

**Israel Manor Senior Residences
10th Street & Rhode Island Ave., NE
Washington, D.C. 20018**

Briefly summarize the nature of the proposed project and support services (if applicable), including the amount and type of financing, and a brief description of the community in general. How did this specific project originate? Also, give a brief history of the relationship between members of the development team.

Israel Manor (IM) is expanding its capacity to provide a wide range of community services and housing to the residents of Ward 5. In addition to providing community services at Israel Baptist Church, IM is the developer/sponsor/majority partner of a new construction, 33 unit senior building near the entrance of the Rhode Island Park shopping Center. The land required for this senior building has been donated by one of the partners in the development entity. IMI is requesting \$731,000 in an annual LIHTC reservation as a component of the financing for Israel Manor Senior Residences.

Upon completion, the facility will contain 33, state-of-the-art, senior units some of which will be outfitted for handicapped residents. This project will be located across the street from the Rhode Island Avenue Metro station. It will contribute to transit oriented development as well as provide seniors with easy access to transportation and shopping. The Rhode Island corridor is a mixture of commercial and residential uses. This quality of shopping in this section of Rhode Island Avenue was recently improved with the development of the Rhode Island Place shopping center. Along with the commercial development of this area of Rhode Island Avenue is the planned residential development of over 300 units of market rate and affordable rental housing. There are two other churches in the immediate area along with a variety of commercial venues. Single family and rental housing are prominent throughout the immediate area.

The catalyst for this project is the outreach efforts of Rev. Morris Shearin, pastor of Israel Baptist Church. Through conversations with Richard Walker of Walker Development, the primary principal involved with the development of Rhode Island Place the development site is being donated to IMI. Other primary members of the development team include: Columbia Engineering, Bowen and Associates and Bryant Mitchell, LLC (project architects), Holland and Knight (legal and zoning counsel) and Rhode Island Senior Partners (development and finance). IM is the majority partner of the development team.

Sponsorship

Describe the sponsoring organization and its capacity to complete the proposed project. How long has the organization been in existence?

- 1. If a non-profit organization provide the date organization was incorporated, and 501 (c) (3) status. Who started the group and why?**

This project is being sponsored by a joint venture partnership made up of the Israel Manor Walker Development Co. and Rhode Island Senior Partners, Inc. Israel Manor is a 501 C 3 non-profit corporation, DHCD and HUD certified Community Housing Development Organization (CHDO), community development and services affiliate of Israel Baptist Church and the majority member of the partnership.

The Israel Baptist Church was founded in 1892 and has been an established pillar of the Brentwood community for 22 years. Since constructing its current facility in 1984, the church has worked in close partnership with DC government agencies to provide childcare, social services and elderly related services to residents and Ward 5.

Israel Manor was founded in 1996 to centralize and broaden the community development focus and capacity of Israel Baptist Church. The IM Board of Directors is comprised of volunteers who bring to its vision, policy formulation and fiduciary role extensive managerial and technical skills in strategic planning, communications, legal, financial, contract compliance, health and social services. Ms. Carrie Thornhill is the IMI Managing Director for day to day operations. Ms. Thornhill has over 30 years of community development and non-profit management experience. Most recently, she served as president and CEO of Marshall Heights Community Development Organization, an organization for which she was a co-founder, board and staff member and for which she helped shape and guide its extensive housing, commercial and people development activities for over 20 years. Ms. Thornhill is also a former chair of the Board of Zoning Adjustment for the city from 1983-1992 and a member of the DC Board of Education from 2003-2007.

Walker Development Co. has extensive experience in the development of commercial/retail properties. In fact, it is the developer of the Road Island Avenue shopping center project. Rhode Island Senior Partners is a partnership of Community Development Concepts, Inc. and Creative Development, LLC, minority owned real estate consulting and development firms. The principals of the respective firms (Russell D. Simmons and Lawrence C. Cager) have extensive finance and development experience and are responsible for project development and project management. The architectural and engineering team includes Columbia Engineering and Bowen Associates, who provided services for the development of Rhode Island Place and are familiar with the project site. Bryant Mitchell, LCC a District of Columbia certified Local Small Disadvantage Business Enterprise (LSDBE) joins the architectural team through a joint venture with Bowen and Associates. Property management services will be provided by Visions Realty another District of Columbia certified LSDBE.

List key staff members involved in real estate activities and support services (if applicable), and explain their relevant experience and responsibilities. Please provide information regarding any planned staff additions for this project of direct service providers (if applicable). The information provided should include: Position, primary responsibility and authority, recruitment process, timing of employment, unique skill or anticipated contributions to the project's success.

The key staff responsible for the development of the 33 unit senior facility will be Carrie Thornhill and Community Development Concepts. Russell Simmons, the founding principle of Community Development Concepts Inc., is a native Washingtonian, a former Senior Vice President for community development at Riggs Bank and former chairman of the District of Columbia Housing Authority. Mr. Simmons bring more than 30 years of executive leadership in banking, finance, real estate and community development in Washington, DC.

He is joined in this effort by Lawrence Cager, former Deputy Director for Finance of the DC Department of Housing and Community Development and former director of Enterprise in Baltimore, Maryland. Mr. Cager has more than 20 years experience in finance and development. The development partnership will hire a general contractor and construction manager to construction and manage the construction details of this Project.

Ms. Carrie Thornhill as the managing director of IM will be the first point of contact for IM during

the development of the project. As the community development affiliate of Israel Baptist Church, IM oversees the provision of the existing services provided by the various entities of Israel Baptist Church and leads the churches expansion of services into the community.

Also discuss the overall composition of the board (number, % within the neighborhood), and specific areas of expertise of board members which might be helpful to the organization during development of the proposed project. Provide an overview of the financial position of the organization. Current and past sources of operational support (include source, amount, and dates).

List key staff members involved in real estate activities, and explain their relevant experience and responsibilities. Also discuss the overall composition of the organization number, and specific areas of which might be helpful to the organization during development of the proposed project.

The IM Board is composed of 12 members, 54% of whom live in the immediate Ward 5 community and the District of Columbia. Board members are dedicated volunteers who bring a wide range of professional expertise to the governance and fiduciary responsibilities for the corporation including strategic planning, governmental policy and administration, financial management, contracting and procurement, legal research and investigation, technical writing, health, education, senior citizen programming and strategic marketing. As a DHCD and HUD certified CHDO Israel Manor is required to have community representation on its board of directors.

Ms. Carrie Thornhill, Managing Director of IM, will be the first point of contact for IM during the development of the project. Ms. Thornhill is an experienced executive manager of nonprofits and an experienced community developer. As the community development affiliate of Israel Baptist Church, IM guides the expansion projects for the church and oversees the provision of a variety of service of existing ministries of Israel Baptist Church for community purposes.

Provide an overview of the financial position of the organization. Current and past sources of operational support (include source, amount, and dates).

Please see attached financial statements and for the sponsors of this project.

2. "What is the mission and support services (if applicable), the size and composition of the staff?"

Reverend Morris Shearin has just completed his 19th year as pastor of the Israel Baptist Church, Washington, DC. He and the congregation have worked tirelessly in the church community to meet a variety of economic development goals as articulated upon his appointment as Pastor. In addition to his religious training and experience, he is a knowledgeable and effective church administrator, community development visionary and builder. He led a major renovation of his church in North Carolina, was a County Commissioner, and led the retirement of a \$3 million dollar debt on the construction of the current IBC church and educational complex. He has guided the planning and development of the new Life Learning Center and the assembly of additional properties

adjoining the church.

Pastor Shearin is in the final stages of financing one of the largest faith based community centers for life learning in Washington, DC. This 50,000 sq. ft. facility will be a couple of blocks from this senior facility.

State the organization's real estate development and support services (if applicable), track record, particularly with regard to projects similar to the one proposed. What are the organization's accomplishments (include dates and current programs).

State the organization's real estate development track record, particularly with regard to projects similar to the one proposed.

The church has an annual budget of more than \$1.1 million. It has retired the \$3MM debt used to construct the current 30,000 sq. ft facility and has adequate resources to finance the bulk of the construction cost for the new Life Learning Center facility.

Israel Manor, is a church-sponsored nonprofit corporation organized in 1996 for the purpose of expanding the congregation's mission to provide critical social services to Ward 5 residents. Israel Manor was created by Israel Baptist Church with the understanding that, in order to fully implement its mission, the church would have to begin to separate-out its community service programs, both physically and operationally, and transfer those programs to Israel Manor. Israel Manor will leverage financial and volunteer support from the church congregation with other public and private sector funding to offer an expanded range of programs to serve more low-income families.

Israel Manor is a church sponsored nonprofit, 501c3 organization, managed by the Board of Directors that is committed to its mission of working in partnership with Israel Baptist Church and the broader community to provide education, life enhancing skills, housing and recreation services to DC residents with a primary focus on Ward 5 and the Brentwood area. It has a demonstrated capacity for attracting and utilizing volunteers in many of its programs. For more than 5 years, IMI has been planning for the construction of a new community center to provide top quality, expanded space for the operation for existing and new community service programming. Planning and drawings are complete. As soon as construction commences, Israel Baptist Church will transfer many existing programs and staff to the operational management of IM and occupancy in the new structure.

Neighborhood Description

Discuss accessibility to public transportation, retail and other services, recreation and healthcare facilities, employment opportunities. Describe the general character of the neighborhood, including age, condition and type of housing stock, development activity, and any other major uses. Provide demographic information—median income, major employers, major institutions, etc.

This project is across the street from the Rhode Island Avenue Metro station and on the footprint of the Rhode Island Place shopping center. Rhode Island Place has Giant Foods, Home Depot and A.J. Wright as its anchor tenants providing convenient access to grocery, dry goods and miscellaneous shopping needs. The project will contribute to transit oriented development as well as provide seniors with easy access to transportation and shopping. The Rhode Island corridor is a mixture of commercial, industrial and residential uses. This section of Rhode Island Avenue has been the site for recently improved commercial activity with the development of the

Rhode Island Place shopping center and the planned development of over 300 units of market rate and affordable rental housing to be undertaken at the Rhode Island metro development. The Isle of Pathmos and Mount Calvary are two of the other churches in the immediate area along with a variety of commercial venues. The Brentwood Postal facility is among the largest institutional uses in the area with other government, commercial and industrial facilities in the community. Single family and rental housing are prominent throughout the immediate area with Edgewood Terrace and Brentwood Apartments being two of the largest affordable rental communities in the immediate area. Most of the housing stock appears to be at least 50 to 75 years old.

As shown by the following statistics, this area has significant pockets of poverty. Within 1 mile of the site there is a population of 29,941 people. This population is 89.6% African-American, 4.9% white and 3.4% Latino. Within a one-mile radius there are 10,598 households in all 27.3% and with incomes under \$15,000, 22.2% with incomes between \$15,000 and \$30,000. Also 36% of the occupied units are owner occupied while 48.3% are occupied by renters.

Population within a one-mile radius was 29,941 according to the 2000 census. Population is estimated to increase to 30,350 by 2005, 31,263 by 2009 and 33,296 by 2014 with 20% of the households living within one-mile radius of this site having incomes of under \$10,000 with an additional 15% having a household income under \$20,000. The median household income within a one-mile radius of the site was \$33,079.

Site Description

Describe the site or sites: location - the neighborhood, cross streets, and addresses, visibility within neighborhood; significant features, topography, prior uses, etc.: physical status—size of parcel (in square footage or acreage as appropriate) and type of property (vacant land, vacant building, occupied building, etc.); type of improvements—materials, condition, number of existing units; current ownership and status of purchase agreements, options, etc.

The subject site, located near the intersection of Rhode Island Avenue and 10th Street NE is in census tract 93.02 that is part of the federally designated enterprise zone. The project site is part of the footprint of the Rhode Island Place shopping center and is currently an unused parcel of the shopping center. The planned 4 story development will be approximately 33,000 square feet. Recent zoning of the project site to have it comply with the District of Columbia Comprehensive Plan designated the site as C-2-B from its previous industrial use zoning. The planned development is now a matter of right project under the C-2-B designation.

The Rhode Island Place shopping center is directly across the street from the Rhode Island metro stop where approximately 300 units of mixed income rental housing is being developed by a joint venture of A&R and Mid-City Development. This planned development does not include any designated senior housing. The design and exterior of the IM senior project will be consistent with the larger development to promote a sense of community in the area.

IM is scheduled to close on the acquisition of the site on May 28, 2009 and the site will be acquired as the initial task of the pre-development activities.

Development Team

Who will be the contact person at the organization to coordinate the work?

• **Developer—If different from sponsor, summarize qualifications and experience with**

projects of similar size, type, and financing.

IM is the majority partner of the development partnership and IM is the sponsor of the project. Ms. Carrie Thornhill as Managing Director of IM is the primary contact person for the majority partner. The development partnership includes Walker Development and Rhode Island Senior Partners; a partnership of Community Development Concepts, Inc. and Creative Development, LLC, minority owned real estate consulting and development firms. The principals of the respective firms (Russell D. Simmons and Lawrence C. Cager) have extensive finance and development experience and are responsible for project development and management. Russell D. Simmons will serve as the primary person to coordinate the development of the project.

- **General Contractor—Explain qualifications of the selected or anticipated contractor, including age of firm. If not yet selected, explain the selection process—competitive bid, negotiation, RFP, etc.**

The general contractor has not yet been selected. There will be a competitive bid process to determine the general contractor.

- **Architect—Experience and qualifications of the design firm. Specifically describe relevant project experience.** The architect for the project is a joint venture of Bowen and Associates and Bryant Mitchell, a District of Columbia certified LSDBE. Bowen and Associates was the primary architect for the Rhode Island Place shopping center and has an extensive background in commercial and residential development. Bryant Mitchell, LLC is one of the primary minority architects in the District of Columbia whose portfolio includes the Delta Towers senior housing facility on H Street NE. Resumes for both firms are included in the application.

- **Property Management—Qualifications, number of properties and units managed, number and type of staff, nonprofit or for-profit company, where based.** Visions Realty Property Management, a certified District of Columbia LSDBE property management company is being interviewed to provide property management services. Vision realty is a certified Low Income Housing Tax Credit compliance manager with its principal, Sam Lowery having an extensive career and certifications in property management. An overview of the company and its qualifications was included in the application.

- **Consultant—If used, explain qualifications and experience, as well as the role this individual or firm will play in the project.**

The primary development consultant Rhode Island Senior Partners is a member of the development partnership and will be responsible for project development and management for the project. Resumes on the principals are included in the application.

- **Construction Manager—**

A construction manager will be hired for this project.

Supportive Services

Describe the supportive services to be provided to tenants or hombuyers at the property, and state who will provide those services. If outside entities will be used, please describe their qualifications briefly.

The proposed facility will have excellent property management services and social services will be available at the Israel Manor Life Learning Center which is located approximately 1 block from the site. Services to be provided at the Life Learning Center that will benefit seniors at the proposed facility will include: Senior Citizen Nutrition and Wellness program, adult literacy, cultural arts and fitness programs, HIV/AIDS, Obesity, Diabetes, substance abuse and other health programming.

Market Overview

Define the market area; discuss vacancy and absorption rates, average rents or sales prices; explain the specific need for the project. Describe evidence of the demand by the targeted population for this type of project What income level and household size will the project target?

As demonstrated by the following statistics, this area has significant pockets of poverty. Within 1 mile of the site there is a population of 29,941 people. This population is 89.6% African-American, 4.9% white and 3.4% Latino. Within a one-mile radius there are 10,598 Households in all 27.3% and with incomes under \$15,000, 22.2% with incomes between \$15,000 and \$30,000. 36% of the occupied units are owner occupied while 48.3% occupied by renters.

Population within a one-mile radius was 29,941 according to the 2000 census. Population is estimated to increase to 30,350 by 2005, 31,263 by 2009 and 33,296 by 2014 with 20% of the households living within one-mile radius of this site have incomes of under \$10,000 with an additional 15% having a household income under \$20,000. The median household income within a one-mile radius of the site was \$33,079.

22% of the 2009-estimated population of 31,263 is estimated to be 55 years older. 6,864 people that are over 55 live within a one-mile radius of the site. The proposed facility with 34 units, accounts for less than 1% of the existing senior population indicating that demand is extremely strong for this product.

Project Financing

For each phase of financing listed below, identify and discuss the status of all anticipated funding sources. If possible, identify participants, - dates of commitment letters, application deadlines, anticipated award dates, etc.

Acquisition and Predevelopment

The site for this project is being acquired for \$400,000. Predevelopment cost are estimated to be \$475,410 which includes incurred legal and zoning cost and architectural and engineering costs necessary to move the project to the construction phase.

Construction

Construction costs are currently estimated at \$4,100,000 with a total development cost of approximately \$7,300,000 for the project. Construction financing will be provided by a combination of equity and debt.

Equity/Subsidy

The land value will be the initial development team equity for this project with an additional \$3,500,000 being provided by Low Income Housing Tax Credit equity.

Permanent Financing

Permanent financing will be a combination of private and public debt with the private portion estimated to be approximately \$1,300,000 with no immediate need or request for public subordinate debt.

Discussions have been held with permanent lenders and syndicators including, M&T Bank, PNC Bank and Enterprise Community Investments (for both debt and equity financing) along with Self-Help’s Center for Responsible Lending and Red Stone Equity Partners fund for separate debt and equity. All parties have expressed a desire to participate in the project with Self Help, Enterprise and PNC having provided letters of interest in the project application.

Project Risk: What are the perceived risks: borrower, project, and collateral?

The major risks associated with this project are during the construction period. The development team intends to hire a construction manager and the experience of the development team with the project site should work to minimize risk.

Collateral Position: Describe the collateral and collateral position to secure the loan. Who owns the collateral? Is the collateral assignable? What liens currently exist on it? Has the title been checked with real property office or tax records office? Is the land or property encumbered?

The land to the partnership will be the principle collateral. There is no other debt associated with this project. Clean and marketable title will be required to complete the predevelopment financing.

Project Timeline: Identify the major milestones involved in moving this project forward and in repaying the loan. Use a chart similar to the one below (add or delete rows as necessary). Include milestones already achieved. Be sure to show anticipated loan commitment dates, loan repayment dates, project start and completion dates.

Event	Date
Application Submission	6/1/2009
Zoning Approval	02/2008
Predevelopment Financing Closing	5/29/2009
Development Financing Closing	5/01/2010
Construction Start	06/2010
Construction Completion	07/2010

Importance: Discuss the importance of the transaction to the sponsoring organization, the District, and lender, and the strategic importance to the neighborhood. How will the residents benefit from the project? What role has the community played in developing the project or project concept?

Affordable senior housing is critically needed in Ward 5 and in District of Columbia. Residents will benefit from the affordability and location of this project as it will be centrally located within shopping and other community services. The project supports the Department’s goals of increasing

the supply of affordable senior housing, transit oriented development and the Great Streets initiative. This project responds to a need for affordable senior rental housing as the census data indicates the population is aging and there is no senior specific designated housing in the immediate community. This project continues the commitment of IM to provide quality services in the community. As the majority partner IM will retain ownership of the facility after the initial LIHTC compliance period and ensure that the project remains available and affordable to income eligible seniors in the community. The community and the Office of Planning have been involved during the planning and pre-development phases of the project and it is the intent of IM to maintain community involvement throughout the development and construction of the project.