

**Preliminary Development Plan in Support of
“New Communities Initiative Bond Issuance Approval Resolution of 2022”
Pursuant to D.C. Official Code § 42-2812.03(d)**

Pursuant to D.C. Official Code § 42-2812.03(d), each approval resolution submitted by the Mayor to the Council to approve a bond issuance in support of the New Communities Initiative shall be accompanied by a preliminary development plan that describes the projected construction plan, and includes the following:

- 1. A plan that provides for the one-to-one replacement of existing subsidized units, minimizes the displacement of current residents, relocates displaced residents to suitable interim housing within the general neighborhood, and provides the opportunity and the means for the return of the residents to the redeveloped community;**

The New Communities Initiative (NCI) is committed to one-for-one replacement and has clarified that commitment to mean producing the same number of housing units that were originally available in each NCI Community.¹ Further, in 2016, the Council of the District of Columbia passed PR 21-0553 requiring that the District of Columbia Housing Authority (DCHA) create a policy clarifying the right to return to NCI units. The DCHA Board of Commissioners subsequently passed Resolution 16-06 (the “Resolution”), which provides critical policy clarifications. Most importantly, the Resolution guarantees that as long as an original resident of an NCI community continues to be eligible for public housing, they will be eligible for a new unit. The Resolution states that households have a right to return to a unit that fits their family size at the time of return, outlines how NCI provides protection to ensure NCI residents are not unduly displaced from the new redevelopments and establishes a baseline of non-negotiable lease-up criteria for private property managers who will ultimately be responsible for managing the new housing.

As part of the 100% resident success platform, NCI set a goal that every resident is offered the support needed for a successful relocation, whether temporary or permanent. NCI’s full redevelopment pipeline anticipates the demolition of 1,459 deeply-subsidized units, which will be replaced with 4,702 new units in total, of which 1,571 will be dedicated to public housing replacement and 3,131 new units will be other affordable & market rate housing.

¹ The NCI Communities are Lincoln Heights/Richardson Dwellings, approved pursuant to the Lincoln Heights/Richardson Dwellings New Communities Initiative Revitalization Plan Approval Resolution of 2006, effective December 19, 2006 (Res. 16-0923, 54 D.C. Reg. 38); Barry Farm, approved pursuant to the Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006, effective December 19, 2006 (Res. 16-0922; 54 D.C. Reg. 35); Park Morton, approved pursuant to the Park Morton Redevelopment Initiative Plan Approval Resolution of 2008, effective February 29, 2008 (Res. 17-0538; 55 D.C. Reg. 1881); and Northwest One (NW1), approved pursuant to the Northwest One / Sursum Corda Affordable Housing Protection, Preservation and Production Act of 2006, effective November 16, 2006 (D.C. Law 16-0188; 53 D.C. Reg. 6750).

2. Evidence that the poverty rate in the community is 20% or more;

According to US Census data, the NCI communities have an average poverty rate of 38.7%.

Please see the following website link for additional information:

<https://upwardmobility.dc.gov/page/financial-wellbeing>

3. An executed agreement between the Mayor, or his Authorized Delegate, and one or more designated representatives of the community that acknowledges the immediate and recognizable need for redevelopment of the community

NCI redevelops each community in accordance with its Council-approved redevelopment plan. The redevelopment plans are the products of extensive community engagement that continues throughout the entire redevelopment process from approval of the redevelopment plan to resident return.

Lincoln Heights/Richardson Dwellings, approved pursuant to the Lincoln Heights/Richardson Dwellings New Communities Initiative Revitalization Plan Approval Resolution of 2006, effective December 19, 2006 (R16-0923, 54 D.C. Reg. 38). This resolution provides Council approval of the revitalization plan for the Lincoln Heights/Richardson Dwellings community, the product of a year-long public planning process initiated by the District government, which engaged with Lincoln Heights and Richardson Dwellings residents and other stakeholders to establish a development plan and vision for revitalizing this Ward 7.

Barry Farm, approved pursuant to the Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006, effective December 19, 2006 (R16-0922; 54 D.C. Reg. 35). The Barry Farm/Park Chester/Wade Road Plan is the product of a year-long public planning process initiated by the District government, which engaged with Barry Farm, Park Chester, and Wade Road residents and other stakeholders to establish a development plan and vision for revitalizing this historic Anacostia in Ward 8.

Park Morton, approved pursuant to the Park Morton Redevelopment Initiative Plan Approval Resolution of 2008, effective February 29, 2008 (R17-0538; 55 D.C. Reg. 1881). Community outreach and the subsequent neighborhood planning process were initiated by the District government in early spring of 2007, after the Council requested that the Mayor designate the community as a proposed New Community.

Northwest One (NW1), approved pursuant to the Northwest One / Sursum Corda Affordable Housing Protection, Preservation and Production Act of 2006, effective November 16, 2006 (A16-0466; 53 D.C. Reg. 6750). In 2004, the District government, in collaboration with the Northwest One Council, initiated a public planning process to revitalize the Northwest One community to address high rates of crime, unemployment, poverty, and poorly maintained subsidized housing. That vision was articulated in the NW1 Redevelopment Plan referenced above.

4. A plan by which local, community-based developers of affordable housing may be able to achieve at least 40% participation in the redevelopment project;

All NCI community developments comply with District requirements for contracting and subcontracting with local businesses. As part of the redevelopment, the selected development team must execute a CBE Acknowledgement form, the “*SBE Subcontracting, and Equity and Development Participation, Statutory Requirements Acknowledgement Form*” which governs obligations of the developer under D.C. Official Code § 2-218.01 *et seq.* Prior to closing on any development, the selected developer shall provide the NCI with an updated CBE participation schedule.

5. A preliminary financing plan that includes a financial feasibility analysis that sets forth the proposed sources and uses of funds;

Based on a recommendation from a 2014 policy report, NCI has projected a full pipeline, including a financing plan that anticipates what is needed to complete development in all the NCI Communities while meeting NCI’s core principles. The total development is anticipated to occur over a 10+ year period. Below is the breakdown for the financing plan for NCI as a whole:

| | Amount |
|---|------------------------|
| NCI Total Development Cost | \$2 billion |
| Private Debt and Equity | (\$1.3 billion) |
| Debt Raised from Project-Based Vouchers | (\$200 million) |
| Cost Savings from New Underwriting Guidelines | (\$100 million) |
| Cost Savings from Tax Abatements & Transaction Fee Reductions | <u>(\$100 million)</u> |
| Resulting Gap (To be covered by District Gap Financing and Other Sources) | \$300 million |

6. Evidence that 500 or more new or rehabilitated housing units will be developed in the proposed New Communities Initiative neighborhood, and which specifies the total number and the distribution of planned housing units by level of household income;

Below is the projected total of housing units per each NCI Community. Note that 1,590 units are complete, of which 483 are replacement public housing and 784 are other affordable units. Some 3,112 units are planned, of which 1,088 are replacement public housing and 1,533 are affordable.

| NCI - COMPLETE & PLANNED UNITS | | | | | | | | | | | |
|--------------------------------|-------------|------------|--------|-------------|------------|--------|---------------------------------|------------|--------|-----------|--|
| | Complete | | | Planned | | | Total | | | | |
| BARRY FARM | Replacement | Affordable | Market | Replacement | Affordable | Market | Replacement | Affordable | Market | ALL UNITS | |
| Matthews Memorial | 35 | 64 | 0 | 0 | 0 | 0 | 35 | 64 | 0 | 99 | |
| Sheridan I | 25 | 89 | 0 | 0 | 0 | 0 | 25 | 89 | 0 | 114 | |
| Sheridan II | 40 | 93 | 0 | 0 | 0 | 0 | 40 | 93 | 0 | 133 | |
| Barry Farm Onsite | 0 | 0 | 0 | 380 | 353 | 167 | 380 | 353 | 167 | 900 | |
| SUBTOTAL: Barry Farm | 100 | 246 | 0 | 380 | 353 | 167 | 480 | 599 | 167 | 1246 | |
| | | | | | | | SUBTOTAL: Barry Farm (Complete) | | | 346 | |
| | | | | | | | SUBTOTAL: Barry Farm (Planned) | | | 900 | |
| LINCOLN HEIGHTS/RICHARDS | Replacement | Affordable | Market | Replacement | Affordable | Market | Replacement | Affordable | Market | ALL UNITS | |
| 4427 Hayes | 9 | 17 | 0 | 0 | 0 | 0 | 9 | 17 | 0 | 26 | |
| 4800 NHB | 23 | 47 | 0 | 0 | 0 | 0 | 23 | 47 | 0 | 70 | |
| Marley Ridge (C Street) | 9 | 0 | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 9 | |
| 5201 Hayes | 50 | 100 | 0 | 0 | 0 | 0 | 50 | 100 | 0 | 150 | |
| PNBC | 35 | 58 | 0 | 0 | 0 | 0 | 35 | 58 | 0 | 93 | |
| Strand | 28 | 58 | 0 | 0 | 0 | 0 | 28 | 58 | 0 | 86 | |
| Lincoln Heights | 0 | 0 | 0 | 333 | 570 | 0 | 333 | 570 | 0 | 903 | |
| Richardson Dwellings | 0 | 0 | 0 | 82 | 247 | 0 | 82 | 247 | 0 | 329 | |
| SUBTOTAL: LH/RD | 154 | 280 | 0 | 415 | 817 | 0 | 569 | 1097 | 0 | 1666 | |
| | | | | | | | SUBTOTAL: LH/RD (Complete) | | | 434 | |
| | | | | | | | SUBTOTAL: LH/RD (Planned) | | | 1232 | |
| NORTHWEST ONE | Replacement | Affordable | Market | Replacement | Affordable | Market | Replacement | Affordable | Market | ALL UNITS | |
| Severna | 30 | 30 | 0 | 0 | 0 | 0 | 30 | 30 | 0 | 60 | |
| Severna on K | 48 | 53 | 32 | 0 | 0 | 0 | 48 | 53 | 32 | 133 | |
| 2 M Street | 59 | 34 | 221 | 0 | 0 | 0 | 59 | 34 | 221 | 314 | |
| NW 1 Phase 1 (2 L Street) | 65 | 85 | 70 | 0 | 0 | 0 | 65 | 85 | 70 | 220 | |
| NW1 Future Phases | 0 | 0 | 0 | 146 | 208 | 164 | 146 | 208 | 164 | 518 | |
| SUBTOTAL: NW1 | 202 | 202 | 323 | 146 | 208 | 164 | 348 | 410 | 487 | 1245 | |
| | | | | | | | SUBTOTAL: NW1 (Complete) | | | 727 | |
| | | | | | | | SUBTOTAL: NW1 (Planned) | | | 518 | |
| PARK MORTON | Replacement | Affordable | Market | Replacement | Affordable | Market | Replacement | Affordable | Market | ALL UNITS | |
| The Avenue | 27 | 56 | 0 | 0 | 0 | 0 | 27 | 56 | 0 | 83 | |
| Bruce Monroe | 0 | 0 | 0 | 90 | 111 | 72 | 90 | 111 | 72 | 273 | |
| Park Morton | 0 | 0 | 0 | 57 | 44 | 88 | 57 | 45 | 87 | 189 | |
| SUBTOTAL: PM | 27 | 56 | 0 | 147 | 155 | 160 | 174 | 212 | 159 | 545 | |
| | | | | | | | SUBTOTAL: PM (Completed) | | | 83 | |
| | | | | | | | SUBTOTAL: PM (Planned) | | | 462 | |
| NCI ALL NEIGHBORHOODS | Replacement | Affordable | Market | Replacement | Affordable | Market | Replacement | Affordable | Market | ALL UNITS | |
| TOTAL: NCI | 483 | 784 | 323 | 1088 | 1533 | 491 | 1571 | 2318 | 813 | 4702 | |
| | | | | | | | TOTAL: NCI (Completed) | | | 1590 | |
| | | | | | | | TOTAL: NCI (Planned) | | | 3112 | |

7. An analysis of the synergies to be achieved through the allocation of public and private investments in human and physical capital, and their combined contribution to enhancement of the project's economic feasibility.

NCI's role as the government partner in the redevelopment of these communities is to put policies and resources in place that meet the District's overall goals. The NCI team uses the tools of financing with favorable terms, tax credits, zoning relief, and public land as well as policy directives, to encourage the private market to respond to requests for development in a way that it may not otherwise naturally respond. NCI deploys these strategies because it is important to the District to provide housing opportunities for households across the entire income spectrum, and part of that spectrum (i.e. low-income households) requires some policy and funding interventions from the government. Additionally, the District and NCI team partner with community services providers to provide comprehensive case management and other services to residents in NCI Community. Service providers have received over \$32 million since 2007 from NCI's Human Capital Grant Fund to provide case management, workforce, youth development, education, senior and outreach services to public housing residents in all four NCI Communities.