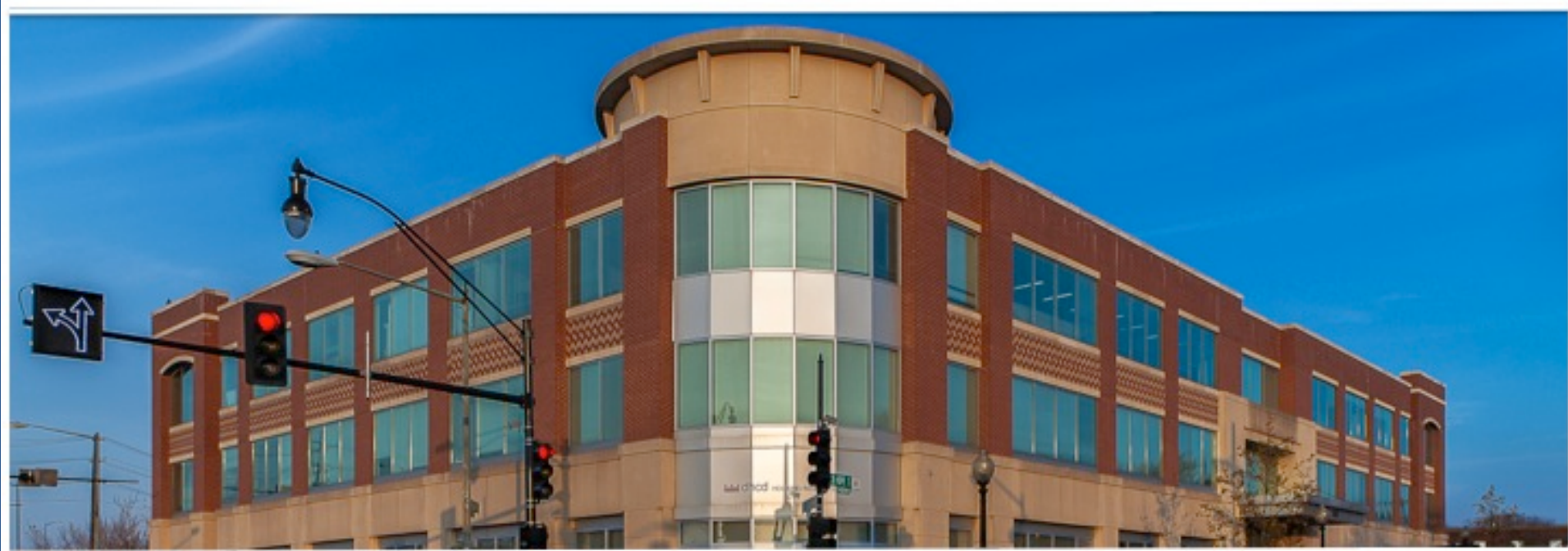




Department of Housing and Community Development

Pre-Solicitation and Capacity Building Workshop

March 27, 2013



WELCOME



Department of Housing and Community Development

Michael Kelly

Director

D.C. Department of Housing and Community Development



Department of Housing and Community Development

Nathan Simms

Chief Program Officer

D.C. Department of Housing and Community Development

DEVELOPMENT AND PROGRAM FUNDING SOURCES



DEVELOPMENT AND PROGRAM FUNDING SOURCES



- Community Development Block Grant
FY14 Allocation: *\$13.9 million (est.)*
FY14 Availability: *\$2 million*
- Home Investment Partnership Program
FY14 Allocation: *\$4.3 million (est.)*
FY14 Availability: *\$2 million*

DEVELOPMENT AND PROGRAM FUNDING SOURCES



- 9% Low Income Housing Tax Credit
FY13 Obligated: *\$3.8 million*
FY14 Availability: *\$1.69 million (est.)*

DEVELOPMENT AND PROGRAM FUNDING SOURCES



- Housing Production Trust Fund

FY14 Allocation: *\$30 million (est.)*

FY14 Availability: *\$20 million (est.)*

- Department of Mental Health

FY14 Allocation: *\$8 million (est.)*

FY14 Availability: *\$8 million (est.)*



NEIGHBORHOOD BASED ACTIVITIES

A network of community-based organizations will be selected to administer the following programs:

- *Housing Counseling*
- *Small Business Technical Assistance*
- *Storefront Façade Improvement Program*

Funding Sources:



Contracting Opportunities:

Request for Applicants

April 2, 2013

LAMONT LEE, PROGRAM MANAGER

HOME PURCHASE ASSISTANCE PROGRAM

A 501c3 nonprofit organization will administer the following programs that offer interest-free loans and closing cost assistance:

- *Home Purchase Assistance Program*
- *Employee Housing Assisted Program*
- *Negotiated Employee Affordable Home Purchase Program*

Funding Sources:



Contracting Opportunities:
Request for Applicants

April 1, 2013

JANICE BLASSINGAME, PROGRAM MANAGER



Department of Housing and Community Development

DEVELOPMENT FINANCE DIVISION

Provides gap funding for the development of affordable rental units, homeownership units and community facilities for residents of the District of Columbia.

Funding Sources:



FY13 Obligated: *\$28 million*

FY14 Availability: *\$38.6 million (est.)*

Funding Opportunities:
Request for Proposals

April 2, 2013

OKE ANYAEGBUNAM, DIVISION MANAGER



PROPERTY ACQUISITION AND DISPOSITION DIVISION

Acquires vacant, abandoned and deteriorated properties and disposes of them by selling the properties to be rehabilitated into high quality affordable and market-rate housing for residents of the District of Columbia.

Current Inventory:

126 Lots

30 Buildings

Upcoming Property Dispositions:

8th and T Streets NW, Parcel 39

Solicitation for Offers April 2013

THOMAS STANBACK, DIVISION MANAGER



Department of Housing and Community Development

Thomas Stanback

PADD Program Manager

D.C. Department of Housing and Community Development

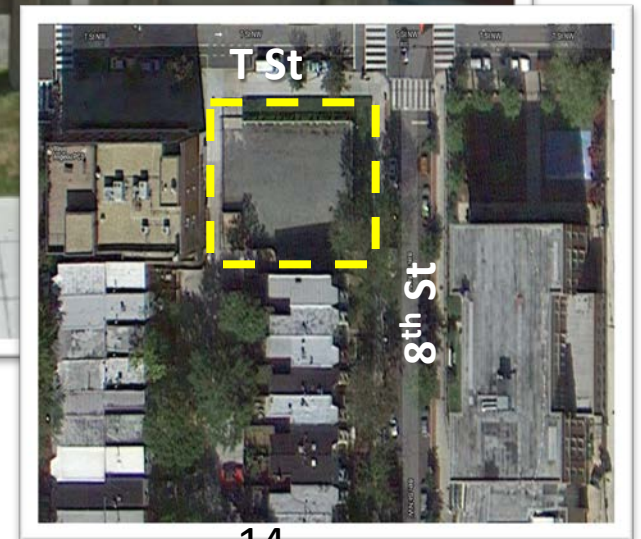


Department of Housing and Community Development

PARCEL 39 SOLICITATION

PROPERTY ACQUISITION AND DISPOSITION DIVISION

8TH AND T STREETS NW, PARCEL 39





SELECTION PROCESS

Proposals will be reviewed and evaluated based on:

- Responsiveness to Residential Development
- Track Record in development of affordable housing
- Proposed Development Team Members
- Attention to Community Engagement Process
- Willingness to work with DHCD to Refine the Concept
- Access to Capital/Financing



Department of Housing and Community Development

Janice L. Blassingame

HPAP Program Manager

D.C. Department of Housing and Community Development



Department of Housing and Community Development

HOME PURCHASE ASSISTANCE PROGRAM

Request for Applications (RFA)

Homebuyer Assistance Programs

Issue Date: April 1, 2013

Closing Date: May 10, 2013



HOME PURCHASE ASSISTANCE PROGRAM

Administer the Homebuyer Assistance Programs:

- Home Purchase Assistance Program (HPAP)
- Employer Assistance program (EAHP)
- Negotiated Employee Assistance Home Purchase Program (NEAHP)
- Home Purchase Rehabilitation Pilot Program



HOME PURCHASE ASSISTANCE PROGRAM

DHCD is seeking an organization which can provide the following services:

- Manage the day to day operation and the administration of the Homebuyer Programs
- Provide exemplary customer service to the applicant, title companies and lenders
- Timely processing that will ensure the closing of a second trust loan within 45 days of receipt of the contract approval
- Demonstrate financial accountability and manage a multi-million dollar second trust mortgage operation
- Compliance and understanding of Federal and Local funding sources, as well as all program regulations, guidelines and laws



HOME PURCHASE ASSISTANCE PROGRAM

- Application will be on the DHCD website on or about April 1, 2013
- Application form can be e-mailed to you upon request
- No application Fee Required
- Funding Focus
 - DHCD is making available funds for the Administration of the Homebuyer Assistance Program.
 - Solicitation of applications are for public or non-profit organizations to provide loan processing center services for first time homebuyers purchasing in the District of Columbia
 - DHCD supports homeownership activities that benefit low-and-moderate-income persons.



HOME PURCHASE ASSISTANCE PROGRAM

- Funding Sources:
 - Community Development Block Grant (CDBG)
 - Home Investment Partnerships (HOME)
 - Local (District funds)
- Dates:
 - RFA package is available: Monday, April 1, 2013 at DHCD's office at 1800 Martin Luther King Jr., Avenue, SE
 - RFA Closing Date: Friday, May 10, 2013
- RFA questions should be mailed or e-mailed to Janice Blassingame beginning April 8, 2013 – April 12, 2013
- Grant Agreement Executed: Estimated to be on October 1, 2013
- Estimated amount of funds available \$11 million



Department of Housing and Community Development

Lamont Lee

*Supervisory Program Manager
D.C. Department of Housing and Community Development*



NEIGHBORHOOD BASED ACTIVITIES

- Housing Services Program
- Small Business Assistance Program
- Façade Improvement Program

Are you ready to apply for funds?

Do you have the right:

- Certifications/Registrations
- People/Relationships
- Experience/Record



NEIGHBORHOOD BASED ACTIVITIES

Request for Applications- April 2, 2013

- Organizational assessment
- Activity/project assessment

All applicants will submit a Marketing Plan

- Strategy should be holistic/comprehensive
- Strategy should augment DHCD's marketing

Awards selected August 1, 2013



HOUSING SERVICES

Produce quality housing counseling for DC residents focusing on low and moderate income communities

- Provide outreach
 - Application processing
 - Training/Counseling
 - Support DHCD programs
- Menu of Services Approach
 - Homeownership
 - Home perseveration
 - Tenant education
- Providers must act as neighborhood partners



FAÇADE IMPROVEMENT

Projects to make DC's commercial areas look better

- Non-profits will:
 - Market the project to neighborhood businesses
 - Develop the design for the project
 - Coordinate pre-construction activities
 - Coordinate/manage construction
- Non-profits must have:
 - Good project development experience
 - Construction experience
- 2014 Focus
 - Corner Stores
 - Store interiors
 - Green Building Design



SMALL BUSINESS ASSISTANCE

Empower small and start-up businesses in low moderate-income communities

Activities include:

- One-on-one technical assistance
- Training, seminars and workshops on business topics
- Marketing and referrals involving all business support services throughout the District
- Involvement in overall or larger commercial development projects in low and moderate income communities
- This program doesn't provide loans or grants directly to businesses
- Grantees must be a neighborhood partner



Department of Housing and Community Development

Nathan Simms

Chief Program Officer

D.C. Department of Housing and Community Development



CONSOLIDATED RFP

- Combining City Resources for Maximum Impact
- Focus on Permanent Supportive Housing
- Goal of 100 PSH Units
- Funds also available for ownership, family, elderly, mixed-use housing
- Superior public facility projects will be considered



CONSOLIDATED RFP

- Federal HOME, CDBG
- Low Income Housing Tax Credits
- Housing Production Trust Fund
- Department of Mental Health (DMH) Capital Grants
- DC Housing Authority (DCHA) Rental Assistance
- Department of Human Services
- DCHFA financing and 4% LIHTCs



CONSOLIDATED RFP

- All sources have eligibility and use restrictions
- When these conflict DHCD will use the more restrictive criteria
- Required by Federal, District law



Department of Housing and Community Development

Federal Resources

- HOME - \$2 million
- CDBG - \$1 – 2 million



Low Income Housing Tax Credits

- 2013 9% credit allocation from DHCD - \$1.6 million
- 4% credits, along with bond financing, through DC HFA



Department of Housing and Community Development

Housing Production Trust Fund

- Available from deed transfer and recordation taxes - \$24 million
- Additional funds expected in June from General Fund - \$50 million



Department of Housing and Community Development

DMH Capital Grants

- Administered by DHCD through this RFP
- Available - \$8 – 10 million
- Only to fund units occupied by DMH consumers



DCHA Rental Support

- Administered by DHCD through this RFP
- Priority of use in Permanent Supportive Housing
- Available
 - 50 Housing Choice Vouchers
 - 200 locally-funded rent supplements
 - LRSP up to \$2 million based upon per unit subsidy
 - 500 Annual Contributions Contract (ACC) units



DHS Support

- Operating grants for social services
- Priority of use in Permanent Supportive Housing
- Available - \$1.75 million



Projects Seeking 4% LIHTCs DCHFA Bond Financing

- Apply first to DCHFA
- April 17-24, 2013-HFA will accept DHCD applications and the 202 form
- Potential need for DHCD funds will be determined by DCHFA
- Letter will be sent out by DCHFA starting May 15, 2013

New Application Process

- Thorough underwriting before decisions
- Better coordination with other sources of financing and operating support
- Improved lending outcomes
- More information available to developers about how application material will be evaluated



Reasons for New Process

- Applicants want more clarity and consistency
- HUD wants successful projects
- Too many stalled, troubled projects from prior years

Four Step Process for Decisions

- **Thresholds - clear, objective criteria**
- Feasibility/sustainability analysis, through underwriting
- Project prioritization, only for applications determined to be feasible
- Funding decisions

Step One: Threshold Criteria Review

11 criteria

- All criteria clear and objective
 1. Site control for applicant
 2. Zoning in place
 3. Regulatory eligibility for appropriate programs
 4. Development team materials submitted
 5. Corporate good standing

Threshold Criteria Review – cont'd

6. Creditworthiness
7. Completed green design process
8. Architectural schematic drawings and Form 215
9. Recent appraisal
10. Phase I environmental and Historic Reviews completed
11. Completeness of application material submitted

Threshold Criteria Review

- Completed by June 30, 2013
- Applications that pass move into next step
- Applications that fail will not move to next step, and will receive notice



Four Step Process for Decisions

- Thresholds - clear, objective criteria
- Feasibility/sustainability analysis, through underwriting
- Project prioritization, only for applications determined to be feasible
- Funding decisions



Step Two: Underwriting

- Focus on feasibility and sustainability
- Primarily an analysis of project economics, financing and development team
- Bottom lines:
 - Will the project move to occupancy?
 - Will it succeed long term?



Underwriting: Better Information

- Increased underwriter contact with applicants, financiers and others as needed
- Increased focus on developer capacity
- Applicants will be able to address issues/questions
- More information on underwriting process in application materials



Underwriting: More Time

- Lasts 2 – 3 months
- Completed by end of September, 2013
- Analysts will meet with the developer, visit project site
- Analyst will visit an operational project of developer;

Four Step Process for Decisions

- Thresholds - clear, objective criteria
- Feasibility/sustainability analysis, through underwriting
- Project prioritization, only for applications determined to be feasible
- Funding decisions

Step Three: Project Prioritization

- Only for projects deemed feasible and sustainable
- Based on District and DHCD priorities

Project Prioritization: Scoring

- DHCD Policy Objectives – 10 points
- For any of the following below:
 - Redevelop abandoned, foreclosed or vacant properties
 - TOPA acquisitions and redevelopment
 - Create Permanent Supportive Housing
 - Achieve economic integration of subsidized housing



Project Prioritization: Scoring, cont'd

- Leverage – 8 points
- Section 3 Job Creation – 5 points
- Access to Transit – 5 points
- Amount of Subsidy – 8 points

Project Prioritization: Scoring, cont'd

- Geographic Targeting – 4 points
- Nonprofit Participation – 2 points
- Certified Business Enterprise Participation – 6 points
- Family Oriented Units – 2 points
- Maximum Possible Score – 50 points



Project Prioritization

- Feasible projects grouped by type (PSH, elderly, etc)
- Prioritization done within groups
- Apples compared to apples

Four Step Process for Decisions

- Thresholds - clear, objective criteria
- Feasibility/sustainability analysis, through underwriting
- Project prioritization, only for applications determined to be feasible
- **Funding decisions**



Step Four: Funding Decisions

- Input by External Committee
- Decisions by DHCD RFP Review Committee
- Ratified by DHCD Director Kelly
- Letter of Reservation or Rejection Letter issued to all applicants by end of September 2013



Funding Decisions

- Letter of Reservation will include project-specific and generic closing conditions
- Commitment Letter follows with progress on closing conditions



Department of Housing and Community Development

Thank You!