



ARHA REDEVELOPMENT WORK GROUP

December 8, 2022

5:30 PM – 7:00 PM

City Hall, City Council Workroom

Conference Line 703.746.1860 & Access Code: 776655

MEETING AGENDA

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|---|--------------------------|
| 1. Welcome & Introductions | Mayor Justin Wilson |
| 2. Review and Approval of May 19, 2022 Meeting Summary and October 20, 2022 Meeting Summary | Redevelopment Work Group |
| 3. Samuel Madden Homes Development Project | Keith Pettigrew, ARHA |
| a. Project Schedule | David Cortiella, ARHA |
| b. Community Outreach | Kanisha Brown, ARHA |
| c. Affordable Housing Plan | |
| d. Green Building and Sustainability | |
| e. Section 106 Process | |
| f. Ownership Structure | |
| g. Request for Development Fee Relief and Real Property Tax Exemption | |
| h. Request for City Funding | |
| 4. Additional Development Planning Updates | Keith Pettigrew, ARHA |
| a. Ladrey Senior Highrise | David Cortiella, ARHA |
| b. Section 18 - Saxony and Park Place | |
| c. Re-syndication Activities - BWR, Chatham Square | |
| d. Rental Assistance Demonstration Conversions - Chatham Square, BWR, Old Dominion, James Bland I, II | |
| 5. New ARHA Development Entity | Keith Pettigrew, ARHA |
| 6. ARHA Strategic Planning Update | Keith Pettigrew, ARHA |
| 7. Upcoming Meetings Topics (including training and continuing education) | Redevelopment Work Group |
| 8. Other Business | Redevelopment Work Group |
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UPCOMING MEETINGS

January 19, 2023

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February 16, 2023

▪

March 16, 2023



**Alexandria Redevelopment and Housing Authority Redevelopment Work Group
May 19, 2022**

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Mayor, City of Alexandria
John Taylor Chapman, Councilmember, City of Alexandria
Stephen Koenig, City of Alexandria Planning Commission
Anitrah Androh, ARHA Board of Commissioners

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

James Parajon, City Manager, City of Alexandria
Emily Baker, Deputy City Manager, City of Alexandria
Helen McIlvaine, Director, Office of Housing
Karl Moritz, Director, Department of Planning and Zoning
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority
Eric Keeler, Deputy Director, Office of Housing (via phone)
Christina Brown, City Attorney's Office
Kim Cadena, Office of Housing
Catherine Miliaras, Department of Planning and Zoning
Stephanie Sample, Department of Planning and Zoning
David Cortiella, Alexandria Redevelopment and Housing Authority
Kanesha Brown, Alexandria Redevelopment and Housing Authority
Thomas Jones, Alexandria Redevelopment and Housing Authority
Wanda Sherrod, Alexandria Redevelopment and Housing Authority

Introductions and Meeting Summary Approval

Mayor Justin Wilson recognized that the members present constituted a quorum and convened the meeting. Those joining the Mayor included Planning Commissioner Stephen Koenig, Councilmember John Taylor Chapman, and ARHA commissioner Anitra Androh. ARHA Commissioner Peter Kleeblatt was not present.

The Mayor asked the attendees to introduce themselves to the Work Group. In addition to the Work Group members and staff, also present were Noah Hale from Fairstead; Joe Muffler from Miller Creek Residential; Jaime Bordenave from The Communities Group; and Steven Mikulic from McGuire Woods.

Mr. Koenig moved that the Meeting Summary of the April 21, 2022 meeting be approved. The motion was seconded by Councilmember Chapman and the Meeting Summary of the April 21, 2022 meeting was approved.

Samuel Madden Homes Development

Noah Hale gave a presentation on the progress of the Samuel Madden Homes development project. The Work Group members and staff asked Mr. Hale questions over the course of the presentation.

At the start of the presentation, Helen McIlvaine asked for an explanation of the [Faircloth-to-RAD](#) program.

Mr. Bordenave explained the difference between the Section 18 Program and Faircloth-to-RAD.

Mr. Hale said that ARHA still had Faircloth units available for conversion. Mayor Wilson asked what that meant. Keith Pettigrew clarified that ARHA was still well under their limit for Faircloth units¹ and could construct more units without reaching the limit. Mr. Hale added that Faircloth-to-RAD units still required subsidizing because the rent levels were typically about half that of fair market rents.

Mayor Wilson asked if the Work Group could be provided with a breakdown of the project financing. Ms. McIlvaine said it would be forthcoming.

Mayor Wilson asked if the program was time-limited. Mr. Hale and Mr. Bordenave said no. Ms. McIlvaine asked if Faircloth units were transferrable between jurisdictions.

Ms. McIlvaine asked if an explanation of the Faircloth-to-RAD process could be included in ARHA's Joint Work Session presentation.

Ms. McIlvaine asked why the public-housing replacement units were fixed units while other affordable units were floating. Mr. Hale said those units needed to be fixed because they were not allowed in the building using 9% LIHTC credits and had to be in the building receiving the 4% credits.

Mr. Koenig asked what ARHA's target date for receiving a Development Special Use Permit for the project was and Mr. Hale responded they were intending to apply for 9% tax credits in March 2023 which would require the project be submitted to the City Council in December 2022.

Mayor Wilson asked Karl Moritz if the development process was on schedule and Mr. Moritz replied that nothing had delayed it thus far.

Mr. Koenig asked what the difference between a Net Zero ready building and a Net Zero building was. Mr. Hale explained Net Zero buildings used solar panels while Net Zero Ready buildings had the infrastructure for solar panel installation but not the panels themselves. Mr. Koenig then asked why the north building would be Net Zero ready while the south building would only be LEED-Silver. Mr. Hale said that it was because the north building would be using LIHTC funding which provides extra application points for green building. He also said that a Net Zero ready building would lower utility bills for the residents.

Ms. McIlvaine asked about how equity was being considered during the Section 106 process. Mr. Hale said history was more than just walls and that the original buildings were not of the greatest quality because they were constructed as segregated public housing. He mentioned the mitigation that was done for the Ramsey Homes redevelopment. He said ARHA and its partners were talking to the residents about what kind of preservation and mitigation they would like to see. He said they were in similar

¹ ARHA had 127 Faircloth-to-RAD units available as of December 31, 2021

dialogue with the other consulting parties and that they already had some ideas for mitigation and were continuing to take suggestions.

Mr. Koenig asked how the BAR process would affect the project schedule. Mr. Hale said they did not expect the process would create any problems and that the deferral of the permit to demolish was just the “start of the conversation.”

Mayor Wilson asked what the reasoning for the deferral was. Catherine Miliaras said there were no speakers at the BAR hearing for or against the permit to demolish. Eric Keeler added that the Board had asked for more information to be provided before they decided. Mayor Wilson asked what kind of information was needed. Mr. Keeler said the Board wanted documentation showing how ARHA reached the decision that demolition was warranted. Ms. McIlvaine asked if the Braddock East Plan, which called for the demolition and redevelopment of the site, would be enough. Mr. Keeler answered that more documentation than that would be required. Ms. Miliaras added that the Board wanted information that would support the conclusion in the staff report that demolition was necessary. Mr. Hale said they had that information and would submit it for the Board’s review.

Mayor Wilson asked about the status of the tenant relocation plan. Mr. Cortiella replied that the plan was submitted to the Office of Housing on May 18. Ms. McIlvaine said the plan would be on the docket of a fall Landlord-Tenant Relations Board meeting for the Board’s review and potential approval.

Additional Development Planning Updates

Thomas Jones reported on the Ladrey Senior High-rise Request for Proposals (RFP) process. He said the selection panel had meet and scored the proposals and passed them to ARHA’s procurement team for review. Mr. Jones said a staff recommendation would most likely be made to Mr. Pettigrew the week of May 23, who would then pass the recommendation to ARHA Board of Commissioners in June for their consideration.

Mr. Jones provided an update on the conversion of units at Park Place and Saxony Square from Public Housing subsidy to project-based vouchers approved under the Section 18 repositioning process. He said the units at Park Place and Saxony Square were on the verge of conversion and they were just waiting for the final sign-off by HUD. ARHA is working with the Office of Housing on funding for accessibility modifications to units at Park Place.

Mr. Cortiella shared that ARHA still does not have control of the limited partnership of Chatham Square. He said procurement of the syndicator for the combined Chatham Square/Braddock-Whiting-Reynolds (BWR) project remains ongoing and they have selected an architect and will begin walkthroughs of the buildings next week. He said that the RAD conversion requires that 100% of the units be inspected. He added that ARHA continues to work with Virginia Housing on the financing for the A/E and GC work and budget preparation. ARHA aims to complete all the soft elements of the rehabilitation by the end of the year.

ARHA Resident Engagement

Kaneshia Brown provided an update on the Samuel Madden Homes resident meetings. Ms. Brown said that she and the residents were now in the Action Plan stage of the engagement process. She described the activities that were undertaken to raise awareness of the plan and future plans to capture

community input, such as block parties with booths showcasing different parts of the project and areas where the residents could record their memories of the current buildings. She said she was capturing all the questions and answers from residents to have on hand for the future. She also said the residents were preparing for the next phase of the project by creating a monitoring schedule.

Wanda Sherrod told the Work Group she was facilitating the resident engagement at the Ladrey Senior High-Rise. She said there was a resident meeting on May 19 and that she was still working organize and engage the residents. She said she would be following Ms. Brown's engagement model, though with a few adjustments to make it more appropriate for senior residents. She said the seniors were very interested in receiving project information but had less interest in attending meetings.

ARHA Five-Year Plan

Mr. Pettigrew reported he had not yet had time to consult with the ARHA Board of Commissioners on the Five-Year Plan, but that he would discuss it with them at the May 23 ARHA Board meeting. He promised he would provide an update at the July Work Group meeting.

Future Joint Work Session Timing

Mayor Wilson asked if the details for the Joint Work Session had been confirmed. Ms. McIlvaine replied that in order to accommodate the ARHA Board, the Work Session would be June 27. She also said that the City Council and Planning Commission were being polled to ensure there would be quorum. The event will be in-person but taped for later broadcast. The location would once again be the Durant Center and the event would be 6:30-8:30pm with doors at 6pm. She added that dinner would be provided for those participating in the Joint Work Session and for staff.

The Mayor asked about what would be discussed at the Work Session. The Work Group came to the consensus that the Work Session agenda had been sufficiently discussed in previous Work Group meetings, though the Mayor did suggest that an email be sent to potential Work Session attendees in case they had any questions they would like to ask. Ms. McIlvaine said she would circulate the draft agenda so the Work Group members could seek input from their respective bodies in advance of the Work Session.

Mr. Koenig asked if the Work Session would be in lieu of the regular June Work Group meeting and Ms. McIlvaine said that was a good idea.

Other Business

The Work Group confirmed the date of the next regular ARHA Redevelopment Work Group meeting – July 21, 2022.

With no other business to discuss, Mayor Wilson adjourned the meeting.



**Alexandria Redevelopment and Housing Authority Redevelopment Work Group
October 20, 2022**

MEETING SUMMARY

Participants

Work Group Members

Justin M. Wilson, Mayor, City of Alexandria
Stephen Koenig, City of Alexandria Planning Commission

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

Emily Baker, Deputy City Manager, City of Alexandria
Karl Moritz, Director, Department of Planning and Zoning
Keith Pettigrew, CEO, Alexandria Redevelopment and Housing Authority (via phone)
Kevin Harris, ARHA Board of Commissioners
Eric Keeler, Deputy Director, Office of Housing
Nancy Williams, Deputy Director, Department of Planning and Zoning
Christina Brown, City Attorney's Office
Kim Cadena, Office of Housing
Catherine Miliaras, Department of Planning and Zoning
Kanasha Brown, Alexandria Redevelopment and Housing Authority
Thomas Jones, Alexandria Redevelopment and Housing Authority
Wanda Sherrod, Alexandria Redevelopment and Housing Authority (via phone)

Introductions

Mayor Justin Wilson acknowledged that the members present did not constitute a quorum and convened the meeting. Those joining the Mayor included Planning Commissioner Stephen Koenig and ARHA Commissioner Kevin Harris, who was serving as a non-voting representative of the ARHA Board of Commissioners. Councilmember John Taylor Chapman, ARHA Commissioner Anitra Androh, and ARHA Chair Peter Kleebblatt were not present.

Due to lack of quorum, the Work Group was unable to approve the meeting summary of the May 19, 2022, meeting.

Joint Work Session Debrief

The meeting began with a discussion of the June 27, 2022 Joint Work Session.

Mr. Koenig spoke about the value of the Work Session in bringing the Planning Commission and ARHA Board of Commissioners together. He mentioned his interest in ARHA's projects being environmentally sustainable and how he hopes sustainability will be prioritized in the Virginia Low-Income Housing Tax Credit Qualified Allocation Plan. He said he would like to see a Net Zero building in the Samuel Madden Development Special Use Permit when it comes before the Planning Commission.

Keith Pettigrew said there was good discussion at the Work Session and ARHA enjoyed sharing their progress on repositioning their portfolio's operating subsidies. He also shared that he appreciated the improved relationship ARHA has with the City.

Mayor Wilson agreed that the relationship between the City and ARHA was better than it previously had been and it would be beneficial to expand the partnership and encourage ARHA to more creatively use its resources to support net new affordable housing creation.

Mr. Pettigrew said ARHA is exploring the possibility of using its bond capacity to leverage additional funds for future projects.

Samuel Madden Homes Development

Mr. Pettigrew explained ARHA will be asking the City for a \$1 million dollar loan to pay for soft costs related to the redevelopment of Samuel Madden Homes. He said the money is necessary because of rising construction and financing costs. He also said ARHA would request the approval of the funds during the Alexandria Housing Affordability Advisory Committee (AHAAC) meeting in December prior to its review by City Council, and that ARHA will share more information with the Redevelopment Work Group about the loan request at its December meeting. Eric Keeler added that because the money will be coming from the Braddock Fund, funds are available to be allocated for this purpose within the current City Budget.

On the subject of ARHA's request for real property tax exemption and development fee exemptions, Mr. Pettigrew reiterated that project costs were rising due to external forces and ARHA needs to offset the costs in some way. He said that ARHA's attorneys are in contact with the City Attorney's Office. Mayor Wilson asked for information on the process for a land-owner to request a real property tax exemption. Mr. Keeler explained the processes usually involved an application to the City for an exemption. Mayor Wilson asked why the Samuel Madden application was any different from other projects and Mr. Keeler explained that the memo the City received from ARHA's attorneys was not specific to Madden and discussed current and future development projects.

Karl Moritz addressed the issue of permitting fees and other development fees, such as the sewer tap fee. He stated that the difficulty was that the regulations regarding fee exemptions vary by type of fee. Mr. Keeler added that the fees were based on the ownership of the property and the development and the ownership structure of Samuel Madden is still unclear to City staff.

Emily Baker explained that as a public housing authority ARHA is exempt from tap fees. She further explained that full or partial exemptions for other fees would be determined by the number of units in a project owned by ARHA.

Mr. Pettigrew said the north building would be a typical Low-Income Housing Tax Credit (LIHTC) deal with a general and a limited partner.

Mayor Wilson asked if the Madden project needed to go to Council in February 2023. Mr. Keeler confirmed it does to apply for Low Income Housing Tax Credits (LIHTC) during the 2023 9% LIHTC competitive cycle in March.

Mr. Pettigrew reported that the public and community outreach for the Madden development was on schedule and has been very successful. He listed the people and commissions the development team has met with thus far and mentioned there would be another community meeting on October 24.

Mr. Keeler added that the Section 106 historic review process was continuing as scheduled.

Kanisha Brown provided hard copies of the Resident Engagement book she had created for the Samuel Madden project and explained its contents to the Work Group. Ms. Brown said that as part of the engagement process, she has been encouraging residents to attend meetings of boards and commissions related to the Madden project. She also said that comments made at recent board meetings have made residents feel stigmatized. She cited the recent October Braddock Implementation Advisory Group (BIAG) meeting, where during the meeting, community members asked how the redeveloped buildings would be secured and pointed to ARHA properties as the primary location of crime in the Braddock area. She asked that boards and commissions set the tone for their meetings and consider how comments are experienced by ARHA residents attending meetings.

Mayor Wilson thanked Ms. Brown for informing the Work Group of these events. Nancy Williams added other inappropriate comments had been made during the Board of Architectural Review's work session with the development team. Ms. Williams said that the boards and commissions should have additional training in how to recognize and respond to these kinds of comments. She continued that she or a board liaison had spoken to several board and commission chairs who were open to the idea and that she knew a consultant who would be willing to conduct the training. Mayor Wilson said this was a good idea.

Mr. Pettigrew said ARHA was planning to reissue its Request for Qualifications to attract a wider development pool for future development projects.

Additional Development Planning Updates

Wanda Sherrod reported that Winn Companies and IBF Development were selected as development partners on the Ladrey Senior High-rise redevelopment project. She said the term sheet had been completed and negotiations on the Master Development Agreement were ongoing. She said that Winn and IBF had been introduced to the residents at a barbeque in September and were opening an office in the Ladrey building to help them better engage with the residents. She is developing a resident profile and a vision book and said there would be a community meeting on October 27. To better engage the residents, ARHA is now providing interpretation in five languages at community meetings and translating materials into each language.

Thomas Jones provided additional information on the Ladrey redevelopment process. He said ARHA anticipates the Master Development Agreement will be signed by the end of the year. He also said ARHA would like to have a pre-concept meeting with City staff the first week of December and submit a Concept 1 to the City in May 2023. Mr. Jones said ARHA expects the project will be ready for a Council hearing in May 2024. Mr. Keeler added that ARHA and the Office of Housing are also coordinating with the Commission on Aging and the Department of Community and Human Services.

Mr. Jones provided an update on the conversion of units at Park Place and Saxony Square from Public Housing subsidy to project-based vouchers approved under the Section 18 repositioning process. He said that HUD has the final paperwork for the conversion and the process should be completely very shortly.

Mr. Pettigrew shared that ARHA does not have control of the limited partnership of Chatham Square. He said they were waiting for the Richmond Group to exit the partnership which they anticipated would happen in Q1 of 2023.

Mr. Pettigrew said that HUD requested additional information for the Rental Assistance Demonstration conversions of Old Dominion and James Bland. In response, ARHA modified the applications for the properties and plans to submit them to HUD by the end of the calendar year.

New Development Entity

Mr. Pettigrew told the Work Group that there are ongoing discussions between the City Attorney's Office and ARHA's lawyers about the new development entity ARHA would like to create to replace VHD, LLC. Mayor Wilson asked why ARHA needed to create a new development entity. Mr. Pettigrew responded that a new entity was needed so ARHA could transfer properties to it as it removed those properties from its public housing portfolio. Mr. Keeler added that the City Attorney's Office has some paperwork from ARHA for the new entity but needs more information before it could proceed further.

ARHA Strategic Planning Update

Mr. Pettigrew reported that as part of the process to use its bonding capability, ARHA is working on a Five-Year Strategic Plan that he will share with the Work Group in December.

Other Business

In the absence of a quorum, the Work Group was unable to choose a date for the next Work Group meeting. Staff said they would contact members of the Work Group to coordinate a date for the next meeting.

Mayor Wilson proposed another Joint Work Session in advance of the Samuel Madden redevelopment going before City Council. Mr. Moritz suggested that staff provide comprehensive briefings on the project to Council instead. Mayor Wilson agreed, provided the briefings were held early.

With no other business to discuss, Mayor Wilson adjourned the meeting.