



## ARLINGTON COUNTY, VIRGINIA

### County Board Agenda Item Meeting of February 24, 2018

**DATE:** February 22, 2018

**SUBJECT:** Commitment of \$7,900,000 in Affordable Housing Investment Fund (AHIF) loan funds to the Arlington Partnership for Affordable Housing (APAH) for construction of a new affordable housing development, Queen's Court South, located at 1801 N. Quinn St. (Queen's Court Site) (Attachment 1), subject to certain loan terms and conditions (Attachment 2). Adoption of a revitalization area resolution for the Queen's Court Site pursuant to Section 36-55.30:2 of the Code of Virginia, as amended (Attachment 3).

#### **C.M. RECOMMENDATIONS:**

1. Commit \$7,900,000.00 of Affordable Housing Investment Fund (**AHIF**) funds (101.495130.91102) to Arlington Partnership for Affordable Housing, Inc. (**APAH**) or its designated County-approved ownership affiliate (101.456300.91102), as an AHIF loan to assist with the cost of construction of Queen's Court South, to be located at 1801 N. Quinn Street (Attachment 1). The proposed \$7,900,000.00 AHIF loan is subject to the allocation of 9% Low-Income Housing Tax Credits from the Virginia Housing Development Authority to APAH for the Queen's Court South project in 2018 and the approval of final loan documents by the County Board. The financing assistance would be in the form of a subordinated residual receipts loan subject to the loan terms and conditions outlined in this report (Attachment 2).
2. Adopt the attached Revitalization Area Resolution to designate the Queen's Court site as a Revitalization Area pursuant to Section 36-55.30:2 of the Code of Virginia, as amended (Attachment 3).

**ISSUES:** There are no known issues at this time.

**SUMMARY:** APAH is requesting an AHIF loan of \$7.90 million to assist in the redevelopment of Queen's Court South, located at 1801 N. Quinn Street. APAH submitted a site plan application to redevelop the Queen's Court site with 249 new [Committed Affordable Units \(CAFs\)](#) that was approved by the County Board in February 2017. In March of 2017, APAH applied for \$24.0 million in Affordable Housing Investment Fund (AHIF) loan funds for the

County Manager:

County Attorney:

25. A.

Staff: Melissa Cohen, CPHD-Housing Division

complete redevelopment of the site as part of the [Fiscal Year 2018 Notice of Funding Availability \(NOFA\)](#) process. The Queen's Court development was selected by staff to move forward with AHIF negotiations and the public process. APAH will finance the development as two separate tax credit projects, but intends to construct both in one building and one phase.

APAH proposes submitting a competitive 9% LIHTC application by March 16, 2018 to VHDA for the 90-unit portion (Queen's Court South) and a non-competitive 4% LIHTC application for the remaining 159 units (Queen's Court North) later this year. Due to the amount of AHIF funds remaining in Fiscal Year 2018, staff recommends a \$7.90 AHIF commitment to assist in the construction of 90 new CAFs that are part of Queen's Court South. If the County Board approves the commitment of AHIF loan funds for Queen's Court South and APAH is awarded 9% LIHTC by VHDA in 2018, staff anticipates bringing forward a request from APAH for up to \$11.80 million for Queen's Court North AHIF funding in fall 2018. This would result in a total AHIF loan request of up to \$19.70 million to complete the 249-unit Queen's Court development. APAH expects to complete construction of the two projects by the end of 2021.

According to the [Qualified Allocation Plan \(QAP\)](#) for 2018, VHDA will award application points to LIHTC projects located in a "Revitalization Area" as defined by Virginia Code [§ 36-55.30:2](#). The proposed resolution will designate the Queen's Court Site as a Revitalization Area thereby allowing the CAFs within Queen's Court South to seek the Revitalization Area points in their tax credit application.

**BACKGROUND:** Queen's Court is a 39-unit garden style apartment complex that was built in 1940 and located at 1801 N. Quinn Street (Attachment 1). In 1995, APAH purchased Queen's Court for \$1,925,000, with the assistance of a \$498,691 loan from the County Board, and has been operating the property as affordable apartments since that time. All existing units are one-bedroom units or studios.

The Queen's Court property is part of the [Western Rosslyn Area Plan \(WRAP\)](#) that was adopted by the County Board in July 2015. The WRAP envisioned redevelopment of the western area of Rosslyn with affordable housing, a new Rosslyn Highlands park, development of a new fire station, a mixed-use development and a new public secondary school.

The WRAP recommended maximizing the affordable housing on the Queen's Court parcel and changing the General Land Use Plan (GLUP) designation from "Low-Medium" Residential (16-32 units per acre) to "High-Medium" Residential (up to 3.24 FAR). The Plan recommended bonus density be considered by the County Board for up to 250 units but no more than 6.0 FAR if the development met the affordable housing goals of the Plan. It was estimated that a market rate developer that did not propose any affordable housing would be able to construct approximately 124 units at this site (up to 3.24 FAR). Because APAH is proposing a 100% affordable housing development they are able to construct up to 250 units under 6.0 FAR, or approximately 126 additional units.

APAH submitted a site plan application to redevelop the Queen's Court site with 249 new Committed Affordable Units (CAFs) that was approved by the County Board in February 2017. In March of 2017, APAH submitted an Affordable Housing Investment Fund (AHIF) application

for \$24.0 million for the redevelopment as part of the Fiscal Year 2018 Notice of Funding Availability (NOFA) process. The Queen's Court development was selected by staff to move forward with AHIF negotiations and the public process.

APAH has proposed a "hybrid 9%/4%" Low Income Housing Tax Credit (LIHTC) financing structure. The 9% LIHTC portion and the 4% LIHTC portion will be separated into land condominiums, and the new development will be built as one building. Queen's Court South will contain the 90 units financed with 9% competitive LIHTC and Queen's Court North will contain 159 units financed with non-competitive 4% LIHTC. The total request from APAH for both projects is \$19.70 million. Due to the size of the combined request and the AHIF budget, County staff recommends that the AHIF request be split over two fiscal years.

**DISCUSSION:** Due to the limited availability of AHIF funds in Fiscal Year 2018, the County Manager recommends a commitment of AHIF funds for Queen's Court South (90 CAFs), which intends to utilize competitive 9% LIHTC financing. Staff anticipates bringing forward the second request for AHIF funding for Queen's Court North, utilizing 4% LIHTC, in Fall 2018. This section discusses the specifics of the Queen's Court South request within the context of the total project.

**Affordable Housing Program:** The total affordable housing program will include 249 newly constructed CAFs, which will be committed affordable for 75 years. The proposed unit and affordability mix is shown in the table below:

Unit Type	Queen's Court South: 9% LIHTC Project					Queen's Court North: 4% LIHTC Project				Total Both Projects	
	40% AMI	50% AMI	60% AMI	80% AMI	Total	50% AMI	60% AMI	80% AMI	Total	Units	Percent
Studio	0	0	0	0	0	0	21	0	21	21	8%
1BR	9	0	3	0	12	0	79	3	82	94	38%
2BR	0	36	20	0	56	0	34	0	34	90	36%
3BR	0	0	22	0	22	0	22	0	22	44	18%
<b>Total</b>	<b>9</b>	<b>36</b>	<b>45</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>156</b>	<b>3</b>	<b>159</b>	<b>249</b>	<b>100%</b>

Of the total 249 total units, the majority (81% of units) will be affordable to households earning up to 60% AMI. The development will also include lower-income units affordable up to 50% AMI (14% of units) and 40% AMI (4% of units). There will be three units affordable to households earning higher incomes up to 80% AMI (1% of units). These units will first be made available to the existing households within this income level should they choose to move back to Queen's Court once the construction is complete ([Rent and Income Limits for Arlington County Affordable Housing Programs](#)).

Over half of the total Queen's Court 249-unit development will be composed of family-sized units (54%), with the remaining 38% of the units as one-bedroom units and 8% as studios. In total, the development will add 427 bedrooms to the CAF inventory, which is a gain of 388 net new bedrooms over the existing 39-unit development.

APAH is proposing nine permanent supportive housing units and 11 Type A accessible units within Queen's Court South. Queen's Court North will contain an additional four Type A accessible units for a total of 15 Type A accessible units within the Queen's Court development.

**Affordable Housing Master Plan (AHMP)**: The Queen's Court development meets multiple **Goals, Objectives and Policies** of the Affordable Housing Master Plan, adopted by the County Board in 2015. Queen's Court includes a net increase of 210 affordable units in the Rosslyn Ballston corridor, an area that currently has a lower share of affordable housing than what is projected in the aspirational 2040 distribution forecast.

Queen's Court South, for which the County Manager recommends an AHIF commitment in this report, specifically meets the following:

<b>AHMP Policy Number</b>	<b>Description</b>
1.1.1	Queen's Court South will add 90 new construction CAFs through the County's Special Exception Site Plan zoning tool and through financial assistance from the AHIF.
1.1.4	Queen's Court South will add 51 net new CAFs to the inventory of affordable housing in the Rosslyn Ballston corridor, an area projected to have 5,000 affordable units in 2040, but currently has only 2,131.
1.1.5 & 3.4.1	The 90 CAFs in Queen's Court South will be committed affordable for 75 years.
1.1.6	Queen's Court South will include 9 units affordable to households earning up to 40% AMI and 36 units affordable to households earning up to 50% AMI.
1.1.8	Queen's Court South will add 78 family-sized units to the CAF inventory, including 56 two-bedroom units and 22 three-bedroom units.
1.1.9 & 3.2.2	Queen's Court South will produce 51 net new CAFs within the transit corridors consistent with the County's adopted land use plans and policies.
2.2.1	Queen's Court South will include 9 units with rents made affordable to households earning up to 40% of the AMI through direct rental assistance provided by DHS.
2.3.2 & 2.5.2	Queen's Court South will provide 9 permanent supportive housing units.
2.5.3	Queen's Court South will add 11 Type A accessible units, thereby helping to maintain a sufficient supply of CAF units that are accessible for persons with physical disabilities.

AHMP Policy Number	Description
3.3.1 & 3.3.2	Queen's Court South will be certified EarthCraft Gold which will help to advance the goals of the Community Energy Plan and encourage water conservation.
3.4.2	The proposed Loan Terms and Conditions for Queen's Court ensure financial feasibility in the underwriting of the AHIF loan.

**Revitalization Area:** Applying for tax credits is a highly competitive process, with points awarded to projects that meet specific criteria. A project is eligible for 10 "Revitalization Area" points if it is located in a Revitalization Area that meets the definition set forth in Virginia Code § 36-55.30:2. If the Board designates the Queen's Court Site as a "Revitalization Area", the designation will be used solely for the purpose of APAH's tax credit application and if APAH is awarded the tax credits, for VHDA financing.

Because the Queen's Court site is located within the WRAP boundaries and the Western Rosslyn Coordinated Redevelopment District on the General Land Use Plan (GLUP), which calls for an increase in residential density, this project meets the definition which cites the area, "currently lacks housing needed to induce manufacturing, industrial, commercial, governmental, education, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area." In order to develop affordable housing at this site, it is necessary to provide assistance in the form of an AHIF loan. Therefore, this site would also meet the criteria that, "private enterprise and investment are not reasonably expected, without assistance, to produce housing supporting the needs of low and moderate income persons and families."

To receive the 10 points, a County Board resolution is needed citing the specific statutory criteria (Attachment 3). If there are future tax credit projects located outside of the Queen's Court Revitalization Area that would seek Revitalization Area points on their applications, another resolution would be needed at that time. The proposed resolution does not preclude tax credit projects within County-identified revitalization areas outside of the Queen's Court Revitalization Area from obtaining these points in future tax credit rounds.

**Development Budget and Financing Package:** APAH plans to finance Queen's Court South with 9% LIHTC financing and Queen's Court North with 4% LIHTC financing. Queen's Court North and South will be one building that is divided into land condominiums. The total development cost for Queen's Court South is \$39.34 million, of which 15% is acquisition cost, 65% are construction hard costs, 9% is for soft costs and reserves, 8% for the developer fee (inclusive of the deferred fee that will be included in the Queen's Court North Sponsor Loan) and 3% are financing costs.

Pending an award of 9% tax credits by VHDA, APAH's anticipated financing package for the project will include a VHDA first mortgage (including taxable bonds, SPARC and REACH), tax credit equity and the proposed AHIF loan.

**Queen's Court South (90-Unit 9% Tax Credit Project) Sources and Uses**

<b>SOURCES OF FUNDS:</b>		<b>USES OF FUNDS:</b>	
Senior Loan <sup>1</sup>	\$ 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 Funds	\$ 500,000	Financing Costs	\$ 1,325,347
		Developer Fee	\$ 3,000,000
<b>Total Sources</b>	<b>\$ 39,339,925</b>	<b>Total Uses</b>	<b>\$ 39,339,925</b>

<sup>1</sup> It is anticipated the senior VHDA loan will include taxable bonds, SPARC and REACH financing.

**AHIF Funds Requested:** APAH has requested \$7.90 million in AHIF funds for Queen's Court South (\$87,778 per unit). APAH has indicated to staff that they will request up to \$11.80 million (\$75,641 per unit) in the fall of 2018 for the Queen's Court North AHIF commitment. It is anticipated the Queen's Court North AHIF loan funds request will be considered by the County Board in Fall of 2018, contingent upon County Board approval of Queen's Court South as well as an award of 9% LIHTC by VHDA in June of this year.

**AHIF Terms:** Staff is recommending that the proposed \$7.90 million AHIF loan for Queen's Court South have a 38-year term. Staff is proposing that during the first two years of the AHIF loan term, which coincides with the construction period, the AHIF loan will accrue interest at a rate of zero percent (0%) per annum. Thereafter, for the remaining 36 years of the term, staff is proposing that the AHIF loan for Queen's Court South accrue interest at a rate of 1.25% per annum, compounded annually. Staff is proposing that the AHIF loan be secured by a deed of trust subordinated to the senior financing and repayable from the Queen's Court South's residual receipts. The proposed loan terms and conditions for the AHIF loan for Queen's Court South are detailed in Attachment 2.

**Anticipated Timeline and Future County Board Requests:** Contingent on County Board approval of the Queen's Court South AHIF loan request, APAH will apply for 9% tax credits by March 16, 2018 and will receive notification of an award by June 2018. If APAH receives an award, then the County staff will bring forward a request to the County Board for AHIF funds for Queens Court North, including a Tenant Assistance Fund (TAF) request in fall of 2018. If APAH does not receive a 9% LIHTC award in 2018, then it will re-apply in 2019.

Should APAH receive a 9% tax credit award and an AHIF commitment by the County Board for Queen's Court South and North, the construction closing on the financing for both Queen's Court North and South is anticipated to take place in Spring 2019. The County Attorney would draft AHIF loan documents for the AHIF loans for both Queen's Court South and for Queen's Court North. Prior to the construction closing in Spring 2019, County staff would bring forward a request to the County Board for approval of the County loan and subordination documents.

Following construction closing, APAH would begin demolition of the existing Queen's Court apartment buildings and begin construction of Queen's Court North and South. Construction



would be completed no later than the December three years following a June award of the 9% LIHTC by VHDA.

**Estimated Number of Students Generated by the Development:** Arlington Public Schools (APS) projects 128 students to be generated at the new development. This development is currently zoned for Key Elementary School, Williamsburg Middle School, and Yorktown High School.

- Number of Elementary School Students (K-5) generated: 84
- Number of Middle School Students (6-8) generated: 16
- Number of High School Students (9-12) generated: 28

The above estimates are generated by APS using the housing characteristics presented at the time of the AHIF application and using 2017-2018 student generation factors. Should these housing unit characteristics or the student generation factors change, then the student generation estimates would also change. APS provides no guarantee that any residential development will continually be served by the same elementary, middle and/or high school(s). In addition, a new [Wilson Elementary School](#) is under construction adjacent the Queen's Court property and is anticipated for completion in time to open for the start of the 2019 school year.

The number of current students living at Queen's Court is less than 10 and APS protects the exact number for privacy reasons. However, it is anticipated that a fraction of the projected 128 students will be students new to Arlington County. The owner of another new construction CAF project in recent years provided data that less than 20% of the projected school-age children who moved into the development were new to the Arlington County school system. The majority, more than 80% of the student residents, were already enrolled in and attending schools in Arlington County.

**PUBLIC ENGAGEMENT:** Queen's Court is located in the North Rosslyn Civic Association. The site is adjacent to the Radnor/Fort Myer Heights Civic Association (RAFOM) and the Colonial Village Civic Association. The Rosslyn Business Improvement District is also within the Queen's Court area. All these groups had active participation during the Queen's Court Site Plan Review Committee (SPRC) process that occurred during the fall 2016 to winter 2017. APAH has also met separately with the Atrium Condominium Association and has presented to the Rosslyn Business Improvement District (BID) on several occasions. The County Board approved the site plan on February 25, 2017.

APAH held its first resident meeting on August 8, 2016 to discuss the redevelopment plans. One year later, on August 23, 2017, APAH met with residents to share that the project was selected as part of the County's Fiscal Year 2018 NOFA process. APAH will continue to host regular meetings to update residents on the status of the development.

**Housing Commission:** The Housing Commission considered the AHIF request at the January 18, 2018 meeting as an informational item. The "Bricks and Mortar" subcommittee of the Housing Commission considered the AHIF request on February 5, 2018. On February 15, 2018,

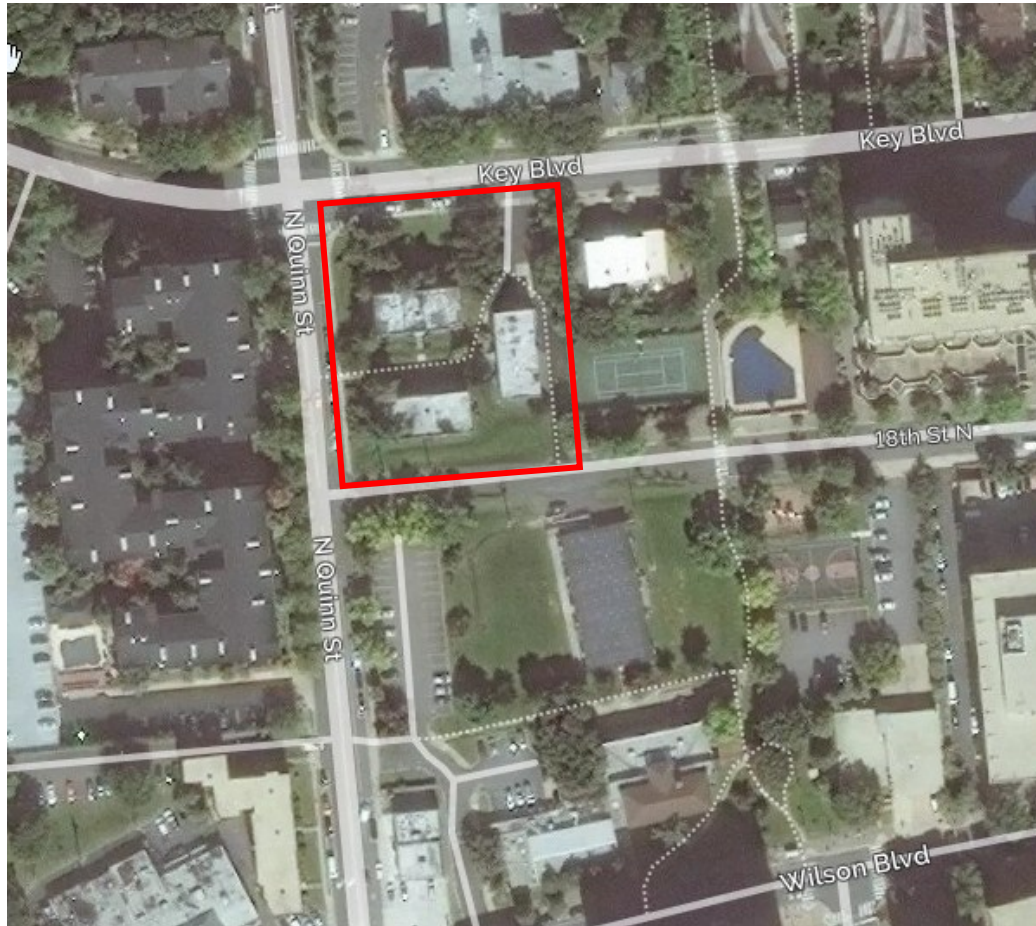
the Housing Commission voted 8-0-1 in support of the staff recommendations, with one Commissioner abstaining from the vote.

**FISCAL IMPACT:** There is sufficient unallocated AHIF funds to support the \$7,900,000 AHIF request for this development.

In addition, it is anticipated that the inclusion of nine permanent supportive housing units at Queen's Court will have a fiscal impact upon the County's Permanent Supportive Housing Program budget. The full year incremental cost increase to the County's Permanent Supportive Housing Program budget is estimated to be approximately \$107,872 per year once Queen's Court is completed and the nine permanent supportive housing units are ready for occupancy (anticipated 2021).



**ATTACHMENT 1:**  
**Location of Queen's Court at 1801 N. Quinn Street**



**ATTACHMENT 2:**  
**Queen's Court South AHIF Loan Terms and Conditions – \$7,900,000**

1. The Applicant for the Queen's Court South AHIF Loan ("Applicant") shall apply to the Virginia Housing Development Authority (VHDA) by March 16, 2018 for an annual 9% tax credit request. If the Applicant does not receive 9% credits from the 2018 award cycle, the Applicant commits to reapply for 9% credits in 2019.
2. The Applicant shall execute an Affordable Housing Investment Fund Loan Agreement ("AHIF Loan Agreement") and other related loan instruments, as drafted and finalized by the County Attorney, in a form acceptable to the County Manager and the County Attorney and subject to County Board approval.
3. The Applicant shall include these Queen's Court South AHIF Loan Terms and Conditions when requesting proposals from senior lenders and investors. If any terms are negotiated between the Applicant and other parties that are in violation of these Loan Terms and Conditions, the Applicant must submit a request to the County Board to consider revision of these Loan Terms and Conditions as necessary to conform to the negotiated terms between the Applicant and such other parties.
4. Within 30 days of receipt of final third party debt and equity commitments, the Applicant shall submit a final sources and uses table for Queen's Court South for approval by the County Manager or his designee.
5. The AHIF Loan shall be secured by Queen's Court South, subordinate to the senior debt, and shall be repayable from the project's Residual Receipts, as defined in the AHIF Loan Agreement. As set forth in the related promissory note, and subject to an Event of Default (as defined in the AHIF Loan Agreement), the unpaid principal balance of this AHIF Loan shall accrue at: zero interest for the two-year period of time commencing on the date of construction closing; and the below market rate of one percent (1.25%) per annum commencing on the date that is two years after construction closing, compounded annually as called for in the related promissory note. The term shall be thirty-eight (38) years from construction closing.
6. Beginning in the first operating year and each subsequent year during the loan term, the County shall receive fifty percent (50%) of the Queen's Court South Residual Receipts as an annual payment towards the Queen's Court South AHIF Loan.

Residual Receipts as defined in the County Loan Agreement, shall specifically include, but not be limited to, the amount by which gross revenues exceed annual debt service payments, approved operating expenses, payments to replacement reserve, and a priority payment fee of up to \$18,000 for APAH Asset Management which can be escalated annually at two percent (2%). Any other fees or payments in excess of what is stated here must be paid from the Applicant's portion of Residual Receipts.

7. The Applicant shall receive up to a seven-million (\$7,000,000) developer fee for Queen's Court North and South.

8. The Applicant shall provide a seller note or equivalent form of equity to Queen's Court North that includes the acquisition proceeds from the transfer of the property into the tax credit partnership of fifteen-million four hundred and forty thousand (\$15,440,000) and one-million five hundred thousand (\$1,500,000) in developer fee received from Queen's Court South. The projected amount of the required seller note from APAH to Queen's Court North is sixteen-million nine hundred and forty thousand (\$16,940,000). The seller note or equivalent form of equity will be subordinate to the County loan.
9. If APAH secures additional sources of financing up to two million dollars (\$2,000,000.00) prior to construction closing, fifty percent (50%) of those proceeds may be applied towards reducing the seller note or equivalent form of equity of \$16,940,000 to Queen's Court North referenced in Condition #8 above. The remaining fifty percent (50%) of proceeds shall be used to reduce the AHIF loan for Queen's Court North. One hundred percent (100%) of any additional sources over two million dollars (\$2,000,000.00) that are secured by APAH prior to construction closing shall be used to reduce the AHIF loan for Queen's Court North.
10. The Applicant must comply with the affordable housing set-aside for the rental units in Queen's Court South as follows: nine (9) of the units will be restricted to households earning up to forty percent (40%) of the AMI; thirty-six (36) of the units will be restricted to households earning up to fifty percent (50%) of the AMI, and forty-five (45) units will be restricted to households earning up to sixty percent (60%) of the AMI for 75 years with the unit mix as shown in the table located in the "Affordable Housing Program" section of this document.
11. The Applicant agrees that the affordable rents shall be established in accordance with LIHTC rents as published annually by VHDA for the unit size, minus a utility allowance (if applicable) as per the Utility Allowance Schedule annually approved by HUD for the Arlington County, VA Housing Choice Voucher Program or other manner as permitted by applicable federal regulations and approved by the County or, if such LIHTC rents are not published by VHDA, then in accordance with HUD rent limits set for Arlington County.
12. The Applicant shall create a minimum of eleven (11) fully accessible Type A units for persons with disabilities in Queen's Court South, and will fully cooperate with an affirmative marketing program to market these units to households in need of such accommodation.
13. The Applicant will execute an agreement with the Department of Human Services to provide nine (9) supportive housing units with rents affordable to households earning up to 40% of the AMI in Queen's Court South. These may or may not be the same as the fully accessible units. The term for the affordability restrictions stated in Loan Term and Condition #10 above shall be 75 years from the date the complex is placed in service.

### **ATTACHMENT 3**

#### **RESOLUTION OF THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA DESIGNATING THE QUEEN’S COURT SITE A REVITALIZATION AREA PURSUANT TO VIRGINIA CODE § 36-55.30:2**

**WHEREAS**, pursuant to Section 36-55.30:2 of the Code of Virginia of 1950, as amended, the County Board of Arlington County desire to designate the site of the Queen’s Court Apartments, located at 1801 N. Quinn Street, (the “**Area**”) described on Exhibit A hereto, as a revitalization area;

**WHEREAS**, the proposed redevelopment of Queen’s Court is part of the Western Rosslyn Area Plan (WRAP) that establishes a new vision for the area including a new fire station, park, school, mixed-use and affordable housing, among others;

**WHEREAS**, the affordable housing development proposed in this Area will provide a critical source of affordable housing for current and future low and moderate income residents whose tenancy and local employment is essential to implementing the goals of the County’s Affordable Housing Master Plan and to the Area’s future economic development and sustainability;

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

The above referenced development is located in a Revitalization Area in the County of Arlington, Virginia. The revitalization area is (i)(2) The industrial, commercial or other economic development of such area will benefit the city or county but such area lacks the housing needed to induce manufacturing, industrial, commercial, governmental, educational, entertainment, community development, healthcare or nonprofit enterprises or undertakings to locate or remain in such area; and (ii) 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 such area 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**

