

Arlington County
Department of Community Planning, Housing,
and Development

AHIF Management and Internal Controls

Baltimore Affordable Housing Trust Fund
Commission

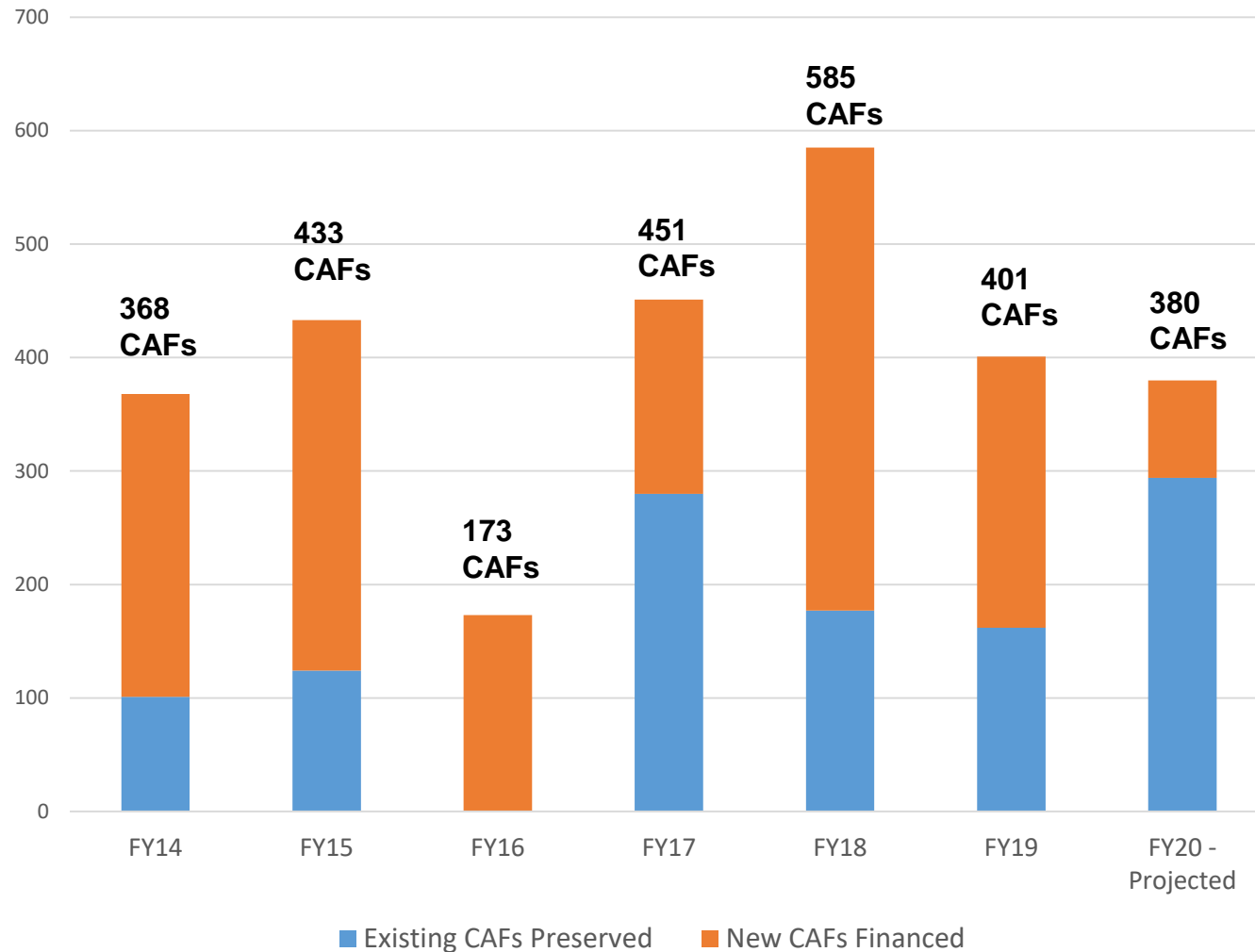
October 22, 2019



AHIF Program Overview

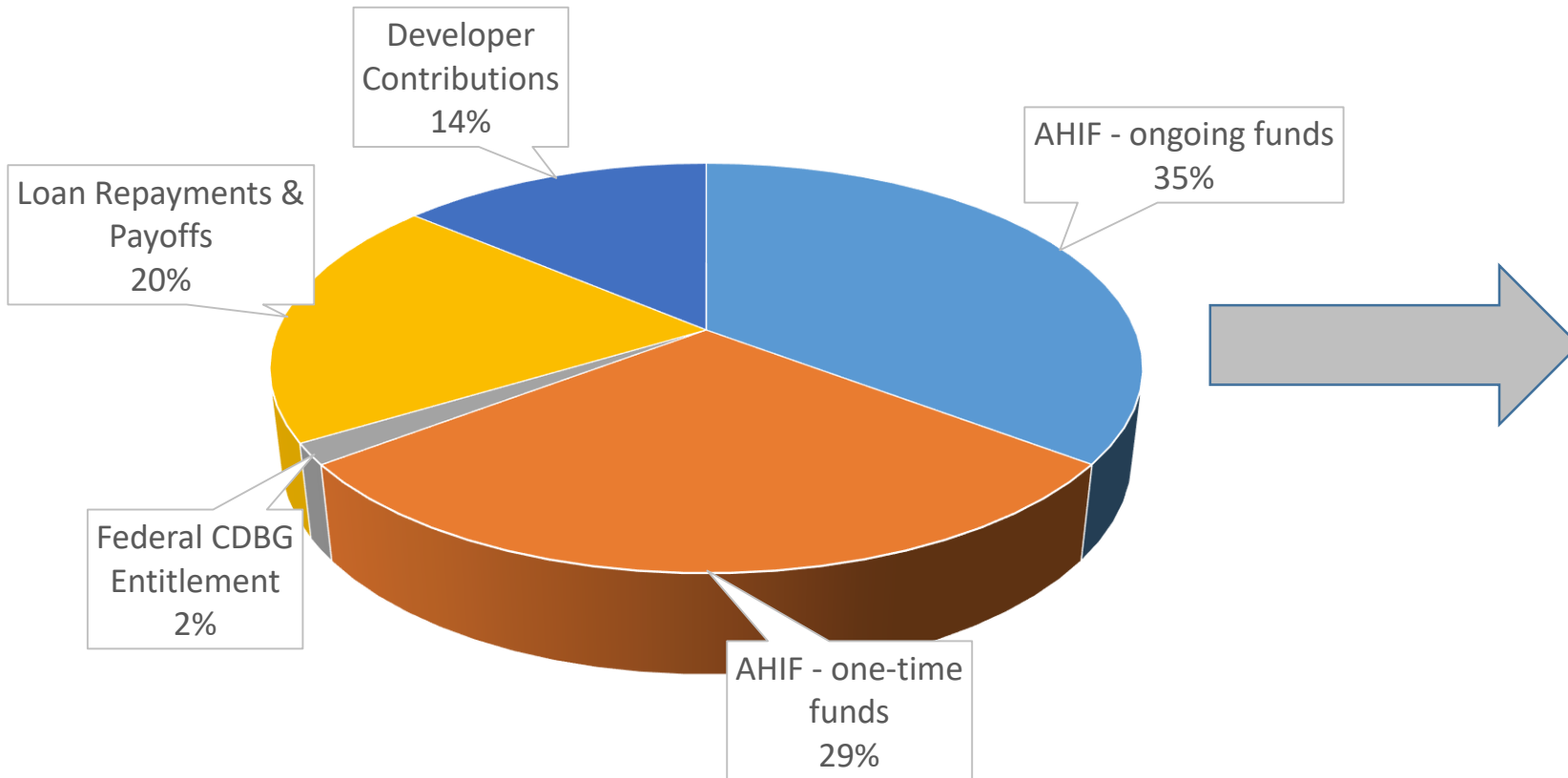
- Affordable Housing Master Plan – adopted in September 2015
- County is a mission-driven lender
 - Goal is to create and preserve committed affordable units (CAFs) affordable to families earning 40%-60% of the area median income (AMI) for 60 years
- County Board has approved over 100 loans
 - \$374 million allocated to-date, supporting approximately 7,000 CAFs

AHIF Secures CAFs and Leverages Funds



- AHIF preserves existing CAFs by extending affordability
- AHIF creates new CAFs through acquisition and construction of units
- Every \$1 million in AHIF can preserve or create approximately 12 CAFs and leverage \$4 million in outside funding

FY 2020 AHIF Projected Sources - *\$24,649,461



290 CAFs
affordable for
60 years

\$96 million in
outside funds

* Note: FY20 projected sources include AHIF and federal sources used for multifamily and single family development projects

How do we maximize the impact of AHIF to increase the supply of affordable units?



Identifying Projects

- Notice of Funding Availability (since FY 2018)
- Applications submitted through ZoomGrants
- Application review & scoring —————> staff recommendation
- Applicant notification
- Staff underwriting and community process (Commission review)
- County Board consideration

Once County Loans are approved, how do we manage and monitor the County's investment in the long term?



Portfolio Asset Management and Compliance

Portfolio management protects County investments & unit affordability:

- Physical inspections ensure code compliance
- Occupancy monitoring confirms CAF rules are upheld
- Financial and organizational monitoring supports financial sustainability



Arbor Heights
198 units

Portfolio Asset Management and Compliance



**Leckey Gardens
40 units**

- Financial Monitoring and Asset Management:
 - Analyze and verify annual residual receipt payment calculations
 - Analyze and monitor loan performance
 - Recommend loan term changes if accumulated debt is no longer supportable - this protects the property and County loan

Portfolio Asset Management and Compliance

- 100% of loans are in compliance with County loan agreements
- 40% made payments in FY 2018
 - Most other loans are deferred or properties still under construction
- County funds are loans, not grants
 - \$129M in loan repayments received to-date
 - 40% of loans have paid in full

Internal Controls – Lessons Learned



Tips for Managing the Fund

- Separation of duties
- System integrity and fund reconciliation
- Chart of accounts – revenue and expense
- Tell your story!

Questions?



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