Central Gardens II is a 106-unit apartment complex with one-, two-, and three-bedroom units, a pool, and a community service area. The property serves very low-income families with Section 8 assistance.

Prior to redevelopment by the Enterprise Community Development (formerly Community Preservation and Development Corporation), Central Gardens II was a deteriorated, drug-infested slum with an owner disinterested in operating and maintaining the property. In 1990, the property was purchased and redeveloped in a joint venture between Enterprise Community Development (ECD), as the managing general partner, and Mid-City Financial. Today it is operated in conjunction with its neighbor, Central Gardens I.

**Financing**

While the price and structure of the purchase note were agreed to prior to ECD’s involvement in the project, the budget clearly indicated that additional funds would be required. ECD worked with the complicated requirements of the seller’s note to redirect funds to the advantage of the property.

In this structure, ECD was able to incorporate four percent Low-Income Housing Tax Credits (LIHTC), utilizing the preferred return on equity as payment of the interest on an equity bridge loan. With a ten-year equity bridge loan and annual contributions from the limited partners, the yield from the tax credits was enormously enhanced.

The first mortgage loan was funded with tax-exempt bonds. A soft second mortgage for $1 million from the State of Maryland was added ahead of the seller's note, and equity was raised through the sale of the tax credits.

This project was the first in Maryland to utilize tax-exempt bonds in conjunction with Low-Income Housing Tax Credits. All of the units have project-based Section 8 subsidies. In addition, in 2004 the property received additional MHRP funds from the state to allow for continued physical updates to the site.
Resident Profile
Very low-income families (Section 8 qualified)

Development Profile
Type / # Units / Density
1 BR / 37
2 BR / 51
3 BR / 18
4.8 acres

Amenities
Community Laundry
Computer Learning Center
Community Activity Rooms
Children's Activity Programs
Swimming Pool
Recreation Area for Children

6804 Central Avenue
Capitol Heights, MD 20743
LEASING 301.336.5270

DEVELOPER

Development Type
Substantial Rehab, Multifamily

Construction Type
Garden Apartment Complex

Development Costs
$6.7 Million

ARCHITECT

Zemaitis & Associates Architects

OWNER

T & C Limited Partnership
Enterprise Community Development
Mid-City Financial
MANAGEMENT COMPANY
Edgewood Management

TOTAL HOMES
106

PROPERTY TYPE
Affordable
Family