EXHIBIT NO. 1

27
6-28-05

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 21, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: CONSIDERATION OF FUNDING REQUEST FROM WESLEY HOUSING DEVELOPMENT CORPORATION, INC. FOR THE BEVERLY APARTMENTS

ISSUE: Consideration of a request from Wesley Housing Development Corporation, Inc., for $1,500,000 in Housing Trust Fund monies to assist the organization in acquiring the 41-unit Beverly Park apartments

RECOMMENDATION: That the City Council:

Approve a loan of up to $1,500,000 from the Housing Opportunities Fund to the Wesley Housing Development Corporation (WHDC) for the acquisition of the Beverly Park Apartments, with the following conditions:

1. The loan will be interest-only, with the initial interest payment deferred for a period of seven to 11 years (depending on which of two proposed development options is implemented), and with principal to be repaid on a residual receipts basis.

2. This funding shall be made contingent on WHDC's ability to secure adequate bridge financing from other sources for the remainder of the acquisition cost.

3. The first $300,000 of the loan shall be repaid upon WHDC's receipt of permanent financing for the project.

4. The property shall remain affordable to households at or below 60% of median income for as long as WHDC owns the property, but in no event less than 20 years.

5. WHDC shall develop, to the satisfaction of the Office of Housing, a plan for phasing in rent increases over time to minimize the effect on current tenants.

6. In the event WHDC elects to sell the property, WHDC shall offer the right of first refusal to the City or its designee.

BACKGROUND: WHDC is a non-profit housing development organization based in Northern Virginia. Over its 30-year history, WHDC has developed over 1,263 units of affordable housing serving over 10,000 persons in 18 communities. The organization manages most of its own portfolio, which includes affordable rental apartments, units rented to households with Section 8 tenant-based vouchers, supportive housing units, and units with project-based Section 8 assistance located in Arlington and Fairfax Counties and in the Cities of Alexandria, Falls Church, and Manassas. Currently, WHDC has two developments under construction and three developments under contract, totaling 300 additional units. The organization currently owns one other property in Alexandria, the 28-unit Lynhaven Apartments, located on Commonwealth Avenue. In addition to the financing, construction and management of housing, WHDC offers residents a comprehensive range of supportive educational and social services to contribute to family and community stability.

In April, the Alexandria City Council approved WHDC's request for a letter of support for its proposed acquisition and rehabilitation of the Beverly Park Apartments, a 41-unit property consisting of three buildings located at 625, 627-629, and 641 Notabene Drive. WHDC submitted an application to VHDA for competitive 9% Low Income Housing Tax Credits for this property on March 11, 2005. With the 9% tax credits sought with this application, WHDC anticipated a future request for City funding of $800,000. Unfortunately, this project did not achieve a high enough score in the tax credit competition to receive 9% tax credits. Therefore, WHDC is now seeking to pursue this project using tax-exempt bonds, non-competitive 4% tax credits, VHDA multifamily SPARC funding, and City funding. Because of the lower tax credit funding, the request for City funding was increased to $1,500,000 for this 41-unit property.

DISCUSSION: WHDC has submitted the attached request for an interest-only loan of $1,500,000 in Housing Opportunities Fund monies to assist the organization in acquiring and rehabilitating the Beverly Park Apartments, located at 627 Notabene Drive (includes addresses 613, 625 and 641 Notabene) in the Arlandria area of the City. Built in the 1940s, the properties consist of 41 one-bedroom apartments.

WHDC proposes to maintain the number of units at 41 but to reconfigure some of the one-bedroom apartments to two- and three-bedroom apartments by bumping out the outside walls to provide increased living areas that will accommodate larger household sizes. WHDC is considering two possible scenarios. The first scenario (more aggressive) would alter the property to 29 one-bedroom units, 8 two-bedroom units, and 4 three-bedroom units. The second scenario would alter the property to 35 one-bedroom units, 4 two-bedroom units and 2 three-bedroom units. The property would be maintained as a rental property.

WHDC is currently under contract to purchase the property by the end of September, 2005 at a cost of $4,100,000. This acquisition will also include significant rehabilitation that will improve the appearance, condition and habitability of the property in the short term. The project is expected to be completed in 15 months. However, before the proposed renovations, and particularly the unit expansions, can proceed, WHDC will need to determine, from the City Department of Planning and Zoning, whether the proposed renovations will comply with zoning requirements. It is already clear that the full scope of renovation will require a reduction in required parking (i.e., the granting of a parking waiver by City Council), which is permitted for affordable housing. Arguments in favor of a parking variance are that the property already has 31 off-street parking spaces, and the proposed project is not expected to result in an increase in the number of households or the number of cars at the property.

The total project cost is estimated at $7,295,050, or $177,928 per unit. WHDC projects that the total cost to acquire and renovate the complex will be $7,295,050 and has requested a total of $1,500,000 in loan funds from the City for the acquisition. Staff recommends approval of a loan in this amount, and has suspended the $1 million ceiling on Housing Opportunities Fund loans that was administratively imposed in 2002, as current housing costs make that ceiling unworkable. As specified in its application, WHDC will repay $300,000 of the loan as soon as permanent financing is secured. WHDC has proposed the balance of $1,200,000 be an interest-only loan, but staff is recommending that the principal be repaid on a residual receipts basis. A residual receipts basis means that repayment of the loan would occur after all expenses, debt service and deposits to capital reserves are made. The total long term financing from other sources is $5,795,050. Other sources of long-term project financing include Tax Exempt Bonds, VHDA Multifamily SPARC Loans, and Low Income Housing Tax Credits.

WHDC proposes to make these units affordable to households with 60% of median income or less. Staff recommends that WHDC retain the income restrictions for as long as it owns the property, but in no event less than 20 years. Proposed rents range from $900-$950 for the one-bedroom units to $1,320 for a three-bedroom unit. However, given that current rents at the property, according to the City's January 2005 rent survey, are $725, staff is concerned about the steep increase in rent for current tenants and recommends that rent increases for current tenants be phased over time. Staff will work with WHDC on a plan to accomplish this.

The Affordable Housing Advisory Committee approved this recommendation on June 9, 2005.

It should be noted that some members of the surrounding community have raised concerns that this project is inconsistent with a previously adopted policy concerning City-assisted projects in the Arlandria neighborhood. In September 1994, as part of its approval of a change in income targeting for the Elbert Avenue property owned by Community Lodgings, Inc., the Council approved staff's recommendation to "adopt a policy that future projects in Arlandria should focus primarily on homeownership to balance the predominantly rental nature of the area and provide a mix of income levels."

As noted in the April 2005 docket item recommending City support of WHDC's application for tax credits for the current project, within the same block as the Beverly Park Apartments on

Notabene Drive are 20 City-subsidized units owned by another non-profit affordable housing provider, Community Lodgings, Inc., and 10 owned by the Community Services Board. Nearby are the 38-unit tax credit property owned by Community Lodgings (the property associated with the 1994 policy statement), ARHA's 152-unit Glebe Park property that contains 40 public housing units, a property operated by Sheltered Homes of Alexandria, and a tax-exempt bond property, New Brookside with 34 income-restricted units (out of 170). As also noted in that docket item, despite this concentration of affordable low-income rental housing in the Arlandria area, staff considers the growing condominium conversion phenomenon sufficient reason to recommend preserving the existing supply of affordable housing the area. At the April 2005, meeting when Council first considered this WHDC project, several Council members said that the current affordable housing crisis in the City was reason to move forward with the WHDC project in Arlandria. It should also be noted that the City's homeownership efforts in the area include the establishment of the Arlandria Chirilagua Housing Cooperative, and the provision, by an agreement between the City and the developer, of six affordable homeownership opportunities within the Lenox Place at Sunnyside/Townes at Sunnyside development. Also, ARHA and the City area actively pursuing options related to ARHA's 152 units at Glebe Park.

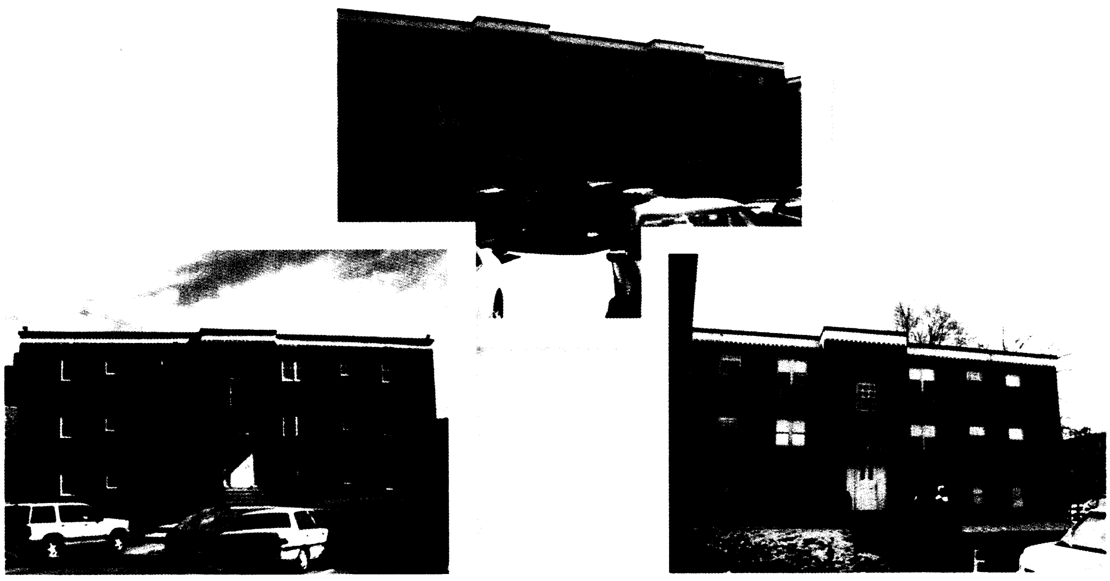
ATTACHMENT: WHDC Beverly Park Apartments Proposal

STAFF:
Mildrilyn Stephens Davis, Director, Office of Housing
Patrick Beckley, Housing Analyst

ATTACHMENT

Beverly Park Apartments

627 Notabene Drive
Alexandria, Virginia 22305



Housing Opportunities Fund
Application
City of Alexandria

Wesley Housing Development Corporation
5515 Cherokee Avenue, Suite 204
Alexandria, Virginia 22312
(703) 642-3830

Contact: Mary Claire Davis, Project Manager

Project Description

Beverly Park Apartments is **located** at 627 Notabene Drive (includes addresses 613, 625, and 641 Notabene) in the City of Alexandria, within an area known as Arlandria, adjacent to the Arlington County border and near the intersection of West Glebe Road and Mount Vernon Avenue. The neighborhood consists of garden apartments as well as scattered duplexes, townhouses, and single family homes along Notabene Drive and Old Dominion Boulevard, many circa the 1940s with some newer construction included. Currently, there are 41 one-bedroom units.

Wesley Housing Development Corporation (WHDC) proposes to preserve units at Beverly Park as **rental** under the Low-Income Housing Tax Credit (LIHTC) program. WHDC is under contract to purchase the property by the end of September 2005 at a cost of $4,100,000. This acquisition will also include a significant rehabilitation of the property. Through rehabilitation, the **short term goal** is to improve the appearance, condition, and habitability of the property for existing tenants, new families, and the Arlandria community at-large. With the implementation of the LIHTC program, the **long term goal** is continued affordability through restrictions ensuring rents will serve households at sixty percent (60%) of the area median income or less. Restrictions would be in place for a minimum of fifteen (15) years through the tax credit program. If permanent financing is obtained through an entity such as the Virginia Housing Development Authority (VHDA), those restrictions will extend to thirty (30) years.

The **target population** for Beverly Park will be households earning 60% of the area median income or less. At this time, the proposed rents range from $900 to $950 for one-bedroom units, $1090 for two-bedroom units, and $1320 for three-bedroom units.

WHDC believes the units at Beverly Park may be overcrowded as defined by local government code. This condition has not been verified. There are some assumptions based on experience and knowledge of the community but until obtaining legal ownership, WHDC is not in the position to provide an official assessment.

As in all WHDC properties, Beverly Park will accept Section 8 vouchers under the new ownership.

Site Development Description

The **general characteristics** of Beverly Park Apartments include three parcels, totaling 41,975 square feet (.96 acres) with three, three-story brick apartment buildings built in 1940. Currently, there are 41 one-bedroom units. The apartments are small in average square footage and do not include many amenities or upgrades. However, they have been well-maintained with strong management over the last decade and consistently high occupancy levels. The property includes approximately thirty on-site parking spaces, unusual for the neighborhood that otherwise relies on street parking. The location is convenient to shopping, employment, public transportation, recreation, schools and services, including City and non-profit social services. The property has full access to **public utilities** that includes electricity (Dominion Power), water/sewer (City of Alexandria), gas (Washington Gas), telephone, and cable.

WHDC proposes changing the unit types as currently configures. The plan is to maintain the **number of units** at 41 but revise the **unit sizes** to two possible scenarios. The first scenario (more aggressive) would alter the property to 29 one-bedroom units, 8 two-bedroom units, and 4 three-bedroom units. The second scenario would alter the property to 35 one-bedroom units, 4 two-bedroom units and 2 three-bedroom units. The expanded unit sizes would be achieved through the construction of additions or "bump-outs" to the existing buildings. The chosen scenario will depend on the outcome of the zoning process. The first is preferred because it better serves existing tenant families as well as the primary affordable market need of the Arlandria area.

The current **anticipated per unit cost** for this development is approximately $175,000 to $178,000 including acquisition, rehabilitation and soft costs. See the financing section of this application for more discussion of funding details.

There is an expectation that this development will require a **zoning** exception for parking at Beverly Park and possibly consideration of open space requirements. The construction costs may exceed the threshold percentage of value that triggers parking consideration. If this is the case, WHDC believes there is a strong case for receiving a parking exception based on the fact that Beverly Park is the only garden apartment building in the neighborhood that has any of its own parking (the other buildings have street only) and that while the building additions will create larger units, the changes may not create larger household sizes but rather better serve the typical existing household in more appropriately sized units. There may be additional planning and zoning considerations based on the final scope of renovations and additions to the existing building.

Geographic and Demographic Impacts

It is not anticipated that the proposed acquisition and rehabilitation of Beverly Park Apartments has notable **geographic or demographic characteristics or influences** that may impact the development or the surrounding area. The property is existing in its current use and the proposed additions to the current buildings will create larger units that most likely will serve the current (or similar) population. The existing households and local household market, primarily families, will have units that better serve their needs (i.e. more bedrooms). For the most part, the buildings surrounding Beverly Park are of the same era and style and contain one-bedroom units. Arlandria has many families who will benefit from the availability of larger units at long-term affordable rents. In summary, Beverly Park will most likely serve the same household groups it currently serves but with an improved property.

Project Design, Amenities, & Marketability

The primary **project design** proposed includes additions or "bump outs" to the existing three-story, brick, garden-style apartments at Beverly Park. Depending on zoning considerations, the additions would occur on all three separate structures or on both ends of the centrally located building (addresses #625 & #627). The additions would serve to add bedrooms and increase the size of existing bedrooms on units changed.

Besides the additions, the proposed project would include further rehabilitation of the entire property to improve its condition and **amenities**. This would focus primarily on renovated kitchens and bathrooms, window replacements, upgraded plumbing and electrical systems, improved façade, and enhanced entrance security and appearance. Additional amenities and improvements may include HVAC improvements, roof replacement, parking lot repaving, landscaping improvements, and masonry brick pointing depending on budget constraints.

Beverly Park has significant **marketability** strength with the proposed improvements. As-is, the property has many advantages including location to transportation, employment, shopping, and leisure activities as well as its position in an increasingly expensive housing market with dwindling affordable options. With the proposed additions and renovations, its market situation greatly improves providing larger units and enhanced conditions in comparison to its immediate neighboring properties.

WHDC commissioned a market study in March 2005 that considered the property as-is with some renovation and with the addition of two-bedroom units. It validated the marketability and stated Beverly Park was well-positioned as a potential tax credit property in this area.

Funding Request and Project Financing

WHDC is requesting **$1,500,000** from the City of Alexandria **for the acquisition of Beverly Park Apartments** with acquisition to occur by September 2005. When the project converts to permanent financing, $300,000 will be paid back to the City with $1,200,000 staying in the project long-term.

In March 2005, WHDC submitted an application in VHDA's competitive round of 9% LIHTC reservations on behalf of Beverly Park Apartments. The purchase contract for the property was negotiated two weeks prior to the deadline. Due to extreme time constraints between the date WHDC obtained the opportunity to purchase Beverly Park and the deadline to submit a tax credit application, we proposed an acquisition and limited scope of work for the rehabilitation that did not include enlarged units through additions.

Unfortunately as of the date of this application submission, Beverly Park did not succeed in receiving a 2005 reservation of 9% tax credits. The application met threshold but did not earn enough points to receive an allocation with higher scoring applications using the available funds. In light of this, WHDC has worked on scenarios that use 4% tax credits (non-competitive) and still provide the unit expansions. With a presentable 4% scenario, it is expected the project can obtain bridge financing to complete the rehabilitation and new construction we are proposing.

A **project budget** for the primary scenario is attached to this application. There are two scenarios under consideration that use 4% tax credits but differ on the scope of unit size expansion as explained in the Site Development Description section of this application.

City funds would fill a gap for acquisition of the property and remain with the project as a permanent soft-loan source. **Additional funding sources** for the acquisition and rehabilitation will include a conventional first trust lender, Housing Partnership Network (an affordable housing lender WHDC uses for bridge financing in this type of project) or possibly Enterprise Foundation gap financing, and a developer loan. In the interim period, WHDC plans to operate with tenants in place so rental income will be a debt service source.

Permanent financing will consist of tax-exempt bonds along with VHDA SPARC funds. The project under the first scenario (more aggressive unit expansion) could make payment on the City interest on the soft loan in year seven. Under the second scenario, the project could start paying toward that interest in year eleven.

Partnership Description

As a tax credit property, Beverly Park will operate as a **limited partnership** for the purposes of ownership structure. Prior to the March 2005 application for tax credits the following partnership was established.

Wesley Notabene Limited Partnership

General Partner:	Notabene Inc.	00.01%
Original Limited Partner:	Wesley Housing Development Corporation	99.99%

Upon the admittance of an equity partner to the deal, the original limited partner (WHDC) will be replaced by the tax credit equity provider chosen. Notabene, Inc. is an established affiliate of WHDC and will act as the managing partner for project operations. WHDC will be the developer for the financing and construction phases.

Timeline

The following represents a **proposed timeline** for Beverly Park as of current conditions:

June - July 2005	Submit funding and financing requests Complete architectural scope and submit zoning requests
August - September 2005	Solidify development plan and financing
September 2005	Acquire property and commence renovations
April 2006	Complete construction
September 2006	Permanent financing

Developer Experience

Wesley Housing Development Corporation (WHDC), a leading nonprofit developer in Northern Virginia, has been providing affordable rental housing for families and individuals for over **30 years**. The **organization's mission** is to: develop, own, operate, and maintain affordable housing and sustain quality communities for low- and moderate-income persons in Northern Virginia. This area includes Arlington, Fairfax, and Prince William Counties; Cities of Falls Church, Alexandria, and Manassas. WHDC combines affordable housing with supportive services to build strong, stable families and communities. Wesley Housing is the result of the efforts of a small group of citizens—led by former schoolteacher Virginia S. Peters—who identified the vast unmet housing needs in Northern Virginia in the 1970s. Today, **WHDC has a portfolio valued at $75 million and has developed 16 housing communities (plus two under construction and three others under development and/or contract)** serving more than 10,000 low- and moderate-income households over its history.

WHDC selects and purchases rental communities, oversees construction or rehabilitation, manages its properties, and rents its units at below market rates. Over time, WHDC has used a variety of public and private financing partnerships to achieve affordable housing goals including project-based Section 8, Section 811, the Low-Income Housing Tax Credit (LIHTC) program, and bond financing. LIHTC financing is the most common avenue for low- to moderate-income housing creation and is a proposed source for Beverly Park. To date, **WHDC has participated in seven projects using the tax credit program**. WHDC also has significant success with difficult-to-develop projects including housing for persons with HIV/AIDS as well as physical disabilities. In the City of Alexandria, WHDC acquired and renovated Lynhaven Apartments in 2002.

In addition to the financing, construction and management of housing, WHDC offers residents a comprehensive range of supportive educational and social services to contribute to family and community stability. Programs and services are offered through three site-based Community Resource Centers and one resident services center for seniors. Through the Centers, residents can access vital resources needed to secure living wage jobs and attain higher levels of self-sufficiency. Classes offered include English for Speakers of Other Languages, computer instruction, financial literacy, after-school programs, and summer camp.

WHDC has 36 full-time and 4 part-time employees including site-based property management staff. Its operations include real estate, property management, finance, fundraising, social services and family programs. The following are **summaries of the staff experience** for those personnel overseeing areas most closely related to the development and implementation of the Beverly Park project.

Development Staff Experience

Alvin W. Smuzynski has been the President and CEO of Wesley Housing Development Corporation since 1998. Prior to his appointment as President, Mr. Smuzynski served for 11 years on Wesley Housing's Board of Directors, Executive Committee, Finance Committee, and property-management subsidiary, and as President of the Board. He came to the organization from the Department of the Treasury's Office of Thrift Supervision, where he was the Director for Regional Operations. Mr. Smuzynski has a strong background in finance, having also served at the Federal Home Loan Bank System, the Federal Home Loan Bank Board and the Federal Deposit Insurance Corporation. He received a B.A. from Elon College.

Rosana Montequin is Wesley Housing Development Corporation's Director of Real Estate Operations responsible for new acquisitions, financing, rehabilitation/new construction and asset management oversight for the organization. Ms. Montequin has more than 15 years of experience in real estate. Her background includes property management, asset management and real estate development and financing primarily for nonprofit housing developers in Northern Virginia.

Mary Claire Davis is a Project Manager for Wesley Housing Development Corporation's Real Estate Operations. Since joining Wesley in 2002, she has been involved in development for the existing portfolio - managing partner buy-out, financing and rehabilitation as well as new projects primarily in Arlington and Alexandria. Her prior experience includes project management, asset management, and interim director duties with a nonprofit developer as well as social services and program administration with a transitional housing provider. She received a Masters in Urban and Environmental Planning from the University of Virginia and a B.A. in Political Science from Emory University.

Carol Mayo Rocabado is Wesley Housing Development Corporation's Director of Property Management. Before coming to Wesley, Ms. Rocabado served as on-site General Manager for an apartment development and served in the same capacity for a condominium development prior to that. She also has managed portfolios of up to 10 properties and has served as Executive Director of a start-up, HUD-approved property management company. Ms. Rocabado has worked in property management since 1977 and has experience in budgeting, purchasing, personnel management, marketing and acquisitions.

Attachments

A. Project Budget: Sources & Uses, Income & Expenses (Scenario 1 & 2)

B. Project Design Schemes (preliminary)

C. Project Photographs

D. WHDC Audit Statement 2003 & 2004

Project Name:	Beverly Park	Developer:	Wesley Housing Development Corporation
Site Address:	627 Notabene Drive	Lender	TBD
Total Units	41	Prepared by:	Mary Claire Davis — Date: 6/1/2005
Start Date:	9/1/2005	Site Office:	TBD

DEVELOPMENT BUDGET: *SOURCES*

SCENARIO #1

Acquistion/Construction

Sources	Take Out	Position	Rate	Term YR	Amount
Conventional Bridge Loan		1st	6.25%	1.25	2,375,000
Housing Partnership Network		2nd	7.00%	1.25	1,000,000
City of Alexandria		3rd	2.00%	0.00	1,500,000
Rental NOI (as-is rents)			0.00%	1.25	215,000
Tax Credit Equity			0.00%	0.00	1,400,000
WHDC			0.00%	0.00	174,550
Other			0.00%	0.00	0
SUBTOTAL					**$6,664,550**

Sources of Fees Paid After Construction Completion

Sources	Uses	Amount
Perm Loan	Developer's Fee	500,000
Perm Loan	Reserves Capitalized	50,000
Perm Loan	Permanent Loan Fee	80,500
	Other:	0
	Other:	0
SUBTOTAL		**$630,500**

Total Development Cost	**$7,295,050**

PERMANENT FINANCING

Sources	Position	Rate	Term YR	PMT/YR	Amount
Tax-Exempt Bonds	1st	6.21%	30.00	248,131	3,372,525
VHF-SPARC	2nd	2.00%	30.00	22,177	500,000
Other:		2.00%	30.00	0	0
City of Alexandria:	int only	2.00%	30.00	24,000	1,200,000
Developer Loan:		5.00%	0.00	0	0
Deferred Fee:		5.00%	10.00	25,856	203,147
Tax Credit Equity:		0.00%	0.00	0	2,019,378
Other:		0.00%	0.00	0	0
TOTAL					**$7,295,050**
Surplus/(Gap)					0

Notes:

DEVELOPMENT BUDGET: *USES*

Predevelopment

		Total	Per Unit
Site Appraisal/Market Study		8,000	195
Environmental		6,800	166
Earnest Money		50,000	1,220
Other:		7,500	183
SUBTOTAL		**$72,300**	1,763

Acquisition

		Total	Per Unit
Buildings		3,280,000	80,000
Land *(net of earnest deposit)*		770,000	18,780
Legal		10,000	244
Title and Recording		40,000	976
Other		0	0
SUBTOTAL		**$4,100,000**	**$100,000**

Construction

Hard Cost		Total	Per Unit
Site Work		0	0
Demolition		0	0
Residential		1,640,000	40,000
Commercial		0	0
General Conditions		50,000	1,220
Contractor's Overhead	2%	33,000	805
Contractor's Profit	6%	110,000	2,683
Other : Bonding Fee		16,000	390
Contingency	5%	100,000	2,439
SUBTOTAL		**$1,949,000**	**$47,537**

Soft Cost		Total	Per Unit
Accounting and Audit		0	0
Appraisal Fee		5,000	122
Architect and Engineering		35,000	854
Architect Supervision		25,000	610
Construction Bond		0	0
Acquisition/Construction Interest		275,000	6,707
Construction Loan Fee		20,750	506
Consultant		0	0
Developer's Fee	7%	500,000	12,195
Enterprise Interest		0	0
Environmental Survey		0	0
Furniture (example unit)		0	0
Inspection Fees		0	0
Insurance Builder's Risk & Bldng		10,000	244
Insurance Liability		0	0
Lead Test		0	0
Legal Bank		20,000	488
Legal CDC		30,000	732
Marketing		0	0
Perm Lender Fees		0	0
Permits and Fees		0	0
Relocation		60,000	1,463
Reserves Capitalized	1%	50,000	1,220
Security		0	0
Soft Cost Contingency	2%	15,000	366
Survey		7,500	183
Taxes		0	0
Title & Recording		40,000	976
Permanent Loan Fee		80,500	1,963
Mortgage Banker		0	0
Tax Credit Fee		0	0
Other		0	0
Other		0	0
SUBTOTAL		**$1,173,750**	**28,628**
SUBTOTAL Hard and Soft		**$3,122,750**	**76,165**
Total Development Cost		**$7,295,050**	**$177,928**

LOAN REQUEST
Rental Housing Project

Project Name:	Beverly Park	Developer:	Wesley Housing Development Corporation
Site Address:	627 Notabene Drive	CDC:	TBD
Total Units:	41	Prepared by:	Mary Claire Davis Date: 6/1/2005
Start Date:	Sep-05	Site Office:	TBD

MONTHLY RENTAL INCOME

			Percent of income applied towards rent. 30%				Family Size and Area Median Income Affordability Analysis							
APT. TYPE	# of Units	Rent/mt	Rent	Utility Allowance	Total Rent + Utility/mt	Affordable to Inc. level	1 62,510	2 71,440	3 80,370	4 89,300	5 96,350	6 103,634	7 110,686	8 117,970
0 BR	0	0	0		0	0								
1 BR - 60%	4	900	3,600	27	927	37,080	59.32%	51.90%						
1 BR- 60%	25	950	23,750	27	977	39,080	62.52%	54.70%						
2 BR-	0	0	0	37	37	1,480								
2 BR- 60%	8	1,090	8,720	37	1127	45,080		63.10%	56.09%	50.48%				
2 BR	0	0	0	0	0	0								
3 BR - 60%	4	1,320	5,280	42	1362	54,480			67.79%	61.01%	56.54%	52.57%		
3 BR	0	0	0		0	0								
4 BR	0	0	0		0	0								
4 BR	0	0	0		0	0								
Other	0	0	0		0	0								
Other	0	0	0		0	0								
Super	0	0	0		0	0								
TOTAL	**41**	**4,260**	**$41,350**											
misc	40	5	275											
Laundry:			0											
TOTAL MONTHLY INCOME:			**$41,625**											

ANNUAL INCOME ANALYSIS	No. Months	Initial Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
			Assumption:	Income 102.00%								
ANNUAL RENTAL INCOME	12	$496,200	496,200	506,124	516,246	526,571	537,103	547,845	558,802	569,978	581,377	593,005
Vacancy Loss	4.00%	($19,848)	-19,848	-20,245	-20,650	-21,063	-21,484	-21,914	-22,352	-22,799	-23,255	-23,720
ANNUAL COMM. INCOME	12	$3,300	3,300	3,366	3,433	3,502	3,572	3,643	3,716	3,791	3,866	3,944
Vacancy Loss	1.00%	($33)	-33	-34	-34	-35	-36	-36	-37	-38	-39	-39
TOTAL Effective Gross Income		**$479,619**	$479,619	489,211	498,996	508,976	519,155	529,538	540,129	550,931	561,950	573,189

ANNUAL OPERATING EXPENSES			Assumption:	Expenses 103.00%								
Administrative												
Salaries		$12,500	12,500	12,875	13,261	13,659	14,069	14,491	14,926	15,373	15,835	16,310
Payroll Taxes		$1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Office Supply		$200	200	206	212	219	225	232	239	246	253	261
Legal		$1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Audit		$4,000	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219
Real Estate Taxes		$24,000	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315
Management Fee	3.30%	$15,850	15,850	16,326	16,815	17,320	17,839	18,374	18,926	19,494	20,078	20,681
Marketing		$500	500	515	530	546	563	580	597	615	633	652
Insurance		$10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Other Admin		$1,000	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305
Other Admin+empl ben		$0	0	0	0	0	0	0	0	0	0	0
Subtotal Administrative		**$70,050**	**$70,050**	**$72,152**	**$74,316**	**$76,546**	**$78,842**	**$81,207**	**$83,643**	**$86,153**	**$88,737**	**$91,399**
Maintenance												
Extermination		$1,200	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
Painting		$2,500	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262
Permits and Fees		$1,500	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957
Ground Maintenance		$7,000	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133
Repairs		$21,000	21,000	21,630	22,279	22,947	23,636	24,345	25,075	25,827	26,602	27,400
Materials		$10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Janitorial		$5,000	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Reserves Replacement		$12,000	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657
Appliances		$2,000	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610
Other Maint. Contracts		$0	0	0	0	0	0	0	0	0	0	0
Subtotal Maintenance		**$62,200**	**$62,200**	**$64,066**	**$65,988**	**$67,968**	**$70,007**	**$72,107**	**$74,270**	**$76,498**	**$78,793**	**$81,157**
Utilities												
Heat		$0	0	0	0	0	0	0	0	0	0	0
Gas and Electric		$27,000	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207	34,203	35,229
Water/Sewer Charges		$25,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Other		$0	0	0	0	0	0	0	0	0	0	0
Other		$0	0	0	0	0	0	0	0	0	0	0
Subtotal Utilities		**$52,000**	**$52,000**	**$53,560**	**$55,167**	**$56,822**	**$58,526**	**$60,282**	**$62,091**	**$63,953**	**$65,872**	**$67,848**
Finance Related(MIP)		**$0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL OPERATING EXPENSES:		**$184,250**	**$184,250**	**$189,778**	**$195,471**	**$201,335**	**$207,375**	**$213,596**	**$220,004**	**$226,604**	**$233,402**	**$240,404**
PER UNIT		*$4,494*	*$4,494*	*$4,629*	*$4,768*	*$4,911*	*$5,058*	*$5,210*	*$5,366*	*$5,527*	*$5,693*	*$5,864*
NET OPERATING INCOME		**$295,369**	**$295,369**	**$299,434**	**$303,525**	**$307,641**	**$311,780**	**$315,942**	**$320,125**	**$324,327**	**$328,548**	**$332,785**
Debt Service												
VHDA- tax-exempt bonds		$248,131	248,131	248,131	248,131	248,131	248,131	248,131	248,131	248,131	248,131	248,131
Debt Service Coverage		1.19	1.19	1.21	1.22	1.24	1.26	1.27	1.29	1.31	1.32	1.34
VHDA- VHF	Deferred ? No	$22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177	22,177
Debt Service Coverage		1.09	1.09	1.11	1.12	1.14	1.15	1.17	1.18	1.20	1.22	1.23
Developer Fee Payments		$15,061	15,061	19,126	23,217	27,333	31,472	35,634	29,149	25,856	25,856	25,856
Debt Service Coverage		1.04	1.04	1.03	1.03	1.03	1.03	1.03	1.07	1.10	1.11	1.12
City of Alexandria	Deferred ? Yes	$0	0	0	0	0	0	0	10,485	18,163	22,384	26,621
Debt Service Coverage		1.04	1.04	1.03	1.03	1.03	1.03	1.03	1.07	1.10	1.11	1.12
NET CASH FLOW		**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,000**	**$10,183**	**$10,000**	**$10,000**	**$10,000**

RESERVES	Assumption:	Int. Rate 102.50%									
Reserves Operating Acc. Balance	$50,000	$50,000	$56,400	$63,115	$70,156	$77,537	$85,272	$93,374	$101,858	$110.738	$120.031
Reserves Replacement Acc. Balance	$12,000	$24.000	$36,960	$50,615	$64,993	$80,124	$96,038	$112,768	$130,345	$148,805	$168,183

SCENARIO #2

ATTACHMENT A

Project Name:	Beverly Park	Developer:	Wesley Housing Development Corporation
Site Address:	627 Notabene Drive	Lender	TBD
Total Units	41	Prepared by:	Mary Claire Davis — Date: 6/1/2005
Start Date:	9/1/2005	Site Office:	TBD

DEVELOPMENT BUDGET: *SOURCES*

SCENARIO #2

Acquisition/Construction *includes pre-development*

Sources	Take Out	Position	Rate	Term YR	Amount
Conventional Bridge Loan			6.25%	1.25	2,375,000
Housing Partnership Network			7.00%	1.25	1,000,000
City of Alexandria			2.00%	0.00	1,500,000
Rental NOI (as-is rents)			0.00%	1.25	215,000
Tax Credit Equity			0.00%	0.00	1,400,000
WHDC			0.00%	0.00	76,550
Other:			0.00%	0.00	0
SUBTOTAL					**$6,566,550**

Sources of Fees Paid After Construction Completion

Sources	Uses	Amount
Perm Loan	Developer's Fee	500,000
Perm Loan	Reserves Capitalized	50,000
Perm Loan	Permanent Loan Fee	77,000
	Other:	0
	Other:	0
SUBTOTAL		**$627,000**

Total Development Cost	**$7,193,550**

PERMANENT FINANCING

Sources	Position	Rate	Term YR	PMT/YR	Amount
Tax-Exempt Bonds	1st	6.21%	30.00	244,397	3,321,775
VHF-SPARC	2nd	2.00%	30.00	22,177	500,000
SPARC	3rd	2.00%	30.00	0	0
City of Alexandria:	4th	2.00%	30.00	53,225	1,200,000
Developer Loan:	5th	5.00%	0.00	0	0
Deferred Fee:	6th	5.00%	10.00	23,356	183,502
Tax Credit Equity:		0.00%	0.00	0	1,988,273
Other:		0.00%	0.00	0	0
TOTAL					**$7,193,550**
Surplus/(Gap)					0

Notes:

DEVELOPMENT BUDGET: *USES*

Predevelopment

		Total	Per Unit
Site Appraisal/Market Study		8,000	195
Environmental		6,800	166
Earnest Money		50,000	1,220
Other:		7,500	183
SUBTOTAL		**$72,300**	1,763

Acquisition

		Total	Per Unit
Buildings		3,280,000	80,000
Land *(net of earnest deposit)*		770,000	18,780
Legal		10,000	244
Title and Recording		40,000	976
Other		0	0
SUBTOTAL		**$4,100,000**	**$100,000**

Construction

		Total	Per Unit
Hard Cost			
Site Work		0	0
Demolition		0	0
Residential		1,550,000	37,805
Commercial		0	0
General Conditions		50,000	1,220
Contractor's Overhead	2%	30,000	732
Contractor's Profit	6%	105,000	2,561
Other : Bonding Fee		16,000	390
Contingency	5%	100,000	2,439
SUBTOTAL		**$1,851,000**	**$45,146**
Soft Cost			
Accounting and Audit		0	0
Appraisal Fee		5,000	122
Architect and Engineering		35,000	854
Architect Supervision		25,000	610
Construction Bond		0	0
Acquisition/Construction Interest		275,000	6,707
Construction Loan Fee		20,750	506
Consultant		0	0
Developer's Fee	7%	500,000	12,195
Enterprise Interest		0	0
Environmental Survey		0	0
Furniture (example unit)		0	0
Inspection Fees		0	0
Insurance Builder's Risk & Bldng		10,000	244
Insurance Liability		0	0
Lead Test		0	0
Legal Bank		20,000	488
Legal CDC		30,000	732
Marketing		0	0
Perm Lender Fees		0	0
Permits and Fees		0	0
Relocation		60,000	1,463
Reserves Capitalized	1%	50,000	1,220
Security		0	0
Soft Cost Contingency	2%	15,000	366
Survey		7,500	183
Taxes		0	0
Title & Recording		40,000	976
Permanent Loan Fee		77,000	1,878
Mortgage Banker		0	0
Tax Credit Fee		0	0
Other		0	0
Other		0	0
SUBTOTAL		**$1,170,250**	**28,543**
SUBTOTAL Hard and Soft		**$3,021,250**	**73,689**

Total Development Cost	**$7,193,550**	**$175,452**

SCENARIO #2

ATTACHMENT A

Project Name:	Beverly Park	Developer:	Wesley Housing Development Corporation
Site Address:	627 Notabene Drive	Lender	TBD
Total Units	41	Prepared by:	Mary Claire Davis — Date: 6/1/2005
Start Date:	9/1/2005	Site Office:	TBD

DEVELOPMENT BUDGET: *SOURCES*

SCENARIO #2

Acquisition/Construction — *includes pre-development*

Sources	Take Out	Position	Rate	Term YR	Amount
Conventional Bridge Loan			6.25%	1.25	2,375,000
Housing Partnership Network			7.00%	1.25	1,000,000
City of Alexandria			2.00%	0.00	1,500,000
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Tax Credit Equity			0.00%	0.00	1,400,000
WHDC			0.00%	0.00	76,550
Other:			0.00%	0.00	0
SUBTOTAL					**$6,566,550**

Sources of Fees Paid After Construction Completion

Sources	Uses	Amount
Perm Loan	Developer's Fee	500,000
Perm Loan	Reserves Capitalized	50,000
Perm Loan	Permanent Loan Fee	77,000
	Other:	0
	Other:	0
SUBTOTAL		**$627,000**

Total Development Cost	**$7,193,550**

PERMANENT FINANCING

Sources	Position	Rate	Term YR	PMT/YR	Amount
Tax-Exempt Bonds	1st	6.21%	30.00	244,397	3,321,775
VHF-SPARC	2nd	2.00%	30.00	22,177	500,000
SPARC	3rd	2.00%	30.00	0	0
City of Alexandria:	4th	2.00%	30.00	53,225	1,200,000
Developer Loan:	5th	5.00%	0.00	0	0
Deferred Fee:	6th	5.00%	10.00	23,356	183,502
Tax Credit Equity:		0.00%	0.00	0	1,988,273
Other:		0.00%	0.00	0	0
TOTAL					**$7,193,550**
Surplus/(Gap)					0

Notes:

DEVELOPMENT BUDGET: *USES*

Predevelopment

		Total	Per Unit
Site Appraisal/Market Study		8,000	195
Environmental		6,800	166
Earnest Money		50,000	1,220
Other:		7,500	183
SUBTOTAL		**$72,300**	1,763

Acquisition

		Total	Per Unit
Buildings		3,280,000	80,000
Land *(net of earnest deposit)*		770,000	18,780
Legal		10,000	244
Title and Recording		40,000	976
Other		0	0
SUBTOTAL		**$4,100,000**	**$100,000**

Construction

		Total	Per Unit
Hard Cost			
Site Work		0	0
Demolition		0	0
Residential		1,550,000	37,805
Commercial		0	0
General Conditions		50,000	1,220
Contractor's Overhead	2%	30,000	732
Contractor's Profit	6%	105,000	2,561
Other : Bonding Fee		16,000	390
Contingency	5%	100,000	2,439
SUBTOTAL		**$1,851,000**	**$45,146**
Soft Cost			
Accounting and Audit		0	0
Appraisal Fee		5,000	122
Architect and Engineering		35,000	854
Architect Supervision		25,000	610
Construction Bond		0	0
Acquisition/Construction Interest		275,000	6,707
Construction Loan Fee		20,750	506
Consultant		0	0
Developer's Fee	7%	500,000	12,195
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Environmental Survey		0	0
Furniture (example unit)		0	0
Inspection Fees		0	0
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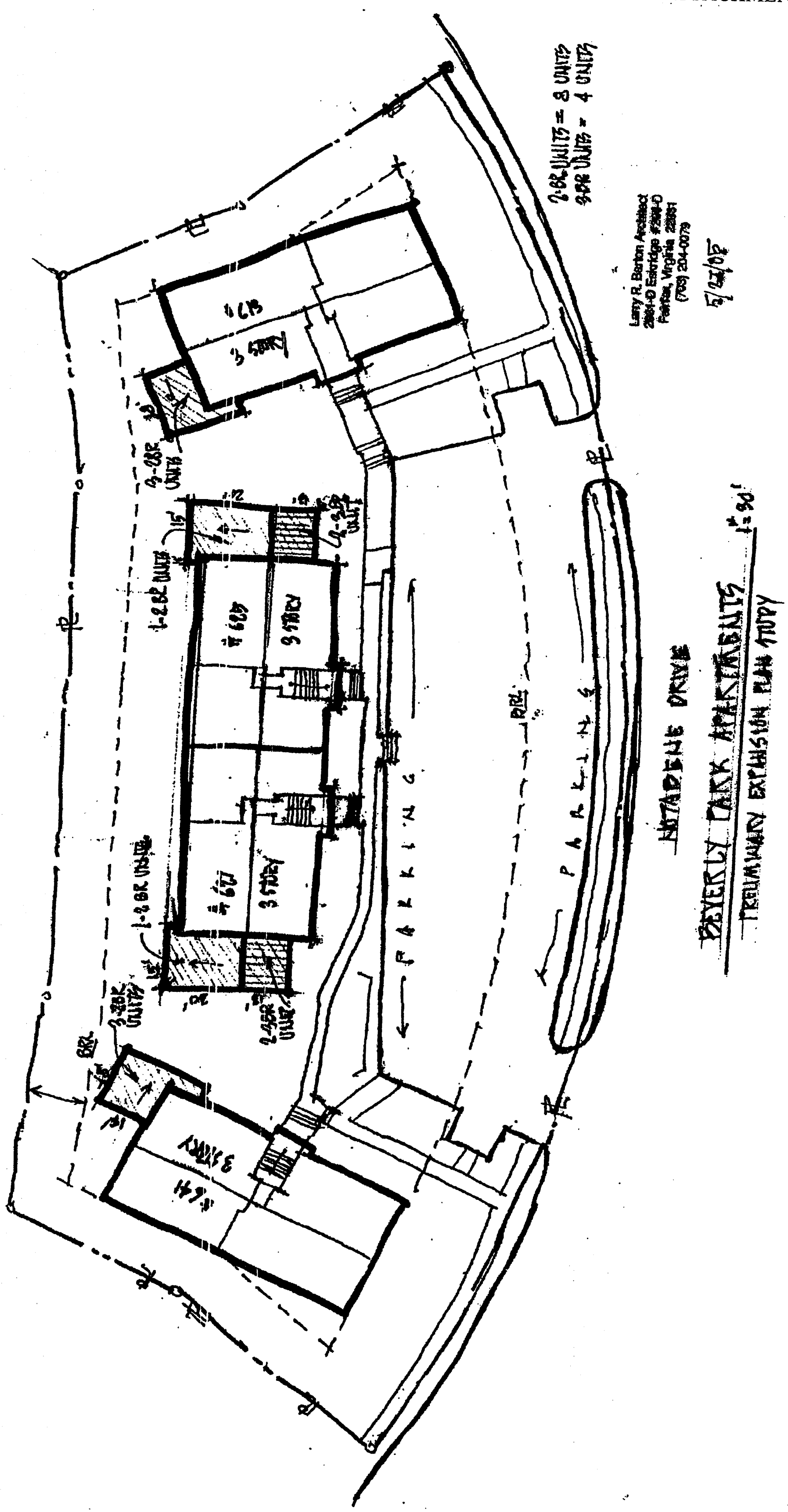
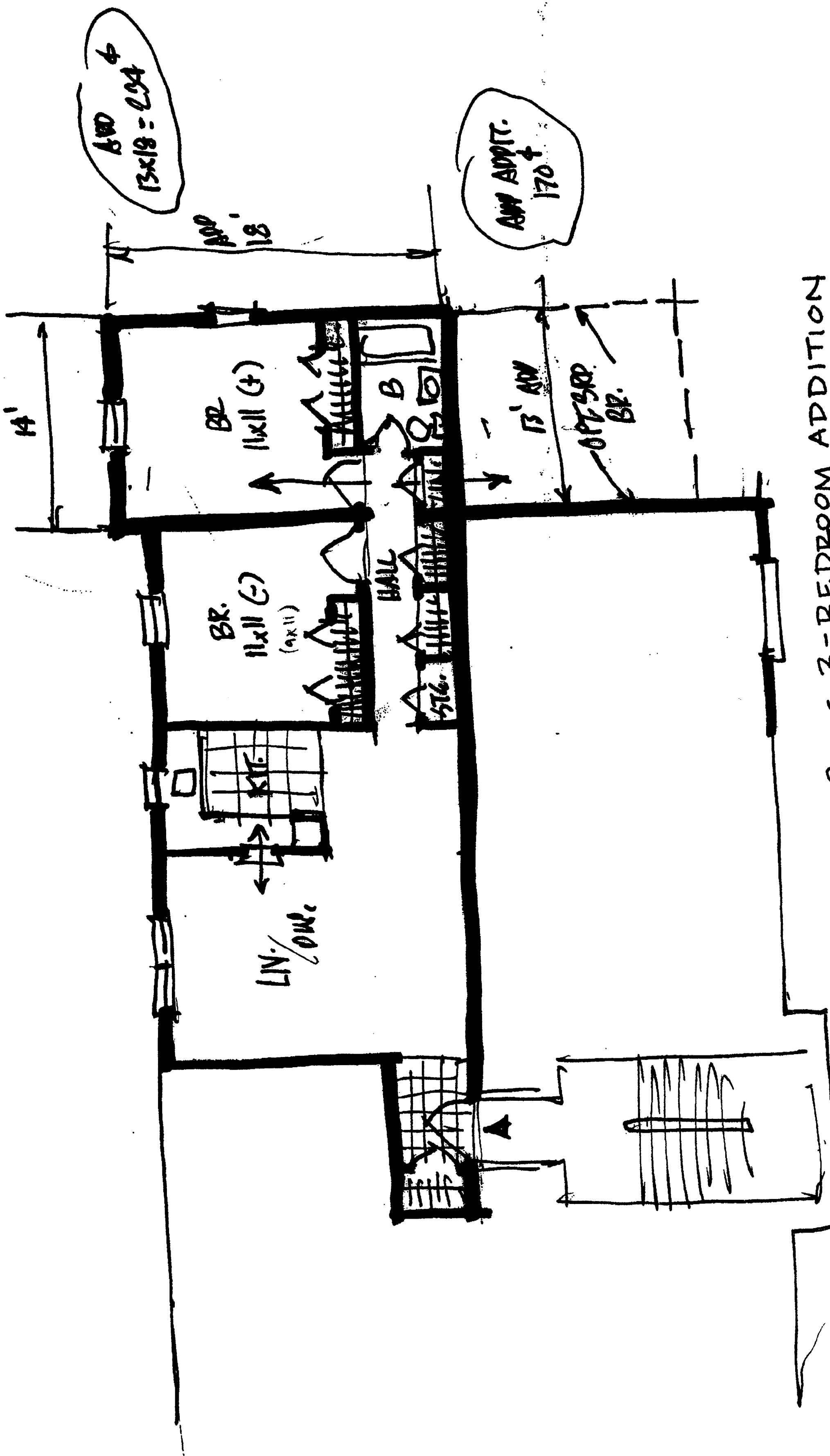
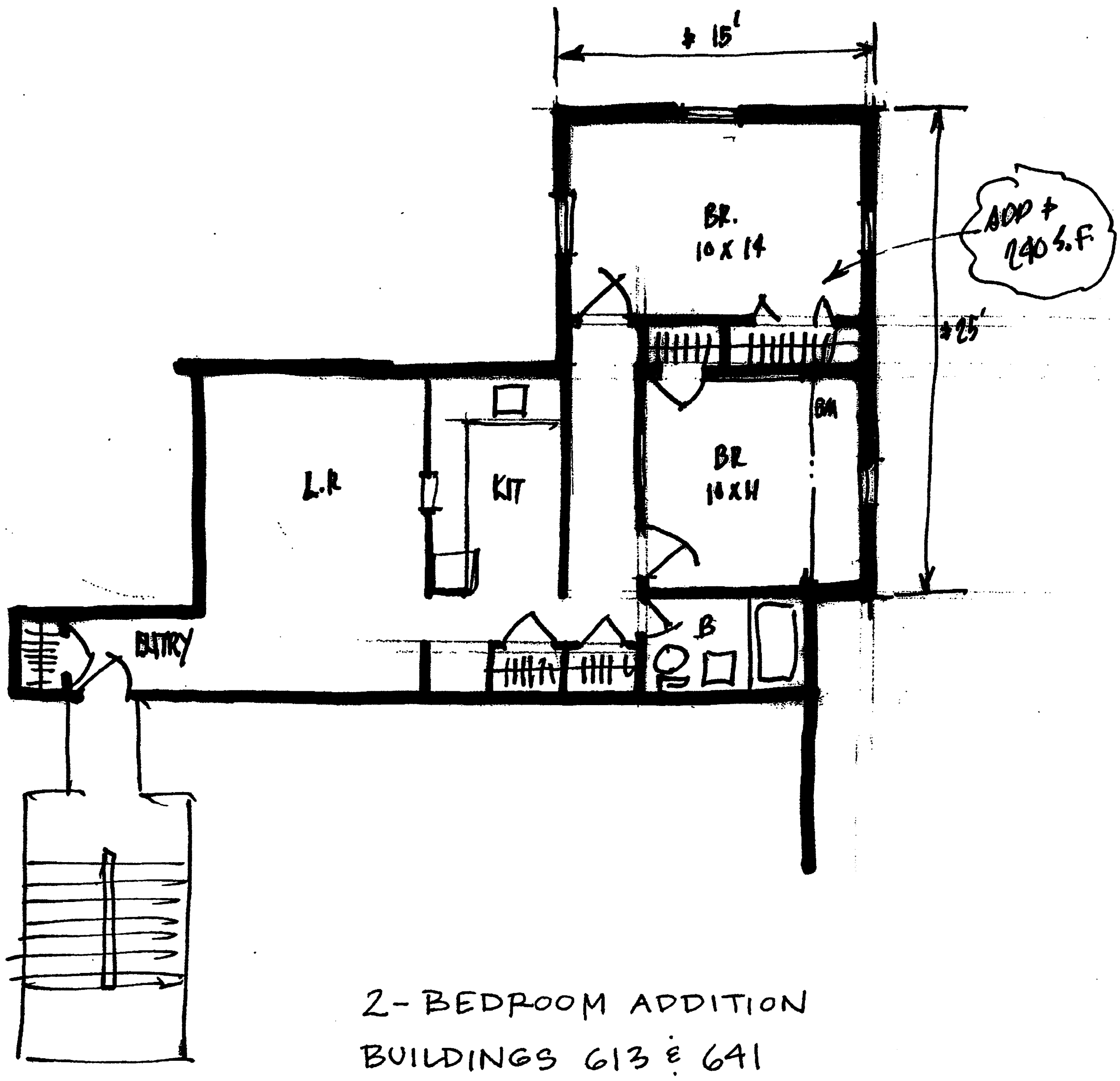
Insurance Liability		0	0
Lead Test		0	0
Legal Bank		20,000	488
Legal CDC		30,000	732
Marketing		0	0
Perm Lender Fees		0	0
Permits and Fees		0	0
Relocation		60,000	1,463
Reserves Capitalized	1%	50,000	1,220
Security		0	0
Soft Cost Contingency	2%	15,000	366
Survey		7,500	183
Taxes		0	0
Title & Recording		40,000	976
Permanent Loan Fee		77,000	1,878
Mortgage Banker		0	0
Tax Credit Fee		0	0
Other		0	0
Other		0	0
SUBTOTAL		**$1,170,250**	**28,543**
SUBTOTAL Hard and Soft		**$3,021,250**	**73,689**
Total Development Cost		**$7,193,550**	**$175,452**

ATTACHMENT B





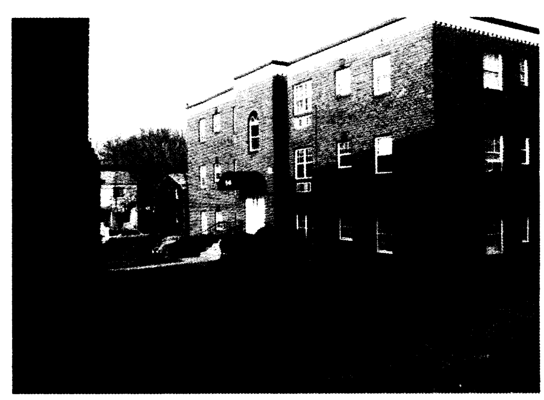
2 or 3-BEDROOM ADDITION
BUILDINGS 625 & 627



2-BEDROOM ADDITION
BUILDINGS 613 & 641

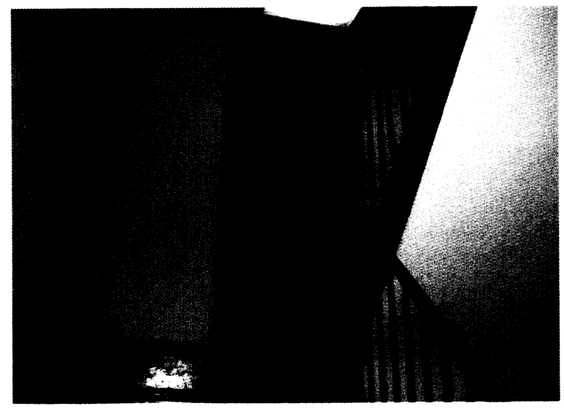
Beverly Park Exterior Photos

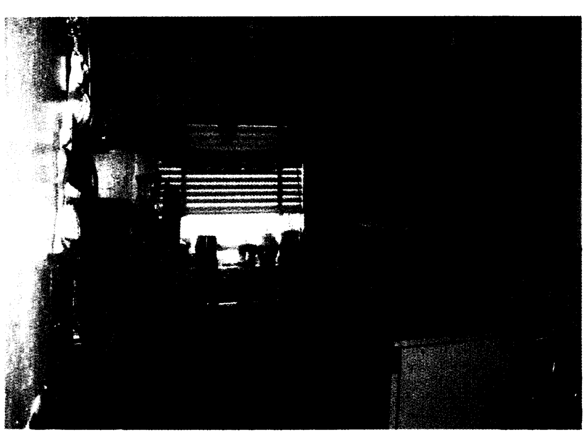
Attachment C



Beverly Park Entrance & Interior Photos

Attachment C





WESLEY HOUSING DEVELOPMENT
CORPORATION OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

YEARS ENDED JUNE 30, 2004 AND 2003

22

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

FINANCIAL REPORT
YEARS ENDED JUNE 30, 2004 AND 2003

CONTENTS

REITBERGER, POLLEKOFF & KOZAK, P.C.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wesley Housing Development Corporation of Northern Virginia
and its affiliates

We have audited the accompanying consolidated statements of financial position of Wesley Housing Development Corporation of Northern Virginia and its affiliates as of June 30, 2004 and 2003, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended. These consolidated financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wesley Housing Development Corporation of Northern Virginia and its affiliates as of June 30, 2004 and 2003, and the changes in their consolidated net assets and their consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2004, on our consideration of Wesley Housing Development Corporation of Northern Virginia and its affiliates' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of Wesley Housing Development Corporation of Northern Virginia and its affiliates taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments, and Non-Profit Organizations" is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

Vienna, Virginia
August 12, 2004

Reitberger, Pollekoff & Kozak, P.C.

1950 Old Gallows Road • Suite 440 • Vienna, Virginia 22182
Telephone: 703-506-9700 • Fax: 703-506-9707

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003

ASSETS

	2004	2003
Cash and Cash Equivalents		
Designated, shared housing	$ 2,906	$ 7,598
Designated, development reserve	124,100	309,042
Designated, administrative supplement	32,104	157,940
Escrowed	598,353	703,081
Undesignated, operating	309,868	306,177
	1,067,331	1,483,838
Investments, designated, development reserve, (primarily certificates of deposit)	352,030	102,605
Accounts Receivable - Operating Grants (Note 13)	19,866	403,523
Accounts Receivable - Developer's Fee (Note 3)	865,340	655,619
Prepaid and Other	92,132	116,184
	977,338	1,175,326
Property and Equipment (Notes 1 and 8)		
Buildings and building improvements	12,919,787	10,698,238
Equipment and office furniture	369,013	359,678
Total Cost	13,288,800	11,057,916
Accumulated depreciation and amortization	(3,335,109)	(2,896,713)
Net Property and Equipment	9,953,691	8,161,203
Investments in Partnerships and Other Entities (Note 6)	705,702	485,640
Management Fees Receivable (Note 3)	35,237	65,345
Due from Affiliates (Note 4)	1,255,894	364,953
Notes Receivable (Note 5)	3,448,961	1,832,575
Accrued Interest Receivable (Note 5)	148,550	1,966,896
Land (Note 2)	8,016,272	7,201,804
Organization and loan costs, net of accumulated amortization of $202,300 and $148,853, respectively (Note 1)	232,049	145,487
	13,842,665	12,062,700
Total Assets	$ 26,193,055	$ 22,985,672

The Notes to Consolidated Financial Statements are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2004 AND 2003

LIABILITIES AND NET ASSETS	2004	2003
Liabilities		
Accounts payable and other	$ 602,202	$ 531,427
Security deposits	156,673	132,006
Due to Arlington County	1,155,218	-
Line of Credit	935,520	-
Mortgage notes and bond payable (Note 8)	14,164,275	11,091,239
Total Liabilities	17,013,888	11,754,672
Minority Interest (Notes 1 and 12)	-	222,994
Net Assets		
Temporarily restricted (Note 10)	250,000	250,000
Permanently restricted (Note 9)	812,231	3,004,077
Unrestricted	8,116,936	7,753,929
	9,179,167	11,008,006
Total Liabilities and Net Assets	$ 26,193,055	$ 22,985,672

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)
YEARS ENDED JUNE 30, 2004 AND 2003

	Year Ended June 30, 2004			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Grants (Note 14)	$ 210,670	$ -	$ -	$ 210,670
Contributions	203,629	-	-	203,629
Administrative services income	15,158	-	-	15,158
Development and acquisition services (Note 3)	545,813	-	-	545,813
Land rental revenue (Note 15)	7,680	-	-	7,680
Rental Revenue	2,428,315	-	-	2,428,315
Special events	57,169	-	-	57,169
Miscellaneous income	-	-	-	-
Management Services income	272,650	-	-	272,650
Unrealized gain	814,469	-	-	814,469
Equity in net income (loss) of investments	(70,659)	-	-	(70,659)
Interest income	147,219	-	16,075	163,294
	4,632,113	-	16,075	4,648,188
Net assets released from restrictions: Satisfaction of program restrictions	2,207,921		(2,207,921)	-
Total Revenue and Support	6,840,034	-	(2,191,846)	4,648,188
Expenses				
Program services	6,032,054	-	-	6,032,054
Management and general	323,892	-	-	323,892
Fundraising	121,081	-	-	121,081
Total Expenses	6,477,027	-	-	6,477,027
Decrease in Net Assets	$ 363,007	$ -	$ (2,191,846)	$ (1,828,839)

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)
YEARS ENDED JUNE 30, 2004 AND 2003

	Year Ended June 30, 2003			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Grants (Note 14)	$ 803,757	$ -	$ -	$ 803,757
Contributions	226,380	-	-	226,380
Administrative services income	-	-	-	-
Development and acquisition services (Note 3)	720,669	-	-	720,669
Land rental revenue (Note 15)	7,680	-	-	7,680
Rental Revenue	2,577,956	-	-	2,577,956
Special events	114,132	-	-	114,132
Miscellaneous income	39,033	-	-	39,033
Management Services income	313,456	-	-	313,456
Interest income	101,270	-	51,100	152,370
	4,904,333	-	51,100	4,955,433
Net assets released from restrictions:				
Satisfaction of program restrictions			-	-
Total Revenue and Support	4,904,333	-	51,100	4,955,433
Expenses				
Program services	3,509,752	-	-	3,509,752
Management and general	338,214	-	-	338,214
Fundraising	144,389	-	-	144,389
Total Expenses	3,992,355	-	-	3,992,355
Increase (decrease) in net assets before extraordinary item and minority interest	911,978	-	51,100	963,078
Minority Interest (Notes 1 and 12)	(63,917)	-	-	(63,917)
Increase in Net Assets	$ 848,061	$ -	$ 51,100	$ 899,161

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2004 AND 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, June 30, 2002, as previously reported	$ 7,110,774	$ 250,000	$ 2,748,071	$10,108,845
Reclassification	(204,906)	-	204,906	-
Net assets, June 30, 2002, as restated	6,905,868	250,000	2,952,977	10,108,845
Increase in net assets	848,061	-	51,100	899,161
Net assets, June 30, 2003	7,753,929	250,000	3,004,077	11,008,006
Increase (decrease) in net assets	363,007	-	(2,191,846)	(1,828,839)
Net assets, June 30, 2004	$ 8,116,936	$ 250,000	$ 812,231	$ 9,179,167

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
Cash flows from Operating Activities		
Increase in net assets	$ (1,828,839)	$ 899,161
Noncash items included in net assets		
Depreciation and amortization	491,843	404,889
Minority Interest	(222,994)	63,917
Unrealized gain	(814,468)	-
Arlington County note	1,155,218	-
(Increase) Decrease in Assets:		
Grants receivable	383,657	(327,930)
Accounts receivable - Developer's Fee	(209,721)	(440,619)
Prepaid and other	24,052	37,959
Management fees receivable	30,108	(36,955)
Accrued interest receivable	1,818,346	(162,664)
(Decrease) Increase in Liabilities:		
Accounts payable and other	70,775	91,097
Security deposits	24,667	3,382
Cash flows provided by operating activities	922,644	532,237
Cash flows from Investing Activities		
Purchases of certificates of deposit	(249,425)	220,637
Purchase of property and equipment	(2,230,884)	(501,690)
Investment in Partnerships and Other Entities-net of distribution received	(220,062)	(45,937)
Advances to other entities	(890,941)	(11,422)
(Increase) Decrease in Notes Receivable	(1,616,386)	70,872
Minority Distributions from Partnerships	-	(106,555)
Cash flows used by investing activities	$ (5,207,698)	$ (374,095)

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)
YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
Cash Flows from Financing Activities		
Financing fees paid	$ (140,009)	$ (32,846)
Line of Credit	935,520	-
Proceeds on mortgage, notes and bonds payable	8,176,000	-
Payments on mortgages, notes & bonds payable	(5,102,964)	26,619
Cash flows provided by (used in) financing activities	3,868,547	(6,227)
Net Increase (decrease) in Cash and Cash Equivalents	(416,507)	151,915
Cash and Cash Equivalents, beginning of year	1,483,838	1,331,923
Cash and Cash Equivalents, end of year	$ 1,067,331	$ 1,483,838

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Interest expense paid	$ 670,775	$ 587,677

The Notes to Consolidated Financial Statements
are an integral part of these statements.

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Corporation, Wesley Housing Development Corporation of Northern Virginia (WHDC) and its consolidated affiliates conform with accounting principles generally accepted in the United States of America and reflect practices appropriate to a nonprofit organization in the real estate rental and development industry in connection with low- and moderate-income housing. The significant policies are summarized below.

Principles of Consolidation
The consolidated financial statements include the accounts of Wesley Housing Development Corporation of Northern Virginia and its consolidated affiliates: Strawbridge Square, Inc.; Circle Properties, Inc.; KA Inc. and KA Development, Inc.; Seven Corners Apartments, Inc.; Whitefield Commons, Inc.; Perry S. Hall Inc.; William Watters, Inc., ACT, Inc.; Act IV, Inc.; Act V, Inc.; Wesley Agape House, Inc.; Wesley Lynhaven Housing Corporation; Quarry Station Seniors Apartments, Inc. and Wesley Coppermine, Inc. Control of the affiliated corporations is stipulated by their respective Articles of Incorporation, which state that all directors of the corporations shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia . Perry S. Hall, Inc. is also economically dependent on WHDC. See Affiliates below. All material intercompany accounts and transactions have been eliminated.

Affiliates
According to the Articles of Incorporation of each of these affiliates, the purpose of each corporation is to provide housing for low and moderate-income persons and families. All the corporate offices are located at 5515 Cherokee Avenue, Suite 204, Alexandria, Virginia.

Strawbridge Square, Inc. (SSI) is a nonprofit corporation organized within the Commonwealth of Virginia on September 28, 1976. The corporation is a general partner of Strawbridge Square Associates and owns a 1 percent interest.

Circle Properties, Inc. (CPI) is a nonprofit corporation organized within the Commonwealth of Virginia on May 11, 1979.

KA, Inc. (KAI) is a nonprofit corporation organized within the Commonwealth of Virginia on July 30, 1981.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Affiliates (continued)
KA Development Company was incorporated on July 21, 1982, in accordance with the laws of the Commonwealth of Virginia. KA Development Company is controlled by KA, Inc. KA Development Company owns a 1/100 of 1 percent of partnership interest in Knightsbridge Associates as a general partner.

Seven Corners Apartments, Inc. (SCAI) is a nonprofit corporation organized within the Commonwealth of Virginia on July 18, 1983.

Whitefield Commons, Inc. (WCI) is a nonprofit corporation organized within the Commonwealth of Virginia on October 31, 1983. The corporation is a general partner of Whitefield Commons Associates and owns 1/100 of 1 percent interest.

Perry S. Hall, Inc. (PSH) is a nonprofit corporation organized within the Commonwealth of Virginia on December 9, 1985. The Corporation controls PSH and PSH are financially dependent on the Corporation.

William Watters, Inc. (WWI) is a nonprofit corporation organized within the Commonwealth of Virginia on May 1, 1987. William Watters, Inc. owned rental property which it operated as affordable housing, until it contributed the property and certain related assets and liabilities to ACT-IV, Inc. on December 23, 1999. WWI owns a 1/100 of 1 percent of a partnership interest in Wexford Wesley Limited Partnership as a general partner.

ACT, Inc. is a non-stock, nonprofit corporation which is a wholly-owned and controlled subsidiary of Wesley Housing Development Corporation of Northern Virginia. Its amended Articles of Incorporation state that all Directors of the Corporation shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia.

ACT-IV, Inc. is a non-stock, nonprofit corporation which is a wholly-owned and controlled subsidiary of Wesley Housing Development Corporation of Northern Virginia. Its amended Articles of Incorporation state that all Directors of the Corporation shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia.

ACT-V, Inc. is a non-stock, nonprofit corporation which is a wholly-owned and controlled subsidiary of Wesley Housing Development Corporation of Northern Virginia. Its amended Articles of Incorporation state that all Directors of the Corporation shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia. ACT-V, Inc. owned rental property which it operated as affordable housing, until it contributed the property and certain related assets and liabilities to Troy Street, LLC, on April 22, 1996. For its contributions to Troy Street, LLC, ACT-V received ownership of approximately sixty-one percent interest in the limited liability company which has also been included in the consolidation. During the year ended June 30, 2004 Troy Street, LLC acquired the remaining thirty nine percent interest in the limited liability company, which resulted in ACT-V Inc. owning one hundred percent of the company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Affiliates (continued)
Wesley Lynhaven Housing Corporation is a for profit corporation which is a wholly-owned and controlled subsidiary of WHDC. It was formed on June 13, 2002, in the Commonwealth of Virginia, for the purpose of owning and operating a 28 apartment unit complex.

Wesley Agape House, Inc. (WAHI) is a nonprofit corporation which is a wholly-owned and controlled subsidiary of Wesley Housing Development Corporation of Northern Virginia. Its Articles of Incorporation state that all Directors of the Corporation shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia. It was organized within the Commonwealth of Virginia on February 9, 1993.

Quarry Station Senior Apartments, Inc. is a for profit corporation organized within the Commonwealth of Virginia on April 3, 2000. The corporation is a general partner of Quarry Station Seniors Apartments, L.P. and owns a 1 percent interest in that partnership.

Wesley Coppermine, Inc. is a for profit corporation which is a wholly-owned and controlled subsidiary of Wesley Housing Development Corporation of Northern Virginia. Its Articles of Incorporation state that all Directors of the Corporation shall be elected by the Board of Directors of Wesley Housing Development Corporation of Northern Virginia. It was organized within the Commonwealth of Virginia on February 20, 2001. The corporation is a general partner of Wesley Coppermine, L.P., and owns a 1 percent interest in that partnership.

Minority Interest
Minority interest represents the minority member's (Bank of America) proportionate share of the equity of Troy Street, LLC as well as its share of the net income for the period. On July 30, 2003, the minority member assigned their 39% membership interest to ACT-V, Inc.

Financial Statement Presentation
The Corporation's financial statements are presented in accordance with Statements of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Corporation is required to present a statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions
The Corporation's financial statements are also presented in accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents
Designated cash balances include all funds set aside by the Board of Directors for development reserve and administrative supplement. The undesignated cash balances include all funds available for operating expenses. From time to time throughout the year, and at year end, cash, cash equivalents and bank accounts may exceed Federal Deposit Insurance Corporation insurance limits.

Investments, Designated Development Reserve
Certificates of deposit, regardless of original maturity, are held as investments when so designated by the Board.

Investments in Partnerships
Investments in partnerships are accounted for on the equity method, in which the corporations recognize their proportionate shares of profits, or of losses, to the extent of amounts invested.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Equipment and Land
Equipment and rental buildings are recorded at cost and depreciated or amortized using the straight-line method over the estimated useful life of three to thirty-one years. Land contributed to the Corporations is reflected at the estimated fair market value at the date of contribution.

When property is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and the resulting gain or loss is reflected in earnings. Expenditures for maintenance and repairs which do not materially extend the useful lives of the assets are charged to earnings.

Amortization
Organization costs are being amortized over a period of five years on a straight line basis.

Loan costs are being amortized over the life of the loan on a straight line basis.

Revenue and Expense Recognition
The Corporation and its affiliates utilize the accrual method of accounting. Revenue is recognized when services are rendered rather than when payments are received, and support is recognized when payments are received. Expenses are recognized when the obligation is incurred rather than when payment is made. Expenses related to potential development projects are expensed when the project is abandoned.

Grant Revenue
Certain grant revenue, consisting of Community Development Block Grants (CDBG), Wesley Housing Development Corporation Revolving Development Grants (Program Income), and certain state grants must be used by the Corporation only for the acquisition and rehabilitation of housing for low- and moderate-income persons. Other grant revenue is for administrative expenses.

Contributed Services
From time to time certain vendors donate professional services to the Corporation to assist it in furthering its goals. These services are valued at current billing rates and recognized in the financial statements as revenue and as either capitalized expenditures of the project or operating expenses, as appropriate. In addition, a substantial number of unpaid volunteers have made significant contributions of time to further the Corporation's programs and objectives. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement of valuation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating Leases
The Corporation's affiliates lease space to residential tenants with low- and moderate-incomes under initial leases of one year and month to month thereafter.

Retirement Plan
The Corporation has established a 403(b), tax sheltered annuity plan for full-time employees. The Plan, as amended provides for a match up to 4% of the employees salary, to a maximum of $3,000 per year.

Income Taxes
Wesley Housing Development Corporation of Northern Virginia , Strawbridge Square, Inc., Perry S. Hall, Inc., William Watters, Inc., ACT-V, Inc. and Wesley Agape House, Inc. are exempt from Federal income taxes in accordance with Section 501(c)(3) of the Internal Revenue Code. Circle Properties, Inc.; KA, Inc.; Seven Corners Apartments, Inc., Whitefield Commons, Inc., Act, Inc., Act IV, Inc., Quarry Station Seniors Apartments, Inc. and Wesley Coppermine, Inc. are exempt from Federal income taxes in accordance with Section 501(c)(4) of the Internal Revenue Code.

Statement of Cash Flows
For purposes of the statement of cash flows, cash equivalents include time deposits and all highly liquid debt instruments with original maturities of three months or less. From time to time throughout the year and at year-end, cash and cash equivalents may exceed FDIC insurance limits.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Investments, designated, development reserve
The investments, designated, development reserve consists primarily of certificates of deposit and are stated at cost. The cost of the certificates of deposit approximates the fair market value of these investments.

2. LAND

Contributions
Land valued at $372,750 at the date of contribution in 1977 has been used for the Strawbridge Square Apartments.

2. LAND – (continued)

Land valued at $11,250 at the date of contribution in 2000 has been used by Wesley Housing Development Corporation at Frederick Court Condominiums.

Land valued at $200,000 at the date of contribution in 1993 has been used for the Wesley Agape House.

Purchases

In 1982, KA, Inc. syndicated the building and improvements of Knightsbridge Apartments but retained title to the land, which had a book value of $163,952. The value of the land leased to Wesley Knightsbridge Limited Partnership was adjusted to the Fair Market Value of the lease on the date of the assignment of the land lease to the partnership, November 14, 2003. The fair market value of the lease, in the amount of $500,000 resulted in an unrealized gain of the land of $336,048.

In 1984, the Corporation purchased 2.5 acres of land in Arlington County for $521,580 for use in the Whitefield Commons Apartments. The value of the land leased to Wesley Whitefield Limited Partnership was adjusted to the Fair Market Value of the lease on the date of the assignment of the land lease to the partnership, November 24, 2003. The fair market value of the lease, in the amount of $1,000,000 resulted in an unrealized gain of the land of $478,420.

In November 1984, the Corporation purchased land in Fairfax County, Virginia, for $12,279 for Shared Housing at Springdale House.

In January 1986, Perry S. Hall, Inc. purchased a parcel of land in Arlington County for $133,349 in connection with Perry S. Hall Apartments.

In April 1990, William Watters, Inc. purchased land for $576,000 in Arlington County in connection with the purchase of the Adams Manor Apartments. The land was transferred to ACT-IV during the year ended June 30, 2000.

In 1991, ACT-V, Inc. purchased land for $3,555,419 in Arlington County in connection with the purchase of Colonial Village Apartments.

In November 1992, Perry S. Hall, Inc. purchased a parcel of land in Arlington County for $1,312,725 in connection with the Pierce Queen Apartments.

On June 13, 2002, Wesley Lynhaven Housing Corporation purchased Lynhaven Apartments. In connection with the purchase, land was valued and recorded in the amount of $342,500.

3. DEVELOPER AND MANAGEMENT FEES

Quarry Station Seniors Apartments, L.P.

For its services in connection with the development of the Project and the supervision of the construction of the Project, the Corporation shall be entitled to receive a development fee of

3. DEVELOPER AND MANAGEMENT FEES – (continued)

$725,000. The fee shall be earned as follows: (a) 20%, or $145,000, during the year ended June 30, 2001, (b) 20% as of the date of fifty percent completion (occurred in the year ended June 30, 2002); and (c) the remainder in its entirety as of the date of construction completion (July 3, 2002) and the receipt of the last certificate of occupancy for the units in the Project. The fee is due from available debt and equity proceeds at the completion of construction. Any uncollected developer fee shall convert to a note receivable from cash flow and/or proceeds of the partnership and shall bear interest at the applicable Federal long-term rate in effect on the completion date. During the years ended June 30, 2004 and 2003, $0 and $435,000 were earned, respectively.

Other

The Corporation also received its annual general partner fee in the amount of $5,473 and $5,619 from Westbrook Falls Church, LLC in 2004 and 2003, respectively.

During the year ended June 30, 2003, the Corporation was paid a developers fee in the amount of $280,050 from Wexford Wesley Limited Partnership.

During the year ended June 30, 2004, the partnership was paid developer fees in the amounts of $200,000 from Wesley Coppermine L.P. and $100,000 from Troy Street LLC. Wesley Whitefield L.P. and Wesley Knightsbridge also paid developer fees in the amounts of $129,130 and $86,210 respectively. The developer fee paid by Wesley Lynhaven Housing Corp. in 2004 was $25,000.

Management Fees

AIMCO Properties, L.P. has agreed to pay Strawbridge Square, Inc. 1 percent of monthly gross collections for consulting, tenant selection, management review, and supervisory services relating to the Strawbridge Square Apartments. Management fees earned for the years ended June 30, 2004 and 2003 amounted to $17,146 and $15,239, respectively of which $1,200 and $0 were receivable at June 30, 2004 and 2003, respectively.

In addition, AIMCO Properties, L.P. paid Strawbridge Square, Inc. $48,000 for 2004 and 2003, to cover the cost of providing recreational and educational services and managing the Lincolnia Community Center.

4. DUE FROM AFFILIATES

Whitefield Commons, Inc. made advances to and paid expenses on behalf of Whitefield Commons Associates, from Arlington County Program Income, in regard to the partnership's operations. The amount of $67,389 was due from Whitefield Commons Associates as of June 30, 2003.

KA, Inc. has advanced funds to the Knightsbridge Associates partnership from Arlington County Program Income, for construction cost overruns. These funds, amounting to $32,682 at June 30, 2003, and were repayable from "surplus cash" as defined by U.S. Department of Housing & Urban Development (HUD), with no interest charged on the principal. Additionally, an additional $11,000 was owed to KA, Inc. by Knightsbridge Associates as of June 30, 2003.

Affiliated Entity	Balance Due June 30, 2003	Balance Due June 30, 2004
Wesley Coppermine L.P	$ 47,722	$ 350,000
Quarry Station L.P.	96,330	96,330
Wexford Wesley L.P.	109,830	109,830
Whitefield Commons Associates	67,389	-
Knightsbridge Associates	43,682	-
Wesley Whitefield L.P.	-	426,379
Wesley Knightsbridge L.P.	-	273,355
	$ 364,953	$ 1,255,894

These advances for development and operating expenditures are non interest bearing and due on demand

5. NOTES RECEIVABLE

In accordance with the Knightsbridge Associates Partnership Agreement, KA, Inc. had advanced to the partnership a 3 percent interest-bearing loan in the amount of $100,310. The loan had been used for property operations. The principal and interest was due upon sale, liquidation, or refinancing of the project. As of June 30, 2003, accrued interest on this loan amounted to $62,444. The note and interest were paid in 2004 upon the sale of the partnership.

Wesley Housing Development Corporation of Northern Virginia loaned $785,088 to Whitefield Commons Associates, of which Whitefield Commons, Inc. is a general partner, for the purpose of developing the Whitefield Commons Apartments. The note bore simple interest at the rate of 9 percent per annum. Principal and interest were due upon the earlier of November 1, 2023, or the sale, liquidation, or refinancing of substantially all of the project. As of June 30, 2003 accrued interest was $1,288,347. The property was sold on November 14, 2003.

WESLEY HOUSING DEVELOPMENT CORPORATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

5. NOTES RECEIVABLE

Affiliated Corporation	Amount Outstanding 6/30/2003	Accrued Interest 6/30/2003	Amount Outstanding 6/30/2004	Accrued Interest 6/30/2004	Approved Line of Credit
Quarry Station Sr. Apts. LLP	$ 187,399	$ 548	$ 10,049	$ 4,847	$ 125,000
Wesley ASI	25,000		650,000	5,247	650,000
Wesley Coppermine, Inc.	170,000	15,391	440,010	8,107	850,000
Wesley Knightsbridge LP	-	-	52,500	44	430,000
Wesley Whitefield LP	-	-	134,431	1,816	500,000
Wexford Wesley LLP	66,986	4,714	81,986	7,048	100,000
	$ 449,385	$ 20,653	$1,368,976	$ 27,109	

The lines of credit bear interest at a variable rate established by WHDC semi-annually, the rate at June 30, 2004 was 3.12%. Principal and all accrued and unpaid interest are due on demand.

The Corporation loaned $1,744,088 to Wesley Knightsbridge Limited Partnership on November 24, 2003. The note bears interest at a rate of 5.5% per annum. Monthly payments of interest only are due on the first of each month. The remaining unpaid principal balance of this note and accrued interest is due and payable in full on November 24, 2004. As of June 30, 2004, accrued interest was $1,199.

5. NOTES RECEIVABLE (continued)

The Corporation is owed $324,181 by Wexford Wesley Limited Partnership. The note bears interest at a rate of 8.25% per annum and is payable in annual installments of principal in an amount equal to one hundred percent of the net cash flow (as defined in the partnership agreement) after the limited partners and general partners have received certain payments from the net cash flow. The remaining unpaid principal balance of this note and accrued interest is due and payable in full on December 31, 2014. As of June 30, 2004 and 2003, accrued interest was $120,242 and $93,497, respectively.

Wesley Housing Development Corporation of Northern Virginia received a non-interest-bearing note for $650,000 (originally discounted to $100,000) for the sale of its partnership interest in Whitefield Commons Associates to Capital Housing Partners - CLVII. This note was due July 1, 2004, or upon sale of the project, whichever occurs first. This amount has been discounted to its net present value of $590,909 at June 30, 2003, using an estimated interest rate of 10 percent.

The Corporation received as a contribution a note receivable with a principal balance of $20,006 during the year ended June 30, 1999. The note bears interest at 9% per annum. Payments of principal and interest of $253 are due monthly. The unpaid principal balance at June 30, 2004 and 2003 is $11,716 and $13,610, respectively.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES

Strawbridge Square Associates

Strawbridge Square, Inc. is a 1 percent general partner in Strawbridge Square Associates, a partnership owning the Strawbridge Square Apartments. The partnership, which has had losses, has been accounted for on the equity method until the losses equaled the investment, at which time the equity was suspended.

General partners are generally liable for the debts of the partnership. During the year ended December 31, 2002, the partnership refinanced its mortgage note payable in the new amount of $8,150,000. The liability of the partnership under a mortgage note with a balance of $7,944,162 and $8,150,000 at December 31, 2003 and 2002 is limited to the underlying value of the real estate collateral and other deposits with the lender.

The condensed balance sheets of Strawbridge Square Associates are as follows:

	December 31,	
Assets	2003	2002
Building and land, net	$ 5,340,610	$1,961,234
Other	3,202,812	5,905,130
Total Assets	$ 8,543,422	$7,866,364

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (Continued)

Strawbridge Square Associates- continued

	December 31, 2003	December 31, 2002
Liabilities and Partners' Deficit		
Liabilities	$10,339,026	$ 8,255,740
Partners' deficit	(1,795.604)	(389,376)
Total Liabilities and Partners' Deficit	$8,543,422	$ 7,866,364

For the years ended December 31, 2003 and 2002 the partnership's gross revenue was $1,782,033 and $1,294,075 and its net income was $3,582,557 and $321,280, respectively

Whitefield Commons Associates
On December 29, 1993, Whitefield Commons, Inc. and the Corporation formed a limited partnership, Whitefield Commons Associates, under the Uniform Limited Partnership Act of the Commonwealth of Virginia. Whitefield Commons, Inc., which was a general partner, contributed $10 of capital and owns 1/100 of 1 percent of the partnership capital and profit and loss sharing. During 1984, the Corporation sold its interest in the partnership to Capital Housing Partners - CLVII. The property was sold on November 14, 2003.

The condensed balance sheets of Whitefield Commons Associates are as follows:

	December 31, 2003	December 31, 2002
Assets		
Property, building, and equipment, net	$ -	$ 880,521
Other	-	287,846
Total Assets	$ -	$ 1,168,367
Liabilities and Partners' Deficit		
Liabilities	$ -	$ 3,504,675
Partners' deficit	-	(2,336,308)
Total Liabilities and Partners' Deficit	$ -	$ 1,168,367

The gross revenue of Whitefield Commons Apartments was $472,712 and $521,886 for the years ended December 31, 2003 and 2002, respectively. The net income (loss) was $2,524,692 and $(107,891) for the years ended December 31, 2003 and 2002, respectively.
The liability of the partnership under a mortgage note with a balance of $1,390,074 at December 31, 2002 was limited to the underlying value of the real estate collateral plus other amounts deposited with the lender. The partnership terminated as of December 31, 2003.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (continued)

Other Real Estate Investments
The Corporation has paid for improvements in Troy Street LLC, which is recorded on WHDC's books only.

Knightsbridge Associates
On October 1, 1982, KA, Inc. became a general partner in Knightsbridge Associates. Knightsbridge Associates then acquired the 37-unit multi-family housing project known as Knightsbridge Apartments from KA, Inc. On October 7, 1982, KA, Inc. sold its 98.98 percent interest in the partnership to Capital Housing Partners - CLVII. KA, Inc. has retained title in the land upon which the building sits and leased the land to the partnership for $1 per year. KA Development Company has retained its 1/100 of 1 percent interest in the partnership. The property was sold on November 24, 2003.

The partnership, which has had losses, has been accounted for on the equity method until the losses equaled the investment, at which time the equity method was suspended.

The condensed balance sheets of Knightsbridge Associates are as follows:

	December 31,	
Assets	2003	2002
Property, building, and equipment, net	$ -	$ 283,994
Other	-	502,198
Total Assets	$ -	$ 786,192
Liabilities and Partners' Deficit		
Liabilities	$ -	$1,725,962
Partners' deficit	-	(939,770)
Total Liabilities and Partners' Deficit	$ -	$ 786,192

The partnership's gross revenue was $397,021 and $390,271 and its net income (loss) was $1,576,290 and $(12,953) for the years ended December 31, 2003 and 2002, respectively.

The liability of the partnership under a mortgage note with a balance of $1,495,648 at December 31, 2002 was limited to the underlying value of the real estate collateral plus other amounts on deposit with the lender. The partnership terminated as of December 31, 2003.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (continued)

Wexford Wesley Limited Partnership

On December 31, 1999 William Watters, Inc. became a general partner in Wexford Wesley Limited Partnership. Wexford Wesley then acquired a 74-unit residential project in two buildings located on one site in Falls Church, Virginia. The Corporation earned development fees of $164,277 and acquisition services of $62,406 upon the transaction during the year ended June 30, 2000. The project received an allocation of low income housing tax credits from the Virginia Housing Development Authority under Section 42 of the Internal Revenue Code of 1986, as amended, and is subject to provisions of the Regulatory Agreement with Virginia Housing Development Authority.

The condensed balance sheets of Wexford Wesley Limited Partnership are as follows:

	December 31,	
Assets	2003	2002
Property, building, and equipment, net	$4,318,599	$4,443,750
Other	305,661	168,895
Total Assets	$4,624,260	$4,612,645
Liabilities and Partners' Equity		
Liabilities	$3,891,172	$4,173,645
Partners' equity	733,088	439,000
Total Liabilities and Partners' Equity	$4,624,260	$4,612,645

The partnership's gross revenue was $661,363 and $631,969 and its net loss was $(119,405) and $(153,337) for the years ended December 31, 2003 and 2002, respectively.

The liability of the partnership under a mortgage loan with a balance of $3,518,369 and 3,586,351 at December 31, 2003 and 2002 is limited to the underlying value of the real estate collateral plus other amounts on deposit with the lender.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (continued)

Quarry Station Seniors Apartments, L.P.

The original Virginia Partnership was organized on March 3, 2000 to own, maintain and operate a 79 unit apartment complex (the project) for low income senior citizens located in Manassas, Virginia. The project received an allocation of low income housing tax credits from the Virginia Housing Development Authority under Section 42 of the Internal Revenue Code of 1986, as amended and is subject to provision of the Regulatory Agreement with Virginia Housing Development Authority. Quarry Station Seniors Apartments, Inc. is the general partner and owns 1/10 of 1 percent of the partnership.

The condensed balance sheets of Quarry Station Seniors Apartments, L.P. are as follows:

	December 31,	
Assets	2003	2002
Property, building, and equipment, net	$6,882,069	$7,074,911
Other	107,609	126,648
Total Assets	$6,989,678	$ 7,201,559
Liabilities and Partners' Equity		
Liabilities	$3,745,351	$3,759,618
Partners' equity	3,244,327	3,441,941
Total Liabilities and Partners' Equity	$6,989,678	$7,201,559

The partnership's gross revenue was $641,987 and $167,971 and its net loss was $(197,614) and $(235,632) for the years ended December 31, 2003 and 2002, respectively.

The liability of the partnership under a mortgage loan with a balance of $2,671,582 and $2,479,827 at December 31, 2003 and 2002 is limited to the underlying value of the real estate collateral plus other amounts on deposit with the lender.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (continued)

Wesley Whitefield Limited Partnership

The partnership was organized as a limited partnership under the laws of the State of Virginia on March 5, 2003, for the purpose of purchasing, rehabbing, and operating a multifamily residential rental housing project. The project received moderate rehabilitation housing assistance payments for 100% of the rental units from HUD through the county pursuant to Section 8 of the United States Housing Act of 1937. The project is a low-rise apartment complex consisting of 64 units (27 one-bedroom, 35 two-bedroom, and 2 three-bedroom), located at 220 North Thomas Street, Arlington, Virginia, 22203, and operates under the name of Whitefield Apartments. The project was purchased on November 24, 2003. Whitefield Commons, Inc. is the general partner and owns 1/100 of one percent. As of June 30, 2004, WHDC temporarily owns the other 99.99 percent.

The condensed balance sheet of Wesley Whitefield Limited Partnership is as follows:

Assets	December 31, 2003
Property, building, and equipment, net	$3,594,378
Other	1,264,454
Total Assets	$4,858,832
Liabilities and Partners' Equity	
Liabilities	$3,770,027
Partners' equity	1,088,805
Total Liabilities and Partners' Equity	$4,858,832

The partnership's gross revenue was $70,583 and its net loss was $(21,214) for the period ended December 31, 2003.

6. INVESTMENTS IN PARTNERSHIPS AND OTHER ENTITIES (continued)

Wesley Knightsbridge Limited Partnership

The Partnership was organized as a limited partnership under the laws of the State of Virginia on March 5, 2003, for the purpose of acquiring, developing, rehabilitating, and operating a multifamily residential rental housing project. The project received housing assistance payments for 100% of the rental units from HUD through the county pursuant to Section 8 of the United States Housing Act of 1937. The project is a low-rise apartment complex consisting of 37 units (6 one-bedroom and 31 two-bedroom), located at 210-D North Glebe Road, Arlington, Virginia, 22201, and operates under the name of Knightsbridge Apartments. The project was purchased on November 24, 2003. KA Development Company is the general partner and owns 1/100 of one percent. As of June 30, 2004, WHDC temporarily owns the other 99.99 percent.

The condensed balance sheet of Wesley Knightsbridge Limited Partnership is as follows:

Assets	December 31, 2003
Property, building, and equipment, net	$2,312,323
Other	739,301
Total Assets	$3,051,624
Liabilities and Partners' Equity	
Liabilities	$2,384,538
Partners' equity	667,086
Total Liabilities and Partners' Equity	$3,051,624

The partnership's gross revenue was $36,426 and its net loss was $(17,674) for the period ended December 31, 2003.

7. DUE TO ARLINGTON COUNTY

Arlington County advanced Community Development Block Grant (CDBG) funds to the Corporation for the development of low and moderate-income housing within the county. Applicable development expenses are reimbursed by the county and recognized as grant revenue in the year of expenditure. Development capital contributions required by the Corporation are advanced by the county but not due for repayment whiles these funds are in use or intended for use in the CDBG Agreements. The Corporation is required to maintain a restricted cash fund to account for any program income funds. The Corporation is permitted to invest these funds in eligible projects with the written approval of the county.

During the year ended June 30, 1988, Arlington County audited the program income generated by WHDC and its affiliates through June 30, 1986. Using the results of this audit, the county then determined the Federal shares of the 1982 syndication of Knightsbridge Apartments and the 1984 syndication of Whitefield Commons Apartments in accordance with the requirements of Office Management and Budget (OMB) Circular A-110, Attachment N.

Based on the county's determination of program income invested and the Federal shares of the syndications, the Corporation agreed to adjust the amounts due to the county arising from the 1982 and 1984 syndications and, further, agreed to record as payable to the county, 31.2 percent of the interest income accrued on the Knightsbridge Apartments syndication notes receivable and 48.6 percent of the interest income accrued on the Whitefield Commons notes receivable. Each year, the Corporation and its affiliates will record the county's share of the interest income accrual. The county's share of the interest income accrual is $16,075 and $51,100 for the years ended June 30, 2004 and 2003, respectively. The federal shares of the syndications include accrued interest due to the county of $2,191,846 and $2,207,921 at June 30, 2003 and 2004.

The Corporation also agreed that, if at any future time, it or its affiliates disposed of the Knightsbridge Apartments land owned by KA, Inc. or the Whitefield Commons land owned by WHDC, the county would have a 31.2 percent interest in the proceeds of the sale of the Knightsbridge land and a 48.6 percent interest in the proceeds of the sale of the Whitefield land.

CDBG program income amounting to $103,000 is invested in Perry S. Hall Apartments. While the Corporation and its affiliates do not intend to dispose of the property, should a sale or other disposition occur, the county would be entitled to the Federal share of the disposition as required by OMB Circular A-110, Attachment N.

Arlington County provided a Housing Fund Contingent Program loan in the amount of $350,000 to Perry S. Hall, Inc. on November 24, 1992, for the acquisition, renovation and rehabilitation of Pierce Queen Apartments. The loan has a stated rate of 6 percent. The note is payable in ten annual

7. DUE TO ARLINGTON COUNTY (continued)

installments of $47,554 with the first payment due December 1, 1997 and with a final payment due on December 1, 2007. Interest was not payable on the note until December 1, 1997. This note is a residual receipt loan and is payable only from surplus cash as defined in the loan documents.

8. MORTGAGE NOTES AND BOND PAYABLE

On June 13, 1997, William Watters, Inc. obtained a mortgage from United Bank in the amount of $623,000. This mortgage has terms which include twenty-five year amortization and interest at 7.5% for the first seven years and an interest rate at the Wall Street Journal prime rate, adjustable daily, for the last three years of the note. The balance of the principal and accrued interest is due October 1, 2006. Installments in the amount of $4,603 for principal and interest are due monthly. The balance owed as of June 30, 2004 and 2003 amounted to $531,095 and $567,511 respectively. This note was included in the assignment to ACT-IV, Inc. referred to in Note 1.

In addition, Arlington County provided a Community Development Block Grant Residual Receipts Loan in the amount of $135,000 on April 24, 1990 to William Watters, Inc. This note is secured by a second deed of trust on the land and buildings and bears interest at a stated rate of 6 percent. The note is payable in seven annual installments of $24,183, with the first payment due June 1, 1998. Should the property generate inadequate net residual receipts to pay this note, the unpaid principal and interest will accrue at 6% interest until the balance is paid in full. All unpaid balances are due by June 1, 2005 regardless of the amount of net residual receipts. The note was cosigned by the parent corporation, WHDC. Accrued interest at June 30, 2004 and 2003 was $65,728 and $25,973, respectively. The loan was included in the assignment to ACT-IV, Inc., referred to in Note 1.

On August 12, 1988, Perry S. Hall, Inc. obtained $455,000 in mortgage funds from the Virginia Housing Development Authority to refinance an existing mortgage. The loan, secured by the land and buildings, bore interest at the rate of 4 percent and was repayable in monthly installments of $3,366 through September 1, 1998. Effective September 1, 1998, the remaining loan balance of $185,495 was being amortized over a five year term at a rate of 5%. The final payment was paid on August 1, 2004. The balance of the note payable at June 30, 2004 and 2003 was $0 and $6,959, respectively.

On November 25, 1992, Perry S. Hall, Inc. obtained State Tax Exempt Bond financing through the Alexandria Redevelopment Housing Authority in the amount of $1,300,000 for the purchase of Pierce Queen Apartments. This loan was refinanced through the Acacia Federal Savings Bank on December 18, 1998 in the amount of $1,340,000. The new loan is being amortized over thirty years and bears interest at 7 percent per annum. It is payable in monthly installments of $8,915 with the entire unpaid principal and interest due December 18, 2008. The balance of the loan at

8. MORTGAGE NOTES AND BOND PAYABLE (continued)

June 30, 2004 and 2003 is $1,253,510 and $1,278,972, respectively. This loan is secured by a deed of trust covering the land and improvements.

During 1995, Perry S. Hall, Inc. received $531,424 from the Virginia Housing Partnership Fund (VHPF) for the rehabilitation of Pierce Queen Apartments. This loan is secured by the land and building, and bears interest at 3.5 percent and is repayable in monthly installments of $2,386 and a final payment of $336,192 and accrued interest on October 1, 2010. The mortgage agreement requires Perry S. Hall, Inc. to deposit $1,750 monthly, beginning with mortgage amortization, in a replacement reserve account, which is held by VHDA. The balance in this account was $176,245 and $178,999 at June 30, 2004 and 2003, respectively. The balance of the note payable at June 30, 2004 and 2003 was $429,981 and $443,313, respectively. Accrued interest amounted to $102,991 and $93,225 at June 30, 2004 and 2003, respectively

Troy Street Limited Liability Company has a mortgage note, in the original amount of $5,600,000, which is payable to Columbia National Real Estate Finance, Inc. and is collateralized by a deed of trust on the rental property. The note bears interest at 7.45% per annum and is payable in monthly installments of principal and interest of $41,202 through maturity on January 1, 2005. The balance owed as of June 30, 2004 and 2003 was $0 and $5,086,677, respectively. The mortgage was paid off on July 31, 2003.

On July 31, 2003, Troy Street LLC refinanced its mortgage with Wachovia Bank, National Association and paid off its mortgage with Columbia National Real Estate Finance, Inc. The new mortgage in the amount of $8,176,000 bears interest at 4.95% per annum. Principal and interest is payable in monthly installments of $43,641 beginning on September 11, 2003 through July 11, 2010. The balance of all unpaid principal and interest will be due on August 11, 2010. The note is secured by a deed of trust on the rental property. The balance due as of June 30, 2004 was $8,080,695.

Wesley Agape House, Inc. has entered into a capital advance agreement with HUD whereby HUD will advance to the Corporation an amount not to exceed $942,800 for development of the Agape House. The capital advance is payable to the Federal Housing Administration (FHA) and is collateralized by a deed of trust on the rental property. The capital advance shall bear no interest and is not required to be repaid so long as the housing remains available to eligible very low income elderly persons or very low-income persons with disabilities for a period of 40 years in accordance with Section 811 of the National Affordable Housing Act of 1990. At the expiration of the 40 year period, HUD will extinguish any obligation under the capital advance agreement. In the event of a default, interest of 7.25% will be charged on the advance from the date of default on the outstanding balances, and payments will be required as described in the Note. As of June 30, 2004 and 2003, the capital advances received totaled $942,800 and $751,700, which has been recorded as a liability in the statement of financial position.

KA, Inc has a loan payable in the amount of $110,000. There are no terms for the loan.

8. MORTGAGE NOTES AND BOND PAYABLE (continued)

Wesley Agape House, Inc. also received a $225,700 loan from the Fairfax County Redevelopment and Housing Authority in connection with the off-site development of the project. As of June 30, 2004 and 2003, $225,700 had been drawn. This loan is in the form of a deferred mortgage with no interest expense or amortization of principal to be paid during the term of the loan. The loan shall be due in full upon the earlier of the sale of the property by the Corporation or when the use of the property no longer serves or benefits disabled or low-income citizens. If the Corporation defaults on the project's Section 811 guidelines, the interest charged will be tied to the three-month Treasury Bill plus 25 basis points.

The Corporation had a mortgage note, in the original amount of $1,200,000, payable to Southern Financial Bank and collateralized by a deed of trust on the rental property. The note bore interest at a variable rate of interest currently at 5.75% per annum and was payable in monthly installments of interest only beginning on July 17, 2002 through the due date of June 1, 2003. The loan was paid in full on June 27, 2003.

On June 27, 2003, Wesley Lynhaven Housing Corporation obtained a mortgage in the original amount of $1,500,000, which is payable to Virginia Housing Development Authority and is collateralized by a deed of trust on the rental property. The note bears interests at 4.5% per annum and is payable in monthly installments in the amount of $8,124, beginning on August 1, 2003 through maturity, October 1, 2029. The balance owed as of June 30, 2004 and 2003 was $1,471,994 and $1,500,000, respectively.

The Corporation has also borrowed $325,000 from the City of Alexandria which is secured by a second trust on the rental property and is payable from the residual receipts of the Wesley Lynhaven Apartments as defined in the loan agreement. The loan bears interest at a rate of 3.0% per annum and $25,000 of the loan was due no later than July 31, 2003 or within three day of the date of settlement on the $1,500,000 loan from the Virginia Housing Development Authority whichever first occurs. The first of 15 annual payments of principal and interest will be due on August 1, 2004 in an amount equal to 75% of the Corporations Residual Receipts, if any, as defined in the agreement. A final payment is due on August 1, 2017.

The Corporation borrowed $250,000 from the Carpenter's Shelter, Inc. This loan bears interest at 5% per annum. Commencing September 1, 2003 and for so long as the Corporation owns the premises, the lender shall have the right to lease four two bedroom units in the premises and shall have the right to sublease the units to program participants of the lender's transitional housing program. In consideration for these lease and sublease rights, the loan and the interest shall be forgiven over a twenty (20) year amortization period set forth in Section A of the loan agreement. The balance due at June 30, 2004 and 2003 was $234,500 and $250,000, respectively.

Wesley Lynhaven Housing Corporation received a grant of $37,500 from the Virginia Foundation for Housing Preservation (VFHP) in 2003. This grant bears no interest so long as there is no event of default. The term of the grant is twenty five years, and the grant will be forgiven on August 2028. The Corporation also borrowed $37,500 from VFHP, which is non interest bearing with principal payments of $125 per month.

8. MORTGAGE NOTES AND BOND PAYABLE (continued)

The following is a schedule, by years, of future maturities of mortgage and notes payable at June 30, 2004, including $350,000 owed by Perry S. Hall, Inc. to Arlington County as disclosed in Note 7:

Year ending June 30,	20005	$ 460,867
	2006	226,605
	2007	681,773
	2008	567,238
	2009	1,368,195
	Thereafter	10,859,597

9. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

	2004	2003
Loan from Fairfax County Redevelopment and Housing Authority for Springdale House, loan due in full upon sale of the property or change in use that does not benefit low income citizens. It is the stated intention of the Board to own this property permanently.	$ 175,000	$ 175,000
Portion of the Arlington County Community Development Block Grant repayable upon the sale or disposition of Knightsbridge Apartments and Whitefield Commons. County's share of the related Syndication notes and interest accrual.	-	2,191,846
Fairfax County Community Development Block Grant used in purchasing Seven Corners Apartments and repayable only upon sale. If not repaid upon sale, the Corporation is required to reinvest this amount in low moderate income housing in Fairfax County	65,000	65,000
Community Development Block Grant from Arlington County used to acquire Adams Manor Apartments. Grant is repayable only if WHDC sells or disposes of the property. It is the intention of the Board to own this property permanently.	229,906	229,906
Community Development Block Grant from Arlington County used to acquire Perry S. Hall Apartments building and land. Grant is repayable only if WHDC sells or disposes of Perry S. Hall Apartments. It is the stated intention of the Board to own this property permanently	342,325	342,325
	$ 812,231	$3,004,077

10. TEMPORARILY RESTRICTED ASSETS

Temporarily restricted net assets consist of the following:

	2004	2003
Federal Rental Rehabilitation Program to Perry S. Hall, Inc. for the use of Pierce Queen Apartments - time and use restrictions for a period of 10 years beginning from the date of completion of the project (September 1996). If all loan covenants are satisfied, Arlington County will forgive repayment.	$250,000	$250,000

During 1992, Perry S. Hall, Inc. received a Federal Rental Rehabilitation Program Grant in the amount of $250,000 from the Arlington County Board of Supervisors. The agreement specifies that the proceeds be used solely for the renovation and rehabilitation of Pierce Queen Apartments and the property must be utilized primarily for residential rental or housing cooperative purpose for low- to moderate-income families on a non-discrimination basis for a period of ten years from the date of completion of the property. In addition, Perry S. Hall, Inc. must maintain the property in compliance with the Housing Standards of the Section 8 Program. If all loan covenants are satisfied, the County will forgive repayment of the proceeds. In the event of noncompliance, the loan is payable on demand. At June 30, 2004 and 2003 the entire grant amount has been received.

11. NET ASSETS RELEASED FROM RESTRICTIONS

Permanently restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposed or by occurrence of other events specified by donors in the year ended June 30, 2004. They are as follows:

Upon the sale of Whitefield Commons Associates the total value of the notes and accrued interest due from Whitefield Commons Associates amounted to $2,697,421. The amount due Arlington County was $1,419,394. At June 30, 2004, this amount is payable to Arlington County and net assets were released form restriction in the amount of $2,207,9721.

12. MINORITY INTEREST

On April 22, 1996, ACT-V, Inc., a wholly-owned and controlled subsidiary of WHDC, contributed real estate and certain other assets to Troy Street Limited Liability Company (Troy Street). Troy Street assumed the liability for the mortgage and certain other liabilities. As a result of this transfer, ACT-V, Inc. received a sixty-one percent interest in Troy Street. Additionally, the other member of Troy Street (Banc Of America, CDC) contributed cash in the amount of $909,681 in exchange for a thirty-nine percent interest in Troy Street. There was no gain or loss recognized as a result of this transaction. Banc of America CDC's thirty-nine percent interest represents the minority interest as of June 30, 2003. On July 30, 2003 Banc of America CDC assigned their thirty nine percent interest to ACT V, Inc. and received a distribution of $450,000.

Troy Street Limited Liability Company is a separate legal entity and its purpose is to own and operate the Colonial Village Apartments (the contributed real estate).

For financial reporting purposes, the assets, liabilities and earnings of Troy Street continue to be included in WHDC's consolidated financial statements. The outside investor's interest had been recorded as minority interest, in the year ended June 30, 2003. As of June 30, 2004, the Corporation owned 100% of the interest in Troy Street, LLC and, accordingly, there was no minority interest as of June 30, 2004.

13. GRANTS

Other grants have been awarded to the Corporation and its affiliates in 2004 and 2003 as follows:

	2004		
Grants	Total Awarded	Total Received	Amount Receivable
Northern Virginia Planning District Commission (HOPWA) - for AGAPE House	$ 10,925	$ 8,194	$ 2,731
Fairfax County - Promising Futures Grant	36,900	36,900	-
Fairfax County - Administrative Grant	124,000	110,592	13,408
Fairfax County – Department of Education	8,845	8,845	-
Arlington County – AHIF	30,000	30,000	-
	$ 210,670	$ 190,804	$ 19,866

	2003		
Grants	Total Awarded	Total Received	Amount Receivable
Northern Virginia Planning District Commission (HOPWA) - for AGAPE House	$ 3,967	$2,975	$ 992
Arlington County – Youth Initiative Grant	7,500	7,500	-
U.S. Dept. of Housing & Urban Development (HUD) Multifamily Housing Drug Elimination Grant	154,846	116,998	37,848
Falls Church – CBBG	25,000	25,000	-
Fairfax County - Promising Futures Grant	35,000	32,083	2,917
Fairfax County – Coppermine Grant	350,000	-	350,000
Fairfax County - Administrative Grant	124,000	113,667	10,333
Fairfax County – Department of Education	96,239	94,806	1,433
Other - Lincolnia Community Center Grant	48,000	48,000	-
	$ 844,552	$ 441,029	$ 403,523

14. SPRINGDALE HOUSE

Springdale House provides shared housing for low-income elderly and handicapped citizens. In compliance with provisions of the Virginia Neighborhood Assistance Act, business contributions to the project's development received a 50 percent Virginia tax credit for contributions of $100 or more for capital improvements. The Corporation received a $175,000 loan, from the Fairfax County Redevelopment and Housing Authority to finance this project. This loan is in the form of a deferred trust with no interest or amortization of principal to be paid during the life of the trust. The loan is due and payable in full upon the earlier of the sale of the property by the Corporation or when the use of the property no longer serves or benefits low-income citizens. It is the intention of the Board to own this property permanently.

15. LEASE AGREEMENTS WITH INVESTEE PARTNERSHIPS

The Corporation has entered into a lease agreement with Strawbridge Square Associates for land described in Note 2. The terms of the lease extend for 75 years from October 1, 1977. Currently the Corporation receives rent, under the terms of the agreement, of $640 per month. The agreement provides for renegotiation of the rent under certain conditions.

16. OPERATING LEASE

The Corporation leases office space under two leases in Alexandria, Virginia with an expiration date of February 28, 2003. The leases required monthly base rental payments totaling $5,228 in addition to escalations of 3% per annum. The leases currently require monthly rental payments of $7,104 from January 1, 2004 through December, 2004. The Corporation will also pay its prorated share of operating expenses.

The Corporation has renewed its leases for a five-year period expiring on December 31, 2007. The Corporation also has an option to renew the leases for an additional five year period.

Rent expense amounted to $79,231 and $69,003 for the year ended June 30, 2004 and 2003, respectively.

Minimum future rent payments are as follows at June 30:

Year ending June 30,

2005	$86,526
2006	89,118
2007	91,794
2008	46,578

17. LINE OF CREDIT

On August 13, 2004, the Corporation has acquired an unsecured line of credit in the amount of $1,000,000 with a maturity date of August 13, 2004. The interest rate will be based on the Wall Street journal Prime Rate (The Index) plus one percent. At June 30, 2004 the balance drawn on the line was $935,520.

18. RESTRICTIONS IMPOSED BY COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENTS

Arlington County has provided funds to acquire properties in Arlington County under terms of annual Community Development Block Grant Fund Agreements. If the Corporation or one of its affiliated entities syndicates, sells grants or conveys property it has acquired pursuant to the terms of the Agreements, it is required to reimburse the Corporation's Arlington County Development Revolving Account certain proceeds resulting from such disposition.

In accordance with the terms of the agreement between Arlington County and the Corporation which establishes the Arlington County Revolving Development account, program income, including interest earned on advances of Federal funds, proceeds from the sale of real property, and any other program income, has been retained by the Corporation and used to further eligible program objectives. Program income, as well as the CDBG funds, are considered Community Development Funds and are bound by all provisions of the Agreements. All program income is currently invested in Arlington County Properties.

On September 17, 1987, Arlington County completed an audit of the program income generated by WHDC and its affiliates for the fiscal years ended June 30, 1980 through June 30, 1986. Amounts reported as program income subsequent to June 30, 1986, have not been audited by the county and are subject to revision.

The following table summarizes program income generated by the Corporation and its affiliates:

	Total Program Income* 1980-1986	1987-2004 TOTAL
WHDC	$ 4,662	$ 35,864
KAI	553,938	51,800
KA	1,113	-
WCI	242,502	162,579
WCA	96,609	-
PSH	812	12,129
	$899,636	$262,372

18. RESTRICTIONS IMPOSED BY COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENTS (continued)

The status of program income funds at June 30, is as follows:

	1986*	1987-1991 Total
Invested in eligible projects		
Knightsbridge Associates	$109,002	$ 109,002
Whitefield Commons Associates	692,141	692,141
Perry S. Hall, Inc.	103,000	103,000
Less amount advanced by WHDC	(10,000)	-
William Watters, Inc.	-	229,906
Larchmont Gardens	-	24,045
Pierce Queen	-	-
Restricted, program income, Arlington County	4,680	3,533
Other	813	349
	$ 899,636	$1,161,976

*As audited by Arlington County

19. CONTINGENCY

During the years ended June 30, 2001, June 30, 2002 and June 30, 2003, the Corporation used a payroll service (First Pay), to prepare the corporate payroll and to pay the related payroll taxes including payroll withholdings. First Pay received the funds from the Corporation but did not remit all of the required payments to the Internal Revenue Service, (IRS). The corporation has received notices that taxes, including interest totaling approximately $115,000 is owed. This amount has been recorded as accounts payable as of June 30, 2004. Estimated penalties in the amount of $15,000 have not been recorded. The Corporation is currently negotiating a settlement with the IRS. As of the date of this report, the final amount payable can not be determined.

20. FUNCTIONAL EXPENSES

	Year ended June 30, 2004			
	Program Services	Management and General	Fundraising	Total
Compensation of officers	$ 71,926	$ 21,802	$ 8,150	$ 101,878
Other salaries	754,976	179,547	67,121	1,001,644
Pension Plan and employee benefits	230,719	16,471	6,158	253,348
Payroll taxes	166,199	41,764	15,613	223,576
Legal and professional	46,667	2,595	970	50,232
Supplies	56,664	5,639	2,108	64,411
Telephone	39,773	6,200	2,318	48,291
Postage and shipping	3,694	1,120	419	5,233
Rent	55,937	16,955	6,338	79,230
Equipment rental & maintenance	43,689	13,243	4,951	61,883
Printing	9,698	2,940	1,099	13,737
Travel/Conferences	13,734	4,163	1,556	19,453
Depreciation and amortization	491,843	-	-	491,843
Insurance	86,419	1,972	737	89,128
Springdale House	21,295	-	-	21,295
Advertising	5,173	-	-	5,173
Lincolnia Community Center Strawbridge Square	59,321	-	-	59,321
Bad debts	617,110	-	-	617,110
Other	81,196	9,481	3,543	94,220
Interest	1,000,521	-	-	1,000,521
Utilities	215,577	-	-	215,577
Repairs	589,338	-	-	589,338
Real estate taxes	175,066	-	-	175,066
Grant expenses	40,301	-	-	40,301
Arlington County repayments	1,155,218	-	-	1,155,218
Total	$ 6,032,054	$ 323,892	$ 121,081	$6,477,027

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2004 AND 2003

20. FUNCTIONAL EXPENSES - Continuted

	Year ended June 30, 2003			
	Program Services	Management and General	Fundraising	Total
Compensation of officers	$ 54,583	$ 29,943	$ 12,407	$ 96,933
Other salaries	747,228	188,257	78,009	1,013,494
Pension Plan and employee benefits	55,981	14,426	5,978	76,385
Payroll taxes	66,137	16,448	6,815	89,400
Legal and professional	48,768	5,121	2,121	56,010
Supplies	52,588	3,703	5,778	62,069
Telephone	33,970	6,042	2,504	42,516
Postage and shipping	2,581	1,038	431	4,050
Rent	43,980	17,692	7,331	69,003
Equipment rental & maintenance	81,738	32,882	13,625	128,245
Printing	9,706	3,905	1,618	15,229
Travel/Conferences	16,018	6,444	2,670	25,132
Depreciation and amortization	404,889	-	-	404,889
Insurance	94,935	1,724	714	97,373
Springdale House	32,079	-	-	32,079
Advertising	459	-	-	459
Lincolnia Community Center				
Strawbridge Square	36,131	-	-	36,131
Bad debts	11,804	-	-	11,804
Contributions & grants	-	-	-	-
Other	51,186	10,589	4,388	66,163
Interest	634,558	-	-	634,558
Utilities	270,225	-	-	270,225
Repairs	503,234	-	-	503,234
Real estate taxes	155,936	-	-	155,936
Management & administrative service	101,041	-		101,041
Total	$ 3,509,755	$ 338,214	$ 144,389	$3,992,358

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA
and its affiliates

SCHEDULE OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2004

Federal Grantor and Program Title	Federal CFDA Number	Program Amount	Revenue Recognized	Expenditures
Department of Housing and Urban Development (HUD) Community Development Block Grant Entitlement				
Fairfax County Administrative Support for Affordable Housing Capital Projects	14.218	$124,000	$ 124,000	$124,000
Section 8 Tenant Assistance Payments	14.195	$ 88,225	$ 88,225	$ 88,225
Capital Advance under Section 811 of the National Affordable Housing Act of 1990	14.157	$942,800	$942,800*	$942,800*
Program Fairfax County Redevelopment and Housing Authority Forgivable Loan	14.157	$225,700	$206,336*	$206,336*
Arlington County - Community Development Block Grant	14.218	$229,906	$ 229,906*	$ 229,906*
Arlington County Board of Supervisors Community Block Grant	14.228	$342,325	$342,325*	$ 342,325*
Arlington County Board of Supervisors Rental Rehabilitation Funds Forgivable Loan	14.230	$250,000	$250,000*	$250,000*
Fairfax County Community Development Block Grant	14.228	$350,000	$ 350,000	$ 350,000

* Occurred in Prior Years

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Wesley Housing Development Corporation of Northern Virginia
and its affiliates

We have audited the consolidated financial statements of Wesley Housing Development Corporation of Northern Virginia and its affiliates as of and for the year ended June 30, 2004, and have issued our report thereon dated August 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Wesley Housing Development Corporation of Northern Virginia and its affiliate's June 30, 2004 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Wesley Housing Development Corporation of Northern Virginia and its affiliate's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vienna, Virginia
August 12, 2004

Reitburger, Pollekoff & Kozak, P.C.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Wesley Housing Development Corporation of Northern Virginia
and its affiliates

Compliance
We have audited the compliance of Wesley Housing Development Corporation of Northern Virginia and its affiliates with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004, which are identified in the accompanying schedule of federal awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wesley Housing Development Corporation of Northern Virginia and its affiliate's management. Our responsibility is to express an opinion on Wesley Housing Development Corporation of Northern Virginia and its affiliate's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards, issued* by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A- 133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wesley Housing Development Corporation of Northern Virginia and its affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Wesley Housing Development Corporation of Northern Virginia and its affiliate's compliance with those requirements.

In our opinion, Wesley Housing Development Corporation of Northern Virginia and its affiliate's complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance
The management of Wesley Housing Development Corporation of Northern Virginia and its affiliate's is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wesley Housing Development Corporation of Northern Virginia and its affiliates' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal controls does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reitberger, Pollekoff & Kozak, P.C.

Vienna, Virginia
August 12, 2004

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA AND ITS AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes __x__ no
Reportable condition(s) identified not considered to be material weaknesses?	____ yes __x__ no
Noncompliance material to financial statements noted?	____ yes __x__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ yes __x__ no
Reportable condition(s) identified not considered to be material weaknesses?	____ yes __x__ no
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to to be reported in accordance with Circular A-133, Section .510(a)?	____ yes __x__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grant/ State's Program
14.157	Capital Advance Program Mortgage Note
14.230	Federal Rental Rehabilitation Program Advance
14.128	Community Development Block Grant/ Entitlement

Dollar threshold used to distinguish between Type A and Type B programs:	$ 500,000
Auditee qualified as low-risk auditee?	__x__ yes ____ no

WESLEY HOUSING DEVELOPMENT CORPORATION
OF NORTHERN VIRGINIA AND ITS AFFILIATES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

Section II - Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards.* Auditors should refer to those paragraphs, as well as the reports content section of Chapter 7 of *Government Auditing Standards* for additional guidance on preparing this section of the schedule.

NONE

Section III - Federal Award Findings and Questioned Costs

This section identifies the audit findings required to be reported by Circular A-133, Section .510(a) (e.g., reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs). Where practical, findings should be organized by federal agency or pass-through entity.

NONE

27
6-28-05

<Susan_Phalen@yahoo.com>

06/27/2005 02:38 PM

Please respond to <Susan_Phalen@yahoo.com>

To <alexvamayor@aol.com>, <delpepper@aol.com>, <council@joycewoodson.net>, <councilmangaines@aol.com>, <council@krupicka.com>, <macdonaldcouncil@msn.com>,

cc

bcc

Subject City of Alexandria Website Contact Us - EMail for Mayor, Vice-Mayor and Council Members (alexvamayor@aol.com, delpepper@aol.com, council@joycewoodson.net, councilmangaines@aol.com, council@krupicka.com, macdonaldcouncil@msn.com, paulcsmedberg@aol.com, rose.boyd@alexandriava.gov, jackie.henderson@alexandriava.gov, tom.raycroft@alexandriava.gov)

City of Alexandria Website Contact Us - EMail for Mayor, Vice-Mayor and Council Members (alexvamayor@aol.com, delpepper@aol.com, council@joycewoodson.net, councilmangaines@aol.com, council@krupicka.com, macdonaldcouncil@msn.com, paulcsmedberg@aol.com, rose.boyd@alexandriava.gov, jackie.henderson@alexandriava.gov, tom.raycroft@alexandriava.gov)

Time: [Mon Jun 27, 2005 14:38:34] IP Address: [169.253.4.21]

Response requested: []

First Name:	Susan
Last Name:	Phalen
Street Address:	3911 Courtland Circle
City:	Alexandria
State:	VA
Zip:	22305
Phone:	703-624-3244
Email Address:	Susan_Phalen@yahoo.com

I understand that the Alexandria City Council will vote tomorrow (Tuesday, June 28, 2005) regarding a loan request from Wesley for the purchase of 4 buildings in Arlandria to be used as affordable housing.

I urge the Council to vote against providing this loan. I urge the Council to uphold the fair share housing policy it adopted and not direct any additional subsidized housing to Arlandria.

As you know, there is a large pocket of affordable housing already in Arlandria, and I am sure you would agree that confining the bulk of affordable housing to one specific area of the city is unfair to the recipients of the subsidized housing who would like to have options available as to areas of the city in which to live.

Comments:

If you the Alexandria City Council adopt a "Fair Share Policy" with regard to affordable housing, and then fail to uphold the policies that you yourselves have put in place.....you are doing a great disservice to the people you are supposed to be representing, and a disservice to the people who rely on the affordable housing.

Thank you for providing this forum where my thoughts can be heard. And thank you in advance for having the courage and conviction to enforce the policies you yourselves put in place.

Susan Phalen
3911 Courtland Circle
Alexandria, VA 22305
Susan_Phalen@yahoo.com
703-624-3244

27
6-28-05

<dgbdrays@aol>

06/28/2005 05:22 AM

Please respond to <dgbdrays@aol>

To <alexvamayor@aol.com>, <delpepper@aol.com>, <council@joycewoodson.net>, <councilmangaines@aol.com>, <council@krupicka.com>, <macdonaldcouncil@msn.com>,

cc

bcc

Subject City of Alexandria Website Contact Us - EMail for Mayor, Vice-Mayor and Council Members (alexvamayor@aol.com, delpepper@aol.com, council@joycewoodson.net, councilmangaines@aol.com, council@krupicka.com, macdonaldcouncil@msn.com, paulcsmedberg@aol.com, rose.boyd@alexandriava.gov, jackie.henderson@alexandriava.gov, tom.raycroft@alexandriava.gov)

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Time: [Tue Jun 28, 2005 05:22:58] IP Address: [205.188.116.202]

Response requested: []

First Name:	Glenda
Last Name:	Davis
Street Address:	3732 Edison Street
City:	Alexandria
State:	VA
Zip:	22305
Phone:	703 548 8225
Email Address:	dgbdrays@aol

The City's loan to Wesley housing for the purchase of 4 buildings in Arlandria is up for a vote tonight and since I will not be able to attend I would like to express my feelings concerning this matter.

I have been a resident of Hume Springs for over 15 years, I feel I have had more than my share of unfavorable experiences relating to the over population of subsidized homes in my neighborhood.

I do support affordable housing but I do not support the over concentration of one area I do not support this loan and I would like for you to uphold the fair share housing policy and reconsider the direction of this project.

Sincerely,

Glenda Davis

Comments:

27
6-28-05

<asmuzynski@whdc.org>

06/23/2005 10:20 AM

Please respond to <asmuzynski@whdc.org>

To: <alexvamayor@aol.com>, <delpepper@aol.com>, <council@joycewoodson.net>, <councilmangaines@aol.com>, <council@krupicka.com>, <macdonaldcouncil@msn.com>,

cc

bcc

Subject: City of Alexandria Website Contact Us - EMail for Mayor, Vice-Mayor and Council Members (alexvamayor@aol.com, delpepper@aol.com, council@joycewoodson.net, councilmangaines@aol.com, council@krupicka.com, macdonaldcouncil@msn.com, paulcsmedberg@aol.com, rose.boyd@alexandriava.gov, jackie.henderson@alexandriava.gov, tom.raycroft@alexandriava.gov)

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Time: [Thu Jun 23, 2005 10:20:21] IP Address: [207.188.192.34]

Response requested: []

First Name: Alvin

Last Name: Smuzynski

Street Address: Wesley Housing Development Corporation
5515 Cherokee Avenue, Suite 200

City: Alexandria

State: VA

Zip: 22312

Phone: 703/642-3830x217

Email Address: asmuzynski@whdc.org

Mr. Mayor and Council Members:

On 6/28, you will consider a $1.2 million loan from the Housing Trust Fund to Wesley Housing to help us purchase and rehab Beverly Park Apartments and preserve them as affordable rental housing. The Affordable Housing Advisory Committee met on 6/9 and recommends approval of the loan. You voted to support our tax credit application on 4/12.

We have met with the Sunnyside Civic

Comments: Association, communicated our plans to the Arlandria Civic Association and the Tenants and Worker Support Committee (Mr. Liss) and offered to meet with all of them.

If you have any questions about our application or the transaction, that is not answered in the staff report, please contact me by phone or e-mail. I will also meet with you if you would like to discuss it

Al Smuzynski

27
6-28-05

<baileynbeen@comcast.net>

06/27/2005 11:47 PM

Please respond to <baileynbeen@comcast.net>

To: <alexvamayor@aol.com>, <delpepper@aol.com>, <council@joycewoodson.net>, <councilmangaines@aol.com>, <council@krupicka.com>, <macdonaldcouncil@msn.com>,

cc

bcc

Subject: City of Alexandria Website Contact Us - EMail for Mayor, Vice-Mayor and Council Members (alexvamayor@aol.com, delpepper@aol.com, council@joycewoodson.net, councilmangaines@aol.com, council@krupicka.com, macdonaldcouncil@msn.com, paulcsmedberg@aol.com, rose.boyd@alexandriava.gov, jackie.henderson@alexandriava.gov, tom.raycroft@alexandriava.gov)

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Time: [Mon Jun 27, 2005 23:47:59] IP Address: [69.140.85.10]

Response requested: []

First Name:	doug
Last Name:	been
Street Address:	2919 Hickory Street
City:	Alexandria
State:	va
Zip:	22305
Phone:	703-836-5479
Email Address:	baileynbeen@comcast.net

Dear Mayor, Vice Mayor and Council members,

It is with mixed feelings that I write you tonight concerning the funding for the Wesley Housing Project in Arlandria. I support affordable housing and government involvement. However, I must insist that you reconsider your support for this project as it only perpetuates the problems our community has been fighting for some time, namely the over concentration of publically funded housing in small areas, specifically in Arlandria.

Comments:

As a resident of Warwick Village, I gladly accept that we accommodate a "Fair Share" of subsidized housing. However, I have seen what can happen to a community when there is an undue burden placed on it and I feel that the Arlandria/Hume Springs/ Lynnhaven areas are release valves for the City's desire to do good. Instead of accepting any offer that is proposed in this area, I urge you to reevaluate your housing policy as a whole and consider meaningful, thoughtful distribution of subsidized housing throughout the city in the true, proven spirit of "Fair Share" policies.

Thanks for your consideration.

Doug Been