



# CAMBRIDGE

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## PRESS RELEASE

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### WASHINGTON DC TAKES CREATIVE AND AGGRESSIVE APPROACH TO AFFORDABLE HOUSING

Cambridge Realty Capital Companies Chairman Jeffrey Davis is familiar with the problems that plague affordable housing across the US. However, one city impresses him and he believes that other cities may have some lessons to glean from the successes that are taking place in Washington, D.C.

Like many urban centers, Washington, D.C. is suffering from a shortage of affordable housing. The problem is not new, but the situation took on a greater level of urgency in the early 2000's as existing affordable housing units began disappearing. In all, approximately 1,000 of those units were lost between 2006 and 2014 due to private development and to the expiration of existing subsidies in the area. More than 10,000 additional units were at risk of disappearing in the coming decade and a half. The situation was alarming to residents who relied on affordable housing subsidies, as well as to the D.C. government. Rather than sit by, they decided to take an aggressive and creative approach to ensure that affordable would not only continue to be built, but also that existing sites didn't vanish.

The District created several initiatives and policies that it hopes will allow D.C.'s low-income citizens to be able to remain in the city instead of being forced to move away to find affordable housing. Not only do these measures address the risk of homelessness, they also target many of D.C.'s underserved neighborhoods and serve as a means of brightening up some neglected areas and properties.

In 2015, Mayor Muriel Bowser created the DC Housing Preservation Strike Force, a team of 18 people including D.C. housing experts and members of the public. The Force was charged with the task of developing an action plan to preserve the District's existing affordable housing covenants set to expire by 2020: some 13,000 units worth, including the homes of many seniors. The District also adopted an Inclusionary Zoning (IZ) Program, a policy that requires 8 percent-10 percent of the residential floor area be set-aside for affordable rental or for-sale units in new developments, as well as in rehabilitation of existing housing. This measure will ensure that all future new housing builds of all types, as well as renovation or expansion of existing housing, will include affordable units which are equal in quality to private units.

Lower income renters who want to purchase their own home have access to the Home Purchase Assistance Program (HPAP). Qualified applicants may be able to receive up \$84,000 in financial assistance. The amount awarded is based on income level, family size and availability of assets applicants can commit to the purchase of a home. The program isn't limited to a particular housing type or area, giving applicants the flexibility to choose the kind of housing that is right for them.

Every affordable housing solution has some drawbacks, but D.C.'s aggressive approach along a variety of different market entry points has proved to be very effective so far. Davis believes the Washington, D.C. model should serve as an inspiration for other municipalities hoping to tackle the affordable housing issues in their own areas.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading senior housing and healthcare debt and equity capital providers, with more than 400 closed senior housing transactions totaling more than \$4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD Lean) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions, joint ventures and sale/leasebacks. The company has acquired 16 facilities totaling approximately \$60 million.

Cambridge is the creator of *The Signature Experience*<sup>™</sup>, a four-step process designed to transform the traditional lender/borrower relationship and identify "ideal" capital solutions for worthy projects. The company has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly Capital Wisdom(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, [www.cambridgecap.com](http://www.cambridgecap.com), and Cambridge can be reached at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto:info@cambridgecap.com). The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap>, via Facebook at <http://www.facebook.com/cambridgecap>, via blog at [www.cambridgecap.com/blog](http://www.cambridgecap.com/blog) and via LinkedIn at <http://www.linkedin.com/companies/454232>, where information on the firm and its employees can be found.

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