

6/24/02 PH

City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 4, 2002
TO: COUNCILWOMAN REDELLA S. PEPPER
THROUGH: ROSE WILLIAMS BOYD, DIRECTOR OF CITIZEN ASSISTANCE
FROM: BEVERLY C. STEELE, SPECIAL PROJECTS COORDINATOR
SUBJECT: ARHA AND THE SAMUEL MADDEN PROJECT (02-34P)

This memorandum is in response to your request that staff provide you with the following information in response to A.B.vanderVort's e-mail to you regarding the Samuel Madden scattered site selection process. Below is the list of your questions and the responses.

1. Who represented the Planning Commission and the ARHA Board on the Working Group?

Donna Fossum represented the Planning Commission, and the ARHA Board was represented by the Chairman, A. Melvin Miller, and the Vice-Chairman, Carlyle C. Ring.

2. What other properties were reviewed for selection before we chose the final 3 sites?

As we stated in the memorandum to City Council and the ARHA Board of Commissioners for the June 24 public hearing on the scattered sites, a number of potential sites were reviewed by the Working Group, but the three sites that best met the selection criteria are those that were recommended by the Working Group and finally approved by the ARHA Board and endorsed by the City Council. The list of all the sites reviewed is not available as it is exempt from disclosure under the Freedom of Information Act. All discussions about potential sites were held in Executive Session.

Of the three sites chosen, Braddock Road has been a public housing site since the late 1980s, and the South Reynolds Street site was purchased by the City in 1998 for the express purpose of developing it for scattered site housing when Samuel Madden was redeveloped.

3. When did the Working Group make its recommendation--how long in advance of

the final decision---and how were the members of the public informed of it (especially those residents that lived near the 3 sites?)

The working Group made its recommendations to City Council and the ARHA Board at an Executive Session on May 6. The ARHA Board, at its May 20 Board meeting, approved the three parcels of land as possible relocation sites. The following day, May 21, ARHA sent notices to residents and businesses in the area of the three sites. A press release announcing the three sites was also issued on May 21. Two community informational meetings were held at the beginning of June in preparation for the City Council and ARHA Board joint public hearing for all three sites on June 24. The ARHA Board voted to approve the three sites on June 24, and on June 25 City Council authorized the ARHA Board to acquire the Whiting Street site and construct the 48 units.

4. Please send a copy of the Working Group papers and/or minutes of their meetings.

Attached are copies of the minutes of the Working Group meetings, with the exception of the April 29, 2002, meeting which have not been completed. All material related to the selection of the off-sites was presented to the Working Group in Executive Session, and, as noted above, are not subject to public review.

Attachments: Minutes of the Working Group meetings

cc: The Honorable Mayor and Members of City Council
Philip Sunderland, City Manager

Samuel Madden Homes Downtown Redevelopment Working Group

April 2, 2002

Meeting Minutes

Committee Members Present:

Mayor Kerry J. Donley
Councilman Bill Eulle
Councilman David Speck
A. Melvin Miller, Chairperson, ARHA Board
Carlyle Ring, Vice Chairperson, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Beverly Steele, Special Projects Coordinator
Mildrilyn Davis, Office of Housing
Carter Flemming, ARHA Board
Shirley Marshall, ARHA Board
Archie Morris III, ARHA
Marye Ish, ARHA
Arnold Peoples, ARHA/TAG Associates
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Barbara Gilley, Alexandria Commission on Persons with Disabilities
Susan Britta, Neighbor
Marilee Menard, Neighbor
Mark S. Boudreau, Neighbor
Annabelle Fisher
Fredrick Kunkle, Washington Post
J. Howard Middleton, Reed Smith LLP
Van Van Fleet

Mayor Donley called the meeting to order at 4:45 p.m. The minutes of the February 19 meeting were adopted as written.

ARHA Chairperson A. Melvin Miller reported that ARHA had held two workshops regarding the on-site development, and that a third was scheduled for April 3 at Annie B. Rose House. He noted that the developers had been narrowed down to two, based on a natural break after the top two of the five proposers. A list of the project teams for the two selected developers was distributed. Developer selection is planned for June 24. The next step is to get the developer

package to the developers. Mr. Miller noted that the selection team for the final developer would be the same as the initial selection team, except that if ARHA hires a finance director, that person will replace the consultant used in Phase I.

There was considerable discussion with regard to two requests that had been made by the City: a request from the Mayor and two other individuals that ARHA add a specific person to the selection committee as an additional representative from the surrounding community; and a request from the Mayor that ARHA meet with the surrounding neighbors.

With regard to the first request regarding a neighborhood representative on the selection panel, Mr. Miller and ARHA Vice-Chairperson Carlyle Ring expressed the following views:

1. The request was procedurally late with regard to the Phase I selection, having reached Mr. Miller the day after the selection committee had voted. (Mr. Miller, Mr. Ring)
2. No attempt was made to discuss the issue with Mr. Miller prior to the letter being sent. (Mr. Miller)
3. That had Roger Machanic, the recommended individual, been on the selection panel, he would have reached the same conclusion as did the actual panel. (Mr. Ring)
4. With regard to adding a neighborhood representative in Phase 2, Mr. Machanic is well qualified, but does not live in the neighborhood; would be willing to accept him if the neighboring residents support him. (Mr. Ring)
5. Adding a representative would be a problem because, based on a HUD Inspector General report on a HOPE VI project in New Orleans, the procurement will be considered flawed unless the housing authority has at least 50% of the members on the selection panel, and ARHA currently has 50%. (Mr. Miller)

Mr. Speck suggested that ARHA add both a neighborhood representative and another ARHA person to maintain the 50% balance, but Mr. Miller responded that ARHA did not have the staff resources to devote an additional person to this. Mayor Donley suggested dropping one of the two City representatives to make room for a neighborhood representative. Mr. Miller expressed concern that both of the City representatives serve an important function, but it was agreed that would be the City's option.

With regard to the second issue, the City's request that ARHA meet with neighbors from the surrounding community, the following points were made:

1. The goal of having the requested meeting is to ensure that there is as much public understanding of the process as possible, and as much engagement as possible. (Mayor Donley)

2. Mr. Miller had tried to meet, as evidenced by a letter he sent to the Old Town Civic Association, a copy of which had been sent to the Mayor, but the neighbors only want to meet with TAG Associates consultants present, and he is not willing to incur the expense of bringing in the TAG consultants for this purpose. (Mr. Miller)
3. Mr. Ring is willing to meet with neighbors, but only in a public forum; he does not want to do public business in a private meeting. (Mr. Ring)
4. The neighbors do not want the consultants brought in just to meet with them, and are willing to meet at a time when the consultants are in town for other purposes. (Ms. Carolyn Merck)
5. The consultants are usually in town for a specific purpose and may not have time available. (Mr. Miller)

Mayor Donley reiterated his request that ARHA arrange a meeting with the surrounding neighbors when the TAG consultants can be present. Mr. Miller responded that he could not single-handedly schedule such a meeting. Mayor Donley then said that his office would handle the scheduling, and requested that the neighbors give his assistant, Sandy Murphy, a list of their planned public meeting dates, and asked Sandy to contact ARHA to match these dates with ARHA and TAG schedules.

It was decided that the next meeting of the Working Group will be held on Monday, April 29 at 4:30 p.m. in the Council Workroom.

Councilman Euille moved that the Samuel Madden Homes Downtown Redevelopment Working Group convene in executive session at this time, pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, for the purpose of discussing the acquisition of real property for a public use, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City of Alexandria and ARHA.

Following the executive session, Councilman Euille made the following motions:

I move that the Samuel Madden Homes Downtown Redevelopment Working Group reconvene its meeting of this date which was recessed for the purpose of conducting an Executive Session. (The motion was unanimously approved.)

I move that the representative of the Samuel Madden Homes Downtown Redevelopment Working Group further investigate those properties which were identified for potential acquisition in executive session, along the lines discussed with the Working Group. (The motion was unanimously approved.)

I move that the Working Group adopt the following resolution:

WHEREAS, the Samuel Madden Homes Downtown Redevelopment Working Group has this 2nd day of April 2002, recessed into executive session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Samuel Madden Homes Downtown Redevelopment Working group that such executive session was conducted in accordance with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Samuel Madden Homes Downtown Redevelopment Working Group hereby certify that, to the best of each member's knowledge, only public business matters that were identified in the motion by which the executive session was convened, and that are lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the Working Group during the executive session.

This resolution was unanimously adopted by roll-call vote.

The meeting was adjourned at 7 p.m.

Working Group for the Samuel Madden Homes Downtown Redevelopment

February 19, 2002

Meeting Minutes

Committee Members Present:

Mayor Kerry Donley
Councilman Bill Euille,
Councilman David Speck,
A. Melvin Miller, Chairperson, ARHA Board
Carlyle Ring, Vice Chairperson, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Mildrilyn Davis, Office of Housing
Eileen Fogarty, Department of Planning and Zoning
Lori Godwin, Assistant City Manager
Marye Ish, ARHA
Beverly Jett, City Clerk
Kim Johnson, Department of Planning and Zoning
Archie Morris, ARHA
Sandy Murphy, Assistant to the Mayor
Arnold Peoples, TAG Associates
Lori Putscher, TAG Associates
Beverly Steele, Special Projects Coordinator
Daniel Abramson, A&A Partnership
Pete Jones, Citizen
Others (names not available)

The meeting was called to order at 5:45 p.m.

ARHA Board Chairperson A. Melvin Miller disclosed that his son is an associate in a national law firm representing one of the bidders, but that his son's work is not connected with this aspect

of the law firm. Mr. Miller further stated that, according to the City Attorney, he has no conflict of interest.

ARHA Vice Chairperson Carlyle C. Ring similarly disclosed that his daughter-in-law is a senior associate in health care at a law firm representing a particular bidder, but would not benefit indirectly or directly from this project. He further stated that he has no conflict of interest.

Beverly Steele presented a proposed process and schedule for selecting the off-site units. Donna Fossum suggested that it would be best to keep the Planning Commission apprised of what's going on as early as possible, via special briefings. It was also agreed that information would be brought back periodically to the Working Group. Methods of keeping the public informed were also discussed.

Following a brief presentation of scheduling issues by Lori Putscher, there was considerable group discussion of the relationship, in terms of timing, between the off-site and on-site processes. There was general consensus on the process and schedule for identifying the off-site locations, but no decision was reached on the process or schedule for acquiring the sites, in light of issues related to the on-site units. Issues discussed included the timing of land use approvals for the off-site units, timing of tax credit applications for the on-site units, and source of funds for acquiring the off-site units if needed prior to the approval of tax credits for the on-site units. It was agreed that every effort would be made to develop a tax credit application for the on-site units by the March 2003 application deadline.

Plans for the March 2 and March 9 development workshop were discussed.

The next meeting was scheduled for April 2 at 4:30 p.m. in the Council Workroom.

DRAFT

**City - ARHA
Work Group on Samuel Madden
October 17, 2001**

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Laurie Putschcr, TAG Associates
Angela Smith, Office of Management and Budget
Mildrilyn Davis, Office of Housing
Jeffrey Farner, Department of Planning and Zoning
Helena Soprano, Department of Planning and Zoning
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Cindy Smith-Page, Real Estate Assessments
Rick Koffarnus, ARHA
Marilee Mcnard, Citizen
Roger Mechanic, Citizen
Susan Brita, Citizen
Daniel Abranson, Citizen
Darryl Whitehead, Citizen
Sonya Floyd, ARHA Resident
Cheryl Mitchell, ARC
Catherine Turner, ARC

The minutes from the September 13, 2001 Work Group meeting were distributed and approved.

Mr. Dearman has attempted to schedule a meeting with HUD and has not gotten a response to his letter to the Assistant Secretary for Public Housing. ARHA sent a detailed redevelopment Revised Schedule and Program Synopsis to HUD on October 5, 2001 and Mr. Dearman indicated that satisfied HUD's concern about the project moving forward; therefore, the HOPE VI grant is

not in jeopardy. Mr. Dearman distributed a copy of the October 5 letter to HUD to the Work Group members.

Mr. Miller gave an update on the contract with TAG Associates for a Program Manager and said that the ARHA Board will vote on the contract at the Monday, October 22 meeting. The fiscal impact of the contract is \$2.14 million for the entire project including on-site and off-site development. The contract includes, but is not limited to, costs and services such as, legal fees, an architectural engineer, construction management, and a financial specialist. There was concern expressed that the \$2.41 million contract would reduce the funds that were going to be used for the actual construction of replacement units. ARHA staff explained that the \$2.41 million was broken down into development accounts including, but not limited to, relocation costs, counseling services, social services, legal fees, and program management. ARHA staff assured the Group that these funds were included in the HOPE VI grant and will not reduce the \$4.167 million in HOPE VI funds available for the on- and off-site replacement units. It was pointed out that the soft costs for the project are around 10%. Ms. Putscher explained that HUD publishes guidelines for Safe Harbor fees and costs and this project is within the guidelines.

There was a discussion on the process that the Draft RFQ will take before it is released to the public. The City committed to have staff comments back to ARHA by the close of business on Monday, November 22. If there are any disagreements that cannot be worked out between the ARHA and City staff, the Work Group will discuss the disagreements at the next meeting. If ARHA and City staff work out all issues then the scheduled meeting will be cancelled. Mr. Miller indicated that HUD will not have to approve the RFQ before it gets released.

Mr. Sunderland expressed his concern that in the time line given to HUD there was not sufficient time built in for the City planning and zoning process. The application for the Low Income Tax Credits has to be turned in by March 1, 2003. Mr. Sunderland suggested to back up from this date to determine when each step of the process needs to be complete. The RFQ would need to go out very soon in order to meet the future tax credit deadline.

There was some concern from citizens at the Work Group meeting that during the evaluation of the RFQ's more weight would be given to public housing developers, therefore, limiting the opportunity for experienced private housing developers.

There was also concern expressed by the residents of Samuel Madden that the process is not moving forward. Mr. Sunderland assured the residents that significant progress has been made since last May. The City has committed up to \$3.5 million for first-class replacement units, the Work Group, City Council and the ARHA Board have agreed to many parameters, a process for developer selection has been agreed upon, and a process for community involvement has been incorporated.

If needed (see above paragraph) the next meeting for the Work Group was scheduled for Friday, November 2, at 5:00p.m. in the Council Workroom.

Approved
City - ARHA
Work Group on Samuel Madden
September 13, 2001

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Marye Ish, ARHA
Archie Morris, ARHA
Laurie Putscher, TAG Associates
Gene Swearingen, Office of Management and Budget
Angela Smith, Office of Management and Budget
Mildrylin Davis, Office of Housing
Jeffrey Farner, Department of Planning and Zoning
Helena Soprano, Department of Planning and Zoning
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Ann O'Hanlon, Washington Post
Marilee Menard, Citizen
Roger Mechanic, Citizen
Donald Pross, Citizen
Susan Brita, Citizen

The minutes from the August 15, 2001 Work Group meeting were distributed, two changes were made, and the meeting minutes were approved.

The Group was presented with the Docket item for the "Consideration of recommendations related to the redevelopment of Samuel Madden Homes (Downtown)" that would be voted on at the City Council meeting on Saturday, September 15 and the ARHA Board on Monday, September 17.

Mr. Dearman gave the status of the planned meeting with HUD and said he will seek to schedule the meeting when he talks to HUD on September 14. The meeting with HUD will include ARHA staff, City staff and members of the task force. HUD extended the deadline for the required redevelopment time line from September 10 to September 17. Mr. Dearman will also find out from HUD the estimated turnaround time once HUD receives the RFQ/RFP.

A motion was made, seconded, and unanimously approved that the task force convene an executive session at this time for the purpose of discussing or considering the condition, acquisition or use of real property for public purpose, or the disposition of publicly held property, pursuant to Virginia Code § 2.1-344 (A) (3).

Motion was made, seconded, and unanimously approved to reconvene its meeting of this date which was recessed for the purpose of conducting an executive session.

After coming out of the executive session a motion was made and unanimously passed that certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body.

The Group agreed that the City Manager should be involved in the selection of the review panel that will evaluate the RFQ/RFP and there should also be City representation on the review panel.

There was action by the Group to adopt a process by which the developer will be selected. This process will be a charrette process which includes first issuing a RFQ for potential developers to submit proposals based on qualifications. From the proposals received, the review panel will select two to three of the most qualified developer candidates. Using the parameters set out in the RFQ/RFP, these candidates will then participate in a charrette including but not limited to stakeholders such as ARHA staff, City staff, Planning Commission representatives, individual citizens, and citizen groups. Based on input from all these stakeholders, the developer will submit a detailed proposal including a financial plan which will be evaluated by the review panel and a selection will be made. Before the next Work Group meeting ARHA will edit the RFP/RFQ to incorporate the new charrette process.

When ARHA and City staff meet with HUD, clarification is needed on the requirement for the disbursement of PHU's.

The Group discussed the Program Manager position advertised by ARHA to oversee the redevelopment project. There was concern that the money spent on a Program Manager would decrease the available funds for the off-site units. ARHA staff explained that the HOPE VI grant included monies to hire a Program Manager to oversee the project. There was also concern about the scope of work for the Program Manager that was issued in an RFP in June 2001. ARHA staff explained that the responsibilities of the Program Manager have been greatly reduced from the RFP that was issued. ARHA is currently in negotiations with TAG Associates to define the scope of work.

A question was raised about the affordable housing component of the redevelopment project. No decisions on affordable housing have been made and further discussions will need to take place before any decisions can be made.

It was agreed to that the new draft RFQ/RFP will be ready the first week of October. The Work Group will review the draft at the next meeting and resolve any differences. The draft will then go to HUD for review and approval and finally the ARHA Board for approval and release.

The next meeting for the Work Group was scheduled for Friday, October 12, at 5:00p.m. in the Council Workroom.

APPROVED

**City - ARHA
Work Group on Samuel Madden
August 15, 2001**

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Michele Chapman, Chairperson, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Joyce Woodson, City Council
Marye Ish, ARHA
Angela Smith, Office of Management and Budget
Ken Thompson, Ken Thompson & Associates
Cindy Smith-Page, Department of Real Estate Assessments
Jeffrey Farner, Department of Planning and Zoning
Helena Soprano, Department of Planning and Zoning
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Shane Cochran, Housing
Ann O'Hanlon, Washington Post
Cheryl Mitchell, Alexandria Residents Council
Greg Flemister, Citizen
Darryl Whitehead, Citizen
Carolyn Merck, Citizen
Marilee Menard, Citizen
Roger Mechanic, Citizen

The meeting minutes from the June 8 and June 22, 2001 Work Group meetings were distributed, differences in the June 22 minutes were resolved, and both meeting minutes were approved.

The Group was given an update from Mr. Dearman on AHRA's meeting with HUD. HUD reminded ARHA that the HOPE VI grant was awarded based on the original application and HUD would not say whether they would approve a new design plan until one has been submitted. HUD gave the ARHA staff a deadline of September 10, 2001 to have a development schedule presented to them. HUD staff would be willing to meet with both ARHA and the City. It was decided that the Work Group would reach some decisions and then meet with HUD to discuss the project details. Mr. Dearman will contact HUD regarding this meeting. The group discussed three areas where some decisions needed to be presented to HUD including a timetable, off-site update, and the content of the RFP/RFQ.

In regard to the off-site units, a motion was made, seconded, and unanimously approved that the task force convene an executive session at this time for the purpose of discussing or considering the condition, acquisition or use of real property for public purpose, or the disposition of publicly held property, pursuant to Virginia Code § 2.1-344 (A) (3).

Motion was made, seconded, and unanimously approved to reconvene its meeting of this date which was recessed for the purpose of conducting an executive session.

After coming out of the executive session a motion was made and unanimously passed that certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body.

There was a discussion on the process that would take place for drafting the RFP/RFQ. It was agreed that (1) the ARHA staff would draft the RFP/RFQ and send the substantive parts to the City for comment, (2) if there are any disagreements, the Work Group will discuss them and resolve any differences, (3) City staff will have the opportunity to review the entire RFP before it gets released, and (4) HUD will also have to review the RFP/RFQ before it gets released.

The following key criteria were agreed upon to be included in the draft RFP/RFQ:

- Maximum of 170 units on-site (i.e., 170 or fewer total units)
- 52 Public Housing Units on-site
- Adherence to City parking requirements
- Adherence to City open space (usable, ground level open space) requirements
- Preference given for placing higher density on north block
- Use of North Old Town guidelines for both blocks

Mr. Miller noted that before the ARHA board would be willing to release the RFP/RFQ to the public, there would need to be some type of City Council action in regard to off-site locations, commitments to finances, number of on-site units and other issues. Mayor Donley assured the Work Group that something would be taken to City Council at its first legislative meeting, which

will be September 11, 2001. This will give ARHA something concrete to take to the ARHA Board and HUD.

Ms. Cheryl Mitchell from the Alexandria Residents Council expressed concern that there was not a representative for the residents on the committee. She also was concerned that the executive session leaves residents totally out of the process. Mayor Donley explained that the executive session was held to discuss the acquisition of real property and assured Ms. Mitchell that no decisions are made in executive sessions. Mr. Sunderland also assured Ms. Mitchell that if a property is proposed for acquisition, the public would have the opportunity to give input before a final decision is made.

The Group then discussed whether ARHA was going to issue an RFP/RFQ and select a developer who would hire an A&E firm to develop plans and go through the land use processes, or have ARHA's HOPE VI Program Manager hire an A&E firm to develop plans and go through the land use processes then contract with a developer. After debate and discussion it was the consensus of the Work Group that the developer hiring the A&E firm and going through the land use processes was the process that should be followed, and a pre-bid conference should be considered before the final RFP/RFQ is released.

It was decided that before the next meeting the RFP/RFQ will be drafted by ARHA and then given to City staff to review. Also, a docket item will be scheduled before City Council on September 11, 2001 to address the financial commitment of the City, as well as key criteria agreed to (see prior page) by the Work Group. ARHA staff is going to try to get the meeting with HUD scheduled later than September 11 in order to have something concrete to present them. The next meeting for the Work Group was scheduled for Thursday, September 13, at 6:00p.m. in the Council Workroom.

Approved
City - ARHA
Work Group on Samuel Madden
June 22, 2001

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Michele Chapman, Chairperson, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connic Lennox, Director of Development, ARHA

Others Present:

Maryc Ish, ARHA
Angela Smith, Office of Management and Budget
Robin Salomon, Skyline, LLC
John Moss, Ken Thompson & Associates
Cindy Smith-Page, Department of Real Estate Assessments
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Mildrilyn Davis, Director of Housing
Eileen Fogarty, Director of Planning and Zoning
Linda Cluture, Citizen
Sue Brita, Citizen
Paul Hurtel, Citizen
Carolyn Merck, Citizen

The meeting minutes from the June 8, 2001 Work Group meeting were distributed with acceptance to be considered at the next Work Group meeting.

Mr. Moss presented to the group the impact of increasing the overall density from 160 to 170 and how it would affect revenue, townhouse width, and parking. ARHA staff indicated that they would like the density to be at 170 due to the estimated additional revenue of \$770,000 from the land acquisition. However, it was noted by City staff that the estimated additional revenue might be offset by reduced sales prices for the narrower townhouses and the cost of additional

underground parking necessary to meet City parking requirements.

Mr. Sunderland pointed out that taking into consideration all of the sources of funds for the on-site and off-site units (land proceeds \$5.5 million, HOPE VI approximately \$4.1 million, tax credit equity \$6.3 million and a construction loan) and the uses, there is still an estimated \$2.2 million deficit. Mr. Miller wanted to make it clear that the estimated \$2.2 million deficit could grow given the uncertainty of the availability of land and construction costs for the 48 off-site units.

Mayor Donley suggested the Group go over the staff-prepared draft principle/goals/objectives that will result in a recommendation to take to the ARHA Board. In those, City staff recommended an on-site density of 160 units, and ARHA staff 170 units. The additional ten units would be five 2/2 units, primarily on the lower block. Open space would remain at 24% because the townhouse widths would be reduced from 20' and 24' units to 18' units. It was noted that if the units were reduced to 18', parking would be impacted in that many townhouses would get less parking credits, possibly resulting in additional underground parking being required.

The Group then discussed the density on the north block. City staff recommended that the density on the north block to be higher than the south block, and that this be specifically stated in the RFP/RFQ. This requirement would transition the density to fit in with the surrounding neighborhoods. ARHA staff would like to suggest, but not require, in the RFP/RFQ that the density should be skewed to the north block. Mr. Dearman stated that they would like to give the developer the option but give more points to proposals that skewed the density to the north block. Ms. Fogarty stated that rezoning would have to be requested, and Planning and Zoning would recommend a lower density on the south block working up to a higher density on the north end of the north block.

Discussion then turned to how to treat the on-site multi-family units. City and ARHA staff agreed that these units should be set up as condo units.

The Group then discussed the number of Public Housing Units (PHUs) that would be put back on-site. ARHA staff recommended 52 on-site units, and City staff recommended 30% of the total number of units be PHUs. Mr. Jinks stated that he talked to developers who have done affordable housing projects across the nation, and all agree that the higher the percentage of PHUs, the less marketable the market rate units will be. Councilman Speck asked is 30% was a target or a maximum. Mr. Sunderland stated that, the concept is that the number shall be 30% of the total number of units.

Mr. Dearman stressed that the group needed to remember the commitment made to the residents that more than half of the on-site tenants would be able to return to the Bcrg. Mr. Dearman stated that the number 52 was agreed upon because it is more than half. He also pointed out that in other areas of the country, such as Atlanta and Boston, mixed income developments with more than 30% PHUs rented well and had waiting lists. Councilman Euille asked why ARHA wanted

to increase the density to 170. Mr. Dearman stated the main objectives are cost and number of public housing units.

Mr. Sunderland pointed out that, in order to go from 160 to 170 and not affect open space the townhouse units would have to be reduced from 20' and 24' units to 18' units. Revenue is created by the additional 10 units, but the townhouse revenue is decreased due to smaller units. Also, when the townhouse units are decreased to 18', a parking deficit is created which appears likely to force underground parking, adding additional costs (about \$15,000 per space).

Councilman Speck stated that the Group should focus on enhancing the value of the property. He suggested the Group could establish a minimum and maximum density and let the developer be creative and try to maximize the revenue. Mayor Donley stressed that the Group should focus on maximizing all aspects of the development so that it is livable for both market rate units and ARHA units. Councilman Euille said he made a personal commitment to maximize the number of residents to return to the Berg and 52 units was a reasonable number. He stressed that everyone knows how hard it is to find sites for the off-site units, and those costs could exceed the costs of the on-site units. He also stated that the developer should have some flexibility. Councilman Speck added that it is important to give flexibility to the developer to maximize the value of the project. Mr. Speck further stated that the Group should establish guidelines on parking, open space, and a range of both total units and PHUs (rather than any specific number).

Ms. Chapman stated that all of these things had been considered before and the ARHA Board remains firm that there should be 52 ARHA units on-site. Ms. Fossum stated that putting too many parameters in the RFP/RFQ would discourage people from responding.

Councilman Euille asked if the estimated increase in revenue of \$770,000 was net or gross. Mr. Moss explained that the 10 extra units would produce \$3.25 million in additional gross revenue with the net increase estimated to be \$770,000. Mr. Moss brought to the Group's attention that, if the number of PHUs decreased, the tax credit equity for on-site units would also decrease. Mr. Salomon pointed out that if you give a developer a range of low income units, they will always choose the least amount because it would maximize their profit.

Mr. Sunderland stated that if the development were 130 units with 50 public housing units, it would still sell, but the real question is the kind of community that will exist in 10 years, in livability terms for the residents of public housing and market rate units. There will be some lifestyle conflicts over time and all of the responsible parties' will play a major role in the long-term success of the development.

Mr. Dearman announced that Monday, June 25 Jerry Serote, the President of Quaker Hill, will be recognized for his dedication to helping the community work together. He also suggested the group go out to Quaker Hill and talk to the residents to get their view on a mixed income community.

Mayor Donley summarized the planning/goals/objectives he felt were favored by a majority of the group, as follows:

- Maximum of 170 units on-site (i.e., 170 or fewer total units)
- 52 Public Housing Units on-site
- Adherence to City parking requirements
- Adherence to City open space (usable, ground level open space) requirements
- Preference given for placing higher density on north block
- Use of North Old Town guidelines for both blocks

The Group concurred with this summary. It was suggested that the RFP/RFQ could give the bidder the option to present an alternative plan to include the entire project of 100 public housing units (i.e., a plan which provided for both on and offsite PHUs). Ms. Chapman stated that, if this was the case, the developer would have to identify, with certainty, the off-site locations and how much it would cost to complete the entire project. Mayor Donley suggested that a pre-bid conference could be held to discuss this and possibly other options and whether developers would be interested in alternatives.

A motion was made, seconded, and unanimously approved that the task force convene an executive session at this time for the purpose of discussing or considering the condition, acquisition or use of real property for public purpose, or the disposition of publicly held property, pursuant to Virginia Code § 2.1-344 (A) (3).

Motion was made, seconded, and unanimously approved to reconvene its meeting of this date which was recessed for the purpose of conducting an executive session.

After coming out of the executive session a motion was made and unanimously passed that certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body.

Mr. Sunderland asked Mr. Miller if there was enough information to give the ARHA Board a comfort level that 100 public housing units could be delivered recognizing the financial inflow. Mr. Miller stated that ARHA is looking for a financial commitment from the City before it feels comfortable to move forward with the on-site redevelopment project. He stated he does not know what the ARHA Board would do at its meeting on Monday, June 25, with the information to date.

Mayor Donley stated that June was the target date to have some decisions made. The RFP/RFQ is the next step, and ARHA and City staff should start drafting the RFP/RFQ. The City staff is going to gather more information on multifamily units as an option for off-site units.

Mr. Miller stated the draft RFP/RFQ needed to come to the City for comment. Mayor Donley stated he agreed that it needs to be a collaborative effort since there is a potential \$3 million City contribution. Mayor Donley suggested that ARHA staff give the ARHA Board an update at its Monday night meeting (June 25), and he would give City Council and update Tuesday (June 26) at the Council meeting.

Mr. Sunderland asked what additional information was needed to move forward. Mr. Miller stated that they would not be confident with the RFP/RFQ hitting the street until the City is committed to meeting any funding gap.

Mr. Salomon pointed out that the applications for tax credits are due March 1 each year. In order to submit an application, the City has to include a letter that zoning has been approved. The Group recognized that any tax credit application for Samuel Madden would likely be filed in early 2003.

The next meeting for the Work Group was scheduled for Monday, August 6, at 5:00p.m. in the Council Workroom. The D.C. Housing Authority tour will be scheduled after ARHA gets new potential dates for a possible tour from the D.C. Housing Authority.

Approved
City - ARHA
Work Group on Samuel Madden
June 8, 2001

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
David Speck, Member, City Council
A. Melvin Miller, Commissioner, ARHA Board
Michele Chapman, Chairperson, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director of Development, ARHA

Others Present:

Marye Ish, ARHA
Archie Morris, ARHA
Jeffrey Farncr, Department of Planning and Zoning
Angela Smith, Office of Management and Budget
Robin Salomon, Skyline, LLC
John Moss, Ken Thompson & Associates
Ken Thompson, Ken Thompson & Associates
Cindy Smith-Page, Department of Real Estate Assessments
Connie Ring, Commissioner, ARHA Board
Sandy Murphy, Assistant to the Mayor
Beverly Jett, City Clerk
Ann O'Hanlon, Washington Post
Fred Kunkle, Washington Post
Catherine Puskar, Attorney

The meeting minutes from the May 24, 2001 Work Group meeting were reviewed and accepted as presented.

Mr. Moss presented the projected sources and uses of funds noting that the off-site cost estimates are approximate until more information is available. He also stated that they have advised ARHA to look at the possibility of increasing property income by raising rent levels to support some amount of debt financing. There are four sources of funding including: HOPE VI grant,

land sale proceeds, tax credit equity and a construction/permanent loan. Mr. Moss then gave a breakdown of the uses of funds. The 52 on-site units are calculated at a cost of approximately \$203,000 per unit. The 48 off-site units are assumed to be all new construction and are estimated at \$180,000 per unit. The model does not include tax credit equity for the off-site units because the sites for these units are still unknown. To maximize the tax credit equity there would need to be a large number of units on one site. Mr. Jinks asked for the breakdown of the \$180,000 for an off-site unit. Mr. Moss stated that \$40,000 was for land acquisition and \$140,000 for the construction of the unit.

Councilman Speck asked in lieu of new construction if ARHA had considered acquiring existing residential property and that he understands that ARHA is not interested in high-rise condos. He noted that there is a general perception that all condos are high-rise buildings but in fact there are townhouse and garden style apartment condos that could possibly be attractive.

Mr. Sunderland then focused on the on-site financial analysis. The financial model assumes that there are 52 ARHA units with an overall density of 160. He asked why the tax credit amount had changed from the last analysis. Mr. Salomon stated that the pricing on the tax credits changed and instead of doing the project in one year it was now assumed to span a two-year period. This will allow ARHA to go to the state for approximately \$400,000 in tax credits each year which is a more reasonable allocation amount than asking for it all in one year.

Councilman Speck asked for someone to explain what the Family Investment Center was. Mr. Dearman explained that when the HOPE VI grant proposal was submitted it included a Family Investment Center that provided a variety of social services, such as computer training, GED classes and daycare. Some of these services are now being provided out of existing ARHA units. The new center does not have to be on-site but it does have to be accessible to the residents. The HOPE VI grant requires that ARHA spend \$500,000 on social services or \$5,000 per each of the 100 households over a four-year period. Councilman Speck asked if the \$1 million shown in the financial model is capital to build the center. It was stated that in fact the \$1 million is capital. Councilman Speck pointed out that, if the center was not tied to this project then the \$1 million could be used to fill in the gap for the off-site units. He asked if the Family Investment Center has been looked at as a combined social services project that could potentially be funded out of a private foundation. He noted that there was City Council consideration being given to creating a private foundation for capital projects like this. Mr. Dearman said the center could be funded with other sources but stressed it would have to be delivered with the completion of the project. Ms. Lennox also included that previously the capital money has been the proposed developer contribution to the project.

There was a discussion on how HUD would treat deviations from the original grant application. Mr. Miller stated that the Family Investment Center was a part of the HOPE VI application and it was a competitive grant process. If this was the component that made ARHA stand above the rest of the applicants, HUD might not approve of changes. Mr. Sunderland suggested that what was in the original application could be altered if there was an opportunity to present to HUD a

different way to accomplish the same goal. Mr. Salomon stressed that the social services component of all HOPE VI grants is a critical component of the project. Ms. Lennox pointed out that the \$500,000 in the HOPE VI grant for social services is only seed money and after the four years of funding from HOPE VI that ARHA would have to come up with a way to continue to provide the social services component. Councilman Speck asked if HUD might consider allowing ARHA to get the \$1 million in capital from somewhere else allowing that money to be applied to the off-site units. Mr. Miller stated that as long as there is funding for the Family Investment Center, HUD probably would not object to the source.

Councilman Euille asked if the on-site unit price of \$203,000 factored in the tax credits, mix of units and parking. Mr. Moss said there are 75 parking spaces factored in and the mix of units is based on the 160 unit scheme agreed upon. Mr. Thompson also noted that this was tabulated with the assumption that a tandem parking space was counted as .5 spaces.

Councilman Speck asked Ms. Chapman if the Board would consider looking at different condo styles. Ms. Chapman stated the Board is more concerned about the ability to pay the condo fee. Mr. Miller stated that it would take a lot to convince the Board that the unit could be maintained over 40 years. Councilman Euille stated that the group should not totally exclude any form of housing at this point.

The group was then given a HOPE VI update. Mr. Dearman passed out two letters from HUD that stated they would work with ARHA. Ms. Lennox pointed out in the May 29 letter that if ARHA were to issue a new RFP they would not be required to submit a second offer to purchase to the Alexandria Resident Council (ARC), nor would it affect the HOPE VI grant. HUD also stated in the letter that the number of units did not have to be 52 on-site as in the proposal but would still require the site to be mixed income. Mayor Donley asked what constituted mixed income. Ms. Lennox explained that mixed-income constitutes a desire by HUD to provide a stepping-up (e.g., public housing, to tax credit, to Section 8 to rent-to-own or home ownership) for residents. Currently, the development plan at the Berg requires that you be a Public Housing resident or purchase a \$350,000 home. Mr. Miller stated as long as there are no major changes to the original plan HUD may be flexible.

Councilman Euille stated that if ARHA just redeveloped the existing units they would lose the HOPE VI grant. Mr. Dearman said that ARHA had asked HUD, if we (ARHA) lost the HOPE VI funds, does HUD have a pot of modernization funds to contract for needed improvements? HUD said they did not.

The second letter from HUD stated that ARHA needed to provide an updated schedule within a reasonable amount of time. The schedule is to include major milestones and dates from the selection of a developer to the completion of the project. Ms. Lennox responded to the letter by notifying HUD that by the end of June some decisions will be made.

Mr. Dearman updated the group on the tour of the D.C. housing developments. It was decided

that June 22, 2001 would be a good day for the tour.

Mr. Miller made a motion, it was seconded, and unanimously approved that the task force convene an executive session at this time for the purpose of discussing or considering the condition, acquisition or use of real property for public purpose, or the disposition of publicly held property, pursuant to Virginia Code § 2.1-344 (A) (3).

Motion was made, seconded, and unanimously approved to reconvene its meeting of this date which was recessed for the purpose of conducting an executive session.

After coming out of the executive session a motion was made and unanimously passed that certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body.

The next meeting for the Work Group was scheduled for Friday, June 22, from 2:00p.m. - 6:00 p.m. in the Council Workroom. This meeting will be for the group to develop a set of recommendations to take to City Council and the ARHA Board.

The group decided to try and schedule a tour with the D.C. Housing Authority for the morning of Friday, June 22. Mr. Dearman will make the arrangements.

Approved
City - ARHA
Work Group on Samuel Madden
May 24, 2001

Committee Members Present:

Mayor Kerry Donley
Bill Euille, Member, City Council
A. Melvin Miller, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Director, Development, Redevelopment & Modernization, ARHA

Others Present:

Marye Ish, ARHA
Archic Morris, ARHA
Helena Soprano, Department of Planning and Zoning
Jeffrey Farner, Department of Planning and Zoning
Angela Smith, Office of Management and Budget
Robin Salomon, Skyline, LLC
John Moss, Ken Thompson & Associates
Cindy Smith-Page, Real Estate Development

After Commissioner Miller requested the deletion of "with HUD" from the second page, 5th paragraph, last sentence of the meeting minutes from the May 4, 2001 Work Group meeting, the minutes were approved.

Mr. Sunderland initiated the discussion by indicating the group would be presented alternative schemes for the on-site development ranging from 130 to 170 units and a finance model would be presented for the 160 unit scheme.

Ms. Soprano stated the criteria for developing each scheme were to keep a mix of units types and still achieve at least 20% ground open space. She then explained each scheme to the group identifying the number of town house units, two over two units, multifamily units and percentage of open space. The 160 unit scheme introduced a multifamily component which led to a discussion on the density per block. Mr. Farner stated that the higher density on the North block transitions the development into the surrounding blocks that have higher density, such as Portner's Landing with 89 units per acre. Mr. Jinks stated that the 160 model with a multifamily component was request by Ken Thompson, ARHA's Financial Consultant, due the economic

implications it would have on underground parking. A multifamily component would provide the most feasible place to put underground parking.

The Work Group then had an in depth discussion of the parking situation. Planning and Zoning provided a chart that showed the parking requirements for each scheme. Ms. Ish asked if tandem parking was being counted as visitor parking. It was pointed out that visitor parking is counted separate and street parking could be utilized for visitor parking. Mr. Jinks pointed out that the scheme assumes that every two over two unit uses the garage and tandem space provided and realistically residents will end up using the street. Mr. Sunderland emphasized that parking is a critical issue and the higher the density the more underground parking will be necessary driving the cost up. Ms. Smith-Page stated that the cost per space for underground parking ranges from \$12,000 to \$15,000 for low-rise buildings and up to \$20,000 for a high-rise building.

All of the schemes counts tandem parking spaces as one space. It was pointed out that if people don't use the tandem space they will utilize the spaces on the street causing problems for the neighborhood. Councilman Euille asked if all the public housing units needed two spaces and what ARHA's experience is with the number of cars each family owns. Mr. Dearman stated that more and more the families have two cars. Ms. Fossum encouraged the group not count each tandem parking space as one but .5 spaces if they should be counted at all.

The group then discussed the option of putting all the townhouses on one block and multifamily on one block. ARHA staff pointed out that this would not be approved by HUD due to the restrictions on the property and the HOPE VI grant requirements. It was stressed that HUD had to approve everything dealing with the land because the land was purchased with federal money and it is still under HUD regulatory rules.

Mr. Sunderland asked how much the HOPE VI grant is and the amount that would be applied to the off-site units. There was a discussion on the amount of the grant and Mr. Dearman said his staff would get a solid number and report it to the group.

Mr. Salomon explained the financial model including the sources and uses of funds and Low Income Tax Credits (LITC). He pointed out that under the LITC rules, the units have to be occupied within 24 months of being awarded the tax credits. He also explained the timing of the tax credits and if another source for a bridge loan could be used the amount per credit could be increased from the estimated \$0.77 cents per dollar to as high as \$0.87 cents per dollar. It was also pointed out that the sources of funds included a portion from the sale of the land which would be needed to make the 52 units feasible.

Mr. Moss explained the preliminary evaluation of the off-site sources of funds. He also pointed out his model had 14 additional parking spaces. He estimates there will be approximately \$5.4 million from the sale of land available the ARHA of which \$3.6 million will be need to close the gap for the 52 on-site units leaving \$1.8 million to apply to the off-site units.

Mr. Jinks pointed out that 4% tax credits in conjunction with private activity bonds could be used for the off-site units. Mr. Salomon stressed that the group needed to go to the state with a plan

and they may make a deal to work out the tax credits.

Mr. Farmer presented to the group 20 sites throughout the City that ARHA and City staff inspected as potential sites for the off-site units. The criteria for selection were minimum of 10,000 square feet, assessed value (price), compatibility with the existing neighborhood, and proximity to other ARHA units and mass transit. It was pointed out that a major issue with most of the identified sites is rezoning. Mr. Sunderland stated that some sites are more likely to be rezoned than others and some needed to be eliminated because they should not even be considered for rezoning. He also stated that ARHA may need to start looking at other options such as buying existing single family and townhouses or multifamily buildings. It was suggested for the next meeting to have an off-site financial model to present to the group.

Mr. Dearman brought to the group's attention that the 37 vacant units at Samuel Madden may have to be put back on line. If this happens ARHA is looking at considerable costs to get the units ready. He is awaiting HUD's decision. HUD is still paying ARHA a subsidy for the units and they could decide to stop paying it if the units are not occupied.

Councilman Euille asked the group when should the stakeholders be introduced into the group. It was agreed upon that the group would have a couple of more meetings before bringing in stakeholders. Mr. Sunderland pointed out that Mayor Donley added Councilman Speck to the Work Group.

Mr. Dearman stated that Mike Kelly offered to take the group on a tour of two public housing redevelopments in D.C. The group agreed this would be a good idea. He will set up the tour and notify everyone.

The next meeting for the Work Group was scheduled for Friday, June 8, from 12:00 - 2:00 p.m. in the Council Workroom.

Approved
City - ARHA
Work Group on Samuel Madden
May 4, 2001

Committee Members Present:

Mayor Kerry Donley
Michele Chapman, Chair, ARHA Board
Bill Euille, Member City Council
A. Melvin Miller, Member, ARHA Board
Donna Fossum, Planning Commission
Phil Sunderland, City Manager
Bill Dearman, CEO, ARHA
Mark Jinks, Assistant City Manager
Connie Lennox, Development Director, ARHA

Others Present:

Marye Ish, ARHA
Archie Morris, ARHA
Mildrilyn Davis, Office of Housing
Helena Soprano, Department of Planning and Zoning
Jeffrey Farner, Department of Planning and Zoning
Angela Smith, Office of Management and Budget

After introductions of members of the Samuel Madden Work Group (the "Work Group") and others present, Mayor Donley initiated the discussion by indicating from his point of view the purpose of the Committee was to (1) identify issues, (2) determine how to resolve the issues, and (3) to task staff with giving the Committee with the what, when and how to get the redevelopment moving forward. A target of coming up with answers by the end of June was agreed to as the Committee's goal.

Mr Sunderland, stated that the list of issues he had drafted included at least five major issues: (1) density on the site (i.e. range) that is acceptable; (2) economic feasibility of density at various density levels; (3) offsite units where putting together a plan was important; (4) economic feasibility of offsite plan; and (5) the process that would be developed in regard to having plans reviewed by stakeholders such as tenants and neighborhood groups, and then ultimately approved by both the ARHA Board and the City.

Starting with questions from Councilman Euille, the Committee discussed the timetable for the project and the implications for the current tenants of SMHD. Mr Dearman, indicated that there

were 37 units how vacant, and that ARHA has written to HUD to determine if the units can continue to remain vacant during the development process. He indicated that ARHA is continuing to maintain the units that are occupied and has received less complaints (ie work requests) from tenants here than in another ARHA-maintained comparable housing complex.

Ms. Lennox indicated that as a result of the successful resolution of the Hope VI grant default situation, ARHA has two years to obligate the Hope VI funds from January 2001 and four years to expend the funds.

The Committee then discussed density and the related situation where ARHA units will have more children than the market for sale units (Mr Dearman estimated that 52 ARHA units at SMHD would have between 70 and 120 children living in the units). The need to look at a range of densities on the two blocks of the site from both a land use and economic point of view was also discussed by the Committee.

Mr. Jinks outlined and explained 4% and 9% Low Income Tax Credits (LITC) and the competitive nature and limited pool of 9% tax credits from the state caused by the federal cap and competition by other affordable housing projects in the State. He also explained that 4% tax credits were more available but had to be used in conjunction with tax exempt bonds. Private activity bond allocations and competition in that area was also explained. Ms. Ish indicated that due to a change in federal policy, the ACC rent subsidy that ARHA receives for public housing units can now be obtained for public housing units that are financed with tax credits. This makes an income stream available to ARHA to support these units that was not previously contemplated.

Discussion then covered the issue of the HUD grant and if a new RFP for redevelopment would be negatively viewed by HUD. Mr. Dearman indicated that HUD orally had indicated that a new RFP, if handled expeditiously, would not be viewed negatively by HUD. Commissioner Miller indicated that in general, as long as progress is being made, HUD would be satisfied.

The Committee then discussed the problems and issues related to off site units and the relative merits of new townhouse development in comparison with the purchase of condominiums (including the fact that they are less efficient to maintain and the fact that condo fees are not ACC recognized for the HUD formulae that provides operating funds to ARHA). Commissioner Miller indicated that one has to look at the total 100 unit redevelopment together rather than focusing solely on either the onsite or the offsite units

The Committee then turned to the next steps in the process and agreed to:

1. Develop three or more scenarios and concepts on density and land use.
2. Economic scenarios to match the three or more scenarios developed in #1 above
3. Focus on offsite units and assume that they are new construction for now and do the economic analysis on that basis.

The option of some of the offsite units being part of a multi-family building that included non



DELPepper@aol.com

08/23/2002 09:26 AM

To: Rose Boyd@Alex
Subject: Fwd: ARHA and the Samuel Madden project

Dear Rose: Could you help me out with the attached e-mail from A.B. vanderVoort? I'm not a part of the Working Group and do not know who staffed it. What this person wants to know is:

- 1) who represented the Planning Commission and the ARHA Board on the Working Group
- 2) What other properties were reviewed for selection before we chose the final 3 sites
- 3) When did the Working Group make its recommendation--how long in advance of the final decision--and how were members of the public informed of it, (especially those residents that lived nearby the final 3 sites).
- 4) Please send a copy of the Working Group papers and/or minutes of their meetings.

Thanks for whatever you can do. Del

Return-Path: <bowmar@comcast.net>

Received: from rly-yb05.mx.aol.com (rly-yb05.mail.aol.com [172.18.146.5]) by air-yb01.mail.aol.com (v87.22) with ESMTP id MAILINYB14-0821165204; Wed, 21 Aug 2002 16:52:04 -0400

Received: from smtp.comcast.net (smtp.comcast.net [24.153.64.2]) by rly-yb05.mx.aol.com (v87.22) with ESMTP id MAILRELAYINYB58-0821165137; Wed, 21 Aug 2002 16:51:37 -0400

Received: from cj567900a (pcp703397pcs.alxndr01.va.comcast.net [68.50.9.87])

Wed, 21 Aug 2002 16:51:37 -0400 (EDT)

Date: Wed, 21 Aug 2002 16:50:43 -0700

From: bowmar@comcast.net

Subject: ARHA and the Samuel Madden project

To: delpepper@aol.com

Message-id: <000a01c2496d\$9089ad40\$57093244@alxndr01.va.comcast.net>

MIME-version: 1.0

X-MIMEOLE: Produced By Microsoft MimeOLE V5.50.4133.2400

X-Mailer: Microsoft Outlook Express 5.50.4133.2400

Content-type: multipart/alternative;

X-Priority: 3

X-MSMail-priority: Normal

Dear Councilwoman Pepper

I am writing to request information concerning ARHA's selection of sites for the 48 units of off-site replacement housing for the Samuel Madden Homes Redevelopment Project.

The recent discussions about this selection have brought me to the realization that I have not been sufficiently aware of ARHA's activities and their impact on the city and its citizens. In the Samuel Madden case, this includes the impact on the citizens who are being relocated as well as those who live near the relocation sites. Accordingly, I would like better to inform myself about how its decisions are made and I feel that the recent decision should provide a good case illustration.

To that end, I am writing to ask for your help in answering the following questions:

ARHA distributed a Memorandum dated June 21, 2002 that described how the sites were selected. I would like more detailed information about the selection, specifically:

1. The Memorandum said a "Working Group consisting of City Council and ARHA Board members, a representative from the City's Planning Commission, the City Manager and the ARHA CEO" reviewed sites and came up with the selection. I believe David Speck was the City Council's member on the Working Group, but I would like to know who represented the City's Planning Commission and the ARHA

Board.

2. The Memorandum went on to say that "after eliminating properties that were clearly not feasible,...the remaining sites were analyzed for compatibility with the surrounding neighborhood, land value, zoning," and a number of other factors and the "Working Group felt that of all the sites analyzed, the three proposed sites consistently met [the] review criteria, and...recommended their selection." I would like you to identify for me the other properties that were reviewed for selection before the final determination was made.

3. Shortly before the joint ARHA and City Council meeting of June 24 and at the meeting itself, many residents in the affected areas requested a delay in the relocation decision so that they could have an opportunity to review the matter in more detail and provide their own input for the Working Group's consideration. Some of those who opposed this request asked, in response, where these residents had been for these past many years, since the relocation matter had long been a subject of discussion. I must admit that I am one of those who was unaware of the proposal until shortly before the decision was made and it leads me to ask the following:

Just when did the Working Group make its recommendation--how long in advance of the final decision--and how were Alexandria residents, and more specifically those in the affected areas, informed of it?

Finally, will you please send me a copy of the Working Group papers and/or minutes of their meetings so that I can learn with greater specificity how the final decision was made.

I am somewhat ambivalent about the decision and I do not know how I would have reacted if information about the proposed sites and alternative options had been available to me. But, unfortunately, such information was not available, or if it was available, I was (and still am) unaware of it. That explains my interest in learning how this decision was reached and my desire to become more proactive so as to learn in advance what other decisions are being made that may affect me and all the citizens of Alexandria.

Cordially

A. B. "Bo" vanderVoort