



Public Housing Redevelopment

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PHAC Work Session
July 12, 2021



Agenda

- Introductions
- Public Housing at a Glance
- Redevelopment Needs
- Recap Progress
- Developer Selection
- Financing Redevelopment of Public Housing
- Timeline



Chandler Housing Mission Statement

Work together with our community partners to maintain safe, decent and affordable housing for low-income individuals and families within our community.



Chandler Public Housing at a Glance

4 Family Multi-family sites:
163 units (one to five bedrooms)

1 Senior Multi-family site:
37 units (32 one- and 34 two-bedrooms)

Single-family scattered sites:
103 homes (mix of two- to five-bedrooms)



Proximity to Services and Amenities

Locations:

Site 1: 130 N. Hamilton

Site 2: 210 N. McQueen

Site 3: 73 S. Hamilton

Site 4: 660 S. Palm Ln

Site 5: 127 N. Kingston

Trails End: Vacant Land



Defining the Problem

Infrastructure Challenges in Public Housing

- Chandler's aging units - Built in 1972
- Major Capital Needs \$22M in next 20 years
- Significant Plumbing and Electrical Systems
- Replacement Repair/Maintenance costs increasing
- Properties are aging- reaching end of useful life



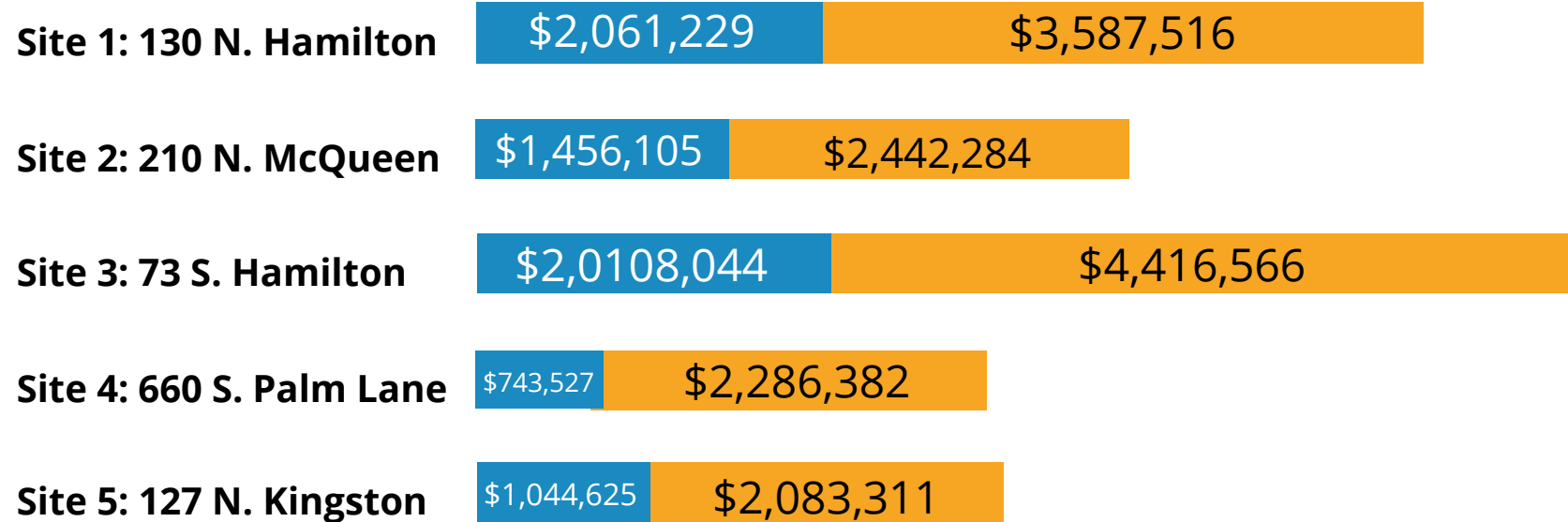
Interior Unit



Public Housing Capital Needs

Public Housing Capital Needs by Site

■ Short-Term Needs ■ Long-Term Needs

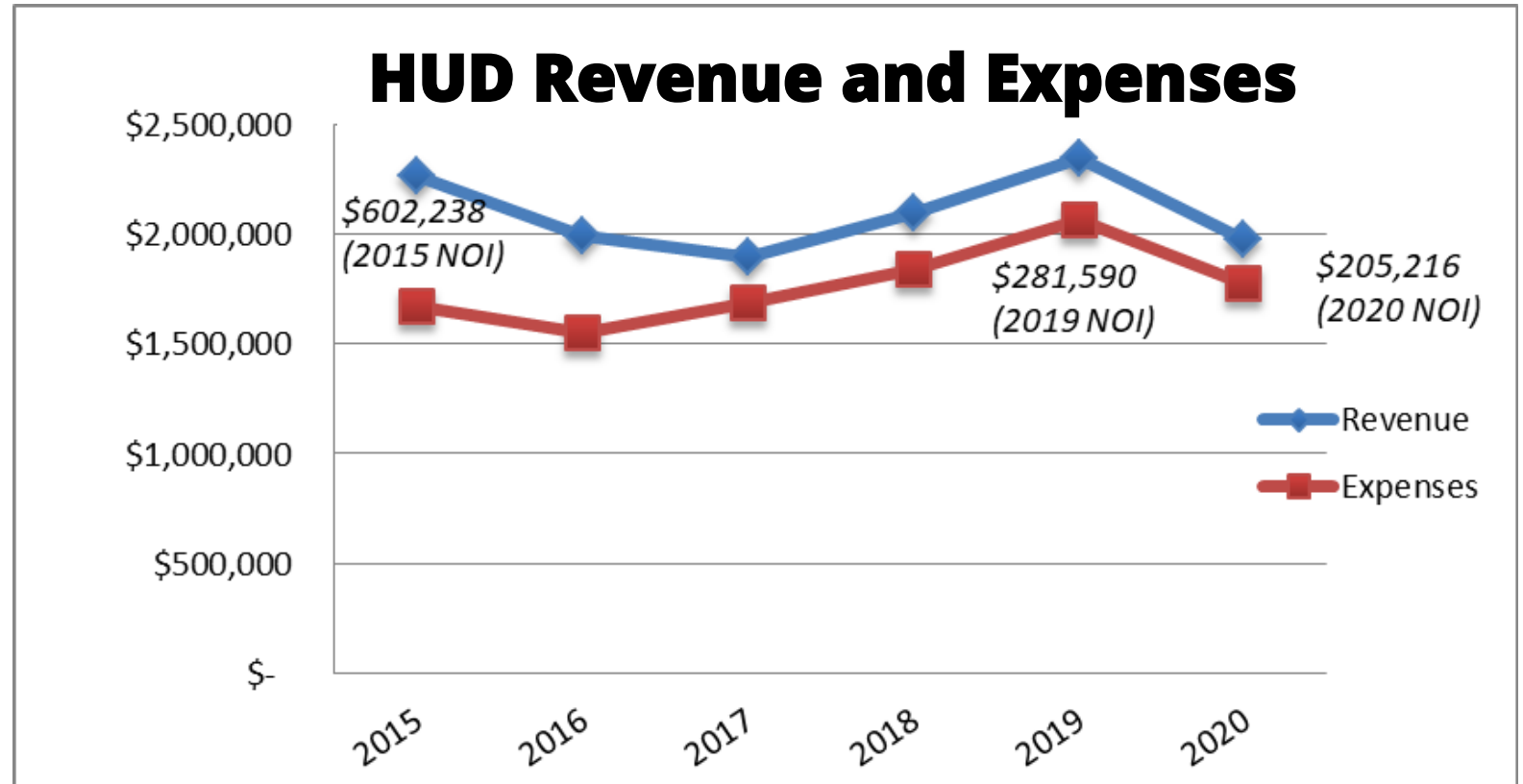


Chandler Housing
(20-Year Estimate)
\$22M Capital Needs*

Chandler Housing (20-Year Estimate)
\$14M Capital Funds*
(\$7.5M Deficit)

**Based on 2020
data*

Public Housing Financial Trend



Overall Portfolio Strategy

- Improve physical conditions
- Opportunities for Public/Private Development
- Secure improved access to affordable housing
- Reposition the portfolio for long term success
- Leverage Current Land Inventory
- Create Mixed-Use & Mixed-Income, Including Market Rate Housing
- Increase Housing Choice
- Earn Development Fees
- Increase Senior Housing Inventory



How Do We Meet Our Objectives?

Reposition Public Housing Through Rental Assistance Demonstration (RAD)

Unit is taken out of the Federal Public Housing inventory and converted from Public Housing (Section 9) to Section 8 assistance

Preserve affordable housing availability, using a project-based unit or Housing Choice Voucher



Benefits of Conversions

Avondale Public Housing Site
BEFORE



Avondale Public Housing Site
AFTER



Recap of Progress



- June 2019: RAD Consultant for Site Feasibility and Development Structure
- Oct. 7, 2019: PHAC RAD Work Session
- June 2020: Completed Capital Needs Assessment (CNA)
- Oct. 2020: Submitted Public Housing Five-Year Plan
- Oct. & Dec. 2020: Conducted Public Housing Resident Initial Meetings
- Sept 2020: Issued RFQE
- Dec. 2020: Issued RFP for RAD Developer(s)

City-Owned Vacant Land Trails End

Request for Proposal

- Located at 1032 E. Trails End
- Vacant Land (3.48 acres)
- New Construction
- Family or Senior Housing
- Resident Community Center
- Amenities



Request for Proposal

Public Housing | Site 3

- Located at 73 S. Hamilton
- Family and/or Senior Housing Project
- Currently 40 units (one to five bedroom units)
- 7.42 acres + additional land
- Demo/New Construction or Rehab
- Housing Youth Center



Site Selection For Phase I

Benefits the City | Trails End

Vacant City-Owned Land

- Preferred Family Site as First Phase
- Reduced Relocation Costs
- Move Public Housing Residents onsite
- Comply with General Plan and Area Plan
- Create Synergy and Resident Involvement





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About Gorman & Company

- 35 years of Affordable Housing and Community Development Experience
- 400+ people with a wide variety of experience
- Vertically integrated: Development, Architecture, Construction, Asset/Property Management
- Works closely with local governments and community groups to help communities meet their development, planning, economic and social goals

*Revitalizing
Communities
Through Innovative
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Gracie's Village | Tempe



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Lofts at McKinley Senior Housing | Phoenix



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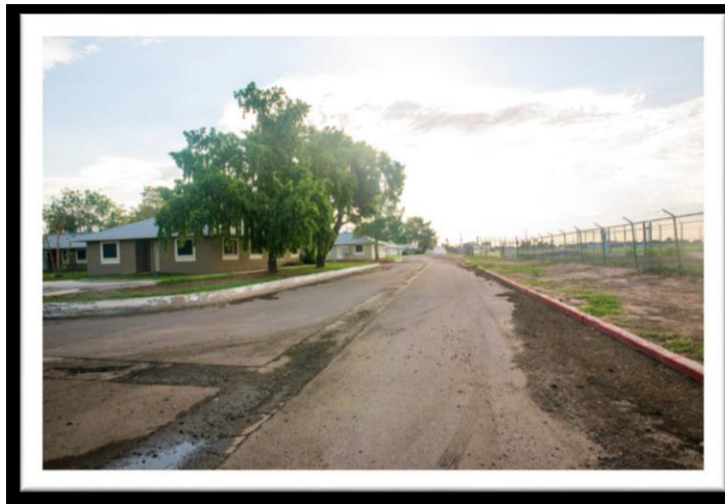
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Madison Heights RAD Conversion

BEFORE



AFTER



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Monroe Gardens RAD Conversion

BEFORE



AFTER

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Heritage at Surprise RAD Conversion



BEFORE

AFTER

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Escobedo at Verde Vista RAD Conversion

BEFORE



AFTER



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River at Eastline Village RAD Conversion

BEFORE



AFTER



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Affordable Housing Financial Components

- Rental Assistance Demonstration (RAD)
- Low Income Housing Tax Credit (LIHTC)
- Layered Approach (public and private funds)
- Long-Term Ground Lease

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Example of RAD Project Financing| Soluna, Phoenix

SOURCES

First Mortgage	\$5,500,000
Low Income Housing Tax Credit (LIHTC) Equity	\$5,049,162
Deferred Developer Fee	\$231,557
Soft Funds	\$4,500,000
TOTAL	\$15,280,719

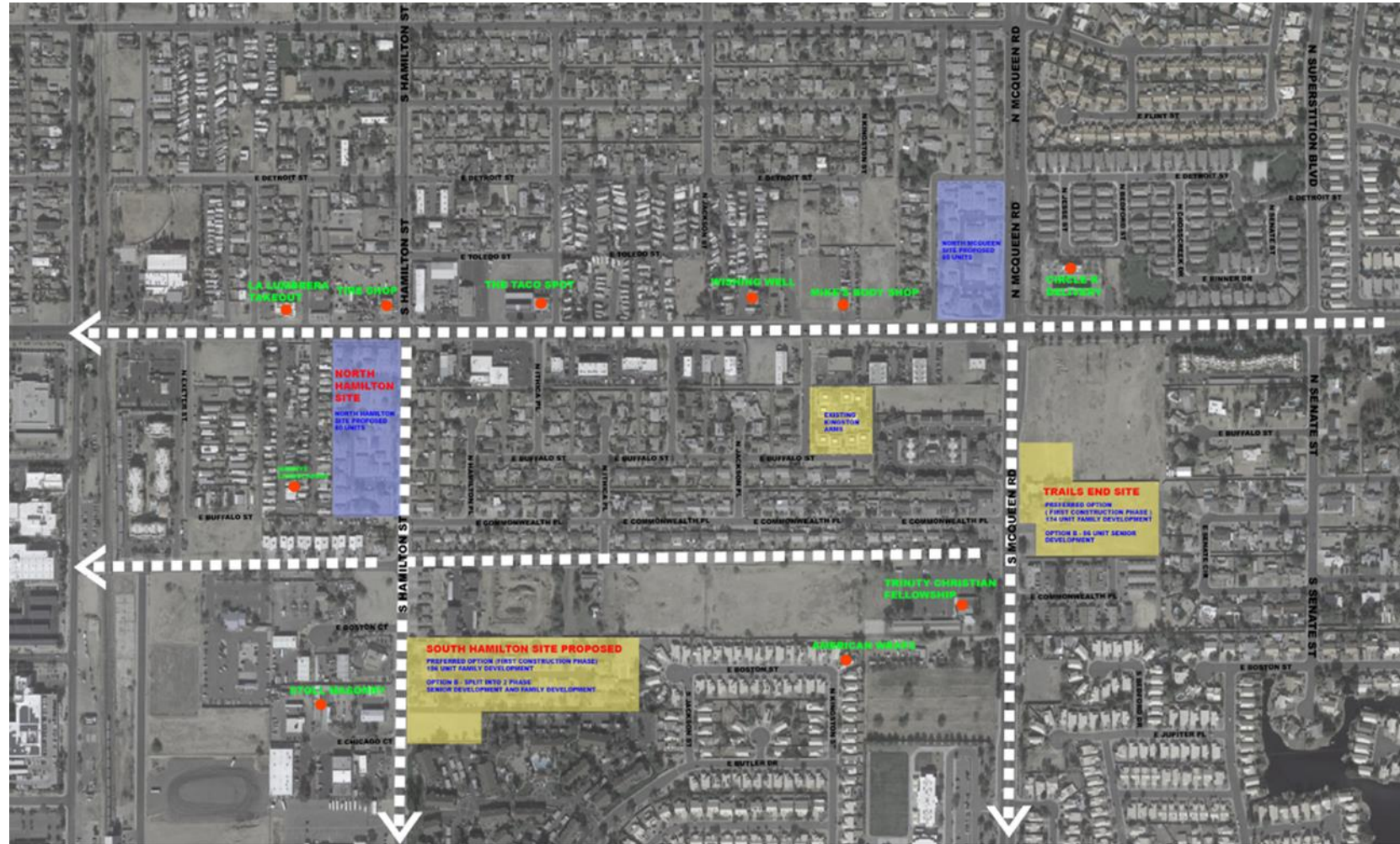
USES

Acquisition	\$0
Hard Costs	\$10,465,156
Soft Costs	\$4,378,133
Reserves	\$437,430
TOTAL	\$15,280,719



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Additional Benefits | Trails End



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Request for Direction

- Submit Rental Assistance Demonstration Application to HUD
- Negotiate a Development Agreement with Gorman & Company to develop proposed projects for Trails End and Site 3 sites
- Pursue land assemblage for highest and best use

RAD Conversion



Next Steps in a RAD Conversion

Application



CHAP



PHA Significant Amendment



Financing Plan Submission



RAD Conversion Commitment

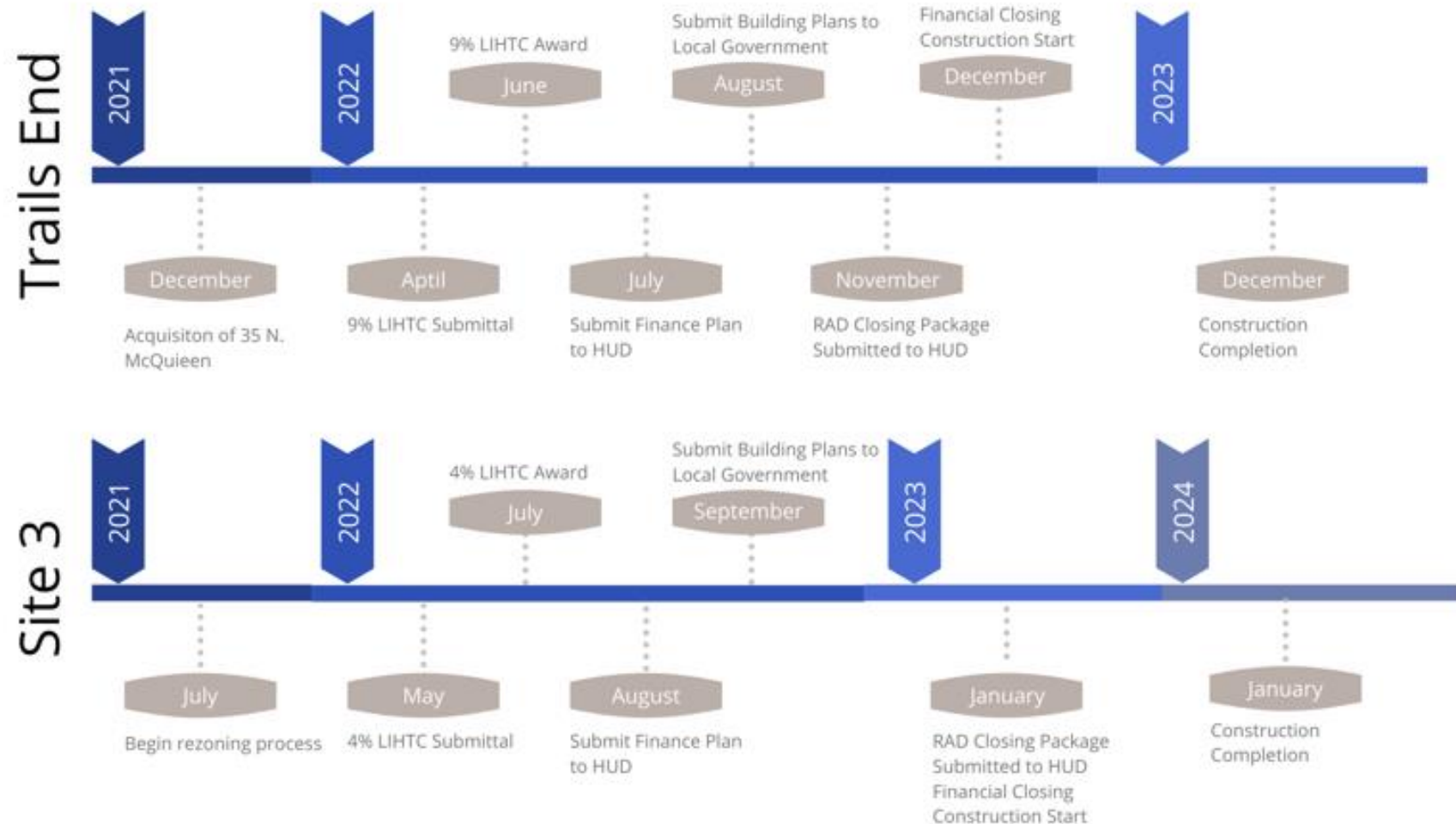


Construction



Closing

Estimated Timeline



*Subject to change based on external factors such limited construction labor and materials

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Questions?

