

## ***Arlington View Terrace***

Information – December 5, 2019

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Address: 1420 South Rolfe St.

Arlington, VA 22204

Developer: AHC, Inc.



Existing Building to be Redeveloped

### **BACKGROUND:**

- Arlington View Terrace (AVT) is an existing 77-unit committed affordable apartment community owned by AHC, Inc. and located in the Arlington View neighborhood near Columbia Pike.
- The development was built in 1959 and all existing units are subsidized by a project-based Housing Assistance Payments (HAP) contract.
- AHC, Inc. submitted a Fiscal Year (FY) 2020 Notice of Funding Availability (NOFA) application requesting \$6.9M to redevelop 30 of the existing 77 units into a new 72-unit building (119 total committed affordable units [CAFs] at the property). The application received a staff recommendation to move forward with a County funding request and public processes. Negotiations are now underway to determine the amount of County funding to be recommended to the County Board.
- Since the time of the NOFA application, AHC, Inc. has increased the proposed number of units to 77 new units (124 total CAFs at the property) and has included plans for solar energy at the development.
- The 77 existing HAP contract units would be redistributed throughout the property, subject to discussions with HUD.
- A concurrent Neighborhoods Form Based Code application has been submitted, and AHC, Inc. is targeting a January administrative approval for the new development.

### **PROJECT:**

- AHC has proposed a 9% Low Income Housing Tax Credit (LIHTC) structure for the 77 new construction affordable units.
- The project is eligible to utilize Transit Oriented Affordable Housing (TOAH) funds. This fund was designed to promote affordable housing development within designated boundaries of the Columbia Pike corridor. There are about \$895k in available funds which can be used towards infrastructure related items and County

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fees to help keep the project under the Virginia Housing Development Authority (VHDA) total development cost limit and increase competitiveness for LIHTC.

- AHC is requesting \$7.5M to \$8.7M total County funds (to include \$895,000 in TOAH funds). The increase in requested County funds is due to the incorporation of five additional CAFS and solar energy. In addition, AHC intends to apply for competitive sources of funding including \$500,000 in Federal Home Loan Bank (FHLB) funds and \$1.2M in Virginia Department of Housing and Community Development (DHCD) funds. AHC has requested the County allocate an additional \$1.2M as a “bridge loan” that would be de-allocated if AHC is successful in these applications (resulting in \$7.5M total County funds at financing closing, targeted for spring 2021). This request is under negotiations.
- If the development receives a 2020 9% LIHTC award from VHDA, staff plans to swap out a portion of AHIF for federal CDBG/HOME funds at time of financing closing in Spring 2021. The federal review process necessitates building permits/drawings be substantially complete, and this will not happen until it is known if the project is awarded 9% LIHTC from VHDA.
- Applying for tax credits is a highly competitive process, with points awarded to developments that meet specific criteria. AHC is seeking Revitalization Area points (15 points) for their 9% LIHTC application. If the County Board designates the AVT site as a “Revitalization Area,” the designation will be used solely for the purpose of AHC’s tax credit application and if AHC is awarded the tax credits, for VHDA financing.
- A Bricks and Mortar Subcommittee meeting will be scheduled in January to discuss the financial details of the County fund request. The AVT financing proposal would be discussed as an Action Item at the January Housing Commission meeting.
- County Board consideration of the AHIF, TOAH, and Revitalization Area Resolution recommendations is targeted for January. This will allow AHC to submit a 9% LIHTC application to VHDA in March 2020.

**Arlington View Terrace Site Map**  
**1420 South Rolfe Street**

