



St. James Church Site Project Summary

Project Description

AHC Inc. is the contract purchaser of the St. James Methodist Church and Bi-District Office site located at 5000 and 5001 Echols Ave. in Alexandria, Virginia. AHC is in the early stages of rezoning the property to allow for two multi-family buildings. The two building strategy assumes AHC will develop own and operate one of the buildings as an affordable housing property with rents at 50% and 60% AMI. The second building will be a market-rate building and will be sold to a third-party developer with expertise in market rate development. AHC is currently seeking a partner for the market-rate building.

The current concept plan includes a new 92-unit affordable building shown as the left (west) building on the adjacent rendered plan. The building also includes approximately 3,000 square feet reserved for a preschool or daycare space. AHC will work with its strategic partners to provide those services. The building will have an underground parking garage.



The affordable building will be constructed to a finish level consistent with Jackson Crossing and other AHC Inc. apartments in the region. Likely unit amenities will include a full Energy Star kitchen appliance package, individually controlled HVAC systems, carpeting and ceramic tile baths. Washer and dryers will be available in common laundry rooms on each floor of the building. The building will be constructed of wood over a concrete podium (Type 5A) in accordance with VHDA standards.

Property

The property is located just outside the Beauregard Small Area plan in Alexandria's west end. The two parcels combine to a site area of 2.97 Acres and are currently zoned R-12. AHC will be seeking to rezone the property to CRMU-M, the same zoning designation used at Jackson Crossing.

Located between the eastern edge of Echols Avenue and Fillmore Street, the existing Church buildings use Echols Avenue as its primary access point. The proposed design will change this, enabling residents of the new buildings to access the property from Fillmore Street, thus reducing the traffic impact to the residents of Echols Avenue. The conceptual plan also includes a new trail for enhance bicycle and pedestrian connectivity.

Ownership Structure

AHC expects to use its standard limited partnership ownership structure at this property. However, this has not been finalized and will be explored further as the project becomes more certain.

Financing Plan

The plan for the affordable building is to pursue an allocation of 9% low income housing tax credits from VHDA in the March 2015 competitive application cycle. The tax credit equity will be combined with conventional first trust debt, a subordinate loan from the City of Alexandria, a partnership loan from AHC Inc. from the proceeds of the market-rate building and deferred developer fee.

Development Status

AHC has submitted its Concept 1 plan to the City of Alexandria in early February, 2014 and is working through the City's entitlement process. It is critical for the property to have completed the entitlement process by November, 2014 to allow for adequate time to complete the VHDA application.

AHC is working with its civil engineer and the City's Department of Transportation and Environmental Services to quantify the scope and cost of an off-site sanitary sewer upgrade. This off-site improvement could cost the project upwards of \$1.0M dollars (based on \$400 per linear foot).

Project Milestone Schedule

- Completion of entitlements – November 2014
- Submission of VHDA 9% LIHTC application- March 2015
- Award of 9% LIHTC application- June 2015
- Acquisition- August 2015
- Commence Construction- February 2016
- Complete Construction- August 2017