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DONOVAN'S DREAM TEAM

Expectations high for new
leadership crew at HUD

Clockwise from left: Ron Sims, Helen Kanovsky,
John Trasviña, Laurel Blatchford, David Stevens,
Sandra Henriquez, Shaun Donovan

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AHC Returns to Familiar Site

BY DONNA KIMURA

ARLINGTON, VA

The search for new opportunities has led a prominent affordable housing developer back to familiar ground. AHC, Inc., recently replaced one of its old projects with a 94-unit affordable housing development that provides more than four times the number of apartments that used to be on the site.

Even in today's depressed economy, finding and competing for properties remains one of the biggest challenges for affordable housing developers.

Adding more units to properties it already owns is one strategy that the nonprofit has deployed in the battle to increase the supply of affordable housing in Arlington, a community that has lost more than 10,000 affordable rental units in the last seven years, AHC officials say.

The Shelton is the second property the group has redeveloped with more housing. Completed earlier this year, the project replaces the aging Fairview Manor, a 22-unit building built around 1965 and acquired by the group in 1982.

Meeting community needs

The changes go deeper than the number of units. Responding to community need, AHC designed The Shelton to have a mix of apartments, including 47 two-bedroom and 15 three-bedroom apartments to accommodate families. The project serves residents earning no more than 40 percent, 50 percent, and 60 percent of the area median income.

Condo conversions and gentrification have taken a big bite out of the area's affordable housing supply during the last several years, says John Welsh, director



The Shelton earned an honorable mention this year in the metropolitan housing category of the Affordable Housing Tax Credit Coalition's Charles L. Edson Tax Credit Excellence Awards. (Bonstra/Haresign Architects; Photo by Anice Hoachlander)

of the multifamily division.

The Shelton, which includes a small retail space and a parking garage, was built with efficiency in mind, including the use of Energy Star products. AHC also installed a hot water system on each of the four floors rather than putting a hot water heater in every apartment.

Many of these features emerged through extensive community outreach and collaboration with the Nauck Revitalization Organization and the Nauck Civic Association.

The \$30.6 million project is notable because it is in an area targeted for redevelopment. "Our development has jump-started the revitalization of the neighborhood," says Joe Weatherly, senior project manager.

Being one of the first projects carried a heavy load. AHC had to place the aerial utilities underground and build the underground infrastructure for the neighborhood, adding about \$2 million to the project costs.

The project was financed with low-

income housing tax credits (LIHTCs) allocated by the Virginia Housing Development Authority (VHDA). RBC Capital Markets Tax Credit Equity Group syndicated the credits, raising about \$13.7 million in equity. VHDA also provided \$3.5 million in below-market debt and \$5.5 million through its conventional debt program, achieving a blended rate of about 6 percent.

"We were pleased to see this development because affordable housing is difficult to produce in the Beltway," says Jim Chandler, director of the LIHTC program at VHDA.

Arlington County invested more than \$5.3 million through its Affordable Housing Investment Fund. This includes \$4.3 million in new money and about \$1 million in outstanding funds from Fairview Manor that Arlington County rolled into The Shelton deal, explains Welsh. Suntrust Bank provided a construction loan, and grant money from NeighborWorks America also assisted the project. ■