

## HOUSING COMMISSION

### APPROVED MEETING NOTES - June 3, 2021

Attendance			
	Present		Present
Arthur, Ben	Y	Serfis, Karen	Y
Berkey, Eric	Y	Sims, Charles	-
Bray, Holly	Y		
Browne, Paul	Y	<b>Staff:</b>	
Edwards, Laura Saul	Y	Franklin, Joel	-
Gee, Evelyn	Y	<b>Planning Comm. Liaison:</b>	
Hemminger, Michael	Y		
Hogan, Alice	Y		
Montgomery, Anika	Y	<b>Disability Advisory Comm Liason</b>	
Norris, Haley	Y	Ray, Doris	Y
Rubalcava, Sara	Y		

**Held in:** Virtual public meeting held through electronic communication. This meeting was recorded and is available on the Housing Commission website.

**Other Staff Present:** Jennifer Daniels, Rolda Nedd, Melissa Danowski, Anne Venezia, Sarah Pizzo, Marie Randall and Alex McMillen of the Housing Division, Department of Community Planning, Housing and Development (CPHD).

#### **Approval of Notes**

Eric Berkey moved approval of the May 6, 2020 notes, Karen Serfis seconded, and the motion passed unanimously.

#### **Ballston Station Central United Methodist Church (CUMC)**

The Citizens Advisory Commission on Housing considered the allocation of \$15,982.681 from the County's Affordable Housing Investment Fund (AHIF) to the Arlington Partnership for Affordable Housing (APAH) for the financing of Ballston Station, an 8-story Low Income Housing Tax Credit (LIHTC) development with 144 new committed affordable units (CAFs) at the Central United Methodist Church (CUMC) site located at 4201 North Fairfax Drive.

The Commission advises the County Board to approve this AHIF request. The Commission supports this project because it will bring 144 CAFs within steps of the Ballston Metro Station and fulfills one of the goals of the Affordable Housing Master Plan (AHMP) to bring CAFs to metro corridors. Several commissioners lauded APAH for proposing a development which will provide 75 units affordable for residents earning 50% or below the area median income, which is an elusive income target in affordable housing developments. Commissioners also praised the inclusion of 12 three-bedroom units and as has been common in recent meetings, pushed County staff on the availability of three-bedroom units in the county generally. It is noted that this project was made possible due to APAH and CUMC making changes to the income-level mix of the property and obtaining Virginia Housing Amazon REACH Grant funding; this that project required such efforts should be a reminder about the challenges currently faced by our development partners and should inform both our local efforts and advocacy at the state and federal levels. Additionally, it should not be overlooked that this project would ultimately not have moved forward without the tenacity and perseverance of both APAH and

CUMC in pursuing an affordable housing project at this property which has gone through several iterations going back at least 4-5 years; APAH and CUMC should be commended for making this now a reality.

The Commission vote on the motion was unanimous, 12-0. Members in favor are Mr. Berkey, Ms. Bray, Mr. Browne, Ms. Edwards, Ms. Hogan, Ms. Gee, Ms. Norris, Ms. Rubalcava, Ms. Serfis, Mr. Arthur, Mr. Hemminger and Ms. Montgomery.

#### **1901 N Moore St. Site Plan (Rosslyn RCA Site)**

The Citizens Advisory Commission on Housing considered the affordable housing program for the Rosslyn RCA Site Plan at 1901 North Moore Street.

The Commission advises the County Board to approve the site plan. The Commission supports this project because it will create twelve on-site committed affordable units at the new proposed building. The units will be located close to transit and six of the units will be two-bedroom units. The project will also provide either a contribution of \$1,504,235 million to the Affordable Housing Investment Fund, 10 on-site units, 15 off-site units nearby, or 19 off-site units (to be chosen by the developer).

The Commission vote on the motion was unanimous, 12-0. Members in favor were Mr. Arthur, Mr. Berkey, Ms. Bray, Mr. Browne, Ms. Edwards, Ms. Hogan, Mr. Hemminger, Ms. Gee, Ms. Montgomery, Ms. Norris, Ms. Rubalcava, and Ms. Serfis. Several commissioners raised concerns about the lack of three-bedroom units and because they believe that the Rosslyn Sector Plan, which serves as the County's main planning policy document for Rosslyn, dictates that 30% of the negotiated community benefits from such developments be directed to affordable housing. Commissioners additionally expressed concerns about the limitations of the Rosslyn Sector Plan and the impediments it may impose in securing more affordable housing in Rosslyn. Given these concerns, it is likely the Commission will review and study this matter at some point in the near future.

#### **Park Shirlington Update**

The Housing Commission received an update on Park Shirlington, Standard/Foundation has proposed renovating the 293 affordable units at the property utilizing 4% Low Income Housing Tax Credit (LIHTC) and an AHIF loan, among other sources. To assist with the renovations, Standard/Foundation has requested a new AHIF loan. The amount and terms of this AHIF loan are in the process of being negotiated and will be finalized in the coming weeks. A Bricks and Mortar Subcommittee meeting will be scheduled in June/July to discuss the financial details of the AHIF request.

#### **Serrano Apartments Subordination Agreement**

The Citizens Advisory Commission on Housing received updates on the conditions at The Serrano, a property of AHC, Inc., located at 5535 Columbia Pike, and to consider AHC's request that the county subordinate its loan to AHC for the purposes of a refinancing of the property. The Commission voted both to recommend the County Board approve the subordination request (9 in favor, 1 against, 2 abstentions) and to create a joint subcommittee with the county's Tenant-Landlord Commission to review and provide recommendations on the oversight of affordable housing developments.

**Conditions at The Serrano:** At the Housing Commission's June 3, 2021, meeting, the Commission continued the general discussion from its May 6, 2021, meeting about the conditions at The Serrano. The Commission received a briefing on current challenges at The Serrano from AHC senior leadership and from County staff. Ginger Brown, an AHC Board Member, conveyed concern and

regret upon behalf of the AHC Board that conditions at The Serrano were in such disrepair and for the lack of communication and attention given to resident complaints prior to the last month or so. Ms. Brown explained that several personnel actions had recently taken place, namely the retirement of CEO Walter Webdale and the departure of AHC's property management head. Ms. Brown also explained that in addition to the hiring of a new management company in the spring to oversee The Serrano (Drucker + Falk) AHC is currently reviewing the physical conditions of the building for repairs and its long-term feasibility. AHC staff explained that it is working with contractors to repair its HVAC systems, but that such efforts will take some time (likely months) and could not provide a specific timetable on exactly when it believes work will be completed. Additionally, the AHC Board convened a virtual meeting with residents, advocates, and related stakeholders on May 27, 2021, to share information on leadership changes, progress of repairs, and to field questions.

County staff, led by Housing Director Anne Venezia and Housing Assistance Bureau Chief Nicole Harmon, detailed the actions it had taken since the Housing Commission's May 6, 2021, meeting. County staff has been in regular contact with residents, advocates, and stakeholders in providing regular updates on its progress through emails and informal discussions. The County explained that caseworkers from the Department of Human Services (DHS) have contacted every DHS client household (and provided communications in multiple languages) and committed affordable unit (CAF) household in the Serrano to provide information about services. On May 14, 2021, County staff, Board members, advocates, and stakeholders visited The Serrano. On June 1 through 4, 2021, County staff visited The Serrano to share information about county programs and to solicit complaints about conditions from residents. Additionally, the county continues to investigate air quality testing of the building and has done preliminary reviews of the common areas for rodent infestation (which indicated that mice continue to be present). The county also indicated that it has begun 100% in-person inspections using Housing Quality Standards (HQS) which is separate from code enforcement; county staff will not enter units uninvited or if adult is absent.

As a part of the immediate response provided by the county in the past month, approximately 25 families requested to be immediately removed from their units and placed in emergency housing in hotels. On June 3, 2021, these families were notified by the hotel that they needed to immediately vacate their rooms. County staff explained that all families had been and/or were in the process of relocating to new rooms and asserted that the mix-up occurred because the county did not anticipate that the displaced families would be in the hotel rooms for more than 30 days. AHC responded that it was the county, and not AHC responsible for the hotel rooms and stated that it was trying to work quickly but "unfortunately the units are so substantial that it will take more than 30 days to correct the problems and get the units back on-line." It appears that the county is paying for the extended hotel stays, which led several commissioners to ask why taxpayer dollars were needed to support residents who were displaced by AHC's failure to properly maintain their units.

The Commission also heard from residents, who shared their frustration with a lack of care for their wellbeing from AHC and implored staff and the Commission to hold AHC accountable for the conditions and promises it has made in recent months to make appropriate repairs to the building. Several Commissioners, including myself, shared frustration with the apparent lack of coordination between the County and AHC and seeming lack of care for the immediate interests of the displaced residents. This discussion naturally led to longer-term questions of oversight, which the Commission discussed and acted upon in the formation of a new joint-subcommittee, which is described below. While it appears that the County has taken aggressive action to bring the full weight of its resources to The Serrano's residents, it is also apparent that greater effort and follow-through from AHC is required so that displaced residents can return to their homes within coming days or weeks, and not months. While there is an appreciation for apologies provided by AHC Board Members and staff and

the conveyance of a sense of importance to getting things right, Commissioners remain concerned that AHC will live up to the commitments it has made to improve the physical conditions of the building. In this same vein, the Commission recommends that the County follow through with its recommendation that it begin a review of other AHC properties within the county, including reviewing any resident complaints (if they exist), to determine if a more thorough review of AHC's property management policies, procedures, and practices is warranted.

**Request for Subordination Agreement:** The Housing Commission considered AHC's request for a subordination agreement with the county on The Serrano so that the property may be refinanced through a loan with a new lender. Both AHC and County staff represented that a failure for the county to accept AHC's subordination request would likely result in a foreclosure on the property, putting its future (and those of the committed affordable units) in jeopardy and risking displacement of hundreds of families at The Serrano.

Several advocates and residents raised concerns about granting AHC a "clean agreement" without requirements that speak to the physical conditions at the building. Virginians Organized for Interfaith Community Engagement (VOICE) made several recommendations:

- The County require a report within three months detailing a plan for acquisition of financing and maintenance and renovations at the Serrano, as well as the status of relocations for residents electing them; progress reports should be required monthly thereafter until the County is satisfied;
- The County require reports from AHC quarterly about:
  - its actions to follow through on promises to add two tenants to the Board and aggressively seek tenant input;
  - actions re improved corporate governance and accountability, employee standards of conduct, and fair housing and cultural sensitivity training for all staff; and
  - results of regular resident satisfaction outreach efforts;
- The County require AHC to meet with Serrano residents monthly for at least the next year and with residents at other AHC properties in Arlington at least quarterly, each meeting to include at least two members of the AHC Board and two Arlington County Housing Division staff;
- The County require AHC to set up an online mailbox to enable residents of any AHC property to report a concern anonymously;
- County staff provide all AHC reports to the Housing and Tenant-Landlord Commissions for public discussion;
- The County require AHC to make reparations to Serrano tenants for trauma and suffering as well as hard costs (buying mouse traps, bins to store food, replacements for items destroyed by mice, prepared food purchased because mice got into pantries, etc.); payments could be based on longevity or be a flat amount, in no case to be contingent on proof by residents;
- The county monitor eviction actions and other activity by AHC to ensure there is no retaliation against residents of the Serrano or other AHC properties; and

- The County resolve to deny any future funds for AHC projects until AHC has demonstrated significant progress on renovations to the Serrano, successful relocation of those residents who want to move, and achievement of the other conditions above.

During discussion of the subordination request, County staff made it clear that the County has been advised by the County Attorney's office that it may not add any conditions to the subordination agreement. Several commissioners expressed discomfort with granting a request that could appear to be rewarding AHC, Inc. for unacceptable conditions at The Serrano. One commissioner questioned both the lender deadlines and the foreclosure threat since a "default" allows the borrower to work with a special servicer, which could possibly fix the problems now, as opposed to AHC's plan to structure a new low-income housing tax credit deal three years from now. Other commissioners agreed with the analysis of the situation by AHC, Inc. and the county staff and argued that the county had no choice but to agree to the subordination request at this time, as AHC, Inc. had no additional time to request an extension from its lenders.

Regarding the recommendations submitted by VOICE, it is noted that the AHC Board has pledged to add two Board seats for resident representatives at its annual Board meeting this year. Regarding the other recommendations from VOICE, the Commission did not take any formal action at this time; they are included here as they are worthy of serious consideration by AHC and/or the county. In any case, the Housing Commission requests that the county take all actions that are possible, such as a letter of commitment signed by AHC, in conjunction with the subordination action to provide another layer of assurance that repairs are made in a quality and expeditious manner.

Ultimately, nine commissioners voted in favor of recommending subordination (Commissioners Berkey, Bray, Brown, Edwards, Gee, Hogan, Montgomery, Rubalcava, and Serfis), with one voting against (Commissioner Arthur) and two abstaining (Commissioners Hemminger and Norris). Commissioner Arthur voted against the proposal because AHC's plans for an in-depth renovation do not appear to begin until three years from now and necessitate a deepening of the affordability levels in a neighborhood which is already designated by the County as a Modified Racially and Ethnically Concentrated Area of Poverty (M/RECAP).

**Formation of joint subcommittee with the Tenant-Landlord Commission:** The Housing Commission additionally voted to work with the Tenant-Landlord Commission to create a joint-subcommittee with a charge that it works collaboratively to investigate and review the reasons of how voluntary compliance measures and county oversight of The Serrano and AHC, Inc. failed to prevent these damaging physical conditions from manifesting and continuing. It is apparent that such a forum is necessary, apart from regular Commission meetings, to create space for relevant questions to be raised and discussed. The subcommittee is also charged with considering and providing recommendations on longer-term questions regarding oversight and compliance regarding both The Serrano but also the county's overall portfolio of affordable housing units generally. The Housing Commission designated Commissioner Hemminger to act as the Co-Chair of such a subcommittee. Commissioners Berkey, Arthur, Bray, Brown, Edwards, Gee, Hemminger, Hogan, Montgomery, Rubalcava, and Serfis voted in favor (11), with Commissioner Norris abstaining from the vote (1).

The Housing Commission requests that an update on The Serrano be provided at our July 8, 2021, meeting.