

WHEELER TERRACE APTS
WASHINGTON, DC (Southeast)



Di*STRESS*ed Housing Site



- Listed as a HUD Nuisance Property in `05
- 1 of 10 DC “Crime Hot Spots” in 2007
- Failed REAC Inspections in 2007
- 100% HUD-PBS8 Contract to expire in `09
- 112 units w/ Incomes mostly below 30% AMI

Our Vision

Project Goals

- Acquisition Rehab
- Preserve structures
- Update all HVAC, electric and plumbing
- New kitchens
- Reduce crime and poor health conditions
- Obtain new 20yr Sect 8 contract from HUD

Green Goals

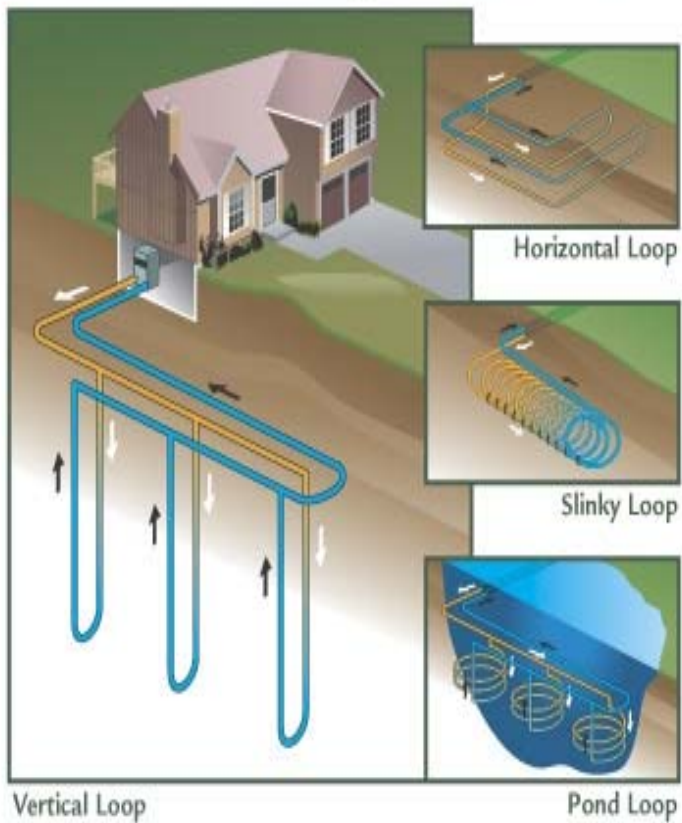
- New standard for “Green” Affordable Housing
- 1st LEED Cert (Gold) Afford housing in DC
- Also meets Green Communities Criteria
- Reduce tenant waste factor on energy
- Reduce energy consumption 25%

Project Financing

TE Bonds (UBOC)	\$ 8.16MM (40y@5.64%) 80 LTV
4% LIHTC (PNC Bank)	\$12.1MM (\$1.00/pricing)
DC-DHCD	\$10.2MM (soft loan-CDBG/HOME)
Afford Hsg Equity Invest	\$600k (Mount Vernon PI, LLC)
HUD Healthy Homes	\$450k (grant – air quality)
FHLB-Pgh (AHP)	\$355k (grant – construction)
Enterprise	\$50k (green planning grant)
Home Depot Foundation	\$50k (green construction)
Defer. Dev. Fee	\$857k
Total Sources:	\$32.8 million

Ground Source Heat Pump

Geothermal Energy for the Home



- Closed Loop System
- 400ft depth on wells
- Uses earth's 57 deg temp for Heat/AC
- De-superheater gives hot water "boost"
- 50+ yr life cycle
- Reduces electric 35%
- Cost \$1.2MM

Other Green Features

- Indoor air quality system
 - Negative pressure fresh air system with exterior exhaust
 - Includes: low VOC paints & low PVC flooring, formaldehyde-free cabinets, carpet in bedrooms only
- Sand Filter Stormwater Mgmt
- Urban Garden w/ rainwater collection
- Dual-flush toilets, low-flow showers, no irrigation
- E-Star appliances, fluorescents, motion-detect lighting in utility + maintenance closets
- Reflective rooftops (reduce heat island effect)
- Green Opportunity Center (Green Educational Exhibits)

Resident “Green” Education Green “Dots” Model Unit



Resident “Green” Education

- Green Dots Model Unit – A Big Success. Dots represent a green feature in a typical unit.
- 2-Day Resident Preferences Workshop
- Emphasized green benefits to residents
- Highlight green jobs opportunities
- Meet residents where they are – focus on green benefits they understand and support at first
- Don’t expect instant appreciation

How We Benefited

- Total Green-related expenses increased cost by 9% (4% without Geothermal) but will pay for itself within 9 years
- Switch to tenant-paid electric will reduce tenant “waste-factor” on energy
- Less tenant turnover due to green benefits
- Owner-paid water usage reduced by 20%
- Maintenance and replacement cost lower
- Fair Market Value of asset + 3-5%

The Future

- Need to document “green” operating performance
- Lenders will need to consider lower R4R
- Appraisers will need to standardize “green” impact on FMV regionally
- Acceptance of rent “bump-up” for green housing
- Sustainable energy to power homes
- Green economy must benefit low-income families
- “Healthy” housing more vital

Green Strategy-First steps

- Establish clear project priorities before you speak with green consultants or architect. (Know your mission)
- Wheeler's Team decided the following:
 1. Affordability
 2. Provides a reasonable benefit to tenant
 3. Provides a reasonable benefit to owner
 4. Provides a reasonable benefit to community

Barriers to Green Projects

- Most markets lack “green inventory” that can be used for legitimate rent comps
- New technologies can create a “prove it!” disposition from lenders and residents
- Gov. rent subsidized projects are unsure how to adjust utility allowances
- Developer Dilemma – “How much is too much?”

Your Next Deal (Helpful Tidbits)

- Establish your priorities, then commit
- Know what's important to stakeholders
- Know your max terms for “Green ROI” (will you sell the property in 5 yrs or less?)
- Educate your lender and state/city housing agencies about life cycle cost, lower maintenance expense + other benefits
- Use 3rd party providers to verify your claims on green benefits

Contact Info

Mark James

R.E. Development Officer

Community Preservation and Development
Corporation (CPDC)

5513 Connecticut Avenue, Suite 250

Washington, DC 20015

Phone: (202) 885-9559 (Direct)

Email: mjames@cpdc.org