Adaptive Reuse

Ramon Jacobson, DC LISC
Jim Knight, Jubilee Housing
Stan Jackson, Anacostia Economic Development Corporation
Steve Coleman, Washington Parks and People
Local Initiatives Support Corporation

- **Mission:** Equip low-to-moderate income neighborhoods with capital, strategy, and technical assistance through loans, grants, equity investments, and capacity building

- **Affiliates:** National Equity Fund (NEF) and New Markets Support Company (NMSC)

- **Our Initiatives:**
  - Affordable Housing
  - Education
  - Economic Development
  - Financial Stability
  - Healthy Futures Fund and Healthy Food Financing Initiative
  - Community Safety Initiative
  - Policy & Research
  - Community Leadership

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LISC by the Numbers Since Inception
From 1980 – 2016:

- **$17.3 billion** invested through grants, loans and equity leading to **$52 billion** leveraged in total development
- **365,922** affordable homes
- **61 million** square feet of commercial and community facility space
- **213** early childhood centers serving more than **21,500** children
- **199** schools financed serving more than **75,000** youth
- **350** recreational spaces
- **74** health-related projects
- **83** healthy food projects
- **26** theaters and performance spaces
- **100s** of other retail, arts, and community projects

*So what does it mean?*

**6.7 Million**
individuals living in **healthier, stronger, and safer**
neighborhood communities
LISC Footprint

1. Bay Area
2. Boston
3. Buffalo
4. Chicago
5. Greater Cincinnati and Northern Kentucky
6. Connecticut Statewide
7. Detroit
8. Duluth
9. Hartford
10. Houston
11. Indianapolis
12. Jacksonville
13. Kansas City
14. Los Angeles
15. Michigan Statewide
16. Milwaukee
17. New York City
18. Newark
19. Peoria
20. Philadelphia
21. Phoenix
22. Pittsburgh
23. Puget Sound
24. Rhode Island
25. Richmond
26. San Antonio
27. San Diego
28. Toledo
29. Twin Cities
30. Washington D.C.
31. National Rural Program
Available LISC Products and Projects

**Loan Products**
- Predevelopment
- Acquisition
- Construction
- Mini-Permanent
- Bridge
- Permanent
- Lines of Credit (*includes Working Capital, Project Based, and Revolving*)
- Guarantees
- Small Business Administration Community Advantage & Kiva Zip program

**Project Categories**
- Affordable Housing (*includes multifamily rental and for-sale single-family homeownership*)
- Charter Schools
- Commercial / Industrial Development
- Community Facilities
- Mixed-Use
Jubilee Housing
Mission and Programs

**Mission:** Building diverse, compassionate communities that create opportunities for everyone to thrive.

- **Affordable Housing:** 10 buildings/300 units
- **Programs**
  - **Property Management** – self management
  - **Resident Life:** supportive services for residents
  - **Youth Services:** out of school program and 6 week summer program
  - **Family Resource Center:** parent support services
  - **Re-Entry Program:** Housing & Services for returning citizens
Jubilee Housing: Community Focus on Adams Morgan

- **The Ritz**: 60 Units
- **The Mozart**: 29 Units
- **The Fuller**: 12 Units
- **The Marietta**: 17 Units
- **The Ontario**: 27 Units
- **The Euclid**: 47 Units
- **The Sorrento**: 23 Units
- **The Maycroft**: 65 Units
- **Re-entry Housing**
- **The Festival Center**
Jubilee Housing Portfolio
Affordability Levels/Financing Tools

- 215 units of newly renovated housing with rents affordable to families 0-60% AMI
  - 140 units at or below 30% AMI  Rents @ ~$600
  - 50 units at or below 50% AMI  Rents @ ~$800
  - 25 units at or below 60% AMI  Rents @ $1100
- Over $60M in total investment producing an aggregate annual rent subsidy of more than $1.5M
- Utilized federal tax credits, HOME Program funds, 4% LIHTC/Bond financing
- Local Housing Production Trust Fund, local NIF funds, other grant programs
- Jubilee equity and private fundraising
## Maycroft
### Residential Income Mix

<table>
<thead>
<tr>
<th>Affordability</th>
<th>Unit Configuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>* 30% AMI – 41 units</td>
<td>* Studios 15 units</td>
</tr>
<tr>
<td>* 40% AMI – 8 units</td>
<td>* 1 BR 32 units</td>
</tr>
<tr>
<td>* 50% AMI – 7 units</td>
<td>* 2 BR 12 units</td>
</tr>
<tr>
<td>* 60% AMI – 8 units</td>
<td>* 3 BR 5 units</td>
</tr>
</tbody>
</table>
Maycroft
Commercial Space and Community Program Space

THE MAYCROFT APARTMENTS
at 1474 COLUMBIA ROAD, NW
JUBILEE HOUSING, INC

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Maycroft
Ground Level – Commercial Use

- **Teen Renaissance Program**: out of school time/summer services for up to 35 at risk teens
- **Family Resource Center**: family financial support, parenting classes, workforce support
- **Child Development Center**: high quality child services for up to 48 low income infants and toddlers
- **Lobby Market Place**: daily food pantry – fresh fruits and vegetables available to Maycroft residents, child center families, and neighborhood residents
- **McKenna’s Wagon**: food preparation for daily mobile truck delivery to approximately 300 homeless residents at established downtown locations.
# Maycroft Building: Sources & Uses

<table>
<thead>
<tr>
<th>Maycroft: 1474 Columbia Rd NW</th>
<th>Commercial - Ground Floor</th>
<th>Residential – 4 Levels</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000 Square Feet</td>
<td>64 Units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SOURCES

<table>
<thead>
<tr>
<th></th>
<th>NMTC</th>
<th>LIHTC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>United Bank Debt</td>
<td>$3,300,000</td>
<td>$7,200,000</td>
<td>$10,500,000</td>
</tr>
<tr>
<td>Tax Credit Equity (3 types)</td>
<td>$2,320,500</td>
<td>$12,607,387</td>
<td>$14,927,887</td>
</tr>
<tr>
<td>DHCD HPTF Loan</td>
<td>$-</td>
<td>$7,536,648</td>
<td>$7,536,648</td>
</tr>
<tr>
<td>DHCD HOME Loan</td>
<td>$-</td>
<td>$4,413,352</td>
<td>$4,413,352</td>
</tr>
<tr>
<td>DHCD Grant</td>
<td>$-</td>
<td>$781,555</td>
<td>$781,555</td>
</tr>
<tr>
<td>Jubilee Housing Equity</td>
<td>$2,150,219</td>
<td>$1,837,652</td>
<td>$3,987,871</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$-</td>
<td>$715,199</td>
<td>$715,199</td>
</tr>
</tbody>
</table>

**Total Sources**

|                               | $7,770,719| $35,091,793| $42,862,512|

### USES

<table>
<thead>
<tr>
<th></th>
<th>Commercial – Ground Floor</th>
<th>Residential – 4 Levels</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$1,800,000</td>
<td>$12,780,000</td>
<td>$14,580,000</td>
</tr>
<tr>
<td>Predevelopment (design, legal, interest, financing fees)</td>
<td>$3,113,057</td>
<td>$8,934,023</td>
<td>$12,047,080</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$2,677,662</td>
<td>$10,809,387</td>
<td>$13,487,048</td>
</tr>
<tr>
<td>Reserves</td>
<td>$180,000</td>
<td>$968,385</td>
<td>$1,148,385</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>$-</td>
<td>$1,600,000</td>
<td>$1,600,000</td>
</tr>
</tbody>
</table>

**Total Uses**

|                               | $7,770,719| $35,091,794| $42,862,513|
Challenges
Adaptive Re-Use in Gentrified Neighborhoods

- Historic Designation
- Zoning Variances
- Neighborhood Support
- Legal Structure
- Extended Carry Period/LISC support
- Partners accommodating each others needs
Permanent Financing Sources Amount

1st mortgage: Bank $24,100,000
2nd mortgage: DHCD HPTF $22,715,135
3rd mortgage: Seller Note $11,700,000
Historic Tax Credit Equity $16,064,368
LIHTC Equity 23,639,316
Deferred Developer Fees $3,440,493
Total Sources $101,659,312
St. Elizabeths CT Campus
Anacostia Economic Development Corporation
Anacostia Economic Development Corporation (AEDC)

Established in 1969 to meet the overall economic needs and to improve the quality-of-life circumstances of the DC residents, specifically those residing in the Anacostia/Far Southeast community.

Areas of Focus

Housing Development
- Anacostia Holding Company, Management Company

Commercial Revitalization and Small Business Development
- BID, Business Development Center, Storefront Façade

Job Creation and Venture Development
- EB5 Regional Center, Urban Hydroponic Gardens

Community Resident Governed
- Board and staff are community residents.

Key Projects:

- St. Elizabeths East Campus
- Anacostia BID
- Anacostia Gateway Office Building
- The Portals - Office Space
- Urban Hydroponic "Food Hub" Project - University of the District of Columbia
- Good Hope Marketplace Shopping Center
- Knox Hill Village Townhomes
- District Cablevision, Inc.
History of St. Elizabeths

- **1855:** Created by Congress as Government Hospital for the Insane for “the insane of the Army, Navy, and DC.”
- Residents advocate name as St. Elizabeths Hospital.
- Architecture reflects 1850’s movement towards moral treatment of the mentally insane,
- Belief in therapeutic effects of design and nature.
- **1860s:** Among first hospitals to care for African American soldiers during Civil War.
- **1940s:** At its peak, 7,000 patients and 4,000 employees. Buildings included a nursing school, hospitals, a credit union, library, a chapel, and a movie theater for employees and residents.
- **1950s:** Mental health treatment shifts to de-institutionalization, emptying campus...
St E’s redevelopment milestones

- **1987**: Federal government transfers *East* campus to DC.
- **2007**: Dept. of Homeland Security & Coast Guard HQ built on *West Campus* of St. Elizabeths
- **2010**: New East Campus hospital to serve local patients & federally assigned inmates.
- **2011**: DC launches Saint Elizabeths Redevelopment Initiative.
- **2014**: Entertainment Pavilion built and RISE Center
- **2015**: Major infrastructure underway
- **2016**: Master Developer selects AEDC & Flaherty and Collins
- **2017**: Construction of Mystics and Wizards Arena
St. Elizabeths CT Campus
183 acre historic psychiatric facility in Congress Heights

Sports Arena, 60 townhomes, 230,000 SF Commercial
Infrastructure rebuilt & 252 rental units
CT Campus Team: AEDC partnered with Flaherty and Collins

- **AEDC Role**: Community engagement, leverage public sector, public agency contacts, design and neighborhood priority compliance.

- **Flaherty/Collins role**: brings strong expertise in adaptive reuse: construction, design, finance.
  - F&C founded in 1993, F&C is one of Midwest’s largest multifamily housing developers
  - $2 billion of development, half-billion in pipeline.
  - They manage 14,000+ multifamily units in 12 states.

- **Teamwork is key**
  - Numerous local relationships
  - Different requirements among agencies

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St Elizabeths CT Campus: 252 new permanent housing units

<table>
<thead>
<tr>
<th>Population</th>
<th>Total</th>
<th>Studio</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSH Supportive Housing Units</td>
<td>13</td>
<td>1</td>
<td>5</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Low-Income 30% AMI LIHTC Rents</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Low-Income 50% AMI LIHTC Rents</td>
<td>182</td>
<td>12</td>
<td>73</td>
<td>32</td>
<td>65</td>
</tr>
<tr>
<td>Market Rate</td>
<td>51</td>
<td>4</td>
<td>20</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>252</td>
<td>19</td>
<td>101</td>
<td>44</td>
<td>88</td>
</tr>
</tbody>
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#ofnconf  #cdfisinvest

## St. Elizabeths CT Campus Capital Stack

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<thead>
<tr>
<th>Permanent Financing Sources</th>
<th>Amount</th>
</tr>
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<tr>
<td>1st mortgage: Bank</td>
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Washington Parks and People:
2 Facilities, Innovation and Entrepreneurial Redevelopment

Mission: grow city-wide park-based community health & vitality by nurturing innovation & partnerships

- Founded 25 years ago to lead transformation of Meridian Hill/Malcolm X park.
- Early phase – Volunteers, bootstraps, minimal rent to incubate nonprofits
- Growth phase - Shift to earned revenue: Rents to nonprofits increase, wedding income
- Future phase - $9M renovation of Butler Center...
WPP’s Josephine Butler Center

- 1927. 18,000 SF, 40-room Renaissance Revival-style.
- Designed by George Oakley Totten Jr., noted architect who designed many major embassies in D.C.
- Former Embassy of Hungary & Brazil.
- The Peoples Republic of China owned but did not use it.

- Prior to WPP, housed law firm, rental apartments, and a day program for developmentally disabled adults.
- Meridian Hill Park was hub of crime and drugs, underused, and nonresponsive federal oversight

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Josephine Butler Center

Current programs: land reclamation, native species reforestation, watershed restoration, public health and fitness programming, urban agriculture, and green job training

- HQ for WPP’s parks and outdoor work
- Incubator for nonprofits
- Community Space
Earned Revenue Strategy – Weddings, selfies, and conferences.
WPP Riverside Center at Marvin Gaye Park – Watts Branch

- Acquired 2003
- Vacant nightclub
- Watts Branch 1.6 mile stream in Ward 7
- Needle Park
- Birth place of Marvin Gaye
Riverside Center Reborn
## WPP Financing model evolution

<table>
<thead>
<tr>
<th>WPP Model</th>
<th>Josephine Butler Center</th>
<th>Riverside Center</th>
<th>Current Combined *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year Acquired</td>
<td>1998</td>
<td>2003</td>
<td>2017</td>
</tr>
<tr>
<td>Bank Financing</td>
<td>$690,000</td>
<td></td>
<td>$480,000</td>
</tr>
<tr>
<td>CDFI - LISC</td>
<td>$50,000</td>
<td>$245,000</td>
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</tr>
<tr>
<td>DC CDBG</td>
<td>$250,000</td>
<td></td>
<td>Forgiven</td>
</tr>
<tr>
<td>Seller note</td>
<td>$116,840</td>
<td>$40,000</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,106,840</td>
<td>$285,000</td>
<td>$480,000</td>
</tr>
</tbody>
</table>

- **Earned Revenue, year to year investment**
- **Plus**: Volunteers, donated labor and supplies, contributions, staff upgrades and small grants key
- Restructured debt avoids UBIT tax impact
Washington Parks and People
Future: Josephine Butler $9M Redevelopment Plan. NMTC/Capital Campaign/New debt
Before You Go

Please complete your session evaluation!

You can find it in the Conference app.