

New Brentwood Village – Snapshot of Existing Brookland Manor Community, Tenant Relocation and Construction Phasing Plan, and Affordable Housing Program

The proposed new Brentwood Village includes up to 2,235 rental apartments and for-sale homes. The new Brentwood Village will be a mixed income, mixed use community with 424 residential multi-family rental units (20% of the total) set aside for moderate and low income individuals and families – more than twice the required affordability under the Inclusionary Zoning provisions. An additional 12 (10%) of the for-sale townhouses will be similarly reserved for moderate and low income families.

The Applicant is committed to ensure that residents of Brookland Manor are given the opportunity to live in the new Brentwood Village community. This includes working with residents who currently reside in 4BR and 5BR apartments to downsize where possible, re-size qualified multi-generational households into two where desirable, purchase townhome units where feasible, and, lastly, assist families with Housing Choice Vouchers to relocate to a community of their choice. The ultimate unit mix and phasing will be determined upon future market conditions but the Applicant anticipates that the unit mix in the multi-family buildings will generally consist of: 3% efficiencies, 47% 1BR, 48% 2BR, and 2% 3BR accommodations. The townhouses will consist of 3BR and possibly 4BR homes.

To ensure that the existing residents are provided the opportunity to live in the new Brentwood Village community, the Applicant is committed to build an affordable building for senior citizens in the first phase of development. This building will consist of approximately 200 units and it is expected to be 100% affordable. In this way, Brentwood Village starts out with a majority of affordable units and it is only at the end of the ultimate build-out of the project that the amount of affordable units ultimately becomes 20% of the total number of units.

Snapshot of Existing Brookland Manor Community

As of January 1, 2015, Brookland Manor included 503 occupied units by leaseholders. An additional ten units are used for management offices (4 units), DC MPD courtesy officers (3 units), and employee quarters (3 units) that are all under management and ownership control. As of November 2014, 163 households in Brookland Manor had one or more members over 62 years of age. The breakdown of the current unit mix is as follows with the square footages based upon best estimates from HUD related appraisal studies:

<u>Unit Type</u>	<u>Number of Units</u>	<u>Ave. Square Footage</u>
1BR/1BA	280	655 sf

2BR/1BA	46	795 sf
3BR/1BA	75	1,250 sf
4BR/2BA	113	1,325 sf
5BR/2BA	21	1,500 sf

The Applicant expects that there will be 424 occupied units at the time that the redevelopment commences in 2018. The projected turnover from 503 occupied units (as of 1/1/15) to 424 (as of 1/1/18) will come from normal and customary turnover, and is based on historic results. Historically, 78 units were turned over in 2012, 79 in 2013, and 46 in 2014. The Applicant believes that it is realistic to expect 79 units to be vacated over the next three years. Even if the turnover does not meet the expected and historic levels, the Applicant acknowledges that it remains responsible for working with the existing residents to ensure that all have an opportunity to live in the renewed Brentwood Village community.

Tenant Relocation and Construction Phasing Plan

The project phasing plan and the tenant relocation plan are guided by the following priorities:

- minimize construction impacts to the residents to ensure that a safe environment exists;
- building out the project’s infrastructure in the most efficient manner possible; and
- phasing the improvements in a way that insures the project’s ultimate success, including the creation of 424 newly amenitized affordable apartments in a revitalized community.

As construction progresses, most existing households will be relocated once. A few families may have to be relocated twice as dictated by available accommodations. The commitment is to ensure that each of the new buildings has at least 10% affordability noting that there may need to be some right-sizing (getting back down to 10% where it starts above that level) based upon construction staging and other considerations. The Applicant’s current plans do not contemplate off-site relocations during construction. However, if off site relocations are required, the Applicant acknowledges it is responsible for the payment of any off-site relocation and return expenses upon the completion of the new buildings.

The current phasing plan for the Planned Unit Development project calls for three phases of development as set forth in the chart below:¹

¹ This analysis assumes a starting point in 2018 using occupied units only, as described above. Due to phasing considerations and the need to demolish existing buildings to facilitate the construction of new buildings, Phases 2A and 2B may start out with more than 10% affordability and ultimately some of these residents may ultimately be relocated to Phase 3’s new buildings once those are constructed.

Phase	Units to be Built	New Unit % Affordable	Affordable in phase	New Affordable	Total Existing Occupied Units	Total Affordable	Total New Apartments	Total Units
0	N/A	N/A	N/A	N/A	424	N/A	N/A	424
1	229	87.3%	200	200	224	424	229	453
2A	949	25.2%	97	297	127	424	1178	1305
2B	338	25.1%	83	380	44	424	1516	1560
3	603	20.0%	44	424	0	424	2119	2119

Below is a similar chart outlining the phasing and affordability plan of the “for sale” housing units to consist of a mix of “two over two” and townhouse units. Ten percent of the homes will be set aside for affordable homeowners.

	For Sale Units	Number of Affordable
1	30	3
2A	0	0
2B	72	8
3	14	1
Total	116	12

Phase 1 – Development of Block 7

Phase 1 will include the development of a 200 unit senior citizen (limited to residents aged 62+) building, thirty townhouses in Block 7, and possibly a smaller 29 unit market rate building that could assist with tenant relocations on a temporary basis. The senior citizen building in Phase 1 will consist of approximately 185 1BR apartments and fifteen 2BR apartments. The thirty townhouses in Phase 1 will be either “two over two” or townhouse units.

In order to construct a new senior citizen building and to manage the relocation of existing tenants on-site, the existing buildings must have vacancy and that vacancy in turn needs to be concentrated in a portion of the property. Block 7 is the chosen location for the senior citizen building because it is in a central location in the property, is proximate to the community

green, and the parcel that will house the senior citizen building presently only has three buildings with 64 units. The Applicant anticipates that Block 7's three existing buildings will be vacant when construction starts in early 2018 with all of those residents relocated at ownership expense to a comparable unit elsewhere on the property.

The senior citizen building is currently scheduled for completion in 2019, and at that point approximately 229 apartments will be available as a relocation source (compared with the 64 units that currently occupy Block 7's three buildings). As of November 2014, 163 households in Brookland Manor have one or more members over 62 years of age, and those households will be relocated to the new senior citizen building. Several more households will be added to the 62+ age cohort over the next 5 years and they too could be relocated to the senior citizen building. The senior citizen building will be substantially occupied by existing residents of Brookland Manor.

Phase 2A – Development of Blocks 2 & 3

Completion of the senior citizen building will vacate 200+ units in the existing buildings. The existing buildings which are located on what will become Blocks 2 and 3 contain a total of 142 units of which a smaller number will be occupied at the start of construction in 2019 (as many of the residents aged 62+ currently reside in buildings which are located on Blocks 2 and 3 and will have since been relocated to the new senior citizen building). For those not relocating to the senior building, the Applicant will relocate those residents at the Applicant's expense to a comparable unit on the property. On site relocations will clear all existing units in these blocks to permit construction. This phase will contain 949 apartments, including 97 affordable units. At completion of this Phase 2A, 297 of the 424 affordable units will have been replaced with new units.

Phase 2B – Development of Blocks 5, 6 and 8

The existing Brookland Manor buildings located on future Blocks 5, 6, and 8 contain 184 apartments. All existing residents in this phase will be relocated elsewhere on the site to permit construction – this could include the senior citizen building in Phase 1, the multi-family buildings in Phase 2A, or any of the existing buildings in Phase 3. Again, relocations will be done at the Applicant's expense with relocations to a comparable or better unit. Phase 2B will contain 338 apartments and 72 townhouses. As many as 83 of the 338 units will be reserved as affordable units when these buildings are constructed as this will need to be an affordable relocation source of housing until the Phase 3 buildings are delivered. At the completion of this phase, 380 of the 424 affordable units will have been replaced with new units.

Phase 3 – Development of Blocks 1 and 4

This final phase will contain a total of 617 units, 603 apartments and fourteen townhouses. Of those the final 48 affordable units will be completed, bringing the total number

of affordable units to 424. To achieve the minimum 10% affordability levels in these buildings, affordable units will need to be relocated from the Phase 2B buildings to the Phase 3 buildings.

Affordable Housing Program

As part of the redevelopment process, the existing Section 8 Loan Management Set Aside Contracts (which apply to 373 units at Brookland Manor) are being retained, as will some number of the existing Housing Choice Vouchers. The Applicant has had several discussions with representatives of HUD about retaining the Section 8 contracts and preserving affordable housing in the new Brentwood Village. HUD shares the Applicant's goals and has committed to work with the Applicant to restructure and extend the Section 8 contracts – with details to be worked through in the coming years and in connection with subsequent Stage Two PUD Applications to be filed with the Zoning Commission. Until that time, the Applicant will continue to extend the Section 8 contracts on a year-to-year basis.

It is the Applicant's intention that the residents in the affordable units of the new Brentwood Village will be able to utilize Section 8 funds and Housing Choice Voucher funds to help pay the rent on those units. Provided that Congress continues to appropriate Section 8 funds and Housing Choice Voucher funds, the preponderance of affordable accommodations will continue to be available at the current 30% of family income standard. These contracts are subject to annual appropriation and have been routinely renewed since enactment in 1968; however, we cannot guarantee Congress will continue funding, to the extent that it does, the contracts will continue. In the unlikely event that Congress phases out funding, the units covered will be migrated to the 50 and 80 percent standards².

Notwithstanding the Applicant's commitment to retain the Section 8 contracts at the property, if Congress or the Federal Government abolishes the Section 8 or Housing Choice Voucher programs, the Applicant will not be able to commit to the levels of affordability that currently exist in Brookland Manor. If such a situation were to occur, the Applicant is proposing that 20% of Brentwood Village's housing units will be reserved as affordable housing units at the following levels of affordability:

- 212 units (10%) are to be set aside at 80% of Area Median Income (AMI);
- 212 units (10%) are to be set aside at 50% of AMI; and
- 116 townhomes will be available for sale, and 12 (10%) of those are reserved for people making the minimum income levels prescribed in the inclusionary zoning program.

² Congressman Paul Ryan of Wisconsin in his role as Chairman of the House Budget Committee published an initial legislative proposal in July 2014 that would phase out existing Section 8 project based assistance contracts at their expiration and block grant that funding to the states where the contracts reside. No specific legislation has yet been introduced to this end. We cannot presently evaluate whether this proposal will be introduced or enacted. The proposal affects some 1.8 million units nationwide and would be thoroughly debated.

Notwithstanding the 20% affordable housing commitment across the site, the senior citizen building will be 100% assisted, each multi-family building will have at least 10% of the units reserved as affordable housing, and 10% of the townhouses will be reserved as affordable dwellings.