



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center
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OFFICE OF PUBLIC AND INDIAN HOUSING

October 29, 2020

Mr. Keith Pettigrew
Chief Executive Officer
Alexandria Redevelopment & Housing Authority
401 Wythe Street
Alexandria, VA 22314-1915

Dear Mr. Pettigrew:

The Special Applications Center (SAC) of the U.S. Department of Housing and Urban Development (HUD) has reviewed the Alexandria Redevelopment & Housing Authority's (ARHA) application for the disposition of 1 dwelling building containing 170 units and 0.89 acres of underlying land (the property). This property was developed, acquired, or assisted by ARHA with funds under the U.S. Housing Act of 1937 (the Act) and is under Ladrey Building, VA004000001 in HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) system. HUD received this application DDA0009858 on May 20, 2020 via the IMS/PIC system. In accordance with 24 CFR 970.9(a)(17), supplemental information was received through October 28, 2020.

Environmental Review

The RE made a determination that the project or activity converted to exempt under 24 CFR 58.34(a)(12), because the project or activity is categorically excluded under 24 CFR 58.35(a)(X) and there are no circumstances requiring compliance with any of the related federal environmental laws and authorities at Part 58.5. The HUD Washington DC Field Office of Public Housing (Field Office) accepts this determination.

Civil Rights Compliance Review

HUD's Office of Fair Housing and Equal Opportunity (FHEO) monitors PHA compliance with civil rights requirements through or in connection with HUD programs, including Section 18 disposition. Civil rights requirements include, but are not limited to, those outlined at 24 CFR 5.105(a), Title VI of the Civil Rights Act of 1964 and its implementing regulations at 24 CFR part 1, Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR part 8, as well as Titles II and III of the Americans with Disabilities Act, and Executive Order 11063 and its implementing regulations at 24 CFR part 107. On November 29, 2019, the Philadelphia HUD Office of FHEO provided a memorandum to the SAC indicating it had reviewed this application and had no objection to SAC approving this application.

PHA Plan

Public Housing Authorities (PHAs) must include proposed dispositions in a PHA Annual Plan, Significant Amendment or MTW Annual Plan. ARHA submitted a Significant Amendment to its Annual Plan to the HUD Washington DC Field Office on May 30, 2019, which includes a description of the proposed disposition at the property. The HUD Washington DC Field Office approved the significant amendment on July 12, 2019, which includes a description of the proposed disposition action at the property.

Previous Removals at the Development

ARHA has not received any previous HUD approvals for removing property from the subject development.

Description of Proposed Disposition

ARHA proposes the disposition of 1 dwelling building containing 170 units and 0.89 acres of underlying land at Ladrey Building, VA004000001. Details of the proposed disposition are as follows:

Ladrey Building, VA004000001						
DOFA: 8/31/1978						
Bedroom Size	0-BR	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	60	110	0	0	0	170
Proposed Units	60	110	0	0	0	170
Number of Dwelling Buildings Existing						1
Number of Dwelling Buildings Proposed						1
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments						754
Existing Land				0.89 Acres		
Proposed Land				0.89 Acres		

Disposition Justification, Valuation, and Method of Sale

ARHA proposed the disposition based on the best interests of PHA and residents and consistent with PHA Plan and 1937 Act and has justified the disposition of the property in accordance with the specific criteria of 24 CFR 970.17(c) and PIH Notice 2018-04.

The building proposed for disposition is obsolete as to physical condition making it unsuitable for housing purposes, and no reasonable program of modifications is cost-effective to return the building to useful life. The application indicates that ARHA proposes to dispose of 170 units at Ladrey, a public housing building built in 1969. ARHA has demonstrate that due to the substantial physical problems at the building caused by critical structural issues, deficiencies in major systems and deterioration due in part to prolonged deferred maintenance, the cost to repair the building with existing funding is prohibitive.

ARHA will convey the property to Virginia Housing Development, LLC, ARHA's nonprofit affiliate, to facilitate rehabilitation of the building. ARHA anticipates financial closing

and commencement of rehabilitation to occur within 12-18 months of approval. ARHA has confirmed that all units will meet housing quality standards (HQS) prior to rehabilitation and will not attach project-based vouchers (PBV) to the units prior to financial closing. After renovation, the building will continue to serve low-income households utilizing PBV subsidy.

The Total Development Cost (TDC) limit for the units proposed for demolition is calculated below. The Department used the TDC applicable at the time of submission of this demolition application.

TDC per Notice PIH-2018-04; Year: 2019			
Type of Structure:			
Elevator			
Area: Alexandria, VA			
Bedroom Size	Number of Unit	TDC/Unit	Total Cost
0-BR	60	\$137,357	\$8,241,420
1-BR	110	\$192,299	\$21,152,890
TOTAL	170		\$29,394,310

ARHA initially provided an estimate of itemized rehabilitation costs, based upon the existing conditions of the units, which is included in Exhibit - A at the end of this document. SAC made some adjustments to the items and amounts included, which are also shown on Exhibit – A. ARHA originally estimated a total of \$30,179,029 in rehabilitation costs. After the SAC adjustments, rehabilitation is estimated to cost \$18,998,817 which is 64.63% of the TDC limit.

In accordance with 24 CFR 970.19(d), ARHA proposed a valuation of the property in the form of a tax assessor’s opinion performed by the City of Alexandria Office of Real Estate Assessments. The estimated value is \$19,178,731. A copy of the valuation was included in the application. HUD accepts this method of as a reasonable valuation of the property.

ARHA proposes disposition of 1 dwelling building, containing 170 units and 0.89 acres of underlying land pursuant to 24 CFR 970.17(c). ARHA proposes to dispose of the property via negotiated sale at less than Fair Market Value (FMV) to Virginia Housing Development, LLC (VHD), ARHA’s nonprofit affiliate, for the nominal amount of \$10.00 per year plus 40 percent of net cash flow. Due to the nominal amount being paid, ARHA effectively will not receive any disposition proceeds.

Commensurate Public Benefits

In accordance with 24 CFR 970.19(d), HUD may authorize a PHA to dispose of property at less than FMV (where permitted by state law) based on a commensurate public benefit to the community, the PHA, or the federal government. HUD determines commensurate public benefit on a case-by-case basis. In its application, ARHA requested that HUD find a commensurate public benefit because the ARHA proposes to rehabilitate the building and maintain the building as low-income housing with PBV subsidy. The disposition will allow ARHA to renovate the units and the units will continue to provide a low-income housing resource to the community.

Relocation

When the application was developed and transmitted to the Department, 169 units proposed for disposition were occupied. ARHA certified in the application that it will comply with all applicable relocation requirements of 24 CFR 970.21 and will carry out and implement this removal action including relocation, in conformity with all applicable civil rights requirements. The housing resources offered will be project-based housing choice vouchers. ARHA plans to minimize disruption to residents by phasing rehabilitation by either floors (2 or more floors at a time) or by “stacks.” No residents will be permanently displaced and, to the greatest extent possible, ARHA will temporarily relocate residents within the building while their units are being renovated. In the event that temporary offsite relocation is necessary, ARHA will partner with a relocation firm to ensure that resident services are put in place early in the process, that housing resources are identified quickly, and that allocated resources are properly planned. The relocation firm will provide counseling and advisory services, as well as assistance with packing and storing of belongings, furnishing temporary units, coordination of utilities, transportation, and facilitating access to services. ARHA estimates relocation costs to be approximately \$1,020,000 and relocation costs will be allocated within the development budget.

Resident Consultation

24 CFR 970.9(a) requires that a PHA consult with residents who will be affected by a proposed disposition, any resident organizations for the development, PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). The PHA must also submit copies of any written comments submitted to the PHA and any evaluation that the PHA has made of the comments.

1. Project Specific Resident Organization: none
2. PHA-wide Resident Organization: none
3. Resident Advisory Board (RAB) in accordance with 24 CFR 903.13: RAB

24 CFR 970.9(a) requires that an application for disposition be developed in consultation with residents who will be affected by the proposed action, any resident organizations for the development, PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). The PHA must also submit copies of any written comments submitted to the PHA and any evaluation that the PHA has made of the comments.

The ARHA met with the RAB on April 30, 2019 to discuss the proposed disposition. ARHA conducted resident meetings on April 16, 17, 23, 29, and 30, 2019 to discuss the Ladrey disposition. The ARHA staff explained the action, answered any questions the residents had and explained the approval process that the action must undertake before any conversion could occur. The application included notifications, minutes, and sign in sheets for the meetings.

Offer for Sale to the Resident Organization

24 CFR 970.9(b) (1) of the regulation requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. ARHA has chosen not to provide an opportunity based on the exception found in 24 CFR 970.9(b)(3)(ii):

“A PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, mixed-finance housing under 24 CFR part 905 subpart F, or other types of low-income housing).”

HUD concurs with ARHA’s determination that it has complied with the requirements of 24 CFR 970.9.

Local Government Consultation and Board Resolution

As part of the consultation process, ARHA met with a joint session of the Mayor and City Council of Alexandria on May 2, 2019 to discuss the proposed disposition and respond to questions. Between May 2 and June 21, 2019, ARHA met with the mayor and invited each City Councilor for a briefing on ARHA’s repositioning activities and provided details on each of the properties. ARHA conducted a second joint meeting with the Mayor, City Council, and the ARHA Redevelopment Work Group on July 23, 2019, prior to application submission. As required by 24 CFR 970.7(a)(14), the application package includes a letter of support from the Honorable Justin M. Wilson, Mayor of the City of Alexandria, dated June 25, 2019. The last resident consultation was on April 30, 2019. As required by 24 CFR 970.7(a)(13), ARHA’s Board of Commissioners approved the submission of the disposition application for the proposed property on June 26, 2019, via Resolution Number 676-2019.

Energy Performance Contracting

ARHA does not have an approved Energy Performance Contracting (EPC).

Capital Fund Financing Program (CFFP)

As of October 28, 2020, ARHA did not have HUD approval of a Capital Fund Financing Program (CFFP) proposal.

Approval

HUD’s review of the application has determined that the proposed disposition is consistent with Section 18 of the 1937 Act the implementing regulations at 24 CFR part 970, and PIH Notice 2018-04. HUD hereby approves the application as summarized below:

Ladrey Building, VA00400001					
DOFA: 8/31/1978					
Approved for Disposition: 1 Dwelling Building, Units: 170; Acres: 0.89					
		Less than 80% of Area Median Income			
Total Number of units to be Preserved on Property: 170_	ACC	Non-ACC	PBV	Market Rate	
Rental	-	-	170	-	
Name of Acquiring Entity (Rental Units)	Virginia Housing Development, LLC				
Method of Disposition	99-year Ground lease at less than Fair Market Value				
Lease Price	\$10.00 per year				
Commensurate Public Benefit	Renovation and preservation of low-income housing				

Conditions

- ARHA will apply for TPVs upon commencement of the resident relocation process (generally no sooner than 30-60 days from the planned start of relocation) before the property is conveyed pursuant to the timetable as identified under “**PIC and Monitoring – ARHA**” section.
- The HUD Washington DC Field Office, with concurrence from the HUD Office of the General Counsel (OGC), must approve all terms and conditions in the conveyance of real property, whether in whole or in part, described in this approval.
- ARHA shall ensure that 170 units at the property are converted to PBV and operated as affordable housing for low-income families with incomes at or below 80 percent of AMI for not less than 30 years.
- ARHA must ensure that all units meet HQS prior to attaching PBVs at financial closing.
- The long-term affordability must be specifically ensured through use agreement, ground lease or seller-financing notes and other legal mechanisms as determined by the HUD Washington DC Field Office. Such use restriction documents must be recorded in a first priority position against the properties, prior to any financing documents or other encumbrances, and remain in effect even in the event of default or foreclosure on the properties.
- Virginia Housing Development, LLC shall maintain ownership and operation of the property during the use restriction period. The owner shall not convey, sublease or transfer the property approved for this disposition without prior approval from ARHA and HUD at any point during the period of use restriction.
- The use restrictions shall be covenants that run with the land, and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof;

- Certain involuntary transfers of the property, such as to a secured lender upon default under the security documents, or pursuant to foreclosure, may occur, with the use restrictions surviving the transfer; and
- Any subsequent transfers shall require prior written approval from ARHA and HUD.
- ARHA is responsible for monitoring and ensuring the long-term affordability of the property under the Affordability Covenant.

Other Requirements

HUD reminds ARHA that pursuant to 24 CFR 970.21(c)(2), if any of the following types of federal financial assistance is used in connection with the disposition of public housing, the project is subject to section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(d) (as amended), including the relocation payment provisions and the anti-displacement provisions, which require that comparable replacement dwellings be provided within the community for the same number of occupants as could have been housed in the occupied and vacant, occupiable low- and moderate-income units converted to another use:

- Community Development Block Grant (CDBG) program, 42 U.S.C. 5301 et seq. (including loan guarantees under section 108 of the Housing and Community Development Act of 1974, 42 U.S.C. 5308 et seq.); or
- HOME program, 42 U.S.C. 12701 et seq.

Please contact the HUD Washington DC Field Office or your HUD Regional Relocation Specialist for additional guidance, if applicable.

Tenant Protection Vouchers (TPVs)

Applicable appropriations law and HUD guidance provide that PHAs may be eligible to receive TPVs for dispositions of public housing units that temporarily or permanently remove units from a PHA's public housing inventory and distinguishes TPVs into two classes:

- **Relocation TPVs:** HUD provides relocation TPVs in cases where the public housing units will be replaced in connection with the disposition. Relocation TPVs assist PHAs with relocating residents and must be offered to displaced residents. Relocation TPVs cannot be reissued by the PHA after the initial resident that received the TPV ends participation in the program. Based on current appropriations law and HUD policy, the maximum number of relocation TPVs that a PHA is eligible to receive is based occupancy of units on the day of the disposition approval. The PHA's maximum relocation TPV award identified below.
- **Replacement TPVs:** HUD provides replacement TPVs in cases where the public housing will not be replaced in connection with the disposition and become part of the PHA's permanent HCV program. Replacement TPVs must be used first to assist displaced residents. Any remaining replacement TPVs can then be issued to families on its waiting list and/or project-based in accordance with all applicable Section 8 rules. Based on current appropriations law and HUD policy, the maximum number of replacement TPVs that a PHA

is eligible to receive is currently based on units that were occupied within 24 months of day the disposition application is approved by HUD. A PHA's replacement TPV award will not change from the maximum award identified below unless its redevelopment plans change, and it decides to develop replacement public housing units in connection with the disposition. ARHA must keep HUD updated on any changes and submit a request to amend this approval if it's redevelopment plan change.

As of the date of this approval, 167 units are occupied and 2 units were occupied within the previous 24 months. ARHA does not intend to redevelop any public housing units at the property. Based on this, ARHA is eligible for maximum TPVs as follows:

Type of TPVs	Relocation TPVs	Replacement TPVs
Maximum TPV Award	0	169

HUD will not automatically issue TPVs to ARHA as part of this approval. Instead, ARHA must apply to HUD separately for TPVs in accordance with PIH Notice 2018-09 (or any successor notice). ARHA cannot submit the TPV request until it needs the TPVs for purposes of relocating the residents who will be displaced (generally no sooner than 30-60 days from the planned start of relocation). The timing of ARHA's TPV application submission and the start of relocation noted in this approval should be consistent.

As part of its TPVs request, ARHA must submit the following to the HUD Washington DC Field Office:

- a) The name and IMS/PIC application number of the public housing project in this disposition approval.
- b) The number of TPVs requested (subject to the limitations above);
- c) Form HUD-52515 (Voucher Funding Application). If lease-up will cover more than one calendar year, ARHA must submit a separate Form HUD-52515 for each calendar year;
- d) A leasing schedule that identifies the number of TPVs to be leased on a month-to-month basis. If lease-up will cover more than one calendar year, ARHA must submit separate leasing schedules for each calendar year; and
- e) A copy of this approval (PDF version - signed and dated).

The HUD Washington DC Field Office will conduct a threshold review of the TPV request prior to sending the request to HUD's Financial Management Center (FMC) for a final determination and processing. HUD's FMC will notify PHAs in writing of their final TPV award.

Operating Subsidy

Please be aware that in accordance with 24 CFR part 990 (or an MTW Agreement), the disposition of the property will affect ARHA's operating subsidy. Please contact the HUD Washington DC Field Office for additional guidance.

PIC and Monitoring - ARHA

In accordance with 24 CFR 970.7(a)(4), ARHA provided the following general timetable based on the number of days major actions will occur following approval of the application:

	Milestone	Number of Days after Approval
A	Begin relocation of residents	365
B	Complete relocation of residents	455
C	Execution of contract for removal (e.g. sales contract or demolition contract)	545
D	Actual Removal Action (e.g. demolition or sale closing)	545

- HUD recognizes that a PHA's plans to start relocation sometimes change. However, because the Department relies on this information to determine Operating Funds subsidy, PHAs are responsible for ensuring the days to relocation information in a SAC application is reasonably accurate. If days to relocation in a SAC application is not reasonably accurate, asset repositioning fee (ARF) payments under 24 CFR 990.190 may begin prematurely and a PHA may receive less Operating Fund subsidy than it otherwise would be entitled to receive. A PHA may even find itself in a situation where it is operating public housing units without any Operating Fund subsidy. Therefore, it is essential that PHAs make timely requests to the Department for any necessary modifications to the days to relocation in a SAC application. Note that after the Operating Fund subsidy revisions deadline in the first year of ARF eligibility, no further changes to the days to relocation in an approved SAC application or HUD-52723 can be made.
- If ARHA becomes aware that the days to begin relocation information (noted in Field A above table - Begin relocation of residents) is not reasonably accurate, ARHA must send an email to the Director of HUD Washington DC Field Office within five business days, with a copy to the HUD PIH staff member assigned to the PHA using the following Subject "*PHA Code, SAC application DDA Number, Modification to Days to Relocation*". ARHA must include the new estimated number for the days to relocation, along with a brief explanation of the reason for the modification. HUD Washington DC Field Office will review the request to ensure it is reasonable/it has no information that is inconsistent with the request (e.g. information from residents that relocation has started) and that the new estimated days to relocation is not past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility. If ARHA's request is acceptable, SAC will modify the days to relocation in the SAC application in IMS/PIC and email the PHA notifying it that it has made the change. SAC processes these modifications as technical corrections and will not issue a formal written amendment to this approval. If ARHA's request is not acceptable (e.g. the requested new days to relocation is past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility), Washington DC Field Office will deny the request in writing. ARHA must keep adequate records of all relocations (including actual relocation start dates) for purposes of HUD monitoring.

- In accordance with 24 CFR 970.35 of the regulation, your agency is required to inform the HUD Washington DC Field Office of the status of the project (i.e., delays, actual disposition, modification requests or other problems). Within seven days of disposition completion, ARHA must enter the “actual” dates of disposition, directly into the IMS/PIC data system, Inventory Removals sub-module under “Removed from Inventory” tab for the HUD Washington DC Field Office approval, using the following procedure:
 - On the screen, select the appropriate "Development Number", then select "Add Transaction". On the next screen, select the appropriate "Application Number" from the drop-down menu. In the "Action/Closing Date" box, enter the removal date. If the properties in an application were removed on multiple dates, a separate transaction is needed for each action date. The remaining steps are as applicable.
 - If removal is by building(s), use “Remove Residential Inventory By Building” section, select the appropriate building(s) available in the "Complete Buildings Available" box and transfer them to the "Proposed Buildings" box.
 - For removal of some units in a building, use “Remove Residential Inventory By Unit” section. To select the appropriate unit(s) available, use the drop-down "Select the building number" box which populates the "Units Available" box. Transfer the appropriate units to the "Proposed Units" box.
 - For removal of land and non-dwelling buildings without PIC building numbers, use “Remove Non-Residential Inventory” section. Fill in the number of acres and non-dwelling buildings without PIC building numbers.
 - Save the information using the "Save" button. The status of this information is then displayed as "Draft."
 - ARHA supervisory staff submits the information to ARHA Executive Director, or the designated final reviewer at ARHA, using the Submission sub tab. The status becomes "Submitted for Review".
 - ARHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status.
 - If the submission is rejected by HUD, ARHA may modify the information by repeating the previous procedure. If the transaction is rejected, the status becomes "Rejected." If the HUD Washington DC Field Office approves the transaction, the status in IMS/PIC permanently changes to "Removed from Inventory (RMI)".
- When the disposition is completed in its entirety, please submit a report to the HUD Washington DC Field Office confirming the action and certifying compliance with all applicable requirements. Auditable financial statements, expenditures and files for each transaction relative to the action must be maintained, available upon request and forwarded with the final report.
- ARHA must retain records of the SAC application and its implementing actions of HUD’s approval of this SAC application for a period of not less than three years following the last required action of HUD’s approval.
- ARHA is responsible for monitoring and enforcing use restrictions identified under “**Conditions**” section during the period they are in effect.

PIC and Monitoring – Field Office

In accordance with 24 CFR 970.35 of the regulation, ARHA is required to inform the HUD Washington DC Field Office of the status of the project (i.e., delays, actual disposition, modification requests or other problems). It is the HUD Washington DC Field Office's responsibility to monitor this activity based on its latest risk assessment.

The HUD Washington DC Field Office must review the relocation change request submitted by ARHA, within 10 business days, to ensure it is reasonable/it has no information that is inconsistent with the request (e.g. information from residents that relocation has started) and that the new estimated days to relocation is not past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility.

- If ARHA's request is not acceptable (e.g. the requested new days to relocation is past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility), the HUD Washington DC Field Office will deny the request in writing.
- If ARHA's request is acceptable, notify SACTA@hud.gov via an email. The SAC will modify the days to relocation in the SAC application in IMS/PIC and email ARHA notifying that change has been made.

The HUD Washington DC Field Office must verify that the actual removal data is entered in IMS/PIC by ARHA within seven days of disposition to ensure the Department is not overpaying operating subsidy and the Capital Fund formula data is correct.

- When ARHA submits an Inventory Removal action in IMS/PIC, the HUD Washington DC Field Office will be notified seeking inventory removal approval via a PIC system generated email to the HUD Washington DC Field Office designated PIC coach or another person. Below is a sample notification email:

“Subject: Inventory Removal Submittal Notification (HA code) Inventory removals have been submitted for approval by your office on [submission date] by [HA Code].”
- When the above email is received, the HUD Washington DC Field Office is responsible for the review and approval or rejection of ARHA's Inventory Removal submission within seven days.
- The HUD Washington DC Field Office will conduct a threshold review of the TPV request prior to sending the request to HUD's Financial Management Center (FMC) for a final determination and processing.
- The HUD Washington DC Field Office, with concurrence from the HUD Office of the General Counsel (OGC) must approve the evidentiary documents, terms and conditions in the conveyance of real property, whether in whole or in part, described in this approval. If there are previous land and/or use agreements or encumbrances, other than the Declaration of Trust (DOT), disposition approval and release of the DOT does not circumvent or supersede those obligations.

When an amendment to this approval needed, PHAs must comply with all material terms of the SAC application. If after receiving HUD approval, a PHA's plan changes on material terms, SAC approval of the change is required. Material terms include (i) method of disposition;

(ii) public bid sale where offer is less than 80 percent of FMV appraisal submitted in the SAC application. PHA's request for change in FMV, must include narratives on its due diligence in offering the public housing property for sale on the open and competitive market and its rationale for accepting an offer that is less than 80 percent of appraised FMV. Alternatively, the PHA may submit an updated appraisal); (iii) terms of commensurate public benefit disposition (the PHA must describe the revised future use of the property so HUD can confirm the commensurate public benefit); and (iv) use of proceeds. PHAs request amendments by sending an email to SACTA@hud.gov with the information noted above and a board resolution approving the change. On a case-by-case basis, SAC may require additional supporting documentation to support an amendment (e.g., evidence of local government and/or resident consultation; confirmation of environmental clearance etc.).

The HUD Washington DC Field Office has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition. As ARHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, please contact the SAC at SACTA@hud.gov. As always, my staff and I are available to assist you in any way possible.

Sincerely,

Jane B. Hornstein
Director

cc: Washington DC Field Office
Enclosure

Replacement Reserves Report

4/1/2020

Location Name	Cost Description	Lifespan (EUL)	EAge	RUL	Quantity	Unit	Unit Cost *	Estimated Subtotal	RS Means Reference Number	2020	SAC Unit Cost	SAC Total Cost	SAC Comments
Ladrey High-Rise / Appliances	Commercial Kitchen, Refrigerator, 1-Door Reach-In, Replace	15	13	2	1	EA	\$2,515.00	\$2,515		\$2,500		\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Garbage Disposal, Replace	10	8	2	170	EA	\$295.00	\$50,150				\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Refrigerator, 14-18 CF, Replace	15	13	2	93	EA	\$956.04	\$88,912				\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Range, Electric, Replace	15	12	3	1	EA	\$665.09	\$665				\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Range, Gas, Replace	15	12	3	94	EA	\$768.11	\$72,202				\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Refrigerator, 14-18 CF, Replace	15	12	3	94	EA	\$956.04	\$89,868				\$0	No appliances
Ladrey High-Rise / Appliances	Residential Appliances, Range, Gas, Replace	15	12	3	94	EA	\$768.11	\$72,202				\$0	No appliances
Ladrey High-Rise / Building	Exterior Wall, Brick or Brick Veneer, 3+ Stories, Repoint	25	23	2	1190	SF	\$45.45	\$54,084	40120200300.00	\$54,000		\$54,000	
Ladrey High-Rise / Building	Window, SF, Replace	30	28	2	40	EA	\$3,472.74	\$138,910	85123201600.00	\$138,000		\$138,000	
Ladrey High-Rise / Building	Window, SF, Replace	30	28	2	640	EA	\$870.45	\$557,088	85123201600.00	\$557,000		\$557,000	
Ladrey High-Rise / Building	Exterior Door, Fully-Glazed Aluminum-Framed Sliding Motor-Operated, Replace	30	28	2	1	EA	\$11,307.69	\$11,308	84126100050.00	\$11,300		\$11,300	
Ladrey High-Rise / Building	Exterior Door, Fully-Glazed Aluminum-Framed Swinging, Replace	30	28	2	13	EA	\$2,106.57	\$27,385	81163230010.00	\$27,000		\$27,000	
Ladrey High-Rise / Building	Exterior Door, Steel Insulated, Replace	25	23	2	20	EA	\$1,577.53	\$31,551	84313100240.00	\$31,500		\$31,500	
Ladrey High-Rise / Building	Roof, Single-Ply EPDM Membrane, Replace	20	9	11	600	SF	\$10.52	\$6,312	73113000000.00			\$0	
Ladrey High-Rise / Building	Interior Door, Bi-Fold, Replace	15	13	2	80	EA	\$762.99	\$61,039	81433202700.00	\$61,000		\$61,000	
Ladrey High-Rise / Building	Interior Door, Fully-Glazed Aluminum-Framed Sliding, Replace	25	23	2	1	EA	\$2,334.31	\$2,334	84126100050.00	\$2,300		\$2,300	
Ladrey High-Rise / Building	Interior Door, Steel, Replace	25	23	2	150	EA	\$950.12	\$142,518	84313100240.00	\$14,000		\$142,518	
Ladrey High-Rise / Building	Interior Door, Wood Hollow-Core, Replace	20	18	2	240	EA	\$596.52	\$143,165	81416090214.00	\$140,000		\$140,000	
Ladrey High-Rise / Building	Interior Door, Bi-Fold, Replace	15	13	2	530	EA	\$762.99	\$404,385	81433202700.00	\$40,000		\$404,385	
Ladrey High-Rise / Building	Toilet Partitions, Metal, Replace	20	18	2	6	EA	\$850.00	\$5,100		\$5,100		\$5,100	
Ladrey High-Rise / Building	Interior Wall Finish, Ceramic Tile, Replace	25	23	2	400	SF	\$16.55	\$6,620	093113105400	\$6,600		\$6,600	
Ladrey High-Rise / Building	Interior Floor Finish, Vinyl Tile (VCT), Replace	15	13	2	104720	SF	\$4.80	\$502,656	96519190010.00	\$502,000		\$502,000	
Ladrey High-Rise / Building	Interior Floor Finish, Ceramic Tile, Replace	50	48	2	10000	SF	\$15.76	\$157,600	96519197150.00	\$157,600		\$157,600	
Ladrey High-Rise / Building	Interior Floor Finish, Carpet Residential-Grade Nylon, Replace	7	7	0	1000	SF	\$5.19	\$5,190	96519197150.00	\$5,100		\$5,100	
Ladrey High-Rise / Building	Interior Ceiling Finish, Suspended Acoustical Tile (ACT), Replace	20	18	2	25000	SF	\$3.11	\$77,750	95123101125.00	\$77,700		\$77,700	

There has not been an issue with commercial kitchen equipment in the past.

Ladrey High-Rise / Building	Elevator Controls, Automatic, 1 or 2 Car Cluster, Modernize	20	20	0	1 EA	\$11,547.25	\$11,547	142423102050, 142423102375, contractor pricing	\$11,500	\$11,500		
Ladrey High-Rise / Building	Elevator, Overhead Traction, 2000 to 5000 LB, 6-15 Floors, Replace	30	30	0	2 EA	\$694,980.00	\$1,389,960	142713103350, 142713103525	\$1,380,000	\$1,380,000		
Ladrey High-Rise / Building	Toilet, Flush Tank (Water Closet), Replace	20	19	1	170 EA	\$1,055.15	\$179,376	224113130400.00	\$179,000	\$179,000		
Ladrey High-Rise / Building	Urinal, Vitreous China, Replace	20	19	1	1 EA	\$1,193.44	\$1,193	224213163140.00	\$1,100	\$1,100		
Ladrey High-Rise / Building	Sink/Lavatory, Vitreous China, Replace	20	19	1	170 EA	\$861.51	\$146,457	123223308050.00	\$146,000	\$146,000		
Ladrey High-Rise / Building	Sink/Lavatory, Stainless Steel, Replace	20	19	1	170 EA	\$1,054.05	\$179,189	123223308050.00	\$179,000	\$179,000		
Ladrey High-Rise / Building	Bathtub & Shower Enclosure, Fiberglass, Replace	20	19	1	170 EA	\$1,785.27	\$303,496	224119104610.00	\$303,000	\$303,000		
Ladrey High-Rise / Building	Pump, 10 HP, Replace	20	18	2	2 EA	\$12,403.71	\$24,807	221123130500.00	\$24,800	\$24,800		
Ladrey High-Rise / Building	Water Heater, Gas, Commercial, 60 to 120 GAL, Replace	15	5	10	2 EA	\$10,698.82	\$21,398	223436136280.00		\$0		
Ladrey High-Rise / Building	Plumbing System, Domestic Supply & Sanitary, Multi-Family, Upgrade	40	51	0	130900 SF	\$29.46	\$3,856,052	024113382300, 221113741080	\$3,856,052.00	\$15.95	\$2,087,855	RS Means D2010 & D2020
Ladrey High-Rise / Building	Boiler, Dual Fuel, 2,001 to 20,000 MBH, Replace	30	28	2	2 EA	\$953,868.57	\$1,907,737	235223303080.00	\$1,900,000	\$1,900,000		
Ladrey High-Rise / Building	Condensing Unit/Heat Pump, Split System, 3 Ton, Replace	15	13	2	3 EA	\$3,578.67	\$10,736	236213100350.00	\$10,700	\$10,700		
Ladrey High-Rise / Building	HVAC System Hydronic Piping, 2-Pipe, Replace	30	51	0	130900 SF	\$6.50	\$850,850	235288104670.00	\$850,800	\$850,800		
Ladrey High-Rise / Building	Packaged Terminal Air Conditioner (PTAC), BTUH, Replace	10	8	2	340 EA	\$2,575.29	\$875,599	238119104500.00	\$875,000	\$875,000		
Ladrey High-Rise / Building	Fire Pump, 15 HP, Replace	20	18	2	1 EA	\$23,730.00	\$23,730	213113503100.00	\$23,000	\$23,000		
Ladrey High-Rise / Building	Electrical Distribution System, Multi-Family, Upgrade	40	48	0	63210 SF	\$28.96	\$1,830,559	261219100700, 261316100400, 260519350100, 260519250900, 260102204050	\$1,830,559	\$1,830,559		
Ladrey High-Rise / Building	Site Lighting Fixture, Wall Mount, 150 W, Replace with LED	20	18	2	4 EA	\$500.47	\$2,000	265113500910.00	\$2,000	\$2,000		
Ladrey High-Rise / Building	Lighting System, Interior, Multi-Family, Upgrade	25	25	0	130900 SF	\$4.73	\$619,157	260513100500, 265113500940, 262913309010, 265113100360,	\$619,000	\$619,000		
Ladrey High-Rise / Building	Fire Alarm System, Multi-Family, Upgrade	20	19	1	130900 SF	\$2.19	\$286,671	D50309100400	\$286,000	\$286,000		
Ladrey High-Rise / Building	Fire Alarm Control Panel, Addressable, Replace	15	13	2	1 EA	\$20,297.59	\$20,298	D50309100400	\$20,200	\$20,200		
Ladrey High-Rise / Building	Generator, Gas or Gasoline, 65 kW to 125 kW, Replace	25	23	2	1 EA	\$71,929.70	\$71,930	263213132300.00	\$71,000	\$71,000		
Ladrey High-Rise / Building	Trash Compactor, Trash Compactor, 600 LB, Replace	20	18	2	1 EA	\$11,751.07	\$11,751	118226101150.00	\$11,000	\$11,000		

Partial replacement of plumbing supply lines in apartment units as well as the replacement of sanitary lines. Not included in Down Unit Renovation Costs.

Existing Boiler Demo and Removal, install of new boiler, Install of additional gas piping, valves, additional HVAC piping for connection to new boiler, Testing Adjusting and Balancing

Distribution Panels Res, Switches, Electrical Cable, fittings and Hangers, Plugs, GFIs, Higher Amperage/Voltage Outlets, Lighting outlets, Demo and Labor

This will be all switches, a portion of any damaged branch wiring from the breaker box to the switches and switches to the light. Approximately 20% wiring. Not included in Down Unit Renovation Costs.

Ladrey High-Rise / Building	Kitchen Cabinet, Base and Wall Section, Wood, Replace	20	19	1	2080 LF	\$467.63	\$972,670	123223100800.00	\$970,000		\$970,000	
Ladrey High-Rise / Building	Kitchen Counter, Plastic Laminate, Postformed, Replace	10	9	1	2080 LF	\$43.90	\$91,312	123623130300.00	\$91,000		\$91,000	
Ladrey High-Rise / Building	Remediation, Environmental, Mold Remediation, Mold Remediation	0	19	0	1 EA	\$3,500.00	\$3,500	028516400030, 028516500320, 028516500550, 028533500250	\$3,500		\$3,500	
Ladrey High-Rise / Building	ADA, Parking, Designated Stall with Pavement Markings, Install	0	0	0	1 EA	\$400.00	\$400	321723141200, 321723141210	\$400		\$400	
Ladrey High-Rise / Building	ADA, Residential Unit, Living Area Renovations Only, Renovate	0	19	0	4 EA	\$8,900.00	\$35,600	8111610054, 96516108200, 230953105030, 260533161250, 123223100800, 224113130400, 224116131900, 22411904770, 102813131120, 102813139996, 87120600900	\$35,000		\$35,000	
Ladrey High-Rise / Building	ADA, Restroom, Lavatory Pipe Wraps, Install	0	19	0	10 EA	\$80.00	\$800	220719100245.00	\$800		\$800	
Ladrey High-Rise / Building	ADA, Site, Walkways, Curb Cut Ramp, Install	0	19	0	3 EA	\$1,900.00	\$5,700	024113175900 & 320610100450	\$5,700		\$5,700	
Ladrey High-Rise / ECMs	ECM, External Air Leakage In Residential Buildings, Control, Upgrade	15	15	0	130900 SF	\$0.71	\$92,808	79213101150.00	\$90,000		\$90,000	
Ladrey High-Rise / ECMs	ECM, Existing Linear Fluorescent Lamps, Replace	15	15	0	90 EA	\$56.66	\$5,099	265113700010.00	\$5,000		\$5,000	
Ladrey High-Rise / ECMs	ECM, Incandescent / Halogen / Compact Fluorescent Lamps, Replace	15	15	0	340 EA	\$199.28	\$67,756	265113700010.00	\$67,000		\$67,000	
Ladrey High-Rise / ECMs	ECM, Existing Motors With High Efficiency Motors, Replace	15	15	0	1 EA	\$4,776.00	\$4,776		\$4,000		\$4,000	
Ladrey High-Rise / ECMs	ECM, Low Flow Shower Heads, Install	10	10	0	170 EA	\$35.74	\$6,076	224123405500	\$6,000		\$6,000	
Ladrey High-Rise / Site	Hardscape and Landscape adjacent to building, Replace or Repair	5	3	2	12250 SF	\$0.38	\$4,655	320112661910	\$4,600		\$4,600	
Ladrey High-Rise / Site	Exterior, Handrails, Metal, Replace	25	23	2	660 LF	\$50.00	\$33,000	55213502050.00	\$33,000		\$33,000	
Totals, Unescalated									\$15,728,411		\$14,450,617	
Totals, Escalated (3.0% inflation, compounded annually)												\$0
Total Rehab									\$30,179,029			
Overhead	10.00%						\$ 33,196,931.68		O/P	\$1,080,051	10% of Sub-fee	
Bonds	7.00%						\$ 35,520,716.90		A/E	\$1,011,543	7%	
Insurance	5.00%						\$ 37,296,752.74		GC	\$722,531	5%	
Design Contingency	10.00%						\$ 41,026,428.02		Contingency	\$1,445,062	10%	
Local Taxes	2.00%						\$ 41,846,956.58		Admin fee	\$289,012	2%	
Grand Total									\$ 41,846,956.58	PNA	\$18,998,817	

Section 906 of IBC. A building, facility, or element that is altered shall comply with Sections 906, 705, and 806.