



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of September 26, 2009**

DATE: September 4, 2009

SUBJECT: Resolution Supporting the Financing from the Virginia Housing Development Authority (VHDA) for the Views at Clarendon Apartments.

C. M. RECOMMENDATION:

Adopt the Resolution attached hereto as Exhibit A (the "Resolution"), as required by Section 36-55.30:2.B of the Code of Virginia of 1950, as amended, in order for VHDA to finance the Views at Clarendon Apartments.

ISSUE: County Board resolution is needed by VHDA in order to complete the financing package for the Views at Clarendon Apartments.

SUMMARY: The Views at Clarendon Apartments has secured all of its financing and therefore construction will begin this fall. VHDA requires that the Arlington County Board adopt the attached resolution in order to access their funds. Essentially, the resolution states that (1) the market-rate units enhance the ability to provide the affordable units for the low- and moderate-income persons and (2) that VHDA financing is necessary to produce affordable housing.

BACKGROUND: On December 13, 2008, the County Board allocated up to \$6.5 million in Affordable Housing Investment Funds for The Views at Clarendon Apartments for a total of up to \$13.1 million. Since then, The Views at Clarendon Corporation (VCC), Chesapeake Community Advisors, Inc. (CCA) and the Bozzuto Group have secured investors and finalized the financing needed to begin construction. On August 5, 2009, VHDA approved the exchange of The Views at Clarendon Apartments tax credit allocation. This exchange provided the funding necessary to complete the project and was made possible through the 2009 federal stimulus package. In addition to the County AHIF loan and the tax credit exchange funds, VHDA is providing a first mortgage to the project as well as financing through its Sponsoring Partnerships and Revitalizing Communities (SPARC) and Resources Enabling Affordable Community Housing (REACH) programs.

DISCUSSION: The attached Resolution is required by Section 36-55.30:2.B of the Code of Virginia of 1950, as amended, in order for VHDA to finance The Views at Clarendon Apartments. Essentially, the resolution states that the County Board determines that (1) the

County Manager: _____

County Attorney: _____

Staff: David Cristeal & Marie Randall, Housing Division

market-rate units enhance the ability to provide affordable units for low- and moderate-income persons and (2) that VHDA financing is necessary to produce affordable housing in the area.

FISCAL IMPACT: None.

EXHIBIT A

RESOLUTION

WHEREAS, the Arlington County Board, of Arlington County, Virginia, desires to make the determination required by Section 36-55.30:2.B of the Code of Virginia of 1950, as amended, in order for the Virginia Housing Development Authority to finance the economically mixed project (the "Project").

NOW, THEREFORE, BE IT IS HEREBY DETERMINED as follows:

(1) the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units in the Project are occupied or held available for occupancy by persons and families who are not of low and moderate income; and

(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the surrounding area of the Project and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Exhibit A

The Views at Clarendon project is the new construction of 116 rental residential units in Arlington, Virginia. Seventy of the units will be affordable at less than 60% AMI and the remainder of the units will be market rate. Twelve units will serve the disabled and will have project-based Section 8 certificates. The Views will offer 120 underground parking spaces and is located one block from the Clarendon Metro stop. The building will be LEED certified silver.

The property, at 1210 N. Highland, is currently the location of the First Baptist Church of Clarendon (FBCC). The property currently consists of the FBCC building and an education building which houses the largest daycare in Arlington. The vision for the development, in a location with unparalleled access to public transportation and amenities, grew from FBCC's desire to expand their ministry into affordable housing.

The church building will be demolished and the education building will be renovated. The newly constructed 10 story building will be owned as two separate legal ownership units through an air rights subdivision. The eight story residential building high rise will be above a two-story base structure containing FBCC's sanctuary, administration and classroom space. 1210 North Highland Street – Clarendon Limited Partnership, of which the Views at Clarendon Corporation is the general partner, will own all of the residential units and the underground parking. The second ownership unit will consist of the newly constructed church space and the education building. The two units are financed separately and we are seeking financing for the residential portion.