P3’s and Affordable Housing, Implementing Mixed Income Neighborhoods:
An Overview of the James Bland Development Post Hope VI
Alexandria, Virginia

Makeover Montgomery 2 Conference

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Speaker

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City of Alexandria

Department of Planning and Zoning
Income Growth vs. Housing Cost Growth

- FROM 2000 TO 2011:
  - Median income for the DC metropolitan area increased by 28% to $106,100
  - The average rent for a market rate 2-bed unit in Alexandria increased by 71% to $1,765
  - The average assessed value of residential property increased by 135% to $449,411:
    - Single family units increased by 137% to $617,826
    - Condominium units increased by 149% to $266,481

City of Alexandria Office of Housing, Draft Master Housing Plan
Effect on Affordability

• FROM 2000 TO 2012 affordable housing stock in Alexandria decreased from 18,218 to 5,672 or 69%

City of Alexandria Office of Housing, Draft Master Housing Plan
City Council / ARHA Resolution 830

• Joint agreement requiring one-for-one replacement of Publicly Assisted Housing
Introducing ARHA

• Annual budget of $33,000,000
• Funding for the agency comes primarily from:
  
  – HUD for the day-to-day operations
  
  – Private, local and state administered sources for some of the rehabilitation and redevelopment efforts. Sources have included: proceeds from the sale of ARHA owned land; LIHTCs; HOPE VI; CDBG and HOME administered by the City; City loans; and special earmarks from Congress.
ARHA’s Portfolio

- ARHA’s inventory consists of:
  - 889 public housing units (some are ACC/LIHTC)
  - 1,908 Housing Choice Vouchers
  - 109 Moderate Rehabilitation (PBV) units
  - 84 Low Income Housing Tax Credit units
  - 69 Affordable (Market Rate) units

- Mission is to preserve and increase the supply of affordable housing to low & moderate income residents that only ARHA serves.
  - Purchase of new stock
  - Redevelopment of outdated stock
ARHA’s Portfolio

Current Philosophy for Redevelopment

• Mixed-income is the appropriate alternative to concentrations of assisted housing in low-income neighborhoods

• Economically and socially mixed income neighborhoods are believed to create a stable environment for low-income residents
James Bland Redevelopment

• 194 units on 5-block site replaced with 134 units

• Redeveloped in conjunction with Glebe Park site in order to eliminate mortgage and provide relocation units

• 152 units on Glebe site (40 units were Res 830) replaced with 84 units (40 protected + 44 from Bland site)

• 134 + 44 = 178; 16 units not replaced on site were relocated to another site
The Financing
Where’s the Money?

• ARHA is land rich and cash poor, therefore a strategy was determined in 2006 as the authority inventoried their aging stock – their land value had to be used to leverage other sources of funding to preserve their housing stock.
Old Town Commons Alexandria, VA


Public Housing Financing

Project

Create 218 new ARHA units and pay off HUD note
(+/- $57 MM)

Glebe Park
84 ARHA units
(+/- $15 MM)

James Bland
134 ARHA units
(+/- $37 MM)

Financing

Total Project Funding
(+/- $62 MM)

Market Rate Land Value
(+/- $23 MM)

Low Income Housing Tax Credits
(+/- $34 MM)

HUD Loan Takeout
(+/- $5 MM)
Mixed Income Concept
## Component Financing

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<thead>
<tr>
<th></th>
<th>Glebe Park</th>
<th>Old Town Commons</th>
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<tbody>
<tr>
<td><strong>Uses</strong></td>
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<tr>
<td>Build Public Housing</td>
<td>$15,000,000</td>
<td>Build Public Housing: $37,000,000</td>
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<td>Repay mortgage</td>
<td>$5,000,000</td>
<td>Repay City Loan: $5,000,000</td>
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<td><strong>Total Uses:</strong></td>
<td>$20,000,000</td>
<td><strong>Total Uses:</strong> $42,000,000</td>
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<td><strong>Sources</strong></td>
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<td>Tax Credit Equity:</td>
<td>$9,800,000</td>
<td>Tax Credit Equity: $25,000,000</td>
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<td>City Loan</td>
<td>$5,000,000</td>
<td>Land Sales Proceeds: $21,300,000</td>
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<tr>
<td>Land Sales Proceeds</td>
<td>$1,440,000</td>
<td><strong>Total Sources:</strong> $46,300,000</td>
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<td><strong>Total Sources:</strong></td>
<td>$16,240,000</td>
<td><strong>SURPLUS:</strong> $4.3MM</td>
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<td><strong>DEFICIT:</strong></td>
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Design & Planning
Project Summary

- Redevelop Glebe Park and James Bland into new, modern communities, replacing one for one on a cumulative basis the same number of ARHA units and bedrooms.

- Phase redevelopment to limit disruptions for ARHA residents and ensure continuous access to equivalent or better housing at each phase.

- Build attractive, new ARHA units with modern features such as cable, new appliances, washer-dryer, central heat and air conditioning.

- Fund the redevelopment without HUD financing by adding new market rate housing.
Planning Approval Process

- Rezoning
- Special Use Permit
- Certificate of Appropriateness
- Public Hearings
Planning Issues

• Integrating into a historic neighborhood
• Density
• Parking
• Open Space
Neighborhood Compatibility

NEIGHBORHOOD COMPATIBILITY

NEIGHBORHOOD COMPATIBILITY

The Demolition
Neighborhood Compatibility

Neighborhood Compatibility
NEIGHBORHOOD COMPATIBILITY
Density
DENSITY
Density

PARKING
OPEN SPACE

OPEN SPACE
**Open Space**

- 8,200 sf
- 7,800 sf
- 13,000 sf
OPEN SPACE
Old Town Commons