

ARHA Redevelopment Work Group
March 2, 2016
Meeting Summary
City Council Work Room
5:30pm – 7:00pm

Participants

Work Group Members

Justin M. Wilson, Vice Mayor

John T. Chapman, City Councilman

Daniel Bauman, Alexandria Redevelopment and Housing Authority, Chair

Salena Zellers, Alexandria Redevelopment and Housing Authority, Vice Chair member

Mary Lyman, Planning Commission Chair, *Absent*

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

Mark B. Jinks, City Manager

Karl Moritz, Director, Department of Planning and Zoning

Helen S. McIlvaine, Director, Office of Housing

Roy Priest, CEO, Alexandria Redevelopment and Housing Authority

Vice Mayor Wilson convened the meeting at 5:30pm and invited Work Group members and staff at the table to introduce themselves for the benefit of members of the public. Mayor Allison Silberberg attended the meeting and sat at the Work Group table.

Mr. Moritz stated that the meeting's purpose is to present a set of collaboration principles and scope of work that will guide the work of ARHA and City staff as they move forward with development plans for Ramsey Homes through a future public hearing (anticipated Fall, 2016). If successful, this process can serve as a model for future work as ARHA seeks to redevelop five sites included in a current Request for Proposal (RFP) process. Additionally, a goal of the meeting is to solicit input from the Work Group and revise the collaboration principles and scope of work based on its feedback. Lastly, the Work Group will set the agenda for a Joint Work Session between City Council and the ARHA Board of Directors scheduled for March 8, 2016.

Per the Work Plan distributed at the meeting, Mr. Moritz discussed the **GOALS** of the collaborative process.

Mr. Priest presented the **COLLABORATION PRINCIPLES**.

Discussion among the Work Group members and staff included the following:

- The outcome of the process occurring between today and the March 12, 2016 City Council Public Hearing should include a resolution on the collaboration principles for moving forward the development application for Ramsey Homes; and, if successful, might provide a framework for a process to manage future redevelopment of the RFP sites.

- Once a resolution is approved by the ARHA Board, and by City Council, likely on March 12, 2016, an Agreement will be prepared to be signed by the City Manager and ARHA CEO.
- The MOU for the James Bland development was mentioned as a good model to consider adapting.
- It was confirmed that during the March 12, 2016 Public Hearing, the Council will consider the resolution; and the Master Plan Amendment and Rezoning application for Ramsey Homes.

Ms. McIlvaine discussed the **THRESHOLD ISSUES** potentially impacting the continued development process for Ramsey Homes

Discussion among the Work Group members and staff included the following:

- A property appraisal is a component of the Low-Income Housing Tax Credit (LIHTC) process and the HUD disposition process. ARHA has not completed one for Ramsey Homes but will initiate one. ARHA anticipates that the sales price of Ramsey Homes will be below market. The impact of the appraisal will not likely impact the project's LIHTC score. Their plan is for the application to include the City's Real Estate Assessment value.
- Using the difference in the appraised value and the below market sale values will be counted as a subsidy by ARHA for the project.
- There are concerns among some members of the public that ARHA will use the appraised value to market the sale of Ramsey Homes and sell it to a private developer at a profit. The appraised value will be higher if the property is re-zoned.
- ARHA stated that there are protections against this happening, including:
 - a. The U.S. Department of Housing and Urban Development (HUD) must authorize and approve any disposition, or sale, of public housing land or property. Any disposition must result in the new owner using the land for public housing or a use that support public housing residents (i.e. a daycare center, job training, etc.). Otherwise, the federal agency will not approve a sale of the public housing property.
 - b. The local government must approve disposition of any public housing property as part of the federal disposition process.

Mr. Priest discussed the **DECISION POINTS** influencing the continued development process.

Discussion among the Work Group members and staff included the following:

- There are two initial options that will be considered for Ramsey Homes: 1) the current 53-unit, 2 building concept proposed by ARHA and 2) an alternate option currently including 49 units with one existing building being preserved.
- There are permutations of both options that may result in new options to be considered. For example, there may be additional options that consider an increased number of units on-site or in buildings at a different height. A plan that provides at least 50 units will

make the development more competitive for LIHTC. Staff was asked to add a third bullet stating that permutations of the two current options will be explored.

- The Section 106 process is on-going and will extend beyond September 2016. It has begun but is an iterative process as the land use impacts the outcome of the Section 106 and the outcome of the Section 106 impacts the possible land use. It will evolve as the options for development are refined.

Mr. Moritz discussed the **SCOPE OF WORK** for determining the proposed development plan for Ramsey Homes and acquiring the necessary local approvals from governing bodies (ARHA Board, Board of Architectural Review, Planning Commission, and City Council).

Discussion among the Work Group members and staff included the following:

- There are concerns among some members of the public as it relates to density on the site; as well as the request to rezone the property before a DSUP has been considered and approved. In recent years, it has become routine for both the Rezoning application and DSUP application to be considered by the Planning Commission and City Council at the same time. There are concerns among some members of the public that granting the rezoning months prior to hearings on a DSUP provides less certainty for the public.
- ARHA Board members and staff reminded meeting attendees that the DSUP application was intended to be considered by City Council with the Rezoning application. However, since the Protest Petition was successful, ARHA did not believe that City Council would approve the DSUP with a super majority vote. Therefore, they opted to withdraw the DSUP application to address concerns with the public.
- Moving forward with the Rezoning application on March 12, 2016 allows the project to refine the DSUP as the rezoning will provide guidance and a framework for the future development envelope.
- It was surmised that ARHA is not in a position to sell the property to a private developer without consideration of replacement units and it will likely cost as much to fund replacement of the existing 15 units as ARHA will realize by selling the site. This indicates that it might not be financially advantageous to ARHA to sell the site. Funding 16 replacement units for the redevelopment of James Bland cost about \$4.8 million. The assessed value of Ramsey Homes is about \$3.8 million.
- It is very unlikely that ARHA will use the rezoning to flip the property because of:
 - the HUD disposition process, which is lengthy, has strict requirements regarding the future use of the property, and requires approval on both the federal and local levels;
 - financial cost to acquire 15 replacement units; and,
 - financial cost for relocation of 15 households.
- Staff was asked to detail the HUD disposition process in the FAQs.
- ARHA's mission is to provide affordable housing that is sustainable over the long-term.

Mr. Moritz discusses the **SCHEDULE** with special emphasis on the process through the March 12, 2016 City Council Public Hearing.

Discussion among the Work Group members and staff included the following:

- The schedule should include realistic timeframes for the work that needs to be completed.

- After the March 8, 2016 Joint Work Session, the ARHA Redevelopment Work Group will meet monthly on the third Thursday of the month, from 5:30pm – 7:00 pm.

Mr. Moritz discussed the **PERIODIC DELIVERABLES**.

Discussion among the Work Group members and staff included the following:

- Provide the public with as much information as possible. If staff does not have all of the information to make certain decisions at key points, be very clear with the public that additional information is being collected.

Joint City Council/ARHA Board Meeting on March 8, 2016

Discussion among the Work Group members and staff included the following:

- The goal of the March 8 meeting is to obtain consensus on the process outlined tonight, including the collaboration principles.
- Staff will provide members of the Work Group with a formal agenda by Friday, March 4, 2016.
- Staff will create a “Public Comment” section on the City’s Project Webpage for this process as soon as possible.
- Staff will provide members of the Work Group with information for the next meeting sufficiently in advance of the meeting.