

Initial Discussion - Proposal for A Resolution 830 Working Group

Recommendation Resolution 830 was last amended 25 years ago. Given changes in affordable housing policy, needs, development and funding sources since, the ARHA Redevelopment Work Group would establish an ad hoc working group to advise it regarding the modernization and potential expansion of Resolution 830 pursuant to ARHA's upcoming redevelopment of the five RFP sites into mixed-income communities. One option would be to use a professional facilitator, selected by City and ARHA staff, with the ad hoc working group also acting as the conduit for community engagement and a broader conversation with specific interest and stakeholder groups as well as the Alexandria public at large.

Among the potential stakeholders for the working group might be representatives of ARHA, the ARHA Resident Association (ARA) and the Ladrey Resident Association, the Alexandria Housing Affordability Advisory Committee (AHAAC), the Economic Opportunity Commission (EOC); the Commission on Aging; one or two nonprofit housing developers serving the City; one or two private developers working in the City; representatives of Tenant and Workers United; the Partnership to Prevent and End Homelessness; VOICE; an person or entity with HUD expertise; a person or entity with multifamily financing expertise (e.g., VHDA, if available); a lender or realtor familiar with the City's homeownership programs; representatives of civic associations which include RFP redevelopment sites within their boundaries; and two at-large members.

Background Since 1972, the City and ARHA have shared a commitment, memorialized in Resolution 99 and its successor, Resolution 830, to "retain an inventory of public housing **or its equivalent** [emphasis added] at least equal to the number of units presently in existence." Besides protecting the actual number of public housing units required to be replaced when public housing units were demolished and/or redeveloped, the resolutions incorporated obligations regarding temporary and permanent relocation of residents impacted by demolition/redevelopment as well as for the replacement units' term of affordability (20 years). The resolutions also directed ARHA and its Board "to explore options that include continued public housing funding by HUD as well as other options that may be available to upgrade public housing stock to fulfill the requirements of Resolution 830."

While the 2008 City-ARHA Memorandum of Understanding (MOU) reiterated the parties' commitment to replace public housing units on a 1:1 basis in case of redevelopment or to de-concentrate poverty, a 2009 report to City Council from the Affordable Housing Initiatives Work Group (AHIWG), a group on which ARHA was a member, indicated that future interpretations of Resolution 830 could be viewed more fluidly, with these units part of a larger stock of "Priority Housing Units" that would take into account and leverage the range of new financing sources and local nonprofit partnerships now available that did not exist when the joint resolutions were developed.

The AHIWG report characterized Priority Housing Units as affordable to households with incomes from 0 to 50% AMI, including 1150 Resolution 830 units, 1450 housing choice vouchers, 980 privately owned publicly assisted units with project based vouchers that enable

tenants to pay no more than 30% of their income for rent, and 13 units where residents with incomes at 30% AMI can rent without voucher assistance. While the funding sources and demographic served by these existing Priority Housing Units varied, a unifying feature is their capacity to provide housing that is affordable to Alexandria households at very low incomes.

Accordingly, AHIWG recommended that future City financial support be appropriated to the most sustainable, cost-effective projects based on factors including (1) the housing provider's unique ability to access financing for capital costs and operations; (2) the level of permanence/long term commitment of affordable units and strength of the housing provider's contractual commitment; (3) demographic trends which identify populations most in need of housing support; (4) the quality of operations provided; (5) a project's ability to maintain or contribute to the creation of a mixed-income setting; and (6) a project's ability to leverage existing assets to maintain and expand the number of priority housing units.

The AHIWG report established that Priority Housing Units might be owned and operated by different public and private entities and suggested that the City employ multiple tools, including funding, land use policies, technical assistance, favorable real estate tax treatment as well as other incentives to create and preserve priority housing units. It concluded that for so long as ARHA continued to have access to HUD funding and operated successful public housing, the City should remain committed to Resolution 830 in accordance with the MOU.

AHIWG's findings were largely incorporated in the City's Housing Master Plan adopted in 2013. In its 2013 Strategic Plan, which addressed ARHA's upcoming redevelopment plan now being implemented through the RFP process, ARHA stated that all of its current affordable units were to be preserved or replaced with physical units, including the maximum retention of ACC units (traditional public housing funded with support contracts with HUD) where economically feasible, with the primary purpose of providing housing for those with incomes above 80% of AMI "to generate resources to provide and sustain housing for those with incomes below 50% of AMI".

Discussion Given the decline in federal/HUD support widely reported by ARHA, which impacts the number of ACC units that can be retained within the bounds of economic feasibility, it appears that key elements of Resolution 830 need to be reevaluated, including its emphasis on preserving public housing "or its equivalent". While City policies have historically interpreted Resolution 830 as replacing public housing which serves households with incomes at the lowest levels, this interpretation may or may not align with ARHA's plans to include units affordable at higher income levels in its future RFP development communities.

Since Resolution 830 is a joint commitment that binds both the City and ARHA, it is important that both parties understand and agree on its meaning and interpretation, including what current financial constraints may limit their future ability to meet its real or perceived obligations. For example, City support for Resolution 830 in recent years has typically included exemption from real estate taxes for ARHA-owned units, as well as waivers of various development and infrastructure fees. And, as nonprofit developers begin providing deeply

subsidized units, might not those deeply affordable units be considered equivalent to a Resolution 830 replacement unit?

On a practical level, the language of Resolution 830 is outdated and no longer reflects the City’s current data regarding affordable housing need, nor its current tools or strategies for affordable housing development and finance. It does not capture policies that favor mixed-income and mixed-use development or reflect ARHA’s regular use of a broader range of financing tools, like low income housing tax credits, which result in developments with rents set higher than many current ARHA households can afford, requiring that ARHA supplement the new affordable housing with housing choice vouchers in order for residents to return and/or remain in the City and for the development to be operationally sustainable. To cite a recent example, only six of the 15 Ramsey Homes replacement units can be funded with ACC/HUD funding; the other nine units that will serve households at 30% AMI may require that voucher resources be provided.

Since Resolution 830 can be anticipated to be one of the foundational elements informing ARHA’s future redevelopment plans and the agency is just undertaking the first of its five RFP site redevelopments at Andrew Adkins with CRC, a private development partner, it is timely that an ad hoc group be established now to review Resolution 830, engage the community, and advise the ARHA Redevelopment Work Group (and the bodies they represent) regarding its findings and recommendations before City Council’s recess in June.

Topics for the Working Group While not exhaustive, based on discussions that have already occurred within the ARHA Redevelopment Work Group, the following questions and issues might be addressed and evaluated by the Resolution 830 working group in developing findings and recommendations:

Modernization	Expansion
How many Resolution 830 units currently exist?	Is Resolution 830 a ceiling or a floor in terms of the number of potential units?
What characteristics define a Resolution 830 unit? <ul style="list-style-type: none"> (a) Public housing/ACC contract (b) Income level served, with and without assistance (c) Rental subsidy, including project based vouchers or other (d) Requirements for interim and permanent relocation assistance of impacted residents (e) Term of affordability 	What characteristics would comprise its equivalent? <ul style="list-style-type: none"> (a) Income level served with or without assistance (b) ARHA owned or other nonprofit/private developers (c) Rental or ownership (d) Term of affordability
What characteristics define a replacement unit? <ul style="list-style-type: none"> (a) Income level served (b) Unit type/BR mix 	Whom should Resolution 830 serve? <ul style="list-style-type: none"> (a) ARHA residents/residents facing displacement

(c) Preference for households displaced by ARHA redevelopment	(b) Special needs and at-risk populations (persons with disabilities, elderly, households experiencing/at risk of homelessness; non-ARHA households facing displacement due to redevelopment – e.g., Beauregard, extremely low income and very low income households, e.g., those most housing-cost burdened)
What federal/HUD funds or programs, currently exist to maximize public housing, and how is ARHA using them for renovation and redevelopment?	<p>What tools might potentially be used to produce/expand the number of Resolution 830 units, if appropriate?</p> <ul style="list-style-type: none"> (a) Real estate tax exemptions (b) Development, permit and tap fee waivers and exemptions from other fees and infrastructure costs (e.g., sewer) (c) Project based vouchers/housing choice vouchers (tenant protection vouchers) (d) Local rental subsidies (deep subsidies) (e) State and federal housing trust fund monies (f) City homeownership assistance resources
What other financing mechanisms and/or funding sources are available to support renovation/production of Resolution 830 units?	What do Resolution 830 units cost to develop and operate? What financial resources are available to increase the number of Resolution 830 units?

Conclusion Throughout their 45-year history, Resolutions 99 and 830 and have represented the City and ARHA’s joint commitment to serve Alexandria’s most economically vulnerable households. But, as the language of the resolutions make clear, they were meant to be dynamic in terms of reflecting changing housing policies, programs, providers and funding sources. As these have evolved and ARHA moves forward with its redevelopment plans, reviewing how this commitment is fulfilled to keep Alexandria diverse and inclusive is timely. Among the potential outcomes possible in modernizing and expanding Resolution 830 are a greater number of deeply affordable units, a wider geographic distribution of these units, strengthened mixed-income communities, new collaborations and partnerships by and among nonprofit and private developers and ARHA, and operational and other efficiencies that may increase the sustainability of the city’s affordable housing stock, and enhance committed long-term housing affordability.