

FLEXCAP

WESLEY HOUSING TAPS FLEXIBLE FINANCING TOOL FOR AFFORDABLE RENTAL UNITS



“Through a wealth of expertise in real estate financing and underwriting, and abundant flexibility, HPF FlexCap made it possible to navigate the complexities of preserving affordable housing and advancing inclusive prosperity in a gentrifying community.”

Kamilah McAfee

President/CEO
Wesley Housing

HPN members in certain markets* have access to HPF FlexCap, a high-leverage bridge/acquisition loan product from the Housing Partnership Fund. It features a low-interest rate and flexible underwriting criteria for a variety of strategies – from a “buy and hold” approach bridging long-term financing to supporting acquisition and redevelopment. HPF is committed to meeting the capital needs of HPN members and closed its first FlexCap loan in January 2022 with Wesley Housing.

DEEP INVESTMENT IN NEIGHBORHOODS

Rents rose rapidly in the Arlandria-Chirilagua neighborhood of Alexandria, VA, due to a future Metrorail development at Potomac Yard and proximity to Amazon HQ2. A Wesley Housing plan to acquire and redevelop properties nearby and surrounding its existing 33-unit Beverly Square Apartments sparked the proposal to purchase the adjacent 66-unit Parc Square Apartments and combine the two sites to redevelop and rebuild nearly 300 units. This deal tripled quality long-term affordable housing for existing and future residents.

DEEP INVESTMENT IN NEIGHBORHOODS

HPF’s lending team worked closely with Wesley throughout underwriting, approval, and closing. HPF provided certainty of execution by understanding the challenging nature of a redevelopment project and acquisition of a C-class asset. HPF also approved a higher loan-to-value before Amazon’s equity commitment and closed knowing Parc Square’s receivables were high, but that Wesley had capacity to manage the asset and obtain rental assistance.

Organization



Loan-to-Value

Up to 95%;
first-mortgage

Max Loan

Up to \$25MM

*Geographies

AL, DC, FL, GA, IL, IN, KY,
LA, MD, MS, NY, NC, OH,
PA, SC, TX, VA, WV

Interest Rate/Term

6.25% to 6.5%
2-3 years

DSCR

1.15 on first 80% of
principal balance and 1.05
on remaining 15%

Loan Fees

1.0% plus third-party
costs including legal,
appraisal, and
environmental

Other Benefits

Requires no sharing of
ownership interest or
preferred equity returns



Exterior of Parc Square Apartments. Photo credit: Wesley Housing

Contact Lending Solutions to learn more:



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