

# FISCAL YEAR 2022 HOUSING PRODUCTION TRUST FUND ANNUAL REPORT

INITIAL SUBMISSION



GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
MURIEL BOWSER, MAYOR



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Above: Kenilworth Courts, 4500 Quarles Street NE, first phase construction of 166 apartments and townhomes units  
Cover Image: 7428 Georgia Avenue NW, a new 66-unit apartment building in the Shepherd Park community

## **A Letter from the Acting Director**

Greetings District residents,

On behalf of Mayor Muriel Bowser and the staff at the DC Department of Housing and Community Development, I am pleased to share the Housing Production Trust Fund (HPTF) Annual Report for Fiscal Year 2022.

It's well-known that producing and preserving affordable housing is one of Mayor Bowser's top priorities. Through historic investments totaling more than \$1 billion since 2015, the trust fund has been one of the District's most impactful tools to meet the steady demand for more affordable rental and homeownership opportunities.

In Fiscal Year 2022, about \$128 million in HPTF financing was committed to seven projects that will contribute approximately 500 new affordable rental units and preserve 200 affordable units. The investment in these projects pushes us closer to achieving Mayor Bowser's goal of 12,000 new affordable units by 2025 while also protecting existing affordable units.

Through our use of the Housing Production Trust Fund, extremely low- to low-income households can live and work in communities where they can establish their roots or stay comfortably in familiar surroundings.

We submit this report to make the public aware of our use of the Housing Production Trust Fund as an affordable housing development resource for the benefit of the city's residents.

Sincerely,

Colleen Green  
Acting Director

## Review of the Housing Production Trust Fund Fiscal Year 2022

The Housing Production Trust Fund (HPTF) is the major local financing tool used to produce and preserve affordable housing in the District of Columbia. The HPTF is a permanent, revolving revenue fund that provides gap financing to nonprofit and for-profit developers for the production and preservation of rental and homeownership housing projects affordable to low and moderate income households. It was created by the Housing Production Trust Fund Act of 1988, as amended (D.C. Law 7-202, effective March 16, 1989) and requires that funded affordable housing projects provide units for household incomes that are at or below 80 percent of the Washington Metropolitan Statistical Area Median Family Income (MFI), previously referred to as Area Median Income (AMI).

In 2022, the MFI for a household of four, per the U.S. Department of Housing and Urban Development (HUD) for the District of Columbia which is part of the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro Area was \$142,300. The HPTF income and rents limits are available on [DHCD's website](#).

In each fiscal year:

- At least 50 percent of HPTF obligations must serve households with incomes at or below 30 percent of the MFI.
- At least 40 percent of obligations must serve households with incomes between 30 percent and 50 percent MFI; and
- The remaining 10 percent of obligations can serve households with incomes up to 80 percent MFI.

As the District works to provide the most efficient allocation of limited resources to support the production and preservation of affordable housing, the HPTF requirements become harder to achieve as operating subsidy has proven to be the best tool to help projects serve households at or below 30 percent of the MFI. Leveraging HPTF with operating subsidy in projects means the production and preservation of more affordable housing units than could otherwise be achieved. However, this means less total HPTF obligations needed each year serving households with the lowest incomes to get these leveraged results.

The HPTF is competitively allocated through the District's Consolidated Request for Proposals for Affordable Housing, which DHCD administers and includes funding from multiple District agencies.<sup>1</sup> Applicants must submit funding proposals that respond to all RFP requirements.

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<sup>1</sup> The most recent Consolidated RFP for Affordable Housing was published in 2021:  
<https://dhcd.dc.gov/page/2021-consolidated-request-proposals-affordable-housing-projects>



Once a project is selected for further underwriting, the DHCD Development Finance Division thoroughly reviews and underwrites the project to recommend only the funding required for financial feasibility of the project.

Since January 1, 2015, the Housing Production Trust Fund has been funded at or above \$100 million per year and has resulted in the obligation of over \$1 billion and the creation and preservation of over 8,200 affordable housing units through September 2022.

DHCD is required to complete quarterly HPTF reports, an annual report, and annual audits, all of which are posted to the DHCD website at <https://dhcd.dc.gov/page/housing-production-trust-fund-reports>.



*Paxton, 1603 Benning Road NE, a new 148-unit apartment building in the Rosedale community*

## Housing Production Trust Fund Annual Report Fiscal Year 2022

The Housing Production Trust Fund Act of 1988 as amended (D.C. Law 7-202, effective March 16, 1989) requires that no later than April 1 of each fiscal year, the Mayor shall transmit to the Council a Housing Production Trust Fund Annual Report for the prior fiscal year. The report shall include the following information:<sup>2,3</sup>

1. The amount of money expended from the Housing Production Trust Fund during the prior fiscal year;

\$143,228,442 was expended from the HPTF in FY22.

2. The number of loans and grants legally obligated during the prior fiscal year;

Nine (9) loans and one (1) grant were legally obligated during FY22.

3. The number of low-income, very low-income, and extremely low-income households and individuals assisted through Fund legal obligations;<sup>4</sup>

	Households Assisted	Estimated Number of Individuals Assisted *
Extremely Low Income	103	214
Very Low Income	437	909
Low Income	182	379

\* The number of households assisted was multiplied by the average number of 2.08 people per household:  
<https://www.census.gov/quickfacts/DC>

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<sup>2</sup> § 42-2803.01. Annual report by Mayor.

<sup>3</sup> Information included based on administrative data and methods as of March 31, 2023.

<sup>4</sup> No unit counts are included for Belmont Crossing Acquisition Refinance; the first phase of construction closed in FY23 and unit counts will be included in the FY23 annual report.

4. A list of each project on which funds from the Fund were legally obligated, including, for each project:

- a) A brief description of the project, including the name of the project sponsor;
- b) The amount of money legally obligated to the project;
- c) Whether the money was legally obligated in the form of a loan or a grant; and
- d) The general terms of the loan or grant;

PROJECT	SPONSOR	HPTF AMOUNT	PSH UNITS	SENIOR UNITS	GRANT/LOAN	GRANT/LOAN TERMS
Kenilworth 166 Phase 1	DC Housing Authority	\$16,973,133	0	42	LOAN	40 YEARS - 3%
Cascade Park 2019 4%	H Street CDC / Dantes Partners	\$10,304,506	9	0	LOAN	40 YEARS - 3%
7428 Georgia Ave NW	Lock 7 Development LLC	\$11,222,909	0	0	LOAN	42 YEARS - 3%
Terrace Manor Apartments	WC Smith	\$29,903,210	14	0	LOAN	40 YEARS - 3%
Benning Road	Foulger Pratt	\$29,016,797	0	0	LOAN	42 YEARS - 3%
Ridgecrest Village Apartments - Ph 1	The NHP Foundation	\$16,133,487	28	0	LOAN	42 YEARS - 3%
Belmont Crossing Phase IA - Acquisition Refinance	Gilbane, EquityPlus Manager LLC, Housing Help Plus	\$14,200,000	0	0	LOAN	40 YEARS - 3%
1711 28th Street Apartments- Pre-Development Only	Manna, Inc	\$100,000	0	0	LOAN	2 YEARS - 0%
Deanwood Station- Pre-Development Only	Medici Road	\$100,000	0	0	LOAN	2 YEARS - 0%
Faith Based Development Initiative	Enterprise Community Partners, Inc	\$1,000,000	0	0	GRANT	2 YEARS - 0%
		<b>\$128,954,042</b>	<b>51</b>	<b>42</b>		

5. The amount and percentage of funds legally obligated to homeownership projects;

One predevelopment loan in the amount of \$100,000 closed in FY22 for a homeownership project. This represents less than 1 percent of obligated HPTF funds.

6. The amount and percentage of funds legally obligated to rental housing projects;

A total of \$127,854,042 in predevelopment or construction loans for rental housing projects closed in FY22. This represents over 99 percent of obligated HPTF funds.

One million dollars in HPTF was obligated to the Faith-Based Development Initiative that is providing technical assistance and predevelopment assistance to faith-based institutions that own land and are interested in building affordable housing. These projects could be either homeownership or rental projects.

7. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 30% of the area median income;<sup>5</sup>

\$21,941,406 (19%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 30% of the area median income.

8. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 50% of the area median income;

\$68,461,770 (60%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 50% of the area median income.

9. The amount and percentage of funds legally obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income;

\$23,350,866 (21%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income.

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<sup>5</sup> Belmont Crossing Phase 1A Acquisition Refinancing (\$14.2 million) and Faith-Based Development Initiative (\$1 million) are excluded from the denominator for the amount and percentage of funds allocated to each household income level.



10. The number of housing units assisted, including the number of rental housing units assisted and the number of homeownership units assisted; and

Seven hundred and twenty-two (722) housing units were funded by HPTF in FY22, inclusive of projects that received predevelopment funding and are not yet under construction.<sup>6</sup> Fifteen (15) of these units will be homeownership units and 707 of the units will be rental units.

11. The amount expended on administrative costs during the prior fiscal year.

Administrative expenses totaled \$17,161,778 for FY22.



*Terrace Manor, 3301 23<sup>rd</sup> Street SE, a new 130-unit apartment building in the Shipley community*

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<sup>6</sup> No units were counted for Belmont Crossing Phase 1A Acquisition Refinancing (\$14.2 million) and the Faith-Based Development Initiative (\$1 million).