

November 14, 2005

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Zoning Commission for
the District of Columbia
441 Fourth Street, N.W., Suite 210
Washington, D.C. 20001

Re: **Case No. 05-22**
(Consolidated PUD - Level 2 Development, LLC)

Dear Ladies and Gentlemen:

1430 Belmont Street is owned by the Cresthill Associates LP and operated by Jubilee Housing, Inc. as an affordable housing community serving low wage workers of the Columbia Height neighborhood. Tenants of the property have long hoped to own the property as a cooperative to assure that the housing would remain affordable to existing households and offer the benefits of ownership to the many low-income families living at the property. Jubilee Housing is a general partner of the current property owner and is willing to assist the tenants in their plan.

The partnership agreement that governs the use and sale of property stipulates that the property must (a) be sold, and (b) that sale must occur at a market rate price. The provision has heretofore blocked purchase of the property by tenants, as the cost of a market sale purchase was beyond their reach.

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More recently, new developments have created a new opportunity for tenants to purchase the property at market rate. The D.C. Department of Housing and Community Development, in partnership with certain intermediary lenders, has created a new Site Acquisition Funding Initiative (SAFI) that makes new acquisition financing available to tenant groups like the tenants at 1430 Belmont Street. In addition, Jubilee Housing is in position to assist the tenants with additional "soft" financing, which combined with SAFI funding, is almost enough to allow tenants to purchase the property. The gap in the amount of financing available through these two sources is $1 million. Thus, the contribution proposed by Level 2 Development would provide the key equity needed for the tenants to purchase the property.

There is added urgency at this time, as at sale, existing affordability covenants would expire. Without a strategy to preserve the affordability of the property, more than forty long term DC households would be displaced from the area – an all too familiar phenomenon occurring all over the city at this time. Enabling sale to the tenant

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association would preserve the affordability of the property in a neighborhood where there is almost none left.

Following the purchase, the tenants will redevelop the project which will be owned as an affordable cooperative or through another ownership structure. Tenants are organizing a development team that includes Jubilee Housing and Pinnacle Development Partners to assist with assembling the financing, and development consultant Reuben McCornack, to oversee construction on the project (resumes for the development team and an anticipated development timeline are attached for reference).

On behalf of the tenants, we are extremely pleased to have the creative and significant support of Level 2 development and look forward to the successful completion of this important affordable housing effort.

Sincerely,

Jim Knight
Executive Director
Jubilee Housing, Inc.