
GOVERNMENT OF THE DISTRICT OF COLUMBIA



DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

TESTIMONY OF
JOHN E. HALL
DIRECTOR

PUBLIC ROUNDTABLE ON NATIONAL HOMEOWNERSHIP MONTH

Committee on Economic Development and Housing
The Honorable Michael A. Brown, Chairman
Council of the District of Columbia

Thursday, June 21, 2012

John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning Chairman Brown and members of the Committee on Economic Development and Housing. I am John E. Hall, Director of the Department of Housing and Community Development (DHCD). Today, I am here to testify on how the Department contributes to the lives of District residents as we celebrate National Homeownership Month.

This year marks the tenth anniversary that the month of June was designated as National Homeownership Month. Throughout this month, the Department of Housing and Community Development strives to encourage personal responsibility, to foster community stability and to acknowledge the importance of providing all citizens with an opportunity to achieve homeownership; which can be a vital tool in the pursuit of a better quality of life.

As you know, DHCD's mission is to create and preserve affordable housing opportunities for low and moderate income residents and to revitalize underserved communities in the District of Columbia. In addition to the Department's mission, one of its key objectives is to increase homeownership opportunities. To that end, the Department of Housing and Community Development held its 4th annual Housing Expo on June 2, 2012 at the Walter E. Washington Convention Center. The expo is DHCD's signature outreach event.

More than 900 participants attended the event. About 60 vendors were on hand to showcase goods, services and housing options available to them. The vendors included housing counselors, community based organizations, government organizations, financial institutions, housing developers, realtors and other entities providing housing-related services. Attendees also had a choice of 16 workshops that consisted of a

variety of topics such as financial literacy, homebuyer education and post-purchase counseling.

Some attendees were able to request and receive free copies of their credit report at the event. In some instances, people were seeing their credit report for the very first time. Credit counselors were on site and available to offer people suggestions on how to build, maintain or repair their credit history. Understanding credit provides a framework toward building a solid financial future and is a key component of the Department's financial literacy initiative. Educating District residents on the steps needed to complete the home buying process is among DHCD'S core responsibilities.

The Annual Housing Expo continues to be an excellent way for citizens to take advantage of DHCD's many resources. It is important to note, however, that there is no need for a resident to wait until the Expo to take advantage of DHCD services. DHCD strongly encourages District residents to be proactive about their housing needs and contact the agency at 202-442-7200. The Department of Housing and Community Development provides many of the same services offered at the Expo every day throughout the District. Whether directly, or through our Community-Based Organizations, DHCD can be an important tool that District residents can use to address their housing needs. In terms of home ownership, the Department of Housing and Community Development offers a full suite of programs to help low to moderate income District residents become home owners. The programs are anchored by the Housing Purchase Assistance Program (HPAP), which provides \$44,000 on average in assistance as a second trust mortgage. Additionally, there are two programs specifically for District Government employees: the Employer Assisted Housing Program, which provides up to \$11,500, and the Negotiated Employee Affordable Home Purchase Program, which

provides up to \$26,500 to eligible union employees. The fourth program, the Home Purchase Rehabilitation Pilot Program, allows HPAP buyers to purchase homes that require limited repairs. Additionally, in FY 2011, DHCD set up a temporary HPAP Enhancement program that increased the assistance levels up to \$77,000 if buyers purchased in three targeted areas: Deanwood in Ward 7, Ivy City/Trinidad in Ward 5, and Historic Anacostia in Ward 8. The target areas have now been expanded to include Eckington, Fort Totten, Langston and Woodridge in Ward 5 and all of Wards 7 and 8. In Fiscal year 2011, DHCD assisted 245 first-time homebuyers through our homebuyer assistance programs. The goal for FY 2012 is to assist 260 first-time homebuyers. As of May 31, 2012, 177 new homebuyers have purchased their properties with funding provided by our homebuyer assistance programs.

Many people have overcome the barriers of faulty credit history and lack of financial resources to achieve homeownership. It is a reality that potential financial risks remain after purchasing a home. Unfortunately, some District residents have encountered difficult financial circumstances that could put them at risk of losing their home.

DHCD has a network of community based organizations that provide free foreclosure prevention counseling to District residents. These organizations have HUD-certified housing counselors who are trained to assist homeowners and have had success in preventing foreclosure and keeping residents in their home. DHCD focuses these efforts in Wards 4, 5, 7 and 8 – the wards with the highest level of foreclosures – though residents of all wards are free to take advantage of our services. For FY 2011, DHCD's network of community-based organizations assisted more than 800 residents with foreclosure prevention counseling. Of those assisted, DHCD was able to save about 50% of those homes from foreclosure. In FY 2012 to date, there have been 440 new

foreclosure cases who have sought assistance to prevent losing their home. About 47% of those new cases have saved their homes from foreclosure.

Some residents also need assistance to maintain or rehabilitate their homes. The Department of Housing and Community Development provides financial assistance to homeowners who apply through our network of community-based organizations.

Jose Amaya, a homeowner in the District, utilized two DHCD programs to help repair damage to his home and remove potentially dangerous health hazards. He purchased a single-family home two years ago in Ward 5's Woodridge neighborhood but was unaware of the potential hazards it contained. Because the home was Mr. Amaya's primary residence and he met specific income requirements, he applied for and received grant funding to remove the lead-based paint hazard from his home through DHCD'S Lead Safe Washington (LSW) Program. The program was recently awarded a \$2.9 million grant from the U.S. Department of Housing and Urban Development to continue its efforts to reduce lead-based paint hazards in the homes of low income District residents.

Mr. Amaya also received grant funding from the Single Family Residential Rehabilitation Program to repair the exterior roofing and gutter work to his home. Last month, Mr. Amaya and his family returned to their newly rehabilitated home after the hazard was removed and the roof was replaced.

The Department of Housing and Community Development is fully committed to fulfilling its mission of creating and preserving opportunities for affordable housing and revitalizing underserved communities in the District of Columbia. Residents can get

more information on the Department's programs by visiting us online at dhcd.dc.gov or visit in person at our Housing Resource Center located at the corner of Good Hope Road and Martin Luther King, Jr. Avenue, SE. The Center is open Monday-Friday from 8:30 a.m. – 3:30 p.m. Residents seeking affordable housing options can find available units by searching at DCHousingSearch.org.

Chairman Brown, I conclude my testimony. DHCD staff and I are available to answer any questions you may have.