

Lynhaven Apartments

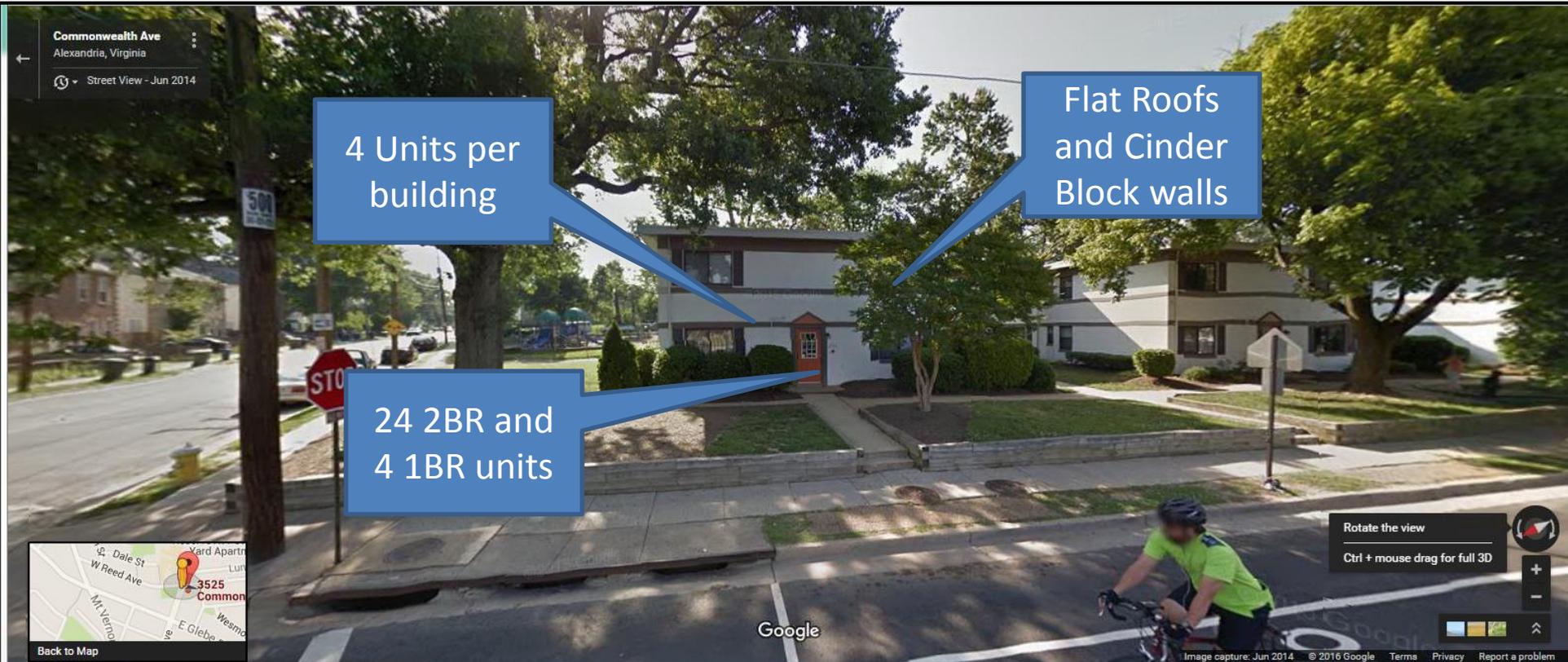
3513-3525 Commonwealth Avenue

28 Units in 7 Buildings

3525 Commonwealth Ave



Lynhaven Apartments



Lynhaven Apartments

Background

- WHDC purchased in 2002 with assistance from Carpenter's Shelter and City of Alexandria
 - \$325,000 loan from City
 - Light remodeling
- At 65 years old, the units were overdue for a thorough rehab
- While cozy, the units were uninsulated and had building systems that were well beyond their useful life

Lynhaven Apartments

Rehab Goals

- Goals for renovation were to make the units:
 - more marketable and durable for the owners, and
 - more comfortable and energy efficient for the residents
- Improve building envelope with new windows, roofs and insulation.
- Replace all electrical wiring and domestic and sanitary piping
- Provide new high-efficiency HVAC
- Provide new kitchen and bath fixtures and finishes

Lynhaven Apartments

Financing Challenges & Opportunities

Challenges

- Small Project
 - High opportunity cost – low return
 - Less attractive to larger, CRA-driven investors
- Would not compete well for 9% tax credits
 - No project-based subsidy
 - VHDA:
 - New Construction = 
 - Rehab = 
- 4% tax credit deals yield less equity because of greater perceived risk

Opportunities

- City had federal funds available, and 4% project met timeframe
- VHDA's low interest SPARC funds go farther on smaller loans

Lynhaven Financing

	Sources	Notes
Tax Credit Equity	\$1,913,236	LIHTC Price \$.99
First Mortgage	\$2,310,000	VHDA - 3.93%
Alexandria City Loan	\$1,500,000	
Seller Note	\$1,123,877	Appraised value minus debt
Public Improvement Bond	\$16,265	
Bond Deposit Release	\$25,100	
Interim Income	\$75,000	
Deferred Fee	\$349,999	
Total Sources	\$7,313,477	
	Uses	Notes
Acquisition Costs	\$2,925,957	Appraised value
Construction Costs	\$2,498,068	\$82K per unit
Design, Engineering and Architecture	\$200,935	
Other Construction Related Costs	\$214,480	
Financing Costs	\$380,605	
Partnership Costs	\$39,848	
Carrying Costs & Reserves	\$308,487	
Developer's Fee (Gross Fee)	\$745,097	
Total Uses	\$7,313,477	