

# City Council Update

FEBRUARY 10, 2015

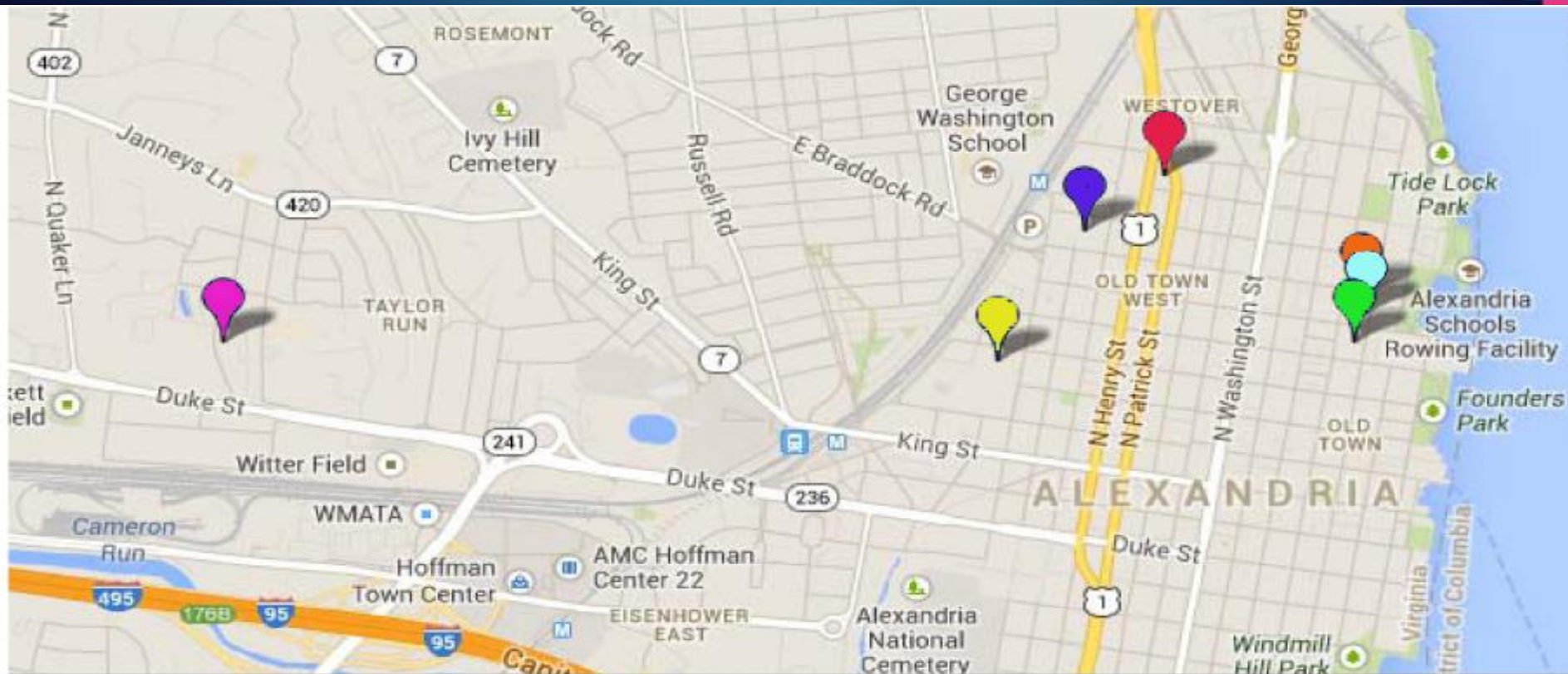
ARHA Redevelopment Innovations



# ARHA Redevelopment Efforts in Progress

- **RFP Developer Partners Multiple Sites**
  - ARHA Administration Building
  - Hopkins Tancil
  - Samuel Madden (Uptown)
  - Andrew Adkins
  - Cameron Station
- **Redevelopment Initiatives using ARHA enterprise entities**
  - Ladrey Highrise (Acquisition/Rehabilitation)
  - Princess Square (Repositioning of an Existing Asset)
  - Ramsey Homes (Redevelopment of an underutilized, obsolete development site)

# ARHA Redevelopment Efforts in Progress



## CAMERON VALLEY

110-115 & 121-131 & 57-75 Yale Drive and  
100-114 & 120-134 Ellsworth Street



## ANDREW ADKINS

750 North Fayette Street



## SAMUEL MADDEN HOMES

899 & 999 North Henry Street



## JEFFERSON VILLAGE

1400 Princess Street



## HOPKINS TANCIL

451 & 551 North Royal Street



## ARHA ADMINISTRATIVE OFFICES

600 North Fairfax Street



## LADREY HIGHRISE

300 Wytbe Street

# ARHA Efforts in Progress: RFP Developer Partners Schedule

## Part I Selection Timetable

Release Part 1 Solicitation for Development Partner	01/06/2014
Revised Submittal Due Date (Weather delay)	03/19/2014
Notification to successful Respondents	04/29/2014

## Part 2A Selection Timetable

Release Part 2A Solicitation for Development Partner	06/12/2014
Submittal Due Date (hard copy deliverables)	07/11/2014
Respondent Interviews	07/22-07/25/14
Notification to successful Respondents	January 2015



# ARHA Efforts in Progress: RFP Developer Partners Schedule

## Part 2B Selection Timetable (Eastern Time)

Release Part 2B Solicitation for Development Partner	February 2015
Proposal Preparation by Respondents/ Begin Civic Engagement as it relates to the ARHA process	120 Days to June 2015
Evaluation Committee Review and Short List Interviews	June 2015- September 2015
Approval by ARHA Board of Commissioners	September 2015
Notification to successful Respondents	September 2015
Ongoing coordination with City Planning & Zoning regarding manpower and scheduling*	February 2015 -January 2016
Negotiation of Developer Agreements	October 2015 – Spring 2016
Begin City development review process (entitlement process) and continue Civic Engagement process	Spring 2016

\*Note: ARHA has offered to fund a dedicated planning position within P&Z to assist in the expediting of the entitlement process for the ARHA Development Sites in the order of sequencing determined during the evaluation of the universe of Proposals received.

# Collaboration Principles

- ARHA/City staff have agreed on a basic structure for civic engagement in order to inform the community of the RFP process
- ARHA will retain a facilitator to assist in this process. The schedule/format of meetings is being determined at this time.
- ARHA is committed to being as informative as possible given the federal procurement process that governs this selection.

## ARHA Efforts in Progress: Ladrey Highrise

- ARHA, through its development affiliate, VHDLLC, will execute an acquisition/rehabilitation of this facility with 4% LIHTCs and tax exempt bonds.
- Current model anticipates substantial rehabilitation estimated at \$12M+/- in HCC
- Closing on financing anticipated to occur in fall of 2015
- Work will be completed tenant-in-place with staged (temporary) relocation for systems work

# ARHA Efforts in Progress: Jefferson Village aka Princess Square

- Asset has been repositioned including a re-finance, name change, and the addition of an on-site management office
- 20% of the units have undergone substantial renovation by the ARHA construction affiliate, ARHA Construction Enterprises (“ACE”)
- Global Property Management, whose sole member is ARHA is the Property Manager
- Repositioning and collaboration with APD has reduced vacancies by 50%



# ARHA Efforts in Progress: Ramsey Homes

- Ramsey Homes is in the early stages of the development review process
- ARHA staff is working cooperatively with City staff towards a March 2016 submission of a Low Income Housing Tax Credit Allocation Application. Zoning approvals are now a threshold item and must be in place to submit an application for funding to VHDA.

# Method of Delivery

**Real estate development is a unique and heterogeneous commodity so we have engaged multiple strategies in order to complete efforts with innovation and flexibility**

- Developer Partner(s) per Development Site
- Prime Specialty Consultant to assist in the oversight of the Developer Partner procurement process and sequencing
- Development Specialty Consultants to augment VHDLLC for projects being developed by VHDLLC

# USE OF ARHA'S UNIQUE COMMODITY

- The proceeds from the sale of the land for market rate units will be the sole source of funds that ARHA has to commit to the costs of developing replacement units.
- Given the City's and ARHA's commitment of 1 for 1 replacement, it is in the interest of both the City and ARHA to maximize proceeds from the sale of the land.

# USE OF ARHA'S UNIQUE COMMODITY

- Maximizing the number of units a Developer can build on a given site will maximize the purchase price that a Developer will pay for that site.
- ARHA has successfully used this model on its other developments, most recently James Bland/Old Town Commons.



# CITY ASSISTANCE: FLEXIBILITY

- “As the City and ARHA have worked through this process with the community, it has become apparent that, due to a multitude of variable factors influenced by market conditions and public policy (such as land values, development costs, funding availability), it is not practical within this Plan to be prescriptive about the mix of housing within the new community or the resultant number of public housing units that may need to be replaced elsewhere in the City.”  
(BEMP)

# CITY ASSISTANCE: FUNDING

- Off-site improvements are not eligible in tax credit basis so to the extent we are requested to improve the city's infrastructure by undergrounding utilities and providing intersection and stormwater/sewer enhancements, and there is no land value for leverage (e.g., Ramsey), we will need city assistance
- Relief from long term fees such as Traffic Management Plan
- Permit fee and property tax abatement
- Exclusive use of the \$5M Glebe Park loan repayment
- 50% of the pledges to the Affordable Housing Trust funds, generated from the Braddock East area