



County of Fairfax, Virginia

NEWS RELEASE

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Fairfax County Preserves Affordable Housing in Reston



The Fairfax County Board of Supervisors announced a major milestone in its goal to preserve affordable housing by stepping in and purchasing Crescent Apartments in Reston. The purchase, approved by the Board at its February 6, 2006 meeting furthers the county's mission to preserve at least 1,000 units of affordable housing before the end of 2007, bringing the total number of units preserved to date to 846.

The Crescent was part of the nearly \$2.3 billion real estate portfolio placed on the market last fall by The Mark Winkler Company. The Crescent, an affordable property adjacent to the Lake Anne revitalization area, was at risk for conversion to condominiums like many other complexes sold in the past few years. The agreement between Fairfax County and The Mark Winkler Company, in partnership with the Fairfax County Redevelopment and Housing Authority, preserves the 180-unit apartment complex and the accompanying 16.49 acres. The county went through a highly competitive bidding process to secure the property and worked closely with officials from The Mark Winkler Company to close the deal. The Mark Winkler Company singled out Fairfax County as the only successful bidder on a sole property. The rest of the residential portfolio is being sold to a single bidder, JBG Investment Fund V, L.L.C.

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“The acquisition of Crescent Apartments is a significant achievement that demonstrates the commitment of Fairfax County to preventing the loss of affordable housing which is one of the board’s priorities,” stated Fairfax County Board of Supervisors Chairman Gerald E. Connolly. “Clearly The Mark Winkler Company recognized that Fairfax County is serious about affordable housing and absolutely capable of contending with the big real estate players in this market.”

Supervisor Catherine Hudgins, who represents the Hunter Mill District, noted Reston’s history of diverse housing patterns and pointed out that “the county’s interest in the Crescent lies not only in preserving an important affordable housing resource, but also in the fact that this property is adjacent to the Lake Anne Revitalization area.” The county recently completed a study of the Lake Anne area that showed community support for further revitalization efforts in that area.

The Board of Supervisors approved \$17.9 million in funding in this year’s budget for affordable housing—an amount equal to the value of one penny of the real estate rate. A portion of those funds, approximately \$9 million, will be used for the acquisition of the Crescent. The purchase price for Crescent Apartments and the valuable underlying land is \$49,500,000. The majority of the acquisition funding, \$40.5 million, will be raised from a one-year Bond Anticipation Note issued by the Fairfax County Redevelopment and Housing Authority. The FCRHA will be exploring permanent financing options.

Randy Kell, CEO of The Mark Winkler Company, commented on this transaction. “It is generally very hard for local and state governments to move quickly and decisively enough to be able to take advantage of opportunities in this rapidly changing market. When this opportunity arose to preserve affordable housing stock, we had Gerry Connolly and Fairfax County representatives in our office, having done their homework and ready to drive a hard bargain, almost immediately. I now understand and appreciate how dedicated they are to the goal of providing and preserving affordable housing in the County.”

Crescent Apartments will be initially owned by Fairfax County and managed by the Quantum Real Estate Management Company under contract with the FCRHA. The leases for all current tenants will be honored. Plans will be developed to do some renovations on the property, which was built in 1963.

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