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## ABBREVIATIONS

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ADAP	AIDS Drug Assistance Program
ADDI	American Dream Down-payment Initiative
AFHMP	Affirmative Fair Housing Marketing Plan
AHPP	Administration for HIV Policy and Programs
AI	Analysis of Impediments to Fair Housing Choice
AMI	Area Median Income
CAPER	Consolidated Annual Performance Evaluation Report
CBDOs	Community-Based Development Organizations
CDBG	Community Development Block Grant
CDC	Centers for Disease Control
CHDO	Community Housing Development Organization
CIP	Capital Improvement Program
CPP	Citizen Participation Plan
DCHA	D.C. Housing Authority
DCRA	Department of Consumer and Regulatory Affairs
DFD	DHCD's Development Finance Division
DHCD	Department of Housing and Community Development
DHS	Department of Human Services
DMPED	Deputy Mayor for Planning and Economic Development
DOES	Department of Employment Services
DOH	Department of Health
EAHP	Employer Assisted Housing Program
EMSA	Eligible Metropolitan Statistical Area
ESG	Emergency Shelter Grant
FHIP	Fair Housing Initiatives Program
FRPAP	First Right Purchase Assistance Program
FY2008	Fiscal Year 2008
HAA	HIV/AIDS Administration
HAP	Homeownership Assistance Program
HCVP	Housing Choice Voucher Program
HDS	Housing Development Software
HoDIF	Home Ownership Developers Incentive Fund
HoFEDD	Housing Finance for the Elderly, Dependent, and Disabled
HOME	HOME Investment Partnerships Program
HOPWA	Housing Opportunities for Persons with AIDS
HPAP	Home Purchase Assistance Program
HPTF	Housing Production Trust Fund
HQS	Housing Quality Standards
HUD	U.S. Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
LAHDO	Land Acquisition and Housing Development Organization
LBP	Lead-Based Paint
LIHTC	Low-Income Housing Tax Credit
LISC	Local Initiatives Support Corporation
LSDBEs	Local, Small, and Disadvantaged Business Enterprises
LSW	Lead Safe Washington
NCRC	National Capitol Revitalization Corporation
NIF	Neighborhood Investment Fund Target Areas
NOFA	Notice of Funding Availability
NRSAs	Neighborhood Revitalization Strategy Areas



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OLBD	Office of Local Business Development
OPM	DHCD's Office of Program Monitoring
OSC	DHCD's Office of Strategy and Communications
P.A.R.T.	Pre-Apprenticeship Readiness Training
RCS	DHCD's Residential and Community Services Division
RFA	Request for Applications
RFP	Request for Proposals
RHPAP	RLARC Home Purchase Assistance Program
SAFI	Site Acquisition Funding Initiative
SFRRP	Single Family Residential Rehabilitation Program
TBRA	Tenant Based Rental Assistance
TPTAP	Tenant Purchase Technical Assistance Program
URA	Uniform Relocation Act
WASA	Waster and Sewer Authority
WIC	Workforce Investment Council

## EXECUTIVE SUMMARY

The 2008 Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of the accomplishments under the District of Columbia’s FY2008 Annual Action Plan. The 2008 CAPER consists of narrative statements which explain the progress made in carrying out the activities and achieving the objectives and priorities set forth in the 2008 Annual Action Plan. It also describes the methods used to comply with federal regulations. Appendices with tables and reports supply additional details about the use of federal entitlement funding for the District of Columbia. All of this information serves to document the significant amount of work contributed by the Department of Housing and Community Development (DHCD) and community partners in an effort to carry out the priorities of the Consolidated Plan.

The CAPER is submitted in accordance with regulations governing Consolidated Submissions for Community Planning and Development Programs (24 CFR 91.520) and Consolidated Annual Performance and Evaluation Reporting requirements as directed by the U.S. Department of Housing and Urban Development (HUD). The purpose is to report on DHCD’s use of federal entitlement funding allocated from HUD. The federal entitlement funding sources are the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the Emergency Shelter Grant (ESG), and the Housing Opportunities for Persons with AIDS Grant (HOPWA). DHCD has been designated by the District of Columbia to receive and administer the entitlement funds allocated through the Consolidated Plan. However, the HOPWA grant goes directly to, and was administered by, the HIV/AIDS Administration of the D.C. Department of Health (DOH).

### Fiscal Year 2008 Federal Funding:

Community Development Block Grant (CDBG) Allocation	\$18,767,297
CDBG Program Income	12,000,000
HOME Investment Partnership (HOME) Allocation	8,731,505
Home Program Income	1,100,000
Emergency Shelter Grant (ESG) Allocation	831,246
Housing Opportunities for Persons with AIDS	<u>11,118,000</u>
<b>Total:</b>	<b>\$52,548,048</b>

### Fiscal Year 2008 Actual Expenditures:

Community Development Block Grant (CDBG) Allocation	TBD
HOME Investment Partnership (HOME) Allocation	TBD
Emergency Shelter Grant (ESG) Allocation	TBD
Housing Opportunities for Persons with AIDS	<u>TBD</u>
<b>Total:</b>	<b>TBD</b>

Table 1 is a summary of DHCD’s accomplishments relative to the objectives and priorities set forth in the 2008 Annual Action Plan.

**Table 1: Summary of Accomplishments, FY2008**

Total affordable housing units funded	<b>3,138</b>	Number of technical assistance services provided to small businesses	<b>3,106</b>
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Total special needs housing units funded	<b>373</b>	Total affordable housing units rehabilitated	<b>1,990</b>
Total new ownership units and households funded	<b>1,212</b>	Number of loans or grants by the Single Family Rehab Program	<b>142</b>
Number of first-time homebuyers funded by the Home Purchase Assistance Program (HPAP)	<b>508</b>	First Right Purchase Assistance Program (Tenant Purchase) units funded	<b>292</b>
Comprehensive housing counseling	<b>17,338</b>	Number of storefront façades improved	<b>45</b>

Other accomplishments in FY2008 include the following:

- In response to comments provided during public hearings, the Department continued to give priority, in our funding process, to the special needs population which includes seniors, individuals and families who are homeless, people with disabilities, and people living with HIV/AIDS. DHCD established a formal partnership with the Department of Mental Health has resulted in the identification of 107 out of a targeted 300 units for DMH Consumers over a two-year period. DHCD accelerated coordination with the Department of Human Services and participated in the development of a Permanent Supportive Housing Plan for the District of Columbia.
- By implementing certain improvements, the Department achieved its most productive year with respect to affordable housing finance, structuring and closing over 40 transactions that will result in 2,233 units. Many of these transactions represented projects that had lingered in the Department’s pipeline over several years. These financed units represent leveraging of federal dollars at [TBD] to 1.
- DHCD held 35 informational sessions and workshops designed to educate constituents about the mission of the Department and the programs and services offered. At these workshops, attendees heard about the Department first-hand from its leadership and asked questions about programs and services.
- Through DHCD’s façade improvement program, the Latino Economic Development Corporation completed the first phase of façade improvements for commercial properties along 14<sup>th</sup> Street between Monroe and Shepherd Streets (Wards 1 and 4). Twenty-two business facades were enhanced.
- In partnership with HUD, DHCD furthered the DC Section 3 Demonstration Program, hiring a Section 3 Coordinator and implementing a Section 3 Business Concern certification program and compliance policy for loan and grant recipients. DHCD also conducted several trainings for the development community on Section 3 compliance.
- Compliance with green building standards is now an integral part of eligibility review for projects greater than 10,000 SF, which are publicly financed for 15% or more of total project costs. As of FY2008, all proposals without the required features are not eligible for underwriting. DHCD partnered with DC Green Communities Initiative to offer funding for nonprofits to conduct integrated design charrettes. DHCD also serves on the DC Government's Green Team and on the Green Building Advisory Council. Through an organized intra-agency “Green Building Knowledge Roundtable,” educational opportunities for enhancing employee awareness and sensitivity to the benefits of “green building” are identified and made available to

interested staff on a monthly basis. For example, this year DHCD coordinated a field trip to the Solar Decathlon 2007 at the National Mall to view and interact with design teams of award-winning projects using energy efficient building materials.

Throughout 2008, DHCD continued to make considerable progress in meeting the need for affordable housing including homeownership and rental opportunities through the creation of new and rehabilitated units. The agency also met community development goals in the areas of neighborhood-based activities, crime prevention, youth programs, and housing counseling, in addition to developing and implementing the new Columbia Heights Small Business Assistance Program.

## A. Assessment of the Five-Year Goals and Objectives

FY2008 marked the third year of the District of Columbia's current Consolidated Plan. The Five Year Consolidated Plan for Fiscal Year 2006 – 2010 includes specific objectives and priorities regarding Suitable Living Environment, Decent Housing and Economic Development activities to be achieved during the five-year period. These objectives and priorities, designed to assist persons of low- and moderate-income, are identified on a yearly basis in the five Annual Action Plans, and they include:

1. Creation and retention of affordable homeownership and rental housing through new production, preservation, and rehabilitation; comprehensive housing counseling; and eviction prevention and homeless assistance;
2. Expansion of homeownership through first-time homebuyer assistance, and assistance and counseling to convert rental properties to affordable homeownership; and
3. Support of neighborhood-based economic and community revitalization activities through business expansion and retention services.

In an effort to prioritize needs and efficiently allocate resources, DHCD collaborated with citizens, elected officials, public/private agencies, and nonprofit organizations to determine community development needs for FY2008. The main areas of need acknowledged were affordable housing, economic development, homelessness prevention, and social service goals for the District of Columbia. DHCD is pleased to report solid performance across all priority areas and specific objectives.

During FY2008, DHCD provided thousands of units of affordable housing; increased housing counseling and outreach services; expanded homeownership opportunities to the District's increasingly diverse populations; and contributed to economic and community revitalization. DHCD provided loans for down-payment and closing costs for 508 new first-time homeowners through our Home Purchase Assistance Program (HPAP). DHCD also converted 293 rental units into home ownership by assisting tenants in acquiring their rental units for condominium or co-op ownership under the District of Columbia's First Right to Purchase Assistance Program. DHCD assisted 142 single-family owner-occupants to remain in their homes by providing loans and grants for rehabilitation, including replacement of lead water pipes.

Over the past year, DHCD provided funding for the pre-development and construction of 3,138 affordable units for both multi-family and single-family developments. DHCD also provided housing counseling to 17,338 tenants, home buyers and new homeowners to increase access to housing and stable home ownership. With ESG funds, emergency assistance was provided to prevent 101 households, including 54 families and 47 individuals, from becoming homeless and provided overnight shelter for 115 families in a family shelter. Affordable housing construction projects spur neighborhood revitalization and local economic development. As part of our neighborhood investments over the past year, DHCD funded technical assistance for 3,106 small neighborhood businesses and completed construction on façade improvement projects for 45 small businesses.

The following Table 2 shows the District's progress from FY 2006 through 2010 in addressing the priorities set by the community.



A. Assessment of the Five-Year Goals and Objectives

**Table 2: Outcome Performance Measurements (FY06 – FY10)**

	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	5-Year Total	5-Year % of Total
<b>OBJECTIVE: SUITABLE LIVING ENVIRONMENT</b>													
<b>Outcome: Availability/Accessibility</b>													
Support homeless families.	55	103	45	76	60	115					300	294	98.00%
Promote home ownership through the reclamation of abandoned properties.	5	5	6	27	10	29					30	61	203.33%
<b>Outcome: Sustainability</b>													
Foster job growth for local residents.	2000	3547	2000	3499	2000						10000	7046	70.46%
Support property management	94	34	75	187	75						475	221	46.53%
Enhance function and apperance of business facilities to strengthen commercial corridors.	100	120	50	25	125	45					500	190	38.00%
Conduct program monitoring activities	60	90	68	73	70	71					300	234	78.00%
<b>OBJECTIVE: ECONOMIC DEVELOPMENT</b>													
<b>Outcome: Sustainability</b>													
Support retention and growth of local neighborhood businesses.	1500	1205	1500	3292	1500	3106					7500	7603	101.37%



A. Assessment of the Five-Year Goals and Objectives

	Expected FY06	Actual FY06	Expected FY07	Actual FY07	Expected FY08	Actual FY08	Expected FY09	Actual FY09	Expected FY10	Actual FY10	5-Year Goal	5-Year Total	5-Year % of Total
<b>OBJECTIVE: DECENT HOUSING</b>													
<b>Outcome: Availability/Accessibility</b>													
Provide counseling to tenants in assisted housing with expiring subsidies, to prevent involuntary displacement.	1883	1637	3000	4782	1800	5371					8750	11790	134.74%
Provide housing information services to persons living with HIV/AIDS.	1450	2173	1850	5844	1850						8500	8017	94.32%
Provide supportive services to HOPWA assisted housing	2000	3170	2098	3695	2000						10000	6865	68.65%
Provide operating support to housing for persons living with HIV/AIDS.	30	38	478	305	400						2000	343	17.15%
Provide Comprehensive housing counseling services to low/moderate income households	7992	15528	15000	19079	15000	17338					55000	51945	94.45%
<b>Outcome: Affordability</b>													
Preserve and increase rental housing supply for low-moderate income, extremely low and very low-income residents.	1800	1402	1800	1526	1800	1990					9000	4918	54.64%
Increase supply of new single and multi-family ownership housing units.	200	1178	200	1247	200	305					1250	2730	218.40%
Support tenants through tenant organizations with first right to purchase assistance to convert rental units to ownership units.	1700	9657	1700	2688	1700	8170					10000	20515	205.15%
Increase homeownership opportunities for first time low-moderate income residents	240	278	250	513	450	508					1250	1299	103.92%
Preserve and Increase homeownership opportunities for very low and low-income residents who are HOME income eligible.	25	59	38	100	30	161					150	320	213.33%
Preserve existing homeownership through assistance with rehabilitation to code.	60	86	60	125	60	142					300	353	117.67%
Assist conversion of rental units to condominium / co-op ownership units.	150	691	150	149	250	282					1000	1122	112.20%
Prevent increases in homelessness	190	220	176	232	200	115					1000	567	56.70%
Provide TBRA rental subsidies to person with HIV/AIDS	739	563	817	616	790						3750	1179	31.44%
Provide short-term rental, mortgage and utility assistance to persons with AIDS.	600	996	500	386	500						2500	1382	55.28%



## B. Affirmatively Furthering Fair Housing

As an entitlement jurisdiction and a recipient of federal funding through the U.S. Department of Housing and Urban Development (HUD), the District of Columbia must adhere to Section 808(e)(5) of the Fair Housing Act which provides for Affirmatively Further Fair Housing (AFFH). DHCD is the local entity responsible for implementing HUD's consolidated planning requirements and is equally committed to promoting fair housing choice for all residents of the District. Further, DHCD must conduct an Analysis of Impediments to Fair Housing Choice (AI) on a five-year interval as mandated by regulation. According to the HUD Fair Housing Planning Guide, an analysis of impediments to fair housing choice should include a comprehensive review of the District's "rules, regulations, business practices, administrative policies practices, and procedures, laws, legislation, and other factors created by the private and government sectors" which could directly or indirectly affect or create an impediment to "fair housing choice" in the District of Columbia. In addition, Section 104 of the Housing and Community Development Act of 1974 (24CFR Part 570.496(a) requires that each state to certify that it will *affirmatively further fair housing*.

### Actions Taken to Affirmatively Further Fair Housing

Analysis of Impediments: To Affirmatively Further Fair Housing, the District is required to: (1) Conduct an analysis to identify impediments (AI) to fair housing choice within the jurisdiction; (2) take appropriate actions to overcome the adverse effects of any impediments identified through the analysis; and (3) maintain records reflecting the analysis and actions taken in this regard.

In December 2005, DHCD completed the most recent AI. This analysis looked at private and government sectors' actions, omissions, or decisions that may have an ultimate effect of restricting housing choice. The AI also provided recommendations for the District to combat the impediments noted. In 2007, DHCD added a supplement to the 2005 AI by providing further guidance on the implementation of recommendations thus assisting DHCD to increase fair housing choice among the city's residents, such as:

To create greater housing opportunities for person with disabilities.

- In October 2007, DHCD established an MOU with DMH to produce 300 affordable housing for DMH residents requiring mental health services over a two year period.
- In Spring 2008, DHCD partnered with DMH on a Special Needs RFP to produce supportive housing for the rehab of two properties owned by Department of Human Services.
- During FY2008, DHCD developed a policy to target 75% of the tax credits to special needs and demonstration projects by revising the LIHTC Qualified Allocation Plan (QAP) to focus on special needs populations and demonstration projects. The QAP has been published on the Department's website.

To partner with Community Based Organizations and other institutions to implement an integrated legal assistance, housing counseling and financial assistance program.

- DHCD met with a consortium of lenders and nonprofit intermediaries working to offer responsible and safe home financing products to lower income households.



- DHCD surveyed all housing counseling agencies under service agreement to the Department in order to have the complete portfolio of foreclosure prevention services available to District homebuyers.
- DHCD worked with national organizations to ensure their low-/moderate-income services to homebuyers are fully accessible to District residents.
- DHCD met with the Department of Insurance, Securities, and Banking on that agency's roll-out of services to assist homeowners with potentially troubled mortgages.
- DHCD identified high interest first trust loans in its portfolio and proactively worked with these borrowers to avoid foreclosure. Names were forwarded to a housing counseling agency to contact and counsel homeowners, in an effort to prevent default.

### **Affirmative Marketing**

As a recipient of HUD funding, DHCD follows HUD's regulations for the Affirmative Fair Housing Marketing Plan (AFHMP). DHCD has instituted and continues to enforce a certification process for all of its housing projects (new construction and rehabilitation) as well as acquisition. The certification process ensures compliance with federal and local laws and regulations and ensures that housing construction projects and programs are affirmatively marketed and accessible to all protected populations. The process of certifying projects and programs is educational to the subrecipient, as their knowledge of fair housing compliance is enhanced thereby affirmatively furthering fair housing.

DHCD aims to ensure that prospective buyers or tenants in the housing market area, regardless of their protected category -- racial or ethnic groups— are given an opportunity to be informed about prospective housing development(s) across the city and feel welcome to apply. Through the AFHMP, DHCD aims to (1) bring greater diversity to areas that have been subjected to housing discrimination based on the residents' protected class; and (2) inform about the availability of housing to persons not likely to apply for the housing without special outreach efforts due to (a) self or forced segregation, (b) linguistic isolation, (c) neighborhood racial or ethnic composition and patterns, (d) location, and (e) price of housing.

DHCD has also instituted a certification process for all its program and service grants. The certification process for programs, singular in the metropolitan area, ensures that non-housing activities associated with new construction and rehabilitation projects, and programs providing services also abide by the affirmative marketing principle. As such, DHCD requests completion of an 'Affirmative Marketing Plan (AMP)' certification form for those types of projects. For housing projects, the AFHMP certification is submitted with accompanying information on residential housing projects of five units or more, whether these are located in one parcel or a scattered multi-family project.

### **Language Access Act**

The Language Access Act of 2004 (LAC) is designed to provide greater access and participation by Limited or No-English Proficiency (LEP/NEP) communities to public services, programs, and activities. The District's implementation and monitoring of the LAC supports the Fair Housing Act's affirmatively furthering fair housing by ensuring equal opportunity and accessibility of program and services to all District residents.



Since 2001, DHCD has partnered with both the Mayor's Office on Latino Affairs and the Mayor's Office on Asian and Pacific Islander Affairs, and subsequently with the Mayor's Office of African Affairs to ensure the agency's programs of concern to these communities were available in the appropriate language.

The agency has implemented the approved 2006 bi-annual Language Access Action Plan (2007-2008) by adhering to the LAC's five action objectives, these are: (1) a thorough review of each agency's mechanisms for data collection in order to design better outreach programs for target LEP communities; (2) the use of oral language (interpretation) services to ensure agency's message on how to access the programs and services is reaching and understood by these communities; (3) the translation of vital documents in the appropriate language of the community targeted which depicts agency information on how services are acquired or vital information which could have a direct impact to health or safety; (4) ensure cultural competency, awareness and sensitivity training is provided to staff; and (5) create targeted LEP/NEP community educational outreach material to ensure language barriers do not impede District residents from accessing programs and services. Each District agency reports on its LAC advances to the Office of Human Rights (OHR) on a quarterly basis. These results are analyzed yearly and are the basis for the agency's bi-annual plans and changes as recommended by OHR.

DHCD holds an annual diversity training to ensure its public contact personnel as well appraised of the law and compliance measures. For the past two years, the Agency has partnered with the D.C. Office to Planning to offer this training to its combined staff.

As of today, DHCD ensures that all LEP/NEP Communities have the agency's information through its subrecipients and directly through the agency's website where a fact sheet about the pertinent programs can be found for easy download. The program information is available in Amharic, Chinese, Spanish, and Vietnamese. DHCD has also ensured that a bilingual interpreter is available at its public hearings.

The Housing Regulation Administration formerly located within the D.C. Department of Consumer Regulatory Affairs (DCRA) has been added to DHCD. This addition brings new opportunities to further engage and do outreach to the LEP community on DHCD programs and housing services.

### **Section 3**

See Part E of the CAPER on Other Actions for information on Section 3.

### **Impediments Identified in the Analysis**

The District continues to address the four (4) major areas of impediments to fair housing choice found in the 2005 AI. These were:

1. Lack of compliance of fair housing laws by the real estate and housing industry (real estate, lending/mortgaging, insurance/appraisals, etc.).
2. Decreasing number of affordable housing units for low and moderate-income households and special needs residents in target neighborhoods already experiencing a shrinking market.



3. Information on full range of housing available across many District neighborhoods offering affordable housing is not made available to individuals and families seeking homes due to segregated residential patterns.
4. Low levels of home buying literacy among particular protected classes and a high degree of home seekers with no or blemished credit history.

In the past year, the housing market has taken a sharp spiral downward turn in large part due to subprime mortgages targeted to lower income and immigrant individuals and families. The Center for Responsible Lending (The Center), a national non-profit organization headquartered in the District, has gathered data regarding the foreclosure rates in the Washington Metropolitan area as a result of mortgage loans made under unethical and misleading terms. Though many financial experts allege that the blame lies with the homebuyer for getting into a loan they could not often repay, the Center and fair housing advocates hold that unscrupulous real estate and mortgage brokers used persuasive and coercive tactics to lead many immigrants LEP and elderly African American communities with substantial equity on their homes, into a predatory loan.

### **Efforts to Remove Barriers to Affordable Housing**

In 2008, the Housing Regulations Administration which houses the Rental Accommodations Division, the Rental Conversion and Sale Division and the Rental Housing Commission-- formerly located in the D.C. Department of Consumer and Regulatory Affairs was moved to DHCD. This was part of the effort by the District to reduce barriers to fair housing, by providing quicker response to apartment building conversion concerns which can affect low income and disenfranchised tenants. Tenants were oftentimes not advised of the real estate transaction impacting their building, this caused substantial displacement of District residents from their homes, disproportionately a majority Latinos and other immigrants in high market areas.

DHCD has improved processes in its Neighborhood Based Activities programs to effectively address underserved needs. It also continues to provide an annual training program for staff and funding recipients on fair housing, accessibility compliance for construction projects. As well, DHCD continues to monitor all its sub-recipients to ensure compliance with fair housing and equal opportunity laws and regulations. Fair Housing staff are also available as a resource for constituents and service providers.

**Fair Housing Symposium:** The District' held its Seventh Annual Fair Housing Symposium in April 2008. This year, DHCD commemorated the 40<sup>th</sup> Anniversary of the passage of the FHA. As such, DHCD with its partners the DC Office of Human Rights and the National Fair Housing Alliance held a celebration of the milestones gained up until now. One key highlight was the presentation of the first fair housing case filed by the Department of Justice after passage of the law. The case was filed in the District of Columbia for race discrimination.

**Request for Proposals (RFPs):** The Department uses RFPs to solicit proposals from for profit and non-profit developers interested in creating affordable housing or community development projects. During this process, DHCD holds several community meetings to educate the developers about providing equal access opportunity to housing and building housing that is accessible to person with mobility disabilities.

**Education and Outreach:** The Department partners with non-profit and private sector housing advocates and practitioners to affirmatively further fair housing and provide greater education coverage of housing and fair housing issues to a diverse community. One method is to fund community based organizations to provide outreach and education for tenants on purchase programs, comprehensive homeownership and housing counseling, and assistance for relocation and location of apartments. DHCD has contracted with Marshall Heights Community Development Organization, University Legal Services, Latino Economic Development Corporation, Lydia's House, among others, to provide these services.

**Accessibility Education and Enforcement:** DHCD continues to hold an annual mandatory Section 504 accessibility compliance training program for all subrecipients. The training covers practical and regulatory actions concerning accessible housing according to local building codes and its parallels to federal regulations and laws, multifamily projects compliance with the Sec. 504 accessibility rules and regulations of the Rehabilitation Act of 1973 and the Fair Housing Act as Amended.

The District provides funding to the non-profit sector to provide outreach and education to residents victimized or at risk of a home foreclosure. Foreclosure prevention is an educational tool highly utilized during as this housing crisis continues to evolve. DHCD provides funding to seven community-based organizations to provide foreclosure prevention training: the Latino Economic Development Corporation, Marshall Heights Community Development Corporation, Housing Counseling Services, Inc., Lydia's House, Manna, Inc., University Legal Services, Inc., and the Central American Resource Center. The Housing Counseling Services training, provided in English and Spanish, seeks to provide individualized counseling, assess the delinquency status, and provide options and a work plan to alleviate the situation.

Likewise, other housing agencies and non-profit community development corporation also offer tools for assisting first time homebuyers and person in crisis. The D.C. Housing Finance Agency has a Home Resource Center dedicated to education and training to first time homebuyers on homeownership opportunities; Manna, Inc. a non-profit housing corporation which builds affordable housing also has its own first time home buyer training program and mortgage assistance program, through a sister organization, for low and moderate income residents citywide.





## C. Affordable Housing

The challenges in FY2008 continue to be the increasing cost of housing, competition for a shrinking pool of affordable units, the impact of housing costs on the most vulnerable populations, the need for a well-educated and well-paid workforce to match living costs, regional employment trends, lack of access to transportation to regional employment opportunities, and the threat of displacement due to rising rents and/or the expiration of federally subsidized housing. DHCD has based its projections on information provided in the U.S. Census data; 2004-2005 studies by Fannie Mae; information from DC Government agencies; the 2006 Analysis of Impediments to Fair Housing Choice in the District of Columbia; as well as 2006 studies by the D.C. Fiscal Policy Institute and other organizations. These studies show:

- The shortage of affordable housing units for low-to-moderate income households and special needs populations is exacerbated by the influx of higher-income households into previously lower-income neighborhoods such as Columbia Heights (Ward 1) and Shaw (Ward 2).
- A concurrent increase over the past decade in both median income and poverty, indicating a widening gulf in household incomes among District residents.
- A prevalence of housing cost burdening and an increase in crowding within the District's rental stock, pointing to the shortage of affordable and/or family-sized units.

DHCD administers a number of programs that directly support its mandate to further its goals for adding affordable housing, for both rental and homeownership opportunities, for commercial revitalization, and for the development of community facilities; for providing neighborhood-based services; and for increasing economic opportunity. DHCD continues to utilize its competitive funding process to target specific projects to meet these goals, by issuing RFPs for development and acquisition projects and RFAs for service-oriented grants. Additionally, DHCD works with partner organizations—including private, non-profit or semi-governmental development and financing entities—to provide housing and economic opportunities for low-to-moderate income residents.

For each fiscal year, based on community consultation, experiences within the marketplace, U.S. Census and other data, DHCD establishes objectives to meet the District's priority needs. These objectives are recorded in the Department's Action Plan, Performance-Based Budget (PBB), and Annual Performance Plan, which includes Key Performance Indicators. Table 3 presents a summary of DHCD's specific housing objectives for FY2008 within the categories specified by HUD and consistent with the District's priorities.

### Specific Housing Goals and Objectives

During FY2008, DHCD assisted 508 first-time homeowners with loans from the Home Purchase Assistance Program (HPAP), and assisted another 282 units in the conversion from rental units to ownership as condominiums or co-ops. DHCD also exceeded its goal to provide housing counseling to 15,000 residents, by providing assistance to 17,338 individuals.

DHCD increased the supply of affordable housing by funding rehabilitation of multi-family and single-family units or pre-construction of new units for a total of 3,138 units. Among the affordable



units supported were 1,990 rehabilitated multi-family or single-family units and 1,148 new construction multi-family or single-family units. Of the units funded in FY2008, 833 units were affordable to very low-income residents, 235 units were affordable to low-income residents, and 1,807 units were affordable to low-to-moderate income residents (does not include Lead Safe Washington units).

**Table 3: Summary of Specific FY2008 Objectives**

Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/Objective*
<b>Rental Housing</b>					
Preserve and increase rental housing supply for low-moderate income, extremely low and very low-income residents.	CDBG, HOME, HPTF	<ul style="list-style-type: none"> <li>No. of affordable units</li> <li>No. of Section 504 accessible units</li> <li>No. of years of affordability</li> <li>Units in compliance with Lead Safe Housing Rule</li> </ul>	1,800	1,990	DH-2 DH-1
Support tenants through tenant organizations with first right to purchase assistance to convert rental units to ownership units.	CDBG, HOME	<ul style="list-style-type: none"> <li>No. of tenants receiving counseling for unit purchase</li> </ul>	1,700	8,170	DH-2
Provide counseling to tenants in assisted housing with expiring subsidies, to prevent involuntary displacement	CDBG	<ul style="list-style-type: none"> <li>No. of tenants receiving counseling</li> </ul>	1,800	5,371	DH-1
<b>Owner Housing</b>					
Increase homeownership opportunities for first time low-moderate income residents	CDBG, HOME	<ul style="list-style-type: none"> <li>No. of first-time homebuyers</li> <li>No. receiving down-payment assistance/ closing costs</li> </ul>	450	508	DH-2
Increase homeownership opportunities for very low- and low-income residents who are HOME-income eligible through the ADDI program	HOME/ADDI	<ul style="list-style-type: none"> <li>No. of first-time homebuyers</li> <li>No. receiving down-payment assistance/ closing costs</li> </ul>	30	161	DH-2
Preserve existing homeownership through assistance with rehabilitation to code standards.	CDBG, HOME, HPTF	<ul style="list-style-type: none"> <li>No. of owner-occupied units rehabilitated or improved</li> </ul>	60	142	DH-2
Increase supply of new single and multi-family ownership housing units	CDBG, HOME, HPTF	<ul style="list-style-type: none"> <li>No. of affordable units</li> <li>No. of Section 504 accessible units</li> <li>No. of years of affordability</li> </ul>	200	305	DH-2
Assist conversion of rental units to condominium /co-op ownership units.	CDBG, HPTF	<ul style="list-style-type: none"> <li>No. of units</li> <li>No. of affordable units</li> <li>No. of years of affordability</li> </ul>	250	282	DH-2
Promote home ownership through the reclamation of abandoned properties.	CDBG	<ul style="list-style-type: none"> <li>No. of units</li> <li>No. of affordable units</li> <li>No. of years of affordability</li> </ul>	10	29	DH-2
Provide comprehensive housing counseling services to low/moderate-income households.	CDBG	<ul style="list-style-type: none"> <li>No. of low/moderate income households served.</li> </ul>	15,000	17,338	DH-1

Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/Objective*
<b>Community Development</b>					
Support retention and growth of local neighborhood businesses	CDBG	• No. of businesses assisted	1,500	3,106	EO-3
<b>Economic Development</b>					
Support property management (through DMPED)	CDBG	• No. of housing units • No. of affordable units • No. of persons assisted • No. of businesses assisted	75	TBD	SL-3
Enhance function and appearance of business facilities to strengthen commercial corridors.	CDBG	• No. of businesses assisted	125	45	SL-3
<b>Planning/Administrative</b>					
Conduct program monitoring activities	CDBG, HOME	• No. of monitoring activities	70	71	N/A

### Section 215 Housing Opportunities

Section 215 of the Affordable Housing Act contains eligibility requirements for affordable housing as well as a definition, specifically pertaining to the HOME program. Sections 92.252 and 92.254 under Title 24 Code of Federal Regulations, Part 92 (24 CFR 92) further explains rental and owner-occupied HOME housing criteria necessary to qualify as Section 215 housing.

As such, during FY 2008, three types of assistance qualified as Section 215 housing:

- A total of one hundred sixty-one (161) households received down payment assistance using HOME dollars through our HPAP program, which are allowable under HOME laws, regulations, and guidelines;
- Twenty-four (24) single-family owner occupied households were rehabilitated using HOME funds under the single-family rehabilitation program; and,
- One hundred twenty (120) multifamily units were rehabilitated or constructed using HOME funds.

### Efforts to Address Worse Case Needs

In FY2008, the District took several steps to address worse case housing needs, which are defined as low-income households who live in seriously substandard housing or have been involuntarily displaced.

The most important step taken by the District government was to use a dedicated source of local funding for the production of affordable housing. The Housing Production Trust Fund (HPTF or “Fund”), authorized by the Housing Production Trust Fund Act of 1988 as amended by the Housing Act of 2002, is a local source of money for affordable housing development. Capital for the HPTF is supplied from the legislated share of DC deed recordation taxes and real estate transfer taxes, currently 15%. The Fund is designed to direct assistance toward the housing needs of the most



vulnerable District residents—very low- and extremely low-income renters. Pending the receipt of feasible project proposals, the statute requires that:

- A minimum of 40 percent of all Fund monies disbursed each year must benefit households earning up to 30 percent of the area median income (AMI);
- A second minimum of 40 percent of the Fund monies must benefit households earning between 31 and 50 percent of the AMI;
- The remainder must benefit households earning between 51 and 80 percent of the AMI; and
- At least 50 percent of the Fund monies disbursed each year must be used for the development of rental housing.

The rest of the funds may also be used for for-sale housing development, and loans associated with our other programs such as First Right Purchase Assistance Program, Lead Safe Washington, and Home Again.

Another step the District has taken to address worse case housing needs is by discouraging projects that involve the displacement of persons. However, if displacement of persons should occur in a project, DHCD will make provisions for the appropriate relocation assistance as established by federal regulations.

It is DHCD's policy to minimize displacement in all of its projects. Each project manager in the Development Finance Division (DFD) keeps track of any relocation required for a project. Project managers review developers' plans and revise those plans as necessary to minimize displacement. Where relocation is required, the project managers ensure, as part of the underwriting process, that the relocation plans are adequate and are funded as part of the project development costs. A number of DFD project managers have received training in the Uniform Relocation Act (URA). OPM has convened a team to oversee project compliance, including URA compliance, and to update the Division's operating protocols to ensure that all specialized monitoring disciplines are being addressed.

In FY2008, nine projects had tenants on site and required the submission and approval of temporary relocation plans. These projects were: Ontario Court Apartments, Martin Luther King, Jr. Latino Cooperative, Wheeler Terrace Apartments, E Street Cooperative Association, Fort Stevens Place Apartments, Longfellow Arms Apartments, Community Builders-Scattered Sites, Quest Cooperative, and Woodley House. The developers of these projects are temporarily relocating tenants to other vacant units on their project sites to the extent possible in order to avoid relocation to off-project sites. Any required relocation generated by DHCD's single family rehabilitation projects is incorporated into each project work plan, and associated costs are factored into the budget.

### **Non-Homeless Special Needs Population**

Addressing the non-homeless special needs population, which includes the elderly and people with disabilities, is an important aspect of DHCD's Annual Action Plan. During the past fiscal year, to address the needs of this population, DHCD utilized five programs to fund projects for the special needs population. These were the Home Purchase Assistance Program (HPAP), Single Family Residential Rehabilitation Program, Multi-Family Housing Construction and Rehabilitation

Program, First Right Purchase Program, and the Handicapped Accessibility Improvement Program. In FY2008, DHCD funded a total of 300 non-homeless special needs housing units.



## D. Continuum of Care

HUD encourages communities to address housing and homelessness through a comprehensive, collaborative, and strategic approach that it has promoted since 1994. HUD's Continuum of Care concept facilitates this process and is designed to help communities envision, organize, and plan comprehensive and long-term solutions to address the problem of homelessness.

The District's current homeless and homeless special needs' housing efforts are coordinated and managed by the Community Partnership for the Prevention of Homelessness (the Partnership). The Partnership serves as the lead agency for the District's Continuum of Care program under a FY2005 contract from the Department of Human Services (DHS) – renewable for up to four option years based upon achievement of the contract's performance objectives and the decision of the City. The contract funds the Partnership to address the needs of the District's homeless population, including other special needs subpopulations of the homeless (e.g., the frail elderly, chronically mentally ill, drug and alcohol abusers, and persons with HIV/AIDS).

The Partnership, with the approval of DHCD, determines annually which services will be funded with the ESG Grant to address the most pressing emergency and prevention needs. In FY2008, the ESG funds paid for prevention and shelter operations. Table 8 describes the uses of ESG funds in FY2008.

### Actions Taken to Address Homeless Needs

Numerous activities are undertaken in the District to address the needs of homeless persons, and the special needs of persons that are not homeless but require supportive housing. Many of these activities are undertaken with the use of ESG and/or local funds.

The ESG program supports the District's homeless Continuum of Care program and the related objectives of the Consolidated Plan that provide for homeless or special needs populations. In FY2008, ESG funds continued to support prevention efforts and facilities operating at the entry point of the Continuum of Care, in order to maintain and improve those facilities even while the District works to build the permanent affordable and supportive housing that will end homelessness over time.

Improvements to the Continuum have been ongoing. The District's plan to end homelessness includes new efforts designed to support the Continuum of Care concept.

The District's plan to end homelessness rests on three centerpiece policies:

1. Increase homeless prevention efforts within local and federal government,
2. Develop and/or subsidize at least 6,000 units of affordable, supportive permanent housing to meet the needs of D.C.'s chronically homeless and other very low-income persons at risk of homelessness, and
3. Provide wraparound mainstream supportive services fully coordinated with Continuum of Care programs and special needs housing.

In short, the goals focus on 1) keeping as many people as possible from becoming homeless in the first place through direct prevention efforts and increasing the supply of affordable housing; and 2)

enriching the homeless Continuum at all levels with supportive services that rapidly re-house persons with and without special needs. This refocuses the City's efforts over time from a "shelter first" to a "housing first" model that ends homelessness.

Within this general context, ESG funds continue to be used to support policy goal #1, which is to prevent homelessness and to maintain and improve the entry level of the Continuum of Care. Efforts to prevent homelessness in the District of Columbia have been enhanced by local funding of a rental assistance program in FY2008, but ESG prevention funds which are distributed through a network of neighborhood based organizations, continues to be the backbone of the city's prevention efforts.

### **Actions Taken to Prevent Homelessness**

Prevention funds for the DC Emergency Assistance Fund are awarded through a Memorandum of Agreement that established a mutually beneficial partnership wherein ESG funds are supporting a citywide homeless prevention effort managed by the Foundation for the National Capital Region, which receives other prevention funds from the Fannie Mae Walkathon that occurs each November. DHCD exceeded its FY2008 Action Plan goal under the ESG to provide shelter for 60 families. Shelter was provided for 115 families by supporting operations of a family shelter at 1448 Park Road NE. The goal of assisting 200 individuals/families with emergency eviction prevention was not met in FY2008, but 54 families and 47 individuals were provided with prevention assistance for a total of 101 cases.



## E. Other Actions

The District continued to support and use several methods to remove possible barriers to affordable housing such as: a dedicated source of local funding for housing production through its Housing Production Trust Fund (HPTF); improving programs and processes to make project funding more efficient; targeting investment by type of project and geographically; using inter-agency coordination and public-private partnerships to leverage public funding; and by increasing outreach and marketing of programs and funding opportunities.

DHCD worked to improve its various programs to effectively address underserved needs. The Department continued to fund outreach and assistance programs for tenants in buildings with expiring Section 8 and/or other federal programs. Tenants were provided information on purchase options under the District's First Right statute, comprehensive housing counseling and assistance for relocation, location of apartments, and for first-time home ownership.

DHCD hosted and participated in a number of outreach and community participation events specifically focused on special needs housing in FY2008. In October 2007, as part of our Needs Hearings for DHCD's Consolidated Plan, the Department held a dedicated hearing focused on Special Needs Housing; additionally, in that month, we hosted a specialized RFP pre-proposal conference for development financing for special needs housing providers. In May 2008, DHCD participated as a panelist in a local community development training, "The Future of Permanent Supportive Housing in DC" hosted by one of our community partners. DHCD continues to participate actively in the District's Interagency Council on Homelessness (ICH), as well as the ICH Strategic Planning Committee, providing valuable ongoing dialogue and feedback with stakeholders in the special needs housing community.

In FY2008, DHCD and the DC Department of Mental Health (DMH) entered into a Memorandum of Understanding, under which DHCD is overseeing capital funding of approximately \$14 million targeted to create or preserve 300 units of supportive housing for DMH Consumers. This partnership uses capital grant funding for acquisition, construction and rehabilitation to encourage the creation and preservation of units for the exclusive use of DMH consumers. As of 9/30/08, 107 units had been approved in this DMH pipeline. Further, through the DHCD/DMH MOU, we are establishing the Housing Improvement Program Initiative. Under this initiative, DHCD will choose a qualified Lender to administer up to \$1 million of the DMH capital funds. The Lender will then leverage its own monies, in a match of one to one, in order to finance the rehabilitation of multi-family residential buildings to preserve rental housing for low and moderate income DMH consumers.

FY2008 saw increased collaboration across District agencies to meet the needs of chronically homeless individuals and families. In FY2008, DHCD released a Consolidated RFP for the development and operation of two District-owned properties for chronically homeless families, matching DHCD development funds with operating and supportive services funds from the DC Department of Human Services (DHS). Together, these two properties will provide 47 units of permanent supportive housing with on-site supportive services, once development is complete.

Further, DHCD has partnered with Socialserve.com, a 501(c)(3) not-for-profit and national leader in housing locator services, to develop an online affordable housing listing and locator service for



District residents. Once launched, DCHousingSearch.org will be available free of charge and supported by a call center, and will be an effective tool for individuals seeking affordable housing, as well as for affordable housing providers seeking residents.

In FY2008, DHCD allocated its funds based on the determination of priority needs identified in the Consolidated Plan and the Annual Action Plan and by the suitability of activities that are planned to meet those needs. Actions taken to address those needs are as follows:

### **Address Obstacles to Meeting Under-Served Needs**

DHCD addressed obstacles to meeting under-served needs in the District through the following activities:

- Funded homeless providers for shelter operational costs and provision of essential services for homeless persons and for transitional housing.
- Funded a broad range of housing counseling services, including program intake, community outreach, and citizen participation, with an emphasis on home ownership, eviction and mortgage default prevention, and preservation of existing housing placements.
- Conducted and participated in meetings with community agencies, neighborhood groups, and concerned citizens to discuss needs, available grants, the grant process, and other relevant information.
- Conducted site visits of target areas to assess/confirm needs and consider appropriate actions.
- Utilized a variety of funding sources to assist with rehabilitation of owner-occupied housing of low-income residents.
- Provided information on housing discrimination and landlord-tenant laws to low-income families, nonprofit organizations, local realtors, and property owners.

### **Foster and Maintain Affordable Housing**

The Department has collaborated/partnered with non-profit and for-profit developers to preserve existing and offer new affordable housing opportunities to those residents unable to meet the current cost demands of the District's escalating real estate market. The Department offers programs that help first-time homebuyers purchase homes and assist current homeowners with home repairs. In addition, the District provides funding for housing counseling services to assist residents in moving towards home ownership and self-sufficiency. The District also funds commercial and economic development initiatives that help revitalize our communities and provide employment opportunities to the unemployed and underemployed residents. The Department makes special needs housing, preservation of affordable units with expiring Low Income Housing Tax Credit use agreements, and retention of Section 8 rental properties specific funding priorities in our RFPs.

### **Eliminate Barriers to Affordable Housing**

In FY2008, the District took several steps to ameliorate the negative impacts of the current housing market, but realizes the fact that resources produced fewer units in an atmosphere characterized by pricing pressures.

The most important step taken by the District government is adding a dedicated source of local funding for housing production through its Housing Production Trust Fund (HPTF). In FY2008, the HPTF budget was \$122,703,266. The “Fund” is a local source of money for affordable housing development. DHCD combines all its eligible funding sources, federal and local, in its competitive funding process to maximize its support for affordable housing and community development projects. The HPTF is aimed at assisting the most vulnerable District residents. The Housing Act of 2002 requires that 80% of funds benefit households earning up to 50% of Area Median Income (AMI), and that 50% of funds disbursed each year must be used for the development of for-sale housing.

The District also uses other methods to remove possible barriers to affordable housing such as: targeting investment by type of project and geographically in its funding processes; using inter-agency coordination and public-private partnerships to leverage public funding; and increasing outreach and marketing of programs and funding opportunities.

### **Institutional Structure and Coordination**

Another way to remain competitive in the District’s “hot market” is to maximize the leverage of public investment by working with other agencies and/or stakeholders. The District of Columbia government’s institutional structure facilitates internal coordination and cooperation.

In the District of Columbia, executive functions are organized under the Mayor, City Administrator and two Deputy Mayors who provide leadership and direction to clusters of agencies. This Deputy Mayor structure facilitates consultation across responsibility areas and maximizes leveraging of public investments.

DHCD reports to the Deputy Mayor for Planning and Economic Development along with the following agencies: the Office of Planning (OP), the Department of Consumer and Regulatory Affairs (DCRA), the Department of Employment Services (DOES), the Department of Small and Local Business Development (DSLBD), the Department of Insurance, Securities, and Banking (DISB), the Office of the Tenant Advocate (OTA), and the Office of Cable Television. DHCD also works closely with the DC Housing Authority (DCHA) and the DC Housing Finance Agency (DCHFA) to maximize dollars available for housing opportunities for all income levels from extremely low to moderate income.

### **Improve Public Housing and Resident Initiatives**

DHCD has partnered with the DC Housing Authority (DCHA) in redevelopment of the Frederick Douglass/Stanton Dwellings (Henson Ridge), the New East Capitol public housing communities and the Arthur Capper/Carrollsborg Dwellings and the Eastgate Public Housing sites through the HOPE VI Program.

The HOPE VI Program redevelopment plan for Frederick Douglass/Stanton Dwellings, renamed Henson Ridge, calls for a new, 600-unit community with all new infrastructure (streets, sidewalks and alleys), a new community center, new parks and open spaces, as well as significant investment in neighborhood schools. The development includes 320 homeownership units targeted to households with a range of incomes. The 280 rental units will serve a mix of public housing and moderate-income families. The housing mix also includes 42 senior bungalows, 28 stacked-flat apartments and 530 townhouses. To date, DHCD has committed \$8 million for infrastructure improvements, \$5 million in CDBG funds (disbursed) and \$3 million in capital funds (disbursement in progress).

DHCD, at DCHA's request, capped the expenditure of capital funds at \$1 million and re-programmed the unexpended \$2 million to fund infrastructure construction at the Arthur Capper/Carrollsbury HOPE VI project. DCHA determined in FY 2004 that because of unanticipated cost overruns on the Henson Ridge project they were going to need the \$2 million that was reprogrammed to the Arthur Capper HOPE VI project. These additional funds were requested by DHCD on DCHA's behalf in the FY2006 capital project funding call and were authorized for expenditure starting in FY2006. Expenditures of these additional funds began in FY2006 and were completed in FY2007.

The New East Capitol HOPE VI project, renamed Capitol Gateway Estates (formerly East Capitol Dwellings and Capitol View Plaza along with a HUD-foreclosed property), originally was to include 555 units of newly constructed mixed-income units. One hundred ninety-six units were to be public housing, 214 affordable and market rate rental units and 145 homeownership units; utilizing both lease-to-purchase and Section 8 home ownership rules thus ensuring home ownership for a number of current residents.

However, DCHA acquired Capitol View Plaza II from the Federal Housing Administration (FHA) and has developed a new redevelopment plan for Capitol Gateway Estates that received final approval from HUD. The new redevelopment plan, with a total 761 units includes 152 units of senior housing, 221 tax credit housing units, 177 market rate units, and 211 units of public housing replacement. In 2007, DCHA modified the new redevelopment plan, with permission from FHA, to permit demolition of the recently acquired high-rise buildings to be replaced by mixed income housing units. The high-rise buildings are currently vacant awaiting funding of the demolition contract.

At the end of FY 2008 DHCD began reprogramming, at the request of DCHA, \$3,000,000 of CIP funds to fund the demolition. Demolition of the buildings will facilitate obtaining a final commitment from a national grocery store for the shopping center across the street, expedite the sale of homeownership units elsewhere in Capital Gateway, and eliminate the blight and vandals in the buildings. To date, DCHA has committed \$10 million in funding for this project for infrastructure improvements; \$3 million in CDBG funds (disbursed), and \$7 million in capital funds (disbursement was completed in FY2006). DHCD also committed \$789,666 in Low-Income Housing Tax Credits in FY2003 to assist the construction of 151 new senior housing apartment units in the Senior Building.

In FY2005, DHCD requested capital funding for the following additional DCHA public housing projects on DCHA's behalf as part of the FY2006 capital project funding call:



1. Arthur Capper HOPE VI—\$4,075,000 (in 2006 and 2007) for construction of site infrastructure associated with further phases of the multi-phase construction (disbursement for construction began in FY2006 and was completed in FY2008);
2. Eastgate HOPE VI—\$5,000,000 (in 2006 and 2007) for construction of site infrastructure associated with the project (disbursement for construction began in FY2006 with final disbursement of \$2,500,000 completed in FY 2008; the remaining \$2,500,000 is being reprogrammed to Capital Gateway);
3. Langston Terrace Public Housing—\$2,000,000 (in 2009, 2010 and 2013) for rehabilitation to selectively replace infrastructure and restore the exterior integrity of this historic landmark property;
4. Lincoln Heights Public Housing—\$4,000,000 (in 2007, 2009, 2010 and 2013) for partial demolition of existing public housing and construction of new site infrastructure associated with new replacement townhouses;
5. Potomac Hopkins Plaza Public Housing—\$4,500,000 (in 2009, 20010 and 2013) for redevelopment of the existing public housing development and one-for-one replacement of all the existing units in a new on-and off-site development; and
6. Parkside Public Housing—\$3,000,000 (in 2009 and 2010) for site infrastructure associated with the one-for-one replacement of public housing units with townhouse units.

DHCD received funding authorization for all of the above funding requests during FY2005 and expenditures began in FY2006 for the FY2006 authorizations as indicated above. Expenditures continued in FY2008 for the FY2007 portions of the allocations.

During 2007, DHCD received requests for \$5,000,000 of CDBG funding for site infrastructure and pre-development expenses associated with five DCHA projects. The projects and funding requests were as follows:

1. Arthur Capper HOPE VI - \$500,000;
2. Eastgate HOPE VI - \$2,500,000;
3. Highland Dwellings Redevelopment - \$500,000;
4. Williston Apartments - \$500,000; and
5. Oak Street Apartments - \$1,000,000.

All five requests were granted and contracts were executed in FY2007 for the funding amounts listed above. The disbursement of funds for these projects was completed in FY2008.

### **Evaluate and Reduce Lead-based Paint Hazards**

DHCD competed for and was awarded two HUD lead-safety grants in FY2003. The grants, which were received at the end of FY2003, were: 1) the Lead Hazard Control Program Grant award of \$2,997,743; and the Lead Hazard Reduction Demonstration Grant award of \$2,000,000. The District match per the requirement of the Lead Safe grant is \$2,681,580. The primary objective of the District's Lead Safe Washington (LSW) Initiative under these grants is to provide lead hazard remediation activities leading to lead-safe clearance in 400 housing units.

The District of Columbia Department of Housing and Community Development's Lead Safe Washington Initiative (LSW) has successfully concluded all required activities under its Lead



Hazard Reduction Demonstration Grant DCLHD0012-03. Grant activities were concluded on March 28, 2008, within the timeframe of a single 12-month no-cost extension in the term of the Grant, which had been issued on March 31, 2007 by the Office of Healthy Homes and Lead Hazard Control (OHHLHC) of the US Department of Housing and Urban Development (HUD). However, due to a lack of further funding from HUD, this activity will be subsumed into the Department's Residential Rehab program after March 31, 2009.

The following is a summary of the key accomplishments of the programs and activities under Grant DCLHD0012:

- Lead risk assessments were conducted on a total of 293 housing units in the District of Columbia.
- Lead-safe construction was completed and subsequent lead-safe clearance was achieved for more than 175 housing units in the District of Columbia for which lead-based paint hazards were identified.
- Program activities were accomplished within the original budget of \$2,000,000 of grant funding. Costs were incurred in the specific expense line items of the original budget.
- The District of Columbia provided matching funds of more than \$1 million, exceeding the requirement for matching funds dictated by the original budget.
- Lead Safe Washington accomplished all requirements under Grant DCLHD0012 following a very slow start to program activities and from a point at which OHHLHC had expressed grave concerns about LSW's ability to complete production requirements on a timely basis. But a new management team at the Department of Housing and Community Development more than doubled that level of accomplishment by the following year, with 59 units completed as of March 31, 2007, sufficient to gain a 12-month extension in grant activities. The full production requirement for 175 units cleared as lead-safe was completed less than one year later on March 28, 2008.

Due to highly improved performance of the program in the Lead Hazard Reduction Demonstration Grant, HUD granted an extension of the grant period for Lead hazard Control (LHC) to March 31, 2009. At the end September, 30, 2008, 129 units were completed and rendered lead safe under lead hazard control grant activity. At least an additional 60 units will be placed into lead-safe construction and likely cleared for lead safety prior to December 31, 2008. More than 30 additional units are actively in process, with risk assessments either has already been completed, underway, or scheduled to begin by November 10, 2008. There are more than 100 units in the pipeline. Lead Safe Washington is working diligently toward completion of the 225 units required by Lead Hazard Control grant by March 31, 2009.

The full implementation of Lead Safe Washington's Lead Hazard Reduction Demonstration Grant (DCLHD0012-03) and Lead Hazard Control Grant (DCLHD0242-03) programs has had a major impact on the extent to which Title X activities are a reality in the District of Columbia. For example:



- Largely as a result of Lead Safe Washington, the Department of Housing and Community Development has played a leadership role in the District's overall activities on eliminating lead-based paint hazards. LSW was one of the original members of the Mayor's Interagency Task Force on lead hazards and has provided consistent leadership in that group since 2006.
- Because of the ability for property owners to access lead hazard abatement funding through Demonstration Grant DCLHD0012-03, the regulatory authorities within District Government—namely, the Departments of Health, the Environment, Consumer and Regulatory Affairs, and the Office of the Attorney General—have had much greater leverage in litigating cases of lead hazards involving a child with an Elevated Blood Level (EBL) for lead. The “carrot and stick”—lead hazard funding vs. the potential for significant consequences from the judiciary—has been a useful approach for ensuring that property owners whose housing units have lead-based paint hazards move swiftly to eradicate those hazards from their properties.
- Within the Department of Housing and Community Development, the full implementation of the Lead Safe Washington Initiative strengthened and formalized the requirements for lead safety already in place within the Department's multifamily affordable housing development and single family residential rehabilitation programs.
- As LSW's Lead Hazard Reduction Demonstration Grant program and Lead hazard Control became increasingly visible in the community, the field of District-certified lead abatement entities (risk assessors, contractors, clearance inspectors) became more formally and completely engaged in addressing lead hazards within the constraints of the federal Lead Hazard Control/Lead Hazard Reduction Demonstration program. This has led to a more responsive field of contractors and more competitive pricing for lead hazard control activities.
- Since January 2008, Lead Safe Washington has seen a significant growth in the number of property owners, especially multifamily rental property owners, approaching the program with interest in making application for funding to render those units lead-safe. Owners representing more than 200 units are now in discussion with Lead Safe Washington about application for lead-safe financing.
- Comprehensive housing counseling agencies and other community-based organizations under grant agreement to the Department of Housing and Community Development have been provided training on the Lead Safe Washington Initiative and routinely address both the dangers of lead hazards and the benefits of funding available from Lead Safe Washington in all individual and group client contacts.

It should be noted that the grant agreements under HUD's Lead Hazard Control and Lead Hazard Reduction Programs have certain restrictions on units for which lead hazard remediation activities may be counted toward grant accomplishments; and the completed and cleared unit figures above reflect those restrictions. As a result, those figures do not reflect the full extent to which the Department has promoted remediation of lead-based paint hazards, or the extent to which the Department's financing of affordable housing has secured lead-safe housing units.

Over the past year, DHCD has actively engaged public agencies and private entities in its efforts to address lead-based paint hazards. The following actions are outreach efforts over the past year.

- DHCD's Lead Safe Washington team participated in several fairs where attendees were able to access Lead Safe Washington program information. Additionally, DHCD displayed posters of chipping and peeling paint at each event to alert families of what these conditions represent visually. Some of the fairs attended include DHCD's Sidewalk Fair, Chartered Health Plan DC's Health Fair, and Union Temple Men's Health Fair.
- DHCD Lead Safe Washington team continued routine letter mailing to property owners and their tenants who are reported by the Department of Health as having a child with an Elevated Blood Level residing in the property. These outreach efforts brought into the program a multifamily unit as well as many single family residences throughout this past year.
- DHCD held a monthly contractor's meeting to provide outreach to lead abatement contractors licensed in DC. These outreach sessions focused on Department efforts and policies regarding the Lead Safe Washington program.
- DHCD reached out to five property management firms due to the large number of rental units under their control. All of the management companies were briefed on the Lead Safe Washington program and four are now working with Lead Safe Washington staff to address lead-based paint hazards in their properties. These contacts led directly to the 100 units anticipated to be placed into lead-safe construction in January 2009.
- In October of 2006, DHCD partnered with the Department of Health and a number of non-government organizations to convene a kick-off to Lead Awareness Week called the "D.C. Lead Safe Fair: Healthy Homes-Healthy Children." The Fair offered information on lead-related health screenings, government programs and services, and businesses or organizations that provide products or services to populations most affected by the effects of lead-based paint.

In addition, DHCD continues to meet with contractors, community groups, and other interested stakeholders to ensure dissemination of lead-safe information through an extensive Outreach and Education Campaign funded under the Grants.

### **Compliance with Program and Comprehensive Planning Requirements**

To ensure compliance with program requirements, Office of Program Monitoring (OPM) conducts site monitoring and compliance reviews annually of all agencies receiving CDBG, HOME, and ESG funding. OPM focuses on accountability and reviews agency records and financial practices to determine compliance with grant regulations. DHCD made changes to its forms at the end of the year to better capture needed data and facilitate tracking of funds.

For comprehensive planning purposes, DHCD staff works closely with the Office of Planning on local affordable housing issues. DHCD assisted with the updating of the District's Comprehensive Plan during the past year.



## Antipoverty Strategy

By funding housing for extremely low, very-low and low-income residents, DHCD contributes to the City's anti-poverty strategy by lifting families out of poverty and providing them with stable lodging and a means to build equity for the future. DHCD also supports other DC Government initiatives in reducing poverty and utilizes its federal and local funds to help residents improve their financial stability through housing and financial counseling programs conducted by a network of community-based organizations. DHCD also provides funds to CBOs to assist small businesses with technical assistance and to improve their physical appearance to retain and expand neighborhood job opportunities.

The comprehensive housing counseling services funded by DHCD provide tenants and prospective homeowners with assistance in such matters as household/home management and maintenance, improving credit, and household budgeting, all geared toward improving residents' opportunities to obtain and retain decent housing with the prospect of moving toward ownership and the development of equity. Residents of buildings with expiring Section 8 protections are provided targeted assistance in locating housing options, and are introduced to the DHCD-sponsored Tenant First Right to Purchase Program to move toward ownership.

The Tenant First Right to Purchase Program provides technical assistance, seed funds and "earnest" money to tenant groups to assist them in organizing so they are prepared to take advantage of their first right of refusal when a building is for sale. The program also provides new tenant owner groups with management/technical assistance. Converted buildings are also eligible to apply to DHCD for rehabilitation funding. During FY2008, DHCD provided 8,170 tenant households with these services through two technical service contracts, one with Greater Washington Mutual Housing Association and the other with University Legal Services.

DHCD provides education and outreach to ensure that Fair Housing Laws are understood and that all residents are provided with information on their rights of access to housing in the District of Columbia. Assistance is provided in several languages. During FY2008, DHCD reached over 2,000 residents with fair housing information and/or assistance. In addition, DHCD also contributes to the City's anti-poverty strategy by encouraging developers to meet Section 3 requirements, providing funding for crime prevention, supporting youth counseling, and funding job training.

Other agencies play the roles in the reduction of poverty. The Department of Human Services administers income support, welfare to work and a range of programs to support families and individuals. The Community Partnership for the Prevention of Homelessness provides emergency support from ESG funds to prevent eviction. The Office on Aging provides support services to seniors and partners with DHCD in the development of senior housing.

The Department of Employment Services (DOES) provides extensive job training opportunities through its city-wide "One Stop Service Centers." The Workforce Investment Council (WIC) brings together private and public sector stakeholders to develop strategies to increase employment opportunities for DC residents and to support and to assist DOES in its employment mission. The DC Public School Administration has created career-oriented high schools in a number of specialized areas, including the Technology and Hospitality Industries to facilitate students progressing from school to real jobs in the DC market.



DMPED manages the New Communities and Great Streets initiatives that address both physical and socio-economic-educational needs of targeted areas by combining government resources with those of private and non-profit developers or organizations to bring long-term and comprehensive revitalization to the designated area. “New Communities” is a comprehensive partnership to improve the quality of life for families and individuals living in distressed neighborhoods. DHCD administers one of the key resources for New Communities, the Housing Production Trust Fund. The companion program, “Great Streets” is a strategy to revive the local commercial corridors bordering the new communities so that the balance of services that neighborhoods need are restored along with the housing and social fabric.

These two initiatives are innovative and aggressive approaches to fighting poverty that include current residents and businesses in the planning for an inclusive neighborhood that attracts a mixture of incomes and families, singles, and elders into the revitalized communities.

### **Neighborhood Revitalization Strategies**

As part of the Five-Year Consolidated Plan, DHCD continued the designation of its two Neighborhood Revitalization Strategy Areas (NRSAs): 1) Georgia Avenue NRSA; and 2) Carver/Langston Terrace-Ivy City/Trinidad (CLTICT) NRSA.

For the Georgia Avenue NRSA, the city continues to address economic development along the almost 5-mile corridor by approaching it as a single linear neighborhood. The Georgia Avenue Corridor has a distinct identity because it is one of the major north-to-south transportation routes connecting Maryland to downtown DC. The targeted area includes the 39 census blocks that abut Georgia Avenue from Florida Avenue, NW to Eastern Avenue, NW.

The NRSA development strategy for Georgia Avenue includes housing and commercial development, employment and entrepreneurial training, and infrastructure improvements. A combination of projects and program activities has been identified in the NRSA supporting these initiatives to serve as the core tools for revitalizing the Corridor. Table 4 shows the output achieved during FY2008 along Georgia Avenue.

**Table 4: Georgia Avenue NRSA Performance Data**

Goal	Lead Entity	Description	2008 Accomplishments
<b>Housing and Community Development</b>	DHCD,DCHA,DCHFPA	<ul style="list-style-type: none"> <li>• Rehabilitate 25 single-family homes by 2007;</li> <li>• Provide loans to assist in the rehabilitation of multifamily units</li> <li>• Provide Lead-Safe Washington services</li> </ul>	<ul style="list-style-type: none"> <li>• HPAP had 39 home purchases</li> <li>• Assisted 20 residents along Georgia Avenue rehab their homes.</li> <li>• Construction proceeded on 4100 Georgia Avenue multi-family project for 72 new affordable rental apartments.</li> <li>• Funded rehabilitation of Fort Stevens Place Apartments with 32 affordable rental units one block west of Georgia Avenue.</li> <li>• Funded rehabilitation of Longfellow Arms Apartments with 30 affordable rental units three blocks east of Georgia Avenue .</li> </ul>
<b>Small Business Development Center</b>	DHCD, DC Main Street Program, Emory Beacon of Light, Inc., Gateway Georgia Avenue Revitalization Corporation	<ul style="list-style-type: none"> <li>• Entrepreneurial training;</li> <li>• Small Business management and training</li> <li>• Counseling</li> </ul>	<ul style="list-style-type: none"> <li>• Provided technical assistance to 233 small businesses</li> </ul>
<b>Sidewalk and infrastructure Improvements</b>	DDOT	Resurfacing/ redevelopment of sidewalks and infrastructure	

For the CLTICT NRSA, the city continues to address the need for more affordable housing development within the almost residential area by approaching it as a single community. The CLTICT NRSA includes five census tracts defined by New York Avenue, Florida Avenue and Bladensburg Road, and includes Gallaudet University and the Farmer's Market, as well as major residential and light industrial developments.

The NRSA development strategy for CLTICT NRSA includes housing and commercial development, employment and entrepreneurial training, and infrastructure development. A comprehensive set of projects and programs has been developed around these four areas to serve as the core tools for revitalizing the neighborhood over the next five years. Table 5 shows the output achieved during FY2008 within Carver, Langston, Ivy City, and Trinidad.

**Table 5: Carver, Langston, Ivy City, Trinidad NRSA Performance Data**

Goal	Lead Entity	Description	2008 Accomplishments
<b>Housing and Community Development</b>	DHCD, PADD Division	<ul style="list-style-type: none"> <li>• Increase Home Ownership Opportunities</li> <li>• Single Family Residential Rehabilitation Program</li> <li>• Provide Lead-Safe Washington services In Ivy City/Trinidad</li> </ul>	<ul style="list-style-type: none"> <li>• 12 units completed in last fiscal year</li> <li>• HPAP had 22 home purchases</li> <li>• Development rights awarded to 37 properties to four developers in FY2007 which will result in the development of 50 new affordable units at 80% AMI. Requests for construction assistance being underwritten in late FY 2008 for contract execution in FY 2009.</li> <li>• 3 CHDO awarded development rights.</li> <li>• Funded Mt. Olivet Special Needs Apartments – rehabilitation of 16 special needs units.</li> </ul>
<b>Employment and Entrepreneurial Training</b>	DOES, NSI	<ul style="list-style-type: none"> <li>• Training and employment for 75 individuals</li> <li>• Conduct 2 career fairs each year</li> </ul>	<ul style="list-style-type: none"> <li>• Job training for 121 individuals</li> <li>• Three job fairs were held in the area.</li> </ul>
<b>Infrastructure improvements</b>	DDOT, DPR, DMPED, NSI	<ul style="list-style-type: none"> <li>• Improvements to two community parks in the area</li> <li>• Proposed Redevelopment of Alexander Crummell School</li> </ul>	<ul style="list-style-type: none"> <li>• Construction underway.</li> <li>• No action on Alexander Crummell School.</li> <li>• Contracted with civil engineer for a storm water management survey and report.</li> </ul>

**Section 3**

Section 3 of the Housing and Urban Development Act of 1968 requires that recipients of the US Department of Housing and Urban Development (HUD) funds (and their contractors and subcontractors), to the greatest extent feasible, provide job and other economic opportunities to low and very-low income persons (Section 3 residents) and Section 3 Business Concerns.

The Section 3 program helps in creating employment opportunities for Section 3 residents and provides contracting opportunities for businesses that are owned by low-income persons or that provide employment to low-income persons.

DHCD, as a recipient of HUD funding, must ensure that all its sub-grantees, and the contractors that they hire, provide employment opportunities to low and very-low income or public housing residents. At least 30 percent of the permanent, full-time employees should be Section 3 residents. A business can also qualify under Section 3 requirements if at least 51 percent or more of the business is owned by low or very-low income residents, or if there is evidence of a commitment to subcontract in excess of 25 percent of the dollar award to all contracts to a Section 3-qualified business.

To ensure that job opportunities are provided to low and very-low income residents, DHCD has:



## E. Other Actions

- ◆ Partnered with the DC Department of Employment Services to ensure its apprenticeship program clients are utilized by DHCD grantees in order to fulfill the Section 3 requirement;
- ◆ Partnered with HUD headquarters and the HUD's Fair Housing and Equal Opportunity Washington, DC field office to provide Section 3 training to the business community;
- ◆ Created an internal certification process to ensure that DHCD grantees have a list of businesses (i.e. contractors) that qualify under Section 3 requirements; and
- ◆ Attended job fairs targeting construction businesses in order to recruit new Section 3-certified businesses.

The District will submit all Section 3 information required under 24 CFR 135 to HUD Headquarters on or before January 10, 2008 in order to assist in meeting reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. The data will indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing.





## F. Leveraging Resources

The District's housing and community development programs requires, whenever possible, the maximum use of private financial resources. Because DHCD uses its funds to "close the gap" of needed financing for its selected projects, the private financing sector provides the bulk of each project's funds. Banks and other financial institutions serve as the private financing sources of all housing production, rehabilitation, or capital improvements and ongoing operations. Many banks have special community lending operations, partly in response to the provisions of the Community Reinvestment Act, which encourages local lenders to invest in affordable housing and other community support projects. Several local banks have been active in supporting nonprofit affordable housing development. The District's public dollars leverage these private funds. DHCD also works in tandem with non-profit and semi-governmental development organizations to leverage funds for affordable housing and economic opportunity. In addition, the District government and nonprofit developers have actively reached out to capture foundation grants. Many nonprofit organizations seek foundation funding to provide social support services, especially to special needs populations. Among the organizations that are active in this area are the Fannie Mae Foundation, Meyer Foundation, Local Initiatives Support Corporation (LISC), and the Enterprise Foundation.

### Matching Funds

Three HUD programs require matching funds: HOME, ESG, and Lead Safe Washington. The Lead Safe Washington program is funded by the lead-based paint grants received in FY 2003: the Lead Hazard Control Grant and the Lead Hazard Reduction Demonstration Grant. The District's FY2008 local match requirement for the Lead-Based Paint grants was [TBD].

Under 24 CFR 92.218 *et. seq.*, the District must provide a matching contribution of local funds to HOME-funded or other affordable housing projects as a condition of using HOME monies. The District's FY2008 local match requirement for HOME was \$1,243,708.

DHCD meets its HOME obligation through contributions from the Housing Production Trust Fund, which is described on page 21. Eighty percent of all HPTF monies must benefit households earning up to a true 50 percent of the area median income, which is below the HOME income eligibility maximum; moreover, HPTF-assisted rental projects must be affordable for 40 years, which exceeds the HOME affordability period requirement. In FY2008, the Department's HPTF budget was \$122,703,266. As the Department incurs HOME match-eligible expenses, it will ensure that adequate funding is provided for the matching contribution.

In addition to its federal ESG funds, the District of Columbia provided local match dollars to support outreach and prevention services; support shelter operations and fund renovation of shelter space. The District worked to provide assistance for the homeless through community-based organizations, faith-based organizations and other non-profit service providers. The FY2008 local match for ESG is \$1,262,281 in cash and fair market value of free shelter rent.





## G. Citizen Comment

To ensure general citizen participation in the District of Columbia's 2008 CAPER process, DHCD followed its adopted Citizen Participation Plan. Information on the public hearing and public review period was developed and delivered to neighborhood associations, social services agencies, local non-profits, churches, civic service clubs, advisory councils, District staff, City Council, and interested citizens. Notice of the hearing was published in the D.C. Register and local newspapers on or about November 17, 2007 (See Appendix E). The CAPER was made available for a 30-day review and comment period in accordance with HUD guidelines and the Citizen Participation Plan.

The purpose of the public hearings was to provide citizens with an update on the implementation of the current CDBG, HOME, HOPWA and ESG activities and offer the CAPER for public review.

DHCD took the following actions to make the Notice of Public Review available and to invite public comment on the CAPER for FY2008:

### 1. Direct Mailings to:

Office of the Mayor, City Administrator and Deputy Mayor for Planning and Economic Development; the Council of the District of Columbia; Advisory Neighborhood Commissioners (ANC); ANC Chair offices; Community Development Corporations and Community-Based organizations; Special Needs Housing Organizations; Non-profit Housing Groups; Latino, Asian and Pacific Islander Community Organizations and groups; and private citizens.

### 2. E-Mail Distribution to:

DHCD's housing partners, community leaders and neighborhood-based list-serves.

### 3. Website Access:

The draft CAPER was posted on DHCD's website for review.

### 4. Media:

Notice of 30-day Public Review was provided to diverse media outlets:

- D.C. Register
- The Washington Times
- The Afro-American
- El Tiempo Latino

**Public comments received during the public review period will be summarized in the final report.**





## H. Self Evaluation

The District responds to questions, concerning the self evaluation of the District's overall performance in implementing the Five Year Consolidated Plan, and in particular, its performance during FY2008 in the following manner:

### 1. Are activities and strategies having an impact on identified needs?

Yes: The District successfully accelerated the production and preservation of affordable housing units in FY2008 by more than 10% over FY2007. The Department increased the number of affordable units funded by implementing improvements to our underwriting criteria, streamlining our due diligence and closing processes, establishing weekly pipeline meetings to go evaluate and respond quickly to changes in project status, revising the Request for Proposal (RFP) to improve qualification criteria, and increasing our leveraging of District resources.

The Department established the Property Acquisition and Disposition Division (PADD) in FY2008, combining local capital funds and federal funds to support the ability of non-profits to acquire property in the District in a timely, affordable manner in order to be better able to serve their and the Department's affordable housing mission. The strategic neighborhood focus of our RFPs, such as the one for the Ivy City/Trinidad Demonstration Project, has permitted the Department to focus and concentrate affordable housing and community facilities in strategic neighborhoods to create better revitalization synergies in those neighborhoods.

### 2. What indicators would best describe overall results?

During FY2008, the District effectively utilized a comprehensive set of key performance indicators (KPIs) to track the progress of each program and activity identified in the Consolidated Plan. Several of DHCD's measurements include activities and services that are linked directly to the Consolidated Plan. Specifically, the Department exceeded targets for the total number of affordable units funded in FY2008, the number of first-time homebuyers funded by the Home Purchase Assistance Program, the total units funded by the First Right to Purchase Assistance Program for tenants, the total affordable housing units rehabilitated, and the number of loans or grants by the Residential Rehab Program. In addition, an unprecedented number of these units, 373, were targeted for people with special needs, a population identified as a priority for the District. The number of affordable housing units funded is a critical measure that indicates the revitalization of our neighborhoods and how the need for affordable rental and ownership housing to low and moderate-income households is being addressed.

### 3. Are major goals on target?

Yes: Over the past few years, DHCD has made a tremendous amount of progress in meeting the priorities set forth in the Consolidated Plan. DHCD increased the supply of affordable housing; expanded homeownership opportunities; and contributed to economic and community revitalization.

In FY2008, DHCD increased the supply of affordable housing by 3,138 units through funds provided for multi-family rehabilitation and/or for pre-development loans for new multi-family and



single-family construction projects. ESG funds provided emergency assistance to prevent 101 households from becoming homeless and to provide shelter for 115 families in a family shelter. DHCD also provided housing counseling to 17,338 tenants, home buyers and new homeowners to increase access to housing and stable homeownership.

DHCD's affordable housing construction projects spurred neighborhood revitalization and local economic development. As part of its neighborhood investments over the past year, DHCD funded technical assistance for 3,106 small neighborhood businesses to assist in their retention and expansion, and completed construction on façade improvement projects for 45 small businesses.

The District maintains goals and targets for the priority needs of the communities it serves. Progress continues to meet newly established goals: creation new affordable housing, preservation of existing affordable housing, expansion of homeownership opportunities and meeting the needs of the homeless and those at-risk of becoming homeless. In FY2008, the District's annual allocation of CDBG and HOME grants were supplemented by funding from competitive federal and state grants, as well as our local Housing Production Trust Fund, local operating funds, and capital improvement program funds. Efforts to house special needs populations such as the elderly and people with physical and intellectual disabilities continue to improve through close partnerships with other District agencies.

#### **4. What barriers may have a negative impact on fulfilling strategies and achieving the overall vision?**

The number one barrier that prevents the District from fulfilling its vision for District households is the scarcity of resources. Even after leveraging the District's annual Federal entitlement funding of approximately \$40 million with almost \$100 million in local Housing Production Trust Fund dollars, the District's affordable housing and neighborhood economic and community revitalization needs continue to outpace resources. Further, the local Housing Production Trust Fund is funded by revenue from deed and recordation taxes. Generation of this revenue has been negatively impacted by the changed real estate market in FY2008 and projected for FY2009. Therefore, for at least the next two years, dramatically fewer local dollars will be available to leverage the shrinking federal resources.

Moreover, the high cost of housing in the District of Columbia continues to be a barrier as the median home sales price for the District is \$409,000, nearly the same as last year's median price of \$410,000. The final quarter of FY2008 also saw the national mortgage foreclosure crisis finally begin to impact the District in a serious way, heightening the need for the District to maximize resources for foreclosure prevention and the acquisition of vacant and abandoned properties to prevent neighborhood blight.

#### **5. Based on this evaluation, what adjustments or improvements to strategies and activities might meet the identified needs more effectively?**

In the face of declining revenues on the local level and diminishing federal fund balances, the District will evaluate all of its strategies for FY2009 to maximize available resources for affordable housing.



## I. Monitoring and Compliance

During FY2008, DHCD continued to improve its sub-recipient monitoring program and procedures. DHCD developed its annual sub-recipient monitoring plan, and conducted monitoring reviews of DHCD programs and sub recipients, including the Neighborhood Based Activities (NBA) sub-recipients; and the RLA Revitalization Corporation. The Office of Program Monitoring (OPM) issued monitoring reports that included specific findings and recommendations to be addressed.

OPM continued to use its tracking database to monitor DHCD and sub-recipient corrective action for reports issued by OPM and by external agencies such as HUD, the D.C. Office of the Inspector General, and respective A-133 auditors. Several findings/recommendations were closed due to OPM's tracking and follow-up. OPM also regularly monitors the Integrated Disbursement Information System (IDIS) for CDBG, HOME, HOPWA and ESG commitment and spending requirements. OPM issues monthly spending reports for the above programs.

### Community Housing Development Organizations (CHDOs)

During FY2008, DHCD recertified all CHDOs in accordance with the CHDO definition stated in 24 CFR 92.2. The Department also requires that all CHDOs certify their compliance with that definition prior to issuing CHDO funds to them. To maximize the use of CHDO funds, the Office of Program Monitoring monitors the CHDO reservation requirement (in IDIS) on an ongoing basis, and DHCD both advertises technical assistance opportunities to the CHDOs and solicits CHDO participation from nonprofit organizations.

### Community-Based Organizations (CBOs)

DHCD monitors the CBO's several times a year. Our on-site monitoring review is focused on the following areas of program administration and regulatory compliance: (This monitoring depends on the program the CBO is working on.)

- Program performance review (national objective, eligible activities, contract objectives, scope of work, contract schedule , contract budget)
- General management practices (procurement practices, conflict of interest)
- Financial management practices (accounting system, internal controls)
- Recordkeeping/reporting practices
- Anti-discrimination compliance
- Activity-specific monitoring

### Status of Grant Programs

Most services and activities are conducted within the planned time frame of one to two years. All CDBG, HOME, HOPWA and ESG funded activities are managed and completed well within established schedules except for the activities that have been delayed due to changed circumstances and service areas and populations. DHCD has tried to implement a policy that projects must be ready for funding within three months of the application date.



## J. CDBG Program and Use of Funds

During FY2008, Community Development Block Grant (CDBG) activities were conducted in accordance with the priority goals and objectives identified in the Consolidated Plan. DHCD's total CDBG program allocation for FY2008 was \$18,767,297. Funds were distributed among homeownership and home rehabilitation assistance, affordable housing/real estate development, neighborhood investment, economic and commercial development, and administration costs. As stated in statutory requirements, DHCD did not spend more than fifteen percent (15%) of its allocated grant amount on public services and no more than twenty percent (20%) on administrative costs, irrespective of actual expenditures during the program year.

According to the Integrated Disbursement and Information System (IDIS) PR26 Financial Summary Report, DHCD spent 10.99% of its allocated FY2008 grant amount on public services and 12.25% of its allocated grant amount on administration costs.

In FY2008, \$13,102,853 was generated in program income through the CDBG Program. In terms of actual expenditures versus the budgeted amount during FY2008, DHCD spent \$44,672,573 of CDBG funds. The actual expenditure amounts as well as budgeted amounts are listed below (CDBG figures are not considered final).

**Table 6: FY2008 CDBG Program (CD-29) Budget**

<b>1. Homeownership and Home Rehabilitation Assistance</b>	<b>Budget</b>	<b>Cash/Accrued Expenditures</b>
a. Home Purchase Assistance Program (HPAP)	8,462,960	
b. Single Family Residential Rehabilitation Program	2,109,718	
c. Homestead Housing Preservation	842,291	
<b>Subtotal</b>	<b>11,414,969</b>	
<b>2. Affordable Housing/Real Estate Development</b>		
a. Development Finance Division Project Funding	27,017,246	
b. Tenant First Right to Purchase	858,221	
c. Real Estate Acquisition and Disposition	0	
d. Title VI	0	
<b>Subtotal</b>	<b>27,875,467</b>	
<b>3. Neighborhood Investment</b>		
a. Neighborhood-Based Activities	10,064,176	
<b>Subtotal</b>	<b>10,064,176</b>	
<b>4. Economic and Commercial Development</b>		
a. Economic Development	200,000	
b. Real Estate Services and Property Management	102,320	
c. National Capital Revitalization Corporation (RLA-RC)	15,600,000	
<b>Subtotal</b>	<b>15,902,320</b>	
<b>5. Agency Management Program</b>	<b>8,765,359</b>	
<b>6. Program Monitoring and Compliance</b>	<b>1,189,558</b>	
<b>7. Agency Financial Operations</b>	<b>1,057,062</b>	
<b>Total CDBG Program</b>	<b>76,268,911</b>	



On the subject of timeliness, the District met expectations when an analysis of timeliness ratio was computed for the CDBG program on July 31, 2005, the required statutory day that a jurisdiction cannot have more than 1 ½ times its most recent grant amount unspent. The DHCD's ratio was [TBD]. As of September 30, 2007, the District had \$[TBD] of CDBG money that remained unspent; however, this amount is committed to a wide array of activities.

CDBG housing activities undertaken by the DHCD addressed the following Consolidated Plan goals: encouraging revitalization of low-income neighborhoods, housing repairs for elderly persons, and support services to low-income elderly and disabled persons. DHCD's CDBG housing activities for FY2008 were:

- Multi-family rehabilitation,
- Tenant purchase,
- Home purchase assistance,
- Single family rehabilitation, and
- Housing for people with special needs.

Public service activities were focused on the needs of the District's very low to moderate-income residents by assisting with high priority needs. These included, but are not limited to, housing counseling services, crime prevention, neighborhood services, and support for tenants. Other needs listed in the Consolidated Plan and accomplished over the past program year were employment training, small business technical assistance, and façade improvement.

### **Changes in Program Objectives**

While DHCD has used CDBG successfully to carry out its programs, DHCD nonetheless makes changes to its programs as needed.

- DHCD continues to strengthen the monitoring protocols for its Development Finance Division (DFD) programs and for the Neighborhood Investments Program
- DHCD has completely revamped the Department's first-time homebuyer assistance programs, by determining levels of assistance that more strongly relate to household income and prevailing real estate market prices; lowering requirements for the homebuyer's contribution of cash toward the home purchase; and providing more favorable terms for loan repayment. The changes had an immediate positive impact on the Department's homebuyer assistance programs. This was a dramatic improvement in the Department's success toward facilitating homeownership, which had been on the decline due to escalating home sale prices in the District of Columbia.

DHCD's programs have been designed to meet the HUD national objectives of benefiting low- and moderate-income persons, and elimination of slums and blight (through, for example, acquisition, disposition and rehabilitation).

## K. HOME Program and Use of Funds

DHCD’s HOME Program for FY2008 was designed to address both rental housing activities as well as owner-occupied housing activities, which deal with the Consolidated Plan’s housing goals of increasing the availability of affordable rental units targeted to extremely low, very low-, and low-income families and to encourage revitalization of low-income neighborhoods through housing rehabilitation.

HOME activities implemented in FY2008, which adhere to the Consolidated Plan goals, were:

- Tenant Purchase Assistance;
- Multifamily development, including rehabilitation;
- Down payment assistance through the HPAP program; and,
- Single family rehabilitation.

In FY2008, \$3,739,760 was generated in program income through the HOME Program. In terms of actual expenditures versus the budgeted amount during FY2008, DHCD spent [TBD] of HOME funds. The actual expenditure amounts as well as budgeted amounts are listed below (HOME figures are not considered final).

**Table 7: FY2008 HOME Program Budget**

<b>1. Agency Management Program</b>	<b>BUDGET</b>	<b>Cash/Accrued Expenditure</b>
a. Agency Management	218,780	
<b>Subtotal</b>	<b>218,780</b>	
<b>2. Affordable Housing/Real Estate Development</b>		
a. DFD Project Financing	14,747,588	
b. Tenant Apartment Purchase Activity	0	
<b>Subtotal</b>	<b>14,747,588</b>	
<b>3. Homeownership and Home Rehabilitation Assistance</b>		
a. Home Purchase Assistance Program (including ADDI)	5,684,266	
b. Single Family Residential Rehabilitation	1,055,000	
<b>Subtotal</b>	<b>6,739,266</b>	
<b>4. Neighborhood Investment</b>		
a. CHDO Operating Grants	431,079	
<b>Subtotal</b>	<b>431,079</b>	
<b>TOTAL HOME Program</b>	<b>22,136,713</b>	

### HOME Match Requirement

Under 24 CFR 92.218 et. seq., the District must provide a matching contribution of local funds to HOME-funded or other affordable housing projects as a condition of using HOME monies. The District’s FY2008 local match requirement for HOME was \$1,243,708. DHCD provided this match

through Housing Production Trust Fund-financed investments in housing that met the HOME definition of affordable housing. (See HOME Match Report, Appendix G)

### **HOME MBE and WBE Report**

Submittal of each annual CAPER must also include Part III of HUD Form 4107, otherwise known as HOME Annual Performance Report. Specifically, this report is used to report on the contracting and subcontracting opportunities with MBEs and WBEs for any HOME projects completed during FY2008. While there are no statutory requirements for contracting with a MBE or WBE, HUD uses this report to determine the outreach efforts of the Agency to MBEs and WBEs. (See HUD Form 4107, to be included as Appendix F)

In terms of Affirmative Marketing, DHCD has established measures to guarantee compliance with affirmative marketing guidelines, including providing prospective funding recipients and all other affected stakeholders, i.e. developers, non-profits, the general public and tenants, with information on such fair housing requirements. The grantees are informed of their responsibility to make good faith efforts to provide information and otherwise attract eligible persons from racial, ethnic, familial composition, and gender groups in the District to occupy the available housing units who otherwise would not be aware of such programs or projects. Following are some actions mandated to assure affirmative marketing:

- All housing related programs and projects must display the “Equal Housing Opportunity” logo/slogan or statement in any advertising or solicitation for tenants or participants.
- Management companies of multifamily funded projects must display the fair housing posters wherever applications are accepted.
- Inform and solicit applications for vacant units for persons in the housing market who are least likely to apply for housing unless special outreach is completed.
- Inform targeted community agencies of the availability of units in order to reach the ethnically/racially/linguistically isolated community.
- Accept referrals from the D.C. Housing Authority that match the affirmative marketing requisites.
- Obtain information about apartment buildings occupied by community organizations and churches whose members are non-minority and are located in the various neighborhoods in which the program operates.

DHCD also continues to ensure that all its public documents have the District’s Non-Discrimination clause as mandated by the Mayor’s Executive Order 11246 and the implementing regulations at 41 CFR Chapter 60. This clause provides that:

In accordance with the D.C. Human Rights Act of 1977, as amended, D.C. Official Code Section 2-1401.01 et seq., (Act) the District of Columbia does not discriminate on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, matriculation, political affiliation, genetic information, disability, source of income, status as a victim of an intrafamily offense, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In

addition, harassment based on any of the above protected categories is prohibited by the Act. Discrimination in violation of the Act will not be tolerated. Violators will be subject to disciplinary action.

