

HOUSING PRODUCTION TRUST FUND ANNUAL REPORT FISCAL YEAR 2021

INITIAL SUBMISSION



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WASHINGTON
GOVERNMENT OF THE
DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

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Review of the Housing Production Trust Fund Fiscal Year 2021

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, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 et seq.) 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 2021, the MFI for a household of four, per the U.S. Department of Housing and Urban Development (HUD), was \$129,000. The HPTF income and rent limits are available through [DHCD's website](#).

In each fiscal year:

- At least 50% of obligations must serve households with incomes at 0% - 30% of MFI.
- At least 40% of obligations must serve households with incomes at 31% - 50% of MFI.
- At least 10% of obligations can serve households with incomes up to 51% - 80% of MFI.

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.¹ Applicants must submit funding proposals that respond to all RFP requirements. 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.

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>

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

Housing Production Trust Fund Annual Report Fiscal Year 2021

Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 et seq.) 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:^{2, 3}

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

\$110,442,310 was expended from the HPTF in FY21.

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

Ten (10) loans and zero (0) grants were legally obligated during FY21.

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

MFI Levels	Households Assisted	*Estimated Number of Individuals Assisted
0% - 30%	218	453
31% - 50%	454	944
51% - 80%	38	79

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

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 (Table 1);
 - b. The amount of money legally obligated to the project (Table 2);
 - c. Whether the money was legally obligated in the form of a loan or a grant (Table 2);
 - d. The general terms of the loan or grant (Table 2).

² § 42-2803.01. Annual report by Mayor.

³ Information included based on administrative data and methods as of June 12, 2023.

⁴ No unit counts are included for The Hampshire Predevelopment loan; these units will be captured in a future rehabilitation phase.

FISCAL YEAR 2021 HPTF ANNUAL REPORT - TABLE 1
NEW CONSTRUCTION & SUBSTANTIAL REHABILITATION

Project Name	Sponsor	Project Type	Affordable Units	PSH Units	Senior Units	Family-Sized Units
Savannah Apartments II	NHT/Enterprise Preservation Corp.	Rental	65	0	0	65
2442 MLK	2442 MLK, LLC	Rental	112	6	0	80
Abrams Hall Assisted Living	Urban Atlantic	Rental	54	54	54	0
17 Mississippi Ave SE Apartments	17 Mississippi Owner LLC	Rental	41	9	0	15
MDXL Flats	TM Jacob LLC	Rental	101	21	0	55
The Clara On MLK	The Clara on Martin Luther King Jr. Ave, LLC	Rental	81	20	0	49
Crawford Landing Townhomes	49th Street Developer LLC	Homeownership	28	0	0	28
218 Vine Street NW - 4%	Jair Lynch Real Estate Partners	Rental	92	24	92	1
SOME North Capitol Street 2019	SOME, Inc.	Rental	136	10	0	0
SUBTOTAL			710	144	146	293
PREDEVELOPMENT						
Project Name	Sponsor	Project Type	Affordable Units	PSH Units	Senior Units	Family-Sized Units
The New Hampshire - Predevelopment		Rental	56	0	0	4
SUBTOTAL			56	0	0	4
TOTAL			766	144	146	297

FISCAL YEAR 2021 HPTF ANNUAL REPORT - TABLE 2					
NEW CONSTRUCTION & SUBSTANTIAL REHABILITATION					
Project Name	Grant/Loan	Term	Interest Rate	Affordability Period	HPTF Commitment
Savannah Apartments II	Loan	40 Years	3.00%	Perpetual	\$9,191,407
2442 MLK	Loan	40 Years	3.00%	50 Years of Affordability	\$16,523,766
Abrams Hall Assisted Living	Loan	40 Years	3.00%	Perpetual	\$2,443,000
17 Mississippi Ave SE Apartments	Loan	42 Years	3.00%	Perpetual	\$8,699,866
MDXL Flats	Loan	42 Years	3.00%	Perpetual	\$13,065,659
The Clara On MLK	Loan	42 Years	3.00%	Perpetual	\$14,008,973
Crawford Landing Townhomes	Loan	2 Years	0.00%	Perpetual	\$10,250,000
218 Vine Street NW - 4%	Loan	42 Years	3.00%	42 Years of Affordability	\$8,591,352
SOME North Capitol Street 2019	Loan	42 Years	1.00%	62 Years of Affordability	\$17,190,673
SUBTOTAL					\$99,964,696
PREDEVELOPMENT					
Project Name	Grant/Loan	Term	Interest Rate	Affordability Period	Commitment
The New Hampshire - Predevelopment	Loan	2 Years	3.00%	N/A	\$100,000
SUBTOTAL					\$100,000
TOTAL					\$100,064,696

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

One construction loan in the amount of \$10,250,000 closed in FY22 for a homeownership project. This represents 10% of obligated HPTF funds.

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

A total of \$89,814,696 in predevelopment or construction loans for rental housing projects closed in FY22. This represents 90% of obligated HPTF funds.

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.

\$29,656,325 (30%) 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.

\$65,208,768 (65%) 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.

\$5,199,603 (5%) of funds were obligated to rental housing or homeownership opportunities for households with incomes at or below 80% of the area median income.

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

Seven hundred and sixty-six (766) housing units were funded by HPTF in FY21, inclusive of projects that received predevelopment funding and are not yet under construction. Twenty-eight (28) of these units will be homeownership units and seven hundred and thirty-eight (738) of the units will be rental units.

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

Administrative expenses totaled \$13,075,516 for FY21.