

**HOUSING PRODUCTION TRUST FUND ADVISORY BOARD  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
GOVERNMENT OF THE DISTRICT OF COLUMBIA**

**MEETING MINUTES**

THURSDAY, SEPTEMBER 27, 2018  
12:30 pm  
DHCD ROOM #318

**WELCOME**

**Susanne Slater, Chairperson**

The DHCD Housing Production Trust Fund Advisory Board convened in Room #318, 1800 Martin Luther King Jr. Ave. SE, Washington, DC., pursuant to notice at 12:38 pm, Susanne V. Slater, Chair, presiding.

**Advisory Board Members Present:**

Susanne V. Slater, Chair (SS)  
David J. Roodberg (DR)  
Jim Knight (JK)  
Polly Donaldson (PD)  
Lakeeshia Fox (LF)  
Charles Lowery\*  
Stanley Jackson (SJ)

**Also present:**

Allison Ladd – DHCD Deputy Director (AL)  
Ana Van Balen – DHCD Housing Preservation Officer (AVB)  
Erin Wilson – DHCD DFD Deputy Manager (EW)  
Reshma Holla – DHCD DFD Deputy Manager (RH)  
Danilo Pelletiere, DHCD Senior Advisor (DP)  
Terrance Laney, DHCD Special Assistant  
Richard Livingstone, DHCD Special Assistant  
Joseph Knackstedt, DHCD DFD Project Manager  
Celia Walker – DHCD PAMD Manager  
Sybongile Cook – DMPED Great Streets and Retail Director  
\* present via telephone

## MINUTES

Minutes for the July 26, 2018 HPTF meeting were reviewed. Jim Knight requested an addition be made before the DHCD Update section of the minutes to reflect an inquiry he made regarding the ability to reach 30% AFI with project based LRSP funds. The addition was made and Jim Knight made a motion to adopt the minutes. The motion was seconded by Stanley Jackson. The minutes were approved unanimously by voice vote.

## DHCD UPDATE

### **Polly Donaldson, DHCD**

First, an update on the efforts to rehouse the seniors at Arthur Capper. As you may be aware, there was a three-alarm fire at the Arthur Capper Senior building last Wednesday afternoon, we could see it from the building. Thankfully, there have been no serious injuries reported at this time, however, all 161 senior residents have been displaced.

DHCD is working with the Office of the Tenant Advocate, DC Housing Finance Agency, and the DC Housing Authority who are leading the effort to help the families find new homes. We're helping by asking our community for information on vacant 1-bedroom units, preferably UFAS-compliant/accessible units for immediate occupancy. Please let us know as soon as possible ([help.capperresidents@dc.gov](mailto:help.capperresidents@dc.gov)).

Second, introducing Richard Livingstone, new Special Assistant for DHCD and new point of contact for the HPTF Board. Richard comes to DHCD from the Mayor's Office where he served as Ward 2 Liaison. Before that he worked at the George Washington University where he also received his Bachelor's in addition to a Master's in Public Administration. He came to DC for college as never left as he tells it.

Finally, join us at the new Delta Towers Groundbreaking Event on 10/1/18 at noon, 1400 Florida Ave. NE. Delta Towers will be an affordable senior housing building adjacent to the existing Delta Tower Apartments building. This will also be an opportunity for Mayor Bowser to announce our FY 18 investments in HPTF as it's the beginning of a new fiscal year. The number is historic and remarkable so stay tuned.

**JK:** To help with Capper Senior bldg., what if we know of a building coming online in 3 to 4 months?

**PD:** You can share that information with us also, but the priority right now is immediate housing opportunities.

**JK:** Will the seniors have subsidy?

**PD:** DCHA is leading the effort to rehouse and will be looking in their own inventory and for units that already have subsidy. The Capper property had an ACC subsidy.

## LEGISLATIVE UPDATE

### **Danilo Pelletiere, DHCD**

We're following Council actions on rent control, evictions and related items. Generally, there was support for the emergency legislation that passed over the summer. The debate during the eviction bills hearing focused on public/off site storage options.

## **PRESERVATION UPDATE**

**Ana Van Balen, DHCD**

The DC Housing Preservation Strike Force recommended six critical strategies to preserve affordable housing in the District. Four of these have been the focus of FY 18 including creating the preservation unit, executing the preservation fund for FY 18, implementing DOPA, and relaunching the Small Building Program which we'll update on now.

For the preservation fund, Mayor Bowser invested \$10 million in local funds for the preservation fund in FY 17 and FY 18. At the same time, we also selected two fund managers, Capital Impact Partners and LISC-DC. We hope to go public with fund terms shortly so keep your eyes open for a press release.

With DOPA, we're working earnestly to finalize regulations and launch in October. Properties are eligible for DOPA if they have five or more units and 25% or more of those units are affordable at 50% of MFI. Currently the district does not plan to purchase properties ourselves but instead will assign our rights to a pool of developers selected through a request for proposal for pre-qualified developers. The DOPA process will occur alongside, but is subordinate to, TOPA. We will conduct a stakeholder engagement meeting in October so please plan on attending.

Finally, the Small Buildings Grant Program will provide funds for limited systems replacement and other key repairs to eligible property owners of multi-family rental housing of five to 20 units. The maximum grant amount is \$25,000 per dwelling with a maximum of \$200,000 per project.

A discussion ensued on concern in the market for incentives down the road for DHCD to further assist a project financially now that there are private fund managers for the preservation fund. Further discussion was conducted on DOPA including efforts the agency would have to undertake to execute DOPA concurrently with TOPA and outreach activities to promote the opportunity.

**SJ:** Is the minimum affordability period of 10 years for the preservation fund too short?

**AVB:** There will likely be other longer-term financing on these projects that requires longer affordability, 10 years is just the minimum.

**SJ:** For DOPA, could you aggregate properties to get to the 5+ units threshold.

**DP:** We haven't finalized the regulations but it's reasonable to assume if you're bundling a sale of 5+ units it would qualify for DOPA.

**JK:** What opportunity is there for developers to interface with tenants for DOPA the way they do intensively for TOPA?

**AVB:** Successful submissions will include reference to tenants wishes.

**RD:** Will the DOPA process be attractive to developers? How many?

**AVB:** This is all yet to be seen. We hope.

**JK:** What does affordability mean for a DOPA project? Is affordability negotiated with tenants like TOPA?

**AVB:** RFP requires an affordability plan to be submitted.

## **HOUSING PRODUCTION TRUST FUND UPDATE      Erin Wilson, DHCD**

As we come to the end of FY 18, we're happy to report an investment of \$167,638,286 creating 1,626 units. This is an increase in previous year investments which were 67M in FY 15, 106M in FY 16, and 138M in FY 17. Additionally, of the units created in FY 18, 30% were affordable at 30% of MFI, 57% at 50% AMI and the remaining balance at 80% AMI meaning that a majority, or 87% of units, are affordable at 50% AMI or below. Across all funding sources, it's over 1700 units and \$178M. This huge investment does however mean the fund balance is declining but Mayor Bowser is committed to funding HPTF at \$100 million every FY. Since 2015, we've created over 6,000 units and the goal for the next four years is 10,000. All told, across all housing resources in the city, there's \$1B in investments.

DFD was acknowledged for all the hard work that went into making this possible including Erin and Reshma, but also the 9 Project Managers who work daily to get the money out the door on projects that deliver affordable housing for district residents.

Attendees were reminded of the Oramenta Newsome fund of \$2 million to help non-profit developers finance affordable housing. Developments can receive loans up to \$100,000 per project. Please encourage people to apply.

A discussion ensued on promoting these efforts far and wide including to whom and how the fund could be discussed, noting current efforts through Roots to Roofs to promote individual stories.

**JK:** How were you able to improve on increasing affordability from previous years?

**EW:** Two things, the requirement since 2016 for 50% and below, as well as income targets put in RFPs.

**SJ:** Did we increase subsidy to get to the lower MFIs?

**EW:** The level of subsidy is similar to past years. One item of note is that increasing construction costs are huge.

## **NEIGHBORHOOD PROSPERITY FUND      Sybongile Cook, DMPED**

The Neighborhood Prosperity Fund is \$3 million to provide gap-financing to non-residential parts of mixed-use developments. There are no project amount limits. The fund was piloted in FY 17 with two projects, one in Penn Branch and the other in Bellevue. We're about to announce a second round of five projects from FY 18. Projects must have at least 50% of their retail space spoken for with LOIs so we ensure we're investing in viable spaces. Additionally, eligibility is determined to be census tracts with 10% of higher unemployment. Money from the fund can be used on renovation, pre-construction costs, construction costs, etc. We just require that fund recipients break ground before the end of the next FY, in this case 9/30/19.

A discussion ensued on opportunities to partner with additional funding opportunities like opportunity zones and new market tax credits.

It was shared that the next meeting will occur on October 25<sup>th</sup> and we'll be hearing from AJ Jackson with JBG Smith. It's possible we'll be joined by new members as discussions are occurring with the Mayor's Office of Talent and Appointments to fill 2 open positions on the board.

David Roodberg motioned to adjourn the meeting. The motion was seconded by Stanley Jackson. All voted in favor. The meeting was adjourned at 1:59pm.