Housing Master Plan
Advisory Group Meeting
Thursday, January 13, 2010 6:30p.m. – 9 p.m.
Jefferson Houston School

Meeting materials are available online at: www.Alexandriava.gov/housingplan

Meeting Summary

Introduction

Kyle Talente, RKG Associates, welcomed everyone, reviewed the ground rules for the meeting and introduced Roy Priest, CEO of ARHA, and Ben Bell and Juan Patterson of MD Strum and Associates, ARHA's consulting team.

***Presentation* (can be found online at** www.Alexandriava.gov/housingplan)
Please note that comments reflect individual statements by AG committee members and/or members of the audience. Comments and questions are signified by "C" and "Q" and staff/consultant answers by "A." The presentation was followed by discussion questionsas summarized at the end of this document.

Presentation Questions and Answers:

Q: Will the change in Braddock East to Mixed Use require a zoning change?
A: No, zoning was established as part of the Braddock Metro Neighborhood Plan and Braddock East Plan.

Q: Can you clarify the definition of public housing vs. affordable housing?
A: Public Housing serves households at >30% AMI, Affordable Housing describes the whole range of affordability from >30% AMI to work force housing.

Q: Is the concept of preserving the units we currently have not a workable solution?
A: The cost of rehab is in many cases the same as new construction. In cases where rehab is cheaper, the cost savings comes from the land value, not the construction.

Q: On slide 37, are condo fees included in the calculation?
A: Yes

Q: How did you determine demand?
A: By matching income with propensity to rent, and then by matching rent levels with bedroom numbers and projected household sizes.

Q: Why does ARHA need more money for more employees?
A: HUD changed it requirements in terms of how money could be spent. HUD funds now have to be exclusively operations/creation of units. Redevelopment opportunities can create income to fill the gap because ARHA earns developer fees and realizes proceeds from sale of property it owns. ARHA also needs to increase capacity of the staff. Refer to Slide 9 for a breakdown of ARHA's finances.

Q: Would it be more efficient to hire consultants?
A: No

Q: With regard to slide 22, and the reference to service programs, does the Dept. of Rehabilitative Services provide services to ARHA?
A: No, ARHA provides services such as tutoring, economic self-sufficiency. Its residents do receive services through City agencies, as appropriate, also.

Q: On slide 48, what is an example of bullet 4: "Must involve residents in planning and decision-making"?
A: ARHA is required to solicit comments on its Annual Plan.

Q: Where does the Office of Housing's money for activities and programs and development come from and what is the amount?
A: At the moment, funds for development and preservation are very limited. We no longer have dedicated tax revenue, except what's set aside for loan payments. Funding fluctuates year to year. The Housing Trust Fund (income from developer contributions) is down right now, but will increase as the market rebounds and development increases. Some of our landlord/tenant and homeownership assistance and home rehabilitation loan rograms are funded through the City's general fund and/or from federal funds that are received.

DISCUSSION QUESTIONS:
SLIDE 60: Which housing types should be defined as "priority" housing types?

C: It shouldn't matter who the provider is. The most important question is who is served. All providers should be treated equally.

C: The paradigm for non-profits is that they serve those who are not being served by ARHA. They serve all. Therefore, ARHA AND the non-profits should be prioritized.

Q: What is the demand in terms of household size?

A: At <30%, there are shortages in all unit sizes, at 30-50% demand is met at efficiencies/1BR's but there are shortages of 2 and 3 BR units. (I don't understand the answer…is some information missing?)

C: We need to look at what the tangible benefits are for the City in providing affordable housing. As of yet, consultants haven't shown a measurable benefit. Need to look beyond the type of housing to what the neediest people need, such as services.

C: The presumption is that ARHA is the largest provider to this group of the lowest income residents. The City should maintain this priority since ARHA has a proven record, history and longevity.

C: Nonprofits/publicly assisted units should have priority because they serve people who can't get into ARHA units – such as people just coming out of shelters, jail, etc. The non-profits take people who the market will not rent to.

C: I support prioritizing ARHA, non-profit assisted, non-profit affordable. It is also important to provide the supportive services.

C: Priority should also be considered depending on what the organization is offering.

C: Resolution 830 is a binding agreement between ARHA and the City set in 1983 for the protection of 1150 units. At that time, the quantity 1150 was a bigger percentage of the City's total residential units. The City should give priority to each type of provider on their own merit. But, there's a lot of built-in merit to ARHA and as such it should get priority. ARHA owns the land under the units and is HUD funded and provides a strong foundation for permanence. Advances from the City have been key to ARHA operations. But to address the growing diverse need, we need to look at all options. For example, Foxchase could expire soon, and that will be a big loss for the City.

Slide 61 – Of the priority housing types, which should the City provide a commitment of financial support?

C: Could/should tap into competition among groups to be awarded $ from the City

C: Should guarantee funding for ARHA, and prioritize the others as funds are available.

C: Need to clarify that the 16 units that have to be replaced currently, were not replaced on site (or elsewhere yet) not because of ARHA's issue, but because of the City preference to accommodate citizens' desire for mixed housing, which resulted in workforce housing being incorporated onsite, with 16 replacement units being deleted from ARHA's proposal.

C: Currently, ARHA is the only game in town. But giving funding to ARHA should be a business decision based on more competitiveness.

C: Nonprofits are just that – non-profit. We cover our costs and occupy a different role than private companies. It is much more difficult to ride out the rough financial times. Prioritization should be based on who an organization serves.

Q: Does Resolution 830 say that the City guarantees filling any shortfall in ensuring replacement units are built?
A: Yes, but not necessarily with money. It could be in the form of acquiring, rehabilitating and preserving existing units as replacement units – or by simply deciding not to do a project, in which case no replacement units would be required.

C: For Chatham Square, the City guaranteed loans to ARHA in the amount of $2.7M, which is now fully repaid.

C: The City should fully commit to ARHA and non-profits.

C: The City should look at funding on a case by case basis, not a broad commitment. Taxes should be a big consideration, and in general, we should look to other resources.

C: The City should also guarantee preservation of privately owned, publicly assisted properties, such as Annie B. Rose, which shouldn't be overlooked. All five categories should be defined as priority housing types. And it should be competitive, as well as based on need.

C: Agree with the above, but should not be competitive. Should be strictly need based.

C: Clarification: The funding we're talking about is gap funding or loan guarantees, not just straight project funding.

C: Should be determined case by case, based on mission, past performance, benchmarks, not what category the provider falls in.

C: ARHA should have to replace units on a one for one basis, depending on organization type.

C: In the case of expansion, should have firm financial commitment to provide or expand housing for special needs. Would like to see one-for-one replacement because of the need. Concerned about the risk of subsidizing for-profit housing organizations or developers.

C: Agree with the above. It's hard to maintain the level of housing stock that we have, but we need to expand even more.

C: Need to consider however, that sometimes, small apartments need to be combined to serve larger households, so rehabilitation rules should be flexible to allow this.

C: Agree with the above, rehab should allow for flexibility.

Informal show of hands regarding which types of units should be considered "priority" for receiving some level of financial commitment from the City:

- ARHA only – 5 votes
- ARHA plus non-profits – 4 votes
- All should receive the same priority/treatment – 3 votes

C: Don't want to see the City go backward, and so at least ARHA should remain committed to, but if it's practical, we should spread beyond that.

C: Agree that the City should maintain the existing stock and expand as possible. But given limited resources, we shouldn't make a commitment we cannot keep.

Meeting adjourned at 9:00PM.