

PROJECT NARRATIVE

Property History

NHT/Enterprise purchased the St. Dennis Apartments in order to preserve and improve 32-units of affordable housing on behalf of the Martinez family. Located in the Mt. Pleasant Historic District, the building was at the center of a lawsuit brought against the former owners/seller by the Martinez family, a building's last hold-outs, after all other residents moved. The previous owners vacated the building between 2004 and 2006 in order to redevelop the St. Dennis into market rate condominiums. After two years of contentious pretrial negotiations, a legal settlement was reached that gave the Martinez's the opportunity to purchase the building for \$3.4 million provided they settle before July 31, 2008.

NHT/Enterprise Development Corporation bought the building on that day with a loan from Enterprise Community Loan Fund, with funding partially provided with local funds from Site Acquisition Finance Initiative (SAFI).

Project Financing

The underwriting of the St. Dennis contemplates 9% Low Income Housing Tax Credits, Historic Tax Credits, long term assumption DC HPFT/SAFI dollars that were lent with the acquisition, weatherization dollars from the District Department of Energy, waiver and deferred developer fee, and funding from the Tax Credit Assistance Program and/or Tax Credit Exchange program.

Project Timeline

Substantial design and development work has already been completed and the building is properly zoned. As long as an allocation of credits is given prior to the September 2009 cut off for TCAP or Exchange eligibility, the project can close on financing and be ready to commence construction in late 2009/early 2010. Construction is anticipated to last 9 months.

Preserving a Community Asset

The building is currently vacant and in need of substantial renovations. The scope of the work calls for the replacement of nearly all the systems including: a new roof, windows, reconfiguration units, repairing failing support walls, HVAC systems, wiring, domestic water system, kitchens and baths. There are several historic features and physical amenities that will be maintained including the hallway marble terrazzo flooring and facade features. In order to maximize marketability, the floor plan has been redesigned to include larger one and two-bedroom units.

A Diverse Community Revitalized

The preservation of the St. Dennis Apartments is critical given the low incomes of neighborhood residents who are competing with the rising costs of gentrification in the Mt. Pleasant area. Businesses in the neighborhood cater largely to the significant Latino community, despite an increasingly diverse population. Home prices in this area increased 69% over the past years; 2000 median sale price \$421,427 compared to 2007 median price of \$714,795. Rents are rapidly rising and many of the apartment buildings were either converted into condominiums or are in the conversion process. According to September 2007 Washington Post article, two large apartment buildings recently underwent condo conversions and are selling one-bedroom units for upwards of \$300,000. That means dozens of affordable-housing units have been lost. This rapid rise in the cost of living is indicative of an affordable housing crisis facing many American cities.