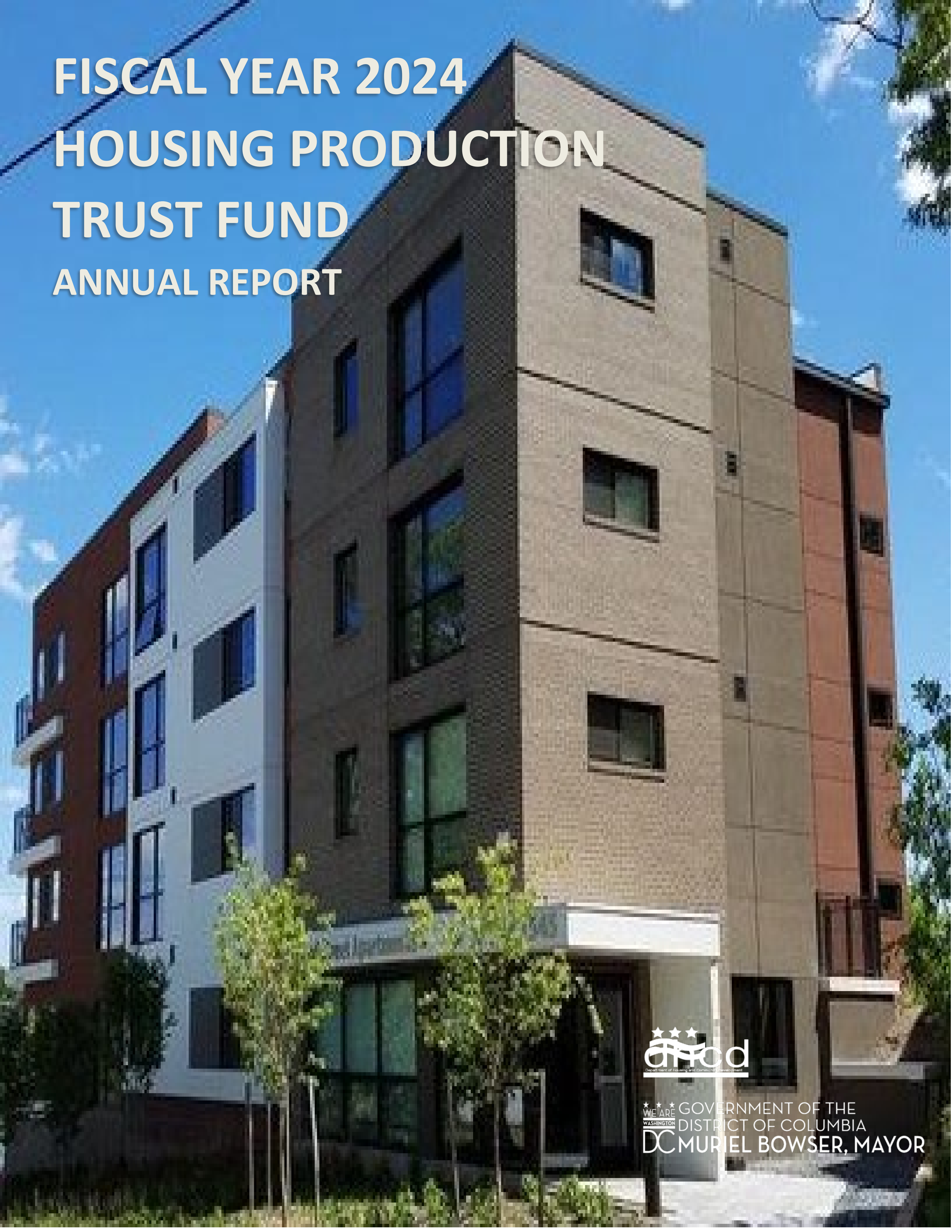

FISCAL YEAR 2024 HOUSING PRODUCTION TRUST FUND

ANNUAL REPORT

GOVERNMENT OF THE DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

Table of Contents

A Letter from the Director

Greetings District residents,

On behalf of Mayor Muriel Bowser and the staff at the DC Department of Housing and Community Development, I am pleased to share the Housing Production Trust Fund (HPTF) Annual Report for Fiscal Year 2024.

The creation and preservation of affordable housing is one of Mayor Bowser's top priorities, and a commitment she has sustained since the start of her first term in 2015. Through historic investments totaling over $1 billion across the past 10 years, the Fund has been one of the District's most impactful tools to meet the steady demand for more affordable rental and homeownership opportunities.

In Fiscal Year 2024, about $119 million in Housing Production Trust Fund financing was committed to projects that will contribute 377 new affordable rental units and preserve 128 affordable units. The investment in these projects pushes our progress closer to achieving Mayor Bowser's goal of 12,000 new affordable units by 2025 while also protecting existing affordable units.

Through our use of the Housing Production Trust Fund, extremely low- to low-income households can live and work in communities where they can establish their roots or stay comfortably in familiar surroundings.

We submit this report to make the public aware of our use of the Housing Production Trust Fund as an affordable housing development resource for the benefit of the city's residents.

Sincerely,

Colleen Green
Director

Housing Production Trust Fund Fiscal Year 2024 Review

The Housing Production Trust Fund (HPTF) is the major local financing tool used to produce and preserve affordable housing in the District of Columbia. HPTF is a permanent, revolving revenue fund that provides gap financing to nonprofit and for-profit developers for the production and preservation of rental and homeownership housing projects affordable to low- and moderate-income households. It was created by the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 et seq.) and requires that funded affordable housing projects provide units for household incomes that are at or below 80% of the Washington Metropolitan Statistical Area Median Family Income (MFI), previously referred to as Area Median Income (AMI).

In 2024, the MFI for a household of four, per the U.S. Department of Housing and Urban Development (HUD), was $154,700. The HPTF income and rent limits are available on DHCD's website.

In each fiscal year:

- At least 50% of HPTF obligations must serve households at or below 30% MFI
- At least 40% of obligations must serve households with incomes between 30%-50% MFI
- At least 10% of obligations can serve households with incomes up to 80% MFI

As the District works to provide the most efficient allocation of limited resources to support the production and preservation of affordable housing, the HPTF obligations become harder to achieve without sufficient operating subsidies. As operating subsidy has proven to be the best tool to help projects serve households at or below 30% of the MFI, combining HPTF funds with operating subsidies in projects means more affordable housing units are produced and preserved than what could otherwise be achieved using just HPTF funds. This means fewer total HPTF obligations are needed each year in serving households at or below 30% MFI to achieve the leveraged results listed above for each fiscal year.

Some of these operating subsidies could include but are not limited to:

- Local Rent Subsidy Program (LRSP)
    - Project based rental assistance that provides monthly rental subsidies covering the gap between affordable rent payments to families with incomes at or below 30% of MFI and the cost of renting the unit.

- Low Income Housing Tax Credit (LIHTC)
    - Encourages private sector investment in the construction and/or rehabilitation of housing for individuals and families at or below 60% of MFI for a minimum of 30 years per federal requirements.

The HPTF is competitively allocated through the District's Consolidated Request for Proposals (RFP) for Affordable Housing, which DHCD administers and includes funding from multiple

District agencies.[1] Applicants must submit funding proposals that respond to all RFP requirements. Once a project is selected for further underwriting, the DHCD Development Finance Division (DFD) thoroughly reviews and underwrites the project to recommend only the funding required for financial feasibility of the project.

Since January 1, 2015, HPTF has been funded at or above $100 million per year and has resulted in the obligation of over $1 billion and the creation and preservation of over 10,000 affordable housing units through September 2024. DHCD is required to complete quarterly HPTF reports, an annual report, and annual audits, all of which are posted to the DHCD website.

[1] The most recent Consolidated RFP for Affordable Housing for FY 2024 was published in August 2023

Housing Production Trust Fund Annual Report Fiscal Year 2024

The Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2803.01) requires the Mayor to transmit to the Council a Housing Production Trust Fund Annual Report by April 1 of each fiscal year. The report, which reflects HPTF activities in the prior fiscal year, includes the following information: [2,3]

1. The amount of money expended from the Housing Production Trust Fund during the prior fiscal year.
    - Total expended from the HPTF in FY24:
        - DFD Payments:
            - $192,564,190
        - Single Family Residential Rehabilitation Program (SFRRP) Projects:
            - $1,281,127
        - Administrative Costs: [4]
            - $11,918,503

2. The number of loans and grants legally obligated during the prior fiscal year.
    - Loan(s): 5
    - Grant(s): 0

3. The number of low-income, very low-income, and extremely low-income households and individuals assisted through Fund legal obligations. [5]

	Households Assisted	**Estimated Number of Individuals Assisted ***
Extremely Low Income	204	414
Very Low Income	182	369
Low Income	119	241

**The number of households assisted was multiplied by the average number of 2.03 people per household: D.C. Office of Planning (OP) State Data Center 2018-2022 ACS Key Demographic Indicators*

[2] § 42–2803.01. Annual report by Mayor.

[3] Information included based on administrative data and methods as of January 2, 2025.

[4] Primarily payroll, rent, cost share for loan servicing, and other general admin costs.

[5] Predevelopment loans and projects that required additional financing are not included in these totals. In the case of predevelopment loans, the number of households assisted will be captured in the construction or rehabilitation phase. The units for projects that required additional financing were already accounted for in past years.

4. A list of each project on which funds from the Fund were legally obligated, including, for each project:
    a) A brief description of the project, including the name of the project sponsor;
    b) The amount of money legally obligated to the project;
    c) Whether the money was legally obligated in the form of a loan or a grant; and
    d) The general terms of the loan or grant.

PROJECT NAME	PROJECT SPONSOR	HPTF AMOUNT	TOTAL HPTF UNITS	PSH UNITS	GRANT/LOAN	GRANT/LOAN TERMS
Edgewood Commons V	Enterprise Community Development	$26,572,556	150	16	Loan	42 Years - 3%
Ridgecrest Phase 2	NHP Foundation	$23,252,213	128	26	Loan	42 Years - 3%
NoMa/Union Market Affordable	NRP Group/MHCDO	$33,149,871	115	23	Loan	43 Years - 3%
Hope View Apartments	T&H Mid-Atlantic/AEDC	$11,421,596	42	12	Loan	42 Years - 3%
1 Hawaii Ave	Wesley Housing	$25,395,725	70	8	Loan	42 Years - 3%
TOTAL		**$119,791,961**	**505**	**85**		

**This table represents all projects that closed in Fiscal Year 2024*

5. The amount and percentage of funds legally obligated to homeownership projects.

    There were no predevelopment or construction loans for homeownership projects that closed in FY24.

6. The amount and percentage of funds legally obligated to rental housing projects.

    A total of $119,791,961 (100%) in construction loans for rental housing projects closed in FY24.

7. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 30% of the area median income.

    There was $48,391,208 (40%) obligated to rental housing, homeownership, or cooperative opportunities for households with incomes at or below 30% of the area median income.

8. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 50% of the area median income.

    There was $43,172,548 (36%) obligated to rental housing, homeownership, or cooperative opportunities for households with incomes at or below 50% of the area median income.

9. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income.

   There was $28,228,205 (24%) obligated to rental housing, homeownership, or cooperative opportunities for households with incomes at or below 80% of the area median income.

10. The number of housing units assisted, including the number of rental housing units assisted and the number of homeownership units assisted.

    There were 505 units, inclusive of projects that received predevelopment funding and are not yet under construction, which were funded by HPTF in FY24.

    - Rental: 505
    - Homeownership: 0
    - Cooperative: 0
    - Predevelopment: 0

11. The amount expended on administrative costs during the prior fiscal year.

    The administrative expenses totaled $11,918,503 for FY24.