

JACK KEMP

WORKFORCE HOUSING

MODELS OF

EXCELLENCE

AWARDS

2012 WINNER

DEVELOPER

RI Station LLC—A joint venture between Urban Atlantic and A&R Development

MIXTURE OF HOUSING TYPES

Workforce units: 219

Affordable units: 55

AFFORDABILITY

Workforce units priced as follows:

1 BR: \$1,820

2 BR: \$2,448

3 BR: \$3,843

DEVELOPMENT COSTS

\$109 million

DEVELOPMENT TIMELINE

Site Acquired: March 2010

Construction Started: April 2010

Completed: November 2011

SUSTAINABILITY

Transit-oriented development

Green roof

WEBSITE

www.rhodeislandrow.com



Rhode Island Row

Washington, D.C.

Rhode Island Row is a 274-unit, mixed-use, transit-oriented development located at the Rhode Island Avenue–Brentwood Metrorail station in northeast Washington, D.C. The project, which also includes 70,000 square feet of ground-level retail space, was developed by RI Station LLC, a joint venture between Urban Atlantic and A&R Development Corporation. The developer worked closely with local government agencies, federal agencies, and community leaders to transform the underused 8.5-acre commuter parking lot into much-needed housing and retail space for residents of Ward 5, a neighborhood that historically has been home to low- and moderate-income residents.

The site, owned by the Washington Metropolitan Area Transit Authority (WMATA), is less than two miles from the city's central business district and only two stops from Union Station, a multimodal transportation hub for the region. Situated along the region's oldest and busiest Metrorail line, the Red Line, the project site has long been considered a prime location for housing. Before the Rhode Island Row project, the area was experiencing steady decline and was in need of reinvestment. Despite the proximity to mass transit, the project site and several adjacent parcels were zoned for industrial use, offering little opportunity for new housing. Through strong partnerships and community support, RI Station was able to move the project forward, and even through a planning process that lasted five years, stakeholders remained committed to initiating a positive change to the Ward 5 neighborhood.

Not surprisingly, Rhode Island Row faced many financial challenges due to the recession. At the start of the project in 2008, the transaction was fully financed through tax-exempt bonds and a traditional retail mortgage. When the real estate market imploded, the developer went back to the drawing board and restructured the deal to pair a Federal Housing Administration (FHA) 220 program loan, which allows for mixed-use projects, and New Markets Tax Credit (NMTC) financing. The U.S. Department of Housing and Urban Development (HUD) was the mortgage guarantor for the FHA loan, and the U.S. Treasury Department provided the NMTC financing, which supports commercial development in economically disadvantaged communities. In addition, the District of Columbia helped finance construction of the new multilevel WMATA commuter parking garage with the city's payment in lieu of taxes (PILOT) program, which provides financing and construction sales tax abatement. The program helped the developer meet the one-to-one replacement requirement for parking spaces in the previous lot.

The target incomes for the units evolved from several years of planning meetings with local stakeholders, including the local Advisory Neighborhood Commission (the elected body of neighborhood representatives), civic associations, and District of Columbia agencies. These stakeholders were concerned that the apartments at Rhode Island Row would be out of reach for Ward 5 residents and that the project would result in gentrification. In response, the developer carefully balanced the minimum rents, and although there are no income restrictions for the 219 workforce units, the units target households earning 80 to 120 percent of the area median income (AMI). An additional 55 units are set aside for households earning 50 percent of AMI.

Rhode Island Row is a well-designed, highly amenitized project that creates a vibrant, affordable, and walkable neighborhood in a previously underused site. Rhode Island Row also demonstrates the power of a developer working closely with community stakeholders to create a community that meets residents' desires while bringing much-needed private investment to the neighborhood.



“Rhode Island Row is located in an emerging market in Washington, D.C. and serves to bring workforce housing, and jobs into its Brentwood community to build a bridge between the local community and surrounding city.”

**Victoria Davis, President
Urban Atlantic**