ARHA Redevelopment Work Group Meeting
April 15, 2021

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Keith Pettigrew, CEO, ARHA
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

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<th>Meet Date</th>
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<tr>
<td>May 20, 2021</td>
<td>▪ ARHA Properties in Year 15</td>
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<td>June 17, 2021</td>
<td>▪ Financial Needs for Future Development Projects</td>
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<td>▪ Demographics of ARHA Public Housing and Housing Choice Voucher Program Waiting Lists</td>
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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