

County Board Meeting

February 27, 2018

Queen's Court South

Affordable Housing Investment Fund (AHIF)

\$7.9 Million Loan Request

Revitalization Area Designation

Tenant Relocation Plan

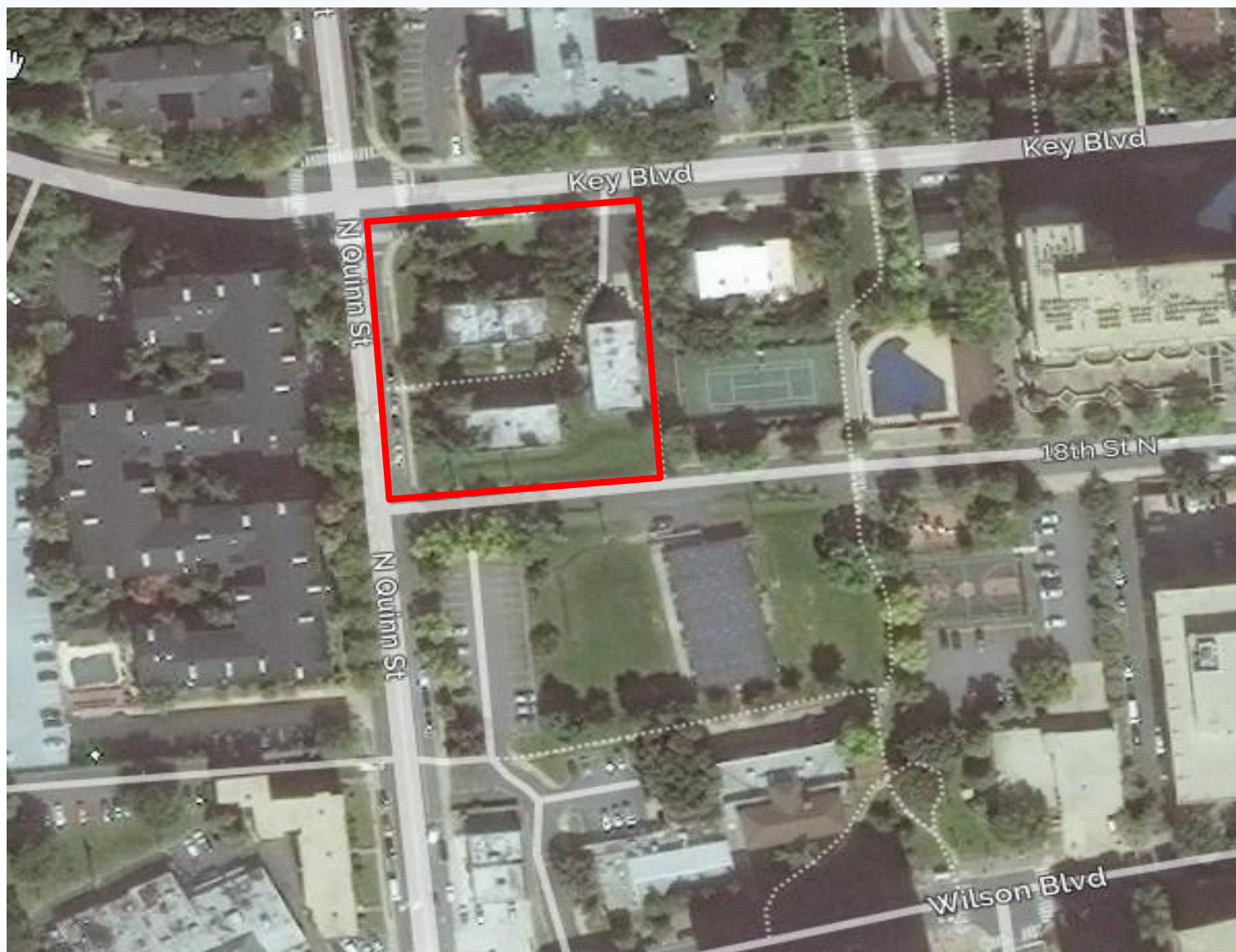
1801 North Quinn Street

Summary

- **\$7.9 million AHIF loan to Arlington Partnership for Affordable Housing (APAH) to assist with the redevelopment of Queen's Court Apartments**
- **Revitalization Area Resolution**
- **Tenant Relocation Plan**



Location



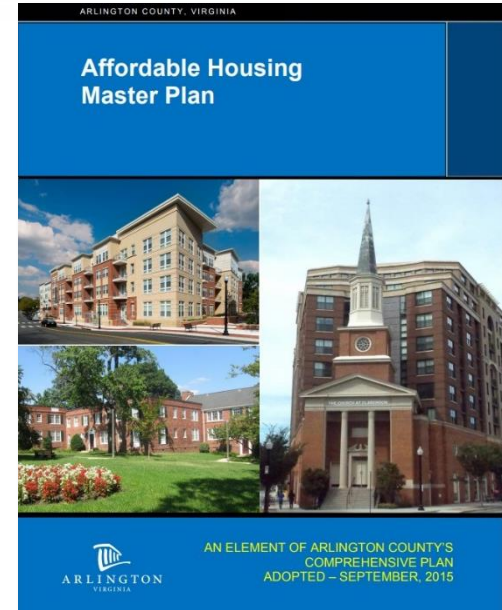
Background

- **Within Western Rosslyn Area Plan (WRAP) adopted July 2015**
 - Envisioned up to 250 units of affordable housing
- **Site Plan for 249 units approved February 2017**
- **“Hybrid 9%/4%” Low Income Housing Tax Credit (LIHTC)**
- **Total 249 units built in one phase/building**
 - 9% and 4% LIHTC separated into land condominiums
- **Queen's Court South = 90 units**
 - Will apply for 9% LIHTC this March
 - Queen's Court North = 159 units (AHIF request anticipated this fall)

Affordable Housing Master Plan (AHMP)

- **Meets multiple goals of the AHMP**

- Adds 90 new construction CAF units (51 net new) to Rosslyn Ballston Corridor
 - *AHMP projection for 5,000 CAFS by 2040, currently 2,131 CAFS*
- Provides lower-income units (50% of units up to 40% & 50% AMI)
- Provides family-sized units (87% are 2+ bedrooms)
- Adds 11 Type A accessible units
- Certified EarthCraft Gold
- Affordable for 75 years



Community Process

- **Adoption of WRAP:** July 21, 2015
- **Site Plan Approval:** February 25, 2017
- **FY18 NOFA Staff Recommendation:** May 1, 2017
- **Tenant Landlord Commission (Information):** January 10, 2018
- **Housing Commission (Information):** January 18, 2018
- **Bricks and Mortar Subcommittee:** February 5, 2018
- **Tenant Landlord Commission (Action):** February 14, 2018
- **Housing Commission (Action):** February 15, 2018
- **County Board:** February 27, 2018

Sources and Uses

Sources of Funds		Uses of Funds	
Senior Loan [1]	\$8,745,145	Acquisition Costs	\$5,990,350
Tax Credit Equity	\$22,194,780	Construction Hard Costs	\$25,573,521
County AHIF Loan	\$7,900,000	Soft Costs and Reserves	\$3,450,707
Federal Home Loan Bank Affordable Housing Program	\$500,000	Financing Costs	\$1,325,347
		Developer Fee	\$3,000,000
Total Sources	\$39,339,925	Total Uses	\$39,339,925

[1] Senior loan includes VHDA taxable bonds, SPARC and REACH

Loan Terms and Financing Details

- **38 year term**
- **1.25% interest rate**
 - 0% interest during construction period
- **\$87,778 in AHIF Loan Funds Per CAF**
 - Leveraging Ratio = 1: 4
- **Will include seller note for land value (\$15.4 million for Queen's Court South and North) and deferred fee (\$1.5 million) as source of funding for Queen's Court North**

Revitalization Area Resolution

- **“Housing Revitalization Areas” as defined in the Code of VA are solely for purpose of VHDA financing**
- **Proposed resolution will designate the Queen’s Court site as a Revitalization Area**
 - Within Western Rosslyn Coordinated Redevelopment District on the General Land Use Plan which calls for increase in residential density
- **Queen’s Court South will be eligible for Revitalization Area points in their tax credit application to VHDA.**

Tenant Relocation Plan

- **Of the existing households:**
 - 34 are income-eligible and below 60% AMI
 - 2 are income-eligible and between 60% to 80% AMI
 - 2 are over-income and will be permanently relocated
 - 1 unit was vacant at time of survey
- **All households will receive relocation payments based on the Arlington County Relocation Guidelines**
- **APAH will issue 180-day notices during summer of 2018**

Unit Type	Standard Payment	Payment for Very Low Income Households (50% AMI or less)
Efficiency	\$940	\$1,410
One Bedroom	\$1,125	\$1,688

Recommendations

- **Commit \$7,900,000 of AHIF funds to assist the construction of Queen's Court South**
- **Adopt the Revitalization Area Resolution**
- **Approve the Tenant Relocation Plan**