

HOUSING PRODUCTION TRUST FUND

FISCAL YEAR 2018 FOURTH QUARTER REPORT

July 1, 2018-September 30, 2018

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Overview

The Housing Production Trust Fund (HPTF or “the Fund”) 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 Fourth Quarter of FY 2018 from July 1, 2018-September 30, 2018.

Fourth Quarter FY 2018 HPTF Summary

The HPTF fund balance at the beginning of the Fourth Quarter of FY 2018 was \$199,287,061. Revenue for the fourth quarter totaled \$22,220,111, plus \$12,515,509 from the Housing Production Trust Fund Subsidy, bringing total revenues for FY 2018 to \$84,649,146 (Table 1).

Table 1: Summary of Revenue and Disbursements²

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	(19,253,650)	237,925,677
Quarter 2	237,925,677	11,252,372	(35,447,462)	213,730,587
Quarter 3	213,730,587	18,470,232	(32,913,758)	199,287,061
Quarter 4	199,287,061	34,735,620	(66,625,814)	167,396,867
Total YTD	236,988,404	84,649,146	(154,240,683)	167,396,867

Expenditures by the HPTF occur for Multi-Family projects, the Single Family Residential Rehabilitation Program, DHCD administrative support, and other project expenses. Expenditures

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

² Disbursements by quarter were updated to include quarterly expenditures from Agency UZO for Permanent Supportive Housing units (PSH) being developed by the Department of General Services, charged directly to the Housing Production Trust Fund. Previous reports displayed only amounts disbursed from Agency DBO (DHCD) for HPTF projects and support costs.

for all these activities in the Fourth Quarter of FY 2018 totaled \$66,625,814. Expenditures for FY 2018 totaled \$154,240,683 (Table 1).

As a result of expenditures exceeding revenues in each quarter of FY 2018, the HPTF Fund balance declined by \$69,591,537 in FY 2018 (Table 2).

Table 2 provides the statement of revenues and expenditures of the HPTF for each quarter of FY 2018. The main source of revenues was the District's Deed and Recordation tax. The HPTF receives 15 percent of these revenues collected by the District, which amounted to \$18,499,282 in the fourth quarter of 2018. Loan repayments were the other significant source of revenue, contributing \$1,973,675.

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	9,612,866	15,980,097	18,499,282	61,071,625
Loan Repayment	256,601	1,580,528	2,194,966	1,973,675	6,005,770
Other Income	2,954,920	50,172	283,787	1,728,159	5,017,038
Miscellaneous Interest	22	8,806	11,382	18,995	39,205
Total Revenues	20,190,922	11,252,372	18,470,232	22,220,111	72,133,637
EXPENDITURES					
Project Expenditures (Multi-family)	(17,409,256)	(32,154,725)	(28,730,615)	(52,657,127)	(130,951,723)
DGS Project	(291,600)	(585,878)	(306,163)	(4,467,746)	(5,651,387)
Administrative Expenses	(1,047,400)	(2,100,586)	(2,633,618)	(4,559,553)	(10,341,157)
Single Family Residential Rehabilitation Program	(260,536)	(334,900)	(700,741)	(2,116,116)	(3,412,294)
Other Project Expenses	(244,857)	(271,373)	(542,621)	(2,825,272)	(3,884,123)
Total Expenditures	(19,253,650)	(35,447,462)	(32,913,758)	(62,158,068)	(154,240,683)
Excess/(Deficiency) Revenue over Expenditure	937,273	(24,195,090)	(14,443,526)	(44,405,703)	(82,107,046)
OTHER FINANCING SOURCES (Uses)					
Transfers in ³				12,515,509	12,515,509
Total Other Financing Sources and (Uses)				12,515,509	12,515,509
NET REVENUES OVER/(UNDER) EXPENDITURES	937,273	(24,195,090)	(14,443,526)	(31,890,194)	(69,591,537)

³ The \$12.5 million transfer reflects the amount of the budgeted HPTF subsidy, less the amount received from FY17 surplus and higher than estimated dedicated tax collections. Total deposits to the Fund, including the FY17 surplus transfer, totaled \$112,327,026.

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, and with 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 are projects selected for further underwriting and accepted into DFD's underwriting pipeline. Active requests represent reserved fund balance and are expected to close and begin drawing funds over the next two to three fiscal years.
2. Obligated Funds represent contractual obligations on the fund balance and are obligated to specific HPTF affordable housing projects when final legal documents have been executed and the financial closing for the project has occurred. 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.
3. Expenditures are funds disbursed to projects at or after closing, primarily during construction.

Twelve projects closed using HPTF funds in the Fourth Quarter of FY 2018 totaling \$69,599,218 in Obligated Funds (Table 3)

Table 3: Projects Closed Using HPTF Funds Fourth Quarter FY18

Project Name	Address	Ward	Project Type	Number of Units	Closing Date	HPTF Loan Amount
5400-5408 5th Street Acquisition	5400 5th Street NW	4	Acquisition and Critical Repairs	12	7/27/2018	\$1,395,086
Ben-E Cooperative Association-Tenant Purchase	4701 Benning Rd SE	7	Acquisition and Pre-Development Only	29	8/23/2018	\$2,517,596
301 Delafield Place Acquisition	301 Delafield Place NW	4	Acquisition and Critical Repairs	23	8/28/2018	\$2,996,612
22 Atlantic Cooperative Association, Inc.	22 Atlantic Street SE	8	Substantial Rehabilitation	15	8/31/2018	\$2,669,924
Amber Overlook	4922-5000 Call Place SE	7	New Construction	32	8/31/2018	\$5,872,431
2530-2532 Park Place SE	2530 Park Place SE	7	Acquisition and Critical Repairs	21	9/7/2018	\$900,000
Belmont Crossing Apartments	4201 7th Street SE	8	Acquisition and Critical Repairs	275	9/27/2018	\$8,000,000
1035 48th Street	1035 48th St NE	7	Acquisition and Critical Repairs	12	9/28/2018	\$852,010
1431 E Street NE Renovation	1431 E Street NE	6	Substantial Rehabilitation	10	9/28/2018	\$1,221,261
710 Jefferson Street NW	710 Jefferson Street NW	4	Acquisition and Critical Repairs	14	9/28/2018	\$1,906,250
Capitol Vista	888 New Jersey Ave NW	6	New Construction	104	9/28/2018	\$18,006,741
Delta Towers	1400 Florida Avenue NE	5	New Construction	179	9/28/2018	\$23,261,307

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 Fourth Quarter of FY 2018, \$80,401,251 was obligated to multi-family affordable housing projects (Funding Stage 2 - Obligated Funds). This amount includes projects that had a financial closing through the Fourth Quarter of FY 2018 or in previous fiscal years and are currently under construction. Project and related expenditures (Funding Stage 3 - Expenditures) through the Fourth Quarter of FY 2018 totaled \$130,951,724 (Table 4 on next page). Year to date expenditures and obligations diminished the available DFD Multifamily Budget by \$211,378,434. Thus, as of September 30, 2018, a total of \$98,212,211 was available in HPTF for Multifamily projects in FY 2018.

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

FY 2018 Cash Disbursements/Expenditures and Obligations (Multi-Family)					
First, Second, Third, and Fourth Quarters					
Project Name	Developer/Owner	Ward	Expenditure Amount	Remaining Obligation	Total Activity
1035 48th Street	1035 48TH LLC	7	765,442	86,568	852,010
1164 Bladensburg Road	1164 BLADENSBURG LLC	5	7,655,332	3,178,235	10,833,567
22 Atlantic Cooperative	22 Atlantic Cooperative Association, Inc.	8	169,250	2,500,674	2,669,924
Maple View Flats	2228 MLK LLC	8	11,312,262	3,594,147	14,906,409
301 Delafield Place Acquisition	301 DELAFIELD PLACE NW LLC	4	2,673,824	322,788	2,996,612
3534 East Capitol Street NE	3534 EAST CAP VENTURE, LLC	7	16,587,027	3,078,606	19,665,633
4000 Benning Road	4000 BENNING ROAD LLC	7	1,702,007	26,620	1,728,627
4040 8th Street NW	4040 8TH STREET NW, LLC	4	104,921	45,346	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	1,327,554	67,532	1,395,086
710 Jefferson Street NW	710 UNIDOS COOPERATIVE	4	1,826,272	79,978	1,906,250
Abrams Hall	ABRAMS HALL SENIOR	4	8,888,750	864,287	9,753,037
Amber Overlook	AMBER OVERLOOK LLC	7	1,058,933	4,529,498	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	25,430	207,126	232,556
2530-2532 Park Place SE	BCC PRESERVATION FUND I, LLC	7	865,000	35,000	900,000
The Beacon Center	BEACON CENTER HOUSING LLC	4		4,962,151	4,962,151
Belmont Crossing Apartments	BELMONT CROSSING PARTNERS LLC	8	7,500,000	500,000	8,000,000
Ben-E Cooperative Association - Tenant Purchase	BEN-E GROUP TENANTS ASSOCIATION, INC.	7	2,205,576	312,020	2,517,596
SOME Benning Road (The Conway Center)	BENNING RESIDENTIAL, LLC	7	7,630,998	1,260,769	8,891,767
4000 Kansas	CAS 4000 KANSAS LLC	4	137,353	292,215	429,568
28th Place SE	DC HABITAT FOR HUMANITY	7	213,020	186,980	400,000
7440 Georgia Avenue NW	DIVERSITY COOPERATIVE, INC	4	19,296	261,645	280,941
E Street Cooperative Association Inc.	E STREET COOPERATIVE ASSOC.	6	132,609	1,088,652	1,221,261
Hilltop Apartments	EASTERN AVENUE REVELOPMENT	7	1,373,666		1,373,666
Glenn Arms	GLENN ARMS PRESERVATION, LP	1	108,311	167,290	275,601
The Kingston	HAMPSTEAD KINGSTON PARTNERS, L	4	120,318	89,885	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	183,044	9,065,387	9,248,431
Luzon Cooperative	LUZON COOPERATIVE @6323	4		176,286	176,286
8th & T	MANNA INC	1	384,313	124,637	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	103,217	230,445	333,662
Meadow Green Court/Milestone Senior	MILESTONE SENIOR OWNER LLC	7	3,711,300	3,198,368	6,909,668
Parkway Overlook	PARKWAY OVERLOOK II LP	8	18,848,919	1,251,081	20,100,000
505 Jefferson Street	PHOENIX COOPERATIVE ASSOCIATIO	4	1,301,422	70,491	1,371,913
Plaza West	PLAZA WEST LLC	6	9,310,451	-	9,310,451
South Capitol	SOUTH CAPITOL IMPROVEMENTS, LL	8	2,043,241	23,095,316	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
Luzon Tenant Association	THE LUZON COOPERATIVE @6323	4	25,200	5,121,554	5,146,754
Residence at Minnesota Gardens	THE RESIDENCE AT MINNESOTA GAR	7	122,772	135,358	258,130
Tivoli Gardens Apartments	TIVOLI GARDENS OWNER LLC	5	2,572,500	-	2,572,500
Partner Arms II	TRANSITIONAL HOUSING CORP	4	1,531,151	-	1,531,151
United 2nd Street Cooperative	UNITED 2ND STREET COOPERATIVE, INC	8	104,777	402,447	507,225
Maplewood Courts	VESTA MAPLEWOOD, LLC	8	3,782,931	2,912,069	6,695,000
Voices of Madison Cooperative	VOICES OF MADISON COOPERATIVE	4	125,336	14	125,350
Brookland Place Apartments	WESLEY BROOKLAND LLC	5	6,874,186	1,950,814	8,825,000
	Subtotal, Multi-Family Project Disbursements		129,330,413	80,401,251	209,731,664
Other Related Activities					
Supplemental Legal Counsel	PALMER STAFFING SERVICES, INC		24,175	-	24,175
Legal	BALLARD SPAHR LLP		143,912	25,460	169,371
Subscription	RS MEANS COMPANY INC		6,452		6,452
Audit	SB & COMPANY		14,459		14,459
Other Adjustments			(18,347)		(18,347)
	Subtotal, Other Related Activities		170,650	25,460	196,110
	Total, Multi-family Project Disbursement Activities		129,501,063	80,426,711	209,927,774
	DEVELOPMENT FINANCE DIVISION PAYROLL		1,450,660	-	1,450,660
	Total, Development Finance Project Costs		130,951,724	80,426,711	211,378,434