

## Mark Twain Hotel to be Preserved as Residences

by Dees Stribling

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The NHP Foundation (NHPF), a nonprofit, has acquired the Mark Twain Hotel, a mixed-use Single Room Occupancy (SRO) property on the North Side of Chicago. The property is at 111 West Division St. and was originally built in 1932.

The acquisition was in financial partnership with Pembroke Capital Management LLC, The Chicago Community Loan Fund, Bellwether Enterprise Real Estate Capital, US Bank, and the City of Chicago Department of Planning and Development. The NHP Foundation will maintain the property as affordable apartments pursuant to Chicago's new SRO Preservation Ordinance.



Bellwether Enterprise Real Estate Capital worked with NHPF to bring debt and equity to the transaction from Pembroke Capital Management LLC, The Chicago Community Loan Fund, and US Bank. Pembroke, a commercial real estate investment manager and balance-sheet lender, primarily funded the acquisition with a \$16.6 million loan. The Chicago Community Loan Fund is the junior lender.

The building includes 152 SRO units and over 9,000 square feet of retail space on the ground floor. The CTA Red Line station beneath the building underwent a \$50 million renovation in September 2015, including installation of elevators and escalators, a new entrance at LaSalle & Division, and a new 8,000 square foot mezzanine. The property is across from The Sinclair, a residential tower, and Jewel/Osco supermarket construction project that will be completed in 2017.

“The issue of affordability is very real for residents of American cities as rents and property values rise,” said Stuart J. Boesky, CEO of Pembroke. “After losing 2,200 SRO units between

2011 and 2014, Chicago has taken action to preserve housing for the working poor throughout the city.”