

Preserving Affordable Housing in the Washington Metropolitan Region

Economic growth in the Washington, D.C., area is a double-edged sword for low- and moderate-income residents. The strong regional economy creates and sustains jobs, but demand for housing also drives costs up. Over the last ten years, rents and home prices have risen much faster than incomes in Washington, and affordable housing has been replaced with more lucrative, market-rate communities. The result is serious hardship for working families. Enterprise works to preserve affordable housing in Washington through grants, technical assistance and a range of financial products for development.

Acquisition Loan Product for Preserving Multifamily Housing

Twenty million dollars of private capital raised by Enterprise has been matched by \$8 million of public dollars from the District government to create a \$28 million preservation fund. This new fund provides acquisition and predevelopment financing for nonprofit sponsors in the Washington, D.C. metropolitan area to acquire existing affordable multifamily properties threatened with conversion to for-sale housing or higher-rent use.

Enterprise Washington Preservation Loan Fund Product At-A-Glance

Eligible Properties: Affordable multifamily properties of 40 apartments or more, both federally assisted and unassisted, serving households with incomes at or below 80 percent of the Washington, D.C. Metropolitan Statistical Area median income. (80 percent of median is approximately \$82,000 for a family of four.)

Eligible Borrowers: Nonprofit developers or other nonprofit groups working in partnership with for-profit developers in which the nonprofit has at least equal ownership interest in the project as the for-profit partner.

Eligible Jurisdictions: This loan product is available in the District of Columbia, Montgomery and Prince Georges counties in Maryland, Arlington and Fairfax counties in Virginia, and the city of Alexandria, Virginia.

Loan Uses: Property acquisition and usual predevelopment costs related to rehabilitation and refinancing.

Loan Term: 24 to 36 months.

Loan Origination Fees: 2 percent of loan amount depending on loan size. .



Oxford Manor

Enterprise made a \$2.6 million second mortgage acquisition and predevelopment loan to Community Preservation and Development Corporation (CPDC) in 2004 to help re-develop a 227-apartment community in Southeast Washington. The Oxford Manor Tenants Association exercised its right to purchase the property and then partnered with CPDC to fully renovate without displacing any residents. The Enterprise loan was re-paid in 2005 and renovations continue.

Washington, D.C. Interest Rate (subject to funding availability): Between 4.5 and 7.25 percent, as a result of resources from the District government's Site Acquisition Initiative Fund Program under the Housing Trust Fund (SAFI).

Enterprise Loans At A Glance

- Loaned more than \$725 million.
- Helped create or retain more than 91,000 affordable homes nationwide.

Suburban Maryland and Virginia Interest Rate:

7.25 percent fixed throughout the loan term.

Loan Payment Terms: Interest payments are due monthly; principal repayment is due at the earlier of maturity or closing of construction financing.

Loan to Value Requirement: This loan product can be used alone or in conjunction with private first-mortgage debt financing. Combined loan to value of all acquisition financing is not to exceed 100 percent of as-is appraised value or actual acquisition and closing costs, whichever is lower.

Over the Past Twelve Years, Enterprise Washington, D.C. has:

- Invested \$400 million region-wide.
- Helped build, preserve or rehabilitate over 5,500 affordable homes for low-income residents.

Enterprise Washington Preservation Loan Fund Partners

City First Bank of DC

Capital One F.S.B.

D.C. Department of Housing and Community Development

Fannie Mae Foundation

The Prudential Insurance Company of America

Sun Trust Bank

Living Cities (AXA Equitable Life Insurance Company; Bank of America Community Development

Corporation; John D. and Catherine T. MacArthur Foundation; Metropolitan Life Insurance Company; The Prudential Insurance Company of America)

For more information and loan applications:

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