



ONTARIO COURT - WASHINGTON, DC

Project Type

Mixed-use; affordable residential rental, early childhood center

Investment

\$9.4 million



Description

Ontario Court is the rehabilitation of an 85-year old, three-story building in the Adams Morgan neighborhood of Washington, D.C., into a mixed-use facility serving low- and moderate-income residents. The “near-gut-rehab” renovation preserves 27 units of affordable housing in the gentrifying neighborhood, and creates 4,000 square feet of commercial space to house the new Jubilee JumpStart Early Childhood Development Center. Completed in 2009, the building houses six one-bedroom units, 18 two-bedroom units and three units with three bedrooms. A new laundry facility for the residents has been added to the building’s basement. Unit renovations also include new mechanical, electrical and plumbing systems; installation of new security systems; and air conditioning.

Investment Type

Using a \$9.4 million New Markets Tax Credit allocation, the Ontario Court building rehab was financed with \$8.6 million in New Markets Tax Credit enhanced loans from Enterprise, which leverage a \$2.8 million New Markets Tax Credit enhanced investment from PNC New Markets Investment Partners; a \$2.9 million loan from PNC Bank; a \$3.4 million loan from the District of Columbia Department of Housing and Community Development’s (DHCD) Housing Production Trust Fund, and funding to Jubilee Housing from

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other sources. Using the NMTC program resulted in a below-market net interest rate to the project that would not otherwise be available through traditional market-rate financing sources.

Market

Adams Morgan is characterized by its cultural diversity and vibrant commercial districts. The area is approximately two miles north of Washington's central business district and is within seven miles of the Silver Spring central business district. Considered the heart of Washington's Latino community, Adams Morgan is one of the most densely populated and developed neighborhoods in Washington, D.C.

Community Impact

Ontario Court is located in a higher-distressed-qualified census tract, with 52 percent median income and 21.4 percent poverty rate. Additionally, this census tract is designated a Housing Hot Zone by the CDFI Fund. Although the median family income for the tract is 52 percent, the majority of residents assisted by Jubilee earn less than 30 percent of area median income. As a requirement of the DHCD loan, all of Ontario Court's units will be affordable to households earning less than 80 percent of area median income for a period of 47 years. Ontario Court will preserve affordable housing in an area with declining affordable housing options, as well as provide an important childcare service to local residents. The JumpStart center will operate up to seven days a week and offer care during non-traditional hours.

Developer

The developer is Jubilee Housing, Inc., a 34-year-old private, faith-based, nonprofit organization that provides affordable housing and supportive services to economically disadvantaged residents of Adams Morgan. Jubilee serves more than 850 individuals and families, and has been a model for programs around the country seeking effective responses to the urban affordable housing crisis. This renovation is part of a larger two-phase initiative being undertaken by Jubilee to renovate its seven buildings. Each of Jubilee's properties provide an additional community learning and empowerment facility – such as a computer lab, exercise room or multipurpose classroom – in addition to affordable housing. These facilities are part of Jubilee's vision to provide an atmosphere of supportive community, so residents can become their best selves.

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Investor

The PNC Financial Services Group, Inc. is one of the nation's largest diversified financial services organizations providing retail and business banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management; asset management and global fund services.

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