

Newly Reconstructed Southern Hills Apartments

Snapshot of Existing Southern Hills Apartments, Tenant Relocation and Construction Phasing Plan

For close to 5 years, WinnDevelopment (“Applicant”) has worked in partnership with the Southern Hills Tenant Association, Inc. (“SHTA”) to create a one-of-a-kind redevelopment plan that will increase the overall stock of affordable housing while preserving 255 critically needed deeply subsidized project Based Section 8 units. The overall redevelopment plan for Southern Hills calls for the complete demolition of the existing buildings to be replaced by 349 housing units, a large stand-alone community building, on-site parking and ample green space for tenant enjoyment.

Originally built in 1948, Southern Hills Apartments has reached the end of its useful life. The asset has reached a level of obsolescence in which the capital investment required to rehabilitate the buildings is so great a full demolition and rebuild program is the most efficient use of Federal, District and private resources. Currently residents lack open space, unit layouts don’t meet their needs (many efficiency units and single bathrooms in family sized 3BR units), and there is no designated area for property management personnel. The new Southern Hills will significantly improve the site, building, and unit conditions, and add an incredible 25,000 square foot community building (“The Commons”). The Commons will house a full slate of services for neighborhood residents, including a learning center, job training, child daycare, arts and music centers, a commercial-grade kitchen, as well as space for community-based start-ups, recreation, community meeting space and property management operations.

The development team has collaborated extensively with the SHTA during the planning process in order to arrive at the current redevelopment plan. The plan is a balance of many priorities- preservation of Section 8 Project Based units for the long term, improved living conditions and services for residents, net new housing units to help address the District’s affordable housing crisis, a guarantee that existing residents have the right to occupy a newly built unit and phased construction to allow for both efficient allocation of limited District resources, and most importantly, *to minimize off-site displacement.*

Snapshot of Existing Southern Hills Apartments

Historically, Southern Hills Apartments has maintained close to full occupancy with a robust waitlist of interested and qualified renters. Existing households comprise a mix of families and seniors, with

a broad range of ages. The breakdown of the current unit mix is as follows with square footage estimates:

Unit Type	Current Number of Units	Avg. Square Footage
Studio	28	449
1BR/1BA	98	636
2BR/1BA	101	845
3BR/1BA	28	1,035
Total	255	

All units are currently serving very low and low-income households and are assisted by a Project Based Section 8 Housing Assistance Payments Contract (“HAP”) between the owner and HUD. Under this HAP Contract, each household pays 30% of its Adjusted Gross Income towards rent and HUD pays the balance to the property owner. The Applicant’s relocation plan will ensure that this rental assistance **stays with the household during all phases of redevelopment**, including any temporary relocation and their permanent replacement unit.

Relocation Plan – Phased Development at Southern Hills Apartments

Project phasing and the tenant relocation plan are guided by the following principles:

- The Applicant will bear the costs associated with relocation including packing, moving, storage (if necessary), providing packing assistance for senior and disabled residents, utility disconnect and setup fees, and increased rent, if any (above HUD Section 8 rental assistance). Residents will still be required to pay their portion of the rent under the HUD Section 8 rules;
- Minimize construction impacts to the residents to ensure that a safe environment is maintained;
- Phase the improvements to be the least disruptive to Southern Hills seniors and families;
- Ensure the long-term preservation of deeply subsidized housing.

With these principles in mind, the Applicant has designed the redevelopment to be built in four (4) phases in order to limit the number of households that will need to be temporarily relocated. The Applicant has accomplished this by proposing to construct ‘surplus units’ (i.e. build a greater number of units than those being demolished) in Phase 1 and Phase 2 so most households can move directly to a new permanent replacement housing unit. The Applicant commits to minimizing the number of relocations for each family, noting that there may need to be an

interim move due to right-sizing as required by HUD, construction phasing or other considerations. Additionally, for these same reasons, the length of time that each household will be relocated may vary.

The Applicant's current plans contemplate a combination of off-site (The Atlantics, as defined below) and permanent on-site relocations (New Southern Hills unit) during construction. For those households that are temporarily moved off-site, the Applicant will strive to relocate them in one of two adjacent apartment communities owned by its affiliates: Atlantic Gardens or Atlantic Terrace. The Atlantics are located less than .25 mile away from Southern Hills and within the same school district. All relocations will adhere to the Uniform Relocation Act (“URA”) and be managed and coordinated by a third party hired by the applicant. All households that are required to move off-site temporarily will be offered at least two relocation options from which to choose.

Construction Phasing Plan - Southern Hills Apartments

As mentioned above, redevelopment and construction will be phased to minimize offsite relocation and impact to residents. The current phasing plan comprises four phases. Each phase will be separately financed and completed consecutively. The attached diagram shows the order in which the existing units are to be demolished and the order and number of new units will be built. All 33 households in the Phase 1 footprint will need to temporarily relocated offsite during the first phase of construction. Upon completion, Phase 1 produces 48 surplus units and Phase 2 produces 56 surplus units. These surplus units will be permanent or temporary relocation units for families in later development phases. At final completion, total unit count will be:

Unit Type	Proposed Number of Units	Proposed Square Footage
Studio	NA	NA
1BR/1BA	152	655
2BR/1BA	150	939
3BR/2BA	47	1,317
Total	349	

Three unique factors should help alleviate resident concerns and minimize any potential burden to residents during the relocation process:

1. The Applicant has significant and recent experience with relocation.
2. The Applicant will work with HUD to ensure that Section 8 rental assistance is

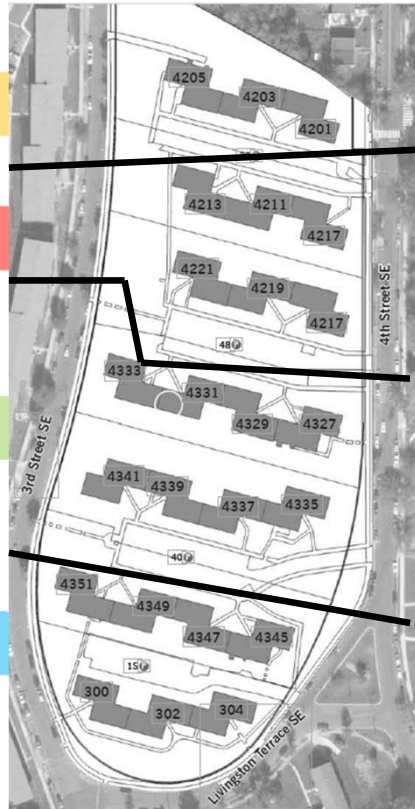
“passed through” to the relocation unit and stays with the relocation household such that the rent paid by each household does not change throughout the redevelopment period.

3. As previously mentioned, affiliates of the Applicant own and manage The Atlantics which is a 303-unit apartment complex with the same unit mix as Southern Hills. These properties provide immediately available and well-located options for relocation units.

Phasing Plan

Existing Units to be Demolished

- Phase 1 33 units
- Phase 4 60 units
- Phase 2 86 units
- Phase 3 76 units



NEW UNITS TO BE BUILT

