



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**



February 11, 2022

The Honorable Anita Bonds
Chairman Committee on Housing and Executive Administration
Council of the District of Columbia
1350 Pennsylvania Avenue NW
Washington, DC 20004

Subject: DHCD Responses to Questions for the Performance Oversight Public Hearings on
Fiscal Years 2021/2022

Dear Chairperson Bonds:

The Department of Housing and Community Development has received questions in preparation for the Annual Performance Oversight Public Hearing on the Department's FY 2020 and 2021, to be held on January 19, 2022 and February 17, 2022. We have enclosed the Department's responses electronically, with enclosures, and will forward under separate cover (2) hard-copy binders.

Sincerely,

Drew Hubbard
Interim Director
Department of Housing and Community Development

Department of Housing and Community Development (DHCD)

2022 PERFORMANCE OVERSIGHT QUESTIONS

General Questions

1. Please provide a current organizational chart for the agency, including the number of vacant, frozen, and filled positions in each division or subdivision. Include the names and titles of all senior personnel and note the date that the information was collected on the chart.

Response: See Attachment 1.

1. Please provide an explanation of the roles and responsibilities of each division and subdivision and how each role and/or responsibility contributes to the mission of the agency.

Response: The Department of Housing and Community Development operates through the following divisions:

Development Finance Division (DFD) – provides funding for the development of rental, homeownership, and community facility developments that serve District of Columbia neighborhoods. As both the creation and preservation of affordable housing units are important to DHCD, DFD plays a prominent role in helping the agency achieve its annual multifamily housing production goals. This division contains the following 2 activities: Affordable Housing Project Financing – provides funding through a competitive Request for Proposal (RFP) funding process that targets communities and types of development needed to revitalize neighborhoods. The majority of resources for this activity come from Intra-District funding from the Housing Production Trust Fund. This activity also provides development financing and regulatory oversight to nonprofit and for-profit developers so that they can develop properties as affordable ownership and rental units. This activity includes the preparation and coordination of Notice of Funding Availability and RFP documents with sister agencies including the Department of Behavioral Health, Department of Human Services, District of Columbia Housing Authority, and the Department of Energy and the Environment, management of the application and selection process, project management meetings, construction overviews, underwriting, architectural reviews, monitoring reports, funding request presentations, loan closings, and project monitoring services; Community Facilities Project Financing – provides funding through a competitive RFP funding process for development financing and regulatory oversight to nonprofit and for-profit developers so that they can develop properties as neighborhood community/commercial facilities. Sources include federal funding like Community Development Block Grant (CDBG) funds. This activity includes the preparation of Notice of Funding Availability and RFP documents, management of the application and selection process, project management meetings, construction overviews, underwriting, architectural reviews, monitoring reports, funding request presentations, loan closings, and project monitoring services.

Preservation Officer – As head of the Preservation Unit, the Preservation Officer provides technical assistance, monitors housing market and at-risk properties, and administers the District Opportunity to Purchase Act (DOPA), Small Building Program and the Preservation Fund. Working with DFD and RCSD, gives guidance on allocation of funds toward preserving affordable housing units for residents with low-to moderate income across the District. Many of these units

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were previously subsidized through federal housing programs, and as the subsidies expire, homeowners will be able to maintain affordability in their communities.

Residential and Community Services Division (RCSD) – provides funding for programs focused on household-level housing needs and neighborhood revitalization. RCSD works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance, and façade improvement opportunities. RCSD administers the agency’s Affordable Housing Initiative through its Community and Residential Services activities, including the District’s Home Purchase Assistance Program and Employer Assisted Housing Program, which provide financial assistance for low and moderate-income households and District government employees for the purpose of first-time home purchase. The division also provides rehabilitation resources, including grants for lead hazard remediation to eligible units, and loans as well as grants to income-qualified owner-occupant District residences in order to preserve homeownership in the District. This division contains the following 6 activities:

- Community Services - Housing Counseling (Neighborhood Based Activities) – provides funding for counseling services to tenants, potential homeowners, and current homeowners; provides free, specialized organizational and development services for tenant groups who are pursuing the purchase of their apartment buildings with the intention to convert them to cooperatives or condominiums.
- Community Services - Small Business Technical Assistance – provides technical assistance to small businesses in support of various DHCD programs; Community Services – Commercial Revitalization – provides grants to neighborhood-based organizations for storefront façade improvements in commercial corridors;
- Residential Services - Home Purchase Assistance Program (HPAP) – provides down payment and closing cost assistance to low- and moderate-income District residents so that they can become first time home-buyers in the District of Columbia;
- Residential Services - Employer Assisted Housing Program (EAHP) – provides down payment and closing cost assistance to qualified District of Columbia government employees;
- Residential Services - Single Family Rehabilitation – helps households finance up to \$75,000 in loans for home repairs that will address District housing code violations, such as repairing walls and floors, replacing windows, and repairing plumbing, electrical, heating systems, and roofs.

Property Acquisition and Disposition Division (PADD) – stabilizes neighborhoods by decreasing the number of vacant and abandoned residential properties in the District and transforming vacant, blighted and/or abandoned residential properties into rental and homeownership opportunities for District of Columbia 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 PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily rental and for-sale housing in

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District neighborhoods. Through its Vacant to Vibrant 5-point action plan, PADD continues to work to put its inventory back into productive use for the community through the creation of affordable housing and neighborhood community spaces.

Portfolio and Asset Management Division (PAMD) – provides portfolio management and oversight of outstanding loans and manages the allocation of Low-Income Housing Tax Credits (LIHTC). Established in FY 2008, the division monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due and conducts risk and relationship reviews of potential borrowers to protect the department’s assets.

Office of Program Monitoring Division (OPM) – conducts oversight and reviews of DHCD projects and funding recipients. Its core functions include the following types of oversight: (1) contract compliance – completing various federally required compliance reviews as part of the underwriting and project development process; (2) quality assurance – monitoring the compliance of DHCD funded sub-recipients with federal HOME Investments Partnership Program (HOME) and Community Development Block Grant Program (CDBG) funding requirements; and (3) compliance monitoring – ensuring projects developed by DHCD through the Housing Production Trust Fund (HPTF), CDBG, HOME and Low Income Housing Tax Credit (LIHTC) programs remain in compliance with federal and local program requirements throughout the duration of the project’s period of affordability. This division contains the following 2 activities:

- Contract Compliance – provides oversight and monitoring services of DHCD projects to ensure that the department's use of project funds fully complies with the Department of Housing and Urban Development (HUD) and District regulations; and
- Quality Assurance – provides program review and performance evaluation to DHCD and contractors so that they can operate in full compliance with regulations in the most effective and efficient manner possible.

Housing Regulation Administration (HRA) – administers residential housing regulations relating to condominium and cooperative conversions, rent adjustment procedures, licensing, and other related matters. It includes the Rental Accommodation Division and the Rental Conversion and Sales Division and manages the DHCD Housing Resource Center. This division contains the following 4 activities:

- Rental Conversion and Sales Division – administers the District’s tenant opportunity to purchase program, regulates the conversion of property to condominiums and cooperatives, registers condominium and cooperative projects, and administers the structural defect warranty claim program;
- Housing Resource Center (HRC) – provides rental housing services to landlords and tenants, as well as information to the public, on all of the department’s services for first-time homebuyers, developers of affordable housing projects, and low-income homeowners. The Housing Resource Center also includes access to the Affordable Housing Locator and an office of University Legal Services for on-site housing counseling;

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- Inclusionary Zoning/Affordable Dwelling Units (IZ/ADU) – provides subject matter focus in the administration of the District's Inclusionary Zoning and Affordable Dwelling Unit programs; and
- Rental Accommodations Division (RAD) – administers the District's rent stabilization program, including registering and licensing rental housing, administering rent adjustment procedures, processing landlord and tenant petitions, providing conciliation services, and acting as a repository for notices to vacate and all rental property records.

Agency Management – provides for 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 comprehensive and efficient 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) Please provide a narrative explanation of any changes to the organizational chart made during the previous year.

Response: There have been no changes to the organizational chart during the previous year.

(c) Please provide your most current strategic plan and identify each goal and strategy. Explain how each division and subdivision contributes to that plan.

Response: Please see response to Question 26.

2. Please provide a current Schedule A for the agency which identifies each position by program and activity, with the employee's title/position, salary, fringe benefits, and length of time with the agency. Please note the date that the information was collected. The Schedule A should also indicate if the position is continuing/term/temporary/contract or if it is vacant or frozen. Please separate salary and fringe and indicate whether the position must be filled to comply with federal or local law.

Response: See Attachment 2.

3. Please list all employees detailed to or from your agency. For each employee identified, please provide the name of the agency the employee is detailed to or from, the reason for the detail, the date of the detail, and the employee's projected date of return.

Response: Deputy Director Sheila Miller is detailed to the Office of the Deputy Mayor for Planning and Economic Development (DMPED). Mrs. Miller is currently overseeing the District's New Communities Initiative (NCI). Her detail began March 12, 2021.

4. Please provide the Committee with:
 - a) A list of all employees who received or retained cellphones, personal digital assistants, notebooks, laptops, iPads or similar communications devices at agency

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expense during any part of FY21 and FY22, to date; and the annual cost to the agency for each device;

Response: See Attachment 4a(1) and 4(a)(2).

- b) A list of all vehicles owned, leased, or otherwise used by the agency and to whom the vehicle is assigned, as well as a description of all vehicle accidents involving the agency’s vehicles in FY21 and FY22, to date;

Response: See Attachment 4b.

- c) A list of travel expenses and reimbursements, arranged by employee for FY21 and FY22, to date, including the justification for travel; and

Response: See Attachment 4c.

- d) A list of the total workers’ compensation payments paid in FY21 and FY22, to date, including the number of employees who received workers’ compensation payments, in what amounts, and for what reasons.

Response: DHCD did not receive or pay any worker’s compensation claims in FY21 or FY22.

- 5. For FY21 and FY22, to date, what was the total cost for mobile communications and devices, including equipment and service plans?

Response: Cost for FY21 - \$78,191.77; Cost for FY22 - \$20,521.18

- 6. For FY21 and FY22, to date, please detail all intra-District transfers to or from the agency.

Response: See Attachment 6.

- 7. For FY21 and FY22, to date, please identify any special purpose revenue funds maintained by, used by, or available for use by the agency. For each fund identified, provide:

- a) The revenue source name and code;

Agy Fund	Agy Fund Title	DC CODE
0602	HPAP - REPAY	§§ 42-2601 - 42-2605
0610	DHCD UNIFIED FUND	§ 42-2857.01 § 42-3402.05a § 42-1904.03

- b) The source of funding;
- c) A description of the program that generates the funds;
- d) The amount of funds generated by each source or program;
- e) Expenditures of funds, including the purpose of each expenditure; and
- f) The current fund balance.

Response b-f: See Attachment 7A and 7B.

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8. For FY21 and FY22, to date, please list any purchase card spending by the agency, the employee making each expenditure, and the general purpose for each expenditure.

Response: See Attachment 8.

9. Please list all memoranda of understanding (“MOU”) entered into by your agency during FY21 and FY22, to date, as well as any MOU currently in force. For each, indicate the date on which the MOU was entered and the termination date.

Response: See Attachment 9.

10. Please list the ways, other than MOU, in which the agency collaborated with analogous agencies in other jurisdictions, with federal agencies, or with non-governmental organizations in FY21 and FY22, to date.

Response: DHCD collaborated with a number of federal agencies, national organizations, and housing agencies across the country to learn about and design COVID-19 relief programs while also continuing the usual business of the agency. Namely, DHCD worked with the U.S. Department of Housing and Urban Development (HUD), the US Interagency Council on Homelessness, the US Treasury, the High Cost Cities Housing Forum, the Metropolitan Washington Council of Governments, the National Council of State Housing Agencies

11. Please provide a table showing your agency’s Council-approved original budget, revised budget (after reprogrammings, etc.), and actual spending, by program and activity, for FY20, FY21, and the first quarter of FY22.
- a) For each program and activity, please include total budget and break down the budget by funding source (federal, local, special purpose revenue, or intra-district funds).

Response: See Attachment 11a

- b) Include any over- or under-spending. Explain any variances between fiscal year appropriations and actual expenditures for FY21 and FY22 for each program and activity code.

Response: See Attachment 11(b)(1) and 11(b)(2)

- c) Attach the cost allocation plans for FY21 and FY22.

Response: See Attachment 11(c)(1) and 11(c)(2).

- d) In FY21 or FY22, did the agency have any federal funds that lapsed? If so, please provide a full accounting, including amounts, fund sources (e.g. grant name), and reason the funds were not fully expended.

Response: DHCD did not have any federal funds that lapsed.

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12. Please provide as an attachment a chart showing the agency's federal funding and expenditures by program for FY20, FY21 and FY22, to date.

Response: See Attachment 12.

13. With respect to capital projects, please provide:

- a) A list of all capital projects in the financial plan.
- b) For FY20, FY21, and FY22, an update on all capital projects under the agency's purview, including a status report on each project, the timeframe for project completion, the amount budgeted, actual dollars spent, and any remaining balances, to date.
- c) An update on all capital projects planned for FY22, FY22, FY23, FY24, and FY25.
- d) A description of whether the capital projects begun, in progress, or concluded in FY20, FY21, or FY22, to date, had an impact on the operating budget of the agency. If so, please provide an accounting of such impact.

Response: DHCD does not have any capital projects.

14. Please provide a list of all budget enhancement requests (including capital improvement needs) for FY21 and FY22, to date. For each, include a description of the need and the amount of funding requested.

Response: FY 2021 enhancements are below:

Agency Code	Agency Name	Categories	Description	Amount	Agency Fund	Comp Object	Org Code	Program Code	One-Time
DH0	Department of Housing and Community Development	Enhance	Preservation Fund- Transfer \$1m of EAHP to Preservation Fund to support leveraged fund	1,000,000	0101	0506	0300	2025	Yes

FY 2022 enhancements are below:

Enhancement Name	Final Status	Fund Source	FY22 Final
ADUs	Accepted	Local	\$1,500,000
Housing Preservation Fund	Accepted	Coronavirus State Funds	\$17,157,624
HPTF	Accepted	Coronavirus State Funds	\$250,000,000
Affordable Housing Acquisition Fund	Accepted	Coronavirus Local Funds - Metro City	\$31,000,000
EAHP Expansion	Accepted	ARPA	\$4,000,000
PADD - Building Blocks	Accepted	ARPA	\$5,000,000
Douglass Community Land Trust Grant	Accepted	ARPA	\$2,000,000

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Transaction Type		Fund Type	Program	Activity	CSG	Proposed Change in FTEs	FY22	Comments
Enhance	One Time	0800 - LOCAL FUND	2000 - DEVELOPMENT FINANCE DIVISION	2080 - AFFORDABLE HOUSING PROJECT FINANCING	0012 - REGULAR PAY - OTHER	1.3	343,000.00	One-time enhancement to support the addition of 1.25 new term FTEs to be used to support the Reentry Housing and Services Pilot Act of 2021.
Enhance	One Time	0800 - LOCAL FUND	2000 - DEVELOPMENT FINANCE DIVISION	2080 - AFFORDABLE HOUSING PROJECT FINANCING	0084 - FRINGE BENEFITS - CLRR PERSONNEL		31,000.00	One-time enhancement to support the addition of 1.25 new term FTEs to be used to support the Reentry Housing and Services Pilot Act of 2021.
Reduction	One Time	0300 - OPERATING INTRA-DISTRICT FUNDS	4600 - PORTFOLIO AND ASSET MANAGEMENT DIVISION	4530 - PORTFOLIO AND ASSET MANAGEMENT	0041 - CONTRACTUAL SERVICES - OTHER		(201,000)	Reduce Comp Obj 409: Asset Management Contracts
Enhance	One Time	0300 - OPERATING INTRA-DISTRICT FUNDS	2000 - DEVELOPMENT FINANCE DIVISION	2025 - PRESERVATION FINANCING	0050 - SUBSIDIES AND TRANSFERS		200,000	Enhance Comp Obj 506: Preservation Office - Grant for a TOPA Feasibility Study
Enhance	One Time	0800 - LOCAL FUND	2000 - DEVELOPMENT FINANCE DIVISION	2025 - PRESERVATION FINANCING	0050 - SUBSIDIES AND TRANSFERS		50,000	Increase to Comp Obj 506 to bring Committee enhancement of \$200,000 for a grant for a Tenant Opportunity to Purchase Act study to \$250,000
Enhance	Recurring	0800 - LOCAL FUND	2000 - DEVELOPMENT FINANCE DIVISION	2080 - AFFORDABLE HOUSING PROJECT FINANCING	0050 - SUBSIDIES AND TRANSFERS		1,400,000	Recurring enhancement to support the Reentry Housing and Services Pilot Act of 2021.
Enhance	One Time	0800 - LOCAL FUND	3000 - RESIDENTIAL AND COMMUNITY SERVICE DIV	3080 - NEIGHBORHOOD-BASED ACTIVITIES	0050 - SUBSIDIES AND TRANSFERS		500,000	One-time enhancement to support the development of an outreach and capacity building program to promote home ownership focused on residents in Ward 7 and Ward 8.
Enhance	One Time	0800 - LOCAL FUND	2000 - DEVELOPMENT FINANCE DIVISION	2080 - AFFORDABLE HOUSING PROJECT FINANCING	0050 - SUBSIDIES AND TRANSFERS		5,000,000	One-time enhancement to support 824-2711 the GAIN Act.

15. Please list, in chronological order, each reprogramming request and each reprogramming in FY21 and FY22, to date, that impacted the agency, including those that moved funds into the agency, out of the agency, and within the agency. Include the revised, final budget for your agency after the reprogrammings for FY21 and FY22, to date. For each reprogramming, list the date, amount, rationale, and reprogramming number.

Response: See Attachment 15.

16. Please list each grant or sub-grant received by your agency in FY21 and FY22, to date. List the date, amount, source, purpose of the grant or sub-grant received, and amount expended.

- a) How many FTEs are dependent on grant funding? What are the terms of this funding? If it is set to expire, what plans, if any, are in place to continue funding the FTEs.

Response: See Attachment 16.

17. Please list each contract, procurement, and lease, entered into, extended, and option years exercised by your agency during FY21 and FY22, to date. For each contract, please provide the following information, where applicable:

- a) The name of the contracting party;
- b) The names of the individual principals constituting that contracting party;
- c) The nature of the contract, including the end product or service;
- d) The dollar amount of the contract, including amount budgeted and amount actually spent;
- e) The term of the contract;
- f) Whether the contract was competitively bid and/or the explanation for it being non-competitive or sole source;
- g) The name of the agency's contract monitor and the results of any monitoring activity; and

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h) The funding source.

Response: See Attachment 17(a)-(d).

18. Please list all pending lawsuits that name the agency as a party. Identify which cases on the list are lawsuits that potentially expose the District to significant financial liability or will result in a change in agency practices and describe the current status of the litigation. Please provide the extent of each claim, regardless of its likelihood of success. For those identified, please include an explanation about the issues involved in each case.

Response:

<u>Case Name/ Case Number</u>	<u>Case Description</u>	<u>Status</u>
Shari Acosta v. DC 1:20-CV-1189 21-CV-0096	Wrongful Termination and workplace retaliation in violation of the DC Human Rights Act	Global Settlement Pending. Parties executed a global settlement on 1/14/22 that resolves several civil actions pending against the District (DHCD & Rental Housing Commission) Plaintiff will receive a monetary settlement, and all pending civil suits and administrative claims against the District will be dismissed.
LaDonna May et al. v. Stanton View Dev., LLC, et al. 2021 CA 000266 B Consolidated case with 2020 CA 004070 B	Breach of Contract and Breach of Warranty – DHCD provided HPTF funds to finance development of 46 condominium homeownership units and provided HPAP/EAHP assistance to individual homebuyers.	Pending. Complaint filed on 2/1/21. Court granted the District's Motion to Dismiss on 8/19/21. Plaintiffs filed notice of appeal with the DC Court of Appeals.
Jacqueline Robinson v. DC and Eden Teklebrhane 2017 CA 003593 B	Wrongful Termination under the DCFMLA; DC Human Rights counts dismissed.	Pending. Trial scheduled 4/18/22.
Pamela Johnson v. DC Govt./Department of Housing and Community Development – DC Office of Human Rights: FEPA 21-250-P(CN)	Discrimination complaint – Failure to hire based on Age and Retaliation in violation of DC Human Rights Act of 1977 and Title VII of the Civil Rights Act of 1964. Complainant alleges she was not hired for Economic Dev. Specialist position due to her age (54)	Administrative charge of discrimination filed with OHR 6/14/21. Mediation held

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EEO 10C-2021-00252	and because she previously filed a discrimination complaint against DHCD in 2015.	
U.S. Bank, NA v. Sabrina Miller-Ford 2019 CA 000152 R(RP) 2750 14 th St., NW Apt. 203	Foreclosure action – DHCD has an affordable housing covenant (AHC) on property that is being foreclosed on by senior lender. OAG is litigating to preserve the AHC.	Pending. Order issued on 5/4/21 granting U.S. Bank’s Motion to Proceed with Foreclosure Sale. Hearing to Ratify Accounting set for 8/4/22.
Avedon USA LLC v. DC., et al. 2017 CA 005152 R(RP)	Mechanic’s lien/fraud/breach of contract case involving the property located at 1245 Delafield Place NW. DHCD holds a second deed of trust (HPAP) on the property.	Pending. Pretrial scheduled 3/3/22.
Bennett et al. v. DC, et al. 2021 CA 003895 B	Negligence, Breach of Contract of Implied Warranty, Conspiracy to Defraud claims brought by a group of black, female condominium owners who purchased homes at the Rivereast at Grandview Condominiums. DHCD provided HPTF funding to develop the affordable housing project and provided HPAP/EAHP downpayment and closing cost assistance to many of the low income purchasers.	Complaint filed 10/26/21. Plaintiffs seek \$18 MM in damages. OAG filed Motion to Dismiss and Motion for Summary Judgment 1/10/22. Scheduling Conference set for 4/15/22.
Wilmington Savings Fund Society FSB v. DC Department of Housing and Community Dev. et al. 2021 CA 002515 R (RP)	Quiet title, Declaratory Judgment and Specific Performance Action relating to the Woodson Heights Condominium development that DHCD funded. Property in dispute includes foreclosed condominium unit owned by T. Hillie. Plaintiff claims that all DHCD liens have been satisfied and all DHCD Deeds of Trust must be released.	Complaint filed 7/22/21. Status hearing scheduled 2/18/22.

19. Please list all settlements entered into by the agency or by the District on behalf of the agency in FY21 or FY22, to date, and provide the parties’ names, the amount of the settlement, and if related to litigation, the case name and a brief description of the case. If unrelated to litigation, please describe the underlying issue or reason for the settlement (e.g. administrative complaint, etc.)

Response:

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Parties' Names	Settlement Amount/Date	Case Name	Case Description	Settlement Justification
Shari Acosta	\$400,000 (OAG Settlement and Judgment Fund) Jan. 2022)	Shari Acosta v. District of Columbia/Michael Spencer/Rental Housing Commission 1-20-CV-01189-RC 21-CV-0096 2021 CA 001617 P(MPA) PERB Case No. 20-U-20 OEA Matter No. 1601-0048-20	Various – Claims of employment discrimination, retaliation. Secondly claims of misconduct, unfair labor practices, misconduct resulting in suspension, and misconduct resulting in termination.	OAG deemed settlement of these 5 civil matters to be in the best interest of the District.
Ilia Karas	\$18,000 (OAG Settlement and Judgment Fund) Feb. 2021	Ilia Karas v. DHCD 2020 CA 002329 B	Breach of contract for failure to consummate real estate transaction.	Nuisance value settlement – cost to litigate exceeded value of favorable judgment.

20. Please list the administrative complaints or grievances that the agency received in FY21 and FY22, to date, broken down by source. Please describe the process utilized to respond to any complaints and grievances received and any changes to agency policies or procedures that have resulted from complaints or grievances received. For any complaints or grievances that were resolved in FY21 or FY22, to date, describe the resolution.

Response: No administrative complaints or grievances were received in FY21 or FY22 to date.

21. Please describe the agency’s procedures for investigating allegations of sexual harassment or misconduct committed by or against its employees. List and describe any allegations received by the agency in FY21 and FY22, to date, whether or not those allegations were resolved.

Response: DHCD follows the prescribed process contained in Mayor’s Order 2017-313. In FY21 and FY22 to date, the agency has not received any allegations of sexual harassment or misconduct committed by or against its employees.

22. Please list and describe any ongoing investigations, audits, or reports on the agency or any employee of the agency, or any investigations, studies, audits, or reports on the agency or any employee of the agency that were completed during FY21 and FY22, to date.

Response:

- OIG – Audit of District of Columbia’s Affordable Housing Programs
 - This audit focused on the use of the Housing Production Trust Fund to produce and preserve affordable housing units and was completed in September 2021.

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- OIG – Evaluation of DHCD contracts pertaining to loan servicing and asset management services.
 - This planned evaluation is currently ongoing.
- OCFO – FY2 Single Audit of Federal Awards Program
 - Annual citywide audit of federal funds was completed in July 2021.

23. Please describe any spending pressures or any reimbursements pursuant to contract or other obligations where remitting reimbursement exceeded thirty (30) days the agency experienced in FY21 and any anticipated spending pressures for the remainder of FY22. Include a description of the pressure and the estimated amount. If the spending pressure was in FY21, describe how it was resolved, and if the spending pressure is in FY22, describe any proposed solutions.

Response: DHCD had no spending pressures in FY21 aside from ongoing demand for the EAHP program. An allocation of \$500,000 in ARPA Local Revenue Replacement funding and reprogrammings

24. Please provide a list of all studies, research papers, reports, and analyses that the agency prepared or contracted for during FY21 and FY22, to date. Please state the status and purpose of each. Please submit a hard copy to the Committee if the study, research paper, report, or analysis is complete.

Response: A list of all studies, research papers, reports and analyses can be found online at <https://dhcd.dc.gov/page/dhcd-reports>.

25. Provide a list of all publications, brochures and pamphlets prepared by or for the agency during FY21 and FY22 to date.

Response: A list of all publications, brochures and pamphlets can be found here: [https://dhcd.dc.gov/publications?after\[value\]\[date\]=01/01/2015&before\[value\]\[date\]=&keys=&type=All&sort_by=field_date_value&sort_order=DESC](https://dhcd.dc.gov/publications?after[value][date]=01/01/2015&before[value][date]=&keys=&type=All&sort_by=field_date_value&sort_order=DESC)

26. Please provide a copy of the agency's FY21 performance plan. Please explain which performance plan objectives were completed in FY21 and whether they were completed on time and within budget. If they were not, please provide an explanation.

Response: See Attachment 26.

27. Please provide a copy of your agency's Strategic Plan for FY21 and FY22.

Response: See Attachment 26. DHCD does not have a Strategic Plan other than the required Performance Accountability Plan and Report (Plan and PAR) annually submitted to the Office of the City Administrator.

28. Please provide the number of FOIA requests for FY21 and FY22, to date, that were submitted to your agency. Include the number granted, partially granted, denied, and pending. In addition, please provide the average response time, the estimated number of FTEs required to

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process requests, the estimated number of hours spent responding to these requests, and the cost of compliance.

Response: FOIA Requests for FY21

- Submitted – 195
- Granted in whole – 18
- Partially Granted – 71
- Denied – 6
- Request pending – 1
- Average response time – 22.3 days to process
- FTEs – 2
- Estimated number of hours – 72
- Cost of compliance - \$3,081.00

FOIA Requests for FY22 to date

- Submitted – 90
- Granted in whole – 9
- Partially Granted – 22
- Denied – 4
- Request pending– 5
- Average response time – 8.38 days to process
- FTEs – 2
- Estimated number of hours – 28
- Cost of compliance - \$1,198.12

29. Please provide a copy of your agency's FY22 performance plan as submitted to the Office of the City Administrator and any accomplishments pursuant to that plan.

Response: See Question 26.

30. Please separately list each employee whose salary was \$100,000 or more in FY21 and FY22, to date. Provide the name, position number, position title, program, activity, salary, and fringe. In addition, state the amount of any overtime or bonus pay received by each employee on the list.

Response: See Attachment 30a and 30b.

31. Please list in descending order the top 25 overtime earners in your agency in FY21 and FY22, to date. For each, state the employee's name, position number, position title, program, activity, salary, fringe, and the aggregate amount of overtime pay earned.

Response: See Attachment 31a and 31b.

32. For FY21 and FY22, to date, please provide a list of employee bonuses or special pay granted that identifies the employee receiving the bonus or special pay, the amount received, and the reason for the bonus or special pay.

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Response:

Six (6) awards in the category were made during FY21-FY22:

1. Ray Slade retired from the agency after 18 years of service and was granted a retirement award in the amount of \$25,000.
2. Sharon Gray retired from the agency after 21 years of service and was granted an award of \$25,000.
3. Miranda Gillis retired from the agency after 35 years of service and was granted an award of \$25,000.
4. Mozella Boyd-Johnson retired from the agency after 39 years of service and was granted an award of \$25,000.
5. Kwyna Howard retired from the agency after 39 years of service and was granted an award of \$25,000.
6. Annie Carter retired from the agency after 35 years of service and was granted an award of \$25,000.

33. Please provide each collective bargaining agreement that is currently in effect for agency employees. Please include the bargaining unit and the duration of each agreement. Please note if the agency is currently in bargaining and its anticipated completion.

Response: Contracts are negotiated on behalf of DHCD by the Office of Labor Relations and Collective Bargaining (OLRCB). There are two American Federation of Government Employees (AFGE) locals that represent DHCD employees: AFGE Local 1403 and AFGE Local 2725. The AFGE 1403 is current and in effect through 2023. AFGE 2725 is part of the AFGE master contract. The AFGE Master CBA rolls over each year and remains in full force and effect until a new contract is negotiated. Additionally, see Attachments 33a-d.

34. If there are any boards or commissions associated with your agency, please provide a chart listing the names, confirmation dates, terms, wards of residence, and attendance of each member. Include any vacancies. Please also attach agendas and minutes of each board or commission meeting in FY21 or FY22, to date, if minutes were prepared, or the explanation why minutes were not prepared to not available. Please inform the Committee if the board or commission did not convene during any month.

Response: See Attachments 34. Agendas and minutes can be found online at <https://dhcd.dc.gov/node/793962>. The Housing Production Trust Fund Board does not yet have minutes for meetings in October or December of 2021 or January 2022 because they have not been adopted by the Board. The Condominium Association Advisory Council has never met because it does not have an established quorum.

35. Please list all reports or reporting currently required of the agency in the District of Columbia Code or Municipal Regulations. Provide a description of whether the agency is in compliance with each requirement, and if not, why not (e.g. the purpose behind the requirement is moot, etc.).

Response:

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Inclusionary Zoning Annual Report – the most recent report published is for FY20. The Annual Report for FY21 will be published in the first quarter of calendar year 2022.

Housing Production Trust Fund Annual Report – the most recent report published is for FY19. The FY20 and FY21, reports will be completed after the audits for each of those years is completed. DHCD is in the process of soliciting an auditor to complete the audits.

Housing Production Trust Fund Quarterly Reports – the most recent report is from the fourth quarter of FY21. The first quarter report for FY22 will be published in March.

Unified Fund Report – the most recent report covers FY 15-FY 20, the FY 21 report will be available in the first quarter of calendar year 2022.

36. Please provide a list of any training or continuing education opportunities made available to agency employees. For each additional training or continuing education program, please provide the subject of the training, the number of agency employees that were trained, the names of the trainers, and the total cost of each, if a procurement was made, the name of the contractor and the basis for the non-competitive award, if applicable.

Response: See Attachment 36.

37. Does the agency conduct annual performance evaluations of all its employees? Who conducts such evaluations? What steps are taken to ensure that all agency employees are meeting individual job requirements?

Response: Division and unit managers conduct annual performance evaluations for their respective teams. In an effort to balance the needs of the organization as well as its' people, the agency works to align employee performance with its' affordable housing and economic development mission. Performance management is integrated into all aspects of the agency's operational activities. Employees receive individual as well as team feedback during regularly scheduled face to face meetings and electronic communications.

In addition, employees receive performance plans and mid-year reviews to guide their goal attainment. Managers act as leaders within the organization to mentor, coach and guide team members throughout the performance year. Moreover, the agency's all staff meetings provide an open forum for updates concerning overall agency performance as well as individual division performance. This platform helps elucidate an individual team member's contribution to goal attainment as well as their connection to the District's goals related to affordable housing. Managers receive annual training on the performance evaluation process. At the same time, they are provided technical assistance to ensure they meet performance guidelines and follow all processes and procedures that are related. Overall, the agency emphasizes using the performance evaluation system and resources to serve as a developmental tool. The goal is to enhance employee performance through the identification and communication of relevant job responsibilities and performance expectations. Managers not only provide appropriate feedback on performance but identify areas that encourage and promote training as a tool for enhanced productivity and professional growth.

Racial Equity Questions

Department of Housing and Community Development (DHCD)

38. In the context of your agency and its mission, what are three areas, programs, or initiatives where you see the most opportunity to address racial inequity?

Response: Through a continued focus on implementing the affordable housing distribution in the District as recommended by the Housing Framework for Equity and Growth Initiative. DHCD and its sister housing agencies (lead by DMPED) continue to advance racial equity through our affordable housing work. Mayor Bowser's Department of Health 2018 Health Equity Report shows that where residents can afford to live affects their quality of life, life expectancy, and economic outcomes. The Housing Equity Report – and other recent analyses of the District's demographics documents how the District's predominately Black communities face housing inequities- like more significant housing cost burdens and lower homeownership rate. This report established production targets for every District planning area based on what is necessary to achieve an equitable distribution of affordable housing citywide. By pursuing these targets, we are working to eliminate the legacy of racially discriminatory housing policies and practices that led to affordable housing concentrations that exist today and ensure equitable access to all neighborhoods for residents of color. By growing the District's supply of affordable housing and housing overall (the objective of Mayor Bowser's 36,000 by 2025 goals), we will lower housing cost burdens, which fall most severely on people of color. Increasing BIPOC homeownership opportunities through programs like HPAP is a crucial tool in advancing racial equity and reducing the racial wealth gap. Also, offering and expanding access to quality free housing counseling options is key to helping communities of color gain awareness of and successfully access the full range of available, affordable housing options. In FY2021, the District continued as the lead entity in its partnership with the Metropolitan Council of Governments (MWCOC) in the ongoing Intergovernmental Agreement to complete a regional Analysis of Impediments with surrounding jurisdictions in Virginia and Maryland to coincide with the deadline for submitting the Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD). The District will continue to meet its obligation and (1) complete a citywide analysis of impediments to Fair Housing Choice; (2) take appropriate actions to overcome the effect of any impediment found and (3) maintain records of the analysis and actions taken to remedy the impediments. Lastly, federal funding assistance is directed District-wide to areas that are 80 percent or below the MFI defined by the U.S. Department of Housing and Urban Development (HUD). The District targets neighborhood investments that affirmatively further fair housing choice across the City, including residential programming, thus increasing the integration of neighborhoods racially, ethnically, and economically.

39. Do you think there are any areas/programs where your department has had some success in building racial equity over the past year? Which areas/programs?

Response: The agency has stood up a number of programs providing financial support to tenants and property owners impacted by the COVID-Pandemic. This support has been vital to the District's low-income residents directly affected by unemployment rates due to the pandemic. Our emergency rental assistance programs created in response to the public health emergency have prioritized small landlords in two of the three executed programs. The creation

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of these programs was critical for our agency as many BIPOC residents live in small buildings that are often naturally occurring affordable housing. This includes the following programs:

- Tenant Based Rental Assistance (TBRA) program – targeted at buildings with 50 units or less
- Small Housing Provider Program (SHPP) – targeted building owners with 20 units or less.
- DC East of the River Small Business Economic Relief Microgrant Program for Wards 7 and 8- a targeted COVID-19 relief program that provided up to \$800,000 for small businesses in Wards 7 and 8.
- DHCD continues to prioritize non-housing neighborhood investments in Racial/Ethnic Concentrated Areas of Poverty. DHCD strives to produce affordable-housing opportunities and targeted neighborhood investments that increase racial and ethnic diversity through the Development Finance Division (DFD) consolidated Notice of Funding Availability (NOFA). The current NOFA which closes in February included a top Priority Classification for proposed projects located in Rock Creek West, Near Northwest, or Capitol Hill Planning Areas.

One program that deserves particular mention this year is The District of Columbia's Homeowner Assistance Fund (HAF). Started as a Pilot in FY21, the HAF program is designed to assist low-income homeowners to catch-up on the costs of homeownership. As laid out in the HAF plan submitted to Treasury, by starting the pilot by assisting condominium owners in some of the hardest hit zip codes in Ward 7 and 8, this program is prioritizing assisting black and brown homeowners. This pilot is already having success in warding off the threat of foreclosure and will soon be making payments to be reinstating these households. The full program, when it is implemented this spring will continue to prioritize the households that have been historically, and are still today, being discriminated against in housing markets. The details of this program and the HAF plan that will guide its implementation can be reviewed here <https://dhcd.dc.gov/node/1557026>.

40. Consider the demographic data your department collects, tracks, and evaluates as (A) part of its operations and (B) as part of its performance plan:
- a) Do you collect information on race and geographic area? If not, why not?

Response: Yes, DCHD collects program-required and often additional geographic and race data. While the law generally prohibits us from requiring persons to submit data pertaining to race, ethnicity, or gender, generally accepted data collection standards recommend that personal information is voluntarily provided and is depersonalized and anonymized to protect respondents' identity. Residents accessing all our application-based programs are asked to submit this information. Other agency programs that work with developers, housing providers, and other business concerns all require geographic data collection.

41. What legal barriers (if any) do you face as an agency to advancing racial equity or better understanding racial inequity?

Response: The law prohibits us from requiring persons to submit data pertaining to race, ethnicity, or gender, although federal program requirements may require the agency to ask these questions. Most of DHCD's programs are funded with a mix of local and federal funding

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sources. In these cases, we are required to adhere to federal and local standards as we approach serving underserved communities. In most instances, program eligibility includes determining factors such as census tracts comprised of residents whose income is considered low and moderate, neighborhoods or areas designated as blighted, and other HUD-eligible activities.

42. In your FY22 budget as approved, are there specific programs or allocations that are specifically designed to address racial or economic inequities faced by District residents? In detail, please describe how these efforts address those inequities.

Response: DHCD through the current NOFA, has made available funding opportunities in FY22 with a focus on the implementation of the affordable housing distribution in the District as recommended by the Housing Framework for Equity and Growth Initiative. As noted above, this report set production targets for every planning area of the City based on what is necessary to achieve an equitable distribution citywide. By pursuing these targets, we are working to eliminate the legacy of racially discriminatory housing policies and practices that led to affordable housing concentrations that exist today and ensure equitable access to all neighborhoods for residents of color.

DHCD also deployed an Equity RFP modeled on a similar effort recently developed by DMPED; this will expand on the agency's current practice to set aside for CBE firms all of its "turn-key" housing rehabilitation and development of vacant and blighted properties within the PADD divisions. DHCD intends to incorporate this aspect in future RFPs across the agency.

43. What are three metrics that your agency could use to measure progress toward racial equity? These could be metrics you currently track or new metrics. (Examples include: licenses or permits issued/denied, professional development or advancement opportunities granted/denied, fine or fee enforcement/forgiveness, etc.,—all by race and/or geographic areas).

Response:

- The number of affordable housing units created and/or preserved by planning area.
- Homeownership rate increase.
- Targeted RFPs for BIPOC developers.

Agency-Specific Questions

Housing Development Pipeline -

44. Please provide the following in an Excel spreadsheet:
- a) List of all DHCD projects that closed in FY21 and in FY22, to date; and
 - b) List of all DHCD funded projects that came online in FY20, FY21, and FY22 to date, the addresses of these projects by Ward, and the number of units in each of these projects by AMI level.

Response: See Attachments 44a and 44b.

45. On an Excel spreadsheet, please provide the following information regarding 9% LIHTC projects awarded for FY20, FY21, and FY22 to date:

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1. Name of the awardee;
2. Name of all the legal entities comprising the awardee;
3. Name of each individual and/or principal of the entity;
4. Name and location of project;
5. Date of award;
6. Description of project; and
7. Project timeline.

Response: See Attachment 45.

46. On an Excel spreadsheet, please provide the following information regarding 4% LIHTC projects awarded for FY20, FY21, and FY22 to date:
1. Name of the awardee;
 2. Name of all the legal entities comprising the awardee;
 3. Name of each individual and/or principal of the entity;
 4. Name and location of project;
 5. Date of award;
 6. Description of project; and
 7. Project timeline.

Response: See Attachment 46.

Federal Funding (CDBG/HOME/LIHTC/CARES Act)

47. What are the current fiscal year uses for Community Development Block Grant (CDBG) funds?

Response: The FY 2022 uses for Community Development Block Grant (CDBG) funds are: Housing Counseling Services, Small Business Technical Assistance (SBTA), Storefront Façade Improvements for Small Businesses (Façade), Home Purchase Assistance Program (HPAP) and Rental Housing Rehabilitation and Preservation of Affordable Housing.

48. Please describe how CDBG funds will be used in FY22, and what changes are being considered for the CDBG funds.

Response: See question 47. There are no changes being considered for the CDBG funds.

49. What funds will be available from CDBG in the 2021 Notice of Funding Availability?

Response: CDBG funds were made available in the 2021 Consolidated RFP. The exact amount of funds available for RFP projects will vary based on needs of other DHCD programs and the amount of program income received by the agency. DHCD evaluates the resources available during underwriting and matches projects with those funding sources that are most suitable.

50. Please list the FY21 CDBG recipients and any FY22 CDBG recipients, to date, if applicable.

Response:

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FY 22 – HOUSING COUNSELING

AARP Legal Counsel for the Elderly
Central American Resource Center
Douglass Community Land Trust
Emory Beacon of Light, Inc.
Greater Washington Urban League, Inc.
Housing Counseling Services, Inc.
Latino Economic Development Center
Lydia's House, Inc.
Manna, Inc.
Marshall Heights Community Development Organization
Mi Casa, Inc.
Neighborhood Legal Services Program
United Planning Organization (UPO)
University Legal Services, Inc.

FY 2022 – SMALL BUSINESS TECHNICAL ASSISTANCE (SBTA)

Anacostia Economic Development Corporation
ARCH Development Corporation
Congress Heights Training & Development Corporation
District Bridges
Emory Beacon of Light, Inc.
Friends of Rhode Island Avenue
Greater Washington Hispanic Chamber of Commerce
H Street Main Street, Inc.
Latino Economic Development Center
Life Asset
Marshall Heights Community Development Organization
SB Works
Washington Area Community Investment Fund

FY 2022 – HOMEOWNER PURCHASE ASSISTANCE PROGRAM (HPAP)

DC Housing Finance Agency
Greater Washington Urban League

FY 22 – HOUSING COUNSELING

Housing Counseling Services, Inc.
Latino Economic Development Center
Manna, Inc.
University Legal Services, Inc.
AARP Legal Counsel for the Elderly
Mi Casa, Inc.
Greater Washington Urban League, Inc.
Central American Resource Center, Inc.
Marshall Heights Community Development Org., Inc.
United Planning Organization (UPO)
Lydia's House, Inc.
Housing Counseling Services, Inc.

Department of Housing and Community Development (DHCD)

Latino Economic Development Center
Manna, Inc.

FY 2021 – SMALL BUSINESS TECHNICAL ASSISTANCE (SBTA)

ARCH Development Corporation
Anacostia Economic Development Corporation
Latino Economic Development Center
Washington Area Community Investment Fund
SB Works
Friends of Rhode Island Avenue
Congress Heights Training & Development Center
Life Asset
H Street Main Streets
Greater Washington Hispanic Chamber of Commerce
ARCH Development Corporation
Anacostia Economic Development Corporation
Latino Economic Development Center

FY 2021 – HOMEOWNER PURCHASE ASSISTANCE PROGRAM (HPAP)

DC Housing Finance Agency
Greater Washington Urban League

FY 2021 – RENTAL REHABILITATION AND PRESERVATION (DFD PROJECT)

Phoenix Cooperative Association

51. How much of the \$2 million from the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant-COVID 19 (CDBG-CV) has been spent by DHCD?

Response: In total, the District has received \$16,752,216 in CDBG-CV funding. To date, a total of \$6,751,973 has been expended, and another \$659,150 is obligated to ongoing projects.

52. On an Excel spreadsheet, please provide the following information regarding each CDBG-CV recipient to date:
- Organization name;
 - Dollar amount awarded;
 - Date of award;
 - Brief summary of what work the organization is engaged in (Ex: Housing Provider)
 - Address of organization; and
 - Ward in which organization is located.

Response: See Attachment 52.

53. Please describe how Home Investment Partnerships Program (HOME) funds are being used in FY22, and what changes are being considered for HOME funds.

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Response: DHCD plans to use HOME Funds in FY2022 for the Homeowner Purchase Assistance Program (HPAP). Community Housing Development Organization (CHDO) and CHDO Operating Assistance (CHDO Operating) funds have been set aside in the event a CHDO with a qualifying Affordable Housing Development (New Construction or Rehabilitation) project is selected through the agency's consolidated RFP process.

54. What funds will be available from HOME in the 2021 Notice of Funding Availability (NOFA)?

Response: HOME funds were made available in the 2021 Consolidated RFP. The exact amount of funds available for RFP projects will vary based on needs of other DHCD programs. DHCD evaluates the resources available during underwriting and matches projects with those funding sources that are most suitable.

55. What are DHCD's plans for using HOME funds as operating funds for Community Housing Development Organizations (CHDOs)? Please describe how CHDOs have used that funding.

Response: Community Housing Development Organization (CHDO) and CHDO Operating Assistance (CHDO Operating) funds have been set aside in the event a CHDO with a qualifying Affordable Housing Development (New Construction or Rehabilitation) project is selected through the agency's consolidated RFP process. A CHDO with a project may apply for up to \$100,000 in CHDO operating expense funds to cover its operating costs while constructing an affordable housing development. To receive these funds, the CHDO must be the affordable housing project's owner, sponsor, or developer. Historically, a non-profit's rent and insurance expenses were reimbursed using CHDO operating funds.

56. Have there been any changes to the District's Qualified Allocation Plan (QAP) and the use of tax credits?

Response: The Qualified Allocation Plan was updated in 2021. A Draft QAP was published on August 3, 2021 and a public hearing was held on August 25, 2021. Proposed changes and updates to the QAP are summarized in DHCD's public hearing presentation. The Final 2021 QAP includes the following changes:

- Incorporation of Priority Classification criteria/process in competitive project selection;
- Minimum affordability period increased from 30 years to 40 years to match HPTF minimum requirement;
- More detailed requirements for right of first refusal for non-profit organizations;
- More stringent requirements for past performance of LIHTC investors; • Revisions to which items included in Threshold Eligibility Requirements; • Increased minimum requirements for green building design and construction standards to set new projects up for BEPS compliance;
- Changes to the scoring evaluation criteria, including:
 - Incorporation of borrower/owner past performance;
 - Preference for projects that include programming for underserved populations;
 - Incorporation of wealth-building opportunities for residents and for historically disadvantaged development team members;

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- Aligning geographic preferences with the Housing Equity Report and affordable housing goals by planning areas;
- Preference for projects at risk of losing affordability, those that maximize density, and those that include innovative community-oriented features or programming.

57. In November 2020, the District received \$10 million in Housing Stabilization Grants as part of federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act.

a) How much of the \$10 million has been spent to date?

Response: DHCD received \$2,533,933.75 of CARES Act funding to provide targeted rental housing programs, of which \$2,351,341 was spent through a sub-grant to a CDFI. The balance of funding was returned for allocation to other uses.

b) How much has gone to Small Housing Providers to date?

Response: \$2,076,725.63 was disbursed to Small Housing Providers. Another \$200,000 was spent to cover the administrative costs of the program. \$275,007.37 in unexpended funds were returned to the District for re-use.

c) What plans are in place to spend the remaining funds that have not yet been spent

Response: DHCD has completely disbursed the funds allocated to it.

58. In January of 2021, it was announced that the District would receive \$200 million from HUD for rental assistance.

a) How much of this money will be used and administered by DHCD or an organization selected by DHCD?

b) When will a plan to spend and allocate these funds be finalized?

c) Has DHCD come to a decision as to how this money will be spent?

Responses a-c: Emergency Rental Assistance (ERA) funds were largely allocated to the DC Department of Human Services to manage the Stronger Together by Assisting You (STAY) DC program. DHCD received an allocation of \$7.1m to continue managing the COVID-19 Housing Assistance Program (CHAP) while STAY DC was ramping up. We spent \$4,928,176 in FY21 to wrap up CHAP activity during this transition and returned the balance of funds. DHCD will not be allocated any additional ERA funding.

COVID-19 Housing Assistance Program (CHAP)

59. Please provide the statistics for the pool of CHAP recipients, broken down by the following categories (If applicable, provide both the mean and median of a variable):

a) Age-

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Response: We did not collect this data as age was not a demographic required by HUD or Treasury reporting requirements.

b) Gender

Response: DHCD initially only captured gender as Male and Female for CDBG-CV HUD reporting purposes. However, in the process of switching to ERA funds, we added the Non binary category);

Gender	Awardees
Declined to respond	79
Female	609
Male	333
Non-Binary	1
Grand Total	1022

c) Ethnicity:

Response: DHCD initially collected HUD approved categories. However, in the process of switching to ERA funds DHCD started tracking “other” as an option.

Ethnicity	Awardees
Declined to answer/Unreported	425
Hispanic/Latinx	108
Not Hispanic/Latinx	390
Other	99
Grand Total	1022

d) Household size:

Response: Of those households with a size recorded in the database, the average (mean) household size was two and half (the median) had a household size of one.

Household size	Awardees
1	458
2	218
3	137
4	94
5	38
6	9
7	5
8	1
Declined to report/NA	62
Grand Total	1022

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e) Income:

Response: Income was recorded in the database by MFI level. MFI levels were not recorded in the database for two households.

MFI Level	Awardees
0-30% MFI	774
31-50%MFI	176
51-60% MFI	46
61-80% MFI	24
N/A	2
Grand Total	1022

60. Please list each nonprofit that DHCD has partnered with as part of CHAP.

Response: Housing Counseling Services (HCS), Greater Washington Urban League (GWUL), United Planning Organization (UPO)

61. How much of the \$6.2 million budgeted for CHAP has been spent to date?

Response: All of the \$6.2 million budgeted for CHAP has been spent to date.

62. How many individuals have been served by CHAP to date?

Response: 1,022 individuals have been served by CHAP.

63. How many individuals have been served by CHAP in each Ward?

Response: Ward 8 had the greatest number of recipients. There are a few addresses that were entered incorrectly in the database and therefore the ward has not yet been identified.

Ward	Awardees
1	102
2	47
3	55
4	126
5	130
6	92
7	175
8	292
N/A	3
Grand Total	1022

Tenant Opportunity to Purchase Act (TOPA)

Department of Housing and Community Development (DHCD)

64. For FY20, FY21 and FY22, what participation was provided by your agency for each TOPA building completed or in process? Identify each developer for each building and the names of the individuals who are the principals for each entity of the developer.

Response: The agency does not ‘participate’ in the TOPA process because TOPA is a right or bundle of rights given to tenants and provides tenants with the opportunity to purchase their housing accommodations. The Rental Conversion and Sale Division (CASD) is the repository agency for TOPA filings and maintains records of any notices or other documents a housing provider gives to tenants related to TOPA. DHCD does partner with and provides grants to community-based organizations that provide technical assistance to tenants so that may effectively exercise their TOPA rights. No TOPA acquisition projects utilized DHCD financing to complete TOPA purchases in FY20, FY21, or FY22 to date. While no TOPA acquisition projects are currently in DHCD’s direct pipeline for acquisition financing, several completed TOPA acquisition projects are in DHCD’s current pipeline for rehabilitation financing. Also, two projects assisted through the DHCD administered Housing Preservation Fund in FY22 thus far (1309 Alabama Ave SE; 3200 13th St SE; & 3210 13th St SE; 2359-2401 Ontario Rd, NW) have been TOPA acquisitions.

65. How many buildings completed a TOPA purchase in FY20, FY21 and FY22 to date?

Response: Participants in a TOPA transaction are not required to provide DHCD confirmation that a property has been sold or to whom it has been sold. The agency does not collect this data.

66. How many buildings began the TOPA process in FY20, FY21 and FY22 to date, but have yet to complete the purchase?

Response: Participants in a TOPA transaction are not required to provide DHCD confirmation that a property has been sold or to whom it has been sold. The agency does not collect this data. The Rental Conversion and Sale Division is the repository agency for TOPA filings. Below is a chart detailing the number of TOPA Notices/Offer of Sale notices received by the Division for multi-family properties with five or more rental units.

FY 20	97
FY 21	90
FY 22 to-date	42

67. How many TOPA projects came to fruition between FY14 and FY21?

Response: Participants in a TOPA transaction are not required to provide DHCD confirmation that a property has been sold or to whom it has been sold. The agency does not collect this data. The Rental Conversion and Sale Division is the repository agency for TOPA filings. The Division received 457 TOPA Notices/Offer of Sale notices for multi-family properties with five or more rental units between FY 14 and FY 21.

68. How many TOPA deals were made between FY14 and FY21?

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Response: Participants in a TOPA transaction are not required to provide DHCD confirmation that a property has been sold or to whom it has been sold. The agency does not collect this data. The Rental Conversion and Sale Division is the repository agency for TOPA filings. The Division received 457 TOPA Notices/Offer of Sale notices for multi-family properties with five or more rental units between FY 14 and FY 21.

69. How much money was disbursed between FY14 and FY21?

Response: The District of Columbia does assist projects where tenants have exercised their TOPA rights through its funding mechanisms such as the Housing Production Trust Fund and its federal block grant funding. Organizations that receive DHCD funding such as our DC Housing Preservation Fund Managers and Community Based Organizations also assist properties undergoing a TOPA transfer with financial and technical assistance. The data from these activities can be made available.

Response: See Attachment 69. Additionally, the Housing Preservation Fund has made two \$5 million acquisition loans in FY22 for TOPA acquisitions. This is a leveraged fund, so the District's contribution to this \$10 million investment was approximately \$2.5 million.

70. Please describe any issues/problems that have come to your attention regarding the implementation of TOPA or apparent attempts by housing providers to circumvent TOPA.

Response: DHCD is not aware of any issues or problems regarding the implementation of TOPA. DHCD provides file reviews of the actions taken for parties to a TOPA transaction but does not make independent determinations of the appropriateness of those actions.

71. Given the aggressive climate in which the District currently operates to fulfill Mayor Bowser's recent mandate of creating 36,000 new housing units by 2025, has the agency given thought to reporting quarterly on the total number, size by bedroom type, location, and DC dollars devoted to TOPA deals?

Response: The District of Columbia does assist projects where tenants have exercised their TOPA rights through its funding mechanisms such as the Housing Preservation Fund, the Housing Production Trust Fund and its federal block grant funding. Organizations that receive DHCD funding such as our DC Housing Preservation Fund Managers and Community Based Organizations also assist properties undergoing a TOPA transfer with financial and technical assistance. While these programs report on their activities regularly, the department has not to-date attempted to summarize this assistance across these activities in the manner described here.

72. Please describe the effect that tolling of all tenant deadlines has had on the TOPA process.

Response: The COVID-19 Response Emergency Amendment Act of 2020 extended all deadlines for tenants to exercise their rights under the Tenant Opportunity to Purchase Act to a date 30 days following the end of the public health state of emergency. The tolling period ended on August 23, 2021 and timelines under TOPA have returned to pre-public health emergency timeframes. The Tenant Opportunity to Purchase act outlines the process by which tenants may exercise their right to purchase, which includes in many instances holding meetings, forming tenant associations, obtaining financing and engaging in activities outside of their homes which are high risk activities

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for vulnerable individuals during the pandemic. The tolling of all tenant deadlines has provided tenants with the flexibility to mitigate their risks and assess how best to assert their rights under TOPA without the added pressure of statutory timelines which may be unreasonable due to the current economic and public health conditions. The tolling of tenant timelines has in some instances added additional time in which a housing provider may sell a property and some have been frustrated by delayed plans to sell properties but this emergency provision has not barred any TOPA transactions from advancing. Some housing providers who wish to sell have likely chosen to delay plans to sell until the public health emergency has ended and this is evidenced by a decline in TOPA filings in FY 20 and FY 21. DHCD's CBO partners have continued to engage with tenants and provide technical assistance with the TOPA process via zoom meetings and when possible have even conducted meetings in person, mostly in outdoor settings when permitted by weather. Many tenants have exercised their rights under TOPA despite the challenges presented by the public health emergency whether by assigning their rights or completing the purchase of the property, but each tenant/tenant association has been giving the ability to make their own decision about whether and when they will exercise their rights because of the flexibility this emergency provision has provided.

District Opportunity to Purchase Act (DOPA)

73. Explain how DOPA is used towards the implementation of Mayor Bowser's goal creating 36,000 new housing units by 2025.

Response: The District Opportunity to Purchase Act (DOPA) provides the Mayor the opportunity to purchase a housing accommodation. DOPA is subordinate to TOPA and the Mayor will only have the opportunity to purchase if tenants do not exercise their rights under TOPA. The current process established in regulations is for the Mayor to assign the right to purchase to a list of pre-qualified developers who will then purchase the property subject to covenants that comply with DOPA and maintain or increase the number of affordable units at the property.

74. What obstacles are there to DHCD beginning to implement DOPA purchases?

Response: In FY 20 and FY 21, the COVID-19 Response Emergency Amendment Act of 2020 extended all deadlines for tenants to exercise their rights under the Tenant Opportunity to Purchase Act to a date 30 days following the end of the public health state of emergency. Because DOPA is subordinate to TOPA the District's opportunity to purchase through DOPA arose less frequently. At the same time the Bowser administration was working on reforms to the DOPA statute that with the collaboration of the Committee for Housing and Executive Administration, became effective near the end of the fiscal year as the District's Opportunity to Purchase Amendment Act of 2021 (L24-0024 Effective from Aug 28, 2021). This should significantly reduce the obstacles to implementing DOPA purchases in the future.

75. How many applications has DHCD received for DOPA since the rollout of the program?

Response: DHCD pursued 16 properties since the rollout of the program. We received one application for a property that did not sufficiently meet the requirements to proceed to closing.

76. When does DHCD expect to make its first DOPA building purchase?

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Response: While we anticipate that the Mayor will have the opportunity to express interest in one or more properties in FY 22, given the timelines for TOPA, which DOPA is subordinate to, and the state of the current market, we anticipate first exercising the District’s Opportunity to Purchase in FY 23.

77. How would a bill mirroring or similar to B23-0136 – District’s Opportunity to Purchase Amendment Act of 2019 allow DOPA to be better utilized?

Response: With the collaboration of the Committee for Housing and Executive Administration, the passage of B24-0168, the District’s Opportunity to Purchase Amendment Act of 2021 (L24-0024 Effective from Aug 28, 2021), has addressed most prior concerns the Bowser administration had identified in implementing DOPA. DHCD intends to begin implementing the program in FY 22 prior to proposing any additional amendments.

Home Purchase Assistance Program (HPAP)

78. Who is the current administrator(s) of the program and what is the current division of labor?

Response: HPAP has two administrators.

- o 1.Greater Washington Urban League processes applications for the Employer-Assisted Housing Program (EAHP) and Home Purchase Assistance Program (HPAP) applications that include EAHP.
- o 2.Housing Finance Authority (HFA) processes stand-alone applications HPAP.

79. Please provide the number of applications, closings, the funds distributed, and average purchase price for the HPAP program between FY15 and FY21, and FY22 to date. What is the dollar value? How many projects were fulfilled?

	Application	Closing	Total Funds Distributed	Average Purchase Price
FY 19	973	396	\$22,070,425	\$306,982
FY20	900	376	\$19,712,920	\$336,160
FY21	854	345	\$17,816,294	\$354,384
FY 22 to-date	215	88	\$5,513,923	\$343,977

*Complete data prior to FY19 for these metrics is not readily available.

80. Please provide the statistics for the pool of HPAP recipients, broken down by the following categories (If applicable, provide both the mean and median of a variable):

- Data is based on reporting for FY21.
 - a) Age:

Response: The average age of HPAP borrowers is 33.9 years old.

- b) Gender:

Response: Based on the head of household listed on the application, 69% of applicants are female and 31% are male.

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c) Ethnicity:

Response:

American Indian	<1%
Asian	4%
Black/ African American	75%
Hispanic	6%
White/White Non-Hispanic	14%

d) Household size:

Response: The average household size (mean) of HPAP borrowers in FY21 was 1.55.

e) Income:

Response:

Less than \$20,000	1%
\$20,000 to \$29,000	0%
\$30,000 to \$39,000	2%
\$40,000 to \$49,000	13%
\$50,000 to \$59,000	21%
\$60,000 to \$69,000	21%
\$70,000 to \$79,000	21%
\$80,000 to \$89,000	15%
\$90,000 to \$99,000	4%
\$100,000 to \$109,000	2%

81. What is the breakdown of purchases by home prices and by Ward from HPAP recipients for FY21 and FY22 to date?

Response:

Ward	FY21 Avg. Purchase Price	FY22 Avg. Purchase Price (YTD)
1	\$448,950	\$361,475.00
2	\$452,666.00	-
3	\$355,487.00	\$303,983.00
4	\$425,000.00	\$425,000.00
5	\$350,000.00	385,000.00
6	\$350,825.00	\$334,766.00
7	\$398,800.00	\$408,000.00
8	\$395,480.00	\$407,066.00

82. How many HPAP recipients also utilized EAHP and/or NEAHP?

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Response: In FY21, 102 borrowers received both EAHP and HPAP loans.

83. Provide the underwriting criteria and guidelines for HPAP and EAHP. Please note any changes that have been made to the criteria and/or guidelines since the last performance oversight hearing.

Response:

<p>HPAP Loan</p>	<p>HPAP is a second trust loan for acquisition down payment of up to \$80,000 and closing cost assistance up to \$4,000. All funds are in one loan - not a grant, never forgiven. Loan deferred for minimum 5 years. The amount of assistance and deferral period determined by household income and size. (Refer to the HPAP Assistance Table) <u>HPAP Maximum First Trust loan \$453,100, no maximum sales price</u></p>
<p>EAHP Loan First-Responder Grant</p>	<p>EAHP loans available to DC Government Employees in good standing for 1 year. EAHP deferred loan of \$10,000 and up to \$5,000 matching grant based on savings. First-Responder additional \$10,000 Recoverable Grant for MPD Officers, Corrections Officers, Firefighters, Paramedics, Emergency Medical Technicians. Matching grant up to \$15,000. EAHP <u>maximum sales price \$679,650</u>, no maximum first trust loan amount.</p>
<p>Income to Payment</p>	<ul style="list-style-type: none"> • Maximum housing cost to income is 40% • Housing costs include: • First Trust payment; Projected Real Estate Taxes (reflecting Homestead Exemption); Condo / Coop/ HOA Fees ; Homeowners insurance; Mortgage Insurance • Maximum total debt to income ratio is 45% • Exceptions based on compensating factors considered, but rare. <u>Compensating factors determined by the HPAP Administrator, may include: household income not included in ratios, savings; employment history; housing payment history</u>
<p>Acceptable First Trust Loan</p>	<p>Conventional, FHA and VA full documentation, fully amortizing fixed rate loans, or ARM loans of minimum 5 year first adjustment, 2% annual cap, 5% lifetime max. DU and LPA approval recommendations encouraged, however HPAP loans will be manually underwritten, and DU/LPA recommendation does not guarantee an approval.</p>

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<p>Condo/Coop fees and other fees</p>	<p>HPAP funds <u>cannot pay condo or coop fees</u>. Maximum of 2 months toward escrow for capital contribution. Condo and Coop Fees are counted in monthly debt ratio. See <u>Non-Allowable Closing Fee Sheet</u> for fees HPAP can pay on behalf of borrower.</p>
<p>Credit Score</p>	<p>600middle score with tri-merge credit report . Report less than 120 days old at closing.</p>
<p>Credit Report</p>	<p><u>At Eligibility:</u> Traditional history with minimum 600 middle credit score accepted. Collections under \$2,000 do not have to be paid off; Medical Collections allowed no limit. No credit score: eligible non-traditional/ alternative credit with minimum three accounts, such as utility, cell phone bills, auto insurance with one-year documented history, plus 12 mo. rent history. <u>At Approval:</u> Lender Automated Underwriting accepted for tradelines and rental history. Manually underwritten loans require three tradelines and 12-month rental history, or maximum 36% housing ratio in lieu of rental history. Authorized user accounts <u>are not counted</u> in minimum trade line requirement. Accounts with collections and charge-offs are not considered trade lines.</p>
<p>Income/Employment Requirement</p>	<p>HPAP Eligibility Income requires annualized income from all sources of income from all household members, whether mortgage borrowers or not. HPAP income does not follow mortgage qualifying income guidelines, and uses income from all current sources expected to continue in the future, irrespective of how long the income has been received. Mortgage debt ratio calculations use income calculated according to mortgage qualifying guidelines of FHA, Fannie Mae or Freddie Mac.</p>
<p>Loan Amount and CLTV</p>	<p>Lenders are required to maximize the first trust loan, using 28% housing cost to income as minimum guideline. HPAP Administrator has final say on whether first trust loan meets this guideline. HPAP Notice of Eligibility amount represents a maximum, not a guaranteed amount. Relationship of HPAP amount to first trust loan is not restricted other than by maximizing first trust loan. Total financing cannot exceed the appraised value by more than 5% (105% CLTV).</p>
<p>Rate Buy Downs and Arms</p>	<p>Rate buy down subsidies cannot be paid with HPAP closing assistance. The borrower, lender or third party can pay the buy down subsidy on behalf of the borrower, as disclosed to borrower.</p>

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	ARM - HPAP will qualify applicants based on the first adjustment cap rate.
First Time Homebuyer	HPAP borrowers can have had no residential real estate ownership for 3 years. EAHP borrowers cannot have owned a primary residence in DC for 3 years.
District Residency	HPAP borrowers must all be current District residents to receive eligibility priority. Non-District residence only eligible after all District residents with notices of eligibility have purchased or eligibility expired. EAHP borrowers do not need current District Residency
Borrower Cash Contribution	HPAP borrowers must contribute the greater of \$500 or 1/2 of all financial assets over \$3,000, other than retirement accounts (i.e. \$7,000 of assets requires \$2,000); Contribution includes some items paid outside of closing which are documented with receipts from borrower payment. EAHP borrowers have no minimum contribution required.
Property Eligibility	Only Single Unit properties eligible for HPAP and EAHP loans. Single family houses, town houses, PUDs, Condominiums and Cooperatives eligible.
HPAP Timelines	Notice of Eligibility issuance 6 business days after receipt of complete application package. Contract acceptance decision 3 business days after receipt of complete contract. Inspection acceptance decision 3 business days after receipt of complete inspection. Underwriting decision 5 business days after receipt of complete application package from Lender. Closing scheduling at least 3 business days after underwriting approval, for documents and funding.

84. Have there been any issues pertaining to the amount of funding for FY21 and FY22 to date?
Response: For FY21, additional funding for EAHP was allocated to assist with the demand for purchasing.

Response: For FY21, additional funding for EAHP was allocated to assist with the demand for purchasing.

85. Have there been any additional changes made since the last fiscal year to improve HPAP loan repayment servicing?

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Response: DHCD has implemented changes to improve HPAP loan repayment servicing by creating a targeted focus on improving management of matured loans and delinquency collections.

86. How much money are you receiving yearly in HPAP repayments and how are these funds being used?

Response: See table below for revenue collection information. Local fund repayments go back to the General Fund for use by the District. Fund 0602 (HPAP Repay) is used to finance additional HPAP loan activity. Funds 8201 (CDBG), 8202 (HOME) and 8231 (CDBG-CV) are considered program income, and are used to support additional activities under those grant programs, along with some of DHCD’s administrative costs, per the terms of the grant.

Agy Fund	Agy Object	Agy Object Title	FY21 Revenue	FY22 Revenue (thru 12/31)
0100	2800	HPAP LOAN PAYOFF	3,228,990.22	602,844.26
	2810		388,871.08	108,732.65
	6111	APPR HPAP REPAY	2,500.00	
0100 Total		3,620,361.30	711,576.91	
0602	2002	APPR HPAP REPAY	117.57	15.00
	2800	HPAP LOAN PAYOFF	1,374,482.29	262,531.12
	2810		478,660.15	110,492.17
0602 Total		1,853,260.01	373,038.29	
8201	2700	HPAP LOAN PAYOFF	3,590,196.97	964,765.68
	2710	HPAP LOAN REMITTANCE	1,119,771.81	286,258.11
	5105	CDBG HPAP LOAN REPAY	1,032,192.00	39,178.76
8201 Total		5,742,160.78	1,290,202.55	
8202	2700	HPAP LOAN PAYOFF	1,034,524.69	173,524.13
	2710	HPAP LOAN REMITTANCE	370,620.01	80,279.12
	5105	CDBG HPAP LOAN REPAY	1,092,673.16	
	5122	HOME HPAP PROGRAM INCOME	-	-
8202 Total		2,497,817.86	253,803.25	
8231	5105	CDBG HPAP LOAN REPAY	107,838.60	-
8231 Total		107,838.60	-	
Grand Total		13,821,438.55	2,628,621.00	

87. How much of that money is from monthly repayments and how much is from repayments of the total HPAP amount?

Response: See table below:

	FY21 Revenue	FY22 Revenue (thru 12/31)
Payoff	9,228,194.17	2,003,665.19
Monthly/Other Remittance	4,593,244.38	624,955.81
Grand Total	13,821,438.55	2,628,621.00

88. Currently, what is the average time it takes for DHCD to re-subordinate an HPAP or HPTF loan for a regular refinance?

Response: Due to the large demand for subordinations, the processing time takes 45 to 60 days.

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Response: Due to the high demand for subordinations, the processing time takes 45 to 60 days.

89. Does DHCD intend to supplement the funds if and when the originally appropriated amount runs out?

Response: DHCD will monitor and evaluate demand for HPAP dollars. If the demand exceeds the approved budget, DHCD will discuss options for funding the demand internally and with the Executive Leadership.

90. What is the maximum income limit for federal funds versus local funds?

Response: The maximum income limit for federal funds in HPAP is \$103,200 for a family of four. The maximum income limit for local funds in HPAP is \$141,900 for a family of four.

91. What is the average time it takes to reimburse the co-administrators and what is the current status of reimbursement to the co-administrators?

Response: The Quick Payment Act (QPA) requires reimbursement within 30 days of receiving a proper invoice. The current cycle averages 20 days from invoicing to reimbursement.

92. Has DHCD seen an increase or decrease in HPAP applications since the start of the public health emergency? Please provide a breakdown of the number of applications prior to the declaration of the public health emergency and the number received after.

Response: Application volume decreased by 5% from FY20 to FY21. Application volume for FY22 is on pace to match FY21.

	Applications
FY19	973
FY20	900
FY21	854
FY22 (to date)	215

Employer-Assisted Housing Program (EAHP)

93. Please provide the number of applications, closings, the funds distributed, and average purchase price for the EAHP program between FY15* and FY21, and FY22 to date. What is the dollar value? How many projects were fulfilled?

Response:

	Closings	Total Funds	Average Purchase Price Total
FY16	91	\$965,066	
FY17	119	\$1,179,576	\$380,002.00

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FY18	112	\$3,221,968	\$390,331.00
FY19	131	\$4,603,060	\$448,622.00
FY20*	66	\$1,651,138	\$470,091.00
FY21	168	\$3,156,691	\$451,440.89

*The agency will supplement this response when additional information becomes available.

94. Please provide the statistics for the pool of EAHP recipients broken down by the following categories:

a) Age

Response: In FY21, the average age of EAHP borrowers is 36 years old.

b) Gender

Response: In FY 21, based on the head of household listed on the application, 69% of applicants are female and 31% are male.

c) Ethnicity

Response: For FY 21:

American Indian	0%
Asian	3%
Black	82%
Hispanic	6%
White	9%

d) Household size

Response: The average household size (mean) of EAHP borrowers in FY21 was 2.1.

e) Income

Response: In FY 21

Less than \$20,000	0%
\$20,000 to \$29,999	2%
\$30,000 to \$39,999	< 1%
\$40,000 to \$49,999	7%
\$50,000 to \$59,999	12%
\$60,000 to \$69,999	0%
\$70,000 to \$79,999	23%
\$80,000 to \$89,999	20%

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\$90,000 to \$99,000	17%
\$100,000 to \$109,999	3%
\$110,000 to \$119,999	5%
\$120,000 to \$129,999	4%
\$130,000 to \$139,999	3%
More than \$140,000	4%

95. What is the breakdown of purchases by home price and by Ward for EAHP recipients for FY21 and FY22 to date?

Response: Average purchase prices by Ward:

Ward	FY21 Avg. Purchase Price	FY22 Avg. Purchase Price (YTD)
1	\$ 387,875.00	\$ 427,284.00
2	\$ 491,500.00	-
3	\$ 282,000.00	\$ 281,450.00
4	\$ 389,107.00	\$ 518,133.00
5	\$ 448,776.50	\$ 502,900.00
6	\$ 409,150.00	\$ 296,225.00
7	\$ 470,981.00	\$ 465,565.00
8	\$ 429,602.50	\$ 448,119.00

96. What does DHCD do in terms of outreach to advertise this program to District government employees?

Response: DHCD funds the work of several community-based organizations to conduct intake and outreach for DHCD programs, including HPAP. Additionally, DHCD’s Office of Communications and Community Outreach regularly promotes the program through online, print and digital outlets, including social media. Additionally, in FY 22, the Council put \$500,000 in the agency’s budget to promote HPAP and the agency is in the process of utilizing those funds for this purpose.

97. What has been done by DHCD to ensure that all CBOs and clients are made aware of the recent changes to the program?

Response: There are no recent changes to the program to communicate. However, the agency regularly engages CBOs that do work on behalf of the agency.

98. Does DHCD intend to supplement the funds if and when the originally appropriated amount runs out?

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Response: DHCD will monitor and evaluate demand for EAHP dollars. If the demand exceeds the approved budget, DHCD will discuss options for funding the demand internally and with the Executive Leadership.

99. Has DHCD seen an increase or decrease in EAHP applications since the start of the public health emergency?

Response: EAHP application volume increased by 24% from FY19 to FY20 and increased by 7% from FY20 to FY21. EAHP application volume for FY22 is on pace to exceed FY21.

Single Family Residential Rehabilitation Program (SFRRP)

100. How many applicants applied for the SFRRP between FY14 and FY21, and FY22 to date?

Response: FY16: 51
FY17: 59
FY18: 99
FY19: 132
FY20: 75
FY21: 71
FY22 YTD (as of 2/4/22): 27

101. How many projects were completed between FY14 and FY21? What was the average expenditure for these projects?

Response:

	Projects Completed	Average expenditure
FY17	108	\$21,573.29
FY18	61	\$44,618.13
FY19	26	\$19,246.11
FY20	20	\$21,967.44
FY21	23	\$68,350.91
FY22 (through Q1)	3	\$89,662.30

- FY17 includes 48 Safe at Home projects completed by SFRRP. Data prior to FY17 is not readily available but will be compiled and updated.

102. How many seniors applied for the SFRRP in FY21 and FY22 to date?

Response:

- a) FY21 –60 of 71 applicants (85%)
- b) FY22 to date–22 of 27 applicants (81%)

103. Please provide the statistics for SFRRP recipients broken down by the following categories:

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Response: Based on SFRRP's current pipeline of projects

- Age

Under 40	3%
40-49	6%
50-59	11%
60-69	26%
70-79	28%
80-89	19%
90 or older	7%

- Ward

Ward 1	5%
Ward 2	0%
Ward 3	1%
Ward 4	21%
Ward 5	18%
Ward 6	7%
Ward 7	26%
Ward 8	22%

- Ethnicity

Black / African American	87%
White / Caucasian	2%
Asian	1%
Hispanic	1%
Multiracial	1%
Prefer not to say	8%

- Income (All Household Sizes)

Less than \$20,000	23%
\$20,000 to \$39,999	32%
\$40,000 to \$59,999	33%
\$60,000 to \$79,999	8%
\$80,000 to \$99,999	3%
Over \$100,000	1%

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104. What was the average time from SFRRP application submission to project completion in FY21 and FY22 to date?

Response: The average wait time from application submission to project completion is 3.5 years.

105. Please list the agencies that DHCD collaborates with as part of SFRRP and detail the nature of the collaboration.

Response:

- a) DOEE –When applications are open for submission, SFRRP refers homeowners to the Weatherization Assistance Program, the Emergency Mechanical Systems (EMS) program, and the Lead Reduction Program
- b) DACL –SFRRP works closely with Safe at Home to give and receive referrals for residents in need of accessibility modifications

106. What steps have been taken to improve and streamline the program?

Response:

1. Digitize Documents
 - At the beginning of 2020, SFRRP was almost entirely paper-based. All active paper files were scanned and backed up digitally.
2. Create and Update Database
 - After the public health emergency began, SFRRP began creating a database to streamline tracking for all applications.
3. Streamline Application
 - At the beginning of the pandemic, applications were only accepted on paper. As part of the database creation, the program created and integrated a secure digital application process.
 - Earlier improvements include no longer requiring applicants to show a bank denial before being eligible.
4. Minor Repairs Grant
 - SFRRP is selecting a contractor for a new minor repairs grant to make small but urgent and impactful repairs, such as a roof patch or tarp, for accepted SFRRP homeowners who are waiting on larger projects to be completed. This should keep many homes from deteriorating further while waiting for repairs.
5. Virtual Walkthroughs
 - Until January 2022, all bid walkthroughs with contractors were in person. This created difficulties for both the homeowner and the contractors.
 - In January 2022, SFRRP created and implemented a virtual walkthrough process to save time, make it easier for interested contractors to view the properties and bid, and is easier and safer for homeowners.
6. Contracting Solutions
 - In December DHCD changed its contracting strategy to increase interest in a tight market for contractors. By allowing contractors to compete on quality and with a pilot that leverages an existing government roofing contract, we have seen interest in

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single family projects increase dramatically and we expect that to result in a sharp improvement in completed projects and satisfied residents this year. The program has also greatly expanded its marketing to contractors.

107. What outreach and support processes has DHCD implemented for the senior population in identifying and searching for appropriate housing?

Response: SFRRP is a program for homeowners and does not assist in locating housing, instead providing grants to make existing housing safer through roof repair and accessibility modifications. Age is not considered when determining eligibility, but about 80% of SFRRP applicants are age 60 or older.

108. Please provide the Committee with an update regarding lead remediation efforts taken up through SFRRP. How many cases of lead remediation have been resolved utilizing this program to date?

Response: DHCD no longer has a program for lead remediation. SFRRP took over a few remaining lead remediation projects when the Lead Safe Washington program closed and has completed five single-family lead remediation projects to-date. There are two remaining multi-family lead-remediation projects that will be completed this fiscal year.

109. How has outreach for SFRRP been adapted since the start of the public health emergency?

Response: As noted previously, many steps have been taken to improve and streamline the program in response to the public health emergency. Outreach for new applicants has remained largely unchanged. The program proactively reached out to all accepted applicants during the public health emergency to share program and individual application status.

110. Has DHCD seen a change in volume of applications since the start of the public health emergency?

Response: FY20 and FY21 saw a 36% decrease in application volume from the two previous years of FY18 and FY19. The application volume for FY22 is on pace to match FY20 and FY21.

Small Business Technical Assistance (SBTA)

111. How has DHCD coordinated its funding for SBTA in partnering, managing, or collaborating with other District agencies that serve small businesses?

Response: In 2021, the Neighborhood Based Activities Program (NBAP) continued to support the efforts of Great Streets through our Community Based Organizations (CBOs) by assisting small businesses in completing Great Street grant applications. During January 2022, NBAP and our CBOs have had several briefings/trainings with Great Streets to learn how to better promote the program and service the small business community in applying for the Great Streets grant.

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The challenges of the Coronavirus Pandemic promoted opportunities to collaborate with DMPED to assist with economic relief efforts for small businesses 2020 through 2021, as well as to provide CARES ACT/CDBG-CV funding to support economic relief efforts to small businesses East of the River (EOR). The East of the River effort was administered by two of the EOR SBTA CBOs. During 2021 to present, many of these recipients of economic relief became clients of the Ward 8 SBTA service providers.

112. What steps has DHCD made to improve the RFP application submission process

Response: For the FY2022 RFA, as we did for the FY2020RFA and for all the subsequent COVID19 related grant programs operated by the Neighborhood Based Activities Program (NBAP), we relied on a totally electronic application submission and review process utilizing the web-based platform Zoom Grants for two of NBAP's grant programs: Housing Counseling Services and Small Business Technical Assistance (SBTAP). The Zoom Grants system simplifies the process of managing programs, from receiving and reviewing applications to making decisions to gathering post-decision reporting, including application questions, program budget, document attachments, post-funding reporting, custom scoring criteria, voting recommendations, committee discussions, workflow dashboards, weighted scoring, and application comparisons, automatically saves data, etc. There is great value in that Zoom Grants provides unlimited users, applications received, document attachments, saved reports and technical support to applicants and users. The independent review panel process was completed in two weeks and the NBAP team review was completed two days later. Recommendations were forwarded to senior management within two days. 32 applications were received for the FY2022RFA through the Zoom Grants platform. 57 applications were received for the FY2021 RFA through this platform. We consider Zoom Grants to be a best practice-level process.

113. How many of the organizations that received an SBTA award for FY21 or FY22 have an executed P.O. number?

Response: In FY21 there were ten (10) SBTA Community Based Organizations (CBOs), all with executed grant agreements and funded purchase orders. For FY22 there are thirteen (13) SBTA CBOs, as of 2/04/2022: two (2) have executed grant agreements and funded purchase orders; and eleven (11) are completing legal sufficiency of the grant agreement, they will then be in the pipeline for signature to be executed and a P.O will then issue.

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114. What was the total amount awarded to SBTA organizations in FY21 and FY22 to date?

Response: The total amount awarded to SBTA grantees in FY21 was \$2,948,273.32 and for FY22 it is \$4,128,481.46.

115. How many small businesses did the SBTA provider organizations serve across the District and by Wards in FY21 and FY22 to date? On an Excel spreadsheet, please identify:

- (a) the business by address,
- (b) the Ward the business is located,
- (c) the Ward where the award will take place,
- (d) the amount of the award,
- (e) each individual principal of each entity of the business, and
- (f) the CBE, MBE, and/or WBE status of the business.

Response: See Attachment 115

Inclusionary Zoning

116. How many IZ units were sold in FY21 and FY22 to date?

Response: In FY21, 20 IZ units were sold. To date in FY22, 0 IZ units were sold, but many are in the lottery, income verification or pre-closing process.

117. What is the process, from start to finish, that an applicant must take in order to purchase an IZ unit?

Response: To purchase an IZ unit, a household representative must take the following steps:

- a. Attend the two-hour IZ Orientation (IZO) hosted by one of the 8 Community-Based Organizations (CBOs) listed on the DHCD IZ webpage and obtain a certificate of completion. During the public emergency, the CBOs have been conducting this orientation virtually.
- b. Use the IZO certificate code to create one registration for the household on the DHCD IZ webpage. New households registering for the IZ program will initially only be eligible for rental unit notifications. To change the registration notifications to “rent or purchase” or “purchase only,” the household must first submit a certificate of completion from a DHCD-approved 8-hour homebuyer course to iz.adu@dc.gov.
- c. Check email regularly (at least once a week) to look for IZ lottery announcements (a lottery entry link is open for 7 days). Households who receive an IZ lottery email announcement, believe that they meet the requirements and are serious about pursuing the unit complete the lottery link within the email.
- d. If a lottery applicant is selected in an IZ lottery, the household representative will receive another email informing them of their selection (by the deadline that was stated in the lottery announcement email) and providing next steps to purchase the unit. The sales team also receives the contact information for all selectees and follows up with them. Within 10 days of the selection email being sent, the household must then send a “Confirmation of Interest” form to 1 designated CBO. Within 30 days of the selection email being sent, the household should provide all required documents, including income verification, to the 1 designated CBO, which serves as the sole

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Certifying Entity for all IZ units and conducts income verifications. Within 60 days of the selection email being sent, a sale contract should have been made with one of the selectees. The property can extend any of these deadlines in writing if it so chooses.

e. The applicant must sign an Acknowledgement of Covenant form prior to or at closing, summarizing the main restrictions on the IZ unit.

Prospective IZ applicants are also advised to monitor the listings on <http://dchousingsearch.org/regularly>. All IZ units must be posted on this website before DHCD will conduct a lottery. In instances where DHCD has already conducted the required number of lotteries and has approved the property's Affirmative Fair Housing Marketing Plan (AFHMP) and Household Selection Plan (HSP) in writing, the property can take direct applicants per the instructions on the www.dchousingsearch.org listing.

118. How many IZ rental units have come online in FY20, FY21 and FY22 to date?

Response: The number of IZ rental units that came online in FY20 was 239, FY21 was 372 and FY22 to date (2/7/22) is 113.

119. How many IZ rental units are in the pipeline?

Response: There are 533 IZ rental units currently in the pipeline, including planned units, units under construction, and units that anticipate a certificate of occupancy within 60 days. This does not include units that are "IZ Exempt," and would have been subject to IZ but are presently subject to other affordability terms that meet or surpass what IZ would have required, due to District or Federal funding.

120. What is the process, from start to finish, that an applicant must take in order to purchase an IZ unit?

Response: See question 117.

121. With the IZ+ coming online, how much of an increase does DHCD anticipate to the number of units in the pipeline?

Response: The Office of Planning is managing the rollout of IZ+ and would have the latest projections.

122. Please describe what marketing and outreach initiatives are in place to provide the public information about IZ units coming online and the possibility of renting or purchasing one.

Response: As required by statute, all IZ unit vacancies (either initial offerings or future vacancies or future resales) must be listed by the project's owner or owner's representative (typically the property management in the case of rental units) on the District's Affordable Housing Locator Website: www.dchousingsearch.org. According to the regulations (Section 2207.6), in the case of IZ units that are still subject to DHCD lotteries, DHCD will not conduct the lottery until the unit has been properly listed on this site. If an IZ property has fulfilled its required number of DHCD lotteries and has a DHCD-approved Affirmative Fair Housing Marketing Plan (AFHMP) and a

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DHCD-approved Household Selection Plan (HSP) on file, the property may also advertise on additional outlets (e.g. community newspapers, other websites and methods) that have been specified in the approved plans. In addition, the public can view both existing and upcoming IZ projects on the public IZ Project Dashboard available through a link on the DHCD Inclusionary Zoning webpage. The direct link to this application is <https://octo.quickbase.com/db/bi9iqv4v7>.

123. How do the District's IZ requirements for development compare to jurisdictions in Maryland and Virginia that have IZ requirements?

Response: See attachment 23. The Grounded Solutions Network has a detailed database of inclusionary zoning programs nationwide that be found at <https://gsn.maps.arcgis.com/apps/webappviewer/index.html?id=83f6a5ace35a4788844db4b7aef3cbb5>

Affordable Dwelling Units (ADUs)

124. What is the process DHCD utilizes to recapture HPTF funds used to create for-sale units?

Response: When HPTF dollars are used to finance homeownership projects, a portion of the HPTF funds are resubordinated to the future homeowner upon sale. DHCD drafts and subsequently executes the tri-party document between the developer, DHCD and the new homeowner to ensure compliance with lending requirements and practice.

125. Please describe DHCD's current process of enforcement against ADU owners who have defaulted on their loans and/or condo fees.

Response: DHCD is not typically a lender of record and therefore does not in the normal course of business receive notice of foreclosure or liens against affordable dwelling units (ADUs) or IZ units. However, if DHCD becomes aware of such issues, as it has a few times in the past, it works with Office of the Attorney General (OAG) and the owner and/or condo association to try to resolve the issues and ensure that the unit remains affordable.

If the ADU affordable for-sale unit includes DHCD-funds (HPTF, CDBG, HOME, NSP), DHCD receives notice of a foreclosure, and if the property has not yet been foreclosed, the Portfolio and Asset Management Division (PAMD) negotiates a settlement with the first trust lender so that DHCD's mortgage is not totally wiped out. If a DHCD loan is in default, the loan servicer notifies PAMD, and PAMD works with the borrower to return the loan to good standing. This process may include a modification or recasting of the loan.

126. What oversight does DHCD have in place to prevent ADU owners from renting their units in a manner contrary to their ADU obligations?

Response: Currently, there is language in the standard Affordable Housing Covenant, used to create ADUs, advising unit owners that they may not lease an ADU without DHCD's prior written approval and there is language in the deed referring to the covenant. In addition, DHCD staff monitors sites such as Airbnb and Craigslist to ensure that ADUs are not being rented. On a few occasions ADUs have been found to be rented, and DHCD has taken steps, in conjunction

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with the Office of the Attorney General (OAG), to notify the owner of the violation and in one instance was successful in collecting the amount of rent received by the owner.

If 'ADU' is intended to include IZ units, in addition to the above, the household is required to sign a Declaration of Eligibility, which requires them to declare, under penalty of perjury, that the household intends to occupy the unit as its principal residence and will not allow the extended occupancy of anyone not listed as part of the household. Restrictive language is also included in an Acknowledgment of Covenant form, to be signed by the owner at closing and in materials provided by the IZ program to the CBOs for the IZ orientation.

127. What is the process, from start to finish, that an applicant must take in order to purchase an ADU unit?

Response: The process for applying to purchase an ADU varies according to each property's Affordable Housing Covenant and for recent ADU properties, a DHCD-approved Affirmative Fair Housing Marketing Plan (AFHMP) and Household Selection Plan (HSP). Properties typically offer sale units via a lottery or waitlist system and must advertise on both the Housing Locator Website (www.dchousingsearch.org) and any other outlets listed in the AFHMP. To purchase an ADU, applicants should follow the instructions in the Housing Locator Website posting. Units on the Housing Locator Website that are marked with a red "R" icon are income restricted in some way (e.g. LIHTC, IZ, ADU). The comments section will provide additional information on the unit type and how to apply for the opportunity. DHCD also regularly offers ADU sellers to reach out to its list of IZ registrants offering the non-IZ purchase opportunity.

128. What is the process, from start to finish, that an applicant must take in order to rent an ADU unit?

Response: The process for applying to rent an ADU varies according to each property's Affordable Housing Covenant, and for recent ADU properties, DHCD-approved Affirmative Fair Housing Marketing Plan (AFHMP) and Household Selection Plan (HSP). Properties typically offer rental units via a lottery or waitlist system and must advertise on both the Housing Locator Website (www.dchousingsearch.org) and any other outlets listed in the AFHMP. To rent an ADU, applicants should follow the instructions in the Housing Locator Website posting. Units on the Housing Locator Website that are marked with a red "R" icon are income restricted in some way (e.g. LIHTC, IZ, ADU). The comments section will provide additional information on the unit type and how to apply for the opportunity. DHCD also regularly offers ADU sellers to reach out to its list of IZ registrants offering the non-IZ purchase opportunity.

129. How does DHCD notify or communicate with the buyer or tenant throughout this process?

Response: During the purchase or rental process for IZ units, DHCD communicates with prospective households primarily via email, as indicated in the regulations (Section 2200.6). In instances where an email address is not valid, the agency typically follows up with the household by phone. If, during registration with DHCD, a prospective household requests another form of communication, DHCD will attempt to accommodate the request. For ADUs, which are marketed independently by the development owner or property management, the communication methods will vary by development but are typically similar (primarily email and phone).

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130. Please describe what marketing and outreach initiatives are in place to provide the public information about ADU units coming online and the possibility of renting or purchasing one.

Response: As required by the standard affordable housing covenant used to establish ADUs, all ADU vacancies (either initial offerings or future vacancies or future resales) must be listed by the development's owner or owner's representative (typically the property management in the case of rental units) on the District's Affordable Housing Locator Website: www.dchousingsearch.org. In the case of recent ADUs that have a DHCD-approved Affirmative Fair Housing Marketing Plan (AFHMP) and Household Selection Plan (HSP) on file, the property must also advertise on additional outlets (e.g. community newspapers, other websites and methods) that have been specified in the approved plans. In the past few years DHCD has worked with DMPED to modify their form covenant, to more closely follow the IZ process, meaning that the ADU maximum & minimum incomes & maximum rents & purchase prices follow the IZ Price Schedule, and ADUs must go through the IZ lottery process when 1st available for occupancy.

Property Acquisition and Development Division (PADD)

131. What is DHCD's full inventory of vacant and/or blighted properties under this program? Please provide a list of addresses by ward, square footage, zoning, last appraisal, improvements if any, and date when the property entered the inventory.

Response: See Attachment 131.

132. How many RFPs were released in FY21 and FY22 to date that involve PADD properties?

Response: PADD released six (6) RFPs.

133. What is the process for disposing of a PADD property? How long does the disposition process take?

Response: DHCD may dispose of PADD properties via negotiated sale, competitive solicitation, transfer to another District agency or adjacent property sale. Each process has various statutory requirements and can take between a few months to two years to dispose of a PADD property.

134. How many PADD properties were disposed of in FY21 and FY22 to date?

Response: See Attachment 134.

135. Are there profits that result from all transactions involving PADD properties? If so, how much profit was gained from any dispositions in FY21 and FY22 to date?

Response: No, there are sales proceeds as described in Attachment 134.

136. How are the PADD inventory properties being maintained?

Response: DHCD has multiple blanket purchase agreements for general construction services and portfolio maintenance.

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137. What are the future plans for the program?

Response: PADD plans to continue to dispose of DHCD inventory via strategies like competitive solicitation, adjacent property sale, and transfer to District agencies. As more affordable housing units are rehabilitated, PADD continues to evolve its strategy to dispose of them as affordable housing opportunities to District residents.

138. Has an acquisition strategy to address vacant and blighted properties been created and implemented? Please provide details of the strategy.

Response: PADD continues to explore options with sister agencies to design a comprehensive effort to address vacant and blighted properties.

Housing Production Trust Fund

139. What are the statutes and regulations that govern the Housing Production Trust Fund?

Response: The Housing Production Trust Fund is governed by Title 42, Subtitle I. General, Chapter 28 of the Code of the District of Columbia (§§ 42-2801 – 42-2812.12) and Chapter 10-B41 of the District of Columbia Municipal Regulations.

140. How many units have been created since the inception of HPTF?

Response: Since January 1, 2015, 7,761 affordable housing units have been created using solely HPTF. Thousands more have been produced using other sources and strategies in addition to HPTF

141. Please attach a copy of the statutorily required HPTF Annual Report for FY16, FY17, FY18, FY19 and FY20, and FY21 as they are not available online.

Response: See response to Question 35.

142. Please provide the HPTF audit report for FY21.

Response: See response to Question 35.

143. Please provide the amount of money spent on administration of the fund in FY21 and FY22 to date. Please include the total number of FTEs and a breakdown of expenditures.

Response: See Attachment 143.

144. Please indicate the balance remaining in the HPTF for FY21 and FY22 to date.

Response:

FY21 Fund Balance \$266,439,579
Outstanding Commitments (\$94,417,815)
Uncommitted Fund Balance \$172,021,764

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FY22 Q1 Estimated Fund Balance \$277,029,660
Outstanding Commitments (\$120,773,796)
FY22 Authority (less current revenue) \$228,087,956
Estimated Available Balance \$394,343,821 *

* Note: Fund balance is only calculated at the end of the fiscal year, so this reflects the balance of uncommitted (available) funds as of December 31, 2021.

145. Please indicate the total amount of funding in the HPTF for FY21 and FY22 to date.

Response: See Attachment 145.

146. How many closings did you have in FY21 and FY22 to date?

Response: In FY21, 10 projects closed using HPTF. In FY22, two projects have closed to date using HPTF.

147. Please provide a breakdown of the following Fund amounts and an explanation of how the agency defines these categories:

a. Active requests

Response: This is the amount of funding requests currently in the DHCD Project Pipeline. Based on established benchmarks in the underwriting process, conditional commitments are made. The commitments are conditioned on the availability of funds along with other established criteria. In order to be considered an Active Request, an application successfully completed the following:

- Threshold requirement review—a thorough review of an application compared to established requirements;
- Project scoring—a detailed, multi-layered scoring process that weighs the application against established scoring criteria; and
- Selection—a high-level review analyzing available resources, recommended projects and community needs.
- The DHCD Project Pipeline currently has \$269,358,031 in active funding requests, of which approximately \$226,752,650 are for HPTF loans.

b. Available funds

Response: - The amount of budget authority available in the HPTF's FY22 budget to be obligated to the active requests is \$221,980,000 through the end of Q1 FY22. This amount does not include the accumulated fund balance.

c. Obligated funds

Response: The amount of funds obligated to specific projects. Obligations occur at the execution of the final legal documents. In cases involving more than one-million dollars of

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funds, Council approval occurs prior to obligation of funds. The FY22 HPTF funds that are obligated to projects, but not yet expended is \$95,251,526 as of the end of the Q1 FY22.

d. Expended funds

Response: This is the amount of funds that have been disbursed to projects. The majority of projects funded by the Housing Production Trust Fund involve new construction or substantial rehabilitation. Funds are expended over the course of the construction period. Through the end of Q1 of FY22, \$8,640,900 has been expended on projects.

148. Please identify all sources of HPTF funding and the amount from each source.

Response: See Attachment 148.

149. How many applications did HPTF receive in FY21 through FY22 to date? Please provide a breakdown for each year.

- a. Of these applications, how many applications were approved?
- b. How many applications dropped out?

Response:

FY21 – The 2021 Consolidated RFP as released on September 30, 2021 and proposals were due for the first application window on December 10, 2021. Consequently, no new applications were received in FY21.

FY22 - The 2021 Consolidated RFP was released on September 30, 2021 and proposals were due for the first application window on December 10, 2021. DHCD received 24 applications. Eleven (11) applications passed threshold review and were selected into the underwriting pipeline. No applications dropped out.

150. Please provide the total amount of funding used for:

- a. Preservation

Response: \$9,191,407

Project Name	HPTF Loan Amount
Savannah Apartments II	\$9,191,407

- b. Acquisition-

Response: \$0. No HPTF was obligated for acquisition-only projects in FY21.

- c. Construction, development, and redevelopment

Response: \$99,964,696

(This includes both substantial rehabilitation and new construction projects.)

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Project Name	HPTF Loan Amount
Savannah Apartments II	\$9,191,407
218 Vine Street NW - 4%	\$8,591,352
2442 MLK	\$16,523,766
Abrams Hall Assisted Living	\$2,443,000
17 Mississippi Ave SE Apartments	\$8,699,866
The Clara On MLK	\$14,008,973
MDXL Flats	\$13,065,659
Crawford Landing Townhomes	\$10,250,000
SOME North Capitol Street 2019	\$17,190,673
Total	\$99,964,696

d. Permanent Supportive Housing (PSH)

Response: \$18,533,947

Project Name	HPTF Loan Amount
218 Vine Street NW - 4%	\$3,051,474
2442 MLK	\$1,213,284
Abrams Hall Assisted Living	\$2,443,000
17 Mississippi Ave SE Apartments	\$2,457,810
The Clara On MLK	\$4,407,317
MDXL Flats	\$3,511,247
SOME North Capitol Street 2019	\$1,449,816
Total	\$18,533,947

e. Housing for persons at 0-30 percent of AMI (not including PSH)

Response: \$11,122,378

Project Name	HPTF Loan Amount
Savannah Apartments II	\$1,416,286
The New Hampshire - Predevelopment	\$28,000
218 Vine Street NW - 4%	\$254,289
SOME North Capitol Street 2019	\$9,423,803
Total	\$11,122,378

f. Housing for persons at 31-50 percent of AMI

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Response: \$59,249,466

Project Name	HPTF Loan Amount
Savannah Apartments II	\$7,370,468
The New Hampshire - Predevelopment	\$40,000
218 Vine Street NW - 4%	\$4,813,337
2442 MLK	\$15,310,482
17 Mississippi Ave SE Apartments	\$6,242,056
The Clara On MLK	\$9,601,656
MDXL Flats	\$9,554,412
SOME North Capitol Street 2019	\$6,317,055
Total	\$59,249,466

g. Housing for persons at 51-80 percent of AMI

Response: \$11,158,905

Project Name	HPTF Loan Amount
Savannah Apartments II	\$404,653
The New Hampshire - Predevelopment	\$32,000
218 Vine Street NW - 4%	\$472,252
Crawford Landing Townhomes	\$10,250,000
Total	\$11,158,905

151. Is DHCD fulfilling the AMI affordability requirements for the Housing Production Trust Fund, particularly with regards to the 0-30% AMI? Please provide a breakdown of the percent of HPTF funding by income category of units funded for FY20, FY21, and FY22 (projected, if available).

Response: Please see Attachment 151. As evidenced by Attachment 151, DHCD has seen great success in targeting the overwhelming majority of HPTF to towards households earning 50% and below Median Family Income. It has been an incremental process over the years to target the 50% MFI and below bucket and we are working every day to align our resources to pushing to better target the 0-30% MFI and below bucket.

152. Of the units supported by the HPTF, how many were accessible to:
 a. Tenants with disabilities

Response: Pursuant to Section 504 of the Rehabilitation Act at least 5 percent of housing units on wheelchair accessible floors (ground floor or floors with elevators) must be built to Uniform Federal Accessibility Standards (UFAS) and at least 2 percent of all housing units must be built

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with Audio/Visual features. While DHCD does not track the aggregate number of units available to tenants with disabilities, DHCD does prioritize the creation of PSH units, many of which serve tenants with physical or other disabilities. In FY21, DHCD funded seven projects with 144 PSH units. In addition, the 2021 Consolidated RFP provides points to projects that double the baseline number of accessible units required. The RFP also requires all units for seniors be accessible or adaptable.

b. Seniors

Response: All units supported by HPTF are available to seniors. In FY21, DHCD funded two projects with 146 units reserved for seniors.

c. Veterans

Response: All units supported by the HPTF are available to veterans. DHCD does not track the number of units specifically reserved for veterans.

d. Returning citizens

Response: All units supported by the HPTF are available to returning citizens. DHCD does not track the number of units specifically reserved for returning citizens. In the 2021 Consolidated RFP, DHCD offered points for projects that include programming and housing for underserved populations who face barriers to securing affordable housing, including returning citizens.

153. Please describe in detail the competitive selection process for HPTF's 2021 Consolidated Request for Proposal.

- a. What were the threshold eligibility requirements?
- b. What was the project criteria?
- c. What was the financial criteria?
- d. What was the applicant criteria?

Response: Please see the detailed explanations of the selection process beginning on page 5 of the 2021 Consolidated Request for Proposals available on the DHCD website here:

https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/2021%20DHCD%20Consolidated%20RFP_0.pdf

154. Please describe the process for disbursing HPTF funds.

Response: Borrowers submit payment requests through the DC Vendor Portal. The payment is reviewed by four Development Finance Division staff, including a program support staff person, the DFD architect, the DFD project manager, and a DFD manager. The payment is reviewed for accuracy and to ensure it accurately reflects work completed and conforms with the project budget agreed to at the financial closing. The payment request is then submitted to the OCFO for final approvals.

155. Please provide the "2019 Consolidated RFP Project Selection Recommendations" decision memorandum dated March 6, 2020.

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Response: This decision memorandum is an internal deliberative work product produced by staff and is not a final decision until signed by the Director. As such, the public disclosure of those portions of the decision memorandum that contain staff deliberative communication would potentially violate principles of deliberative process. The agency is amenable to providing the requested document in a format that redacts staff deliberative content.

156. Please describe the RFP process for applicants.

Response: Please see the following sections of [the 2021 Consolidated RFP](#) for a through description of the RFP process for applicants:

III.	HOW TO APPLY	5
IV.	PROCESS & TIMELINE	5
	1. Threshold Review	6
	2. Evaluation Criteria Review	7

157. The 2021 Consolidated Request for Proposals (RFP) was issued on September 30, 2021 and closed on December 10, 2021 for the first round and February 15, 2022 for the second round. Which projects have been selected thus far for this RFP?

Response: The following projects have been selected thus far:

- Ontario KEB (Ward 1) –This project will produce 52 net new units of affordable housing at a range of income levels. Housing Provider: Jubilee Housing, Inc.
- Lisner Independent Affordable (Ward 3) –This project will produce 93 net new units of affordable, senior housing at a range of income levels. Housing Provider: Lisner Home, Inc., and Urban Atlantic.
- Aspen Street Cooperative (Ward 4) –This project will preserve 30 units of affordable housing through substantial rehabilitation of an existing limited equity cooperative. Housing Provider: Aspen Street Cooperative, Inc.
- Fort Totten Senior (Ward 4) –This project will produce 93 net new units of senior, affordable housing at a range of income levels. Housing Provider: Arlington Partnership for Affordable Housing and EYA in partnership with the Office of the Deputy Mayor for Planning and Economic Development.
- Edgewood Commons V (Ward 5) –This project will produce 151 net new units of affordable housing at a range of income levels. Housing Provider: Enterprise Community Development, Inc.
- 2911 Rhode Island Avenue (Ward 5) –This project will produce 101 net new units of affordable housing at a range of incomes. Housing Provider: Lincoln Westmoreland Housing, Inc.
- NoMa/Union Market Affordable (Ward 6) –This project will produce 115 net new units of affordable housing at a range of income levels. Housing Provider: Marshall Heights Community Development Corporation and NRP Holdings LLC.
- Dix Street Residences (Ward 7) –This project will produce 47 net new units of affordable housing at a range of income levels. Housing Provider: Atlantic Pacific Communities and Nix Development Company.

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- Hope View Apartments (Ward 8) –This project will produce 48 net new units of affordable housing at a range of income levels. Housing Provider: T&H Mid-Atlantic and Anacostia Economic Development Corporation.
- Wagner Senior (Ward 8) –This project will produce 67 net new units of affordable housing at a range of income levels. Housing Provider: Miller Housing and Justice Housing, Inc.

a. Please explain how you determined the priority deadline criteria.

Response: The Priority Classifications are designed to achieve four major policy priorities:

- Housing for households that earn 30% of MFI or below.
- Equitable distribution of affordable housing throughout the city as outlined in the District’s Housing Equity report.
- Projects that are permit ready and can quickly proceed to closing and construction.
- Projects that produce or preserve net new affordable units (i.e., newly covenanted units).

b. Please explain the reasoning behind having a second deadline.

Response: The reason for having two application windows were threefold:

1. To target the first application window to those projects that meet the District’s highest policy priorities (see above). The Priority Classification projects are scored and selected first.
2. To allow additional time preparation time for projects that were not prepared to submit within the first two-month application window.
3. To provide an opportunity for projects that do not pass threshold review in the first application window to correct their applications and resubmit in the second application window.

c. Please explain where you are in the underwriting process.

Response: DHCD has projects that are in all stages of the underwriting process, from just selected (see the list above), to initial underwriting, to Loan Review Committee, to preparing for closing.

d. Please explain your reasoning on focusing on West of Rock Creek.

Response: The Priority Classifications include all planning areas of the city. Priority Classification #1 specifically targets those Planning Areas (Rock Creek West, Near Northwest, Capitol Hill) that have a deficit of affordable housing and need to make significant progress to meet the goals established in the Housing Equity Report.

e. Please indicate the targeted populations for the 2021 Consolidated RFP.

Response: The 2021 Consolidated RFP requires a certain percentage of PSH units for new construction projects. In addition, the RFP provides evaluation points for the following:

- Exceeding minimum number of required PSH units

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- Providing a certain percentage of family-oriented units
- Providing units and programming for populations that experience additional barriers to accessing housing
- Units reserved for seniors and people with disabilities
- Projects that serve the lowest income households

158. What are the key differences between the 2019 Consolidated RFP and the 2021 Consolidated RFP?

Response: Major changes between the 2019 RFP and the 2021 RFP include the following:

- Incorporation of Priority Classification criteria/process in project selection
 - Two application windows instead of one
 - Establishing Priority Classification criteria to target key policy priorities
- More detailed requirements for right of first refusal for non-profit organizations and more stringent requirements for past performance of LIHTC investors
- Revisions to which items are included in Threshold Eligibility Requirements:
 - Moved Acquisition Cost Reasonableness from scoring to Threshold Review
 - Made review of Development Team capacity a Threshold Review criteria only (it was in the scoring section, too)
- Increased minimum requirements for green building design and construction standards to set new projects up for long-term BEPS compliance
- Changes to the scoring evaluation criteria, including:
 - Incorporation of borrower/owner past performance
 - Preference for projects that include programming for underserved populations
 - Incorporation of wealth-building opportunities for residents and for historically disadvantaged development team members
 - Aligning geographic preferences with the Housing Equity Report and affordable housing goals by planning areas.
 - Preference for projects at risk of losing affordability, those that maximize density, and those that include innovative community-oriented features or programming

159. Of the 2021 Consolidated RFP, what amount of HPTF funding has been included?

a. How many other sources of funding have been included?

Response: DHCD does not identify the amount of HPTF funding available per RFP round. The agency selects as many projects as possible when projecting the availability of funds for the current and future fiscal years.

The following sources of funds were included in the 2021 Consolidated RFP:

Available Funding Sources

Available To	Agency	Assistance Type	Source
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All Eligible Projects	DHCD	Development Subsidy (Cash Flow Loan)	Housing Production Trust Fund (HPTF) HOME Investment Partnership Program (HOME) <u>Community Development Block Grant (CDBG)</u> <u>Housing Opportunities for Persons with AIDS (HOPWA)</u> DOEE/DHCD BEPS Compliance Funding
All Eligible Projects	DHCD	Tax Credit	9% Low Income Housing Tax Credit (LIHTC)
All Eligible Projects	DCHA	Operating Subsidy	Local Rent Supplement Program (LRSP) <i>(Prioritized for PSH Units)</i> Annual Contributions Contracts (ACC)
New Construction, Extremely Low Income (0-30% MFI) Units Only	DHCD	Development Subsidy (Cash Flow Loan)	<u>National Housing Trust Fund (NHTF)</u>
PSH Units Only	DBH	Development Subsidy (Grant)	Department of Behavioral Health (DBH) funds
	DHS	Supportive Services Subsidy	Supportive Services funds (DHS)

160. On an Excel spreadsheet, please provide the following information regarding HPTF projects awarded from Consolidated RFPs for FY19, FY20, and FY21:

- a. Name of the awardee;
- b. Name of all the legal entities comprising the awardee;
- c. Name of each individual and/or principal of the entity;
- d. Name and location of project;
- e. Date of award;
- f. Description of project; and
- g. Project timeline.

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Response: See Attachment 160.

161. Please indicate the target populations of the next Consolidated RFP and what amount DHCD will contribute from the Housing Production Trust Fund.

Response: DHCD will evaluate the results from the 2021 Consolidated RFP and make adjustments to target populations prior to the next RFP. The amount of HPTF available will depend on the number of projects selected for further underwriting in the 2021 RFP and the HPTF budget for FY23.

162. How many TOPA acquisition projects has DFD closed on using HPTF funds in FY20, FY21, and FY22 to date? How many TOPA acquisition projects are currently in the agency's pipeline?

Response: No TOPA acquisition projects closed on financing to complete a TOPA purchase in FY20, FY21, or FY22. No TOPA acquisition projects are currently in DHCD's pipeline. However, several completed TOPA acquisition projects are in DHCD's current pipeline for rehabilitation financing. For information regarding TOPA acquisition projects that utilized HPF funding, see response to Question 204.

163. What was the total amount of HPTF contributions received under 11 DCMR § 414 in FY21 and FY22 to date? Please provide a spreadsheet of properties subject to this provision and how much each has paid to date.

Response: See attachment 163. In FY 2021, collections of the fee totaled \$3,563,539. Through the first quarter of FY22, the HPTF has received \$670,173 in fees.

164. Please describe the HPTF Advisory Board's process for reviewing and evaluating a project.

- What is the review committee?
- How is the committee selected?

Response: The HPTF Advisory Board is not involved in the review and evaluation of individual projects.

165. How does the Board of Ethics and Government Accountability (BEGA) review potential conflicts of interest related to HPTF project proposals using Public Financial Disclosure Statements?

Response: DHCD cannot opine on the functions or operating procedures of another governmental entity.

166. Please attach a copy of the statutorily required HPTF Annual Report for FY16, FY17, FY18, FY20 and FY21, as they are not available online.

Response: Please see response to Question 142

Department of Housing and Community Development (DHCD)

167. According to the HPTF statute, DHCD is required to submit quarterly reports on activities and expenditures. Please provide a copy of any available quarterly reports for FY17, FY18, FY20, FY21 and FY22 to date.

Response: All available HPTF quarterly reports are posted on DHCD's website:
<https://dhcd.dc.gov/page/housing-production-trust-fund-reports>.

168. Please provide the amount of money spent on administration of the fund in FY21 and FY22 to date. Please include the total number of FTEs and a breakdown of expenditures.

Response: Please see response to Question 143.

169. Please indicate the balance remaining in the HPTF for FY21 and FY22 to date.

Response: Please see response to Question 144.

170. Please indicate the total amount of funding in the HPTF for FY21 and FY22 to date.

Response: Please see response to Question 145.

171. Please provide a breakdown of the following Fund amounts and an explanation of how the agency defines these categories:

- a. Active requests
- b. Available funds
- c. Obligated funds
- d. Expended funds

Response: Please see response to Question 147.

172. Please identify all sources of HPTF funding and the amount from each source.

Response: Please see response to Question 148.

173. How many applications did HPTF receive in FY21 through FY22 to date? Please provide a breakdown for each year.

- a. Of these applications, how many applications were approved?
- b. How many applications dropped out?

Response: Please see response to Question 149.

174. Please provide the total amount used for:

- a. Preservation
- b. Acquisition
- c. Construction, development, and redevelopment
- d. Permanent Supportive Housing (PSH)
- e. Housing for persons at 0-30 percent of AMI (not including PSH)
- f. Housing for persons at 31-50 percent of AMI
- g. Housing for persons at 51-80 percent of AMI

Department of Housing and Community Development (DHCD)

Response: Please see response to Question 150.

175. Is DHCD hitting the AMI affordability requirements for Housing Production Trust Fund, particularly in regard to the 0-30% AMI? Please provide a breakdown of the percent of HPTF funding by income category of units funded for FY20, FY21, and FY22 (projected, if available).

Response: Please see response to Question 151.

176. The 2019 Consolidated Request for Proposals (RFP) was issued on June 28, 2019 and closed on September 30, 2019. What projects were selected for this RFP?

Response: Please see response to Question 160.

177. Of the 2019 RFP, what amount of HPTF funding was included?

Response: \$267.7 million of HPTF was reserved for projects through the 2019 RFP. Some of these projects have closed and others are currently in DHCD's underwriting pipeline.

178. When was/will the next Consolidated RFP be released? Have the projects for this RFP been selected?

Response: The 2021 Consolidated RFP was released on September 30, 2021. Eleven applications have been selected to date through this RFP. The release date for the next Consolidated RFP has not yet been determined.

179. On an Excel spreadsheet, please provide the following information regarding HPTF projects awarded from Consolidated RFPs for FY18, FY20, and FY21:

- a. Name of the awardee;
- b. Name of all the legal entities comprising the awardee;
- c. Name of each individual and/or principal of the entity;
- d. Name and location of project;
- e. Date of award;
- f. Description of project; and
- g. Project timeline.

Response: Please see response to Question 160.

180. Please indicate the target populations of the next Consolidated RFP and what amount DHCD will contribute from the Housing Production Trust Fund.

Response: Please see response to Question 161.

181. How many TOPA acquisition projects has DFD closed on using HPTF funds in FY20, FY21, and FY22 to date? How many TOPA acquisition projects are currently in the agency's pipeline?

Department of Housing and Community Development (DHCD)

Response: Please see response to Question 162.

182. Has DHCD made any changes over the past calendar year to increase the efficiency of the processes and procedures involved in the TOPA acquisition assistance program?

Response: The TOPA acquisition assistance program was not available for new applications in FY21. For information regarding TOPA acquisition projects that utilized HPF funding, see response to Question 204.

183. What was the total amount of HPTF contributions received under 11 DCMR § 414 in FY21 and FY22 to date? Please provide a spreadsheet of properties are subject to this provision and how much each has paid to date.

Response: Please see response to Question 163.

184. Please describe the HPTF Advisory Board's process for reviewing and evaluating a project.

Response: Please see response to Question 164.

185. In Council Period 23, the Council passed B23-0048, the Housing Conversion and Eviction Clarification Amendment Act of 2019, which became effective on April 16, 2020. How much money has been added to the HPTF to date as a result of fees collected under this law?

Response: To DHCD's knowledge, no fees have been collected under this law. The fee collection is triggered by a reduction in units in certain buildings which would be registered with DCRA. DHCD is unaware if any properties met the requirements of the bill to be assessed a fee.

186. For the Housing Production Trust Fund (HPTF) cycles in Spring 2017, Fall 2017, 2018, and the first two cycles of 2019, please provide the total percentage of extremely low-income (ELI) units for all selected projects per RFP cycle and the approximate amount of Housing Production Trust Fund dollars awarded per RFP cycle that funded ELI units. Please explain how you reached these numbers.

Response: Please see Attachment 151 to see the breakdown by Fiscal Year. Data analysis is underway to supplement this response.

OIG Audit

187. Could you please describe in detail the steps that DHCD has already taken in response to the audit's findings? Additionally, could you please describe in detail any planned actions?

Response: Please see Attachment 187a, DHCD's response to the OIG report, and Attachment 187b, DHCD's response to the OIG's request for reconsideration that details DHCD's positions and progress regarding the audit's findings. As stated in DHCD's response to the request for reconsideration, DHCD plans to work with this Committee and the Council regarding the waiver concept in the HPTF statute. See D.C. Official Code § 42-2802(b-1). Additionally, those actions described as underway in DHCD's responses are underway.

Department of Housing and Community Development (DHCD)

188. According to the Housing Production Trust Fund Modification Amendment Act of 2019, at least 50% of funds disbursed from the HPTF during a fiscal year shall be used in creating housing opportunities for ELI households. Could you please explain the reasoning behind DHCD's failure to disburse at least 50% of the HPTF to produce housing opportunities for extremely low-income households? How does DHCD plan to address this issue?

Response: DHCD has readily acknowledged to the DC Council and general public that while we have had great success at targeting the overwhelming majority of HPTF dollars to serve very low-income families at or below 50% of the Median Family Income, more needs to be done to coordinate HPTF investment to extremely low-income households at or below 30% of the Median Family Income. When the HPTF Modification Amendment Act of 2019 ("Act") was passed, there was already a pipeline of affordable housing projects such that the increased requirement to target more HPTF to extremely low-income households would not happen immediately. It follows that it would take subsequent Consolidated Requests for Proposals to add new projects with increased funding at lower income bands each fiscal year. This fact is exemplified by our continued success at targeting very low-income households at 50% MFI and our positive trend, year over year, to towards the Act's requirements. Additionally, as DHCD has explained before, HPTF does not work in a silo the lower the income of future residents, the more operating subsidy and resources are necessary. The Fiscal Year 2022 budget included the "Local Rent Supplement Program Enhancement Amendment Act of 2021" that will allow DHCD, for the first time, to coordinate operating resources to achieve the Act's goals. To continue pushing to those goals, the 2021 Qualified Allocation Plan and Consolidated RFP made the production of affordable housing serving extremely low-income households a clear priority for proposed affordable housing developments. We have already begun to see the results of these deliberate actions and will continue aligning more resources to serve our extremely low-income households.

Notwithstanding the above, DHCD does continue to have a fundamental, long-term concern that the emphasis on 0-30% MFI expenditures in a vacuum, contradicts long-established best practices in the affordable housing field that developing mixed-income housing leads to strong communities and long-term financial sustainability for affordable housing projects. The agency also seeks to avoid incentivizing the concentration of large numbers of extremely and very low-income housing in a way that repeats the housing policy mistakes of the past –policies that had baleful consequences for the residents in those situations of concentrated poverty. In addition, DHCD is acutely aware of equity issues surrounding the existing concentrations of affordable housing in wards 7 and 8.

Fundamentally, the Mayor, backed by Council, has invested record amounts in the HPTF, but immediately meeting the Council-established, extremely ambitious, goals for housing those at the 0-30% MFI band would have run the risk of: advancing residential segregation patterns; concentrating poverty and attendant consequences; and setting up projects that lack ongoing subsidies for failure. Make no mistake: the Administration desires both to comply with the letter and spirit of the law and to help residents most in need, but housing those at the 0-30% income levels must continue to be done in an intentional way that utilizes those resources outside of the HPTF that are critical to the success of not just building units for ELI residents but also making sure they are properly resourced to operate over the long run.

Department of Housing and Community Development (DHCD)

189. According to the OIG Report, the Development Finance Division (DFD) flagged 10 projects as not meeting the threshold review requirements. Is the report accurate? If so, why did DFD flag these projects.

Response: In any Consolidated Request for Proposals, the Development Finance Division conducts the threshold review of proposals to determine if they met threshold requirements to be considered viable projects. Upon their review, DFD provides its analysis of the proposals and makes a recommendation to the DHCD Director of which projects they think met threshold. The DHCD Director, in their full authority, reviews this analysis and recommendations makes the final decision on threshold.

190. Why did DHCD conclude that 6 of the 10 did, in fact, meet threshold review requirements?

- Was new information included in the projects' proposals that DFD did not have upon first review?
- Was DFD's initial conclusion that the projects did not meet the minimum threshold incorrect?
- Were any of the 17 projects submitted to the DHCD Director for selection for the 2019 request for proposals among the 10 projects that DFD flagged as not meeting threshold review requirements?

Response: As described in Question 189, the DHCD Director, in their authority as Director, makes the final determination on threshold after review of the analysis and recommendations provided by DFD. Using the example on page 3 of the OIG Report, the DFD analysis recommended that a project did not meet threshold as it did not submit a 4% LIHTC scenario as required by the RFP. However, the language in RFP did not explicitly require this submission. The language "DHCD expects any project with \$10 million or more in total development costs to present a financing scenario that uses 4 percent LIHTCs" is not the same as saying a project must present this scenario.

191. According to the OIG Report, there were instances of unauthorized collections of higher rent for reserved HPTF units. Could you explain why?

- How does HPTF plan to address these landlords who have collected rents that are higher than the allowable rent limit published by DHCD?

Response: The OIG Report cited an example of a project that housed residents who had tenant-based vouchers. The property charged the allowable voucher contract rents. As explained in DHCD's responses to the OIG Report, use of vouchers to rent units results in several benefits for the project including: increased income that can be used to maintain the building and ensure the project meets debt-service requirements, increased income diversity in a building by including households at lower MFI levels and additional loan repayments to DHCD.

192. According to DHCD's 2019 Consolidated RFP, "DHCD expects any project with \$10 million or more in total development costs to present a financing scenario that uses 4% LIHTCs (Low Income Housing Tax Credit). Furthermore, the 2021 RFP states that, "Any project with \$10 million or more in total development costs **must** present a financing scenario that uses 4% LIHTC." Could you explain DHCD's recent decision to overrule this expectation/minimum requirement in the case of several housing proposals?

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Response: The language was changed so there is no uncertainty that a 4% scenario must be submitted for projects with \$10 million or more in total development costs.

193. Could you please provide an explanation as to why DHCD prioritized lower-scored proposals over higher-scored proposals in selecting its eight housing proposals in FY2020 for funding? Specifically, could you please explain why DHCD did not select highly-scored proposals?

Response: As DHCD has explained to this Committee, the D.C. Council, and general public, any project that passes threshold review is a viable housing project. The DHCD Director is empowered to make the final selection of projects that they determine are in the best interest of the District. Staff recommendations, scoring, and supporting documentation are all considered and inform the Director's decision in conjunction with other factors like resource availability, geography, and current priorities for production and preservation of affordable housing.

194. According to DHCD's responses, you plan to create a way to request and obtain a waiver from the Council when proposals received do not meet statutory funding requirements. How do you plan to do this?

Response: DHCD intends to work with the Committee to determine a way to meet the spirit of the law. As currently drafted, the relevant statutory clauses suggest a waiver if a Consolidated RFP does not result in a sufficient number of housing proposals by the 4thquarter of a fiscal year. Clarification is needed regarding questions like what should be done should there be no Consolidated RFP in a fiscal year.

195. In your response regarding the retrieval of any excess payments from the contractor as appropriate, you agreed that improper payments should be recouped. How do you plan to recoup these improper payments?

Response: As explained in the same response, the payments referenced by OIG to the contractor were not improper.

196. Do requests to increase project funding only occur when labor or material costs increase? If so, how does DHCD ensure that this is the case?

Response: Project budgets may increase for a variety of reasons including increased costs of labor or materials, changes in interest rates, changes in design, and more. For any request for increased project funding, DHCD and other financing partners (i.e., lenders, equity partners, etc) request and review supporting documentation like contractor bids, interest rate projects, and updated underwriting models that explain the increased costs that warrant the request for increased project funding.

197. Could you explain how DHCD has committed to following its objective criteria included in the RFP process which is designed to promote accountability and transparency? How do you plan to ensure unbiased selections from all personnel involved in the proposal review and selection process?

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Response: As given in DHCD’s response to the OIG Report, DHCD maintains, as it has to the DC Auditor, the DC Council, and the general public, that the final selection of projects is a duty of the DHCD Director who is bestowed with the authority to make these decisions in the best interest of the District. The process and priorities outlined in the QAP and Consolidated RFP by which project applications go through threshold review and further evaluation create the baseline of viable projects that will produce or preserve affordable housing. The Director then considers a number of evaluative factors, many of which change throughout the months of the RFP selection process, when making final project selections. For example, the amount and type of resources available or updated data on the number of affordable housing units under construction in each Planning Area are considered. The agency’s organizational law allows for this discretion, and there is absolutely nothing wrong, as a policy matter, with considering more holistic goals –such as advancing neighborhood diversification and making high-amenity neighborhoods accessible to low-income people –that entail consideration of all the applications taken as a whole, rather than just the scored merits of each application. The availability of vouchers or funding may change during the course of project evaluation, and it’s entirely proper for the Director to consider the available supports in making final decisions, so as to best support the interests of the DC residents and to advance the goals of the HPTF. Additionally, language was added to page 7 of the 2021 Consolidated RFP to further elucidate how DHCD’s Director makes final selections.

198. Has DHCD drafted a plan to properly monitor and oversee contractor performance? Does DHCD plan to reevaluate the role of its contractors?

Response: DHCD actively manages its contracts pursuant to training and guidance on contract administration as promulgated by the Office of Contracting and Procurement. DHCD regularly evaluates its contracting needs to use contractors to better achieve agency goals.

199. How does DHCD intend to address projects that do not perform as expected in terms of proposed project cash flows?

Response: DHCD’s Property and Asset Management Division performs regular asset management functions for the developments financed by the HPTF and other sources. These functions include review of cash flows and project financials. Comparison of proposed to actual cash flow data is conducted periodically. DHCD is rarely the sole financing partner in the project. There are multiple financial partners (lenders, investors, etc.) who are simultaneously underwriting a project and verifying all the assumptions used in cash flow projections and then comparing them to actual performance as the project must meet debt service and other payment obligations.

200. Could you please outline how DHCD plans to increase its transparency, especially with the Mayor’s Office and the D.C. Council?

Response: DHCD is committed to continually updating the Committee and D.C. Council on our work. DHCD hopes to work with the Committee to reintroduce Bill 23-0451, “Housing Production Trust Fund Income Targeting Accountability Act of 2019” to help better track our achievements in a more equitable, transparent way.

Housing Preservation Fund

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201. DHCD has stated that the administration has reached its goal to provide loans with a 3:1 private to public leverage ratio. Has this been maintained and what strategies are being used to go higher?

Response: In the history of the Housing Preservation Fund Program (HPF), all projects have achieved at least a 3:1 ratio. A number of deals have exceeded this ratio significantly such that the average ratio for the program now stands at 3.5:1. In general, the HPF continues to exceed its benchmarks and the District will continue to monitor the program for ways to improve its performance across a number of dimensions, including the leveraging of public funds.

202. How many applications were received for the Housing Preservation Fund in FY21 and FY22 to date?

Response: In FY21 we received 3 applications. In FY22 we have received 2 applications to date.

203. How many projects have been funded through the Housing Preservation Fund in FY21 and FY22 to date?

Response: In FY21 we did not fund any projects. In FY22 we have funded 3 projects to date.

204. How many of the projects funded through the Housing Preservation Fund in FY21 and FY22, to date, were TOPA acquisitions?

Response: There are two of the three projects in FY22 that are TOPA acquisitions.

Housing Provider Ombudsman

205. Please describe any and all efforts to fill the position of Housing Provider Ombudsman.

Response: The position is currently under active recruitment; we expect to complete the hiring process by the end of March.

206. Please provide the description of duties for the Housing Provider Ombudsman, including who is responsible for carrying out these duties.

Response: The Housing Provider Ombudsman serves as a resource for small housing providers, through an education and outreach program geared towards knowledge of a range of issues surrounding the rental, sale and conversion of rental properties.

Homeowner Assistance Fund

207. Please provide a status on the HAF pilot.

Response: The HAF pilot opened on October 1, 2021 with 340 households registering for the program. Of those, 158 were eligible to proceed after initial screening. 78% of applicants that were eligible to proceed submitted applications. Currently 123 individuals have applied for the program, with 62 being approved and 35 determined ineligible. The remainder are in a review status. The majority of applicants requested mortgage assistance (60%) and condo fee assistance (70%). DHCD

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continues to work with payees to disburse payments and will expand the program citywide in Spring of 2022.

208. How many households will be eligible for the program?

Response: For planning purposes, the District is using a rough estimate of the demand for the program of 3000 households. The District of Columbia's HAF Plan submitted to Treasury <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/District%20of%20Columbia%20Draft%20HAF%20OCCO%20CLEAN.pdf> found that according to the Census Pulse Survey approximately 67,000 owner-occupant households in the District had incomes below \$100,000, a proxy for the households likely to be eligible based on income for all of the types of assistance offered by the HAF program, taking into account household size. While this represents an estimate of the eligible households, the District expects far fewer to apply for assistance. For example, of the households mentioned above that are eligible based on income in the Census Pulse Survey, at the time, only around 2,500 indicated they were not at all confident in their ability to pay next month's mortgage and 3,000 (perhaps many of the same households) had used the option to defer their payments. Please see the plan for more information about the potential demand for the program.

209. Will funds be sufficient, or will additional funds be required?

Response: Given current information, funds will be sufficient.

210. What is the amount of federal funding you anticipate and when will funds be available?

Response: The District has been allocated \$50M that has been recently received. These funds are available until September 30, 2025.

211. Will funds be made available for cooperatives under the program?

Response: Funds will not be made available directly to cooperatives as corporate entities under the program. An individual share owner and current resident in a cooperative in the District, however, may be eligible for some program design elements such as utility assistance or property charge default resolution, which will pay arrears for cooperative maintenance fees and other property charges. It is worth noting, however, that limited equity cooperative (LEC) shareholders and residents who were assisted as renters under the STAY program will not be eligible for the same expenses under HAF.

212. Does HAF cover condominium association fees? Does HAF cover mortgage payment fees?

Response: Yes, the HAF program covers both condominium association fees and mortgage payment fees.

213. What expenses are covered for HAF relief?

Response: See Attachment 213. The HAF program can be used for the following expenses for the purpose of preventing mortgage delinquencies, foreclosures, loss of utilities and displacement of homeowners experiencing financial hardship due to COVID-19:

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- Mortgage reinstatement
- Mortgage payment assistance (up to 3 months) for those in the reinstatement program
- Property Charge Defaults (including property taxes, insurance premiums, HOA fees, condominium fees, cooperative maintenance, common charges, or special assessments that threaten sustained ownership of the property. Funds may also be used to pay reasonable legal and other fees.)
- Property charge payment assistance (up to 3 months or the next property tax cycle) for those in the reinstatement program
- Reinstatement of delinquent payment of utility and/or internet access services (this is not an eligible use in the pilot)

The applicant household must:

1. Have income equal to or less than 100% of the MFI as defined by the US Department of Treasury for the HAF program, or up to 150% of MFI with a written attestation of social disadvantage;
2. Be a current resident of the District of Columbia;
3. Attest that the dwelling for which assistance is being requested is the household's principal residence and has been continuously since at least June 1, 2021;
4. Attest to having experienced financial hardship after January 21, 2020 and describe the nature of the financial hardship (for example, job loss, reduction in income, or increased costs due to healthcare or the need to care for a family member.)

Rental Accommodations Division & Rent Administrator

214. How many petitions, by category, has RAD received between FY14 and FY21? How many were granted? How many were appealed? How many rulings were overturned on appeal?

Response:

Petitions Received FY 2014–FY 2021

Petition Type	Received	Granted	Appealed	Overruled
501f	6	3	0	0
Capital Improvement *	11	n/a	n/a	n/a
Exclusions (§ 205(e)(4))	23	23	0	0
Hardship	23	23	n/a	n/a
Services & Facilities *	41	n/a	n/a	n/a
Substantial Rehabilitation for occupied housing accommodations *	12	n/a	n/a	n/a
Substantial Rehabilitation for unoccupied housing accommodations	2	2	0	0
Tenant Petitions *	989	n/a	n/a	n/a
Tenant Payment Plan Complaint *	5	n/a	n/a	n/a
Voluntary Agreement	115	108	n/a	n/a

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* RAD is the intake point for filings which are reviewed for completeness and technical compliance and transfers the petitions to OAH for adjudication.

215. What is the dollar value of projects that were approved?

Response: The Rental Accommodations Division does not maintain its records or petition cases by the “dollar value of projects that were approved.”

216. With reference to the Rental Accommodations Division’s petition caseload during FY21 and FY22 to date, please provide by case number a list all petitions filed, the date the petition was filed with RAD, and the current status of the petition. Please include all petitions that were pending at any point during FY21 and FY22 to date, including petitions filed prior to FY21. Please also provide the number of petitions during FY21 and FY22 to date that:

- a. Were rejected for insufficiency;
- b. RAD rendered a preliminary decision on;
- c. RAD automatically transferred to OAH; and
- d. RAD transferred as a contested case to OAH.

Response: See Attachment 216.

Pending Cases for FY 2021 & FY 22 (as of 02/03/2022)

Number of Petitions Rejected for Insufficiency	0
Number of Preliminary Decisions Rendered by RAD	0
Total Number of Petitions Transferred to OAH Number of Tenant Petitions: 102 Number of Tenant Payment Plan Complaints: 5 Number of Housing Provider Petitions: 2	109
Number of Petitions Transferred as a Contested Case to OAH *	0

* Note: The Rental Accommodations Division does not maintain its petition records by the number of petitions transferred to the Office of Administrative Hearings prior to any filings of tenant objections and exceptions

217. Please describe any policies and procedures of RAD with regard to providing access to tenants to the underlying documents filed by housing providers with hardship petitions:

- a. Does RAD have any policies or procedures in place to allow tenants to access the underlying documents filed with hardship petitions?

Response: RAD’s policy and process is to provide copies of hardship petitions and supporting documentation to tenants and their counsel upon request. The division redacts sensitive information such as federal identification numbers or bank account information,

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but otherwise tenants and their counsel receive a complete copy of the hardship petition submission. If a requestor, however, is not directly related to a hardship petition transaction (i.e., a current tenant or the tenants' counsel), then RAD requires that the requestor submit a Freedom of Information Act request.

- b. How many requests did RAD receive during FY21 and FY22 to date from tenants or their representatives seeking access to the underlying documents filed with hardship petitions? Please break down these requests by indicating the date the request was made, the party making the request, the method by which the request was made, and all actions by RAD to respond to the request (including dates).

Response:

Request Date	Requesting Party	Request Method	RAD Response
03/15/2020	Amanda Korber, Esq., Legal Aid Society	Email rec'd 03/16/2020	RAD emailed petition on 08/26/2021 *

* Note: Response in this case was delayed due to the agency closure under the declaration of the public health emergency on March 11, 2020. The request was filled after staff returned for duty and were able to access hard copy files on site.

218. Please provide in detail an update on any efforts by the RAD to update its forms and processes to reflect the following statutes enacted during more recent Council sessions:

- a. L20-135, the Air Quality Amendment Act of 2016 (disclosure provisions amending the Rental Housing Act);

Response: See attachment 218a. The Rental Accommodations Division, with the Rental Housing Commission's approval, updated the Housing Provider's Disclosure to Applicant or Tenant form (RAD Form 3) to reflect the disclosure required by the Air Quality Amendment Act. The form is available on the agency's website.

- b. L21-553, the Rent Control Hardship Petition Limitation Amendment Act of 2016; and

Response: The Rental Accommodations Division has not yet updated its hardship petition form to reflect the disclosure required by the Rent Control Hardship Petition Limitation Amendment Act of 2015 (D.C. Law 21-0197 effective Feb. 18, 2017). No change in process is required. Since the revised and updated Rental Housing regulations (14 DCMR chs. 38-44) went into effect on December 31, 2021, the Rental Accommodations Division is working with the Rental Housing Commission to update RAD's forms to reflect the rule changes. It is anticipated that the hardship petition form will be updated within the next 90 days.

- c. L22-17, the Elderly Tenant and a Tenant with a Disability Protection Emergency Amendment Act of 2017.

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Response: The Rental Accommodations Division has not yet updated its hardship petition form to reflect the disclosure required by the Rent Control Hardship Petition Limitation Amendment Act of 2015 (D.C. Law 21-0197 effective Feb. 18, 2017). No change in process is required. Since the revised and updated Rental Housing regulations (14 DCMR chs. 38-44) went into effect on December 31, 2021, the Rental Accommodations Division is working with the Rental Housing Commission to update RAD's forms to reflect the rule changes. It is anticipated that the hardship petition form will be updated within the next 90 days.

219. The Council passed the Rent Control Housing Clearinghouse Amendment Act of 2015 in Title II, Subtitle V in B21-0158. In fiscal year 2018, the Council transferred responsibility for implementation of the rent control housing database from DHCD to the Office of Tenant Advocate. Under the Rental Housing Registration Extension Emergency Amendment Act of 2019, the database must be operational by September 30, 2020. Please provide in detail a status update on the following aspects of this rent control housing database and existing information management systems:

- a. All efforts by the Rental Accommodations Division to ensure that historical data and documents remain accessible in its existing information management system.

Response: The Department of Housing and Community Development neither altered nor intends to alter the Rental Accommodations Division's historical data and electronically-stored documents in the agency's information management system. RAD data and electronically-stored documents are publicly-accessible as required under the Rental Housing Act of 1985.

- b. All efforts by the Rental Accommodations Division to improve the organization and functioning of its existing information management system.

Response: The Rental Accommodations Division has not made any organizational improvements to the existing information management system. During the public health emergency, functionality and public accessibility were improved by transferring RAD records into a cloud system and creating online (web-based) access to the Filenet system.

- c. All efforts by the Rental Accommodations Division to organize and prepare historical data and documents for eventual inclusion in the rent control housing database.

Response: Inasmuch the rent control database system development is ongoing, no particular efforts have yet been made to organize and prepare historical data and documents for inclusion into the new system.

- d. Any plans by the Rental Accommodations Division to solicit public and/or stakeholder input on the design of the rent control housing database.

Response: The Rental Accommodations Division does not have plans to solicit public and stakeholder feedback on the rent control database design at this time.

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Other Housing Questions

220. Please detail DHCDs work with 202 Assist and provide statistics on the number of residents served in both FY21 and FY22 to date.

Response: DHCD served as an early advisor to The Wall Foundation. The Wall Foundation reached out to DHCD to seek guidance on how Mr. Wall through the Wall Foundation could provide rental assistance to the residents of Ward 8. DHCD provided guidance on how to structure the rental assistance program. DHCD also connected the Wall Foundation to HCS and Lydia's House to administer the program. Lydia's House served as point application intake and HCS approved and processed the applications for payment. All donation proceeds went directly to HCS. The number of residents that were served by the 202 Assist Program were 337 in FY20 and 218 in FY21.

221. Please list any other partnerships DHCD has engaged in during FY21 and FY22 to date

Response: Please see response to Question 10.

36,000 New Housing Units by 2025

222. How has the public health emergency affected the Mayor's goal of producing 36,000 new housing units by 2025?

Response: To-date the public health emergency has not affected the Mayor's goal of producing 36,000 new housing units by 2025. Progress toward the Mayor's housing goals can be tracked here: <https://open.dc.gov/36000by2025/>

223. How has the public health emergency affected the Mayor's goal of producing 12,000 affordable housing units by 2025? Has the public health emergency produced unique obstacles to the production of new affordable housing units?

Response: To date public health emergency has not affected the Mayor's goal of producing 12,000 affordable housing units by 2025. Progress toward the Mayor's housing goals can be tracked here: <https://open.dc.gov/36000by2025/>.

224. Have the affordable housing production goals detailed in the Housing Equity Report changed or been adjusted? Please provide any changes, broken down by each planning area:

- Rock Creek West:
- Rock Creek East:
- Capitol Hill:
- Upper Northeast:
- Near Northwest:
- Far Southeast and Southwest:
- Central Washington:
- Mid-City:
- Lower Anacostia Waterfront and Near Southwest:
- Far Northeast and Southeast:

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Response: No, the goals have not changed.