Board Agenda Item
August 2, 2022

ACTION - 1

Establishment of Retail Fees for the Charging of Electric Vehicles at County-Owned Charging Stations

ISSUE:
Board adoption of retail fees for the charging of electric vehicles at county-owned charging stations, effective August 3, 2022.

RECOMMENDATION:
The County Executive recommends that the Board of Supervisors adopt a two-part fee to be paid by the public effective August 3, 2022, including county employees charging their privately-owned vehicles, for the charging of electric vehicles (EVs) at county-owned charging stations, consisting of (1) a charge of $0.30 per kilowatt hour and (2) a dwell-time fee of $2.00 per hour, capped at $25.00 per session, that applies when the EV's battery is fully charged and a 10-minute grace period has expired.

TIMING:
Board action is requested on August 2, 2022, so that staff may begin to program fee information into county-owned EV charging stations and begin collecting revenue for the provision of EV charging service.

BACKGROUND:
Over the last several years, the Board of Supervisors (Board) has supported electrification of the transportation sector, including funding the installation of EV supply equipment (EVSE) at county government facilities. In addition to helping the county fulfill its own fleet electrification goals, as included in the 2021 update to the Operational Energy Strategy, the proliferation of EVSE at county facilities is intended to increase charger availability for community members and promote the widespread adoption of EVs. Leveraging county assets to facilitate the expansion of EVSE availability and encouraging the use of EVs is essential to meeting the county's greenhouse gas emissions reductions goals, including those in the Community-wide Energy and Climate Action Plan (CECAP), accepted by the Board in September 2021.

Beginning in 2021, county staff began installing ChargePoint Level 2 EVSE at county government locations pursuant to a multi-year plan most recently described in a December 13, 2021 memorandum to the Board. Level 2 EVSE can fully charge most EVs in four to eight hours. Currently, over 20 Level 2 charging stations have been installed at county facilities and are eligible for activation, with more scheduled for installation in the remainder of CY 2022 and beyond.

Before the EV charging stations can be activated for public use, they must be programmed with information regarding the fees, if any, to be paid by the public, which is the subject of this item. The fees that the county establishes for the provision of retail EV charging service are not subject to regulation by the Virginia State Corporation Commission pursuant to § 56-232.2:1 of the Virginia Code.

The charging stations located in county-owned parking lots and publicly accessible garages will be available for use by the public, including county employees, who will be able to charge personal vehicles for a fee, and for use by county fleet vehicles. Stations located in restricted-access county-owned garages and lots that will be used primarily by county fleet vehicles may be available for use for a fee by those county employees who have been granted access to the restricted garages and lots, so long as that use does not affect the charging of fleet vehicles.

Several factors are considered when setting EVSE retail fees, with staff concluding that the most important considerations at this time are (1) the costs that are to be recovered by the fees; (2) the user's ability to access and move the vehicle when charging is completed, and (3) competitiveness with the fees charged by other stations located nearby. Fees for EV charging service will be paid by the user at the ChargePoint station using the ChargePoint application. The ChargePoint application allows the user to select notification preferences, including notification when the vehicle is fully charged, and the option of receiving a receipt when public charging is complete.

Based on its fee-setting analysis, described in Attachment 1, staff recommends EVSE fees of (1) $0.30 per kilowatt hour (kWh) while electricity is being delivered to the EV battery, with (2) a dwell-time fee of $2.00 per hour, capped at $25.00 per session, that applies when the EV's battery is fully charged but the vehicle remains connected to the charging station after a 10-minute grace period expires. Staff has concluded that the recommended fees are likely to cover the county's key variable costs of providing EV charging service, specifically transaction fees and electricity. Based on Table 1 as shown in Attachment 1, this fee proposal appears competitive with the rates currently charged by other publicly-accessible commercial stations located in Fairfax County.

Two jurisdictions in the Northern Virginia region have established EV charging fees, with the approach taken in each jurisdiction distinguishable from this staff proposal. Loudoun County charges a fee of $2.10 per session at its stations, regardless of how much electricity is delivered or how long the vehicle remains connected to the charging station. Arlington County is likely to adopt a fee of $0.1452/kWh at its July 16, 2022, meeting, but that fee is only an interim measure. Arlington County intends to expand its EV charging infrastructure beyond the seven stations currently installed and plans to retain a consultant to develop a recommendation on a permanent EV rate structure and charging model consistent with that expansion. Unlike the initial interim fee, the future proposal is likely to consider infrastructure costs, parking fees and rate structure options, including a dwell-time charge to encourage turnover of spaces and maximize use of EV charging stations.

Staff considers the per-kWh approach to be the most equitable approach because it is based on the actual electricity consumption of the vehicle. It is also the approach that most EV drivers are familiar with, as it is comparable to the approach that is increasingly deployed by most commercial providers. Basing fees on a per-session or per-minute basis raise issues because of variable factors including a vehicle's battery capacity and the potential impact of weather on charging times.

The dwell-time fee applies when an EV's battery is fully charged and no longer receiving electricity but the vehicle remains connected to the charging station following a 10-minute grace period. The dwell-time fee is intended to encourage EV drivers to vacate a parking space served by an EV charging station when charging service is no longer needed, thereby freeing the space for other potential users. In some instances, such as at Park-and-Ride locations or in Metro garages, it is presumed that the vehicle will be parked at the EVSE for a full business day. For these locations, the dwell-time fee of $2.00 per hour is intended to discourage an EV driver with a nearly-full battery from parking at an EVSE spot for a de minimis cost and preventing others from using that spot.

The $25.00 dwell-time cap per session considers the maximum civil penalty of $25.00 established in Va. Code § 46.2-1219.3 for traffic infractions related to parking in a space marked as reserved for EV charging. This civil penalty, adopted by the General Assembly in 2022, may only be imposed if the parking spac~~e reserved~~ for EV charging has a separate sign containing the language "PENALTY, UP TO $25." Va. Code § 46.2-1219.3 further authorizes localities to adopt an ordinance consistent with the section's provisions. At this time, staff does not intend to recommend the Board adopt such an ordinance or to include a "PENALTY, UP TO $25" sign at spaces reserved for EV charging at county-owned charging stations, as there is no evidence that drivers are inappropriately parking in spaces reserved for EV charging.

In 2023, staff anticipates providing the Board with a report on the status of EV charging station usage by the public, including usage data and analysis of the existing user fees. That report also may address whether changes to the fees appear warranted.

<u>FISCAL IMPACT</u>:
The county's provision of retail EV charging service to the public is expected to have no material fiscal impact to the county. The revenues from the retail fees will be dependent

on factors including the number of vehicles that park at county government EV charging stations and the amount of electricity consumed, but revenues are expected to cover the variable costs of transaction fees and electricity. Revenue distributions from ChargePoint will occur quarterly, assuming that the amount due is at least $250, with revenue due at least annually and within 30 days of contract expiration or termination. Retail fees charged by the county to the public for EV charging service do not apply to the use of EVSE to charge the county's fleet EVs. For budgetary purposes, electricity consumption by county fleet EVs will be tracked between internal county departments.

ENCLOSED DOCUMENTS:
Attachment 1 – Fee-Setting Analysis for Electric Vehicle Charging Service

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Fee-Setting Analysis for Electric Vehicle Charging

Setting fees for the public use of electric vehicle supply equipment (EVSE) provided by a local government is a relatively new exercise, with few examples available nationwide. Determining appropriate fees is currently complicated by issues including the lack of data regarding factors such as expected usage, growth and revenues. Given these and other factors, staff's recommendation should be viewed as a starting point. The approach described in this analysis may be modified over time as markets and regulatory frameworks evolve, EV penetration and likely revenues increase, and the increased availability of relevant data allows for more informed assessment and decision-making.

Staff's recommendation with respect to a fee-setting for EV charging consists of two primary elements: (1) determining the methodology for pricing the service; and (2) determining the specific fees to be charged.

1. *Pricing Methodology*

Broadly speaking, rate-setting methodologies for essential monopoly utility services such as electricity, natural gas and water are intended to result in cost-based rates that generate revenue from each class of customer in proportion to the cost to serve each class of customer. Establishing cost-based rates typically involves analyses and decisions regarding the utility's revenue requirement, its cost of service, and the rate design it proposes for recovering its revenue requirement.

The goal of cost-based rates and the use of traditional rate-setting methodologies for achieving that goal are not appropriate to use when setting fees for a service, such as EVSE, that is both optional and is available from alternate providers or sources. For services such as EVSE, cost recovery is an important consideration, but so are competitors' prices. Prices that are too high in comparison to those charged by other providers are likely to lead to reduced demand for the service absent some unique benefit. Given these considerations, staff selected a pricing methodology that emulates pricing available in a competitive market.

After determining it was appropriate to emulate competitive pricing, staff surveyed fees charged by various providers of EVSE to EV drivers. Fees charged by several of these providers in Fairfax County are summarized in Table 1, below. Though comparisons are complicated by varying characteristics, such as member status or monthly fees, Table 1 shows that staff's recommended fees are generally below the fees charged by competitive providers in the area. This table does not include fees charged by certain highly-visible charging networks like ChargePoint and SemaConnect because fees for stations in those networks are set by the stations' owner-operators, such as a retail or commercial establishment, not by the network provider. The table also does not include fees charged for use of Tesla EV charging stations, as those stations are usable only by drivers of Tesla vehicles.

Table 1, Examples of fees charged by commercial providers of Level 2 EV charging service

Provider	*Charging*	*Dwell Time*	*Comments*
Blink	*Non-member*: $0.59/kWh *Member:* $0.49/kWh	None noted on company website.	Fee shown reflects amount charged in Fairfax County as of June 2022. Fee varies depending on state and membership status.
Electrify America	*Non-member:* $0.43/kWh *Member:* $0.31/kWh + monthly $4.00 fee	"Idle time" fee of $0.40/minute applies after a 10-minute grace period.	Fee shown reflects amount charged in Fairfax County as of June 2022. Fee varies depending on state and membership status.
EVgo	*Non-member:* $0.30/min + $2.99 credit card fee *Member:* (1) $0.27/min + $4.99 prepaid monthly charging credit (expires monthly) or (2) $0.24/min + monthly $6.99 subscription fee	None noted on company website.	Fee shown reflects amount charged in Fairfax County as of June 2022. Fee depends on state, time of day and membership status.

Although EVgo charges on a per-minute basis, increasingly providers' rates for EV charging service are set on a per-kilowatt hour basis. Per-kilowatt hour billing is based on the amount of electricity delivered to the vehicle's battery, making it both simple and equitable. It is much like a gas station pricing gasoline by the number of gallons of gasoline pumped into a vehicle's gas tank. Pricing on a per-kWh basis is supported by the ChargePoint stations that the county is installing, which can measure and bill the electricity delivered to a vehicle during a charging session.

2. *Determining an Appropriate Fee*

The next step in staff's analysis was to determine an appropriate per-kWh price for the service provided. Staff sought to set the fee so that it would recover the primary elements of the service: transaction fees and the cost of electricity, both of which are variable costs. Network and maintenance are fixed parts of the cost of each port and not readily captured on a per kWh basis. At this time, staff does not recommend recovering the capital costs associated with the provision of EV charging service, as including those costs is likely to inflate the fee beyond those charged by alternate providers, thereby making the service unattractive to EV drivers visiting county facilities. Pricing that discourages use of the EVSE appears inconsistent with the board's objectives of encouraging EV use and providing EV charging service to the public.

It is difficult to project revenues and cost recovery at this very early stage of EVSE roll-out. However, staff's initial assessment is that transaction fees and electricity costs are likely to account for over half the proposed fee of $0.30/kWh, while costs associated with network and maintenance costs are likely to account for the remainder. Setting the per-kilowatt hour fee higher could generate a replacement fund for the charging stations, which are expected to have a lifespan of approximately 10 years.

- *Transaction fees* recover the network provider's costs of billing and collecting revenue associated with EV charging and are a standard element of contracts with providers. In the county's case, transaction fees are governed by the five-year contract (with renewal options) awarded in November 2020 to National Car Charging LLC (NCC), whose team includes ChargePoint, Inc. (CPI). Under the contract, CPI charges a 10 percent transaction fee when it collects and processes revenue from EV users on the county's behalf.
- *Electricity costs* have been stable for several years, but in FY 2023 the average electricity cost for service provided by county accounts by Dominion Energy Virginia (Dominion) is expected to increase to approximately 11 ¢/kWh. A key factor for this increase is surging natural gas prices due to global demand and near-record levels of exports. Because nearly 40 percent of Dominion's generation portfolio currently relies on natural gas, coal and oil, rising natural gas prices (which also affect coal and oil prices) translate to higher electricity rates for customers. Another factor is the substantial costs that Dominion is expected to incur in complying with the directives of the Virginia Clean Economy Act (VCEA), including the requirement of 100 percent clean electricity by 2045. A third factor is rising commodities expenses due to supply chain constraints and mounting inflation. Given the expected volatility in electricity prices over the next several years, staff recommends that the embedded cost of electricity in the fee for EV charging be set at least 25 to 30 percent above the current average cost of electricity, or approximately $0.13/kWh to $0.14/kWh.

Network and maintenance costs are fixed costs that are governed by the county's contract with NCC, Contract No. 4400009695. In addition to standard warranties, the EV charging stations acquired and operated pursuant to this contract are covered by ChargePoint Assure, a 10-point full-service maintenance and support program designed for ChargePoint customers like Fairfax County. As described in the contract, elements of ChargePoint Assure include remote automated monitoring of the ChargePoint stations, coordinating all necessary repairs to the ChargePoint EVSE, and guaranteeing a 98 percent annual station uptime.

Based on its consideration of these elements, staff has concluded that a per-kWh fee of $0.30 should be sufficient for the next several years to recover costs related to transaction fees and electricity, and may recover some portion of network services and maintenance costs as well. Staff will monitor and provide periodic updates to the board on EVSE usage and revenues.

Board Agenda Item
August 2, 2022

ACTION - 2

Authorization for the Fairfax County Redevelopment and Housing Authority to Provide Funding in the Amount of $33,306,290 to Finance the Development of Somos at McLean Metro, McLean, Virginia (Providence District)

ISSUE:
Board authorization for the Fairfax County Redevelopment and Housing Authority (FCRHA) for funding in the amount of $33,306,290 to finance the development of 453 units of affordable multifamily housing, known as Somos at McLean Metro (the Project), in the Providence District.

RECOMMENDATION:
The County Executive recommends that the Board authorize the FCRHA to use funds for the Project as follows:

1. $12,606,290 for Development of the Project: Fund a $12,606,290 subordinate loan to the developer, SCG Development Partners, LLC (SCG) from the Housing Blueprint.

2. $20,700,000 for Acquisition of the Property: Fund $1,670,000 from the Housing Blueprint and $19,030,000 from the American Rescue Plan Act (ARPA) funds as equity investment by the FCRHA through fee simple ownership of the land. Pursuant to the Development Agreement between the FCRHA and SCG, SCG will assign the title of the property to the FCRHA at closing

TIMING:
Board action is requested on August 2, 2022. SCG requires approval of the FCRHA funding to meet the requirements of the Purchase and Sale Agreement (PSA) prior to the date of closing on acquisition of the land.

BACKGROUND:
In July 2022, the Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for County and Federal Funds in the amount of $51,996,795. SCG submitted an application requesting $12,606,290 to support construction of the Project and $20,700,000 to support acquisition of the land for the Project. The NOFA Selection Advisory Committee (SAC) recommended an award of $12,606,290 in the form of a loan (Housing Blueprint Loan) to SCG to support the

construction of the Project, as well as the $20,700,000 in equity to support acquisition of the land. Board approval is requested for funding and sources of funding of the Project as indicated in the Fiscal Impact section below.

Project Description:
The Project is comprised of the demolition of the existing office building and construction of 453 affordable rental units in two buildings, one building of five stories in the rear over the existing structured parking with approximately 228 units and a second building of eight stories in the front with approximately 225 units. The Project will also include approximately 5,000 square feet for community use. The maximum rents shall be affordable to households with incomes at or below 70 percent of the Area Median Income (AMI) as published annually by the U.S. Department of Housing and Urban Development.

The Somos at McLean Metro development is in a prime location that has existing medical, educational, recreational, and commercial amenities within 3 miles. The development is also withing walking distance to the McLean Metro station and several bus stops.

The Project is expected to be developed under a master condominium structure made up of three condominium units owned by three separate limited partnerships. This model allows the developer to leverage more LIHTC equity by including both 9 percent and 4 percent LIHTCs, and to reduce the risk that there will not be sufficient tax-exempt bond authority available for the 4% project. The condominium regime will be as follows:

1. Front 4% Building: 4 percent LIHTC portion with approximately 115 units for households with incomes at or below 60 percent of Area Median Income (AMI) and eight Project-Based Vouchers (PBVs).

2. Front 9% Building: 9 percent LIHTC portion with approximately 110 units for households with incomes at or below 40 percent, 50 percent and 70 percent of AMI and eight PBVs.

3. Rear 4% Building: 4 percent LIHTC portion with approximately 228 units for households with incomes at or below 60 percent of AMI and eight PBVs.

A more detailed summary is attached to this item as Attachment 1.

Ownership:
SCG entered into a Real Estate Purchase and Sale Agreement (PSA) with 1750 Old Meadow, LLC (Old Meadow) on August 6, 2020, for the purchase of approximately 4.0 acres at 1750 Old Meadow Road in McLean, VA, for a total cost of $20,700,000, $20,000,000 for property and $700,000 in settlement costs. Pursuant to the

Development Agreement between the FCRHA and SCG, SCG will assign the title of the property to the FCRHA at closing. FCRHA will then lease to SCG under one or more 99-year unsubordinated leases upon SCG securing necessary financing. The leases will require that all units will remain affordable for the entire 99-year term.

Applicant:
SCG is a privately-held real estate development firm headquartered in Fairfax County focused on creating quality affordable and workforce rental residences. The firm has a portfolio of over 62 properties across the country, ranging from high-rise new construction to adaptive reuse of historic buildings, to the acquisition and rehabilitation of existing apartment communities. Fairfax County projects developed by SCG include The Residences at Government Center, a 270-unit, EarthCraft Home-certified gold apartment complex and the One University project, a 120-unit senior and 120-unit multifamily project, currently under construction.

Financing Plan:
Please see Attachment 2 for Financing Plan.

Appraised Value:
An independent appraiser, Robert Paul Jones, LLP, has been hired to provide appraised values to show whether the property fully collateralizes the Housing Blueprint Loan. The Fairfax County Department of Tax Administration (DTA) will review the appraisal for approved values as well as the methodology used to obtain those values, to determine if the methodology used is appropriate and whether the values are reasonable.

Timeline:
The estimated timetable for the Project is as follows:

FCRHA Meeting	July 21, 2022
Board of Supervisors Meeting	August 2, 2022
Land Acquisition Closing	Nov 15, 2022
Additional Subordinate Funding Award	February 2023
LIHTC Application Submission	Spring 2023
LIHTC Award	Summer 2023
Secure LIHTC Syndication Commitments	Summer 2023
Secure Construction and Permanent Debt	Summer 2023
Bond application and approval process	Summer 2023 (Rear Building)/Winter 2024 (Front Building)
Financial Closing / Construction Start	December 2023 (Rear Building)/February 2024 (Front Building)

Closing Conditions:
Requirements for FCRHA funding of the Project include, but are not limited to, completion of the following:

1. Final commitment of the first-lien mortgage loan, Housing Blueprint loan, other subordinate loans, and tax-exempt bond financing closing and disbursement of funds
2. Reservation of 9 percent and 4 percent LIHTC from Virginia Housing
3. Commitment and disbursement from tax credit investor
4. Tax-exempt bonds issued by the FCRHA and Virginia Housing
5. Final underwriting by HCD Staff
6. Satisfactory appraisal of the property that collateralizes the loan
7. Receipt and approval of all required third-party reports by HCD staff
8. Other factors as deemed necessary to protect the interest of the FCRHA and Fairfax County

FISCAL IMPACT:
A loan of $12,606,290 to SCG for development of the project is recommended from the following funds:

1. $1,783,935: Fund 30300 AHDI Fund, Project 2H38-180-000, Housing Blueprint, from the Fiscal Year 2022 budget.
2. $4,584,742: Fund 30300 AHDI Fund, Project 2H38-180-000, Housing Blueprint, from the Fiscal Year 2023 budget.
3. $5,000,000: Fund 30300 AHDI, SOMOS Project (reallocated at the FY 2022 Midyear Budget).
4. $1,237,613: Fund 40300, Housing Trust Fund, Project HF-000081, Housing Proffer Contributions – Tysons.

Funding of $20,700,000 for the acquisition of the property is recommended from the following funds:

1. $1,670,000: Fund 30300 AHDI, Project 2H38-180-000, Housing Blueprint, from the Fiscal Year 2023 budget.
2. $19,030,000: American Rescue Plan Act funds provided by the County to the FCRHA in Fund 30300 Affordable Housing Development and Investment Fund, Project 2H38-180-000, Housing Blueprint. It should be noted that this funding would utilize the remaining balance of ARPA funds allocated for affordable housing initiative.

The FCRHA will receive an ongoing annual Housing Blueprint Loan Monitoring Fee of $5,000 from each of the three buildings, escalating at three percent annually for the life of the loan. This fee will be deposited into Fund 81000, FCRHA General Operating Fund.

ENCLOSED DOCUMENTS:
Attachment 1 – Project Summary
Attachment 2 – Financing Plan
Attachment 3 – Housing Blueprint Loan Term Sheet
Attachment 4 – Vicinity Map

STAFF:
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Debashish Chakravarty, Associate Director, Real Estate Finance, HCD

ASSIGNED COUNSEL:
Cynthia A. Bailey, Deputy County Attorney
Alan Weiss, Assistant County Attorney

PROJECT SUMMARY
Somos

GENERAL:
The development will include the following:

- Front 4% Building:
  - Construction by SCG of approximately 115 units for households with incomes at or below 40 percent of Area Median Income (AMI) and 60 percent of AMI.

- Front 9% Building:
  - Construction by SCG of approximately 110 units for households with incomes at or below 40 percent of Area Median Income (AMI), 50 percent of AMI, and 70 percent of AMI.

- Rear 4% Building:
  - Construction by SCG of approximately 228 units for households with incomes at or below 40 percent of AMI and 60 percent of AMI.

- Ground Lease:
  - SCG intends to enter into a long-term unsubordinated Ground Lease with the Fairfax County Redevelopment and Housing Authority (FCRHA).

- Parking Spaces:
  - 487 total parking spaces for both the front and rear buildings in an existing 3-story garage.

- Community Space:
  - Approximately 5,000 sq. ft. will be allocated for community space.

POTENTIAL BENEFITS:
- 453 units of affordable multifamily housing in the highly cost-burdened McLean neighborhood of Fairfax County.
- Units affordable to households ranging from 40 percent of AMI for (very low-income residents) to 70 percent of AMI.
- Potential for 24 Project-Based Vouchers to be awarded to the Project.
- Within walking distance of McLean Metro Station and multiple bus stops.
- Access to job opportunities at the Capital One campus, McLean, Tysons and greater DC area through a multi-modal transportation system.
- Entire project will remain affordable for extended period through ground lease with FCRHA.
- Onsite trails connecting the property to community trail systems with a focus on preservation of existing trees.
- Access to nearby Scotts Run Stream Valley Park.

UNIVERSAL DESIGN AND ACCESSIBILITY:
- Inclusion of Universal Design elements in units meeting Section 504 requirements and in common areas.
- 23 Americans with Disabilities Act compliant units.
- EarthCraft Certification.

SUPPORT SERVICES:
- Assistance with housing vouchers, income reporting, etc.
- Usage of commercial space for mission-driven users.
- Possible daycare or early childhood learning center in commercial space.

PROJECT AMENITIES:
- Washer and Dryer in every unit.
- Refrigerator, dishwasher, stove, garbage disposal.
- Pre-wired for TV, phone, internet services, programmable thermostats
- Business center with conference room/study areas.
- Fitness center, cyber lounge, bicycle storage, outdoor courtyard with grilling and seating.
- A series of lush garden courtyards that showcase varied planting concepts

PROPOSED RENTS AND AFFORDABILITY RESTRICTIONS:
The project contains two rent rate structures: LIHTC rents set by Virginia Housing and Project-Based Voucher (PBV) rents established by the FCRHA, using a HUD regulatory structure dictating the gross rent that a landlord can receive on a PBV unit. The gross rents shown in the charts below are higher for the PBV units than the non-PBV units because the rent is calculated under those federal regulations. When the voucher is applied to each unit, the tenant's portion of the gross rent will not exceed the maximum LIHTC rents.

Front 4% Building

	# of Units	Gross Rent	Utility Allowance[1]	Net Rent
60% AMI Units				
Studio	8	$1,494	$85	$1,409
One Bedroom	9	$1,601	$100	$1,501
Two Bedroom	90	$1,921	$125	$1,796
Total/Average	*107*	*$1,862*		*$1,742*
PBV Units[2]				
Two Bedroom	8	$1,964	$176	$1,788
TOTAL UNITS	**115**			

1) Utility allowance includes water/sewer, gas, and electricity.
2) SCG will apply for 8 Project-Based Vouchers. The rents displayed in the table represent the subsidized rents received by the owner based on the Fair Market Rent calculation. All tenants within the PBV units will pay 32-35% percent of their monthly income

Front 9% Building

	# of Units	Gross Rent	Utility Allowance[1]	Net Rent
70% AMI Units				
Studio	3	$1,743	$85	$1,658
One Bedroom	4	$1,868	$100	$1,768
Two Bedroom	31	$2,241	$125	$2,116
Three Bedroom	11	$2,590	$150	$2,440
50% AMI Units				
Studio	4	$1,245	$85	$1,160
One Bedroom	4	$1,334	$100	$1,234
Two Bedroom	19	$1,601	$125	$1,476
40% AMI Units				
Two Bedroom	18	$1,281	$125	$1,156
Three Bedroom	8	$1,480	$150	$1,330
Total/Average	*102*	*$1,826*		*$1,701*
PBV Units[2]				
Two Bedroom	4	$1,964	$176	$1,788
Three Bedroom	4	$2,486	$225	$2,261
Total/Average	8	*$2,225*		*$2,024*
TOTAL UNITS	**110**			

1) Utility allowance includes water/sewer, gas, and electricity.
2) SCG will apply for 8 Project-Based Vouchers. The rents displayed in the table represent the subsidized rents received by the owner based on the Fair Market Rent calculation. All tenants within the PBV units will pay 32-35% percent of their monthly income.

Rear 4% Building

	# of Units	Gross Rent	Utility Allowance[1]	Net Rent
60% AMI Units				
Studio	58	$1,494	$85	$1,409
One Bedroom	121	$1,601	$100	$1,501
Two Bedroom	41	$1,921	$125	$1,796
Total/Average	*220*	*1,632*		*$1,532*
PBV Units[2]				
Two Bedroom	8	$1,964	$176	$1,788
TOTAL UNITS:	**228**			

1) Utility allowance includes water/sewer, gas, and electricity.
2) SCG will apply for 8 Project-Based Vouchers. The rents displayed in the table represent the subsidized rents received by the owner based on the Fair Market Rent calculation. All tenants within the PBV units will pay 32-35% percent of their monthly income.

SOURCES AND USES
Somos at McLean Metro

Financing Plan:
SCG is proposing to finance the development using Low-Income Housing Tax Credits (LIHTC) for three separate buildings, the Front 4% building, the Front 9% building and the Rear 4% building, all of which will be financed with first-lien loans, FCRHA sources for land acquisition, other subordinate must-pay and soft debt loans, accrued interest during construction, LIHTC equity, Deferred Developer Fee, and a Housing Blueprint loan. The Front 4% building will be financed with FCRHA tax-exempt bonds while the Rear 4% building will be financed with tax exempt bonds from Virginia Housing. The aggregate amount of the FCRHA Loans will not exceed $12,606,290, however, the financing structure and breakdown among the three transactions may be revised before closing subject to market conditions to reach an optimal financing structure. HCD staff will bring forward an Item discussing the bond financing structure for the Front 4% building for approval and authorization to hold the TEFRA hearing at a later date.

Front 4% Building

Permanent Sources	**Sources**
First-Lien Mortgage	$14,717,475
Second-Lien Subordinate Loan – (Hard Debt)	$6,325,000
Third-Lien Subordinate Housing Blueprint Loan (Soft Debt)	$3,435,279
Fourth-Lien Subordinate Loan - Non-FCRHA (Soft Debt)	$6,325,000
FCRHA Acquisition Funding	
4% LIHTC Equity	$15,665,000
Deferred Developer Fee	$750,000
Return of GFD/Standby Fee	$294,350
Interest Accrual During Construction	$660,000
Total Permanent	***$48,172,104***
Summarized Uses	**Uses**
Land Acquisition Costs	$0
Construction Costs	$31,162,327
Hard Cost Contingency	$3,116,233
Architecture and Engineering	$1,126,292
Soft Costs	$3,632,332
Financing/Interest	$4,746,208
Reserves	$1,388,712
Development Fee	$3,000,000
Total Uses	***$48,172,104***

Front 9% Building

Permanent Sources	**Sources**
First-Lien Mortgage	$13,462,858
Second-Lien Subordinate Loan – (Hard Debt)	$6,050,000
Third-Lien Subordinate Housing Blueprint Loan (Soft Debt)	$1,264,222
Fourth-Lien Subordinate Loan - Non-FCRHA (Soft Debt)	$6,050,000
FCRHA Acquisition Funding	$0
9% LIHTC Equity	$22,496,000
Deferred Developer Fee	$750,000
Return of GFD/Standby Fee	269,257
Interest Accrual During Construction	$625,000
Total Permanent	***$50,967,337***
Summarized Uses	**Uses**
Land Acquisition Costs	$0
Construction Costs	$32,750,934
Hard Cost Contingency	$3,392,358
Commercial Construction Costs	$1,172,645
Architecture and Engineering	$1,183,708
Soft Costs	$3,789,668
Financing/Interest	$3,883,526
Reserves	$1,294,498
Development Fee	$3,500,000
Total Uses	***$50,967,337***

Rear 4% Building

Permanent Sources	**Sources**
First-Lien Mortgage	$20,998,753
Second-Lien Mortgage– (Hard Debt)	$12,540,000
Third-Lien Subordinate Housing Blueprint Loan (Soft Debt)	$7,906,789
Fourth-Lien Subordinate Loan - Non-FCRHA (Soft Debt)	$12,540,000
4% LIHTC Equity	$28,200,000
Deferred Developer Fee	$1,000,000
Interest Accrual During Construction	$1,220,000
Return of GFD/Standby Fee	$318,102
FCRHA Acquisition Funding	$20,700,000
Total Permanent	***$105,423,644***
Summarized Uses	**Uses**
Land Acquisition Costs	$20,700,000

Construction Costs	$57,845,370
Hard Cost Contingency	$5,784,537
Architecture and Engineering	$1,990,000
Soft Costs	$6,834,102
Financing/Interest	$6,819,267
Reserves	$1,950,368
Development Fee	$3,500,000
Total Uses	***$105,423,644***

Terms of Housing Blueprint Loans:
The Housing Blueprint Loans will be closed simultaneously with all other permanent funding sources for both transactions. The term will be the greater of 30 years or the term of the first-lien mortgage. It is intended to be an interest-only loan, payable from 50% of borrower's net cash flow, with all unpaid interest deferred until maturity. 50% of the Housing Blueprint Loan proceeds will be disbursed when construction of the Project reaches 50% completion, with the remaining balance disbursed upon 100% construction completion. Interest will start accruing at the time the first mortgage begins to amortize. These intended terms may be adjusted in negotiations with the non-FCRHA subordinate lender.