

**Alexandria Redevelopment and Housing Authority Redevelopment Work Group
September 16, 2019**

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Mayor, City of Alexandria
John Taylor Chapman, Councilman, City of Alexandria
Daniel Bauman, Chair, ARHA Board of Commissioners
Stephen Koenig, Planning Commission
Peter Kleeblatt, ARHA Board of Commissioners

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

Helen S. McIlvaine, Director, Alexandria Office of Housing
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority
Jeff Farner, Deputy Director, Alexandria Department of Planning and Zoning
Emily Baker, Deputy City Manager
Christina Zechman Brown, Deputy City Attorney
Eric Keeler, Alexandria Office of Housing
Kimberly Cadena, Alexandria Office of Housing
Sarah Scott, Alexandria Redevelopment and Housing Authority
Martin Lucero, Alexandria Redevelopment and Housing Authority
David Cortiella, Alexandria Redevelopment and Housing Authority
Derek McDaniel, Alexandria Redevelopment and Housing Authority

Introduction and Meeting Summary Approval

Mayor 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 July 23, 2019 meeting.

ARHA Portfolio Repositioning

Mr. Pettigrew provided an update on the progress of the Section 18 applications with HUD. He said the applications were moving through the process; with five of them having reached the final stage, the SAC review, which takes sixty days. He anticipates HUD will make the first round of decisions by mid-November and all the decisions to be made by the end of the year. He said HUD is asking many questions of ARHA throughout every stage of the process. Mayor Wilson asked if HUD was processing applications from other PHAs and if they were receiving the same treatment. Mr. Pettigrew responded that because ARHA had submitted its application to HUD early, he believed it had a better chance of approval than applications submitted by other Public Housing Authorities but was receiving extra scrutiny since HUD is essentially standing up a new, more streamlined process.

In response to a request from Mayor Wilson at the July meeting, Mr. Pettigrew and his staff prepared a handout showing the difference between subsidy levels for public housing and Section 8 units and how the opportunities to convert from public housing/ACC contracts would positively impact operating cash flow. Mr. Pettigrew shared this handout with the Work Group members. Using Andrew Adkins as an example, he explained the difference in subsidy levels on an ARHA building. He stressed that in this example, by converting from public housing to Section 8, the property's income would increase by 300%. He did note that the capital expenditures funding provided by HUD would go away, but that the change in operating subsidy would more than make up for the HUD capital funding.

Mayor Wilson asked what other trade-offs would result from the Section 18 dispositions and conversions. Mr. Pettigrew replied that the ARHA properties would operate more like market-rate properties, which would require adjustments to ARHA's organizational and operational structure. He explained ARHA was already working to reorganize itself as required and that staff were being retrained and reassigned in anticipation of the changes. He also stated Housing Quality Standards (HQS) inspections were being completed and repairs were being made in advance of HUD's determination since all units would need to pass HQS inspection in order to be converted to Section 8 subsidies if these conversions are approved.

Mayor Wilson returned to Mr. Pettigrew's previous comment about how HUD would no longer provide capital expenditure funding for any converted buildings and asked how capital expenditures would be handled in the future. Ms. McIlvaine noted that the money would need to be put in a reserve account funded in advance of the conversion. The amount is based on capital needs requirements projected (for a twenty-year span) through the physical needs assessments ARHA has conducted.

FY2020 Work Plan

Ms. McIlvaine explained the Draft Work Program to the Work Group members and noted that waiting for the results of the Section 18 application was delaying some items that could otherwise move forward. In the City-ARHA staff to staff meeting where the draft Work Plan was developed, ARHA had explained its strategy regarding the sequencing of various applications. ARHA staff agreed to do a presentation at the next meeting on the agency's finances and provide updates on the HQS work, and resident relations.

Mayor Wilson asked about whether the November meeting was merely going to present on the planning and zoning tools available in the City's toolbox or whether staff would provide information on how those tools could be used. Ms. McIlvaine replied that the discussion would include how the planning and zoning tools might hypothetically be applied for future redevelopment projects. Mayor Wilson stated he wants the City to be proactive and put necessary tools in place in advance of redevelopment projects coming forward. Ms. McIlvaine explained ARHA does not want to be locked into specific types of projects at specific sites and

therefore is leery of too much activity in advance of HUD's determinations and the Board's decision-making. The Mayor reiterated his interest in preparing tools in advance of ARHA getting any new projects underway. Mr. Pettigrew said that ARHA was good with this and that communication between the City and the agency was clear.

Mayor Wilson moved on to other items on the Draft Work Program, such as LIHTC re-syndications, the importance of bringing in regional partners to accomplish goals, and the need to bring in partners with interest in certain topics, like the Agency on Aging when discussing Ladrey. Ms. McIlvaine stressed the schedule was a draft and was intended to guide the City and ARHA's partnership in continuing to develop the Plan. She anticipated that some of the proposed topics could stretch into two meetings so the schedule would likely be dynamic, but acknowledged that the staffs will do outreach to bring strategic community partners in as appropriate. Stephen Koenig asked about the spring meeting topics. Ms. McIlvaine replied that the draft Interdepartmental Work Plan for 2020, scheduled to be presented in January, would likely reflect that status of the proposed ARHA Master Planning effort based on the status of ARHA's efforts to convert operating subsidies. Jeff Farner addressed what ongoing reports and studies will likely be completed in time for a discussion of the Duke Street Area Plan, including the Cameron Valley site, in February. There was a discussion among the Work Group resulting in a suggestion that a discussion of new planning and zoning tools occur in conjunction with this presentation, along with ways to reduce community conflict when considering new projects. It was recommended that establishing a community vision plan and using the upcoming planning process as a vehicle for this could result in less debate later in both the community and among the Work Group.

Mayor Wilson expressed a desire for the January or February Work Group session to potentially be a Joint Work Session with the City Council, the ARHA Board of Commissioners, and the Planning Commission. Mr. Pettigrew said ARHA did not want a "blank canvas" for its properties but would rather have guidance for what to do with the portfolio and individual properties so the land use review/approval might be streamlined. Mayor Wilson agreed with this.

ARHA Redevelopment Projects

Sarah Scott from ARHA provided an update on construction at the Ramsey Homes, including the placement of footers and completion on most of the concrete work related to the garage podium. Substantial completion is expected in May 2020 with occupancy beginning in July 2020. ARHA has an RFP out for a third-party property management company and expects pre-leasing to begin in early 2020.

There are no other redevelopment projects underway and no timeline for commencement of any additional projects at this time.

Housing Vouchers for the Disabled

Ms. McIlvaine informed the Work Group members that over the summer the Office of Housing, ARHA, and DCHS worked together on an application to HUD for the allocation of 50 new Housing Choice Vouchers to help house disabled individuals at risk of homelessness. The application was submitted to HUD in early September. ARHA is awaiting a response.

Future Meeting Dates

The next ARHA Redevelopment Work Group meeting will be on Thursday, October 17, 2019. The November meeting was rescheduled for Thursday, November 14 at 5:30pm. The Work Group agreed to review the December meeting date at the October meeting.

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