

THE PRESERVATION OF HUNTING CREEK

Project Description

Hunting Creek consists of 35 two to four-bedroom townhouse units located near the historic Gum Springs community in Fairfax County. This rental project provides affordable housing under HUD's Section 8 program and was developed in the late 1970's through a partnership between the Fairfax County Redevelopment and Housing Authority (FCRHA) and a for-profit developer. Besides the owner's equity, this project was financed with tax-exempt bonds issued by the Virginia Housing Development Authority (VHDA).

Ownership/Project Needs

The property has been operating successfully for the last 23 years, however, the other partners in the project are seeking an exit strategy due to exhausting the tax benefits associated with holding on to the property. There is a concern that this project may be lost as a source of affordable housing following the expiration of the Section 8 contract. In conjunction with efforts to preserve the affordability of the property, it was determined that the property would benefit from physical preservation through a moderate rehabilitation of the interior and exterior of the units.

Preserving the Project by Partnering

In collaboration with the other partners in the project the FCRHA is working with AHD, Inc., a local for-profit affordable housing developer to preserve this affordable housing resource through acquisition. The preservation of this project is proposed to include the following:

- Extending the term of affordability by at least 23 years and restrict occupancy to tenants who earn less than 50% of the area median income
- Completing a moderate rehabilitation of the project with equity generated from the sale of low-income housing tax credits
- Providing the FCRHA with a right of first refusal to purchase the project

Financing

The proposed acquisition of this project is based, in part, on the purchaser's assumption of the existing VHDA mortgage and forming a limited partnership to take advantage of federal low-income housing tax credits.

