

DC Housing Enterprises

NMTC PORTFOLIO

2020





Table of Contents

ABOUT NEW MARKETS TAX CREDIT PROGRAM	2
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Exited Projects

Canal Park Inc.	3
Howard Theater	4
Progression Place	5
Educare DC	6

Active Projects

KIPP DC Hamilton	7
Two Rivers Young	8
Conway Center / Benning Road	9
Achievement Preparatory Academy	10
DC Prep	11
Early Childhood Academy	12
Bread for the City	13
ABOUT DC HOUSING ENTERPRISES	14



DCHE NMTC PORTFOLIO

New Markets Tax Credit Program

What is New Markets Tax Credit (NMTC)?

The federal New Markets Tax Credit (NMTC) Program was established as part of the Community Renewal Tax Relief Act of 2000 to spur commercial revitalization in low-income communities. The NMTC Program provides tax credit incentives to investors for equity investments in investment firms that have been certified by the US Department of Treasury to be Community Development Entities (CDEs) that invest in low-income communities. The credit equals 39% of the investment paid out (5% in each of the initial three years, then 6% in the subsequent four years, for a total of 39%) over seven years. The CDEs use the investments to make below rate loans or occasionally equity investments in businesses or real estate projects in low income communities. The monetization of a NMTC allocation from a CDE to a project that is equal to the project's TDC will typically capitalize an "equity-like" loan equal to approximately 30 % of the Total Development Cost (TDC).

How does the NMTC program work?

First, community development lenders such as DCHE that have been designated by the U.S. Department of Treasury's CDFI Fund to be Community Development Entities (CDE) submit applications for allocations in response to annual Notices of Availability of Allocations (NOAA). Typically, only approximately 50% of applicant CDEs is successful. The typical award is the \$50 million range. Most recently, 280 CDEs applied. 120 or 42.8% were successful.

Next, the newly awarded CDEs begin receiving requests for NMTC from eligible real estate projects and operating businesses called Qualified Active Low Income Community Businesses (QALICB).

A NMTC assisted loan, called a Qualified Low Income Community Investment (QLICI) is usually in the \$6.0 to \$10.0 million range. Individual CDEs are often extremely reluctant to make a QLICI for more than \$8.0 to \$10.0 million. However, it is sometimes possible for a QALICB to obtain an aggregate QLICI of \$15.0 to \$20.0 million from two or three CDEs.

DCHE like most CDE's require QALICBs to demonstrate that the project could not proceed but/for the requested QLICI. QALICBs that create substantial numbers of direct, full time permanent jobs and can quantitatively demonstrate a profoundly positive community impact upon a low income neighborhood (such a supermarket or health care center) usually have a competitive advantage.

Community Urban
Revitalization
Enterprises, LLC



CURE, LLC

CURE II, LLC

CURE III, LLC

CURE IV, LLC

CURE V, LLC

CURE VI, LLC

CURE VII, LLC

CURE VIII, LLC

CURE IX, LLC

CURE X, LLC

CURE XI, LLC

CURE XII, LLC

CURE XIII, LLC

CURE XIV, LLC

CURE XV, LLC



Canal Park Inc.



State-of-the art park located within the Arthur Capper HOPE VI community. This park is a 3-acres eco-friendly open and community space that accommodates numerous recreational and education activities including an ice skating rink, restaurant pavilion and water jet features. This project transformed an abandoned bus parking lot into a national model for an environmentally sustainable park. This park has become a tourist destination and a hot spot for locals and DCHA residents.

- Address: 200 M Street, SE
- Ward: 6
- East of the River: No
- TDC: \$25 million
- QEI: \$13.5 million
- Partner CDEs: None
- Date Closed: 3/21/11
- Allocation Round: 2009
- Developer: W.C. Smith
- Construction Status: 100% Complete

Community Impacts

CURE

Job Creation

- 298 Construction Jobs
- 7 FTE

Accessible Jobs

Community goods and Services

- Family oriented recreational facility for neighboring DCHA Mixed income community

Environmental Outcomes

- LEED Gold



Howard Theater



The Howard Theatre is a historic theatre that opened in 1910; it was added to the National Register of Historic Places in 1974. The oldest African American theatre was revitalized bringing back a historic venue that inhabits the rich history of American legends while offering a new space for a new generation that includes removable seating and full dining while enjoying performances in a modern setting.

- Address: 620 T Street, NW
- Ward: 1
- East of the River: No
- TDC: \$28.0 M
- QEI: \$11.3 M
- Partner CDEs: Mid City/Hampton Road Ventures
- Date Closed: 10/4/11
- Round: 2009
- Developer: Ellis Development
- Construction Status: 100% Complete

Community Impacts

CURE II

Job Creation

- 128 Construction Jobs
- 79.5 FTE

Accessible Jobs

Community goods and Services

- Historic restoration of an Iconic theater

Financing minority businesses

Environmental Outcomes

- LEED Silver



Progression Place



Progression Place is a mixed-use development that includes 205 residential units (50 affordable) 109,000SF office condo partly owned by United Negro College Fund and 24,000GSF community retail on ground floor. UNCF is currently building out the College of Knowledge Center on the ground floor and the project also includes an underground 194 space parking garage.

- Address: 1807 7th Street, NW
- Ward: 2
- East of the River: No
- TCD : \$154 M
- QEI: \$13.0 M
- Partner CDEs: Mid City
- Date Closed: 7/22/11
- Round: 2009
- Developer: Four Points
- Construction Status: 100% Complete

Community Impacts

CURE III

Job Creation

- 300 Construction Jobs
- 31 FTE

Community goods and Services

- Grant for employment training for DCHA residents

Affordable Housing

- 50 affordable housing units in adjacent residential components

Financing minority businesses

Environmental Outcomes

- LEED Silver



Educare DC



Educare DC's Washington DC campus is located in the Parkside Kenilworth community in Northeast DC. The early childcare programs offer an innovative approach towards education that is provided for low income children as early as 6 weeks old.

- Address: 640 Anacostia Avenue, NE
- Ward: 7
- East of the River: Yes
- TDC: \$24.3
- QEI: \$12.1
- Partner CDEs: US Bank
- Date Closed: 9/6/12
- Round: 2009
- Developer: Bounce DC/UPO
- Construction Status: 100% Complete

Community Impacts

CURE IV

Job Creation

- 56 FTE

Accessible Jobs

Community goods and Services

- Grant for employment training for DCHA residents

Community Goods and Services

- Innovative Pre School Education for low income children, ages 6 weeks to 5 years, including children from neighboring DCHA public housing communities

Flexible lease rate

Environmental Outcomes

- LEED Silver



KIPP DC Hamilton



Community Impacts

CURE V

Job Creation

- 383 Construction
- 88 FTE

Community goods and Services

- Quality Secondary School Education for 550 low income children, including students from DCHA public housing communities

Accessible Jobs

Flexible lease rate

Environmental Outcomes

- LEED Silver

KIPP DC Hamilton Campus in the vicinity of Union Market and Gallaudet University. This is one of approximately 5 Charter High Schools in the District which operates as a feeder campus for KIPP Middle School students, a brand new 120,000SF building with multi-use athletic fields. The site can accommodate over 850 high school students coming primarily from KIPP's Douglas Rd site in Ward 8, the state-of-the-art facility's designed to resemble a college campus.

- Address: 1442 Brentwood Parkway, NE
- Ward: 5
- East of the River: No
- TDC: \$50 million
- QEI: \$7.7 million
- Partner CDEs: PNC CDE
- Date Closed: 2/26/15
- Round: 2013
- Developer: KIPP DC
- Construction Status: 100% Complete



TWO RIVERS YOUNG



Redevelopment of a 53,480sqft charter school providing interactive, hands-on approach. The expansion serves up to 370 students who reside in Wards 5, 6 & 7. The project is adjacent to historic Langston Dwellings and Langston Golf Course and the Phelps Arts Science and Engineering campus. Two Rivers is a Tier 1 DC Charter School operator.

- Address: 1227 4th Street, NE
- Ward: 5
- East of the River: No
- TDC: \$20.0 million
- QEI: \$6.0 million
- Partner CDEs: Sun Trust
- Date Closed: 12/15/15
- Round: 2013
- Developer: TRPSC
- Construction Status: 100% Complete

Community Impacts

CURE VI

Job Creation

- 69 Construction Jobs
- 48 FTE

Community goods and Services Quality Secondary School Education for 370 low income children, including students from DCHA public housing communities

Flexible lease rate

Environmental Outcomes

- LEED Silver



CONWAY CENTER / BENNING ROAD



The Conway Center is a high impact mixed-use project located directly across from the Benning Road Metro Station in Northeast DC, a distressed community census tract with 30.1% unemployment rate and 25.9% poverty rate. The project includes 182 LIHTC units (142 receiving DCHA's LRSP (Local Rent Supplement Program) subsidy) 290000SF Center of Employment Training, new office space and 37,000SF health care clinic operated by Unity Health Services.

- Address: 4430 Benning Road, NE
- Ward: 7
- East of the River: Yes
- TDC: \$81 million
- QEI: \$11.3 million
- Partner CDEs: City First Bank
- Date Closed: 10/30/15
- Round: 2013
- Developer: So Others Might Eat
- Construction Status: 100% Complete

Community Impacts

CURE VII

Job Creation

- 118 Construction Jobs
- 150 FTE

Community goods and Services

- Workforce development training for low income persons, including formerly homeless people

Environmental Outcomes

- LEED Silver



Achievement Prep Academy



Expansion of a top tier award winning charter school recognized for impact in closing achievement gap between low income students and affluent students in the District. The expansion will include 96,000 sq+ft space within two buildings and serve 960 students in grades PreK3 -8, primarily Ward 8 students.

- Address: 908 Wahler Place, SE
- Ward: 8
- East of the River: Yes
- TDC: \$34.0
- QEI: \$7.9 million
- Partner CDEs
- Date Closed: 12/21/16
- Round: 2013
- Developer: Achieve Prep/Building HOPE
- Construction Status: 100% Complete

Community Impacts

CURE VIII

Job Creation

- 250 Construction
- 77 FTE

Community goods and Services

- Grant for employment training for DCHA residents
- Workforce development training for low income persons, including formerly homeless people

Flexible lease rate

Environmental Outcomes

- LEED Silver



DC Prep Anacostia



Redevelopment and expansion of a vacant 18,000 sq. ft. school building that formerly housed Our Lady of Perpetual Health Catholic School into a “state of the art” 36,000 sq. ft. building to serve as the Anacostia campus of DC Prep.

- Address: 1409 V Street, SE
- Ward: 8
- East of the River: Yes
- TDC: \$27.4 M
- QEI: \$16.0 M
- Partner CDEs: Bank of America
- Date Closed: 6/29/17
- Round: 2016
- Developer: DC Prep
- Construction Status: 100% Complete

Community Impacts

CURE IX

Job Creation

- 12 Construction Jobs
- 47 FTE

Jobs for LIC

- 36% of FTEs

Community goods and Services

- Tier I school, increase enrollment by 200 % from 200 to 400
- Outreach and education sessions to Barry Farms and other DCHA Ward 8 public housing communities
- >80% income-eligibility for free or reduced-price school meals

Flexible lease rate

Environmental Outcomes

- LEED Silver



Early Childhood Academy



Community Impacts

CURE X

Job Creation

- 30 Construction Jobs
- 7 FTE

Community goods and Services

- Grant for employment training for DCHA residents
- Tier I charter school to increase enrollment by 9%
- 100% ownership of the facility to be occupied by Early Childhood Academy and an elimination of future rent increases

Financing minority businesses

Environmental Outcomes

- LEED Gold

The acquisition, redevelopment and expansion of the vacant former Anna Johenning Baptist Church building will transition into the 300 student campus for Early Children Education Center.

- Address: Address: 885 Barnaby Street, SE
- Ward: 8
- East of the River: Yes
- TDC: \$17.8 million
- QEI: \$8 million
- Partner CDEs: City First Bank
- Date Closed: 9/11/18
- Allocation Round: 2016
- Developer: Early Childhood Academy
- Construction Status: 99% Complete; Est. 8/6/2019



Bread for the City



This is a development of a 30,000 sq.ft. community facility on an 18,900 sq. ft. vacant lot. The new full-service facility will include a Federally Qualified Health Center; a Primary Health care, this facility is expected to serve 3,000 new patients. Along with a Dental Facility expected to serve 2,000 new patients. The Visual Care Center expected to serve 500 new patients, and Behavioral Health Center expected to serve 600 new patients. The Fitness Center was installed to support the District's Sustainable DC Plan to decrease citywide obesity by 50%. The facility also includes an Enlarged Job training center.

- Address: 1710 Good Hope Road, SE
- Ward: 8
- East of the River: Yes
- TDC: 24.7million
- QEI: 15 million
- Partner CDEs: City First Bank
- Date Closed: 11/20/2018
- Allocation Round: 2016
- Developer: Bread for the City
- Construction Status: 60% Complete, Est. 4/2/2020

Community Impacts

CURE XII

Job Creation

- 77 construct
- 77 Construction
- 14 FTE

Jobs for LIC

- 7 FTE

Community goods and Services

- Health Center
- Dental care
- Vision
- Behavioral Health Center
- Fitness Center
- WomenStrong DC enrollment

Environmental Outcomes

- LEED Silver



About DC Housing Enterprises, LLC

DC Housing Enterprises (DCHE) is a non-profit subsidiary of the District of Columbia Housing Authority and one of the few instrumentalities of a Public Housing Agency of the U.S. Department of Treasury's Community Development Financial Institutions Fund has certified as a Community Development Entity (CDE). As a CDE, DCHE originates New Markets Tax Credits (NMTC) by providing tax credits to investors in return for equity investments to businesses that serve low income communities.

DCHE has received \$128 million of New Market Tax Credit allocations since 2009 and has invested hundreds of millions of dollars in community-oriented real estate and business developments. DCHE has a diverse portfolio of NMTC-financed projects that create catalytic economic impacts in low-income communities throughout the District of Columbia. Our projects extend direct benefits to low-income residents including many who reside in DCHA sponsored housing.

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