

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Housing and Community Development



Mr. Anthony J. Hood, Chairman
Zoning Commission
441 4th Street NW
Suite 200 South
Washington, DC 20001

Dear Mr. Hood:

We submit this letter to communicate the role and existing programs of Department of Housing and Community Development ("DHCD"). While we support the continuation of this emergency as a necessary short-term fix, in looking for permanent action, we request that the permanent regulations provide a complete and thorough exemption of properties financed, sold, disposed of or subsidized by DHCD.

The mission of DHCD is to create and preserve opportunities for affordable housing and economic development, and to revitalize underserved communities in the District of Columbia. In order to understand DHCD's programs, as they relate to Inclusionary Zoning, we believe that Inclusionary Zoning's role is to be used as a complimentary tool in projects outside of the DHCD's programs. Inclusionary Zoning is our latest regulatory tool for monitoring and compliance in Housing Regulation Administration, which already regulates rental housing, the Tenant Opportunity to Purchase Act ("TOPA"), and other regulations that seek to promote or preserve affordable housing.

DHCD is organized with an operations branch and a regulatory branch. Compliance of our operations branch is monitored by our Office of Program Monitoring. This monitoring covers our development finance, portfolio management, Housing Production Trust Fund management, residential community services, and property acquisitions and dispositions. Application of IZ to DHCD's operations will bring the regulatory and operations branches into unnecessary conflict due to varied and often conflicting regulations and require DHCD to exhaust scarce resources in an attempt to affect projects that are already being pursued and monitored within the parameters of DHCD's mission.

We submit the following documents to educate you on our mission and accomplishments: 1) a copy of our FY 2011-2015 Consolidated Plan as evidence of our role in setting and executing

ZONING COMMISSION
District of Columbia

CASE NO. 04-33D
EXHIBIT NO. 12

policy and programs to generate affordable housing and community development, 2) our performance reports for FY 2009; and 3) a matrix of some of the funding sources utilized in development finance that DHCD uses to create and preserve affordable housing

Sincerely,

A handwritten signature in black ink, appearing to read 'Leila Finucane Edmonds', with a long horizontal flourish extending to the right.

Leila Finucane Edmonds

Enclosures

cc: Konrad W. Schlater, Vice-Chairman
Greg Selfridge, District Resident
Michael G. Turnbull, Architect of the Capitol Designee
Peter G May, National Park Service Designee
Harriet Tregoning, Director, Office of Planning

Department of Housing and Community Development DHCD (DB)

MISSION

The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing, promote economic development, and revitalize underserved communities in the District of Columbia.

SUMMARY OF SERVICES

DHCD focuses on three strategic areas: 1) preserving and increasing the supply of affordable housing through new construction and rehabilitation; 2) increasing homeownership opportunities; and 3) revitalizing neighborhoods, promoting community development, and providing economic opportunities. To help meet the housing needs of the city's low- to moderate-income residents, DHCD operates programs for individuals, developers and community groups. DHCD also ensures the preservation and maintenance of affordable rental housing by regulating building sales and conversions and by enforcing the Tenant Opportunity to Purchase Act (TOPA).

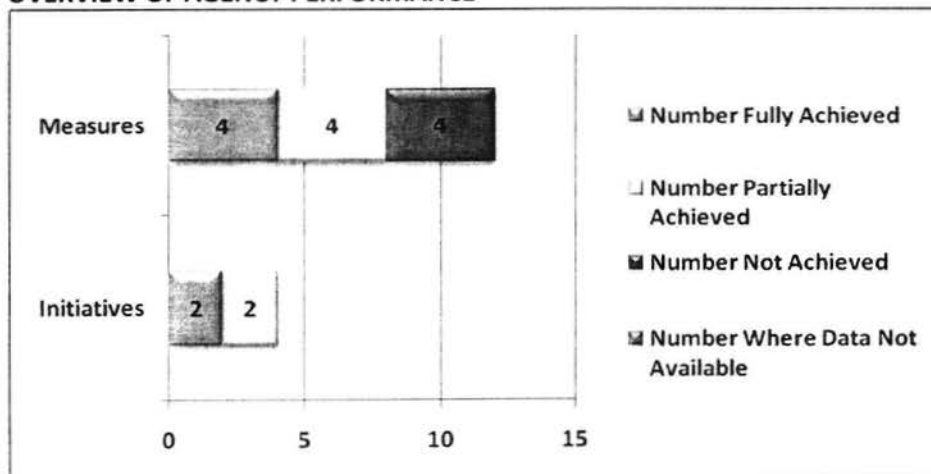
AGENCY OBJECTIVES

1. Enhance the production of quality affordable housing and homeownership opportunities at the project and household levels.
2. Preserve quality affordable housing and homeownership opportunities.
3. Increase economic opportunities for low and moderate income residents.

ACCOMPLISHMENTS

- ✓ Opened the Housing Resource Center in Ward 8. This public one stop shop for all DHCD housing services provides access to DCHousingSearch.org, a database for rental and homeownership.
- ✓ Auctioned nearly 30 District-owned vacant single and multi-family properties spanning 7 wards. The auction generated nearly \$4.85 million to invest in affordable housing programs.
- ✓ Targeted \$2.8 million in Neighborhood Stabilization Funds under the Housing and Economic Recovery Act of 2008, to create 58 units of affordable homeownership opportunities in Ivy City.

OVERVIEW OF AGENCY PERFORMANCE



Performance Initiatives – Assessment Details

Performance Assessment Key:

 Fully achieved
  Partially achieved
  Not achieved
  Data not reported

OBJECTIVE 1: ENHANCE THE PRODUCTION OF QUALITY AFFORDABLE HOUSING AND HOMEOWNERSHIP OPPORTUNITIES AT THE PROJECT AND HOUSEHOLD LEVELS.

INITIATIVE 1.1: Coordinate and target resources to increase production of special needs housing.

To date, the MOU between DCHD and DMH has produced financing for 248 special needs units, of the 300 total predicted. It is projected that the 300 total count will be achieved shortly. Additionally, the Community Builders Scattered site project has closed and produced 10 units, and DHCD has implemented a policy to target up to 75% of the District's annual allocation from 9% LIHTC to special needs projects.

INITIATIVE 1.2: Implement Green Design across all funding areas to ensure energy efficiency and sustainability in new developments.

-  DHCD has expanded its implementation of the Green Building Act of 2006. As DHCD's 4th quarter numbers will represent, all projects entering the pipeline in FY 09 have met the Green Communities Criteria, or LEED at the Silver level, for residential and non-residential construction, as required by law. Further, DHCD does serve on the Green Building Advisory Council, and has coordinated with DDOE and nonprofit organizations to provide training opportunities and technical assistance to developers.

OBJECTIVE 2: PRESERVE QUALITY AFFORDABLE HOUSING AND HOMEOWNERSHIP OPPORTUNITIES.

INITIATIVE 2.1: Open new Housing Services Center in Ward 8.

-  The enhanced Housing Service Center is fully functional and has been opened since July 2009, the time of build-out completion

OBJECTIVE 3: INCREASE ECONOMIC OPPORTUNITIES FOR LOW AND MODERATE INCOME RESIDENTS.

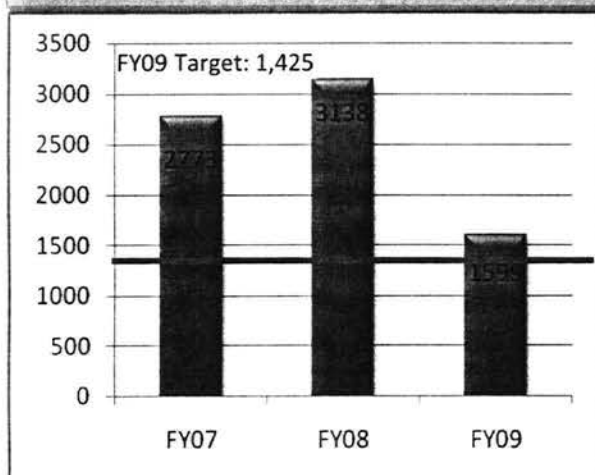
INITIATIVE 3.1: Partner with new building trades academy at Cardozo High School.

DC Construction Trades Foundation and PADD have been negotiating the Disposition Agreement for the past year. There has been a slight indifference about the Foundation's ability to insure the students on the site. The only thing that that was accomplished during FY 09 was the execution of a Right of Entry for them to do feasibility studies; however, we are much closer to getting the disposition agreement executed this fall.

	Accommodations Division (RAD)					
● 2 6	Number of Applications for Conversion Approved by the Rental Conversion and Sale Division (CASD)	0	100	60	60%	HOUSING REGULATION ADMINISTRATION
● 3 1	Number of Technical Assistance Services Provided to Small Businesses	3106	700	2113	301 86%	NEIGHBORHOOD INVESTMENT
● 3 2	Number of Storefront Facades Improved	45	90	32	35.56%	NEIGHBORHOOD INVESTMENT

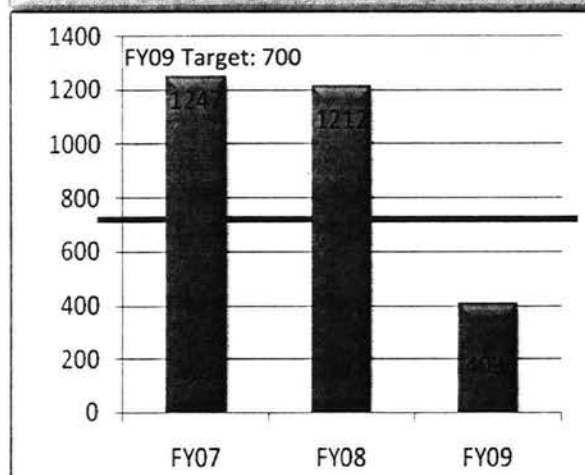
Key Performance Indicators – Highlights

From Objective 1: Total affordable housing units funded



FULLY ACHIEVED

From Objective 1: Total new ownership units and households funded



PARTIALLY ACHIEVED

More About These Indicators:

How did the agency's actions affect this indicator?

- Consists of each unit financed for acquisition, rehabilitation as well as lead multi-family and Home Purchase Assistance Program (HPAP) units.
- Focused on marketing of particular programs.
- Increased and held regular meetings for developers and constituents of programs.
- Adjusted allotments of loans and grants and used other resourceful methods to stretch financing.

What external factors influenced this indicator?

- Slowing real estate market and current economic crisis, increased awareness even more for

How did the agency's actions affect this indicator?

- The overall assistance for HPAP, per unit, was lowered, in order to stretch the appropriated funds, however, still resulting in the funding of 320 units, below the projected 425.

What external factors influenced this indicator?

- District was forced to make tough decisions by reducing local funding; the HPAP budget, specifically, was cut by \$11 million through the Council's first FY'09 gap closing plan
- The slowing real estate market and economic downturn caused a decrease in the demand for new ownership.
- Renewed focus on preservation of existing affordable housing.

Key Performance Indicators – Details

Performance Assessment Key:

☒ Fully achieved
 ☐ Partially achieved
 ☒ Not achieved
 ☐ Data not reported

	Measure Name	FY2008 YE Actual	FY2009 YE Target	FY2009 YE Actual	FY2009 YE Rating	Budget Program
● 1.1	Total Affordable Housing Units Funded	3138	1425	1599	112.21%	AFFORDABLE HOUSING/REAL ESTATE DEVE
1.2	Total Special Needs Housing Units Funded	373	175	147	84%	AFFORDABLE HOUSING/REAL ESTATE DEVE
● 1.3	Total New Ownership Units and Households Funded	1212	700	403	57.57%	AFFORDABLE HOUSING/REAL ESTATE DEVE
1.4	Number of First-time Homebuyers Funded by the Home Purchase Assistance Program (HPAP)	508	425	320	75.29%	HOMEOWNERSHIP AND HOME REHAB ASSISTANCE
● 2.1	Total First Right Purchase Assistance Program (Tenant Purchase) Units Funded	292	150	59	39.33%	AFFORDABLE HOUSING/REAL ESTATE DEVE
2.2	Total Affordable Housing Units Rehabilitated	1990	900	789	87.67%	HOMEOWNERSHIP AND HOME REHAB ASSISTANCE
● 2.3	Number of loans or grants by the Residential Rehab Program	142	75	339	452%	HOMEOWNERSHIP AND HOME REHAB ASSISTANCE
2.4	Percentage of Affordable Housing Units Completed or in Development that are Highly Sustainable and Meet the Green Communities Criteria	56	90	75%	83.33%	AFFORDABLE HOUSING/REAL ESTATE DEVE
● 2.5	Number of Tenant and Housing Provider Petitions Processed by the Rental	0	320	368	115%	HOUSING REGULATION ADMINISTRATION

CDBG-R	Additional CDBG funds authorized by the American Recovery Act of 2009 to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income	See CDBG terms	See CDBG terms
TCE (ARRA), TCAP (ARRA)	TCAP is formula grant funding for capital investment in stalled Low Income Housing Tax Credit (LIHTC) projects TCE allows developments who have been allocated tax credits in 2007, 2008 and through September 2009 to return their credits and potentially receive a cash grant in its place.	See LIHTC terms	See LIHTC terms
LIHTC (9%)	Competitive long term financing program used to facilitate affordable multifamily rental housing projects	Minimum. 20% of units for HH at or below 50% AMI - OR - at least 40% of units for HH at or below 60% AMI This is competitive and often there is much more affordability (i.e 100%)	Minimum of 30 years
LIHTC (4%)	Long term financing program used to facilitate affordable multifamily rental housing projects	20% of units for HH at or below 50% AMI - OR - at least 40% of units for HH at or below 60% AMI	Minimum of 30 years

	Description	Minimum % units affordable	Minimum term of affordability
HPTF	Long term financing program used to facilitate affordable rental and homeownership housing projects	at least 20% of units must be affordable	40 years for rental, 15 years for homeownership unless the unit is located in the census tract with a poverty rate of 30 percent or more as determined by the U.S. Census Bureau's decennial census, in which case the period shall be 10 years. The affordable term for homeownership resets upon resale.
CDBG	Neighborhood revitalization - includes residential and community facilities	51% of units must be at or below 80% AMI	Determined at underwriting - often consistent with other funding sources used on a project
HOME	Formula grants to localities that communities use to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.	20% units must be at or below 50% AMI, an additional 70% units must be at or below 60% AMI, and 10% must be at or below 80% AMI	New Construction - 20 years; rehabs over \$40,000 - 15 years
DMH	Financing for the acquisition, construction or rehabilitation of long-term/ permanent supportive housing units for the exclusive use of DMH consumers.	100% of units to households earning at or below 30% AMI or between 30% and 50% AMI. Restricted to DMH clients.	25 or 40 years depending on grant agreement
UNIFIED FUND	Combines revenue from "O" type activity funds to provide flexibility in the application of funds to be used for the development of affordable housing, community development, economic development, revitalization of communities, and other allowed activities.	Not set forth in establishment of Fund	Not set forth in establishment of Fund
NSP1, NSP2	Formula (NSP1) and competitive (NSP2) grants for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.	Determined by grant agreement. NSP1 funds used to finance 58 units, all affordable: 16 at 30% AMI; 13 at 50% AMI; 5 at 60% AMI; 18 at 80% AMI; and 6 at 120% AMI.	15 years