



## REAL ESTATE INC.

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### ▶ KATIE'S TAKE

## Jubilee raising \$5M fund to buy properties

Jubilee Housing is turning to the region's wealthy to create an investment fund to help it compete in the hot housing market, a rare move for a nonprofit developer.

The \$5 million Justice Housing Partners Fund will allow the D.C. nonprofit to acquire three or four properties in neighborhoods where real estate prices are quickly rising, providing 100 units for residents making no more than 30 percent of the area median income. Jubilee has raised about \$1.85 million so far.

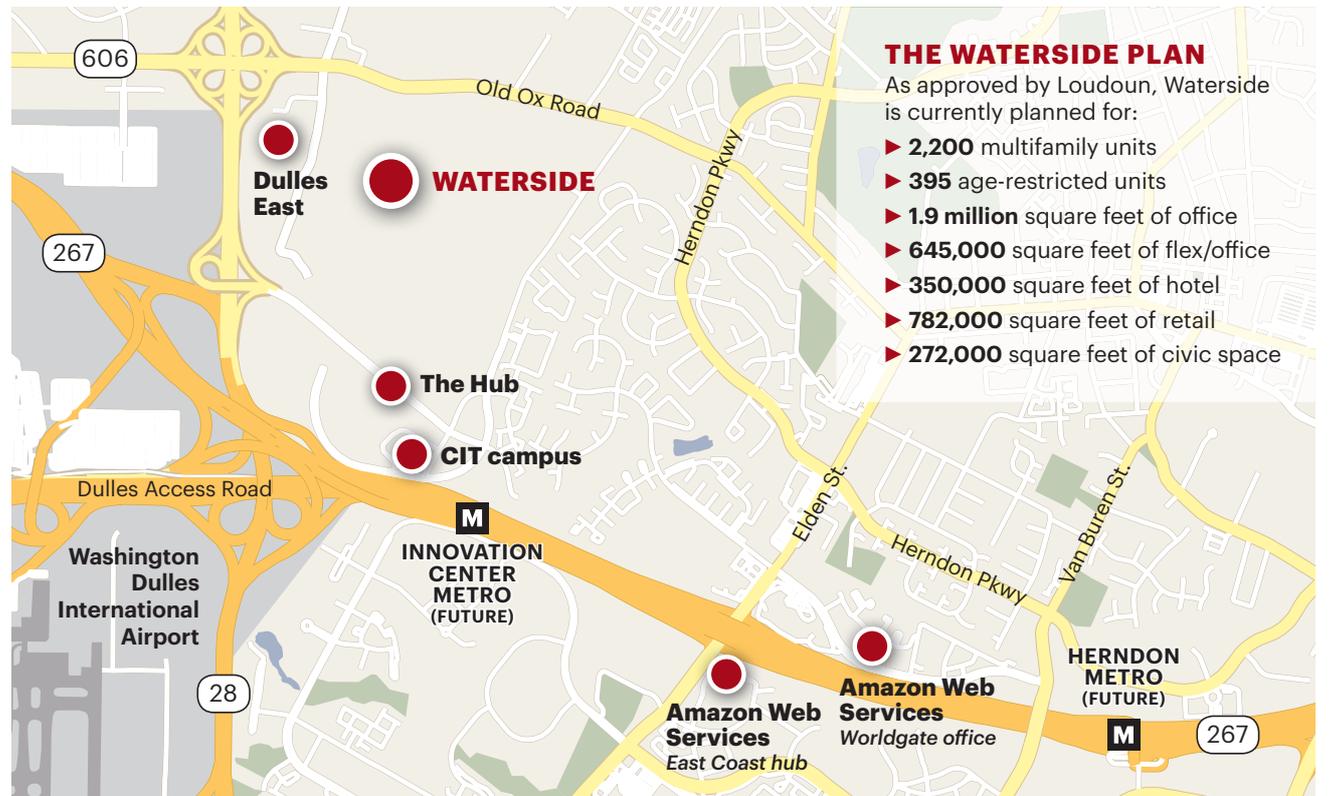
Jubilee hopes to acquire the properties in Adams Morgan, Columbia Heights and Mount Pleasant, all communities that have seen an escalation in home prices and rapid gentrification. Three-bedroom market-rate units in those neighborhoods run up to \$4,025.

The nonprofit has gotten commitments from two undisclosed institutional investors and The Share Fund, a donor-advised fund of the Community Foundation for the National Capital Region, and several individuals. Alex Orfinger, executive vice president of Charlotte-based American City Business Journals and former publisher of the Washington Business Journal, is a Jubilee board member leading the fundraising efforts.

The fund, combined with a \$15 million line of pre-approved acquisition financing from United Bank, will help Jubilee compete with developers and investors who are making all-cash, no-contingency offers for distressed properties, said Jim Knight, executive director and president of Jubilee.

Jubilee will return the investors' money once it obtains permanent financing from sources including DHCD's Housing Production Trust Fund and low-income tax credits. The estimated return, Knight said, is 2 percent.

— Katie Arcieri



# Waterside and HQ2

## Documents reveal Loudoun project is part of official bid

Loudoun County's bid to host Amazon.com Inc.'s second headquarters is quite a bit bigger than originally thought.

Economic development officials with Loudoun and Virginia included the proposed Waterside mixed-use project in their larger, joint bid for HQ2, documents show.

Attorneys for Chantilly Crushed Stone, which owns the 335-acre site near Dulles International Airport, disclosed in two zoning documents — one in November and one in January — that Waterside is part of the official bid for the \$5 billion, 50,000-job project.

The disclosure came as Cooley LLP attorneys Molly Novotny and Colleen Gillis sought to make a case for why a small piece of Waterside pitched as a part of the future town center there should be rezoned to allow for more than 300 multifamily units.

Representatives for Loudoun County and Waterside did not return calls seeking comment.

While the Center for Innovative Technology and a planned development site known as The Hub are widely believed to be part of the county's pursuit of HQ2, the Waterside documents are the first time that project was officially linked to the bid.

"The additional residential requested will further support the

The quarry site is envisioned as a mixed-use project with a lake, not unlike Amazon's Seattle campus.



COURTESY LESSARD DESIGN / CHANTILLY CRUSHED STONE

HQ2 Amazon deal, should the Waterside/HUB/CIT joint application be selected as the second headquarters," one of the statements noted.

The Loudoun board offered strong indications in May that it would not approve the additional 300 units, forcing Chantilly Crushed Stone to withdraw its request. But the board also suggested that if any of the "elephants in the room" — Amazon or Apple, which is also looking for a new hub — chose Loudoun, it would be willing to rethink residential densities.

While there does not appear to be a direct connection, Amazon's web services business is under contract to acquire a 107-acre piece of Waterside for a new data center or campus of data centers. That raises several possibilities, including that a data center operation on the so-called "Centennial Site" could support HQ2.

Waterside would be built on a site that now hosts Loudoun Quarries, and the planned development would be anchored by a 54-acre lake at what is now the active quarry pit. The result would create a layout not dissimilar to Amazon's Seattle headquarters, located south of a body of water known as Lake Union.

Amazon could potentially draw on several existing and planned developments in Loudoun and neighboring Fairfax to meet its requirement for up to 8 million square feet. That includes the iconic CIT building in Fairfax, which is too small to meet the company's initial phase of at least 500,000 square feet but could support an advance team while its larger space needs are being developed. The Hub, formerly known as Dulles World Center, is planned for 3.5 million square feet of office.

— Daniel J. Sernovitz