

Serrano Community Update

March 9, 2023 – Housing Commission



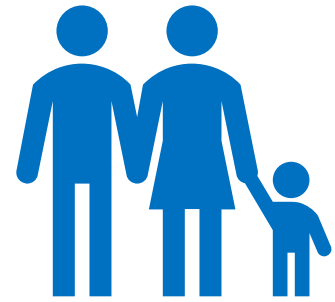
AHC Inc.'s Mission

Develop affordable housing and help communities thrive in Virginia, Washington DC, and Maryland. Provide a wide array of educational programs and social services to help residents build more stable and successful lives.

*We strive to be
resident-centered
in all we do.*



Serving Arlington Residents for Nearly 50 Years



Provide education, social services, & emergency resources at **23 properties**



Offer **3,300+** affordable homes for families and individuals in Arlington.



Partner with dozens of **community organizations** to meet residents' needs



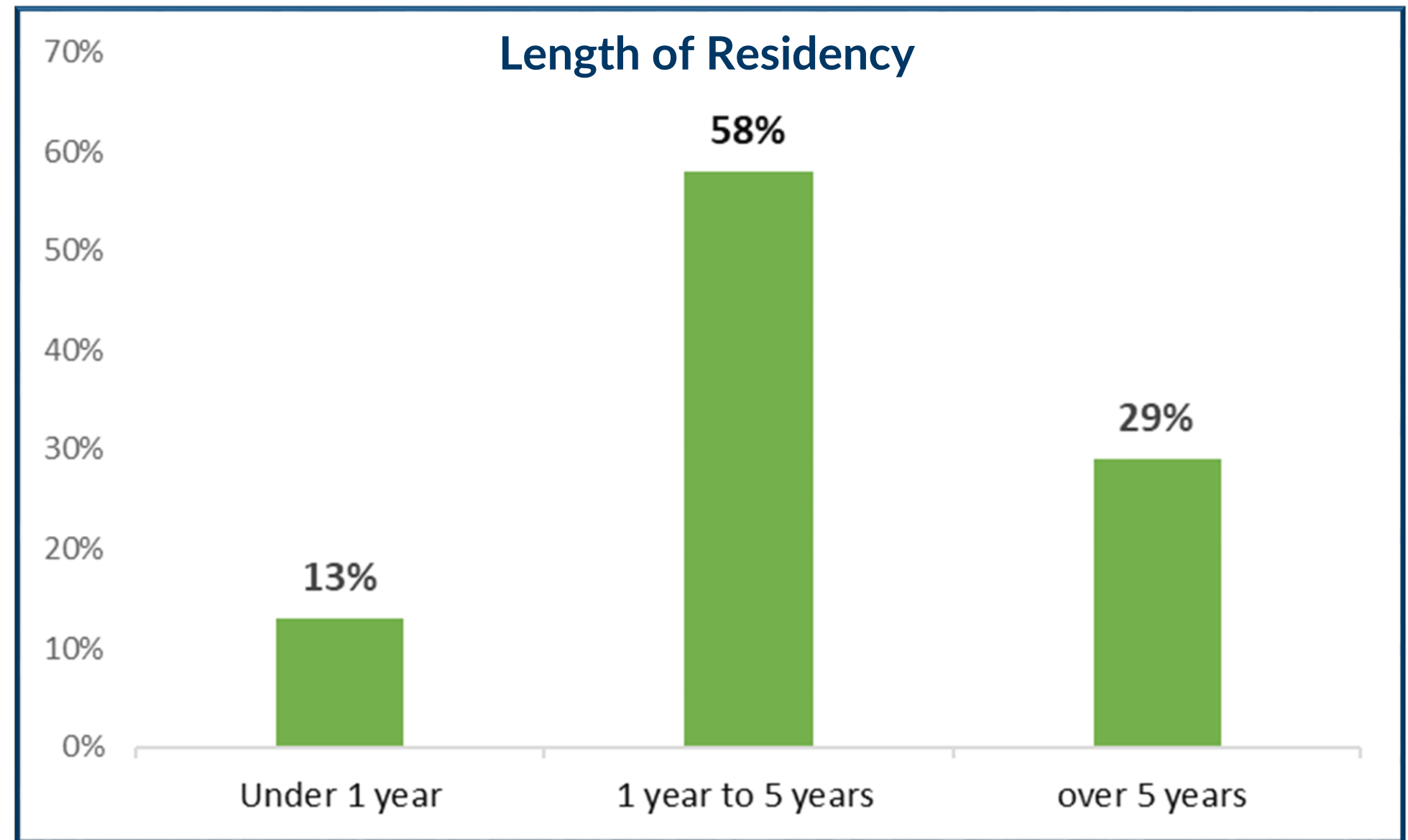
- \$3M in rental assistance from 2022 to current
- \$6.5M in scholarships in 2022
- 1,500 back-to-school backpacks

- Terraces at Arlington View – new community opening soon
- New partnership with Goodwill of Greater Washington to redevelop site, create 100+ affordable apts

- Food distribution at multiple sites
- Financial & employment workshops

The Serrano Community

- Latino and Black or African American residents
- Working-age adults working in construction, retail, and hospitality
- Seniors and families – and family networks
- Long-term residency



The Serrano Community

Unit Income Designations

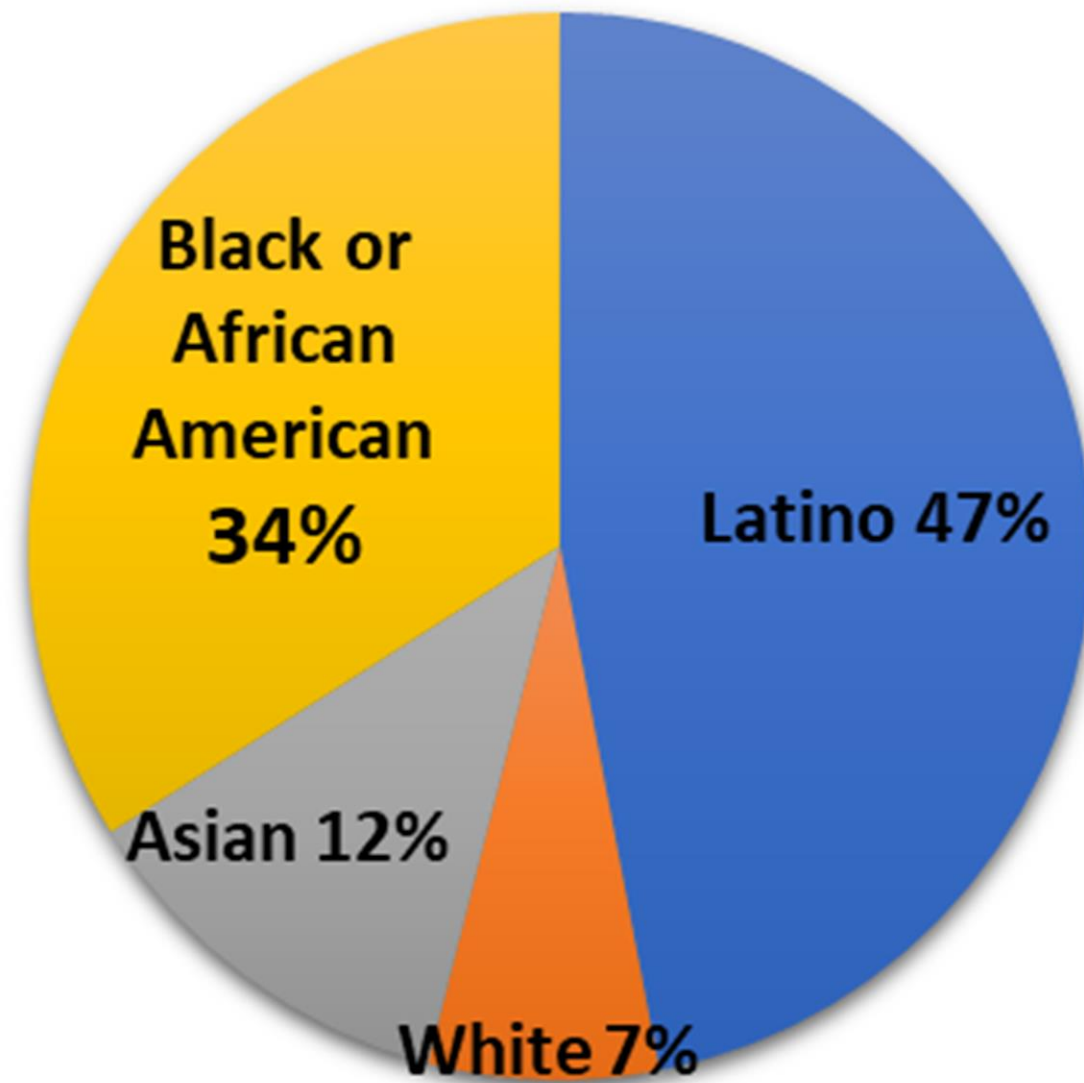
- Total of 280 Apartments
- 10 units designated for Permanent Supportive Housing Residents
- 56 units at 60% AMI (Area Median Income) or below
- 140 units at 80% or below
- 84 units that are unrestricted



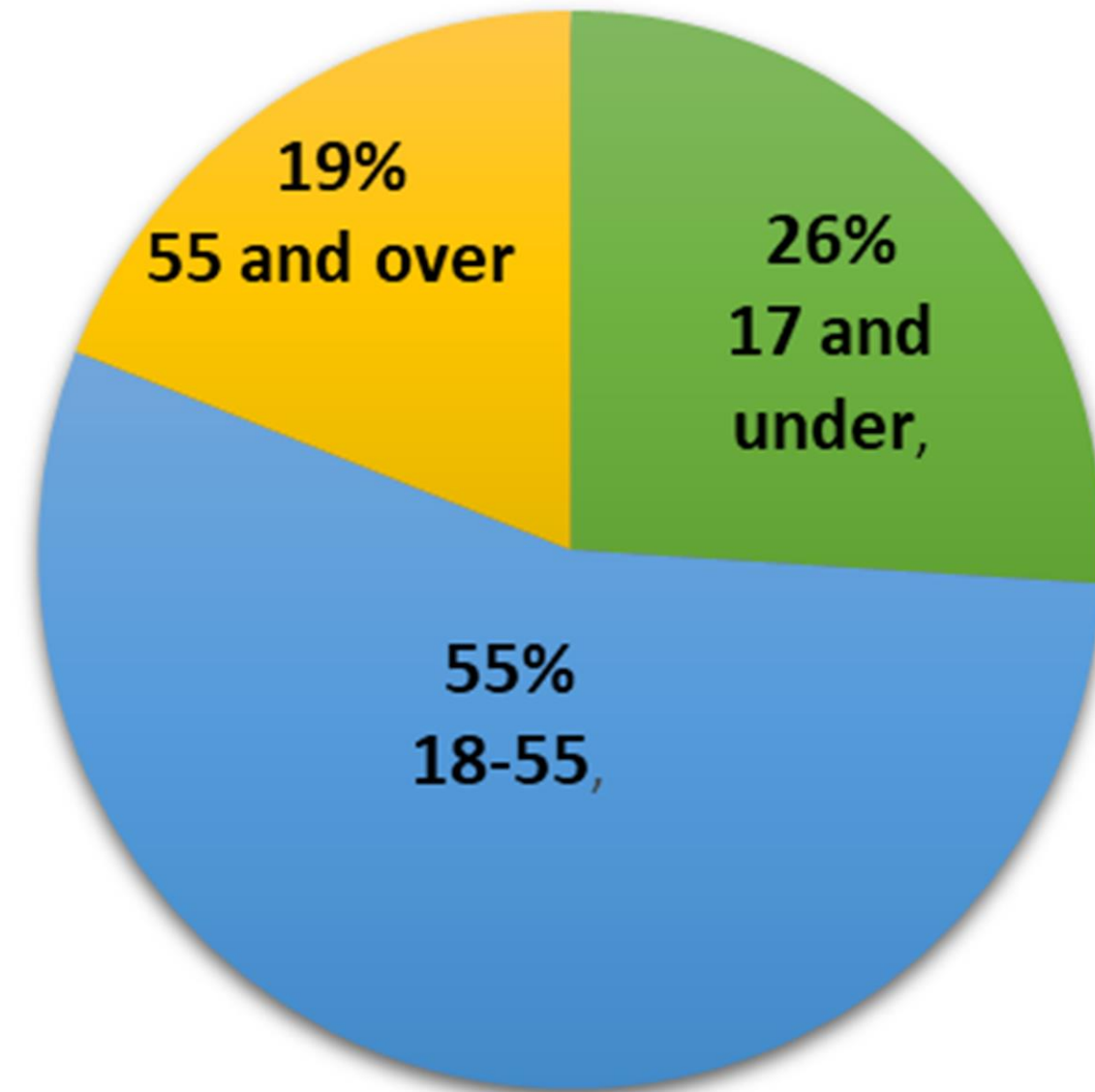
95% of apartments at Serrano are occupied

The Serrano Community

Race Demographics



Age Demographics



Resident Services & Support at Serrano

2 full-time tenured Resident Services staff

Rent assistance of \$1,000,000

Service navigation and referrals

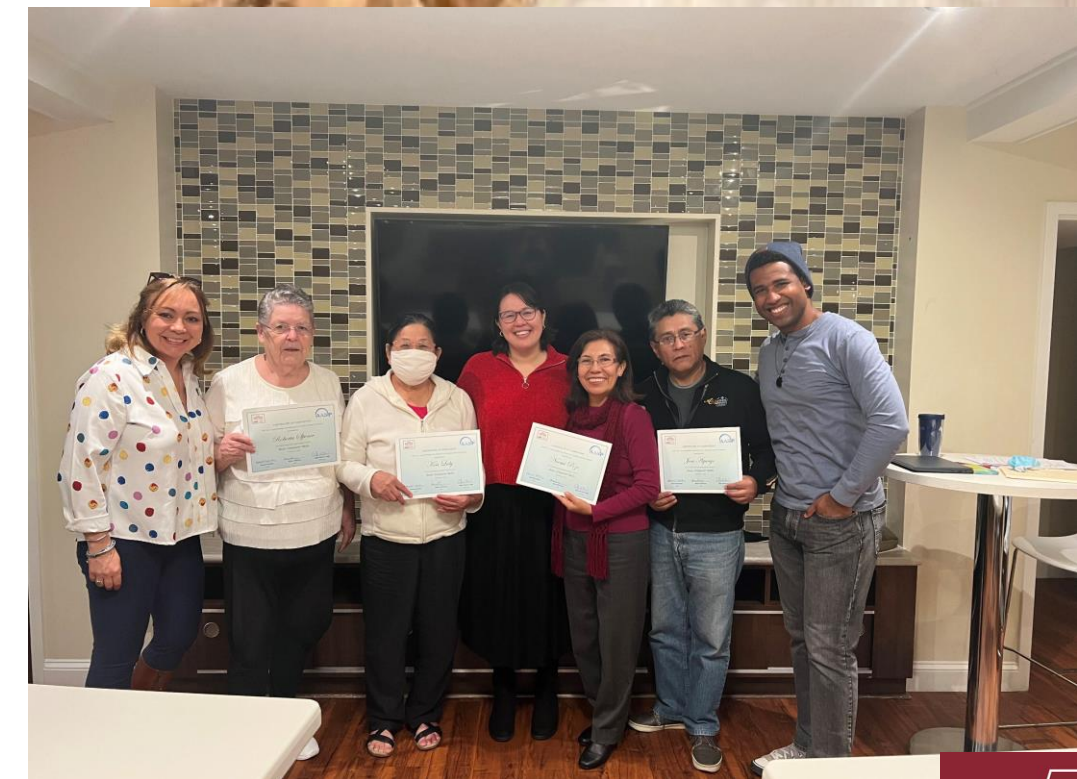
Produce distributions, AFAC referrals

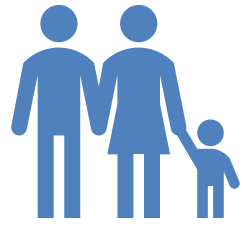
Senior bingo, arts & crafts, computer classes

Financial workshops in English & Spanish

School supply, coat distributions, holiday programs

Community engagement events





Community Feedback

- Survey open Dec. 1, '22 - Jan 6, '23
- Anonymous
- In English & Spanish
- 87 responses

How satisfied are you living at Serrano?

- 81% of respondents satisfied
- 14% neutral
- 5% dissatisfied



Brief History of the Serrano

- **2014:** Acquired by AHC
 - Older, 1960s building; kept large, affordable property in Arlington
- **2017:** Two major fires
 - Feb: kitchen fire - \$1.4 million and Aug: arson \$1 million
- **2014-2019:** \$4.7 million improvements
 - New roof, boiler, chiller; trash removal infrastructure
- **2019:** Acute maintenance and property issues uncovered
- **2020-2021:** COVID-19 Pandemic
 - Deferred maintenance except emergencies
 - Pivoted to essential services: rental assistance, food, vaccinations, etc.
- **2021-2022:** New property management + leadership changes

2023: What We've Heard – Major Themes

- Heat and Water Interruptions
- Elevator Outages
- Communication & Customer Service Concerns

Water & Heat

Issues

- Old building with inefficient systems and configurations
- Routine maintenance often more complicated as a result
 - If convectors need repair or replacement, water often affected
 - Multiple units impacted for 1 repair
- Dec. to Feb. - four heat outages
- Affecting ~7 apartments
- Total of ~10 hours
- Some confusion with heat/cold settings in the new convector units

Actions

- Heaters available to residents if necessary, during outages
 - Pending length of shut-off time and outdoor temperature
- Most water/heat repairs planned on Wednesdays, unless an emergency
 - More predictable, fewer people home
- Water available (and portable toilets) for extended water outages
- Advance communication with residents
- Coming: More valve installations to better isolate repairs

Elevators

Issues

- Significant issues in building 5539, starting in November 2022
 - Difficulty accessing parts
 - One of two elevators working
- In late December, both elevators not working (for ~6 days)
- In late December, one elevator repaired with new equipment
- Second elevator repaired early January, when new equipment was available
- Additional troubleshooting, and resolution, in mid-January

Actions

- Escalated issues with Otis Elevator (new elevator company)
- Proactive collaboration with Arlington County inspection division
- Extensive communication with residents: door notices, emails, text messages
- Property management hired outside company to help carry groceries, deliver food, transport goods & packages
- Check-ins with elderly, those needing help
- Maintenance program began (as part of new Otis contract) at end of January
- \$50 gift card for all homes in building 5539, to acknowledge impact

Communications & Customer Service

- Guide to reporting concerns, multiple languages
 - Plus: Drucker + Falk (D+F) Cares line
- Messages in English, Spanish
- Variety of channels
 - Email, text, door-to-door written
 - Messages in English, Spanish
- Advocates have direct communication line with AHC leadership
- Introduced Trauma-Informed training
- Inclusion and diversity training for site staff
- Swift response on issues raised
- Staff changes onsite as necessary
- Experienced Resident Services team and D+F office staff

GUIDE TO REPORTING CONCERNS FOR AHC

<p>To report concerns and feedback, you should:</p> <ul style="list-style-type: none"> Contact the leasing office to report concerns - by phone, in person or through the resident portal or email (see contact list on the backside) To report after hours and weekend maintenance related emergencies call your leasing office and follow prompts for emergency response. For threatening emergencies, call 911. 		<p>If not resolved, you can escalate your concerns by:</p> <p>Contact the appropriate regional manager below and copy AHC rep for issues that have not been addressed in a reasonable time frame. Include the following information:</p> <ul style="list-style-type: none"> your name & the name of your apartment community. summary of issue, including dates & initial response. <p>Or Contact AHC's resident feedback number: 703.271.8425.</p>
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REGIONAL MANAGERS

<p>Gates of Ballston, Jackson Crossing, St. James Plaza, Westover/The Ashtons (out of Westover) Virginia Gardens/Taylor Square (out of Virginia Gardens) Patty Dalton pdalton@harborg.com</p>	<p>Spectrum, Serrano, Carousel Court and Frederick/Woodbury Park Sabrina Gendreau sgendreau@druckerandfalk.com 877.385.1878 D+F Cares Line</p>
<p>Arbor Heights/ The Shell(out of The Shell) Apex, Fort Henry Gardens, The Shelton/The Macedonia (out of the Shelton) Hunter's Park, Key Gardens/Harvey Hall(out of Harvey Hall), The Spire Alba Farquhar afarquhar@harborg.com</p>	<p>Arlington View Terrace, Colonial Village West, Ballston Park, Jordan, Key Boulevard Janice L. Haub jhaub@paradigmcos.com</p> <p>call leasing office and follow prompt to resident relations or email residentrelations@paradigmcos.com</p>

757.640.0800 Harbor Group Corporate

KEEP US INFORMED! CONTACT US OR COPY US ON YOUR EMAIL

<p>Jennifer Endo Vice President of Community Relations jennifer.endo@ahcinc.org 703.486.0626 x1131</p>		<p>Roxana Hernandez Asst Dir of Community Engagement roxana.hernandez@ahcinc.org 571.686.1146</p>
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2022-23: What We've Done

- New laundry equipment & flooring
- Exterior light repairs
- Landscaping improvements, new company
- Exterior lighting audit & repairs
- Added ADA parking spaces, new parking signage
- Added all-new hardware to stairwell doors
- New secure drop boxes for outgoing mail and rent checks
- Repaired equipment, reopened fitness center



Completed all balcony repairs

1,184 work orders
completed since 11/2022

30 pending (as of 2/28/23)



Lockers installed for packages

2022-23: What We've Done

100% inspections recently completed

- Majority of units in good shape
- Exhaust system needs repair (to improve ventilation in lower units)
- ~20-30 units need additional work/repairs (moisture, stains, tub/tile refinishing, etc.)
- Pest control improved; still a focus
- Electric panel door repairs in units
- 8 units remain to be inspected
- Extremely positive comments from residents

Renewed focus on asset management, portfolio-wide

2023 Plans at Serrano

- Cameras and FOB entry system upgrades
- Building new children's play area, near the pool
- Pool deck resurfacing; new pool furniture
- Isolation valve work and replacement
- Exhaust system duct cleaning & service for each unit (bathrooms, kitchens)
- Additional elevator repairs & maintenance
- Front entry door replacements
- Continue feedback opportunities/events/meetings

Investments in the Serrano Community

	2022 Actual	2023 Budget
<p>Maintenance & Contracts</p> <p>Upkeep of the units and common areas: landscaping, pool, security, cleaning services, electrical, plumbing, elevator maintenance/repairs, interior and exterior building maintenance, flooring repair, exterminating, heating and cooling, tub resurfacing, etc.</p>	\$472,000	\$504,000
<p>Capital Expenditures</p> <p>Kitchen and bathroom upgrades, heating system replacements, replacing appliances, flooring replacements, interior repairs, plumbing and electrical replacements and upgrades, and other renovations to the physical plant</p>	\$1,518,000	\$2,616,000

Note: Recent elevator repairs/new equipment - \$112,000



The Future of Serrano

Purchased in 2014

- Loan matures 2024
- Must be refinanced in Fall 2024
- In tandem, work on renovation and/or redevelopment

The Future of Serrano – Broad Options

Option 1A: Renovate	Option 1B: Renovate +	Option 2A: Rebuild & Renovate	Option 2B: Full rebuild
<ul style="list-style-type: none"> ▪ Full-scale renovation ▪ Replace major mechanical systems ▪ 280 units & common areas ▪ Building envelope, structural enhancements 	<ul style="list-style-type: none"> ▪ Same as Option 1A ▪ Plus: Reconfigure to add ~50 more units ▪ Portion of larger, family-sized units become smaller ▪ Requires rezoning, for added density 	<ul style="list-style-type: none"> ▪ Fully renovate one building (140 units) ▪ Completely rebuild a second building(s) ▪ Potential to gain 150+ more units (over current 280), possibly through multiple buildings 	<ul style="list-style-type: none"> ▪ Full redevelopment entire site ▪ Potential to double or triple number of units ▪ Massing, zoning & form-based code considerations

Moving Forward

Considerations

- Construction costs
- Interest rates & economic climate
- Ability to cover existing debt
- **Access to financing**²⁰

Actions

- Continue research on options
- Gather community input
- Narrow feasible options
- In tandem, pursue property refinance in 2024

Thank You

Our resident-centered commitments

- Build and preserve quality, comfortable homes for neighbors living at lower incomes
- Serve 20,000 individual residents across the region
- Adapt services & programs to meet residents' needs
- Build community & raise resident voice
- Develop strong partners who share our values, including third-party property management
- Partner with localities and like-minded organizations to create innovative affordable housing solutions

