

**TENANT EQUITY DEVELOPMENT PLAN FOR THE RESIDENTS OF  
65-97 HAWAII AVE NE AND 66 & 98 WEBSTER ST NE**

The Hawaii Webster portfolio consists of 11 multifamily buildings located at 65, 69, 73, 77, 81, 85, 89, 93, 97 Hawaii Ave NE and 66 and 98 Webster Street NE. Each building is identical and consists of 8 small one bedroom 350 square foot units for a total of 88 units out of which 52 are currently occupied. There is currently no parking available. The buildings were built in 1941 and are currently 80 years old with no significant upgrades or renovations over the years. All building systems are facing imminent failure and are well beyond their useful life.

The Hawaii Webster portfolio was acquired by Solid Brick Ventures, LLC, 98 Webster Ventures, LLC and 93 Hawaii Ventures, LLC in October 2020 with the following plan to address the imminent problems facing the community.

Per the application to the Board of Zoning, a plan was developed to renovate each building to expand the existing housing stock from 88 to 134 units and increase the parking spaces from zero to 54. The 134 units would consist of 92 one bedroom 450 square foot units and 42 two bedroom 800 square foot units. Within this mix there will be 16 Inclusionary Zoning units, 10 one bedrooms and 6 two bedrooms.

The development plan ensures that each tenant currently in good standing has equity and is given the opportunity to enhance their standard of living with the following steps:

**Step 1:**

Currently 93 Hawaii Ave NE is vacant and 89 and 97 Hawaii Ave NE and 66 and 98 Webster NE only have a handful of residents. Step one of the plan is to renovate the vacant units at 65, 69, 73, 77, 81 and 85 Hawaii Avenue NE and move the residents from the mostly empty buildings to the newly renovated units. Professional moving services will be provided.

**Step 2:**

Once vacated 89, 93 and 97 Hawaii Ave NE and 66 and 98 Webster NE will be developed into 16 unit buildings for a total of 80 units, more than enough to house the current 54 tenants. 66 and 98 Webster St NE and 89 and 97 Hawaii will be for rent and 93 Hawaii Ave NE will be for sale.

**Step 3:**

At this point, the tenants in good standing will have the following options:

- 1) Upgrade to a completely new 1-bedroom unit in a newly developed building at their current rent-controlled rent.
- 2) Receive incentives and down payment assistance to purchase a condo in one of the newly developed buildings at market rate or at a significant discount through the District's Inclusionary Zoning program.
- 3) Receive a cash buyout of the lease as well as relocation assistance.

Step 4:

Once the remaining buildings at 65, 69, 73, 77, 81 and 85 Hawaii Avenue NE are vacant, they will be developed and the two bedroom units will be added to the mix. The existing tenants wishing to upgrade to a two bedroom unit will be given priority and down payment assistance to purchase these units.

The entire project is expected to take 4-5 years and will have a profound impact to the neighborhood with zero displacement of existing tenants while maintaining equity in the community and providing room to grow their families while maintaining high quality affordable housing stock with a mix of for sale and for rent units.

#### CURRENT STATUS

To make the transition to the new development as pleasant as possible we have made the following upgrades to the maintenance of the property:

- 1) We previously employed residents to clean and maintain the property to support the community though this very difficult economic year with lackluster results. We have abandoned this model and a new professional cleaning company is now cleaning the common areas in each building 2 times per week.
- 2) Trash removal and has been doubled in order to address the buildup of trash from illegal dumping.
- 3) We abandoned the model of employing residents to pick up trash and debris and a new landscaping company has been hired to remove all the littering and trash from the property 2 times per week.
- 4) An exterminator has treated the entire property and we worked with the ANC to treat the entire neighborhood. We set up traps and extermination efforts will continue weekly where needed to combat infestations.
- 5) We have had reports of illegal dumping, littering, crime, loitering and break-ins and a number of other issues so we are installing cameras throughout the property in order to find the individuals responsible and will prosecute them

to the full extent of the law.

- 6) We hired a Spanish speaker to better serve the residents that have trouble with English.
- 7) We have contacted each tenant to present these plans and secure move out / move back agreements with a few tenants and continue to schedule appointments to discuss plans.

We hope all these efforts will have an immediate improvement to the quality of life in the community. If you have any questions, please do not hesitate to contact [mark.mlakar@msgreal.com](mailto:mark.mlakar@msgreal.com).



Exhibit A  
Property Photos as of November 7, 2021































