



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item
Meeting of October 19, 2024

DATE: September 20, 2024

SUBJECT: (i) Allocation of Fiscal Year (FY) 2025 Affordable Housing Investment Fund (AHIF) loan funds to fund an AHIF pre-development loan to True Ground Housing Partners (TGHP, formerly known as Arlington Partnership for Affordable Housing), or its County-approved affiliate, to help finance early start construction work supporting the future 432-unit Crystal House 3 (CH 3) development on infill land located at 1900 S. Eads Street, and to fund a permanent AHIF loan for the CH 3 – 4% Low Income Housing Tax Credit project (LIHTC) at construction closing and (ii) Approval of loan documents, a financing commitment letter, and amendments to the existing development agreements.

C.M. RECOMMENDATION:

1. Allocate \$29,699,222 of FY 2025 AHIF loan funds to True Ground Housing Partners (TGHP) or its County-approved affiliate, of which \$8,500,000 will be an AHIF predevelopment loan to help finance the early-start site work supporting the future 432-unit Crystal House 3 development to be repaid at construction closing, and an up to \$29,699,222 permanent AHIF loan at construction closing to help finance the CH 3 – 4% LIHTC project.
2. Approve the attached loan documents for the \$8,500,000 AHIF Pre-development Loan.
3. Approve the attached Arlington County Affordable Housing Financing Commitment for the CH 3 – 4% LIHTC project.
4. Approve the attached Fourth Amendment to the Land Disposition and Development Agreement (LDDA) by and among the County Board, TGHP, and EYA and the Fourth Amendment to the Assignment and Assumption of Option Agreement (A&AOA) by and among the County Board, Acorn Development LLC (an Amazon affiliate) and WHC Crystal LLC to facilitate the early start work in pre-development, and the development of the Crystal Houses infill parcels.
5. Authorize and Direct the County Manager to Execute, on behalf of the County Board, the aforementioned \$8,500,000 AHIF loan documents, CH 3 – 4% LIHTC Financing Commitment Letter, Fourth Amendment to the LDDA and Fourth Amendment to the A&AOA, subject to approval as to final form by the County Attorney.

County Manager:

County Attorney:

Staff: Chris Dimotsis, CPHD-Housing

ISSUES: There are no known issues with respect to these requested actions.

SUMMARY: Following a March 2024 County Board approval of \$12.15M in AHIF funding for the CH 3 – 9% LIHTC project, TGHP submitted a competitive 9% LIHTC application and subsequently won LIHTC credits in June 2024. CH 3 also includes a 4% LIHTC component and TGHP submitted for 4% LIHTC in July 2024 and has begun early-start site and utility work for the proposed CH 3 project. CH 3 will be the first long-term affordable family rental building in the Crystal House (CH) infill project to be developed. TGHP will expend \$6M of the anticipated \$14.5M in pre-development costs, including early-start work. Given the overall scope, scale and timeline of the CH 3 project and the magnitude of pre-development costs, TGHP is requesting a short-term AHIF loan of up to \$8.5M during pre-development. TGHP is also requesting an allocation of funds to support an approximately \$29.6M AHIF permanent loan for the CH 3 - 4% LIHTC project (344 units).

TGHP along with its partner EYA Development, LLC (EYA) was chosen after an extensive competitive process to identify a master developer to implement the revised CH development program for the infill sites based on new ownership and funders Washington Housing Conservancy (WHC) and Amazon (AMZ). This is the second financing request to occur for an affordable infill project on the site, and it is anticipated that an additional AHIF request will be coming within the next year for the CH 6 project (80 units).

Staff recommends allocating \$29.6M of AHIF funds, of which up to \$8.5M would be used for a AHIF pre-development loan to be repaid at construction closing, at which time a new loan of \$29.6M (inclusive of the \$8.5M) would be issued to the CH 3 – 4% LIHTC project. Staff also recommends approval of the attached loan documents for the \$8.5M pre-development loan, the attached financing commitment letter for the \$29.6M CH 3 – 4% loan, and amendments to the existing LDDA and A&AOA to enable TGHP to close on the CH 3 land in advance of the construction closing to conduct early-start work.

BACKGROUND: The CH site, located at 1900 S. Eads Street, contains 828 existing units (CH 1 & 2) and six undeveloped infill parcels entitled for 820 units (CH 3-8), as [approved by Site Plan #451 in December 2019](#). In 2020, WHC acquired the CH site with funding from AMZ and other sources. Simultaneous with this acquisition, AMZ purchased an Option to convey the undeveloped infill parcels to an affiliated entity (Acorn Development, LLC) once the property is subdivided. The affiliate then further [assigned the Option to Arlington County via an Assignment and Assumption of Option Agreement approved by the County Board in July 2021](#) to facilitate the development as primarily affordable housing. The intent of the development is for the majority of the new residential infill development to become committed affordable housing, consistent with the underlying affordability covenant placed on the site with AMZ in 2020. The site is located a few blocks from AMZ's second headquarters in an area of the County that has not had a 100% committed affordable project built in 45 years.

TGHP and its development partner, EYA were chosen by the County in 2022 after a competitive process to select a master development team that could successfully implement a complex, multi-phase, mixed-income, urban infill development of primarily affordable housing with a market-rate component. The County Board [approved a LDDA with TGHP and EYA in December 2022](#)

that outlines development program elements to meet stipulations of the County’s Assignment and Assumption of Option Agreement. The LDDA outlines the broad development program, including affordable housing requirements along with other elements such as community benefits. The following table provides a high-level overview of the anticipated program and affordability mix of the infill parcels and the illustrative rendering beneath the table depicts the future proposed development. WHC will continue to own and operate CH 1 & 2 as mixed-income buildings.

Infill Parcel	Developer	Program
CH 3	TGHP	432-unit family affordable rental building, with units affordable at 30% - 80% AMI
CH 4	EYA	222-unit primarily market-rate building, with 168 market-rate units & 54 units affordable at 80% AMI
CH 5	TGHP	89-unit affordable building with AMI levels TBD (<i>project is on hold until units on infill parcels conveyed by Amazon are completed</i>)
CH 6	TGHP	80-unit senior affordable building, with units affordable at 30% - 60% AMI
CH 7/8	EYA	21 for-sale market rate townhomes

The CH 3 project has both a 9% LIHTC and 4% LIHTC component contributing to the 432-unit total. In March 2024, the County Board [approved an allocation of \\$10.15M](#) in AHIF for the 88-unit CH 3 – 9% LIHTC project. TGHP subsequently applied for competitive 9% LIHTC from Virginia Housing and was awarded credits in June 2024. TGHP has since applied for 4% LIHTC for 334 units.

The terms of the DDA with the TGHP/EYA team require a series of activities prior to any conveyance, in accordance with agreed upon phasing, development, and financing timelines. Currently, the TGHP/EYA team is working with WHC, the County, and Amazon to create separate legal divisions among the infill parcels in order to facilitate the transfer of land and development. The TGHP/EYA team continues to advance a full range of predevelopment activities, including amendments to existing planning entitlements; furthering architectural, civil, and utility plans; and other predevelopment activities (including financing applications for funding sources such as Virginia’s Department of Housing and Community Development, or DHCD, programs).

CH 3, as shown in Figure 1 below, is the largest infill affordable project on the larger parcel (432 units total) and will be the first infill project to be developed. CH 3, an affordable family building, will be on the corner of 18th Street South and South Eads Street in Crystal City and adjacent to the east of the existing CH 1 building (owned by WHC). Currently the land in this

infill parcel is used as surface parking for the WHC-owned existing CH 1 building. Temporary replacement parking will be provided by the existing CH 5 surface parking lot and other garages in the nearby Crystal City area owned by JBG Smith and other property owners. TGHP's construction of CH 3 will include the construction of 199 replacement parking spaces for CH 1 & 2, a condition of the current site plan and estimated to cost approximately \$10M. CH 4 and CH 5 will provide the balance of replacement spaces in order to fulfill obligations to Amazon and WHC as provided in the original Option Agreement.



Figure 1: CH3 rendering at 18th St and South Eads Street as proposed in its minor site plan amendment.

DISCUSSION:

This report contains the following three main requests for County Board consideration, each of which is further discussed below:

- Amendments to the LDDA and A&AOA to allow TGHP to close on the CH 3 land in advance of the full construction finance closing for the purpose of beginning early start work;
- Allocation of AHIF funds and the approval of documents for a \$8.5M pre-development loan to TGHP to fund approximately 59% of the projected pre-development costs and to be repaid at construction closing; and
- Allocation of AHIF funds and approval of a financing commitment letter for a permanent AHIF loan for the CH 3 – 4% LIHTC project.

Early Land Closing and Amendments to LDDA and A&AOA

The TGHP team requested that the County and AMZ allow it to close on the CH 3 land in advance of construction closing to commence early start construction site work (as it does in many of its projects) in order to facilitate its construction timeline on the CH 3 project, which given its scope and scale is a slightly longer full construction timeline than average (approximately 28 months). This early land closing, scheduled for late October, will also allow the County to secure a proposed AHIF pre-development loan by the property with a Deed of Trust (DOT).

The current schedule has CH 3 construction closing and full construction start in mid-2025 and completing in late-2027. The schedule may be refined further depending on the outcome of financing competitions as well as additional entitlement and permit processes currently underway.

The attached amendments to the LDDA and A&AOA allow the early transfer of the CH 3 land from WHC to a TGHP affiliate and postpone the deadline for a number of conditions for TGHP to fulfill from land transfer to construction closing for CH 3.

Pre-development Loan Request

Historically, the County's affordable housing developers have self-funded pre-development activities during the period of time (often years) leading up to a project's construction finance closing. At construction finance closing, the developer closes on all sources of funding for its project, including but not limited to, a senior loan, County loan, and tax credit equity. At that time, the new sources of funding reimburse the developer for its pre-development costs. Whereas developers on recent County affordable housing projects have expended up to approximately \$5 - 6M to fund pre-development costs, due to the size and complexity, TGHP anticipates spending \$14M during pre-development for CH 3. TGHP has committed to provide \$6M in pre-development funding for CH 3 and requests up to \$8.5M in AHIF as a predevelopment loan.

The up to \$8.5M AHIF pre-development loan will be used to fund pre-development early start hard cost work (site work, utility relocation) as well as related soft costs, and it is proposed to be 0% interest, with repayment occurring at full construction closing of the CH 3 project no later than summer 2025. This will be secured by a County DOT in first lien position on the CH 3 property. Amazon will subordinate its 'assignor's option' or 'reverter' to the property (e.g., for failure to progress the development) in favor of the County's DOT as part of the Assignment and Assumption of Option Agreement with the County.

Staff recommends approval of an AHIF Pre-development Loan to TGHP due to the unique magnitude of pre-development costs associated with CH 3. In addition to the County loan being in first position, the pre-development loan documents include a payment guaranty. In the event TGHP is unable to close on construction financing for the project, the AHIF loan would be due in full. Staff recommends approval of the attached AHIF Pre-development Loan documents (**Attachment 4**).

CH 3 – 4% Funding Request

CH 3 will contain a total of 432 new construction CAFs financed in the 9%/4% LIHTC hybrid structure. In March 2024, the County Board allocated \$10.15M in AHIF to assist in the financing of the 88-unit 9% project. This report requests an allocation of up to \$29,699,222 (inclusive of the requested \$8.5M pre-development loan) to assist in the financing of the 344-unit 4% project. The following subsections outline: the affordable housing program, Affordable Housing Master Plan (AHMP) policies, racial equity, digital equity, development budget and financing package, AHIF loan request and terms, anticipated timeline and future requests, student estimates, and resident services.

Affordable Housing Program: The 432 proposed new construction CAFs in CH 3 will be coterminous with the underlying Amazon covenant’s expiration at closing (approximately 99 years). Of CH 3’s 432 total units, 10% (43 units) will be constructed to meet American National Standards Institute Type-A accessibility requirements. Nine of the Type-A units (2%) will be accessible for individuals with hearing/visual impairments. The development will also include 5% of the units as Permanent Supportive Housing (PSH) units, and a total 110 units will meet Universal Design guidelines.

The proposed unit and affordability mix is as follows:

Unit Type	9% LIHTC Project				4% LIHTC Project				Total Both Projects	
	30% AMI	50% AMI	60% AMI	Total	30% AMI	50% AMI	60% AMI	Total	Units	Percent
Studio	-	1	-	1	-	25	37	63	64	15%
1BR	4	5	7	16	5	3	129	137	153	35%
2BR	13	23	17	53	14	3	86	103	156	36%
3BR	5	6	7	18	2	3	37	42	60	14%
Total	22	35	31	88	21	34	289	344	432	100%

The proposed CH 3 – 4% LIHTC unit mix shifted slightly from the CH3 – 9% AHIF approval timing in early 2024, due to removing the 80% AMI units as well as shifting some studio units from 60% AMI to 50% AMI, based on rent market achievement and market considerations. Of the total 432 units, approximately 10% will be affordable up to 30% of AMI, 16% of the units will be affordable up to 50% of AMI, and the remaining 74% of units will be affordable up to 60% of AMI. Approximately 50% of total units in Crystal Houses 3 will be composed of family-sized units (i.e., 2 or more bedrooms). Please see **Attachment 3** for the 2024 [Rent and Income Limits for Arlington County Affordable Housing Programs](#).

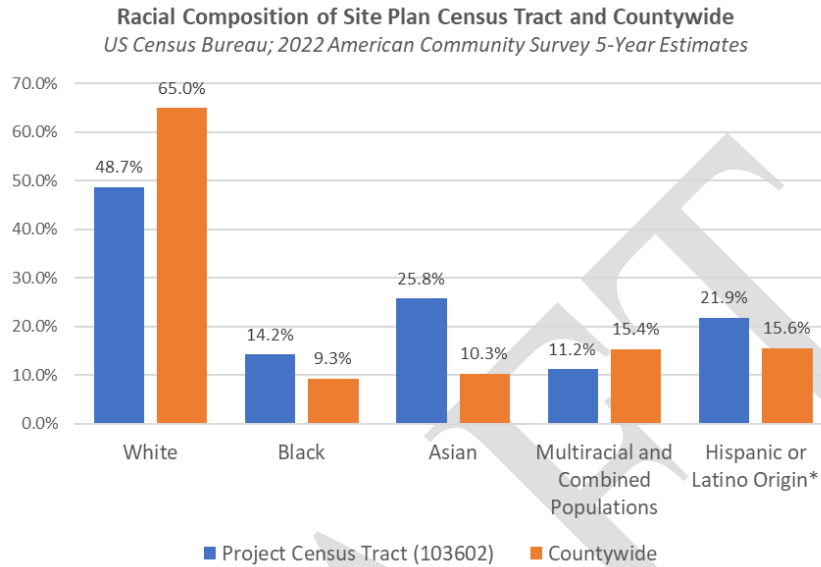
Affordable Housing Master Plan: As proposed, the **CH 3 - 4% project** would meet or exceed many Goals, Objectives and Policies of the [Affordable Housing Master Plan \(AHMP\)](#) adopted by the County Board in 2015.

AHMP Policy #	Description
1.1.1	The project will create 344 new construction CAF units through County financing assistance.
1.1.4	The project will add 344 new CAF units to the inventory of affordable housing in the Richmond Highway corridor.
1.1.5 & 3.4.1	The CAFs will be committed for 99 years.
1.1.6	21 affordable units provided at up to 30% AMI will serve the needs of very low-income Arlington residents, and 100% of the CH3 - 4% units will be affordable up to 60% AMI.
1.1.8	The project will add <u>145</u> family-sized units to the County's CAF inventory, consisting of 103 two-bedroom units and 42 three-bedroom units.
1.1.9 & 3.2.2	The development will create 344 new construction CAFs within transit corridors, consistent with the County's adopted land use plans and policies.
2.3.2 & 2.5.2	The development will provide 13 new Permanent Supportive Housing (PSH) units.
2.4.2	The development is incorporating Universal Design in 34 units to facilitate access with design elements for persons of all ages (including seniors).
2.5.3	The development helps to maintain a sufficient supply of CAF units that are accessible for persons with physical and sensory disabilities by adding a total of nine (9) Type-A accessible units.
3.3.1 & 3.3.2	The development will incorporate EarthCraft Gold and ENERGY STAR Multifamily New Construction as well as Zero Energy Ready Homes (ZERH) building guidelines. In addition, preliminary plans call for a solar PV array and a green roof on part of the building, furthering the County's adopted Community Energy Plan goals.

Racial Equity: The County Board adopted an Equity Resolution in [September 2019](#). The resolution includes, in part, direction to apply a racial equity lens for every project. Specifically staff asks the following questions when considering racial impacts of County projects: 1) Who benefits?, 2) Who is burdened?, 3) Who is missing?, 4) How do we know?, and 5) What do/did we do?

The 2022 American Community Survey 5-year estimate data for racial composition for the census tract where Crystal Houses is located indicates there is a greater racial diversity in this area than in the County as a whole. As shown in the chart below, there is a smaller percentage of the White population (49% versus 65% Countywide) than the County as a whole, but a higher population of Black or African American (14% versus 9% Countywide), Asian (26% versus 10%

Countywide) and Hispanic or Latino Origin populations (22% versus 16% Countywide) in the census tract where Crystal House is located compared to the County as a whole.



**The Census Bureau reports Hispanic or Latino Origin separately from other races. Therefore, total percentages do not add up to 100%.*

The proposed 344 CAFs in the CH3 - 4% project will **benefit** and enable low- and moderate income-eligible families to live in an area of the County near metro and other community amenities. However, residents who benefit also are households we typically identify as **burdened**, as the FY 22 Annual Affordable Housing Plan Indicator Report indicates only 12.3% of Arlington’s rental housing stock is affordable to households earning less than 60% of the AMI. Further, the 2021 American Community Survey 5-year estimate for household incomes indicates that 38% of black households earn under \$50k per year, compared to only 17% of households in the County as a whole. The commitment of 21 affordable units provided at up to 30% AMI will help serve the needs of very low-income residents in the Arlington community.

In terms of who is **missing**, the proposed units will be affordable for households earning 30% to 60% of the AMI and therefore may be unaffordable to households earning below this affordability range. However, the CH 3 - 4% project will include **13** Permanent Supportive Housing units that will serve a portion of the population that is at risk of homelessness, which may include extremely low-income households that otherwise may be missing from this opportunity.

We **know** this information based on the census tract information for this geographic area as compared to the rest of the County as well as racial data for households earning under \$50,000 annually. In terms of **what do we do**, the County has an opportunity to consider this proposed affordable housing program in light of these potential benefits and impacts.

Digital Equity: TGHP will be providing free in-unit internet access to the residents of the proposed CH 3 apartments that will meet or exceed the County’s Notice of Funding Availability (NOFA) guidelines of 30 Mbps symmetrical. In addition, TGHP plans to provide resident services that include computer courses and digital literacy programs in both Spanish and English.

Development Budget and Financing Package: TGHP plans to finance the development and construction of CH 3 as a hybrid 9% / 4% LIHTC project. There have been significant cost escalations and changes to projected underwriting since the RFP and LDDA stages. These cost escalations are being seen industry-wide and resulted from construction cost increases, increased interest rates, and other unexpected state financing changes. As a result, the phasing plan was shifted in an effort to prioritize cost containment on this phase as it is the largest, most expensive infill affordable project on the larger parcel.

Sources and uses are shown below for the CH 3 - 4% LIHTC project. The proposed permanent sources and uses are as follows:

CH 3 - 4% LIHTC Project Sources and Uses

SOURCES OF FUNDS		USES OF FUNDS	
Senior Mortgage Loans	\$46,854,361	Acquisition Costs	\$250,000
Tax Credit Equity	\$74,141,107	Construction Hard Costs	\$125,859,722
County AHIF Loan Allocation	\$29,699,222	Soft Costs	\$18,349,664
Deferred Developer Fee	\$2,750,000	Financing Costs	\$9,494,393
Other State and Federal Sources (VA DHCD HTF, HIEE, NHTF, ZERH, Solar tax credits)	\$4,175,995	Developer Fee and Reserves	\$8,666,906
CH 7/8 sales proceeds (EYA)	\$5,000,000		
Total Sources	\$162,620,685	Total Uses	\$162,620,685

The total development costs for the CH 3 – 4% LIHTC project of 344 units are currently estimated to be \$162,620,685, of which less than 1% are acquisition costs, approximately 77% are construction costs, approximately 11% are soft costs, approximately 6% are financing costs, and roughly 5% will be for the developer fee and reserves.

TGHP's anticipated permanent financing package for the project will include a VH first mortgage (including tax-exempt bonds as well as VH Sponsoring Partnerships and Revitalizing Communities (SPARC) / Resources Enabling Affordable Community Housing (REACH) funding), Low-Income Housing Tax Credit Equity (and Section 45L federal energy credits), a deferred developer fee, Virginia Department of Housing and Community Development funds (State Housing Trust Funds, Housing Innovations for Energy Efficiency funds, and National Housing Trust Funds) as well as a County AHIF loan, and finally sales proceeds from the sale of market-rate townhome units in CH 7/8 that will cross-subsidize this affordable project.

CH 3 – 4% AHIF Loan Request: TGHP has requested a total of **\$29,699,222** in permanent AHIF County Loan funds for the CH 3 - 4% project. This request for the 4% LIHTC project equates to an AHIF per unit cost of \$86,335. AHIF loans for new construction projects in the recent past have ranged from approximately \$87,281 to \$132,396 per unit among four most recent County funded new construction projects, and therefore this AHIF per unit request is slightly lower than recent affordable housing developments, due largely to the economies of scale in this portion of the project.

Attachment 1 shows a table of current and future anticipated AHIF requests.

AHIF Loan Terms: Staff recommends that the proposed **\$29,699,222 AHIF permanent loan** for the 4% LIHTC project have an up-to forty-three (43)-year term and/or to be coterminous with the VH permanent financing 40-year loan term, following an up to three-year construction period.

Staff recommends that the County AHIF loan accrues interest at a zero percent (0%) rate during the construction period. Thereafter, for the remaining 40 years of the term, the AHIF loan will accrue interest at a rate of one percent (1%), compounded annually. This proposed AHIF loan for the 4% LIHTC Project will be secured by a deed of trust subordinated to the senior financing and repayable from the project's residual receipts. Given the significant changes in project numbers over the past 2 years since the DDA was signed, **Attachment 2** includes TGHP's commitments related to the overall CH project and financing. **Attachment 4**, the CH 3 – 4% LIHTC Financing Commitment Letter, provides the County's loan terms and conditions for the CH 3 - 4% LIHTC project.

Anticipated Timeline and Future County Board Requests: TGHP will apply for its tax-exempt bonds for the CH3 – 4% project in October 2024. If the County Board approves the allocation of permanent AHIF funds requested by this report, in addition to the pre-development loan, then in the approximately seven to ten months following these actions TGHP will complete early start construction work, finalize building plans, obtain building permits, work with VH on the CH 3 - 4% bonds, obtain its soft financing commitments for DHCD funding, as well as secure the tax credit equity for both projects. Prior to construction closing, County staff would work with the County Attorney's Office to bring forward the permanent AHIF loan, subordination, and other relevant closing documents.

Existing Public School Students and Student Generation Estimates: The student baseline for this project is zero (0) students as the subject project is vacant land. Arlington Public Schools (APS)

projected the Crystal House 3 - 4% portion may generate approximately 205 APS students. This development is currently zoned for Oakridge Elementary School, Gunston Middle School and Wakefield High School. The total generation of students for the 4% project by age group is as follows:

- Number of Elementary School Students (K-5) generated: 98
- Number of Middle School Students (6-8) generated: 46
- Number of High School Students (9-12) generated: 61

The above estimates are generated by APS using the development characteristics as of January 2024, and used student generation factors that reflect the 2023-2024 school boundaries. Should the 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).

Resident Services: TGHP will be providing its full suite of comprehensive resident services in the proposed CH3 development. TGHP administers a bilingual resident services program, which is a collaborative, best practices model that delivers on-site programs and connects adult residents to direct services. TGHP will have 1.5 (one-and-a-half) full-time equivalent employees as Resident Services Coordinator(s) (RSC) for CH3, available throughout the day to meet one-on-one with residents.

TGHP takes a holistic approach in helping their residents achieve personal goals and increase their financial stability. Residents will complete a survey at move-in and the RSC will continue with “listening” interviews during the first few months of the lease up and welcoming process. From the onset, resident services programs will be targeted to address resident needs and interests while encouraging residents to share their talents and engage with the wider community.

The CH 3 project will have ground floor office space for Arlington County’s Department of Human Services (DHS), as well as multiple community rooms, resident services offices and a business/computer room, in addition to a telehealth room, and a private courtyard for resident use. Services will be in a range of program areas including but not limited to Rent Relief, Food Security, Economic Stability, Education, Health and Wellness, in addition to partnerships with Arlington County DHS, Arlington Food Assistance Center (AFAC), and Our Stomping Ground (OSG).

PUBLIC ENGAGEMENT:

Level of Engagement - Inform

Outreach Methods: Community feedback was sought in the pre-development process of this project. TGHP has met with WHC on a continuous basis, as well as independently with the local civic associations and community organizations through late 2023 and 2024, including Aurora Highlands Civic Association, National Landing BID, Crystal City Civic Association, Crystal-Pentagon Cities Council, as well as presented in two community meetings as part of the minor

site plan amendment process. Lastly, TGHP presented at the February Housing Commission meeting.

Community Feedback: The project design has been further refined through community feedback in the form of more well-defined entrances and transparency, and activation of corners of the building and site. The Housing Commission voted 9-0-1 at its February 15th meeting to support the AHIF allocation for the 9% LIHTC project and sent a letter to the County Board. The Housing Commission will consider the request for the AHIF Pre-development Loan and the 4% LIHTC project at its October 10th meeting and will send a letter to the County Board.

FISCAL IMPACT: There are sufficient FY 2025 unallocated AHIF funds to support the \$29,699,222 AHIF allocation. It is anticipated that the inclusion of **13 new PSH units** will have a fiscal impact on the County's PSH program budget. The full year incremental cost increase to the PSH budget within the General Fund in the Department of Human Services (DHS) is estimated to be approximately **\$240,000** per fiscal year upon project completion and occupancy (anticipated in late-2027).

ATTACHMENT 1

Larger Parcel	RFP Proposal with Increased Affordability	DDA Exhibit J Anticipated Requests	Current (Sept. 2024)
CH 3¹	\$34.2M	\$33.7M	\$41.8M AHIF: \$12.1MM - 9% \$29.7MM - 4%
CH 4	\$-	\$-	\$-
CH 6	\$10.8M	\$10.8M	\$13.8M
Total AHIF Anticipated for Crystal House Development²	\$45M	\$44.5M	\$55.6M <i>(included \$600k for cost escalation)</i>

¹One source of funding for CH 3 will be proceeds associated with EYA’s land payment for the CH 7 / 8 infill townhome market rate parcels. The \$41.8M September 2024 CH 3 total AHIF amount anticipates a \$5MM land payment, subject to relevant approvals and financial structuring.

² CH 5 not included. Due to cost increases, staff has deferred the CH 5 outparcel development until units on the infill parcels are complete. An AHIF request would be made at a significantly later date.

ATTACHMENT 2

Crystal Houses Project Commitments

Overall Crystal Houses Project Commitments

1. TGHP will commit to applying for the following DHCD funding for CH 3 and CH 6: HIEE (to the extent available at the time), Virginia Housing Trust Fund, and National Housing Trust Fund, totaling \$3.8 million per LIHTC project. If other sources of DHCD funding become available and relevant to the project, TGHP will work with County Staff and DHCD to review and possibly apply for other sources.
2. TGHP will commit to seeking funding opportunities in addition to those listed in the current proformas to help offset cost escalation for CH 3 and CH 6.
3. TGHP will fund a sponsor loan to the CH3 - 4% project equal to the amount of the CH 7/8 land payment which will be underwritten and approved by the County, and in no event will be less than **\$5 million**.
4. County staff anticipates bringing forward an AHIF allocation request to the County Board for the CH 6 project in 2025 or later. The total of all proposed County loans, including the anticipated CH 6 request, shall in no event exceed \$55.6 million as a result of additional funding sources and/or lower interest rates yielding additional senior debt.

ATTACHMENT 3

2024 Income and Rent Limits for Arlington County Affordable Housing Programs

The income and rent limits are based on median income statistics for the Washington-Arlington-Alexandria Metro Area issued annually by the Department of Housing and Urban Development (HUD). Income and rents are shown below as a percent of area median income (AMI).

Incomes by Percent of AMI

Household Size	80%	60%	50%	30%
1	\$86,640	\$64,980	\$54,150	\$32,490
2	\$99,040	\$74,280	\$61,900	\$37,140
3	111,440	\$83,580	\$69,650	\$41,790
4	123,760	\$92,820	\$77,350	\$46,410
5	133,680	\$100,260	\$83,550	\$50,130
6	143,600	\$107,700	\$89,750	\$53,850

Affordable Rents by Percent of AMI

Unit Size	80%	60%	50%	30%
1	\$2,321	\$1,740	\$1,450	\$870
2	\$2,786	\$2,089	\$1,741	\$1,044
3	\$3,218	\$2,413	\$2,011	\$1,206
4	\$3,590	\$2,692	\$2,243	\$1,346

ATTACHMENT 4

CH 3 – 4% Financing Commitment Letter

DRAFT

ATTACHMENT 5

AHIF Pre-development Loan Documents

DRAFT