Ramsey Homes Redevelopment

Presentation to the ARHA Redevelopment Work Group

April 14, 2016
Threshold Issues

• Value of ARHA’s Asset
  • A draft appraisal will be requested for completion by early May

• HUD disposition process
  • Parameters of HUD’s disposition process provided by an expert

• Consultant costs for study of options
  • City can pay for ARHA’s consultants without impact to a future tax credit application so long as there is no expectation of repayment

• Timing of Rezonings and DSUP
  • Addressed at 3/12 public hearing
Purpose of the ARHA/City Staff Charrette
March 29, 2016

Define the design parameters for the “ARHA Proposal” (New 53-unit, 2 building option) and the “Alternate,” formerly the “Hybrid Option” (one saved building and 49 units in a new building)

- Size of housing units
- Mix of unit types (# of bedrooms)
- Total # of units
- % of handicapped accessible units
- Potential uses of saved building
- Ownership options for land associated with saved building
Direction from Charrette

- ARHA and City staff will develop permutations for the 53-unit proposal and the Alternate to improve the projects’ design, potential tax credit competitiveness and long term sustainability (financial and operating) as well as to maximize public benefit.
ARHA Proposal

- 53 affordable housing units
- 52,774 net square feet
- Three stories, approximately 39’
- Ground-level open space (15%) and rooftop amenity space (25%)
- Underground parking – 29 spaces
Alternate

Retain one building, with 49 units in new building
Design Parameters

• Unit Sizes
  – HUD and VHDA do not have min/max unit size requirements
  – Unit size does not directly impact tax credit competitiveness, except as it relates to cost/sf
  – ARHA’s Architect’s recommended design standards:
    • 11’ x 11’ optimal dimension for bedrooms
    • 12’ minimum width for living room / dining room modular
  – Team is reviewing unit sizes in recent tax credit projects

• Unit Types / Mix
  – One-Bedroom – max. 20% of mix
  – Two-Bedroom – 15 replacements units to be provided on-site
  – Three-Bedroom – more would increase points
  – Operating costs, rent, debt service, etc. also affect optimal mix

• Minimum density
  – Preferred threshold of 50+ units for tax credit competitiveness
  – Below 50 units loses some efficiency points
Design Parameters

• Handicapped Accessible Units
  – Where the greater of 5 units or 10% or units are handicapped accessible the tax credit competitiveness is significantly improved

• Existing Building to Remain
  – Preserving a building may assist in Section 106 process (“meaningful mitigation”)
  – Continue to evaluate housing, civic, or ARHA non-residential uses
  – Ownership/operation of a saved building may be for use by a non-profit entity
  – Saved building could be four 721 sf two-bedroom units or two 1442 sf units (3-4 bedrooms).
    • Affordability level(s) to be determined; market rate to be considered.
  – Legal construct to allow for property retention by ARHA with condo sale or ground lease
  – Evaluate potential for home ownership
  – Gain in ground-level open space

• Open Space
  – Maximize ground level open space, by employing strategies such as shrinking footprint of buildings
Additional Issues for Resolution

• Garage access and alley reconfiguration
• Stormwater vault location
• Sewer connection
• Porches or additional design amenities
• Opportunities for increased ground-level open space
Next Steps

- ARHA consultants
  - Analyze unit size & efficiency of both options

- City staff & third party consultants
  - Analyze Alternate for fit per design parameters
  - Analyze use of saved building

- Plan a joint Community Engagement Process
  - Including ability to solicit comments on Housing and ARHA web pages

- Tax Credit Analysis
  - Draft appraisal to inform property value
  - Review categories for additional points ARHA may utilize in next application

- Vet potential preserved building uses with HUD