



## ARHA REDEVELOPMENT WORK GROUP

October 19, 2023

5:30 PM – 7:00 PM

City Council Workroom

### MEETING AGENDA

1. Welcome & Introductions Mayor Justin Wilson
2. Review of September 21, 2023 ARHA  
Redevelopment Work Group Meeting Summary Redevelopment Work Group
3. Update regarding ARHA Staff, Board, and  
Organizational Transitions Anitra Androh, ARHA Board
4. Samuel Madden Homes Development Project Keith Pettigrew, David Cortiella, ARHA
  - a. Section 18 Application
  - b. Section 106 Update
  - c. Tenant Relocation
5. Ladrey Senior Highrise Development Project Keith Pettigrew, Thomas Jones, ARHA
  - a. Completeness Submission Update
  - b. Resident Engagement
  - c. Tenant Relocation
  - d. Community Engagement
6. Additional Development Planning Updates Keith Pettigrew, Nicole Wickliffe, ARHA
  - a. Re-syndication Activities - BWR,  
Chatham Square
  - b. Rental Assistance Demonstration  
Conversions – Status of Chatham Square,  
BWR, Old Dominion, James Bland I, II
7. Status of Tax Abatement Requests Keith Pettigrew, David Cortiella, ARHA
8. Premier Housing Update and Revised Schedule  
for City Council Consideration Anitra Androh, ARHA Board
9. Other Business Office of Housing Staff
  - a. Staffing Updates

### UPCOMING MEETINGS

November 30, 2023

▪ January 18, 2024

▪ February 15, 2024

## **Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group**

**September 21<sup>st</sup>, 2023**

### **Meeting Summary**

#### **Participants**

##### ***Work Group Members***

Justin M. Wilson, Mayor, City of Alexandria  
John Taylor Chapman, Councilman, City of Alexandria  
Peter Kleeblatt, ARHA Board of Commissioners (via phone)  
Stephen Koenig, Planning Commission  
Anitra Androh, ARHA Board of Commissioners

##### **City of Alexandria/Alexandria Redevelopment and Housing Authority (ARHA) Staff**

James Parajon, City Manager, City of Alexandria  
Emily Baker, Deputy City Manager, City of Alexandria  
Karl Moritz, Director, Department of Planning and Zoning  
Nancy Williams, Assistant Director, Department of Planning and Zoning  
Helen S. McIlvaine, Director, Office of Housing  
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority (via phone)  
Eric Keeler, Deputy Director, Office of Housing (via phone)  
Christina Zechman Brown, City Attorney's Office  
Brandi D. Collins, Office of Housing  
Kim Cadena, Office of Housing  
Catherine Miliaras, Department of Planning and Zoning  
Michael C. Saunders, Office of Housing  
Nicole Wickliffe, Alexandria Redevelopment and Housing Authority (via phone)  
Thomas Jones, Alexandria Redevelopment and Housing Authority

#### **Welcome & Introductions, June 15<sup>th</sup> Meeting Summary Approval**

Mayor Justin Wilson convened the meeting. Introductions were made of Work Group members, City and ARHA staff, and others attending. The Work Group approved the summary of the June 15, 2023 meeting.

#### **Samuel Madden Homes Redevelopment Project**

Thomas Jones gave a presentation that provided an update on the Samuel Madden redevelopment project. Mr. Jones stated that the Memorandum of Understanding (MOU) for the Section 106 historic review was pending staff review. Currently, the project's largest coming milestones and priorities include sourcing additional capital for the project, releasing its RFP to select equity partners, completing necessary environmental review reports, and confirming its strategy for bond allocation. Additionally, the site plan will be resubmitted before the end of the year, and symposium on tax abatement was

suggested. The timeline for the completion of these milestones was estimated at about 9 months, with construction projected to begin Q3 2024

Additionally, Mr. Jones provided the update that 2023 tax credits have been reserved and that forward allocation has been requested but is still pending. In terms of paths to bond allocation, different sources were suggested including Virginia Housing, a local issuer, and/or the Governor's bond pool.

Mr. Jones concluded the Madden portion of the presentation by providing updates to the Work Group on a variety of topics. He said meetings between the relocation consultant and residents are on-going to ensure resident needs and preferences can be met as well as possible. The Section 18 applications for subsidy repositioning and demolition have been submitted to HUD, with a response expected in the coming months. There will be a Board of Architectural Review (BAR) hearing on October 4 regarding comments on certain elements of the new building, such as windows. The Section 106 oral history community advisory committee is organized and meets regularly.

### **Ladrey Senior Highrise Development Project**

Mr. Jones moved on to updates regarding the Ladrey Senior Highrise project, stating that it will be a 100% affordable, 270-unit senior-designated (55+) project for which ARHA will be applying for Low-Income Housing Tax Credits in March 2024. Karl Moritz said that the March public hearing occurs too late for ARHA to meet the March tax credit application due date, so PZ is working on an accelerated basis to ensure the tax credit timeline can be met., Mr. Thomas shared that ARHA hopes that the project will be ready to go to City Council in February 2024.

Mr. Jones also clarified the difference between an elderly 55+ designation, and an elderly 62+ designation, in that the latter each household must have at least of member 62 or older, while the former may have up to 20% of households outside those criteria (this would allow current, younger disabled Ladrey residents to return).

### **Additional Development Planning Updates**

ARHA will present its plan for future development/redevelopment projects at an upcoming WG meeting.

### **Re-Syndication/Rental Assistance Demonstration Conversions**

Mr. Jones provided an update on RAD conversion activities around James Bland 1 and 2 and Old Dominion. He said the RAD conversions for both properties were expected to close in November.

Mr. Jones also updated the Work Group on the planned re-syndication of tax credits at Chatham Square, stating that the limited partnership would be acquired by ARHA in Nov 2023.

### **Premier Housing Update**

Helen McIlvaine briefed the group about the memo regarding ARHA's plan to create a nonprofit entity, Premier Housing. The memo discusses the merits of housing authorities forming independent non-profit agencies to conduct activities with the expanded abilities available to non-profits, such as access to grant funds, greater flexibility in operation, and the opportunity to earn fees from development projects. Ms. McIlvaine stated that the Premier entity would operate separate from other ARHA activities and discussed oversight and accountability frameworks, such as limiting geographic operations to the City of Alexandria and requiring notification before any changes to organizational documents and bylaws. Ms.

McIlvaine proposed that City Council might consider approval of Premier at its October 24 legislative meeting. Mayor Wilson requested clarification on what exactly will be asked of Council regarding ARHA's proposal - request for an endorsement of the concept? Review of Premier's articles of incorporation or bylaws? Christina Brown explained that pursuant to the state statute which requires City approval to establish housing authorities, local government approval is required if/when a housing authority proposes setting up entities.

### **Adkins**

Mr. Jones gave an overview of the disposition application submitted to HUD. Mayor Wilson said that he had signed a letter in support of the disposition after circulating it among Council, and the group concurred with his view that clarification and communication around the word 'disposition' is necessary to avoid public alarm – in the case of Adkins, disposition means that ARHA has begun the process of converting the current contract with HUD from operating public housing to Section 18. In response to a question about ARHA's future plans for redevelopment, Keith Pettigrew discussed future projects but said the timeline for undertaking each is not yet set. Mayor Wilson asked if, and to what degree, projects might be affected by a potential government shutdown. Mr. Pettigrew said a shutdown is unlikely to impact the project pipeline.

### **Other business**

There was a discussion of work group meeting dates in October, November, and December. The November meeting was rescheduled to November 30 and the December meeting was canceled.

Meeting was adjourned.

**For Discussion: ARHA Board Feedback regarding City Memo re Formation of Premier Housing LLC and Proposed Operational Safeguards**

Highlights indicate safeguards where the Board has proposed substantive changes

ARHA has requested that it be allowed to establish an independent nonprofit entity to supplement its activities as an affordable housing developer which activities are currently limited by HUD regulations related to its role as a **redevelopment and** housing authority. The practice of public housing authorities establishing separate nonprofit entities has become common, including in Virginia, especially among local housing authorities pursuing development and/or offering consulting services. It is noted that Premier Housing is entirely separate from VHDLLC, another ARHA-created development entity that is fully subordinate to ARHA.

In response to a request from the City- ARHA Redevelopment Work Group at its June 2023 meeting, legal counsel for ARHA provided the attached memorandum (Attachment 1) describing how the creation of Premier Housing, a 501(c)(3) (nonprofit) organization will advance ARHA's mission and aspirations to develop, manage and operate affordable housing successfully, and can additionally assist in participating in tax credit partnerships to leverage resources and fees not available to ARHA as a housing authority. Among other things, Premier Housing would be used by ARHA to carry out activities consistent with its repositioning strategy which is proposed to improve the quality of its housing portfolio and ensure the long-term organizational sustainability. For example, activities to be conducted by Premier might include applying for grants available to eligible 501(c)(3) organizations and not otherwise accessible by ARHA, acting as a developer of affordable housing and forming single purpose entities (SPEs) to manage/control affordable housing development owners, and to sharing in financial benefits resulting from development in which ARHA's participation is not permitted due to its status as a housing authority.

ARHA has proposed that Premier Housing – which is required to be independent of the housing authority – be structured to be governed by a board comprised of ARHA senior staff (e.g., the CEO and CFO) who would in turn appoint three affordable housing professionals/subject matter experts. It proposes that Premier's organizational documents state that its purpose is to support and further ARHA's mission, purposes, and activities; that ARHA will provide initial capital funding to operationalize the nonprofit; and that ARHA will record restrictions requiring long term affordability for development Premier undertakes on ARHA's account.

Housing staff have consulted the City Attorney in reviewing ARHA's request. Staff are generally supportive of approaches that enhance ARHA's mission to increase and preserve affordable housing within Alexandria; however, staff believe that if Premier is formed as proposed some safeguards should be adopted to bound the authority, reach, and potential liability of the organization to be consistent with the City Charter mandate which requires that ARHA's Board of Commissioners be appointed by, and subject to, City Council's oversight, as well as the statutory requirement of Virginia Code Section 36-19(12) that City Council approve ARHA organizations.

To ensure ARHA's proposed extension of its operations to Premier aligns with these, City staff recommend the organizational documents of Premier Housing specifically incorporate the following provisions:

- That Premier Housing be created for affordable housing purposes only, including advancing ARHA's mission and vision statement;
- ~~That Premier Housing's area of activities be limited to the geographic boundaries of the City of Alexandria;~~
- That only senior executive staff who are permanent employees of ARHA serve on Premier's board;
- That City Council shall receive notice of the names and credentials of the affordable housing professionals to be appointed to Premier's board thirty days in advance of their appointments;
- That Premier, through ARHA, provide regular updates at City-ARHA Redevelopment Work Group meetings of its ongoing activities;
- That Premier, comply with all federal, state, and local laws, as well as public reporting requirements, typical of nonprofit organizations; and
- That Premier, through ARHA, provides an annual report regarding its work to the City Council, within thirty days of the organization's fiscal year end, including a listing of Premier staff and directors throughout the reporting period.

In addition to the above, staff recommend that the City have the right to review and approve future proposed amendments to the organizational documents of all ARHA entities, including Premier Housing, within 30 days' advance notice of proposed changes. This review will be delegated to the City Manager and/or his designees.