

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency regarding the need to provide financial relief and other assistance to the current owners of the condominium units at the River East at Grandview Condominiums.

RESOLVED, BY THE COUNCIL DISTRICT OF COLUMBIA, That this resolution may be cited as the “Relief for River East at Grandview Condominium Owners Emergency Declaration Resolution of 2024”.

Sec. 2. (a) In 2011, the Department of Housing and Community Development (“DHCD”) provided a loan to Stanton View Development LLC (“Stanton View”) to cover predevelopment and acquisition costs for a Ward 8 property at 1260 to 1272 Talbert Street, S.E., Washington, DC 20020, at which Stanton View planned to develop 46 for-sale affordable housing units.

(b) In 2014, Stanton View transferred the property to Rivereast at Anacostia LLC for development, who decided instead to develop rental units and who received a Housing Production Trust Fund (“HPTF”) loan from DHCD, with the support of the Council, to do so.

(c) By the end of 2016, Stanton View and DHCD agreed to convert the property back to the originally proposed ownership units, and the project was finished and just about ready for move-in.

30 (d) From July 2017 to February 2019, 46 households purchased homes at 1262 Talbert
31 Street, S.E., in a building that has been called several different but similar names: River East at
32 Grandview, Grandview Estate, Grandview Estates, Grandview Estates II, Gardenview, River
33 East, RiverEast, River East at Anacostia, River East at Anacostia Metro Station, River East at
34 Grandview, and, simply, Talbert Street (“River East at Grandview”).

35 (e) Many of the 46 households were led by Black women becoming homeowners for
36 the first time using the District’s Home Purchase Assistance Program (“HPAP”), and the
37 newly formed community included retirees, recent graduates, young couples, veterans, parents,
38 and parents-to-be.

39 (f) By August 2021, the community faced an insurmountable obstacle: An engineering
40 firm hired by the Condominium Association gave an emergency recommendation to fully
41 evacuate the building within 2 weeks due to serious structural concerns within the brand-new
42 building into which many had just poured their savings, hearts, and future plans.

43 (g) Since the evacuation almost 3 years ago, River East at Grandview owners have
44 worked diligently to untangle the tremendous financial, legal, and emotional web into which
45 they were thrown.

46 (h) Owners have described horrific experiences stemming from this tragic outcome,
47 including diminished mental health, persistent frustration, immense stress, distrust and
48 disappointment, and fear over their next steps.

49 (i) The District has provided some support, including immediate cash assistance and
50 case management to find rental units at the time of the evacuation, as well as ongoing rental
51 support that the Executive said will end in June 2024.

52 (j) However, River East at Grandview owners remain responsible for their first trust
53 mortgages, despite being unable to move back into a building that has been deemed unlivable
54 and worth \$0 in value.

55 (k) For years, owners – represented by the River East at Grandview Condominium
56 Association – engaged with the Executive to attempt to find common ground on a solution,
57 while groups of owners also sought relief and accountability through the courts.

58 (l) By the fall of 2023, there was still no resolution, and the owners continued to suffer
59 in a state of limbo.

60 (m) In November 2023, the Committee of the Whole and the Committee on Housing
61 held a joint roundtable to hear from the River East at Grandview owners, the Department of
62 Buildings (“DOB”), and DHCD over what went wrong and how to determine and implement
63 next steps.

64 (n) Later that month, DHCD, DOB, the Department of Insurance, Securities, and
65 Banking (“DISB”), representatives from Chairman Mendelson’s and Housing Committee
66 Chairperson Councilmember Robert White’s offices, and River East at Grandview
67 Condominium Association board members met to discuss a path forward.

68 (o) At the November meeting, DOB representatives confirmed the inhabitability of the
69 building, indicating it is unlikely that any part is salvageable and the ultimate outcome may be
70 complete demolition.

71 (p) At the same meeting, DHCD confirmed that owners would not be able to leave with
72 equity in their purchase because the building has no value.

73 (q) From December 2023 through March 2024, owners continued to engage with

74 DHCD, as DHCD sought to produce a relief proposal in time for implementation ahead of the
75 rental assistance cut-off in June.

76 (r) On March 8, 2024, DHCD held a meeting with River East at Grandview owners to
77 introduce them to the Neighborhood Assistance Corporation of America (“NACA”) and
78 discuss the potential for partnership with NACA in securing new homeownership opportunities
79 for owners.

80 (s) Founded in 1988 by Bruce Marks and Reverend Graylan Hagler, who was also co-
81 chair of DC’s recent Black Homeownership Strike Force, NACA seeks to provide affordable
82 homeownership opportunities to communities who have systematically been kept out of the
83 real estate market through reducing barriers to ownership.

84 (t) Since the March 8th meeting, NACA counselors have completed individual housing
85 counseling sessions with a majority of the River East at Grandview owners.

86 (u) The counseling sessions, and the feedback from owners, have highlighted the
87 critical need for deep financial assistance for many River East at Grandview owners to
88 successfully compete in today’s housing market and to finally move on from this dilemma.

89 (v) The Mayor and the Council strongly support the provision of new homeownership
90 and mortgage opportunities for the River East at Grandview owners, including the elimination
91 of their existing River East at Grandview mortgages, any future obligations associated with the
92 River East at Grandview mortgages, and any negative impact of the River East at Grandview
93 mortgages on obtaining new mortgages.

94 (w) On April 2, 2024, the Council passed the “Relief for River East at Grandview
95 Condominium Owners Emergency Amendment Act of 2024” to immediately ensure that River

96 East at Grandview owners could access stable housing before their rental supports expired and
97 to begin to provide an overdue solution to 46 households who have endured ongoing
98 uncertainty and stress since the devastating loss of their River East at Grandview homes almost
99 3 years ago.

100 (x) The “Relief for River East at Grandview Condominium Owners Emergency
101 Amendment Act of 2024” legislation also included a provision separate from the River East at
102 Grandview matter, which provides funding authority to complete the Skyland Town Center
103 development.

104 (y) The “Relief for River East at Grandview Condominium Owners Emergency
105 Amendment Act of 2024” will expire on July 14, 2024.

106 (z) On May 7, 2024, the Council passed the “Relief for River East at Grandview
107 Condominium Owners Temporary Amendment Act of 2024,” which is currently undergoing
108 Congressional review and is not projected to become law until August 1, 2024. This
109 emergency legislation is therefore necessary to prevent a gap in the law between the expiration
110 of the emergency act and the effective date of the temporary act.

111 Sec. 3. The Council of the District of Columbia determines that the circumstances
112 enumerated in section 2 constitute emergency circumstances making it necessary that the
113 Relief for River East at Grandview Condominium Owners Congressional Review Emergency
114 Act of 2024 be adopted after a single reading.

115 Sec. 4. This resolution shall take effect immediately.