

Memorial Development Partners, LP

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NEWS RELEASE

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Somerset Development Company and MAC Announce Major Renovations at Memorial Apartments, Preserving 266 affordable senior units on Bolton Hill



Baltimore, MD -- June 2, 2014 - A new partnership between Somerset Memorial Partners, an affiliate of Somerset Development Company, and Memorial Apartments Corporation, the original non-profit sponsor of the building, has recently purchased this senior community and begun major renovations which will preserve 266 units of affordable housing. The new ownership entity, Memorial Development Partners, LP, closed on the financing April 30th, 2014 with total development costs of \$54 million. With a \$23.4 million construction budget, the community will be transformed into a state of the art senior apartment facility in a prime location in the historic Bolton Hill neighborhood. Construction is expected to be completed in a 22 month period.

Memorial Apartments, originally built in 1967, will have its core infrastructure systems upgraded including highly energy efficient central heating and cooling systems, new windows, new domestic plumbing and solar heated domestic hot water and new elevators. All new apartment interiors, new gardens, new landscaping and security systems, new



laundry facilities and seating areas on every floor, new catering kitchen, game room, computer lab, new fitness room and common spaces, all with universal design standards, along with a robust set of resident services will enhance the senior living experience and encourage aging-in-place, an enormous benefit not only to the residents but the neighborhood and the greater Baltimore community.

Acquisition and renovation financing for this project are being provided by the following:

- The U.S. Department of Housing and Urban Development, which is insuring the first mortgage provided by Red Mortgage Capital;
- Maryland Department of Housing and Community Development and the Maryland Community Development Administration issued tax exempt bonds and 4% Low Income Housing Tax Credit Equity;
- MD DHCD also provided Rental Housing Works and Customer Investment Fund Loans for gap financing and energy efficiency
- The City of Baltimore approved a PILOT for the property
- Boston Capital syndicated the Low Income Housing Tax Credit Equity to JP Morgan Chase
- JP Morgan Chase and Capital One purchased the bonds; JP Morgan Chase also provided a bridge loan.
- Predevelopment financing was provided by the National Housing Trust Community Development Fund and the Maryland Affordable Housing Trust.

As part of the redevelopment of this 3.57 acre site, the development team subdivided the Memorial Apartments lot to provide for the development of a new apartment building with approximately 96 units of market rate housing at the corner of Eutaw Place and McMechen Streets. The proceeds from the sale of the Eutaw Place parcel provided additional funding the redevelopment Memorial Development Apartments. The development of this site, with the preservation of 266 affordable senior units and 96 new market rate apartments, will fulfill the vision of the HUD Choice Neighborhoods Plan to preserve and improve the existing character of this important intersection and catalyze new development to tie Bolton Hill and Eutaw Place together, as a healthy mixed-income neighborhood. Separate financing is being sought for the development of Eutaw Place Apartments.

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