Testimony of Cheryl Parker Hamilton

East Capitol Senior Building PUD

April 25, 2002

Background of Development Team

Good evening ladies and gentlemen. I am Cheryl Hamilton, the Regional Manager for A&R Development Corp. A&R and The Henson Development Company are co-developers for the redevelopment of the New East Capitol project located in Ward 7, on the north and south sides of East Capitol Street, from Southern Avenue to the east and 56th Street, to the west.

A&R Development Corp. was established in 1977 by Theo Rodgers and William Adams. During this 25 year history, the firm has completed approximately 30 projects ranging in size from $2 million to $55 million. The firm is currently undertaking 2 projects in excess of $100 million, one of which is the New East Capitol. Included in the myriad of mixed-use, residential, commercial and neighborhood retail projects completed or underway by A&R, are 4 Hope VI projects.

1. Pleasant View Gardens in Baltimore, 338 homes (including a 110 unit senior building); recreation center and daycare center. This was the first HOPE VI project completed and occupied in the country. ($60M)
2. Wheeler Creek in southeast Washington D.C., 314 homes (including a 100 unit senior building); and educational resource center. All the homes are currently occupied and the educational resource center is scheduled to be complete at the end of May. ($55M)
3. Heritage Crossing in Baltimore, a 260 unit development with a community/daycare center. This development is currently under construction and is scheduled to be complete in March 2003. ($60M)

ZONING COMMISSION
District of Columbia
CASE NO.02-04
EXHIBIT NO.28

4. East Capitol is planned as a 515 unit development (including a 150 unit Senior Building) and is scheduled to commence construction in October of this year. ($105M)

The Henson Company was established in 1991 by Dan Henson, the former Executive Director of the Housing Authority in Baltimore City/Housing Commissioner. As the Executive Director, Mr. Henson was the visionary behind the demolition of 4 high rise public housing developments in Baltimore, and to be replaced with low rise (townhouse/duplex) housing that would provide housing for families of different incomes. All four high-rise developments have been demolished and two of the four developments (Pleasant View and The Terraces (391 units, 88 unit senior building) are complete; and the third site (Heritage Crossing) is currently under construction.

In addition to the New East Capitol Project, The Henson Development Company is undertaking another HOPE VI development in Tampa Florida.

1. Tampa, a 834 unit redevelopment that includes 488 off-site units and a 16,000 s.f. community center and 8,000 sf senior center, with a total development cost of over $100 M. This project is scheduled for completion in 2005.

HOPE VI Process

The development team, A&R/THC LLC was selected by DCHA as Master Developer for the redevelopment in early 2000. As part of the Master Developer responsibilities, we led the process of applying for a HOPE VI grant, which was awarded in August 2000. As part of the HOPE VI process, the community and other stakeholders were involved and continue to be involved in the planning process. In 1999, the DCHA applied for and was granted a demolition grant, which they utilized to demolish 180 walk-up units that occupied the proposed senior building pad, as well as other land along Watts Branch.

Overview of Senior Building

The senior building is one component of the overall redevelopment project and was planned to accommodate the seniors who currently reside in the existing senior building at Capitol View Plaza as well as other seniors throughout the city. As part of the planning process, the senior building was located at the proposed location due to the proximately of the retail center (especially grocery store) and the views and quiet of Watts Branch.

The building is planned as an independent living senior building. However, services will be available for the seniors via a "care management" program. Through this program, a case manager will assess the seniors needs upon their arrival as a resident. The types of services that will be offered are meals, assistance with bathing, eating or medication, transportation, laundry, etc. The services will be provided on an as needed basis and may be expanded or contracted as necessary. These services will be provided at very little or no cost to the residents. The DCHA is working with the Office on Aging to provide funding through the Medicaid waiver and other funding sources to support this "care management" program.

Financing

The development team is currently working on the financing of the building which will be primarily financed with debt through the issuance of tax-exempt bonds; tax credit equity and city and housing authority funding. The total development cost for the project is $18 million.

Schedule of Tasks

In addition to the financing, many of the due diligence requirements with HUD have been completed such as completion of an environmental assessment and 106 clearance; geotechnical and environmental studies; marketing studies are underway. The design plans are far along and a groundbreaking is being planned for early September.

Community Involvement

The site location, design and programmed services have been well vetted within and community and with seniors residing in the existing building. The development team, housing authority and CDC have attended ANC meetings, quarterly task force meetings are held on Saturday mornings, steering committee (policy board) and meetings with the seniors.

We have committed to the seniors that they would not be moved twice, therefore, the proposed building must be constructed, and seniors relocated prior to the existing senior building being demolished and the site of the building being redeveloped. It is our intent to commence construction in October of this year, and complete the building in December 2003, with seniors starting to move in prior to Christmas.

Property Management

The building will be owned by the Developer and Tax Credit Investor for a period of at least 15 years. The property will be managed by ART, an affiliate of A&R Development Corp., that currently manages 3 other HOPE VI projects, 2 in Baltimore and Wheeler Creek, in addition to a larger portfolio.

Design Flexibility

As part of this PUD, we are requesting that the Zoning Commission allow modest flexibility to allow for changes that may occur in the final engineering of the site, and changes required by the City Agencies in their review.