

# THE PRESERVATION OF ISLAND WALK

## **Project Description**

Island Walk consists of 102 two to four bedroom townhouse units located near the vibrant and thriving Reston Towne Centre. This project was developed in the late 1970's by the Fairfax County Redevelopment and Housing Authority (FCRHA) and was the first Section 8 limited equity cooperative nationally. The ownership of Island Walk was transferred to the cooperative in June 1980 upon completion of construction.

## **Project Needs**

Over the last twenty five years Island Walk has suffered from deferred maintenance and was in need of extensive physical improvements. The Cooperative had limited financial resources to address the physical needs of the property.

## **Preserving the Project by Partnering**

The Cooperative needed a partner with capacity. Following multiple solicitations for proposals and an extensive review and evaluation process a Purchase and Sale Agreement was executed between the Cooperative and Community Preservation and Development Corporation. A limited partnership was formed to take advantage of federal low-income housing tax credits that generated equity for the substantial rehabilitation of the property. The existing members of the Cooperative remain as tenants and at the end of the tax credit compliance period the Cooperative has right to purchase. If that right is not exercised the FCRHA has purchase right on same terms.

## **Financing**

The FCRHA provided much of the financing for the rehabilitation of Island Walk

- Tax Exempt Multi-Family Bonds - \$9,075,000
- Risk-Share FHA Insurance
- Tax Credit Equity - \$3,541,637 (4% Credits)
- Affordable Housing Partnership Fund - \$500,000
- HOME - \$1,000,000
- Predevelopment Funding
- Other Financing - \$1,891,263
  - Washington Area Trust Fund
  - Deferred Fees

## **Quick Facts...**

Annual Savings through Tax-Exempt Financing: approx. \$121,000/yr. for 32 years (approx. \$3,872,000 over life of bonds)

