



Jonathan Rose Companies



The Faircliff affordable housing project in Columbia Heights Neighborhood of Washington, DC has begun Construction

Development will add affordable housing and take green building to the next level in Washington D.C.



Washington, D.C. (January 11, 2023) – Somerset Development Company, Jonathan Rose Companies, and Housing Up announced today that construction has begun on **The Faircliff**, a 125-unit affordable housing project in the historic Columbia Heights neighborhood of Washington, D.C. The all-electric building, which is among the most sustainable yet in the District, will be built alongside **Novel 14**, a 197-unit market rate apartment building built by Crescent Communities. A joint groundbreaking will be held on-site on January 18.

Collectively, The Faircliff and Novel 14 will replace the former 80-unit Faircliff Plaza East apartment complex, quadrupling the total number of housing units on site. The Faircliff consists of 125 new affordable rental units, including replacement of the original 80 units as well as 45 new affordable units available to households with income at or below 50% of Area Median Income, 23 of which are 3-bedroom units. Residents of the former Faircliff Plaza East voted unanimously in 2021 to move forward with the project. Over 80 percent of those residents have elected to return to live at The Faircliff and have temporarily relocated to off-site apartments until construction is complete.

“This property was our first acquisition after we founded the company over twenty years ago, with the belief that the resurgence of Columbia Heights should first and foremost benefit the longstanding residents of this neighborhood,” **said Anya Kamara, Partner and Director of Development of Somerset Development Company.** “The Faircliff marks a new milestone in that journey, and it would not have been possible without the tireless work and support of all the community leaders and members who helped us to make it a reality.”

“We look forward to increasing affordability in a neighborhood that continues to rapidly expand and ensure its residents are able to stay and grow in this area for years to come.” **said Jenny Wu, Managing Director of Development at Jonathan Rose Companies.** “We are so grateful

for the support of residents of Faircliff Plaza East, our community neighbors, our partners, and the city agencies that made this project possible”.

“Housing Up is excited about The Faircliff not only because it will make a substantial contribution to the stock of affordable housing in the District of Columbia but also because it starts a significant new chapter in our relationship with Somerset Development Company and Jonathan Rose Companies,” **said Philip Hecht, President & CEO of Housing Up.** “Housing Up looks forward to providing ongoing support to the families who will live at The Faircliff.”

Designed by Eric Colbert & Associates and built by John Moriarty & Associates, the eight-story building will feature a range of community amenities including a courtyard with playground, community room, learning library, fitness center, rooftop event space and a community garden. Residents will also have access to free, high-speed Community WiFi in their apartments and all common areas.

The all-electric design will be constructed to Passive House standards through Phius and will achieve LEED Platinum certification. The project will also feature a range of green design features, including a green roof with an integrated 67 kW solar array, electric vehicle charging for 19 parking spaces, and carbon-injected concrete that will capture over 1.1 million kg of carbon within the building’s structure.

Financing for the \$110 million development was arranged through an innovative mix of public and private resources, including \$49.3 million in tax-exempt bonds issued by the DC Housing Finance Agency (DCHFA), a \$16.9 million loan from the DC Department of Housing and Community Development’s Housing Production Trust Fund, and a \$439,452 initial annual rental subsidy from the DC Housing Authority to support nine 3-bedroom units of Permanent Supportive Housing (PSH) dedicated for formerly homeless families.

“Faircliff Plaza East is not only bringing 125 affordable homes to the resource-rich Columbia Heights neighborhood, but it is also providing residents with a multitude of amenities on the property itself,” stated **Christopher E. Donald, CEO of DCHFA.** “Being near schools, grocery stores, community centers and transit is essential to providing not just housing but employment and enrichment opportunities to District residents.”

Capital One, National Association provided a \$35.1 million FHA 221(d)(4) permanent loan and Boston Financial Investment Management represented Capital One as investors in the \$42.4 million in low-income housing tax credit equity. This is Capital One’s second financing with the Jonathan Rose and Somerset Development partnership, supporting their efforts to revitalize affordable housing in the District.

“The Faircliff is incredibly impactful for the current tenants who will benefit from upgraded housing, but it will also provide new units of affordable housing for generations to come,” said **Evan Williams, Senior Vice President of Agency Finance at Capital One.** “This was a very complex deal, and we were pleased to complete Capital One’s first early rate lock of an FHA to reduce interest rate risk to the development team, and to partner with HUD on completing an in-depth environmental review.”

“Boston Financial is looking forward to being an investor in The Faircliff. Although the development team of Jonathan Rose and Somerset faced numerous challenges – from a complex site to a rising interest rate environment -- they were able to skillfully navigate these in order to get this development over the finish line,” **said Steven Napolitano, Senior Vice**

President at Boston Financial. “We’re excited to see the transformation of an aging building into a modern, energy efficient development with 125 affordable apartments that residents will be proud to call home.”

Prior to closing, Eagle Bank provided a \$25 million bridge loan to finance resident relocation and predevelopment costs.

“EagleBank’s lending team remains committed to our community by providing financing for affordable housing projects that are so critical for the stabilization of neighborhoods and economic growth in the DC area,” **said Ryan Riel, Executive Vice President and Chief Real Estate Lending Officer at EagleBank.** “This financing allowed our partners to position the site to provide new, high quality affordable units for DC residents. It was a pleasure to work with Jonathan Rose Companies and Somerset Development Company on this project which will help revitalize our neighborhoods so people will have the opportunity to thrive in the environments where they live, work and play.”

DC Green Bank, established under the leadership of Mayor Muriel Bowser and the DC City Council in 2018 to accelerate the deployment of affordable private and public capital for clean energy projects, delivered a \$1.85 million predevelopment loan to enable the project to achieve LEED Platinum and Phius sustainable design certifications.

“The Faircliff project is a prime example of the role that green banks can play to deploy public dollars and unlock private investment for a clean, affordable, and inclusive future for all,” **said Jean Nelson-Houpert, Interim CEO and Chief Financial Officer of DC Green Bank.** “We are proud to have supported this project with a predevelopment loan that allowed our partners to reach for higher sustainability standards and prioritize inclusive prosperity.”

Local Initiatives Support Corporation (LISC) also provided a \$500,000 predevelopment loan for the project.

About Somerset Development Company

Founded by Jim Campbell and Nancy Hooff in 2000, Somerset specializes in the revitalization of urban communities, with a focus on developing and preserving affordable housing, as well as mixed income, mixed-use and market-rate residential properties. Somerset, with a strong record of partnering with tenant associations, community organizations and local businesses, has a portfolio of \$429 million with over 1,750 residential units in Washington and Baltimore of projects completed or under development. Somerset Development teamed with New Community Partners, LLC, founded by Bill Whitman with over 30 years in real estate development and finance, specializing in public-private partnerships in DC and other cities. For more information, visit: www.somersetdev.com.

About Jonathan Rose Companies

Jonathan Rose Companies is one of the country’s leading developers and investors in sustainable, affordable, and mixed-income multifamily real estate, with more than 19,000 units owned. Founded in 1989, Jonathan Rose Companies is a mission-driven company focused on enhancing the health and wellness of its residents with green, energy efficient property improvements and through its Communities of Opportunities programming. With offices in New York, Connecticut, Colorado, Ohio, and California, Jonathan Rose Companies has developed or acquired more than \$3.5 billion of real estate. For more information, visit: www.rosecompanies.com

About Housing Up

Housing Up is an award-winning, nonprofit affordable housing developer and provider of housing-based services designed to combat homelessness in the District of Columbia. Housing Up Development (Formerly THC Affordable Housing, Inc.) is a 501(c)3 non-profit organization whose mission is to develop affordable housing in the DC metropolitan area and to provide residents with services to support their growth. Housing Up was founded in 1990 as Transitional Housing Corporation by a coalition of churches with a mission to provide quality transitional housing and supportive services to homeless families with potential to transform their own lives. They have since grown to include a continuum of affordable housing developments, including transitional, permanent supportive housing, and market affordable apartments.

About Capital One

Capital One Financial Corporation (www.capitalone.com) is a financial holding company which, along with its subsidiaries, had \$317.2 billion in deposits and \$444.2 billion in total assets as of September 30, 2022. Headquartered in McLean, Virginia, Capital One offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients through a variety of channels. Capital One, N.A. has branches located primarily in New York, Louisiana, Texas, Maryland, Virginia, New Jersey and the District of Columbia. A Fortune 500 company, Capital One trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 100 index. Visit the Capital One newsroom for more [Capital One news](#).