

Villas At Langley

Presented to: County Council

Date: Thursday, October 28



JAIR LYNCH
REAL ESTATE PARTNERS

WHO WE ARE

- ❖ ***Mission: We create ideas that inspire, buildings that are resilient, and places that are extraordinary***
- ❖ Experienced Local Operating Company – 22 years in business
- ❖ Long-Tenured Senior Management Team – 50% of team has 10 years or more tenure with the company
- ❖ Celebrating Team Diversity – 2/3 people of color and 1/3 women
- ❖ Active owner and developer of office, retail, and multifamily
- ❖ Engaged in impact development of attainable housing and neighborhood assets such as
 - ❖ Schools, Libraries, Recreation Centers, and Medical Office Buildings



Jair K. Lynch
President/CEO



Ruth Hoang
VP of Development



James Fennelly
VP of Development



Rommy Abt
VP of Accounting



Anthony Startt
Director of Investments



Phuc Tran
Director of Investments

OUR APPROACH TO IMPACT

50

Projects for Mission
Driven Organizations

2,600+

Affordable Housing
Units

10k+ Students

Learning in New or
Renovated Schools

\$250 Million

Of Contracts Awarded to
Diverse Businesses in Last 5
Years

35

Public-Private
Projects

1 Million+

Library Visits Annually in a New
MLK Central Library

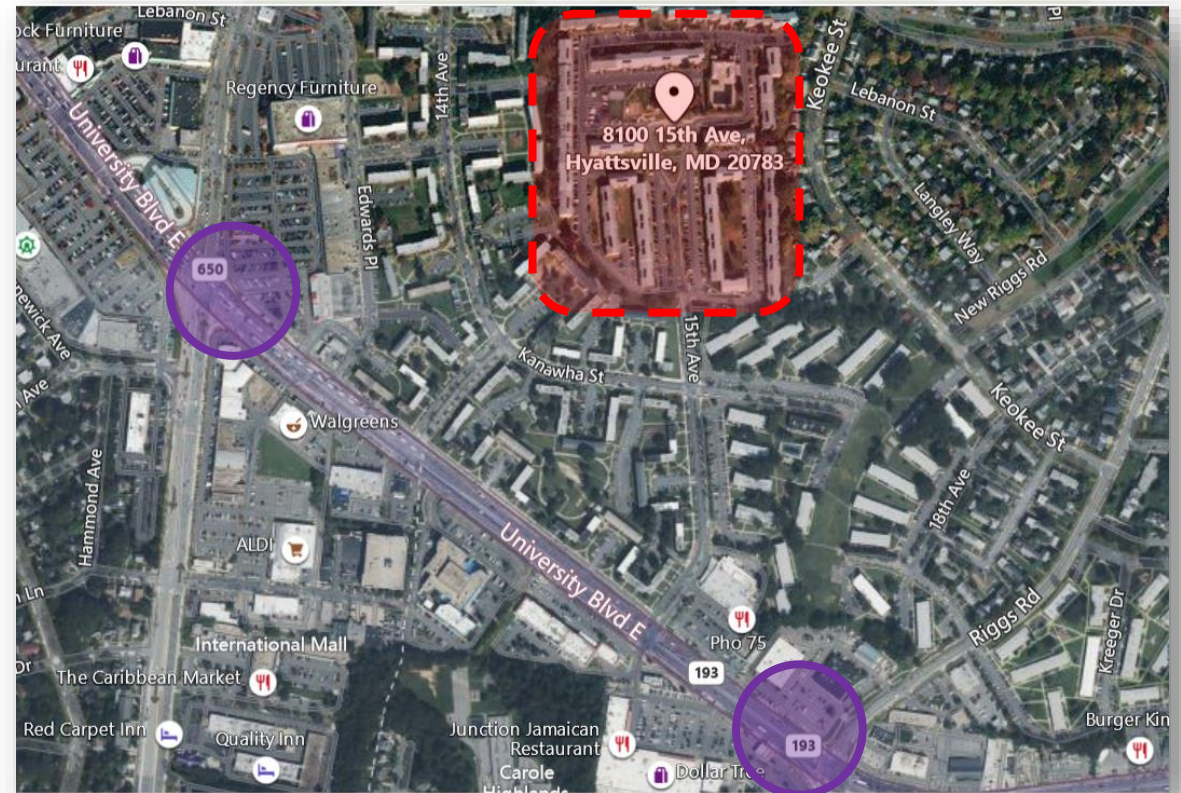


Villas at Langley



COMMUNITY OVERVIEW

- ❖ Units: 590
 - ❖ Average Size: 977 RSF
 - ❖ 72% two and three bedrooms
 - ❖ Average Rent: \$1,556 (\$1,300 - \$2,000)
- ❖ Location
 - ❖ 0.5 miles to two Purple Line stations
 - ❖ 5 miles to Silver Springs; 3 miles to College Park
 - ❖ Embedded with Casa Maryland
- ❖ **Opportunity:** Keep 50% (295 units) at 60% AMI
- ❖ **Problem:** Naturally Occurring Affordable Housing (“NOAH”) near the Purple Line will see rent increases over the next ten years faster than incomes will rise
- ❖ **Solution:** Invest Public Capital to maintain rents at 60% AMI for 295 units (i.e. rental supplement to the families)



UNIT MIX

One Bedroom:

- ❖ 82 units at 60% of the AMI
- ❖ 82 units at Market

Two Bedrooms:

- ❖ 165 units at 60% of the AMI
- ❖ 165 units at Market

Three Bedrooms

- ❖ 48 units at 60% of the AMI
- ❖ 48 units at Market



FINANCING

- ❖ Financed with traditional with debt and equity
 - ❖ Purchased in April 2020
- ❖ Total construction costs over \$15 MM has been privately financed
- ❖ Public capital is used to support affordable households for the next 10 years
- ❖ Public capital is 5% of the total capital

SOURCES

Sources	Amount	Percentage
Fannie Mae - Permanent Loan	\$68,000,000	62.86%
Investor Equity	\$35,184,556	32.52%
County HITF Loan	\$1,286,560	1.19%
10-year value of County PILOT	\$3,713,440	3.43%
Total Sources of Funds	\$108,184,556	100.00%

USES

Uses	Amount	Percentage
Construction or Rehabilitation Costs	\$15,134,320	13.99%
Fees Related to Construction or Rehab	\$2,581,916	2.39%
Financing Fees and Charges	\$2,081,971	1.92%
Acquisition Costs	\$87,500,000	80.88%
Developer's Fee	\$886,349	0.82%
Total Uses of Funds	\$108,184,556	100.00%

ECONOMIC INCLUSION

Work to date

- ❖ Established an Inclusive Hiring program provide employment, job training, and subcontracting opportunities for low-income residents and businesses operated by low-income residents
 - ❖ Local vendor (Metropolitan Building Services) hired two residents as a result
- ❖ Engaged CBB and MBEs (NES and Heller) in the previous bidding process for HVAC Conversion

Construction is underway

- ❖ Initial repairs were completed after acquisition
- ❖ HVAC Conversion component has all permits in hand as of early October
 - ❖ Major trade contracts have been executed (mechanical & electrical)

Going Forward

- ❖ HITF Loan included in proposed Legislation is \$1,286,560
 - ❖ Requirements: 40% County-Certified County-Based Small Business (Minimum of \$514,624)
30% County-Certified Minority Business Enterprise (Minimum of \$385,968)
- ❖ Will ramp up CBB and MBEs engagement to meet requirements