



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



**Great Spaces, Healthy Places Initiative**  
Pilot Loan Program for  
Small Multi-Family Properties

The Department of Housing and Community Development's (DHCD) small, multi-family loan program under the Great Spaces, Healthy Places Initiative provides funding for limited systems replacement and other key repairs to improve sub-standard housing conditions, including safety and environmental hazards in the District.

**I. Eligible Activities**

This program will only fund needed rehabilitation activities to abate property code violations outlined in an Inspection Report from the Department of Consumer and Regulatory Affairs (DCRA). Under § 106.3 of the District of Columbia Property Maintenance Code, DCRA may issue a notice of violation for unsafe structures and/or unsafe equipment that pose a hazard to life, health, property, or safety of the public or occupants of the premise or structure. More detailed definitions of unsafe structures and unsafe equipment are found in § 108.1 of the District of Columbia Property Maintenance Code.

All rehabilitation activities shall comply the District's Construction Code (§ 6-14 *et seq.*), Green Building Requirements (§ 6-1451 *et seq.*), and Historic Landmark and Historic District Protections (§ 6-11 *et seq.*) of the D.C. Official Code.

This program will not fund imminently dangerous buildings under § 109 of the District of Columbia Property Maintenance Code (i.e. tenants are ordered to vacate, building is condemned), or projects that will lead to the permanent displacement of residents.

**II. Who is eligible?**

Property owners of multi-family rental housing with fewer than 50 units who meet the following criteria:

- Possess an active DCRA Inspection Report
- Submit a letter of interest to DHCD within 10 days of the DCRA Inspection

- Complete the online application within 30 days of the DCRA Inspection
- No defaulted or delinquent loans with DHCD
- No pending litigation in the District of Columbia
- Current on all DC taxes

### **III. Program Requirements**

Units rehabbed must be affordable to low- to moderate-income households who earn at or below 80% of the area median income (AMI). This program will be financed under the local Housing Production Trust Fund (HPTF). Detailed information about the fund is available in the statute (D.C. Code § 42-28) and regulations (DCMR 10-B41).

Units financed through HPTF are subject to a 40-year affordability covenant that restricts the maximum allowable rent (varying by unit size and income level served) and establishes maximum income eligibility limits (varying by household size and income level served). Owners must sign a regulatory agreement that requires compliance with HPTF affordability guidelines. Owners will be required to submit tenant income certifications on an annual basis to DHCD.

Current HPTF rent and income limits are listed below:

<b>HPTF Rent Limits (Effective as of 3/28/2016)</b>		<b>FY2016 Household Income Limits</b>	
<b>Unit Size</b>	<b>80% AMI</b>	<b>Household Size</b>	<b>Income Limit</b>
<b>Efficiency</b>	\$1,520	<b>1-Person</b>	\$49,150
<b>1 Bedroom</b>	\$1,737	<b>2-Person</b>	\$56,150
<b>2 Bedroom</b>	\$1,954	<b>3-Person</b>	\$63,150
<b>3 Bedroom</b>	\$2,172	<b>4-Person</b>	\$70,150
<b>4 Bedroom</b>	\$2,389	<b>5-Person</b>	\$75,800
<b>5 Bedroom</b>	\$2,606	<b>6-Person</b>	\$81,400

Source: HPTF Rent Limits: <http://dhcd.dc.gov/service/rent-and-income-program-limits>

Household Income Limits: <https://www.huduser.gov/portal/datasets/il/il2016/2016summary.odn>

For projects with rents below the 80% AMI rent limits, property owners must be in compliance with [allowable rent increase regulations](#) under the Rental Housing Act of 1985.

#### **IV. Financing Terms**

- Loan Amount: Up to \$25,000 per dwelling unit with a maximum of 10 units (or \$250,000)
- Interest rate: 1% - 3%
- Term: 40-years
- Subordinate Loan: DHCD loan will be subordinate to all other loans on the property
- Matching funds: Owners must contribute 10% of project cost in equity
- Regulatory Agreement: Owners will enter into a 40-year regulatory agreement with DHCD to ensure the financial viability, physical upkeep, and continued affordability of participating buildings. Loans will be forgiven at the end of the term for property owners that maintain required affordability and do not incur another code violation. Before loan closing, the property owner shall provide income certifications demonstrating that the tenants meet income requirements outlined in the loan document.

#### **V. Required Application Components**

Eligible property owners must submit an application for financing through DHCD's Online Application System, located at the following website:

<https://octo.quickbase.com/db/bjc34b76f>. Step-by-step instructions and blank forms are provided within the online system. DHCD will not accept hardcopy applications.

Section in DHCD's Online Application System	Document Name / Requirement / Description
Applicant Information	Applicant information/authorized users of online application
Project Description	<ul style="list-style-type: none"><li>- Proposed renovation summary</li><li>- Description of any property improvements made to the building since the purchase date</li><li>- Description of financial reasons why funds are needed and why project has been unable to support preventative capital improvements</li><li>- If renovations will result in the temporary relocation of any tenants, submit the following:<ul style="list-style-type: none"><li>o Relocation Record Keeping and Monitoring Checklist, including tenant name and associated unit</li><li>o Relocation and Anti-Displacement Strategy, including budget</li></ul></li><li>- If renovations will occur while tenants are living in the unit undergoing rehab, submit the following:<ul style="list-style-type: none"><li>o Tenant-in-Place Renovation Strategy</li></ul></li></ul>

Section in DHCD's Online Application System	Document Name / Requirement / Description
<b>Project Location</b>	<ul style="list-style-type: none"> <li>- Project address</li> <li>- Square and Lot</li> <li>- Photographs of property (Front, sides and rear of property, and interior to be rehabbed)</li> </ul>
<b>Ownership Entity Information</b>	<ul style="list-style-type: none"> <li>- Owner/Borrower information</li> <li>- Owner Taxpayer ID</li> <li>- Principals of ownership entity, if applicable</li> </ul>
<b>Development Team Thresholds</b>	<ul style="list-style-type: none"> <li>- <u>All</u> partners must provide a contract affidavit</li> <li>- The developer/owner must submit the following: <ul style="list-style-type: none"> <li>o Form 203</li> <li>o Articles of Incorporation, if an LLC, Partnership, Limited Partnership, or other Corporation</li> <li>o A certificate of clean hands</li> <li>o A certificate of good standing</li> <li>o An organizational chart, if one exists</li> <li>o Dun and Bradstreet Business information report</li> <li>o Financial statements for the last three (3) years (For the Entity)</li> </ul> </li> <li>- Contractor's license and bonding documentation</li> <li>- Summary of qualifications and experience of the contractor</li> <li>- Summary of qualifications and experience of the property management company, if one exists</li> <li>- Green Building Act Acknowledgement</li> </ul>
<b>Site Control</b>	Purchase Agreement / Deed/Long-term Lease
<b>DCRA Notice of Violation</b>	Current Notice of Violation
<b>Units Description</b>	<ul style="list-style-type: none"> <li>- Breakdown of unit count, including any household income limits, unit square footage, proposed monthly rents/carrying charges</li> <li>- Number of vacant units, including those vacant because of needed repairs</li> <li>- Total units to be rehabilitated</li> <li>- Utility responsibility breakdown</li> <li>- Estimated building utility costs</li> <li>- Total building square footage and square footage of area being improved</li> </ul>
<b>Rehab Budget</b>	<ul style="list-style-type: none"> <li>- Amount, source, and type of funding sources, along with letters of interest or commitment for each source</li> <li>- Summary of proposed development uses</li> </ul>

Section in DHCD's Online Application System	Document Name / Requirement / Description
<b>Financial Information</b>	<ul style="list-style-type: none"> <li>- Past two (2) years of rent roll for the property</li> <li>- Information on any current operating subsidy (if applicable)</li> <li>- Past two (2) years of income and expense statements for the property</li> <li>- A list of any and all loans secured by the property and a description of each (loan amount, unpaid balance, loan terms, etc)</li> </ul>

Fair Housing, Accessibility, Section 3, federal and local relocation and anti-displacement requirements, and other Office of Program Monitoring forms will be required during underwriting. For reference, most compliance and administrative forms can be found here:

<https://octo.quickbase.com/db/bknktet3x?a=q&qid=6>