

HOUSING PRODUCTION TRUST FUND

FISCAL YEAR 2018 THIRD QUARTER REPORT

April 1, 2018-June 30, 2018

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Overview

The Housing Production Trust Fund (HPTF) is authorized under the Housing Production Trust Fund Act of 1988, D.C. Law 7- 202. Section 4102.9(a) of the D.C. Municipal Regulations requires the DC Department of Housing and Community Development (DHCD) to file with the Chairperson of the Council Committee on Housing and Neighborhood Revitalization¹ quarterly reports on Fund activities and expenditures.

This report on HPTF activities and expenditures covers the Third Quarter of FY 2018 from April 1, 2018 -June 30, 2018.

Third Quarter FY 2018 HPTF Summary

The HPTF fund balance at the beginning of the Third Quarter of FY 2018 was \$214,608,064. Revenue for the third quarter totaled \$18,470,232, bringing total revenues for the first three quarters of FY 2018 to \$49,913,526 (Table 1).

Table 1: Summary of Revenue and Disbursements

FY2018 QUARTERLY ACTIVITIES				
October 1, 2017 – September 30, 2018 (Dollars)				
Quarter	Starting Balance	Total Revenues	Disbursements	Ending Balance
Quarter 1	236,988,404	20,190,922	(18,962,050)	238,217,277
Quarter 2	238,217,277	11,252,372	(14,137,363)	235,332,286
Quarter 3	214,608,064	18,470,232	(32,607,595)	200,470,702
Quarter 4				
Total YTD	236,988,404	49,913,526	(65,707,007)	200,470,702

Expenditures by the HPTF occur for Multi-Family projects, the Single Family Residential Rehabilitation Program, and DHCD administrative support and other project expenses. Expenditures for all these activities in the Third Quarter of FY 2018 totaled \$32,607,595. Expenditures over the first three quarters of the year totaled \$65,707,007 (Table 1).

As a result of expenditures exceeding revenues for the first three quarters of FY 2018, the HPTF Fund balance declined by \$36,517,702 in this period (Table 2).

¹ Previously titled the Council Committee on Housing and Economic Development.

Table 2 provides the statement of revenues and expenditures of the HPTF in the first three quarters of FY 2018 in greater detail. The main source of revenues was the District's deed and recordation tax. The HPTF receives 15% of these revenues collected by the District, which amounted to \$15,980,097 in the third quarter of 2018. Loan repayments were the other significant source of revenue, contributing \$2,194,966.

Table 2: Statement of Revenues and Expenditures

STATEMENTS OF REVENUES AND EXPENDITURES					
October 1, 2017 – September 30, 2018					
(Dollars)					
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY 2018 YTD
REVENUE					
Revenue from Recordation and Deed Taxes	16,979,379.44	9,612,866.07	15,980,097.42		42,572,342.93
Loan Repayment	256,600.78	1,580,528.40	2,194,965.81		4,032,094.99
Other Income	2,954,920.00	50,171.66	283,787.14		3,288,878.80
Miscellaneous Interest	22.00	8,805.68	11,381.78		20,209.46
Total Revenues	20,190,922.22	11,252,371.81	18,470,232.15	-	49,913,526.18
EXPENDITURES					
Project Expenditures (Multi-family)	(17,409,256.04)	(32,154,725.29)	(28,730,615.16)		(78,294,596.49)
Administrative Expenses	(1,047,400.00)	(2,100,585.70)	(2,633,617.90)		(5,781,603.60)
Single Family Residential Rehabilitation Program	(260,536.29)	(334,900.30)	(700,741.22)		(1,296,177.81)
Other Project Expenses	(244,857.26)	(271,372.62)	(542,620.63)		(1,058,850.51)
Total Expenditures	(18,962,049.59)	(34,861,583.91)	(32,607,594.91)	-	(86,431,228.41)
Excess/(Deficiency) Revenue over Expenditure	1,228,872.63	(23,609,212.10)	(14,137,362.76)	-	(36,517,702.23)
OTHER FINANCING SOURCES (Uses)					
Transfers in					-
Total Other Financing Sources and (Uses)	-	-	-	-	-
NET REVENUES OVER/(UNDER) EXPENDITURES	1,228,872.63	(23,609,212.10)	(14,137,362.76)	-	(36,517,702.23)

Multi-Family HPTF Activities

The HPTF fund balance discussed above represents the funds available for eligible activities at the beginning and end of each quarter. HPTF multi-family affordable housing projects, administered by DHCD's Development Finance Division (DFD), represent the largest use of the

fund. As generally large capital projects that can take years to complete, the funding for these projects falls into one of three funding stages, chronologically:

1. Active Requests: Projects selected for further underwriting and accepted into DFD's underwriting pipeline.
2. Obligated Funds: Funds obligated to specific HPTF affordable housing projects when final legal documents have been executed and the financial closing for the project has occurred.
3. Expenditures: Funds disbursed to projects after closing, primarily during construction.

Expenditures were discussed previously. Active requests are projects in DHCD's underwriting pipeline and represent reserved fund balance. Obligated funds represent contractual obligations on the fund balance. Obligated funds continue to appear in the fund balance and can be expected to be disbursed within the next fiscal year or two as the construction for the project is completed. Active requests are expected to close and begin withdrawing funds over the next two to three fiscal years.

Six projects closed using HPTF funds in the Third Quarter of FY18 obligating \$30,107,331 in HPTF (Table 3).

Table 3: Projects Closed Using HPTF Funds, Third Quarter FY18

Project Name	Address	Ward	Project Type	Number of Units	Closing Date	HPTF Loan Amount
28th Place SE	28th Place SE	8	Production	14	4/18/2018	\$400,000
Brookland Place Apartments	617 Hamlin Street NE	5	Preservation	80	4/18/2018	\$8,825,000
8th and T Street NW	8th and T Street NW	1	Production	4	4/27/2018	\$508,950
505 Jefferson Street	505 Jefferson Street NW	4	Preservation	14	6/7/2018	\$1,371,913
Abrams Hall	6900 Georgia Avenue NW	4	Production	80	6/15/2018	\$9,753,037
Liberty Place	881 3rd Street NW	6	Production	71	6/19/2018	\$9,248,431

DFD's annual budget for multi-family projects is determined by the HPTF fund balance at the beginning of the fiscal year and any appropriations and expected additional revenue, less HPTF funds budgeted for other expenditures during the fiscal year. For FY 2018, the multi-family budget was \$309,590,645.

As shown in Table 4, at the end of the Third Quarter of FY 2018, \$109,040,676 was obligated to multi-family affordable housing projects and related activities (Funding Stage 2). This amount includes projects that had a financial closing in the Third Quarter of FY18 or in previous fiscal years and are currently under construction. Project and related expenditures (Funding Stage 3) in the Third Quarter of FY18 totaled \$78,294,597 (Table 4). Year to date expenditures and obligations diminished the available DFD Multifamily Budget by \$187,538,181. Thus, as of June 30, 2018, at the beginning of the fourth quarter of FY 2018, a total of \$122,052,464 was available in HPTF for multi-family projects in FY 2018.

Table 4: Multi-Family Projects – Cash Disbursements/Expenditures and Obligations

FY2018 CASH DISBURSEMENTS/EXPENDITURES AND OBLIGATIONS (MULTI-FAMILY)					
First, Second and Third Quarters - October 1, 2017 through June 30, 2018					
Project Name	Developer/Owner	Ward	Expenditure Amount	Remaining Obligation	Total Activity
(Dollars)					
1164 Bladensburg Road	1164 BLADENSBURG LLC	5	5,964,268	4,869,299	10,833,567
22 Atlantic Cooperative Association, Inc.	22 ATLANTIC COOPERATIVE	8		2,669,924	2,669,924
Maple View Flats	2228 MLK LLC	8	6,840,281	8,066,128	14,906,409
3534 East Capitol Street NE	3534 EAST CAP VENTURE, LLC	7	11,115,389	8,550,244	19,665,633
4000 Benning Road	4000 BENNING ROAD LLC	7	1,269,040	459,587	1,728,627
4040 8th Street NW	4040 8TH STREET NW,LLC	4		150,267	150,267
49-53 Missouri Avenue NW	49-53 MISSOURI AVENUE NW, LLC	4		203,043	203,043
5400-5408 5th Street Acquisition	5400 5TH STREET, NW	4		1,395,086	1,395,086
Abrams Hall	ABRAMS HALL SENIOR	4	7,652,780	2,100,257	9,753,037
Amber Overlook	AMBER OVERLOOK LLC	7		5,588,431	5,588,431
NCCLT - 905 R Street NW	ANSWER TITLE AND ESCROW	2		19,497	19,497
Archer Park	ARCHER PARK LP	8		741,431	741,431
Manna Brightwood TOPA Pool	ATHENA LLC	4	25,529		25,529
Atlantic Gardens	ATLANTIC GARDENS REDEVELOPMENT	8		1,064,765	1,064,765
Atlantic Terrace	ATLANTIC TERRACE LIMITED	8		1,520,248	1,520,248
Barlee Cooperative	BARLEE COOPERATIVE ASSOCIATION	4		232,556	232,556
The Beacon Center	BEACON CENTER HOUSING LLC	4		4,962,151	4,962,151
SOME Benning Road (The Conway Center)	BENNING RESIDENTIAL, LLC	7	6,906,537	1,985,230	8,891,767
4000 Kansas	CAS 4000 KANSAS LLC	4		429,568	429,568
28th Place SE	DC HABITAT FOR HUMANITY	8	213,020	186,980	400,000
7440 Georgia Avenue NW	DIVERSITY COOPERATIVE, INC	4	11,775	269,166	280,941
Hilltop Apartments	EASTERN AVENUE REVELOPMENT	7	1,373,666		1,373,666
The Beacon Center	EMORY BEACON OF LIGHT, INC.	4	489,246	-	489,246
Glen Arms	GLENN ARMS PRESERVATION, LP	1	108,311	167,290	275,601
The Kingston	HAMPSTEAD KINGSTON PARTNERS, L	4	22,950	187,253	210,203
Hedin House	HEDIN HOUSE PRESERVATION LP	5	1,020,680	113,409	1,134,089
Hope Cooperative	HOPE COOPERATIVE ASSOCIATION	4	225,060	48,676	273,735
Maycroft	JUBILEE HOUSING, INC.	1	270,000	30,000	300,000
Liberty Place	LIBERTY PLACE APARTMENTS LLC	6		9,248,431	9,248,431
Luzon Cooperative	LUZON COOPERATIVE @6323	4		176,286	176,286
8th & T	MANNA INC	1	100,000	408,950	508,950
Hunter Place	MANNA INC	8		1,744,021	1,744,021
1847-49 Good Hope Road SE	MI CASA MY HOUSE INC.	8		333,662	333,662
Meadow Green Court/Milestone Senior	MILESTONE SENIOR OWNER LLC	7	1,534,630	5,375,038	6,909,668
Parkway Overlook	PARKWAY OVERLOOK II LP	8	10,461,896	9,638,104	20,100,000
505 Jefferson Street NW	PHOENIX COOPERATIVE ASSOCIATIO	4	1,301,422	70,491	1,371,913
Plaza West	PLAZA WEST LLC	6	7,123,001	2,132,450	9,255,451
South Capitol	SOUTH CAPITOL IMPROVEMENTS, LL	8	1,019,188	24,119,369	25,138,557
West End - Square 50	SQUARE 50 AFFORDABLE HOUS	2	455,414		455,414
Square 769N	SQUARE 769N AFFORDABLE LP	6	210,975	185,314	396,288
Abrams Hall	THC AFFORDABLE HOUSING INC	4		168,000	168,000
The Langdon Apartments	THE LANGDON APARTMENTS	5	785,412	-	785,412
Residence at Minnesota Gardens	THE RESIDENCE AT MINNESOTA GAR	7	38,285	219,845	258,130
Tivoli Gardens Apartments	TIVOLI GARDENS OWNER LLC	5	2,572,500	-	2,572,500
Partner Arms II	TRANSITIONAL HOUSING CORP	4	412,573	742,796	1,155,369
United 2nd Street Cooperative	UNITED 2ND STREET COOPERATIVE, INC	8		507,225	507,225
Maplewood Courts	VESTA MAPLEWOOD, LLC	8	750,974	5,944,026	6,695,000
Voices of Madison Cooperative	VOICES OF MADISON COOPERATIVE	4	59,980	65,370	125,350
Brookland Place Apartments	WESLEY BROOKLAND LLC	5	6,874,186	1,950,814	8,825,000
Subtotal			77,208,970	109,040,676	186,249,646
Other Related Activities					
Supplemental Legal Counsel	PALMER STAFFING SERVICES, INC		13,633	10,367	24,000
Legal	BALLARD SPAHR LLP		62,515	106,856	169,371
Subscription	RS MEANS COMPANY INC		6,452		6,452
Other Adjustments			(85,685)		
Subtotal			(3,085)	117,223	199,823
Total, Multi-family Project Disbursement Activities			77,205,885	109,157,899	186,449,469
DEVELOPMENT FINANCE DIVISION PAYROLL			1,088,712	-	1,088,712
Total, Development Finance Project Costs			78,294,597	109,157,899	187,538,181