

*City of Alexandria, Virginia*MEMORANDUM

DATE: OCTOBER 9, 2001

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: CONSIDERATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR REHABILITATION WORK AT JEFFERSON VILLAGE

ISSUE: Allocation of Community Development Block Grant monies for renovation work at Jefferson Village.

RECOMMENDATION: That City Council:

1. Approve a conditional grant of \$531,714 to the Alexandria Rehabilitation and Housing Authority (ARHA), to be repaid only in the event the City determines the property is no longer being operated in accordance with Resolution 830 (Attachment I);
2. Approve Community Development Block Grant (CDBG) budget transfers of unexpended prior year monies as listed in Attachment II in order to fund the grant; and
3. Approve the submission of the attached CDBG program amendment (Attachment III) to the U. S. Department of Housing and Urban Development (HUD).

BACKGROUND:

Jefferson Village is an ARHA-owned 69-unit rental property located at Princess and West Streets. Fifty of the units are assisted under the public housing program as replacement units for the former Cameron Valley public housing. The City counts an additional six units as Resolution 830 units to compensate for six public housing units that were being used for nonresidential purposes (e.g., Alexandria Resident Council office, day care center, resident manager apartments, etc.) in June 1990 when Council recognized this shortage and requested that ARHA identify specific replacement units.

The proposed project is not included in the current year CDBG program and thus requires a program amendment, which calls for a 30-day public comment period. A description of the proposed renovation was released for public review on September 11, with comments due no later than October 15. As of October 9, no comments have been received.

DISCUSSION:

CDBG Funding Request for Capital Improvements

ARHA has identified nearly \$1.1 million in needed improvements to Jefferson Village and is funding approximately \$555,000 of these improvements under the federal Comprehensive Grant Program for public housing improvements, as shown in Attachment IV. ARHA has applied to the City for \$531,714 in CDBG monies to cover the remaining items. The recommended CDBG monies would be used to replace furnaces, replace plumbing fixtures, replace interior stairwell rails (with associated drywall repair and installation of blocking), repaint interiors, replace metal bi-fold closet doors, and replace electrical panels. An FY 2000 CDBG allocation to ARHA included \$242,000 to replace windows and doors at this property.

Resolution 830 Compliance as Related to ARHA's Plans to Change to Housing Choice Vouchers as Source of Federal Operating Subsidy

The recommended grant condition that the property continue to be operated in compliance with Resolution 830 is related to ARHA's intention, subject to approval from the U. S. Department of Housing and Urban Development (HUD), to remove the property from the public housing program, provide tenant-based Housing Choice Vouchers (the new name for Section 8 subsidies) to the residents, and continue to operate the property as affordable low-income housing. The reason for ARHA's planned action is that the public housing operating subsidies ARHA currently receives for Jefferson Village (approximately \$120 per unit per month in addition to the tenant's contribution, according to ARHA's Director of Housing Operations) are insufficient to cover the property's operating expenses, whereas under the Housing Choice Voucher program ARHA would receive the difference between the tenant's payment and the rent level set by ARHA, plus administrative fees.

If the proposed change is approved by HUD, Jefferson Village's public housing residents will have to undergo a recertification for the voucher program. In most instances, the planned change will have no impact on household rents. Information provided to the City by ARHA staff showed only three instances where a public housing tenant household's rent would increase under the voucher program. The three are believed to be instances in which the tenant household has elected to pay a flat rent for the public housing unit rather than pay 30% of the household's income. These households are eligible to receive Housing Choice Vouchers to remain in the property, but would receive housing assistance payments equal to the applicable payment standard minus 30% of their adjusted income. Should tenants facing a rent increase prefer to remain in the public housing program rather than pay the increased rent, ARHA would move them to another public housing unit. Therefore, the proposed change is not expected to result in displacement, although it may result in a limited number of voluntary moves to other ARHA properties.

Staff believes ARHA's plans are consistent with Resolution 830 in this particular instance. As a general rule, staff does not believe the use of tenant-based vouchers, in the absence of project based assistance, is adequate as Resolution 830 replacement housing because there is no guarantee that current residents of a public housing property will remain in place once they receive vouchers, or that

sufficient numbers of other voucher holders will elect to live in a specific property. However, staff finds the plans articulated by ARHA to be acceptable in this particular instance for the following reasons:

1. The ARHA Board has adopted a resolution (Attachment V) expressing its commitment to maintaining all 69 units at the property as affordable publicly assisted housing.
2. Jefferson Village is an attractive property in a highly desirable location, and although ARHA staff estimates that approximately 25% of the residents may elect to move within a year of receiving vouchers, they anticipate no difficulty re-renting the units to other voucher holders.
3. According to ARHA staff, if ARHA is unable to fill the required number of units with voucher holders, the required number of units will be rented only to income-eligible households who are able to afford the rent.

Nevertheless, in the event that the number of units rented only to income-eligible households at Jefferson Village falls below 56 (or 50, should ARHA designate another location for the “additional six” units), the CDBG conditional grant would become due and payable to the City.

Funding Sources for CDBG Grant to ARHA

The CDBG monies recommended for transfer are monies carried over from FY 2001 that are not needed for current year activities. Most of these monies were previously budgeted for general administrative purposes (Program Administration, Applications/Submissions) or program-specific administration (administrative monies from Blighting Influences, Home Rehabilitation Loans, and Homeownership Assistance Programs). Some are remaining monies from completed special projects (Capital Maintenance Needs Assessment, Park Improvements, Sheltered Homes Condo Acquisition). The Fair Housing Testing, Eviction Assistance/Furniture Storage, Transitional Assistance, and Blighting Influences programs all have adequate FY 2002 budgets and do not need to retain the monies remaining from FY 2001. The Low/Mod Housing account represents loan repayments received in FY 2001 that have not been budgeted for specific activities. Similarly, the Unprogrammed figure includes a final payment of \$20,139 from the Fayette Court Condominium following the expiration of the condominium warranty period (the loan being repaid was a 1982 CDBG loan to the non-profit organization that previously owned the property), along with \$3,832 left over from previously-completed activities.

FISCAL IMPACT: Allocation of \$531,714 in CDBG monies as a conditional grant to ARHA.

STAFF: Mildrilyn Stephens Davis, Director, Office of Housing

ATTACHMENTS:

- I. Resolution 830
- II. Budget Transfers to Fund Jefferson Village Rehabilitation
- III. CDBG Program Amendment (CPD Consolidated Plan Listing of Proposed Projects)
- IV. Jefferson Village Project Budget
- V. ARHA Board of Commissioners’ Resolution dated May 29, 2001



City of Alexandria, Virginia



All-America City

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PATRICIA S. TIGER

I, Beverly I. Jett, Deputy Clerk of the City of Alexandria, Virginia, do hereby certify that the attached is a true copy of Resolution No. 830, as amended by the Alexandria City Council at its Regular Meeting held on April 27, 1982.

Dated this 18th day of January, 1983.

Beverly I. Jett
Beverly I. Jett, Deputy Clerk of the
City of Alexandria, Virginia

"Home Town of George Washington and Robert E. Lee"

WHEREAS, the City Council of Alexandria, on March 21, 1972, adopted Resolution 99, which stated that it was the position of the City that "whenever private or public development or redevelopment makes the elimination of public housing necessary or desirable, and for so long as the present inventory of public housing is felt by the City of Alexandria and the Alexandria Redevelopment and Housing Authority to be a necessary part of the housing stock of Alexandria, the City will adopt and implement or secure the adoption and implementation of a plan of relocation and reconstruction of such units prior to the demolition or other impairment of units affected by the development or redevelopment"; and

Whereas, on May 12, 1972, the Alexandria City Council and the Alexandria Redevelopment and Housing Authority executed an Agreement to implement Resolution 99, as well as the September 14, 1971 Housing Program for Redevelopment of the Cameron Valley public housing project and for the construction of a public housing project for the elderly, which project was developed as the 170-unit public housing Elderly Highrise (Project VA 4-9); and

WHEREAS, the May 12, 1972 Agreement between the City of Alexandria and the Alexandria Redevelopment Housing Authority stated that "except to the extent modified by the Housing Program adopted by the City Council on September 14, 1971, the City presently wishes to retain an inventory of public housing or its equivalent, which is at least equal to the number of units presently in existence in the City"; and

WHEREAS, the City Council unanimously adopted a motion on January 17, 1981, that stated that the City Council was recommitting itself to the provisions of Resolution 99 "which promises to retain an inventory of public assisted housing units which is at least equal to the number of units outlined in Resolution 99"; and

WHEREAS, the January 17, 1981 motion of City Council also stated that the ARHA Board was "to explore options that include continued public housing funding by HUD, as well as any other options that may be available to the City to upgrade public housing stock in order to fulfill the above commitment." Council further stated that it was the intent of this motion "that no public housing units be demolished unless replacement housing is available; that no tenant will be displaced; and that all monies realized from the sale or lease of any public housing-owned lands should be used to benefit the living environment of public housing residents." The January 17, 1981 motion of City Council also stated that any assisted housing to be counted as replacement housing for an equal number of public housing units be defined as "such housing that is substantially equivalent to the units being replaced for a period of 20 or more years; and

WHEREAS the City Council of Alexandria has continued to demonstrate its commitment to housing needs of low- and moderate-income families, as demonstrated by the fact that in 1970 there were a total of 1,127 units of various types of publicly assisted rental housing and that by mid-1981 City Council had approved another 1,917 units of various types of publicly assisted rental housing, so that by 1981 the total of approved publicly assisted rental housing units in Alexandria was 3,044; and

WHEREAS, during this period of time the City Council further demonstrated its commitment to assist low- and moderate-income tenants through the adoption of the residential rental permit program, designed to prevent deterioration of rental units in the City; and

WHEREAS, the City Council adopted the Relocation Assistance Program in 1980 in an attempt to persuade condominium and cooperative developers to develop programs to retain current tenants and to provide relocation benefits and assistance to displacees; and

WHEREAS, the City Council has approved the use of Community Development Block Grant funds to provide relocation assistance to low- and moderate-income renters in Potomac East and Potomac West displaced by the sale of the single-family homes or boarding houses in which they reside; and

WHEREAS, the City Council believes that it is in the best interest of the City that there be a variety of housing opportunities for persons of all economic groups; and

WHEREAS, the City Council wishes to relieve the anxiety of its public housing citizens over their continued residential security.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA

That with respect to development or redevelopment activity which would make the elimination of the existing 1,150 units of public housing (See Attachment A)

necessary, the City of Alexandria reaffirms its position that no such activity can proceed prior to the adoption of a plan which provides for the prior relocation and/or replacement of the said public housing as outlined in Attachment A to be so eliminated.

~~With respect to private development or redevelopment projects which would eliminate any of the existing 1,150 units of public housing, it shall be the policy of the City to support and encourage cooperative relocation efforts and to continue the present City policy of insuring that displaced residents are provided with relocation counseling and technical assistance as required by law.~~

It is the intent of this Resolution that no public housing unit be demolished unless replacement publicly assisted housing is available, as hereinafter defined; that no tenant be displaced from public housing until they can be moved into replacement housing; and that all monies realized from the sale or lease of any public housing projects be used to benefit the living environment of public housing residents; and all relocation expenses will be borne by ARHA and/or its designated Redeveloper.

For the purposes of this Resolution, any public housing that is demolished can be replaced by an equal number of either conventional public housing units, or any equal number of publicly assisted housing units, defined as housing "that contemplates the commitment by the provider of such housing that is substantially equivalent to the units being replaced for at least a period of 20 or more years." For the purposes of this Resolution it is understood that the recently approved 90-unit Fairfax House Section 8 new construction project for the elderly has been approved as replacement housing for an equal number of public housing units.

In the event that current federal housing programs are changed or modified so as to phase out or eliminate what is currently known as conventional public housing or Section 8 publicly assisted rental housing, the terms of this Resolution shall be interpreted to mean the type of housing, which under federal housing programs then in effect, most closely approximates the programs mentioned above in the benefits they provide and the economic group they serve.

For the purpose of this Resolution, no federally assisted housing in Alexandria as of the date this Resolution is adopted will be counted as future replacement housing for any public housing in existence in the City as of the date of this Resolution.

Upon adoption, this Resolution supercedes City Council Resolution 99, adopted on March 21, 1972.

ADOPTED: DECEMBER 8, 1981

**NOTE: Resolution 830 was amended by motion at the Regular Meeting of City Council held on April 27, 1982 as follows:

Council deleted the first complete paragraph and inserted at the end of the second complete paragraph ";and all relocation expenses will be borne by ARHA and/or its designated Redeveloper."

Helen Holleman

Clerk

PUBLIC HOUSING UNITS IN ALEXANDRIA AS OF OCTOBER, 1981

NUMBER & TYPES OF DWELLING UNITS:

<u>PROJECT NAME/NUMBER</u>	<u>YEAR COMPLETED</u>	<u>TOTAL UNITS</u>	<u>EFF.</u>	<u>1BR</u>	<u>BEDROOM DISTRIBUTION</u>			
					<u>2BR</u>	<u>3BR</u>	<u>4BR</u>	<u>5BR</u>
John Roberts VA. 4-1	1941	90	0	24	38	18	10	0
Geo. Parker VA. 4-2	1942	111	0	36	51	16	8	0
Samuel Madden VA. 4-3	1945	166	0	0	114	52	0	0
James Bland VA. 4-4	1954	148	0	0	106	42	0	0
Ramsey, VA. 4-5	1942	15	0	0	15	0	0	0
Cameron Valley VA. 4-6	1943	264	0	47	163	54	0	0
James Bland Addition, VA. 4-7	1959	46	0	8	0	26	12	0
Andrew Adkins VA. 4-8	1968	90	0	12	14	32	24	8
Elderly Housing VA. 4-9	1978	170	60	110	0	0	0	0
<u>Scattered Sites Program VA. 4-10</u>								
Cameron Valley	1981 (EST)	10	0	0	0	6	4	0
Ramsey School	1981 (EST)	10	0	0	4	5	1	0
Oasis & Bragg	1981 (EST)	15	0	0	8	7	0	0
28th Street	1981 (EST)	<u>15</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>8</u>	<u>0</u>	<u>0</u>
TOTAL:		1,150	60	237	520	266	59	8

PREPARED BY ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY STAFF

ATTACHMENT II

BUDGET TRANSFERS TO FUND JEFFERSON VILLAGE REHABILITATION

Administration	
Program Administration	\$ 86,478
Applications/Submissions for federal programs	15,743
Blighting Influences Administration	65,235
Homeownership Assistance Admin.	126,637
Home Rehabilitation Loan Admin.	21,595
Completed Activities	
Capital Maintenance Needs Assessment	19,163
Park Improvements	5,913
Sheltered Homes Condo Acquisition	13,486
Other Carryover Balances	
Fair Housing Testing	16,880
Eviction Assistance (DHS)	38,440
Transitional Assistance (DHS)	39,441
Blighting Influences	17,589
Low/Mod Housing (Loan Repayments)	41,143
Unprogrammed (includes unbudgeted program income)	<u>23,971</u>
	\$ 531,714

**U.S. Department of Housing & Urban Development
CPD Consolidated Plan
Listing of Proposed Projects**

Project ID/ Local ID	Project Title/Priority/ Objective/Description	HUD Matrix Code/Title/ Citation/Accomplishments	Funding Sources	
0030	ARHA Jefferson Village Renovations	14B Rehab; Multi-Unit Residential	CDBG	\$ 0
	Housing	570.202	ESG	\$ 0
		69 Housing Units	HOME	\$ 0
			HOPWA	\$ 0
	Funding would enable Alexandria Redevelopment and Housing Authority (ARHA) to complete renovations at the Jefferson Village apartment complex, including (1) replacing furnaces, plumbing fixtures, electrical panels and metal bi-fold closet doors, (2) replacing interior stairwell rails (with associated drywall and other repairs), and (3) repainting unit interiors.		Prior Funding	
			CDBG	\$ 531,714
			TOTAL	\$ 531,714
			Total Other Funding	\$ 0

Help the Homeless? No Start Date: 11/01/01
 Help those with HIV or AIDS? No Completion Date: 10/31/02

Eligibility:
 Subrecipient: Subrecipient Public 570.500(c)
 Location(s): Addresses

Princess and West streets, Alexandria, VA 22314

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II. PROJECT BUDGET

The ARHA has applied for and received Comprehensive Grant Funds (CGP) for this project. The Authority needs additional funds to complete all repairs needed.

Sources:

Uses:

Comprehensive Grant Program:

\$ 9,275

\$ 203,464

\$ 139,874

\$ 202,750

\$ 555,363

Landscaping (Contract in place, work to be completed after concrete repairs and gas line replacement).

Replace damaged floors, complete structural repairs and treat for termites.

One unit being made handicap accessible. (Construction Documents completed, work to be bid in 1/2001)

Replace pole mounted lighting and repair/replace brick patio walls.

Resurface/re-strip parking lots, repair/replace adjacent curb and sidewalks, the brick corners of the buildings and the brick soldier course at entry doors.

Replace exterior doors as needed, replace all screen doors.

Total CGP Funds

Community Development Block Grant:

\$ 78,315

\$ 247,710

\$ 69,000

\$ 28,014

\$ 108,675

\$ 531,714
\$1,087,077

Replace furnaces; \$1,135 x 69 units
Replace plumbing fixtures including: tub/shower, lavatory, watercloset, kitchen sink, garbage disposal, water heater & washer box;

\$3,590 x 69 units.

Repair drywall and install blocking prior to replacing rail at the interior stairwells.
Repaint interiors. \$1,000 x 69 units.

Replace metal bi-fold closet doors; \$406 x 69 units.

Replace electrical panels; \$1,575 x 69 units

Total CDBG Funds
Project Total

**THE ARHA BOARD OF COMMISSIONERS
MAINTAIN JEFFERSON VILLAGE AS AFFORDABLE HOUSING**

RESOLUTION NUMBER 252

WHEREAS, the Alexandria Redevelopment and Housing has been maintaining Jefferson Village as Public Housing, 50 units and Project Based Vouchers, 19 units for a total of 69 publicly assisted housing units; and

WHEREAS, ARHA has determined that the public housing units must be converted to Housing Choice vouchers in order to achieve an income that will begin to sustain the property; and

WHEREAS, the ARHA has applied to the City of Alexandria, Office of Housing for \$500,000 in City Development Block Grant Funds to be expended for improvements in Jefferson Village; and the Director of Housing would like assurances that the property will remain affordable and comply with the terms of Resolution 830 to be maintained as "publicly assisted housing"; and

WHEREAS, if approved, ARHA will forward this Resolution to the City as a commitment from the ARHA Board of Commissioners to maintain Jefferson Village as publicly assisted housing.

NOW, THEREFORE, BE IT RESOLVED by the commissioners of the Alexandria Redevelopment and Housing Authority that Staff may deliver these assurances to the Office of Housing that all units at Jefferson Village will be maintained by ARHA as affordable housing.

The undersigned attest that the Alexandria Redevelopment and Housing Authority adopted the foregoing resolution.

May 29, 2001
Date


Chairperson of the ARHA Board of
Commissioners