property Maintenance.** Stringent local and federal standards apply to property conditions. These standards become increasingly difficult to achieve and maintain as properties age and the responsibility for essential maintenance is not clearly defined for residents and staff. This evidence of this challenge will become more acute as the performance expectations of HUD and the Alexandria community increase. Issues such as resident responsibility, maintenance service delivery organization and mechanisms, property-specific condition standards and maintenance funding will continue to rise in importance.
- **Customer Service.** ARHA has a diverse customer base and all elements require, expect, and deserve high quality service. ARHA has adopted an operational philosophy that emphasizes the centrality of quality customer service, it does not yet have mechanisms in place to assure and monitor its delivery. Because ARHA's housing operates in a competitive market, it must be in a position to compete for resources and customers. It must also ensure high levels of customer satisfaction to ensure it retains a positive image in the community and among its clients. Attainment of these objectives is complicated by limitations of its current mechanisms to achieve and maintain quality assurance, quality control and accountability.

## IMPERATIVE FOR INTERVENTION

ARHA must remain a strong, viable institution if our vision of widely available affordable housing opportunities is to become a reality. This means that we must acquire and retain the financial, technical and human resources that ARHA needs to adapt to its new role, facilitate development and provide quality services. ARHA is a major local corporation, with over \$25 million in annual economic activity and a responsibility to its constituents and stakeholders to ensure that its economic activity yields the greatest possible benefit to the community. This requirement places upon us the responsibility to maintain the highest standards of service delivery, be fully accountable for resource utilization and have the most qualified personnel to carry out our mission. ARHA's stakeholders are looking to us to stabilize, improve and expand the supply of affordable housing in the community. This will require ARHA to identify sources and secure sufficient funds for development and capital improvement. To ensure adequate resources to craft and implement our management strategies to sustain our housing and quality of life initiatives, we must also

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<sup>17</sup> Includes Adkins, Madden, Ramsey, Hopkins-Tancil at \$300,000 per unit

establish new and dependable income streams that are insulated from appropriations that are dependent on shifting political winds.

Our interventions will **ENHANCE ARHA'S VIABILITY AND ITS ABILITY TO PROVIDE QUALITY SERVICES** by:

- Increasing our staff's capacity to effectively plan, implement and manage all aspects of ARHA's mission
- Modernizing and adapting our administrative systems to fully support all current and future ARHA activities and programs
- Expanding financial resources, enhancing ongoing revenue and controlling expenses
- Adopting and maintaining an efficient and effective organizational model consistent with our mission

## **EXPECTED OUTCOMES**

- Through efforts to enhance our capacity to undertake and manage initiatives that are consistent with its mission, ARHA will:
- Have a staff and/or access to professionals with the qualifications, expertise and experience necessary to effectively plan and administer ARHA's programs, revitalization activities and quality of life initiatives
- Have state-of-the-art management and information systems to support operations in a manner that enables ARHA to fully comply with all regulatory requirements and standards of performance
- Have sufficient financial resources and self-sufficiency, with multiple streams of operating income, greater access to capital markets and efficient resource utilization, to carry out essential elements of our mission
- Effectively deliver quality services through an appropriately designed and staffed operational and organizational structure

## **ARHA INTERVENTION TO ACHIEVE GUIDING PRINCIPLE**

ARHA's actions and initiatives for achieving the above outcomes will be designed and implemented consistent with several key principles. To the maximum extent feasible, ARHA staff and Commissioners will implement structures, mechanisms and systems to support the primary elements of our mission by ensuring that ARHA's:

- Staff is considered our most valuable internal asset
- Priorities for allocating resources are preservation of affordable housing, expansion of affordable housing opportunities and resident empowerment
- Cost centers are operated at or above break-even unless there is a compelling and fully justified reason for subsidizing them
- Net unrestricted income is used for mission-critical priorities
- Revenue streams are generated from ventures that are consistent with our operating philosophy of economic empowerment of residents and disadvantaged business enterprises
- Our partners share in ARHA's commitment to affordable housing and resident empowerment



**VIABILITY GOAL 1: INCREASE ARHA STAFF CAPABILITY TO PLAN, IMPLEMENT AND MANAGE ALL ASPECTS OF ARHA'S MISSION****Justification**

The human element of ARHA's service delivery mechanism is what actually translates plans and policies into action. It is critical that our professional resources have the requisite qualifications and abilities to effectively accomplish the objectives of our mission. As ARHA staff is responsible for attainment of mission-critical objectives, ARHA must evaluate professional development needs in light of those objectives, and engage in training and recruitment to ensure that our positions are appropriately staffed. The core of our service delivery system is our staff, but there will be instances in which ARHA must look to highly-trained specialists in the private sector for short-term or highly specialized engagements directly related to the accomplishment of certain objectives.

**Factors Favoring Success**

ARHA has a cadre of dedicated staff that has expressed a willingness to engage in professional development and to take on the additional responsibilities of our new mission. This increases the prospects for full participation in any staff training and professional development initiatives. Because Alexandria is in a major metropolitan area with a wealth of private sector consultants and developers, obtaining qualified specialized technical expertise should not be a problem.

**Obstacles to Overcome**

Resistance to change is probably the biggest factor in transforming the human aspect of an organization. This must be addressed through adequate preparation of staff and an inclusive process for defining training and professional development needs and approaches. Financial resources to support the appropriate staffing levels will also be a challenge to our ability to achieve and maintain enhanced organizational capability.

**Implementation Strategies****Strategy 1: All Property Management Staff to Have Industry-Preferred Proficiency Certifications by 2015**

In order to properly manage our own properties and those of others, ARHA will develop and retain a staff with professional certifications and designations that are accepted evidence of proficiency in the skills and techniques applicable to property management. This will be accomplished through facilitation and support of training and certification testing, and through recruitment of new employees with the requisite professional certifications and designations. We will ensure that ARHA staff has proficiency certifications or designations at tiers that are commensurate with the assigned levels of authority and responsibility. Time and money must be set aside for staff training and certification.

**Strategy 2: All Maintenance Workers to Attain Basic Proficiency in Multiple Disciplines by 2015**

We will facilitate on-site training and encourage and/or support outside training of our maintenance personnel to enable ARHA's maintenance delivery system to fully adapt to the site-based management model. We will ensure that ARHA's maintenance personnel have or obtain the skills necessary to perform a range of basic maintenance services, and that we have enough personnel with specialized maintenance skills to provide fast and quality response to tenant and management requests for such services. Time and money must be allocated for staff training.

## **VIABILITY GOAL 2: MODERNIZE AND ADAPT ADMINISTRATIVE SYSTEMS**

### **Justification**

The efficient and compliant operation of ARHA and its affiliated entities requires solid policies, procedures and management systems. If ARHA is to demonstrate its capacity to administer its current and future programs, and to offer its services to external entities, it must have state-of-the art technology and solid operating protocols in place. It must be able to demonstrate transparency in its operations and administration through solid and comprehensive reporting that is easily accessed by regulatory bodies, funding agencies, stakeholders and partners. It must also have mechanisms and internal controls in place to ensure the highest level of operational and fiduciary integrity.

### **Factors Favoring Success**

We have already started to modernize our administrative systems. ARHA has begun the process of identifying and addressing gaps between its current technology and its future needs, and has upgraded some of its automated data processing hardware. We have also been engaged in revising ARHA's operating policies to more closely align them with emerging operational and performance objectives. Staff has also expressed a desire to upgrade ARHA's technology and management systems to facilitate better service to our clientele and to make our operations more efficient.

### **Obstacles to Overcome**

ARHA will require financial resources to upgrade the technology used for information management and communication. Technical assistance may also be required to help staff re-craft some of its operational policies and procedures. In addition, staff will require preparation and training to utilize new systems and technology as they are implemented.

### **Implementation Strategies**

#### **Strategy 1: Execute the Full Conversion of the Automated Technology System to Support Current and Future Programs and Administration by 2013**

We will convert the current AS400 program management system to a newer state-of-the-art system. The system will be scalable and will have the capability of supporting the addition of program management and reporting modules required by ARHA, its affiliated entities, regulators and stakeholders. The conversion will extend to ARHA's electronic and telephonic communications systems. All interfaces will be designed to expedite access by, and response to, our internal and external customers. The system shall be fully integrated to facilitate inter-modular exchange and use of information. Funds must be allocated for initial and periodic technology upgrades. Time and money must also be set aside for staff training.

#### **Strategy 2: All Policies and Procedures Crafted to Support New Business Model and Objectives by 2014**

We will review and evaluate all key operational policies in light of ARHA's strategic and operational objectives. Where such policies are in conflict with, or don't substantially support, the attainment of those objectives, modifications will be made. We will ensure that procedures we adopt to implement those policies keep quality customer service, regulatory compliance and efficient operations as the primary interests. We will also ensure that ARHA staff is trained on any new or revised policies and procedures to ensure their full comprehension and compliance. ARHA should allocate funds for professional technical assistance and time must be set aside for staff training.

### **VIABILITY GOAL 3: ENHANCE REVENUE AND CONTROL EXPENSES**

#### **Justification**

Financial resources are becoming more and more limited while the sources of funding are becoming more restricted. We must broaden its access to revenue sources and diversify its income streams if ARHA is to sustain its current operations and fulfill the service elements of its mission. ARHA has a fiduciary responsibility to make the most efficient use of its resources. When that is coupled with the very practical need to “stretch” every dollar to achieve maximum benefit for our clients, controlling expenses is not just a requirement, it is a necessity. For these reasons, ARHA’s plan to carefully plan, execute, monitor, report and evaluate its operations and use of financial resources is an essential part of its effort to support and sustain the organization.

#### **Factors Favoring Success**

ARHA has begun the process of diversifying its income streams through its development activity and its affiliated entities. This bodes well for future efforts of a similar nature. ARHA has also put into place key financial planning and control aspects of Asset Management, thereby providing a template for future financial management activities of current and future cost centers. Finally, ARHA has been updating its performance evaluation and control mechanisms to facilitate more effective assessment of the impact of operational activities on the financial condition and performance of the agency.

#### **Obstacles to Overcome**

The current economic environment presents a challenge to ARHA’s ability to embark upon certain business and development ventures due the investors’ current aversion to risk. The highly competitive market for services of the type that ARHA can potentially offer to private sector entities is also a factor which poses a challenge. ARHA must also convince external entities that it has the capacity and expertise to engage in the income-generating non-traditional business activities.

#### **Implementation Strategies**

##### **Strategy 1: Generate Additional Unrestricted Net Income from Development and Housing Management Activity (Ongoing)**

We will continue to engage in development and redevelopment activity that stabilizes or increases the supply of affordable housing and provides financial benefits to ARHA. Wherever feasible, ARHA will seek a major stake in ventures that assures a substantial upfront financial benefit and/or a reasonable long-term annual financial incentive. To do this we will develop VHDLLC’s capacity to plan, implement and manage multiple projects by ensuring this affiliated entity has the proper structure and that its personnel have the requisite qualifications and experience to carry out their responsibilities. We will also develop VHDLLC’s capacity to successfully offer development consultant services to the private sector entities (for-profit and non-profit) that wish to engage in affordable or mixed-income housing development. ARHA’s staff capabilities will need to be augmented by professional consultants on occasion. Additionally, time must be allocated for staff training.

##### **Strategy 2: Generate Ongoing Unrestricted Net Income from Non-ARHA Sources by Utilizing Construction and Maintenance Services (Ongoing)**

We will fully operationalize ACE to capitalize on ARHA- and non-ARHA related construction and maintenance activities. Related actions will include establishing the appropriate structure and affiliated relationship to ARHA, project planning, control and accounting systems, as well as, effective marketing and service delivery mechanisms. This also includes achieving the appropriate staffing levels with the required mix of skilled workers and trainees. Funds will be needed for marketing and for professional technical assistance to establish business management systems.

**Strategy 3: Generate Ongoing Unrestricted Net Income from Non-Housing Commercial Ventures and Leases (ongoing)**

In connection with our mixed-use redevelopment efforts, ARHA will partner with the business community to generate non-residential commercial activity to provide a source of income to the agency. To the extent feasible, we will incorporate commercial space in our redevelopment plans, and actively seek and secure partners for the purpose of engaging in income-producing activities. ARHA will also seek and take advantage of opportunities to lease non-residential space and facilities to businesses and corporations. ARHA may need to allocate funds for professional advice related to business development.

**Strategy 4: Utilization of Income Tiering as an Approach to Achieve Sustainability and Economic Viability (ongoing)**

HUD has been consistently reducing its subsidy to PHA's (ACC Subsidy and HCVP Administrative Fee) according to trend analyses over the past five (5) years. It has become evident that ARHA must utilize new tenant selection strategies, as well as training and employment marketability incentives, to improve the skills of the tenants who are at thirty (30%) percent of AMI or lower. Consequently, with enhanced earning potential, this targeted population will be empowered with the ability to pay higher dwelling rents. The Redevelopment Plan component of the Strategic Plan will incorporate the income tiering methodology in achieving the most efficient mix of tax credit and market rate dwellings.

## VIABILITY GOAL 4: CONFORM ARHA'S BUSINESS MODEL TO ITS MISSION

### Justification

The advent of cost centers as the operating units of PHAs necessitates a decentralized model of operation in which cost center managers are given the responsibility and authority to achieve performance goals. ARHA must adopt this model if we are to achieve the primary objectives of Asset Management. Furthermore, it must ensure that its organizational structure and operating methods reflect the business requirements of the operating units and provide the best opportunity for viability and profitability. Therefore, ARHA must ensure that its performance standards are sound, its operations are consistent with sound business principles and that our staffing levels are in conformance with requirements of our business objectives.

### Factors Favoring Success

ARHA has already made substantial progress in its transition to the Asset Management model of operation. We are applying early lessons learned to ARHA's ongoing efforts to improve upon its initial model and our staff is willing to utilize "best practices" and proven approaches to further refine our service delivery structures. Recent regulatory relief provides us with a wide range of options as we go about the tasks of re-engineering our organization and programs for maximum efficiency and impact. Finally, our ability to step outside of the strictly "public agency domain" and employ aspects of private sector models and techniques gives us the flexibility we need to be innovative and effective.

### Obstacles to Overcome

Resistance to change is always a risk when a paradigm shift in operating philosophy is contemplated. Stakeholders' failure to understand the reason and anticipated outcomes of our new model of operation may also complicate our implementation of the new ARHA business model. Finally, our new model may cross internal and/or external territorial boundaries, thereby generating or increasing resistance to ARHA's efforts.

### Implementation Strategy

#### Strategy 1: All Cost Centers Operating Consistent with Established Performance Standards (Ongoing)

We will complete the transition to Asset Management by implementing and using a business model based on cost centers. This will include instituting project monitoring and evaluation mechanisms to allow us to periodically determine and address cost-center performance and viability. ARHA will also modify its practices to place full responsibility for day-to-day cost-center operations at the lowest practical level of the organization. Finally, we will establish and achieve cost-center specific performance goals to ensure that operations achieve the desired service delivery and financial results.

