

# WASHINGTON BUSINESS JOURNAL

## Best Real Estate Deals honoree: Worthington Woods Apartments



**Acquisition of Worthington Woods Apartments at 4419 3rd St. SE by Montgomery Housing Partnership**

By Lisa Rabasca Roepe – Contributing Writer

When Worthington Woods Apartments, a 394-unit, garden-style community of 48 buildings, was up for sale in June 2017, resident Evelyn Harrison encouraged her neighbors to start a tenant association so they could have a say in the Southeast D.C. property's future. Harrison collected the required signatures representing more than 50% of the households there, enough to help select its next developer.

The Worthington Woods Tenants Association chose Silver Spring nonprofit Montgomery Housing Partnership. In June 2019, MHP acquired the property from WC Smith for \$37 million with plans to renovate the apartments. The buy marks MHP's first property in the District, bringing its total number of affordable homes above 2,000. It's a major turning point for the complex — built in 1944 and now home to 694 residents, including 81 residents over age 55 — helping provide stability in a turbulent economic time.

“It's important to preserve quality affordable housing and make sure, as D.C. has become more gentrified and attracted more higher-income residents, that longtime residents have a place to live,” said MHP President Robert Goldman. “With this project, 394 families will have a safe, high-quality, permanently affordable place to call home in a District undergoing redevelopment and facing gentrification pressures near major D.C. employment centers.”

The deal's financing came together from Capital Impact Partners, along with the Housing Preservation Fund of the D.C. Department of Housing and Community Development, Sandy Spring Bank and an investment by MHP itself, Goldman said. That package will last for three years, after which MHP intends to fund the complex going forward. Under that plan, MHP will own 80% of the property, the Worthington Woods Tenant Association will own 15% and the Anacostia Economic Development Corp. will own 5%.

The developer aims to make substantial renovations to individual units, in addition to larger-scale projects, such as replacing the radiator-based, central boiler heat system with individual electric heat pumps; upgrading electrical systems; and enhancing the landscaping. MHP also plans to build a community center to provide much-needed activity, learning and health spaces.

“We want to have a place where residents can take advantage of a program that helps them to become more successful,” Goldman said.