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**Proposed Substantial Amendment to the District of Columbia's
FY2011-FY2015 Consolidated Plan and FY2015 Annual Action Plan**

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A. General Information

Grantee Name	District of Columbia Department of Housing and Community Development (DHCD)
Name of Entity or Department Administering Funds	District of Columbia Department of Housing and Community Development (DHCD)
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B. Summary of Substantial Amendment Proposed Changes

The District of Columbia (The District) is proposing a Substantial Amendment to its FY2011-FY2015 Consolidated Plan and FY2015 Annual Action Plan as required by the US Department of Housing and Urban Development (HUD), outlined in 24 CFR Part 91 – Consolidated Submissions for Community Planning and Development Programs. Per HUD regulations and City policy, a Substantial Amendment is required when either of the following criteria exists:

- A change which results in a major alteration of the purpose, location, or beneficiaries of a DHCD operational program; OR
- A change in the distribution of program funds greater than 25% of the federal entitlement grants included in DHCD's fiscal year budget (CDBG, HOME, ESG, HOPWA).

The proposed changes are all related to the District of Columbia's HOME Program. The changes meet the criteria to trigger a Substantial Amendment because the District of Columbia's Department of Housing and Community Development (DHCD) proposes a change in the use of HOME funds which results in a major alteration of its purpose and beneficiaries. DHCD proposes using \$3,000,000 of HOME funds that were returned to DHCD from previous program years based on repayments to assist in providing housing for the increasing number of homeless households in the District of Columbia through Tenant-Based Rental Assistance (TBRA).

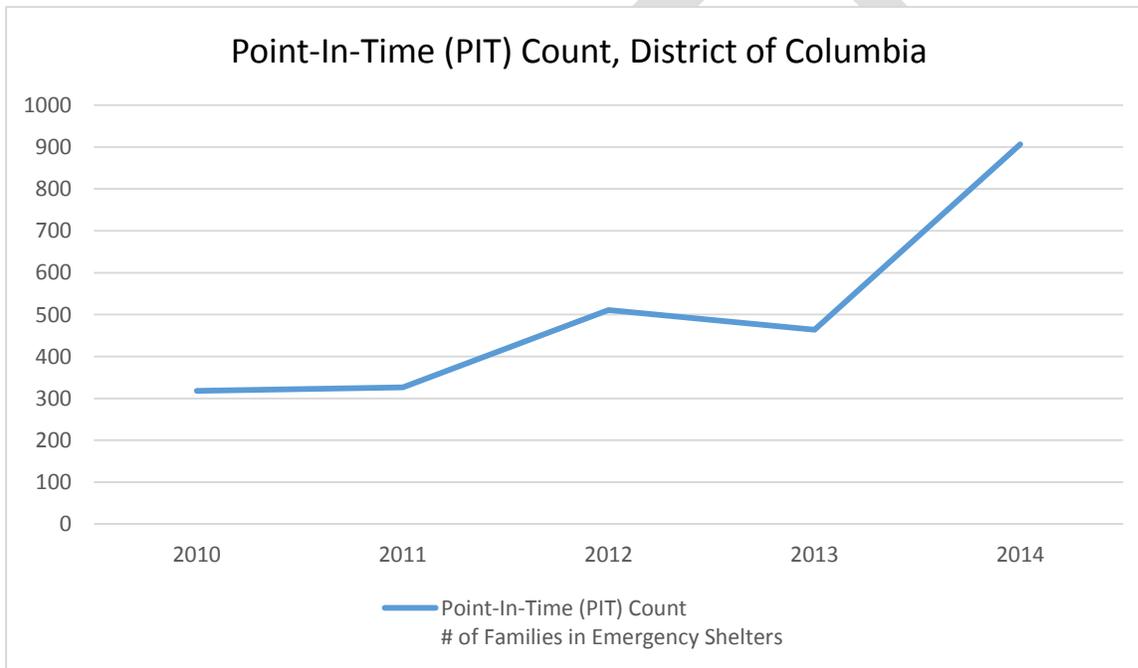
TBRA will provide rental assistance to homeless households, as referred through coordinated entry, to enable them to move to permanent housing. This will provide a more stable living situation for those households, improving their quality of life and increasing their ability to become self-sufficient. It will also open space in the homeless shelter system to provide shelter for others in need.

In order to solicit and receive feedback for the proposed Substantial Amendment and ensure that the overall direction of DHCD's work is consistent with residents' expectations and is responsive to neighborhood concerns, the City will follow the thorough and extensive public engagement process as detailed in its Citizen Participation Plan. The process includes providing public notice 15 days prior to a scheduled public hearing, having at least two public hearings, and inviting public comments for a period of 30 days (details below in "F. Citizen Participation and Public Comment").

C. Market Conditions

The District is facing a significant increase in the number of households with minor children seeking shelter as housing costs continue to rise. Many of the households seeking shelter have multiple barriers and demonstrate a need for permanent supportive housing. While the District has invested significantly in the development of new housing units with a specific set-aside for permanent supportive housing units, these units will not be available in time to meet the current need. Additionally, the households need assistance in resolving the barriers that have kept them from obtaining housing independently. TBRA funds will allow for these households to exit shelter and begin working with supportive services on identified barriers to qualifying for rental units independently. The use of these funds for households with minor children will allow the District to preserve funding for single adult households which otherwise would be reduced to cover the shelter costs for families. Providing shelter for a household with minor children in the District costs approximately \$50,000 annually. Without the ability to rehouse these households quickly, particularly those with higher barriers who have more difficulty exiting shelter on their own, we will have to reduce costs in other areas of the Continuum.

The District currently operates 409 shelter units for households with minor children year round. The right to shelter during the hypothermia season (November 1 – March 31) requires placement of any household who does not have an immediate safe place to stay on a hypothermic night, when the actual or forecasted temperature or wind-chill is 32 degrees Fahrenheit or below. The demand for housing on hypothermia nights exceeds existing shelter capacity. In the past three years, the District has relied on motels to provide additional shelter units to meet demand. In 2014, the demand exceeded the number of motel rooms available to the District and households were placed in recreation centers. The District was sued over this, and the Judge ordered a preliminary injunction to stop placement into recreation centers. The HOME funds dedicated to provide TBRA will allow the District to transition households out of shelter units and into housing, which will increase the number of shelter units available for hypothermia placements. Annual Point-In-Time counts – one-day snapshots of the homeless population in the jurisdiction – conducted in the District over the last five years show the increasing demand for emergency shelter and assistance, such as through the proposed TBRA program (see graph below).



The District began using the Service Prioritization Decision Assistance Tool (SPDAT) in late 2012 to assess the support services needs of households and more effectively track the changing needs of households across programs. Below is the range of scores that correlate to the two primary groups that will be prioritized for the proposed TBRA program. Households with an F-SPDAT score of 48-53 or individuals with a VI-SPDAT score of 7-9 are assessed as needing Rapid Rehousing assistance. Those households with a score of 54+ and individuals with a VI-SPDAT score of 10+ are generally in need of Permanent Supportive Housing (PSH) assistance. This year the District anticipates unmet need of 1) at least 70 households that will score for Rapid Rehousing Assistance and 2) at least 50 more households that will score for Permanent Supportive Housing Assistance. The proposed TBRA program aims to target these two populations and address this unmet need.

Additionally, the District has an increased focus on workforce development through the redesign of its public benefits programs. With the high cost of housing, even households with working members are

struggling to pay for housing. With the HOME funds for TBRA, the District will be able to provide rental assistance for households who are achieving their employment goals, who are working 35 or more hours per week but are still in need of support to afford housing and avoid entering shelter.

D. Proposed Changes and Relationship to Consolidated Plan Goals

For HOME TBRA activities, the District will utilize HOME funds that were returned to DHCD from previous program years based on repayments. FY15 HOME allocations will not be impacted. FY2016 HOME funds devoted to this activity will be addressed in the Consolidated Plan for FY2016-FY2020, and the Action Plan for FY2016.

In the Consolidated Plan, HOME funds were originally designated as gap financing for the creation and preservation of affordable housing. However, since the Consolidated Plan was submitted in 2010, the District has dedicated additional local funding toward the creation and preservation of affordable housing through the Housing Production Trust Fund (HPTF). The new HPTF dollars have been budgeted for homebuyer assistance (Project ID FY 2015 HPAP) and multi-family affordable housing (Project ID FY2015 DFDPF), exceeding the amount of HOME funds reallocated from these programs to TBRA.

The proposed TBRA program will target households who are facing imminent homelessness, are unsheltered, or are currently residing in the homeless shelter system, in the following categories:

- Employed 35 hours or more per week; or
- Assessed to need permanent supportive housing, as evidenced by an F-SPDAT score of 54+ or VI-SPDAT score of 10+; or
- Assessed to need a high level of rapid rehousing supports, as evidenced by an F-SPDAT score of 48-53 or VI-SPDAT score of 7-9

The HOME funds will be used as a bridge to move households into stable housing conditions and then onto Permanent Supportive Housing (PSH) or other affordable housing. The time period allowed under HOME funds (up to two years) will allow for service providers to work with households to address barriers that prevent self-sufficiency or qualifying for PSH units (e.g. - credit, rental history, employment, and housing stability). Qualifying households will pay a portion of their income towards rent and utilities, and TBRA will pay the remainder of the rent. The maximum amount that the HOME TBRA program may pay to assist any given household is the difference between 30 percent of the household’s adjusted monthly income and the Rent Reasonable Rates established by the District of Columbia Housing Authority.

Households with SPDAT scores above 48 will be required to participate in case management services provided through DHS. For households in the shelter system who are currently employed 35 hours or more per week, the HOME funds will provide a shallower level of TBRA to support the household in obtaining and maintaining housing and limited housing support services through DHS.

Target Population	Projected # of Households Benefiting	Projected Cost/Household/Month	Projected Annual TBRA Cost
F-SPDAT 48-53	70	\$1,800.00	\$1,512,000.00

VI-SPDAT 7-9			
F-SPDAT 54+ VI-SPDAT 10+	50	\$2,000.00	\$1,200,000.00
Working 35+ Hours	48	\$500.00	\$288,000.00
Total	168		\$3,000,000.00

The TBRA program is expected to serve 120 households who score for PSH or high Rapid Rehousing annually and 48 households that are employed but still require TBRA to afford safe decent housing within the District. The projections may increase or decrease based on the size of the households served.

The TBRA Program is aligned with the Homeless Strategic Plan of the 2011-2015 Consolidated Plan, in particular, supporting its goals to:

1. Reduce return to homelessness (Goal #2 in Plan)
2. Prevent homelessness following institutional exit or release (Goal #5)
3. Reduce individuals/families that become homeless through eviction or ejection (Goal #6)
4. Tenants experience improved quality of life (Goal #9)
5. Reduce cost burden on DC's public and emergency service systems (Goal #10)

E. Consultation

DHCD consulted extensively with the office of the Deputy Mayor for Health and Human Services (DMHHS), the Department of Human Services (DHS) and the Community Partnership for the Prevention of Homelessness - who currently administers the District's ESG funded facilities and services for the homeless – to develop the proposed Substantial Amendment.

DHCD participates in the District's Interagency Council on Homelessness (ICH), a group of cabinet-level leaders, providers of homeless services, advocates, homeless and formerly homeless leaders that come together to inform and guide the District's strategies and policies for meeting the needs of individuals and families who are homeless or at imminent risk of becoming homeless in the District of Columbia. The Director and senior staff members sit on the ICH Strategic Planning Committee, as well as the Executive Committee, and the Director co-chairs the ICH Housing Solutions Committee, all of which is critical in gaining input on needs and ensuring agencies' work is in alignment. The ICH has created a citywide strategic plan for homelessness, which includes a substantial component on reducing chronic homelessness in the District.

F. Citizen Participation and Public Comment

In order to solicit and receive feedback for the proposed Substantial Amendment and ensure that the overall direction of DHCD's work is consistent with residents' expectations and is responsive to neighborhood concerns, the City will follow the thorough and extensive public engagement process as detailed in its Citizen Participation Plan.

DHCD facilitates broad-based participation in its Substantial Amendment process by providing:

- No less than two-week advance publication of a Notice of Public Hearings

- Holding at least two public hearings
- No less than 30 days to review the draft documents
- Two-week periods following hearings for the submission of additional comments
- Direct mailings of Notices to a wide range of interested groups
- Easy access to draft documents (hard copies and on-line) and hearing transcripts
- Accommodation of special needs participation through sign-language interpreters and interpreters for Limited English Proficiency constituents
- Holding hearings at convenient times and in barrier-free facilities that are easily accessible by public transportation

Public Hearings

The Director and senior DHCD staff members will be present at public hearings to take the direct testimony, receive comments, and answer questions about the proposed Substantial Amendment. The submission of written testimony is encouraged. A court reporter will provide written transcripts within two weeks of the hearings, and a record of the public hearings, including the written transcript, will be made available for public viewing at DHCD. When finalizing the Substantial Amendment, DHCD will include a summary of the comments and views received from citizens orally and in writing at the public hearings, as well as a response to any comments not accepted.

Outreach	Target Group	Details
Public Hearings	Broad community	Hearings scheduled for Monday, December 8, 2014, 10:00 AM, at DHCD, and Wednesday, December 10, 2014, at 6:30 PM, at the Reeves Center
Newspaper Ads	Broad community	To be published in The Washington Times on Wednesday, November 26, 2014, and The Washington Informer on Thursday, November 27 2014, and the Capital Community News publications in their December 2014 issues
Mail/Email to Community Leaders	Sub-recipients and community organizations	Mail/Emails sent to groups on November 25, 2014
Social Media Postings	Broad community	Notice posted on Twitter, Facebook, and www.dhcd.dc.gov
DC Register	Broad community	Public Notice published on November 21, 2014

Public Comment and Review

The District of Columbia is providing a public review and comment period beginning on November 25, 2014 and ending on December 26, 2014. The Substantial Amendment will be available for review at the following locations during the public comment period:

- www.dhcd.dc.gov
- Housing Resource Center, DHCD, 1800 Martin Luther King Jr. Ave, SE, Washington, DC 20020
- Martin Luther King Jr. Memorial Library, 901 G Street, NW, Washington, DC 20001

Public comments regarding this amendment can be provided from November 25, 2014 through December 26, 2014, to The DC Department of Housing and Community Development Attn: Michael P. Kelly, Director, DHCD, 1800 Martin Luther King Jr. Ave, SE, Washington, DC 20020.

DHCD provides language interpretation services that can be accessed by calling our main number: 202.442.7200.

Summary of Public Comments

To be completed after the public hearings and public comment period.

Outreach	Summary of Comments Received
Public Hearings	TBD
Newspaper Ads	See above
Emails to Community Leaders	TBD
Social Media Postings	TBD
DC Register	November 21, 2014

All comments received at the public hearings are listed below.

Citizen Comments and Response to Comments(TO BE LISTED HERE AFTER HEARINGS)