PROJECT NARRATIVE

Project Name: The Heights on Georgia Avenue

Applicant: Georgia and Lamont Limited Partnership

Address: 3232 Georgia Avenue, NW

Funding Sought:

The Applicant is seeking an annual total of $1,330,976 in Low Income Housing Tax Credit proceeds over a 10 year period.

Background

The Applicant owns approximately 19,000 square feet of land at the intersection of Georgia Avenue and Lamont Street, NW on which it plans to build a mixed-use, affordable housing development with ground floor retail. The project will encompass approximately 76,100 square feet of residential space yielding 69 units of 1, 2 & 3 BR apartments. The ground floor will consist of approximately 10,900 square feet of retail space. There will be one level of underground parking serving both the residential and the retail uses. The project is planned to be financed with a combination of Low Income Housing Tax Credits (LIHTEC), tax-exempt bonds from the DC Housing Finance Agency (DCHFA) and “gap” subsidy from DHCD. Total Development Cost for the project is projected to be approximately $21 million. This development will be a key component in the preservation of affordable housing in the neighborhood, will enhance the progress of the Georgia Avenue Great Street initiative and will also benefit the planned Park Morton revitalization literally across the street. The project is “shovel ready” and could begin construction as soon as 4Q 2009, and will champion sustainable development per the DC Green Building Act. This application is for the housing and associated parking component only; the retail space will be financed separately.

The development site is located within the heart of the District of Columbia in the emerging Columbia Heights / Petworth neighborhood along Georgia Avenue, one of the Districts major commercial thoroughfares. Located in the northwest quadrant of Washington, D.C., the site borders the neighborhoods of Shaw, Adams Morgan, Mount Pleasant, Park View, Mount Pleasant, and Le Droit Park. Howard University is located to the east of the neighborhood. Even with the recent downturn the neighborhood has undergone a tremendous level of price increases over the past few years and a resulting rapid decrease in the supply of decent and safe affordable housing. This development will be a key component in the preservation of affordable housing in the neighborhood.

Georgia and Lamont Limited Partnership is a 51/49 joint venture of Mi Casa, Inc. and the Neighborhood Development Company, LLC (NDC). This is the first of what we hope will be many successful joint ventures between the two companies to develop affordable
housing in the District. Both organizations have extensive experience in financing, developing and managing affordable housing throughout the District and in particular have developed several projects in the immediate area and have deep roots in the Columbia Heights / Petworth / Park View Neighborhoods.

(Non-Profit 501 C-3)

Mi Casa Inc.’s Mission

Founded in 1992, Mi Casa Inc is a nationally recognized, locally based non-profit organization whose mission is two-fold. We provide affordable home-ownership and other housing opportunities to those who would otherwise not be able to access quality housing and through our work foster healthy and thriving communities. We believe in a world where families and individuals have access to well-designed, quality and affordable places to call home, and we believe that strong neighborhoods occur when people are empowered to make decisions about their environment.

Mi Casa is dedicated to providing quality housing opportunities, in particular well-designed and energy-efficient homes for families of low or moderate income. For more than fifteen years, Mi Casa has worked to upgrade deteriorating urban housing stock and connect people with homes. Mi Casa is also committed to maintaining neighborhood open spaces and community multi-use and service areas for existing populations. Mi Casa recruits minority contractors to join revitalization efforts, supporting small business and creating jobs within District of Columbia communities.

Mi Casa’s Accomplishments

- 16 years of providing quality affordable home-ownership to over 1000 Washington area residents
- Assisted over 900 tenants in securing affordable housing through the purchase and renovation of their buildings
- Revitalized affordable single-family homes for more than 100 low and moderate income first-time home owners.
Increased the inventory of affordable housing, revitalizing community spaces and reversing decay in the Columbia Heights, Petworth and Shaw neighborhoods.

Contributed to the vitality of the diverse social and economic character of the neighborhoods, primarily serving low and moderate income Latino families.

Preserved and renovated more than 82,000 square feet of multi-use space including an integrated child day care and youth development center.

Contributed capacity-building and financial support for successful minority contractors and contractors-in-training creating job and training opportunities for professional and trade persons.

Participated in expansive, multi-cultural, citywide development efforts in cooperation with other organizations and City agencies. Serve on boards and commissions, including the Board of the DC Housing Authority (DCHA).

The Neighborhood Development Company, LLC (NDC) is a unique real estate development company that focuses on the revitalization of emerging urban neighborhoods. The company’s mission is to create exciting, customized residential and commercial properties that advance the revitalization of urban neighborhoods while respecting the rich diversity of their existing fabric and ensuring affordability. Founded in 1999, the company has completed and is developing over 1.6 million square feet of real estate as both lead developer and joint venture partner. NDC is also an equity participant in the development team selected by the city to redevelop the Old Convention Center site in Washington, DC, which will create over 1 million square feet of mixed-use space.

NDC believes that neighborhoods can prosper without losing the vibrant diversity, neighborhood history and urban lifestyles that make each community unique in the first place. The company works cooperatively with government, community groups and residents to be a positive force in the revitalization of urban neighborhoods, improving the quality of life for both newcomers and retaining long-term residents. The company is proud of its track record in hiring and training local residents through its Building Together program.
NDC’s total focus is on building neighborhoods and it has developed an innovative system called Strategic Neighborhood Development. The company systematically identifies neighborhoods with high potential for revitalization and follows up with strategic, long-term investments to augment and participate in their success. Existing neighborhood resources, both human and architectural, are respected, preserved and strengthened. NDC has particularly focused on the Georgia Avenue corridor and the neighborhoods of Columbia Heights, Petworth and Brightwood.

NDC has an extensive track record of developing projects of similar size and/or complexity, as the applicant project. Most significantly, NDC is the developer of the Residences at Georgia Avenue (4100 Georgia Avenue, NW), a mixed used project of similar size and financial sources (DHCD HPTF, DCHFA Bonds and LIHTC). The project was completed on time and below budgeted cost earlier this year, and is currently in lease-up mode. In addition to the housing component the project features a 10,000 square foot Yes! Organic Market, the first new grocery store in the area in a generation.

MI CASA INC. MANAGEMENT TEAM

Fernando Lemos, Executive Director

Fernando Lemos serves as the Executive Director of Mi Casa, Inc., a non-profit developer of affordable housing serving the District of Columbia. Mr. Lemos has over twenty years' experience working in the D.C. non-profit housing and economic development sector. He has trained in architectural design, and is also certified as a home inspector.

Originally from Paraguay, Mr. Lemos is bilingual and has extensive experience working with the Latino community. In addition to his work with Mi Casa, Mr. Lemos serves on the Board of Directors of several area organizations such as:

- District of Columbia Housing Authority (DCHA),
- Latino Economic Development Corporation (LEDC),
- Cornerstone, Inc.,
- Council of Latino Agencies (CLA)
- Recently nominated to serve on the Board of Directors for the DC Housing Production Trust Fund.

Elin Zurbrigg, Deputy Director

Elin Zurbrigg joined Mi Casa, Inc. as Project Director in April, 2002, and she is currently the Deputy Director. Elin has worked for over twelve years with non-profits in the field of community development. A native of Chicago, Illinois, she has worked and volunteered as a homeless rights advocate, a teacher, youth mentor and design instructor, and has conducted field research on the role of public schools in community development.
in Baltimore, Maryland, community-based urban agriculture in Havana, Cuba, and on the future of affordable housing for Latino communities in Washington, DC. She completed her Masters in Community Planning at the University of Maryland in 2002, with an emphasis on community development, neighborhood transition, and the potential for maintaining affordable housing in gentrifying neighborhoods. Ms. Zurbrigg serves on the Board of Directors for the Coalition for Nonprofit Housing and Economic Development.

Judy Meima, Director of Multi-family Programs

Judy Meima has worked at Mi Casa Inc. as a staff member since fall of 2003 as the Tenant Purchase Program Coordinator, and she is now currently the Director of Multifamily Programs. Prior to coming to the DC area Judy worked in the field of community organizing and housing and community development in Chicago and Illinois for more than twenty years. Her most recent employment was as Executive Director of the Statewide Housing Action Coalition (SHAC). In addition she has worked at a multi-issue grassroots community organization, a community-based housing development organization, and a university-based economic development technical assistance center. The common factor in her employment history has been the desire to expand the voice of low-income residents in the decisions that affect their lives, and to promote key policies that benefit low-income populations.

NDC MANAGEMENT TEAM

Adrian G. Washington, Principal

Mr. Washington has over 20 years of experience in urban real estate development, construction and management. Mr. Washington founded NDC in 1999 and served as President from 1999-2005. From 2005 until early 2007, Mr. Washington took a leave of absence from NDC to serve as the President and CEO of the Anacostia Waterfront Corporation (AWC), the entity charged with leading a $10 billion, 20 year initiative to revitalize Washington, DC’s Anacostia Waterfront and surrounding communities.

Mr. Washington grew up in the city’s Anacostia neighborhood and is a lifelong resident of DC. He is a graduate of Stanford University and holds an MBA from the Harvard Business School. He is a past President of the African American Real Estate Professionals of DC, former Chair of the Board of the Capital City Public Charter School, and former co-chair of the Mayor’s Comprehensive Housing Strategy Task Force.

Juan H. Powell, Principal

Mr. Powell has nearly 25 years of experience managing a wide range of commercial real estate projects. Prior to joining NDC, Mr. Powell spent 10 years with CarrAmerica Development, Inc., where he was a Vice President & Senior Project Manager in the real estate development group. At CarrAmerica he was directly responsible for the Project Management of over 1.5 Million Square feet of projects. Prior to joining CarrAmerica,
Mr. Powell spent 9 years managing projects with George Hyman Construction (now The Clark Construction Group). Mr. Powell holds an MBA from the University of Maryland and a BS in Civil Engineering from Howard University.

Patrick Cooper, Vice President

Mr. Cooper has over 15 years of industry knowledge in the related disciplines of architecture, real estate development and construction. Prior to joining NDC, Mr. Cooper spent 5 years with CarrAmerica Development managing the programming, design and construction of a diverse collection of mixed-use, office, and tenant improvement projects including the exhibition, theatrical and broadcast spaces for the Newseum in Washington, D.C. Mr. Cooper holds a Bachelor of Architecture degree from Hampton University and has served on the Board of Directors for Jubilee Support Alliance.

Kevin A. Brown, Vice President

Mr. Brown has over 14 years of experience in the construction industry. Prior to joining NDC, he spent 12 years with Tompkins Builders where he was a Project Manager. While at Tompkins, Mr. Brown participated in the management and construction of over $188 million of new construction on various projects. Mr. Brown holds a Masters of Environmental Sciences and Policy from John Hopkins University and a BS in Civil Engineering from the University of Maryland.

List and Description of partners and development team:

Mi Casa and NDC will jointly manage the development process. In addition to these entities the development team will include:

Grimm + Parker Architects

Organized in 1972, Grimm + Parker Architects is a firm of 85 professionals with three local studios and a portfolio that includes more than 10,000 units of affordable housing in Washington, DC and the Metro Region. Grimm + Parker Architects have been designing all varieties of multi-family residential projects for over 30 years, with a focus on affordable housing, including three of the District’s Hope VI projects – Capitol Gateway, Glenncrest/Eastgate, and Wheeler Creek. Grimm + Parker has received over 140 design awards including receiving the Award for “Architectural Excellence in Affordable Housing” from the Affordable Housing Conference of Montgomery County every year for the past five years.

Hamel Builders

Originally founded in 1988, under Hamel Commercial, Inc., Hamel Builders has developed into one of the Mid-Atlantic’s most valued and respected construction services
providers, specializing in the renovation and new construction of multi-family housing and adaptive-reuse. With corporate offices in Elkridge, MD and Washington, DC, Hamel maintains a presence throughout the region, having constructed more than 15,000 units of multi-family residential, affordable housing, adaptive-reuse, senior living, historic, and mixed-use development, including over 3,000 resident-in-place renovations.

**Holland + Knight**

The law offices of Holland + Knight, the Mid-Atlantic Region, which encompasses Washington, D.C., Northern Virginia, and Bethesda, Md., is the largest in the firm with more than 225 lawyers. Their wealth of practice area know-how and industry experience equips their teams to meet legal services needs efficiently and effectively. Partners of the firm include former state and local bar presidents and presidents of the American Bar Association and the National Conference of Bar Presidents. Many of the firm's 1,150 lawyers continue to serve their communities in leadership roles in civic, charitable and social organizations.

**Symmetra Design**

Symmetra Design provides traffic consulting services and is a registered Certified Business Enterprise in the District of Columbia. Symmetra is experienced in coordinating with local agencies including DDOT, Office of Planning and WMATA. In addition to their experience working with local agencies, their skill in providing expert witness testimony at both the Zoning Commission and the Board of Zoning Adjustments Symmetra Design provides valuable experience in bringing project stakeholders together for a successful project and approval process.

**A. Morton Thomas and Associates, Inc.**

A. Morton Thomas and Associates, Inc. (AMT) has been providing civil engineering and surveying services to a wide variety of both public and private clients since 1955 focused on a knowledge of principles applied to public works, land use, and environmental concerns. With over 230 employees operating from headquarters in Rockville, Maryland and offices in Baltimore, MD; Chantilly, Richmond, Verona, and Lebanon, Virginia; Raleigh, North Carolina; Iowa City, Iowa; and Washington, DC, AMT provides geographic and technical coverage in engineering, surveying, landscape architecture, environmental sciences and construction phase services.
Market Overview

The development site is located within the Howard U./Mount Pleasant/Brightwood submarket in the Washington, DC market. The submarket consists of primarily Class B and C properties. Class A properties are typically located along major corridors in the submarket and are four to six stories. There are several condominium projects that have been recently completed or scheduled to come online between Q1 2008 through late 2009. A number of these units will be reserved for affordable housing opportunities; however the availability of recently constructed affordable rental units is limited.

According to a recent submarket study, the overall submarket vacancy for all classes combined is estimated at 4.4% in 2006. Vacancy rates for Class B/C properties in the submarket have been vacillating 3.0%-4.2% since 2002.

Furthermore, rental rates for Class B/C properties in the submarket have been on the increase in the past decade, with a current average effective rental rate of $843 per unit. This represents significant increase when compared to a $557 rate in 1997. Asking rents have been increasing by an average of 4.6% per year since that time with a slightly negative turn in 2005 before rebounding by third quarter 2006.

Since the beginning of the decade the submarket has been experiencing an increase in development activity that has resulted in a dramatic increase in home sale values. Also, as older rental housing stock is being converted into newer for-sale housing, the availability of affordable rental housing in the submarket has declined during this time span. The proposed development would increase the preservation of affordable rental housing for households that meet the 60% area median income. The unit mix of the proposed development consists of 39 varying two-bedrooms, which could adequately accommodate a three-four person households.

Neighborhood Description

The development site is located within the heart of the District of Columbia on the eastern edge of the emerging Columbia Heights neighborhood along Georgia Avenue, one of the Districts major commercial thoroughfares. Located in the northwest quadrant of Washington, D.C., Columbia Heights borders the neighborhoods of Shaw, Adams Morgan, Mount Pleasant, Park View, Petworth, Mount Pleasant, and Le Droit Park. Howard University is located to the east of the neighborhood. The streets defining the neighborhood's boundaries are 16th Street to the west; Spring Road to the north; Georgia Avenue to the east; and Florida Avenue and Barry Place to the south.
Since the late 1990’s, the Columbia Heights / Petworth area has been rapidly transitioning as residential and commercial development interest has intensified in the neighborhood. In 2006 Tivoli Square, an urban commercial and entertainment complex anchored by a Super Giant grocery store, opened with much fanfare as it signaled an era of revitalization of the neighborhood. The new 546,000 square foot DC USA urban retail center is within a 10 minute walk of the site. Despite the current renewal of the neighborhood, Columbia Heights is arguably Washington’s most ethnically and economically diverse neighborhood. Unfortunately this distinguishing characteristic is trending towards homogeneity as lower income residents are being priced out of the neighborhood and replaced by new residents with higher incomes and an interest in the neighborhood’s conveniences.

The neighborhood is known for its early 20th century Victorian town homes that populate the neighborhood’s secondary streets. The main thoroughfares, 14th Street, 16th Street and Georgia Avenue, are majority characterized by multifamily structures and commercial services.

Furthermore, the site is highly accessible to public transportation as it is steps from multiple MetroBus stops and a 10 minute walk to the Columbia Heights and Georgia Avenue-Petworth Metro Stations, which are serviced by the yellow and green lines. The site is also within a priority area for the new city government administration and has been specifically targeted in the Georgia Avenue Revitalization Plan to provide increased density, neighborhood scaled retail and services. In addition, Washington Hospital Center and Howard University are located less than one-half mile from the Site.
Site Description

The site consists of several parcels - 3224-3334 Georgia Avenue and 714 Lamont Street, NW of which the applicant has fee simple ownership. The property is approximately 17,000 square feet spread between 4 legal parcels on the southwest corner of Georgia Avenue, a main thoroughfare, and Lamont Street. The Site is divided by a z-shaped public alley that separates one vacant land parcel (714 Lamont Street) from the other parcels on Georgia Avenue; closing this alley will allow a building footprint of approximately 19,000 square feet. The applicant initiated the alley closing process in 2008 and expects to receive Council approval in July. The Lamont parcel is zoned R-4 while Georgia Ave. parcels are zoned C-2-A, low density commercial development. The applicant received unanimous approval from the Zoning Commission for an Planned Unit Development (PUD) in March to build the project as designed. The Georgia Avenue parcels are currently occupied by an L-shaped one-story building with parking located in front and 2 vacant storefronts. All of the buildings on the site will be completely demolished prior to the start of construction. The Site has been targeted by the District for medium-density Transit-Oriented Development as part of the Georgia Avenue Revitalization Plan.

In late 2005 NDC completed The Lamont Street Lofts. The development is a 38 unit, New York style urban loft project, which is directly across the street from the site. Furthermore, NDC has a history of being actively engaged in the revitalization of the Georgia Avenue corridor as it also developed the Brightwood Lofts, a new 32 unit condominium anchored by a sit down, ethnic cuisine restaurant; and Kennedy Flats, a renovated 64 unit condominium project. NDC past projects combined with the development of the subject site proves NDC commitment to further contribute to the sustainable development of the Georgia Avenue
Project Description and Projected Results

Projected Use of the Property: Affordable housing with ground floor retail.

Outcome/Benefits of the Project: Since the beginning of the decade the area has been experiencing an increase in development activity that has resulted in a dramatic increase in home sale values. Also, as older rental housing stock is being converted into newer for-sale housing, the availability of quality affordable rental housing in the submarket has declined during this time span. The proposed development would increase the preservation of affordable rental housing for neighborhood residents.

The Columbia Heights / Petworth / Park View neighborhood is at a critical point when it comes to insuring affordable rental housing for the future. As development forces continue to intensify on the neighborhood it becomes increasingly difficult to preserve affordable housing ownership opportunities for existing residents. The proposed development would ensure the addition of 69 high-quality affordable rental units to a market and submarket where such housing opportunities are declining.

Furthermore, the Georgia Avenue corridor, the District’s largest commercial corridor, has been identified by Mayor Fenty as a revitalization priority for his administration which will bring additional attention to the corridor known as the last development frontier in Northwest Washington, DC. Creating another high quality, affordable residential project on this corridor will provide a feasible example of affordable housing development, which will create synergy for the development of similar projects in the area.

The project will also bring much desired neighborhood-serving retail to the community, with prospective tenants including a sit-down restaurant, a hardware store and a grocery store.

Finally, we envision the proposed project as a successful example of environmentally sustainable and feasible Green design for the future development of affordable rental multifamily projects. These elements will meet the needs of the community and the District in preserving and creating affordable housing opportunities for the residents while furthering the City’s green objectives.
Proposed steps to undertake and complete the project:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize Conceptual Design</td>
<td>2/8/2008</td>
</tr>
<tr>
<td>Submit Letter of Interest for Bond Financing</td>
<td>6/27/2008</td>
</tr>
<tr>
<td>ANC 1A Community Support Approval</td>
<td>5/14/2008</td>
</tr>
<tr>
<td>Enterprise Acquisition Loan Closing</td>
<td>5/23/2008</td>
</tr>
<tr>
<td>Design Team Selected</td>
<td>5/30/2008</td>
</tr>
<tr>
<td>Select Pre Construction General Contractor</td>
<td>6/20/2008</td>
</tr>
<tr>
<td>Schematic Design Finalized/ PUD Package Submitted</td>
<td>10/03/2008</td>
</tr>
<tr>
<td>Initiate Alley Closing Process</td>
<td>7/9/2008</td>
</tr>
<tr>
<td>Recordation of PUD Covenant</td>
<td>5/22/2009</td>
</tr>
<tr>
<td>Alley Closing Complete</td>
<td>7/30/2009</td>
</tr>
<tr>
<td>Submit Permit Documents</td>
<td>9/18/2009</td>
</tr>
<tr>
<td>GMP Set / 85% Construction Documents</td>
<td>9/18/2009</td>
</tr>
<tr>
<td>GMP Pricing Finalized</td>
<td>11/2/2009</td>
</tr>
<tr>
<td>Issue Building Permit</td>
<td>12/20/2009</td>
</tr>
<tr>
<td>DCHFA Bond Finance Closing</td>
<td>12/30/2009</td>
</tr>
<tr>
<td>Tax Credit Finance Closing</td>
<td>12/30/2009</td>
</tr>
<tr>
<td>Construction Begins</td>
<td>1/10/2010</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>6/30/2011</td>
</tr>
</tbody>
</table>

Benefit and impact on the neighborhood: See above “Outcome/Benefits of the Project”

Communication with neighborhood residents: MiCasa and NDC have been actively involved in the neighborhood for years and have successfully interacted with community residents on many past projects. For this project we have met on several occasions with Councilmember Graham, the ANC (both individually and collectively, including SMD Lakeisha Thomas), the Georgia Avenue Redevelopment Defense Squad, the Petworth Action Committee, and other individuals and business owners in the community. We believe that the community is solidly in support of the project. The project successfully received unanimous approval from the Zoning Commission with no members of the community voicing opposition, and we have also held a successful Green Charrette to elicit feedback on the sustainability of the project. Letters of support are included in our appendix.
Project Financing

We anticipate the following sources of financing:

**Acquisition and Predevelopment:** A SAFI loan from DHCD and Enterprise Community Partners is already in place on the project. Additional funding will come from DHCD, a and other District sources including NIF, McKinney Act loans, ODMPED and New Communities, an Enterprise Foundation Green Grant. The Sponsors have already invested over $100,000 in the project and hundreds of man hours.

**Construction:** A combination of DHCD funds, tax exempt bond proceeds from DCHFA, and LIHTEC.

**Permanent:** A combination of DHCD funds, tax exempt bond proceeds from DCHFA, and LIHTEC.

**Source and Status of obtaining remaining funds:** The DHCD pre-development loan of $537,000 has been approved by DHCD Loan Committee. The Applicant submitted a NIF application in mid May.

Importance:

The Columbia Heights / Petworth neighborhood is at a critical point when it comes to insuring affordable rental housing for the future. As development forces continue to intensify on the neighborhood, it becomes increasingly difficult to preserve affordable housing ownership opportunities for existing residents. The proposed development would ensure the addition of 69 high-quality affordable rental units to a market and submarket where such housing opportunities are declining.

Furthermore, the Georgia Avenue corridor, the District’s largest commercial corridor, has been identified by Mayor Fenty’s as a revitalization priority for his administration which will bring additional attention to the Corridor known as the last development frontier in Northwest Washington, DC. Creating a high quality, affordable residential project on this corridor will provide a feasible example of affordable housing development, which will create a synergy for the development of similar projects in the area.

The project will also bring much desired neighborhood-serving retail to the community, in the form of a sit-down restaurant and potentially a hardware store.

Finally, we envision the proposed project as a successful example of environmentally sustainable and feasible Green design for the future development of affordable rental multifamily projects. These elements will meet the needs of the community and the
District in preserving and creating affordable housing opportunities for the residents while furthering the City’s green objectives.