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MODERN TOWNHOMES FILL A NICHE IN SEATTLE NEIGHBORHOODS

AHC, INC.



TAX CREDITS AND GOVERNMENT FINANCING ARE KEYS TO EXPANSION

by Rich Silverman

AS TODAY'S HEADLINES OFTEN NOTE, housing costs have risen dramatically in some parts of the country, to the point that many people can no longer afford to buy a home. The forces that have driven these increases—limited land for new development, low interest rates, and generally increasing demand for housing—show no signs of abating. But in the areas around Washington, DC, AHC, Inc. is doing something about making more affordable housing available to area residents.

Above: Hunter's Park

In 1975, AHC Inc. opened its doors as a nonprofit developer of affordable

housing. It focused solely on Arlington, Virginia; had an operating budget of \$30,000 and two staff members. Today, AHC operates in Maryland and Virginia, with an annual budget of \$5.5 million and 35 full-time staff. "We provide housing for nearly 3,500 households," says AHC president and CEO, Walter D. Webdale.

Originally, AHC concentrated on providing emergency repairs to area residents, such as new roofs, furnaces, or water boilers. This enabled area residents, Webdale notes, to continue to live in their own homes. In the late



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—Walter D. Webdale, President and CEO

1970s and early 1980s, the area started to gentrify. “AHC began to enlarge its focus. Rather than just repair existing homes, we started our own rental housing units, repairing them and making them available to lower-income residents,” says Webdale.

Among the multifamily properties that were the primary vehicles for this broadened focus were garden apartments built in the early ‘40s and mid-rise apartments built in the ‘60s. AHC bought them, rehabbed them, and made most of the units available to lower-income residents at rates below market. A certain percentage was also leased at market rates.

AHC continued in this manner until about 10 years ago, when AHC’s

board concluded that its then-current organizational structure made it difficult for them to respond to a quickly changing real estate market. So, while remaining a nonprofit entity, AHC reconstituted itself along the lines of a corporation, with a board that set overall goals and policy direction and a Chief Executive/President whom they empowered to make those goals a reality. The board hired Webdale, who became AHC’s first President and CEO.

Funding for the units AHC purchases comes from a variety of sources. Tax-exempt bonds, tax credits, bank loans and other forms of federal and state funding programs provide the monies AHC uses to buy and upgrade housing units. The cities and counties in which AHC operates also help to finance

A MESSAGE FROM BONSTRA | HARESIGN ARCHITECTS

Bonstra | Haresign ARCHITECTS, an 18 person design firm in Washington, DC, was selected by AHC, Inc. to design the Shelton as the first major project in the Nauck section of Arlington, VA. AHC President and CEO Walter Webdale requested B|HA to design a 94 unit affordable housing project that looks and feels like market rate housing. The four-story frame structure, sitting atop a cast in place concrete below grade parking structure, follows sustainable design principles. The U-shaped building encompasses a private landscaped courtyard. Long facades that stretch along the three primary streets include a series of repeating elements at differing scales using masonry, articulated stucco, and metal canopies and sunscreens. The Shelton has Virginia Housing and Development Authority tax credit financing, and will be completed in December 2008. Bonstra | Haresign ARCHITECTS thanks AHC for their trust in our design ability; we are now designing two new projects with AHC.

apartment complexes and other housing programs.

Those benefits include improved housing for the poor and the elderly, a reduction in traffic congestion (many of the developments are near affordable, efficient public transportation), and a more diverse community.

A key source of funding has been low-income housing tax credits. Tax credits are made available by the federal government to each state. AHC and its competitors submit requests for funding to Virginia's state housing agency, which approves tax credit requests. A syndicate accumulates investment dollars from corporations to help finance the project, and pass along AHC's tax credits to the investors, who use it to offset taxes over a 10-year period.

"AHC currently owns and manages 3,500 units in 28 apartment communities, about 80 percent of which are affordable housing," Webdale explains. The remaining 20 percent

are leased at market rate. The mixed income approach has been successful in creating desirable, fully occupied apartment communities. AHC also owns a management company, which is a for-profit entity, to handle the day-to-day operations of the properties it owns. Any profits the management company generates are used to buy more affordable housing units.

In addition to owning and operating the housing units, AHC also provides its residents services such as, summer camps, after-school programs, tutoring, English as a Second Language (ESL), and other programs. AHC operates its resident services program at six community centers located at its apartment communities.

In a nod to AHC's roots, Webdale noted that AHC still helps residents repair their own homes. But with all the units it owns and leases and all the additional programs it provides to the community, AHC is able to do so much more. ¹⁰⁰

A MESSAGE FROM CUNNINGHAM | QUILL ARCHITECTS PLLC

Cunningham | Quill Architects PLLC, Washington, DC, was founded in 1996 to provide complete professional services in architecture and community planning. For its achievements, the firm has received numerous awards on the local and national level, including the American Institute of Architects Award of Excellence in architectural design and the Congress for the New Urbanism's Charter Award of Excellence.

As we celebrate our twelfth year, we are especially proud of our seven-year relationship with AHC, Inc., and ten-year relationship with Walter Webdale, AHC's President. In an environment with rapidly escalating housing costs in the Washington, DC area, AHC has worked tirelessly to provide affordable alternatives that seamlessly integrate into established neighborhoods. What has impressed us the most over the years is AHC's true developer spirit in pursuit of its altruistic goals, a rare combination indeed. Congratulations to all at AHC for this well-deserved recognition!

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