

Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group

November 9, 2017

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Vice Mayor, City of Alexandria
John Taylor Chapman, City Councilman, *absent*
Mary Lyman, Chair, Planning Commission
Daniel Bauman, Chair, ARHA Board of Commissioners
Salena Zellers, Vice Chair, ARHA Board of Commissioners
Roy Priest, CEO, ARHA
Mark Jinks, City Manager, City of Alexandria
Helen McIlvaine, Director, Alexandria Office of Housing
Karl Moritz, Director, Alexandria Department of Planning and Zoning

City of Alexandria/Alexandria Redevelopment and Housing Authority Staff

Keith Pettigrew, ARHA
Connie Staudinger, ARHA
Martin Lucero, ARHA
Eric Keeler, Alexandria Office of Housing
Brandi Collins, Alexandria Office of Housing
Joanna Anderson, City Attorney's Office
Christina Brown, City Attorney's Office

Introductions and Meeting Summary Approval

Vice Mayor Wilson convened the meeting and introductions were made of Work Group members, City and ARHA staff, and others attending. Daniel Bauman also introduced ARHA's new CEO, Keith Pettigrew, who will begin work on November 13.

Upon a motion, the Work Group approved the summary of the October 12, 2017 meeting.

Andrew Adkins Redevelopment/Financial Models

Helen McIlvaine, presented a [financial development model](#) for the redevelopment of Andrew Adkins. The model includes different project scenarios (number of affordable/market units, density, etc.). This model was developed by City, with input from ARHA and its development partner, CRC. The purpose of the development model is to provide information on the financial feasibility of potential redevelopment scenarios.

All redevelopment scenarios presented were assessed in terms of whether they would be financially feasible to construct based on assumptions regarding land values, likely LIHTC pricing, construction costs, etc. And it was determined that all would be feasible on this basis. However, it was noted that analysis of the operating costs associated with a development is key to determining its sustainability. Operating costs are not factored into the current development model but will be presented to the Work Group at the next meeting as that will allow input from Mr. Pettigrew as well. CRC also noted that more density does not necessarily translate into greater developer appetite to building a particular scenario due to considerations like risk and higher construction costs due to changes in building type.

Comments and observations from the Work Group included the following:

- The feasibility of the various development scenarios may be adjusted further as land use requirements are factored in (e.g., building setbacks).
- Potentially separate the costs of Davis Bacon requirements for the relevant development scenarios (these are factored in the model, but staff agreed to explore ways to make this clearer).
- Operating costs are more efficient if all replacement units are on-site rather than spread over several sites; operating scattered sites is challenging.
- Guidance is provided in the Braddock Metro Neighborhood Plan (BMNP) and Braddock East Master Plan (BEMP) regarding the appropriate number of replacement units on-site.
- Community members want workforce housing in the neighborhood.
- Replacing as many units on-site as possible is desirable because finding existing, vacant multifamily units will be a huge challenge.
- The options considered should balance City Council's feedback at its June 6, 2017 Work Session to replace as much housing on-site with community views to strictly adhere to BMNP and BEMP regarding potentially off-siting some units.
- Two members (Wilson, Lyman) stated that they prefer options C, G, and D.

As next steps, staff will forward the development model to Vice Mayor Wilson for distribution to City Council. The model will also be posted on Housing and ARHA project webpages. City staff was asked if a community meeting might be held to share the model and collect feedback, and it was agreed that this opportunity could be provided at the December AHAAC meeting.

Staff emphasized that the development model is a tool to be used in a comprehensive decision-making process; there are other considerations that must also be weighed including land use guidelines, HUD requirements, LIHTC financing, and so forth. The operating model to be presented next month will provide additional information for the Work Group to consider. All agreed that it is necessary to continue to make progress regarding the modeling so that a development concept can be approved for the 2019 LIHTC cycle. *The ARHA Redevelopment Work Group will provide input on preferred scenarios for ARHA and CRC to consider and inform their 2018 Development Special Use Permit application submission.*

Future Meeting Topics

The Work Group also reviewed and discussed a [list of future meeting topics](#) that have been suggested. *During the next meeting of the Work Group, members will decide which topics should be covered at its 2018 meetings.*

Mary Lyman requested that a briefing be provided on ARHA's general budget/operating approach before the more robust discussion on the Andrew Adkins operations financial model.

Other Updates

A joint City Council/ARHA Board/Planning Commission Work Session is being planned at City Council's request. The date is TBD; hopefully, late January.

Resolution 830 Working Group: the proposed [schedule](#) of public meetings was shared, as well as the Working Group [roster](#). Some additional changes were proposed in consultation with the Facilitator: replace Wesley Housing with Community Lodgings to address potential conflict with Wesley's future role as ARHA's development partner for Cameron Valley. Add a slot for a private developer. The Work Group endorsed these changes.

Ramsey Homes:

- ARHA is awaiting HUD's decision on the Disposition Application; and
- Current Schedule: Closing is anticipated for January 2018 and no longer on 12/22/2017; Tenant relocation is anticipated January 2018 – March 2018 (no longer April 2018; per last month's meeting update), with construction to begin in March 2018 (no longer April 2018; per last month's meeting update); lease up would start in June/July 2019. Building is anticipated to be placed in service in December 2019

Ladrey Senior Highrise: A tenant meeting was held and it was a great success. ARHA staff shared information on the scope of the interior renovation and planned security system improvements.

Next Meeting Date

The next meeting of the ARHA Redevelopment Work Group is December 14, 2017. The meeting was adjourned by Vice Mayor Wilson.