

December 2, 2019

Ms. Helen McIlvaine
Director, Office of Housing
421 King Street, Suite 200
Alexandria, Virginia 22314

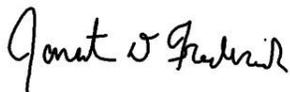
Dear Ms. McIlvaine:

This letter is to make a formal request for \$8.0 MM from the City's Housing Opportunity Fund to assist AHDC in the acquisition of the Avana Alexandria, a 326-unit property located in Alexandria's West End. AHDC will use the City's funds to leverage two additional sources. The first source is the Virginia Housing Development Authority (VHDA) who will provide a first trust mortgage and grants and the second is a mezzanine loan from JBG Smith's Social Impact Fund.

As part of this acquisition AHDC plans to preserve 40 percent of those units (130) at 60 percent of the Area Median Income (AMI) and another 35 percent (114) at 80 percent of the AMI. We believe this will create an income affordability mix for the property that will allow us the flexibility to serve both current and future residents. JBG Smith will manage this property for AHDC and will assist us in completing the transition to the desired affordability mix within the first year of operations.

AHDC has committed to a quick due diligence and closing timeframe for this opportunity. As such we plan to close on this transaction by late January 2020. The funding plan established for this acquisition brings together the City of Alexandria, Commonwealth of Virginia, the private sector and the non-profit sector to create a significant affordable housing resource in the City. We are excited to be a part of this plan and we are prepared to answer any questions you may have.

Sincerely yours,



Jonathan D. Frederick
President

cc: Eric Keeler, Deputy Director, City of Alexandria Office of Housing