



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of July 8, 2006**

DATE: June 16, 2006

SUBJECT: Revise the CDBG loan terms related to redevelopment of AHC's Fairview Manor Apartments to reflect repayment of the deferred loan to AHC's Revolving Fund.

C.M. RECOMMENDATIONS:

1. Approve revised loan terms for the CDBG Long Term loan for redevelopment of AHC's Fairview Manor Apartments, to reflect, in Loan Term and Condition Number 4, that repayment shall be to the AHC Multi Family Revolving Fund, instead of to the County.
2. Authorize the County Manager to execute the required loan documents reflecting this change, subject to approval by the County Attorney.

ISSUES: None.

SUMMARY: AHC, Inc. requests revision of the loan terms for the CDBG Long Term loan for Fairview Manor Apartment redevelopment. AHC has an existing approved Multi Family Revolving Loan fund. Should the Fairview Manor property be refinanced or sold, repayment of the loan to the County is currently required. The terms should be revised to state that the repayment is to be made to the AHC Multi Family Revolving loan fund, not to the County. Calculation of the repayment amount is at an interest rate of 4% compounded annually over a term of 30 years.

BACKGROUND: On January 21, 2006, the County Board approved the conversion of an existing CDBG debt of \$1,101,102 to a deferred-payment unsecured loan for the redevelopment of the Fairview Manor Apartments. This amount is a reduction from the original \$1,327,034 to reflect payments made by Shelton Housing Corporation to AHC, Inc. The terms for the CDBG loan included payment to the County in the event that the property is refinanced or sold.

DISCUSSION: AHC, Inc. requests revision of the CDBG deferred payment loan terms approved by the County Board for its Fairview Manor Apartment redevelopment project. The recommended loan terms did not recognize an existing CDBG Multi-Family Revolving Fund account. Program income generated from any refinance or resale should be applied to this account.

County Manager: _____

County Attorney: _____

Staff: Jane Eboch, DCPHD, Housing Division
David Cristeal, DCPHD, Housing Division

In accordance with the terms of the revolving fund, the funds must be invested in affordable housing in Arlington County and any use is subject to County Board approval. Calculation of the repayment amount is at an interest rate of 4% compounded annually over a term of 30 years.

FISCAL IMPACT: None