



VHDA FINANCED MIXED-USE/MIXED-INCOME DEVELOPMENTS

Historic Downtown Adaptive Reuse

Business and Community Blended for Vibrant Living



Courthouse Square, Lexington Virginia, after renovation. Story and more photos can be found on the back cover.

COURTHOUSE SQUARE
Lexington, VA

COTTON MILL LOFTS
Roanoke, VA

THE PATRICK HENRY
Roanoke, VA

Preservation Combined With Revitalization:

In communities across Virginia, historic neighborhoods are being transformed into hubs for business and living. It's a statewide revival, custom made for VHDA's Mixed-use/Mixed-income financing.



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THE COMMUNITY. During colonial times the Roanoke area was an important hub of trails and roads. Today the City of Roanoke, situated at the southern end of the scenic Shenandoah Valley, has grown into a hub for commerce and business, with a population of more than 100,00 and an area median income of \$62,400. The city also boasts a 65-block historic downtown district that is evolving into a focal point for shopping, entertainment, working and—most importantly—urban living with a variety of housing options.

THE SITUATION. In 2001, Roanoke’s residents and city leaders unveiled a blueprint to guide development through 2020, with a major goal of revitalizing its neighborhoods. Roanoke is emerging as one of the hottest cities in America for manufacturing locations and expansions. As a result, even with a focus on revitalization, the growing workforce of low- to moderate-income residents employed in and around downtown finds that affordable housing opportunities remain limited.

The Patrick Henry

617 S. Jefferson Street, Roanoke VA 24011

THE PROCESS. Built in 1925, this once glamorous 125-room hotel had operated as both apartments and a hotel for several decades before the final resident moved out in 2005. The Patrick Henry closed its doors in 2007 after being condemned. A 2009 foreclosure for back taxes resulted in the property’s purchase by Potomac Realty Capital of Boston for \$2 million. The Patrick Henry was resold in October 2009 to Roanoke developer Ed Walker, who had previously revitalized several of downtown Roanoke’s historic buildings.

THE DESIGN. With its transformation into a high-rise apartment building, The Patrick Henry features 132 one- and two-bedroom units that range from 400 to 1,000 square feet and rent from \$510 to \$1,290 a month. The innovative adaptive reuse balances modern amenities with the preservation of many of the hotel’s original Colonial Revival architectural details, including several crystal chandeliers that hang in the ballroom.

As a mixed-use/mixed-income project, The Patrick Henry also features lower floor commercial spaces that are home to a variety of businesses, including a coffee shop, a restaurant and a local radio station. The original restored ballroom provides an elegant space that can be rented for weddings, conferences and meetings.

THE FINANCING. REACH Virginia subsidy funds were blended with taxable bonds to provide a lower interest rate than the standard bond rate. Under VHDA’s MUMI program a property must be primarily residential housing, combined with commercial or non-housing space, and serve residents with varying income levels.



Upper floor hallway before renovation



Ballroom



After

Cotton Mill Lofts

505 Sixth Street, Roanoke VA 24013

THE PROCESS. The demand for contemporary living spaces, combined with visionary thinking by developer Ed Walker, transformed a textile factory built in 1919 into a stylish apartment building in a former industrial district in downtown Roanoke. Although at one time it was one of the Roanoke Valley’s largest employers and produced as many as 140,000 articles of clothing a week, the factory had been vacant for 13 years when Walker bought it in 2005.

THE DESIGN. Once the Virginia Mills Cotton Products plant where workers stitched cotton garments, today this 107,000-square-foot brick building has been transformed into Cotton Mill Lofts. The 108 apartments within the complex range in size from 450 square feet to more than 1,200 square feet, and rent for \$450 to \$1,275 a month. Some have a loft design, and most of the third-floor apartments have rooftop decks. Eight spaces that are designed to be “live/work units” feature an outside entrance.

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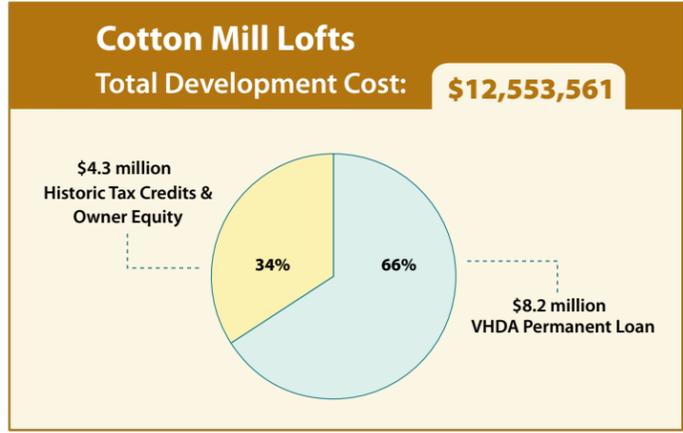
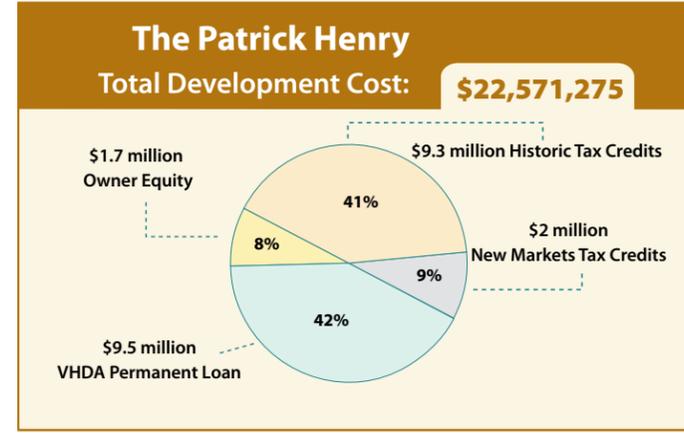
Before



After



After



Lexington, VA

22 S. Main Street, Lexington VA 24450

THE COMMUNITY. When the Virginia Legislature created Rockbridge County in 1778, it named Lexington as the county seat. Education, the city's primary industry almost since its founding, remains important. Downtown living appeals to students and professors from Washington and Lee University and Virginia Military Institute—both of which are within easy walking distance—as well as to a range of young professionals.

THE SITUATION. After Lexington's Historic District was listed in the National Register in 1972, the city and its citizens realized that having beautiful, historic buildings wasn't enough—their downtown had to be looked at comprehensively and proactively if it was to have a future as bright as its past was memorable. Since then, the Lexington Downtown Development Association has partnered with both the city and Rockbridge County in revitalization efforts to generate investment in adaptive reuse that encourages working and living in Lexington's historic downtown.



THE PROCESS. The First National Bank, built in 1902 and located on Main Street at the south end of Courthouse Square, had been vacant for many years when Rockbridge County sold it to local developers Matt Gianniny and Bruce Schweizer. The two had previously received VHDA mixed-use/mixed-income permanent financing for the Dutch Inn on Lexington's Washington Street, and wanted to do the same with the historic 10,000 square foot bank building.

THE DESIGN. Exterior renovation included cleaning and repainting the brickwork, as well as repairing and rebuilding the original windows. The two upper floors are now divided into seven one-bedroom and two two-bedrooms apartments, all of which feature restored hardwood floors. Rents range from \$525 to \$1,050. The first-floor bank lobby is home to Hess & Co. Jewelers, a family-owned business established in 1884. Unobtrusive modern lighting and a contemporary color scheme complement the lobby's original marble-covered walls. Two massive vaults—one of which serves as a small conference room—are reminders of the building's financial pedigree.

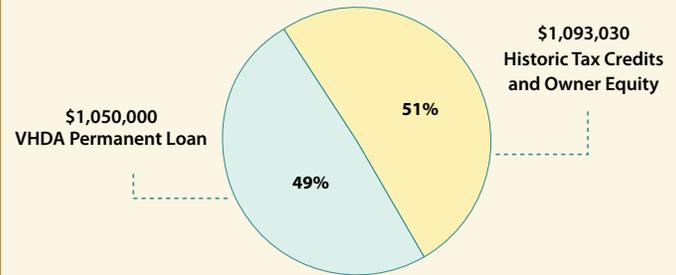


THE FINANCING. REACH Virginia subsidy funds were blended with taxable bonds to provide a lower interest rate than the standard bond rate. Under VHDA's MUMI program a property must be primarily residential housing, combined with commercial or non-housing space, and serve residents with varying income levels. In addition, the project was financed with a mix of capital from private investors and state and federal tax credits.

Courthouse Square

Total Development Cost:

\$2,143,030



CONTACT INFORMATION. To learn more about these small town and city revitalization projects, and other housing finance solutions that can transform once-neglected buildings into desirable residences and vibrant street-level businesses, please call 804-343-5735 or email MUMI@vhda.com.

The information contained herein (including but not limited to any description of VHDA and its lending programs and products, eligibility criteria, interest rates, fees and all other loan terms) is subject to change without notice.

