

INDUSTRY WRAPUPS

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Business District

Another residential makeover headed Shaw's way

Sean Madigan

The Community Preservation & Development Corp. recently closed on \$13.6 million in tax-free bond financing from the D.C. Housing Finance Agency to buy and rehabilitate a 136-unit apartment building in the heart of D.C.'s Shaw neighborhood.

Formerly known as the Immaculate Conception Building, the 10-story structure is two blocks north of Washington Convention Center at Seventh and O streets, a part of town that is being rapidly gentrified and where affordable housing is becoming increasingly scarce.

The subsidy covers most of the \$19.7 million project.

As part of the financing agreement, 85 percent of the units will be set aside for families earning less than 60 percent of the area's median income. Sixty units will be set aside for families making less than 30 percent of the area's median income, or less than \$26,000 for a family of four.

The project is expected to take a year and the tenants are not expected to be displaced during construction.

Built in 1972, the building includes retail space now leased to a nail salon, barber shop, dry cleaner and beauty supply store.

CPDC (www.cpdcc.org) also used city-backed bond financing to redevelop the 152-unit Clifton Terrace apartments in Columbia Heights and the senior housing at Edgewood Terrace in Ward 5 near the Rhode Island Avenue Metro station.

... The Washington Metropolitan Area Transit Authority (www.wmata.com) recently approved \$16.1 million in local funds to build a light rail line that would run along the Anacostia River between Bolling Air Force Base and Pennsylvania Avenue.

The 2.7-mile rail corridor is being called a "demonstration line," the first of five proposed light rail and rapid bus lines that would increase citywide transit coverage. Other proposed lines include: Woodley Park to Stadium Armory, Georgetown to Stadium Armory, Silver Spring to Anacostia and Minnesota Avenue to the National Harbor in Maryland.

The Anacostia line is expected open in 2006 and will be evaluated for three years. Proposed stops include the Air Force base, Fairlawn, old Anacostia, the Anacostia Metro station and Barry Farms.

Castle Development Corp. recently bought the Braxton Hotel, at 1440 Rhode Island Ave. NW for \$3.8 million.

The hotel, which is two blocks west of Logan Circle is slated for demolition; construction on 45 luxury condos is expected to start in August.

The hotel sold for more than twice what the city's tax office assessed the property, likely because Logan Circle is one of the hottest residential real estate markets in the city.

P.N. Hoffman Inc., Abdo Development and Metropolis Development all have major projects nearby.

... Two blocks south of Logan Circle, JPI (www.jpi.com) recently paid the Washington Plaza Hotel \$5.8 million for a piece of adjacent property. The Vienna-based developer now controls much of the area near 13th and M streets NW, and plans to build a 292-unit luxury apartment building.

Jim Butz, JPI's executive vice president says rents will range from about \$1,500 to \$3,000 a month, or around \$2.75 per square foot. Right now, there is no ground floor retail component to the plan. JPI is calling the project the Jefferson at Logan Circle.

... D.C. Del. Eleanor Holmes Norton and the restaurant and hotel workers union recently teamed up to get low-income residents to apply for the earned income tax credit when they file their taxes this year. Norton says more than 11,600 people in D.C. were eligible for the tax credit but did not claim the subsidy, leaving more than \$7 million unclaimed.

"They left money on the table," Norton said at a Feb. 20 news conference.

John Boardman, executive secretary-treasurer of the Hotel and Restaurant Employees Local 25, says that while many of the people he represents earn good wages and are not eligible for the credit, since the Sept. 11 terrorist attacks some people are still out of work or working fewer hours.

The tax credit is intended to help families raising children but single people are eligible, too.

The Local 25 also is weighing in on D.C. zoning issues. The zoning commission will get an earful March 1 when it takes up Monument Realty's bid to convert the Watergate Hotel into 155 luxury condos. Who's for the plan and who's against it is the talk of the complex.

Local 25's beef is simple: If the hotel is converted, about 120 of its members will lose their jobs.

... D.C. Chief Financial Officer Nat Gandhi named Daniel Black as the city's new deputy CFO for the Office of Tax and Revenue.

A 30-year veteran of the Internal Revenue Service, Black previously served as OTR's director of operations.

He replaces Phil Brand, who left D.C. government for a job in the private sector. At the IRS, Black was head of the appeals division. As head of OTR (cfo.dc.gov), he will oversee collecting taxes and assessing real property.

E-mail: smadigan@bizjournals.com Phone: 703/816-0335

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