Ms. Leila Edmonds
Director
Department of Housing and Community Development
1800 Martin Luther King, Jr. Ave, SE
Washington, DC 20020

June 1, 2009

Ms. Edmonds,

Jubilee Housing is pleased to submit this application for funding for an innovative new project that builds on its thirty-year track record of providing high quality affordable housing and holistic services that support fullest life for residents.

In partnership with DHCD, Jubilee is two-thirds of the way through redeveloping and preserving 215 units of affordable rental housing in the Adams Morgan neighborhood. In addition to the housing itself, these properties provide after school programs for children and youth grades K-12 living in the properties, offer a new early childhood development program (called Jubilee JumpStart) serving up to 50 young children aged six weeks to four years old, and contribute a variety of other programs and opportunities that help empower individuals and families, and strengthen the community.

This application represents an important innovation in community development that combines a new form of supportive housing with an exciting retail business. The mixed-use, 4000 square foot property will include a retail component on the ground level and housing on the top two levels. The housing will support once homeless individuals – with a particular emphasis on those returning from jail or prison – as they prepare for larger life goals, and the retail component will be a fresh and locally grown produce market, providing a beneficial service to the community that supports sustainable and eco-friendly farming. Profits from the market will help support the cost of the housing component as well.

Jubilee Housing acquired the property in May 2009 with a mix of mortgage financing and private fundraising dollars. The architectural and general contracting teams are in place and demolition is set to begin in the next 60 days. If all project financing comes together as planned, we expect to have building permits in early fall, and begin construction soon thereafter. This would allow for completion of construction in the first half of 2010.

The approach to financing the project was crafted with the current market conditions in mind. Given the constrained lending environment, we plan to raise about half of the

funding needed in private fundraising and equity, and finance the remaining half of the costs. Total development costs are about $2.4M, and $300,000 has already been raised to assist with acquisition. Funding of this proposal along with closing of construction financing would provide the funds needed to complete the predevelopment and construction phases of the project. Continued fundraising would then allow for reduction of the mortgage financing to the desired carrying level of about 50% LTV, a manageable carrying cost for the project.

Another important aspect of this project is the degree to which it builds on important community partnerships and creates new ones. A committed and connected web of non-profit service providers stands ready to assist the residents of this housing:

- Jubilee Jobs, a separate non-profit with over 25 years of experience, will be the primary job placement resource for residents. Jubilee Jobs places more than 800 people per year in entry-level employment.
- DC Central Kitchen, known for its entrepreneurial support of low-income people, will provide job training and placement for residents, and serves as the sponsor of the produce market. We have successfully linked a proven restaurant business group to lead the retail component.
- Unity Health Care is the leading provider of primary health care for low-income District residents. It will serve as an important referral source for returning residents who need this housing.
- Several other neighborhood and area service providers have indicated a desire to partner in support of the residents in this project. These include Jubilee Housing for rental housing through its neighborhood affordable housing portfolio; Columbia Road Health Services for primary health care; Samaritan Inns and Second Genesis for addictions recovery services; and the Kairos Program, a longer-term supportive housing community operated by Christ House.

Another compelling reason to support this project is its innovative approach to meeting community needs. At a time when development finance resources are stretched to the limit, our city needs ways of providing vital services for its most challenged residents that spread the cost of the services to the market place. The grant requested in this application represents about 10% of total development costs for the project, an exceptional leveraging ratio for public dollars.

It is anticipated that all other sources of funds would come from the market place and from private donations. This is possible in part because the business component of the project will support the overall costs of the housing, and because Jubilee Housing and its partners will attract private donations to support this exciting project.

Beyond these persuasive financial characteristics, the vision of the project is its most compelling reason for support. Upon successful completion of the project, hidden in the hustle and bustle of the 18th Street corridor in Adams Morgan will stand an attractive, environmentally sustainable property that is home to a much needed locally grown produce market – itself a sustainable enterprise. Finally, the project will provide home for up to ten formerly homeless people at a time – many who are returning from jail or prison – who are in the process of rebuilding their lives.

We think this is a 21st century response to age old challenges, and we hope you will agree that this project is worthy of support.

Thank you for the opportunity to submit this proposal.

Sincerely,

Jim Knight
President