AFFORDABLE HOUSING ADVISORY COMMITTEE
LOCATION: ROOM 2000
CITY HALL
THRUSDAY, June 6, 2013 7:00PM

AHAC AGENDA

1.	Consideration of April 4, 2013 Minutes	7:00 p.m.
2.	Consideration of AHDC Refinancing Plan for ALL Properties	7:05 p.m.
3.	Consideration of Wesley Housing Corporation Funding Request for Lynhaven Apartments	7:35 p.m.
4.	Beauregard Rezoning Update	8:05 p.m.
5.	Committee discussion of dedicated tax revenues for affordable housing	8:30 p.m.
6.	Information Items: a. Housing Trust Fund Financial Summary for April 2013 b. Housing Opportunities Fund Financial Status for April 2013 c. Tax and Bond Report for April 2013 d. Homeownership Programs Report April 2013	8:45 p.m.
7.	Announcements and Upcoming Housing Meetings	8:50 p.m.

a) City Council Consideration of AHDC Financing Plan
June 11, 2013, 7:00 P.M.
City Hall

b) Possible Council Consideration of WHDC Lynhaven Plan
June 25, 2013, 7:00 P.M.
City Hall

c) AHAC second June Meeting - Proposed
June 27, 2013, 7:00 P.M.
TBD

8.	Adjournment	8:55p.m.

AFFORDABLE HOUSING ADVISORY COMMITTEE
Minutes of the Meeting of April 4, 2013

Members Present		**Staff Present**	**Guests Present**
Michael Caison	Michael Butler	Helen McIlvaine	Diane Stoy, EOC
Katharine Dixon	Carter Flemming	Eric Keeler	
Deena de Montigny	Rick Liu	Shane Cochran	
Robyn Konkel			

The meeting was called to order by M Caison, at the conclusion of the HMP Advisory Group Meeting.

1. City Staff provided an update to the committee on the Beauregard Rezoning that was heard by the Planning Commission on Tuesday April 2, 2013. M Caison and K Dixon, who attended the meeting for AHAC, reported that Planning Commissioner, Derek Hyra, had suggested several recommendations for Planning Commission's consideration to forward to City Council regarding affordable housing, including one that a separate advisory group be formed to help with the implementation of the Beauregard Affordable Housing Plan.

   Several AHAC members expressed their opinions that AHAC should be the body to guide the implementation of this plan. In addition to the work already invested by the committee in developing the proposed unit distribution and income mix for Beauregard, AHAC will be in a position to oversee and monitor how the Plan is progressing as each DSUP, and its affordable housing plan, is reviewed by AHAC. AHAC also has the advantage of having a City-wide housing perspective, including development of the Housing Master Plan. There were some comments about whether there were any types of expertise that should be considered when positions are vacant and new committee members are recruited to apply.

   A draft letter responding to Commissioner Hyra's recommendation regarding implementation was discussed. Committee members voted (6 in favor, 1 abstention) that K Dixon send a letter, on AHAC's behalf, to City Council to express the view that AHAC remain as the advisory group to guide implementation of the Beauregard Affordable Housing Plan.

2. K Dixon moved to approve minutes from 3/19/2013 meeting. R Liu seconded, and all approved.

3. Financial Reports, Written reports from the Housing Trust Fund, Housing Opportunity Fund, and Homeownership Program reports were provided.

4. Meeting was adjourned at 8:25pm.

Minutes prepared by Office of Housing Staff.

City of Alexandria, Virginia

M E M O R A N D U M

DATE: MAY 31, 2013

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: ALL REFINANCING AND CITY LOAN RESTRUCTURE

ISSUE: Plan for the renovation and permanent financing of the Arbelo, Lacy Court and Longview Terrace ("Trilogy") Apartments and proposed restructuring of City loans to induce third party funding.

RECOMMENDATION: That the Committee support the restructured loan agreement proposed by AHDC for the Trilogy Properties.

DISCUSSION: AHDC has proposed a restructured loan agreement pertaining to the Trilogy properties. Attached is a draft City Docket Item that discusses the background of the properties as well as the current proposal by AHDC

ATTACHMENTS:

I. City Council Draft Docket Item on Trilogy Properties
II. AHDC proposed budget and proforma for the rehabilitation of the Trilogy Properties

ATTACHMENT I

City of Alexandria, Virginia

MEMORANDUM
DRAFT

DATE: JUNE 5, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER

TITLE: Alexandria Housing Development Corporation's (AHDC) Proposed Plan for the Renovation and Permanent Financing of the Arbelo, Lacy Court and Longview Terrace ("Trilogy") Apartments and Proposed Restructuring of Existing City Loans

---

ISSUE: Plan for the renovation and permanent financing of the Arbelo, Lacy Court and Longview Terrace ("Trilogy") Apartments and proposed restructuring of City loans to substantially renovate 119 units of affordable housing and to establish an earlier loan repayment to the City.

RECOMMENDATION: That City Council:

(1) Endorse AHDC's plan to renovate and refinance the Arbelo, Lacy and Longview portfolio, including the proposed earlier repayment restructuring of the City's loans;

(2) Approve modifications to the City's $14.1 million in loans in order to:

a. Preserve affordability of 101 units at 60% Area Median Income (AMI), with the18 HOME-funded units at Lacy Court remaining designated to be affordable at 50% AMI;
b. Secure $7.7 million as a subordinate loan on the Trilogy properties when they are conveyed to AHDC's tax credit entity for renovation and refinancing;
c. Convert $6.4 million into a "Right of First Option" that provides the City an equity position in Year 15 through which it can be fully repaid on the $7.7 million loan as well as place new debt on the properties to facilitate repayment of the $6.4 million balance by Year 40; and
d. Conform the terms of the new City loan agreement to address requirements of the proposed FHA/HUD financing and a tax credit partnership agreement, subject to the City Attorney's approval.

(3) Authorize the City Manager to provide an updated comfort letter to the BB&T Bank reaffirming the City's support for AHDC and the ALL properties during the proposed short term extension of the existing BB&T loan;

DRAFT

(4) Authorize the City Manager to submit a letter of support for AHDC's application for 4% low income housing tax credits to the Virginia Housing Development Authority (VHDA);

(5) Authorize the City Manager to execute such other documents necessary, consistent with the Plan described herein, to effect AHDC's renovation and refinancing plan.

BACKGROUND: In June 2011, at the City's request, AHDC, which is a nonprofit housing provider, acquired the Arbelo, Lacy Court and Longview Terrace Apartments from RPJ, also a nonprofit housing entity, which was experiencing financial and organizational issues. The City had provided three loans totaling approximately $13.8 million to RPJ in 2006 and 2007 to help the organization purchase and preserve the 119 units as affordable rental housing and to fund some interim improvements pending substantial rehabilitation. The City's loans were subordinate to short term first trust loans of $9.5 million provided by BB&T. When RPJ's difficulties made the planned refinancing of the BB&T loan impossible, in order to protect the City's investment and keep the affordable housing 119 units intact, AHDC stepped in and assumed RPJ's loans with BB&T and the City.[1] City Council authorized a contingency reserve of $574,000, of which AHDC used only $211,000 to cover transactional costs related to the transfer and to pay delinquent real estate taxes owed by RPJ and $57,000 for expenses related to exploring a tax credit application for Longview Terrace, raising the total City investment to $14.1 million. AHDC has also drawn $305,000 for expenses related to the proposed refinancing which will be repaid to the City at closing later this year.

AHDC was created by the City in 2004 to produce and preserve affordable housing in Alexandria. In addition to the ALL properties (which are being re-branded as "Trilogy"), AHDC owns and operates The Station at Potomac Yard. As owner of Arbelo, Lacy Court and Longview Terrace, AHDC has addressed a range of deferred maintenance items and repairs, re-investing more than $300,000 from the properties' cash flow. Business operations have been consolidated, stabilized and improved. Current occupancy is above 98%, and there is a waiting list for vacancies. AHDC has also cultivated positive relationships in the community and addressed neighborhood concerns.

DISCUSSION: At the time of the portfolio's transfer from RPJ, City Council asked AHDC to explore options to renovate and permanently refinance the properties. AHDC has reviewed and analyzed a number of possible strategies, taking into account financial options, the age and condition of the properties, the need to reduce operational expenses through improved energy efficiencies, and the impact of renovations on existing tenants. AHDC's parameters in developing refinancing scenarios have also been guided by approaches that (1) require no new City dollars beyond the contingency reserve funds approved by Council in 2011, and (2) ensure the portfolio's long term financial sustainability, including a path for future repayment of the City's investment. AHDC's proposed plan, described below, is designed to provide a revenue

[1] VHDA is currently in the process of foreclosing on RPJ-owned properties in Fairfax and Arlington for which those jurisdictions provided subordinate financing. An RPJ tax credit development in Winchester has been taken over by its investor.

stream to enable short and mid-term repayments of the existing City debt, and create an equity position for the City to allow it to recapture its full, original investment over time.

AHDC has proposed a renovation and refinancing strategy that combines a $17 million FHA/HUD permanent loan (with construction financing to be bridged with ARHA conduit revenue bonds) and 4% federal low income housing tax credits which are anticipated to yield approximately $6.8 million in private equity for renovation. The refinancing will repay the $9.5 million BB&T loan. The ARHA-issued bonds, which are funded by the private sector, will be retired when construction is completed (Spring 2015) and units are leased up, by the FHA/HUD loan. As it did in 2011, BB&T has requested a "comfort letter" from the City expressing its plans for continued support of AHDC.

To induce tax credit investment, the amount of debt that can be secured on the three Trilogy properties is fixed by the "As Is (Un-Renovated) Value" established in a third party appraisal. Based on a recently completed appraisal report that sets the "As Is Value" at $17.2 million, and taking into account the $9.5 million that must be borrowed to pay off BB&T, $7.7 million of the existing City debt can be secured in a new residual receipts loan agreement. The remaining $6.4 million of City debt is proposed to be exchanged for a Right of First Option that will provide the City an equity position at the end of the initial tax credit affordability period (Year 15). By exercising its Right of First Option to acquire the properties for $1 plus the existing debt, the City will be likely able to acquire and refinance the property, cash out the available equity to be fully repaid on its $7.7 million loan, and then re-sell the property back to AHDC or another nonprofit, to be maintained as affordable housing, adding a new residual receipts loan of $6.3 million, so that the City's entire original investment will be repaid by Year 40. The Option allows the City to control and recapture all available equity in the improved asset.

While the planned financing structure is complex, by taking advantage of tax credit equity, short term bonds and historically low interest rates offered by FHA/HUD (around 3.5%), AHDC projects that the $31 million total development cost will generate an infusion of more than $14.5 million to cover a scope that includes exterior enhancements and landscaping; replacement/upgrades of all building systems, including roofs; upgrades to unit interiors, including kitchens and bathrooms; and improvements of hallways and common areas. Upgrades to the heating and cooling systems will yield significant utility cost savings. Another positive operational impact of the rehabilitation will be to lessen maintenance and repair costs for these 1950 to 1960-era buildings which have had limited capital investment over the years. Also, six units within the ALL portfolio will be modified to be fully accessible to HUD 504 standards.

Based on past experience, staff anticipates that the City will have to conform some of its typical loan terms and conditions to meet the requirements of FHA/HUD and the tax credit investors. Any such changes will not be inconsistent with the plan outlined in this memorandum and will be subject to City Attorney approval.

AHAC will review the proposed renovation and refinancing plans at its June 6 meeting. It is also noted that two related items will be considered by City Council at future meetings. On June 25, City Council will consider ARHA's issuance of conduit revenue bonds for interim/construction financing through lease up/stabilization when it is replaced by the FHA/HUD permanent loan. In

September, Council will consider AHDC's requests for reductions in parking triggered by the City Zoning Ordinance's requirements in the case of substantial renovation. AHDC will conduct outreach with neighboring civic associations regarding the SUP applications. Since the number of units is not changing, nor is the overall number of existing parking spaces, City staff are supportive of AHDC's parking reduction request.

FISCAL IMPACT: No new City investment is required. The proposed refinancing provides a path to repayment for the City's $14.1 million investment in the short, mid and long terms that does not exist now. The refinancing also ensures that the City controls the disposition of the improved asset at Year 15 and can renegotiate the terms to be repaid on the City's total investment, while preserving the properties as long term affordable rental housing. The proposed restructuring of the City's existing loans will induce low cost FHA/HUD financing and leverage tax credit investment equity to enable a substantial renovation, as was planned at the time of the City's investment in 2006 and 2007.

In the short term, AHDC will repay the City $305,000 drawn from the contingency reserve fund for predevelopment associated with the refinancing when it closes on the credits, bonds and FHA/HUD loan later this year. The proposed restructuring of the existing City loans would result in $7.7 million of the existing debt remaining secured on the Arbelo, Lacy Court and Longview Terrace properties. In the mid-term, the City will share residual receipts generated by project cash flow with AHDC, on a 75% City/25% AHDC basis starting in about Year 3. Staff projects that in Years 3 to 15, approximately $1.5 million residual receipts revenues will be paid to the City. Then, through the $6.4 million in existing debt that is converted to a Right of First Option providing the City with an equity position in Year 15, the City can work with AHDC or another a nonprofit partner to refinance the property again, paying off the FHA/HUD loan balance and cashing out the available equity to repay itself around $7 million, while placing a new residual receipts loan on the property to recover the $6.4 million of its original investment by Year 40. Attachment 3 illustrates the City's improved financial position at various milestones.

ATTACHMENTS:

(1) Letter from AHDC Outlining Renovation and Refinance Proposal
(2) Property Map and Photos
(3) Financial Restructuring Chart

STAFF:
Mark Jinks, Deputy City Manager
Mildrilyn Stephens Davis, Director, Office of Housing
Helen S. McIlvaine, Deputy Director, Office of Housing
Eric Keeler, Division Chief, Administration, Office of Housing
Jon Frederick, Housing Analyst, Office of Housing
Christopher Spera, Deputy City Attorney, City Attorney's Office
Christopher Bever, Budget Analyst II, Office of Management and Budget
Bryan Page, Acting Director, Department of Real Estate Assessments

Working to make homes affordable in the City of Alexandria.

ALEXANDRIA HOUSING DEVELOPMENT CORPORATION
– AHDC –

May 31, 2013

Ms. Mildrilyn Davis
Director, Office of Housing
City of Alexandria
Alexandria, VA 22314

Dear Mildrilyn:

On behalf of the Alexandria Housing Development Corporation (AHDC) Board of Directors, I am pleased to submit our Plan to refinance and rehabilitate the portfolio of affordable rental properties currently known as AHDC ALL Properties listed below.

- Arbelo Apartments - Bashford Lane
- Lacy Court Apartments - W. Nelson and Commonwealth
- Longview Terrace - Seay St near Duke St.

We endorse the thorough staff memorandum that the Office of Housing will submit for the Council docket item to be discussed on June 11, 2013. We agree and fully support the recommendations and discussion items that Housing has put forward in that Memorandum.

As you know, AHDC purchased the properties from RPJ Housing and assumed the subordinated City debt in July, 2011. We did so with the understanding that AHDC would bring the properties to a long term sustainable operation as affordable rental properties in accordance with the City's goals. After nearly two years of ownership and operations, we have determined that the refinancing and renovation Plan being presented to City Council is in the best interests of preserving these affordable housing assets for the long term.

AHDC's Plan for refinancing and renovation is detailed in your staff report. In summary, AHDC will restructure the current short term first trust and long term City second trust to a 40 year financing plan, that attains a stabilized debt service ratio acceptable to our prospective lenders and investors. The terms of the structure will be:

- FHA 40 Year Multi-family, HUD-backed amortizing loan, at approximately $16 Million
- 4% Low Income Housing Tax Credit equity invested by Limited Partner, at approximately $7 Million

801 N. Pitt Street, Suite 121, Alexandria, Virginia 22314
Office 703-739-7775 Fax 703-739-7760 www.housingalexandria.org

- 2nd Trust Loan from City of Alexandria (retained from the existing debt), at approximately $8 Million
- Guaranteed Delivery to City at Year 15 a Right of First Option to purchase
- ARHA Bond Issue for funds needed for construction/lease up to be repaid at stabilized occupancy (early 2015)

Regarding the major rehabilitation Plan, AHDC has hired an experienced team of architects, engineers and general contractor to undertake the scope, design specifications, build out, and construction management. They have been working together since last September to deliver a major rehabilitation program designed to satisfy HUD and VHDA standards guaranteeing the properties another 50 years of use. The hard cost budget for the major renovation is approximately $66,000 per unit for total building structure improvements, which improvements are detailed in your staff report. We look forward to working closely with City departments to permit and inspect all aspects of the work as it moves forward later this summer.

As detailed in the staff report, we are in the process of hiring a relocation coordinator and field staff who will be available to and counsel our residents throughout the renovation process. The construction schedule will be worked in manageable phases, building by building, anticipating no more than 25% of the units will be vacant at any one time. We will put the units back into use as soon as possible and we may be subsidizing rents for the residents currently in place who may not be income eligible within the new 60% AMI rents structure. Those determinations will be made household by household and we will prioritize subsidies for those most at risk of being unable to locate suitable housing for their income or life circumstances. We will work very closely with the Office of Housing as well as the Department of Human Services throughout this process.

It is important that existing affordable housing in Alexandria be well managed and positioned for the long term. AHDC's Plan ensures that the 119 units incorporated in the Plan will be substantially upgraded and remain an integral part of Alexandria's affordable housing stock long into the future.

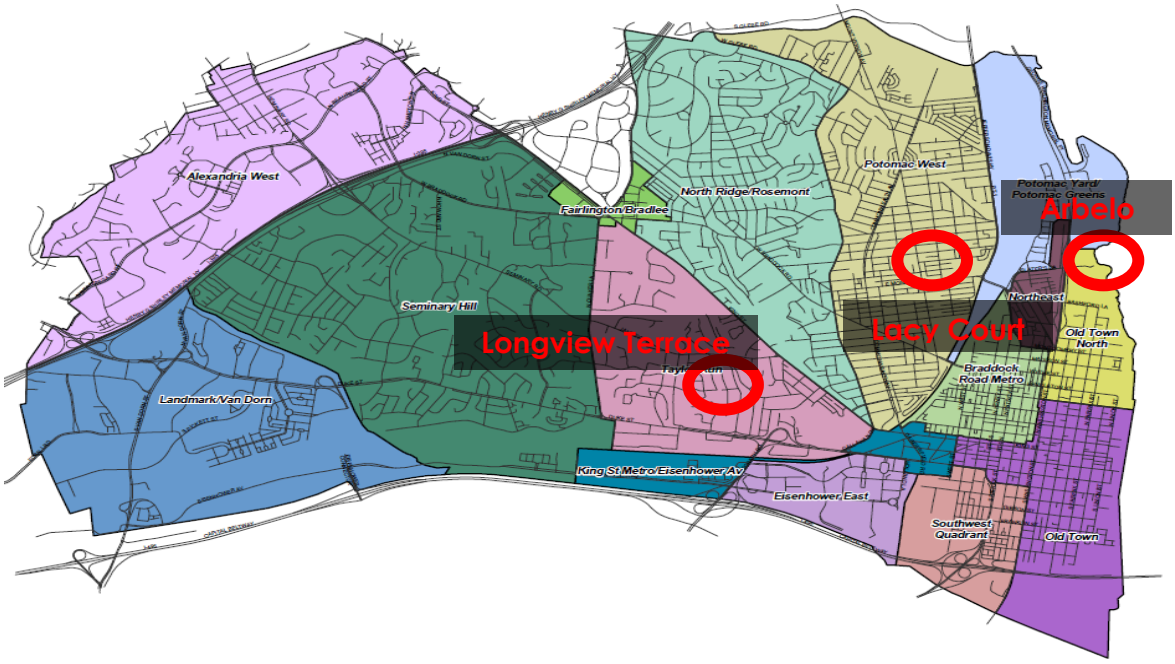
We are grateful for all the work your staff has invested in our progress to date and we are proud of the cooperative working arrangements forged in our public private partnership efforts.

Sincerely,

Daniel R. Abramson
President

801 N. Pitt Street, Suite 121, Alexandria, Virginia 22314
Office 703-739-7775 Fax 703-739-7760 www.housingalexandria.org

Arbelo, Lacy Court and Longview Terrace Apartments



Arbelo Apartments - 831-833 Bashford Lane (34 units)

Lacy Court Apartments - 4, 6 and 8 W. Nelson Street, 1502, 1506, 1512 and 1516 Commonwealth Avenue (44 units)

Longview Terrace Apartments - 2900 Seay Street (41 units)

AHDC Trilogy Financial Restructuring Loan Balances

	Current Status	2013 Financial Restructuring &Renovation	End of Year 15	Post Year 15	By Year 40
1st Trust	$9.5M BB&T	$17.0M HUD	$13.0M HUD	$20.0M New HUD/ New Other	TBD
2nd Trust	$14.0M City	$7.7M City	-0-	$6.4M City	-0-
LIHTC	N/A	$6.8M	-0-	-0-	-0-
City Loan Principal Repaid	-0-	-0-	$7.7M	-0-	$6.4M

Alexandria, VA **Alexandria Trilogy Properties Limited Partnership** **AHDC/MFHDC** ATTACHMENT II

SOURCES

		Total	% of TDC	Constant	Term	Annual Debt Service
First Mortgage	1.15	$ 15,655,500	49%	3.95%	40	$ 779,332
Alexandria City Loan - supportable by appraisal		$ 7,740,000	24%	4.00%	40	
Sponsor Loan		$ -				$ -
Deferred Developer Fee		$ 425,065	1%	5%		
Tax Credit Equity		$ 8,077,645	25%			
TOTAL PERMANENT FINANCING		$ 31,898,210	100%			
SURPLUS/(DEFICIT)		$ 0				

USES

		Total	Residential	Commercial	Depreciable	Per Unit
7,836,276			100.00%	0.00%		
Acquisition						
Building		17,275,000	17,275,000	0	11,975,000	145,168
Construction Costs						
Rehabilitation		6,815,188	6,815,188	0	6,815,188	57,270
General Requirements	5%	439,740	439,740	0	439,740	3,695
Overhead/Profit	7%	507,845	507,845	0	507,845	4,268
Construction Contingency	10%	725,493	725,493	0	725,493	6,097
Bond Premium and Cost Cert		73,503	73,503	0	73,503	618
Professional Fees (Construction-Related)				0		
Architect: Design	4.3%	290,204	290,204	0	290,204	2,439
Architect: Supervision	1.0%	58,566	58,566	0	58,566	492
Legal - Real Estate		65,000	65,000	0	65,000	546
Legal - Zoning		20,000	20,000	0	20,000	168
Site and Building Survey		39,000	39,000	0	39,000	328
Permits		66,595	66,595	0	66,595	560
Construction Interim Costs						
Hazard Insurance		30,000	30,000	0	30,000	252
Construction Management Fee		100,000	100,000	0	100,000	840
Construction Period Taxes		67,000	67,000	0	67,000	563
Financing Fees						
Bond Application Fee	0.00%	10,000	10,000	0	0	84
Issuer's Fee -- ARHA	0.50%	78,278	78,278	0	0	658
Bond Counsel		55,000	55,000	0	0	462
FHA MIP Fee	0.90%	140,514	140,514	0	0	1,181
FHA Exam Fee	0.30%	46,833	46,833	0	0	394
FHA Inspection Fee		50,000	50,000	0	0	420
AGM Fee	1.50%	234,833	234,833	0	0	1,973
GNMA Fee	0.03%	4,000	4,000	0	0	34
Lender Legal		75,000	75,000	0	0	630
Trustee Fees		15,000	15,000	0	0	0
Underwriter's Fee/Private Placement Fee		130,000	130,000	0	0	0
Underwriter's Counsel		30,000	30,000	0	0	0
Trustee Legal		5,000	5,000	0	0	0
Dissemination Fee		5,000	5,000	0	0	0
Financing contingency		45,000	45,000	0	0	0
Title & Recording		57,100	57,100	0	45,680	384
Negative Arbitrage - Bonds		135,000	135,000	0	0	1,134
Construction Period Interest		514,306	514,306	0	411,445	4,322
Soft Costs				0		
Syndication Fees		50,000	50,000	0	0	420
Market Study		10,500	10,500	0	10,500	88
Environmental Study		50,000	50,000	0	50,000	420
Tax Credit Application Fees		54,950	54,950	0	0	462
Appraisal		21,000	21,000	0	21,000	176
Short Term Relocation		350,000	350,000	0	275,000	2,941
Lenders Review Fees		16,500	16,500	0	16,500	139
Structural, utility consultants		10,000	10,000	0	10,000	84
Cost Certificate - & other accounting		30,000	30,000	0	0	0
Soft Cost Contingency		158,814	158,814	0	158,814	1,335
Developer Fees						
Developer Fee		2,000,000	2,000,000	0	2,000,000	16,807
Reserves & Escrows						
Investor Operating Reserve		546,039	546,039	0	0	4,589
Replacement Reserve		83,300	83,300	0	0	700
Working Capital Reserve		313,110	313,110	0	0	2,631
TOTAL DEVELOPMENT COSTS		31,898,209	31,898,209	0	24,272,073	268,052

Alexandria, VA
Alexandria Trilogy Properties Limited Partnership
AHDC/MFHDC

Tax Credit Inputs

5/30/2013
16:35

Total Project Cost		$0		
Four or nine percent credit	4.00%			
Current credit rates as of:	Mar-13	3.19%		
ADD:	Depreciable Basis	$24,272,073	A	
	Bridge Loan Interest	$0	A	
LESS:	Non-Residential Deprec.Basis (commercial)	$0		0.0%
	Res. Portion of Historic Rehab Credit	$0		
	Disallowed Acquisition	$11,975,000		
	Grants	$0		
	HOME Loans less than AFR	$0		
		$ 11,975,000	B	
	Eligible LIHTC Basis	$12,297,073	A-B	
	Eligible Basis Limit as per Cost Caps	$0		
	Eligible Basis used in Tax Credit Calculation	$12,297,073		
	Adjust for Difficult to Develop Area (1)	100.00%		
	Adjusted Eligible Basis	$12,297,073		
	Low-Income Occupancy Percentage	100%		
	Qualified Basis	$12,297,073		
	Credit Percentage	3.19%		
	Calculated Annual Credit	392,277		
	Allocated Credits (if 9%) *reservation*	*392,277*		
	Used in Forecast	$392,277		
	Credits to Limited Partner @ 99.99%	$392,237		
	Estimated Price	$1.0433		to review
	Estimated Equity	**$ 4,092,213**		

(1) Only eligible basis attributable to new construction or rehabilitation expenditures can qualify for difficult to develop area basis increase.

Historic Credits

	Residential	Non-Residential	Total
Elig. Depr. Basis for Historic Credits	$0	$0	$0
Less *Pro Rata* Grant			
Eligible Hist. Basis	$0	$0	$0
Hist. Credit Rate	20%	20%	20%
Hist. Rehab. Credits	$0	$0	$0
Credits to LP @ 99.99%	$0	$0	$0
Estimated Price	$0.920	$0.920	$0.920
Estimated Equity	$0	$0	**$0**

Acquisition Credits

Acquisition Basis		$11,975,000
Adjustment	Low Income %	100
Acquisition Rate		3.19%
Acquisition Credits		$382,003
Acquisition Equity @	$1.043	$3,985,432

Tax Credit Summary

Rehabilitation Credits	392,277
Acquisition Credits	$382,003
Total Tax Credits	**$774,279**

Equity Summary

Estimated LP Equity for Rehab Credits	$	4,092,213
Estimated LP Equity for Acquisition Credits	$	3,985,432
Estimated LP Equity for Historic Credits	$	-
Total Estimated LP Equity	**$**	**8,077,645**

Prepared by
Mission First

Alexandria, VA
Alexandria Trilogy Properties Limited Partnership
AHDC/MFHDC

RENT SCHEDULE & INCOME

RESIDENTIAL

Unit Type		Unit Count	AMI Target	Rent less Util Allow	Total Rent/Mo.	Total Rent/Yr.	Unit Sq. Ft.	Total Sq. Ft.	Utility Allowance
0 Bedroom		13	60%	$ 1,069	$ 13,897	$ 166,764	450	5,850	45
1 Bedroom	Lacy	1	50%	$ 943	$ 943	$ 11,316	662	662	64
1 Bedroom		15	60%	$ 1,139	$ 17,085	$ 205,020	662	9,930	64
2 Bedroom	Lacy	8	50%	$ 1,123	$ 8,984	$ 107,808	894	7,152	84
2 Bedroom		59	60%	$ 1,349	$ 79,591	$ 955,092	894	52,746	84
3 Bedroom	Lacy	9	50%	$ 1,292	$ 11,628	$ 139,536	1,200	10,800	103
3 Bedroom		14	60%	$ 1,549	$ 21,686	$ 260,232	1,200	16,800	103
Residential Totals		**119**			**$ 153,814**	**$ 1,845,768**		**103,940**	

MISCELLANEOUS

Laundry and other fees	**$ 35,700**	
PROJECT TOTAL	**$ 1,881,468**	**103,940**

HUD Income Guidelines	
Median Income/ Family of 4	107,300
As of (Date)	2013
Location/County	Washington

NOTES

Tenant Paid: Electric - air conditioning, heat, cooking
Owner Paid: Water, sewer, trash, hot water

Alexandria, VA
Alexandria Trilogy Properties Limited Partnership
AHDC/MFHDC

OPERATING EXPENSE - RESIDENTIAL 119 UNITS

			Total		Per Unit
ADMINISTRATION					
Advertising		$	11,301		94.97
Management Fee	4.50%	$	82,141		690.26
Legal		$	10,000		84.03
Audit		$	15,000		126.05
Telephone		$	4,800		40.34
On Site Management-Payroll		$	77,500		651.26
Office Supplies		$	8,000		67.23
General Administration		$	13,782		115.82
TOTAL ADMINISTRATION		**$**	**222,524**	**$**	**1,870**
MAINTENANCE					
Fire and Safety Contracts		$	15,000		126.05
Exterminating		$	12,720		106.89
Rubbish Removal		$	31,107		261.40
Other Contract Services		$	34,950		293.70
Janitor Supplies		$	5,000		42.02
Maintenance Supplies		$	10,000		84.03
Grounds Maintenance		$	15,000		126.05
Snow Removal		$	4,000		33.61
Heat and A/C repair services		$	6,000		50.42
General Repair Services		$	6,000		50.42
Paint/Decorating Materials		$	5,000		42.02
Maintenance and Janitor Pay		$	113,620		954.79
TOTAL MAINTENANCE		**$**	**258,397**	**$**	**2,171**
UTILITIES					
Electric		$	11,057		92.92
Water and Sewer		$	102,069		857.72
Gas and Oil		$	19,563		164.39
TOTAL UTILITIES		**$**	**132,689**	**$**	**1,115**
PROPERTY COSTS					
Insurance		$	34,388		288.97
Real Estate Taxes		$	145,000		1,218.49
Licenses and LIHTC monitoring fees		$	14,975		125.84
Other - Reserves		$	41,650	$	350
Asset Management Fee		$	5,000		42.02
TOTAL PROPERTY COSTS		**$**	**241,013**	**$**	**2,025**
ANNUAL OPERATING EXPENSES - RESIDENTIAL			**854,623**	**$**	**7,182**
TOTAL ANNUAL OPERATING EXPENSES		**$**	**854,623**		
TOTAL MONTHLY OPERATING EXPENSES		**$**	**71,219**		

AHDC/MFHDC: Alexandria Trilogy Properties Limited Partnership - Alexandria, VA

Projected Cashflows

SOURCES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Residential Rental Income			$1,845,768	$1,882,683	$1,920,337	$1,958,744	$1,997,919	$2,037,877	$2,078,635	$2,120,207	$2,162,611	$2,205,864	$2,249,981	$2,294,981	$2,340,880
Other Income		$	35,700	$36,414	$37,142	$37,885	$38,643	$39,416	$40,204	$41,008	$41,828	$42,665	$43,518	$44,388	$45,276
Residential Vacancy	7.00%		($131,703)	($134,337)	($137,024)	($139,764)	($142,559)	($145,410)	($148,319)	($151,285)	($154,311)	($157,397)	($160,545)	($163,756)	($167,031)
Effective Gross Income			$1,749,765	$1,784,761	$1,820,456	$1,856,865	$1,894,002	$1,931,882	$1,970,520	$2,009,930	$2,050,129	$2,091,131	$2,132,954	$2,175,613	$2,219,125
Residential Expenses		$	667,973	$686,342	$705,217	$724,610	$744,537	$765,012	$786,049	$807,666	$829,877	$852,698	$876,147	$900,242	$924,998
Real Estate Taxes			$145,000	$148,988	$153,085	$157,294	$161,620	$166,065	$170,631	$175,324	$180,145	$185,099	$190,189	$195,420	$200,794
Replacement Reserves			$41,650	$42,483	$43,333	$44,199	$45,083	$45,985	$46,905	$47,843	$48,800	$49,776	$50,771	$51,787	$52,822
Expenses and Reserves		$	854,623	$ 877,813	$ 901,634	$ 926,104	$ 951,240	$ 977,061	$ 1,003,586	$ 1,030,832	$ 1,058,821	$ 1,087,573	$ 1,117,108	$ 1,147,448	$ 1,178,614
Net Operating Income			$895,142	$906,948	$918,822	$930,761	$942,762	$954,821	$966,934	$979,098	$991,307	$1,003,558	$1,015,846	$1,028,165	$1,040,511
First Mortgage			$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332
First Mortage Debt Service Coverage Ratio			1.15	1.16	1.18	1.19	1.21	1.23	1.24	1.26	1.27	1.29	1.30	1.32	1.34
Cash Flow			$115,810	$127,615	$139,489	$151,429	$163,430	$175,489	$187,602	$199,766	$211,975	$224,226	$236,514	$248,833	$261,179
Deferred Developer Fee	$ 425,065		$104,229	$114,854	$125,540	$136,286	$147,087	($153,028)	$0	$0	$0	$0	$0	$0	$0
Alexandria Residual Receipt	$ -			$0	$0	$0	$0	$87,744	$93,801	$99,883	$105,988	$112,113	$118,257	$124,417	$130,589
Alexandria Loan Balance @ 4% interest			deferred	deferred	$7,740,000	$8,049,600	$8,371,584	$8,618,703	$8,869,650	$9,124,553	$9,383,548	$9,646,777	$9,914,391	$10,186,550	$10,463,423
Release of Reserves			$0	$0	$0	$0	$0								
Deferred Fee Outstanding Balance			342,089	244,340	131,016	1,282	(145,741)	-	-	-	-	-	-	-	-
Residual Cash Flow			$11,581	$12,762	$13,949	$15,143	$16,343	$240,772	$93,801	$99,883	$105,988	$112,113	$118,257	$124,417	$130,589

SOURCES	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28
Residential Rental Income	$2,387,698	$2,435,452	$2,484,161	$2,533,844	$2,584,521	$2,636,211	$2,688,935	$2,742,714	$2,797,568	$2,853,520	$2,910,590	$2,968,802	$3,028,178	$3,088,742	$3,150,516
Other Income	$46,182	$47,105	$48,047	$49,008	$49,989	$50,988	$52,008	$53,048	$54,109	$55,191	$56,295	$57,421	$58,570	$59,741	$60,936
Residential Vacancy	($170,372)	($173,779)	($177,255)	($180,800)	($184,416)	($188,104)	($191,866)	($195,703)	($199,617)	($203,610)	($207,682)	($211,836)	($216,072)	($220,394)	($224,802)
Effective Gross Income	$2,263,508	$2,308,778	$2,354,954	$2,402,053	$2,450,094	$2,499,096	$2,549,078	$2,600,059	$2,652,060	$2,705,101	$2,759,204	$2,814,388	$2,870,675	$2,928,089	$2,986,651
Residential Expenses	$950,436	$976,573	$1,003,428	$1,031,023	$1,059,376	$1,088,509	$1,118,443	$1,149,200	$1,180,803	$1,213,275	$1,246,640	$1,280,922	$1,316,148	$1,352,342	$1,389,531
Real Estate Taxes	$206,315	$211,989	$217,819	$223,809	$229,964	$236,288	$242,786	$249,462	$256,322	$263,371	$270,614	$278,056	$285,702	$293,559	$301,632
Replacement Reserves	$53,879	$54,956	$56,055	$57,177	$58,320	$59,486	$60,676	$61,890	$63,128	$64,390	$65,678	$66,991	$68,331	$69,698	$71,092
Expenses and Reserves	$ 1,210,630	$ 1,243,518	$ 1,277,303	$ 1,312,008	$ 1,347,659	$ 1,384,283	$ 1,421,904	$ 1,460,552	$ 1,500,253	$ 1,541,036	$ 1,582,932	$ 1,625,970	$ 1,670,181	$ 1,715,599	$ 1,762,255
Net Operating Income	$1,052,878	$1,065,260	$1,077,651	$1,090,045	$1,102,434	$1,114,813	$1,127,173	$1,139,508	$1,151,808	$1,164,065	$1,176,272	$1,188,418	$1,200,494	$1,212,490	$1,224,395
First Mortgage	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332
First Mortage Debt Service Cov	1.35	1.37	1.38	1.40	1.41	1.43	1.45	1.46	1.48	1.49	1.51	1.52	1.54	1.56	1.57
Cash Flow	$273,546	$285,928	$298,318	$310,710	$323,099	$335,477	$347,836	$360,169	$372,468	$384,725	$396,931	$409,076	$421,151	$433,146	$445,050
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Alexandria Residual Receipt	$136,773	$142,964	$149,159	$155,355	$161,549	$167,738	$173,918	$180,085	$186,234	$192,363	$198,465	$204,538	$210,575	$216,573	$222,525
Alexandria Loan Balance @ 4%	$10,745,187	$11,032,031	$11,324,153	$11,621,764	$11,925,085	$12,234,350	$12,549,806	$12,871,714	$13,200,348	$13,536,000	$13,878,974	$14,229,595	$14,588,204	$14,955,159	$15,330,841
Release of Reserves															
Deferred Fee Outstanding Bala	-	-													
Residual Cash Flow	$136,773	$142,964	$149,159	$155,355	$161,549	$167,738	$173,918	$180,085	$186,234	$192,363	$198,465	$204,538	$210,575	$216,573	$222,525

SOURCES	Year 29	Year 30	Year 31	Year 32	Year 33	Year 34	Year 35	Year 36	Year 37	Year 38	Year 39	Year 40
Residential Rental Income	$3,213,527	$3,277,797	$3,343,353	$3,410,220	$3,478,425	$3,547,993	$3,618,953	$3,691,332	$3,765,159	$3,840,462	$3,917,271	$3,995,617
Other Income	$62,155	$63,398	$64,666	$65,959	$67,278	$68,624	$69,996	$71,396	$72,824	$74,280	$75,766	$77,281
Residential Vacancy	($229,298)	($233,884)	($238,561)	($243,333)	($248,199)	($253,163)	($258,226)	($263,391)	($268,659)	($274,032)	($279,513)	($285,103)
Effective Gross Income	$3,046,384	$3,107,311	$3,169,458	$3,232,847	$3,297,504	$3,363,454	$3,430,723	$3,499,337	$3,569,324	$3,640,710	$3,713,525	$3,787,795
Residential Expenses	$1,427,743	$1,467,006	$1,507,349	$1,548,801	$1,591,393	$1,635,156	$1,680,123	$1,726,327	$1,773,801	$1,822,580	$1,872,701	$1,924,200
Real Estate Taxes	$309,927	$318,450	$327,207	$336,205	$345,451	$354,951	$364,712	$374,742	$385,047	$395,636	$406,516	$417,695
Replacement Reserves	$72,514	$73,964	$75,443	$76,952	$78,491	$80,061	$81,662	$83,295	$84,961	$86,661	$88,394	$90,162
Expenses and Reserves	$ 1,810,184	$ 1,859,420	$ 1,909,999	$ 1,961,959	$ 2,015,335	$ 2,070,168	$ 2,126,498	$ 2,184,364	$ 2,243,809	$ 2,304,877	$ 2,367,611	$ 2,432,057
Net Operating Income	$1,236,200	$1,247,891	$1,259,458	$1,270,888	$1,282,168	$1,293,285	$1,304,225	$1,314,973	$1,325,515	$1,335,834	$1,345,914	$1,355,738
First Mortgage	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332	$779,332
First Mortage Debt Service Cov	1.59	1.60	1.62	1.63	1.65	1.66	1.67	1.69	1.70	1.71	1.73	1.74
Cash Flow	$456,853	$468,544	$480,110	$491,539	$502,818	$513,934	$524,873	$535,620	$546,161	$556,478	$566,558	$576,381
Deferred Developer Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Alexandria Residual Receipt	$228,427	$234,272	$240,055	$245,769	$251,409	$256,967	$262,436	$267,810	$273,080	$278,239	$283,279	$288,190
Alexandria Loan Balance @ 4%	$15,715,648	$16,110,002	$16,514,347	$16,929,151	$17,354,909	$17,792,138	$18,241,387	$18,703,232	$19,178,282	$19,667,174	$20,170,582	$20,689,215
Release of Reserves												
Deferred Fee Outstanding Bala												
Residual Cash Flow	$228,427	$234,272	$240,055	$245,769	$251,409	$256,967	$262,436	$267,810	$273,080	$278,239	$283,279	$288,190

First Mortgage	-	$	16,680,000
Alexandria City Loan - supportable by appraisal		$	7,740,000
Deferred Developer Fee		$	107,074
Tax Credit Equity		$	8,077,645
TOTAL PERMANENT FINANCING		$	32,604,719
SURPLUS/(DEFICIT)		$	2,564,121

USES

7,626,186

		Total	Bond
Acquisition			
Building		15,515,000	9,535,000
Construction Costs			
Rehabilitation		6,750,000	3,623,966
General Requirements	5%	337,500	185,000
Overhead/Profit	7%	472,500	265,000
Construction Contingency	10%	675,000	375,000
Bond Premium and Cost Cert		66,186	30,000
Professional Fees (Construction-Related)			-
Architect: Design	5.3%	361,000	180,500
Architect: Supervision	1.0%	62,400	38,700
Architect Reimbursables		15,000	
Legal - Real Estate		65,000	32,500
Legal - Zoning		20,000	10,000
Site and Building Survey		39,000	19,500
Permits		66,595	33,298
Construction Interim Costs			-
Hazard Insurance		30,000	-
Construction Management Fee		100,000	-
Construction Period Taxes		100,000	-
Financing Fees			
Bond Application Fee	0.00%	10,000	
Issuer's Fee -- ARHA	0.50%	83,400	
Bond Counsel		55,000	
FHA MIP Fee	0.90%	150,120	
FHA Exam Fee	0.30%	50,040	
FHA Inspection Fee		50,000	
AGM Fee	1.55%	259,107	
GNMA Fee	0.03%	4,170	
Lender Legal		75,000	
Trustee Fees		15,000	
Underwriter's Fee/Private Placement Fee		130,000	
Underwriter's Counsel		30,000	
Trustee Legal		5,000	
Dissemination Fee		5,000	
Financing contingency		75,000	
Title & Recording		35,000	
Negative Arbitrage - Bonds		135,000	
Mortgage Bonds Interest		611,420	611,420
Soft Costs			
Syndication Fees		50,000	
Market Study		10,500	10,500

Environmental Study	50,000	50,000
Tax Credit Application Fees	27,117	27,117
Appraisal	21,000	21,000
Short Term Relocation	350,000	175,000
Lenders Review Fees	16,500	16,500
Structural, utility consultants	10,000	10,000
Cost Certificate - & other accounting	30,000	
Syndication Cost		
Soft Cost Contingency	162,814	80,000
Developer Fees		
Developer Fee	2,000,000	1,350,000
Reserves & Escrows		
Investor Operating Reserve	464,229	
Working Capital Reserve	395,000	
TOTAL DEVELOPMENT COSTS	30,040,598	16,680,000

Equity	Alexandria	Deferred Fee	Total			Descriptio
						Land
						Buildings
	5,980,000		15,515,000	-		Constructi
			-	-		Engineerir
3,126,035			6,750,000	-		Architectu
152,500			337,500	-		Interest D
207,500			472,500	-		Costs of Fi
300,000			675,000	-		Developer
36,186			66,186	-		Legal
-			-	-		Permits
180,500			361,000	-		Relocatior
23,700			62,400	-		Related Di
15,000			15,000			
32,500			65,000	-		
10,000			20,000	-		
19,500			39,000	-		
33,298			66,595	-		
-			-	-		
30,000			30,000	-		
100,000			100,000	-		
100,000			100,000	-		
			-	-		
10,000			10,000	-		
83,400			83,400	-		
55,000			55,000	-		
150,120			150,120	-		
50,040			50,040	-		
50,000			50,000	-		
259,107			259,107	0		
4,170			4,170	-		
75,000			75,000	-		
15,000			15,000	-		
130,000			130,000	-		
30,000			30,000	-		
5,000			5,000	-		
5,000			5,000	-		
75,000			75,000	-		
35,000			35,000	-		
135,000			135,000	-		
			611,420	-		
			-	-		
50,000			50,000	-		
			10,500	-		

			50,000	-
			27,117	-
			21,000	-
175,000			350,000	-
			16,500	-
			10,000	-
30,000			30,000	-
			-	-
82,814			162,814	-
			-	-
542,926		107,074	2,000,000	-
			-	-
464,229			464,229	-
395,000			395,000	-
7,273,524	5,980,000	107,074	30,040,598	

ɔn	Amount
	3,337,250
	6,197,750
ion	4,478,966
ıg	46,000
ıre	219,200
uring Construction	611,420
inancing	80,000
· Fee	1,350,000
	42,500
	33,298
ı	175,000
iligence Costs	108,617
	16,680,000

PROJECT PARTNERSHIP

Alexandria Trilogy Properties Limited Partnership

Alexandria, VA

AHDC/MFHDC

FEDERAL LIHTC

Eligible for LIHTC Credit?	Y
Eligible for Historic Credit	N

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 31, 2013

TO: AFFORDABLE HOUSING ADVISORY COMMITTEE

FROM: MILDRILYN STEPHENS DAVIS, DIRECTOR, OFFICE OF HOUSING

SUBJECT: CONSIDERATION OF A WESLEY HOUSING DEVELOPMENT CORPORATION FUNDINDG REQUEST FOR LYNHAVEN APARTMENTS

ISSUE: Provision of a loan to Wesley Housing Development Corporation (WHDC) to help with the renovation of a 28-unit garden apartment complex located at 3521 Commonwealth Avenue, Alexandria, VA 22305.

RECOMMENDATION: That the Committee recommend to City Council the authorization of a $1.525 million loan (which includes approximately 422K of existing City loan on the property) to WHDC from the City's Housing Opportunities Fund for the substantial renovation of the 28 unit Lynhaven Apartment complex.

BACKGROUND: In 2002 City Council approved a total of $325,000 to assist WHDC in purchasing the Lynhaven Apartment complex located at 3521 Commonwealth Avenue. Lynhaven is a garden style apartment complex which consists of 23 two-bedroom and five one-bedroom apartments. As a term of the City's loan, WHDC agreed to preserve 16 units for households with incomes at or below 50% of area median income (AMI), with the remaining 12 units to have rents affordable at no more than 100% AMI. Carpenter's Shelter also partnered with WHDC in exchange for four of the 16 apartments to house their clients as they transition out of the shelter. In addition to the City's $325,000 loan, WHDC also used VHDA's Multifamily Sponsoring Partnerships and Revitalizing Communities (SPARC) loan program to finance the acquisition of the property

The original City's loan for this project was made from the City's Housing Trust Fund. The loan carried a two percent interest rate and was to begin payment on a residual receipts basis starting in 2003. To date, the cash flow from operations of the property has not been sufficient enough to begin payments and the total outstanding debt to the property is approximately $422,000. Currently, the total loan plus interest would require a balloon payment due on August 1, 2017.

DISCUSSION:

When WHDC originally purchased the Lynhaven properties in 2002, a small amount of renovation was done to update the property; however, the property did not undergo substantial

rehabilitation. In recent years any cash flow created from the property has been reinvested back into the property to continue operations. In addition, WHDC has used approximately $330,000 of its own capital resources to help cover the escalating operations and maintenance cost. In March 2013, WHDC commissioned Wiencek and Associates to complete a needs assessment of the property and determine the cost of a substantial rehabilitation of the building that would help to reduce operating costs and increase the useful life of the property. The result of this analysis showed that a total of approximately $2 million would be needed to complete a substantial renovation of the property. The renovation would make significant upgrades to the exterior of the property, completely renovate all interior units and common areas, and replace the aging HVAC systems in each unit.

WHDC has submitted a Housing Opportunities Fund (HOF) application to the City requesting a loan of $1,525,000 to help with the substantial renovation of the Lynhaven apartment complex. The loan would consist of approximately $422,000 of the existing City loan and approximately $1.103 million in new funds from the HOF which would consist of Federal HOME and matching dollars. In addition to the City's loan, WHDC anticipates using tax credit equity of about $3.5 million, permanent financing of $1.15 million, and WHDC equity of $1.4 million. Attached to this memo is a sources and uses table that shows you the total cost of the project and the manner in which the money will be spent in the project.

The $1.5 million loan would be a two percent residual receipts loan that would be repaid over time once the project has been stabilized similar to recent loans approved by the committee. The current proforma provided by WHDC shows residual receipts of approximately $70,000 in Year one. The City proposes that the residual receipts be split on a 50/50 basis with WHDC which would result in payments of approximately $39,000 in Year 1, which would grow over time and amount to payments of approximately $600,000 to the City through Year 15.

In return for the City loan, WHDC has agreed to keep all 28 units in the complex affordable for a period of 40 years. Of the 28 units, 16 would be affordable at 50% AMI, and the remainder would be affordable to households at or below 60% AMI. This affordability would increase the number of dedicated affordable units within this project from 16 units to all 28 units. In addition, over half of the units would be affordable to households at or below 50% of AMI which has been a focus of the goals in the Draft Housing Master Plan. WHDC plans to apply for competitive (9%) Low Income Housing Tax Credits in 2014. Execution of a City loan agreement prior to September 30 contingent upon the receipt of LIHTC funding, will help the City meet HUD requirements for the commitment of HOME funds.

Staff and WHDC plan to present this project to City Council at its legislative meeting on June 25, 2013. Prior to that meeting, WHDC will present the project to the Lynhaven Civic Association at its next scheduled meeting.

FISCAL IMPACT: The City will provide an additional $1.103 million from the City's Housing Opportunities Fund. These dollars would consist of Federal HOME and matching funds that budgeted for the purpose of affordable housing production and preservation. Repayment of the loan is expected to begin in year one of operation after rehabilitation with Tax Equity with repayment of approximately $600,000 is projected by Year 15.

ATTACHMENTS: Portions of Wesley HOF Loan Application

STAFF:
Helen McIlvaine, Deputy Director, Office of Housing
Eric Keeler, Division Chief, Office of Housing
Jon Frederick, Housing Analyst, Office of Housing

Wesley Housing Development Corporation
The door to brighter futures for over three decades

5515 Cherokee Avenue, Suite 200 • Alexandria, VA 22312 • Phone (703) 642-3830 • Fax (703) 941-1724 • www.wesleyhousing.org

May 29, 2013

BY U.S. MAIL AND E-MAIL

Helen McIlvaine
Deputy Director
421 King Street, Suite 200
Alexandria, Virginia 22314

Dear Helen:

Wesley Housing Development Corporation (WHDC) is pleased to submit this application for $1,100,000 in City of Alexandria Housing Opportunities Funds (HOF) and a modification of the existing $325,000 Housing Trust Fund loan dated as of June 17, 2002. Per our discussions, we anticipate the source of new funding for this project will be federal HOME Investment Partnerships Program funds. Therefore, we have structured an application assuming related programmatic requirements.

This project is in alignment with the Goals and Strategies of the City's Draft Housing Master Plan dated November 2012. Specifically, the redevelopment of Lynhaven Apartments helps the City meet Goal 1: Preserve long-term affordability and physical condition of committed affordable housing and Goal 5: Provide safe, quality housing choices that are affordable and accessible to households of all ages and abilities.

In addition, we are proposing this new investment and modification of an existing loan in order to recapitalize the project with a significant infusion of low-income housing tax credit equity. This will provide a financially feasible structure that will result in the City realizing a return on investment in residual receipt contingent loan payments. As you know, the current capital structure has resulted in Wesley providing significant annual capital advances now totaling more than $330,000.

If you have any questions about this application, please feel free to contact me at (703) 642-3830 x251. Thank you in advance for your careful consideration of this request.

Sincerely,

Paul P. Browne
Director of Real Estate Development

Lynhaven Apartments
City of Alexandria
Housing Opportunities Fund (HOF) Application
May 29, 2013

I.Project Description

Lynhaven Apartments is a 28-unit rental housing development located at 3513-3525 Commonwealth Avenue in the City of Alexandria. Wesley Lynhaven Housing Corporation, a wholly owned subsidiary of Wesley Housing Development Corporation (WHDC), acquired the property in 2002 in order to preserve the "market rate affordable" housing that existed and subsequently performed a modest rehabilitation. At a budget of approximately $11,000 per unit, the scope of work primarily consisted of roof replacement, 100% new furnaces and 25% condenser replacement, electrical heavy-up, site work improvements, and as-required replacement of unit fixtures and finishes primarily addressing life safety issues. Now, the property is in need of a more substantial rehabilitation in order to increase energy efficiency, modernize interior fixtures and finishes, increase curb appeal and generally reestablish the property as an affordable housing asset for a long term period. However, the more overriding need for recapitalization is the fact that the property is not operating efficiently. WHDC has annually provided significant capital advances to the property now totaling more than $384,000 and the City's current residual receipts contingent loan is not being repaid due to the fact that operating expenses have exceeded underwriting since inception.

The primary goals of this project are to (i) substantially renovate the property in order to improve living conditions for existing residents in the short-term as well as (ii) to prolong the useful life in order to maintain the property as a valuable affordable housing asset for the City over the long-term that provides a number of units targeting households at the 40% and 50% of Area Median Income (AMI) levels.

As a part of the 9% Low Income Housing Tax Credit (LIHTC) Application process and in accordance with the values of WHDC, we plan to incorporate EarthCraft sustainable design criteria in the rehabilitation plan. In addition, we are evaluating the architectural feasibility of converting existing ground floor units to ADA accessibility and providing accessible access to the common laundry room.

The property is ideally located for transit and amenity options. Located just two blocks off of Jefferson Davis Highway (Route 1), the property is within walking distance to a major shopping center and current and future transit options including bus lines, rail stations, an airport and highway access directly into Washington, D.C. The Braddock Road and National Airport Metro stations are just minutes away. The Potomac Yard Retail Center offers shopping venues such as Target, Shoppers Food Warehouse, dining options and a cinema. Adjacent to the retail center, there is a plan to add thousands of new residential units, more commercial developments and a new Potomac Yards Metrorail Station over the next decade. In the shorter term, Route 1 is scheduled to receive a few bus-only dedicated lanes in spring 2014 to facilitate bus traffic.

Located on approximately 0.77 acres (or 33,426 SF), the property consists of 19,840 SF of gross building area in a two-story, garden-style apartment style with seven (7) different doorways in a staggered configuration. The buildings are constructed as load bearing concrete masonry block structures on top of reinforced concrete floor slab on grade. Each apartment has a forced-air HVAC system with a gas furnace and separate air conditioning condenser, a gas water heater and cooking range. The residents pay for gas and electric consumption. The units offer ample storage and closet space, wall-to-wall carpet and there is a common laundry room and a gated picnic area on the property. In addition to on-

site amenities, there is an adjacent city-owned playground and nearby recreation facilities. There is a designated parking area that currently provides eight (8) parking spaces.

II. Site Control/Land Use/Zoning

As previously referenced, the property was acquired on June 17, 2002. The property mailing address is 3513 Commonwealth Avenue and is identified in real estate assessment records as Map number 15.02, Block number 7, Lot number 1. It is zoned RB residential which permits multifamily dwellings in existence prior to 1978. Constructed as a two-story garden apartment complex in 1949, the property is a non-complying approved use. As such, it may only be rebuilt to the same floor area ratio, density, height or degree of noncompliance as currently existing if it were to be demolished or destroyed. Therefore, we intend only to rehabilitate the existing structure in this redevelopment plan.

Located in the Lynhaven neighborhood, the property is adjacent to a variety of land uses including single-family homes, parks, commercial, religious and educational uses. As previously referenced current and future transit and amenity options are abundant, including the Potomac Yards shopping center, future Potomac Yards residential and commercial development, several bus lines, and access to two current metro rail stations at Reagan National Airport and Braddock Road.

Lynhaven Apartments resides within the neighborhood represented by the Lynhaven Civic Association. As an active community organization, the representatives of the civic association have recently expressed a particular interest in planned neighborhood affordable housing projects. Joe Bondi is the current Association President. We have not yet reached out to the Civic Association, but plan to do so within the next two weeks. In addition, we plan to reach out to nearby Hume Springs, Mount Jefferson, and Warwick Village civic associations which have also expressed an interest in the property in the past.

III. Project Target Population

Consistent with the current regulatory requirements at the property imposed by the 2002 acquisition and moderate rehab financing consisting of VHDA SPARC, City of Alexandria Housing Trust Fund, Carpenter's Shelter and Virginia Foundation for Housing Preservation (VFHP) grant and loan funding sources, the targeted income mix is as follows:

Unit Type	Number	SF	Current Rents (Average)	Proposed Rents (Average)	Rent Inc. (Avg. %)	% of AMI
One Bedroom / One Bath	1	538	N/A	$520	N/A	40%
One Bedroom / One Bath	1	538	$839	$890	6%	50%
One Bedroom / One Bath	3	538	$839	$1,060	26%	60%
Two Bedroom / One Bath	1	680	$1,000 (Subsidy)	$600	N/A	40%
Two Bedroom / One Bath	11	680	$987	$1,050	6.4%	50%
Two Bedroom / One Bath	11	680	$987	$1,260	28%	60%
TOTALS/*Weighted Avg.*	**28**	***655***	***$961***	***$1,093***	***14%***	

Due to the conditions of the units, Wesley has maintained the rents for workforce housing units (which are currently restricted at 100% of AMI and that will be further restricted to 60% of AMI through the LIHTC program) at levels that are equivalent to 50% of AMI rents. Therefore, it is possible that current

residents may experience a significant rent increase post-renovation. We are budgeting to provide a $25,000 resident Transition Reserve that is sized to provide subsidy for those residents for a three year period limiting their annual rent increases to only 6% per annum until they reach the year 3 escalated rent (estimating an annual LIHTC rent escalation of 1.5%).

There are also existing rental subsidies that cover four units from Carpenter's Shelter. In order to qualify for certain point categories within the VHDA Qualified Allocation Plan (QAP), we are in the process of seeking another voucher from either Carpenter's Shelter or the Alexandria Redevelopment and Housing Authority (ARHA).

During rehabilitation we expect to have to relocate existing residents on a temporary basis. Since the source of funding is federal HOME program funds, we do anticipate having to meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)). Under these statutes, a relocation shorter than twelve (12) months will be considered "Temporary". In a Temporary Relocation, the resident will receive reimbursement (or Wesley will coordinate on their behalf) for all reasonable out-of-pocket expenses incurred in connection with the moving to and from temporary housing and any increase in monthly rent or utility costs at such housing, as well as relocation advisory services.

For preliminary budgeting purposes, we are assuming these expenses to be approximately $5,380 per unit, which not only includes the reimbursements for the resident but also the services of a part-time Resident Relocation Coordinator for a 12 month period. So long as the resident is a qualified tenant for the LIHTC program and meets all other Wesley Housing Management Corporation resident selection criteria, they will be expected to return to the rehabilitated property if they desire to.

As previously mentioned, the feasibility of converting certain units to meet ADA and Universal Design accessibility requirements is in the process of being evaluated. The goal would be to provide five (5) accessible units and accessible access to the common laundry room.

IV. Project Budget and Proforma

We plan to submit an application for 9% LIHTC financing in the March 2014 VHDA competitive round. We also plan to pursue a new loan with VHDA to restructure the existing SPARC loan (approx. $1.1M UPB at 4.5% for a 27 year term) and blend it with a higher taxable rate loan for a total new first mortgage of $1.7 million. In addition, we intend to maintain the remaining subordinate financing in place with required modifications and re-subordination agreements that are necessary. Specifically, we are requesting that the existing City Housing Trust Fund loan be modified to the same terms as the proposed HOME loan of 2% interest over 40 year term, contingent upon 50% of Residual Receipts. We propose to use the City HOME funds of for acquisition costs into the new partnership. The total development cost as detailed in the uses of funds attachment is approximately $7.6 million or $271,400 per unit.

In addition, a 40-year operating proforma is attached. The projected vacancy and bad debt expense is being underwritten at a conservative 7%, which is reasonable given the size of the project. Operating expenses are projected at $6,500 per unit per annum, which is less than the current operating expenses

, but is consistent with other Wesley managed properties that have experienced recent renovations. An operating deficit reserve of approximately $91,000 (or 6 months operating expenses) is assumed as well as an annual Replacement Reserve Deposit of $350 per unit per annum (or $9,800 annually, escalated by CPI).

Inasmuch as the 2014 tax credit application has not been created yet, for the reviewer's information, we are attaching a copy of the scoresheet from a 2013 VHDA tax credit application we have used to gauge the project's tax credit score.

V. Project Schedule

The following proposed project schedule provides some key financing and construction milestones through completion, lease-up and stabilization.

Summer 2013	City Council HOF Approval
July 2013 – Feb. 2014	Initial Due Diligence and Schematic Design
March 2014	VHDA Application
May 2014	VHDA Initial Ranking
June 2014	VHDA Final Ranking
June 2014 – Aug. 2014	Financing Due Diligence and Complete Construction Drawings
Sept. 2014	Submit Building Permit Application
Nov. 2014	Receive Building Permit
Nov. 2014	Construction Loan Closing
Nov. 2014 – Sept. 2015	Construction Period
Feb. 2015 – Nov. 2015	Lease-Up Period
Dec. 2015	Stabilization

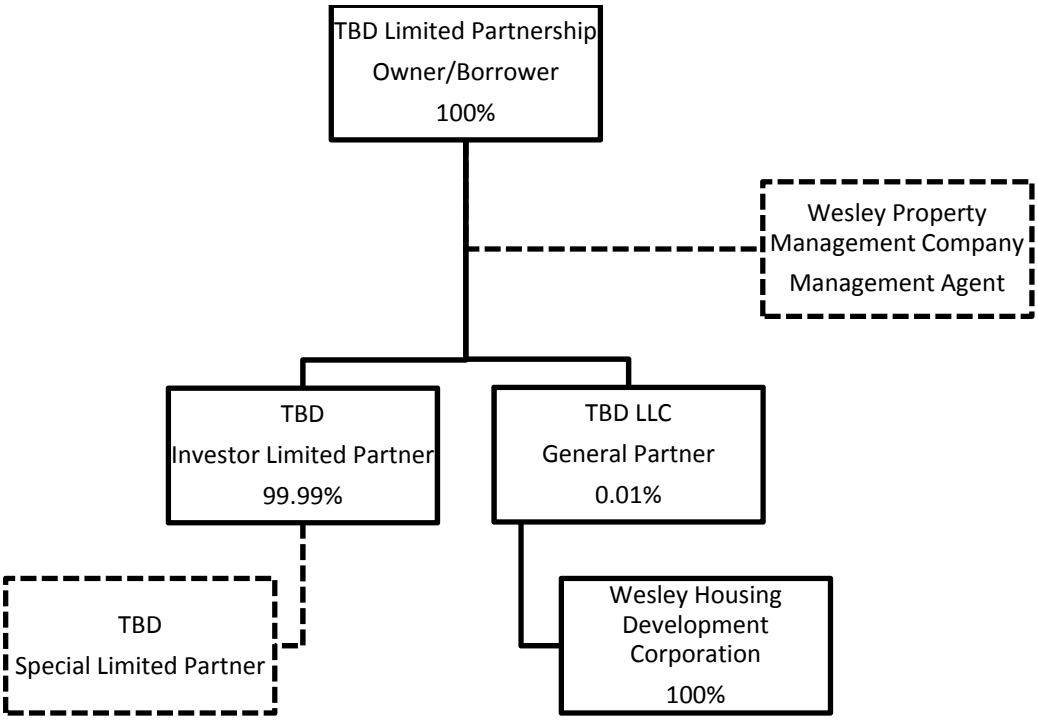
VI. Organizational Structure and Development Experience

Below is a list of the proposed project team. A few professionals that are yet to be identified and others are not required as noted.

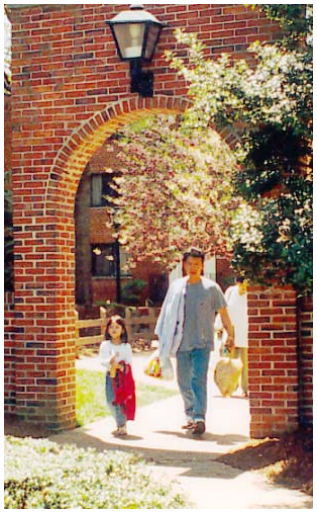
Sponsor	Wesley Housing Development Corporation
Owner	To-Be-Formed Limited Partnership (affiliate of WHDC)
Developer	Wesley Housing Development Corporation
Management Agent	Wesley Property Management Company
Architect	Wiencek + Associates
Environmental Consultant	To Be Determined
Structural Engineer	N/A
Geotechnical Engineer	N/A
General Contractor	To Be Determined
Counsel	Erik Hoffman, Klein Hornig, LLP
Accountants	CohnReznick, LLP

Wesley Housing will oversee all aspects of the development process to include creating and refining the scope of work, securing the necessary financing, and rehabilitating the project. The sections that follow

provide more detail about Wesley's Development Experience, Organizational Structure and Capacity. As a part of the typical LIHTC ownership structure, at construction closing we will admit a to be determined tax credit investor into the ownership that will purchase the credits to provide the necessary upfront project equity and a special limited partner which will perform asset management functions on behalf of the investor. However, Wesley will continue to be the managing member of the partnership. Wesley Property Management Company, a VHDA Certified management company, will operate the project on behalf of the partnership subject to the tax credit restrictions and any other regulatory restrictions that may be imposed by the City or others. The following organization chart shows the anticipated structure.



OVERVIEW



Wesley Housing Development Corporation of Northern Virginia (Wesley Housing) has worked to provide affordable housing solutions in the Washington Metropolitan area since 1974.

Since constructing its first community, Strawbridge Square Apartments, in the Lincolnia neighborhood of Fairfax County, Wesley Housing has developed or is in the process of developing:

- 25 communities in Northern Virginia;
- 1,600+ total housing units serving more than 20,000 residents;
- The region's first affordable housing for people with chronic disease;
- The region's first barrier-free housing community—Coppermine Place I and II, for individuals with special needs, featuring a building for senior residents and a building for individuals with disabilities.

Wesley Housing's longevity and expertise in real estate development and property management have earned it a reputation as one of the most capable developers in the DC metropolitan area. We select and purchase land and rental communities, oversee property construction or rehabilitation, and conduct condo conversions. Through its affiliate, Wesley Property Management Company (WPMC), Wesley Housing provides the full spectrum of relocation services and ongoing property management for our communities. Through its in-house resident services department, Wesley Housing also offers a comprehensive range of on-site educational and supportive services for children, adults, seniors, and individuals with disabilities.

Wesley Housing has three areas of specialty that may be appropriate to the Lynhaven Apartments project: Affordable Housing Finance and Development, Property Management, and Resident Services.

Affordable Housing Finance and Development

Wesley Housing has successfully utilized nearly every type of financing tool available for the development and preservation of affordable housing—taxable and tax-exempt bonds (3 projects), 9% tax credits (8 projects), historic preservation tax credits, HUD Section 8, HOME, CDBG and Section 811 funds, and subordinate loans from local governments. Experienced staff craft each financing plan to meet the unique needs of each project and to ensure its long-term viability.

Wesley Housing's Real Estate Development team is particularly skilled at executing difficult projects with multi-layered financing schemes. Wesley Housing's Vice President, Leslie Steen, is a nationally recognized expert in the preservation of affordable housing. Over their careers, Ms. Steen and Paul Browne, Wesley Housing's Director of Real Estate Development, have developed and preserved more than 4,600 units.

Current Relevant Real Estate Activities

Colonial Village Apartments (Arlington)

The $13.7 million renovation dedicates 129 affordable housing units, creates 17 new ADA compliant units, adds three-bedroom units to offer family-friendly housing, and completes energy efficient upgrades. The redevelopment of Colonial Village

required an Amendment to an existing Site Plan involving negotiation with the County on appropriate conditions as well as Arlington Housing Investment Fund (AHIF) contributions and 9% tax credits.

Pierce Queen Apartments (Arlington)
In partnership with Arlington County and Bozzuto Development, Wesley Housing will redevelop the 50-unit garden-style community to expand the number of units and create a mixed-income environment located in the metro-accessible Rosslyn neighborhood, a gentrified area where affordability is threatened. We are currently in the final stages of obtaining 4.1 Site Plan Approval and applying for 9% tax credits for the affordable housing component.

In the City of Alexandria, Wesley Housing has acquired and developed three properties totaling 210 units over the last 11 years utilizing a variety of state, local and federal sources of financing.

Property Management

As noted above, Wesley Property Management Company (WPMC) provides a range of relocation services and ongoing property management for its developments. Wesley Housing also offers a comprehensive range of on-site educational and supportive services for the children, adults, seniors, and individuals with disabilities who reside in Wesley Housing's communities. Apartments are rented at below market rates, making it possible for working families to live near the job centers where they work. At the same time, Wesley Housing pays property taxes to support vital public services.

Since 1974, Wesley Housing has continued to cultivate its in-house capacity to develop and manage quality communities. The highlights below demonstrate Wesley Housing's commitment to affordable housing and its ability to manage properties that enhance local communities.

- Currently manages 19 communities;
- 59% of units are two-, three-, or four-bedroom units to accommodate families;
- 18% of the Wesley Housing portfolio consists of supportive units for individuals with special needs—seniors and individuals living with chronic disease or disability. Many of these units feature universal design to improve quality of life and promote independence.

Resident Relocation

While Wesley Housing has ample experience with ground-up construction, its stock-in-trade has always been the substantial renovation of occupied properties. This work requires careful planning and conscientious execution. Management of residents during a construction project necessitates constant compassionate communication with the residents, tight scheduling, and coordination with construction. Success in this process is only accomplished by having an understanding of the disruption to families' lives and making serious efforts to minimize the impact.

Almost all of our renovation projects have involved fully occupied properties and, as a result, we have developed extensive expertise managing resident relocation programs. This includes creating and implementing plans for developments requiring temporary and permanent relocation in accordance with state, local, and federal requirements including the Uniform Relocation Act, as appropriate, as well as resident-in-place construction management services. For each project, we create detailed relocation

plans that match the particular financing structure and construction plan as well as the resident population, all with a goal of minimizing disruption and displacement.

Resident Services: Service-Enriched Housing

Wesley Housing's emphasis on affordable housing is part of a broader effort that focuses on facilitating economic and social self-sufficiency and full community participation for all those it serves. Wesley Housing presently serves nearly 2,200 adults and children in 20 affordable housing communities. Residents are diverse in age, ethnicity, and family composition. The heart and soul of Wesley Housing's mission lies in its Building Communities of Promise program, which combines housing with supportive services to foster healthy, positive development, self-sufficiency and housing stability of all adults, children, and families. Wesley Housing recently launched a housing stability initiative aimed at early eviction prevention. The highly successful program offers adults job enhancing tools and provides crisis intervention for those households that become at-risk of eviction. Residents have embraced the initiative and provided feedback about programming. As a result, new components are regularly added to the array of workshops and supports that can enhance household stability.

In our communities, we build or renovate space to encourage interaction between residents and to support their needs and interests. We work to include common areas such as community rooms, libraries, hobby rooms, and wellness rooms and we offer activities such as computer literacy classes, job readiness workshops, academic enrichment and summer camp programs, health and wellness clinics, and a wealth of social and recreational activities designed to build community. We encourage our residents to voice their opinions and to help plan and guide community activities through monthly Resident Advisory Councils.

CAPACITY

Our Board of Directors represents the diverse community of Northern Virginia, with expertise in real estate, business development, management, and law. President/CEO Shelley Murphy provides leadership to a staff of more than 60, including development and financing experts, property managers, and service coordinators.

Shelley S. Murphy, President/CEO

Shelley Murphy joined Wesley Housing as President/CEO in 2007. A former senior executive with Verizon Communications, Murphy brought organizational experience in strategic business growth to Wesley Housing's award-winning affordable housing programs. Strongly committed to improving the lives of individuals and families in her community, Murphy is a member of the Affordable Housing Advisory Committee for Fairfax County, the Communities of Faith United for Housing, and sits on the Boards of the Northern Virginia Affordable Housing Alliance (NVAHA) and the Virginia Housing Coalition. She also serves as an Advisory Board member for Virginia Community Capital. Murphy holds a Bachelor's degree in Russian and International Studies and a Master of Business Administration from Willamette University. Ms. Murphy was awarded the Verizon Chairman's Award in 2004 and 2005 for her cross-business achievements and proven results in operations, financial management, and organizational change.

Ms. Murphy provides strategic direction and general executive leadership for Wesley Housing and builds relationships with key stakeholders. She has extensive government contracting experience with the federal government and various state and local governments and understands how to implement a complex project with multiple stakeholders. She will use her expertise with multiple stakeholders to execute the development.

Leslie A. Steen, Vice President of Real Estate

As Vice President of Real Estate for Wesley Housing and President of Wesley Property Management Company, Leslie A. Steen leads the development, asset management, and property management departments of the organization. With 35 years' experience in nonprofit and for-profit organizations, she has successfully developed, owned, and operated affordable, market-rate, rental, and homeownership housing. Steen has been the lead responsible for the development of more than 4,600 units, of which 3,800 units have involved both tenant-in-place rehabilitation and relocation, having to ensure the well-being of residents in the process. She has received national acclaim and numerous awards for creating and structuring new financial approaches and for her community and housing development work. Accolades include citations in both The Wall Street Journal and The Bond Buyer for leadership and innovation in affordable housing finance and development and receiving the Washington area's Coalition for Smarter Growth's Livable Community Leadership Award.

Prior to joining Wesley Housing in 2008, Ms. Steen served as the Housing Chief for the District of Columbia under former mayor, Adrian M. Fenty; Vice President for Policy and Business Development for the national membership group, The Housing Partnership Network; and the founding President and CEO of Community Preservation and Development Corporation (CPDC) for 15 years. While at CPDC, she oversaw the development of 18 projects, including the development of the historic Wiley H. Bates High School in Annapolis, MD. The project involved the adaptive reuse of a historic high school into an affordable senior living community, a County-owned senior center, and a Boys & Girls Club. Ms. Steen's strategic direction and high-level relationship management proved essential to the success of the

project. Ms. Steen's efforts in the revitalization of Edgewood Terrace, a community of 884 occupied housing units on 16 acres, have received national acclaim. The four phases of Edgewood Terrace involved rehabilitation with some tenants remaining in place and some relocated, and the use of nineteen financing sources, three of which were new financial programs/structures created to accomplish the community's specific revitalization vision. Prior to founding CPDC, Steen was Director of Portfolio Finance with National Housing Partnership and the founding President and CEO of Twin Cities Housing Development Corporation of Minneapolis/St. Paul. Ms. Steen is licensed as a real estate broker in the District of Columbia and holds a Bachelor of Arts in History and Social Sciences from Carnegie-Mellon University.

Paul P. Browne, Director of Real Estate Development

As Director of Real Estate Development for Wesley Housing, Paul Browne is responsible for all aspects of the company's real estate development activities from project conception through completion. With an excellent track record and reputation in developing affordable housing in Northern Virginia, Browne previously served for ten years with the Community Preservation and Development Corporation (CPDC), eventually as the Vice President for Real Estate where he was responsible for overseeing all aspects of the company's development activities. At CPDC, Mr. Browne personally led the development of nearly 1,000 units representing nearly $150 million in development costs, employing tax-exempt bonds, 4% and 9% tax credits, HUD Section 236 and Section 8, state and federal historic tax credits, HOME, CDBG, and local loan funds. Among his successful projects is the landmark project, The Overlook at Oxon Run – a 316-unit redevelopment of a failed Section 8 high-rise in Ward 8.

Mr. Browne is a member of Leadership Greater Washington; President of the Board of Directors of AHOME (Affordable Housing Opportunities Means Everyone) in Fairfax, Virginia; a member of the Housing Commission in Arlington, Virginia; and the Chair of the Housing Committee of the Long Term Care Coordinating Council for Fairfax County and Falls Church. He holds a Bachelor of Arts and a Juris Doctorate from the University of North Carolina and a Master of Urban and Environmental Planning from the University of Virginia.

Frank L. Mooney, Director of Property Management

Frank Mooney has worked to advance the availability and quality of affordable housing since 1980. As Director of Property Management, he is responsible for the strategic leadership of Wesley Housing's twenty properties. Mooney is experienced in multifamily apartment administration and asset management. He is especially well versed in the mechanics of multiple federal housing subsidy programs and the development of financial partnerships for purchasing and rehabilitating multifamily properties. Previously, he served as Vice President and Regional Asset Manager at Transom Development, a development company and wholly owned subsidiary of SunTrust Bank, and Director of Asset Management at the Community Preservation and Development Corporation (CPDC) in Washington, DC. Mooney is a graduate of Radford University.

Susan D. Conley, Director of Resident Services

As the Director of Resident Services, Susan D. Conley directs the development, planning, and implementation of social services and youth and family programs at Wesley Housing. Ms. Conley holds a Master of Social Work. She manages a staff skilled at assessing both the individual needs of residents and that of a community as a whole and tailoring services and programs to match. Ms. Conley brings experience in planning, implementing, and staffing programs and services for a variety of populations in

addition to her familiarity with budgeting and financial management. She previously served in several other roles within the organization, including Resident Services Coordinator and Director of Supportive Housing Services. Prior to joining Wesley Housing in 2001, Ms. Conley worked as a social worker at Hospice of Georgetown, Inc., providing direct patient/family care and case management to terminally ill patients and their families.

Kamilah P. McAfee, Special Assistant to the Director of Real Estate

Kamilah McAfee rejoined Wesley Housing in October 2012 to continue her three plus years of tenure with the organization. Prior to Wesley Housing, Ms. McAfee served as a Development Associate with Forest City Washington in Washington, DC, supporting several large-scale, mixed-use projects in Washington, D.C. Her primary responsibility was working on the development of a 194-unit residential building at The Yards (formerly Southeast Federal Center) project, which is a public-private partnership with the U.S. General Services Administration to develop over 2,800 units of housing and 1.8 million square feet of office and 400,000 square feet of retail space over the next 10 to 15 years. McAfee also acted as owner's representative on the Arthur Capper/Carrollsburg HOPE VI project, monitoring ongoing construction of the two (2) public housing Seniors buildings and the development of nearly 400 mixed-income town homes, two office buildings, and 800 additional mixed-income multifamily units.

Prior to her employment with Forest City Washington, McAfee was the Director of Public Finance at the District of Columbia Housing Finance Agency (DCHFA), overseeing the origination, underwriting, structuring and closing of tax-exempt multi-family mortgage revenue bond transactions. During her tenure at DCHFA, McAfee worked on 15 bond transactions totaling over $180 million in bonds that financed the production of over 2,000 low-income housing tax credit units in the District of Columbia.

McAfee was a Fellow at the Center for Urban Redevelopment Excellence (CUREx) at the University of Pennsylvania. She holds a B.S. in Finance and New and Small Business Development from Georgetown University and a Masters in Business Administration from American University.

Troy D. Cropper, Senior Project Manager

Troy Cropper serves as Wesley Housing's Senior Project Manager for multifamily affordable rental properties located in Northern Virginia. As Senior Development Officer for the District of Columbia Housing Finance Agency, he underwrote multi-family loan transactions involving Federal Mortgage Insurance, Low-Income Housing Tax-Exempt Bonds, and Low-Income Housing Tax Credit financing. His other underwriting experience came from his tenures with M&T Bank, where he was responsible for multi-housing refinance loans under the Fannie Mae DUS program, and with Reilly Mortgage Group, Inc., where he underwrote HUD 221(d)(4) transactions in accordance with Multifamily Accelerated Processing (MAP) Program requirements. He holds a Master of Public Administration from the University of Delaware and a Bachelor of Arts in History from Delaware State University.

Mr. Cropper's role in this development will be to provide project management assistance, in particular relating to the tax credit and potential tax-exempt bond financing options.

Judith B. Cabelli, Associate Project Manager

Judith Cabelli is currently an Associate Project Manager in the Real Estate Development Department. Previously, she served as the Resident Construction Manager overseeing resident-in-place construction, temporary and permanent relocation during rehabilitation projects for Wesley Housing. Prior to joining the Wesley Housing team, Ms. Cabelli served as the Associate Development Project Manager/Relocation

Specialist for The Community Builders in Washington, DC. Additionally, she served as a Capital City Fellow with the DC Department of Housing and Community Development. Ms. Cabelli earned the National Development Council's Housing Development Finance Professional certification and attended the International Right of Way Association's 501 Residential Relocation Assistance training course. She holds a Master of Public Administration with a Concentration in Nonprofit Management from George Mason University and a Bachelor of Arts in Criminology and Criminal Justice from the University of Maryland.

Ms. Cabelli has developed special expertise in crafting and implementing relocation plans for renovations of occupied projects. Ms. Cabelli led the relocation planning for both Strawbridge Square (128 units in Fairfax County) and Colonial Village (162 units in Arlington). In a prior position, she gained expertise under the Uniform Relocation Assistance Act.

PORTFOLIO

CURRENT PROPERTIES	STATUS	NOTES	UNITS	WESLEY HOUSING MANAGES	POPULATION	LOCATION	SERVICE AREA	COMPLETED
Ben Franklin House	Own	Purchased 12/06; single family home; converted single family house to 6-unit group home--collaboration w/ CSB; Opened March 2009 with 25-yr lease in place	6	x	Disabled individuals; 50% low-income	Springfield (Fairfax Co)	Fairfax Co.	Jul-05
Beverly Park	Own / operate	Purchased 10/05; Construction financing phase; 100% LIHTC; 60% Area Median Income	33	x	Low- and moderate-income families	Alexandria	Arlandria	Construction Completed Fall 2009
Colonial Village	Own / operate	Refinance and rehabilitation	162	x	Low- and moderate-income singles, families, seniors	Arlington	North Arlington/ Courthouse	Refinance 20092010
Coppermine Place I	Own / operate	New construction; HUD project-based section 811	22	x	Very low-income disabled persons	Herndon (Fairfax Co)	NoVA regional	2006
Coppermine Place II	Own / operate	New construction; 100% LIHTC	66	x	Low-income seniors	Herndon (Fairfax Co)	NoVA regional	2005
Fields of Falls Church	1% general partner	100% tax credit	96		Very-low, low-, and moderate-Income singles, families, seniors	Falls Church City	Falls Church	1995
HiddenBrooke	Own / operate	Purchased 9/05; ADUs	6	x	Low-income seniors	Springfield (Fairfax Co)	Fairfax County	2005
Knightsbridge	Own / operate	Preservation;100% LIHTC; 100% project-based Sec. 8	37	x	Very low-income families	Arlington	Buckingham	1991
Lynhaven Apartments	New acquisition & rehab; collaboration with Carpenter's Shelter	Alexandria's first Housing Trust Fund loan; Virginia Housing Preservation Fund loan for rehabilitation	28	x	Low-income singles, families, 4 units for formerly homeless individuals	Alexandria	Arlandria / Lynhaven	2002
Madison Ridge Apartments	Own / operate	Purchased 7/05; new affordable rental stock converted from market-rate	98	x	Mixed-income	Centreville (Fairfax Co)	Western Fairfax Co.	2005
ParcView Apartments	Own / operate	Purchased 11/06; bonds / 80% LIHTC	149	x	Mixed-income	Alexandria	Landmark	2007
Pierce Queen	Own / operate	Development	50	x	Low- and moderate-income families	Arlington	Arlington / Rosslyn	2008-10
Quarry Station Seniors Apartments	Own / operate	New construction; 100% LIHTC	79	x	Low-income seniors	City of Manassas	NoVA regional	2002
Springdale House	Own / operate	Property owned outright w/ no debt; run as a cooperative community home for adults	6	x	Very-low income seniors, disabled persons	Falls Church (Fairfax Co)	Bailey's Crossroads	1989
Strawbridge Square	Own / operate; originally 1% general partner; operate community	New construction 1979; sold buildings; retained land; 100% project-based Sec. 8 refinance / rehabilitation; June 2009: Purchased leasehold interest to go with	128	x	Very low-income	Alexandria (Fairfax Co)	Lincolnia	Reopened October 2010

	center since 1978.	ownership of land and operation of on-site community center for children/adults 100% project-based Sec. 8 refinance / rehabilitation; tax credits						
Trenton Street	Own		1	x	N/A	Arlington	Ballston	
Wesley Agape House	Own / operate	100% HUD 811	12	x	Very-low income HIV/AIDS	Fairfax County	NoVA regional	1999
Wexford Manor	Own / operate. Operate community center	14 project-based Sec. 8; 100% LIHTC	74	x	Low-income families	Falls Church (Fairfax Co)	Idylwood	1982
Whitefield Commons	Own / operate Operate community center	Preservation; tax credit; no Sec. 8 as of 6/04; existing tenants w/voucher stay	63	x	Low-income families	Arlington	Buckingham	1985
William Watters	Own / operate	Preservation	21	x	Low- and moderate income families	Arlington	North Arlington/ Courthouse	1990
		Unit Subtotal:	**1137**					
SOLD	**ORIGINAL STATUS**	**NOTES**	**UNITS**	**WESLEY HOUSING MANAGES**	**POPULATION**	**LOCATION**	**SERVICE AREA**	
Seven Corners	1% partner		284		Low- and moderate-income families	Falls Church (Fairfax Co)	Seven Corners	
Madison Ridge Condos	Own / operate	Purchased 7/05; mixed-income condo sales	118		Mixed-income	Centreville (Fairfax Co)	Western Fairfax Co.	2007
Mt. Pleasant Circle	Developer	Affordable single family	13		Moderate-income families	Annandale (Fairfax Co)	Northern Virginia	
Perry S. Hall Apartments	Owned	Sold to Habitat for Humanity	12		Low- and moderate-income families	Arlington	Nauck / So. Arlington	
		Unit Subtotal:	**427**					
NEW PROJECTS	**CURRENT STATUS**	**NOTES**	**UNITS**	**WESLEY HOUSING MANAGES**	**POPULATION**	**LOCATION**	**SERVICE AREA**	**ACTIVITY**
Colonial Village	Own / operate	Refinance and rehabilitation	162	x	Low- and moderate-income singles, families, seniors	Arlington	North Arlington / Courthouse	2011-2012
Pierce Queen	Own / operate	Development; plan to expand to 200 units	200	x	Mixed income, including low- and moderate-income families	Arlington	Rosslyn	2009-2013
		Unit Subtotal:	**362**					
		TOTAL DEVELOPMENT WORK	**1926**					

VII. Attachments

As required, we have included the following attachments in this application:

A. Sources and Uses
B. Operating Proforma (40-year)
C. WHDC 2012 and 2011 Audits

Lynhaven 9% - REHAB
Summary S&U

Permanent Sources

	Sources	Per Unit
Tax Credit Equity	$3,501,065	$125,038
First Mortgage	$1,150,000	$41,071
Alexandria City Loan (includes existing debt @ approx. $422K)	$1,525,000	$54,464
Seller Note	$1,387,201	$49,543
Total Permanent	**$7,563,266**	**$270,117**

Summarized Uses

	Uses	Per Unit
Acquisition Costs	$3,548,100	$126,718
Construction Costs	$2,218,484	$79,232
Design, Engineering and Architecture	$143,000	$5,107
Owner's Construction Costs, Professional Services and Fees	$95,900	$3,425
Financing Costs	$302,141	$10,791
Partnership Costs	$21,000	$750
Developer's Costs, Carrying Costs and Reserves	$334,640	$11,951
Developer's Fee (Gross Fee)	$900,000	$32,143
Total Uses	**$7,563,266**	**$270,117**

Excess (GAP) Permanent **($0)**

Development Program

28	**Affordable Units**	100%	**LIHTC Target**	**Applicable Fraction**	Units	Sq. Ft.	Lesser
			Target % of LIHTC Units at or below 50%	Low Income Units	100.0%	100.0%	***100.0%***
			Target % of LIHTC Units at or below 40%	Non LIHTC Units	0.0%	0.0%	
			Target % of LIHTC Units at or below 30%	Total	100%	100%	

All Units

Number	Beds	Baths	Model	Sq Ft	Market	120%	100%	80%	60%	50%	40%	30%	Total LIHTC	Total Non-LIHTC	Utilities
4	1	1	A	538	0				2	2	0	0	4	-	$95
24	2	1	A	680	0				10	12	2	0	24	-	$140
28			**TOTAL**		**-**	**-**	**0**	**-**	**12**	**14**	**2**	**-**	**28**	**-**	
					0.0%	**0.0%**	**0%**	**0.0%**	**42.9%**	**50.0%**	**7.1%**	**0.0%**	**100.0%**	**0.0%**	

LIHTC Units (60% AMI)

Number	Beds	Baths	Model	Sq Ft	Total SF	Net Rent	Utilities	Gross Rent	Max LIHTC Rent	Min Income (40%)	Min Income (30%)	Max Income
2	1	1	A	538	1,075	$1,060	$95	$1,155	$1,208	$34,650	$46,200	$48,330
10	2	1	A	680	6,800	$1,260	$140	$1,400	$1,449	$42,000	$56,000	$57,960
12			**TOTALS**		**7,875**							

Lower Targeted Units (50% AMI)

Number	Beds	Baths	Model	Sq Ft	Total SF	Net Rent	Utilities	Gross Rent	Max LIHTC Rent	Min Income (40%)	Min Income (30%)	Max Income
2	1	1	A	538	1,075	$890	$95	$985	$1,007	$29,550	$39,400	$40,275
12	2	1	A	680	8,160	$1,050	$140	$1,190	$1,208	$35,700	$47,600	$48,300
14			**TOTALS**		**9,235**							

Very Deep Targeted Units (40% AMI)

Number	Beds	Baths	Model	Sq Ft	Total SF	Net Rent (w/Subsidy)	Utilities	Gross Rent	Max LIHTC Rent	Min Income (40%)	Min Income (30%)	Max Income
-	1	1	A	538	-		$0	$0	$0	N/A	N/A	$0
2	2	1	A	680	1,360	$1,050	$140	$1,190	$751	N/A	N/A	$30,050
2			**TOTALS**		**1,360**							

28	**TOTAL ALL UNITS**	**18,470**

Median Income Adjusted for Family Size **County:** **Washington DC MSA**

		Median Income:		$107,300				
Family Size:	1	2	3	$4	5	6	7	8
Adjustment Factor:	70%	80%	90%	$1	108%	116%	124%	132%
100% AMI	$75,110	$85,840	$96,570	$107,300	$115,884	$124,468	$133,052	$141,636
80% AMI	$46,750	$53,400	$60,100	$66,750	$72,100	$77,450	$82,800	$88,150
60% AMI	$45,120	$51,540	$57,960	$64,380	$69,540	$74,700	$79,860	$85,020
50% AMI	$37,600	$42,950	$48,300	$53,650	$57,950	$62,250	$66,550	$70,850
40% AMI	$23,375	$26,700	$30,050	$33,375	$36,050	$38,725	$41,400	$44,075
30% AMI	$21,850	$25,000	$28,100	$31,200	$33,700	$36,200	$38,700	$41,200

Maximum Gross Rents by Bedroom Number

	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI
Efficiency (1 Person)	$546	$584	$940	$1,128	$1,148	$1,169
1 Bedroom (1.5 Persons)	$586	$626	$1,007	$1,208	$1,230	$1,252
2 Bedroom (3 Persons)	$703	$751	$1,208	$1,449	$1,476	$1,503
3 Bedroom (4.5 Persons)	$811	$868	$1,395	$1,674	$1,705	$1,736
4 Bedroom (6 Persons)	$905	$968	$1,556	$1,868	$1,902	$1,936

Maximum Income by Bedroom Number

	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI
Efficiency (1 Person)	$21,850	$23,375	$37,600	$45,120	$45,935	$46,750
1 Bedroom (1.5 Persons)	$23,425	$25,038	$40,275	$48,330	$49,203	$50,075
2 Bedroom (3 Persons)	$28,100	$30,050	$48,300	$57,960	$59,030	$60,100
3 Bedroom (4.5 Persons)	$32,450	$34,713	$55,800	$66,960	$68,193	$69,425
4 Bedroom (6 Persons)	$36,200	$38,725	$62,250	$74,700	$76,075	$77,450

Section 8 Fair Market Rents

1 Bedroom (1.5 Persons)	$ 1,328
2 Bedroom (3 Persons)	$ 1,506
3 Bedroom (4.5 Persons)	$ 1,943

Lynhaven 9% - REHAB
Uses

	% or #	Factor	Use	LIHTC Eligible Basis	PREDEVELOPMENT BUDGET SUMMARY Phase 1 (VHDA) 5/2013 - 3/2014	Phase 2 (Financing) 4/2014 - 12/2014	Phase 3 (Permits) 1/2015 - 4/2015	TOTAL
Acquisition Costs								
Purchase Price - Land Portion	25%	$3,500,000	$875,000		$ -	$ -	$ -	$ -
Purchase Price - Building Portion	75%		$2,625,000	$2,625,000	$ -	$ -	$ -	$ -
Transfer Tax	0.33%	$3,500,000	$11,550	$8,663	$ -	$ -	$ -	$ -
Recordation Tax	0.33%	$3,500,000	$11,550	$8,663	$ -	$ -	$ -	$ -
Title Insurance and Fees			$25,000	$18,750	$ -	$ -	$ -	$ -
Contingency	0.00%	$10,500,000	$0	$0	$ -	$ -	$ -	$ -
Subtotal			**$3,548,100**	**$2,661,075**	**$0**	**$0**	**$0**	**$0**
Construction Costs					$ -	$ -	$ -	$ -
Renovated Units		$72,017 per unit	$2,016,484	$2,016,484	$ -	$ -	$ -	$ -
Contingency	10.00%	$2,016,484	$202,000	$202,000	$ -	$ -	$ -	$ -
Subtotal			**$2,218,484**	**$2,218,484**	**$0**	**$0**	**$0**	**$0**
Design, Engineering and Architecture					$ -	$ -	$ -	$ -
Design	6.75%		$136,000	$136,000	$ 44,880	$ 44,880	$ 46,240	$ 136,000
Contingency	5.00%	$136,000	$7,000	$7,000	$ 2,800	$ 2,100	$ 2,100	$ 7,000
Subtotal			**$143,000**	**$143,000**	**$47,680**	**$46,980**	**$48,340**	**$143,000**
Owner's Construction Costs, Professional Services and Fees					$ -	$ -	$ -	$ -
Building Permit Fee			$15,000	$15,000	$ -	$ -	$ 50,000	$ 50,000
Appraisal			$7,500	$7,500	$ 7,500	$ -	$ -	$ 7,500
Environmental			$10,000	$10,000	$ 10,000	$ -	$ -	$ 10,000
ALTA Surveys			$20,000	$20,000	$ 5,000	$ 10,000	$ 5,000	$ 20,000
Market Study			$5,000	$5,000	$ 5,000	$ -	$ -	$ 5,000
Earthcraft Fees			$8,400	$8,400	$ 840	$ -	$ 7,560	$ 8,400
FF+E			$25,000	$25,000	$ -	$ -	$ -	$ -
Professional Services Contingency	5.00%	$90,900	$5,000		$ 1,667	$ 1,667	$ -	$ 3,334
Subtotal			**$95,900**	**$90,900**	**$30,007**	**$11,667**	**$62,560**	**$104,234**
Financing Costs					$ -	$ -	$ -	$ -
Construction Loan Costs					$ -	$ -	$ -	$ -
Construction Loan Fees	1.00%	$1,150,000	$11,500	$11,500	$ -	$ -	$ -	$ -
Construction Loan Interest	6.50%	$1,150,000	$48,588	$24,294	$ -	$ -	$ -	$ -
Construction Lender Counsel			$30,000	$30,000	$ -	$ -	$ -	$ -
					$ -	$ -	$ -	$ -
Permanent Loan Costs					$ -	$ -	$ -	$ -
Permanent Loan Fee	1.00%	$1,150,000	$11,500		$ -	$ -	$ -	$ -
					$ -	$ -	$ -	$ -
Other Loan Costs					$ -	$ -	$ -	$ -
Lender 3rd Party Reports and Fees			$30,000		$ -	$ 30,000	$ -	$ 30,000
Mortgage Title and Recording	0.33%	$1,150,000	$3,833		$ -	$ -	$ -	$ -
					$ -	$ -	$ -	$ -
Equity Costs					$ -	$ -	$ -	$ -
LIHTC Application Fee			$750		$ 750	$ -	$ -	$ 750
LIHTC Reservation Fee	7%	$385,300	$26,971		$ -	$ 26,971	$ -	$ 26,971
Owner's Cost Certification			$25,000		$ -	$ -	$ -	$ -
					$ -	$ -	$ -	$ -
Owner Legal Fees					$ -	$ -	$ -	$ -
Real Estate Legal			$20,000		$ 2,000	$ 8,000	$ 8,000	$ 18,000
Partnership and Syndication Legal			$30,000		$ -	$ -	$ -	$ -
Financing Legal			$50,000		$ 2,500	$ 10,000	$ 25,000	$ 37,500
					$ -	$ -	$ -	$ -
Financing Contingency	5.00%	$288,141	$14,000		$ 1,400	$ 5,600	$ 5,600	$ 12,600
Subtotal			**$302,141**	**$65,794**	**$6,650**	**$80,571**	**$38,600**	**$125,821**
Partnership Costs								
Accounting			$20,000		$ -	$ 10,000	$ -	$ 10,000
Contingency	5.00%	$20,000	$1,000		$ -	$ 500	$ -	$ 500
Subtotal			**$21,000**	**$0**	**$0**	**$10,500**	**$0**	**$10,500**
Developer's Costs, Carrying Costs and Reserves								
Real Estate Taxes			$28,000		$ -	$ -	$ -	$ -
Builder's Risk Insurance			$14,000		$ -	$ -	$ -	$ -
Marketing Costs			$10,000		$ -	$ -	$ -	$ -
Operating Reserve (months)	6		$91,000		$ -	$ -	$ -	$ -
Transition Reserve			$25,000		$ -	$ -	$ -	$ -
Relocation		$5,380 per unit	$150,640	$150,640	$ -	$ -	$ 60,256	$ 60,256
Contingency	5.00%	$318,640	$16,000		$ -	$ -	$ -	$ -
Subtotal			**$334,640**	**$150,640**	**$0**	**$0**	**$60,256**	**$60,256**
Total Development Cost Subtotal			**$6,663,266**	**$5,329,893**	**$84,337**	**$149,718**	**$209,756**	**$443,811**
Developer's Fee			**$900,000**	**$667,205**	$ -	$ -	$ -	$ -
Total Development Cost			**$7,563,266**	**$5,997,098**	**$84,337**	**$149,718**	**$209,756**	**$443,811**

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	Notes		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOME		2%															
Gross Potential Rent			$374,400	$381,888	$389,526	$397,316	$405,263	$413,368	$421,635	$430,068	$438,669	$447,443	$456,392	$465,519	$474,830	$484,326	$494,013
Other Income			$5,500	$5,610	$5,722	$5,837	$5,953	$6,072	$6,194	$6,318	$6,444	$6,573	$6,704	$6,839	$6,975	$7,115	$7,257
Residential Vacancy		6%	($22,464)	($22,913)	($23,372)	($23,839)	($24,316)	($24,802)	($25,298)	($25,804)	($26,320)	($26,847)	($27,383)	($27,931)	($28,490)	($29,060)	($29,641)
Bad Debt		1.00%	($3,744)	($3,819)	($3,895)	($3,973)	($4,053)	($4,134)	($4,216)	($4,301)	($4,387)	($4,474)	($4,564)	($4,655)	($4,748)	($4,843)	($4,940)
Effective Gross Income			**$353,692**	**$360,766**	**$367,981**	**$375,341**	**$382,848**	**$390,505**	**$398,315**	**$406,281**	**$414,407**	**$422,695**	**$431,149**	**$439,772**	**$448,567**	**$457,538**	**$466,689**
OPERATING EXPENSES		3%															
Administrative Expenses		$6,500 PUPA	$182,000	$187,460	$193,084	$198,876	$204,843	$210,988	$217,318	$223,837	$230,552	$237,469	$244,593	$251,931	$259,488	$267,273	$275,291
Management Fee		0.00%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payroll Expenses				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utility Expenses				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance Expenses				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes and Insurance Expenses				$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financial Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Expenses			**$182,000**	**$187,460**	**$193,084**	**$198,876**	**$204,843**	**$210,988**	**$217,318**	**$223,837**	**$230,552**	**$237,469**	**$244,593**	**$251,931**	**$259,488**	**$267,273**	**$275,291**
Replacement Reserve		**$350**	**$9,800**	**$10,094**	**$10,397**	**$10,709**	**$11,030**	**$11,361**	**$11,702**	**$12,053**	**$12,414**	**$12,787**	**$13,170**	**$13,565**	**$13,972**	**$14,392**	**$14,823**
NET OPERATING INCOME			**$161,892**	**$163,212**	**$164,501**	**$165,756**	**$166,975**	**$168,156**	**$169,295**	**$170,391**	**$171,440**	**$172,439**	**$173,385**	**$174,275**	**$175,106**	**$175,874**	**$176,574**
Return on Cost			**2.14%**														
PRIMARY DEBT SERVICE																	
First Mortgage Loan			$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081
DCR			2.19	2.20	2.22	2.24	2.25	2.27	2.29	2.30	2.31	2.33	2.34	2.35	2.36	2.37	2.38
CASH FLOW AFTER SENIOR DEBT			**$87,811**	**$89,130**	**$90,419**	**$91,674**	**$92,894**	**$94,074**	**$95,214**	**$96,310**	**$97,359**	**$98,358**	**$99,304**	**$100,194**	**$101,025**	**$101,792**	**$102,493**
Investor Required Asset Manage		2.5%	$10,000	$10,250	$10,506	$10,769	$11,038	$11,314	$11,597	$11,887	$12,184	$12,489	$12,801	$13,121	$13,449	$13,785	$14,130
Residual Receipts			**$77,811**	**$78,880**	**$79,913**	**$80,905**	**$81,855**	**$82,760**	**$83,617**	**$84,423**	**$85,175**	**$85,869**	**$86,503**	**$87,073**	**$87,576**	**$88,007**	**$88,363**
City HOME and HTF Loans	up to 50% of residual receipts		$38,905	$39,440	$39,956	$40,453	$40,928	$41,380	$41,809	$42,211	$42,587	$42,935	$43,252	$43,537	$43,788	$44,004	$44,182
2.00% interest rate	*Interest Payment Due*		*$30,500*	*$29,995*	*$29,480*	*$28,955*	*$28,419*	*$27,872*	*$27,315*	*$26,746*	*$26,166*	*$25,574*	*$24,971*	*$24,355*	*$23,728*	*$23,087*	*$22,434*
40 year term	*Principal Payment Due*		*$25,248*	*$25,752*	*$26,268*	*$26,793*	*$27,329*	*$27,875*	*$28,433*	*$29,001*	*$29,581*	*$30,173*	*$30,777*	*$31,392*	*$32,020*	*$32,660*	*$33,314*
$ 1,525,000 initial loan balance	*Principal Payment Made*		*$8,405*	*$9,445*	*$10,476*	*$11,498*	*$12,509*	*$13,508*	*$14,494*	*$15,465*	*$16,421*	*$17,360*	*$18,281*	*$19,181*	*$20,060*	*$20,916*	*$21,748*
	Unpaid Principal Balance		*$1,516,595*	*$1,507,150*	*$1,496,673*	*$1,485,175*	*$1,472,666*	*$1,459,158*	*$1,444,664*	*$1,429,199*	*$1,412,778*	*$1,395,417*	*$1,377,137*	*$1,357,956*	*$1,337,895*	*$1,316,979*	*$1,295,231*
Seller Note	up to 50% of residual receipts		$38,905	$39,440	$39,956	$40,453	$40,928	$41,380	$41,809	$42,211	$42,587	$42,935	$43,252	$43,537	$43,788	$44,004	$44,182
2.00% interest rate	*Interest Payment Due*		*$27,744*	*$27,285*	*$26,816*	*$26,338*	*$25,851*	*$25,354*	*$24,847*	*$24,329*	*$23,802*	*$23,263*	*$22,715*	*$22,155*	*$21,584*	*$21,001*	*$20,407*
40 year term	*Principal Payment Due*		*$22,966*	*$23,425*	*$23,894*	*$24,372*	*$24,859*	*$25,356*	*$25,864*	*$26,381*	*$26,909*	*$27,447*	*$27,996*	*$28,556*	*$29,127*	*$29,709*	*$30,303*
$ 1,387,201 initial loan balance	*Principal Payment Made*		*$11,161*	*$12,156*	*$13,140*	*$14,114*	*$15,077*	*$16,026*	*$16,962*	*$17,882*	*$18,786*	*$19,671*	*$20,537*	*$21,382*	*$22,204*	*$23,003*	*$23,775*
	Unpaid Principal Balance		*$1,376,040*	*$1,363,884*	*$1,350,744*	*$1,336,629*	*$1,321,553*	*$1,305,526*	*$1,288,564*	*$1,270,682*	*$1,251,896*	*$1,232,225*	*$1,211,688*	*$1,190,306*	*$1,168,102*	*$1,145,099*	*$1,121,325*

Lynhaven 9% - REHAB
PF Yr 1-15

	Notes		Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
INCOME		2%															
Gross Potential Rent			$503,893	$513,971	$524,250	$534,735	$545,430	$556,339	$567,465	$578,815	$590,391	$602,199	$614,243	$626,528	$639,058	$651,839	$664,876
Other Income			$7,402	$7,550	$7,701	$7,855	$8,012	$8,173	$8,336	$8,503	$8,673	$8,846	$9,023	$9,204	$9,388	$9,576	$9,767
Residential Vacancy		6%	($30,234)	($30,838)	($31,455)	($32,084)	($32,726)	($33,380)	($34,048)	($34,729)	($35,423)	($36,132)	($36,855)	($37,592)	($38,343)	($39,110)	($39,893)
Bad Debt		1.00%	($5,039)	($5,140)	($5,243)	($5,347)	($5,454)	($5,563)	($5,675)	($5,788)	($5,904)	($6,022)	($6,142)	($6,265)	($6,391)	($6,518)	($6,649)
Effective Gross Income			**$476,023**	**$485,543**	**$495,254**	**$505,159**	**$515,262**	**$525,568**	**$536,079**	**$546,801**	**$557,737**	**$568,891**	**$580,269**	**$591,875**	**$603,712**	**$615,786**	**$628,102**
OPERATING EXPENSES		3%															
Administrative Expenses		$6,500 PUPA	$283,550	$292,057	$300,818	$309,843	$319,138	$328,712	$338,574	$348,731	$359,193	$369,969	$381,068	$392,500	$404,275	$416,403	$428,895
Management Fee		0.00%	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Payroll Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utility Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Maintenance Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes and Insurance Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financial Expenses			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Operating Expenses			**$283,550**	**$292,057**	**$300,818**	**$309,843**	**$319,138**	**$328,712**	**$338,574**	**$348,731**	**$359,193**	**$369,969**	**$381,068**	**$392,500**	**$404,275**	**$416,403**	**$428,895**
Replacement Reserve		**$350**	**$15,268**	**$15,726**	**$16,198**	**$16,684**	**$17,184**	**$17,700**	**$18,231**	**$18,778**	**$19,341**	**$19,921**	**$20,519**	**$21,135**	**$21,769**	**$22,422**	**$23,094**
NET OPERATING INCOME			**$177,205**	**$177,761**	**$178,238**	**$178,633**	**$178,940**	**$179,156**	**$179,275**	**$179,292**	**$179,203**	**$179,001**	**$178,683**	**$178,240**	**$177,669**	**$176,962**	**$176,113**
Return on Cost																	
PRIMARY DEBT SERVICE																	
First Mortgage Loan			$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081	$74,081
DCR			2.39	2.40	2.41	2.41	2.42	2.42	2.42	2.42	2.42	2.42	2.41	2.41	2.40	2.39	2.38
CASH FLOW AFTER SENIOR DEBT			**$103,123**	**$103,679**	**$104,157**	**$104,551**	**$104,859**	**$105,074**	**$105,193**	**$105,211**	**$105,121**	**$104,920**	**$104,601**	**$104,159**	**$103,587**	**$102,880**	**$102,031**
Investor Required Asset Manage		2.5%	$14,483	$14,845	$15,216	$15,597	$15,987	$16,386	$16,796	$17,216	$17,646	$18,087	$18,539	$19,003	$19,478	$19,965	$20,464
Residual Receipts			**$88,640**	**$88,834**	**$88,940**	**$88,955**	**$88,872**	**$88,688**	**$88,397**	**$87,995**	**$87,475**	**$86,833**	**$86,062**	**$85,156**	**$84,109**	**$82,915**	**$81,567**
City HOME and HTF Loans	up to 50% of residual receipts		$44,320	$44,417	$44,470	$44,477	$44,436	$44,344	$44,199	$43,997	$43,738	$43,416	$43,031	$42,578	$42,055	$41,458	$40,784
2.00% interest rate	*Interest Payment Due*		*$21,768*	*$21,088*	*$20,395*	*$19,688*	*$18,967*	*$18,231*	*$17,481*	*$16,715*	*$15,935*	*$15,138*	*$14,326*	*$13,498*	*$12,653*	*$11,791*	*$10,912*
40 year term	*Principal Payment Due*		*$33,980*	*$34,659*	*$35,353*	*$36,060*	*$36,781*	*$37,516*	*$38,267*	*$39,032*	*$39,813*	*$40,609*	*$41,421*	*$42,250*	*$43,095*	*$43,957*	*$44,836*
$ 1,525,000 initial loan balance	*Principal Payment Made*		*$22,552*	*$23,329*	*$24,075*	*$24,789*	*$25,469*	*$26,113*	*$26,718*	*$27,282*	*$27,803*	*$28,278*	*$28,705*	*$29,080*	*$29,402*	*$29,667*	*$29,872*
	Unpaid Principal Balance		*$1,272,679*	*$1,249,350*	*$1,225,274*	*$1,200,485*	*$1,175,015*	*$1,148,902*	*$1,122,185*	*$1,094,902*	*$1,067,100*	*$1,038,822*	*$1,010,117*	*$981,037*	*$951,635*	*$921,968*	*$892,096*
Seller Note	up to 50% of residual receipts		$44,320	$44,417	$44,470	$44,477	$44,436	$44,344	$44,199	$43,997	$43,738	$43,416	$43,031	$42,578	$42,055	$41,458	$40,784
2.00% interest rate	*Interest Payment Due*		*$19,801*	*$19,183*	*$18,552*	*$17,909*	*$17,253*	*$16,584*	*$15,901*	*$15,205*	*$14,495*	*$13,771*	*$13,032*	*$12,278*	*$11,510*	*$10,726*	*$9,926*
40 year term	*Principal Payment Due*		*$30,909*	*$31,528*	*$32,158*	*$32,801*	*$33,457*	*$34,126*	*$34,809*	*$35,505*	*$36,215*	*$36,940*	*$37,678*	*$38,432*	*$39,201*	*$39,985*	*$40,784*
$ 1,387,201 initial loan balance	*Principal Payment Made*		*$24,519*	*$25,235*	*$25,918*	*$26,568*	*$27,183*	*$27,760*	*$28,298*	*$28,792*	*$29,243*	*$29,646*	*$29,999*	*$30,300*	*$30,545*	*$30,732*	*$30,858*
	Unpaid Principal Balance		*$1,096,805*	*$1,071,571*	*$1,045,652*	*$1,019,084*	*$991,901*	*$964,140*	*$935,843*	*$907,050*	*$877,808*	*$848,162*	*$818,163*	*$787,863*	*$757,318*	*$726,585*	*$695,728*

Sales Value at 6% cap rate	$ 2,935,213
2% transaction costs	$ (58,704.27)
	$ 2,993,918
Balloon City Loan Repayment	$892,096
Balloon Seller Note Repayment	$695,728
Residual Sales Value after Debt	$ 1,406,094

Housing Trust Fund Programs Financial Status

As of April 30, 2013

Balance as of March 31, 2013		**3,624,835**
Revenues for April 2013		
Contributions	117,900	
Loan Repayments		
Community Lodgings, Inc. (CLI)	2,288	
Moderate Income Homeownership Program (MIHP)	31,899	
Employee Homeownership Incentive Program (EHIP)	340	
Ramp Mini Grant	200	
Fees Offsetting Expenditures	0	**152,627**
Expenditures for April 2013		
Flexible Homeownership Program	0	
Homeownership Counseling	0	
Rebuilding Together Alexandria FY 2013	50,000	
Housing Opportunities Fund - *see attached report*	0	
Rental Accessibility Modification Program (RAMP)	0	**(50,000)**
Balance Available Before Outstanding Commitments/Reservations		**3,727,462**
Outstanding Commitments/Reservations as of April 30, 2013		
Braddock Small Area Plan Fund	374,080	
Flexible Homeownership Program	712,522	
HOME/HOF Match	304,171	
Homeownership Counseling	56,020	
FY 2014 Budget Reservation	171,404	
Housing Opportunities Fund - *see attached report*	521,648	
AHC East Reed	399,885	
Rental Accessibility Modification Program (RAMP)	5,415	**(2,545,144)**
Unreserved Balance as of March 31, 2013		**1,182,318**

Housing Opportunities Fund Financial Status

As of April 30, 2013

	HTF	General Fund	HOME	TOTAL
Balance as of April 30, 2013	**521,648**	**175,203**	**1,706,462**	**2,403,313**
Brent Place Note Repayment from Homes for America			31,270	
April 2013 Expenditures				
				0
Balance Available Before Outstanding Commitments	**521,648**	**175,203**	**1,737,732**	**2,434,583**
Outstanding Commitments				
Alexandria Housing Development Corporation (AHDC)		0		0
CLI Notabene			392.78	393
Alexandria NSP			500,000.00	500,000
Fees for Professional Services	10,000			10,000
Unreserved Balance as of April 30, 2013	**511,648**	**175,203**	**1,237,340**	**1,924,191**

HOMEOWNERSHIP PROGRAMS REPORT
April 2013

	April 2013				*Total FY 2013 as of April 30, 2013*			
	Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds	Loans Committed	Amount and Source of Committed Loan Funds	Loans Settled	Amount and Source of Settled Loan Funds
Federal Funds HAP	0	$0	0	$0	1	CDBG HAP - $40,000	1	CDBG HAP - $40,000
Flexible Homeownership Program	0	$0	0	$0	1	$48,330 - HTF	1	$48,330 - HTF

Loan Balances as of April 30, 2013:

HOME HAP	$	78,069	*Federal*
CDBG HAP	$	85,271	*Federal*
Flex HP	$	712,522	*Housing Trust Fund*

Other Housing Development Fund Financial Status

As of April 30, 2013

	Tax Revenue Account	Bond Account	TOTAL
Balance as of March 31, 2013	**1,613,789**	**791,725**	**2,405,514**
Additonal FY 2013 Allocation	135,000		
April 2013 Expenditures			
Alexandria Housing Development Corporation (AHDC)		(305,399)	
Balance Available Before Outstanding Commitments	**1,748,789**	**486,326**	**2,235,115**
Outstanding Commitments			
AHC East Reed Project	1,613,789	486,326	2,100,115
Unreserved Balance as of April 30, 2013	**135,000**	**0**	**135,000**