

**Alexandria Redevelopment and Housing Authority Redevelopment Work Group  
July 23, 2019**

**MEETING SUMMARY**

**Participants**

***Work Group Members***

Justin M. Wilson, Mayor, City of Alexandria

John Taylor Chapman, Councilman, City of Alexandria, *absent (Mr. Chapman's Council Aide, LaShawn Timmons attended, to hear the discussion)*

Daniel Bauman, Chair, ARHA Board of Commissioners

Stephen Koenig, Planning Commission

Peter Kleebblatt, 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

Mark Jinks, City Manager

Christina Zechmann Brown, Deputy City Attorney

Martin Lucero, Alexandria Redevelopment and Housing Authority

Sarah Scott, Alexandria Redevelopment and Housing Authority

Eric Keeler, Deputy Director, Alexandria Office of Housing

David Cortiella, 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, including Michelle Krockner of NVAHA, John Welsh of AHC, Inc., Carmen Romero, of APAH and Shelley Murphy of Wesley Housing. The Work Group approved the summary of the May 16, 2019 meeting.

**ARHA Portfolio Repositioning**

Mr. Pettigrew thanked the members of the Work Group for their patience as ARHA completed its Section 18 application and submitted it to HUD on June 28; meeting ARHA's timeline. Mr. Pettigrew noted that City and ARHA staff held a meeting last week to discuss the Section 18 application and next steps.

Mr. Cortiella provided a [presentation](#) on ARHA's strategy for repositioning its portfolio and a high-level overview of its long-range strategies for development, preservation, and potentially, some homeownership. The major points included:

- In response to dwindling federal operating resources, ARHA plans to transition the entirety of its public housing stock (754 housing units funded through the federal ACC Public Housing subsidy program) to the federal Section 8/Housing Choice Voucher program to better fund properties' operating expenses. HUD has provided 3

mechanisms for public housing authorities to make such a transition: Section 18, Rental Assistance Demonstration (RAD), and Voluntary Compliance.

- The benefits of the conversion include residents continue to pay 30% of household income for rent, ARHA has greater flexibility in improving the units, and HUD will continue to have oversight of the units since ARHA will continue to own the properties.
- As owner, ARHA will have greater local control of future capital investments.
- The Section 18 application requested to transition 441 of the 754 units to Section 8. The units will be disposed to VHD, LLC., an ARHA development entity. HUD makes the final determination for the number of units that would transition.
- ARHA's current priority is bringing Section 18 units up to HQS before disposition to VHD, LLC in anticipation of the Section 18 being approved.
- It was pointed out that the interim rental subsidies to be provided to residents by HUD will be in the nature of portable vouchers. To retain existing residents, ARHA will have to meet and maintain good physical condition standards among its portfolio and remain in active communication with residents regarding proposed improvements and potential future redevelopment plans impacting residents. Should residents choose to port vouchers to housing outside of the City, ARHA will backfill any vacancies with vouchers from its general allocation that will become project-based.
- Section 18 application has been submitted to local HUD office, with expedited SAC review and a decision expected in late September.
- After the Section 18 application process concludes, ARHA may request to transition 84 of the 754 units to Section 8 subsidy using RAD. ARHA stated that RAD allows quicker renovation of apartments but may require limited temporary relocation for residents. The rental income generated by RAD is capped at levels below those units transitioned to Section 18 or Section 8.
- Because of the anticipated revenue generation limits, ARHA is proposing that units recommended for RAD units are newer and in better physical condition, making it easier to put aside adequate reserves for long-term capital needs (most in this group are LIHTC-funded units delivered in the last 6-8 years).
- Voluntary Conversion may be used to transition the remaining public housing units to Section 8 subsidy. These units do not meet the qualifications to be converted via the Section 18 application or RAD program. HUD allows the use of Voluntary Compliance for less than 250 public housing units per housing authority.
- Long-term action items to be undertaken by ARHA are applying for Section 8 Housing Choice Vouchers for any Section 18 properties and continuing resident engagement to prevent residents from relocating.
- Additional strategies include using flexibility to develop partnerships, re-syndicate existing sites, self-develop sites, etc.
- Mayor Wilson asked for a graphic explaining the difference in subsidy levels and how the changes will affect residents and ARHA operational revenues.

### **FY2020 Work Plan**

Mayor Wilson proposed bifurcating the Work Plan into a site-specific portion and a citywide portion. The site-specific section of Work Plan will be worked on and discussed in September

after HUD approval is anticipated to be received for ARHA's submission. Mayor Wilson asked if citywide activities such as rezoning of some ARHA sites could be done while ARHA's application is in review. Staff will present pros and cons to that approach at the next meeting and Director McIlvaine confirmed that staff looks forward to continuing its joint staff through the next meeting. ARHA indicated that future City approval processes would not delay any projects on ARHA's end because of additional work required after HUD approval.

### **ARHA Redevelopment Projects**

Construction at the Ramsey Homes site is in progress and the project will be substantially completed April 2020. There are no other redevelopment projects underway and no timeline for commencement of any additional projects at this time.

### **Future Meeting Dates**

Because of scheduled vacations, the August ARHA Redevelopment Work Group meeting is cancelled. The next Work Group meeting is scheduled for September 19, 2019. City and ARHA staff will meet prior to September 19 to refine the FY2020 Work Program. Mayor Wilson requested a special focus on community engagement.