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CONTACT:

Nancy Hooff
Somerset Development Company
4115 Wisconsin Avenue, NW, Suite 210
Washington, D.C. 20016
(202) 363 – 2090
nhooff@somersetdev.com



FOR IMMEDIATE RELEASE

**Somerset Development Company and THC Affordable Housing to receive HAND's
BEST LARGE AFFORDABLE HOUSING DEVELOPMENT AWARD
Webster Gardens and Fort View Apartments**

WASHINGTON DC – Somerset Development Company and THC Affordable Housing (THCAH) are proud to announce that Webster Gardens and Fort View Apartments have been recognized by the Housing Association of Nonprofit Developers (HAND) as 2012's "Best Large Affordable Housing Development."

Webster Gardens and Fort View Apartments, located in Washington, D.C., consist of a total of 114 apartments in six historic buildings across two properties. Thirty percent of the units are set-aside for extremely low-income, formerly homeless households, who have been through a transitional housing program. Permanent supportive services are provided at the properties. The remaining 70% of homes are set-aside for working households meeting the LIHTC 60% of AMI requirement.

Webster Gardens and Fort View Apartments are representative of an important new model of "permanent supportive housing", by providing a total of 34 units of housing for formerly homeless families within a mixed-income workforce housing complex of 114 units with supportive services to guarantee successful tenancies.

Given the financial crisis of 2008 and the collapse of the bond markets, Fort View with 62 units

and Webster Gardens with 52 units, on their own, could not have been financed. However, by combining the two properties-- which are not contiguous but in the same Ward, and with new federal financial instruments (the New Issue Bond Program and the Tax Credit Assistance Program) -- the properties were able to attract the interest of bond and tax credit equity investors. Both properties were developed by the same team, financed with similar sources and structure, and were closed and renovated simultaneously.

At Webster Gardens where the deteriorated buildings were half vacant with numerous code violations and dire environmental conditions, the Tenant Association worked actively with THCAH and Somerset to acquire the building, develop the renovation plans, and the resident services plan. With the collapse of the bond markets and the loss of funding from the City, the residents remained steadfast and the development team was able to hold on to the purchase contract through the crisis until the financing and new federal instruments were in place. The Tenant Association was incorporated into the ownership entity, along with the establishment of a Tenant Services Fund and a pledge to provide for a stream of income from the property and fund raising for resident services. The residents participate in the decision making process for resident services. At Fort View, although there were no residents living there at the time of acquisition, a similar tenant fund and stream of income have been dedicated for on-site resident services, nonetheless.

Through the new Local Rent Supplement Program (LRSP), the DC Housing Authority has provided rent subsidy contracts to the property for 34 units of housing for extremely low income families. In addition, THCAH was instrumental with other advocates to get City Council approval to convert unallocated LRSP funding set-aside for rental assistance by the DC Housing Authority to capital grants for the development in exchange for commitments on maintaining the availability of the LRSP units for 15 years. The result is 34 permanent homes available for formerly homeless families in a mixed community with supportive services.

There were over 26 sources of funding for the acquisition and construction of Webster Gardens and Fort View, including tax exempt bonds through the New Issue Bond Program; low income housing tax credit equity; historic tax credit equity; soft subordinate loans from D.C. Department of Housing and Community Development from CDBG, Tax Credit Assistance Program, and the District's Housing Production Trust Fund; soft subordinate loans from D.C. Housing Authority; grants from the D.C. Department of Environment for storm water management; and gap acquisition financing from the Episcopal Diocese of Washington, among others.

Now truly beautiful, mixed-income communities, Fort View and Webster Gardens provide safe and decent housing for working families including permanent homes for formerly homeless families. Transitional Housing Corporation provides on-site resident services which include employment workshops, computer classes, budgeting workshops, youth enrichment activities and English as a second language classes. The complexity of the project during a severe economic down turn speaks to the tenacity, cohesion, diligence and commitment of the development team, the tenant association, the public and private sector partners, and investors to provide work force housing and permanent supportive housing to families with a range of incomes and needs.

For further information about HAND's housing achievement awards, please go to <http://www.handhousing.org>.