

# MARTHA WASHINGTON APARTMENTS

## Historic Renovation

JUNE 2010 update

### QUICK FACTS

- Vacant building with 131 SRO units located at 1115 SW 11<sup>th</sup> Ave. in downtown Portland was conveyed to HAP by Multnomah County.
- 108 units after redevelopment now provide a mix of studio and 1-bedroom apartments.
- Operational subsidies include 45 Project-Based Section 8 units and 25 public housing units. Of these units, 50 operate as Permanent Supportive Housing serving homeless and chronically mentally ill populations.
- Central City Concern provides property management and social services for residents.



### DEVELOPMENT BACKGROUND

With a desire to spur the redevelopment process, Multnomah County conveyed the Martha Washington property to the Housing Authority of Portland (HAP). Located in downtown's west end at the corner of SW 11th and SW Main, the Martha Washington is next door to two HAP properties: the St. Francis Apartments, across the street, and The Jeffrey, immediately adjacent. As a historic building constructed in 1923, the Campbell Court Hotel and later the Martha Washington Hotel operated as a boarding house for many years. During a brief period in the mid-80's, the building was owned by Rajneesh Investment Corporation and known as Hotel Rajneesh. After Multnomah County obtained ownership in 1986, various populations with unique needs were housed in the building.

Multnomah County approached HAP during spring 2008 about the opportunity for HAP to assume the general partner role in a new tax credit partnership. HAP assumed owner/developer responsibilities in order to negotiate redevelopment documents and reapply for multiple funds that had been earmarked for the previously identified general partner (Cascadia Behavioral Health Services). HAP also contributed capital to help close the funding gap for the redevelopment. Construction occurred between August 2009 and June 2010. LEED silver certification is anticipated.

### SOURCES AND USES

Funding Sources			Project Uses		
LIHTC Equity (4% credits)	\$3.6 M	20%	Acquisition**	\$4.8 M	26%
Historic Tax Credit Equity	\$1.7 M	9%	Construction	\$8.9 M	50%
PDC TIF	\$4.7 M	26%	Development	\$ .3 M	2%
HAP Sales Proceeds	\$1.9 M	11%	General/Construction Fees	\$1.9 M	11%
State of Oregon grants*	\$1.0 M	6%	Financing Fees	\$ .5 M	3%
Acquisition**	\$4.75 M	26%	Interest	\$ .7 M	4%
Sustainability grants***	\$ .35 M	2%	Reserves/Contingency	\$ .9 M	5%
<b>\$18 M</b>			<b>\$18 M</b>		

\*Housing Plus and Mental Health Housing grants \*\*\*BETC, Weatherization, Green Communities

\*\* Multnomah County conveyed the property to HAP in 2009. "Acquisition" represents the value of the property which transferred from HAP to the limited partnership.