

City First banks future on historic U Street building

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It's only a couple of blocks, but City First Bank says it needs to move.

D.C.-based City First, a one-branch bank, paid \$2.4 million for a historic building at 1432 U St. NW owned by the Whitman-Walker Clinic.

"We wanted to own a building and make a statement," says City First President and CEO Cliff Kellogg, "and we wanted to be on the historic U Street corridor."

City First, which has \$85 million in assets, is specifically looking to make high-risk loans to business customers to stimulate community development in underserved parts of the city. In fact, the 5-year-old bank recently financed its 1,000th unit of affordable housing, Kellogg says.

City First (www.cityfirstbank.com) hopes

to move out of its space at 2400 14th St. in January. The new building is 8,000 square feet, double the size of its current space. It will be filled by more lenders and operations staff, Kellogg says. That operational staff will help the bank administer the new \$66 million fund it plans to launch with the D.C.-based Bernstein Cos. (www.thebernstein.companies.com). Likely investment targets for the fund are multifamily properties.

Also, City First's new property has a parking lot and a 4,000-square-foot carriage house that the bank initially plans to fill with commercial tenants. The bank hired D.C. architecture firm Stoiber & Associates (www.stoiberandassociates.com) to draw up plans for the building.

With its benevolent mission, it's only fitting the bank bought it from the nonprofit Whitman-Walker Clinic, which provides health care services and education to people

living with HIV and AIDS. The services that were offered at 1432 U St. were moved to nearby Whitman-Walker facilities.

"We are a nonprofit, but we always want a good return on our assets," says Whitman-Walker Executive Director A. Cornelius Baker. "We were pleased ... to accept [a bid] from a company that married our mission to serving this community."

City First's offer came in slightly lower than a competing bid, Baker says, but was the more attractive option since the bank paid in cash.

Whitman-Walker (www.wwc.com) has been trying to consolidate its real estate portfolio in these tough times for nonprofits, Baker says. The sale helped the clinic reduce its debt from \$6 million to \$3.3 million. Whitman-Walker doesn't have any properties on the market, Baker says, but it may put another building on the market by the fall.

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RENDERING

City First's new digs should be ready for move-in by January. Now a Whitman-Walker Clinic, the space is being transformed into a bank by architects at Stoiber & Associates.