

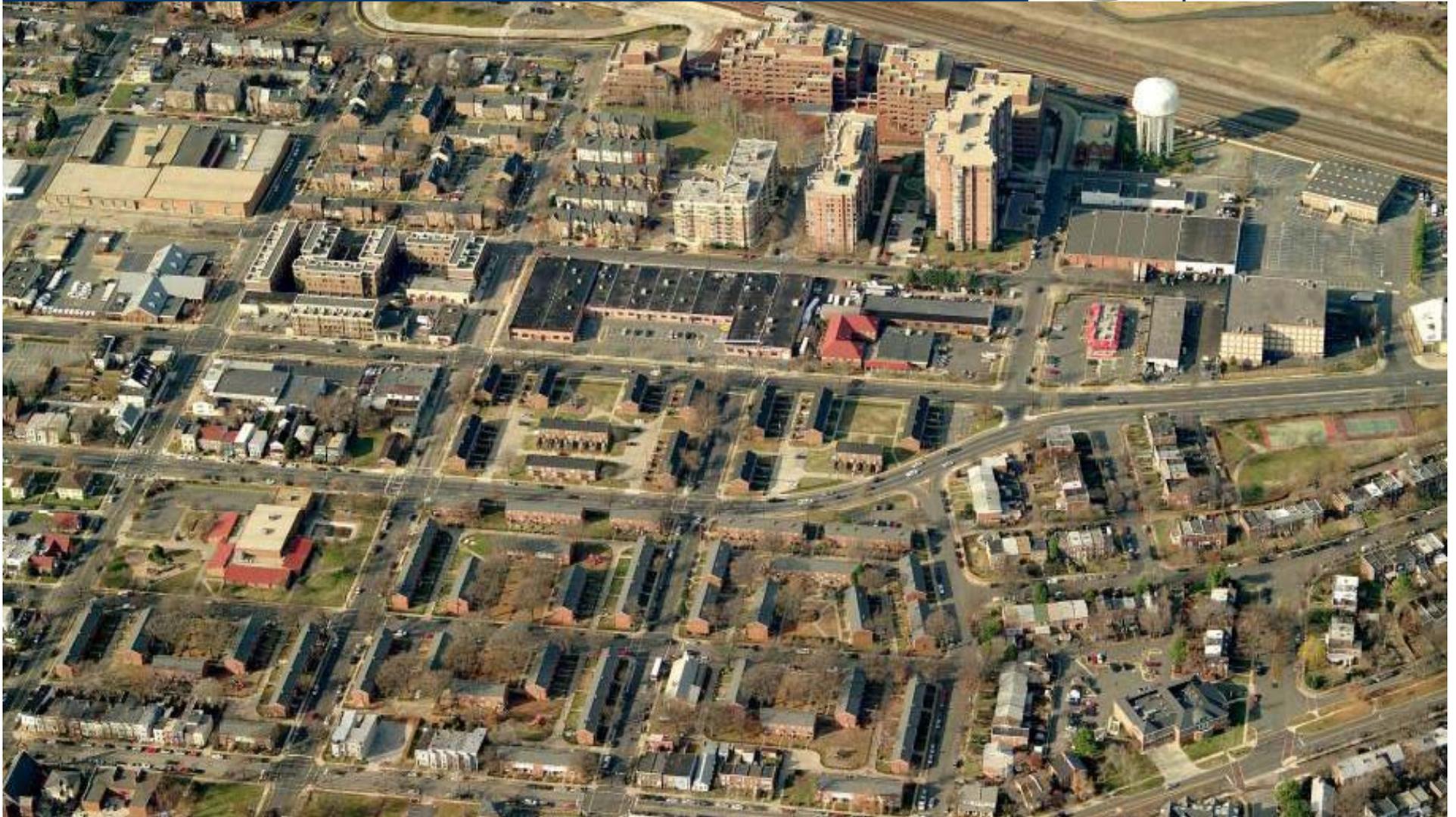
Braddock East Planning Process

BEAG meeting 4

15 May 2008



ARHA
Alexandria
Redevelopment &
Housing Authority



How much does it cost to build new public housing?

- In Alexandria, it is reasonable to assume a total development cost of \$400,000 to \$450,000 per public housing unit



**Franklin Hill public housing
redevelopment, Boston:
\$400,000+ per unit**

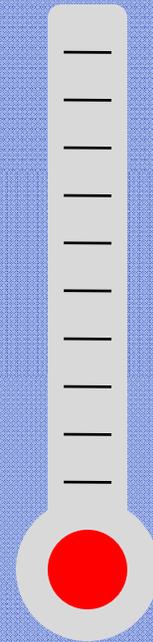
What goes into the total development cost?

- Construction costs for buildings, parking, landscaping, infrastructure
- Land
- “Soft costs”
 - Relocation assistance, other transition services for public housing residents
 - Planning outreach to public housing residents and the community
 - Coordination with HUD, city and other partners



Paying for new public housing

- Need to pay for new units whether they remain on-site or go elsewhere
- Need mix of public and private sources



Typical public funding sources for housing

Usually a mix of multiple sources such as:

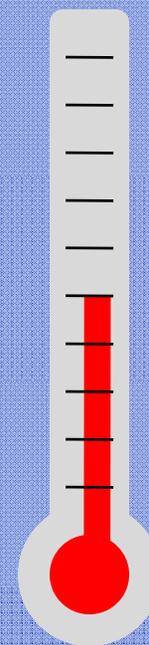
- HOPE VI grants
- Low Income Housing Tax Credits (LIHTC) – major source for Bland
- Other public sources
- City (i.e., infrastructure and land purchase assistance), as available
- Housing authority capital funds, as available



**Quinnipiac
Terrace HOPE VI
redevelopment**

How much do these offer?

- Based on experience with public housing redevelopment projects nationwide, it is reasonable to assume public sources might cover up to 50% of development costs
- Assuming a total development cost of \$400,000-\$450,000 per unit, this means we still need to cover the other half -- \$200,000-\$225,000 – from other sources



Funding Required

Public housing funding gap approximately **\$167 - \$188 per square foot**

Gap Funding Needed

		Low	High
Cost /Unit		\$400,000	\$450,000
Outside Public Housing Funding	50%	(\$200,000)	(\$225,000)
Subsidy Required		\$200,000	\$225,000
<i>Funding Required Per Square Foot Of Public Housing @ 1,200 SF Per Unit</i>		\$167	\$188

General Approach: Leverage Market Rate Development

Two Sources To Fund Gap:

1. Leverage The **Market Value** Of The **Public Housing Sites' Land**
2. Leverage The City's **New Property Tax Revenues**

Market Value Of Public Housing Sites' Land

- Land Price Is Quoted On A “Buildable” Square Foot Basis
- Values Change By Location, Zoning And Market Conditions
- Assume The Market Is Willing To Pay Between **\$50 and \$70 Per Buildable Square Foot**

If only land sale proceeds are available: **Between 2.7 and 3.3 sf of market rate use needed to fund 1 sf of public housing.**

	Low Sale Value \$50 /Buildable SF	High Sale Value \$70 /Buildable SF
"Other" Funding Required To Develop A Square Foot Of Public Housing	\$167	\$188
Foot Of Market Rate Development	\$50	\$70
Number of Market Rate Square Feet Required To Pay For Public Housing Gap	3.33	2.68

New Property Tax Revenues

- No City Property Tax Revenues Currently On These Sites
- Tax Rate Is \$0.845 Per \$100 Of Market Value
- Values Change By Location, Zoning And Market Conditions

New Property Tax Revenues

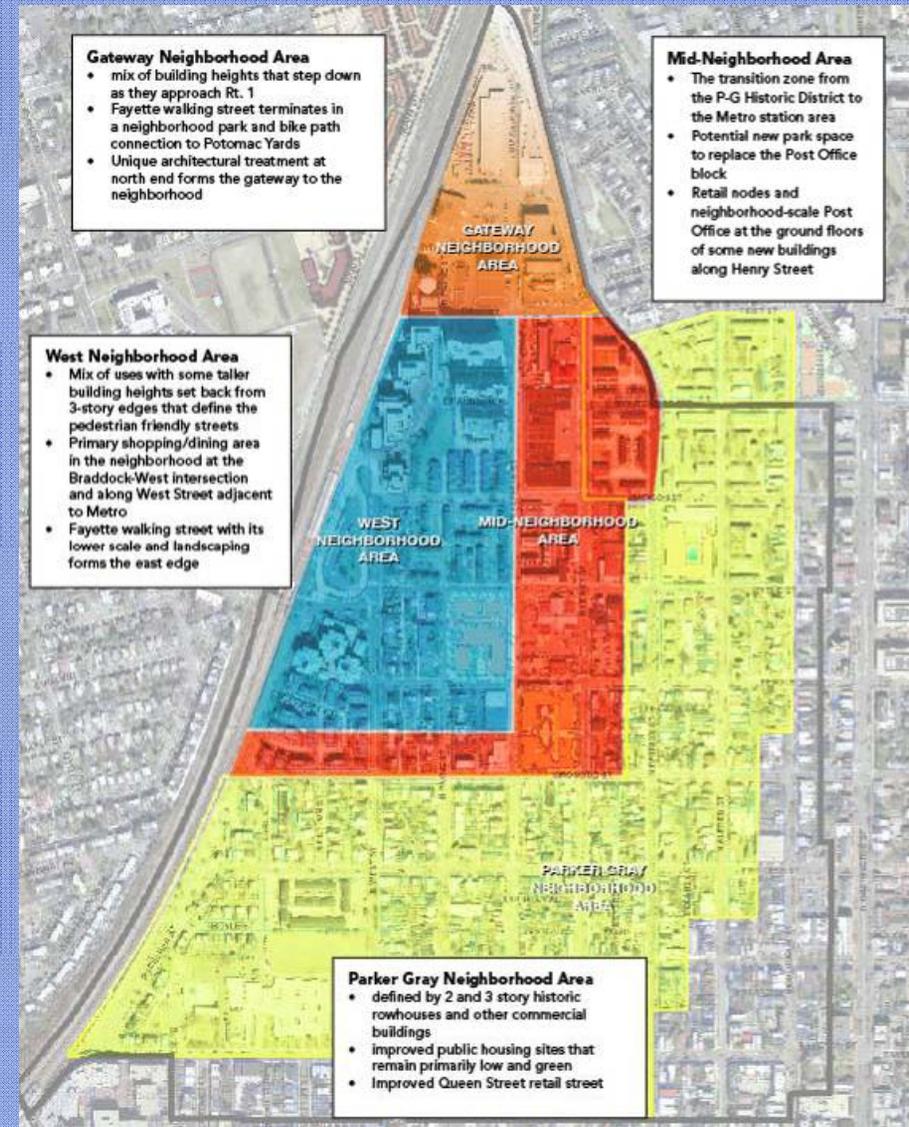
- Assume Market Value Of **\$400 and \$550 Per Square Foot**
- City Gets Between \$3.40 and \$4.65 Per Year For Every Market Rate Buildable Foot
- Leveraged In A 20 Year Bond, Property Tax Revenue Can Contribute **\$22 to \$27 Per Square Foot**

**Applying These Sources, About
2.0-2.5 Market Rate Square Feet Are Required
To Pay For 1 Square Foot Of Public Housing**

Implications for development character and scale

Development scale needs to be appropriate to the Braddock neighborhood. A variety of factors could affect the ultimate unit count and mix

**Braddock Metro
planning process
neighborhood vision**



Discussion

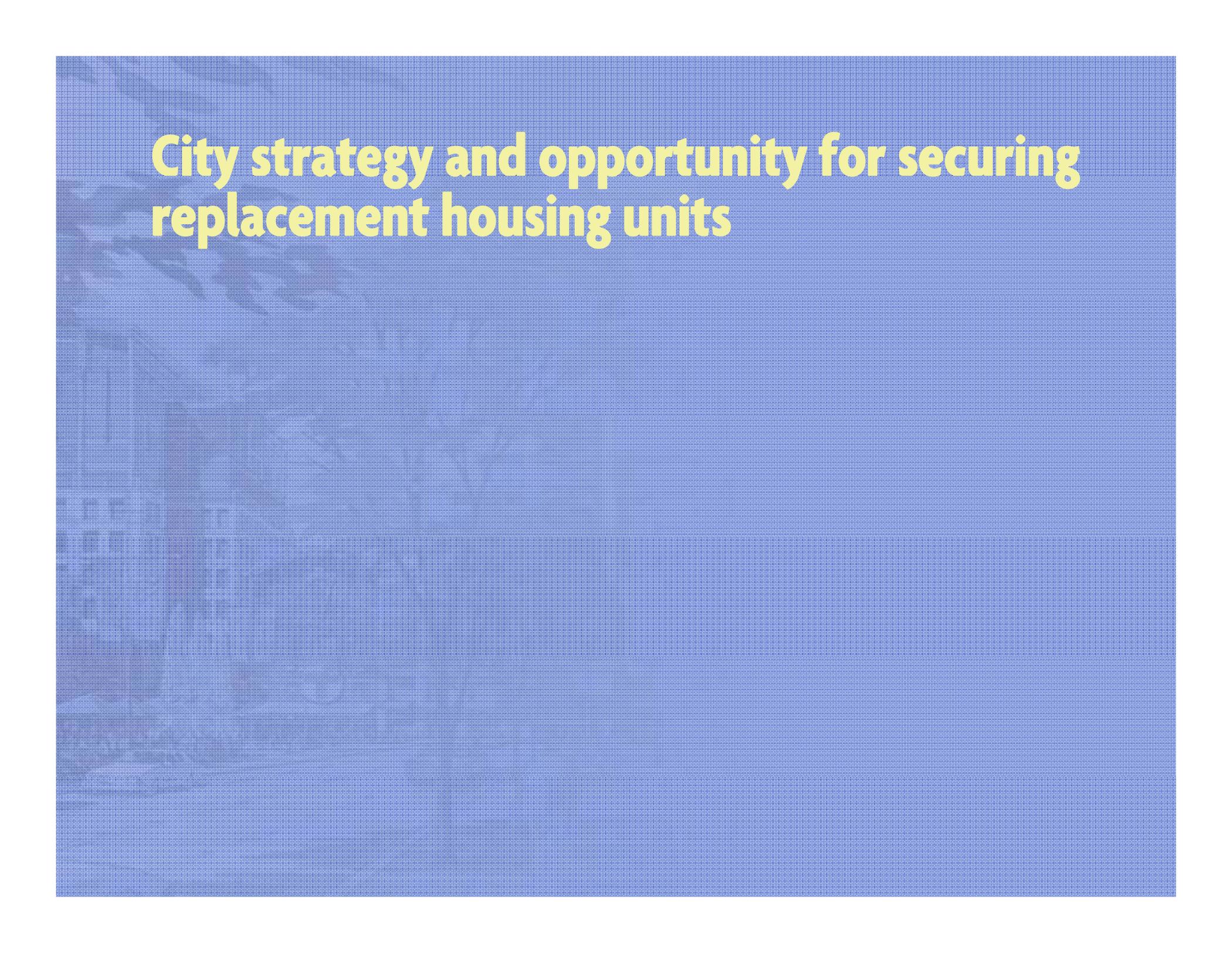
The background of the slide is a solid blue color with a fine, grid-like texture. On the left side, there is a faint, semi-transparent image of a palm tree in the upper half and a multi-story building in the lower half, both rendered in a lighter blue tone that blends with the background.

Planning criteria for new public housing

Applies to Braddock sites, plus any neighborhood where replacement housing might occur (if possible)

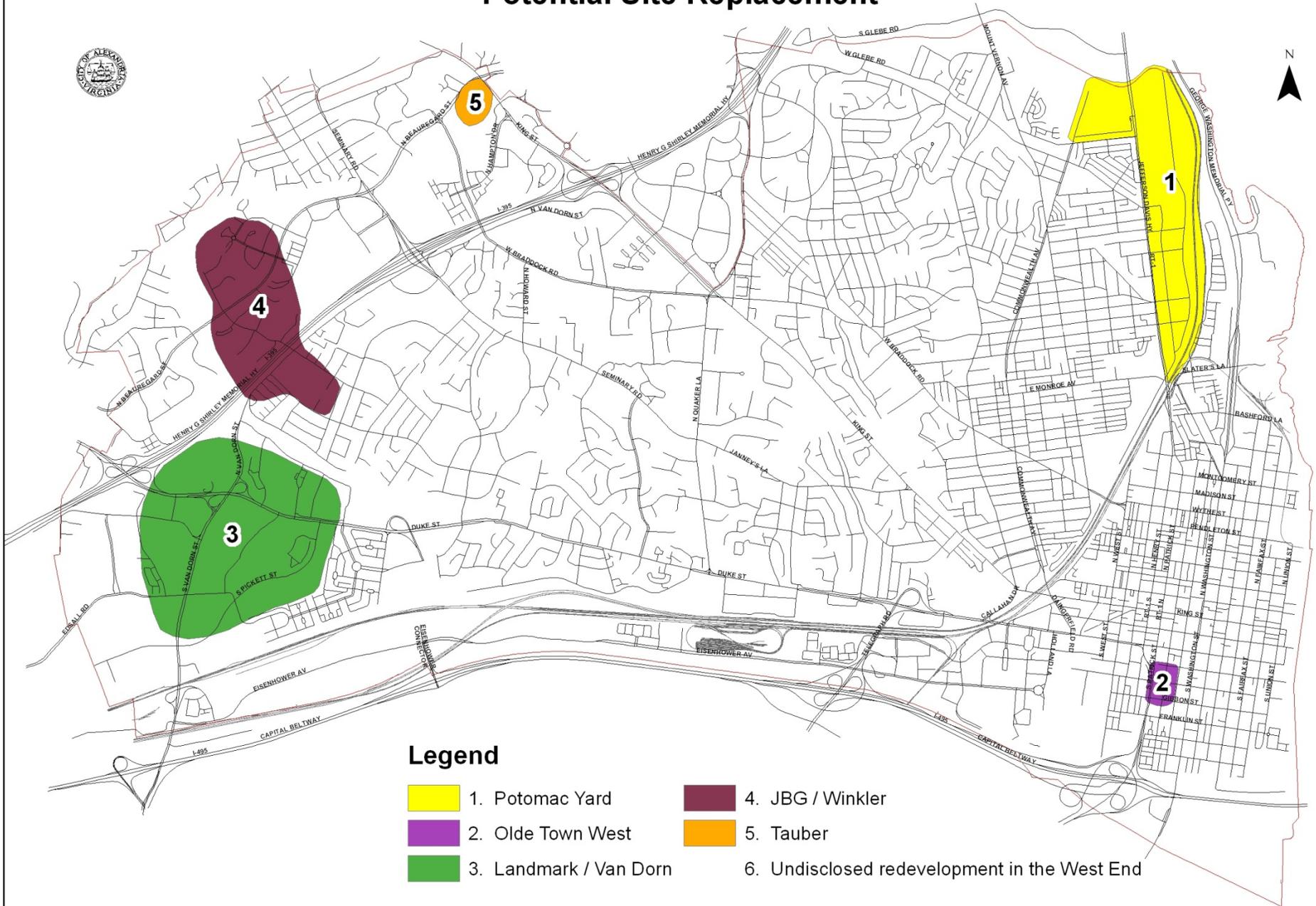
Key ARHA criteria:

- Critical mass of community at all income levels
- Continued ARHA ownership
- New housing sites subject to HUD approval



City strategy and opportunity for securing replacement housing units

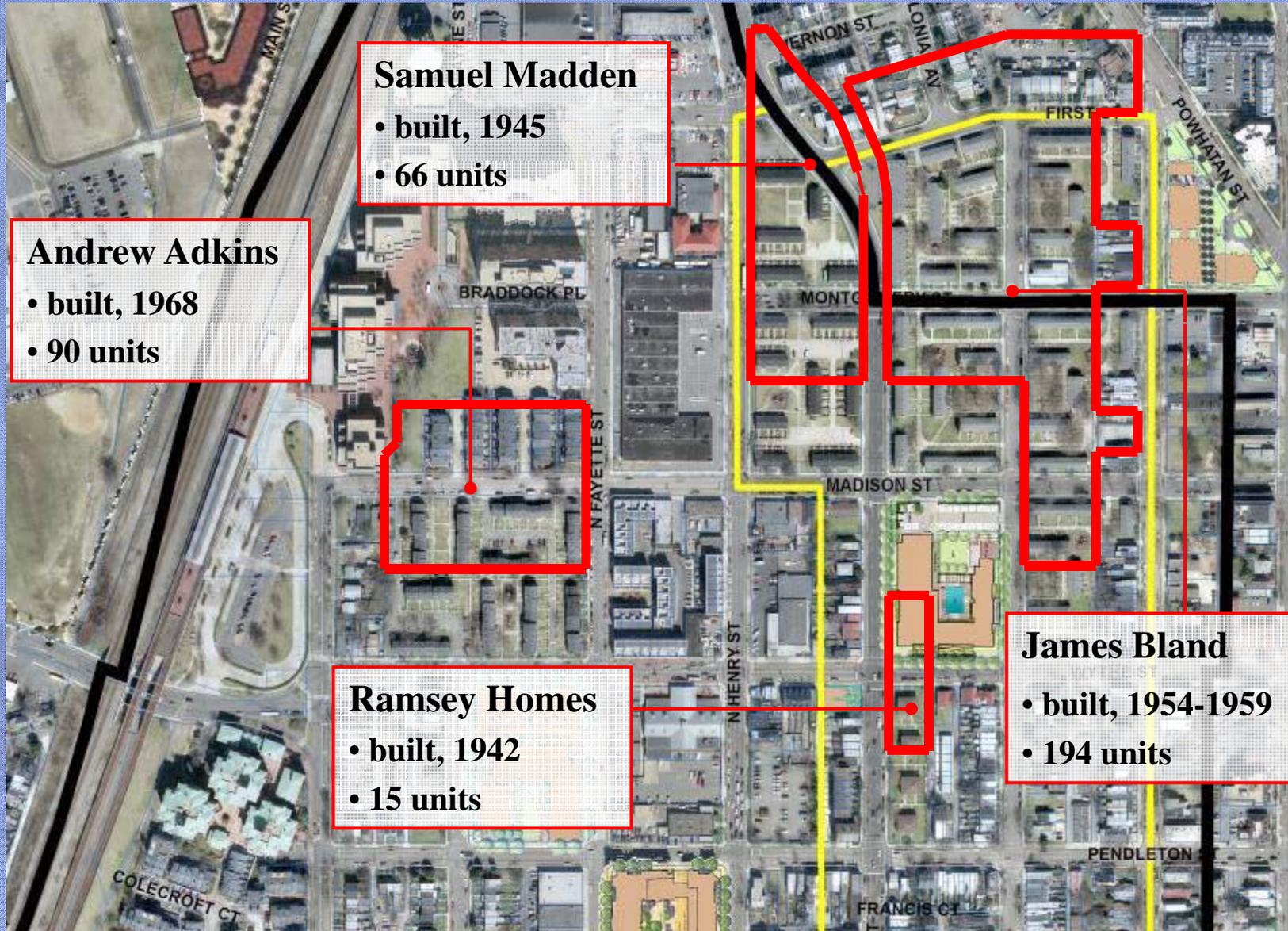
Potential Site Replacement



Legend

- | | |
|--|---|
| 1. Potomac Yard | 4. JBG / Winkler |
| 2. Olde Town West | 5. Tauber |
| 3. Landmark / Van Dorn | 6. Undisclosed redevelopment in the West End |

Braddock Metro Area public housing sites



Samuel Madden

- built, 1945
- 66 units

Andrew Adkins

- built, 1968
- 90 units

Ramsey Homes

- built, 1942
- 15 units

James Bland

- built, 1954-1959
- 194 units