

The Carlin Retirement Home

Information – September 13, 2018

Address: 4300 N. Carlin Springs, Arlington, VA 22203

Developer: Retirement Housing Foundation (RHF)

BACKGROUND:

- The Carlin is an existing 162-unit 10-story project located in the Ballston Metro corridor serving residents age 62 and older.
- Residents enjoy a wide range of RHF resident services and social activities, as well as an optional meal program.
- The majority of residents are retired with fixed annual incomes below \$20,000.
- Approximately 50 households receive Section 8 Housing Choice Vouchers, with approximately 60 others receiving Housing Grants.
- The Carlin was developed by RHF with County HOME financing and Low Income Housing Tax Credit (LIHTC) investor equity in 1995.
- In April 2018, RHF submitted a funding application for The Carlin under the Housing Division's FY19 Federal and Local Loan Funds NOFA. Of the four applications received, the Carlin's application achieved the second highest cumulative score.
- RHF is now seeking additional tax credit reinvestment and financing for the renovation of its 20-year-old building.



PROJECT:

- The property consists of 161 affordable units with rents restricted at 50% & 60% AMI.
- The newly renovated property will have 102 units at 60% AMI and 59 units at 50% AMI (see chart below).
- There are 153 one-bedroom and 9 two-bedroom units.
- The renovation scope includes:
 - replacement and updating of basic building systems and elements such as HVAC, roof, elevators, and common areas;
 - repair of water intrusion issues;
 - updating of unit fixtures and appliances, including replacement of gas stoves in all units;
 - installation of new fire alarm, security camera, and emergency call systems; and
 - improvement of energy efficiency, including (if feasible) a rooftop solar system for electricity.
- The total development cost is estimated at \$42 million. In addition to the County CDBG loan, Sources include 4% tax credit equity, tax-exempt bond proceeds, seller and sponsor notes, and deferred developer fee.
- Tax exempt bonds up to \$20,500 to be issued by Arlington County IDA as construction financing.
- Tenants may be temporarily relocated on a rolling basis throughout the renovation. No existing households will be permanently displaced. The developer is working with the Tenant Landlord Commission on the Relocation Plan.

Staff: Maureen Markham, Housing Development

PROPOSED LOAN: \$3,025,000 CDBG Loan; 2.94% 35-year, residual receipts loan

PROPOSED AFFORDABLE UNIT MIX:

Type of Unit	1-bedroom	2-bedroom	Total	% Total
Up to 50% AMI	54	5	59	36.4%
Up to 60% AMI	99	3	102	63.0%
Unrestricted	0	1	1	0.6%
TOTAL	153	9	162	100.0%

PROPOSED SOURCES & USES:

Permanent Sources		Uses	
LIHTC Investor Equity	\$ 12,017,568	Acquisition Cost (based upon appraisal)	\$ 22,300,000
First Mortgage	\$ 11,829,311	Construction/Hard Costs	\$ 10,677,524
County CDBG Loan	\$ 3,025,000	Architect Fees	\$ 600,000
Seller Note	\$ 7,355,922	Third Party Reports	\$ 1,009,802
Sponsor Loan (RHF)	\$ 5,175,000	Construction Loan Costs	\$ 1,224,608
Interim Operations	\$ 1,224,608	Relocation Costs	\$ 1,329,025
Project Reserves	\$ 1,148,592	Project Reserves	\$ 684,380
Deferred Developer Fee	\$ 348,509	Developer Fee	\$ 2,500,000
General Partner Equity	\$ 1,202	Borrower Legal	\$ 175,000
		Permits & Fees	\$ 608,400
		Contingency	\$ 1,016,972
TOTAL SOURCES	\$ 42,125,712	TOTAL USES	\$ 42,125,712

NEXT STEPS

- September: Board hears action on IDA tax-exempt bonds
- October: Bricks & Mortar Subcommittee
- November: Action by the Housing Commission
County Board action
- December: Closing

