

**Tax Credit Case Study:**  
**Use of Credit to Stimulate Reinvestment in Severely Disinvested Neighborhood**  
Woodmont Crossing – Washington, DC (Anacostia)

Much of Southeast Washington D.C. – an isolated area across the Anacostia River but only minutes from downtown Washington – has long been a zone of neglect in the American capitol. High unemployment, abandoned buildings, concentrated poverty and a lack of significant new private investment in real property were common for much of the last three decades.



All this began to change in the late 1990s: using significant amount of public-sector funding, several re-development efforts acquired and redeveloped existing properties exclusively targeting a low and very low income population. By 2000, a major regional developer, KSI, partnered with the municipal government of Washington to raise over \$17 million in private and public capital to finance the first major new constructed development in Anacostia in three decades. Known as Woodmont Crossing, the property is comprised of 176 rental apartments and on site amenities including a swimming pool, a clubhouse, an exercise room, a computer center, secured parking and a tot lot.

Bank of America played a key role in Woodmont Crossing, providing a \$10.5 million construction phase letter of credit to back the tax-exempt bonds issued as the debt component of the development's capitalization.

Additionally, KSI raised \$6.6 million from sale of Low Income Housing Tax Credits through a fund sponsored by Boston Capital, a major syndicator that places tax credit investments exclusively with major corporations, including Bank of America. Bank of America invests several hundred million dollars per year in tax credits through capable groups like Boston Capital.

Woodmont Crossing is a success. Many of its new residents are middle income households returning to the city from nearby suburbs – contributing to the long-term stability of Washington and a web of residential mixed-income neighborhoods. The success of Woodmont crossing has spurred additional private investment in Anacostia. KSI is now developing thirty-five for-sale homes in the area – one more part of an urban renaissance catalyzed by tax credits.



[www.bankofamerica.com/community/](http://www.bankofamerica.com/community/)