
COMMITTEE ON HOUSING AND NEIGHBORHOOD REVITALIZATION

COUNCILMEMBER ANITA BONDS, CHAIRPERSON
FISCAL YEAR 2019 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

FROM: Councilmember Anita Bonds
Chairperson, Committee on Housing and Neighborhood Revitalization

DATE: May 2, 2018

SUBJECT: Report and Recommendations of the Committee on Housing and
Neighborhood Revitalization on the Fiscal Year 2019 Budget for Agencies
Under its Purview

The Committee on Housing and Neighborhood Revitalization (Committee), having conducted hearings and received testimony on Mayor Muriel Bowser's proposed operating and capital budgets for Fiscal Year (FY) 2019 for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the FY 2019 Budget Support Act of 2018, as proposed by the Mayor, and recommends new subtitles.

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I. SUMMARY

A. FISCAL YEAR 2019 AGENCY OPERATING BUDGET BY FUND TYPE

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Advisory Neighborhood Commissions	LOCAL FUND	\$850,801	\$1,026,907	\$1,130,614	\$15,000	\$1,145,614
	Total	\$850,801	\$1,026,907	\$1,130,614	\$15,000	\$1,145,614
D.C. Office on Aging	FEDERAL GRANT FUND	\$6,553,117	\$7,591,728	\$7,042,675		\$7,042,675
	FEDERAL MEDICAID PAYMENTS	\$1,958,395	\$2,345,115	\$2,752,297		\$2,752,297
	LOCAL FUND	\$31,425,833	\$35,617,220	\$37,958,295	\$225,000	\$38,183,295
	OPERATING INTRA- DISTRICT FUNDS	\$5,214,142	\$476,958	\$228,958		\$228,958
	Total	\$45,151,487	\$46,031,022	\$47,982,225	\$225,000	\$48,207,225
Department of Housing and Community Development	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	\$4,868,755	\$4,546,000	\$3,633,812	\$0	\$3,633,812
	FEDERAL GRANT FUND	\$38,809,892	\$54,586,727	\$55,829,997		\$55,829,997
	LOCAL FUND	\$19,172,516	\$23,104,294	\$31,885,487	(\$113,280)	\$31,772,207
	PRIVATE DONATIONS	\$14,469	\$0	\$20,000		\$20,000
	OPERATING INTRA- DISTRICT FUNDS	\$126,707,668	\$99,155,560	\$100,000,000		\$100,000,000
	Total	\$189,573,301	\$181,392,581	\$191,369,296	(\$113,280)	\$191,256,016
Housing Authority Subsidy	LOCAL FUND	\$54,624,261	\$85,980,465	\$96,696,225	\$823,500	\$97,519,725
	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	\$0	\$0	\$0	\$743,100	\$743,100
	Total	\$54,624,261	\$85,980,465	\$96,696,225	\$1,566,600	\$98,262,825
Housing Finance Agency	ENTERPRISE AND OTHER FUNDS	\$0	\$12,320,210	\$12,960,432		\$12,960,432
	Total	\$0	\$12,320,210	\$12,960,432		\$12,960,432
Housing Production Trust Fund	ENTERPRISE AND OTHER FUNDS	\$81,290,662	\$48,317,389	\$39,335,078		\$39,335,078
	ENTERPRISE AND OTHER FUNDS- DEDICATED TAX	\$43,196,588	\$50,838,171	\$60,664,922		\$60,664,922

	Total	\$124,487,250	\$99,155,560	\$100,000,000		\$100,000,000
Housing Production Trust Fund Subsidy	LOCAL FUND	\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078
	Total	\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078
Office on Returning Citizens	LOCAL FUND	\$355,313	\$790,625	\$694,957	\$144,000	\$838,957
	OPERATING INTRA-DISTRICT FUNDS	\$93,643	\$0	\$0		\$0
	Total	\$448,957	\$790,625	\$694,957	\$794,000	\$838,957
Office of the Tenant Advocate	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	\$0	\$470,594	\$509,037		\$509,037
	LOCAL FUND	\$3,075,032	\$3,537,633	\$3,127,979		\$3,127,979
	OPERATING INTRA-DISTRICT FUNDS	\$0	\$0	\$0		\$0
	Total	\$3,075,032	\$4,008,227	\$3,637,017		\$3,637,017
Committee Total		\$460,943,193	\$479,022,984	\$493,805,843	\$1,245,720	\$494,401,563

B. FISCAL YEAR 2019 AGENCY FULL-TIME EQUIVALENT TABLE

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Advisory Neighborhood Commissions						
	LOCAL FUND	2.50	3.50	4.50		4.50
	TOTAL	2.50	3.50	4.50		4.50
D.C. Office on Aging						
	FEDERAL GRANT FUND	5.00	4.00	4.00		4.00
	FEDERAL MEDICAID PAYMENTS	24.49	24.55	27.50		27.50
	LOCAL FUND	31.00	37.45	41.50		41.50
	OPERATING INTRA- DISTRICT FUNDS	30.71	3.00	0.00		0.00
	PRIVATE DONATIONS	0.00	0.00			0.00
	TOTAL	91.20	69.00	73.00		73.00
Department of Housing and Community Development						
	FEDERAL GRANT FUND	31.02	27.08	24.82		24.82
	LOCAL FUND	52.92	73.96	74.19	-1.00	73.19
	OPERATING INTRA- DISTRICT FUNDS	72.52	77.96	80.00		80.00
	PRIVATE DONATIONS	0.00	0.00	0.00		0.00
	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	0.00	0.00	0.00		0.00
	TOTAL	156.46	179.00	179.01	-1.00	178.01
Office on Returning Citizen Affairs						
	LOCAL FUND	4.98	7.00	7.00	1.00	8.00
	OPERATING INTRA- DISTRICT FUNDS	0.00	0.00	0.00		0.00
	TOTAL	4.98	7.00	7.00	1.00	8.00
Office of the Tenant Advocate						
	LOCAL FUND	18.00	19.00	18.65		18.65
	OPERATING INTRA- DISTRICT FUNDS	0.00	0.00			0.00
	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	0.00	3.00	3.35		3.35
	TOTAL	18.00	22.00	22.00		22.00
COMMITTEE TOTAL		273.14	280.50	285.51	0.00	285.51

C. FISCAL YEAR 2019-2024 AGENCY CAPITAL BUDGET SUMMARY TABLE

Owner Agency	Project No	Project Title	Allotment Scenario	Available Allotments Excl Pre-Enc	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
BY0	A0502C	WARD 6 SENIOR WELLNESS CENTER	Available	11,664.47	0.00	0.00	0.00	0.00	0.00	0.00	11,664.47
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A0502C Total			11,664.47	0.00	0.00	0.00	0.00	0.00	0.00	11,664.47
	A0503C	MULTIPURPOSE WELLNESS CTR WRD 4	Available	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A0503C Total			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A0508C	WARD 8 SENIOR WELLNESS CENTER	Mayor's Proposed Change	0.00	0.00	0.00	0.00	2,500,000.00	8,900,000.00	0.00	11,400,000.00
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	A0508C Total			0.00	0.00	0.00	0.00	2,500,000.00	8,900,000.00	0.00	11,400,000.00
	EA129C	WARD 1 SENIOR WELLNESS CENTER	Available	308.25	0.00	0.00	0.00	0.00	0.00	0.00	308.25
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	EA129C Total			308.25	0.00	0.00	0.00	0.00	0.00	0.00	308.25
	EA337C	WASHINGTON CENTER FOR AGING SERVICES REN	Available	1,735.71	0.00	0.00	0.00	0.00	0.00	0.00	1,735.71
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	EA337C Total			1,735.71	0.00	0.00	0.00	0.00	0.00	0.00	1,735.71
	EA437C	WARD 7 RENOVATION	On Hold	1,717.57	0.00	0.00	0.00	0.00	0.00	0.00	1,717.57
	EA437C Total			1,717.57	0.00	0.00	0.00	0.00	0.00	0.00	1,717.57
	SW601C	SENIOR WELLNESS CENTER RENOVATION POOL P	Available	3,655,201.13	0.00	0.00	0.00	0.00	0.00	0.00	3,655,201.13
			Mayor's Proposed Change	0.00	1,500,000.00	0.00	0.00	0.00	0.00	0.00	1,500,000.00

Owner Agency	Project No	Project Title	Allotment Scenario	Available Allotments Excl Pre-Enc	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
			Committee's Recommendation	(436,910.13)	436,910.13	0.00	0.00	0.00	0.00	0.00	0.00
	SW601C Total			3,218,291.00	1,936,910.13	0.00	0.00	0.00	0.00	0.00	5,155,201.13
BY0 Total				3,233,717.00	1,936,910.13	0.00	0.00	2,500,000.00	8,900,000.00	0.00	16,570,627.13
CQ0	RCCD1C	RENT CONTROL DATABASE	Committee's Recommendation	0.00	\$476,718	0.00	0.00	0.00	0.00	0.00	\$476,718.00
	RCCD1C Total			0.00	\$476,718	0.00	0.00	0.00	0.00	0.00	\$476,718.00
CQ0 Total				0.00	\$476,718	0.00	0.00	0.00	0.00	0.00	\$476,718.00
DB0	04002C	PROPERTY ACQUISITION & DISPOSITION	Available	573,216.00	0.00	0.00	0.00	0.00	0.00	0.00	573,216.00
			Committee's Recommendation	(436,910.13)	0.00	0.00	0.00	0.00	0.00	0.00	(436,910.13)
	04002C Total			136,305.87	0.00	0.00	0.00	0.00	0.00	0.00	136,305.87
	DHDOTC	DHCD -DDOT CAPITAL FEDERAL GRANT PROJECT	Available	377,486.85	0.00	0.00	0.00	0.00	0.00	0.00	377,486.85
			Committee's Recommendation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	DHDOTC Total			377,486.85	0.00	0.00	0.00	0.00	0.00	0.00	377,486.85
DB0 Total				513,792.72	0.00	0.00	0.00	0.00	0.00	0.00	513,792.72
Grand Total				3,747,509.72	2,413,628.13	0.00	0.00	2,500,000.00	8,900,000.00	0.00	17,561,137.85

D. FISCAL YEAR 2019 TRANSFERS IN FROM OTHER COMMITTEES

Sending Committee	Amount	FTEs	Receiving Agency	Program/Activity	Purpose	Type of Funding
Human Services	\$84,000	1.0	Office on Returning Citizens Affairs	5000/5008	Outreach Specialist	Recurring
Human Services	\$214,416	0.0	Housing Authority Subsidy	3000/3010	Housing subsidy associated with 12 new units of Targeted Affordable Housing for individuals	Recurring
Human Services	\$446,700	0.0	Housing Authority Subsidy	3000/3010	Housing subsidy associated with 25 new units of Permanent Supportive Housing for individuals	Recurring
Transportation & Environment	\$476,718	0.0	Office of the Tenant Advocate	RCCD1C	Rent Control Database	Capital
Business & Economic Development	\$162,384	0.0	Housing Authority Subsidy	2000/2001	Rental Subsidies for Unsubsidized Seniors	Recurring
TOTAL: \$1,330,614						

E. FISCAL YEAR 2019 TRANSFERS OUT TO OTHER COMMITTEES

Receiving Committee	Amount	FTEs	Receiving Agency	Program/Activity	Purpose	Type of Funding
Judiciary & Public Safety	\$95,330	1.0	Office of the Attorney General for the District of Columbia	6100/6114	Financial exploitation of seniors and elder abuse investigator	Recurring
TOTAL: \$95,330						

F. FISCAL YEAR 2019 SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

OFFICE ON RETURNING CITIZEN AFFAIRS (AA0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office on Returning Citizen Affairs in the amount of \$695,000 with the following changes:

1. Increase Full-Time Equivalent authority by 1.0.

The Committee recognizes a transfer of 1.0 FTE from the Committee on Human Services to conduct outreach activities to incarcerated individuals housed at U.S. Bureau of Prisons facilities who will return to the District of Columbia upon their release, beginning six months before they return to the District of Columbia. The addition of this new FTE is reflected by increasing CSG 11 (Regular Pay – Continuing Full Time) by \$70,000 and CSG 14 (Fringe Benefits – Current Personnel) by \$14,000.

2. Increase funding by \$60,000 for the creation and administration of a transportation stipend.

The Committee recognizes an enhancement of \$60,000 in CSG 40 (Other Services and Charges) for the creation and administration of a transportation subsidy of up to \$100 per month for a maximum of three months. This amount will provide subsidies for 200 eligible returning citizens.

Fiscal Year 2019 Capital Budget Recommendations

The Office on Returning Citizen Affairs has no associated capital funds.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Office on Returning Citizen Affairs implement the following policy recommendations:

1. Work to expeditiously fill the vacant case manager position and newly created outreach coordinator position with highly qualified individuals.
2. Continue to work closely the Department of Corrections and the Portal to finalize the logistics of the referral process and to make the transition for

returning citizens as seamless as possible as they move from the one-time touchpoint of the Portal to long-term follow up services through ORCA.

3. Share with the Committee, as soon as possible, written findings associated with the strategic planning process, including synthesized data, recommendations, an updated mission statement, and a roadmap for the agency's next five years of operation.
4. Work with the District of Columbia Office on Aging to identify and refer 10 senior returning citizens, who meet the eligibility requirements for receiving a Local Rent Supplement Program (LRSP) tenant-based voucher, to the District of Columbia Housing Authority (DCHA). The Committee has increased DCHA's funding, beginning in FY 2019, to support the creation of 20 new LRSP tenant-based vouchers. The Committee recommends that these vouchers be distributed to senior women and senior returning citizens.
5. Create and implement a program to provide Metrorail Transit System subsidies, of up to \$100 per month for a maximum of three months, to newly returned District residents within the first three months of their release from incarceration by the Federal Bureau of Prisons or the Department of Corrections. Transit subsidies should be distributed by fare card or medium acceptable to the Washington Area Metropolitan Transit Authority. ORCA's budget enhancement for this program will provide subsidies for 200 returning citizens. The Committee recommends that the agency plan to distribute the subsidies regularly throughout the year – i.e. reserve 16-17 for new returning citizens each month, rather than allocating all 200 in the first month or two of FY 2019.
6. Meet with the Committee on a quarterly basis to provide an update on ORCA's new transportation subsidy program, increased outreach efforts at BOP facilities, implementation of the strategic plan, and developing relationship with the Portal.

OFFICE ON AGING (BY0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office in the amount of \$47,982,225 with the following changes:

1. *Accept the one-time local funding from the Department of Housing and Community Development (DHCD) of \$225,000 to CSG 41, Program 9200, Activity 9215 (Community Outreach and Special Events) to for the purpose of conducting outreach to isolated seniors and promote DCOA services to result in an increase in the total number of seniors served by the end of Fiscal Year 2019.*

Fiscal Year 2019 Capital Budget Recommendations

The Committee recommends the approval of the Mayor's FY 2019-2024 capital budget for the D.C. Office on Aging.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Office on Aging implement the following policy recommendations:

1. The Committee urges DCOA to work closely with the District of Columbia Housing Authority to administer the 20 full vouchers and the rental assistance program to unsubsidized seniors in a timely manner to assist those that are having difficulty making rent payments.
2. The Committee encourages DCOA to coordinate with the Office of the Attorney General in combating elder abuse cases and conducting outreach and education alongside the OAG's Elder Abuse Division.
3. The Committee recommends that DCOA continue to track the dates ADRC interacts with clients to determine if the time elapsed between follow up communications has improved, and the types of needs requested to the office.
4. The Committee recommends offering more support to villages in low-income areas for membership opportunities for residents and to ensure that villages are being supported throughout the city.
5. The Committee recommends the Office work together with the Committee to come up with creative solutions that utilize service providers already in the District, such as businesses and the restaurant industry. The Office has programs within the District, but the Committee believes increased

opportunities for specialized senior programs reduces the risk of isolation and promotes opportunities to enhance one's mental and physical wellness.

6. The Committee has concerns about adequate nutrition for District seniors and recommends that DCOA continue to work with grantees to ensure that the need for meals are met, although funding remains flat. The Committee recommends the Office work with the Committee to determine if there are programs that can be brought to the District that target both meal delivery and socialization.
7. The Committee recommends that the Office conduct discussions and evaluations of grantees so that DCOA has a better understanding on the need and demand for more case management workers and social workers throughout the city.
8. The Committee recommends that the Office realign the Safe at Home income eligibility requirements into a graduated scale rather than a set income cliff so that the amount of assistance provided to seniors can be adjusted based on income levels.

OFFICE OF THE TENANT ADVOCATE (CQ0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office of the Tenant Advocate in the amount of \$3,637,01.

Fiscal Year 2019 Capital Budget Recommendations

Funding for the Rent Control Housing Clearinghouse.

The Committee recommends approval of a transfer of \$476,718 in capital funding from the Committee on Transportation and the Environment to the Office of the Tenant Advocate, Capital Project RCCD1C Phase 06 - Rent Control Database, in order to fund the Rent Control Housing Clearinghouse and the re-registration project authorize by subtitle xx. Rental Housing Registration Update.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Office of the Tenant Advocate implement the following policy recommendations:

1. Continue to implement expeditiously the Rent Control Housing Clearinghouse (the "Clearinghouse"). In L21-0036, the Fiscal Year 2016 Budget Support Act of 2015, the Committee authorized DHCD to establish an internet-accessible, searchable database for the submission, management, and review of all

documents that the Rental Housing Act of 1985 requires housing providers to submit to RAD. The Clearinghouse was required to be completed by DHCD within two years of the effective date of L21-0036 so that documents could be submitted by housing providers and tenants to RAD through the online clearinghouse.

However, in during the FY 2018 budget cycle, more than a year and a half after the effective date of L21-0036, the Committee had seen no progress on the Clearinghouse. Therefore, the Committee withdrew its authorization for DHCD to implement the Clearinghouse, and redirected the responsibility for this critical task to the OTA.

Further, the Committee recommends that the OTA integrate the reregistration project authorized by subtitle xx. Rental Housing Registration Update, as a priority component of the Clearinghouse project. It is the Committee's expectation that the reregistration requirement would be implemented as a priority task order by the OTA in the overall development of the Clearinghouse.

The Committee was and remains confident that based on the OTA's past and current reputation for "getting things done", the OTA will fulfill this important responsibility and bring the District significantly closer to the realization of the Clearinghouse and the re-registration project. The Committee encourages and urges the OTA to excel in the quality of the project, and to complete its work on this project as soon as possible, if not even before the required deadlines.

The Committee further expects that the OTA will meet with the Committee on a monthly basis to provide updates on OTA's database and re-registration progress. Additionally, the Committee looks forward to quarterly reports on the progress of the database/re-registration project as required by L21-0036.

2. Work to further enhance interagency coordination, especially as it relates to emergency housing for District tenants. The Committee applauds the OTA's efforts at interagency coordination and encourages the OTA to explore further developing and implementing joint initiatives to improve interagency communication and coordination to serve better constituent needs. Interagency coordination between agencies remains an ongoing challenge citywide. The lack of coordination impedes the administration and enforcement of rental housing laws, and it is wasteful of government resources and public funds.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DB0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Department of Housing and Community Development in the amount of \$191,369,296 with the following changes:

1. *Delete the following one (1) vacant FTEs to fund one (1) FTE as an Elder Abuse Investigator at the Office of the Attorney General:*
 - a. Reduce CSG 11 (Regular Pay – Continuing Full Time) by \$80,806.00 and CSG 14 (Fringe – Current Personnel) by \$17,454.10 from Program 1000 (Agency Management), Activity 1090 (Performance Management)
2. *Reduce CSG 41, Program 4100, Activity 4130, Fund 610 (Property Disposition) by \$300,000 to reallocate to CSG 41 Program 1000, Activity 1030 (Property Management) for the purpose of establishing an MOU to the DC Housing Finance Agency fund a portion of the Reverse Mortgage Budget Support Act (BSA) subtitle.*
3. *Reduce CSG 41, Program 4100, Activity 4150, Fund 610 (Vacant and Blighted Program) by \$200,000 to reallocate to CSG 41 Program 1000, Activity 1030 (Property Management) for the purpose of establishing an MOU to the DC Housing Finance Agency fund a portion of the Reverse Mortgage BSA subtitle.*

Fiscal Year 2019 Capital Budget Recommendations

Capital funding in the Department of Housing and Community Development's PADD program has not been utilized since FY 2014. Therefore, the Committee recommends:

1. *Reduce the 04002C project budget by \$436,910.13, exchange the budget authority with the Pay-go allotment for project SW601C, convert this amount to local funds and fund the following purposes:*
 - a. Transfer \$225,000 to the DC Office on Aging, Program 9200, Activity 9215 (Community Outreach and Special Events) for the purpose of conducting outreach to isolated seniors and promote DCOA services to result in an increase in the total number of seniors served by the end of

Fiscal Year 2019.

- b. Transfer \$60,000 to the Office on Returning Citizen Affairs to fund 3-month transportation stipends for 200 returning citizens.
- c. Reallocate \$150,000 to CSG41, Program 1000, Activity 1030 for the purpose of providing a grant to Housing Up to study the capacity needs of nonprofit affordable housing organizations.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. The Committee urges DHCD to continue to work expeditiously to promote and fill the remaining number of vacancies that are outstanding within the Department with capable experts. The Committee will continue to monitor the vacancy levels to ensure that all the essential positions are filled.
2. The Committee recognizes DHCD's recent efforts to hire a Preservation Officer and to select two fund managers to jumpstart the Preservation Fund. The Committee encourages DHCD to continue the development of this fund to ensure that DHCD properly leverages and builds up this fund for the preservation of affordable housing in the District.
3. The Committee recommends that the agency select projects and proposals based on the housing needs of District residents, and simultaneously urges DHCD to comply with the statutory mandates and continuously monitor all the affordable housing projects for proper income certification.
4. The Committee recommends that DHCD continue to monitor the utilization of the down payment assistance programs, particularly HPAP and EAHP, to ensure that the enhancements will be spent in an expeditious manner, particularly in light of the changing assistance levels and processes within the program.
5. The Committee strongly encourages DHCD to ensure that the existing programs funded with the Community Development Block Grant (CDBG) monies that have been drastically cut, including housing counseling and small business technical assistance programs, will be restored and fully funded once the federal budget process is complete.
6. The Committee urges DHCD to start complying with the statutory mandate to submit annual reports on Unified Fund spending, pursuant to 2009(h) of the Department of Housing and Community Development Unified Fund

Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01(h)).

7. The Committee encourages DHCD to work with the District of Columbia Housing Finance Agency (DCHFA) to expeditiously establish an MOU transferring funds to DCHFA to begin administration of the Reverse Mortgage program. The Committee also urges DCHFA to set up a payment plan for the seniors who receive this one-time assistance through the program to avoid future delinquencies on property tax and insurance payments.

ADVISORY NEIGHBORHOOD COMMISSIONS (DX0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office of Advisory Neighborhood Commissions in the amount of \$1,130,614 with the following change:

1. *The Committee recommends that the Office of Advisory Neighborhood Commissions accept an enhancement of \$15,000 in recurring funds for funding American Sign Language interpretation services at Commission meetings.*

This enhancement is for paying costs charged by the Office of Disability Rights for the provision of American Sign Language interpretation for official Advisory Neighborhood Commission meetings. This recurring allocation will ensure that there is a substantial source every year from which Advisory Neighborhood Commissions can fund American Sign Language interpretation, so Commissions that face higher levels of need for this service are not at a financial disadvantage with respect to their own quarterly allotments.

Fiscal Year 2019 Policy Recommendations

1. The Committee recommends that OANC provide a report to the Committee following the conclusion of the first full fiscal year of OANC financial oversight and review of Commission quarterly reports detailing: (1) new practices instituted since taking over the duties from ODCA; (2) any unexpected situations or issues encountered that were not contemplated when the transfer of duties was effected; (3) how those situations or issues were handled; (4) a summary of feedback received from the public and from Commissioners in relation to the OANC's handling of financial oversight; and (5) any recommendations or requests from the

OANC to other District agencies or the Council regarding the OANC financial oversight of Commissions.

2. The Committee recommends that OANC continue to work with the Committee and the Office of the Chief Financial Officer to find a workable legislative solution to the difficulties ANC's and Commissioners themselves face due to being limited to spending ANC funds via paper check or petty cash.
3. The Committee recommends that OANC continue to advocate for an increase to ANC allotments in the DX0 budget for future fiscal years such that, at minimum, when adjusted for inflation, those allotments match the purchasing power that they had in FY 2011, since which the allocation has remained flat. Ultimately, the Committee hopes that the total allocation for ANC allotments might reach \$1.25 per resident, up from the current level of approximately \$1.01 per resident.
4. The Committee recommends that OANC put forth its best efforts to assist Advisory Neighborhood Commissions in navigating the process of requesting American Sign Language interpretation services for meetings through the Office of Disability Rights, in addition to paying the associated costs using the allotted funding for that purpose.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY (HF0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the FY 2019 budget for the District of Columbia Housing Finance Agency in the amount of \$12,960,432, as proposed by the Mayor.

Fiscal Year 2019 Capital Budget Recommendations

The District of Columbia Housing Finance Agency has no associated capital funds.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Housing Finance Agency implement the following policy recommendations:

1. Work to expeditiously fill the agency's five vacant positions.

2. Closely examine underwriting of existing LIHTC projects that have been affected by recent pricing volatility to ensure that the projects stay on track.
3. Continue to explore innovative options for supporting the development of housing that targets residents at lower income levels, particularly those under 60% of the Area Median Income.
4. Identify opportunities for the agency's continued and expanded engagement in community development, community investment, and community support activities.
5. Keep the Committee updated on any changes to DC Open Doors and the HomeSaver Program as the agency considers enhancements to these programs in FY 2019.
6. Work with the Department of Housing and Community Development to expeditiously establish an MOU to begin administration of the Reverse Mortgage Program.

HOUSING AUTHORITY SUBSIDY (HY0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the District of Columbia Housing Authority in the amount of \$96,696,225 with the following changes:

1. *The Committee recommends that DCHA accept a transfer of \$661,116 from the Committee on Human Services, directed to CSG 50 – Program 3000, Activity 3010, "Tenant-Based Vouchers," to provide rental assistance to 12 homeless individuals in Targeted Affordable Housing and 25 homeless individuals in Permanent Supportive Housing.*
2. *The Committee recommends that DCHA accept \$324,000 in proceeds from the \$5 per unit increase to the rental unit fee, directed to CSG 50 – Program 3000, Activity 3010, "Tenant-Based Vouchers," to fund 10 tenant-based vouchers for senior women on the Housing Choice Voucher Program waiting list and 10 tenant-based vouchers for senior returning citizens.*
3. *The Committee recommends that DCHA fund the Rental Assistance for Unsubsidized Seniors Program, established by the Rental Assistance for Unsubsidized Seniors Amendment Act of 2019, which the Committee recommends as a subtitle to the Fiscal Year 2019 Budget Support Act of 2018,*

by accepting the following funding directed to CSG 50 – Program 2000, Activity 2001, “Rental Assistance Support”:

- a. *\$419,100 in proceeds from the \$5 per unit increase to the rental unit fee.*
- b. *A transfer of \$162,384 from the Committee on Business and Economic Development.*

Fiscal Year 2019 Capital Budget Recommendations

The Housing Authority Subsidy has no associated capital funds.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Housing Authority implement the following policy recommendations:

1. The Committee recommends that DCHA update the Committee upon filling each of its vacancies within DCHAPD, and provide confirmation to the Committee when DCHAPD is at full strength.
2. The Committee recommends that DCHA continue to be proactive in reporting to the Office of the Attorney General any potential Fair Housing Act violations that it encounters in its efforts to assist voucher recipients in locating a unit, and also that the agency continue to encourage voucher recipients to alert DCHA to any potential Fair Housing Act violations that they come across in their housing search.
3. The Committee recommends that the Housing Authority and the Mayor work together to find funding in future fiscal years to more rapidly pull applicants from the DCHA voucher waitlist and distribute tenant-based voucher funds.
4. The Committee recommends that the Mayor and the Council address the lack of funding for new LRSP-subsidized affordable units through project- and sponsor-based LRSP by finding additional funding for that program for FY 2019 or by reflecting a future commitment to fund LRSP operating subsidies in the Four-Year Financial Plan. This would not only allow for project- and sponsor-based LRSP commitments to be made in FY 2019, for which nothing additional is currently budgeted, but would also allow DCHA to meet additional demand for those operating subsidies in FY 2018, since the subsidies would not need to be applied until the associated projects come online.
5. The Committee recommends that the Mayor and the Council find \$1 million to enable DCHA to fulfill bids for its already-issued subsidy-only Notice of Funding Availability. The Committee makes this recommendation due to the

fact that during the FY 2018 budget process the Council allocated \$1 million in project- and sponsor-based LRSP funding in the Financial Plan for FY 2019, so that DCHA could fulfill a subsidy-only NOFA to provide operating subsidies making already-existing units newly affordable. However, the Mayor's FY 2019 Proposed Budget for DCHA does not include this funding. DCHA has already issued this NOFA, and without the \$1 million that was previously allocated, DCHA will not be able to fulfill bids on the NOFA. While the Mayor did allocate a \$1,875,000 increase to the project- and sponsor-based LRSP budget for FY 2019, this is entirely allocated to support New Communities Initiative related projects.

4. The Committee recommends that DCHA implement the payment of security deposits and application fees not only for tenant-based vouchers, but for project- and sponsor-based vouchers as well. The Mayor's introduced version of the Fiscal Year 2019 Budget Support Act of 2018 includes a subtitle that authorizes DCHA to expand the allowable uses of LRSP Tenant Based funding to pay the costs of security deposits and application fees that would otherwise be charged to the voucher client household, which is by definition economically burdened and is not likely not to be in a position to pay these costs without further exacerbating the difficulties they face in attaining stability. The Committee supports this subtitle and DCHA's intention to implement it, and has proposed changes to the subtitle that would permit project- and sponsor-based LRSP subsidies to be used in this manner as well. This is because, like households using tenant-based vouchers, those moving into project-based or sponsor-based units are low-income families whose budgets likely cannot reasonably absorb these costs.

HOUSING PRODUCTION TRUST FUND (UZ0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the FY 2019 budget for the Housing Production Trust Fund in the amount of \$100,000,000, as proposed by the Mayor.

Fiscal Year 2019 Capital Budget Recommendations

The Housing Production Trust Fund has no associated capital funds.

Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. Carefully design future RFPs to ensure HPTF meets the statutory requirements and the 40/40/20 rule: 40% spending on the 0-30% AMI level; 40% spending on the 31-50% AMI level; and 20% spending on the 51-80% AMI level.
2. Closely monitor the HPTF's administrative expenses in the interest of operating in the most efficient manner possible.
3. Include unit size among the data points collected and tracked to ensure a suitable number of family-sized units are being produced and preserved.

HOUSING PRODUCTION TRUST FUND SUBSIDY (HP0)

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the FY 2019 budget for the Housing Production Trust Fund Subsidy in the amount of \$39,335,078, as proposed by the Mayor.

Fiscal Year 2019 Capital Budget Recommendations

The Housing Production Trust Fund Subsidy has no associated capital funds.

UNFUNDED COMMITTEE RECOMMENDATIONS FOR CONSIDERATION AT THE FULL COUNCIL

The Committee recommends, subject to funding, the following items for consideration:

II. AGENCY FISCAL YEAR 2019 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee on Housing and Neighborhood Revitalization is responsible for matters relating to development, maintenance, preservation, and regulation of the housing stock, including rental housing; neighborhood revitalization, development, improvement, stabilization, and urban affairs; homelessness (jointly with the Committee on Human Services for the purposes of oversight); and matters regarding Advisory Neighborhood Commissions; and the concerns of the aging.

Committee Chair Anita Bonds began her tenure as Chairperson of the Committee on Housing and Neighborhood Revitalization at the beginning of Council Period 22. She is joined on the Committee by Councilmembers Elissa Silverman, Robert C. White Jr., Brianne Nadeau, and Trayon White, Sr. The Committee has continued to monitor agency performance and expenditures in an effort to increase transparency and improve efficiency throughout government.

The Committee held budget oversight hearings to solicit public input on the proposed budgets for the agencies under its purview on the following dates:

March 29, 2018	Office on Returning Citizen Affairs, Office of the Advisory Neighborhood Commissions
April 13, 2018	Department of Housing and Community Development, Housing Production Trust Fund (public witnesses only)
April 17, 2018	DC Housing Finance Agency, Department of Housing and Community Development, Housing Production Trust Fund (government witnesses only)
April 20, 2018	District of Columbia Housing Authority
April 25, 2018	DC Office on Aging, Office of the Tenant Advocate

The Committee received important comments from members of the public during these budget oversight roundtables. Copies of witness testimony are included in this report as *Attachments A, B, C, and D*. A video recording of the hearings can be obtained through the Office of Cable Television or at oct.dc.gov. The Committee welcomes public input on the agencies and activities within its purview.

B. OFFICE ON RETURNING CITIZEN AFFAIRS (AA0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office on Returning Citizen Affairs	LOCAL FUND	\$355,313	\$790,625	\$694,957	\$144,000	\$838,957
	OPERATING INTRA-DISTRICT FUNDS	\$93,643	\$0	\$0		\$0
	Total	\$448,957	\$790,625	\$694,957	\$794,000	\$838,957

OPERATING BUDGET FUND TYPE GROSS FUNDS FTEs

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office on Returning Citizen Affairs	LOCAL FUND	4.98	7.00	7.00	1.00	8.00
	TOTAL	4.98	7.00	7.00	1.00	8.00

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office on Returning Citizen Affairs	11	\$197,651	\$518,433	\$475,680	\$70,000	\$545,680
	12	\$103,054	\$0	\$49,487		\$49,487
	13	\$3,687	\$0	\$0		\$0
	14	\$66,225	\$114,206	\$111,804	\$14,000	\$125,804
	20	\$18,017	\$15,686	\$15,686		\$15,686
	31	\$1,040	\$0	\$0		\$0
	40	\$55,689	\$142,300	\$42,300	\$60,000	\$102,300
	70	\$3,593	\$0	\$0		\$0
TOTAL		\$448,957	\$790,625	\$694,957	\$144,000	\$838,957

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The Office on Returning Citizen Affairs (ORCA) is the agency tasked with connecting the District of Columbia government to the District's returning citizen community.¹ ORCA's mission is to "coordinate and monitor service delivery to returning citizens."² The agency serves as a liaison between the Mayor, the returning citizen community, and District government agencies. Through partnerships with government agencies, ORCA provides voter registration services, non-driver ID vouchers, and referrals to Commercial Drivers License and Flagging certification programs. Beginning in FY 2018, ORCA also began offering case management services, including comprehensive needs assessments and case plans.³

ORCA also provides constituent services and information to the returning citizen community through programmatic and outreach activities. ORCA conducts regular outreach activities at several Federal Bureau of Prisons (BOP) facilities where District residents are incarcerated, as well as at halfway houses and the Department of Corrections (DOC). In addition, the agency conducts monthly family reunification trips, visiting a rotation of eleven different BOP facilities.⁴

ORCA has no divisions. It operates through the Executive Director, who manages a team of 6 regular staff composed of a Director of Operations, two case managers, a workforce development specialist, a community and service specialist, and a staff assistant. The agency is working to fill one case manager position, which has been vacant since March 10, 2018.

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY 2019 operating budget for ORCA is \$695,000, a decrease of \$96,000 from FY 2018, or 12%. This change reflects an increase of \$6,733.56 to salaries and a decrease of \$2,400.98 to fringe benefits, as well as a decrease of \$100,000 in one-time funding. The FTE level of 7.0 in FY 2019 reflects no change from FY 2018. The FY 2019 proposed operating budget for ORCA is comprised entirely of local funds, and includes no special purpose revenue, federal funds, or intra-District funds.

¹ In previous years, ORCA was included as one of five divisions within the Department of Corrections (DOC) budget. Beginning in the FY 2017 budget, ORCA was shifted to the Office of Community Affairs within the Executive Office of the Mayor.

² D.C. Official Code § 24-1302 (a).

³ ORCA, *Responses to 2018 Performance Oversight Pre-Hearing Questions*, Feb. 21, 2018 (Question #78).

⁴ *Id.* at Question #58.

Committee Analysis and Comments

Returning Citizens Portal of Entry: Beginning with the FY 2018 budget, funding was set aside for the creation of a “Returning Citizens Portal of Entry” (the Portal). The Portal, which is slated to launch in the third quarter of FY 2018, will be physically located in a demountable on the grounds of the D.C. Jail. Staff from various District agencies will be assigned to the Portal to provide onsite consultations and services for individuals being released from the custody of the Department of Corrections. While the Committee acknowledges that the crystallization of plans for the Portal have addressed a number of the issues identified in the Committee’s report on the FY 2018 budget, the Committee still has concerns regarding the Portal and its relationship with ORCA.

While the Committee applauds the Mayor’s decision to devote additional resources to support for the returning citizen community, the Committee is concerned about the decision to allocate these resources in a manner that will serve such a small percentage of the District’s returning citizen population. The Portal will be accessible only to individuals being released from DOC’s custody, which means that the thousands of returning citizens being released directly from the Federal Bureau of Prisons (BOP) or from halfway houses will not benefit from the Portal. Because the DOC primarily houses individuals awaiting adjudication of cases or serving sentences for misdemeanor offenses, the average length of stay in DOC custody is relatively short compared to returning citizens who have been in BOP custody. In contrast, ORCA is tasked with providing services to the District’s *entire* population of returning citizens, including those who were incarcerated for many years and are returning to a city that has changed drastically.

The Committee stresses the need for ensuring that all returning citizens are able to access the services and support they require for successful reintegration into the community, and continues to question the decision to create a new entity rather than investing additional resources to increase the capacity of the existing agency. Furthermore, ORCA will not have a physical presence at the Portal, which calls into question the relationship between the two entities from the outset. ORCA has indicated that it will have regular debriefs with the Portal staff to facilitate a smooth transfer of case plans, and the Committee urges ORCA to work closely with the Portal Director and DOC to ensure that clients are aware of and encouraged to access the longer-term services that ORCA offers.

Case Management: Throughout the 2017 performance and budget oversight process, there was consistent and vocal demand for ORCA to begin offering case management services.⁵ Returning citizens represent a vulnerable population, and many individuals require a holistic assessment, connection to a suite of services, and long-term, sustained follow-up assistance. Myriad agencies and organizations in the District offer services and programs that could benefit returning citizens, but the reality is that returning

⁵ See *ORCA 2017 Performance Oversight Hearing Before the Committee on Housing and Neighborhood Revitalization*, March 8, 2017; *ORCA Fiscal Years 2017/2018 Budget Oversight Hearing Before the Committee on Housing and Neighborhood Revitalization*, May 1, 2017.

citizens often need additional support and guidance navigating the system and accessing the available resources.

To address this need, in FY 2018, the Committee enhanced ORCA's budget with \$200,000 in recurring funds for 2.0 additional case manager FTEs.⁶ The case managers were onboarded and began offering services on October 16, 2017. Within the first four months that services were offered, 241 newly registered ORCA constituents utilized the agency's case management services, and an additional 103 were scheduled for appointments. Unfortunately, one of the two case manager positions became vacant in March 2018. Given the apparent high demand for case management services, the Committee urges ORCA to fill this position as soon as possible.

Strategic Plan: In FY 2015, the Office of Inspector General's (OIG) Inspections and Evaluations Division conducted an inspection of ORCA that was aimed at assessing the agency's organization, management, and level of expertise, as well as the services it provided to its clients.⁷ The inspection revealed that ORCA lacked the mechanisms and resources necessary to fulfill its mission and goals.⁸ The report included 12 recommendations to improve service delivery to returning citizens and to better align ORCA's operations with its statutory requirements. One key area of weakness identified in the OIG report was ORCA's lack of an up-to-date and effective strategic plan, which impedes the agency's ability to serve and advocate for returning citizens.⁹ A comprehensive strategic plan would allow ORCA to clarify its relationship with District agencies and community-based organizations, and to strengthen the agency's ability to effectively connect returning citizens to available resources.

ORCA has prioritized complying with this recommendation and is currently developing a comprehensive five-year strategic plan. The first phase of the planning process involved research and outreach activities to compile data on the District's returning citizen community and their needs.¹⁰ The second phase of the planning process will involve analyzing the data collected in the first phase and creating the plan. The third and final phase of the planning process will involve implementation of the strategic plan.

The second phase of the strategic planning process was originally scheduled to be completed by January 31, 2018. However, as of the agency's budget oversight hearing on March 28, 2018, ORCA had not yet finalized a procurement for the second phase. As a result, ORCA's Executive Director stated that he anticipated the strategic planning process would be complete by the end of FY 2018. The Committee eagerly awaits the completion of the second and third phases of the strategic plan, as it will serve as a vital tool to both

⁶ Council of the District of Columbia Committee on Housing and Neighborhood Revitalization, *Fiscal Year 2018 Committee Budget Report* 23, May 19, 2017.

⁷ District of Columbia Office of Inspector General, *Report of Inspection: Office on Retuning Citizen Affairs* (September 2015).

⁸ *See id.*

⁹ District of Columbia Office of Inspector General, *Report of Inspection: Office on Retuning Citizen Affairs* 10 (September 2015).

¹⁰ *See ORCA 2018 Performance Oversight Hearing Before the Committee on Housing and Neighborhood Revitalization*, Feb. 21, 2018 (testimony of Emily Tatro, Policy Analyst, Council for Court Excellence).

guide the agency and help the Committee determine the appropriate level of funding to meet the agency's needs.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

The Office on Returning Citizen Affairs has no associated capital funds.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2018 operating budget for the Office on Returning Citizen Affairs in the amount of \$695,000 with the following changes:

1. Increase Full-Time Equivalent authority by 1.0.

The Committee recognizes a transfer of 1.0 FTE from the Committee on Human Services to conduct outreach activities to incarcerated individuals housed at U.S. Bureau of Prisons facilities who will return to the District of Columbia upon their release, beginning six months before they return to the District of Columbia. The addition of this new FTE is reflected by increasing CSG 11 (Regular Pay – Continuing Full Time) by \$70,000 and CSG 14 (Fringe Benefits – Current Personnel) by \$14,000.

2. Increase funding by \$60,000 for the creation and administration of a transportation stipend.

The Committee recognizes an enhancement of \$60,000 in CSG 40 (Other Services and Charges) for the creation and administration of a transportation subsidy of up to \$100 per month for a maximum of three months. This amount will provide subsidies for 200 eligible returning citizens.

b. Fiscal Year 2019 Capital Budget Recommendations

The Office on Returning Citizen Affairs has no associated capital funds.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Office on Returning Citizen Affairs implement the following policy recommendations:

1. Work to expeditiously fill the vacant case manager position and newly created outreach coordinator position with highly qualified individuals.
2. Continue to work closely the Department of Corrections and the Portal to finalize the logistics of the referral process and to make the transition for returning citizens as seamless as possible as they move from the one-time touchpoint of the Portal to long-term follow up services through ORCA.
3. Share with the Committee, as soon as possible, written findings associated with the strategic planning process, including synthesized data, recommendations, an updated mission statement, and a roadmap for the agency's next five years of operation.
4. Work with the District of Columbia Office on Aging to identify and refer 10 senior returning citizens, who meet the eligibility requirements for receiving a Local Rent Supplement Program (LRSP) tenant-based voucher, to the District of Columbia Housing Authority (DCHA). The Committee has increased DCHA's funding, beginning in FY 2019, to support the creation of 20 new LRSP tenant-based vouchers. The Committee recommends that these vouchers be distributed to senior women and senior returning citizens.
5. Create and implement a program to provide Metrorail Transit System subsidies, of up to \$100 per month for a maximum of three months, to newly returned District residents within the first three months of their release from incarceration by the Federal Bureau of Prisons or the Department of Corrections. Transit subsidies should be distributed by fare card or medium acceptable to the Washington Area Metropolitan Transit Authority. ORCA's budget enhancement for this program will provide subsidies for 200 returning citizens. The Committee recommends that the agency plan to distribute the subsidies regularly throughout the year – i.e. reserve 16-17 for new returning citizens each month, rather than allocating all 200 in the first month or two of FY 2019.
6. Meet with the Committee on a quarterly basis to provide an update on ORCA's new transportation subsidy program, increased outreach efforts at BOP facilities, implementation of the strategic plan, and developing relationship with the Portal.

C. OFFICE ON AGING (BY0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
D.C. Office on Aging	FEDERAL GRANT FUND	\$6,553,117	\$7,591,728	\$7,042,675		\$7,042,675
	FEDERAL MEDICAID PAYMENTS	\$1,958,395	\$2,345,115	\$2,752,297		\$2,752,297
	LOCAL FUND	\$31,425,833	\$35,617,220	\$37,958,295	\$225,000	\$38,183,295
	OPERATING INTRA-DISTRICT FUNDS	\$5,214,142	\$476,958	\$228,958		\$228,958
	Total	\$45,151,487	\$46,031,022	\$47,982,225	\$225,000	\$48,207,225

OPERATING BUDGET FUND TYPE GROSS FUNDS FTEs

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
D.C. Office on Aging	FEDERAL GRANT FUND	5.00	4.00	4.00		4.00
	FEDERAL MEDICAID PAYMENTS	24.49	24.55	27.50		27.50
	LOCAL FUND	31.00	37.45	41.50		41.50
	OPERATING INTRA-DISTRICT FUNDS	30.71	3.00	0.00		0.00
	PRIVATE DONATIONS	0.00	0.00			0.00
	TOTAL	91.20	69.00	73.00		73.00

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
D.C. Office on Aging						
	11	\$1,941,882	\$2,181,357	\$2,669,975		\$2,669,975
	12	\$3,467,664	\$3,198,196	\$3,408,832		\$3,408,832
	13	\$31,971	\$0	\$0		\$0
	14	\$1,151,288	\$1,158,716	\$1,294,786		\$1,294,786
	15	\$545	\$0	\$0		\$0
	20	\$174,230	\$124,255	\$115,051		\$115,051
	31	\$3,436	\$11,441	\$158,272		\$158,272

	40	\$358,159	\$384,730	\$462,442		\$462,442
	41	\$8,656,140	\$9,343,392	\$9,355,275	\$225,000	\$9,580,275
	50	\$29,096,844	\$29,498,935	\$30,246,482		\$30,246,482
	70	\$269,327	\$130,000	\$271,110		\$271,110
TOTAL		\$45,151,487	\$46,031,022	\$47,982,225	\$225,000	\$48,207,225

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The District of Columbia Office on Aging (DCOA) was established by the Government Reorganization Procedures Act of 1975, effective October 29, 1975¹¹. The mission of DCOA is to advocate, plan, implement, and monitor programs in health, education, employment, and social services that promote longevity, independence, dignity, and choice for older District residents (ages 60 and older), people with disabilities (ages 18-59), and their caregivers.¹² DCOA operates as both a State and Area Agency on Aging for the District, and is structured to carry out advocacy, leadership, management, programmatic, and fiscal responsibilities. DCOA provides consumer information, assistance, and outreach for its constituents and their caregivers so they can be better informed about aging issues, improve their quality of life, and maintain their independence.¹³ In addition, the agency provides elder rights assistance, health and wellness promotion, counseling, case management services, legal, transportation and recreational services, and finally, caregiver services to assist aging in place.¹⁴

The agency is divided into the following divisions:

Office of the Executive Director (OED):¹⁵ OED provides the vision, planning, and leadership for the DC Office on Aging, including executive management, policy, legal, strategic, and financial planning, communications, and resource management. OED also manages, leads, and directs all programs and services of DCOA. Additionally, OED controls and disseminates work assignments and coordinates agency operations to ensure the attainment of the agency's mission statement and achievement of the goals and objectives of DCOA's State Plan.

¹¹ D.C. Law 1-24; D.C. Official Code § 7-503.02.

¹² Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 4, Office on Aging (BY0).

¹³ *Id.*

¹⁴ *Id.*

¹⁵ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #1(iv).

General Services:¹⁶ The General Services team is responsible for building support services, risk management, human resource services, and overall administrative support for DCOA. The team also works to improve the efficiencies of basic services and provide the most cost-effective management and maintenance resources.

Aging and Disability Resource Center (ADRC):¹⁷ The operation of the Aging and Disability Resource Center (ADRC) provides a coordinated system of information and access for individuals seeking long-term services and support.¹⁸ This is accomplished through the provision of unbiased, reliable information, counseling, and service access to older adults (60 years and older), people with disabilities (18 to 59 years old), and their caregivers.¹⁹ Essentially, the ADRC facilitates the acquisition of services specific to the unique needs and desires expressed by each person. By connecting residents with this individualized level of care, DCOA can assist residents “cut through the red tape” to access services. The subdivisions of the ADRC include:²⁰

- Information and Referral/Assistance;
- Community Transition and Community Social Work; and
- Medicaid Enrollment

External Affairs and Communications (EAC):²¹ The External Affairs and Communication (EAC) team is charged with providing information about the events and activities of the DC Office on Aging to residents of the District of Columbia. The Office’s responsibilities include developing, directing, coordinating, and administering policies relating to all the agency’s internal and external communications. The unit manages all press inquiries and oversees the informational content provided on the agency’s website and social media sites. Additional responsibilities included developing and articulating the vision for the agency to key administration stakeholders and the community, and developing, championing, and implementing a comprehensive integrated strategic communications plan.

Budget and Finance:²² The Budget and Finance team develops, maintains, and monitors a fiscal plan to achieve the agency goals, while conforming to the policies and procedures established by the District and the federal government. Fiscal responsibility and transparency are achieved through the review of procurement transactions, expenditures, and projections.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #1(iv).

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

Programs:²³ The Programs team oversees the programmatic and fiscal efficiency of senior services provided through DCOA grants and contracts. This includes the effective planning, developing, coordinating, and implementation of programs and services to ensure a continuum of services are available for District seniors, people with disabilities, and caregivers. This team monitors DCOA's Senior Service Network (SSN), comprised of 22 community-based, non-profit, and private organizations that operate 40 programs in all 8 wards for the District's senior residents. These programs support a broad range of legal, nutrition, social, and health services—including adult daycare caregiver support services.

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's FY 2019 budget proposal for the DCOA is \$47,982,225, an increase of \$1,951,203, or an 4.2% increase from the current fiscal year. The proposed budget supports 73 FTEs, an increase of 4.0 FTEs, or 5.8% increase, from the FY 2018 approved level.²⁴

Local Funds²⁵: The Mayor's proposed budget is \$37,958,000, an increase of \$2,341,000, or 6.6%, increase from FY 2018 approved budget. This funding supports 41.5 FTEs, an increase of 4.0 FTEs, or 10.8% increase, from the FY 2018 approved level.

Federal Grant Funds²⁶: The proposed budget is \$7,043,000, a decrease of \$549,000, or 7.2% decrease, from the FY 2018 approved budget. This funding supports 4 FTEs, with no change from the FY 2018 approved level.

Federal Medicaid Payments²⁷: The proposed budget is \$2,752,000, an increase of \$407,000, or 17.4% increase, from the FY 2018 approved budget. This funding supports 27.5 FTEs, an increase of 12.0% from the FY 2018 approved level.

Intra-District Funds²⁸: The proposed budget is \$229,000, a decrease of \$248,000, or 52% decrease, from the FY 2018 approved budget. This funding supports 0 FTEs, a decrease of 3.0 FTEs, or 100% decrease, from the FY 2018 approved level.

²³ *Id.*

²⁴ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 3, Office on Aging (BY0), Table BY0-1

²⁵ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 3, Office on Aging (BY0), Table BY0-2

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

Committee Analysis and Comments

Senior Service Network & Lead Agencies: The Senior Service Network is a collection of 20 community-based organizations operating 40 programs that provide a wide range of social and health services throughout the eight wards of the city.²⁹ Several Network organizations operate the 6 Senior Wellness Centers throughout the District of Columbia. These are frequently the Lead Agencies in individual wards and are thus responsible for turning DCOA referrals into necessary services. As part of the strategic plan, DCOA expands their umbrella of assistance using lead agencies. They provide several services³⁰, one of the most important being case management. Case management is a collaborative process of assessment, planning, facilitation, care coordination, evaluation, and advocacy for options and services to meet an individual's and family's comprehensive health needs through communication and available resources to promote quality, cost-effective outcomes.³¹

Safe at Home: The Safe at Home (SAH) program serves District residents, aged 60 and over, or adults with disabilities, age 18 and over, who are homeowners or renters of a property used as a primary residence. Safe at Home provides in-home preventative adaptations to reduce the risk of falls. Examples include:

- Handrails
- Grab bars
- Bathtub cuts
- Shower seat
- Furniture risers
- Chair lift

The following table represents a breakdown and count of each project completed by type, from highest number to lowest for FY 2017.³² In FY 2017, SAH completed a total of 595 unduplicated client projects.³³ This table reflects, by type, the number of clients who chose, received, and completed the type of modification and/or equipment within the pool of 595 clients served. A client may receive more than one project type

²⁹ See *DCOA Fiscal Years 2017/2018 Performance Oversight Hearing Before the Committee on Housing and Neighborhood Revitalization*, February 16, 2017 (testimony of Laura Newland, Executive Director)(p3).

³⁰ See Question 44 *DCOA Fiscal Years 2017/2018 Performance Oversight Advance Answers Before the Committee on Housing and Neighborhood Revitalization*, February 6, 2017

³¹ Available at: <http://www.cmsa.org/Home/CMSA/WhatIsaCaseManager/tabid/224/Default.aspx>

³² DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(iv). Please note that the total number of clients who received each project type is not additive on this table, as it would create duplication in the number of clients served.

³³ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(iv).

depending on his or her needs, as determined by an Occupational Therapist Assessment and Scope of Work. In FY 2017, the average cost per project was \$8,585.51.³⁴

Type	# Completed in FY 2017	# of Clients Who Received this Project Type
Grab Bars	1,645	571
Railing	953	476
Hand Held Clamp	551	551
Hand Held Shower	512	512
Stair-Lifts	349	349
Toilet Riser	294	203
Shower Seats/Bench	273	273
Power Lift Recliner	222	222
Toilet Handles	124	124
Power Tub Lift	82	82
Ramps	76	62
Tub Cut	73	73
Transport Wheelchair	54	54
Rollator	36	36
Bedside Commode	26	26
Scala Mobile	17	17
Furniture Risers	14	9
Walker	14	14
TOTAL	5,315	595*

The following table represents a breakdown and count of each project completed by type, from highest number to lowest for FY 2018 to date.³⁵ In FY 2018 to date SAH has completed 187 client projects.³⁶ This table reflects, by type, the number of clients who chose, received and completed the type of modification and/or equipment within the pool of 187 clients served. Clients can receive more than one project type depending on his or

³⁴ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(v).

³⁵ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(iv). Please note that the total number of clients who received each project type is not additive on this table, as it would create duplication in the number of clients served.

³⁶ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(iv).

her needs as determined by an Occupational Therapist Assessment and Scope of Work. In FY 2018 to date, the average cost per project has been \$6,317.55.³⁷

Type	# Completed in FY 2018 as of Date	# of Clients Who Received this Project Type
Grab Bars	645	168
Railing	628	161
Handheld Clamp	187	187
Handheld Shower	172	172
Shower Seats/Bench	157	157
Toilet Riser	144	112
Stair Lifts	136	136
Power Lift Recliner	87	87
Toilet Handles	47	47
Power Tub Lift	33	33
Ramps	33	28
Transport Wheelchair	21	21
Tub Cut	20	20
Rollator	7	7
Scala Mobile	7	7
Furniture Risers	5	3
Bedside Commode	2	2
Walker	1	1
TOTAL	2,332	187*

There is also an additional Home Security component where the Safe at Home's Private Security Camera Program enables eligible DC seniors and residents with disabilities to receive a private security camera system without cost. This program is intended to help deter crime and assist law enforcement with investigations. DCOA began the installation of cameras in June 2017, starting with 73 referral requests.³⁸ In FY 2018 to date 585 security camera referral requests were received.³⁹

Senior Villages: Senior Villages (Villages) are neighborhood based, non-profit volunteer organizations that assist older adults to remain in their own homes and communities. Currently, 11 Villages exist within the District. Members of Villages can age in place and avoid social isolation while simultaneously receiving services from volunteers, at no cost to the District government. Services provided by Senior Villages include transportation, education and wellness education, medical assistance, and snow shoveling during snow storms. The Committee recognizes the importance of grassroots organizations

³⁷ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(v).

³⁸ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #77(vi).

³⁹ *Id.*

like Villages in addressing the needs of the District's growing aging population and making D.C. age-friendly.⁴⁰ It is important that Villages maintain this grassroots foundation. However, this Committee finds it necessary to provide support to these important organizations.

In FY 2017 and FY 2018 to date, DCOA has provided the following funding to the villages:⁴¹

FY 2017 Senior Village Programming

Capitol Hill Village

Budget: \$25,019.

Description: Bridging the Digital Divide – A series of workshops for low-income seniors who have had little exposure to, or experience with, technology resources. Strategies, tactics, and practices were compiled into resources and trainings for other DC villages and community-based organizations seeking to replicate their successful programs.

Capitol Hill Village

Budget: \$35,000

Description: Services to Seniors in Low-income housing – Program to design and execute educational and social programs based on low income seniors interests and needs; implement volunteer and civic engagement activities among these community members in service to each other and the larger neighborhood; engage community members as CHV members who participate in all aspects of CHV programs and services educational/social/volunteering/care services.

DuPont Circle Village

Budget: \$41,998

Description: The Village's program goals was to increase the service capacity and utilization of community and health care services for members of the three villages by retaining a case manager. Establish a joint training program for volunteers of the 11 district villages and similar neighborhood organizations that wish to participate in expanding services to seniors. Share the results of the collaboration with other DC villages and organizations interested in developing a village.

Foggy Bottom West End Village

Budget: \$49,284

Description: Social Isolation Pilot Program – Develop and pilot test tools to identify seniors who are socially isolated, assess needs, and develop strategies to reduce their isolation. 60 seniors to participate in the pilot test. An interview guide

⁴⁰ Available at: <http://agefriendly.dc.gov/>

⁴¹ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #87(iii).

was created to assess social isolation. Interviews were conducted by 20 trained volunteers. The assessment model was then distributed to other villages to identify and address senior isolation.

Iona Senior Services

Budget: \$8,523

Description: Supporting Vulnerable Village Members: Training and Support for Village Leadership – Support capacity building, technical assistance and team building for existing and emerging villages in DC through training and monthly support for village leadership and volunteers. The focus of the project was on the most vulnerable seniors, defined as those with a complicated array of issues which affect their health and safety, and issues included social isolation, lack of caregiver support, frailty, mental health challenges, and insufficient income.

Kingdom Care Village

Budget: \$90,092.60

Description: Establishing a Senior Village in Ward 8 – Develop an intake process, data management system and process, plan and execute a village grand opening, advertising campaign with the goal of 25 ward 8 residents signing up to participate in the village. Engage in continuous senior recruitment and volunteer recruitment, and engage participants in social, educational, and wellness activities and outings. Additional funding was made available for the purchase of technology to launch a technical training program for seniors.

FY 2018 Senior Village Programming

Capitol Hill Village

Budget: \$40,735.42

Description: “Intergenerational programming” – intergenerational community project and intergenerational tech training.

Cleveland & Woodley Park Village

Budget: \$42,030

Description: Training for village staff in grant prospecting, grant writing, and marketing the Village to funders.

DuPont Circle Village

Budget: \$24,065

Description: Training and Support –Trainings in cultural competency; working with seniors experiencing depression, anxiety, or cognitive impairment (will address resistance, barriers to social engagement).

East Rock Creek Village

Budget: \$48,926.50

Description: Training and Support – Program assessment and trainings in assessment tools, interview techniques, networking and accessing services offered by Lead Agencies, Federal Agencies, and other senior service providers.

Foggy Bottom West End Village

Budget: \$71,071.08

Description: Innovative Programming – Online video education library for seniors living in social isolation.

Iona Senior Services

Budget: \$12,040

Description: Innovative Programming – Take Charge/Age Well Programming for LGBTQ Seniors.

Kingdom Care Senior Village

Budget: \$61,132

Description: Expanding services to seniors in ward 8, continuing village establishment.

Senior Wellness Centers: The Agency operates Senior Wellness Centers in Ward 1, Ward 4, Ward 5, Ward 6, Ward 7, and Ward 8. Senior Wellness Centers provide comprehensive programs that promote the health and wellness of D.C. senior residents through classes that focus on wellness, health promotion, and disease prevention.⁴² Activities conducted through the Senior Wellness Centers are important to keeping seniors engaged and active throughout the District.

The Senior Wellness Centers are consistently one of the most popular topics of conversation at DCOA hearings. Residents want increased space for larger classes, to be more accommodating to those with mobility issues, and to expand building space in general. Time and again, senior after senior testified that the centers have not grown, but the number of seniors seeking to participate in Center activities has significantly increased. The Committee empathizes with the residents, who clearly have expressed the need for the expansion of facilities.

The Mayor's proposed FY 2019 budget adds \$5.5 million in capital improvement funds allocated for senior wellness centers.⁴³ This is split between \$4 million for interior refreshes and accessibility upgrades and improvements at six of DCOA's Senior Wellness Centers and three group homes and a \$1.5 million new allocation in FY 2019 for an expansion of the Model Cities and Congress Heights Senior Wellness Centers.⁴⁴ The \$4 million is housed within the capital budget of the Department of General Services (DGS);

⁴² Available at: <http://dcoa.dc.gov/service/senior-wellness-centers>.

⁴³ DCOA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2017/2018, April 12, 2018, at question #9 (Questions Part 2).

⁴⁴ DCOA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2017/2018, April 12, 2018, at question #9 (Questions Part 2).

DCOA anticipates to have these projects completed in the next year.⁴⁵ The \$1.5 million in capital funds for FY 2019 is to enable more seniors to participate in programs that promote health and wellness by expanding Model Cities and Congress Heights Senior Wellness Centers. DCOA plans to work closely with DGS to spend the allocated funds in FY 2019 for the expansion of these centers.

Additionally, the Mayor allocated \$11.4 million in FY 2022 (\$2.5 million) and FY 2023 (\$8.9 million) for a new Ward 8 senior center.⁴⁶ The agency plans to create a senior-driven and senior-led food-based hub with a focus on community-based programs on sustainability, entrepreneurship, and holistic health.⁴⁷

Alzheimer Funding: In FY 2017, DCOA was awarded the Alzheimer’s Dementia Support Services Program grant. This is a three (3) year grant, which totals about \$650,000. DCOA may apply for the Alzheimer’s Dementia Support Services Program Part A upon receiving approval from the Administration for Community Living.

Transportation Services: DCOA provides necessary transportation service to seniors throughout the District. The following table demonstrates the various types of transportation services available through DCOA and the levels of funding budgeted for each type in FY 2015, FY 2016, FY 2017, and FY 2018 to date:⁴⁸

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

Transportation Services Funding					
	FY15	FY16	FY17	FY18	FY19
Service Type	Local/Federal	Local/Federal	Local/Federal	Local/Federal	Local/Federal
Transportation & Escort	3,330,686.55	2,856,681.47	2,624,781.72	2,666,500.33	2,666,500.33
Transportation to Site & Activities	1,508,369.27	1,978,355.22	1,940,756.66	2,165,095.28	2,165,095.28
Transportation Home Delivered Meals	862,554.16	809,190.42	729,286.00	729,286.00	729,286.00
Contractual Services/Connect or Card	286,150.02	362,653.89	262,959.62	466,732.92	466,732.92
Seabury Radio Communication - Transportation	35,874.00	51,503.00	51,502.48	65,165.93	53,182.75
TOTAL	6,023,634.00	6,058,384.00	5,609,286.48	6,092,780.46	6,080,797.28

Nutrition: One of the most frequently stated needs at the FY 2018 DCOA Performance and Budget Hearings was the need to feed D.C.'s seniors. DCOA implements the four programs seen in Exhibit A below. District seniors testified to the need for and their enjoyment of varying nutrition programs. The Committee's concerns about adequate nutrition for District seniors will keep this topic at the forefront throughout the remainder of FY 2018 and FY 2019. DCOA is working with grantees to ensure that the need for meals are met. However, while funding remains flat, many constituents testified to the growing need for meal services.

The funding variance reflected in the Commodity and Farmers Market line item of \$578,729⁴⁹ stems from transitioning this program, which is funded by a United States Department of Agriculture (USDA) federal grant.⁵⁰ Currently, the District's Department of Health (DOH) operates all the programs that are funded through this federal grant. In an effort by DCOA and DOH to administer efficiently the programs utilizing the same funding mechanism to by housing the programs in the same department, this funding was moved to DOH. This transition will not affect service delivery in any way and there has been no negative feedback given from participants of this program since the transition.⁵¹

⁴⁹ DCOA Budget Oversight Hearing, April 25, 2018, Question & Answer session with Executive Director Laura Newland.

⁵⁰ *Id.*

⁵¹ *Id.*

The Committee is encouraged by the Director's stated ambition to take a national look at nutrition and see if some programs that have been successful elsewhere could also be successful here in the District.

Exhibit A⁵²

Meal Services Funding					
Type of Meal Service	FY15	FY16	FY17	FY18	FY19
	Local/Federal	Local/Federal	Local/Federal	Local/Federal	Local/Federal
Congregate Meals	4,726,994.06	5,138,602.00	4,798,401.00	4,798,401.00	4,798,271.50
Home Delivered Meals	2,026,395.00	2,924,940.00	4,831,706.00	4,831,706.00	4,829,628.50
Nutrition Supplements	21,150.00	21,150.00	21,150.00	21,150.00	21,150.00
Commodity and Farmers Market	918,000.00	918,000.00	842,796.02	988,729.00	410,000.00*
TOTAL	\$7,692,539.06	\$9,002,692.00	\$10,494,053.02	\$10,639,986.00	\$10,059,050.00

* Variance due to federal grant funds transferred to DOH for administration in FY19.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

The Mayor's proposed FY 2019-2024 capital budget reflects an enhancement of \$11.4 million for the D.C. Office on Aging with the implementing agency designated as the Department of General Services (DGS) to provide major renovations to the Ward 8 Senior Wellness Center. The center serves as a center point for seniors for providing a full range of health, education, employment, and social services for DC residents. The improvements will entail architectural, mechanical, electrical, and site improvements for the replacement or upgrades to the existing building systems, roof, structure, plumbing, heating, ventilation, and air conditioning. The project will provide a means for correcting unforeseen health, safety, ADA, and fire code violations.

The Mayor's proposed FY 2019-2024 capital budget also provides funding of \$5.5 million for the D.C. Office on Aging with the implementing agency designated as DGS to provide renovations for Senior Wellness Centers District-wide. This funding also includes

⁵² DCOA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2017/2018, April 12, 2018, at question #6 (Questions Part 2).

an enhancement of \$1.5 million to expand the Model Cities Wellness Center and the Congress Heights Wellness Center.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office in the amount of \$47,982,225 with the following changes:

1. *Accept the one-time local funding from the Department of Housing and Community Development (DHCD) of \$225,000 to CSG 41, Program 9200, Activity 9215 (Community Outreach and Special Events) to for the purpose of conducting outreach to isolated seniors and promote DCOA services to result in an increase in the total number of seniors served by the end of Fiscal Year 2019.*

b. Fiscal Year 2019 Capital Budget Recommendations

The Committee recommends the approval of the Mayor's FY 2019-2024 capital budget for the D.C. Office on Aging.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Office on Aging implement the following policy recommendations:

1. The Committee urges DCOA to work closely with the District of Columbia Housing Authority to administer the 20 full vouchers and the rental assistance program to unsubsidized seniors in a timely manner to assist those that are having difficulty making rent payments.
2. The Committee encourages DCOA to coordinate with the Office of the Attorney General in combating elder abuse cases and conducting outreach and education alongside the OAG's Elder Abuse Division.
3. The Committee recommends that DCOA continue to track the dates ADRC interacts with clients to determine if the time elapsed between follow up communications has improved, and the types of needs requested to the office.

4. The Committee recommends offering more support to villages in low-income areas for membership opportunities for residents and to ensure that villages are being supported throughout the city.
5. The Committee recommends the Office work together with the Committee to come up with creative solutions that utilize service providers already in the District, such as businesses and the restaurant industry. The Office has programs within the District, but the Committee believes increased opportunities for specialized senior programs reduces the risk of isolation and promotes opportunities to enhance one's mental and physical wellness.
6. The Committee has concerns about adequate nutrition for District seniors and recommends that DCOA continue to work with grantees to ensure that the need for meals are met, although funding remains flat. The Committee recommends the Office work with the Committee to determine if there are programs that can be brought to the District that target both meal delivery and socialization.
7. The Committee recommends that the Office conduct discussions and evaluations of grantees so that DCOA has a better understanding on the need and demand for more case management workers and social workers throughout the city.
8. The Committee recommends that the Office realign the Safe at Home income eligibility requirements into a graduated scale rather than a set income cliff so that the amount of assistance provided to seniors can be adjusted based on income levels.

D. OFFICE OF THE TENANT ADVOCATE (CQ0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office of the Tenant Advocate	SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	\$0	\$470,594	\$509,037		\$509,037
	LOCAL FUND	\$3,075,032	\$3,537,633	\$3,127,979		\$3,127,979
	OPERATING INTRA-DISTRICT FUNDS	\$0	\$0	\$0		\$0
	Total	\$3,075,032	\$4,008,227	\$3,637,017		\$3,637,017

OPERATING BUDGET FUND TYPE GROSS FUNDS FTEs

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office of the Tenant Advocate	LOCAL FUND	18.00	19.00	18.65		18.65
	OPERATING INTRA-DISTRICT FUNDS	0.00	0.00			0.00
	SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	0.00	3.00	3.35		3.35
	TOTAL	18.00	22.00	22.00		22.00

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Office of the Tenant Advocate						
	11	\$1,451,532	\$1,900,576	\$1,954,849		\$1,954,849
	12	\$0	\$0	\$43,520		\$43,520
	13	(\$1,170)	\$0	\$0		\$0
	14	\$321,702	\$465,683	\$473,614		\$473,614
	15	\$8,956	\$0	\$10,129		\$10,129
	20	\$8,401	\$10,500	\$18,800		\$18,800
	40	\$750,040	\$686,468	\$697,823		\$697,823
	41	\$359,571	\$940,000	\$433,282		\$433,282
	50	\$176,000	\$0	\$0		\$0

	70	\$0	\$5,000	\$5,000		\$5,000
TOTAL		\$3,075,032	\$4,008,227	\$3,637,017		\$3,637,017

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Office of the Tenant Advocate (OTA) is to advocate for the rights and interests of the District's tenants, and to educate and inform tenants, tenant organizations, and the people of the District about tenant-related laws, rules, and policy matters. The OTA was established as an independent agency effective October 1, 2007, and, according to the "Office of the Chief Tenant Advocate Establishment Act of 2005", effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.07), the OTA:

1. Provides education and outreach to the tenant community about laws, rules, and other policy matters involving rental housing and tenant rights;
2. Represents the interests of tenants in legislative, regulatory, and judicial matters;
3. Advises tenants on filing complaints and petitions regarding disputes with landlords; and
4. Refers tenants who seek representation in administrative or judicial actions to attorneys or legal services and provides funding for representation in certain instances.

The OTA provides a broad range of services to approximately 350,000 renters⁵³, a number that is constantly rising as the District continues to grow at a rapid pace. Although a small agency in terms of budget and staffing, OTA's mandate is critical to achieving housing affordability, as rental housing affects approximately 50% of the District's residents.

The Office of the Tenant Advocate operates through the following programs:

Legal Representation: Implements the agency's statutory duty to represent tenants, at its discretion and as it determines to be in the public interest in federal, and District judicial or administrative proceedings. This program provides case management services and legal advice to tenants about their rights and remedies regarding landlord-

⁵³ Budget hearing testimony of Johanna Shreve, Chief Tenant Advocate, OTA, April 20, 2016, page 4.

tenant disputes. In FY 2017 and FY 2018 to date, the OTA Legal Division provided representation to tenants in a total of 208 cases.⁵⁴

OTA's Legal Division provides significant return-on-investments for the District. In FY 2017, the taxpayer expenditure on the program was \$280,000 and the total amount of damage and settlement awards for tenants associated with that funding was \$1,921,775. This represents a 686 percent return on every dollar spent on the program. Further, these awards continue to generate a significant ripple effect throughout the rental housing community, in terms of greater compliance, enforcement, affordability, and the enhanced quality of rental housing in the District.⁵⁵

The Legal Division contains the following activities:

1. *In-House Legal Representation* – provides agency clients with in-house legal representation in certain “high-impact” cases and refers others to *pro bono*, contracted legal service providers and attorneys, or helps them find other representation.
2. *Legal Hotline* – provides general advice regarding tenant rights in response to informal inquiries; provides a web-based “Ask the Director” forum and responds to Mayoral, Council, inter-agency, and community inquiries about tenant rights and rental housing law; and engages the community in a regular “Live On-line Chat” through the agency website to discuss tenant rights and rental housing matters. In FY 2017, the OTA received and responded to 773 formal “Ask the Director”, 20 formal “Ask the Mayor” inquiries, and held 12 on-line “Live Chats.”⁵⁶
3. *Legal Service Provider* – enhances the capacity of contracted non-profit legal service providers and attorneys who provide tenants with appropriate legal assistance by providing funding to the non-profits.
4. *Law school students* – through its relationship with DC Law Students in Court, OTA also enhances the provision of indirect legal representation to the tenant community, as well as assisting in the development of new, talented attorneys who will understand the complexities and joys of this area of practice. OTA also provides opportunities for a limited number of law school students to work directly with OTA litigating attorneys, by assisting in the legal research, client communications, and administrative responsibilities inherent in providing legal representation.

⁵⁴ Performance Oversight testimony of Johanna Shreve, Chief Tenant Advocate, OTA, March 7, 2018, page 6.

⁵⁵ Budget hearing testimony of Johanna Shreve, Chief Tenant Advocate, OTA, April 25, 2018, page 5.

⁵⁶ Performance Oversight testimony of Johanna Shreve, Chief Tenant Advocate, OTA, March 7, 2018, page 7.

Policy Advocacy: Implements the agency’s statutory duty to represent the interests of tenants and tenant organizations in legislative, executive, and judicial issues by advocating for changes in laws and rules. This division also tracks developments in rental housing legislation and regulations at both the local and federal levels, and keeps agency stakeholders apprised; develops legislative, rulemaking, and other policy recommendations, and coordinates policy discussions with governmental and community colleagues, including regular discussions with agency stakeholders; advises tenants, advocates, attorneys, governmental colleagues, and others regarding rental housing laws; serves as the agency’s in-house statutory and regulatory expert; and provides support to community-based programs that inform tenants regarding their legislative and regulatory legal protections.

OTA Educational Institute: Implements the agency’s statutory duty to provide education and outreach to tenants and the community about laws, rules, and other policy matters involving rental housing, including tenant rights under the petition process and formation of tenant organizations. This program also conducts informational presentations in various settings throughout the community; provides a formal series of educational and outreach forums; and develops educational material regarding rental housing laws, rules, and policies.

In FY 2012, OTA established the “Tenant Education Institute”, with a curriculum that includes workshops on the foundations of tenants’ rights, empowering tenant associations, rent control for the elderly and disabled, Tenant Opportunity to Purchase Act rights, and the fundamentals of leases. In FY 2015 and again in FY 2017, OTA continued to hold a variety of workshops on these issues. During FY 2017 the OTA continued to expand its outreach and educational activities, and participated in over 15 outreach events. In FY 2018 to date, the OTA participated in over 11 outreach events.⁵⁷

Emergency Housing Assistance Program: OTA’s Emergency Housing Assistance Program (EHAP), implements the agency’s statutory duty to provide emergency housing assistance to qualified tenants in certain situations by:

1. Providing financial assistance to temporarily house tenants displaced by fires, floods, and government closures, and in other appropriate circumstances;
2. Providing assistance to tenants regarding the packing, moving, and storing of personal possessions;
3. Providing first month’s rent, and security deposits, utility deposits, and application fees for replacement rental housing; and
4. Coordinating with other District agencies and community-based organizations to ensure that displaced tenants receive appropriate services.

⁵⁷ Performance Oversight testimony of Johanna Shreve, Chief Tenant Advocate, OTA, March 7, 2018, page 14.

EHAP provides emergency housing assistance to tenants displaced due to the closure of the unit by a government agency, a fire, or other circumstance that renders the accommodation uninhabitable. EHAP assistance can take the form of hotel or motel accommodations for up to 14 days, help with moving and storage of personal property, the first month's rent, and security and utility deposits. In FY17 the agency was provided with \$203,064 in supplemental funding, largely due to a devastating fire at 6300 Peabody St. NE. A total of 162 households were assisted with this fund in FY17, and a total of 82 households have been served in FY18 to date.

EHAP also is important in preventing District tenants from being evicted. According to OTA's 2015 Annual Report,⁵⁸ between FY11 and FY14, there were 27,091 writs for possession awarded in the District (an average of 6,772 per year). During the same period, a total of 8,326 writs (an average of 2081 per year), resulted in an actual eviction. Estimating an average of four family members in a unit, that means that 33,304 tenants became homeless during those four years.

Case Management Administration and Community Outreach: Implements the agency's statutory duty to advise tenants and tenant organizations on filing complaints and petitions, including petitions in response to disputes with landlords. This program contains the following activities:

1. *Case Management Administration* – provides legal and technical assistance to tenants regarding rental housing disputes with landlords, including identifying legal issues and the tenant's and the landlord's respective rights and responsibilities, and assisting with follow-up action items, such as completing and filing tenant petitions and monitoring rental housing case hearings.
2. *Community Outreach* – provides outreach and educational programs regarding tenant rights and rental housing matters and sends "rapid response" letters to tenants affected by certain administrative actions to apprise them of their rights and of OTA's availability to provide further assistance.

In FY 2017, the OTA handled cases affecting approximately 5,806 tenants through the intake process.⁵⁹ The 5 most common issues recorded through the case intake process were (1) housing code violations (2,175); (2) lease violations and issues with rental payments (1,748); (3) evictions and foreclosures (766); (4) disputes about rent increases (534); and (5) security deposits (507). Additionally, 363 mold complaints we handled in during FY 2017.⁶⁰

Administrative Services (Agency Management): Provides for administrative support and the required tools to achieve operational and programmatic results. This

⁵⁸ OTA's 2015 Annual Report, page 13.

⁵⁹ Performance Oversight testimony of Johanna Shreve, Chief Tenant Advocate, OTA, March 7, 2018, page 4.

⁶⁰ Budget hearing testimony of Johanna Shreve, Chief Tenant Advocate, OTA, April 25, 2018, page 5.

program is standard for all agencies using performance-based budgeting. Administrative services at the OTA include information technology, language access, and performance management.

Rent Control Housing Clearinghouse: Implements the agency's statutory duty to develop a demonstration project to establish the initial framework of a user-friendly, internet-accessible, and searchable database for the submission, management, and review of all documents and relevant data housing providers are required to submit to the RAD under the District's rent control law. The project is being accomplished with the significant consultation with the Department of Consumer and Regulatory Affairs, Office of Tax and Revenue, Office of the Chief Technology Officer, and Department of Housing and Community Development's Rental Accommodations Division and Housing Provider Ombudsman.

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY 2019 operating budget for the OTA is \$3,637,017. This represents a net reduction of \$371,210, or just over 9 percent, from the approved FY 2018 budget. Local Funds account for \$3,127,979 of that total, and Special Purpose Revenue Funds account for the remaining \$509,037. The FTE level of 22.0 in FY 2019 reflects no change from FY 2018.⁶¹

Committee Analysis and Comments

Local funds: The Mayor's proposed budget reflects a net increase in personal services in the amount of \$48,909 to support projected salary increases, fringe benefits, and overtime costs across multiple programs. This adjustment includes a shift of 0.4 FTEs to Special Purpose Revenue funds. The proposed budget submission includes OTA's cost-of-living adjustments of \$61,783 in Local funds and \$10,216 in Special Purpose Revenue funds.⁶²

Special Purpose Revenue funds: The proposed budget includes a net increase of \$28,227 to align the budget with projected revenue from the Rental Unit Fee charged to housing providers. This additional funding will be used primarily to support the Rent Control Housing Clearinghouse program. This adjustment includes a shift of 0.4 FTEs from Local Funds.⁶³

OTA's proposed budget includes a net reduction of \$34,395 in nonpersonal services across multiple programs to partially offset the proposed increases in personal services.

⁶¹ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Office of the Tenant Advocate (CQ0), page B-134.

⁶² *Id.*

⁶³ *Id.*

This adjustment includes reductions of \$42,695 in contractual and professional service costs and is partially offset by an increase of \$8,300 in supply costs. The budget also includes an increase of \$14,049 in one-time funding to support the cost of a proprietary database add-on of legal analysis, attorney arguments, additional case law, and litigation materials.⁶⁴

The Office of the Tenant Advocate has 6 programmatic divisions: Legal Representation, Policy Advocacy, OTA Educational Institute, Emergency Housing, Case Management Administration and Community Outreach, and Administrative Services. The OTA has no program structure changes in the FY 2019 proposed budget.

Legal Representation: The proposed FY 2019 budget for this Division increases by \$1,000 to \$1,446,000, with no increase in FTEs.⁶⁵

Policy and Advocacy Program: The proposed FY 2019 for the policy advocacy office was increased by \$29,000 to \$252,000, with no change in the number of FTEs.⁶⁶

OTA Educational Institute Education and Outreach: The proposed FY 2019 budget for the OTA Educational Institute increases by \$22,000 to \$128,000, with no change in the number of FTEs.⁶⁷

Emergency Housing: The Mayor's proposed FY 2019 budget for emergency housing is decreased by \$10,000 to \$550,000, with no change in the number of FTEs.⁶⁸ Emergency Housing implements the agency's statutory duty to provide emergency housing assistance to qualified tenants in certain situations.⁶⁹

Case Management Administration and Community Outreach: The Mayor's proposed FY 2019 budget for Case Management Administration and Community Outreach is increased by \$8,000 to \$296,000, with no change in the number of FTEs.⁷⁰

Administrative Services: The Mayor's proposed FY 2019 budget for administrative services is decreased by \$580,000 to \$807,000, with no change in the number of FTEs.⁷¹ The proposed FY 2019 budget includes a net reduction of \$500,000 to

⁶⁴ *Id.*

⁶⁵ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Office of the Tenant Advocate (CQ0), Schedule 30-PBB.

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.*

account for the removal of one-time funding appropriated in FY 2018 to support the Rent Control Housing Clearinghouse project.⁷²

Rent Control Housing Clearinghouse: The Mayor’s proposed FY 2019 budget for the Rent Control Housing Clearinghouse (“Clearinghouse”) is increased to \$158,000, with 0 FTEs. The funding appears in a new budget line item (9010).⁷³ Rent control is one of the District’s most significant policy tools for maintaining affordable housing. The Clearinghouse is expected to be a critical element for monitoring the success of the of the rent control program.

In FY 2018, OTA received one-time local funding in the amount of \$500,000 (Program – 1000; Activity 1087 – Language Access) to begin the database configuration. During FY 2018, OTA will have entered into an MOU with DCRA in the amount of \$395,000 to collaborate with DCRA’s current vendor to develop the Clearinghouse. OTA also included in their FY 2018 budget, \$125,000 (Program 1000; Activity 1040 – Information Technology) in Special Purpose Revenue Funds through their Rental Unit Fee Fund – 6000. As the database project is a capital eligible expense, any amount not expended in FY 2018 will be converted to PayGo Capital for use in FY 2019.⁷⁴

Additionally, the Committee is mandating the re-registration of nearly all rental units in the District. To ensure the best use by OTA of the re-regis-tration funding, the Committee directs OTA to integrate the re-registration project authorized by subtitle xx. Rental Housing Registration Update, as a priority “task order” of the Clearinghouse project. OTA’s FY 2019 budgetary request to complete both the Clearinghouse and re-registration projects is \$995,000. OTA plans to exhaust all funds for these projects in FY 2019 with the planned completion of both projects by June 10, 2019.

Below is an itemized listing of the component funding of the complete Clearinghouse/ re-registration projects for FY 2018 and FY 2019.

Item	FY18 Total	FY19 Capital	FY19 Total	Total
Development of Housing Provider / Public Search Modules	\$250,000	\$100,000	\$100,000	\$350,000
Create notices and pin number management system based on information from BBL and RAD databases	\$50,000			\$50,000

⁷² Mayor’s FY 2019 Proposed Budget and Financial Plan, Volume 2, Office of the Tenant Advocate (CQ0), page B-134.

⁷³ Mayor’s FY 2019 Proposed Budget and Financial Plan, Volume 2, Office of the Tenant Advocate (CQ0), Schedule 30-PBB.

⁷⁴ Memo from OTA Agency Fiscal Officer, April 27, 2018.

Outreach campaign for re-registration process			\$100,000	\$100,000
Build RAD Staff admin/review capabilities into Database	\$75,000	\$75,000	\$75,000	\$150,000
Integrate Database with relevant data from DCRA, RAD, OTR, and other applicable systems		\$300,000	\$300,000	\$300,000
Staff to review registration submissions and provide helpdesk support			\$200,000	\$200,000
Hardware costs and software licensing	\$20,000	\$20,000	\$20,000	\$40,000
System maintenance / upgrades (ongoing annual expense)			\$200,000	\$200,000
TOTAL	\$395,000	\$495,000	\$995,000	\$1,390,000

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

The Office of the Tenant Advocate has no associated proposed capital funds in the Mayor's proposed FY 2019 budget.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office of the Tenant Advocate in the amount of \$3,637,01.

b. Fiscal Year 2019 Capital Budget Recommendations

1. The Committee recommends approval of a transfer of \$476,718 in capital funding from the Committee on Transportation and the Environment to the Office of the Tenant Advocate, Capital Project RCCD1C Phase 06 - Rent Control Database, in order to fund the Rent Control Housing Clearinghouse and the re-registration project authorize by subtitle xx. Rental Housing Registration Update.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Office of the Tenant Advocate implement the following policy recommendations:

1. Continue to implement expeditiously the Rent Control Housing Clearinghouse (the “Clearinghouse”). In L21-0036, the Fiscal Year 2016 Budget Support Act of 2015, the Committee authorized DHCD to establish an internet-accessible, searchable database for the submission, management, and review of all documents that the Rental Housing Act of 1985 requires housing providers to submit to RAD. The Clearinghouse was required to be completed by DHCD within two years of the effective date of L21-0036 so that documents could be submitted by housing providers and tenants to RAD through the online clearinghouse.

However, in during the FY 2018 budget cycle, more than a year and a half after the effective date of L21-0036, the Committee had seen no progress on the Clearinghouse. Therefore, the Committee withdrew its authorization for DHCD to implement the Clearinghouse, and redirected the responsibility for this critical task to the OTA.

Further, the Committee recommends that the OTA integrate the reregistration project authorized by subtitle xx. Rental Housing Registration Update, as a priority component of the Clearinghouse project. It is the Committee’s expectation that the reregistration requirement would be implemented as a priority task order by the OTA in the overall development of the Clearinghouse.

The Committee was and remains confident that based on the OTA’s past and current reputation for “getting things done”, the OTA will fulfill this important responsibility and bring the District significantly closer to the realization of the Clearinghouse and the re-registration project. The Committee encourages and urges the OTA to excel in the quality of the project, and to complete its work on this project as soon as possible, if not even before the required deadlines.

The Committee further expects that the OTA will meet with the Committee on a monthly basis to provide an update on OTA’s progress on the database and re-registration portals. Additionally, the Committee looks forward to receiving quarterly reports on the progress of the database/re-registration project as required by L21-0036.

2. Work to further enhance interagency coordination, especially as it relates to emergency housing for District tenants. The Committee applauds the OTA’s efforts at interagency coordination and encourages the OTA to explore further developing and implementing joint initiatives to improve interagency communication and coordination to serve better constituent needs. Interagency coordination between agencies remains an ongoing challenge citywide. The lack of coordination impedes the administration and enforcement of rental housing laws, and it is wasteful of government resources and public funds.

E. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DB0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Department of Housing and Community Development	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	\$4,868,755	\$4,546,000	\$3,633,812	\$0	\$3,633,812
	FEDERAL GRANT FUND	\$38,809,892	\$54,586,727	\$55,829,997		\$55,829,997
	LOCAL FUND	\$19,172,516	\$23,104,294	\$31,885,487	(\$113,280)	\$31,772,207
	PRIVATE DONATIONS	\$14,469	\$0	\$20,000		\$20,000
	OPERATING INTRA- DISTRICT FUNDS	\$126,707,668	\$99,155,560	\$100,000,000		\$100,000,000
	Total	\$189,573,301	\$181,392,581	\$191,369,296	(\$113,280)	\$191,256,016

OPERATING BUDGET FUND TYPE GROSS FUNDS FTEs

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Department of Housing and Community Development	FEDERAL GRANT FUND	31.02	27.08	24.82		24.82
	LOCAL FUND	52.92	73.96	74.19	-1.00	73.19
	OPERATING INTRA- DISTRICT FUNDS	72.52	77.96	80.00		80.00
	PRIVATE DONATIONS	0.00	0.00	0.00		0.00
	SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	0.00	0.00	0.00		0.00
	TOTAL	156.46	179.00	179.01	-1.00	178.01

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Department of Housing and Community Development	11	\$13,141,384	\$14,969,780	\$16,112,788	(\$80,826)	\$16,031,962
	12	\$1,367,008	\$2,049,454	\$1,617,768		\$1,617,768
	13	\$88,865	\$175,633	\$175,633		\$175,633
	14	\$3,066,208	\$3,642,116	\$3,848,382	(\$17,454)	\$3,830,928
	15	\$26,781	\$0			\$0

	20	\$116,342	\$242,446	\$161,998		\$161,998
	30	\$693	\$3,572	\$18,818		\$18,818
	31	\$151,007	\$200,759	\$175,471		\$175,471
	32	\$3,018,550	\$2,349,597	\$2,522,882		\$2,522,882
	34	\$75,121	\$76,261	\$202,897		\$202,897
	35	(\$86,386)	\$81,993	\$129,234		\$129,234
	40	\$1,689,218	\$767,697	\$1,544,479		\$1,544,479
	41	\$8,870,113	\$10,002,877	\$16,104,018	(\$15,000)	\$16,089,018
	50	\$156,890,318	\$146,757,635	\$148,201,770		\$148,201,770
	60	\$0	\$0			\$0
	70	\$334,467	\$72,760	\$553,158		\$553,158
	80	\$0	\$0			\$0
	91	\$823,611	\$0			\$0
TOTAL		\$189,573,301	\$181,392,581	\$191,369,296	(\$113,280)	\$191,256,016

1. **COMMITTEE ANALYSIS AND COMMENTS**

a. **Agency Mission and Overview**

The Department of Housing and Community Development (DHCD) was established by the Reorganization Plan No. 3 of 1975, effective July 3, 1975 (21 DCR 2793). The agency's mission is to "create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities."⁷⁵ DHCD focuses on three strategic objectives:⁷⁶

1. Preserving and increasing the supply of quality affordable housing;
2. Increasing homeownership opportunities; and
3. Revitalizing neighborhoods, promoting community development, and providing economic opportunities.

DHCD is led by a Director, who is appointed by the Mayor with the advice and consent of the Council. The agency operates through the following nine divisions:

Development Finance Division (DFD): Provides funding for the development of rental, homeownership, and community facility developments that serve District of Columbia neighborhoods. This division provides funding through the Notice of Funding Availability (NOFA) and a competitive Request for Proposals (RFP) that targets communities of need and prioritizes the types of development needed to revitalize

⁷⁵ Department of Housing and Community Development (hereinafter "DHCD"), Mission and Vision: <http://dhcd.dc.gov/page/mission-and-vision-0>.

⁷⁶ *Id.*

neighborhoods. Most of these funds come via intra-District funding from the Housing Production Trust Fund. This division also houses the Preservation Project Financing activity that demonstrates the recent policy pivot toward emphasizing the preservation of previously subsidized affordable housing units for residents with low-to-moderate incomes.

Residential and Community Services Division (RCSD): Works through neighborhood-based organizations to provide comprehensive housing counseling, Small Business Technical Assistance (SBTA), and façade improvement opportunities; administers various down payment assistance programs such as the District's Home Purchase Assistance Program (HPAP) and the Employer Assisted Housing Program (EAHP); and provides rehabilitation resources in the form of grants and loans to income eligible owner-occupant and rental units that address health, safety, and building code violations, through programs including the Lead Safe Washington Program and the Single Family Rehabilitation Program.

Property Acquisition and Disposition Division (PADD): Stabilizes neighborhoods by (i) encouraging property owners to rehabilitate and/or occupy their vacant or abandoned residential property; (ii) acquiring vacant, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and (iii) disposing of such properties by selling them to individuals or developers to be rehabilitated into high-quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods. The activity line called the Vacant and Blighted Program, which was added in the FY 2017 budget, acquires vacant, blighted, abandoned, and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure when owners are unwilling or unable to maintain their properties.

Portfolio and Asset Management Division (PAMD): Provides portfolio management and oversight of outstanding loans to DHCD and manages the allocation of Low Income Housing Tax Credits (LIHTC). This division also monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due and conducts the reviews of the risks and relationships of potential borrowers to protect the department's assets.

Program Monitoring Division (PMD): Provides contract and regulatory compliance, as well as quality assurance, particularly regarding federal grant programs that have extensive requirements such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs.

Housing Regulation Administration (HRA): Administers residential housing regulations relating to condominium conversions and registrations, rent adjustment procedures, licensing, and other related matters. This includes the Tenant Opportunity to Purchase Act (TOPA), the District's Opportunity to Purchase Act (DOPA), rental stabilization, Inclusionary Zoning (IZ), and the monitoring and enforcing of Affordable Dwelling Unit compliance.

Rental Housing Commission (RHC): Enforces the Rental Housing Act of 1985, as amended. The commission has three statutory functions to preserve and increase the supply of quality affordable housing in the District:

1. to issue, amend, and rescind regulations that are promulgated for enforcement of the Act;
2. to certify and publish the annual adjustment of general applicability to rents and/or rent ceilings, which adjustment is based upon annual changes (if any) in the Consumer Price Index for the greater Washington, D.C. area; and
3. to decide appeals brought to the commission from the Rent Administrator and the Office of Administrative Hearings.

Agency Management: Provides administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Agency Financial Operations: Provides financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using performance-based budgeting.

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY 2019 gross funds operating budget for DHCD is \$191,369,296, an increase of \$9,976,715 from the approved FY 2018 budget, or 5.5%.⁷⁷ The FTE level of 179.0 in the proposed FY 2019 budget remains the same from the FY 2018 approved level of FTEs.⁷⁸

Local Funds⁷⁹: The Mayor's proposed local funds budget is \$31,885,000, an increase of \$8,781,000, or 38.0%, from the FY 2018 approved budget of \$23,104,000. This funding level supports 74.2 FTEs, an increase of 0.2 FTEs, or 0.3%, compared to the FY 2018 approved level.

⁷⁷ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-67. Table DB0-1.

⁷⁸ *Id.*

⁷⁹ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-68. Table DB0-2.

Special Purpose Revenue Funds⁸⁰: The Mayor’s proposed special purpose revenue funds budget is \$3,634,000, a decrease of \$912,000, or 20.1%, from the FY 2018 approved budget of \$4,546,000. This funding supports 0.0 FTEs.

Federal Funds⁸¹: The Mayor’s proposed federal funds budget is \$55,830,000, an increase of \$1,243,000, or 2.3%, compared to the FY 2018 approved level. This funding supports 24.8 FTEs, a decrease of 2.3 FTEs, or 8.3%, compared to the FY 2018 approved level.

Intra-District Funds⁸²: The Mayor’s proposed intra-district funds budget is comprised of the \$100 million appropriation for Housing Production Trust Fund⁸³. This funding supports 80.0 FTEs, an increase of 2.0 FTEs, or 2.6%, compared to the FY 2018 level.

Committee Analysis and Comments

Staffing: DHCD was approved 179.0 FTEs for FY 2018, and the Mayor’s proposed budget for FY 2019 maintains these staffing levels at 179.0 FTEs.

As of April 6, 2018, the Agency Fiscal Officer reported to the Committee that there were 25 vacancies at the agency, of which 8 positions have closed on the announcements and are currently in the various stages of being filled (i.e. interviewing or have pending offers). The following chart reflects the current vacancies at DHCD:

Position Number	Position Title	Fund Details	Current Status
00039757	Info Tech Specialist	Local	Announcement Closed, Offer Pending
00000757	Attorney Advisor	Local	Vacant
00021837	Housing Development Advisor	Intra-District	Announcement Closed, Offer Pending
00023459	Program Analyst	Local	Vacant
00038684	Chief Program Officer	Local	Vacant
00076843	Accounting Manager	Local	Vacant

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² *Id.*

⁸³ Housing Production Trust Fund Baseline Funding Amendment Act of 2014, effective March 11, 2015 (D.C. Law 20-208; 61 DCR 12725).

00007319	Housing & Development Project Manager	Intra-District	Vacant
00016083	Program Specialist	Intra-District	Vacant
00020534	Housing & Development Project Manager	CDBG	Announcement Closed, Offer Pending
00006012	Construction Analyst	Intra-District	Vacant
00036400	Lead Paint Program Supervisor	Intra-District	Vacant
00042355	Construction Analyst	Intra-District	Vacant
00045709	Construction Analyst	Intra-District	Vacant
00019828	Realty Project Manager	CDBG	Announcement Closed, Interviewing
00042954	Supervisory Realty Specialist	Local	Announcement Closed, Interviewing
00007287	Compliance Specialist	Intra-District	Vacant
00015932	Housing Financial Analyst	Intra-District	Vacant
00044666	Supervisory Contract and Loan	Intra-District	Announcement Closed, Offer Pending
00071897	Housing Inspector	Intra-District	Vacant
00094087	Supervisory Housing Financial Analyst	Intra-District	Announcement Closed, EOD May 2018
00004562	Program Analyst	CDBG	Vacant
00010025	Rental Conversion & Sales Administrator	Intra-District	Announcement Closed, Offer Pending
00084829	Grants Management Officer	Intra-District	Vacant
00045704	Contact Representative	Local	Vacant
00045907	Rental Property Program Specialist	Local	Vacant

The Committee urges DHCD to continue to work expeditiously to promote and fill the remaining number of vacancies that are outstanding within the Department with capable experts. The Committee will continue to monitor the vacancy levels to ensure that all the essential positions are filled.

Preservation Financing: The Mayor's FY 2018 budget for DHCD reflected a \$10,000,000 appropriation to the Preservation Financing activity under the Development Finance Division.⁸⁴ This initial appropriation underscored the significance of preservation financing and preservation initiatives in the Mayor's budget. The Mayor's budget proposal for FY 2019 provides another \$10,000,000 investment to this program.

The 18-member Preservation Strike Force, which was established on June 4, 2015 via Mayor's Order⁸⁵, recommended the establishment of a public-private preservation fund to achieve the goal of preserving affordable rental housing in the District. The Preservation Fund seeks to create a flexible and nimble source of capital to preserve existing affordable housing with affordability covenants shorter than 40 years, and provide greater affordability to limit the displacement of current residents living in existing affordable housing.⁸⁶ The fund's goal is to preserve affordability for all federally and city-assisted affordable rental homes in the District by leveraging local funds at a 3-to-1 ratio to facilitate early investment in preservation deals and leverage greater amounts of private capital.⁸⁷

On November 13, 2017, DHCD released a Request for Proposals for a Fund Manager for the Housing Preservation Fund.⁸⁸ Submissions for the RFP closed on December 18, 2017. On March 13, 2018, Mayor Bowser made an announcement that Capital Impact Partners and Local Initiatives Support Corporation-DC (LISC-DC) were chosen to manage the District's \$10 million Affordable Housing Preservation Fund.⁸⁹ DHCD plans to grow the fund by approximately \$30 million with the initial \$10 million investment by the government. These funds will seek to quickly provide short-term bridge acquisition and predevelopment financing to eligible borrowers.⁹⁰ The properties targeted for fund investments are occupied, multi-family housing of over 5 units, in which at least 50% of units are currently affordable to households earning up to 80% of the area median income (AMI).⁹¹

Performance Management and Strategic Planning: DHCD maintains a dashboard database of DHCD's affordable rental and homeownership projects, which can

⁸⁴ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4.

⁸⁵ Available at:
<http://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Preservation%20Strike%20Force%20-%20Establishment%20Order.pdf>.

⁸⁶ Correspondence from DHCD, May 10, 2017 from Polly Donaldson, Director.

⁸⁷ *Id.*

⁸⁸ Available at:
https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/service_content/attachments/Preservation%20Fund%20RFA%2011%2029%202017%20a.pdf.

⁸⁹ Mayor Bowser's Press Release "Mayor Bowser Announces Selection of Affordable Housing Preservation Fund Managers", March 13, 2018.

⁹⁰ *Id.*

⁹¹ *Id.*

be accessed on the agency's website.⁹² The purpose of this pipeline application is to provide stakeholders with real time updates on the status of the projects in the DHCD pipeline, including those that are currently in underwriting, under construction, completed, and projects utilizing the 9% Low Income Housing Tax Credit (LIHTC) allocations. This dashboard includes all projects financed, or in the pipeline to be financed, by DHCD's Development Finance Division since the beginning of FY 2011 (October 1, 2010).⁹³

This database serves as an internal accountability tool for the agency, and a means to improve transparency and communication with the public to allow tracking of the pipeline of development projects under DHCD. The data provides a clear view of how the HPTF and other funding sources are parlayed into actual units coming online to serve the District residents.

In FY 2018 to date, a total of 107 projects have been completed for a total of 5,489 units of affordable housing across all eight Wards.⁹⁴ In the underwriting pipeline, as of FY 2018 to date, there are a total of 42 projects that are currently in underwriting for a total of 2,314 units of affordable housing.⁹⁵ Currently, there are 38 projects in the construction pipeline.⁹⁶ These projects include various types of projects and assistance, including new construction, substantial rehabilitation, additional or gap financing, pre-development costs, acquisition, and critical repairs.

Funding for Development Projects: The Notice of Funding Availability (NOFA) is the annual competitive solicitation process in which a host of programmatic funding is allocated to affordable housing projects. This vehicle serves as a mechanism to acquire capital financing, as well as services and operational funding to produce permanent supportive housing units.

The first official RFP for FY 2018 was for the aforementioned Housing Preservation Fund – Fund Manager position, which was issued on November 13, 2017, with a closing date of December 18, 2017 (the original December 11, 2017 deadline was extended).⁹⁷ The purpose of this RFP was to find fund managers capable of structuring, administering, funding and managing a public-private fund in Washington, D.C. to receive and leverage the available Preservation Fund resources of the District and use them to increase the preservation of affordable housing in DC.⁹⁸ As mentioned above, Capital

⁹² DHCD Performance Dashboard: https://octo.quickbase.com/db/bit4kvfmq?a=Mobile_Dashboard (last visited April 29, 2018).

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ DHCD – Solicitations: <https://dhcd.dc.gov/service/solicitations>.

⁹⁸ DHCD – Solicitations:
https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/service_content/attachments/Preservation%20Fund%20RFA%2011%2029%202017%20a.pdf.

Impact Partners and Local Initiatives Support Corporation-DC (LISC-DC) were chosen to manage the District's \$10 million Affordable Housing Preservation Fund.⁹⁹

On November 30, 2017, DHCD released a second funding notice and Request for Proposals for FY 2018 for projects that will produce and preserve affordable housing for District residents.¹⁰⁰ This was also a Consolidated RFP, where DHCD utilized combined funds from the Housing Production Trust Fund (HPTF), Department of Behavioral Health (DBH) Grant Funds, HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), National Housing Trust Fund (NHTF), Local Rent Supplement Program (LRSP), Annual Contributions Contract Program (AAC), and Department of Human Services (DHS) Supportive Services Funds.¹⁰¹ The RFP prioritized preservation and production projects that will primarily serve households earning below 30% of the Median Family Income (MFI, \$33,090 in 2017) or between 31%-50% of MFI (\$34,193 to \$55,150 in 2017).¹⁰² The Committee looks forward to working with the agency to ensure that projects are selected based on the housing needs of our residents, while simultaneously complying with all the criteria stipulated in the statute for affordable housing projects. For the Fall 2017 Consolidated RFP, DHCD received 28 applications in response to its Consolidated RFP and, as of April 22, 2018, the selections are pending and scheduled to be announced within the coming weeks.¹⁰³

Tenant Opportunity to Purchase Act (TOPA): TOPA requires housing accommodation owners of to give tenants an opportunity to buy their homes before selling, razing, or discontinuing the housing use of the building. TOPA applies to rental housing, including 2- to 4-unit buildings, and larger buildings.

The Council originally passed the Rental Housing Conversion and Sale Act of 1980 primarily to try to address the following problems:¹⁰⁴

1. A continuing housing affordability crisis in the District;
2. A severe shortage of rental housing available to residents of the District;
3. The depletion of the rental housing stock due to the conversion of rental units to

⁹⁹ Mayor Bowser's Press Release "Mayor Bowser Announces Selection of Affordable Housing Preservation Fund Managers", March 13, 2018.

¹⁰⁰ DHCD, Fall 2017 Consolidated Request for Proposals for Affordable Housing Projects, <https://dhcd.dc.gov/node/1292186>.

¹⁰¹ DHCD, Fall 2017 Consolidated Request for Proposals for Affordable Housing Projects, <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/DHCD%20Fall%202017%20Affordable%20Housing%20Consolidated%20Request%20for%20Proposals%20%28RFP%29.pdf>.

¹⁰² DHCD, Fall 2017 Consolidated Request for Proposals for Affordable Housing Projects, <https://dhcd.dc.gov/node/1292186>.

¹⁰³ Correspondence from DHCD, April 22, 2018 from Danilo Pelletiere, Housing Development/Policy Advisor.

¹⁰⁴ D.C. Official Code § 42-3401.01(a).

condominiums or cooperatives; and

4. The severe adverse effects of conversions on lower income tenants, particularly the elderly and tenants with a disability, which often resulted in forced displacement, overcrowding, unsustainably high housing costs, and widespread fear and uncertainty among tenants.

The 1980 Council was determined that those most directly affected by a conversion, the tenants, would have a strong voice in any decision concerning whether their rental housing would be converted to condominiums or cooperatives. Therefore, the Council included certain requirements in TOPA intended to more effectively guarantee that tenant housing would be preserved at a cost that existing tenants, who could otherwise be involuntarily displaced could afford. TOPA not only provides legal protections to tenants regarding their opportunity to purchase their rental housing, but also protects seniors and persons with a disability by allowing them to opt to remain in their homes as long as they wish under the District's rent control regime.

TOPA allows tenants to exercise their rights in different ways, such as preserving or creating affordable rental housing, or long-term affordable homeownership through limited equity cooperatives or condominiums with resale restrictions. Still others sponsor market-rate condominium conversions that often offer discounted prices to existing residents. And finally, some tenants elect to receive payments that can at least partially offset the costs of their displacement, and that can be used to acquire a home or to rent elsewhere. Whatever the outcome, over the years there have been numerous successful tenant-sponsored conversions that further the purposes of TOPA, and that would not have occurred but for the passing of the Rental Housing Conversion and Sale Act of 1980.

DHCD reported that in FY 2017, there were 1,970 Offers of Sale filed, 152 Statements of Interest filed and 38 properties where a tenant organization registration application were filed with DHCD.¹⁰⁵ In FY 2018 to date, there were 552 Offers of Sale filed, 50 Statements of Interest filed and 17 properties where a tenant organization registration application were filed with DHCD.¹⁰⁶ DHCD also tracks properties in which DHCD funding is used in the TOPA process. Thirteen (13) buildings accessed DHCD financing to complete a TOPA purchase in FY 2017.¹⁰⁷ One TOPA project has closed to-date in FY 2018. Eight (8) TOPA projects that applied for DHCD financing in FY 2017 or FY 2018 are currently in DFD's pipeline.¹⁰⁸

¹⁰⁵ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #85.

¹⁰⁶ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #85.

¹⁰⁷ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #85.

¹⁰⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #86.

Although TOPA has been extended many times, opinions vary widely among stakeholders as to the effects and success of TOPA. Most tenants and tenant advocates assert that TOPA is an important tool in preventing tenant displacement, maintaining affordable housing, promoting home ownership, and protecting tenants' homes.¹⁰⁹ Tenant advocates support this belief by citing many examples of tenant-sponsored purchases that further TOPA's goals, and that would not have occurred but for the existence of tenants' TOPA rights.¹¹⁰

On the other hand, many owners of rental housing accommodations consider TOPA inequitable and burdensome. For owners, the biggest inequity in TOPA is the financial costs and uncertainty that owners must bear when selling their property. For single-family homes, tenants had up to 180 days to register their intent to purchase the rental accommodation, negotiate a contract of sale, obtain financing and complete the transaction, with a possible extension to obtain financing. Further, if 180 days elapsed from the date of a valid offer and the owner had not sold or contracted for the sale of the accommodation, the owner was required to begin the entire TOPA process from the beginning.¹¹¹

Other real estate practitioners, such as those in the title insurance and lender community, consider TOPA confusing and problematic. The financial commitments to property owners made by lenders and title insurance companies in the provision of loans and title insurance involve great risks. These risks are only compounded when the real estate transaction requires that the transfer of property also be in compliance with TOPA.¹¹²

Specific rules apply in TOPA according to the size of the building being sold. Building size groups are separated as follows: single-family accommodations,¹¹³ accommodations with 2 to 4 units,¹¹⁴ and accommodations with 5 or more units.¹¹⁵ Each category has had its successes and problems.

As with multi-family buildings, in the single-family market, TOPA has been reported as being manipulated in a manner contrary to its purposes. The most common apparent abuse occurred when some tenants allegedly used the 180-day TOPA timeframe to hold up home sales. As a result, property owners were pressured into paying an exorbitant fee to stop the process from dragging on and threatening the cancellation of an

¹⁰⁹ Report and Recommendations, Rental Housing Conversion and Sale Act Task Force, Washington, D.C., December 11, 2006, page 9.

¹¹⁰ *Ibid.*

¹¹¹ D.C. Official Code § 42-3404.09(4).

¹¹² Report and Recommendations, Rental Housing Conversion and Sale Act Task Force, *supra* note 109, at 10.

¹¹³ D.C. Official Code § 42-3404.09.

¹¹⁴ D.C. Official Code § 42-3404.10.

¹¹⁵ D.C. Official Code § 42-3404.11.

existing third-party sale contract. Others allegedly tried to claim that they had TOPA rights even though they were only relatives or caregivers of an actual *bona fide* tenant.

Unfortunately, there are no available statistics reporting how many TOPA sales have been affected by these situations.¹¹⁶ However, according to *Urban Turf*, recently one business entity helped at least six clients recoup over \$100,000 in assignment fees, obtain months of free or abated rent, or write-off about “\$10,000 or \$20,000 in back rent or other debts owed to landlords”.¹¹⁷ The same business entity apparently estimates TOPA rights amount to a \$100 million per year industry in D.C.¹¹⁸ Indeed, articles featuring statements and titles like “Held Hostage”, “It Felt Like Extortion”, and “I’ve Been Accused of Hostage-Taking”¹¹⁹ have appeared in the local press.

Again, one of the primary purposes of TOPA is “[t]o balance and, to the maximum extent possible, meet the sometimes conflicting goals of creating homeownership for lower income tenants, preserving affordable rental housing, and minimizing displacement.”¹²⁰ The Committee believes that, at least in the multi-family market, TOPA has been successful in many of the goals of the original 1980 act. However, TOPA had been less successful in the single-family market for a variety of reasons, including the cost of purchasing a single-family home, the difficulty of finding a third-party buyer willing to continue to rent to the TOPA offeree, and limited financial resources being available to community-based organizations to reach out and help individual tenants in single-family homes to negotiate the complexities of TOPA.

That said, TOPA was never intended to be a moneymaking business for tenants nor was TOPA intended to unfairly interfere with the sales of homes. Further, TOPA was certainly never intended to distort the single-family real estate market by siphoning off the equity of homes away from homeowners and into the pockets of tenants who had the good fortune and savvy to leverage a TOPA offer into a financial windfall.

Therefore, the Committee recommended, as the optimum solution to the complex problem of TOPA rights in the single-family homes market, to exempt single-family homes from TOPA. The Committee also believed it important to grandfather-in the TOPA rights of elderly tenants at least 62 years old and tenants with a disability, provided they have a

¹¹⁶ There is also limited data on how many TOPA offers proceed as was intended by TOPA, that is, tenants avoid displacement and successfully remain in their single-family homes as owners or renters.

¹¹⁷ The TOPA Arbitrator: This DC Company Wants to Help Tenants Buy or Sell Their Rights, March 7, 2017, Nena Perry-Brown, Urban Turf, http://dc.urbanturf.com/articles/blog/got_topa_this_company_wants_to_help_you_exercise_your_right_of_first_refusa/12297_

¹¹⁸ Key D.C. Council Member Says Law Being Exploited by Renters Needs to Change, Jodie Fleischer, Rick Yarborough, Steve Jones and Jeff Piper, NBC Washington, <https://www.nbcwashington.com/investigations/Key-DC-Council-Member-Says-Law-Being-Exploited-by-Renters-Needs-to-Change--422140523.html>.

¹¹⁹ *Ibid.*

¹²⁰ D.C. Official Code § 42-3401.02 (6a).

contract or lease for a rental unit in the District of Columbia signed by March 31, 2018, and for occupancy by April 15, 2018. Final reading of this bill took place on April 10, 2018, which passed with 10 votes of support, 2 votes against, and 1 recusal.

Home Purchase Assistance Program (HPAP): HPAP provides interest-free loans for down payment and closing cost assistance to low and moderate income District residents to become first-time homebuyers in the District.¹²¹ The loan amount is based on a combination of factors including income, household size, and the amount of assets that each applicant must commit towards a property purchase.¹²² The loan is subordinate to a private first trust mortgage. Moderate income borrowers earning between 80% and 110% of the area median income will have the 0% interest loan deferred for the first 5 years and a 40 year principal-only repayment period.¹²³ Borrowers with incomes below 80% of the area median income will have the 0% interest loan deferred until the property is sold, refinanced to take out equity, or is no longer their primary residence.¹²⁴ The current breakdown of the assistance based on income is as follows:

Maximum Assistance	Household Size							
	1	2	3	4	5	6	7	8
Per household income less than or equal to:								
Very low income households								
\$80,000	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700
Low income households								
\$64,000	\$49,150	\$56,150	\$63,150	\$70,150	\$74,550	\$78,900	\$83,300	\$87,700
\$56,000	\$52,200	\$59,700	\$67,150	\$74,600	\$79,250	\$83,900	\$88,600	\$93,250
\$40,000	\$60,800	\$69,500	\$78,200	\$86,900	\$92,300	\$97,750	\$103,150	\$108,600
Moderate income households								
\$32,000	\$74,500	\$85,150	\$95,800	\$106,400	\$113,100	\$113,100	\$113,100	\$113,100
\$16,000	\$83,600	\$95,550	\$107,500	\$119,450	\$126,900	\$126,900	\$126,900	\$126,900

The theories of economic, social, and psychological benefits of homeownership are numerous and well-recognized. Studies have shown that homeownership leads to wealth-building, which in turn leads to an enhanced quality of life, improved health, and enriched

¹²¹ DHCD Home Purchase Assistance Program (HPAP) website: <http://dhcd.dc.gov/service/home-purchase-assistance-program-hpap>

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.*

parenting. Greater residential security and quality housing reap the benefits of higher levels of high school and post-secondary completion, better school performance, improved youth behavior, increased social capital, and greater political participation. Nevertheless, obstacles to homeownership are many, including the daunting barrier of families being able to save enough for a down payment, a hurdle this program seeks to break down.

The addition of a second administrator, DC Housing Finance Agency (DCHFA), in March 2017, has drastically increased the rate at which applicants can benefit from the program. The following chart depicts the number of HPAP applications, closings, funds distributed, and the average purchase price for FY 2017 and the first quarter of FY 2018:

HPAP Program	FY 2017	FY 2018 (First Quarter)
Applications	725	208
Closings	302	86
Total Assistance	\$14,338,167	\$4,850,714
Average Purchase Price	\$288,270	\$291,909

The average age of the HPAP loan recipient was 38 years of age.¹²⁵ The gender breakdown was 62% female (239) and 38% male (149).¹²⁶ The household size breakdown was one at 49% (189), two at 21% (77), three at 15% (57), four at 9% (36) and five or more at 6% (24).¹²⁷ The average income was \$62,481.¹²⁸ The HPAP purchases by Ward in FY 2017 and FY 2018 as of February 2018 were as follows:¹²⁹

Ward	Number FY 2017	Average Purchase Price	Number FY 2018	Average Purchase Price
1	14	\$238,471	2	\$329,500
2	7	\$282,457	0	N/A
3	9	\$271,195	2	\$292,000
4	24	\$295,339	3	\$261,000
5	30	\$295,487	11	\$277,100
6	20	\$226,755	4	\$258,075
7	97	\$303,577	29	\$302,652
8	101	\$290,755	35	\$292,025

The Committee expects that with the assistance increased to \$80,000, as well as taking into consideration the current legislation pending in the Council that would raise the

¹²⁵ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #93.

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #93.

¹²⁹ *Id.* at question #94.

maximum assistance to \$100,000 for the lowest income recipient and put in place a minimum for the highest income recipient, the popularity of this program will dramatically increase. The current numbers for the first quarter of 2018 reflect the heightened level of popularity and utilization of the program. The Mayor's proposed budget for FY 2019 reflects an increase of \$8.8 million to HPAP from \$15.26 million to a total of \$24 million.¹³⁰ The Committee will continue to maintain priority at enhancing homeownership in the District by monitoring this program to ensure that funding continues to flow for qualified applicants.

Employer-Assisted Housing Program (EAHP): Administered by the Residential and Community Services Division, this program helps District of Columbia government employees to become homeowners in the District. As of October 4, 2017, the employees of District government agencies are currently eligible for a maximum loan amount of \$20,000 and a matching funds grant of a maximum of \$5,000 towards the purchase of a single-family home, condominium, or cooperative unit located in the District of Columbia.¹³¹ The maximum allowable purchase price is \$636,150.¹³² The EAHP-funded property must be owner-occupied and the employee's primary residence. The loan has zero interest and no payments are required until the property is (1) sold or transferred; (2) no longer occupied as a principal place of residence; or (3) refinanced with cash out.¹³³ For first-responders who agree to a five-year service obligation and maintain the property as their principal place of residence, an additional recoverable grant of up to \$10,000 for down payment assistance is available.¹³⁴ First-responders also receive a higher matching funds grant maximum of up to \$15,000.¹³⁵ For FY 2018 to date, there are seven (7) first-responders (all firefighters) who have settled on a home.¹³⁶ Of the seven (7) firefighters, four (4) are located in Ward 8, two (2) are in Ward 7, and one (1) is in Ward 5.¹³⁷ Additionally, four (4) first-responders have received Notices of Eligibility (NOE), of which three (3) are to firefighters and one (1) is to an MPD officer.¹³⁸ The following table shows the number of applications, closings, funds distributed, and average purchase price for the EAHP program for FY 2017 and the first quarter of FY 2018.¹³⁹

¹³⁰ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4

¹³¹ DHCD, Employer Assisted Housing Program (EAHP), <https://dhcd.dc.gov/service/employer-assisted-housing-program-eahp>

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.*

¹³⁵ *Id.*

¹³⁶ Correspondence from DHCD, March 29, 2018 from Danilo Pelletiere, Housing Development/Policy Advisor.

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #104.

EAHP Program	FY 2017	FY 2018 (First Quarter)
Applications	81	51
Closings	95	25
Total Assistance	\$1,006,400	\$415,500
Average Purchase Price	\$317,813	\$336,587

The average age of the EAHP loan recipient was 37 years of age.¹⁴⁰ The gender breakdown was 71% female (85) and 29% male (35).¹⁴¹ The household size breakdown was one at 40% (48), two at 24% (29), three at 15% (18), four at 14% (17) and five or more at 7% (8).¹⁴² The average income was \$69,933.¹⁴³ The EAHP purchases by Ward in FY 2017 and FY 2018 as of February 2018 were as follows:¹⁴⁴

Ward	Number FY 2017	Average Purchase Price	Number FY 2018	Average Purchase Price
1	1	\$289,000	1	\$349,000
2	0	N/A	0	N/A
3	3	\$307,933	1	\$384,000
4	9	\$337,649	1	\$320,000
5	11	\$296,980	3	\$360,000
6	3	\$270,500	0	N/A
7	34	\$333,984	6	\$312,250
8	34	\$309,026	13	\$339,091

Research shows that limited access to affordable mortgages, weak credit histories, and lack of down payment funds are among the greatest barriers that prevent many District residents from even thinking about homeownership. Currently, the median home value in the District is \$560,505, an increase of 4.7% over the past year.¹⁴⁵ By potentially reducing the mortgage amount and the monthly payment amount, EAHP helps homeownership become a more attainable goal. The Mayor's proposed budget for FY 2019 reflects an increase of \$339,000 to bring the program funding to a total of \$2.1 million compared to \$1.8 million in FY 2018.¹⁴⁶ The Committee will continue to monitor the program to ensure that District government employees and first-responders are able to utilize this program to its maximum capacity to encourage homeownership in the District.

¹⁴⁰ *Id.* at question #105.

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Id.*

¹⁴⁴ *Id.* at question #106.

¹⁴⁵ *See*, <https://www.zillow.com/dc/home-values/>.

¹⁴⁶ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4.

Small Business Technical Assistance (SBTA): DHCD provides business support services to small and retail businesses in eligible commercial areas in the District of Columbia through community-based organizations. The assistance provided can include, but is not limited to, micro-loan packaging, business planning, entrepreneurial training, one-on-one business technical assistance, tax preparation assistance, accounting assistance, or legal assistance.¹⁴⁷

DHCD stated in the responses for the performance oversight hearing advance questions that in FY 2017, the agency sought to improve the Request for Application (RFA) submission process by reducing the required submitted copies from nine to two, one original and one copy.¹⁴⁸ Technology was utilized to perform the grant review panel process through teleconferencing and sharing applications and forms through Dropbox.¹⁴⁹ The independent review panel process was completed in two weeks, the NBAP team review was completed 2 days later, and recommendations were forwarded to senior management the next day.¹⁵⁰

The Mayor's proposed FY 2019 budget reflects a massive decrease to the SBTA program. The proposed FY 2019 budget is \$1.5 million, a decrease of \$2.4 million from the approved FY 2018 budget of \$3.9 million.¹⁵¹ The total amount awarded to SBTA grantees in FY 2017 was \$3,241,458; for FY 2018 it is \$3,331,847.¹⁵² The following charts depict the number of small businesses utilizing the SBTA program through Community Based Organizations in FY 2017 and FY 2018 to date:¹⁵³

	Small Businesses Receiving SBTA from Community Based Organizations by Ward FY 2017								
Ward	1	2	3	4	5	6	7	8	Total
# of Small Businesses	192	63	20	159	381	94	260	751	1920

	Small Businesses Receiving SBTA from Community Based Organizations								
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¹⁴⁷ DHCD, Small Business Technical Assistance (SBTA), <https://dhcd.dc.gov/service/small-business-technical-assistance-sbta>.

¹⁴⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #117.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4

¹⁵² DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #119.

¹⁵³ *Id.* at question #120.

	by Ward FY 2018								
Ward	1	2	3	4	5	6	7	8	Total
# of Small Businesses	31	8	2	35	54	15	41	121	307

At the DHCD budget oversight hearing for public witnesses on April 13, 2018, many public witnesses testified to the importance of the Small Business Technical Assistance program and expressed concerns over the drastic cut. In FY 2017, there were 14 SBTA Community Based Organizations with executed grant agreements and funded purchase orders¹⁵⁴ and for FY 2018, there are currently 12 organizations that are currently funded to work with small businesses that offer a wide-ranging menu of development support and the delivery of such services are contingent on the funds made available from DHCD.¹⁵⁵ The Committee recognizes the significance of this program and are looking at solutions to resolve the funding issue.

Single Family Residential Rehabilitation Program (SFRRP): Administered by the Residential and Community Services Division, this program provides financial assistance to low-income homeowners for home repairs to alleviate D.C. building code violations and assist homeowners in repairing physical threats to health and safety and modify or eliminate barriers to accessibility for persons with mobility or other physical impairments. This program seeks to allow the District's senior population to age in place. There are three specific programs under this title, as follows:

Program Title	Program Description
Roof Repair Program	Provides a grant for seniors of up to \$15,000 to replace and/or repair the roof. This grant pays for exterior roofing and gutter work only.
Handicapped Accessibility Improvement Program (HAIP)	Provides a grant of up to \$30,000 for accessibility modifications needed to adjust most physical barriers within a home for persons with mobility or other physical impairments.
Permanent Deferred Loans for Seniors	This benefit allows households where the head of household is over 62 years of age to have the first \$10,000 of their loan, provided as a permanently deferred loan. Deferral of additional amounts is considered on a case-by-case basis.

¹⁵⁴ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #118.

¹⁵⁵ Testimony of Evette Banfield, Vice President of Economic Development Policy for the Coalition for Nonprofit Housing and Economic Development, April 13, 2018.

The Mayor's proposed FY 2019 budget for SFRRP is \$3,441,000, which represents a decrease of \$1,704,000 from FY 2018.¹⁵⁶ The approved budget for FY 2018 was \$5,145,000 with a revised FY 2018 budget of \$4,254,242; as of April 12, 2018, this line item reflected a remaining balance of \$3,589,983.¹⁵⁷ As of February 28, 2018 SFRRP received 64 applications from applicants at or above age 62 between the dates of October 1, 2016 through January 30, 2018.¹⁵⁸ Of those 64 applications, 51 were accepted into the SFRRP program, and 13 were denied for non-compliance with program guidelines.¹⁵⁹ The SFRRP program is also closely tied with the program called Safe at Home, which is administered by the District of Columbia Office on Aging (DCOA). In the Safe at Home program, senior homeowners are provided with minor home repairs through individual grants of up to \$6,000.¹⁶⁰ The SFRRP handles home repairs to bring the home up to code and for health and safety issues for dollar amounts above \$6,000.¹⁶¹

DHCD has stated that despite the modernization efforts for this program in the last couple of years, delays have occurred from time to time due to periods of significant understaffing in the program. In FY 2017, DHCD reported that the program had four (4) vacancies, which accounted for 44% of the program staffing.¹⁶² To date, three (3) of those vacancies have been filled.¹⁶³ In May 2017, DHCD reported the hiring of a program manager for this program, which had been vacant for 12 months.¹⁶⁴ The Community Based Organizations who run the intake for this program have reported that with the new program manager on board, applications are being processed for approval/denial more quickly.¹⁶⁵ The Committee will remain vigilant in addressing the complaints of the constituents and continue to follow up with DHCD to make sure that improvements continue to progress and that applications are processed in a timely manner.

Property Acquisition and Development Division (PADD): The Property Acquisition and Disposition Division (PADD) seeks to stabilize neighborhoods by decreasing the number of vacant and abandoned residential properties in the District and transforming them into homeownership opportunities for residents at all income levels. PADD has three main functions:

¹⁵⁶ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4

¹⁵⁷ FY18 Year to Date Pivot Table, April 12, 2018, *Council of the District of Columbia Office of the Budget Director*

¹⁵⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #111.

¹⁵⁹ *Id.*

¹⁶⁰ *Id.* at question #115.

¹⁶¹ *Id.*

¹⁶² *Id.* at question #110.

¹⁶³ *Id.*

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

1. Encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property;
2. Acquire vacant, blighted, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and
3. Dispose of properties in the inventory by selling the properties to individuals or developers for rehabilitation into high quality affordable and market-rate single-family and/or multifamily for-sale housing.¹⁶⁶

As of February 23, 2018, DHCD's PADD inventory consisted of 90 properties across all eight Wards, of which a significant portion were in Wards 7 and 8.¹⁶⁷ In FY 2017 and FY 2018 to date, DHCD reported having released seven (7) solicitations for PADD properties.¹⁶⁸ According to DHCD, 2 sites were disposed of in FY 2017 – the MLK Gateway and the Big K¹⁶⁹ – and DHCD has stated that approximately half of the over 90 sites currently in the PADD inventory were in some form of disposition between January 2015 and December 2017.¹⁷⁰

On December 15, 2017, five-point Vacant to Vibrant DC initiative was launched to transform the balance of that inventory into vibrant and productive solutions, such as workforce housing and creative green space, and spur economic development.¹⁷¹ The Five Action Points of Vacant to Vibrant DC are the following:¹⁷²

Action 1 – Auctioning Off to Gain Affordability: Thirty-three sites located in neighborhoods such as Bellvue (Ward 8), Carver/Langston (Ward 5), Deanwood (Ward 7), and Park View (Ward 1) were auctioned by Alex Cooper Auctioneers to produce approximately 50 workforce housing units.

Action 2 – Supporting Small Business to Spur Homeownership: Participants in the District's Certified Business Enterprise (CBE) program will bid on

¹⁶⁶ Mayor's FY 2018 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-71

¹⁶⁷ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #130, attachment 130.

¹⁶⁸ *Id.* at question #131.

¹⁶⁹ *Id.* at question #133.

¹⁷⁰ *Id.* at question #134.

¹⁷¹ *Id.*

¹⁷² DHCD, Vacant to Vibrant DC, <https://dhcd.dc.gov/page/vacant-vibrant-dc>

contracts to turn up to eight sites, located in neighborhoods that include Anacostia (Ward 8) and Deanwood (Ward 7), into workforce housing.

Action 3 – Building Homes Through HIP: The Housing Investment Platform, an innovative program from the DC Housing Finance Agency (DCHFA) will turn two sites in Anacostia (Ward 8) and Carver/Langston (Ward 5) into affordable housing.

Action 4 – Expanding Green Space: This partnership with Casey Trees will expand and preserve green space in Ward 8.

Action 5 – Seeing a Tiny House in Action: One site will house a tiny home demonstration and community education project in partnership with the DC Students Construction Trades Foundation, featuring the Minim House built by students in the Academy of Construction and Design at IDEA Public Charter School in Northeast DC.

The Committee will remain vigilant in monitoring the flow of disposition of these PADD properties and to ensure that the government is able to continuously and consistently reduce the number of vacant and blighted properties throughout the District by adhering to the stipulated actions for the Vacant to Vibrant initiative.

Rental Housing Commission: The Rental Housing Commission (“Commission”) is a three-member, independent, quasi-judicial body, which receives assistance from DHCD on administrative and budgetary matters to carry out its functions. The Commission holds appellate hearings on appeals regarding disputes concerning the District’s rent control laws from either the Rent Administrator or the Office of Administrative Hearings (OAH). The Commission is part of the Executive Branch of the D.C. Government.¹⁷³

The three Commissioners are appointed by the Mayor with the advice and consent of the Council. One commissioner is designated the Chairman of the Commission, and each Commissioner must be a member in good standing of the District of Columbia Bar.

The Commission has three statutory functions designed to preserve and increase the supply of quality affordable rental housing for the residents of the District. These duties include the responsibility to:

- Issue, amend, and rescind regulations that are promulgated for enforcement of the Rental Housing Act of 1985;
- Certify and publish the annual adjustment of general applicability to rents, which is based upon annual changes to the Consumer Price Index for the greater Washington, D.C. area; and

¹⁷³ *DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2014/2015*, February 25, 2016, at question #109.

- Decide appeals brought to the Commission from the Office of Administrative Hearings and the Rent Administrator.¹⁷⁴

Regretfully, past problems in confirming qualified commissioners resulted in a lack of a quorum for a substantial portion of FY 2010 and a smaller portion of FY 2011.¹⁷⁵ As a result, the Commission did not operate and fulfill its statutory duties for a period of one year from January 17, 2010 to January 31, 2011. This situation resulted in excruciatingly long periods of time for cases to be decided, despite the fact that important rent control cases had lain dormant at the Commission for ages. However, in August of 2011, the Council approved incoming-Mayor Gray's two nominations to the Commission, which resulted in the restoration of the Commission's customary statutory functions and operations. Finally, on January 9, 2018, the Council confirmed Lisa M. Gregory as a member of the Rental Housing Commission, replacing Peter Szegedy-Maszak.

The Commission's current full complement of Commissioners is as follows:¹⁷⁶

- Michael T. Spencer, Chairman, appointed: July 17, 2016, and whose term expires on July 18, 2018.
- Diana Harris Epps, Commissioner, appointed July 17, 2016, and whose term expires on July 18, 2019.
- Lisa M. Gregory, Commissioner, appointed January 9, 2018, and whose term expires on July 18, 2020.

Backlog of Cases: The Committee's longstanding concerns about the length of time the Commission has taken to resolve cases in the past finally appears to have been addressed. Although for a number of years, the RHC struggled with a backlog of long-pending cases, during FY 2017, the Commission reported that it reduced its overall backlog of cases pending final decision.¹⁷⁷ Further, in FY 2016, the Commission reduced its backlog of cases on appeal from 5 cases at the start of FY 2016, to 1 at the end of FY 2016 (80%). Further, the number of cases that are greater than 3 years old was reduced from 2 to 0 (100%).¹⁷⁸ The Commission has estimated that the total number of hours required to resolve each case is currently 160-200 hours.¹⁷⁹

¹⁷⁴ *Id.*

¹⁷⁵ *Id.* at question #112b.

¹⁷⁶ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2016/2017, February 21, 2017, at question #118.

¹⁷⁷ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2014/2015, February 25, 2016, at question #29.

¹⁷⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2016/2017, February 21, 2017, at question #117.

¹⁷⁹ *Id.* at question #120.

Despite a significant increase in the number of appeals filed by parties during FY 2017, the Commission's progress has continued in FY 2017 and FY 2018.¹⁸⁰ The Commission also reports that as of March 2018, the Commission was trending to outpace the progress the Commission made in FY 2017. For example, the Commission had already heard 4 appeals in FY 2018, compared to only hearing 1 appeal last year by March 1, representing a 300% increase.¹⁸¹ Similarly, the Commission had already decided or dismissed 6 cases in FY 2018 by March 1, compared to only 2 cases in FY 2017, resulting in a 200% increase.¹⁸²

Regulations for the Rental Housing Act of 1985: The Commission has the duty under the Rental Housing Act of 1985 (D.C. Law 6-10; D.C. Official Code §§ 42-3501.01 *et seq.*) to promulgate implementing rules and regulations. In part due to staffing concerns that led to the severe backlog of cases discussed above, the Commission had last issued comprehensive regulations in 1986. However, during FY16, FY17, and FY18 to date, the Commission, working with the Rent Administrator and the Office of Administrative Hearings (OAH), has a *draft* of a notice of proposed rulemaking to update 14 DCMR §§ 3800-4400. Throughout FY 2017 and FY 2018 to date, the Commission has met with an expanded interagency working group that included the Office of the Tenant Advocate (OTA) and the Housing Provider Ombudsman (HPO) to review and revise the draft rulemaking.¹⁸³

While the Committee applauds the Commission for its progress in preparing a draft of the much-needed regulations for the Rental Housing Act of 1985, the Committee is growing impatient that long-overdue amendments to the regulations have still not been published. New regulations are desperately needed that reflect the numerous changes in the Rental Housing Act, decisional case law, and the changes in the rental housing market since 1986. Regulations must be promulgated that implement the Rent Control Amendment Act of 2006, that significantly changed the District's rent control law. Further, regulations are needed that reflect transfer of the Rent Administrator's adjudicatory functions to the Office of Administrative Hearings. Housing providers, tenants, and judges are currently left to make their best judgments as to how to implement these and other legislative changes. These overdue regulations are vital to protecting tenants' rights and preserving affordable housing in the District and must be promulgated without further delay.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

¹⁸⁰ The Commission experienced a 66% increase in the number of appeals in FY17, from 15 appeals filed in FY 16 to 25 appeals filed in FY17, and also heard 50% more appeals in FY 17 than it did in FY16, from 6 in FY16 to 12 in FY17. FY18 Performance Oversight Hearing, Testimony of Michael T. Spencer, Chairperson, March 2, 2018, page 3.

¹⁸¹ *Id.*

¹⁸² *Id.* at 4.

¹⁸³ *Id.* at question #117.

The Department of Housing and Community Development has \$573,216 of capital budget in the Property Acquisition & Disposition (PADD) program and \$377,486 in the DHCD DDOT Capital Federal Grant Project.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Department of Housing and Community Development in the amount of \$191,369,296 with the following changes:

1. *Delete the following one (1) vacant FTEs to fund one (1) FTE as an Elder Abuse Investigator at the Office of the Attorney General:*
 - a. Reduce CSG 11 (Regular Pay – Continuing Full Time) by \$80,806.00 and CSG 14 (Fringe – Current Personnel) by \$17,454.10 from Program 1000 (Agency Management), Activity 1090 (Performance Management)
2. *Reduce CSG 41, Program 4100, Activity 4130, Fund 610 (Property Disposition) by \$300,000 to reallocate to CSG 41 Program 1000, Activity 1030 (Property Management) for the purpose of establishing an MOU to the DC Housing Finance Agency fund a portion of the Reverse Mortgage Budget Support Act (BSA) subtitle.*
3. *Reduce CSG 41, Program 4100, Activity 4150, Fund 610 (Vacant and Blighted Program) by \$200,000 to reallocate to CSG 41 Program 1000, Activity 1030 (Property Management) for the purpose of establishing an MOU to the DC Housing Finance Agency fund a portion of the Reverse Mortgage BSA subtitle.*

b. Fiscal Year 2019 Capital Budget Recommendations

Capital funding in the Department of Housing and Community Development's PADD program has not been utilized since FY 2014. Therefore, the Committee recommends:

1. *Reduce the 04002C project budget by \$436,910.13, exchange the budget authority with the Pay-go allotment for project SW601C, convert this amount to local funds and fund the following purposes:*
 - a. Transfer \$225,000 to the DC Office on Aging, Program 9200, Activity 9215 (Community Outreach and Special Events) for the purpose of conducting

outreach to isolated seniors and promote DCOA services to result in an increase in the total number of seniors served by the end of Fiscal Year 2019.

- b. Transfer \$60,000 to the Office on Returning Citizen Affairs to fund 3-month transportation stipends for 200 returning citizens.
- c. Reallocate \$150,000 to CSG41, Program 1000, Activity 1030 for the purpose of providing a grant to Housing Up to study the capacity needs of nonprofit affordable housing organizations.

c. **Fiscal Year 2019 Policy Recommendations**

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. The Committee urges DHCD to continue to work expeditiously to promote and fill the remaining number of vacancies that are outstanding within the Department with capable experts. The Committee will continue to monitor the vacancy levels to ensure that all the essential positions are filled.
2. The Committee recognizes DHCD's recent efforts to hire a Preservation Officer and to select two fund managers to jumpstart the Preservation Fund. The Committee encourages DHCD to continue the development of this fund to ensure that DHCD properly leverages and builds up this fund for the preservation of affordable housing in the District.
3. The Committee recommends that the agency select projects and proposals based on the housing needs of District residents, and simultaneously urges DHCD to comply with the statutory mandates and continuously monitor all the affordable housing projects for proper income certification.
4. The Committee recommends that DHCD continue to monitor the utilization of the down payment assistance programs, particularly HPAP and EAHP, to ensure that the enhancements will be spent in an expeditious manner, particularly in light of the changing assistance levels and processes within the program.
5. The Committee strongly encourages DHCD to ensure that the existing programs funded with the Community Development Block Grant (CDBG) monies that have been drastically cut, including housing counseling and small business technical assistance programs, will be restored and fully funded once the federal budget process is complete.

6. The Committee urges DHCD to start complying with the statutory mandate to submit annual reports on Unified Fund spending, pursuant to 2009(h) of the Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01(h)).
7. The Committee encourages DHCD to work with the District of Columbia Housing Finance Agency (DCHFA) to expeditiously establish an MOU transferring funds to DCHFA to begin administration of the Reverse Mortgage program. The Committee also urges DCHFA to set up a payment plan for the seniors who receive this one-time assistance through the program to avoid future delinquencies on property tax and insurance payments.

F. ADVISORY NEIGHBORHOOD COMMISSIONS (DX0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Advisory Neighborhood Commissions	LOCAL FUND	\$850,801	\$1,026,907	\$1,130,614	\$15,000	\$1,145,614
	Total	\$850,801	\$1,026,907	\$1,130,614	\$15,000	\$1,145,614

OPERATING BUDGET FUND TYPE GROSS FUNDS FTEs

	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Advisory Neighborhood Commissions						
100 LOCAL FUND	LOCAL FUND	2.50	3.50	4.50		4.50
GROSS FTEs	TOTAL	2.50	3.50	4.50		4.50

OPERATING BUDGET BY CSG GROSS FUNDS

		FY 2016 Actuals	FY 2017 Approved	FY 2018 Proposed	Committee Variance	FY 2018 Committee
DX0 - ADVISORY NEIGHBORHOOD COMMISSIONS						
	11	\$177,303	\$253,431	\$346,980		\$346,980
	12	\$32,165	\$32,994	\$33,983		\$33,983
	14	\$28,525	\$46,522	\$54,859		\$54,859
	20	\$158	\$5,000	\$5,000		\$5,000
	40	\$2,640	\$11,272	\$12,104	\$15,000	\$27,104
	41	\$600	\$0	\$0		\$0
	50	\$609,411	\$677,688	\$677,688		\$677,688
	Total	\$850,801	\$1,026,907	\$1,130,614	\$15,000	\$1,145,614

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the Advisory Neighborhood Commissions (“ANCs”) is (1) to advise the D.C. government on the public policies that currently affect and may potentially affect their neighborhood areas, and (2) to expend funds allotted to each Commission for the public good within the area the Commission represents.

The ANCs’ mission to advise the government includes considering such issues as police protection, economic development, health, safety, zoning, and other issues concerning their respective neighborhoods. As the organ of the District government with the closest official ties to individual residents, ANCs are the government’s liaison to local communities, thus enabling more effective service by the District government. They ensure that the government receives direct input from a body comprising the residents of the neighborhoods that are directly affected by any particular government action.

The ANCs present their positions and recommendations on issues to various District government agencies, the Executive Branch, and the Council through official comments approved by majority vote. They also present testimony to independent agencies, boards, and commissions, usually under the rules of procedure specific to those entities. District government agencies are legally obligated to provide direct responses to each concern raised by an ANC affected by a proposed action.

The Commissioners are supported in their mission by the Office of Advisory Neighborhood Commissions (“OANC”), which provides technical, administrative, and financial reporting assistance to the 40 ANCs and the 296 Single Member District Commissioners who comprise them. The OANC is established, pursuant to D.C. Official Code § 1-309.15(a), “to provide technical, administrative, and financial reporting assistance to the Advisory Neighborhood Commissions.”

b. Mayor’s Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor’s proposed FY 2019 budget for the Advisory Neighborhood Commissions and the OANC is \$1,130,614, an increase of \$103,707 compared to FY 2018. This budget consists of local funds only.

Within DX0, OANC is allotted \$452,926 for FY 2019. The remainder of DX0, \$677,688, is distributed among the 40 ANCs themselves in quarterly allotments according to their respective populations.

The Mayor’s proposed FY 2019 budget grants OANC 4.5 FTEs. These staffing levels represent an increase of 1.0 FTE compared to FY 2018. The Mayor’s budget does

not fund staff for the ANCs themselves, which are authorized by statute to procure their own full-time or part-time staff with their quarterly allotments.¹⁸⁴

Local Funds: The Mayor's proposed FY 2019 budget for the Advisory Neighborhood Commissions and the OANC is \$1,130,614, an increase of \$103,707 compared to FY 2018. The agency has 4.5 FTEs: the Executive Director, the Deputy Director, a Special Assistant, and two Outreach Assistants (with the latter two comprising 1.5 FTEs).

Special Purpose Revenue Funds: The Mayor's proposed budget for OANC does not include any special purpose revenue funds.

Federal Funds: The Mayor's budget for OANC does not include any federal funds.

Intra-District Funds: The Mayor's proposed budget for OANC includes no intra-district funds.

Committee Analysis and Comments

No Increase to Advisory Neighborhood Commission Allotments: The DX0 budget allocation includes funding for the operations of OANC as well as the allocation for ANC quarterly allotments (\$677,688 across 40 Commissions, distributed according to population¹⁸⁵). While the allocation for OANC has consistently seen increases to personal services for cost-of-living adjustments, the allocation for ANC quarterly allotments has not been adjusted for inflation since FY 2011.¹⁸⁶ Furthermore, this allocation has remained flat despite a rapidly increasing estimated population for the District as a whole.

ANCs are authorized to expend their allotted funds for many purposes, all of which relate to providing a benefit to the community that the ANC represents. ANCs often support their operations by renting office space, hiring staff to communicate with constituents and assist with bookkeeping and research, and purchasing office supplies. ANCs also reimburse Commissioners for local transportation costs incurred to carry out official business. ANCs are otherwise authorized to expend funds to benefit the community either directly or via grants, and they have done so to, for example, implement neighborhood beautification projects, host community events, and subsidize the creation of other neighborhood benefits such as dog parks.

The current funding level for ANC allotments represents a 25% decrease in nominal dollars compared to Fiscal Year 2009. Further, according to the U.S. Bureau of Labor Statistics, the current allocation for ANC allotments has 29% less purchasing power than

¹⁸⁴ D.C. Official Code § 1-309.13(o).

¹⁸⁵ OANC Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2019, March 29, 2018.

¹⁸⁶ OANC Fiscal Year 2018 Budget Oversight Hearing Before the Committee on Housing and Neighborhood Revitalization, May 1, 2017 (testimony of Gottlieb Simon, Executive Director).

that in Fiscal Year 2009 when adjusted for inflation.¹⁸⁷ This deflation of ANC allotments is exacerbated by the fact that ANC allotments are based on population data from the 2010 U.S. Census, which do not reflect significant population increases and shifts that have occurred since that census was taken.

The Committee recommends that OANC continue to advocate where possible for the Mayor to budget an increase to ANC allotments in the DX0 budget for future fiscal years such that, at minimum, when adjusted for inflation, those allotments match the purchasing power that they had in FY 2011. Ultimately, the Committee hopes that in the near future the total allocation for ANC allotments might reach \$1.25 per resident, up from the current level of approximately \$1.01 per resident (based on the 2015 District population estimate of 672,288, available on the D.C. Office of Planning's web page).

OANC Budget Increase: Most of the increase to the DX0 allocation (\$90,182)¹⁸⁸ accounts for the addition of one Full Time Equivalent ("FTE") and associated salary and benefits, for the purpose of enabling OANC to hire an additional staffer to implement additional duties placed on OANC by the Advisory Neighborhood Commissions Omnibus Amendment Act of 2016 ("Omnibus Act").¹⁸⁹ The allocation of this funding would newly trigger the legal applicability of these provisions, which require OANC to undertake several specific duties.

Many of these duties are already being performed, but some would be new, including developing and implementing new programming and services to assist Commissioners in serving District residents, organizing and overseeing a biannual task force of Commissioners charged with assisting the OANC in updating the ANC Handbook, and increasing public awareness of the work of the Advisory Neighborhood Commissions. The addition of an FTE and associated funding in Fiscal Year 2019 will enable OANC to carry out these functions and to generally expand its capacity.

The remainder of the increase to DX0 accounts for cost-of-living adjustments to the personal services budget for OANC staff (\$12,694)¹⁹⁰ and an increase for anticipated contracting and procurement activities (\$832)¹⁹¹ related to the additional outreach and support responsibilities mandated under the Omnibus Act.

OANC Financial Oversight Duties: The Omnibus Act amended¹⁹² the legal mandate for the Office of Advisory Neighborhood Commissions to include the review of Commission quarterly financial reports, the approval or disapproval of Commission

¹⁸⁷ "United States Bureau of Labor Statistics CPI Inflation Calculator", available at https://www.bls.gov/data/inflation_calculator.htm (accessed April 30, 2018).

¹⁸⁸ OANC Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2019, March 29, 2018.

¹⁸⁹ Law 21-269; D.C. Official Code § 1-309.01 *et seq.*

¹⁹⁰ OANC Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2019, March 29, 2018.

¹⁹¹ *Id.*

¹⁹² Law 21-269; D.C. Official Code § 1-309.01 *et seq.*

expenditures, and the release of Commission quarterly allotments pursuant to D.C. Official Code § 1–309.13. Accordingly, beginning in April 2017, OANC assumed responsibility for ANC financial oversight and quarterly allotment approval duties, previously performed by the Office of the D.C. Auditor, to ensure each ANC is in compliance with District laws and regulations.

For FY 2018, the Committee effected the transfer of one FTE and the associated personnel funding from ODCA to OANC, along with the funding necessary for associated information technology costs,¹⁹³ to support OANC in undertaking its new responsibilities for quarterly review of ANC financial reports. As of the second quarter of Fiscal Year 2018, the Director of OANC has reported encountering no significant difficulties with implementing the agency’s new financial oversight duties.

ANC Spending Methods: The Committee is aware of the unnecessary burdens faced by Advisory Neighborhood Commissions and Commissioners themselves since ANCs may only legally expend funds via paper check or petty cash fund. For example, many vendors, including some large department stores, refuse or are reluctant to accept paper checks. In addition, being limited to expenditure by check or petty cash prevents Commissions from purchasing directly from online vendors, which is often more cost-effective than purchasing goods in person due to the ability to buy goods in bulk and to save the time and money required for personal travel to a store.

To accommodate the limits imposed by the restriction to checks and petty cash, Commissions often rely upon individual Commissioners to use their own debit or credit cards or otherwise make an expenditure on behalf of the Commission, for which the Commission later provides a reimbursement via check. The Committee finds this to be an excessive personal burden that Commissioners should not have to carry to serve their constituents. Moreover, not all Commissioners are financially able to advance funds to their Commission, or to wait to be reimbursed until later.

To address these problems, the Committee is developing legislation to allow Commissions to use some form of bank card to make permissible expenditures from their allotments.¹⁹⁴ The Committee is also in consultation with the OANC and the Office of the Chief Financial Officer to ensure adequate security measures against fraudulent spending that could be placed on the cards. The Committee expects that, were this legislation to be approved and implemented, ANC spending habits would change as Commissions could spend less, for example, on transportation costs due to being able to arrange deliveries that were not possible before, and perhaps spend more on uses that benefit the community due to the increased ease with which ANCs could make legitimate purchases. The Committee expects to accomplish this before the end of Council Period 22 and hopes that this modernization, along with an eventual adjustment of ANC allotments for inflation and population changes, would make ANC budgeting and spending significantly more efficient.

¹⁹³ Resolution R22-0044; 64 D.C.R. 2752.

¹⁹⁴ Bill B22-0236, the “Advisory Neighborhood Commissions Purchase Cards Amendment Act of 2017”.

2. COMMITTEE RECOMMENDATIONS

Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the Office of Advisory Neighborhood Commissions in the amount of \$1,130,614 with the following change:

1. *The Committee recommends that the Office of Advisory Neighborhood Commissions accept an enhancement of \$15,000 in recurring local funds for funding American Sign Language interpretation services.*

This enhancement is for paying costs charged by the Office of Disability Rights for the provision of American Sign Language interpretation for official Advisory Neighborhood Commission meetings. This recurring allocation will ensure that there is a substantial source from which Advisory Neighborhood Commissions can fund American Sign Language interpretation, so Commissions that face higher levels of need for this service are not at a financial disadvantage with respect to their own quarterly allotments.

Fiscal Year 2019 Policy Recommendations

1. The Committee recommends that OANC provide a report to the Committee following the conclusion of the first full fiscal year of OANC financial oversight and review of Commission quarterly reports detailing: (1) new practices instituted since taking over the duties from ODCA; (2) any unexpected situations or issues encountered that were not contemplated when the transfer of duties was effected; (3) how those situations or issues were handled; (4) feedback received from the public and from Commissioners in relation to the OANC's handling of financial oversight; and (5) any recommendations or requests from the OANC to other District agencies or the Council regarding the OANC financial oversight of Commissions.
2. The Committee recommends that OANC continue to work with the Committee and the Office of the Chief Financial Officer to find a workable legislative solution to the difficulties ANC's and Commissioners themselves face due to being limited to spending ANC funds via paper check or petty cash.
3. The Committee recommends that OANC continue to advocate for an increase to ANC allotments in the DX0 budget for future fiscal years such that, at minimum,

when adjusted for inflation, those allotments match the purchasing power that they had in FY 2011, since which the allocation has remained flat. Ultimately, the Committee hopes that the total allocation for ANC allotments might reach \$1.25 per resident, up from the current level of approximately \$1.01 per resident.

4. The Committee recommends that OANC put forth its best efforts to assist Advisory Neighborhood Commissions in navigating the process of requesting American Sign Language interpretation services for meetings through the Office of Disability Rights, in addition to paying the associated costs using the allotted funding for that purpose.

G. HOUSING FINANCE AGENCY (HF0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

OPERATING BUDGET BY CSG GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Housing Finance Agency	ENTERPRISE AND OTHER FUNDS	\$0	\$12,320,210	\$12,960,432		\$12,960,432
	Total	\$0	\$12,320,210	\$12,960,432		\$12,960,432

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Housing Finance Agency	11	\$0	\$5,588,499	\$5,951,751		\$5,951,751
	14	\$0	\$1,714,451	\$1,825,890		\$1,825,890
	15	\$0	\$30,000	\$30,000		\$30,000
	20	\$0	\$113,300	\$116,699		\$116,699
	30	\$0	\$139,050	\$143,222		\$143,222
	31	\$0	\$103,000	\$106,090		\$106,090
	33	\$0	\$84,460	\$102,907		\$102,907
	34	\$0	\$25,750	\$26,523		\$26,523
	40	\$0	\$1,854,000	\$1,909,620		\$1,909,620
	41	\$0	\$2,472,000	\$2,546,160		\$2,546,160
	70	\$0	\$195,700	\$201,571		\$201,571
TOTAL		\$0	\$12,320,210	\$12,960,432		\$12,960,432

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The District of Columbia Housing Finance Agency (DCHFA) was established in 1979 to support and expand homeownership and rental housing opportunities for low- to moderate-income residents of the District.¹⁹⁵ DCHFA accomplishes this by issuing

¹⁹⁵ See District of Columbia Housing Finance Agency (hereinafter "DCHFA"), *Mission Statement*, <http://www.dchfa.org/DCHFAHome/AboutUs/MissionStatement/tabid/107/Default.aspx> (last visited April 23, 2018).

mortgage revenue bonds, which lower homebuyers' expenses of purchasing homes, and developers' costs of developing rental units. DCHFA's multifamily financing program involves the financing of affordable housing through the issuance of tax-exempt bonds, taxable bonds, 4% Low Income Housing Tax Credits, and McKinney Act Savings Funds.

DCHFA is a corporate instrumentality with a legal existence separate from the District government.¹⁹⁶ By statute, the agency's budget is independent of the D.C. Government's Executive Branch. The agency has its own financial reporting system and is not tied to the financial reporting system of the District. The agency is governed by a Board of Directors and does not utilize District full-time equivalent employee levels (FTEs). DCHFA's Board of Directors approves the agency's budget for the upcoming fiscal year in the fourth quarter of the current fiscal year.¹⁹⁷

DCHFA receives no dedicated taxes or special purpose funding. All revenues that support the agency are generated by the agency through fees and other revenues associated with its programs. The agency is entirely self-supporting, and none of its proposed budget funds are derived from District Government revenues. To support its operations and lending programs, the agency utilizes a variety of revenue sources, including the issuance of tax-exempt mortgage revenue bonds, earned income, fees and grants. Nevertheless, the agency's budget is subject to the Council of the District of Columbia's review and is included in the annual Budget Book.

Table 1: DCHFA Board of Directors¹⁹⁸

Name	Position	Date of Confirmation	Expiration of Term
Buwa Binitie <i>Chair</i>	Member with experience in finance	June 27, 2017	June 28, 2019
Stephen M. Green <i>Vice Chair</i>	Member with experience in finance	Dec. 6, 2016	June 28, 2018
Bryan "Scottie" Irving	Member with experience in planning	June 27, 2017	June 28, 2019
Stanley Jackson	Member representing community interests	June 27, 2017	June 28, 2019
Sheila Miller	Member with experience in home building	June 27, 2017	June 28, 2019

¹⁹⁶ D.C. Official Code § 42-2702.01.

¹⁹⁷ See DCHFA, *Responses to Fiscal Years 2018/2019 Supplemental Budget Oversight Question*, April 10, 2018 (Question #2).

¹⁹⁸ DCHFA Board membership as of April 23, 2018.

DCHFA administers the following programs:

Multifamily Programs

Multifamily Mortgage Revenue Bond Program (MMRB): Under the MMRB Program, nonprofit, for-profit, and 501(c)(3) developers can access tax exempt, taxable, and 501(c)(3) bonds for the following eligible uses: acquisition, construction and permanent loans, fixed and variable rate loans, rated and un-rated tax exempt and taxable bond financing, and credit enhanced or un-enhanced financing, including financing under Federal Housing Administration Multifamily Insurance Programs, DCHFA-HUD Risk Sharing Program, Fannie Mae, Freddie Mac, Delegated Underwriting and Servicing lending, and Letter of Credit.¹⁹⁹

The MMRB financing product can be used to rehabilitate or construct the following: rental housing (affordable, mixed income, and market rate), cooperatives (Limited Equity), elderly housing, assisted-living facilities, and transitional housing.²⁰⁰ Federal regulations require that developers/sponsors who utilize MMRB financing set aside at least 20% of their units for individuals or families earning at or below 50% of the area median income (AMI) or at least 40% of their units for individuals or families earning at or below 60% of AMI.²⁰¹ Projects approved for MMRB financing that will be financed through the sale of tax exempt private activity bonds are then eligible to receive 4% low income housing tax credits (LIHTCs).²⁰²

4% Low Income Housing Tax Credit Program (LIHTC): The 4% LIHTC Program was created by the Tax Reform Act of 1986 (P.L. 99-154). Its purpose is to incentivize development and rehabilitation of affordable rental housing. The Department of Housing and Community Development (DHCD) is the District's authorized allocating agency for 4% LIHTCs. Pursuant to a Memorandum of Understanding between DHCD and DCHFA, DCHFA underwrites and administers the District's allocation of 4% LIHTCs.²⁰³

LIHTC is a companion financing tool for MMRB financing, and is funded through the sale of tax-exempt private activity bonds.²⁰⁴ Developers apply to allocating agencies for tax credit allocations, then seek equity from third-party investors in exchange for the tax credits.²⁰⁵ This infusion of equity effectively reduces the cost of projects, thereby

¹⁹⁹ DCHFA, *Mortgage Revenue Bonds*, <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/MortgageRevenueBonds/tabid/134/Default.aspx> (last visited April 23, 2018).

²⁰⁰ *Id.*

²⁰¹ *Id.*

²⁰² *Id.*

²⁰³ See DCHFA, *Responses to Fiscal Years 2018/2019 Standard Budget Oversight Questions*, April 10, 2018 (TAB 4 MOU Chart). The current MOU between DHCD and DCHFA delegating LIHTC underwriting to DCHFA was entered into on May 15, 2015, and is set to expire May 5, 2020. *Id.*

²⁰⁴ DCHFA, *4% Low Income Housing Tax Credit Program (LIHTC)*, available at <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/4LIHTC/tabid/135/Default.aspx> (last visited April 23, 2018).

²⁰⁵ *Id.*

increasing the likelihood that they will be financed.²⁰⁶ In order to realize LIHTC benefits, developers must comply with the same “20-50 test” or “40-60 test” as the MMRB. LIHTCs can be used to generate part of the required equity a borrower must contribute to the financing, or they can be utilized to offset the borrower's tax payments.²⁰⁷

McKinney Act Loan Program: McKinney Act Loans are short term predevelopment “bridge” loans that can be used to finance the acquisition, predevelopment, and rehabilitation costs associated with housing development, and are available to both nonprofit and for-profit developers.²⁰⁸ The funds may be used for one or the more of the following purposes: pre-development and development soft costs, acquisition, construction or rehabilitation, down payment closing cost assistance, mortgage interest rate buy down, credit enhancement or loan guarantee, ancillary or functionally related recreational, health, educational or social services facilities that are integral to housing occupied by very low income persons and families, and equity bridge loans.²⁰⁹

Single Family Programs

DC Open Doors: DC Open Doors provides home purchase loans and down payment assistance to first-time and repeat homebuyers. The program offers both FHA and Fannie Mae/Freddie Mac mortgage loan products that provide up to 3.5% down payment assistance to borrowers earning at or below 120% of AMI. The program also forgives 20% of the initial 3.5% down-payment loan per year. DCHFA administers DC Open Doors via a network of national and local lenders. DC Open Doors is compatible with a variety of other home purchase programs and products, including the DC Employer Assisted Housing Program (EAHP), DC Negotiated Employee Affordable Home Purchase Program (NEAHP), DC Home Purchase Assistance Program (HPAP), DCHFA’s Mortgage Credit Certificate Program, and Wells Fargo City LIFT Down Payment Assistance Program.²¹⁰ Working with participating lenders and real estate agent partners, the program has quickly grown in popularity. In 2016, DCHFA celebrated the milestone of providing \$200 million of assistance to District homebuyers through the DC Open Doors program.²¹¹ Since then, that number has continued to increase to 906 loans, totaling \$270 million in assistance.²¹²

HomeSaver Phase I and Phase II: The HomeSaver Program is a federally funded foreclosure prevention initiative that provides onetime and ongoing monthly mortgage assistance to eligible unemployed and underemployed District of Columbia homeowners

²⁰⁶ *Id.*

²⁰⁷ *Id.*

²⁰⁸ DCHFA, *McKinney Act Loan Program*, available at <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/McKinneyActFunds/tabid/136/Default.aspx> (last visited April 23, 2018).

²⁰⁹ *Id.*

²¹⁰ DCHFA, *Responses to 2017 Performance Oversight Pre-Hearing Questions*, Feb. 3, 2017 (Question #21).

²¹¹ DCHFA, *DC Open Doors Funds \$200 Million in Mortgage Assistance Loans*, Nov. 8, 2016, available at [http://www.dchfa.org/Portals/0/Documents/PressReleases/Press-Release-DC-Open-Doors-Funds-\\$200-Million-in-Mortgage-Assistance-Loans.pdf](http://www.dchfa.org/Portals/0/Documents/PressReleases/Press-Release-DC-Open-Doors-Funds-$200-Million-in-Mortgage-Assistance-Loans.pdf).

²¹² DCHFA, *Fiscal Years 2018/2019 Budget Oversight Hearing*, April 17, 2018 (testimony of Executive Director Todd A. Lee).

using U.S. Department of Treasury Hardest Hit Fund (HHF) funding.²¹³ HomeSaver Phase I is a mortgage payment assistance program through which eligible D.C. homeowners may receive a one-time “lifeline assistance” payment of up to nine months mortgage delinquency and/or mortgage assistance of up to \$60,000 or monthly payments through December 31, 2020. HomeSaver Phase II is a restore assistance program through which eligible D.C. homeowners may receive a one-time payment of up to \$60,000 to catch up on delinquent property-related expenses, including real property taxes, condominium fees, homeowner association fees, and hazard insurance.

In November 2016, the Treasury granted DCHFA approval to expand the parameters of both Phase I and Phase II of the program, allowing the funds to be used for “catch-up” payments and extending Phase II to include delinquent expenses beyond property taxes.²¹⁴ Since these changes were implemented, DCHFA has committed \$3,238,408 to 100 homeowners to prevent foreclosure.²¹⁵ Of these borrowers, 89 participated in Phase I and 11 participated in Phase II.²¹⁶

Mortgage Credit Certificate (MCC): The Mortgage Credit Certificate provides borrowers with a tax credit of up to 20% of the interest annually paid. This product may be used in conjunction with DC Open Doors Loans. From the launch of the MCC in June 2016 through February 2018, 230 DC Open Doors Loans closed with MCCs, totaling an underlying loan amount of \$466,098,000.²¹⁷ During the same period, 98 non-DC Open Doors loans closed with MCCs, totaling an underlying loan amount of \$1,913,567.²¹⁸

Home Purchase Assistance Program (HPAP): HPAP provides down payment assistance and closing cost assistance, in the form of interest-free loans, to qualified first-time homebuyers for the purchase of their primary residence. On December 16, 2016, the Department of Housing and Community Development (DHCD) announced that it was adding DCHFA as a co-administrator of HPAP for the final 6 months of FY 2017 (March 1, 2017 – September 30, 2017).²¹⁹ This agreement was extended to FY 2018. Any costs DCHFA incurs in association with its role as co-administrator of HPAP are reimbursed by DHCD using federal Community Development Block Grant funding.²²⁰

²¹³ See DCHFA, *Responses to 2018 Performance Oversight Pre-Hearing Questions*, Feb. 26, 2018 (Question #57).

²¹⁴ See DCHFA, *Responses to 2017 Performance Oversight Pre-Hearing Questions*, Feb. 3, 2017 (Question #9).

²¹⁵ See DCHFA, *Responses to 2018 Performance Oversight Pre-Hearing Questions*, Feb. 26, 2018 (Question #76). This data is current through Feb. 21, 2018.

²¹⁶ *Id.*

²¹⁷ *Id.*

²¹⁸ *Id.*

²¹⁹ DCHFA, *Responses to 2017 Performance Oversight Pre-Hearing Questions*, Feb. 3, 2017 (Question #21).

²²⁰ See *id.* at Question #12. DCHFA’s Office of Single Family Programs maintains 6 FTEs, 2 of whom dedicate a significant portion of their time to administering HPAP. DCHFA, *Responses to Fiscal Years 2018/2019 Supplemental Budget Oversight Questions*, April 10, 2018 (Question #11).

In FY 2017, DCHFA closed 38 HPAP loans, providing a total of \$2,111,402 in down payment and closing cost assistance.²²¹ In the first four months of FY 2018, DCHFA closed an additional 58 HPAP loans, totaling \$3,594,836.²²² As of April 15, 2018, the agency had an additional 23 HPAP applications in process, and anticipates closing approximately 200 HPAP loans in FY 2019.²²³

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY 2019 operating budget for DCHFA is \$12,960,432 which represents an increase of 5.2% from the FY 2018 approved budget of \$12,320,210. DCHFA's budget is comprised entirely of Enterprise and Other funds, which makes it easier for the Office of the Chief Financial Officer to avoid double-counting monies that appear in certain transfer paper agencies and Enterprise agencies. DCHFA receives no dedicated taxes or special purpose funding.²²⁴

Committee Analysis and Comments

Notable Budget Increases: The agency's FY 2019 proposed operating budget represents a 6.5% total increase in personal services, comprised of a 6.5% increase in regular pay and fringe benefits. The budget also includes a 3.3% increase in nonpersonal services, including a 3% increase across the board in the following categories: supplies and materials; energy communication and building rentals; telephone, telegraph, telegram; security services; other services and charges; contractual services – other; and equipment and equipment rental, as well as a 21.8% increase in janitorial services.

Housing Investment Platform (HIP): In 2017, DCHFA launched its Single Family Housing Investment Platform (HIP), which is specifically designed to engage local developers and contractors by providing equity in projects in exchange for the production of for-sale workforce housing.²²⁵ The agency broke ground on its first HIP project in August 2017, in which it partnered with local developer H2DesignBuild and City First Bank to produce five townhomes on Elvans Road in Ward 8. A second project in the Marshall Heights neighborhood is expected to yield an additional 16 homes. DCHFA has

²²¹ DCHFA, *Responses to 2018 Performance Oversight Pre-Hearing Questions*, Feb. 26, 2018 (Question #74).

²²² *Id.*

²²³ DCHFA *Fiscal Years 2018/2019 Budget Oversight Hearing*, April 17, 2018 (testimony of Executive Director Todd A. Lee).

²²⁴ All revenues that support the agency are generated by the agency through fees and other revenues associated with its programs. Any administrative costs the agency incurs related to its role as a co-administrator of HPAP are reimbursed by DHCD through federal CDBG funds.

²²⁵ See DCHFA, *Responses to Fiscal Years 2018/2019 Supplemental Budget Oversight Questions*, April 10, 2018 (Question #6). "Workforce housing" is available to those earning 60-120% of the Area Median Income.

also partnered with DHCD to participate in the agency's Vacant to Vibrant initiative. As part of this initiative, DCHFA has acquired two sites from DHCD in the Rosedale and Anacostia neighborhoods. These two sites are expected to support up to 12 new homes.

The Committee commends DCHFA for developing this innovative approach to stimulate the production of workforce housing. Through the HIP model, the agency has made a conscious decision to prioritize, support, and help build the capacity of local developers, while simultaneously increasing the housing stock available to moderate-income families. At the same time, the Committee acknowledges concerns that the homes being developed through the HIP might still be unaffordable to many of the residents who currently reside in the targeted neighborhoods and encourages DCHFA to explore additional options for creating homeownership opportunities for lower income residents.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

The District of Columbia Housing Finance Agency has no associated capital funds.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the FY 2019 budget for the District of Columbia Housing Finance Agency in the amount of \$12,960,432, as proposed by the Mayor.

b. Fiscal Year 2019 Capital Budget Recommendations

The District of Columbia Housing Finance Agency has no associated capital funds.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Housing Finance Agency implement the following policy recommendations:

1. Work to expeditiously fill the agency's five vacant positions.
2. Closely examine underwriting of existing LIHTC projects that have been affected by recent pricing volatility to ensure that the projects stay on track.
3. Continue to explore innovative options for supporting the development of housing that targets residents at lower income levels, particularly those under 60% of the Area Median Income.

4. Identify opportunities for the agency's continued and expanded engagement in community development, community investment, and community support activities.
5. Keep the Committee updated on any changes to DC Open Doors and the HomeSaver Program as the agency considers enhancements to these programs in FY 2019.
6. Work with the Department of Housing and Community Development to expeditiously establish an MOU to begin administration of the Reverse Mortgage Program.

H. HOUSING PRODUCTION TRUST FUND SUBSIDY (HP0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendatio n
Housing Production Trust Fund Subsidy	LOCAL FUND	\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078
	Total	\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Housing Production Trust Fund Subsidy	50	\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078
TOTAL		\$42,732,104	\$48,317,389	\$39,335,078		\$39,335,078

I. DISTRICT OF COLUMBIA HOUSING AUTHORITY (HY0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

	FY 2016 Actuals	FY 2017 Approved	FY 2018 Proposed	Committee Variance	FY 2018 Committee Approved
HY0 - HOUSING AUTHORITY SUBSIDY					
LOCAL FUND	\$54,624,261	\$85,980,465	\$96,696,225	\$823,500	\$97,519,725
SPECIAL PURPOSE REVENUE FUNDS (OTYPE)	\$0	\$0	\$0	\$743,100	\$743,100
Total	\$54,624,261	\$85,980,465	\$96,696,225	\$1,566,600	\$98,262,825

OPERATING BUDGET BY CSG GROSS FUNDS

	FY 2016 Actuals	FY 2017 Approved	FY 2018 Proposed	Committee Variance	FY 2018 Committee Approved
HY0 - HOUSING AUTHORITY SUBSIDY					
50	\$54,624,261	\$85,980,465	\$96,696,225	\$1,566,600	\$98,262,825
Total	\$54,624,261	\$85,980,465	\$96,696,225	\$1,566,600	\$98,262,825

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The mission of the District of Columbia Housing Authority (“DCHA”) is to provide quality affordable housing to low-income households, foster sustainable communities, and cultivate opportunities for residents to improve their lives. The agency maintains five goals:

- (1) Create opportunities, through collaboration and partnerships, to improve the quality of life for DCHA residents;
- (2) Increase access to quality affordable housing;
- (3) Provide livable housing to support healthy and sustainable communities;
- (4) Foster a collaborative work environment that is outcome-driven and meets the highest expectations of the affordable housing industry; and
- (5) Effectively communicate DCHA’s accomplishments and advocate for its mission.

DCHA was established by the District of Columbia Housing Authority Act of 1999.²²⁶ The Executive Director leads the agency and is appointed by the 11-member DCHA Board of Commissioners.

The Executive Director is supported by several agency divisions, including the Office of Administrative Services, the Client Placement Division, the Office of Resident Services, the Office of Capital Programs, the Office of Audit and Compliance, the Office of Fair Hearings, the Office of Financial Management, and the Office of General Counsel, as well as in-house Human Resources, Information Technology, Operations Support, Public Affairs, and Public Safety offices, and the D.C. Housing Authority Police Department.

Local funding for DCHA is accounted for in three categories: the Local Rent Supplement Program, the Rental Assistance Program, and the Office of Public Safety. The rest of the agency’s budget is funded by the federal government, mostly in the form of grants from the U.S. Department of Housing and Urban Development (“HUD”).

Most of DCHA’s District funding comprises the Local Rent Supplement Program (“LRSP”), a continuous stream of subsidies that maintain the deep affordability of rental housing units by flowing to housing providers, nonprofit partners, or directly to low-income households. One portion of this funding is allocated annually for tenant-based vouchers, which directly subsidize the monthly rent of low-income households (30% of Area Median Income (“AMI”) and below) who hold the vouchers. Along with its federally funded tenant-based vouchers (for which households at 50% AMI and below are eligible),

²²⁶ D.C. Law 13-105, effective May 9, 2000.

DCHA administers these locally funded tenant-based housing vouchers according to the rules of HUD's Housing Choice Voucher Program ("HCVP").²²⁷ The other portion of LRSP funding is allocated for project- and sponsor-based vouchers, which are awarded to housing providers and nonprofit partners who use them to provide subsidized affordable units for low-income households.

DCHA's Rental Assistance Program ("DC Local") is very similar to LRSP. More than 13,000 low-income households are currently able to maintain housing in the District through these housing assistance programs.²²⁸ At any given time, the majority of all rental subsidies administered by DCHA is committed, since once a subsidy is awarded it is continually applied to housing costs month after month.

DCHA also serves as the landlord for the nearly 20,000 residents of the more than 8,000 federally-owned public housing units in the District. Public housing units provide low-income households with the financial assistance they need to live in habitable, affordable, and safe rental homes.²²⁹

DCHA also maintains its Office of Public Safety that is funded equally by local funds and federal funds. DCHA employs on-site public safety officers who are as equipped and jurisdictionally empowered as officers of the Metropolitan Police Department. This District of Columbia Housing Authority Police Force ("DCHAPD") represents the District's commitment to the safety of public housing residents, as well as personal, District, and federal property.

In addition to providing and subsidizing low-income housing, DCHA also closely collaborates with other District agencies and organizations to help public housing residents lead independent lives. This is accomplished through on-site programs that improve job skills, continue education, promote public safety, and encourage youth summer employment, education, and recreation.

DCHA is also an important member of the D.C. Interagency Council on Homelessness, a District-wide Council comprising District government agencies, nonprofit providers of housing and social services, advocates, and residents from the community who have lived experience of homelessness. DCHA-issued vouchers support the affordability of Permanent Supportive Housing ("PSH") and Targeted Affordable Housing ("TAH") units, which are the most intensive interventions for District households experiencing homelessness. PSH features rental subsidies as well as supportive services for homeless residents typically facing drug addiction or other major health problems for as long as the resident needs those services. TAH provides permanent housing subsidies to homeless individuals who do not require intensive supportive services.

²²⁷ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²²⁸ *Id.*

²²⁹ Testimony of Tyrone Garrett, Executive Director of the D.C. Housing Authority, April 20, 2018.

DCHA issues tenant-based vouchers to homeless households referred to the agency by the Department of Human Services (“DHS”)²³⁰, and in many cases project- and sponsor-based subsidies support units that are dedicated for PSH and TAH by the housing providers and sponsors who receive the subsidies. Vouchers under the DC Local program are all issued to homeless households,²³¹ and in FY 2018 and FY 2019 the Mayor’s proposed enhancements to LRSP to create new affordable units have been dedicated to PSH and TAH to support the District’s plan (“Homeward DC”) to end chronic homelessness by 2020²³² (or in other words, to make homelessness rare, brief, and nonrecurring).

PSH and TAH in the District are administered according to established best practices that the U.S. Congress codified in the Homeless Emergency Assistance and Rapid Transition to Housing (“HEARTH”) Act; these programs represent the District’s commitment to the “housing first” model for ending homelessness. This model entails providing housing and supportive services to homeless clients to the extent of their need and without burdensome conditions on the client, affording homeless residents the stability necessary to attain self-sufficiency more quickly and with the least expense to themselves and to the public.

Project-Based and Sponsor-Based LRSP: Project-based and sponsor-based Local Rent Supplement Program vouchers are an important tool for easing excessive rent burdens on low-income families. DCHA uses project-based and sponsor-based LRSP funds to provide operating subsidies for affordable units created through the Department of Housing and Community Development’s (“DHCD”) Notice of Funding Availability (“NOFA”) solicitation process, which allocates Housing Production Trust Fund (“HPTF”) funding packages that include project-based and sponsor-based LRSP funds.

Project- and sponsor-based LRSP funds are awarded to bidders who agree to maintain LRSP-backed affordable units that meet standards outlined in their agreements with DCHA. Units subsidized by sponsor-based LRSP funding must include on-site supportive services. Units subsidized by project-based LRSP are not required to maintain such on-site supportive services.

Project- and sponsor-based LRSP funding is an important tool by which the District pursues the legal mandate that that 40% of HPTF funding be used to create units affordable for residents at 30% of AMI or below. This funding also supports the production of new PSH and TAH units, which support the implementation of the Homeward DC Plan, and which must comprise 5% of all new rental properties funded by DHCD.

Tenant-Based LRSP: Tenant-based vouchers are issued to households who meet income and eligibility criteria. Locally funded LRSP tenant-based vouchers are issued to households at 30% of AMI and below, while federally funded HCVP vouchers are issued

²³⁰ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²³¹ *Id.*

²³² Mayor’s FY 2019 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-197.

to households at 50% of AMI and below. In FY 2017, including federal HCVP vouchers, DCHA distributed 86 tenant-based vouchers throughout the fiscal year.²³³ As of the second quarter of FY 2018, including HCVP vouchers, DCHA has distributed 15 tenant-based vouchers.²³⁴ As in these prior fiscal years, the Mayor's FY 2019 Proposed Budget does not allocate any additional tenant-based LRSP vouchers for families on the HCVP waitlist, to which DCHA issues both federal and LRSP tenant-based vouchers when not allocated for Homeward DC. Therefore, any new LRSP tenant-based vouchers issued in FY 2019 under the Mayor's Proposed Budget would be through voucher turnover. There were 40,083 applicants on the DCHA Housing Choice Voucher Program waitlist as of the second quarter of FY 2018.²³⁵

Rental Assistance Program: The Rental Assistance Support Program ("DC Local") provides rental assistance to low income households. Its annual allocation of slightly over \$7 million local dollars (\$7,140,000 in the Mayor's FY 2019 Proposed Budget²³⁶) is dedicated to providing ongoing tenant-based housing assistance payments to 450 families as of the second quarter of FY 2018.²³⁷ Like LRSP, this allotment of funding is administered according to federal HCVP rules, and is dedicated primarily to stabilizing homeless households. (As of 2018, all families currently assisted under DC Local are formerly homeless.²³⁸)

Public Housing: DCHA is also the direct provider of housing for nearly 20,000 residents at the more than 8,000 units of publicly-owned housing in the District. These units are spread across 56 properties, with at least one property in each ward.²³⁹ A plurality of properties are located in Ward 6 (11 residential properties with a total of 1,868 units), while Wards 3 and 4 are home to only one residential property each, containing 160 and 21 units, respectively. DCHA is responsible for the upkeep of these properties, including repairs and preventative maintenance to units and common areas. During the FY 2017 budget oversight the Committee recommended, and the Council adopted, legislation creating a Public Housing Rehabilitation and Maintenance Fund ("R&M Fund"), through which all unspent LRSP at the end of each fiscal year is made available to the agency for much-needed repairs, maintenance, and major capital improvement projects at DCHA properties.

D.C. Housing Authority Police Department: The DCHAPD a police force under DCHA's Office of Public Safety that employs sworn officers whose jurisdiction is concurrent with that of an officer of the Metropolitan Police Department. DCHAPD also

²³³ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²³⁴ *Id.*

²³⁵ *Id.*

²³⁶ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-197.

²³⁷ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²³⁸ *Id.*

²³⁹ DCHA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2019, April 20, 2018, attachment #2..

employs special police officers, who possess arresting power on District public housing properties, as well as security officers, who screen visitors to public housing, and public safety administrative personnel.

New Communities Initiative: DCHA partners with the Office of the Deputy Mayor for Planning and Economic Development (“DMPED”) in implementing the New Communities Initiative (“NCI”). NCI is intended to improve the quality of life for families and individuals living in the following four neighborhoods in the District of Columbia: Northwest One (Ward 6); Barry Farm (Ward 8); Lincoln Heights/Richardson Dwellings (Ward 7); and Park Morton (Ward 1). These designated New Communities sites are characterized by high rates of poverty and dilapidated housing stock. NCI seeks to revitalize such distressed public housing sites by building mixed-income and vibrant communities. NCI operates under four guiding principles: (1) one-for-one replacement of units, (2) the opportunity for public housing residents to stay or return following redevelopment, (3) the redevelopment of mixed-income housing, and (4) the policy of building first prior to demolition where feasible in order to minimize temporary displacement.

The Housing Authority Board of Commissioners: The Housing Authority Board of Commissioners (“the Board”), holds broad authority to regulate and determine the activities of DCHA under D.C. Official Code § 6-211. The Board promulgates rules and regulations both for the activities of DCHA and for Board elections. The Board is also empowered to evaluate the Executive Director of DCHA, and any DCHA contract valued greater than \$250,000.²⁴⁰

The Board comprises 11 Commissioners: 5 are nominated by the Mayor with the advice and consent of the Council, and one of these five must be a Housing Choice Voucher Program recipient; 3 public housing resident Commissioners are elected to the Board by their fellow public housing residents; 1 Commissioner is named by the Central Labor Council; 1 Commissioner is named by the D.C. Consortium of Legal Service Providers; and lastly, the Deputy Mayor for Planning and Economic Development serves as an ex-officio member of the Board.²⁴¹

Commissioners on the Board receive annual stipends, with the Chairman receiving a stipend of \$6,000 and the other members receiving a stipend of \$4,000.²⁴²

b. Mayor’s Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

²⁴⁰ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²⁴¹ D.C. Law 13-105; D.C. Official Code § 6-211.

²⁴² DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

The Mayor's proposed FY 2019 gross funds budget for the Housing Authority Subsidy is \$96,696,225, reflecting an increase of \$10,715,760 or 12.5% compared to FY 2018. The agency does not fund any FTEs with local funding.

Local Funds: The Mayor's proposed FY 2019 local funds budget is \$96,696,225, reflecting an increase of \$10,715,760 or 12.5% compared to FY 2018. The agency does not fund any FTEs through local dollars.

Special Purpose Revenue Funds: The Mayor's proposed budget does not include any special purpose revenue funds.

Federal Funds: The Mayor's proposed budget does not include any federal funds for the Housing Authority Subsidy.

Intra-District Funds: The Mayor's proposed budget does not include any intra-district funds

Committee Analysis and Comments

No Increase to LRSP: For the third fiscal year in a row, the Mayor's proposed budget includes no increase in funds for project- and sponsor-based LRSP for creating new affordable units or making existing units newly affordable. This is concerning to the Committee because project- and sponsor-based LRSP funding has been a primary tool by which DHCD has deployed the HPTF for the creation of affordable housing. Specifically, this LRSP funding is applied as a continuous operating subsidy for HPTF-funded developments, to maintain the financial ability of providers to keep units affordable. Without an enhancement to the FY 2019 project- and sponsor-based LRSP budget, or a commitment via the District's Four-Year Financial Plan to enhance the project- and sponsor-based LRSP budget in future fiscal year allocations, DHCD's ability to support the affordability of units funded through HPTF and the DHCD Consolidated NOFA is uncertain. Given that the mandate for 40% of new HPTF-funded units be affordable at 30% AMI has not been fully fulfilled in prior fiscal years, the Committee finds the continuing lack of an appropriation for associated LRSP subsidies to be highly questionable.

The Committee recognizes that some project-based LRSP funds (\$1,875,000²⁴³) were allotted to support expenses associated with the redevelopment of New Communities Initiative properties. However, this does not create *new* affordable units but merely maintains affordability of units that are replacing public housing units. In other words, there will be no net gain of affordable units due to this funding. Furthermore, the Committee found that a portion of this funding (\$1,000,000²⁴⁴) was formerly to be available for the fulfillment of a subsidy-only Notice of Funding Availability ("NOFA") that the Council mandated by law to be carried out in FY 2018, and for which the Council allotted \$1 million in the Financial Plan for FY 2019. Now, this NOFA has already been

²⁴³ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-197.

²⁴⁴ D.C. Law 22-0033, the "Fiscal Year 2018 Budget Support Act of 2017", effective Dec. 13, 2017.

issued, but both the Committee and DCHA were surprised and concerned by the absence of this funding in the Mayor's Proposed Budget.

Therefore, the Committee recommends that the Mayor and the Council address the lack of funding for *new* affordable units through project- and sponsor-based LRSP by finding additional funding for FY 2019 or by reflecting a future commitment to fund LRSP operating subsidies in the Four-Year Financial Plan. This would not only allow for project- and sponsor-based LRSP commitments to be made in FY 2019, for which nothing additional is currently budgeted, but would also allow DCHA to better meet additional demand for those operating subsidies in the current fiscal year (since the payout of LRSP funding often occurs during out years, *i.e.*, the year following the commitment of the funding, when completed projects come online and finally require an ongoing operating subsidy to maintain affordability). However, the Committee emphasizes especially the need for additional project- and sponsor-based LRSP funding to fulfill the FY 2018 subsidy-only NOFA, which appears to have been abandoned by the Mayor's Proposed Budget.

The Mayor's Proposed Budget also contains no increase compared with FY 2018 to the allotment for tenant-based LRSP vouchers that would serve individuals on the HCVP waiting list, which included 40,083 people as of the second quarter of FY 2018²⁴⁵. The Mayor's FY 2019 Proposed Budget indicates that the proposed \$8,840,760 enhancement to the tenant-based LRSP allotment is reserved for referrals from DHS in furtherance of the Homeward D.C. Plan which, while crucial for helping homeless residents attain permanent housing and stability, does not directly pull individuals or families from the HCVP waiting list.

The Committee therefore recommends that the Mayor and the Council find funding in the future, and for FY 2019 if possible, to more aggressively address the DCHA voucher waitlist, on which many households have been waiting for 10 years plus.

The Committee also recommends that the Council adopt the "Rental Unit Fee Disbursement Amendment Act of 2018" and the "Rental Assistance for Unassisted Seniors Amendment Act of 2018," offered by the Committee as subtitles to the Fiscal Year 2019 Budget Support Act of 2018. These subtitles would raise the rental unit fee paid by private District housing providers by \$5 per unit per year, and use those proceeds to fund 20 tenant-based vouchers, respectively. 10 of these vouchers would go to senior women on the HCVP waitlist, and the rest would be issued to senior returning citizens referred by Mayor's Office on Returning Citizen Affairs ("MORCA"), or another District agency.

The latter subtitle would also create a new shallow subsidy, the Rental Assistance for Unsubsidized Seniors Program, to provide partial rental assistance to senior-headed households making up to 60% of AMI and paying more than 30% of their income toward rent.

²⁴⁵ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

Extension of LRSP to Security Deposits and Application Fees: The Committee supports the Mayor’s proposed subtitle to the Fiscal Year 2019 Budget Support Act of 2018 that extends tenant-based LRSP voucher authority to cover security deposits and application fees that might otherwise be charged to low-income families renting the unit. The Committee has proposed a change to this subtitle that would extend this authority to project-based and sponsor-based vouchers as well (as these units also house low-income families who are often in dire financial situations by the time they are able to attain a subsidized unit). The Committee renamed this subtitle as the Local Rent Supplement Program Flexibility Amendment Act of 2018.

LRSP and the Public Housing Rehabilitation and Maintenance Fund: Public housing residents and advocates have been vocal at oversight hearings during Council Periods 21 and 22 with respect to repairs and maintenance of public housing. Residents have repeatedly reported at oversight hearings that they experience issues with mold, plumbing leakage, broken doors and windows, and other issues in units or common areas that have a substantial negative impact on quality of life in public housing.

At the conclusion of each fiscal year, some LRSP funding typically remains unspent due to some committed subsidies being not required until the following fiscal year when projects are online. Prior to Fiscal Year 2017, these funds had reverted to the general fund at the end of the fiscal year. Housing providers relying on the future availability of such funds are assured that the commitment would again be reflected in the following fiscal year’s budget and, when the housing is online and LRSP operating subsidies are needed, DCHA must fulfill that commitment from its then-current fiscal year budget allocation.

Since FY 2017, this recurring unspent LRSP funding has been deposited in the R&M Fund,²⁴⁶ which the Committee proposed and the Council adopted in the Fiscal Year 2017 Budget Support Act of 2016, to address numerous short- and long-term maintenance and other capital needs faced by DCHA properties. Following the conclusion of FY 2016, \$15 million in unspent LRSP funding was available in the R&M Fund for FY 2017²⁴⁷ and, following the conclusion of FY 2017, approximately \$5 million is available for FY 2018.²⁴⁸ In March 2018, DCHA submitted a report to the Council detailing the projects it has completed or undertaken using the \$15 million left over from FY 2016. The agency provided that report along with its budget oversight responses.

DCHA testified at its FY 2019 Budget Oversight Hearing that it expects within 90 days to scope out its plans for the approximately \$5 million of unspent FY 2017 LRSP funding that it reports is available in the R&M Fund in FY 2018. The Committee awaits an update from DCHA as to how they plan to apply this \$5 million in rehabilitation and maintenance funding.

²⁴⁶ The District of Columbia Housing Authority Rehabilitation and Maintenance Fund Amendment Act of 2016 (D.C. Law 21-160 § 5131; D.C. Official Code 6–202).

²⁴⁷ DCHA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2019, April 20, 2018, attachment #2.

²⁴⁸ Testimony of Tyrone Garrett, Executive Director of the D.C. Housing Authority, April 20, 2018.

LRSP and the Homeward D.C. Plan in FY 2019: A portion (\$8,840,760²⁴⁹) of DCHA's LRSP funding enhancement in the Mayor's FY 2019 Proposed Budget is set aside under its LRSP program to house homeless individuals and families in PSH and TAH using tenant-based vouchers. DHS refers these individuals and families to DCHA pursuant to the Homeward D.C. Plan, which aims to achieve the elimination of chronic homelessness in the District by 2020 such that any instance of homelessness is rare, brief, and non-recurring. PSH provides wraparound support services in addition to a permanent rental subsidy for homeless individuals and families facing drug addiction or other major health difficulties that are keeping the household financially unstable. TAH is provided to homeless households who no longer need the wraparound supportive services of PSH, but need a longer-term solution than Rapid Re-Housing (the least intensive housing subsidy program for the homeless in the District's Continuum of Care, and which DHS provides on a time-limited basis without using LRSP funding).

The Committee is pleased to accept a transfer of \$661,112 from the Committee on Human Services, which will fund rental assistance for an additional 22 units of TAH and 25 units of PSH for homeless individuals, in addition to those units funded by the Mayor's proposed \$8,840,760 enhancement for TAH and PSH.

Public Safety: DCHA stated in their written 2018 Performance Oversight Hearing testimony that through the efforts of the agency's Office of Public Safety ("OPS") and the DCHAPD, violent crime was reduced by 6% across all District public housing properties, including a 30% overall reduction in homicides, in 2017 compared to the previous year.²⁵⁰ The Committee commends this success, and the continuing dedication and professionalism of the OPS and the DCHAPD. The Committee hopes that this downward trend in crime on public housing properties continues, and that it is not a temporary blip.

DCHA reported six vacancies within the DCHAPD that were still in active recruitment as of the second quarter of FY 2018. Similarly, DCHAPD had six (but not the same six) vacancies at the same point in time in FY 2017. The Committee notes a consistent level of vacancy in the DCHAPD, and recommends that DCHA update the Committee upon making each of these new hires and provide confirmation to the Committee when DCHAPD is at full strength.

HUD Fair Market Rent and DCHA Payment Standards: According to HUD regulations, a DCHA voucher may be used to pay rent for a unit with a monthly rent equal to or less than a specified percentage of the Fair Market Rent ("FMR"), which varies based on the number of bedrooms in a given unit. HUD permits DCHA to set this percentage, or "Payment Standard", up to a determined percentage of FMR. HUD has consistently set the Payment Standard for DCHA at higher than 100% so that units in areas that very low-income tenants normally could not afford may become accessible to public housing residents. This not only ensures a dignified standard of living for voucher holders, but also

²⁴⁹ Mayor's FY 2019 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-197.

²⁵⁰ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

creates potential for them to stay in their home communities and to live near their workplaces or necessary medical facilities.

In 2015, HUD authorized DCHA to raise the Payment Standard to 130% of FMR, beyond the long-standing 110% ceiling. In FY 2016, the Committee recommended that DCHA seek the authority to apply a Payment Standard of at least 150% for FY 2017. In FY 2017 DCHA was given authority by HUD at the outset to apply a payment standard of up to 175% of FMR. DCHA retains this authority to apply a 175% FMR payment standard as of the second quarter of FY 2018, which will continue to allow DCHA to subsidize rental units over a greater area of the city than was possible in the very recent past when the payment standard was substantially lower.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

The District of Columbia Housing Authority's local budget does not include capital funding.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2019 operating budget for the District of Columbia Housing Authority in the amount of \$96,696,225 with the following changes:

1. *The Committee recommends that DCHA accept a transfer of \$661,116 from the Committee on Human Services, directed to CSG 50 – Program 3000, Activity 3010, "Tenant-Based Vouchers," to provide rental assistance to 12 homeless individuals in Targeted Affordable Housing and 25 homeless individuals in Permanent Supportive Housing.*
2. *The Committee recommends that DCHA accept \$324,000 in proceeds from the \$5 per unit increase to the rental unit fee, directed to CSG 50 – Program 3000, Activity 3010, "Tenant-Based Vouchers," to fund 10 tenant-based vouchers for senior women on the Housing Choice Voucher Program waiting list and 10 tenant-based vouchers for senior returning citizens.*
3. *The Committee recommends that DCHA fund the Rental Assistance for Unsubsidized Seniors Program, established by the Rental Assistance for Unsubsidized Seniors Amendment Act of 2019, which the Committee recommends as a subtitle to the Fiscal Year 2019 Budget Support Act of 2018, by accepting the following funding directed to CSG 50 – Program 2000, Activity 2001, "Rental Assistance Support":*

- a. *\$419,100 in proceeds from the \$5 per unit increase to the rental unit fee.*
- b. *A transfer of \$162,384 from the Committee on Business and Economic Development.*

b. Fiscal Year 2019 Capital Budget Recommendations

The Housing Authority Subsidy has no associated capital funds.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the District of Columbia Housing Authority implement the following policy recommendations:

1. The Committee recommends that DCHA update the Committee upon filling each of its vacancies within DCHAPD, and provide confirmation to the Committee when DCHAPD is at full strength.
2. The Committee recommends that DCHA continue to be proactive in reporting to the Office of the Attorney General any potential Fair Housing Act violations that it encounters in its efforts to assist voucher recipients in locating a unit, and also that the agency continue to encourage voucher recipients to alert DCHA to any potential Fair Housing Act violations that they come across in their housing search.
3. The Committee recommends that the Housing Authority and the Mayor work together to find funding in future fiscal years to more rapidly pull applicants from the DCHA voucher waitlist and distribute tenant-based voucher funds.
4. The Committee recommends that the Mayor and the Council address the lack of funding for new LRSP-subsidized affordable units through project- and sponsor-based LRSP by finding additional funding for that program for FY 2019 or by reflecting a future commitment to fund LRSP operating subsidies in the Four-Year Financial Plan. This would not only allow for project- and sponsor-based LRSP commitments to be made in FY 2019, for which nothing additional is currently budgeted, but would also allow DCHA to meet additional demand for those operating subsidies in FY 2018, since the subsidies would not need to be applied until the associated projects come online.
5. The Committee recommends that the Mayor and the Council find \$1 million to enable DCHA to fulfill bids for its already-issued subsidy-only Notice of Funding Availability. The Committee makes this recommendation due to the fact that during the FY 2018 budget process the Council allocated \$1 million in project- and sponsor-based LRSP funding in the Financial Plan for FY 2019, so that DCHA could fulfill a subsidy-only NOFA to provide operating subsidies making already-existing units newly affordable. However, the Mayor's FY 2019 Proposed Budget

for DCHA does not include this funding. DCHA has already issued this NOFA, and without the \$1 million that was previously allocated, DCHA will not be able to fulfill bids on the NOFA. While the Mayor did allocate a \$1,875,000 increase to the project- and sponsor-based LRSP budget for FY 2019, this is entirely allocated to support New Communities Initiative related projects.

6. The Committee recommends that DCHA implement the payment of security deposits and application fees not only for tenant-based vouchers, but for project- and sponsor-based vouchers as well. The Mayor's introduced version of the Fiscal Year 2019 Budget Support Act of 2018 includes a subtitle that authorizes DCHA to expand the allowable uses of LRSP Tenant-Based funding to pay the costs of security deposits and application fees that would otherwise be charged to the voucher client household, which is by definition economically burdened and is not likely not to be in a position to pay these costs without further exacerbating the difficulties they face in attaining stability. The Committee supports this subtitle and DCHA's intention to implement it, and has proposed changes to the subtitle that would permit project- and sponsor-based LRSP subsidies to be used in this manner as well. This is because, like households using tenant-based vouchers, those moving into project-based or sponsor-based units are low-income families whose budgets likely cannot reasonably absorb these costs.

J. HOUSING PRODUCTION TRUST FUND (UZ0)

OPERATING BUDGET FUND TYPE GROSS FUNDS

Agency	Fund	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Housing Production Trust Fund	ENTERPRISE AND OTHER FUNDS	\$81,290,662	\$48,317,389	\$39,335,078		\$39,335,078
	ENTERPRISE AND OTHER FUNDS- DEDICATED TAX	\$43,196,588	\$50,838,171	\$60,664,922		\$60,664,922
	Total	\$124,487,250	\$99,155,560	\$100,000,000		\$100,000,000

OPERATING BUDGET BY CSG GROSS FUNDS

Agency Name	CSG	FY2017 Actual	FY 2018 Approved	FY 2019 Mayor's Proposed	Committee Variance	Committee Recommendation
Housing Production Trust Fund	32	(\$30,218)	\$0			\$0
	40	(\$7,094)	\$0			\$0
	41	\$124,598,661	\$99,155,560	\$100,000,000		\$100,000,000
	50	(\$74,098)	\$0			\$0
TOTAL		\$124,487,250	\$99,155,560	\$100,000,000		\$100,000,000

1. COMMITTEE ANALYSIS AND COMMENTS

a. Agency Mission and Overview

The Housing Production Trust Fund (HPTF or the Fund) is the District's primary tool for funding affordable housing projects. Since 2001, HPTF funds have contributed to the production or preservation of over 9,500 units of affordable housing across every ward of the District.²⁵¹ Through grants and loans to both for- and non-profit developers, the HPTF can be used for either rental or homeownership housing opportunities. HPTF is also seen as an effective financing tool, as it often serves as "gap financing" for projects that have substantial amounts of private financing, and only require a partial contribution from the District.

²⁵¹ Based on the 2017 report released by the District of Columbia Office of the Auditor, the exact number of units produced or preserved using HPTF funds is a point of contention. See Office of the District of Columbia Auditor, *DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals 3* (March 16, 2017) ("This review found that data to be unreliable and we are not confident in the accuracy of the total number of projects and units.").

Although the HPTF was established in 1988, it did not receive regular funding until FY 2001, when the District made a one-time \$25 million contribution. The Housing Act of 2002 dedicated 15% of the District’s real property transfer taxes and deed recordation taxes each year to fund the HPTF.²⁵² In FY 2007, a subsidy account for this entity was created to show the annual transfer of dedicated deed recordation and transfer taxes from the District’s General Fund to the HPTF. Beginning in FY 2013, these funds were deposited directly into the HPTF; as a result, there is no transfer of dedicated taxes through the General Fund. There was a transfer of local funds to the HPTF through this Agency in FY 2013, FY 2014, FY 2016, and FY 2017. A local funds transfer is also budgeted for FY 2018 and is proposed for FY 2019.

The HPTF is administered by the Department of Housing and Community Development (DHCD), which is also the largest recipient of HPTF resources. Funds are also distributed to other agencies, including the District of Columbia Housing Authority (DCHA) and the Department of Human Services (DHS), via intra-district transfers²⁵³, as well as to developers.

To ensure the HPTF is used to create and preserve affordable housing for households whose income levels are below the area median income (AMI), accompanying legislation was passed that imposes several statutory spending requirements. The law requires 40% of HPTF expenditures to go toward housing affordable for households at or below 30% of the AMI, 40% of expenditures to go toward housing affordable for households at 31-50% of AMI, and 20% of expenditures to go toward housing affordable for households at 51-80% of the AMI.²⁵⁴

Table 1: HPTF Income Limits²⁵⁵

Income Band	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
0 - 30%	\$23,150	\$26,500	\$29,800	\$33,100	\$36,400	\$39,700	\$43,050	\$46,350
31 - 50%	\$38,600	\$44,100	\$49,650	\$55,150	\$60,650	\$66,200	\$71,700	\$77,200
51 - 80%	\$61,750	\$70,600	\$79,400	\$88,250	\$97,050	\$105,900	\$114,700	\$123,550

In addition, the statute requires half of the funds in the HPTF to be used for the purpose of assisting in the provision of rental housing.²⁵⁶ It also restricts administrative costs of the Fund to no more than 15% per fiscal year of the funds deposited into the

²⁵² Housing Act of 2002, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-2802(c)(16)).

²⁵³ The term “intra-district transfer” refers to the payment process that creates an advance of cash from one agency fund to another agency fund.

²⁵⁴ D.C. Official Code § 42-2802(b-1).

²⁵⁵ Department of Housing and Community Development (hereinafter “DHCD”), *Housing Production Trust Fund (HPTF) Program Limits*, available at https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/HPTF%20Program%20Limits%20of%20July%201%202017_0.pdf (effective July 1, 2017).

²⁵⁶ D.C. Official Code § 42-2802(b-1).

Fund.²⁵⁷ The HPTF statute also ensures that the fund supports long-term affordability by imposing affordability covenants of 5-40 years on projects receiving HPTF funds, depending on the type and location of the project.²⁵⁸ The Mayor is required to file an annual report that reports on the actions and spending of the HPTF.²⁵⁹

DHCD has established rent limits for residents who obtain a rental unit that has been funded with HPTF money. A recent study showed that 63% of the District's lowest-income residents devote 50% or more of their income to housing.²⁶⁰ Such high housing costs may force families to forego necessities, move frequently, or endure unsafe or unhealthy living conditions. The HPTF rent limits help alleviate these pressures by ensuring that qualified individuals do not spend a majority of their income on rent.

Table 2: HPTF Rent Limits²⁶¹

	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI
Efficiency	\$580	\$970	\$1,540
1 Bedroom	\$660	\$1,100	\$1,760
2 Bedroom	\$740	\$1,240	\$1,990
3 Bedroom	\$830	\$1,380	\$2,210
4 Bedroom	\$910	\$1,520	\$2,430
5 Bedroom	\$990	\$1,650	\$2,650

The HPTF has a 9-member Board, which is appointed by the Mayor with the advice and consent of the Council, and serves to advise the Mayor on the development, financing, and operation of the Fund.²⁶² The Housing Production Trust Fund Advisory Board (Board) was established by the Council of the District of Columbia under the Housing Production Trust Fund Act of 1988.²⁶³ The Board may review the uses of the HPTF for conformity with the purposes of the Act, and the Board must have access to records related to the HPTF to perform this review.

²⁵⁷ D.C. Official Code § 42-2802(b)(10). The restriction on administrative costs was previously set at 10% of the funds deposited into the Fund; however, administrative spending exceeded this cap with some regularity. In response to the agency's needs, and with the goal of increasing the agency's capacity to improve compliance, monitoring, and enforcement, the Committee recommended increasing the permissible administrative spending to 15% beginning in FY 2018.

²⁵⁸ D.C. Official Code § 42-2802.02.

²⁵⁹ D.C. Official Code § 42-2803.02.

²⁶⁰ Claire Zippel, *Building the Foundation: A Blueprint for Creating Affordable Housing for DC's Lowest-Income Residents*, DC FISCAL POLICY INSTITUTE (April 4, 2018) (citing DCFPI's analysis of 2016 American Community Survey 5-year public Use Microdata Sample).

²⁶¹ DHCD, *Housing Production Trust Fund (HPTF) Program Limits*, available at https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/HPTF%20Program%20Limits%20of%20July%201%202017_0.pdf (effective July 1, 2017).

²⁶² D.C. Official Code § 42-2802.01.

²⁶³ D.C. Law 8-133; D.C. Official Code § 42-2802.01 (effective June 8, 1990).

Table 3: HPTF Advisory Board²⁶⁴

Name	Position	Date of Confirmation	Expiration of Term
Susanne Slater <i>Chair</i>	Member representing the financial services industry	May 12, 2017	Jan. 14, 2021
Sue Ann Marshall	Member representing the nonprofit housing sector	Dec. 2, 2014	Jan. 14, 2019
David J. Roodberg	Member representing the for-profit housing production industry	Dec. 2, 2014	Jan. 14, 2019
James D. Knight	Member representing low-income tenants association	May 2, 2017	Jan. 14, 2021
Stanley Jackson	Member with significant knowledge of an area related to the production, preservation, and rehabilitation of affordable housing for lower-income households	May 2, 2017	Jan. 14, 2021
LaKeeshia A. Fox	Member with significant knowledge of an area related to the production, preservation, and rehabilitation of affordable housing for lower-income households	Feb. 6, 2018	Jan. 14, 2021
Charles Lowery <i>Nominee</i>	Member with significant knowledge of an area related to the production, preservation, and rehabilitation of affordable housing for lower-income households	Pending	Jan. 14, 2021
Vacant	Member representing an organization that advocates for the production, preservation, and rehabilitation of affordable housing for lower-income households		
Vacant	Member representing an organization that advocates for people with disabilities		
Polly Donaldson <i>Director of the Department of Housing and Community Development</i>	Ex-officio member		

²⁶⁴ HPTF Advisory Board membership as of April 27, 2018.

b. Mayor's Proposed Fiscal Year 2019 Operating Budget

Proposed Operating Budget Summary

The Mayor's proposed FY 2019 operating budget is \$100,000,000, which is an increase of \$844,000, or .9%, from the FY 2018 approved budget of \$99,156,000. The budget is comprised of Dedicated Taxes and Local Funds. This budget does not support any full-time equivalents (FTEs) since the HPTF is a paper agency administered by DHCD.

Dedicated Taxes: The Mayor's proposed FY 2019 dedicated taxes budget is \$60,665,000, an increase of \$9,827,000, or 19.3%, from the FY 2018 approved budget of \$50,838,000.

Local Funds: The Mayor's proposed FY 2019 local funds budget is \$39,335,000, a decrease of \$8,982,000, or 18.6%, from the FY 2018 approved budget of \$48,317,000.

Committee Analysis and Comments

Compliance with Statutory AMI Requirements: Over the past several years, DHCD has struggled to meet the HPTF's statutory AMI spending requirements, often spending a disproportionate amount on housing for 51-80% AMI. In an effort to bring spending into compliance, beginning with the 2015 Consolidated Request for Proposals, the agency has placed greater emphasis on the lower AMI units by requiring that all funding for new units target the 0-50% AMI categories.²⁶⁵ While this preference has now been in place for three years, the agency has stated that the majority of projects that have closed since then have been legacy projects that were accepted into the pipeline before the preference was incorporated into the RFP.²⁶⁶ Recognizing that the impact of this new emphasis on units for 0-50% AMI is not fully reflected in the current data on HPTF spending, the Committee applauds DHCD's focus on producing housing for the lower income categories and hopes that the agency will continue to work with urgency toward meeting the statutory requirements in the future.

²⁶⁵ DHCD, *Response to Fiscal Years 2018/2019 Budget Oversight Pre-Hearing Questions*, April 11, 2018 (Question #15).

²⁶⁶ *Id.*

Table 4: HPTF Spending by Income Category²⁶⁷

	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI
Statutory Mandate	40%	40%	20%
FY 2014	10%	23%	67%
FY 2015	33%	15%	52%
FY 2016	45%	21%	34%
FY 2017	28%	64%	9%
FY 2018 (to date plus projected)	28%	64%	9%
FY 2019 (projected)	18%	52%	30%

DHCD has identified the nature of projects funded by HPTF as an additional challenge to meeting the statutory requirements. Specifically, the agency has indicated that preservation projects, including acquisitions under the Tenant Opportunity to Purchase Act (TOPA), tend to fall into the 51-80% AMI category. The Committee hopes that the creation of the Housing Preservation Fund²⁶⁸ will alleviate some of this pressure and facilitate a higher percentage of HPTF spending in the 0-50% AMI categories.

Audit Results: Between March 2016 and March 2018, the Office of the District of Columbia Auditor (ODCA) released a series of reports on the Housing Production Trust Fund, including two Management Alerts, one report, and two audit reports. The audits covered the HPTF from FY 2001 through FY 2016 and examined a sample of 14 projects from DHCD's list of multifamily projects from FY 2001 – FY 2015, including one project from each year.²⁶⁹ The selected projects represented a variety of types of projects, types of developers, and funding purposes.

The audit's results showed systemic deficiencies in DCHD's compliance, monitoring, and enforcement mechanisms in relation to the agency's management of HPTF funds. Specifically, the audit reports revealed that, through inadequate income certification requirements and procedures, DHCD had failed to ensure that HPTF projects were actually benefiting eligible households.²⁷⁰ The audit also raised concerns regarding the rate of loan repayments. Finally, the audit showed that DHCD has not complied with various requirements such as commissioning an annual HPTF audit, timely submitting quarterly

²⁶⁷ DHCD, *Response to 2018 Performance Oversight Pre-Hearing Questions*, Feb. 28, 2018 (Question #150).

²⁶⁸ The FY 2018 budget included \$10 million for the creation of a Housing Preservation Fund. Two fund managers were selected through a competitive bid process. These fund managers will leverage the public funds at a 3:1 ratio to provide a total of \$40 million to support the preservation of affordable housing in the District. The Mayor's FY 2019 proposed budget includes an additional \$10 million for the Preservation Fund.

²⁶⁹ The Committee recognizes that the audit was historical rather than current in nature, and that it did not include any projects that received federal funds or Low Income Housing Tax Credits.

²⁷⁰ Office of the District of Columbia Auditor, *DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals* 8-23 (March 16, 2017).

and annual reports, completing an annual outreach plan, and conducting an annual housing needs assessment.²⁷¹

In response to the audit, DHCD has acknowledged the need for improvement in several key areas and has already started implementing some of the audit's recommendations.²⁷² The agency has indicated that, starting on October 1, 2017, all new HPTF projects are subject to the HUD Part V income certification standard, which is also the standard for federal funding sources.²⁷³ The agency is also finalizing standard annual certification forms for HPTF projects, and expects to implement use of the forms in 2018.²⁷⁴ In addition, pursuant to the increased cap on administrative expenses, the agency assigned 8.0 new FTEs to work on HPTF administration and compliance in FY 2018. The Committee appreciates DHCD's dedication to improving the management of the HPTF and looks forward to supporting the agency as it continues to work to address the issues raised in the audit.

c. Mayor's Proposed Fiscal Year 2019-2024 Capital Budget

Proposed Capital Budget Summary

The Housing Production Trust Fund has no associated Capital Funds.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2019 Operating Budget Recommendations

The Committee recommends approval of the FY 2019 budget for the Housing Production Trust Fund in the amount of \$100,000,000, as proposed by the Mayor.

b. Fiscal Year 2019 Capital Budget Recommendations

The Housing Production Trust Fund has no associated capital funds.

c. Fiscal Year 2019 Policy Recommendations

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. Carefully design future RFPs to ensure HPTF meets the statutory requirements and the 40/40/20 rule: 40% spending on the 0-30% AMI level;

²⁷¹ *Id.* at 25-32.

²⁷² See DHCD, *DHCD Response to draft report entitled "To Better Meet Affordable Housing Goals DHCD Should Improve Management of the Housing Production Trust Fund"* (Feb. 24, 2017).

²⁷³ DHCD, *Response to Fiscal Years 2018/2019 Budget Oversight Pre-Hearing Questions*, April 11, 2018 (Question #18).

²⁷⁴ *Id.*

40% spending on the 31-50% AMI level; and 20% spending on the 51-80% AMI level.

2. Closely monitor the HPTF's administrative expenses in the interest of operating in the most efficient manner possible.
3. Include unit size among the data points collected and tracked to ensure a suitable number of family-sized units are being produced and preserved.

NOT-CERTIFIED

III. FISCAL YEAR 2019 BUDGET REQUEST ACT APPROPRIATION LANGUAGE RECOMMENDATIONS

On Wednesday, March 21, 2018, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2019 Federal Portion Budget Request Act of 2018” (Bill 22-0755).

IV. FISCAL YEAR 2019 BUDGET SUPPORT ACT RECOMMENDATIONS

On Wednesday, March 21, 2018, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2019 Budget Support Act of 2018” (Bill 22-0753). The bill contains a number of subtitles for which the Committee has provided comments in addition to new subtitles that the Committee recommends.

A. RECOMMENDATIONS ON BUDGET SUPPORT ACT SUBTITLES PROPOSED BY THE MAYOR

1. Title II. Subtitle N. LOCAL RENT SUPPLEMENT PROGRAM Flexibility

a. Purpose, Effect, and Impact on Existing Law

The original version of this subtitle was included by the Mayor in the introduced version of the Fiscal Year 2019 Budget Support Act of 2018, with the purpose of allowing tenant-based housing vouchers from the D.C. Housing Authority to be used to pay for security deposits and application fees, in addition to monthly rent. The Committee proposes an expansion of this subtitle to also allow project- and sponsor-based Local Rent Supplement Program (“LRSP”) subsidies to cover the costs of security deposits and application fees for residents in housing that is subsidized by that funding.

b. Committee Reasoning

The Committee chose to expand this subtitle to apply to project- and sponsor-based LRSP subsidies in addition to tenant-based subsidies because all individuals and families living in LRSP-subsidized housing face low incomes, regardless of whether their housing costs are subsidized by tenant-based, project-based, or sponsor-based vouchers.

The Committee reasons that project- and sponsor-based LRSP subsidies could be expanded to pay the security deposits and application fees of households without much complication. For instance, when a low-income household rents an affordable unit directly subsidized by project-based LRSP, the Housing Authority would be authorized to pay the amount of the security deposit as part of the LRSP-funded operating subsidy to the provider.

In the case of sponsor-based LRSP, in which sponsor organizations rent housing on behalf of low-income families and then use the subsidy to maintain the affordability of those units, the Housing Authority would be authorized to include the costs of security deposits and applications fees in the subsidies paid to the sponsors.

c. Section-by-Section Analysis

Sec. 2131. Short title.

Sec. 2132. Amends section 26c of the District of Columbia Housing Authority Act of 1999, effective March 2, 2007 (D.C. Law 16-192; D.C. Official Code § 6-228) to permit the D.C. Housing Authority to pay the costs of security deposits and application fees using Local Rent Supplement Program subsidies associated with the household or unit that is being subsidized.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE N. LOCAL RENT SUPPLEMENT PROGRAM FLEXIBILITY

Sec. 2131. Short title.

This subtitle may be cited as the “Local Rent Supplement Program Flexibility Amendment Act of 2018”.

Sec. 2132. The District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*), is amended as follows:

(a) Section 26b (D.C. Official Code § 6-227) is amended by adding a new subsection (b-1) to read as follows:

“(b-1) Funds allocated for project-based or sponsor-based voucher assistance pursuant to this section may be used to cover the cost of a security deposit or application fee for a housing unit supported by a grant awarded under this section.”.

(b) Section 26c (D.C. Official Code § 6-228) is amended by adding a new subsection (g) to read as follows:

“(g)(1) In addition to the uses authorized by subsection (a) of this section, funds allocated for tenant-based assistance may be used to assist an eligible household in paying a security deposit and application fee for a housing unit the eligible household is leasing or intending to lease under the Authority’s Housing Choice Voucher Program.

“(2) For the purposes of this subsection, the term “eligible household” means a household determined by the Authority to be eligible to participate in the Authority’s Housing Choice Voucher Program.”

B. RECOMMENDATIONS FOR NEW BUDGET SUPPORT ACT SUBTITLES

The Committee on Housing and Neighborhood Revitalization recommends the following new subtitles to be added to the “Fiscal Year 2019 Budget Support Act of 2018”:

2. Title XX. Subtitle XXXX.

a. Purpose, Effect, and Impact on Existing Law

This subtitle amends the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*) by providing for an increase of \$5 to the rental unit fee, from \$25 per unit to \$30 per unit, and directing the additional \$5 to (1) 20 tenant-based housing vouchers to be administered by the D.C. Housing Authority, and (2) the remainder to a partial rental subsidy program for rent-burdened seniors under the Partial Rental Subsidies for Unsubsidized Seniors Amendment Act of 2018.

b. Committee Reasoning

The Committee recommends the Council adopt this subtitle in order to provide an allotment for 20 tenant-based LRSP vouchers. Further, this subtitle provides that the remainder of the \$5 increase to the rental unit fee be used to fund a new partial housing subsidy for seniors under the Rental Assistance for Unsubsidized Seniors Amendment Act of 2018, also proposed by the Committee as a subtitle for the FY 2019 Budget Support Act of 2018. This would provide a shallow monthly to ease the rent burden on District seniors who are paying more than 30% of their monthly income in rental housing costs.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Amends the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*) by providing for an increase of \$5 to the rental unit fee, from \$25 per unit to \$30 per unit; and by directing the additional \$5 to 20 tenant-based housing vouchers to be administered by the D.C. Housing Authority, and to a partial rental subsidy program for rent-burdened seniors under the Rental Assistance for Unsubsidized Seniors Amendment Act of 2018.

Sec. XX. Repeals the Rental Unit Fee Adjustment Amendment Act of 2018, enacted May ____, 2018 (D.C. Act. ____; ____ DCR ____).

Sec. XX. Provides the date of applicability.

d. Legislative Recommendations for Committee of the Whole

SUBTITLE X. RENTAL UNIT FEE DISBURSEMENT

Sec. XXX1. Short title.

This subtitle may be cited as the “Rental Unit Fee Disbursement Amendment Act of 2018”.

Sec. XXX2. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), is amended as follows:

(a) Section 401(a) (D.C. Official Code § 42-3504.01(a)) is amended as follows:

(1) Paragraph (1) is amended by striking the number “25” and inserting the number “30” in its place.

(2) Paragraph (2) is amended to read as follows:

“(2)(A) \$21.50 of each rental unit fee shall be deposited in the fund established pursuant to section 1(b) of An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01(b)).

“(B) \$3.50 of each rental unit fee shall be deposited in the Rental Unit Fee Fund established pursuant to section 401a.

“(C)(i) The remainder shall be deposited into the Tenant-Based Assistance Fund established pursuant to section 26f of the District of Columbia Housing Authority Act of 1999, as approved by the Committee of the Whole on May ____, 2018 (Committee Print of Bill 22-753).

Sec. XXX3. The Rental Unit Fee Adjustment Amendment Act of 2018, enacted May ____, 2018 (D.C. Act. ____; ____ DCR ____), is repealed.

Sec. XXX4. Applicability.

This subtitle shall apply as of the effective date of the Fiscal Year 2019 Budget Support Emergency Act of 2018, passed on emergency basis on June ____, 2018 (Enrolled version of Bill 22-____).

2. XX. Reverse Mortgage Foreclosure Prevention Act of 2018

b. Purpose, Effect, and Impact on Existing Law

This subtitle would create an assistance program for seniors who are facing

foreclosure on their reverse mortgage. The new program would provide assistance for reverse mortgage borrowers who are in the process of losing their homes to foreclosure due to unpaid property taxes and insurance. The program would provide a subsidy payment for overdue property insurance and would allow the borrower to receive a deferment for unpaid District property taxes.

To qualify for the program, the homeowner must prove the home is in jeopardy of foreclosure and that s/he has no ability to pay the outstanding balance of property taxes and insurance, verify that the annual household income is at or below 80% of the AMI, and provide a plan for paying the annual tax and insurance costs going forward.

After meeting these requirements, the District would pay the outstanding property insurance balance and enter into a deferral agreement for the unpaid property taxes. The District would also record a lien that would require repayment of the funds when the homeowner pays off the reverse mortgage or relinquishes the property.

b. Committee Reasoning

A growing number of seniors across the country are facing foreclosure due to overdue property taxes and insurance. These overdue amounts are generally small in comparison to the value of the home and the loan balance of the reverse mortgage but still endanger the senior's ability to maintain ownership of their property and to age in place.

The overwhelming number of reverse mortgages are Home Equity Conversion Mortgages (HECM) insured by the Federal Housing Administration (FHA). FHA estimated that, as of fall 2016, approximately 90,000 of its 636,000 outstanding HECM loans were at least 12 months behind in taxes and insurance and in the foreclosure process. That's nearly double the number of serious delinquencies from 2015. At the federal level, policy changes have ensured that as of 2014 homeowners can only receive a reverse mortgage if they are likely to be able to afford the taxes and insurance. This means that future reverse mortgage holders will not likely need this kind of assistance. However, there remain a smaller group of reverse mortgage holders in the District who may need moderate help to avoid foreclosure.

According to the National Reverse Mortgage Lenders Association (NRMLA), there are currently 2,246 reverse mortgage loans in the District. Of those reverse mortgage loans, just over 11% of them are in some stage of delinquency or foreclosure due to nonpayment of taxes and insurance. 140 cases or 6% of delinquent mortgages are in default status but are not yet in a loss mitigation payment plan. This legislation would provide the much-needed assistance, while at the same time placing a lien on the house to ensure the District recoups its investment once the house is sold.

Under this legislation, the District benefits by providing support to seniors who want to remain in their homes. The return on investment is significant: health outcomes are better, neighborhoods are more stable when properties are continuously occupied, and it is significantly less costly to provide this subsidy than homeless services. The Washington

Legal Counsel for the Elderly has 26 cases of seniors facing this type of foreclosure and estimates the average past due balance is \$8,684. HUD estimates the cost of creating a housing unit subsidized by its Supportive Housing for the Elderly program to be approximately \$75,000. Preserving the homeownership position of this likely small population is a fiscally responsible position for the District to take.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. This section creates the definition required for creation and oversight of the program.

It defines a reverse mortgage in terms consistent with federal and industry standards in which a homeowner relinquishes equity in a home in exchange for tax-free payments from a lender until the total principal and interest of the loan reaches the credit limit of equity in the home and the lender is either repaid in full or the homeowner relinquishes the home to the lender.

It also defines a Qualified Homeowner as a District homeowner who is 62 years of age or older, has an annual income at or below 80% of the Area Median Income, has executed a reverse mortgage with a recorded lien on the subject property, and is subject to foreclosure for failing to make annual property tax and property insurance payments, defines a Subject property as a home in which a Qualified Homeowner lives and for which a Reverse Mortgage is executed, and At Risk of Foreclosure as a situation where a reverse mortgage lender has provided a Qualified Homeowner with legal notification that the homeowner is in default of the terms of the Reverse Mortgage and the foreclosure process has begun or a Qualified Homeowner and Reverse Mortgage lender have entered into a repayment agreement but the Qualified Homeowner demonstrates difficulty in maintaining the agreement.

Sec. XX. This section establishes the requirements for the Reverse Mortgage Foreclosure Prevention Program and directs the Department of Housing and Community Development (DHCD) to establish a program that allows qualified homeowners to apply for and receive financial assistance for payment of past due property insurance and tax debts that have put the qualified homeowner at risk of foreclosure.

The financial assistance shall be made in the form of a zero interest, non-recourse loan for the past due property insurance payments which shall be mad due and payable upon pay-off of the first lien reverse mortgage or relinquishment of the property to the reverse mortgage lender.

The assistance for the past due property taxes shall be made in the form of

entrance into the District's Tax Deferral for Low-Income Senior Property Owners Program.

The Deferral Program shall apply to the overdue balance only.

A standardized application process will be created for qualified homeowners in need of the program and those qualified homeowners will be limited to a maximum of one-time assistance of \$25,000.

Sec. XX. Fiscal Impact Statement.

Sec. XX. Effective Date.

d. Legislative Recommendations for Committee of the Whole

Sec. XX. Short title.

This subtitle may be cited as the "Reverse Mortgage Foreclosure Prevention Act of 2018".

Sec. XX2. Definitions.

For the purposes of this subtitle, the term:

(1) "At risk of foreclosure" means:

(A) A reverse mortgage lender has provided a homeowner with legal notice that the homeowner is in default on the terms of a reverse mortgage on the home in which the homeowner lives for failure to pay property taxes or insurance premiums; or

(B) A homeowner and reverse mortgage lender have entered into an agreement to pay past due balances of property taxes and insurance premiums on a home in which the homeowner lives, but the homeowner has demonstrated difficulty maintaining the agreement.

(2) "Borrower income" means the combined annual income of all mortgagees on a reverse mortgage.

(3) "Qualified homeowner" means a District homeowner who:

(A) Is 62 years of age or older;

(B) Has an annual borrower income of 80% or less of the area median income for a household of 4 persons in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development.

(C) Has executed a reverse mortgage with a lender financial institution, which has a recorded lien on the home in which the homeowner lives; and

(D) Is at risk of foreclosure.

(4) “Reverse mortgage” means a mortgage agreement between a lender financial institution and a homeowner in which the homeowner relinquishes equity in the homeowner’s home in exchange for tax-free payments from the lender until the total principal and interest of the loan reaches the credit limit of equity in the home and the lender is either repaid in full or the homeowner relinquishes the home to the lender.

(5) “Subject property” means the home in which a homeowner who is at risk of foreclose lives.

Sec. XX3. Reverse Mortgage Foreclosure Prevention Program.

(a)(1) The Department of Housing and Community Development (“DHCD”) shall establish the Reverse Mortgage Foreclosure Prevention Program (“program”) as a pilot program that allows qualified homeowners to apply for and receive financial assistance for payment of past due property taxes and property insurance debts that have put the qualified homeowner at risk of foreclosure.

(2) The financial assistance shall be made to qualified homeowners in the form of a zero-interest, non-recourse loan that shall become due and payable upon satisfaction of the first priority reverse mortgage or relinquishment of the subject property to the reverse mortgage lender.

(3) The program shall run for 18 months, with a 6-month planning period and a 12-month implementation period.

(b) The DHCD shall establish a standardized application process and requirements for qualified homeowners in need of the program.

(c) The DHCD shall record a lien on the subject property in the amount of the financial assistance provided to the qualified homeowner. The lien shall be subordinate to the reverse mortgage lender in the first position.

(d) No qualified homeowner may receive more than \$25,000 in assistance.

(e) No more than \$500,000 in Fiscal Year 2019 shall be allocated to this program.

(f) The DHCD may enter into a memorandum of understanding with the District of Columbia Housing Authority for the administration of this subtitle.

Sec. XX4. Rules.

The Mayor may issue rules to implement this subtitle.

3. XX. Advisory Neighborhood Commissions Travel Reimbursement Clarification Amendment Act of 2018

a. Purpose, Effect, and Impact on Existing Law

This subtitle clarifies that changes made in the Advisory Neighborhood Commissions Omnibus Amendment Act of 2016 entitling Advisory Neighborhood Commissioners (“Commissioners”) to reimbursement from their respective Commissions’ allotments for official business–related WMATA transportation do not preclude the continued authority of Commissions to reimburse Commissioners for non-WMATA business-related transportation expenses.

b. Committee Reasoning

The Committee finds it necessary to clarify changes made in the Advisory Neighborhood Commissions Omnibus Amendment Act of 2016, which inadvertently facilitated a misreading of the law implying the intention to eliminate the ability of Commissions to reimburse Commissioners, and the authority of the Office of Advisory Neighborhood Commissions to approve, official business–related transportation expenses outside of transportation provided by the Washington Metropolitan Area Transit Authority (“WMATA”). Rather, the intention of the bill was to keep this ability in place as before, and to further create an entitlement to reimbursement from the ANC for Commissioners who use WMATA public transportation for official business purposes. This is distinguished from non-WMATA official business–related transportation expenses in that the latter remain within the discretion of the Commission to approve or not approve by majority vote.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Clarifies that the subsection of the Advisory Neighborhood Councils Act of 1975 entitling Advisory Neighborhood Commissioners to reimbursement from the Commission allotment for official business–related WMATA transportation does not preclude the continued authority of Commissions to reimburse Commissioners for non-WMATA business-related transportation expenses

d. Legislative Recommendations for Committee of the Whole

Sec. XX. Short title.

This act may be cited as the “Advisory Neighborhood Commissions Travel Reimbursement Clarification Amendment Act of 2018”.

Sec. XX2. Section 16(1-1) of the Advisory Neighborhood Councils Act of 1975, effective October 10, 1975 (D.C. Law 1-21; D.C. Official Code § 1-309.13(1-1)), is amended by adding a new paragraph (4) to read as follows:

“(4) Notwithstanding this subsection, the OANC may approve Commission reimbursements to Commissioners for local transportation expenses other than qualifying travel expenses pursuant to subsection (1)(1) of this section.”.

4. XX. Common Interest Community Repairs Funding Amendment Act of 2018

a. Purpose, Effect, and Impact on Existing Law

This new subtitle establishes a program to provide non-taxable grants to cure housing and building code violations of common elements at low-income common interest communities, such as condominiums and cooperatives. Grants of up to \$100,000 will be provided to eligible boards at a rate of \$1,000 per unit in the common interest community. Grant funding may be used to repair common elements, including plumbing, electrical systems, roofs, entrance security, and to perform pest control. Repairs funded through the grant program must also fulfill or exceed environmental standards required for certification as a Green Communities project.

In order to be eligible for a grant under this subtitle, a common interest community must meet the following criteria:

1. The common interest community shall have at least 10 units.
3. Two-thirds of the common interest community’s households shall have a household income of no greater than 60% of the area median income.
4. The common interest community’s board shall be a registered entity with the Department of Consumer and Regulatory Affairs.

The program will be administered by the Department of Housing and Community Development (DHCD) and may be financed using revenue from the sale of property disposed of by DHCD. DHCD shall not disburse CICRG funds until the board of a common interest community has completed a course, developed by DHCD, that includes training on governance and ethics, financial management, facilities maintenance, and administration for common interest communities.

b. Committee Reasoning

Many low-income common interest communities in the District are in a state of distress. Buildings are in serious need of repair, roofs leak, and utilities need upgrading, but maintenance has been deferred for years as many of these associations simply do not have adequate funds to address much needed repairs. Complicating the situation, some

board members may lack the experience to make the important and difficult decisions required to manage a condominium or cooperative. This lack of experience may lead to poor management and financial planning of the community, which can exacerbate or even cause building deterioration.

As the bills for building repairs pile up, a vicious downward spiral occurs where condo fees must be increased to address repairs that have become even more expensive due to past neglect. As the condo fees increase, fewer and fewer members can afford the increases and stop paying, which places the burden of paying the fees onto the few remaining members who can still afford to pay -- until they, too, cannot afford to pay the fees. The final result is the possible collapse of the common interest community and the loss of the homes of the members, leading to possible homelessness.

The grant program established by this subtitle will help rehabilitate common interest communities, while at the same time incentivizing boards to receive specialized training aimed at improving their capacity to manage their communities effectively.

c. Section-by-Section Analysis

Sec. XXX. Short title.

Sec. XXX2. Defines “Board”, “CICRG”, “Common elements”, “Common interest community”, and “Green Communities standard” for purposes of this subtitle.

Sec. XXX3. Establishes a Common Interest Community Remedial Grant (“CICRG”) program to be administered by the Department of Housing and Community Development to provide nontaxable grants to income-eligible boards to cure building and housing code violations of the common elements of the Common Interest Community.

Sec. XXX4. Sets the eligibility requirements for the grant.

Sec. XXX5. Instructs the Mayor to issue implementing rules within 180 days of the effective date.

Sec. XXX6. Amends D.C. Official Code § 47-1803.02(a)(2) to exclude a CICRG in the computation of District gross income.

d. Legislative Recommendation for Committee of the Whole

Sec. XXX. Short title.

This subtitle may be cited as the “Common Interest Community Repairs Funding Amendment Act of 2018”.

Sec. XXX2. Definitions.

For the purposes of this subtitle, the term:

(1) “Board” means the executive and administrative entity, by whatever name denominated, designated in the organizing instruments of a common interest community to act for the unit owners’ association in governing and maintaining the common interest community.

(2) “CICRG” means a Common Interest Community Repairs Grant.

(3) “Common elements” means all portions of the common interest community other than the units and defined in the organizing instruments of the common interest community.

(4) “Common interest community” means a condominium, cooperative, or other real property with respect to which a person, by virtue of the person’s ownership of a parcel of real property, is obligated to pay property taxes or insurance premiums, or for maintenance, or improvement of other real property described in a recorded covenant that creates the common-interest community.

(5) “DHCD” means the Department of Housing and Community Development.

(6) “Green Communities standard” means criteria for the sustainable design, construction, and operation of healthy, energy efficient, and environmentally responsible affordable housing established and published by Enterprise Community Partners.

Sec. XXX3. Common Interest Community Repairs Grant; program establishment.

(a) The DHCD shall administer and implement a Common Interest Community Repairs Grant program for the purpose of providing nontaxable grants to income-eligible boards to fund the repair of common elements.

(b) For each common interest community, a CICRG shall not exceed \$100,000 or an amount calculated by multiplying \$1,000 times the number of units in the common interest community, whichever is less.

(c) Repairs to the common elements for which a CICRG may be used include:

(1) Plumbing repairs;

(2) Electrical repairs;

(3) Roof maintenance, repairs, or replacement;

(4) Entrance security and safety, including front door locking and common area lighting;

(5) Pest control as needed throughout a structure or complex; and

(6) Other similar repairs to the common elements of a building to cure building and housing code violations.

(d) Where applicable, repairs made using a CICRG grant shall meet or exceed the most recent Green Communities standard, or other substantially similar or more stringent standard for sustainable construction and operation of multi-unit housing.

(e) A contractor performing work pursuant to a CICRG shall be licensed, certified, and eligible to perform work in the District of Columbia.

(f) DHCD shall:

(1) Develop a grant application form specific to the CICRG program that requires applicant boards to provide the information and documentation necessary to determine program eligibility under the standards set forth in section 4 and any additional eligibility standards DHCD establishes pursuant to rule;

(2) Provide written notification to the applicant of approval or denial of the applicant's grant application within 60 days after the receipt of a completed application. If the grant application is denied, the notification shall include the reason for the denial and any process for reconsideration; and

(3) Develop and administer a common interest community-stewardship course for board members that includes training on governance and ethics, financial management, facilities maintenance, and administration for common interest communities.

(g) DHCD shall not disburse CICRG funds to a common interest community until the common interest community's board members have completed the common interest community-stewardship course created pursuant to subsection (f)(3) of this section.

(h) DHCD may finance a CICRG using funds from the following sources:

(1) Pursuant to 2009(e)(1C)(B) of the Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01(e)(1C)(B)), revenue from the sale of property disposed of by the Department of Housing and Community Development; and

(2) Any other funding source available to DHCD for which a CICRG would qualify as an eligible use.

(i) CICRG program spending, including spending to administer the program, shall not exceed \$3 million in any fiscal year

Sec. XXX4. Common Interest Community Repairs Grant; eligibility.

To be eligible for a CICRG, a common interest community shall meet the following requirements:

- (1) A common interest community shall have at least 10 units;
- (2) At least 2/3rds of a common interest community's units shall be occupied by households with a household income, as defined by D.C. Official Code § 47-1806.09(4), of no greater than 60% of the area median income, as defined by section 2(1) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801(1));
- (3) The board shall be registered with the Department of Consumer and Regulatory Affairs; and
- (4) A common interest community shall not have received a CICRG in the past year.

Sec. XXX5. Rules.

The Mayor, pursuant to Title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), shall issue rules to implement this act within 180 days of effect date of this act.

Sec. XXX6. D.C. Official Code § 47-1803.02(a)(2) is amended by adding a new subparagraph (DD) to read as follows:

“(DD) An amount received by a taxpayer under section 3 of the Common Interest Communities Repairs Funding Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee Print of B22-753).”

5. XX. Rental Housing Registration Update Amendment Act of 2018

a. Purpose, Effect, and Impact on Existing Law

This new subtitle establishes an online portal for the one-time updating of registration statements and if applicable, exemption claims of District rental housing providers. The purpose of the subtitle is to update the information housing providers are required to provide in registration statements in order to facilitate public access to registration information. The subtitle will require a \$1.75 registration fee to fund the registration update.

The subtitle updates section 205(f) (D.C. Official Code § 42-3502.05(f)) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*) to require the re-registration of each rental unit in the District.

The subtitle originated as B22-0442, the “Rental Housing Registration Update Amendment Act of 2018”, introduced on September 19, 2017, by Councilmembers Bonds, T. White, and Cheh. The Committee held a public hearing on the B22-0442 on December 18, 2017.

b. Committee Reasoning

Currently, the Rental Housing Act of 1985 requires each owner of a rent control accommodation to have registered their building within 120 days of July 17, 1985, or if the ownership of a building had changed, within 30 days of the transfer.²⁷⁵ The registration documents include important information such as the number of units in a building, the sizes of the units, the rent charged, and a profitability analysis of each rent control building.

Many existing registration documents date from the Rental Housing Acts of 1977, 1980, and 1985, and are therefore woefully out-of-date. Further, although the Rental Housing Acts require “Each registration statement filed under this section shall be available for public inspection...”,²⁷⁶ the registration statements are not organized at DHCD in a manner that permits reasonably practical inspection by the public. Finally, the District does not currently have reliable statistics as to the total number of rent control units, the breakdown of the size of the units, the cost of the units, and the financial viability of buildings under rent control.

The Committee therefore recommends that after 30 years plus, it is now time to update this critical information. The Committee also believes that in order to also update information on the current accuracy of buildings exempt from rent control, all rental buildings, not just those buildings under rent control, will be required to reregister. The vital data that would become relatively quickly available online through this subtitle will help residents, advocates, and policymakers better understand the needs of the District’s renters, and how to improve rent control to serve those needs. The registration process will be done completely online, and keeping consistent with the digital age and current environmental standards, the registration statements will no longer be required to be available in paper form for public inspection at DHCD.

Finally, the Committee believes that the most efficient and cost-effective way to implement this legislation would be by integrating the re-registration requirement and its funding as a priority component of the Rent Control Housing Clearinghouse Database (“Clearinghouse”) project authorized by L17-0215, the Rent Control Housing Clearinghouse Amendment Act of 2015. The Clearinghouse is currently being constructed by the DC Office of the Tenant Advocate (OTA). It is the Committee’s expectation that the reregistration requirement would be implemented as a priority task order by the OTA

²⁷⁵ The requirement dates back to the § 205(d) of the Rental Housing Act of 1977.

²⁷⁶ D.C. Official Code § 42-3502.05(h).

in the development of the Clearinghouse Database, and would effectively serve as kernel upon which the larger Clearinghouse database will be later built.

Therefore, when funding this legislation, it is the Committee's intent to add the funding for this project to the monies used to build the Clearinghouse at the OTA. The subtitle will be funded by a \$1.75 per unit registration fee, paid by housing providers at the time of registration. Further, as the registration project will function as the core of the Clearinghouse project, which will significantly streamline housing provider rent control reporting responsibilities, the Committee believes it is appropriate to require the registration fee.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Amends the Rental Housing Act of 1985 to require the registration of District rental housing accommodations, to provide data on the number, composition, viability, and affordability of the District's current rental housing stock.

d. Legislative Recommendations for Committee of the Whole

Sec. XX. Short title.

This subtitle may be cited as the "Rental Housing Registration Update Amendment Act of 2018".

Sec. XX. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), is amended as follows:

(a) Section 103 (D.C. Official Code § 42-3501.03) is amended as follows:

(1) Paragraph (29B) is redesignated as paragraph (29C).

(2) A new paragraph (29B) is added to read as follows:

"(29B) "Rent Stabilization Program" means the program and related requirements established by title II."

(b) Section 203a (D.C. Official Code § 42-3502.03c) is amended as follows:

(1) Subsection (a) is amended by striking the phrase "shall develop a demonstration project ("demonstration project") to establish the initial framework of a" and inserting the phrase "shall develop a" in its place.

(2) Subsection (b)(1) is amended by striking the phrase “title, and” and inserting the phrase “title, including registration statements and claims of exemption filed pursuant to section 205(f), and” in its place.

(3) Subsection (c)(17) is amended by striking the phrase “section 205(f)(6)” and inserting the phrase “section 205(f)(3)(C)(iv)” in its place.

(4) Subsection (e) is amended by striking the word “demonstration project” and inserting the word “database” in its place.

(5) New subsections (e-1) and (e-2) are added to read as follows:

“(e-1)(1) Notwithstanding subsection (e) of this section, the online portal for filing registration statements and claims of exemption created pursuant to subsection (b)(1) of this section shall be operational within 180 days after the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753).”.

“(2) OTA may enter into a memorandum of understanding with one or more District agencies to facilitate timely completion and effective administration of the online portal for filing registration statements and claims of exemption.

“(e-2) OTA shall transfer to RAD administration of the database no later than 1 year after the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753).

“(B) While OTA is administering the database RAD may access the database and data as necessary to carry out its duties under this title.

(6) Subsection (g) is amended by striking the word “demonstration project” both times it appears and inserting the word “database” in its place.

(c) A new section 203b is added to read as follows:

“Sec. 203b. Rental Housing Registration Fund.

“(a) There is established as a special fund the Rental Housing Registration Fund (“Fund”), which shall be administered in accordance with subsections (c) and (d) of this section.

“(b) Revenue from the fees and penalties charged to a housing provider pursuant to section 205(f) shall be deposited into the Fund.

“(c) Money in the Fund shall be used for developing and maintaining the database created by section 203a.

“(d) While the Office of Tenant Advocate is developing and administering the database, it shall administer the Fund. The Office of Tenant Advocate shall transfer Fund administration to the Rent Administrator upon transferring administration of the database to the Rental Accommodations Division pursuant to section 203a(e-2).

“(e)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

“(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.”.

(d) Section 205 (D.C. Official Code § 42-3502.05) is amended as follows:

(1) Subsection (a) is amended by striking the phrase “Sections 205(f) through 219, except section 217, shall apply to each rental unit in the District except:” and inserting the phrase “Except as provided in subsection (e) of this section, sections 205(f) through 219 shall apply to each rental unit in the District; provided, that the following rental units shall be exempt from subsections (g) and (h)(2) of this section and sections 206 through 216, 218, and 219:” in its place.

(2) Subsection (f) is amended to read as follows:

“(f)(1) Within 240 days of the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753), each housing provider of a housing accommodation for which the housing provider is receiving rent or is entitled to receive rent shall file a new registration statement, and if applicable, a new claim of exemption.

“(2) A person who becomes a housing provider of a housing accommodation more than 240 days after the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753), shall file a registration statement, and, if applicable, claim of exemption, within 30 days of becoming a housing provider.

“(3) A housing provider shall file a registration statement and, if applicable, a claim of exemption through the online housing provider portal created by section 203a(b)(1), which shall solicit, among the information required for registration, the following:

“(A) For each housing accommodation required to obtain a housing business license, the dates and numbers of the housing business license and the certificates of occupancy, where required by law, issued by the District government, and a copy of each housing business license and certificate of occupancy;

“(B) For each housing accommodation not required to obtain a housing business license, the information contained therein and the dates and numbers of the certificates of occupancy issued by the District government, and a copy of each certificate;

“(C) Where the housing provider does not seek an exemption under subsection (a) of this section for the housing accommodation:

“(i) The current rent charged for each rental unit in the housing accommodation, the related services included, and the related facilities and charges;

“(ii) The number of bedrooms in each unit in the housing accommodation;

“(iii) A list of any outstanding violations of the housing regulations applicable to the housing accommodation, or an affidavit of the housing provider stating that the housing provider duly inspected the housing accommodation within the 6 months prior to filing the registration, and that there are no outstanding violations known to the housing provider; and

“(iv) The rate of return for the housing accommodation and the computations made by the housing provider to arrive at the rate of return, by application of the formula provided in section 212.

“(D) Where the housing provider seeks an exemption under subsection (a) of this section for the housing accommodation:

“(i) The information required pursuant to subparagraphs (C)(i), (ii), and (iii) of this paragraph;

“(ii) The date on which each unit first became exempt, and the rent charged for the period of tenancy immediately preceding the first exemption.

“(4)(A) Each housing provider required to register under this section shall pay a registration fee of \$1.75 to the District government at the time of registration for each rental unit in a housing accommodation registered by the housing provider, which shall be deposited into the Rental Housing Registration Fund established by section 203b. Any credit card fees incurred by a housing provider for the payment of the registration fee shall be paid by the housing provider.

“(5)(A) No penalties shall be assessed against a housing provider who registers a housing accommodation under this section within 240 days of the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753), for the failure to previously register the housing accommodation.

“(B)(i) Beginning 241 days after the effective date of the Rental Housing Registration Update Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee print of B22-0753), a housing provider, other than the federal government, who fails to register a housing accommodation under this section shall pay a penalty of \$100 per unit to the District government. The penalty shall be deposited into the Rental Housing Registration Fund established by section 203b.

“(ii) A housing provider, other than a housing provider exempt pursuant to subsection (a) of this section, who does not timely register under this section may not institute in a rent increase authorized by section 208(a) until the housing provider registers and pays any associated penalty.”.

(3) Subsection (h) is amended to read as follows:

“(h)(1) Each registration statement filed under this section shall be available for public inspection via the website of the Department of Housing and Community Development.

“(2) Each housing provider shall keep a duplicate of the registration statement posted in a public place on the premises of the housing accommodation to which the registration statement applies. Each housing provider may, instead of posting in each housing accommodation comprised of a single rental unit, mail to each tenant of the housing accommodation a duplicate of the registration statement.”.

(4) A new subsection (i) is added to read as follows:

“(i) For the purposes of this section, “Rent charged” means the entire amount of money, money’s worth, benefit, bonus, or gratuity a tenant must actually pay to a housing provider as a condition of occupancy or use of a rental unit, its related services, and its related facilities, pursuant to the Rent Stabilization Program.”.

(e) Section 213(a)(2) (D.C. Official Code § 42-3502.13(a)(2)) is amended by striking the phrase “section 205(d)” and inserting the phrase “section 205(f)” in its place.

(f) Section 401(a)(1) (D.C. Official Code § 42-3504.01(a)(1)) is amended by striking the phrase “Each housing provider required to register under this act, including those otherwise exempt from rental control and registration pursuant to section 205(a)(3)” and inserting the phrase “Each housing provider not exempt from rental control pursuant to section 205(a) or (e), except those exempt pursuant to section 205(a)(3),” in its place.

6. XX. Affordable Housing Priorities Amendment Act of 2018

a. Purpose, Effect, and Impact on Existing Law

This new subtitle directs revenue derived from the sale of properties disposed of pursuant to the Department of Housing and Community Development's (DHCD) disposition authority to fund specific programs. Beginning June 1, 2018, such revenue is reserved in the DHCD Unified Fund and directed in the following manner, in order of priority:

- (1) The first \$5 million, as needed, for the contingency reserve fund to repay money withdrawn from that fund in FY 2018 by the Mayor for the purpose of financing the Home Purchase Assistance Program; any remaining funds for other purposes authorized as follows, in order of priority;
- (2) In FY 2019 and all subsequent fiscal years, \$3 million to the Common Interest Community Repairs Grant program;
- (3) In FY 2019 and all subsequent fiscal years, \$1.5 million to the District of Columbia Housing Authority Rehabilitation and Maintenance Fund;
- (4) In FY 2019 and all subsequent fiscal years, \$1 million to the Emergency Rental Assistance Program, or any successor program by a different name, administered by the Department of Human Services.

After these amounts have been reserved and directed to the aforementioned programs, remaining funds in any fiscal year shall remain in DHCD's Unified Fund.

b. Committee Reasoning

DHCD's Property Acquisition and Disposition Division (PADD) seeks to stabilize neighborhoods by decreasing the number of vacant and abandoned residential properties in the District and transforming them into homeownership opportunities for residents at all income levels. PADD has three main functions:

- (1) encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property;
- (2) acquire vacant, blighted, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and
- (3) dispose of properties in the inventory by selling the properties to individuals or developers for rehabilitation into high quality affordable and market-rate single-family and/or multifamily for-sale housing.²⁷⁷

²⁷⁷ Mayor's FY 2018 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-71.

As of February 23, 2018, DHCD's PADD inventory consisted of 90 properties across all 8 Wards, of which a significant portion were in Wards 7 and 8.²⁷⁸ On December 15, 2017, DHCD launched its five-point Vacant to Vibrant DC initiative to transform the balance of that inventory into vibrant and productive solutions, such as workforce housing and creative green space, and to spur economic development.²⁷⁹ The first action step of five was to utilize a private auction house to auction properties in the PADD inventory to gain affordability. Thirty-three sites located in neighborhoods such as Bellvue (Ward 8), Carver/Langston (Ward 5), Deanwood (Ward 7), and Park View (Ward 1) were auctioned by Alex Cooper Auctioneers to produce approximately 50 workforce housing units.

Revenue derived from the sale of the PADD properties will be deposited into DHCD's Unified Fund, and may then be used to fulfill any of sixteen statutorily permissible purposes under the Department of Housing and Community Development Unified Fund Establishment Act of 2008.²⁸⁰

Instead of allowing the remainder of the revenue to remain in the Unified Fund at DHCD's discretion, this subtitle directs the revenue to four priority programs related to the preservation of affordable housing or public housing, assisting residents retain their housing. If revenue from the PADD auction remains after each of these priority programs has been funded at the specified level, the balance will remain in the Unified Fund.

The first \$5 million is directed, as needed, to the contingency reserve fund established by section 450A of the District of Columbia Home Rule Act to repay money withdrawn from that fund in FY 2018 by the Mayor for the purpose of financing the Home Purchase Assistance Program. Revenue derived from the sale of properties disposed of pursuant to DHCD's disposition authority should be used only once for this purpose. If any such revenue is realized in FY 2018 and remains after repaying the contingency fund, it should be rolled over to FY 2019 for the other priorities indicated in this subtitle. Additional revenue derived from the sale of properties disposed of pursuant to DHCD's disposition authority should be used for the remaining priorities each fiscal year.

c. Section-by-Section Analysis

Sec. XXX. Short title.

Sec. XXX2. Amends Section 3(c-1) of the District of Columbia Housing Authority Act of 1999 to authorize revenue from the sale of property disposed of by DHCD to be deposited into DCHA's Rehabilitation and Maintenance fund.

²⁷⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #130, attachment 130.

²⁷⁹ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #134.

²⁸⁰ Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01).

Sec. XXX3. Amends Section 2009(e) of the Department of Housing and Community Development Unified Fund Establishment Act of 2008 to reserve and direct all revenue in a fiscal year derived from the sale of properties disposed of pursuant to DHCD's disposition authority as follows: repay the contingency in FY 2018 or FY 2019, should the Mayor withdraw funds to finance the Home Purchase Assistance Program; the Common Interest Community Repairs Grant program; the DCHA Rehabilitation and Maintenance Fund; and the Emergency Rental Assistance Program, with the remainder to be deposited in DHCD's Unified Fund.

Sec. XXX4. States that this subtitle shall apply as of June 1, 2018.

d. Legislative Recommendation for Committee of the Whole

Sec. XX. Short title.

This subtitle may be cited as the "Affordable Housing Priorities Amendment Act of 2018."

Sec. XXX2. Section 3(c-1)(2) of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-202(c-1)(2)), is amended as follows:

(a) Subparagraph (B) is amended by striking the phrase "and" and inserting a semicolon in its place.

(b) Subparagraph (C) is amended by striking the period and inserting the phrase "and" in its place.

(c) A new subparagraph (D) is added to read as follows:

"(D) Pursuant to 2009(e)(1C)(C) of the Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17-219; D.C. Official Code § 42-2857.01(e)(1C)(C)), revenue from the sale of property disposed of by the Department of Housing and Community Development."

Sec. XXX3. Section 2009(e) of the Department of Housing and Community Development Unified Fund Establishment Act of 2008, effective August 16, 2008 (D.C. Law 17 219; D.C. Official Code § 42-2857.01(e)), is amended by adding a new paragraph (1C) to read as follows:

"(1C) Beginning June 1, 2018, all revenue derived from the sale of properties disposed of pursuant to DHCD's disposition authority; provided that and notwithstanding subsection (c) of this section, such revenue, without regard to the fiscal year in which it is realized, is used for the following purposes in order of priority:

"(A) In either Fiscal Year 2018 or Fiscal Year 2019, up to \$5

million for the contingency reserve fund established by section 450A of the District of Columbia Home Rule Act, effective November 22, 2000 (114 Stat. 2478; D.C. Official Code § 1-250a(b)), to repay money withdrawn by the Mayor from that fund for the purpose of financing the Home Purchase Assistance Program.

“(B) In Fiscal Year 2019 and all subsequent fiscal years, \$3 million for the Common Interest Community Repairs Grant Program established by the Common Interest Community Repairs Funding Amendment Act of 2018, as approved by the Committee of the Whole on _____, 2018 (Committee Print of Bill 22-753);

“(C) In Fiscal Year 2019 and all subsequent fiscal years, \$1.5 million for the DCHA Rehabilitation and Maintenance Fund established by section 3(c-1) of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-202(c-1));

“(D) In Fiscal Year 2019 and all subsequent fiscal years, \$1 million for the Emergency Rental Assistance Program, or any successor program by a different name, administered by the Department of Human Services; and

“(E) In Fiscal Year 2019 and all subsequent fiscal years, the remainder for other purposes authorized by this section;”.

Sec. XXX4. Applicability.

This subtitle shall apply as of June 1, 2018.

7. XX. Rental Assistance for Unsubsidized Seniors Amendment Act of 2018

a. Purpose, Effect, and Impact on Existing Law

First, this subtitle creates a fund to contain the proceeds of the \$5 rental unit fee that the Committee proposes to fund the activities required by this subtitle, pursuant to the Rental Unit Fee Disbursement Amendment Act of 2018 (also proposed by the Committee as a subtitle to the Fiscal Year 2019 Budget Support Act of 2018).

This subtitle creates the Rental Assistance for Unsubsidized Seniors Program (“the Program”), which would provide for a partial subsidy for lease rent for rent-burdened, senior-headed households (those paying more than 30% of their monthly income in rent) who are not otherwise receiving local or federal rental housing subsidies and who make 60% of the Area Median Income (“AMI”) or less.

Finally, the subtitle directs another portion of that funding to fund 20 tenant-based vouchers administered by the Housing Authority. 10 of these vouchers would be issued to senior women on the HCVP waiting list, and 10 would be issued to senior returning citizens referred to the Housing Authority.

b. Committee Reasoning

The Committee recommends the adoption of this subtitle as the District is home to many senior-headed households whose incomes are too high to be eligible or prioritized for rental housing vouchers or Local Rent Supplement Program—subsidized units, but who still pay more than 30% of their income in rent. In addition, not all senior-headed households who might be eligible for Local Rent Supplement Program or other housing subsidies are able to attain those benefits, as the waiting list for tenant-based vouchers is closed, and new vouchers have largely been prioritized for homeless households referred by the Department of Human Services over the past 3 fiscal years.

The Program created by this subtitle would provide an opportunity for the District to ease the rent burden on these households who have fallen through the cracks, in the sense that other District-provided subsidies that could stabilize their ability to meet their rental costs have eluded them, yet a deep subsidy would not be necessary for them to achieve stability.

The vouchers funded under this subtitle by rest of the proceeds from the rental unit fee increase would allow for 10 vulnerable senior women to finally have a chance to come off of the long-closed HCVP waiting list, and assist 10 senior returning citizens with attaining stability.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Amends the District of Columbia Housing Authority Act of 1999, effective March 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*) to create a Rental Assistance for Unsubsidized Seniors Program (“the Program”), which would provide for a partial rental housing subsidy to senior-headed households who are paying more than 30% of their monthly income in rental housing costs, who are not otherwise receiving local or federal rental housing subsidies, and who make 60% of AMI or less; to define the maximum amount of assistance available to households according to percentage of AMI and relative rent burden; to create a fund to contain the partial proceeds of the rental unit fee that the Committee proposes to fund the Program, pursuant to the Rental Unit Fee Disbursement Amendment Act of 2018; and to provide for 10 tenant based vouchers for senior women on the D.C. Housing Authority’s Housing Choice Voucher Program waiting list and 10 tenant-based vouchers for senior returning citizens.

Sec. XX. Provides the date of applicability.

d. Legislative Recommendation for Committee of the Whole

Sec. XX. Short title.

This subtitle may be cited as the “Rental Assistance for Unsubsidized Seniors Amendment Act of 2018”.

Sec. XX2. The District of Columbia Housing Authority Act of 1999, effective March 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*), is amended as by adding new sections 26e and 26f, to read as follows:

“Sec. 26e. Rental Assistance for Unsubsidized Seniors.

“(a) The Authority shall establish and administer a Rental Assistance for Unsubsidized Seniors Program (“Program”) to provide partial rental subsidies for households headed by seniors that do not receive other District or federal rental assistance (“unsubsidized households”).

“(b) The Program shall provide rental assistance, subject to available funding, to unsubsidized households with incomes up to and including 60% of the Area Median Income (“AMI”) whose monthly lease rent exceeds 30% of their monthly income. Households shall receive a maximum of \$600 per month, or the difference between 30% of the household’s monthly income and the household’s total monthly lease rent, whichever is less.

“(c) Nothing in this section may be interpreted as creating an entitlement to assistance.

“(d) For the purposes of this section, the term:

“(1) “Rental assistance” means a subsidy that is authorized to be used solely for the payment of lease rent.

“(2) “Senior” means a District of Columbia resident that is 62 years of age or older.

“(e) The Authority, pursuant to Title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to implement the provisions of this section.

“Sec. 26f. Tenant-Based Rental Assistance Fund.

“(a) There is established as a special fund the Tenant-Based Rental Assistance Fund (“Fund”), which shall be administered by the Authority in accordance with subsection (c) of this section.

“(b) Revenue from the rental unit fee, reserved pursuant to section 401(a)(2)(C) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3504.01(a)(2)(C)), shall be deposited into the fund.

“(c) Money in the Fund shall be used for the following purposes in order of priority:

“(1) To annually provide 20 tenant-based assistance vouchers authorized under section 26c, to include 10 vouchers for senior women on the Housing Choice Voucher Program waiting list and 10 vouchers for seniors who are returning citizens within the meaning of section 2(5) of the Office on Ex-Offender Affairs and Commission on Re-Entry and Ex-Offender Affairs Establishment Act of 2006, effective March 8, 2007 (D.C. Law 16-243, D.C. Official Code § 24–1301(5); and

“(2) To fund the Rental Assistance for Unsubsidized Seniors Program established by section 26e.

“(d)(1) Money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of the fiscal year, or at any other time.

“(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

“(e) For the purposes of this section, the term “senior” means a District of Columbia resident that is 62 years of age or older.

“(f) The Authority, pursuant to Title 1 of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules to implement the provisions of this section.”.

Sec. XXX3. Applicability.

This subtitle shall apply as of the effective date of the Fiscal Year 2019 Budget Support Emergency Act of 2018, passed on emergency basis on June ____, 2018 (Enrolled version of Bill 22-____).

8. XX. Housing Production Trust Fund Advanced Solicitation Amendment

a. Purpose, Effect, and Impact on Existing Law

This subtitle requires DHCD to create and maintain a publicly available database of all Fund loans, which includes loan agreements with the name of the developer, date of the award, loan amount, interest rate, number of affordable housing units created with the loan, income levels served by the housing units, period of time units shall remain affordable, and status of the developer’s compliance with the loan agreement. This subtitle also allows the Department of Housing and Community Development to release solicitations for the Housing Production Trust Fund a year in advance, although DHCD cannot enter into agreements or release the funding until it has been appropriated.

b. Committee Reasoning

The Housing Production Trust Fund is the District's most powerful tool for creating and preserving affordable housing. Over the past 15 years, the Trust Fund has contributed to the production or preservation of almost 10,000 units across the city, for both rental and ownership. Trust Fund money often serves as gap financing, allowing it to leverage large amounts of private funding.

However, the Fund has been building up a large balance of allocated but unspent funds. While DHCD's allocation and financing processes have improved, money is often spent as much as three years after it is allocated. This has caused some to question the Fund's effectiveness.

This subtitle would allow DHCD to issue solicitations up to a year in advance for the tax revenue that is dedicated to the Trust Fund. The dedicated tax revenue is certified for four years out by the OCFO. However, DHCD would not be able to enter into an agreement or actually spend the funding until the fiscal year it is allocated to. This advanced solicitation would allow DHCD to commit money faster so that the fund build-up can be abated and speed up creation of new units.

Unfortunately, record-keeping of loans made from the Fund has historically been lacking. The lack of data on the loans makes it difficult to assess whether the housing developments are in compliance with the loan agreements or if the District is receiving the maximum benefit for its investment. This subtitle would require DHCD to create a publicly available database that provides detailed information about the investments made through the Fund.

While efforts have been made in recent years to improve the record-keeping, the District's most important tool for creating affordable housing should withstand stand regular evaluation and District residents and officials should be able to find readily available information on this public investment. This level of transparency is essential for the success of this program.

c. Section-by-Section Analysis

Sec. XXX. Short title

Sec. XXX2. This section directs DHCD to create and maintain a publicly available database providing detailed information about the loans made from the Fund. That information shall include loan agreements with the name of the developer, date of the award, loan amount, interest rate, number of affordable housing units created with the loan, income levels served by the housing units, period of time units shall remain affordable, and status of the developer's compliance with the loan agreement.

This section also allows the Department to solicit proposals for projects for the following fiscal year. The Department can only issue solicitations for the dedicated tax revenues that have been certified in the financial plan and not otherwise committed.

The Department may not enter into contractual obligations until the fiscal year for which the certified tax revenues are certified and available.

d. Legislative Recommendations for Committee of the Whole

Sec. XXX. Short title.

This subtitle may be cited as the “Housing Production Trust Fund Advanced Solicitation Amendment Act of 2018”.

Sec. XXX2. Section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802), is amended as follows:

(a) Subsection (d) is amended as follows:

(1) Paragraph (2) is amended to read as follows:

“(2) File with the Chairperson of the Council committee with oversight jurisdiction over the Department of Housing and Community Development quarterly reports on activities and expenditures, which shall include a list of the Fund loan repayments due and paid during the reporting period and identify all developers who are not in compliance with loan agreement terms.”.

(2) A new paragraph (2A) is added to read as follows:

“(2A) Create and maintain a publicly available database of all Fund loans, which shall include loan agreements with the name of the developer, date of the award, loan amount, interest rate, number of affordable housing units created with the loan, income levels served by the housing units, period of time units shall remain affordable, and status of the developer’s compliance with the loan agreement.”.

(b) A new subsection (d-1) is added to read as follows:

“(d-1) All information included in the quarterly reports submitted pursuant to subsection (d)(2) of this section shall be consistent with the District’s internal accounting reporting systems and the Comprehensive Annual Financial Report.”.

(c) A new subsection (f) is added to read as follows:

“(f)(1) In the fiscal year prior to a fiscal year in which Fund dedicated tax revenues will be collected, the Department is authorized to solicit proposals and rank recipients in funding order for the expenditure of those tax revenues that will be dedicated to the Fund in the next fiscal year; provided, that the dedicated tax revenues are not otherwise committed or appropriated for other purposes, and are certified in the approved financial plan for the next fiscal year.

“(2) The Department may not enter into any contractual agreements, obligations, or commitments to provide funding until the fiscal year in which the funds are available and appropriated.”.

9. Title XX. Housing Up Grant

a. Purpose, Effect, and Impact on Existing Law

This new subtitle requires the Department of Housing and Community Development to award a grant in the amount of \$150,000 in Fiscal Year 2019, to Housing Up, Inc., to study the capacity needs of District nonprofit affordable housing organizations.

b. Committee Reasoning

Nonprofit affordable housing development organizations have developed and preserved thousands of homes in the District of Columbia. The District needs these nonprofits to be strong and operate at high capacity, but they currently face increasing challenges, including the capacity of the system designed to support their work, as well as internal capacity challenges. Often, decision-makers equate “capacity” with the ability to produce housing units, but in reality nonprofit groups perform many important community building functions that may supplement the production of housing units.

The study will determine whether and how the capacity needs of District nonprofit affordable housing development organizations are currently being met; will assess what is missing; and will suggest courses of action to meet the capacity needs.

This study will utilize an approach that assesses five interacting components of capacity. The types of capacity that will be assessed are: (1) Resource capacity, including availability, consistency, challenging in obtaining, etc.; (2) Organizational capacity, including skills of and ability to retain staff, financial management, etc.; (3) Programmatic capacity: measures the types of services offered, and the balance between community building and housing productivity activities; (4) Networking capacity, the ability to interact and work with other institutions, including government agencies, for-profits, etc.; and (5) Representational capacity, the ability to credibly engage, represent, advocate for, and serve residents.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX2. Requires the Department of Housing and Community Development to award a grant of \$150,000 to Housing Up, Inc. to study the capacity needs of nonprofit affordable housing organizations.

d. Legislative Recommendations for Committee of the Whole

Sec. XXXX. Short title.

This subtitle may be cited as the “Housing Up Grant Act of 2018”.

Sec. XXX2. Notwithstanding the Grant Administration Act of 2013, effective December 24, 2013 (D.C. Law 20-61; D.C. Official Code § 1-328.11 *et seq.*), in Fiscal Year 2019, the Department of Housing and Community Development shall award Housing Up, Inc. a grant in the amount of \$150,000 to study the capacity needs of nonprofit affordable housing organizations, including such issues as:

- (1) Resource capacity of nonprofit affordable housing organizations, including the availability and consistency of, and challenges in obtaining, resources;
- (2) Organizational capacity of nonprofit affordable housing organizations, including financial management, the skill level of staff, and the ability to retain staff;
- (3) Programmatic capacity of nonprofit affordable housing organizations, including a measurement of the types of services offered and the balance between community building and housing productivity activities;
- (4) Networking capacity of nonprofit affordable housing organizations, including ability to interact and work with other institutions such as government agencies and for-profit organizations; and
- (5) Representational capacity of nonprofit affordable housing organizations, including the ability to engage, represent, advocate for, and serve residents.

V. COMMITTEE ACTION AND VOTE

On Wednesday, May 2, 2018, in Room 500 of the John A. Wilson Building, the Committee met to consider and vote on the Mayor’s FY 2019 Budget Report for the agencies under its jurisdiction.

Chairperson Anita Bonds determined the presence of a quorum consisting of herself and Councilmembers Elissa Silverman, Robert C. White Jr., Brianne K. Nadeau, and Trayon White Sr. Chairperson Bonds provided a brief overview of the report and a summary of the changes to the Mayor's proposed budget as recommended by the Committee before opening the floor for discussion. After a brief discussion, Chairperson Bonds then moved the Committee's Fiscal Year 2019 Budget recommendations for approval, with leave for staff to make technical and conforming changes to reflect the Committee's actions.

The Members voted 5-0 in support of the proposed recommendations, with the members voting as follows:

Members in favor: Councilmembers Anita Bonds, Elissa Silverman, Robert C. White Jr., Brianne K. Nadeau, Trayon White Sr.

Members opposed:

Members voting present:

Members absent:

Chairperson Bonds adjourned the meeting at 5:10 p.m.

VI. ATTACHMENTS

- A. Thursday, March 29, 2018 Fiscal Year 2019 Budget Oversight Hearing
Witness List and Testimony
- B. Friday, April 13, 2018 Fiscal Year 2019 Budget Oversight Hearing
Witness List and Testimony
- C. Tuesday, April 17, 2018 Fiscal Year 2019 Budget Oversight Hearing
Witness List and Testimony
- D. Friday, April 20, 2018 Fiscal Year 2019 Budget Oversight Hearing
Witness List and Testimony
- E. Wednesday, April 25, 2018 Fiscal Year 2019 Budget Oversight Hearing
Witness List and Testimony

NOT-CERTIFIED

ATTACHMENT A

NOT-CERTIFIED

ATTACHMENT B

NOT-CERTIFIED

ATTACHMENT C

ATTACHMENT D