



Resolution 830 Modernization and Community Engagement Process

City Council Work Session

June 6, 2017

Resolution 830 Modernization & Community Engagement Process

- ❑ Community consultation proposed by the ARHA Redevelopment Work Group:
 - ❑ Resolution 830 (1981) doesn't reflect current City or HUD housing policies, practices, programs or funding sources
 - ❑ Since ARHA's future redevelopment plans are driven by the Board's directive to sustainably address the organization's financial and operating challenges:
 - ❑ Many fewer replacement units will be affordable to very low income households (<30% AMI)
 - ❑ Most displaced households will receive vouchers, with limited options for temp/permanent relocation in City

Background of Resolution 830

❑ Alexandria – 1981

- ❑ Demolition and redevelopment of some public/publicly assisted housing proposed for revitalization and economic development projects (e.g., Braddock Metro) and to replace substandard housing
- ❑ ARHA was city's primary "affordable housing" provider except for some privately-owned senior housing buildings
- ❑ Preserve ~1150 then-existing
- ❑ HUD provides adequate rental and operating subsidies for public housing

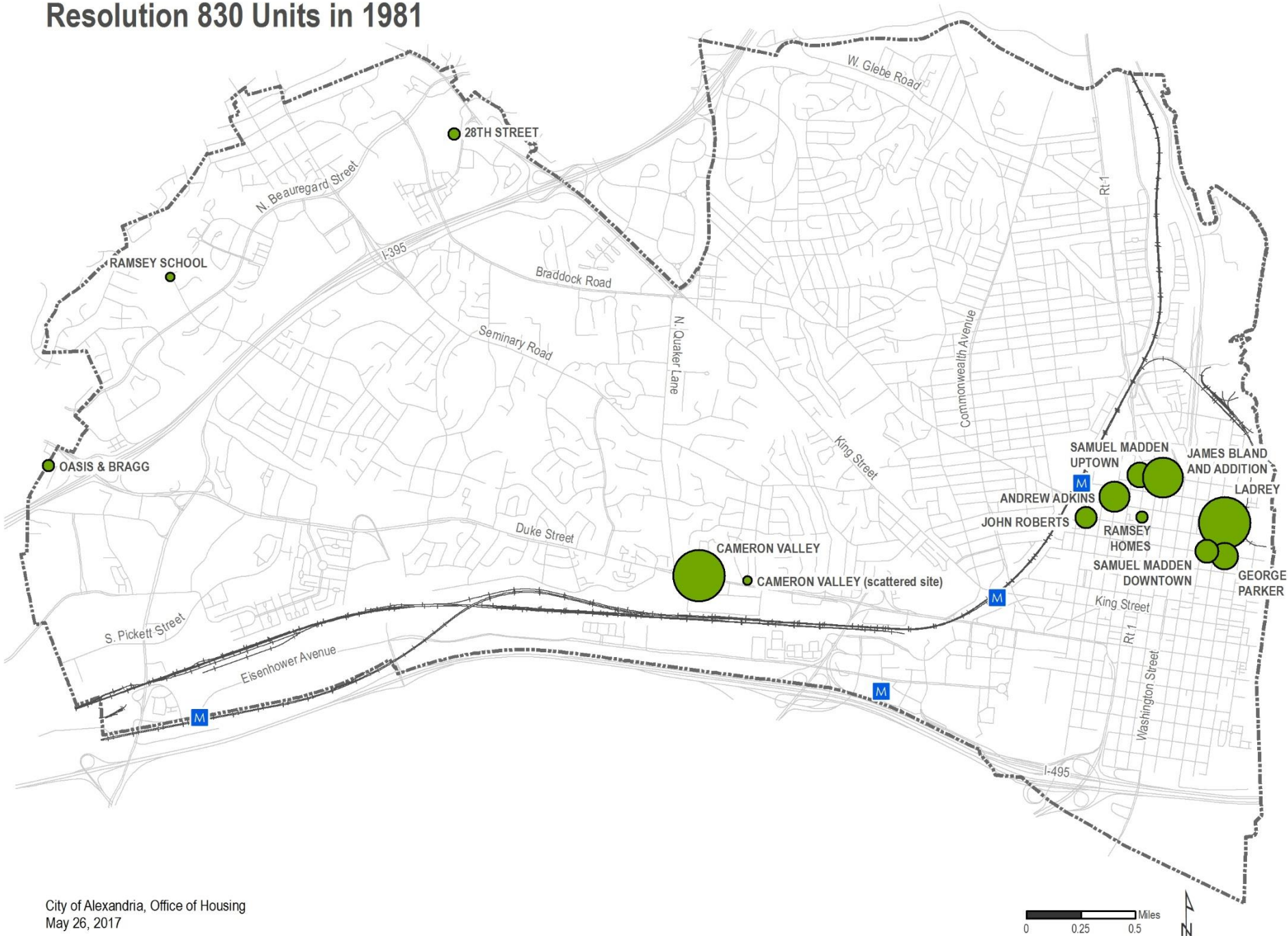
Background of Resolution 830 – cont'd

- ❑ Section 8 vouchers (1974) help lower-income households access the Alexandria private rental market – 50%+ city stock is market affordable
- ❑ City housing funds target blight, eco. development, home rehab and homeownership assistance
- ❑ 1986 - LIHTC results in some tax exempt bond – tax credit projects
- ❑ ARHA resident demographic: <30% AML, single – elderly and disabled, and families, including large families

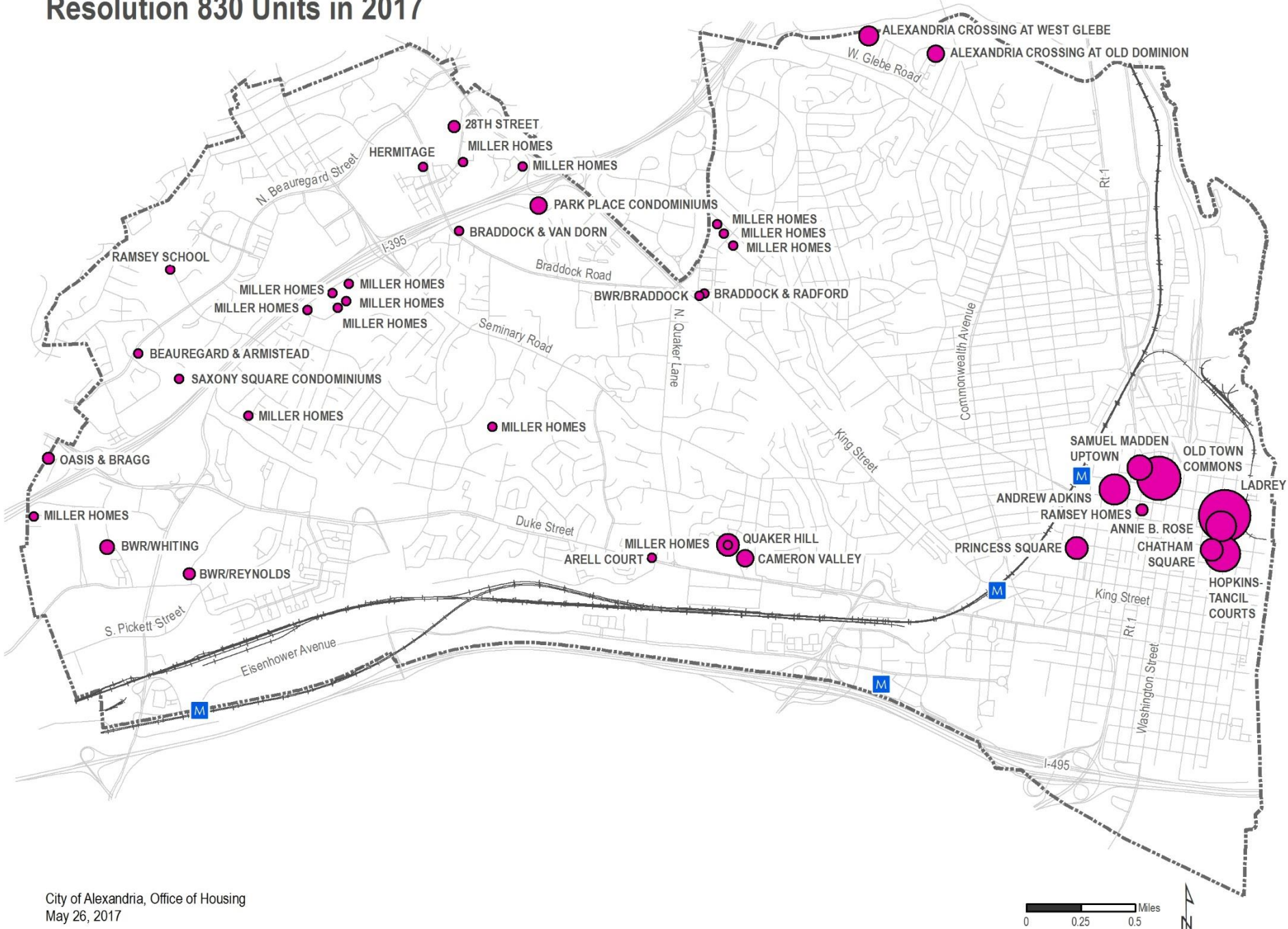
Resolution 830's “joint” commitments

- ❑ 1:1 replacement of ARHA-owned and public housing units – in case of demolition or redevelopment
- ❑ “Substantial equivalency”
- ❑ City commitment to preserve 1150 units (based on 1981 count) if City action impacts number
- ❑ ARHA obligation to secure HUD funding/resources to preserve and maintain units in good condition
- ❑ ARHA obligation to relocate residents

Resolution 830 Units in 1981



Resolution 830 Units in 2017



HUD policies and programs - 2017

- ❑ Preservation and redevelopment of public housing within context of “communities of opportunity”
- ❑ Mixed finance models: public/public-private partnerships with revenue from land sales for market rate development to subsidize costs of constructing public housing replacement units, but vouchers are key (mobility, choice and higher operating revenues)
- ❑ RAD for redevelopment with ongoing operating subsidy for deeper affordability

Changes in HUD regulations & funding

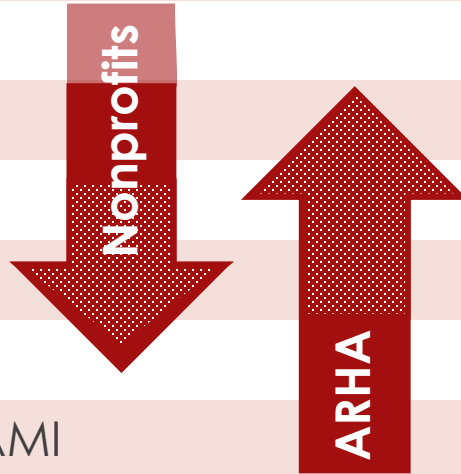
- ☐ HUD funding reduction over long term for operation and development
- ☐ Debt free development through leveraging, LIHTC and land value
- ☐ No 1:1 replacement required
- ☐ Vouchers vs. hard units
- ☐ No guaranteed right to return to community after redevelopment
- ☐ Right-sizing of units
- ☐ Housing authority properties should be self-sufficient in operations and management

City housing policies and practices

- ❑ Investment (including GO bonds) in nonprofit-sponsored affordable housing development targets rental (versus homeownership) and long term committed affordability
- ❑ City gap funding enables leverage of other sources, including LIHTC
- ❑ 691 units preserved or developed since 2002 (508 in pipeline)
- ❑ 40, 50 and 60% AMI
- ❑ Subsidies to enable deep affordability

Who is served?

2017 Area Median Income	2-Person Household
100% AMI	\$88,300
80% AMI	\$70,640
60% AMI	\$52,980
50% AMI	\$44,150
40% AMI	\$35,320
30% AMI	\$26,500
Up to 20% AMI	Up to \$17,660



Sources: 2017 HUD Income Limits for 30% and 50% AMI for Washington-Arlington-Alexandria, DC-VA-MD HUD Metro Fair Market Rent Area; FY 2017 Multifamily Tax Subsidy Project Income Limits for 60% AMI; and Office of Housing for 40% AMI and Mathematical 80% AMI (figures have not been rounded)

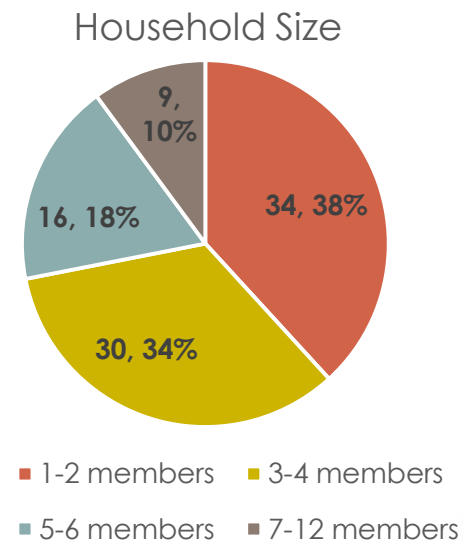
Development economics of deeply affordable units -100 unit project

AMI	# Units	1-bedroom rent	Annual subsidy for 10 units (from 60% to 30% AMI)
60%	90	\$1,242	~\$75k
30%	10	\$611	
AMI	# Units	1-bedroom rent	Annual subsidy for 10 units (from 50% to 30% AMI)
60%	60	\$1,242	~\$50k
50%	30	\$1,035	
30%	10	\$611	
AMI	# Units	1-bedroom rent	Annual subsidy for 10 units (from 40% to 30% AMI)
60%	50	\$1,242	~\$25k
50%	30	\$1,035	
40%	10	\$828	
30%	10	\$611	

ARHA Resident Demographics— Andrew Adkins Profile



- ❑ Total population: 306
 - ❑ Children under 17: 164 (54%)
 - ❑ Seniors 61 and above: 9 (3%)
- ❑ 86% of households earn below \$39,999 (~35% AMI)
- ❑ 72% of households have 4 or fewer members
- ❑ 80% female-headed households



Source: ARHA, 2017

Challenges from ARHA perspective

☐ Declining HUD funding

- ☐ Operating subsidies for public housing continue to decrease
- ☐ More regulation re support for central operations
- ☐ Limited federal budget for voucher allocation

☐ Development Economics

- ☐ Deep affordability requires higher market to affordable unit ratios than outlined in Braddock Plans (ARHA perspective: higher market rate units still do not address ARHA operating cost issues)
- ☐ Rental and sales market units have different values and marketing requirements

Goals of Community Engagement

- ❑ Educate community re ARHA's housing and funding challenges and their potential implications for the City
- ❑ Achieve common interpretation of 830 given changes in City and HUD housing practices, policies, programs and funding sources
- ❑ Understand the City's continuum of housing needs, including:
 - ❑ ARHA's role
 - ❑ Role of nonprofit developer partners and others
 - ❑ Other tools

Community Engagement FAQ

- ❑ Consultation: July-December 2017
- ❑ Third party facilitator
- ❑ Meetings include invited stakeholders and the public
- ❑ Education and discussion format
- ❑ Deliverables: Report with recommendations and draft Revised Resolution 830
- *Andrew Adkins proceeding, but other RFP developments will wait*

Resolution 830 Community Process

– Anticipated Outcomes

- ❑ Revised Resolution 830 will consider federal budget trends, ARHA sustainability and City financial realities, as well as new partners and tools
- ❑ Revised Resolution will define key characteristics of “830” units, the households to be served, the term of affordability and potential tools and funding resources