

Meeting notes are recorded by City staff to provide a written summary of the Advisory Group discussion and comments from the public. They are not intended to be a verbatim transcription of events at the meeting.

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**WELCOME AND INTRODUCTIONS:**

Faroll Hamer, Director of the Department of Planning and Zoning, opened the meeting by welcoming the attendees and recognizing City and ARHA officials. (For full list of staff and consultant teams for the Braddock East and James Bland Redevelopment projects see notes of the first Advisory Group meeting on February 8, 2008).

Advisory Group attendance:

Gwen Menefee: Public Housing Advocate.

Nakia Johnson: Public Housing Resident.

Salena Zellers: Braddock Neighborhood Resident.

Connie Ring: Alexandria Redevelopment & Housing Authority Commissioner.

Leslie Zupan: Inner City Civic Association Representative.

John Komoroske: Planning Commissioner.

Janice Howard: At-Large Member.

Advisory Group absentees:

John DuPree: At-Large Member.

Merrick Malone, At-Large Member.

Harvey Gray: Person knowledgeable about Parker Gray history.

Sylvia Sibrover: Northeast Citizens Association Representative.

Howard Katz: Developer with affordable/workforce housing development experience.

Mary Means reiterated the operating covenants for the Advisory Group.

**UPDATES OF EVENTS SINCE PREVIOUS MEETING**

**Monday, May 12 – ARHA Redevelopment Workgroup.**

Staff sought feedback from the Workgroup regarding the Bland development in respect of underground parking and workforce housing. EYA presented a plan showing underground parking. This requires parking reductions to be viable. The Workgroup supported the concept. With regard to workforce housing, many of the proposed units at Bland will be affordable at 100% of median income and the City indicated that they would be able to subsidize workforce housing through City funds or developer contributions.

**Tuesday, May 13 – Joint Work Session between City Council and ARHA.**

The agenda included the timing of the Braddock East Plan and Bland DSUP and the provision of the 16 units for Bland. There was only time to deal with the first issue.

Staff considers that it is important for the Braddock East Plan and the Bland DSUP to be considered together because of the need for the Master Plan to support the proposed rezoning of Bland. There is also a community expectation that they will be considered together. ARHA was skeptical about the ability to do the Braddock East Plan by October. The City Council was interested in keeping the plans together and encouraged staff to meet with ARHA to agree a framework for Braddock East.

Staff meeting with ARHA – May 22.  
Reconvened Joint Work Session – May 27.

Advisory Group Discussion:

Q Can we have a list of public meetings so we can attend?

Q. There were some issues raised at the Joint Work Session that are of concern in the context of the Braddock East process. It was clear that the City Council is concerned about the long-term financial sustainability of ARHA. Where is the financial analysis about what is required for ARHA's sustainability? What is the relationship with ARHA's strategic plan?

*R. ARHA is preparing a strategic plan. The Braddock East Plan will be completed before this.*

*R. It was explained at the meeting that the only viability issue for ARHA was Glebe Park, which dragged down ARHA's overall finances. All of ARHA's properties are all financially sustainable. You are welcome to come to ARHA board meetings or review the financial records.*

**CHARLES HOUSTON RECREATION CENTER**

Lesley Clark of the Department of Recreation, Parks and Cultural Activities reviewed the proposed activities and programs for the new Charles Houston Recreation Center. A handout was circulated with details of the planned activities and programs. The Center will reopen in March/April 2009. Entrance and the use of facilities will be free but there will be a charge for special classes. Youth programs will be free. In addition to the amenities indicated on the handout, there will also be a playground and outdoor mini-pool for swimming lessons. The pre-school program will be operated by Family Network. There will also be youth activities and teen programs.

Advisory Group Discussion:

Q. Are teenagers involved in planning the activities?

*R. There is a Teen Council that meets monthly and they have a newsletter and website. They are very involved in planning activities for the rec center – this is critical to earn their participation in programs.*

Q. There is a very successful after-school program in Bland. It is more tutoring than recreational. Is the new rec center considering whether this could be included?

*R Cannot address operations but feels sure it can be accommodated.*

C. Need to start a dialog between ARHA and RP&CA.

*R. Agreed.*

## **FINANCING THE REDEVELOPMENT OF PUBLIC HOUSING**

(Refer to PowerPoint Presentation)

Roy Priest of ARHA opened by providing a broad perspective. Location and costs affect the cost of public housing redevelopment. Real estate is the prime asset of ARHA because of the high land values in Alexandria.

Rhae Parkes of EJP described the costs involved in the redevelopment of public housing, including demolition, construction, infrastructure, land and “soft costs” such as fees. The question is how to pay for these costs. There are many potential different sources. For example, the Bland development is being funded solely through tax credits and land value. Across the rest of the country it is very different as most Housing Authorities do not have the land assets that ARHA has. There are a wide variety of different public funding sources and many projects rely on multiple sources which are layered together to ensure success. While projects draw upon many common sources, the ultimate funding mix is unique from place to place according to local conditions.

Roy Priest indicated that in Alexandria the cost of redeveloping a public housing unit is \$400,000 to \$450,000.

Sarah Woodworth of W-ZHA explained the economic implications of redeveloping public housing. From experience, about 50% of the funding for redevelopment of public housing can come from public sources. So where does the rest come from? There are two sources – the market value of the land and capitalizing on new taxes from the redevelopment of mixed housing. Based purely on land value, it would take 2.68 – 3.33 square feet of market rate housing to pay for 1 square foot of public housing. If it is also possible to leverage the new tax revenue generated by redevelopment (using a strategy similar to tax-increment financing, or TIF), then this ratio could reduce to 2 - 2.5 square feet of market rate housing to support the cost of 1 square foot of public housing. (Note: conventional tax-increment financing per se is difficult to do under Virginia law, but similar strategies are possible.)

### Advisory Group Discussion:

Q. Can't we use the funding to purchase something that's already built elsewhere that is cheaper?

R. *Potentially; my funding model can accommodate that change. If we reduce the \$450k per unit cost that could mean fewer market rate units would be needed to pay for public units.*

R. *There are soft costs no matter what.*

R. *There are management issues with scattered sites. ARHA prefers to have a critical mass of units at each location.*

Q. What would be the minimum number of units from a management perspective?

R. *It's not only management – quality of life and sense of community is important also – but 12- 20 units depending on location would be a minimum.*

C. There are a lot of public housing residents present at the meeting and it would be helpful to them to keep the language more simple.

*R. Fair comment and we will endeavor to do so.*

Q. Is it standard procedure to include tax-increment financing? Has the City used property tax relief before?

*R. No, the City hasn't used tax relief before.*

*R. But public housing is exempt from paying property taxes. ARHA doesn't pay property taxes, although it does pay PILOT – payment in lieu of taxes – at a rate lower than taxes for comparable private development.*

Q. How much does ARHA pay annually in PILOT?

*R. ARHA can provide those figures.*

*R. Although the City hasn't used strategies similar to tax-increment financing before, it is an effective and proven strategy well worth considering when public funding is short but land value is high.*

*R. Money raised through strategies like tax-increment financing is generally spent on infrastructure not bricks and mortar units.*

*R. Although there are many funding tools we can use, e.g. tax credits and land value, there still may be a gap and we would need something else to fill that gap.*

Q. What percent of the unit cost of public housing goes to relocation?

*R. About \$3,000-5,000 goes directly for moving costs; other costs include fees for lawyers, appraisers and HUD; all told this can total 20% or more of total redevelopment cost per unit.*

*R. The Uniform Relocation Act requires payment of moving costs and relocation expenses up to \$15,000 per household.*

Ben Carlson of Goody Clancy continued the discussion by looking forward to how the information presented at today's meeting provides a segue way to next month's BEAG meeting which will look at urban design. The ratio of public housing to market rate housing will have a direct impact on development scale and character. We will look at different development scenarios which will be based on the framework provided by the Braddock Metro Plan which set out a vision for the area and clear goals for character. It will also look at the question of land use (such as inclusion of neighborhood retail) and the need for replacement units.

#### Advisory Group Discussion:

Q. There was a question at Tuesday's Joint Work Session regarding the number of units. Will we have specific unit numbers in this plan?

*R. There is a difference in the level of specificity between a Master Plan and a Redevelopment Plan.*

Roy Priest then addressed ARHA's key criteria for public housing sites, to include critical mass of community at all income levels, ARHA ownership and HUD approval. HUD's concerns are maintaining infrastructure and using HUD funds properly.

Helen McIlvaine, the Deputy Director of the Office of Housing, presented the City's current approach to finding replacement units for the Bland redevelopment. She

reiterated the requirement of Resolution 830 for one for one unit replacement. She noted that at Glebe Park the City had requested a small component of workforce housing which had reduced the number of public housing units available to the Bland redevelopment from 60 units to 44 units, leaving a deficit of 16 units. Thus the City had committed to finding an alternative location for the 16 replacement units. Housing, Planning and ARHA have been working together on this over the last few months. We are looking at new units or opportunities to rehab, and locations that can provide the necessary critical mass for creating community and meet other ARHA criteria. The following sites are under consideration for the 16 James Bland replacement units as well as potential replacement units for future public and/or workforce housing development:

1. Potomac Yard – talking to the developer about the potential for 8-16 units. Nothing is tied down. We are also looking for an ongoing supply to facilitate future ARHA redevelopment.
2. Olde Towne West – this is currently for sale and is privately owned. The City is talking to the owner about the possibility of providing City funding to preserve some affordable housing and there is also the potential for some ARHA units. The units need to be acceptable to ARHA.
3. Landmark/Van Dorn – There is a large amount of redevelopment potential that provides opportunities for securing public housing but that has to be balanced with the existing affordable housing the area.
4. Winkler – there are over 5000 garden apartments on this site. The City is hoping to preserve the existing buildings and get new units through redevelopment proposals. There are opportunities for getting some affordable housing.
5. Tauber – There are legal issues that the City is working to overcome but the City will own this land within the next 12 months. The City will control what happens there, which creates an opportunity for securing some public housing units.
6. Undisclosed location in the West End – this is a large scale redevelopment opportunity. The City has had preliminary discussions with the developer and there is an opportunity for public housing units.

The City is looking at every opportunity for replacement units and wants to get ahead of the need to see what would be available. The city customarily negotiates for public and/or workforce housing units when developers come in to talk about DSUP approval for new developments.

Advisory Group Discussion:

Q. Have you considered Eisenhower Avenue?

A. *It is not on the work program at presents there is not enough development pressure. In any event, the likelihood is that it will be primarily office.*

Q. Are these sites just being considered for the 16 units for Bland or more?

A. *It could be more as developers are open to the suggestion if they are provided clear information on city goals and procedures. But slow market conditions mean that some development projects will not be completed soon enough to meet affordable housing needs.*

Q. Will the money paid into the Housing Trust Fund from the Monarch and Madison developments be earmarked for Braddock East or will it be spread across the City?

A. *The Jaguar Staff Report recommends allocating \$5 million of the money toward public and/or workforce housing development associated with the Braddock neighborhood. The money could be spent on the off-site replacement units. Additional payments from the developments are uncommitted. Nothing is off the table but we are stretched for resources.*

Q. Who makes the decision about how the Housing Trust Fund is spent?

A. *The Affordable Housing Advisory Committee and City Council.*

Q. Can we have information about the money flowing in and out of the Housing Trust Fund over the last three years?

A. *This can be provided.*

C. For some of the sites identified ARHA didn't know the unit needs of the population. There needs to be strong equity for residents.

#### **JAMES BLAND DEVELOPMENT SPECIAL USE PERMIT UPDATE:**

AJ Jackson of EYA gave an update of the revised proposal for James Bland. He first noted that the \$10.6m tax credits for Glebe Park had been granted and it is now possible to start the programmed construction of Glebe Park in November.

The previous plan that had been presented to the group showed structured parking. After meeting with the City and the community it was clear that above-grade parking was a big issue, not so much because of the visual impact but because it would set a precedent and it limits the ability to pick up open space on the blocks. EYA therefore reconsidered the plans and made changes to accommodate underground parking. The plans now propose smaller buildings with parking underneath. The unit mix stays about the same, and includes a mix of incomes on all blocks. The new plan has more townhomes and fewer multi-family units. To address the increased costs of underground parking, this plan requires a parking reduction for the market rate multi-family from 1.5 spaces per unit to 1 space per unit. These are predominantly one/ two bedroom units so that should be acceptable to the market. The parking survey shows that there is parking available on street. There will be new on-site parking spaces and dedicated spaces for zip cars. The public housing units will use surface, underground and public street parking, at a ratio of ½ space per unit. The survey indicates that fewer than 70% of ARHA households have a car. In the overall development there are a total of 802 parking spaces (a reduction from 853 in previous scheme), which is equivalent to 2 spaces per unit. This plan costs slightly more but we are able to absorb it by increasing the number of townhome units (which park themselves) and reducing the number of multi-family units and creating more spaces on the street.

The schedule is still aimed at public hearings in October and we will be submitting the concept plan next week. There will be a work session on June 3 with the BAR and Planning Commission and a BAR meeting in September.

Advisory Group Discussion:

Q. You are reducing multi-family and increasing townhomes. What's the rationale of not building all townhomes?

R. *EYA never felt comfortable with the idea of townhomes fronting Route 1 or the alternative of turning them around into a mews as that wouldn't fit with the character of the area.*

Q. Where are the building entrances for the multi-family?

R. *Not determined yet. There are opportunities for entrances in the area between the blocks and onto the park. The park has now shifted to the block at Route 1 and First Street. There is slightly more open space than in the old plan.*

Q. What is the width of the new streets? They feel like narrow streets similar to those we saw at Ellen Wilson.

R. *The current alley is 10-14ft. The new street will be a consistent 18 ft alley with sidewalk and planting strip and will be one-way.*

Q. Still have issues with the number of units. Still have concerns about the City subsidizing a percentage for affordable units. How much is the subsidy?

R. *Don't have a final analysis of how much funding will be required for workforce housing. The City wants to bridge the gap between public housing and market rate. Based on EYA's current estimate of the multi-family unit prices, the subsidy will be about \$30,000 per unit to bring the price down to affordable levels for households at 80% of median income. Workforce housing is characterized by 80-100% of Area Medium Income (AMI).*

C. *ICCA is opposed to the concept of using City funds to subsidize workforce housing unless public housing units are relocated out of the neighborhood to the extent they were in the development of Chatham Square (where 48 of 100 public housing units were relocated).*

Q. There are many of other sources of funding, such as non-profits. Have these been considered?

R. *We are looking at using City funds, developer contributions and other existing workforce housing programs such as MIP's (Moderate Income Program).*

Q. Is the workforce housing so public housing residents on modest growing incomes would be able to buy?

R. *That's the goal of the program. Last year it helped 8 families purchase homes. It's a long-standing City policy.*

Q. What's the median income for Alexandria now?

R. *\$99,000 for a family of four - set by HUD in February 2008.*

Andrea Barlow, Principal Planner Department of Planning and Zoning, presented the schedule for upcoming meetings and announced the proposed Community Barbeque for ARHA residents to be held on June 16. Roy Priest indicated that ARHA would be raffling five bicycles.

Advisory Group Discussion:

C. As previously suggested, the barbecue would be a good opportunity to invite ARHA residents from the mixed-income communities at Chatham Square and Quaker Hill to share their experiences with the Braddock East public housing residents.

Q. When will we be discussing the numbers and ratios of public housing units off and on site?

Q. It is a goal of the Braddock Metro Plan to deconcentrate public housing. We need to clearly address the difference between deconcentration via relocation of public housing units elsewhere and deconcentration via addition of higher-income households to public housing communities.

R. *July 15 meeting – there will be some discussion at that meeting and afterwards.*

**PUBLIC QUESTIONS/ COMMENT:**

None

**NEXT STEPS:**

Staff and the consultants will review the questions and requests for more information and respond to the Advisory Group at future meetings.

Future meetings:

BEAG Meeting 5, June 19

BEAG-sponsored community meeting June 26 (suggested)

BEAG Meeting 6, July 15

BEAG Meeting 7, Sept 3

BEAG Meeting 8 and community meeting, Sept 16 (suggested)