



ARHA Redevelopment Work Group Meeting

April 15, 2021

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Life Cycle - Affordable Housing Development (1)

- Development concept
- Selection of development partner
- Secure predevelopment funding, if necessary
- Submit Concepts 1 / 2
- Development review process refines project through studies, city staff review and input from community, including residents
- Structure project, including affordability targets and unit mix to meet housing needs and LIHTC priorities and to assure sustainability



Life Cycle - Affordable Housing Development (2)

- Develop project proforma and budget and identify potential funding sources
- Present Affordable Housing Plan (AHAAC) and Tenant Relocation Plan (LTRB)
- Secure development approvals (PC and CC)
- Submit LIHTC and funding applications
- LIHTC award
- Financial closing (lenders and investor)
- Construction



Life Cycle of Affordable Housing Development (3)

- Lease up (eligibility and qualification of residents)
- At completion: project is placed in service (PIS date determines Year 15) and move-ins occur
- Developer fee earned at specific milestones and/or from cashflow (if deferred)



Life Cycle of Affordable Housing Development (4)

- Management, operations, maintenance and compliance are key to project success
- Ongoing oversight and monitoring by investor and lenders
- “Year 15” - Refinancing and Re-syndication opportunity based on Right of First Refusal
- New investment/rehab - PNA determines scope of work
- Re-syndication extends development’s affordability term and “useful life”



RAD Repositioning

- Properties selected for repositioning with RAD must fund 20-year reserve for capital and operating needs
- RAD enables higher subsidies than those permitted under public housing contracts with HUD, however tenant rents would not increase
 - More cash flow to fund operating and maintenance
 - More cash flow creates potential to finance improvements
- ARHA is seeking RAD for:
 - Chatham/Braddock, Whiting and Reynolds (BWR) developments - “Year 15” offers potential resources for reserve
 - James Bland I and II (Old Town)/Old Dominion and West Glebe (Arlandria)
 - Funding resources may need to be identified for planning and preparation, physical needs assessment, legal counsel and reserves associated with RAD repositioning



Future Meeting Topics

Meet Date	Topics
May 20, 2021	<ul style="list-style-type: none">▪ ARHA Properties in Year 15
June 17, 2021	<ul style="list-style-type: none">▪ Financial Needs for Future Development Projects▪ Demographics of ARHA Public Housing and Housing Choice Voucher Program Waiting Lists



Reference: Acronyms

- LIHTC: Low-Income Housing Tax Credit
- AHAAC: Alexandria Housing Affordability Advisory Committee
- LTRB: Landlord Tenant Relations Board
- PC: Planning Commission
- CC: City Council
- PIS: Placed In Service
- PNA: Physical Needs Assessment
- RAD: Rental Assistance Demonstration
- HUD: US Department of Housing & Urban Development