

NHPF Expands its Reach in Washington, D.C.

The nonprofit partners with tenants to purchase the 176-unit Woodmont Crossing.

March 15, 2018

The NHP Foundation (NHPF) has acquired the 176-unit Woodmont Crossing Apartments in Washington, D.C.



The \$44.6 million transaction was made possible by a \$25.5 million loan from the District of Columbia Housing Finance Agency (DCHFA) financed through the agency's first-time participation in the Department of Housing and Urban Development (HUD) Level 1 50/50 Risk Share Sec. 542 (c) program. About \$12.1 million in low-income housing tax credit equity was provided by RBC Capital Markets—Tax Credit Equity Group.

As part of the D.C. Tenant Opportunity to Purchase Act (TOPA), the Woodmont Crossing United Tenants Association exercised its right and selected NHPF, a national nonprofit specializing in preserving affordable multifamily housing, to partner on the acquisition and rehabilitation of property. The property is a Year-15 LIHTC development with 100% of its units priced for residents earning no more than 60% of the area median income.

“We were selected by the tenants because of our willingness to jointly create a vision of the future of Woodmont Crossing, our mission of providing service-enriched housing, and our track record of getting developments done,” said Neal Drobenare, NHPF senior vice president of acquisitions. “We had a tight deadline on this project, and DCHFA and RBC got us closed in six months from start to closing. As a TOPA purchase, if we had not closed on time, the property would have gone back to the original contract purchaser.”

Woodmont Crossing is NHPF’s fifth TOPA acquisition in the D.C. area. Its four previous TOPA projects are Takoma Place, Parkchester, Benning Heights, and Anacostia Gardens.

“In NHPF, we found a partner who understands our community and what is needed to provide long-term benefits to our residents,” said Chaiko Lewis, president of the tenants association. “NHPF will maintain our rents and perform in-place renovations that work with our schedules.”

The property, which features two- and three-bedroom apartments, hasn’t been renovated since its opening in 2002. NHPF plans on investing \$42,000 per unit in rehabilitation, including kitchen and bath upgrades, as well as making 5% of the units fully accessible.

“The Woodmont Crossing partnership enables DCHFA to continue to provide District residents access to high-quality affordable housing,” said Todd A. Lee, executive director and CEO of DCHFA. “And, by becoming a Risk Share lender, we are able to shorten the process and be a source of additional funding needed for the ongoing production and preservation of such projects.”

Through the Sec. 542(c) program, HUD enters into risk-sharing agreements with state and local housing finance agencies so that agencies can provide more insurance and credit for multifamily loans.