

**Citizens Advisory Commission on Housing Tenant-Landlord Commission** 

Joint Subcommittee on the Status of Aging Properties: Report

June 17, 2022

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# **Executive Summary**

In June 2021, the Citizens Advisory Commission on Housing (Housing Commission) and the Tenant-Landlord Commission (TLC) voted to form a Joint Subcommittee on the Status of Aging Properties (JSSAP) to identify (1) the conditions leading to the poor health and safety environment at the Serrano Apartments; (2) why attempts to address the issues from 2019 until May 2021 were not successful; and (3) develop recommendations to ensure that a similar situation does not happen again.

The JSSAP held three hearings from October 2021 through December 2021 to gather relevant information needed for this report:

- October 20th Serrano Tenants and Advocates
- November 18th Arlington County
- <u>December 16th AHC Inc.</u>

The JSSAP has developed this report to provide a summary of information gathered from 2019 through 2021 concerning the poor conditions at the Serrano, AHC Inc. and Arlington County's response to these conditions, and recommendations to improve oversight of Committed Affordable Units (CAFs) subsidized by Arlington taxpayers. The report is broken down into the following 7 sections:

- 1. Executive Summary
- 2. **Serrano Tenants and Advocates** A summary of the allegations by residents and conditions at the Serrano Apartments
- 3. **Arlington County** A summary of the actions taken by Arlington County to address the allegations and conditions raised by Serrano residents
- 4. **AHC Inc.** A summary of the actions taken by AHC Inc. in response to allegations and conditions raised by Serrano residents
- 5. **Timeline of Events** A timeline detailing the activities of the Housing Commission, TLC, Arlington County, and AHC Inc. starting in 2019 when the allegations first became public to 2021 when the Arlington County and AHC Inc. took significant steps to resolve the issues
- 6. **Recommendations** A detailed discussion of policies that might prevent similar situations
- 7. **Tenant Resources** A listing of the rights, resources, and tools available to Arlington tenants

We acknowledge the extensive efforts in compiling this report by the following members of the JSSAP:

- Michael Hemminger, Commissioner, Citizens Advisory Commission on Housing
- Kellen MacBeth, Vice Chair, Citizens Advisory Commission on Housing

**Note:** This report is a final product of the JSSAP but has not been considered or adopted by the Housing Commission or TLC as of 6/17/2022.

## **Serrano Tenants & Advocates**

## Summary of Serrano Tenant and Advocate Involvement

Drawn by the relatively spacious unit sizes, beautiful views from the upper floor balconies, and affordable rents, a range of tenants-including Arlington Housing Grant recipients, Housing Choice Voucher (HCV) holders, residents in Permanent Supportive Housing (PSH), income-certified CAF tenants, and tenants paying market rate rents—have called the Serrano Apartments home since AHC acquired the property in 2014. However, for several tenants, 2019 was the beginning of a series of maintenance issues, poor treatment, and increasing frustration. In Summer 2019, multiple tenants gathered to discuss pressing issues such as new utility charges, a confusing new rent collection portal, poor maintenance, poor communication with AHC, lack of Spanish-language assistance, and irregular leasing practices. In Fall 2019, tenant representatives met with the TLC, Housing Commission, and Arlington County staff from the Department of Human Services (DHS) and Department of Community Planning, Housing and Development (CPHD) to raise these and other issues and their concerns about AHC's response or lack thereof. By mid-fall, the list of issues had grown to include lack of security in the buildings, poor maintenance turn-around, rodent infestation, poor ventilation, poor heating and cooling systems, and parking and towing policies. In October 2019, Virginians Organized for Interfaith Community Engagement (V.O.I.C.E.), a nonpartisan coalition of over 50 faith communities and civic organizations in Northern Virginia, began working with the tenants to strengthen their ability to organize and resolve the issues impacting them at the Serrano.

From Fall 2019 to March 2020, tenant leaders at the Serrano engaged in meetings and discussions with AHC Inc., AHC Management, Arlington County staff, members of the Arlington County Board, TLC, and the Housing Commission to resolve their list of issues at the Serrano Apartments (for a complete list of issues, see Figure 2 below): chief among them, poor living conditions and poor communication/treatment by AHC Management. By March 2020, the tenants' frustration had increased, and they issued a letter to AHC requesting resolution of all the remaining issues by May 2020, just as the COVID-19 pandemic started. By Summer 2020, Serrano tenant leaders met regularly with Arlington County Board members and expressed frustration that despite all the meetings and talk, very little improvement had occurred. By the end of that Summer, CPHD set up bi-weekly meetings with Serrano tenant leaders and AHC to review maintenance and other issues as well as track resolution. Both the tenant leaders and AHC later characterized these meetings as having little value. In August, BU-GATA, a county-funded tenant assistance nonprofit organization, began working with the tenants and AHC to address maintenance issues and concerns for individual units.

During the Fall and early Winter 2020, frustration levels among the Arlington County Board, Serrano tenants, advocates, and AHC continued to increase because of the slow pace of progress. After announcing that AHC Management would be replaced with a new property management firm in November 2020, Drucker and Faulk took over management of the property in February 2021. However, the backlog of issues facing the new property management firm would take months to resolve. Affected tenants, unsatisfied with AHC's entreaties to be patient and wait for their concerns to be addressed, renewed their efforts to seek help from other sources. In April 2021, the NAACP Arlington Branch, at

the invitation of Serrano tenant leaders, did a walkthrough of the property and took pictures of the poor property conditions that would go on to make headlines in the local news. Figure 1 below includes some of the photos taken during the walkthrough of five Serrano units on April 23, 2021.

Figure 1 – Pictures of conditions in multiple units at Serrano Apartments from NAACP Letter to Arlington County dated April 30, 2021



Following the coverage of the Serrano story in ARLNow in May 2021 and the four-hour Housing Commission meeting that same month dedicated solely to the Serrano Apartments, Arlington County staff began relocating interested Serrano residents (31 in total) to hotels while they worked with AHC to resolve the health and safety issues at the property. Serrano tenant leaders, V.O.I.C.E., BU-GATA, and the NAACP Arlington Branch engaged in regular meetings with Arlington County staff, board members, TLC, and Housing Commission members to get updates on relocation, repair, and compensation efforts as well as provide feedback on remaining issues. Serrano tenant leaders began meeting regularly with AHC's interim CEO, Susan Cunningham, and other senior staff to discuss the progress at the property as well as next steps. AHC also scheduled periodic meetings with advocacy groups who had been working with the tenants to keep everyone informed. Tenant leaders and advocates continued to work with AHC and Arlington County staff through 2022 to resolve outstanding issues and ensure that new issues were seriously addressed.

## Issues Observed by JSSAP

A continuous problem that Serrano tenants faced as they sought to address issues at the property was that they were unfamiliar with their rights under Virginia law and how to enforce them through

Arlington County or at the state-level. This led to time spent discussing their concerns with staff who did not have the authority to address them and frequently resulted in little or no action. This was coupled by hesitation on the part of Arlington County staff before May 2021 to exercise the full influence and range of powers at their disposal as well as a lack of coordination among Arlington County staff in different offices and divisions. Tenants frequently expressed frustration about their interactions with Arlington County staff prior to May 2021 and often felt like staff were not committed to resolving the issues. The role played by advocacy organizations appeared to be critical in helping to build up the knowledge and organizing power of tenant leaders while also elevating their issues to those with the authority to address them.

The breakdown of trust between some of the Serrano tenants and AHC was a key barrier to resolving the multiple issues at the property between 2019 – 2021. Once that trust was lost, tenants felt that nearly any action AHC took might have an ulterior motive. Tenants' lack of trust made them reluctant to engage in open dialogue: they no longer viewed AHC as a good faith actor. This led to a shift in focus from engaging with AHC on the issues to engaging with Arlington County. Since the ultimate responsibility for resolving the issues laid with AHC, this almost certainly contributed to a delay in resolution. CAF property owners and Arlington County should prioritize actions that maintain and bolster trust between tenants and property owners.

# **Arlington County**

## Summary of Arlington County Involvement

From 2019 through 2022, Arlington County staff with the County Manager's Office, DHS, CPHD, and members of the County Board invested an enormous number of hours to resolve the tenant-raised issues at the Serrano Apartments. Prior to May 2021, county efforts failed to make significant progress. This led to an unprecedented effort in May 2021 that continued through Fall 2021 to rehouse any Serrano resident wishing to leave the property using county funds (AHC took over payment for Serrano residents temporarily relocated to hotels in July 2021) and work with AHC to address all health and safety concerns at the property. This effort reshaped the county's playbook for monitoring CAF properties and resulted in new commitments to address many of the oversight and management issues identified by county staff and community members through the *Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report* in April 2022 as well as other efforts.

Beginning in Summer 2019, DHS, CPHD, and County Board members engaged in the following activities to address recurring tenant complaints about mistreatment, health and safety concerns, and maintenance issues at the Serrano Apartments:

- DHS Housing Assistance Bureau case workers engaged one-on-one with Serrano tenants with complaints who participated in one of the following programs: Housing Grants, HCV, PSH.
- CPHD Housing Division staff facilitated ad hoc meetings between AHC and Serrano tenants to address complaints—DHS staff and County Board members sometimes also participated in these meetings.
- CPHD Housing Division staff engaged in discussions directly with AHC Inc. and AHC Management to try and resolve tenant complaints.
- Code Enforcement conducted 19 in-person inspections and 13 in-person re-inspections and 37 virtual inspections and 11 virtual re-inspections of Serrano units.
- County Board members conducted walk-throughs of the Serrano properties with tenants and held meetings to discuss concerns.
- CPHD Housing Division staff facilitated bi-weekly meetings between AHC and Serrano tenants to track issues and progress.

Despite these efforts, tenants continued to raise complaints about conditions and treatment at the Serrano Apartments with increasing frustration about perceived failures to resolve these issues.

Beginning in May 2021, the County Manager's Office assembled an interdepartmental task force made up primarily of the CPHD Housing Division, DHS Housing Assistance Bureau, and Code Enforcement to take the following actions:

- Immediately rehoused all Serrano tenants wishing to leave the property in hotels until they
  could find new housing, or their units were repaired by AHC and passed Housing Quality
  Standards (HQS) inspections performed by the county. As part of this relocation assistance,
  the county provided transportation assistance and food vouchers (for placements without
  kitchenettes/cooking facilities) to rehoused residents.
- Conducted a full-code inspection of all Serrano common areas.
- Created a County website for Serrano residents that included copies of the county's resident letters and information about county assistance.
- Hand-delivered multiple letters to all Serrano tenants (in English, Spanish, Amharic, and Arabic) with information about upcoming county inspections and onsite activities.
- DHS Housing Assistance Bureau case workers contacted 100% of DHS clients (98 households) plus additional CAF households requesting assistance.
- Staffed tables onsite at the Serrano on multiple days to share information about housing and mental health supports, temporary relocation, inspections, and other resident assistance and for residents to request code enforcement or rodent inspections from the county.
- Coordinated with Legal Services of Northern Virginia to staff tables at the Serrano to provide free legal assistance to residents.
- Worked with a third-party vendor to conduct mold, air quality, asbestos, and lead-based paint testing in a sampling of units.
- Conducted HQS inspections of 221 units and coordinated with AHC to ensure repairs were made based on the HQS findings in each unit.
- Provided weekly updates to the Housing Commission and TLC Chairs, advocates, and tenants on county efforts and progress made.
- Conducted multiple meetings with tenants and advocates to hear concerns and provide information.

The significant County response to the Serrano kicked-off one day after the Housing Commission's meeting on May 6<sup>th</sup>, 2021, where tenants, advocates, and community members pressed AHC and county leadership to address the poor conditions and mistreatment at the property. Previously, both the TLC and Housing Commission had included discussions of tenant issues at the Serrano Apartments as part of their regular meeting agendas on multiple occasions. TLC leadership engaged in multiple discussions with AHC and county staff to try and resolve issues brought before the commission by tenants over the course of several years. Prior to May 2021, leaders in both commissions felt growing frustration with the slow pace of progress and seeming inability of the commissions to help the tenants coming before them.

## Issues Observed by JSSAP

Arlington County's response to poor conditions at the Serrano Apartments in May 2021 was a major shift in how county staff conducted oversight of CAF properties and engaged with its affordable housing provider partners. As discussed above, the issues raised by tenants were not ignored by the county prior to May 2021, but county efforts failed to substantially resolve residents' issues. The county's toolkit typically employed to address tenant grievances and coordinate with CAF operators was ill-equipped to address the level of issues found at the Serrano. It would take intense pressure from tenants, advocates, commissions, and the media to reassess what the county was able and willing to do. As Serrano tenants discovered, even engaging directly with County Board members failed to resolve their issues although it did result in increased staff attention and pressure on AHC to replace AHC Management with a new property management firm at the Serrano in February 2021. The Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report developed by the CPHD Housing Division is an important commitment to making lasting changes within county government to ensure that a situation like the Serrano does not arise again and if it does, that the county is better prepared to take corrective action.

A significant contributing factor to the county's lack of robust oversight of CAF properties has been the lack of dedicated staff to manage the portfolio of approximately 10,000 units. Prior to the FY2023 Arlington County budget, only one part-time inspector was on staff for all CAF unit inspections. This level of staffing was insufficient to inspect all the CAF properties. Additionally, CPHD and DHS staff had to juggle competing priorities with limited resources that, combined with a lack of focus on tenant rights and concerns from county leadership, resulted in diminished attention for resolving tenant quality of life issues at county-subsidized properties. This was on top of generally weak accountability provisions within Arlington County's Affordable Housing Investment Fund (AHIF) that forced county officials to choose between forcing affordable housing providers into default—and potentially turning the CAFs into market rate units with no affordability protections—or letting providers get away with poor tenant treatment and property conditions. The county's oversight system for CAFs was constructed around a belief that the oversight provisions of other affordable housing development funding like the federal Low Income Housing Tax Credit (LIHTC) program would be sufficient or that the county would never encounter an adversarial situation with its affordable housing provider partner.

Another issue that both county staff and AHC raised was that there was little communication between the two entities at the start of Arlington's May 2021 response to the Serrano. Both sides acknowledged that this lack of coordination led to delays and increased costs which could have been avoided had the two organizations worked together more closely to rehouse Serrano residents and conduct HQS inspections.

Additionally, Arlington County struggled in specific areas with internal and inter-governmental coordination at the beginning of the May 2021 response. It appears that County staff did not engage with the Office of Human Rights or the Virginia Office of Fair Housing despite hearing multiple housing discrimination complaints from Serrano residents. Instead, advocates educated residents on the process to submit Fair Housing complaints which eventually led to the Virginia Attorney General initiating an investigation of alleged housing discrimination at the property. Similarly, County staff had to navigate a lack of understanding about the role of code enforcement and public health officials regarding rodents at the property. Conversely, coordination between the CPHD Housing Division and DHS Housing Division appeared to be quite strong throughout the county's response, even prior to May 2021. This likely allowed the County to quickly ramp up their Serrano response on May 7, 2021.



## AHC Inc.

## Summary of AHC Inc. Involvement

In 2014 AHC Inc. purchased the Serrano Apartments, a two building multi-family residential complex on Columbia Pike, with \$16,761,045 in support from Arlington County's AHIF. Under the terms of the purchase, 196 of the 280 units would be affordable for residents earning 60-80% of area median income while the remaining units would be market rate. While both AHC Inc. and Arlington County found no urgent capital needs at the time of purchase, AHC has incurred substantial repair and maintenance costs since 2014.

Beginning in summer 2019, some Serrano residents raised concerns with AHC Management, AHC Inc.'s for-profit subsidiary providing property management services at the Serrano Apartments. The concerns are summarized in figure 2 below.

Figure 2 - Serrano Resident Concerns Between 2019-2021

#### **Health and Safety Communication and Staff Rental Practices and Billing** Conduct New/confusing utility charges **Poor conditions** New rent payment portal Poor maintenance turn-• Poor communication and lack around times Irregular leasing practices of Spanish-language Mice infesting units assistance Poor ventilation and mold Housing discrimination Inadequate heating and allegations cooling systems • Disrespect for the tenant Predatory parking and towing association/organizers policies Shoddy repair work Poor security in the building

In response to these complaints, AHC Management and AHC Inc., met with tenants, tenant advocates, staff from Arlington County's DHS and CPHD, and the Tenant-Landlord Commission to talk through the issues and identify solutions. AHC worked to address several of the issues raised but by March 2020, tenants and tenant advocates sent a letter to AHC and county stakeholders alleging that many issues remained unresolved and requesting that all issues be resolved by May 2020. The deadline coincided with the early stages of the COVID-19 pandemic, and AHC struggled to address the issues raised by tenants after switching to addressing emergency maintenance issues only during the pandemic.

By the end of summer 2020, AHC began meeting bi-weekly with tenant advocates and CPHD staff to work through the issues raised by tenants, making progress only on some issues. In November 2020, AHC Inc. announced that AHC Management would be replaced at the Serrano Apartments after increasing pressure from Arlington County. By spring of 2021, tenants and tenant advocates renewed their efforts to draw attention to a growing list of issues including alleged discrimination by staff,

unresolved maintenance issues, air quality, mold, and mice. AHC Inc. maintained that communication challenges remained the biggest obstacle to resolving tenant issues and that only a minority of Serrano residents experienced significant health and safety issues within their units. In February 2021, AHC Inc. replaced AHC Management with Drucker and Falk to provide property management services at the Serrano Apartments.

In May 2021, AHC announced that its CEO, Walter Webdale, was stepping down and appointed an interim CEO, Susan Cunningham, in July. Also in May, AHC Inc. began working with Arlington County to fast track repairs to Serrano units, conduct inspections of most units, and relocate residents wishing to leave. Over the course of the summer, AHC provided rent credits to residents and established a voluntary claims procedure for residents who alleged that their personal property or health was damaged because of unsafe/unhealthy conditions. In Fall 2021, AHC Inc. appointed two residents to serve on its Board of Directors and vowed to continue working with its residents and the county to resolve any outstanding issues at the property. AHC Inc. plans to rehab the Serrano Apartments beginning in 2024.

## Issues Observed by JSSAP

The TLC and Housing Commission worked with AHC leadership and tenants since 2019 to resolve complaints regarding property conditions and tenant treatment. One of the key frustrations from 2019 to 2021 was that despite multiple letters and meetings with AHC, Inc., the issues never appeared to be fully resolved. AHC Management frequently failed to make significant progress on tenant issues unless the concerns were escalated to senior levels such as the Vice President of AHC Management, Michael Werner. This approach highlighted a failure of front-line AHC Management staff to effectively communicate with and address tenant issues and concerns as they were raised. Even as individual issues were resolved over a two-year period, obstacles to healthy and decent living at the Serrano Apartments for many residents remained.

AHC Inc. stressed to the JSSAP that, rather than a series of long unaddressed issues, the Serrano Apartments faced a pattern of issues that would be resolved by AHC, only to have the same or slightly different issues re-emerge. AHC also noted that many of the concerns and conditions worsened during the COVID-19 pandemic when health protocols required them to defer all but emergency maintenance. While this may be true, the long-standing communication issues and erosion of trust between residents and AHC, Inc. made even minor issues appear like an intentional pattern and practice. AHC's public insistence until May 2021 that the issues only impacted a minority of residents also downplayed the seriousness of the problems and highlighted its failure to take responsibility. Only after the county took drastic action in May 2021 to relocate residents and apply significant pressure did AHC change its leadership and appear to become fully committed to resolving the long-standing issues at the property.

## **Timeline of Events**

## Phase I – Initial Tenant Concerns (June 2019 – February 2020)

### June 2019 –

Arlington County staff attend a Housing Matters Forum during which AHC Inc. (AHC) property
concerns were raised. CPHD and DHS staff followed up for more detail and to offer an
educational workshop on tenant rights and responsibilities.

### August 2019 -

CPHD Housing Division works with DHS and AHC to try to resolve a disagreement about what
the maximum allowable rent amounts should be for Housing Choice Voucher (HCV) households;
the HCV program was on the verge of not being able to renew any of their participants. Staff
indicates this was resolved.

### September 2019 -

- DHS Housing Assistance Bureau receives multiple complaints from clients at the Serrano about AHC's rollout of the new rent payment system, Rent Café, which was rolled out over the summer and allegedly led to higher costs for residents.
- CPHD Housing Division receives complaint about AHC beginning to charge utilities at the Serrano Apartments.
- TLC hears complaints from Serrano residents about new rent payment system, Rent Café.
- AHC and staff discuss rent increases for HCV residents at Key Blvd., using Serrano as a proxy.

### October 2019 -

- TLC hears complaints from multiple Serrano residents about AHC beginning to charge utilities at the Serrano Apartments, poor maintenance, poor communication, lack of Spanish-language assistance, and irregular leasing practices.
- Serrano tenants hold meeting with representatives from AHC, Arlington County Board, TLC, DHS Housing Assistance Bureau, and CPHD Housing Division to discuss their concerns about security in the buildings, poor maintenance turn-around, rodent infestation, poor ventilation, poor heating and cooling systems, parking and towing policies, and new utility charges.
- TLC and CPHD Housing Division staff meet with AHC representatives to discuss residents' concerns and recommend next steps.
- V.O.I.C.E. begins working with Serrano tenants to address their concerns with AHC and Arlington County.
- AHC released letter to TLC about recent increases to rental rates and allocation of utility charges at the Serrano Apartments.

#### November 2019 –

• AHC releases letter to TLC about increasing rents for HCV holders, implementation of their ratio utility billing system, and communication challenges with Serrano residents.

### December 2019 -

- CPHD Housing Division Staff attend a December 10 Tenant Meeting with AHC Management.
- AHC responds to the TLC's recommended next steps from October 2019 and lists actions they have or plan to take to resolve issues with utility charges and communications with residents at the Serrano. Letter dated November 22, 2019.

• Arlington County Code Enforcement physically inspected 19 units at the Serrano. 13 of those units were rescheduled for a re-inspection.

### January 2020 -

• Arlington County Code Enforcement completed 13 unit re-inspections. Item remaining is balconies with chipping paint – to be completed in the spring.

## Phase 2 – Ongoing Tenant Concerns (March 2020 – October 2020)

#### March 2020 -

- Serrano tenants send letter to AHC outlining issues related to maintenance issues, safety issues, predatory or neglectful staff, trash disposal issues, parking and towing, broken laundry machines, and inadequate responses to resident concerns. Residents request resolution of issues by May 2020, and share letter with CPHD Housing Division staff.
- AHC sends letter to Serrano tenants and CPHD Housing Division staff responding to tenant letter in March 2020.
- AHC requests increased rents for Serrano for HCV residents. Negotiations are held and agreed upon adjustments are approved.

### July 2020 -

- County Board members and TLC meet with Serrano tenants to discuss ongoing concerns about mistreatment and poor conditions. Tenants also request that Arlington County conduct inspections at the Serrano Apartments
- TLC sends letter to AHC about conditions at the Serrano Apartments and meets with AHC Management leadership.

#### August 2020 -

- County Board members and TLC meet with Serrano tenants to discuss ongoing concerns about mistreatment and poor conditions.
- BU-GATA begins working with the Serrano tenants to address their concerns with AHC. County
  Board announces to Serrano tenants that CPHD Housing Division will be the county organization
  to coordinate engagement with Serrano tenants and address concerns about code enforcement
  and staff inspections.

### September 2020 -

• Arlington County Code Enforcement completed 19 virtual inspections at the Serrano. 11 units were rescheduled to be reinspected in October.

### October 2020 -

- Serrano tenants send letter to AHC and County Board members raising concerns about potential presence of asbestos, continuing issues with utility bills, follow-up on promised County inspections, and resident intimidation from AHC staff.
- AHC sends letter to the County Board and staff providing updates on efforts to address tenant concerns and frustration with poor communication with residents.
- Arlington County Code Enforcement virtually reinspected 11 units. 7 out of 11 units passed reinspection. The remaining 4 units were scheduled for another reinspection.
- AHC and staff attend Housing Commission meeting regarding tenant concerns with billing and maintenance.

## Phase 3 – Slow Improvement (November 2020 – April 2021)

### November 2020 -

- Responding to pressure from the County Board, AHC announced that it will replace AHC Management at Serrano with a new property management firm.
- Staff begin to facilitate bi-weekly meetings between AHC and residents through April 2021 to facilitate tenant-landlord communication. These meetings were also used to address both unit and property conditions and concerns. Staff requests written progress reports from AHC to verify progress.

### February 2021 –

- AHC replaces AHC Management as the property management firm for the Serrano with Drucker and Faulk.
- CPHD Staff attend a tenant meeting conducted by Drucker and Faulk.

### April 2021 -

- NAACP Arlington Branch conducts walk-through of Serrano Apartments and sends letter to County Manager outlining observed issues including pest control, physical deterioration, HVAC issues, and a general lack of care.
- Arlington County Code Enforcement completes virtual inspections for 18 units at the Serrano.
   15 of the 18 units fail inspection.

## Phase 4 – Escalation and Relocation (May 2021 – December 2021)

### May 2021 -

- Arlnow.com runs first story on the Serrano: Rodents, Mold, Shoddy Maintenance Plague
   Affordable Apartment Building | ARLnow.com
- Arlington's Housing Commission holds public meeting with AHC, Serrano tenants, advocates, and CPHD.
- County Manager creates a task force to respond to health and safety issues at the Serrano.
- CPHD begins moving Serrano residents to hotels who do not feel safe in their units.
- Arlington's Housing Commission sends letter to County Board outlining issues at Serrano and recommendations to address them.
- CPHD and DHS conduct in-person re-inspections of Serrano units that had been inspected in April 2020.
- CPHD creates webpage for Serrano tenants to provide information about available County services and activities.
- AHC sends letter to Housing Commission in response to complaints and issues raised during May meeting.
- County Manager, advocates from NAACP Arlington Branch and BU-GATA, staff from CPHD and DHS, elected members of the County Board and House of Delegates, attend walk-through of the Serrano organized by V.O.I.C.E. and Serrano tenants.
- Arlnow.com publishes opinion column by Nicole Merlene, What's Next: Policies to Avoid Uninhabitable Living Situations
- Arlnow.com runs second story on the Serrano: <u>A Flurry of Activity at the Serrano Apartments</u>
  <u>After Residents Decry Conditions | ARLnow.com</u>

- Tenant-Landlord Commission discusses the issues at the Serrano Apartments and sends letter to County Board outlining issues and recommendations for addressing next steps.
- AHC announces that Walter Webdale, President and CEO of AHC, Inc., retires early.
- AHC announces that Michael Werner, Vice President of AHC Management, is no longer with the organization.
- AHC agrees to appoint two residents to its Board of Directors in Fall 2021.

#### June 2021 -

- County staff begin conducting 100% in-person inspection of 280 units at the Serrano using Housing Quality Standards (HQS).
- Housing Commission holds meeting to discuss AHC's loan subordination request for the Serrano and recommends approval, sends letter to County Board recommending measures to hold AHC accountable, and approves the creation of a joint subcommittee with the Tenant-Landlord Commission to investigate issues at the Serrano and the response as well as other aging properties.
- Alliance for Housing Solutions sends letter to County Board with recommendations to hold AHC accountable and prevent future issues similar to the Serrano from arising again.
- County Board approves AHC's loan subordination request for the Serrano along with AHC's Letter of Commitment.
- Arlnow.com runs third story on the Serrano: <u>County Board Drills Into AHC About Serrano</u>
  Apartments Conditions | ARLnow.com
- AHC sends Letter of Commitment to County Board committing to spend up to \$2 million in the
  next 6-12 months to address immediate Serrano repairs, conducting inspections in all Serrano
  apartments and creating a detailed 120-day repair plan, providing \$200 gift cards to residents
  and waiving utility payments while families are displaced from the Serrano and crediting each
  Serrano household toward their July rent (\$500 for studios/one-bedrooms, \$750 for twobedrooms, and \$1,000 for three-bedrooms), paying temporary housing costs after June 30 (the
  county paid these before this), simplifying utility payments, and improving customer service
  and communication with residents.
- County uses third-party provider to conduct environmental quality testing at the Serrano.

### July 2021 -

- County Board member, Serrano tenants, and advocates do a surprise walkthrough of the Serrano and send a list of issues to AHC.
- AHC Board of Directors appoints Susan Cunningham as Interim CEO.
- County Board hears update from AHC and Serrano residents during board meeting.
- Advocates begin fundraiser for Serrano tenants whose personal property was damaged from poor living conditions at the Serrano.

### August 2021 -

- AHC begins meeting with Serrano tenants and advocates to create a reimbursement process for damage claims based on the poor living conditions at the Serrano.
- NAACP Arlington Branch sends letter to AHC with recommendations to address ongoing issues at the Serrano.
- Arlnow.com runs fourth story on the Serrano: <u>GoFundMe Page Started for Some Serrano</u> Apartments Families | ARLnow.com

### September 2021 –

- Serrano tenants and advocates send a letter to AHC addressing concerns around the proposed reimbursement process for Serrano residents.
- Housing Commission hears updates from AHC and Serrano tenants and advocates at meeting and sends letter to the County Board outlining the progress made and continuing issues.
- Arlnow.com publishes opinion column by Alice Hogan, Progressive Voice: <u>Progressive Voice:</u> <u>Learning Lessons from the Serrano Debacle | ARLnow Arlington, Va. local news</u>
- Serrano tenants and advocates send a letter addressed to the County Board outlining progress made and continuing issues.
- AHC sends letter to Serrano residents outlining the claims reimbursement process.
- Arlnow.com runs fifth story on the Serrano: <u>Conditions at Serrano Apartments Continue to Improve</u>, But Concerns Remain | ARLnow Arlington, Va. local news

#### October 2021 –

- Serrano residents submit claims for damages to AHC for review by insurance adjuster.
- Tenant-Landlord Commission and Housing Commissions' Subcommittee on the Status of Aging Properties holds first meeting focused on Serrano tenants and advocates experiences.

#### November 2021 -

- VOICE sends letter to AHC and County Board on issues with insurance claims not being as high as initially indicated.
- Serrano resident, Elder Julio Basurto, and AHC CEO Susan Cunningham testify in front of Arlington County Board about insurance claims, rent payments while residents were residing in hotel rooms, clarification on who paid for what between Arlington County and AHC, and updates on building and unit improvements. Board requested a substantive update in December.
- Arlnow.com runs sixth story on the Serrano: <u>Reporter's Notepad: An update on the Serrano Apartments | ARLnow Arlington, Va. local news</u>
- Tenant-Landlord Commission and Housing Commissions' Subcommittee on the Status of Aging Properties holds second meeting focused on county staff and partner's roles, response to The Serrano, and resource mapping.

#### December 2021 -

- Tenant-Landlord Commission and Housing Commissions' Subcommittee on the Status of Aging Properties holds third meeting focused on AHC Inc.'s role and response to The Serrano.
- AHC Inc. announces that it will dissolve AHC Management LLC and cede management of its properties to third-party property management firms.
- Arlnow.com runs seventh story on the Serrano: <u>Del. Lopez files bills strengthening tenant protections after Serrano saga | ARLnow Arlington, Va. local news</u>

### Phase 5 – A New Normal (January 2022 – Present)

### January 2022 -

- Virginia's Office of the Attorney General opens an inquiry into potential housing discrimination by AHC Inc. and/or AHC Management LLC against residents of the Serrano Apartments.
- Arlnow.com runs eighth story on the Serrano: <u>New AG will pursue state housing discrimination inquiry into Serrano Apartments | ARLnow Arlington, Va. local news</u>

### March 2022 –

• AHC Inc. announces that Paul Bernard will be joining the organization as the new President and CEO.

### April 2022 -

 CPHD publicly releases the Long-term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties workplan identifying 18 long-term recommendations related to improving oversight and asset management, capital investment, coordination, problem solving, and communication and outreach to residents.

### June 2022 -

• Tenant-Landlord Commission and Housing Commissions' Subcommittee on the Status of Aging Properties releases its Serrano Report to the TLC and Housing Commission.



## Recommendations

## **Arlington County**

- 1. Arlington County should require properties that receive AHIF funds to provide funds to one or more 3<sup>rd</sup> party organization(s) to support resident councils or tenant associations at CAF properties. Providing support for resident councils or tenant associations would further empower low-income tenants throughout the county, help to prevent issues from going unnoticed or unaddressed for long periods of time, and provide a ready source of input and feedback to Arlington County on issues impacting low-income tenants. These councils or associations can also coordinate with the TLC and Housing Commission to share information and ensure tenant perspectives are well represented. Additionally, these properties should be required to post materials in each building and community room outlining tenants' right to organize and protection from retaliation. (Recommendation is associated with 4. Problem Solving Recommendation #3 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 2. Arlington County should work with tenant advocates to develop guidelines for property owners and property managers operating properties that receive AHIF funds on expectations for respecting and appropriately interacting with resident councils and tenant associations. These guidelines would clearly state how the county expects property owners/managers to treat tenants who choose to exercise their legal right to collectively address issues and concerns. These guidelines would help educate property owners/managers who are unfamiliar with tenant associations and may instinctually try to undermine or marginalize them. (Recommendation is associated with 4. Problem Solving Recommendation #3 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 3. Arlington County should require properties that receive AHIF funds to have eviction prevention programs or policies in place. (Recommendation is associated with 4. Problem Solving Recommendation #3 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 4. Arlington County should require properties that receive AHIF funds to report eviction filings and proceedings to the county, to the extent permitted by law. During the start of the pandemic, AHC Inc. continued to evict tenants at multiple properties until Arlington County formed an agreement with them for the duration of the pandemic.
- 5. Arlington County should monitor evictions at CAF properties and assess adjustments to county policies and programs to mitigate ongoing issues.
- 6. Arlington County should provide free mold testing to Arlington tenants. The county should provide a letter to the tenant and/or landlord confirming dangerous mold and unsafe conditions that must be addressed under the Virginia Residential Landlord Tenant Act (VRLTA). Low-income tenants often find private mold testing to be prohibitively expensive and struggle to convince their landlords to act when mold is present in their unit. (Recommendation is associated with 1. Oversight and Asset Management #2 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)

- 7. Arlington County should require that organizations that receive AHIF funds include two or more low-income tenants on their board of directors.
- 8. Arlington County should require properties that receive AHIF funds to provide annual 3<sup>rd</sup>-party conducted training to residents each year on their rights under the Fair Housing Law, VRLTA, and Virginia Uniform Statewide Building Code (VUSBC).
- 9. Arlington County should require Housing Quality Standard (HQS) inspections for all units that receive Housing Grants.
- 10. Arlington County should explore providing compensation options or other incentives for residents who are hesitant to allow county inspectors access to their units. For residents fearful of government inspectors, adding a small monetary gift or other incentive could help reduce the number of units where inspectors are turned away.
- 11. Arlington County should streamline the housing complaints process so that residents can call or go online to one portal or office that will make the appropriate referrals and forward complaints to whoever needs them within the county whether it be CPHD, DHS, or the Office of Human Rights. This would help address the issue of tenants not knowing who to go to within the county to address housing issues. (Recommendation is associated with 3. Coordination Recommendation #4 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 12. Arlington County should create an Alternative Dispute Resolution (ADR) process to promote low-cost resolution of disputes between tenants and landlords. (*Recommendation is associated with 4. Problem Solving Recommendation #6 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022*)
- 13. Arlington County should provide free legal services to tenants, potentially representation and/or legal advice, using the ADR process to ensure that low-income tenants are able to understand and access the process with legal representation as many mediators require. (Recommendation is associated with 4. Problem Solving Recommendation #6 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 14. Arlington County should conduct a periodic anonymous survey of CAF residents across its portfolio. Survey results should be made public and reported to groups including the Housing Commission and Tenant-Landlord Commission. The aggregate, provider-level results of this survey should be reflected in Notice of Funding Availability (NOFA) scoring for future AHIF allocations. (Recommendation is associated with 5. Communication and Outreach to Residents #2 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)
- 15. Arlington County should explore creating a unified CAF vacancy and application process to streamline the process for applicants seeking CAFs. The relocation experiences of Serrano tenants has brought attention to the fragmented system of applications and waiting lists for all CAF units in Arlington.
- 16. Arlington County should require properties that receive AHIF funds to meet HQS and be subject to inspection by the county. Failing to remedy violations of HQS should have meaningful consequences for the property owner. (Recommendation is associated with 1. Oversight and Asset Management #1 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022)

- 17. Arlington County should expand fair housing enforcement within the Office of Human Rights to include investigation of 3<sup>rd</sup> party anonymous complaints, investigations of pattern and practice violations, and investigations of disparate impact violations.
- 18. Arlington County should increase the frequency of third-party fair housing testing and include more protected classes than just race and national origin under Virginia's Fair Housing Law.
- 19. Arlington County should expand the county's offerings of fair housing training to residents and require it annually for all public-facing housing staff. (*Recommendation is associated with 5. Communication and Outreach to Residents #1 in Long-Term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties Report April 2022*)
- 20. Arlington County should advocate for increased authority at the state and local levels to protect tenants' rights, health, and safety before the General Assembly including the recommendations in the section below.

## Commonwealth of Virginia

- 1. Grant authority to Virginia localities to enforce tenant rights and protections under the VRLTA especially concerning health and safety conditions.
- 2. Enhance anti-retaliation protections for tenants who form a tenant association, seek to enforce their rights under the Fair Housing Law, VRLTA, and Virginia Uniform Statewide Building Code, or raise grievances to their property manager or landlord.
- 3. Provide compensation for tenants whose units have been condemned through no fault of their own so that a property owner's failure to maintain the habitability of a unit or failure to comply with the law does not result in simply a forced-eviction for the tenant.
- 4. Expand the list of provisions in the Uniform Statewide Building Code related to recognized standards of health and safety required to be present in buildings and structures to include standards related to the accumulation and growth of mold, plumbing leaks or issues, air conditioning and heating equipment and running hot water, and the removal of lead paint and paint that is flaking.
- 5. Allow General District Courts to place residential buildings under receivership when the property manager or landlord repeatedly fail to address significant maintenance, health, and safety issues in the building to ensure that the repairs are made and tenants reside in a habitable environment.

## **Tenant Resources**

Tenants facing issues with their landlord are often confronted with a confusing array of options to seek redress. These resources aim to provide more clarity.

## **Tenant Rights**

- Virginia Department of Housing and Community Development (DHCD) Tenant and Landlord Resources - Tenant and Landlord Resources | DHCD (virginia.gov)
- Virginia Statement of Tenant Rights and Responsibilities under the VRLTA as of July 1, 2021 (English) - <a href="mailto:statement-of-tenant-rights-and-responsibilities-vrlta">statement-of-tenant-rights-and-responsibilities-vrlta</a> (virginia.gov)
- Declaración de Derechos y Responsabilidades del Inquilino bajo La Ley de Propietarios e Inquilinos de Residencias de Virginia a partir del 1 de Julio de 2021 (Español) -<a href="https://www.dhcd.virginia.gov/sites/default/files/Docx/landlord-tenant/statement-of-tenant-rights-and-responsibilities-vrlta-spanish.pdf">https://www.dhcd.virginia.gov/sites/default/files/Docx/landlord-tenant/statement-of-tenant-rights-and-responsibilities-vrlta-spanish.pdf</a>
- Arlington County Tenant Landlord Rights and Responsibilities <u>Tenant Landlord Rights & Responsibilities Official Website of Arlington County Virginia Government (arlingtonva.us)</u>

## Fair Housing (Rights and Enforcement)

- Virginia Office of Fair Housing https://www.dpor.virginia.gov/FairHousing
- Protected Classes in Virginia:
  - Race It would be illegal to deny someone a housing opportunity because they are black or white.
  - Color Some people have darker complexions than others. If would be illegal to deny someone a housing opportunity on that basis.
  - Religion A housing provider could not refuse to sell or rent to someone because they
    practice Islam or Christianity.
  - National origin A housing provider could not refuse to sell or rent to someone because they are Asian or Jewish.
  - Sex Except for shared living spaces, it would be illegal to rent to one sex (gender) and not the other.
  - Elderliness Elderliness means an individual who has attained his 55th birthday. Under this protected class, a housing provider could not deny a housing opportunity to someone because they are age 55 or older.
  - Familial status Familial status means having children who are under age 18. Unless a
    facility is a senior/retirement facility, it may not refuse to rent to families with children.
    Senior and retirement facilities for individuals over age 55 or 62 may, however, lawfully
    refuse to rent to families with children.
  - Disability The law also makes it illegal to deny housing opportunities to individuals with disabilities. For information about housing and disabilities see Housing and People with Disabilities. For information on the design and construction of multi-family housing with accessible features, see the Design and Construction page.

- Source of Funds Any source that lawfully provides funds to or on behalf of a renter or buyer of housing, including any assistance, benefit, or subsidy program.
- Sexual Orientation A person's actual or perceived heterosexuality, bisexuality, or homosexuality.
- Gender Identity The gender-related identity, appearance, or other gender-related characteristics of an individual, with or without regard to the individual's designated sex at birth.
- Military Status A member of the uniformed forces or reserves, a veteran, or a dependent as defined under the law.
- Fair Housing Assistance Organizations:
  - Housing Opportunities Made Equal (HOME) of Virginia Fair Housing HOME of VA
  - o Equal Rights Center (ERC) Fair Housing Equal Rights Center

### **Code Enforcement**

Arlington County Code Enforcement - <u>Code Enforcement - Official Website of Arlington County Virginia Government</u> (arlingtonva.us) or 703-228-3232

## **Legal Services**

- Legal Services of Northern Virginia (free legal assistance for low-income residents) <u>Home Legal Services of Northern Virginia (Isnv.org)</u> or 703-778-6800
- Legal Aid Justice Center (free legal assistance for undocumented residents) <u>Get Help Legal</u> Aid Justice Center (justice4all.org) or 703-778-3450

### **Arlington County Programs for Tenants**

- Arlington County Housing Information Center <u>Contact the Housing Information Center Official Website of Arlington County Virginia Government (arlingtonva.us)</u> or 703-228-3765
- Arlington County Housing Grants Program <u>Housing Grants Official Website of Arlington County Virginia Government (arlingtonva.us)</u> or 703-228-1350
- Arlington County Housing Choice Voucher Program (formerly Section 8 Housing) <u>HCV Housing Choice Voucher Program (formerly Section 8) Official Website of Arlington County Virginia Government (arlingtonva.us) or 703-228-1450
  </u>
- Arlington County Committed Affordable Units (CAFs) <u>Affordable Units Official Website of Arlington County Virginia Government (arlingtonva.us)</u>

## Tenant Advocacy and Direct Assistance Organizations

- BU-GATA (tenant assistance and landlord mediation) <u>Nonprofit immigrant community youth</u> | Bu-gata | Arlington or 703-465-5570
- ACE Collaborative (tenant assistance and advocacy for Asian immigrants) <u>ACE Collaborative</u> <u>New Virginia Majority Education Fund (nvm-educationfund.org)</u>
- Tenants and Workers United (tenant advocacy for low-income communities of color) https://www.tenantsandworkers.org/
- La CollectiVA (tenant advocacy for Latinx residents) La ColectiVA
- Virginians Organized for Interfaith Community Engagement (V.O.I.C.E.) (tenant advocacy) -VOICE (voice-iaf.org)
- National Association for the Advancement of Colored People (NAACP) Arlington Branch (tenant advocacy) Home NAACP Arlington Branch (arlingtonnaacp.com)
- Alliance for Housing Solutions (tenant advocacy) <u>Alliance for Housing Solutions Housing for a Diverse and Sustainable Community</u>

### Rental Assistance and Homelessness Services

- Arlington County Public Assistance <u>Public Assistance Official Website of Arlington County Virginia Government (arlingtonva.us)</u> or 703-228-1350
- Arlington Thrive (emergency rental assistance) <u>Emergency Financial Assistance Arlington VA</u>, <u>Nonprofit Organization (arlingtonthrive.org)</u> or 703-228-1350
- Path Forward (shelter services and homelessness assistance) <u>Get Help Pathforward VA</u> or 703-228-7802
- Bridges to Independence (shelter services and homelessness assistance) <u>Bridges to Independence | Homeless Shelter, Social Services, Arlington VA (bridges2.org)</u> or 703-525-7177
- Doorways for Women and Families (shelter services and domestic/sexual violence assistance)
   Doorways Arlington, Virginia (doorwaysva.org) or 703-237-0881
- New Hope Housing (shelter services and homelessness assistance) <u>Residential Program</u> <u>Center - New Hope Housing</u> or 703-228-0022

### **Citizens Advisory Commission on Housing**

One Courthouse Plaza, 2100 Clarendon Blvd, Suite 700 Arlington, VA 22201

https://www.arlingtonva.us/Government/Commissions-and-Advisory-Groups/Housing-Commission

### **Arlington County Tenant-Landlord Commission**

One Courthouse Plaza, 2100 Clarendon Blvd, Suite 700 Arlington, VA 22201

https://www.arlingtonva.us/Government/Commissions-and-Advisory-Groups/Tenant-Landlord-Commission

