



Barcroft Apartments Master Financing and Development Plan Information Session

Presented to: Arlington Community

December 6, 2022



Agenda

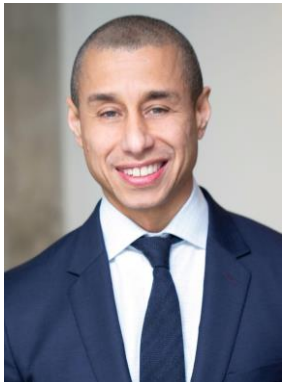
- Who We Are
- The Opportunity
- Resident Outreach and Engagement
- Commitments to Residents
- Financing Plan
- Proposed Master Development Plan
- Q&A





A Disciplined and Committed Team

- Steadfast commitment to working with non-profits and municipalities to deliver neighborhood assets that have direct impact on community, especially those in underserved neighborhoods
- Direct experience in terms of local entitlements and regional experience delivering placemaking mixed-use projects
- Certainty in terms of capital, encouraging equity participation to share in the prosperity of success



Jair Lynch
President & CEO



Ruth Hoang
SVP, Development



David Hilde
VP, Development



Emily Alexander
Sr. Development
Associate



Mark Hannan
Investment
Manager



Radhika Mohan
Development
Associate



Who We Are

- Urban regeneration company founded over 24 years ago
- Active owner and developer of office, retail, and multifamily
- Engaged in community development of neighborhood assets including schools, libraries, recreation centers, medical office buildings
- A leader in affordable and attainable housing with over 4,900 units developed or acquired, with nearly 4,000 units in the pipeline



A photograph of a man with dark hair, glasses, and a beard, smiling broadly. He is wearing a white t-shirt and a dark denim jacket. Two young children are perched on his shoulders. The child on the left is a toddler with light hair, wearing a grey hoodie. The child on the right is a baby wearing a light-colored hooded sweatshirt. They are outdoors, with a blurred background of trees and a house under a bright sky.

Our Goal

Housing stability is only the start;
economic empowerment is the goal.



Areas of Focus to Achieve Our Goal

Affordability

Preserve affordability
long term for legacy
and future residents

Quality

Provide renovated or
new homes for all
Barcroft residents

Service

Bring new resident
amenities and
services

Culture

Preserve and
enhance
neighborhood
character

Vision

Achieve goals of the
Columbia Pike vision



The Opportunity



Opportunity Overview

Preserve Affordability for Generations

- Preserve 1,334 apartment homes for families earning up to 60% AMI (Area Median Income) for 99 years
- No displacement of 1,100 legacy resident¹ families

Unprecedented partnership

- With a total investment of \$460 million, including low-rate loans of \$160 million from Amazon's Housing Equity fund, and \$150 million from the Arlington County Board, this acquisition created a unique public-private partnership to work towards a reimagined Barcroft neighborhood



1 – Legacy Residents include all residents prior to Jair Lynch's acquisition of the property on 12/29/2021



Opportunity Overview

Our Commitment

- 0% rent increases for 2022 for legacy residents
- Starting in 2023, no more than 3% rent increase per year with the maximum rent possible capped at 60% AMI for legacy residents¹
- Work with residents who cannot afford a rent increase on a case-by-case basis, help connect them to financial resources, and may further reduce or limit rent increases to ensure affordability
- Address immediate repairs, add amenities, make property upgrades, and take steps to improve the residents overall living environment



1 – Legacy Residents include all residents prior to Jair Lynch's acquisition of the property on 12/29/2021



Primary Purpose

- Reaffirm that the financing from the County and Amazon will be sufficient to achieve the goals initially committed to despite today's market conditions
- Summarize how the renovation and replacement of the 1,334 homes (“LIHTC Projects”) will be financed with affordable housing tools
- Summarize the restructuring of the acquisition sources, uses, and terms for future refinancing of the acquisition loans for the County and Amazon in the LIHTC Projects





Primary Purpose

- Highlight key trends, via multiple scenarios, that include target AMI levels, construction type (Renovation or New Construction), and financing sources such as 4% and/or 9% low income housing tax credits
- Provide a roadmap on how Jair Lynch will take care of Legacy Residents and demonstrate that their housing is secured
- Provide residents with a high-quality, stable housing experience





Thinking Beyond the Baseline

- Providing different levels of affordability to better align with the demographics of Barcroft's Legacy Residents and to ensure that their rent is in line with their income levels with the help of alternate financing sources.
- Adding more family sized apartment homes to provide a variety of apartment sizes and bedroom options so all residents have flexibility to move within the community as their families change.
- Increasing ADA accessibility within homes to ensure Legacy Residents have access to common amenities and in-home options that meet their needs.





Thinking Beyond the Baseline

- Improve resident services and community amenities to match the needs of all residents.
- Look for opportunities to adjust the land use plan to achieve and enhance the master plan based on the vision for Columbia Pike and the needs and desires of our residents.
- Expand the planning on a range of other goals around significant topics for discussion including sustainability and environment, open space, transportation and connectivity, digital equity and inclusion, and community uses which would be funded through gap financing or other funding sources.





Master Finance and Development Plan Document

To review the entire submission, please visit the following web address:

<https://www.arlingtonva.us/Government/Programs/Housing/Development/Barcroft-Apartments>



BARCROFT
MASTER FINANCING AND DEVELOPMENT PLAN
October 29, 2022

JairLynch
Real Estate Partners



Resident Outreach and Engagement



A Resident-First Approach

- Home Walks
- Resident Survey
- Resident Assistance and Services
- Resident Events: SummerFests, Movie Nights, Town Hall, and more
- BeBarcroft.com
- Informational Video Series

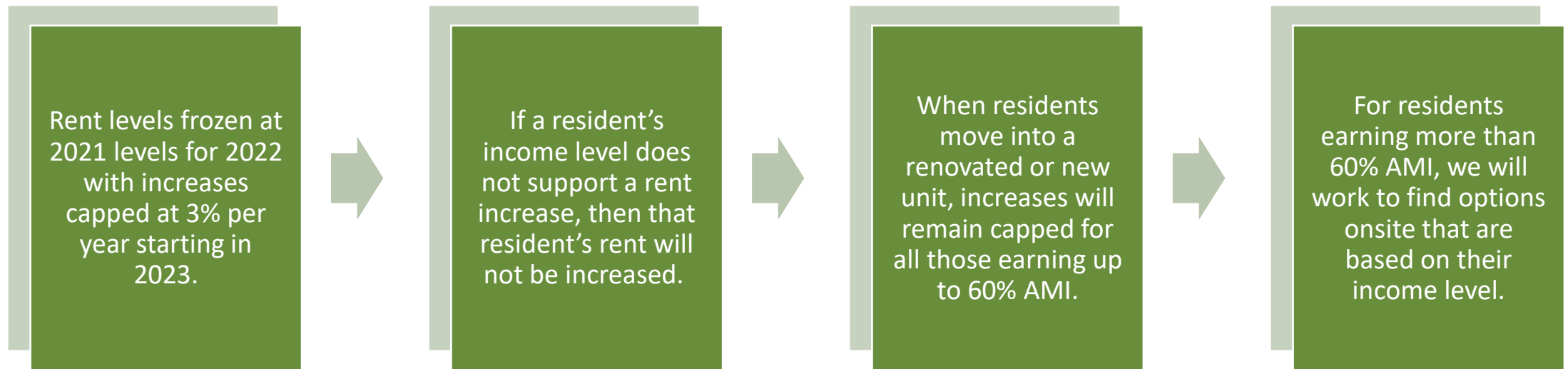




Commitments to Residents



For Legacy Residents*



**The term "Legacy Resident" refers to any resident who possessed a valid lease in good standing with Barcroft Apartments prior to, or on the date of, December 29, 2021.*



For All Residents

- During the renovation and construction process, which will take several years, we will be thoughtful on our approach to on-site transfers:
 - All transfer costs will be paid
 - All relocations will be within the Barcroft community with at least 120 days notice
 - A dedicated transfer team will assist residents with the process
- Create quality homes for our residents through renovation or new development
- Landscape and sidewalk improvements within courtyards and sidewalks





Financing Plan



Financing Framework: Overview

The intent of the framework is to make use of readily available and conventional affordable housing financing tools - with the Arlington County and Amazon Housing Equity Fund acquisition financing converting to provide any necessary gap financing – and to meet the base goals set forth at the December 2021 closing:

- The preservation of affordable housing at or below 60% of AMI for at least 1,334 homes
- Rent stabilization and caps on rent increases on existing units for Legacy Residents
- Substantial renovation or new construction of affordable homes to ensure quality affordable housing options
- Preserve the substantial investments made by the Amazon Housing Equity Fund, Arlington County, and Jair Lynch





Financing Framework- Proposed Baseline

- Utilize only 4% LIHTC and tax-exempt bonds
- Assume current form based code guidance to set mix of renovated and newly constructed homes for the overall 1,334 homes
- Deepen affordability beyond the original 60% AMI requirement (average of \$1,770/mo), hold rent levels, and cap rent increases for Legacy Residents making less than 60% AMI. Average rent at Barcroft today is \$1,403/mo, which equates to a 48% of AMI affordability level
- Can achieve these goals through conversion of acquisition loan proceeds to gap financing based on today's market conditions

TENANT DEMOGRAPHICS BY CURREN RENT LEVEL ¹	#	% TOTAL
Legacy Residents ² - at or below 30% AMI	30	2.2%
Legacy Residents - 30-40% AMI	2	0.1%
Legacy Residents - 40-50% AMI	951	71.3%
Legacy Residents - 50-60% AMI	32	2.4%
Legacy Residents - above 60% AMI	1	0.1%
Legacy Residents -Data Available	0	0.0%
Non Legacy Residents	158	11.8%
Vacant/Down	160	12.0%
Total	1,334	100.0%

Notes:

1 - Rent levels are based on the rent roll as of 10/1/2022.

2 - Legacy Residents include all residents prior to JL's acquisition of the property on 12/29/2021..



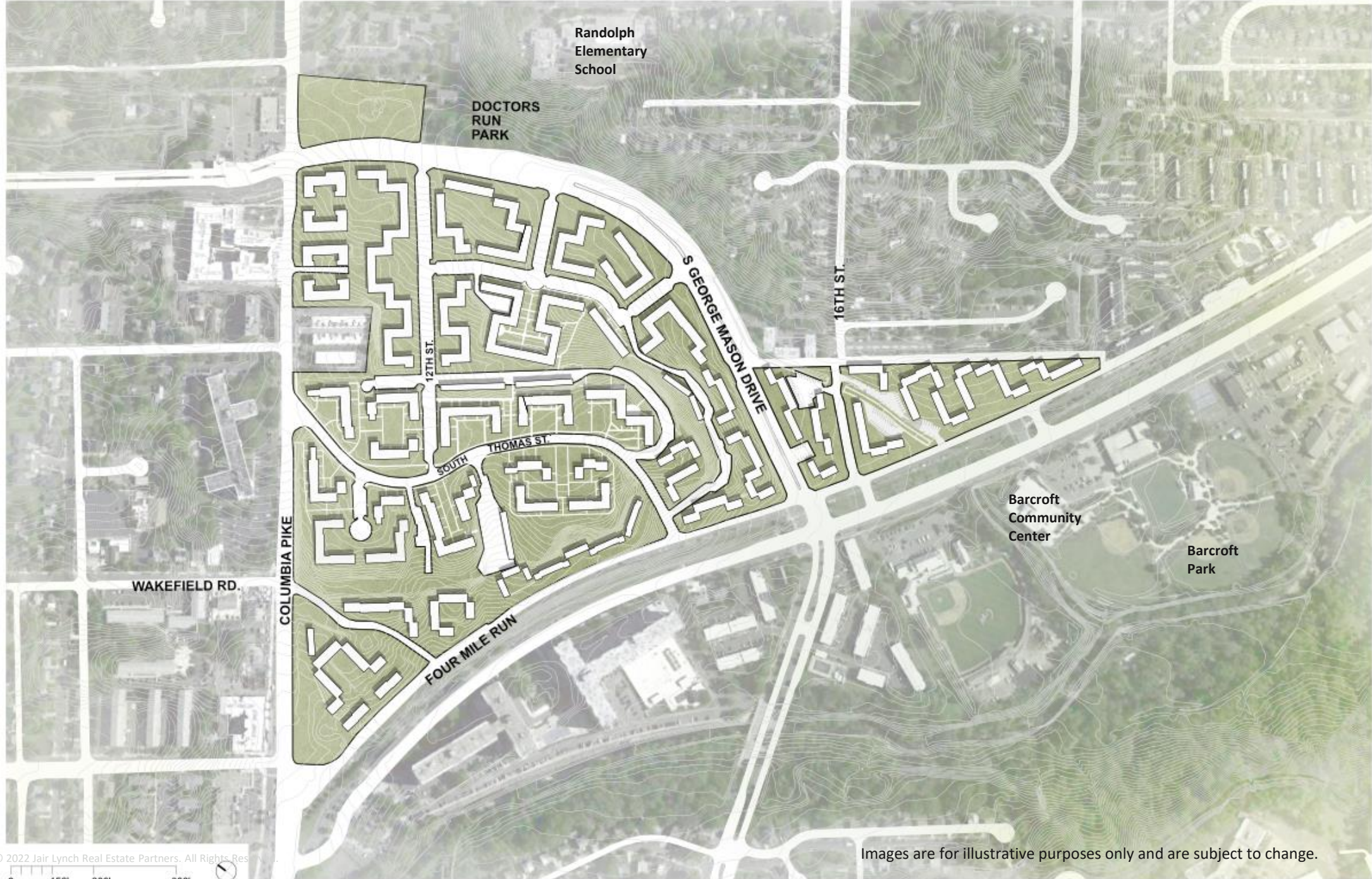
Financing Framework: Thinking Beyond the Baseline

- 9% Low Income Housing Tax Credits
- 9%/4% “Twin” Financing
- Historic Tax Credits
- New Market Tax Credits
- Virginia State Low Income Housing Tax Credits
- Operating Subsidies
- Additional New Construction
- Permanent Supportive Housing
- Additional Family-Sized Apartment Homes
- Rent and Income Averaging
- Other sources such as the Virginia Housing Trust Fund and Federal Home Loan Bank





Proposed Master Development Plan



Randolph
Elementary
School

DOCTORS
RUN
PARK

S GEORGE MASON DRIVE

16TH ST.

12TH ST.

THOMAS ST.
SOUTH

Barcroft
Community
Center

Barcroft
Park

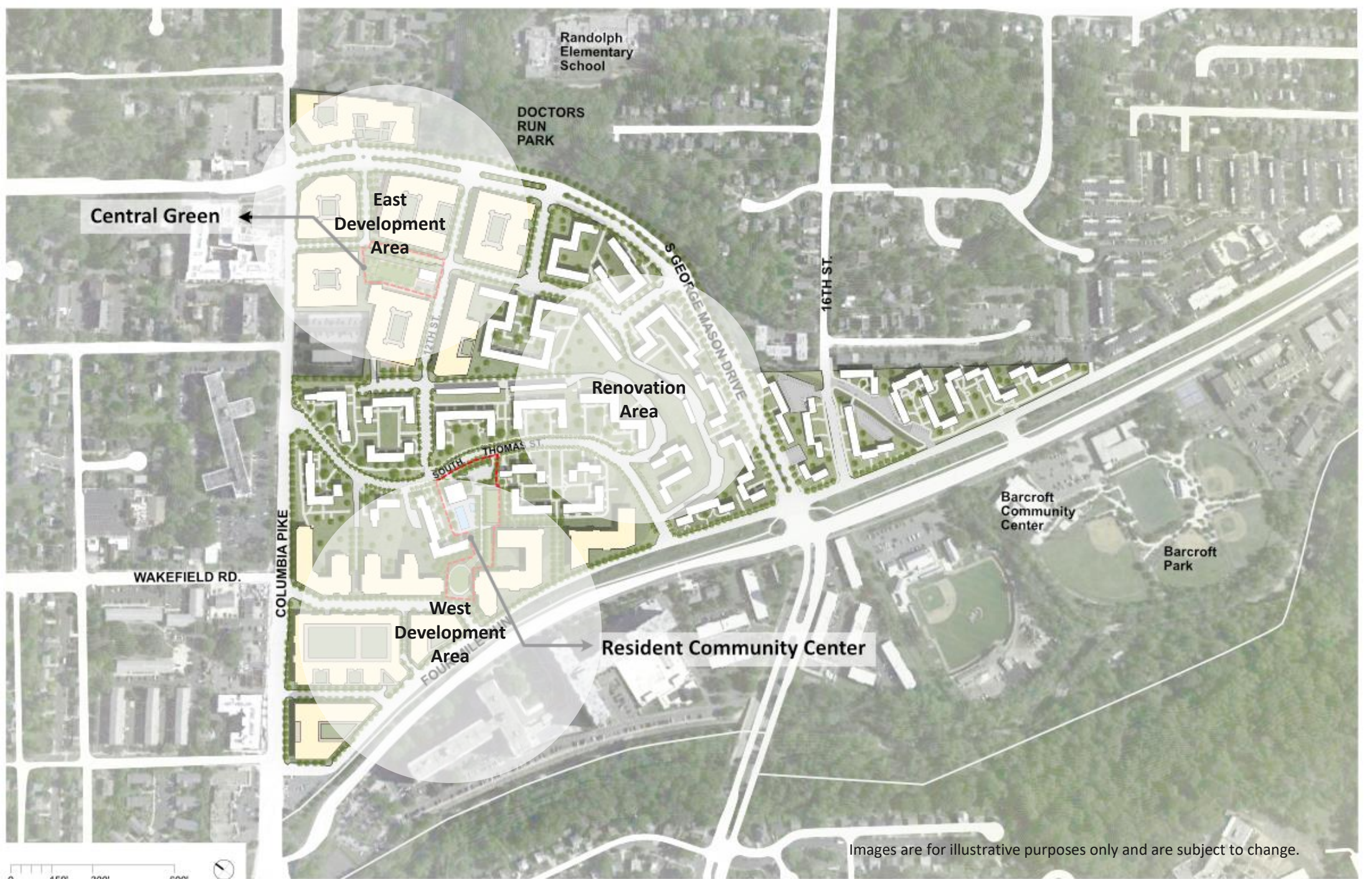
WAKEFIELD RD.

COLUMBIA PIKE

FOUR MILE RUN



Images are for illustrative purposes only and are subject to change.



Central Green

East Development Area

Randolph Elementary School

DOCTORS RUN PARK

Renovation Area

Barcroft Community Center

Barcroft Park

WAKEFIELD RD.

COLUMBIA PIKE

West Development Area

Resident Community Center

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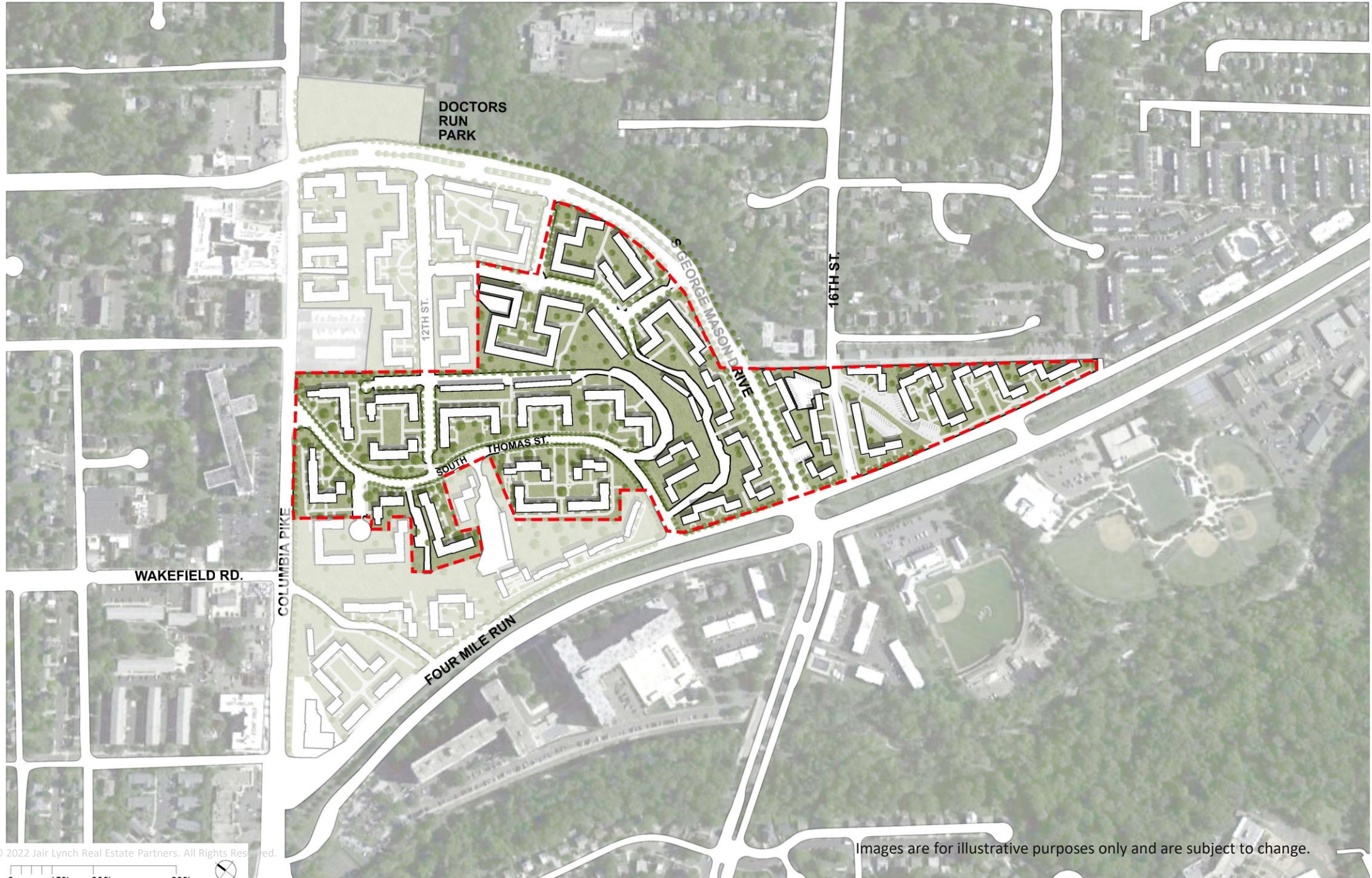


Renovation Area

- The heart of the 60-acre development
- Along South Thomas Street and crossing South George Mason Drive
- Preservation of existing apartments
- Preservation of the gateway to the renovation area on Columbia Pike
- Providing a central resident amenity center to serve residents of the renovation area



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DOCTORS
RUN
PARK

12TH ST.

S. GEORGE MASON DRIVE

16TH ST.

THOMAS ST.

SOUTH

WAKEFIELD RD.

COLUMBIA PIKE

FOUR MILE RUN





Expanded East Development Area

- The northeast portion along Columbia Pike and across from the Centro project with a Harris Teeter
- Envisioned as a continuation of the development and revitalization of Columbia Pike
- Create a central gathering place for the community
- An attraction for commercial anchors



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West Development Area

- Frontage along Columbia Pike and S Four Mile Run adjacent to existing 13-story residential towers
- Steep drop in topography from the Renovation Area along S Thomas Street
- Update plan guidance for the west development area
- Explore additional height opportunities along Four Mile Run



Images are for illustrative purposes only and are subject to change.



Additional Ideas

- Sustainability and environment
- Open space
- Transportation and connectivity
- Digital equity and inclusion
- Community uses
- Other Financing Sources



Image: Urban greenspace illustration. All images are for illustrative purposes only and are subject to change.



Q&A

Thank you! For more information, contact Radhika Mohan at rcm@jairlynch.com