

Colonial Village West

Information – March 8, 2018

Address: 2111 N. Key Blvd.

Developer: AHC, Inc.

BACKGROUND:

- AHC Inc. is requesting a bond allocation from the Arlington County Industrial Development Authority (IDA) of up to \$13,000,000 to fund renovations at the Colonial Village West (CVW) Apartments, an affordable housing property located in the Courthouse neighborhood.
- The request is for IDA financing only; no additional County funds are being sought.
- CVW is a 100% affordable 70-unit property that is ending a 15-year tax credit compliance period. The property consists of eight attached two-story buildings and one three-story building, most of which were built in 1938. The property is listed on the Historic Register and is located in a locally designated historic district.
- AHC purchased the property in 1982 and completed a moderate renovation in 2002 using the 4% Low-income Housing Tax Credit program. AHC is now proposing to undertake a complete renovation of the buildings funded with another infusion of 4% tax credit equity and tax exempt bond proceeds through the IDA.
- Although in July 2017 the County Board approved an allocation of \$73,180 HOME CHDO funds to partially fund a limited scope of the project, changes favorable to the financial position of the project make these CHDO funds no longer necessary.



PROJECT:

- The property consists of 70 units covered by a Section 8 HAP contract (project-based rental assistance) with rents restricted at 60% AMI.
- The newly renovated property will have 35 units at 60% AMI and 35 units at 50% AMI.
- There are 35 one-bedroom, 15 two-bedroom, and 20 three-bedroom units.
- The renovation scope includes replacing the roofs and all major mechanical, electrical, and plumbing systems, upgrading interior finishes, and installing new energy efficient windows.
- The total development cost is estimated at \$23 million. Sources include 4% tax credit equity, tax-exempt bond proceeds, seller note, and deferred developer fee.
- Tenants may be temporarily relocated on a rolling basis throughout the renovation. No existing households will be permanently displaced. AHC is scheduled to meet with the Tenant Landlord Commission next week.

PERMANENT SOURCES AND USES:

SOURCES OF FUNDS:		USES OF FUNDS:	
Senior Permanent	\$8,000,000	Acquisition	\$12,600,000
Tax Credit Equity	\$6,869,426	Construction	5,907,796
AHC Loan/Seller Note	\$8,000,000	Soft Costs	\$1,597,155
Interim Income	\$110,159	Reserves	\$651,362
		Development Fee	\$1,521,931
		Financing/Construction Loan Interest	\$701,340
Total Sources	\$22,979,585	Total Uses	\$22,979,585

Colonial Village West Location
2111 N. Key Blvd

