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BUSINESS WATCH

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Developer to convert condos to rentals

■ Germantown housing acquired by Virginia nonprofit

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SPECIAL TO THE GAZETTE

AHC Inc., an Arlington, Va., nonprofit affordable housing developer, said it has acquired 29 new condominiums that will be operated as long-term affordable rental housing with the help of the Montgomery County Department of Housing and Community Affairs.

AHC financed 100 percent of the \$5.4 million acquisition of a piece of the Ashmore at Germantown, a newly constructed 404-unit condominium community just off Interstate 270, with the help of a loan from the county's Housing Initiative Fund and a second loan from the county's Community Development Block Grant. After the units are leased, AHC is to refinance the property and return a portion

of the funding to the county to be recycled into additional affordable housing projects.

Efforts to sell units at the Ashmore ran into the region's condo bust last year and developer Fairfield Residential put 45 two- and three-bedroom condos up for auction. Minimum bids were set at \$140,000 for units that were previously priced as high as \$384,900. The county initiated the acquisition when Fairfield found itself with 29 remaining units after the auction.

"Creating and preserving affordable housing is one of my highest priorities," said County Executive Isiah Leggett (D) in a statement. "I am pleased that the Housing Initiative Fund is being used to acquire more than two dozen condominiums and make them affordable for eligible residents."

The units were built for market-rate sale and include a wide range of amenities, including custom cabinetry, ceramic flooring, built-in shelving and desk, crown molding and soaking bathtubs. In addition, the development includes a spa-

acious community center with fitness center, meeting rooms, and a large outdoor pool.

Now the homes will be available to households earning up to 55 percent of the area median income, or \$54,120 for a family of four, according to AHC and county information. The units will be managed by AHC Management LLC, AHC's property management subsidiary.

"Montgomery County has long been a leader in affordable housing. We are thrilled to have had the opportunity to partner with the County to implement this innovative approach to creating new affordable housing units," said AHC president Walter D. Webdale.

The property is AHC's first development in Montgomery County. The organization also owns more than 4,000 rental properties in Arlington, Fairfax, Prince William and Baltimore counties and Baltimore City.

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