

**HOUSING PRODUCTION TRUST FUND BOARD**  
**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

**Meeting Minutes**

Thursday, March 28, 2024  
12:30pm

Zoom Meeting Recording Link:

[HPTF Advisory Board Meeting – March 28, 2024](#)

Passcode: **1!0utqTS**

Ridgecrest II How Environmental Financing

WELCOME

Susanne Slater, Chairperson

The DHCD Housing Production Trust Fund (HPTF) board convened virtually on Zoom, pursuant to notice at came to order at 12:32 pm. Susanne Slater, presiding. Quorum was established.

**Board Members Present:**

Susanne Slater  
Charles Lowery  
Chapman Todd

**Also Present:**

Chris Earley, DHCD Deputy Director  
Valerie Piper, DHCD Housing Development Advisor  
Alicia Shames, DHCD Program Analyst, HPU  
Joe Knackstedt, DHCD DFD Manager  
Grace Campion, DHCD Project Manager  
Anna Scallet, DHCD Special Project Coordinator  
Nina Fakolujo, DHCD Program Analyst, HPU  
Lionell Gaines, DHCD Community Development Resource Specialist

MEETING MINUTES

Charles Lowery motioned to approve the meeting minutes. The motion was seconded by Chapman Todd. The meeting minutes were unanimously approved.

Alicia Shames highlighted legislation impacting the production and development of affordable housing:

**Greener Building Requirement Amendment Act of 2024**, this bill amends the Green Building Amendment Act of 2006 to repeal the requirement that residential projects that are District-owned or District instrumentally owned or where at least 15% of the total cost is District-financed or District-instrumentally financed, maintain net zero energy compliance. Has the effect of imposing this requirement on affordable housing at the same time as other residential projects, when building code changes are enacted in 2026.

**Energy Benchmarking Reporting Extension Emergency Amendment Act of 2024 (B25-0729) (Bill 25-730)**

Privately-owned buildings must benchmark their energy use and report it to the Department of Energy and Environment (DOEE) by April 1, 2024. This legislation postpones the submission deadline to July 1, 2024.

**Housing in Downtown Tax Abatement Technical Amendment Temporary Act of 2024**,

Supports the revitalization of downtown DC. Specifically, the bill will amend the law authorizing tax abatements for housing in downtown by authorizing the abatements to be awarded through a competitive process, extending the timeframe for applicants to obtain certificates of occupancy, and requiring that the Tenant Opportunity to Purchase Act exemption be recorded in the covenants required to receive the tax abatement. The small but critical amendments are necessary to implement the abatement program and advancing the goal of re-energizing downtown DC and advancing our comeback plan.

**Protecting Adjacent and Adjoining Property Owners from Construction Damage Emergency Amendment Act of 2023 (Bill 25-652) (Bill 25-653)**

Adds insurance requirements for certain types of permits issued by the Department of Buildings (DOB). Specifically, permits for alteration and repair permits for construction work involving underpinning or related construction activity; foundation permits; and new building permits that require insurance coverage. Including these permit types, along with other safeguards passed in 2022, will close a significant gap in the legal protections afforded to adjacent and adjoining property owners. This legislation will also clarify legislative requirements to allow the Department DOB to promulgate rulemaking.

**Proactive Inspection Program Act of 2023 (Bill 25-0048)**

Requires the DC Department of Buildings to set up a Proactive Inspection Program to: 1) proactively identify and address housing code violations in the District's multifamily rental housing properties; 2) ensure significant compliance with the housing code in multifamily rental housing properties; and 3) preserve and enhance the quality of life for District residents. In the bill, multifamily rental housing properties are defined as, "residential real property consisting of 3 or more dwelling units that are rented or offered for rent for residential occupancy, including an apartment, efficiency apartment, room, suite of rooms, a single-family home, or duplex."

## HOUSING PRODUCTION TRUST FUND UPDATE

Deputy Director Chris Earley

Deputy Director Chris Earley provided an update on the HPTF, DHCD is working through the pipeline and projects released in the RFP. Deputy Director Earley stated DHCD has been responsive to the concerns of the community. As we progress through this pipeline, DHCD anticipates certain projects currently in progress and their fiscal totals may experience delays. DHCD will continue to focus on the overall housing underwriting pipeline for the month and coordinate with DCHFA. Deputy Director Earley explained for specific updates, the HPTF pipeline is accessible on DHCD's website. By navigating to "Builders and Developers" and then selecting "Current Projects," you'll find a detailed breakdown of projects across different fiscal year categories. This includes projects selected for further underwriting, those currently in construction, and completed projects, accompanied by detailed location maps. For FY 2024, the HPTF has financed 21 projects at \$343,206,550 for 1,516 units. The HPTF provided funding allocations at the respective levels of median family income (MFI) - 30% MFI (\$151,573,614), 50% MFI (\$160,012,858), and 80% MFI (\$29,320,078).

The Board congratulated DHCD for the increased production of units for households at 30% MFI.

### DISCUSSION: Ridgcrest Village: Phase I and II

Grace Champion

Grace Champion provided an overview of Ridgcrest Village in Phase I and Phase II, located at 2000 Ridgcrest Court SE, Washington, DC 20020. Ridgcrest Village is a 272-unit substantial rehabilitation project, with a total of 13 buildings on the property. Ridgcrest Village residents assigned their TOPA rights to the NHP Foundation in 2018, and NHP applied for HPTF financing and 4% LIHTC. In Phase II, Ridgcrest Village and NHP took advantage of DMPED's Industrial Revenue Bond Program, this was the first 501(c)3 Industrial Revenue Bond issuance for affordable housing in DC, which sets a precedent for how affordable housing is financed, especially in a resource constrained environment.

- **Ridgcrest Village Phase I** included 140 units, the project was selected through the 2019 through RFP and closed September 2022. Ridgcrest Village Phase I received financing through the HPTF, 4% Low-Income Housing Tax Credits (LIHTC), and DCHFA Tax Exempt Bonds.
- **Ridgcrest Village Phase II** included 128 units and 4 non-residential units, the project was selected through the 2021 RFP, and closed January 2024. Ridgcrest Village Phase II received financing through the HPTF, DC Green Bank, 501(c)3 bonds, DOEE, and BEPS Compliance Fund loan. Here are additional Phase II Highlights:
  - Non-LIHTC structure
  - First 501(c)3 Industrial Revenue Bond issuance for affordable housing in DC
  - Energy efficiency upgrades + transition site to full electrification
  - Electrification of HVAC and hot water systems is a model case of how affordable housing can be retrofitted to meet future energy needs that align with District green building priorities and regulations.

- Residents will have lower monthly utility bills and no gas bill at all, owed to the transition from gas-intensive heating and cooling systems to all-electric systems.
- Leveraged federal funding to bring local District climate priorities to low –income residents that are usually the last to benefit from decarbonization.
- Close partnership between DHCD, DOEE, DMPED and DC Green Bank sets an exciting blueprint for innovative ways the District finances green affordable housing retrofits.

The Board inquired about the DMPED Industrial Revenue Bond financing and how it can be utilized for new construction, and this is a great model for developers to follow. The Board asked if this model would be reflected in the upcoming RFPs. The 2023 Consolidated RFP already includes the 501(c)3 bond model as a suggested approach for applicable projects that are 100% owned by a non-profit. Highlights from the discussion include:

*Many projects are struggling with high interest rates on available debt. What were the interest rates and other terms for the debt financing for Ridgecrest Phase II?*

- The rate for the 501( c)3 bonds were 100-150 basis points below market. Also the financing fees were substantially lower than private activity bonds/4% LIHTC used by Ridgecrest Phase I, due to the fact that no LIHTC issuance fee was involved and administrative fees were also much lower. A board member asked whether there were differences in the level of bond attorney involvement, which there were not.
- The rate for the DC Green Bank loan is about 2%, far below market. It is a construction to permanent loan, reducing construction period interest. No predevelopment work for energy and environment characteristics was funded for this project, although the Green Bank does provide that kind of funding as well.
- The rate for the BEPS Compliance Fund loan was 0%, with a balloon payment of principal due at 40 years. DHCD has established a memorandum of understanding that will allow DOEE to transfer additional funding to DHCD from a variety of sources for future BEPS Compliance Fund loans. DHCD anticipates that the \$27 billion national Greenhouse Gas Reduction Fund may be a future source. While a lot of green financing focuses on retrofits, GHG reduction funds will also be available for new construction projects.

*Is separate underwriting required for the various sources?*

- The DC Green Bank and DMPED require separate underwriting, but the BEPS Compliance Fund MOU created a joint process for DHCD and DOEE and DHCD underwrote the BEPS loan.
- DMPED’s underwriting process for the 501(c)3 bonds has generally been very smooth.

*Additional information on 501(c)3 bonds:*

- To qualify, a 501(c)3 entity with a primary mission of housing must hold 100% of the ownership interest – very different than a typical LIHTC ownership structure. In addition, at least 75% of

units must be affordable at 80% of MFI or below AND either 20% of units must be affordable at 50% of MFI or 40% must be affordable at 60% of MFI.

- These requirements worked better for Ridgcrest, where some existing tenants earn more 80% of MFI. These residents have right of return and decided to stay, so their units could not be included in the LIHTC basis. Relocation costs during rehabilitation were included in the budget as a “soft cost,” but not broken out in the summary line items shown in the presentation.

## EVENTS AND ANNOUNCEMENTS

Valerie Piper shared the upcoming events and announcements:

- **DHCD’s Small Building Program (SBP):** The SBP announced two new subprograms. For more information, visit [Small Building Program](#).
  - Small Housing Provider Grants (2-50 units) available now.
  - Small Property Loans Program (5-50 units) available Spring 2024.
- **Healthy Homes Fair:** The Healthy Homes Fair is on Saturday, April 6, 2025 from 1:00 pm – 5:00 pm at DC Armory. The Healthy Homes Fair is a free expo and interactive experience for homeowners, renters, home renovation professionals and career seekers to learn about the products and services needed to improve our health, increase comfort, and reduce emissions from the homes of the DC region. For more information, visit [healthyhomesfair.org](https://healthyhomesfair.org).
- **DHCD Grand Opening** is on Thursday, April 25, 2024 at 11:00 am at DHCD’s new building located at 1909 Martin Luther King, Jr. Avenue SE.
- **4% LIHTC Application:** The window on submitting applications closes on April 15, 2024. Projects without gap financing are applying to DCHFA for bonds in July or later.
- **DHCD’s Neighborhood Based Activities (NBA):** The NBA programs funding solicitation will be available May 2024.
- **DHCD’s Property Acquisition Disposition Division (PADD):** PADD will make six properties available via RFP, Spring 2024. There are preferences for equity and inclusion, capacity building, and homeownership in three-to-four-unit buildings.
- **Next DHCD Consolidated RFP - July 2024:** DHCD funding expected to be awarded (9% LIHTC, HPTF, LRSP, Etc.). Projects applying for 4% LIHTC/Tax-Exempt Bonds can submit for an evaluation score.

## ADJOURNMENT

Charles Lowery motioned to adjourn the meeting. The motion was seconded by Chapman Todd. The meeting adjourned at 1:47 pm.