



# Barcroft Apartments Master Financing and Development Plan Overview

Presented to: Columbia Pike Partnership Board and Pike Presidents Group  
November 29, 2022



# Agenda

- The Opportunity
- MFDP Goals
- Resident Outreach and Engagement
- Commitments to Residents
- Financing Plan
- Proposed Master Development Plan







# 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 jacket. Two young children are sitting on his shoulders. The child on the left is a toddler wearing a light-colored hoodie, looking off to the side. The child on the right is a younger child with light hair, wearing a grey hoodie, looking towards the man. The background is a soft-focus outdoor setting with trees and a house.

# 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 resident<sup>1</sup> 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

## 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 residents
- 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*





# 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
- Providing a variety of apartment sizes and bedroom options so Legacy 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
- Improve resident services and community amenities to match the needs of Legacy Residents







# 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



# MFDP Goals





# 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
- Highlight key trends, via multiple scenarios, on a per-affordable-home basis considering target AMI level, construction type (Renovation or New Construction), and which tax credit program is to be applied
- 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.
- 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.







# 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



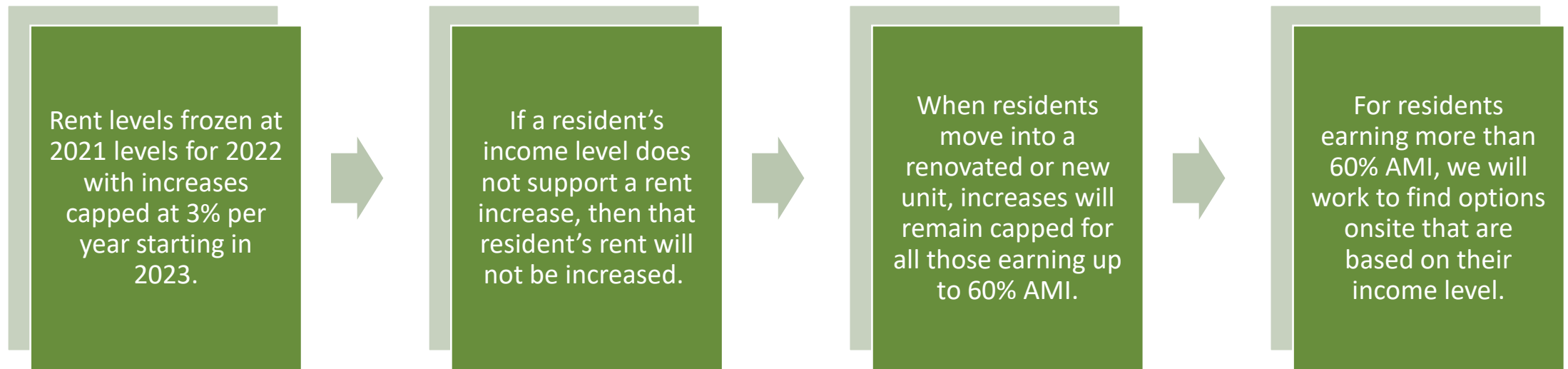




# Commitments to Residents



# 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) and hold rents 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 <sup>1</sup>	#	% TOTAL
Legacy Residents <sup>2</sup> - 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%
<b>Total</b>	<b>1,334</b>	<b>100.0%</b>

**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





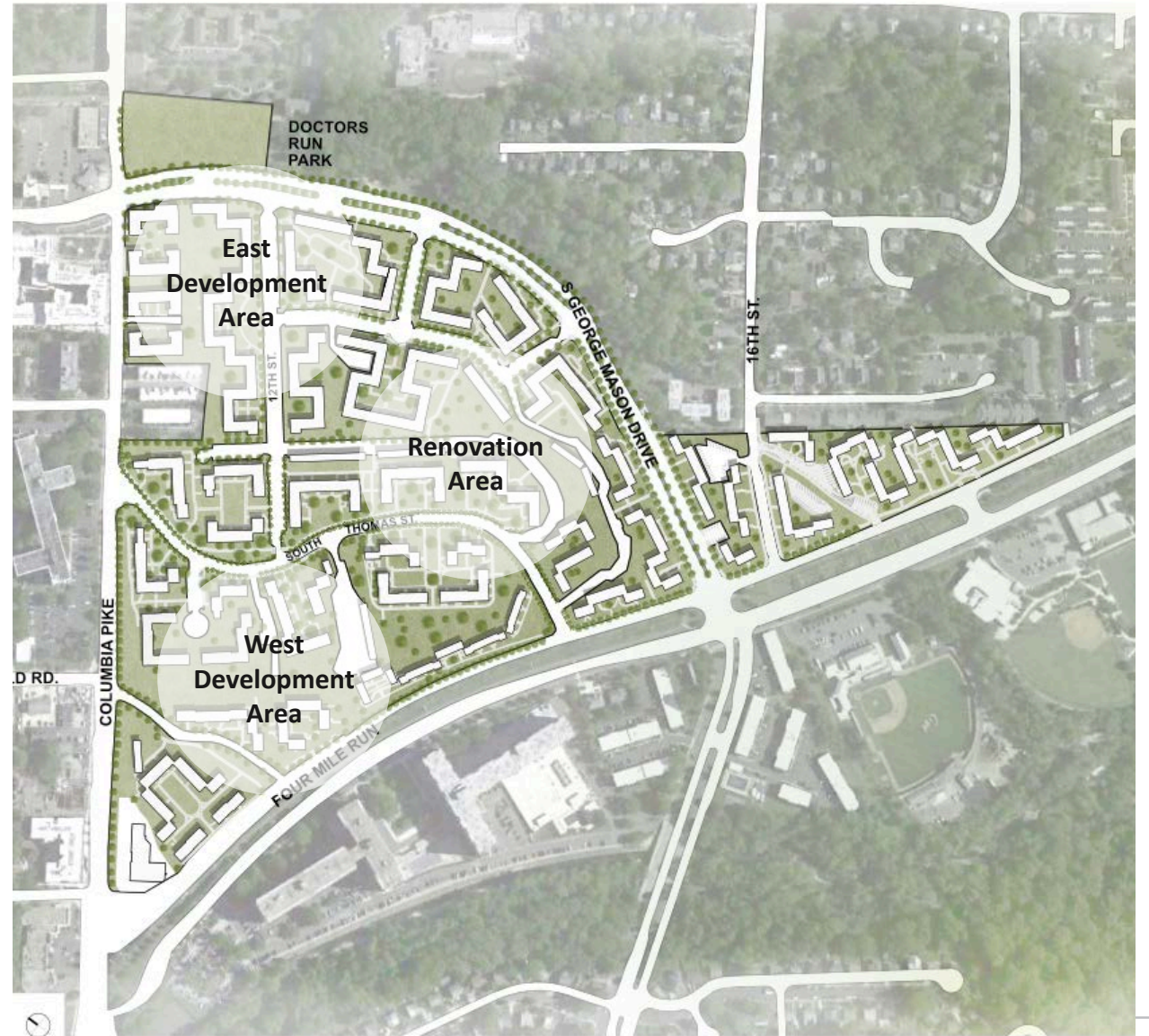


# Proposed Master Development Plan



# Areas of Focus

- A unique opportunity to make a significant impact on the Columbia Pike corridor
- Honoring the Columbia Pike Initiative and the Columbia Pike Neighborhoods Area Plan
- Incorporating resident feedback, county goals, and site analysis







# 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







# 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







# 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







# Additional Ideas

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



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





# Thank You

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