

**ARHA Redevelopment Work Group**  
**June 9, 2016**  
**City Council Work Room**  
**5:30pm – 7:00pm**  
**Meeting Summary**

**Participants**

***Work Group Members***

Justin M. Wilson, Vice Mayor

John T. Chapman, City Councilman

Daniel Bauman, Alexandria Redevelopment and Housing Authority, Chair

Salena Zellers, Alexandria Redevelopment and Housing Authority, Vice Chair member

Mary Lyman, Planning Commission Chair

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

Mark B. Jinks, City Manager

Karl Moritz, Director, Department of Planning and Zoning

Helen S. McIlvaine, Director, Office of Housing

Roy Priest, CEO, Alexandria Redevelopment and Housing Authority

Vice Mayor Justin Wilson convened the meeting and introductions were made of Work Group members, staff, and others attending. Upon a motion by Bauman and a second by Zellers, the Work Group members approved the written summary of the May 19, 2016 meeting.

*Using a PowerPoint presentation, Karl Moritz and Helen McIlvaine provided updates on staff's progress. Below are highlights of the presentation:*

**Feedback from the Community Meeting**

Most who attended the 5/26 meeting liked the idea of preserving a building (for housing purposes) as well as the additional open space gained through the Alternate concept. Those who did not like the Alternate were primarily concerned about the costs of preserving a building if this would use housing funds.

**Design Updates**

The closing of the alley ends will be discussed with immediate neighbors next week.

The garage and turning radius continues to be studied.

It's possible if a building is preserved, it may not be necessary to underground Wythe Street utilities.

**Analysis of Use of a Preserved Building as a Day Care Center**

ARHA would lease the building to a local provider of subsidized day care. It is anticipated the cost per child would be around \$15,000 annually. Local and federal subsidies would have to be identified to benefit residents' children. This option provides minimal financial return to ARHA.

**Section 106 Update**

The first meeting with “consulting parties” was held on June 6. More than 100 stakeholders have been invited to participate. ARHA’s consultant provided information about the process. Mitigation of impacts due to redevelopment can range from preserving a building to a plaque onsite. Housing is administering the process as HUD’s delegate.

### **Staff analysis of tax credit competitiveness and financial feasibility**

The land valuation aligns with the 2016 City Real Estate Assessment. City staff has reviewed operating and other financial information provided by ARHA as part of a draft tax credit application and finds both concepts, as they have been refined, competitive for tax credits under 2016 parameters. Once VHDA’s 2017 priorities are released, a third party consultant will review applications based on these criteria.

### **Issues identified as needing additional study/resolution**

The allocation of costs among the project components of each concept still need to be reviewed by tax credit experts (attorney and accountant) so their treatment can be confirmed. The amount and source and type (grant versus loan) of City funding is still unknown, although staff estimates that the Proposed Concept will require a loan of up to \$1 million for infrastructure costs. The Alternate is estimated to cost up to \$2.5 million for infrastructure improvements and preservation of an existing building. Staff also presented a checklist of progress made in its overall study of Ramsey Homes per the Joint Work Plan approved by City Council and ARHA. Work Group members were complimentary of the checklist and found it helpful.

### **Staff Recommendation**

Staff provided a recommendation that the Alternate is its preferred option due to its support by the community, its better urban design, its consistency with the Braddock Metro Neighborhood Plan and ARHA’s willingness to endorse the concept if supported by the Work Group and City Council. In addition to the new multifamily building, the Alternate would preserve an existing Ramsey building as two units of future replacement housing for one of ARHA’s upcoming RFP sites.

The Work Group discussed the two options; the costs involved for each, including the level of City financial support anticipated for the Alternate (approximately \$1.5 million additional dollars to the City); and did not reach a conclusion regarding a recommendation. Both ARHA staff and Board reiterated their position that either concept was acceptable to the agency so long as the City bears the cost of preserving a building. The proforma indicates that either option is financially sustainable for ARHA. At the close of the discussion, Bauman asked if it would be possible to consider an option to demolish the existing buildings and simply add more green space. It was noted that this option was not one that had directed for study by City Council or vetted with the community.

As the next step, the two concepts will be brought to City Council at its June 28 legislative meeting and City Council will be asked to endorse one concept so that plans can be advanced over the summer.

ARHA Chair Baumann reported that the Board had not yet reached a conclusion on the issue of allowing City staff to attend the Executive Session portion of ARHA's meetings. He indicated resistance from some Board members.

CEO Roy Priest provided an update on the status of ARHA's RFP process. Development partners have been identified for the five sites and ARHA's Board has been meeting with the developers to become more familiar with the redevelopment concepts proposed. A timeline for sequencing the projects will be developed next. ARHA will have to negotiate development agreements with the partners before proceeding with DSUPs.

A summer schedule was discussed. At this time, the next ARHA Redevelopment Work Group meeting will be held on Thursday, July 14, 2016 at 5:30 p.m. in the City Council Work Room, however, the Vice Mayor and Councilman Chapman will be consulted regarding the need for a July meeting after the June 28 City Council meeting.

The meeting was adjourned by Vice Mayor Wilson.