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## Arlington ends bid to buy part of Park Shirlington. A new plan for the affordable complex has emerged.

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Arlington County is backing away from plans to buy part of the Park Shirlington apartment complex in South Arlington as the developers are instead pitching a full renovation of the affordable community.

The county is set to deliver a \$22.7 million loan to power the rehabilitation of all 293 units on the 15.7-acre parcel along Interstate 395, near Arlington's border with Alexandria. A joint venture of Standard Communities, the affordable housing division of Standard Property Co., and the National Foundation for Affordable Housing Solutions will manage the phased renovation, after the companies' plans for a full redevelopment didn't pan out.

Local leaders have worked for years with affordable developers to keep those homes modestly priced, particularly given their proximity to Amazon's second headquarters four miles to the north. The complex was built in 1954 and has deteriorated since then.

But financing has proven to be a persistent challenge. That's why the county decided to step in as a buyer earlier this year, to



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Arlington County is calling off its planned purchase of part of the Park Shirlington apartment complex.

exercise a purchase option for the southern half of the property that it earned when issuing an earlier loan to finance the existing joint venture's acquisition of Park Shirlington.

The county was scheduled to close on the \$27.9 million acquisition on Aug. 1, with plans to find a private partner to develop 105 units on a 6.3-acre portion of the property. But the developers approached Arlington officials with this renovation plan a few months ago, convincing the county to call off the transaction.

"We see this as a streamlined and very efficient method to provide 293 units of affordable housing in a community that could certainly use it, without the concerns of additional density or height that could potentially impact the neighborhood in order to achieve these same goals," Steven Kahn, a director at Standard Communities, told Arlington's Housing Commission at a meeting last month.

Kahn did not respond to a request for additional comment.

Standard and its Bethesda-based nonprofit partners, commonly known as Foundation Housing, are proposing to maintain the rehabbed units at affordable levels for the next 75 years, according to a staff report prepared for the County Board. Rents would reach a mix of incomes, averaging out to be affordable to people making no more than 60% of the area median income.

Kahn also told the Housing Commission that the companies' phased renovation strategy, set to commence in 2022, would allow all existing residents to continue living on the property while work proceeds. The rehab will include everything from new plumbing and HVAC units to a full overhaul of the complex's pool and common areas, he said.

The joint venture plans to finance the project with the \$22.7 million loan from the county's Affordable Housing Investment Fund, its main lending source for affordable projects, alongside another \$53.9 million in federal loans and \$40.5 million in Low Income Housing Tax Credits. The county also plans to work with Standard and Foundation Housing to provide free Wi-Fi to residents by connecting the complex to Arlington's municipal fiber network.

The developers are hoping this funding mix can succeed where efforts to finance a full redevelopment failed. County officials previously said the developers scuttled plans to build more than 700 units on the site due to troubles securing capital. Plans from former Park Shirlington owner Home Properties suffered a similar fate several years ago.

The County Board still needs to sign off on the loan agreement before the work can move ahead. Officials are set to allocate the loan funds to the project Saturday, and then will finalize the loan documents with the developers at a later date.

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