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"We have always specialized in infill development, and now as the market catches up with us, CHW is poised to complete a large number of infill development projects," says Anne Wilson, Senior Vice President of Housing and Real Estate.



America's Affordable Housing Resource

# **COMMUNITY** HOUSING WORKS



With an eye on improving the affordable housing opportunities available throughout the District of Columbia, the Department of Housing and Community Development (DHCD) revitalizes areas of the community by bringing much-needed resources to underserved populations.

DHCD Director Michael P. Kelly, who is now in his second year leading the agency, has taken tremendous steps in moving DC to an economically inclusive global city. In 2013, Mayor Vincent C. Gray announced that the District would dedicate \$100 million to affordable housing through this Affordable Housing Initiative, which serves as a testament to the success of DHCD's efforts to date.

"It really reflects the ability of [DHCD] to efficiently and effectively transfer dollars into preserving and creating more affordable housing," Kelly says. "We need to do that in a way that is transparent, accountable and respectful to the larger vision and mission of the city. These dollars are going to be instrumental in making that happen, and our agency is in a key position to enforce that."

# ENGAGING KEY PARTNERS

The Mayor has set an ambitious goal of creating or preserving 10,000 affordable units by the year 2020, and DHCD has gotten

# Affordable Housing That Lasts

Washington, D.C., Department Of Housing And Community Development Receives Buy-In From Mayor And Other Key Partners



Director :: Michael P. Kelly | Location :: Washington, D.C.



off to a strong start. Counting the development in the pipeline, more than 8,200 affordable units will have been created or preserved by 2016.

"We've taken a fresh look at our underwriting and made it real clear to our nonprofit and privatesector development partners what the requirements are to be successful in getting our dollars and what it takes to actually get these projects completed," Kelly says. "We have established a series of workshops and worked to post our criteria to our website. The response from the development community regarding our approach is much more professional. Our private-sector partnerships have reacted favorable to the new system."

This positive response from developers will continue to be a crucial component of DHCD's success. Through partnerships, the agency is truly thriving.

"Developers are coming back with strong proposals that we've been able to fund," Kelly says. "Our success rate this time around has been great, and a lot of that is due to sharing our expectations more effectively."

Under Kelly's leadership, DHCD has focused on collaboration with other agencies, including working with a number of partners on permanent supportive housing for homeless families, among many other efforts. This collaboration improves efficiency and, at times, accelerates the pace of initiatives. The 2013 Notice of Funding Availability was issued on April 2, 2013 and closed on May 31, 2013. Through a memorandum of understanding, DHCD was joined by the Department of Behavioral Health, Department of Human Services, Housing Finance Agency and Housing Authority to jointly invest and coordinate capital, operating, and support service funds for housing development targeted toward families and individuals with mental and physical disabilities and incomes of 0-30 percent of the area median income in need of permanent supportive housing. This is the first time this level of interagency coordination has been brought to bear on an issue as important as permanent supportive housing.

"We've looked at combining, for the first time, social service support with real estate development," Kelly says. "The requests for proposals included bringing all of these city agencies together to put their respective resources into the deal and allow for development proposals to come in that cover both aspects. We are able to evaluate and issue funds to projects that have collaboration between wrap-around services included in them."

## INCLUSIONARY ZONING (IZ)

DHCD is now promoting inclusionary zoning (IZ) to help grow and develop the city overall and provide more affordable housing opportunities. IZ housing units create mixed neighborhoods by exchanging affordable housing units for additional bonus density. To date, DHCD has sold four IZ units in the city, rented 21, has 71 pro-





jected for-sale units and 311 projected rental units. The agency also has 1,079 more slated for development over the next few years.

"Washington, D.C., is rapidly moving toward neighborhood revitalization throughout the city, and without a program like inclusionary zoning, there's a good chance that affordable housing could be lost forever," Kelly says. "We've established this as priority, working with the [D.C.] Office of Planning, to ensure that new efforts clarify the opportunities for the developer to create mixed-income multifamily housing."

Among DHCD's constituency are homeless military veterans. The agency is committed to helping veterans find affordable housing in the city and has used creative strategies.

"It's a really great opportunity to explore working with partners like Habitat for Humanity or other nonprofit development corporations," Kelly says. "DHCD's Property Acquisition and Disposition Division allows for the purchase and acquisition of vacant lots that are going through various tax liens and other issues, and put them back into productive use as housing opportunities. This is a great chance for us to create affordable housing for veterans and various other populations." DHCD recently partnered with DC Habitat of Washington, D.C., to permanently place six, sustainable single-family homes for veterans in the welcoming Hillcrest neighborhood. DHCD donated the lots for this undertaking.

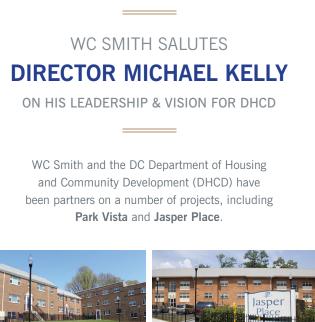
"We've now moved those demonstration houses onto actual lots and are recreating them and making them available," Kelly says. "That's the kind of pilot program we'll be looking at in the future, converting these vacant and single-family lots into fresh homes for at-risk groups like homeless veterans."

As Kelly continues into his second year as Director of DHCD, he sees a promising future for the agency and affordable housing in the District of Columbia.

"In some ways, it's a 'hearts and minds' exercise," he says. "We want to make sure that officials here locally and at the [U.S.] Department of Housing and Urban Development recognize that our agency is a responsible steward of public funds and that we're able to replicate and scale some exciting demonstration projects."

### WC SMITH

WC Smith is proud to partner with the DC Department of Housing and Community Development and Director Michael Kelly on a number of affordable housing projects. WC Smith is a Washington, DCbased multidisciplinary real estate firm. The company has provided integrated real estate services to the Washington metropolitan area and beyond for 45 years.



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