

# **Housing Preservation Fund RFA Information Session November 17, 2017**

---

## **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

**Muriel Bowser, Mayor**

**Polly Donaldson, Director**

# HOUSING PRESERVATION STRIKE FORCE



# Overview of Housing Preservation Strike Force



## Structure

- Created in 2015 by Mayor Muriel E. Bowser by Mayor's Order
- 18-member Strike Force, chaired by DHCD Director Polly Donaldson
- Comprised of District housing experts and selected stakeholders from the public.
  - Polly Donaldson, Chair
  - Honorable Anita Bonds
  - Honorable Elissa Silverman
  - Brian Kenner, DMPED
  - Melinda Bolling, DCRA
  - Thomas Borger, Borger Management
  - Maria K. Day-Marshall, formerly DCHFA
  - Elizabeth Elia, Elia Law Group
  - Chris Hornig, Klein Hornig
  - Ramon Jacobson, LISC
  - Todd Lee, private sector & DCHFA
  - Eric Price, AFL-CIO HIT
  - Eric Shaw, OP
  - Johanna Shreve, OTA
  - Joseph Sternlieb, Georgetown BID
  - Adrienne Todman, formerly DCHA
  - Amy Vruno, WIN
  - Charles (Sandy) Wilkes, Wilkes Company
- Met over 14 times from September 2015 to June 2016
  - Heard from national, local and regional experts
  - Analyzed existing tools
  - Researched and reviewed best practices
- Created 3 Units for Strike Force
  1. Policy Unit
  2. Operations Unit
  3. Financial Unit.

# Overview of Housing Preservation Strike Force

---



## Purpose

- The Mayor charged the Strike Force with developing an action plan to preserve the District's existing affordable housing covenants set to expire by 2020.

## Initial Report Policy Goal (\*numbers below are a point in time)

- Creating new affordable housing in the District is a top priority, but so too is preserving and protecting the current affordable housing stock, which has been at risk due to:
  - The city losing at least 1,000 units of subsidized housing between 2006 and 2014;
  - Another 1,750 units that are at risk of being lost, according to the DC Preservation Network; and
  - There are an additional 13,700 units with subsidies that will expire by 2020 and are possibly at risk of loss.

## Final Report – 6 Point Plan

- Issued recommendations/action items provided in the DC Housing Preservation Strike Force final report, November 2016
  - Also highlighted recommendations in June 2016, at the DHCD Housing Expo and Home Show



# 1 of 6 Actions: Creation of Housing Preservation Fund



## Created Legislatively and Funded in BSA and BRA – FY2018

- SUBTITLE D. HOUSING PRESERVATION FUND ESTABLISHMENT, Per B22-0244 - Fiscal Year 2018 Budget Support Act of 2017  
Sec. 2031. Short title.  
This subtitle may be cited as the “Housing Preservation Fund Establishment Act of 2017”.  
Sec. 2032. Housing Preservation Fund.  
(a) There is established as a special fund the Housing Preservation Fund (“Fund”), which shall be administered by the Department of Housing and Community Development in accordance with subsections (c) and (d) of this section.  
(b) In Fiscal Year 2018, \$10 million from local appropriations shall be deposited into the Fund.  
(c) Money in the Fund shall be used to provide debt or equity to finance housing preservation activities, including acquisition bridge loans, predevelopment expenses, environmental remediation, critical repairs, and other activities necessary to preserve the affordability of housing units; provided, that for any property benefited by an expenditure of funds pursuant to this subsection, a covenant shall be recorded with respect to affordability, the terms and conditions of which shall be determined by the Mayor.  
(d) Money in the Fund shall not be used to provide debt or equity to finance housing preservation activities involving any property identified in section 2(a) of the Historic Preservation of Derelict District Properties Act of 2016, effective March 11, 2017 (D.C. Law 21-223; 64 DCR 182).  
(e)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.  
(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.
- Funded in DHCD Budget FY2018 at \$10 million (local funds)



# Overview of DC Housing Preservation Fund



Summary	Goal	Loan Terms	Fund Amount	Purpose	Affordability	Type	Structure
DC Housing Preservation Fund	Preserve affordable housing	Up to 3-4 years	\$40,000,000	Acquisition, predevelopment capital; first loss; 3 year loan no more than 4 years; up to \$20 million per loan	At least 50% of units are affordable at 80% Area Median Income ("AMI") or Below; min 10 year affordability covenant	Repaid once permanent financing is secured	TBD; Grant to fund manager via RFA; grant agreement determines specifics

## Request for Applications - Eligible projects

- Occupied multi-family housing (not fewer than 5 units)
- At least 50% of units are currently affordable to Low Income Households (earning up to 80% AMI);
- Located entirely within the District of Columbia
- Not District owned properties, or DOPA projects initially

# Overview of DC Housing Preservation Fund



## Request for Applications - Eligible Uses

- Acquisition of existing, occupied multi-family housing in which at least 50% of units are currently affordable to Low Income Households (earning up to 80% AMI).
- Predevelopment costs
- Earnest money deposit
- Due diligence and third party assessments (architectural, environmental, title, etc.)
- Environmental remediation
- Critical repairs
- Not be used as equity in a project



# Housing Preservation Fund Manager Qualifications

---



## Request for Applications – Fund Manager Qualifications

1. Demonstrate a **substantial record of affordable housing and community development lending** nationally and/or in the District of Columbia during the last five years.
2. Have a **strong record of success** in its lending activities, evidenced by a high rate of loan repayment by developers, timely repayment and completion of funded projects, and a low rate of defaults and foreclosures.
3. Have **on-hand private funds** to invest in the Preservation Fund or the solid commitment of funds with which to create the Preservation Fund should they be awarded.
  - a. This may include establishing the Preservation Fund with District's funds within an existing fund with a track record of investing in the preservation of affordable housing.
4. **Be ready** to proceed immediately with implementation of the Preservation Fund.
5. Demonstrate a substantial record of **providing technical assistance and pre-development loans to developers.**



# Housing Preservation Fund Implementation Action Steps

---



<u>Action Steps</u>	
1	Published Notice in DC Register on November 10, 2017
2	Published Request for Applications via DHCD Website – November 13, 2017
3	Pre-Bid Conference – November 17, 2017
4	<b>Request for Applications Due – December 11, 2017</b>
5	Review and Select – December 2017
6	RFA Award – January 2018
7	Draft and Execute Grant Agreement –January 2018

# Questions and Answers

---



- We will take questions now
- Contact: [preservationfund.rfa@dc.gov](mailto:preservationfund.rfa@dc.gov) with additional questions
- There will be a FAQ