

**Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group
March 8, 2018**

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Vice Mayor, City of Alexandria

Mary Lyman, Chair, Planning Commission

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

Salena Zellers, Vice Chair, ARHA Board of Commissioners

Mark Jinks, City Manager

Keith Pettigrew, CEO, ARHA

Helen McIlvaine, Director, Alexandria Office of Housing

Karl Moritz, Director, Alexandria Department of Planning and Zoning

Absent

John Taylor Chapman, Councilman, City of Alexandria

City of Alexandria/Alexandria Redevelopment and Housing Authority Staff

Jim Banks, City Attorney

Ryan Price, Alexandria Department of Planning & Zoning

Martin Lucero, ARHA, VHDA LLC

Introductions and Meeting Summary Approval

Vice Mayor Wilson convened the meeting and announced that Councilman Chapman would be absent due to a work commitment. Introductions were made of Work Group members, City and ARHA staff, and others attending, including Carter Flemming of the ARHA Board and Casey Nolan of CRC. Since the Work Group had just received the draft February meeting summary, it was agreed they would review the summary, provide edits and approve it the April meeting. Vice Mayor Wilson pointed out that the agenda for the March meeting needed to be corrected to show March 8, not February 8.

Andrew Adkins Redevelopment CDD/DSUP Update

The Vice Mayor asked if a consensus had been reached among staffs and CRC regarding the workforce unit AMI standard to be recommended. Helen McIlvaine reported that CRC had provided a matrix with proposed workforce unit counts for the market rate building contingent on various AMI/rent levels to the City on February 19, however, due to its other work projects Housing staff had only completed its analysis earlier in the week. Since the analysis and any recommendation has an economic implication for ARHA, city staff had shared its analysis with ARHA staff and had asked for ARHA's feedback regarding what rent level(s) would be affordable to voucher holders and asked ARHA to confirm its desire to potentially expand onsite housing options within the market units to include current Adkins residents with vouchers. ARHA staff had not yet provided feedback.

The Vice Mayor noted his oft-stated desire to maximize density on the Adkins site, including for potential workforce housing units. Salena Zellers said that Braddock Metro Citizens Coalition (BMCC) had also endorsed this idea at its March 6th meeting, and expressed appreciation for the Vice Mayor, Councilman Chapman and the Mayor attending this meeting.

The Vice Mayor asked Casey Nolan if CRC had completed any test fits to see what additional density might be possible in the market building. Mr. Nolan stated that some work had been done, but that in CRC's view, "not all

density has value.” He said that CRC’s analysis (that was shared with staff on February 19), within the market rate building as already proposed, 6 60% AMI units might be accommodated, or 14 80% AMI units might be possible. Ms. McIlvaine characterized the resolution regarding the number of units as a “math” exercise and said that solving it depended on whether there was a desire to make these units potentially affordable to voucher holders to advance the discussion. She said that the City had stated its preference to expand options for affordable onsite units, and AHAAC had made a recommendation for FMR, however, it needed ARHA’s feedback regarding what rent levels were affordable and/or the direction of the Work Group in terms of what the income standard should be.

Ms. Zellers noted that the neighborhood’s notion of workforce housing would not probably be met by including households with vouchers, and asked staff what income levels were eligible for vouchers. Mr. Lucero stated that generally, households with incomes at 30% of AMI could qualify for vouchers. The Vice Mayor said that his desire to include as many affordable units in the market rate building as possible was to enhance integration among residents at various income levels across the site. He said that he views the workforce units as tying the project together and avoiding too wide a divergence between income levels within the community as had occurred in some prior developments.

Karl Moritz stated that it might be more useful to view the issue not through the lens of the differences between affordable and workforce rent levels, but to analyze how much less the workforce rents were anticipated to be than the market rate rents projected by CRC. He said this would potentially provide a better idea of the value of CRC’s proposal (the difference between the 80% AMI units versus market rate rents) and confirm whether a broader income demographic would be served. Nolan responded that the value of the 80% AMI units was largely that they would remain at 80% AMI over time as market rate rents would rise, including citing Northern Virginia’s selection as a finalist for Amazon HQ2 finalist, as an example of a factor that could significantly drive rents up in the future.

Mary Lyman said that she liked the idea of greater integration in each building. She thinks that neighborhood buy-in is important and endorsed the idea of 80% AMI. While saying that it should not influence the discussion at hand, Ms. McIlvaine corrected Housing staff’s earlier analysis of the Braddock neighborhood housing stock as not including 80% AMI units: currently, there are apartments at The Belle Pre, the Asher, the Bradley and at advertising rents at the 80% level. She said that the City’s annual apartment survey, upon which its earlier studies had relied averaged rents in a way did not capture workforce units in Braddock, but staff’s more granular study of the neighborhood’s existing rental housing stock relative to its analysis of CRC’s proposal revealed that the area does have 80% AMI units. Ms. McIlvaine stated that based on the Work Group’s guidance, staff would assume a rent standard of 80% AMI for the workforce units. She noted that City staff’s calculation of how many units could be provided differed from CRC’s calculation per the proposal. She said that there would be further follow up between the teams and the results from these discussions would be reported to the Work Group.

With regard to the 14 or so units Resolution 830 units that are not replaced at Adkins, Ms. Zellers noted that these households could be housed at Ramsey if they wished to remain in the Braddock neighborhood since additional affordable units were going to be built there. With the vouchers that ARHA anticipates these households will have, they might rent 50 and 60% AMI units there. On the issues of replacement units more generally, Mr. Pettigrew reported that he and Connie Staudinger had been looking “wherever we can find units” but none have been specifically identified to date.

On the issue of the Revised Schedule, Mr. Moritz stated that Planning had provided a revised schedule to CRC-ARHA recently. It showed that submission would be needed from the development team by March 15/16 to remain on track for a June hearing. However, he reiterated that his staff would remain “available to discuss what is needed and when” to advance the project, if possible.

When questioned as to whether CRC would be able to meet the stated submission timeline, Mr. Nolan stated that the development team is aware of what is needed to meet the submission requirements, but that there remain open business issues yet to be worked out with ARHA. He stated CRC's intent to work these out, but did not give a timeline when asked if these were of a type that might be resolved within the next week. He said that CRC could be "off to the races" in terms of a submission once these issues were resolved. Some members of the Work Group asked if P&Z might review some parts of the submission piecemeal. Mr. Moritz indicated a willingness to be flexible, however, CRC indicated that resolution of the outstanding issues would impede a piecemeal approach.

The Vice Mayor asked for the team's plan for community engagement, assuming a June hearing. Mr. Nolan assured the Work Group that scheduling all necessary community meetings, as well as presentations to BIAG and AHAAC, would be accomplished if a June meeting became possible.

Resolution 830 Working Group

The Work Group's representatives to the Resolution 830 community engagement process were asked to provide updates and their impressions of the progress being made. Ms. Zellers said that she thought some great discussions had occurred and that she thought it was very useful to have more people understand the complex finances surrounding affordable housing development and operations. She said that there had been discussion around what it might look like if some of the nonprofit housing providers now working in the City were to undertake serving households at lower incomes.

Ms. Lyman echoed these remarks and noted how engaged and interested the stakeholder group had been to date. She said that it had been interesting for the group to learn about the challenges faced by ARHA. She also commented that the group had strong ideas about how Resolution 830 units should be defined in terms of who is served, what unit types are required and what types of amenities should be located nearby. Both Ms. Zellers and Ms. Lyman praised the facilitator for running such successful meetings.

Ms. McIlvaine reported that EJP (the facilitator) was coordinating staff-to-staff meetings to complement the community engagement process. The final (4th) module is going to be rescheduled to allow more staff-to-staff discussion. No final date has been selected. Neither Ms. Zellers nor Ms. Lyman are able to attend on the proposed date of April 19th so other dates will need to be reviewed.

Ramsey Homes Update

Mr. Pettigrew said that the deconstruction open house had been very successful. Relocation of all families has been completed, and abatement of the site, prior to demolition, has begun. Mr. Lucero reported that ARHA and its contractor are waiting for building permits to be issued. He noted that ARHA may be able to make up some time in the schedule as archeology will be allowed to occur concurrently with demolition. The full financial closing is now anticipated to occur in May, including the tax credits and the City loan.

Other Business

No other business was raised.

Next Meeting Date

The group confirmed its next meeting on April 12.