



ARHA REDEVELOPMENT WORK GROUP

June 20, 2024

5:30 PM – 7:00 PM

City Council Workroom

Conference Line: 703.746.1860

Passcode: 776655

MEETING AGENDA

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|---|---------------------------|
| 1. Welcome & Introductions | Mayor Justin Wilson |
| 2. Review of April 18, 2024 ARHA Redevelopment Work Group Meeting Summary | Redevelopment Work Group |
| 3. Organizational Transitions: | Anitra Androh, ARHA Chair |
| a. Update on CEO Search | |
| 4. Update on Bond Issuance | Marisa Stanley, CFO |
| 5. Development Planning Updates | ARHA Staff |
| a. Ladrey Redevelopment – Funding Plan | |
| b. Samuel Madden Redevelopment – Financial Closing and Relocation Plans | |
| c. Cameron Valley Community Outreach | |
| 6. Other Business | Redevelopment Work Group |
| a. Upcoming Meeting Schedule | |

UPCOMING MEETINGS

September 19, 2024

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October 17, 2024

Alexandria Redevelopment and Housing Authority (ARHA) Redevelopment Work Group

April 18, 2024

Meeting Summary

Participants

Work Group Members

Justin M. Wilson, Mayor, City of Alexandria

John Chapman, City Council (via phone)

Stephen Koenig, Planning Commission

Anitra Androh, Chair, 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

Karl Moritz, Director, Department of Planning and Zoning

Christina Zechman Brown, Deputy City Attorney, City Attorney's Office

Helen S. McIlvaine, Director, Office of Housing

Kim Cadena, Office of Housing

Christopher Do, Office of Housing

Jose Gonzalez, Office of Housing

Catherine Miliaras, Department of Planning and Zoning

Vernell Gibson-Caudle, Asset Manager, ARHA

Marisa Stanley, CFO, ARHA

Wanda Sherrod, ARHA

David Cortiella, ARHA (via phone)

Thomas Jones, ARHA

Elizabeth Marsh, Fairstead (via phone)

Michelle Krockner, ARHA Board of Commissioners

Welcome & Introductions, March 21, 2024 Meeting Summary Approval

Mayor Justin Wilson convened the meeting. Mayor Wilson, Planning Commissioner Stephen Koenig, and ARHA Board Chair Anitra Androh were present. Councilman John Chapman attended via phone. ARHA Board Commissioner Willie Bailey was absent. Quorum was confirmed.

Mr. Koenig motioned to approve the summary of the March 21, 2024 meeting. Ms. Androh seconded. The meeting summary was approved.

Organizational Transition

Ms. Androh told the Work Group that ARHA was still working with a search firm to find a new CEO. The ARHA Board is currently waiting for additional resumes and candidates to review. Mayor Wilson asked if there is a goal date for onboarding the new candidate. Ms. Androh responded that ARHA has set a goal of late July or early August for the new CEO to start.

Premier Housing Update

Thomas Jones reported that ARHA's request to establish Premier Housing, a separate nonprofit entity is scheduled to be considered by City Council at its May 14, 2024 Legislative Meeting. ARHA staff are coordinating with Helen McIlvaine on the City Council presentation.

Update on Establishment of Bond Function

Marisa Stanley reported that the newly re-established ARHA bond program has received its first application. ARHA staff has reviewed the application submitted by Jair Lynch for The Heritage project. A public notice about the proposed bond issuance was released on April 15, 2024. Mayor Wilson requested a copy of the public notice. The public hearing on the bond issue is scheduled during the regular meeting of the ARHA Board on Monday, April 22. The ARHA Board will vote on recommendation for approval before the bond request is brought to City Council for its consideration.

Mayor Wilson asked for clarification if the bond request will be heard at the May 14 City Council Legislative Session. Ms. Stanley responded not necessarily. ARHA will try to coordinate to get materials to Ms. McIlvaine to prepare before the Legislative Session. Ms. Stanley requested that coordination be done with bond counsel and offered to facilitate it.

Mayor Wilson asked for a summary of the bond request. Ms. Stanley noted that The Heritage project had initially asked for \$34.5 million but the amount was updated to \$37.9 million. Ms. Stanley will send over the bond application documents to Ms. McIlvaine.

Development Planning Updates

Ladrey Senior High Rise

Mr. Jones reported that ARHA submitted their 9% LIHTC application for Ladrey and asked for more funding than what was available in the funding pool. After a discussion with Virginia Housing, ARHA withdrew its 9% LIHTC application and pivoted to a 4% LIHTC application. In addition, ARHA will apply for the Housing Opportunity Tax Credit program later this year. The Housing Opportunity Tax Credit has previously been a program benefiting housing in rural areas, but it was expanded this year to include urban jurisdictions as well. Mr. Jones reported that ARHA feels confident in their scoring for the application. If ARHA receives both the 4% LIHTC award and the Housing Opportunity Tax Credit, the gap for the Ladrey project financing would be small. The remaining gap could be covered by a CDS earmark, which ARHA has applied for from Congressman Beyer, Senator Kaine, and Senator Warner. The earmark process is underway, and ARHA is seeking \$1.5 million to close their gap. ARHA should hear back in the next few weeks if they have made it to the next step.

Mr. Jones reported that demurrers were filed by ARHA, Winn, and the City in response to the lawsuit from Annie B. Rose House against the Ladrey redevelopment. The court is being asked to dismiss the case because it does not have merit. ARHA also filed the final DSUP for Ladrey on April 9, 2024.

Samuel Madden Redevelopment

Mr. Jones presented ARHA's request for an Early Start to the disbursement of the City's \$3.1 million loan. Under the previous arrangement, City funding would be disbursed at closing in November. The early start funds would be used to begin utility work on site. The utility work is necessary to underground the existing power lines and avoid future delays and traffic disruptions.

Ms. McIlvaine commented that one concern was that the early start would benefit the non-ARHA portions of the project.

David Cortiella provided a further summary to the group: ARHA needs the early start money to begin activities and would use money from closing to pay back the early start loan. The Early Start loan would be dispersed to ARHA and ARHA would use non-federal, unencumbered funds to support debt. Once closing is complete, the ownership structure would be in place to transfer the loan over to the project. Similar to The Lineage, the collateral for the loans would be a lien against the future North building. ARHA would keep track of expenses for reimbursement and reimburse costs that affect South building to the North building.

Ms. McIlvaine stated this may change the details of the loan terms. Mayor Wilson asked if the loan needed to come back to City Council. City Council had approved the original loan agreement but the collateral has changed and the interpretation of the loan terms may have also changed.

Mayor Wilson asked if it is possible to rework the existing loan agreement or if it is necessary to enter into a new agreement. Ms. Androh responded that the early start involves pledging different assets which would make it a different deal.

Ms. McIlvaine asked if ARHA would have an idea of its other debt and equity by the time of closing. Mr. Jones replied that ARHA should know within the next month who the debt and equity partners are. That agreement would follow a typical loan structuring.

ARHA staff presented a PowerPoint with more details about the early start. Mayor Wilson asked for clarification that ARHA is not organizing people to move in advance, but ARHA will provide the opportunity to relocate if families choose to do so before January 2025. Mr. Cortiella responded that planned relocations would be completed between January 2025 and March 2025. After January 1, 2025, ARHA plans to move more aggressively on demolition and construction.

ARHA does not want to do any relocation until financial closing is complete. Ms. McIlvaine expressed concern about tenants receiving relocation vouchers and keeping their right to return. Mr. Cortiella stated that the right to return is guaranteed for residents living in units as of March 1, 2024. ARHA also submitted their Section 18 application based on the number of occupied units on February 1, 2024. Mr. Cortiella noted that residents have the opportunity to relocate within public housing or find accommodation through Tenant Protection Vouchers. ARHA will assist residents in relocation. Mr. Jones described it as opportunistic relocation: some families could choose to relocate now to other public housing or to offsite properties rather than wait for relocation to begin later. Ms. McIlvaine expressed concern about any action that could lead to boarding up of vacant properties.

Mayor Wilson asked about the status of communication with residents regarding relocation. Mr. Cortiella reported that outreach occurred through January and ARHA has been keeping residents

updated. Mayor Wilson noted that he received feedback at an Alexandria City Public School (ACPS) meeting about the uncertainty of the relocation and confusion about what was happening in the project. Mayor Wilson encouraged ARHA to keep residents informed about the project timeline. He noted that ACPS had questions about potential school changes and how the timing of relocation would affect students. He said ARHA needed to communicate with ACPS on potential impacts to schools.

Mayor Wilson requested that staff send the presentation on the early start to the Work Group.

RAD Conversions and Re-Syndications

Mr. Cortiella reported that ARHA is about a month away from submitting a Section 18 application for Cameron Valley. The environmental review is still pending. ARHA will be meeting with residents at the end of April. The next resident meeting after is scheduled for the middle of May. ARHA will work with Planning & Zoning to host a community meeting.

Mayor Wilson reiterated that ARHA must inform the community before they move forward. Mayor Wilson noted that these communications can be like a previous letter sent out about the planning process to come without committing to anything.

Request for Qualifications (RFQ) for Additional Development Partners

Mr. Jones explained that ARHA received very few submissions to latest RFQ. The ARHA Board recommended pulling the RFQ and issuing it again at a later date. ARHA has heard from other agencies that they are seeing similar trends in the market.

Mr. Jones said it is up to the ARHA Board to decide if ARHA will forgo the RFQ altogether and proceed with the eleven developers on the existing list. Mr. Jones explained that the current list comes from 2021. The RFQ was sent out with an explanation that anyone already on the pre-qualified list will remain on the list, but the RFQ provided an opportunity to update staff or team members. Three of the eleven firms submitted additional information in the RFQ.

Mayor Wilson asked if the RFQ withdrawal should be interpreted as a sign that all the firms likely to be competitive in this space are already on the list or if market conditions are discouraging developers. Ms. Androh replied that the top developers in the area are on the pre-qualified list. ARHA has gathered from the submissions it did receive that outside developers are not qualified to do this work and therefore ARHA already has the top firms on its pre-qualified list.

Ms. Androh stated that ARHA is trying to be strategic when issuing its next Request for Proposals due to current market difficulties financing projects. ARHA is being selective based on which sites were more likely to be funded. She said there is concern that the funding might not be available and that could impact the quality of delivery. ARHA is weighing competing needs to build housing and the need for adequate funding.

Ms. McIlvaine asked if ARHA will submit another 9% tax credit application for Ladrey in 2025. Ms. Androh replied that ARHA has not decided yet. They are waiting to see if Amazon will issue another tranche of support from its Equity Fund.

Other Development Updates

Karl Moritz commented that ARHA is acquiring Providence St. John Church. Ms. Androh said that ARHA is planning to put affordable housing on that site but any project would depend on whether funding is available. The Development Committee of the ARHA Board will discuss the project at the next Board

meeting. Mayor Wilson requested ARHA to start communicating with the public and the community about its future plans related to this and other sites.

Other Business

The Work Group discussed the date of the May meeting, which is currently scheduled for May 16, 2024. Ms. Androh will be traveling on that day. May 30, 2024 was suggested as a possible alternate date. Ms. Androh will check with the Vice Chair of the ARHA Board, Willie Bailey, on his availability for the May 16 meeting.

Regarding the July 2024 meeting, the Work Group will decide whether to cancel it in June. Mayor Wilson would have conflict with the scheduled date.

The meeting was adjourned.

DRAFT



Redevelopment Work Group Development Update June 2024

Conduit Bond Issuance Program

Project Name/Information

- Arlandria Neighborhood: West Glebe Road and Mt. Vernon Ave.
 - 105 units @40% AMI
 - 206 units @ 60% AMI
 - 105 units @ 70% AMI

Bond Request Amount

- GMV 4A – \$4M in bond cap - \$3,750,000 loan
- GMV 4B - \$6M in bond cap - \$5,775,000 loan

Sponsoring Entity

GMV 4A, LLC & GMV 4B, LLC

Both entities are 10% owned by:

Alexandria Housing Development Corporation

Ladrey Redevelopment

Congressional Direct Spending

- Office of Congressman Beyer, and Senators Warner & Kaine

4% Low Income Housing Tax Credits and HOTC

- Submission of application in July

Litigation

Court date on motion to dismiss in late June

Madden Redevelopment

Outstanding Issues: North Building

Closing Expected: November 2024

Section 18 Subsidy Repositioning

- * Pending SAC review; application meets Obsolescence test

4% & 9% Tax Credit Equity and Debt

- * 9% credits approved and carried over to 2024
- * 4% debt and equity applications submitted

Real Estate Tax Abatement

- * organizational documents being prepared to submit to Assessing

Resident Engagement: Property Stabilization/Summer Planning

- * Relocation Consultant will host kick-off meetings in March

Outstanding Issues: South Building

No New Update on Equity Investors

- * Equity investors continue to visit property and assess deal for next year investment

Cameron Valley

Operating Subsidy Repositioning

Application to be submitted – Before June 28

- HUD's Special Assessment Center to stop accepting applications on July 1

Completed:

Resident Consultation

Part 58 Environmental

Physical Needs Assessment: Meets Obsolescence Test

Pending:

Submitted: for Mayor's Support Letter

Submitted: ARHA Board Resolution June 24