

City of Alexandria

Housing for All

How the Additional Housing is to be
Generated

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Paradigm
DEVELOPMENT CO.



For Paradigm, providing quality housing started back in the early 1990s. Our chairman was the President of the then Arlington Housing Corporation (now known as AHC). We have built and/or manage 2,000+ units in market affordable, tax credit affordable, or jurisdiction driven affordable housing.

Parc Meridian at Eisenhower Station



750 Port Street
Alexandria, VA 22314

Parc Meridian at Eisenhower Station



Market Units: 505
Affordable Units: 30-33
(based on square footage)

Amenities

- Metro Accessible
- Garage Parking
- Concierge/Hospitality
- Swimming Pool
- Fitness Center
- Business Center
- Rooftop Terrace & Courtyard
- Dog Spa
- Park with Pond
- Access to Beltway
- Views of Potomac & City
- LEED Certification (Silver)

Elements of Quality Housing

Good design and Good Functionality

Paradigm's experience and expertise in building a more efficient community

- Building's core
- Placement of elevators
- Layout of garage/column grid
- VRFs and Condensers
- Unit layouts
- Locations of amenities

Contextual Relationship with Surrounding Buildings and Streetscape

- Paradigm believes and promotes walkability
- Limits superblocks
- Density
- Height

Good Amenities in Close Proximity

- Business centers and horizontal workspaces for those working from home
- Public transportation/Metro for the commuter
- Active Retail and Offices

Good Sustainability

- Building materials
- Windows and Glass
- Mechanical and Plumbing
- Green Roof
- Landscaping/Irrigation
- Lighting

Affordable Housing Scenario 1 (10% at 60% AMI)

BUDGET ASSUMPTIONS		2008 PROPOSED RENT SCHEDULE					PROJECT BUDGET					
Total Units	250		No. of	Avg	Avg.	Avg.	Total		Total Cost	Per Unit Cost		
Escalation (Rents)	2.00%	<u>Unit Type</u>	<u>Units</u>	<u>Unit Size</u>	<u>Rent/SF</u>	<u>Rent/Mo.</u>	<u>Rent/Mo.</u>	Land	\$ 17,500,000	\$ 70,000		
Escalation (Expenses)	2.00%	Market	22					Project Costs	62,500,000	250,000		
Monthly Other Inc./Unit		1 BR / 1 BA	135					Pre-Construction Carry Costs				
Parking Income / Unit		2 BR / 2 BA	68					Site & Utilities				
Corporate Units		Total / Avg.	225	850	\$ 2.75	\$ 2,338	\$ 526,050	Pre-Development				
Corp. Premium Units								Architectural & Engineering				
Retail SF								Tenant Finish				
Retail Rent / SF (nnn)		Affordable						Inspecting Engineer				
Construction Period Int.		Eff	4					Construction Interest (24 months)				
Vacancy Rate (Economic)		1 BR / 1 BA	13					Marketing and Brochure				
		2 BR / 2 BA	8					Administrative and Startup				
		Total / Avg.	25	850	\$ 1.20	\$ 1,023	\$ 25,575	FF&E				
								Partnership Legal and Other				
		Total	250	850	\$ 2.60	\$ 2,206	\$ 551,625	Financing Fees/Costs				
Expenses								Taxes During Construction/Insurance				
Apartments								Development Fee				
Administrative	Included							Overhead & Supervision				
Utilities								Hard Costs				
Operating & Maintenance								Hard Cost for Tenant Finish				
Taxes & Insurance								Contingency - Hard Costs				
Reserves								Contingency - Soft Costs				
Management Fee								TOTAL DEVELOPMENT COSTS	\$ 80,000,000	\$ 320,000		
Ann. Expenses	\$ 8,100											
Year		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Year No.		1	2	3	4	5	6	7	8	9	10	11
Apartment Rental Income		6,619,500	6,751,890	6,886,928	7,024,666	7,165,160	7,308,463	7,454,632	7,603,725	7,755,799	7,910,915	8,069,134
Expenses		2,025,000	2,065,500	2,065,500	2,106,810	2,148,946	2,191,925	2,235,764	2,280,479	2,326,088	2,372,610	2,420,062
Net Operating Income		4,594,500	4,686,390	4,821,428	4,917,856	5,016,213	5,116,538	5,218,869	5,323,246	5,429,711	5,538,305	5,649,071
Return on Cost		5.74%	5.86%	6.03%	6.15%	6.27%	6.40%	6.52%	6.65%	6.79%	6.92%	7.06%

Affordable Housing Scenario 1 (10% at 60% AMI)

BUDGET ASSUMPTIONS		2008 PROPOSED RENT SCHEDULE						PROJECT BUDGET				
Total Units	250	Unit Type	No. of Units	Avg Unit Size	Avg. Rent/SF	Avg. Rent/Mo.	Total Rent/Mo.	Land	Total Cost	Per Unit Cost		
Escalation (Rents)	2.00%	Market	22					\$ 11,129,808	\$ 44,519			
Escalation (Expenses)	2.00%	1 BR / 1 BA	135					Project Costs	62,500,000	250,000		
Monthly Other Inc./Unit		2 BR / 2 BA	68					Pre-Construction Carry Costs				
Parking Income / Unit		Total / Avg.	225	850	\$ 2.75	\$ 2,338	\$ 526,050	Site & Utilities				
Corporate Units								Pre-Development				
Corp. Premium Units								Architectural & Engineering				
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Expenses								Financing Fees/Costs				
Apartments								Taxes During Construction/Insurance				
Administrative	Included							Development Fee				
Utilities								Overhead & Supervision				
Operating & Maintenance								Hard Costs				
Taxes & Insurance								Hard Cost for Tenant Finish				
Reserves								Contingency - Hard Costs				
Management Fee								Contingency - Soft Costs				
Ann. Expenses	\$ 8,100							TOTAL DEVELOPMENT COSTS	\$ 73,629,808	294,519		
Year		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Year No.		1	2	3	4	5	6	7	8	9	10	11
Apartment Rental Income		\$ 6,619,500	\$ 6,751,890	\$ 6,886,928	\$ 7,024,666	\$ 7,165,160	\$ 7,308,463	\$ 7,454,632	\$ 7,603,725	\$ 7,755,799	\$ 7,910,915	\$ 8,069,134
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Return on Cost		6.24%	6.36%	6.55%	6.68%	6.81%	6.95%	7.09%	7.23%	7.37%	7.52%	7.67%

Possible Solutions

- Tax Abatements (similar to the DC programs of the past)
- Reduce Site Plan Requirements (more funding available for housing)
- Mixed Income Vs. All Affordable
- State/Federal Contributions to City Housing Department/Authority
- Additional Density/Height
- Etc.

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