

# Project Examples Combining Rehabilitation Tax Credit and Low-Income Housing Tax Credit

DC Real Estate Commission and DC  
Board of Real Estate Appraisers

September 9, 2022

DC Preservation League  
EHT Traceries, Inc.

# Historic apartment buildings in all neighborhoods across the city -- garden style, low-rise, and mid-rise ripe for rehabilitation combining HRTC and LIHTC.

Much of the District's more affordable housing stock is vulnerable to market rate cost increases. As a result, the District Government approved in November 2014 a recurring annual appropriation of \$100 million for the preservation and production of subsidized affordable housing.

# HRTC and LIHTC in DC

In DC roughly 25 Affordable housing developments, in which developers paired LIHTC with the HTC in past 10 years.

The Office of Planning estimates there are approximately 220 residential apartment buildings with over 26,000 units that could qualify for the Historic Tax Credit.

Credits have not reached their potential relative to the opportunity attributed to perceived risks of increased costs associated with preservation, no state credit, lack of familiarity with the process and the many intricacies of the program.





*Continuing  
Treatment  
Campus – 7  
Buildings*

Building 110 (1940)



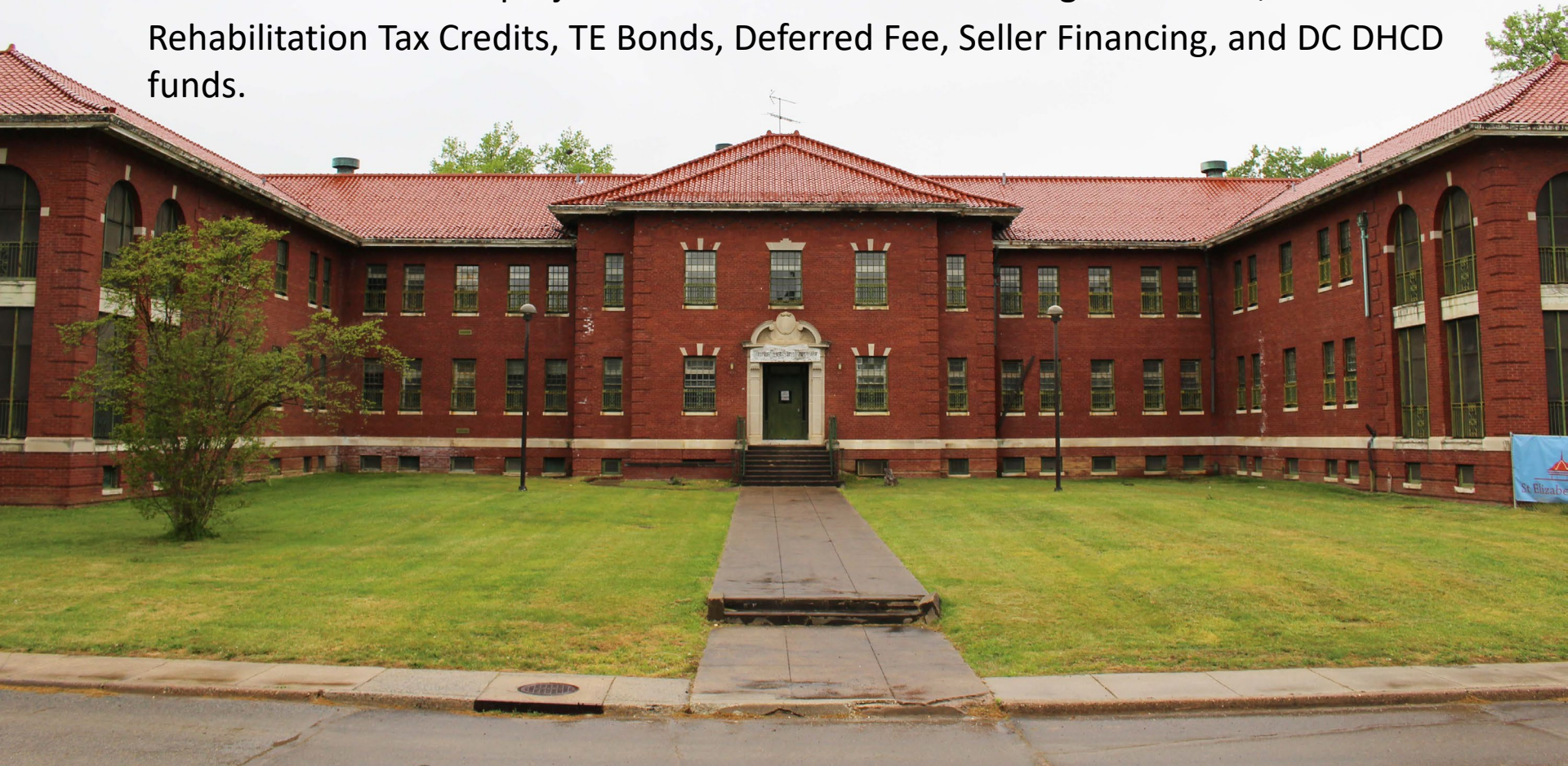
Building 107 (1939)





**Vision** for the CT Campus is to preserve the history of the campus while providing much needed housing for the surrounding community.

**Sources** for the project include Low Income Housing Tax Credits, Historic Rehabilitation Tax Credits, TE Bonds, Deferred Fee, Seller Financing, and DC DHCD funds.



# CT Campus Reviews and Submittals

## *Rehabilitation Tax Credit*

- HPCA Part 2 Submitted December 2017
- HPCA Part 2 Approval May 2018
- Five Amendments Filed
- At least Six Site Visits with NPS and DC HPO Staff

## *Commission of Fine Arts*

- Concept Filed July 2017
- Concept Approved November 2017
- Final Review Approval April 2019

## *Historic Preservation Review Board*

- Concept Filed July 2017
- Concept Approved November 2017
- Final Approved at permit level

Attended 4 CFA Meetings and 4 HPRB Hearings along with multiple conversations with NPS to get CFA, HPRB, DC HPO, and NPS approval in May 2018

First Residents Moved in Spring 2020; Final Close Out Expected in late 2020





# Key Considerations and Challenges Rehabilitation Tax Credit



- Retain Sense of the Plan of Historic Lobbies (even though no longer present)
- Restore Original Windows
- Retain 1930s tile in Cafeteria
- Sleeping Porches now part of an Apartment Unit but Must Maintain Configuration of Openings and Sense of Porch
- New Construction - Design of New Entry Ways and New Dormers
- Conflicting Voices from Various Reviews – CFA, DC HPO and NPS

# Before Construction















Over 300 windows  
restored by hand by  
Phoenix Restoration  
Group.





# *After Construction*













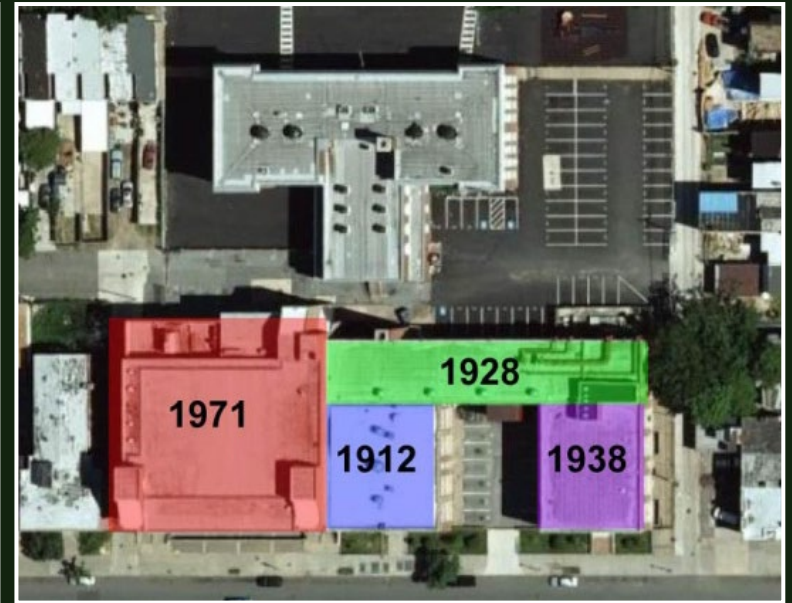
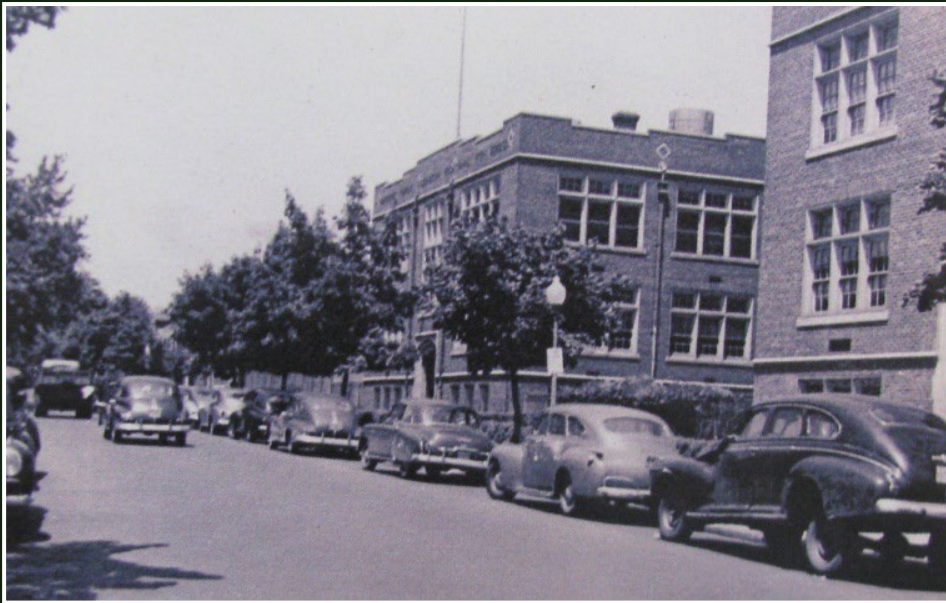








# Margaret Murray (MM) Washington School



DC Vocational school built in 1912 with three additions: 1928, 1938, and 1971. Closed in 2000.

Listed in National Register in 2011.

# Goals and Challenges to Pursuing a Rehabilitation Tax Credit

## Project Goals:

- Long-term lease to developer
- Rehabilitate former school building into low-income senior housing, with new construction component
- Maintain the building as a community asset

## Issues:

- Not a lot of money available, as the apartments are offered with low rents
- Possible conflicts between requirements of HPCA and Low-Income Housing Tax Credit





# Work Required and Work Allowed

Work that was needed to achieve developer's goals:

- Install new windows
- Demolish 1971 addition
- Improve accessibility

Work that was allowed by NPS:

- Restore original windows
- Demolish 1971 addition

## Cost-Benefit Analysis

Historic Tax Credit Equity:  
\$3.7 Million

Costs of Meeting NPS Requirements:  
\$1.1 Million



# Before Construction





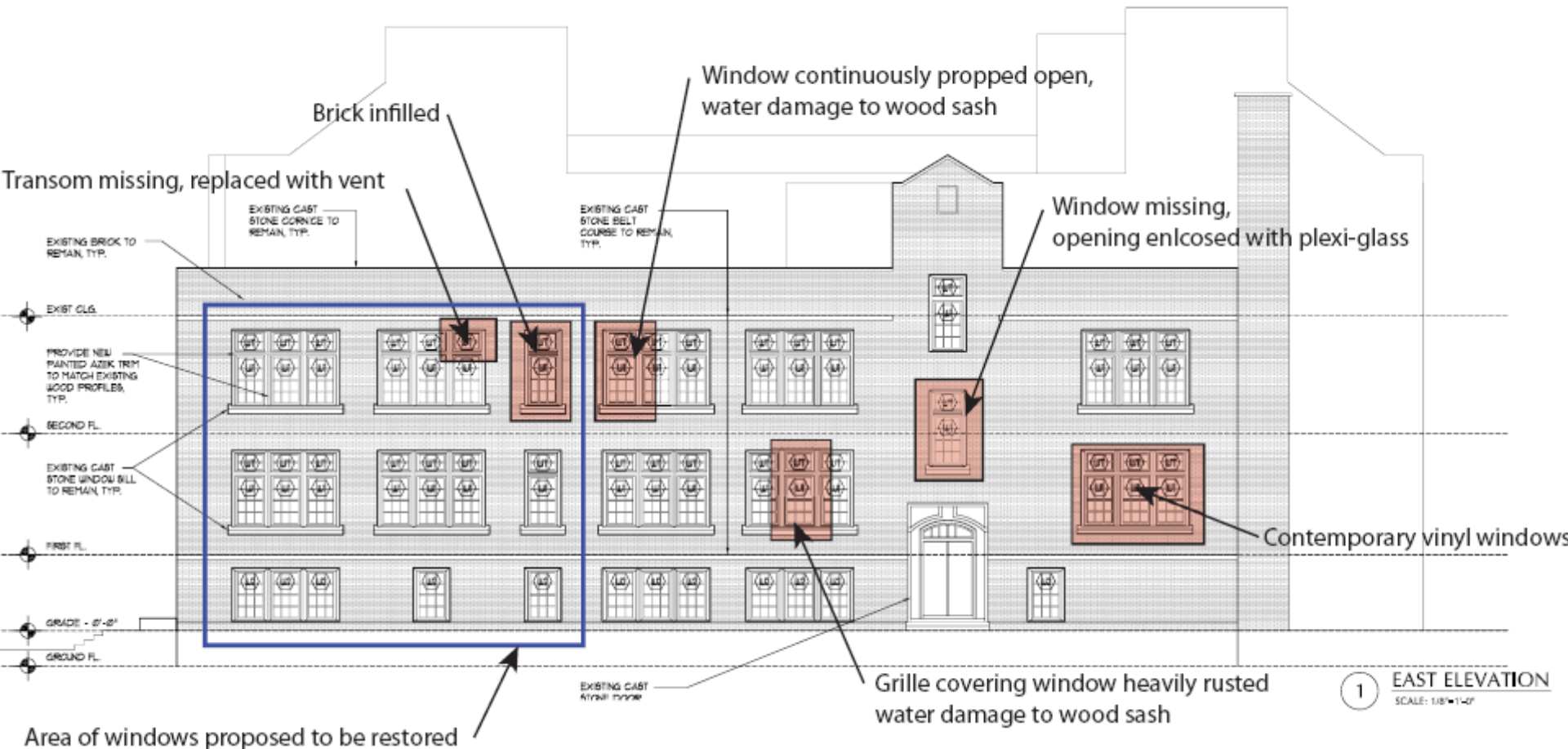


# During Construction





# Windows





# After Construction













# *Fort View and Webster Gardens Apartments*

- Located in Ward 4 and total 114 apartments in six historic buildings.
- Project Awards
  - Best large affordable housing project by the Housing Association for Nonprofit Developers
  - Financial innovation award from Novogradac Journal of Tax Credits
  - Excellence in Historic Preservation award from the D.C. Historic Preservation Office.
- Project offers affordable housing to a wide range of families at or below 60 percent of the Area Median Income (AMI) - from formerly homeless individuals to working families.
- Project received Tax Exempt Bonds, \$3.9 million in 4 percent low-income housing tax credits and an additional \$3.2 million in historic tax credit equity to finance the project.





## Fort View Apartments

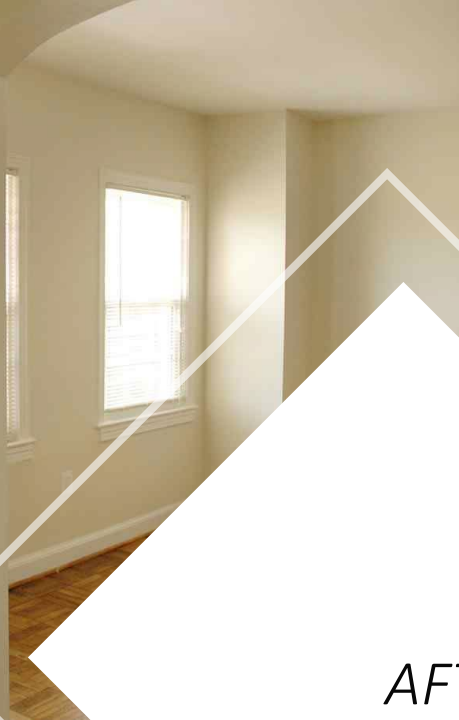
- Brightview Neighborhood
- Built in 1939
- 62 units in two buildings
- Transitional Housing Corporation (THC), a non-profit faith-based development company, In partnership with Somerset Development Company, THC gained site control of the buildings in 2007-2009 and began construction on the pair in 2010.
- Prior to acquisition, these buildings sat vacant and needed infrastructure, energy, and safety upgrades, significant environmental remediation to create habitable buildings, and community space to offer resident services.



# *Before Construction*

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*AFTER  
CONSTRUCTION*





# *Webster Gardens*

Petworth neighborhood

Built in 1921

Four buildings with 52 units.

Buildings needed major renovation,  
including remediation of lead paint, lead in the water pipes, and asbestos.

In 2008, the Webster Gardens Tenant Association exercised its right to purchase through the TOPA program and elected to transfer their rights to a partnership between THC and Somerset Development Company.

Development team worked closely with Tenant Association to acquire the buildings, develop the renovation plans, and create a resident services plan. The tenant association has a ten percent ownership interest in the general partner entity, giving it a position to participate in the decision-making process.



The Webster Gardens Tenant Association was vital to the development of resident programming and on-site services. As a result of this, employment workshops, computer classes, budgeting workshops, youth enrichment activities, and English as a Second Language classes are offered in the community space.

Although no residents were living at Fort View at the time of acquisition, a similar resident services fund was dedicated with THC administering these programs.

By coupling Webster Gardens with Fort View and tapping into new federal financial incentives, the properties were able to attract bond and tax credit equity investors.

Over 25 sources of funding for \$32.63 million to acquire and rehabilitate Webster Gardens and Fort View.



# Webster Garden Apartments

New Departure in Apartment Houses Under Way

*The Washington Post* (1877-1954); Oct 9, 1921; ProQuest Historical Newspapers The Washington Post (1877 - 1991)  
pg. 33

## *New Departure in Apartment Houses Under Way*



Architect's sketch of new apartment houses being built by the Alton B. Walker Investment Company in Webster Street. The drawing shows the first unit of the series planned. R. B. Bensford is the architect.

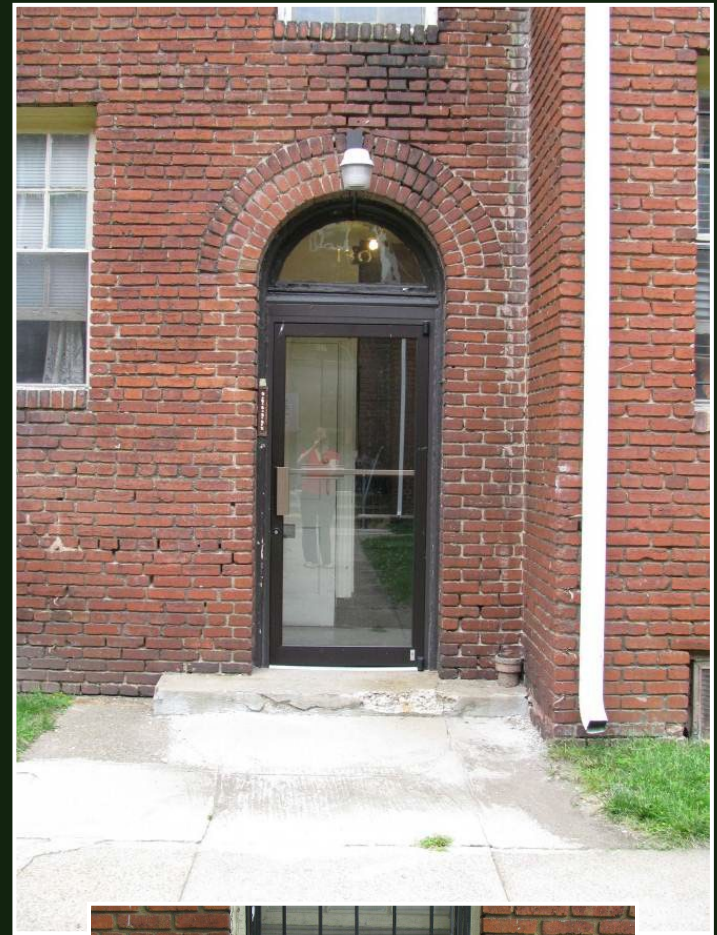
Originally known as Petworth Gardens, the complex of four apartment buildings was completed in 1921-1922. It is the earliest example of a garden apartment in D.C. Promulgated by the Garden City Movement, garden-style apartments offered a suburban-like alternative to dense urban living through low-scale buildings grouped within a landscaped setting.

Listed in National Register in 2008.

# Before Construction













# After Construction















Constructed in 1922



No. Brick Required 720 M.

No. Bricks 918

**FILL OUT APPLICATION IN INK**

**APPLICATION FOR PERMIT TO BUILD**

Washington, D. C. May 25/14

To the INSPECTOR OF BUILDINGS:

The undersigned owner hereby applies for a permit to build according to the following specifications:

- What is the name? Baldwin & Sons
- What is the architect's name? Jenn & Jamieson
- What is the builder's name? Baldwin Bros Address 1215 7th St NW
- What is the house number? 1474
- Has a plot been obtained from the Surveyor's office and building being located there as required by Sec. 28.  
No. of feet in lot - 815 square  
6 No. of feet front - 76.69
- State how many buildings to be erected on lot - 4
- Number of stories in height - 4 Material Brick Concrete
- If of frame, will the proposed structure be within 12 feet of any back boundary?  
No. of feet from sidewalk to rear wall - 180.13 depth 204' ± 104'
- Size of lot: Front 180.13 Side 155 Back 155
- Size of main building: Width of front 137 No. of feet deep 155
- Size of each building: No. of feet wide \_\_\_\_\_ No. of feet long \_\_\_\_\_ No. of feet high \_\_\_\_\_  
No. of feet in height from level of sidewalk to highest point of roof at front 54'
- What is the purpose of the building? Dwelling average height 47'
- Will there be a store in the lower story? No Nature of business to be conducted?
- Will the building be erected on solid or filled soil?  
Soil of foundation 3 Thickness 12 material of foundation Concrete
- Thickness of external walls: To first floor level 18" 1st story 18" 2nd story 13" 3rd story 13"  
4th story 13" 5th story \_\_\_\_\_ 6th story \_\_\_\_\_ 7th story \_\_\_\_\_ 8th story \_\_\_\_\_
- Thickness of party walls: To first floor level 18" 1st story \_\_\_\_\_ 2nd story \_\_\_\_\_ 3rd story \_\_\_\_\_  
4th story \_\_\_\_\_ 5th story \_\_\_\_\_ 6th story \_\_\_\_\_ 7th story \_\_\_\_\_ 8th story \_\_\_\_\_
- What will be the material of the roof? Brick Tile If stone, what kind? Lime Stone
- Will the roof be flat, pitch, or mansard? Pitch material of roofing Tiles access to roof Yes
- Will there be any projections beyond the building line? No Have they been approved?
- Projection of main steps from building line 6" solar step projection \_\_\_\_\_ how projected \_\_\_\_\_  
Are there any bay windows? \_\_\_\_\_ breadth \_\_\_\_\_ width \_\_\_\_\_ projection \_\_\_\_\_  
Are there any orielles? \_\_\_\_\_ breadth \_\_\_\_\_ width \_\_\_\_\_ projection \_\_\_\_\_  
Are there any tower projections? \_\_\_\_\_ breadth \_\_\_\_\_ width \_\_\_\_\_ projection \_\_\_\_\_  
Are there any awn windows? \_\_\_\_\_ form \_\_\_\_\_ width \_\_\_\_\_ projection \_\_\_\_\_  
Are there vaults? \_\_\_\_\_ depth \_\_\_\_\_ length \_\_\_\_\_ width \_\_\_\_\_  
Will there be an arched entrance? \_\_\_\_\_ width \_\_\_\_\_ projection \_\_\_\_\_ how projected \_\_\_\_\_  
Are there any elevator shafts? Yes how protected Iron door
- How is the building heated? Steam Will the building be wired for electric lighting or power? Yes
- What is the location of first floor above sidewalk or parking? Level
- Has the curb area been obtained from engineer of highways? Yes
- Has all alley grading been obtained? \_\_\_\_\_
- Has certificate of occupancy been issued? Certificate made last November Has it been applied for?
- Has a certificate for parking been obtained from Department of Taxes and Parking? Yes
- Is there a sidewalk, curbing, or other roadway in front of proposed premises? Yes

RECOMMENDED BY THE BOARD OF COMMISSIONERS as required under Act of Commissioners to cover cost if any damage to public property.

I have examined plans of the improvement and find them conforming to requirements of said act.

MAY BE OBTAINED FROM THE PLUMBING INSPECTOR BEFORE THIS APPLICATION WILL BE A CONSIDERED BY THE INSPECTOR OF BUILDINGS. Application must be signed by owner of property.

SIGNATURE OF OFFICER: Douglas Freund

AFFIDAVIT: \_\_\_\_\_

AUGUST: \_\_\_\_\_

DATE SUBMITTED: May 25/14

RECEIVED DISTRICT: \_\_\_\_\_

NO. OF COPIES: 5

Listed in National Register in 2012.



Before Construction













# During Construction





# After Construction











