

Prince William County Affordable Housing Fund (AHF)

Technical Questions

1. Is this loan “must pay” or soft pay debt (i.e. cash flow dependent)?

This is subordinate, paid out of available project cashflow after paying debt service obligations, and must be fully repaid.

2. Does the AHF application have any prerequisite or threshold requirements and/or do projects have to get to a certain point in the land-use entitlement phase before applying?

The current AHF application does not have prerequisite nor threshold requirements. However, it may be difficult to score well on “project readiness” without having land-use entitlement.

3. Given the typical construction length of new construction apartment communities, can the one-year construction period be extended (e.g., to three years), until the project converts to permanent financing. Would this require a 5-to-6-year total period instead of the 3-year total period mentioned in the Policies and Procedures?

The Office of Housing and Community Development (OHCD) will consider extending the loan’s construction period.

4. How does the AHF commitment work alongside the highly prescriptive, formulaic Virginia LIHTC application requirement to earn subsidy loan commitment before a competitive LIHTC application??

OHCD understands that the Virginia LIHTC application awards points for local subsidy loans committed before the LIHTC application and will endeavor to meet that timing requirement. Please provide anticipated LIHTC request to staff.

5. Can AHF funds come in during the construction period, i.e., 50% up front?

Yes, OHCD is willing to consider that possibility.

6. The meeting slides indicate that the “AHF loan must be 20% or less of the total non-County funding of the development costs...”

Does this mean that the County loan is limited to 1/6 of the development costs? Or limited to 1/5 of the development costs?

No more than 20% of total costs, so no more than 1/5.

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7. Can we negotiate a greater than 30-year payback term since the affordability periods can be longer than 30 years?

Yes, that is possible.

8. When a multi-building, multi-family project is being proposed, does the primary contractor usually sub-contract to another developer to build?

Yes, applicants are not required to use the AfDU Ordinance for bonus density or waivers to apply for the AHF. Any questions regarding dispersion of units and/or dispersion of buildings within the development in the land-use entitlement process are questions for the Planning Office and/or Land Development Division depending on the circumstance.

9. We want to verify that PWC has no minimum score needed for the AHF and PWC does not participate in project-based vouchers?

Correct, no minimum score is needed, and PWC does not have access to project based vouchers.

10. Several general questions regarding whether or not PWC has designated any "revitalization areas" in the Virginia Housing process.

No, to the best of our knowledge PWC has not designated any "revitalization areas" per Virginia Housing.

11. Other localities have successfully provided the interest rate on these loans down to 3%. Can Prince William still explore that?

Not this round. The Policies and Procedures have been approved by the BOCS.

