



Department of Community Planning Housing & Development Housing Division

Metro IAF

Description

The Metro Industrial Areas Foundation (IAF) Community Restoration Fund, LLC (Fund), operates through Metro IAF. The Fund's purpose is to finance acquisition, pre-development and redevelopment expenses for affordable housing. The Fund targets areas in which there are experienced developers and projects associated with Metro IAF organizing groups, such as Virginians Organized for Interfaith Community Engagement (VOICE) in the Northern Virginia area. The Fund is not for general application.

The Fund has two investment options available to developers of affordable housing for families earning between 40 and 120 percent of the area median income. Class A Notes offer an aggregate of up to \$25 million at an interest rate of no higher than 2 percent, as well as a balloon repayment after ten to fifteen years. Class B Notes offer up to \$5 million in subordinated loans to investors willing to provide first-loss capital to the Fund. The notes have an interest rate of no more than 2 percent with a balloon repayment in ten to fifteen years. Class A Notes will be subordinated to all other debt and obligations of the Fund, except for Class B Notes, which are subordinated to all other debt.

The Fund is anticipating providing financing for 9,000 affordable housing units, with 80 percent being rental units and 20 percent for homeownership. Financing would be available for neighborhood preservation, development and revitalization. For ownership projects, the Fund targets families who have experienced foreclosure and cannot secure credit, but have the income to purchase a home.

Potential Applicability in Arlington

The Fund may provide another funding option for multifamily and single-family properties within Arlington County, reducing the need for county assistance.

Contact Information

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