

## Carpenter's Shelter Redevelopment

### Proposed Project

The Carpenter's Shelter project is a partnership between two Alexandria non-profits, the Alexandria Housing Development Corporation (AHDC) and Carpenter's Shelter (CS), to redevelop the Shelter's existing site to provide more housing options that are affordable to Alexandria residents at a variety of income levels. The nearly one acre site is located at 930 North Henry Street, within a quarter mile of the Braddock Metro Station. AHDC's concept proposes a new shelter facility on the ground level, including associated case management and administrative and services space, topped with 98 units of rental housing to be owned and managed by AHDC. The apartments will be affordable to households with incomes ranging from 40% to 60% of the area median income, with ten of these units available to formerly homeless individuals who would continue to receive services from Carpenter's Shelter.

The project will be built with high quality exterior finishes designed to mend seamlessly with neighborhood as shown in Figure 1. The project is currently contemplated as a five story wood frame construction built over a two story concrete podium for a total of seven stories. The ground floor of the project will host the residential lobby and a new shelter facility and will include three separate and distinct entrances (Carpenter's Shelter, David's Place, and residential lobby). The residential units will be equipped with Energy Star kitchen appliance packages and high-efficiency individually controlled HVAC systems. Residents of the project will enjoy laundry in each unit, a community room and outdoor space on the third floor, as well as onsite management staff. The proposed supportive housing units will be spread throughout the building and will fill a huge gap in the housing continuum in the City.

Figure 1. CS Redevelopment Rendering



### Property

The project site is walkable to the Braddock Metro located in a neighborhood directly north of the newly developed Belle Pre project. This area has experienced significant growth over the past several years as the City has been implementing the Braddock Metro Small Area Plan. The site is approximately .82 acres in size and was anticipated for redevelopment in the Braddock Metro Small Area Plan. While the proposed project does take advantage of the City's bonus density program for affordable housing, it does not require any additional amendments or modifications.

### **Proposed Project Target Population:**

AHDC's development will be a rental project that will target a range of affordability levels between 40% area median income (AMI) and 60% AMI. The project affordability targets will be as follows: ten percent of the units at 40 percent AMI, 40 percent of the units at 50 percent AMI, and 50 percent of the units at 60 percent AMI. In addition, AHDC is requesting the use of the Office of Housing's proposed rent subsidy program to serve the individuals that will be living in the permanent supportive housing units. This program will allow AHDC to reduce the rent within the 40% AMI units down to a point that will allow the project to effectively serve the chronically homeless individuals identified by the Carpenter's Shelter.

The units will be a mix of efficiencies, one bedroom, two bedroom, and three bedrooms with 80 percent of the project being dedicated for two and three bedroom units. Ten percent of the units will be full accessible for tenants with disabilities. AHDC believes the proposed unit and affordability mix will assist those households in the City that are the most in need, while at the same time maximizing scoring opportunities provided in the Virginia qualified action plan.

### **Ownership Structure**

AHDC has an executed MOU with the Carpenter's Shelter which will lead to a purchase and sale agreement between AHDC and CS. The current planned ownership structure will be two separate condominium units within the new building including a new shelter facility and the AHDC housing development. AHDC will pay an acquisition cost of \$6,250,000 to Carpenter's Shelter based on an appraisal of the project. CS will use the proceeds of this sale to build a new shelter and AHDC will own outright the affordable housing project that is the subject of this application.

### **Financing Plan**

AHDC's financing plan includes submitting an application for a nine percent low income housing tax credit allocation in March 2017. The LIHTC equity will be supplemented by a conventional first trust mortgage, City of Alexandria subordinated debt, AHDC deferred developer fee, as well as other financing sources that may be available including VA/Federal housing trust fund and federal home loan bank grants.

### **Market Demand**

AHDC has yet to commission a full market study to demonstrate demand for the proposed project. However, the City of Alexandria Housing Master Plan (HMP) provides a significant amount of data that demonstrates a demand for the housing type and affordability levels that will be provided in this project. The HMP demonstrated the need for additional affordable units that at or below 60 percent AMI specifically those at or below 50 percent AMI. The report also showed the need for additional affordable 2BR and 3BR units to support families. In addition, there is a clear demand for the permanent supportive housing units that will serve chronically homeless individuals that are ready for an apartment.

**Proposed Project Schedule (estimated to date):**

- Completion of entitlements – December 2016
- Submission of VHDA 9% LIHTC application – March 2017
- Award of 9% LIHTC application – June 2017
- Acquisition – September 2017
- Begin Construction – 1<sup>st</sup> quarter 2018
- Completed Construction – 3<sup>rd</sup> quarter 2019