



ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY

Roy O. Priest, *Chief Executive Officer*

September 19, 2016

Eric P. Keeler
Program Administrator
Division Chief
Office of Housing
421 King Street, Suite 200
Alexandria, VA 22314

RE: Housing Opportunities Loan (HOF) Application, REVISED September 19, 2016

Dear Mr. Keeler,

Ramsey Homes, located at 699 North Patrick Street, consists of four buildings, three of which are quadraplexes and one a triplex, housing a total of fifteen (15) two bedroom units (the "Project"). The Project received approval in March, 2016 for a Master Plan Amendment and a rezoning and is currently the subject of a Development and Special Use Permit (DSUP) Application. The DSUP concept proposes a 3/4-story split, 52 unit multi-family building with an underground garage capable of parking 31 vehicles. The development review process requires approvals from the Planning Commission, and the City Council and the Board of Architectural Review.

It is anticipated that the DSUP Application will be heard by the Planning Commission on November 1, 2016 and the City Council on November 12, 2016.

As part of the development review process, the City of Alexandria is requiring certain offsite improvements including, pedestrian crossings, pedestrian signals, brick sidewalks, and undergrounding of utilities, that are ineligible in tax credit basis and are therefore restricted from being paid for with tax credit equity. As such, VHD LLC whose sole member is ARHA, on behalf of the owner, is requesting a loan from the HOF in the amount of up to \$1,100,000 to fund the requested off-site improvements.

Please find enclosed updates to our earlier submission package approved by Alexandria Housing Affordability Advisory Committee (AHAAC) February 4, 2016 and in accordance with the checklist of required documents.

Please let us know if you have questions as you review this request and the supporting materials. You may contact the COO for the Applicant, Connie Staudinger at 703-549-7115 ext. 164, or the Project Manager, Leroy Battle at extension 150.

Thank you for your continued support of this Project. We are excited that it will increase the availability of housing opportunities for low income households in the city.

Sincerely,

Roy Priest,
Executive Director and CEO

Ramsey Homes Redevelopment Project Narrative

Project Overview

The redevelopment of the Ramsey Homes site (the “Project”) is consistent with the ARHA 2012-2022 Strategic Plan, the City’s Housing Master Plan and the Braddock East Master Plan (“BEMP”). The Project involves the redevelopment of an underutilized and obsolete public housing site into a mixed-income, affordable, multi-family rental housing site.

The Project site is .71 acres, occupying one half of a city block, the east side of the 600 block of North Patrick Street between Pendleton and Wythe Street. The site is currently improved with (15) two-bedroom townhomes in four buildings. Three of the buildings are quadruplexes and one is a triplex. The existing structures were built in 1942 as war housing for African American defense workers. The buildings’ floors, walls and roof were built of 1-1/2” tilt-up precast concrete slabs.

The Project includes the removal of all existing improvements and the construction of a total of fifty-two (52) rental units in one, 3-4 story building. The parking will be accommodated below grade in a structured parking facility. The number of parking spaces required under the recently adopted Parking Standards for Multi-family Buildings is 26, this Project exceeds those standards by offering 31 spaces parking spaces. Two (2) of the spaces are handicap accessible.

The development team has worked closely with city staff to develop the Project size, massing, height and architectural character so as to achieve compatibility with the historic Parker-Gray District and to have a competitive tax credit application. The multi-family buildings have been skillfully designed in a contemporary vernacular of architecture; 3 to 4 stories in height. The proposed Project additionally complies with the fundamental intent and height envisioned by the Braddock East Master Plan (BEMP) by providing shoulders at the Wythe, Pendleton and Patrick Street faces of the building; effectively dropping the height to 3-stories where the Project addresses the scale of the adjacent buildings. The recent inclusion of single story height pergolas at Wythe Street and Pendleton Street further serve to provide a connection to the lower scale of the Watson Reading Room on Wythe and the residential scale townhomes on Pendleton Street. In addition to the pergolas, the entrances feature benches to encourage informal, short-term gathering.

ARHA proposes a mix of public housing and tax credit housing. This Project includes an approximate 28%/72% ratio of very low-income (30% AMI) households, to households with incomes up to a workforce housing income. Six (6) units will be subsidized by an Annual Contributions Contract (ACC) with HUD. The unit mix is driven by market factors, land value, public policy and funding availability and terms. The BEMP recognizes that these and other variables will drive the viability of redevelopment projects, and ARHA’s ability to meet the BEMP’s objectives. Specifically, the BEMP notes:

The precise ratio for this mix should be determined through the development planning process, as it will be influenced by the funding available at that time.

Consistency with Applicable Plans

The focus of the ARHA Strategic Plan is on preserving ARHA's present affordable housing stock until opportunities arise that will enable ARHA to substantially improve conditions while complying with Alexandria's ordinance mandating preservation or replacement of ARHA's affordable housing (Resolution 830). ARHA recognized that it is not enough to provide sustainable affordable housing; we must also ensure that the housing we provide meets qualitative standards that are acceptable to ARHA, our funding providers and to the greater Alexandria community. We are actively pursuing opportunities that improve housing quality and add to the number of affordable units whenever economically and financially appealing prospects occur; this effort will add net 37 new affordable housing units. A further objective has been to improve the quality of our existing affordable housing stock in a manner where it becomes indistinguishable from other housing prevalent in the surrounding neighborhoods; this beautiful contemporary architecture looks like a Class A community and therefore absolutely achieves this objective.

More than 40% (14,353 households) of the overall rental housing demand in the city consists of households with incomes at or below 60% AMI. For extremely low-income households within this group (those at or below 30% AMI), there are no committed permanent affordable units or market affordable units subsidized to be affordable to this income level outside of a limited number of project-based Section 8 units, ARHA-owned public housing and some units operated by city or nonprofit agencies for the benefit of special needs clients. This mixed-income Project would be available to the extremely low-income families that reside at the Project today, as well as to households at up to 60% of the AMI which is the city Workforce Housing limit for rental housing.

This Project redevelops the Ramsey Homes public housing site into vibrant and sustainable mixed-income housing which is consistent with the BEMP. The Project provides an appropriate level of residential density given that it is within a ½-mile radius from the Braddock Road metrorail station, thereby better utilizing transportation infrastructure and potentially decreasing negative impacts of car traffic. The BEMP encourages greater mobility, especially for those with limited access to automobiles.

The interior of the buildings will function as multifamily rental units. Six of the units will be constructed as Accessible (as defined in the code) for individuals with special needs, meaning that all required accessibility features are present at first occupancy. The remaining units on the first floor will be designed to meet Type B units, consistent with the design and construction requirements of the American National Standards Institute (ANSI) and federal Fair Housing Act. A Type B unit is constructed to a convertible level of accessibility than an Accessible unit, geared more toward persons with lesser mobility impairments. In order to accommodate the Accessible units, there are two accessible parking spaces in the parking garage and elevator access on the garage level with stops on each of the four floors so that the amenities for the accessible units are identical to the other units.

	% Increase	Per Unit
Gross Income	\$ 596,312	2%
Expenses (Incld Replacement Ret)	\$ 400,325	3%
Net Income	\$ 195,987	

	% of DS	Annual Payment	Loan Amt	Term	Interest
ARBA Loan	75%	(\$135,622)	\$3,710,000	40	2%
City Loan	22%	(\$40,211)	\$1,100,000	40	2%
WVDA Loan	2%	(\$3,875)	\$100,000	30	3%
Total		(\$179,708)			

Starting bCA	1.00
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