

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
**HOUSING PRODUCTION TRUST FUND ADVISORY BOARD**

**ORGANIZATIONAL MEETING MINUTES**

THURSDAY, AUGUST 15, 2013

10:00 a.m. / DHCD Housing Resource Center

**Meeting Participants:**

Board Members: David Bowers, Chairperson; Stanley Jackson; Jim Knight; Sue Marshall; Oramenta Newsome; M. Craig Pascal; Bob Pohlman (by teleconference); Jacqueline Prior; David Roodberg; and Michael P. Kelly, Director, Department of Housing and Community Development (DHCD), *ex officio*.

Inter-Agency Government Staff: Victor Hoskins, Deputy Mayor for Planning and Economic Development (DMPED); Traci Hughes, Office of Open Meetings, Board of Ethics and Government Accountability; Ariana Quinones, Office of Deputy Mayor for Health and Human Services (DMHHS); Harriet Tregoning, Director, Office of Planning (OP); Polina Bakhtiarov, DMPED; Ketan Gada, DMPED (by teleconference); Art Rodgers, OP; and Matt Scalf, DMHHS.

DHCD Staff: Milton Bailey, DMPED/DHCD; Sandy Allen; Oke Anyaegbunam; Marthine Bartee-Williams; Beatrix Fields; Pamela Hillsman; Doug Kemp; Angela Nottingham; Vonda Orders; Felicia Pearson; and Nathan Simms. See attached Sign-In Sheet (*Attachment (1)*).

**Call to Order & Introductions:**

At 10:05 am, a quorum was present and the meeting was called to order by Chairperson David Bowers.

**Highlights of Discussion Topics:** See attached Agenda (*Attachment (2)*).

The organizational meeting agenda and presentations included: (1) Open Meeting Act review; (2) Review role of the HPTF Advisory Board and government support for the Board; (3) Review of 2013 Housing Task Force Recommendations; (4) Review of Mayor's Objectives, including presentations by Deputy Mayor Hoskins and representative for Deputy Mayor BB Otero, Office of Planning presentation, DMPED preliminary production and preservation analysis and preliminary leveraging analysis; and DMPED Comprehensive Housing Needs Assessment to inform priorities.

**1. Task to the Board:**

Deputy Mayor Hoskins charged the Board to advise on the production of 10,000 new/ preserved housing units by year 2020, from a budget of \$100 million. He noted that this allocation was the largest portion of the Mayor's FY2013/14 Budgets. Deputy Mayor Hopkins stated that what the Board is undertaking is a huge task that has not been done before. In response to a question, Deputy Mayor Hoskins suggested that the Board not undertake all the suggested housing production issues from the 2013 Comprehensive Housing Strategy Task Force Report, but select two or three key items to push forward. To effectively respond to selected tasks, Deputy Mayor Hoskins suggested that there would need to be

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many partnerships formed, including partnerships with: Deputy Mayor BB Otero, DMHHS; Harriet Tregoning, OP Director; Michael Kelly, DHCD Director; and every agency in the City and their respective resources.

Deputy Mayor Hoskins reiterated that Board Members bring their expertise to the table, and are to express their opinions to help the DC government develop policies and a framework for how the city can achieve 10,000 units by year 2020. He emphasized that we all have the same goal of producing more affordable housing for DC residents. In particular, he indicated that there is a need for additional housing in the District for all income levels, but especially, the population whose Area Median Income (AMI) is between 0 to 30 percent. There are a significant number of homeless residents in shelters and on the street, who need housing. Also, he indicated that there is the need to come up with creative solutions for these challenges; and to find ways to make these type housing projects feasible. The Mayor's \$100 million allocation for affordable housing is a great step in the right direction, which requires plans be developed to maximize the use of these funds for the benefit of District residents.

Further, Deputy Mayor Hoskins advised that the additional affordable housing dollars need to be expeditiously allocated, and there should be an allocation plan by October 1, 2013 (the beginning of the fiscal year). Further, he noted that once we develop a plan to spend the available dollars, that will tell the Mayor and the City Council what is needed for the future. He is looking to the Board to provide guidance and suggestions. On behalf of the Mayor, the Deputy Mayor expressed appreciation to the Board members for their dedication to the District and all they are about to do.

On behalf of DMHHS, Ariana Quinones, the Chief of Staff, brought greetings and echoed that there is a great need for additional housing for all income levels. Her office is especially concerned about the population in the category of 0 to 30% of AMI. This is our toughest commission, to make housing production projects feasible for these residents. She noted that while we think about developing housing for new residents moving into the District, the residents who are already here should not be overlooked or displaced. Ms. Quinones requested that the Board come up with innovative remedies to supply housing development feasible to meet the needs of the homeless. This is a critical stage of transition in helping our residents in shelters or on the street move to become self-sufficient.

**2. Open Meetings Review:**

Traci Hughes, Director, Office of Open Meetings, said that it is the policy of the District that all persons are entitled to full and complete information regarding the affairs of the government and the actions of those who represent them as public officials and employees. The Open Meetings Act is triggered whenever there is a gathering of a quorum of members of a public body where members consider, consent, or advise on public business. This applies to meetings held in person, by phone, electronically or by any other means of communication. Notice is required to be given at least 48 hours or two business days, whichever is greater, before the time of the meeting occurrence. Notice must include date, time, location and agenda to be covered at the meeting. Information must be posted where it is available to the public. Meeting must be recorded in either audio or video, and made available upon request.

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Ms. Hughes recommended that the meeting minutes be posted on the website within three days. If it is not possible to do so, bullets of minutes should be posted to website within three business days. Full and final meeting minutes are to be posted, after approval at the following meeting of the Board.

A mere quorum of Board Members at another forum will not trigger the Open Meetings Act. For example, when the “Affordable Housing Leverage Working Group” meets, whose membership includes five HPTF Advisory Board Members; it is not a meeting for this statute, because the group is meeting because they are all in the same industry gathering for that purpose. The Open Meetings Act specifically covers any instances where the business of the District Government is discussed, whether in conducting, advising or making decisions.

See *Attachment (3)* for copy of Open Meetings PowerPoint slide shared by Ms. Hughes.

**3. Other Matters:**

The following interagency presentations were made:

- Michael P. Kelly, Director, DHCD, welcomed the Board to the agency and indicated that the Department is committed to providing both administrative and technical support to the Board.
- Vonda Orders, General Counsel, DHCD, discussed the roles and responsibilities under the HPTF statute and regulations. See attached Summary of Major HPTF Legislative Provisions, dated 5.9.13 (*Attachment (4)*).
- Harriet Tregoning, Director, OP, presented a PowerPoint presentation, entitled, “Bridges to Opportunity: 10 by 20 Setting the Context” (*Attachment (5)*). She discussed how the city is changing with regard to its demographics, housing market, transportation and schools.
- Board members Bob Pohlman and Sue Marshall made presentations on the key findings and recommendations from the 2013 Comprehensive Housing Strategy Task Force Report, highlighting the action items to increase the supply of affordable housing and decrease the demand side/or the need for affordable housing. The demand side includes the financing of and need for wrap-around human services. The overall vision of the strategy is that the District of Columbia is a city that provides housing that is affordable to all who wish to live, work and play here. They reiterated the importance of District funded housing developments making good faith efforts to hire eligible and qualified TANF, Food Stamps and LRSP recipients that reside in the developments. This will assist in providing gainful employment to very low and extremely low-income residents in the City. In the next 12 months, greater priority should be given to providing accommodation for this group. They also advised that the District’s Low Income Housing Tax Credits Qualified Allocation Plan (QAP) should be modified to award bonus points for wrap-around services in development plans, and to recognize that services provided be allowed as part of operating costs. See handout on DC Comprehensive Housing Strategy Task Force Report supply side excerpts and Demand Side Recommendations provided by Mr. Pohlman and Ms. Marshall supporting their presentations in *Attachment (6)*.

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- Oke Anyaegbunam and Milton Bailey, DHCD, discussed the status of the HPTF, as of June 30, 2013. See attached responses to preliminary questions on the status of the Trust Fund (*Attachment (7)*). Mr. Bailey clarified that there are funds from the Mayor's investment of \$100M in the Trust Fund for affordable housing and the annual dedication of a percentage of recordation and transfer taxes for Trust Fund usage. Mr. Bailey also provided an update on the Housing Needs Assessment contract. The RFP responses are due by August 30, and a Review Committee will be established to assess the submissions. It was suggested that there be representatives from the HPTF Advisory Board on this panel.
- Polina Bakhteyrov, ODMPED, discussed a preliminary analysis of the leveraged funds in DC government pipeline funded projects sponsored by DHCD, DMPED, DCHFPA and DCHA, utilizing several models. Milton Bailey used the presentation to discuss how the City will achieve its goal of 10,000 housing units by the year 2020. Ketan Gada, ODMPED, also participated in the discussion via the telephone from India. In response to questions, a Board member clarified that "emergency shelters" are not housing.

\*\*See Attachments and the transcript for great detail.

**4. Board Comments and Requests for Additional Information:**

- With regard to roles and responsibilities, Chairman Bowers emphasized that the primary role of the Board is to provide advice and from their vast experiences, the Board should be "impactful, helpful and meaningful" in its advice to the entire city government. Secondly, he summarized the annual requirements of the HPTF statute to disburse at least 40% of the funds during a fiscal year for very low-income households (31-50% AMI), at least 40% for extremely low-income households (0-30% AMI), and at least 50% for rental housing. Chairman Bowers clarified that DHCD would have to consider these statutory requirements when funding income bands.
- The Board discussed that the Mayor's \$100M housing initiative included not only the production of 10,000 units by 2020, but also included the preservation of 8,000 units.
- Given the short window of time to plan for use of additional affordable housing dollars, the Board members expressed concern whether to wait for the completion of the detailed Housing Needs Assessment or to provide advice based on the information board members have or identified needs in different areas. It was concluded that the Board should recommend both short and long term broad policies on how and where to use Trust Fund dollars.
- Two Board members, Jacqueline Prior and Sue Marshall, volunteered to be resources, on behalf of the HPTF Advisory Board, for the Housing Needs Assessment RFP Review Committee. Similarly, Chairman Bowers agreed to review summaries of the HPTF Advisory Board minutes.
- The Board requested the following information:
  1. Funds to be provided by other District agencies for services or "demand side" issues;
  2. Copy of Office of Planning PowerPoint presentation;

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**HOUSING PRODUCTION TRUST FUND ADVISORY BOARD**

3. Copy of data used by DMPED in developing its pipeline analysis presentation;
4. An assessment of DHCD's staff capacity and resources;
5. Removal of "emergency shelter" housing from staff data analyses;
6. For FY2013 RFP proposal requests, provide the number of requested units for each major AMI band, i.e., 0-30%; 31- 50%; 51- 80% and 81% and above;
7. Additional information regarding the HPTF budget and expenditures for FY 2013 &14;
8. Leveraging curves by AMI categories for DHCD programs in fiscal years 11 through 13; and
9. Information regarding identified permanent supportive housing assets.

**NEXT BOARD MEETING DATE:**

The Board agreed that the next Board Meeting would be scheduled for Thursday, September 12, 2013, from 10:00 am to 12 noon, at DHCD offices, 1800 Martin Luther King, Jr., Ave., SE.

**MEETING ADJOURNMENT:**

The meeting was adjourned at 1: 21 p.m.

The unedited version of the meeting transcript may be viewed by contacting Pamela Hillsman, Senior Community Resource Specialist, at [Pamela.hillsman@dc.gov](mailto:Pamela.hillsman@dc.gov) or calling 442-7200.

Attachments: (Handouts or PowerPoint Slides)

- Attachment (1): Organizational Meeting Agenda, dated 8.15.13
- Attachment (2): Sign-In Sheet
- Attachment (3): Open Meetings PowerPoint slide
- Attachment (4): Summary of Major HPTF Legislative Provisions, dated 5.9.13
- Attachment (5): "Bridges to Opportunity: 10 by 20 Setting the Context" PowerPoint Slides
- Attachment (6): DC Comprehensive Housing Strategy Task Force Report supply side excerpts; and Demand Side Recommendations handout.
- Attachment (7): DHCD Staff Discussion: Housing Production Trust Fund Status, dated 8.15.13, with attachment.

Submitted By: Marthine Bartee-Williams, DHCD  
(Any corrections should be forward to [marthine.bartee-williams@dc.gov](mailto:marthine.bartee-williams@dc.gov))

**Approval of Meeting Minutes.** *The Board provisionally approved the August 15, 2013 Meeting Minutes, with corrections, at its September 12, 2013 Board meeting. After review by the Chairman, the provisionally approved Meeting Minutes may be posted on the website. Final Meeting Minutes are to be approved at the Board's next meeting.*

**Final Approval:** \_\_\_\_\_ **(David Bowers, Chairman)**

\_\_\_\_\_ **(Date)**

**Board Vote: Unanimous**

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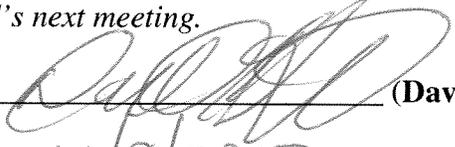
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Submitted By: Marthine Bartee-Williams, DHCD  
(Any corrections should be forward to [marthine.bartee-williams@dc.gov](mailto:marthine.bartee-williams@dc.gov))

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**Final Approval:**  (David Bowers, Chairman)

10/8/2013 (Date)

**Board Vote: Unanimous**

***ATTACHMENT (1)***

Housing Production Trust Fund Board Meeting  
 August 15, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	David Bowers	dbowers@enterprise.com
2	Traci Hughes	traci.hughes@dc.gov
3	Harriet Hegning	harriet.hegning@dc.gov
4	Jacqueline Prior	jprior@Cattitz-foundation.org
5	Gilles Stucker DMPED	gilles.stucker@dc.gov
6	Vonae Ordeas	vonae_ordeas@dc.gov
7	Ariana Quiñones (OMTHS)	ariana.quinones@dc.gov
8	Matt Scalf (DUMHS)	matth.scalf@dc.gov
9	Ingrid P. Rios (DUMED) DMHorkins	ingrid.rios@dc.gov
10		

Housing Production Trust Fund Board Meeting  
 August 15, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	Mike Marshall - Community Partner Sup	mike_marshall@cdm.com
2	David Rodgers - Horning Brothers	d.rodgers@horingbrothers.com
3	Art Rodgers - DCOP	art.rodgers@dc.gov
4	M Craig Paschal - BRT	cpaschal@bhandt.com
5	Jim Knight	JKnight@libertyhousing.org
6	Robin Balentine	<del>DA</del> robin.balentine@dc.gov
7	Ornamenta Lewsome	ornewsome@lisc.org
8	ByBusee@wilkins	mcarthine.busee@wilkins@dc.gov
9	Angela Nottingham	angela.nottingham@dc.gov
10		

Housing Production Trust Fund Board Meeting  
 August 15, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	<del>Darryl</del> DARRYL GORMAN OBC EOM	darryl.gorman@dc.gov
2	Reyna Alamo DMPEd	reyna.alamo@dc.gov
3	Ske Anya-pbunam DHP	ske.anya-pbunam@dc.gov
4		
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***ATTACHMENT (2)***

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



Organizational Meeting  
**Housing Production Trust Fund Advisory Board**

Thursday, August 15, 2013; 10:00 A.M.

Housing Resource Center, DHCD  
1800 Martin Luther King, Jr., Ave., SE, Washington, DC 20018

**Agenda**

**Oath of Office** (if not already administered) - Darryl Gorman, Dir., Office of Boards & Commissions

1. **Call to Order and Introduction of Board Members/Government Team**
  - David Bowers, Chairperson, HPTF Advisory Board
2. **Open Meeting Review**
  - Traci Hughes, Director, Office of Open Meetings, BEGA
3. **Review of Role of HPTF Advisory Board & Government Support for Board**
  - Vonda Orders, DHCD General Counsel, OAG
  - David Bowers, Chairman
  - Milton Bailey, DMPED
4. **Review of 2013 Housing Task Force Recommendations**
  - Bob Pohlman, Member, HPTF Advisory Board
  - Sue Marshall, Member, HPTF Advisory Board
5. **Review of Mayor's Objectives**
  - Victor Hoskins, Deputy Mayor for Planning and Economic Development and Ariana Quinones, Chief of Staff, Deputy Mayor for Health and Human Services
  - OP Presentation – Harriet Tregoning, Director, Office of Planning
  - Preliminary Production and Preservation Analysis – Polina Bakhteiarov, DMPED
  - Preliminary Leveraging Analysis – Milton Bailey, Polina Bakhteiarov, DMPED

- Comprehensive Housing Needs Assessment to Inform Priorities – Milton Bailey
- Use of DC Property Assets (DGS, DHCD, DCHFA, HUD Properties, HUD Subsidized Apartment Listings, and OTR delinquent tax rolls)

**6. Update on HPTF Status**

- DHCD Staff

**7. Discussion of Board Priorities**

- Board Members

**8. Selection of Working Groups**

- Board Members
- RFP Review and Selection
- Leveraging
- Regulatory
- NOFA Overflow

**9. Meeting Schedule**

- Quarterly Meetings
- Smaller Committee Meetings

**NOTES:**

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***ATTACHMENT (3)***

# Open Meetings Act

## D.C. Official Code §§ 2-573-579

Traci L. Hughes, Esq.  
 Director Office of Open Government  
[traci.hughes@dc.gov](mailto:traci.hughes@dc.gov)  
 202-481-3406

### Quorum

Meeting	Notice	Recording	Closed
<ul style="list-style-type: none"> <li>Gathering of a public body</li> <li>Consider</li> <li>Conduct</li> <li>Advise</li> <li>In person, by phone, electronically/other means of communication</li> </ul>	<ul style="list-style-type: none"> <li>48 hours OR 2 business days (whichever is &gt;)</li> <li>Date</li> <li>Time</li> <li>Location</li> <li>Planned agenda</li> <li>Notice to include statement of intent to close</li> </ul>	<ul style="list-style-type: none"> <li>Must be recorded</li> <li>Minutes posted no later than 3 business days after meeting</li> <li>Audio recordings made available upon request</li> </ul>	<ul style="list-style-type: none"> <li>Negotiations</li> <li>Attorney/Client Privilege</li> <li>Exams</li> <li>Personnel</li> <li>Public Safety</li> <li>Training</li> <li>Deliberations</li> <li>Investigations</li> </ul>
§2-574	§2-576	§2-578	§2-575

***ATTACHMENT (4)***

## SUMMARY OF MAJOR HPTF LEGISLATIVE PROVISIONS

- I. **Where Located:** Codified at DC Code § 42-2801 – 2804 and § 42-2812.01 – 2812.12; DC Municipal Regulations Title 10, Chapter 10B-41
- II. **Purpose of Statute:** The purpose of the statute is to establish a “permanent revolving special fund within the Government Funds of the District apart from the General Fund consisting of identifiable, renewable, and segregated capital, which shall be administered by the Department (DHCD) to provide assistance in housing production for targeted populations.” (§42-2802(a))
- III. **Targeted Populations:** Targeted Populations are defined in the definition section of the Code at § 42-2801.
  - Area median income (AMI) – for the Washington Metropolitan Statistical Area calculated by HUD
  - Extremely low income – household with total income 30% or less of AMI
  - Very low income – households with total income greater than 30% and up to 50% of AMI
  - Low income – households with total income greater than 50% and up to 80% of AMI
- IV. **Affordability:** § 42-2801(1C) of the Act requires that the housing units remain continuously affordable to the targeted populations.
  - Maximum allowable rents – are published periodically by DHCD using a formula based on a maximum housing cost of 30% of total household income for the targeted households (10 DCMR § 4107.3 (b)). The Act and Regulations do not provide a basis for calculating maximum affordable sales prices.
  - Continuing affordability – affordability covenant for 40 years on rental units and 15 years on for sale units (10 years for units in a census tract with at least 30% poverty rate). § 42-2802 (d) (8) provides that there shall be no continuing affordability for HPTF assisted projects that are: the rehabilitation of owner-occupied single-family homes, Homestead Housing Preservation Act of 1986, or another statutory program.
  - Commencement of Affordability Period: from the date of loan settlement for for-sale units and from the date of the issuance of a Certificate of Occupancy for rental units (10 DCMR § 4107.2(c))
- V. **Establishment of the Fund** (§ 42-2802)
  - Funds may be used by non-profit and for-profit entities for: pre-development loans; grants for redesign of non-residential properties; loans for the construction of new housing or the rehabilitation of existing housing; loans for site acquisition, construction and operations; loans or grants to construct child development facilities; other loans or grants that further the purpose of the Act as determined by DHCD; administration of the fund in an amount not to exceed 10% of the funds deposited into the trust fund in any given fiscal year; securitization of bond financing for New Communities Initiative Projects; Loans for first-effort model projects; Loans authorized through the Homestead Housing Preservation Program in § 42-2107; Payments to a person contracted to perform services under § 42-2105.01; and Loans to develop housing and provide housing services for low-and very low-income elderly persons who have special needs.

- *Spending:* Minimum of: (1) 40% of the funds disbursed during a fiscal year shall be used to create housing for very low income households; (2) 40% shall be used to create housing for extremely low income households; and (3) 50% shall be used to create rental housing. (The Mayor may submit a written request for a waiver of these requirements to Council for any fiscal year that there are not enough projects to meet these targets). Maximum of: \$16 Million to securitize financing for New Communities.
- The Fund shall be made up of: developer contributions related to affordability linkages; appropriated funds; grants; donations; gifts; loan repayments and foreclosures; interest on deposits; revenues from the operation of the fund; PUD fees; 15% of transfer and recordation taxes; CDBG funds; liquidation of liens on Homestead properties; fines from violations of the Inclusionary Zoning Implementation Act of 2006 (D.C. Law 16-275).

VI. ***DHCD Responsibilities*** (§ 42-2802(d))

- Review Fund revenue sources and seek Council action to increase the revenue sources where necessary
- File quarterly reports with the Council Chair of the Economic Development committee
- Conduct annual audits of the fund and publish an annual report
- Monitor developer's that have received assistance from the Fund for compliance with the Fund requirements
- Provide outreach and housing production counseling to developers involved in the production of housing for targeted populations
- Encourage profit and nonprofit developers to produce housing units of 3 or more bedrooms designed to accommodate large families and to produce child development facilities in a housing development
- Give priority to nonprofit housing developers for receipt of loans from the Fund

VII. ***Housing Production Trust Fund Board*** (§ 42-2802.01)

- To "advise the Mayor on the development, financing, and operation of the Fund and other matters related to the production of housing for low-income, very low-income, and extremely low-income households. The Board may review the uses of the Fund for their conformity with the purposes of the act and the Board shall have reasonable access to records related to the Fund to perform this review."

VIII. ***Responsibilities of the Mayor*** (§ 42-2803.01)

- Transmit an annual report to Council within 60 days of fiscal year end on the following: amount of money expended from the Fund; no. of loans and grants made; no. of target households assisted through Fund expenditures; list of and details about each project assisted by the Fund; percentage of Funds expended for rental and for homeownership for the different targeted populations; the administrative expenditures

IX. ***New Communities*** (§ 42-2812.01 – 2812.12)

- Subject to Council approval by resolution, the Mayor is authorized to issue bonds to assist in financing, refinancing, or reimbursing costs of developing mixed income and mixed use projects situated in an area approved by Council pursuant to the New Communities Initiative.

X. ***HPTF Rules: DC Municipal Regulations (10 DCMR Chapter 41)***

- Provides specific rules for the implementation of the HPTF Act:
  - I. Fund revenues and the handling of Fund deposits (§ 10-4101)
  - II. Responsibilities of DHCD (§ 10-4102)
  - III. Responsibilities of the HPTF Board (§ 10-4103)
  - IV. Eligible uses of Funds and underwriting requirements (§ 10-4104)
  - V. Use of participating lenders to originate loans from the Fund (§ 10-4105)
  - VI. Eligible and ineligible entities for Fund assistance (§ 10-4106)
  - VII. Affordability requirements and underwriting criteria (§ 10-4107)
  - VIII. Approval or rejection of applications for assistance (§ 10-4108)
  - IX. Special Financial Projects (§§ 10-4109-10-4111)
  - X. Developer Covenants (§ 10-4112)
  - XI. Definitions (§ 10-4199)

***ATTACHMENT (5)***

# Bridges to Opportunity: 10 by 20 Setting the Context



DC Office of Planning

Presentation to

Housing Production Trust Fund  
Advisory Committee

August 15, 2013



Government of the District of Columbia  
Vincent C. Gray, Mayor



# DC's Affordability Problem

## Focusing on working households

DC Rental Households: One or More Full-Time Workers*						
Household Income % of AMI	Total Households		Burdened		Severely Burdened	
	DC Households	Percent	DC Households	Percent	DC Households	Percent
0% - 30%	24,390	32.2%	4,029	16.5%	16,715	68.5%
> 30% - 50%	12,584	16.6%	5,168	41.1%	2,737	21.7%
> 50% - 80%	14,319	18.9%	5,232	36.5%	951	6.6%
> 80\$ - 120%	12,009	15.8%	1,887	15.7%	150	1.2%
> 120%	12,548	16.5%	443	3.5%	0	0.0%
Total	75,850	100.0%	16,759	22.1%	20,553	27.1%
% of DC Households	29.6%					
Total of DC Households	256,080					

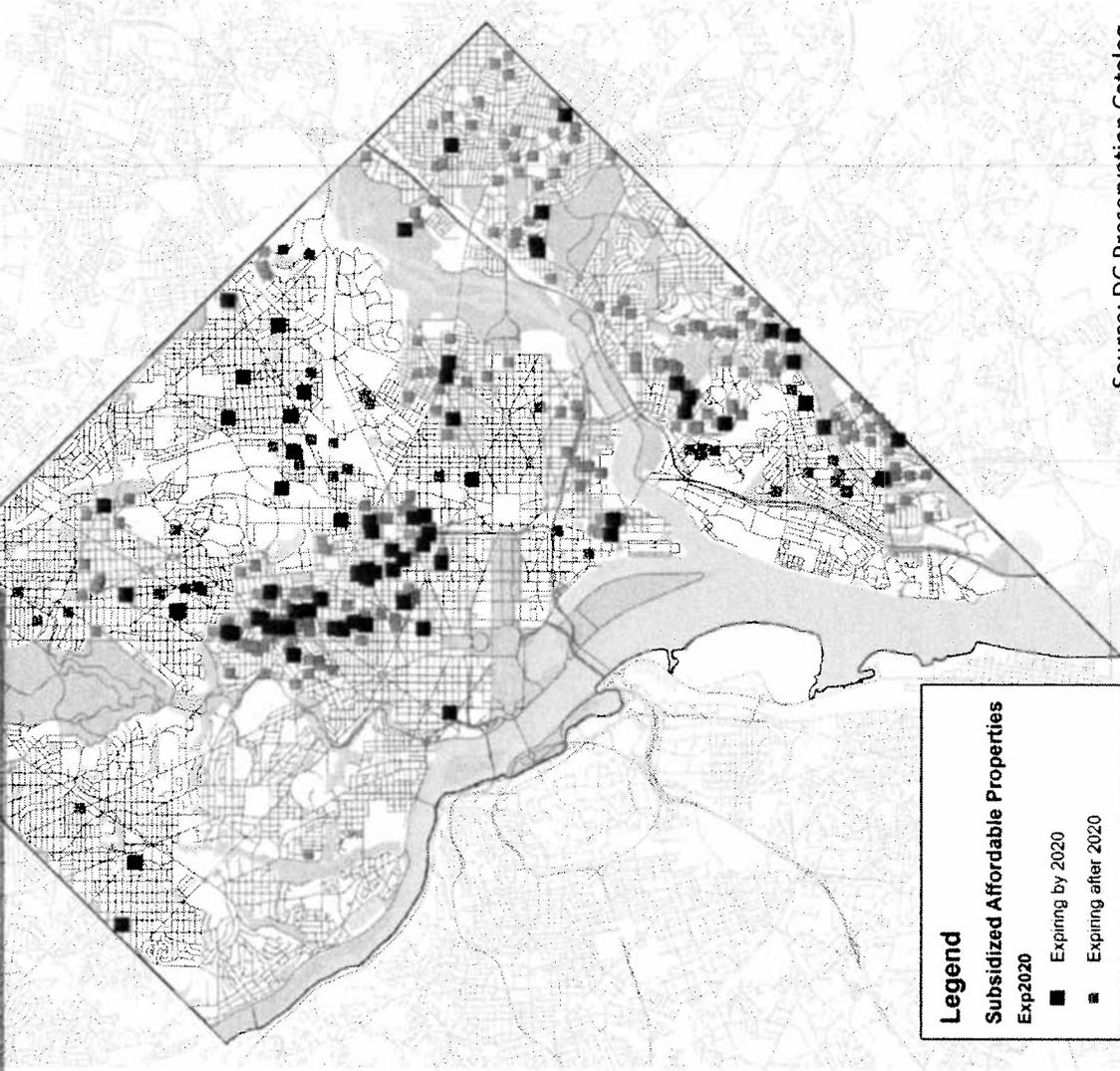
\* Defined as at least one member of the household working more than 1,750 hours per year.

Source: 2008-2010 ACS PUMS, DC Office of Planning, November 2012.



# Preserving Affordable Housing

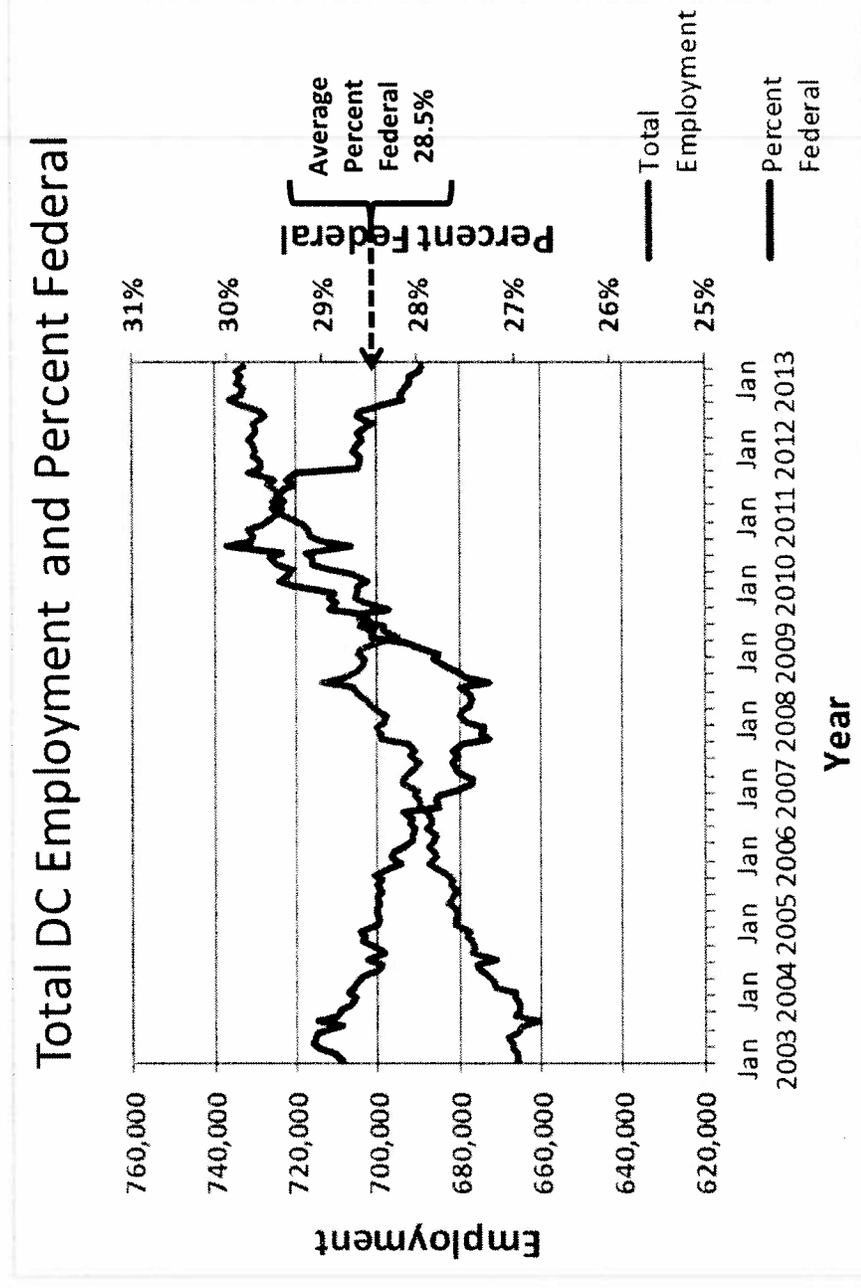
There 72 properties with  
over 8,300 units where  
affordability controls are  
expiring by 2020



Source: DC Preservation Catalog

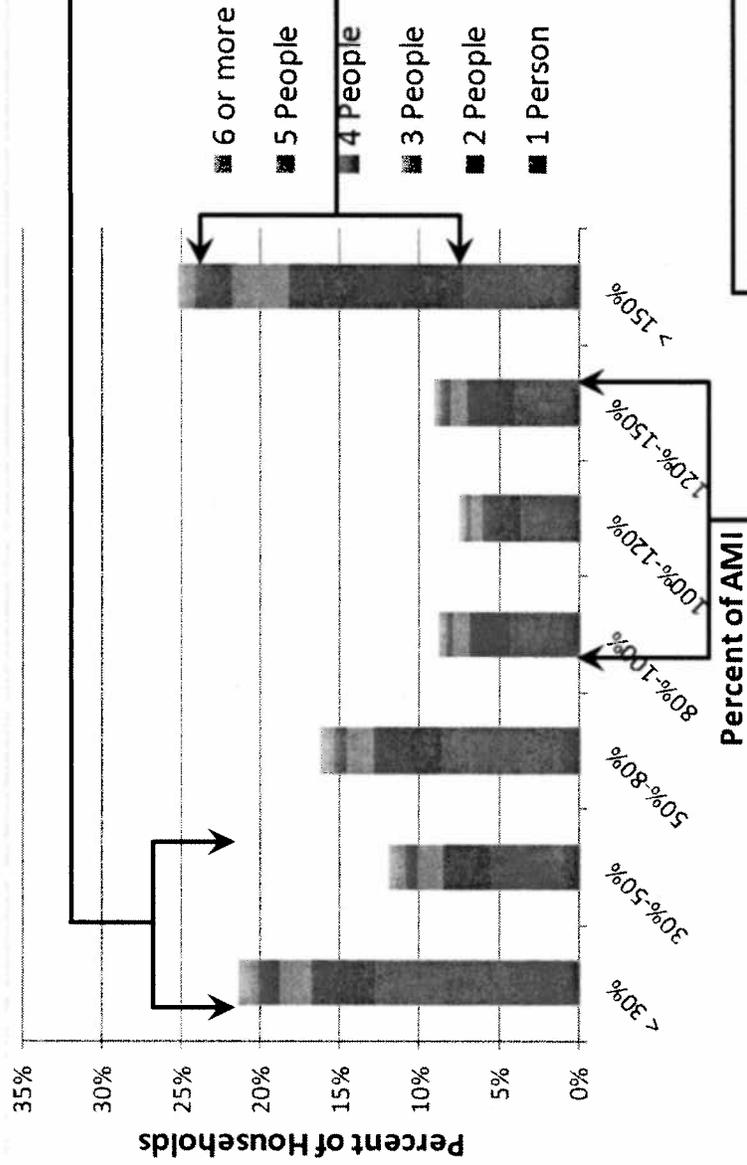
# Changes in DC's Employment

- Highest Growth Industries (since April 2009)
- Education & Health Services
  - Accommodations and Food Services



# Changes in Household Income

DC Households by Size and Median Family Income (MFI)



Decreases in very low-income households

Increase in higher-income households

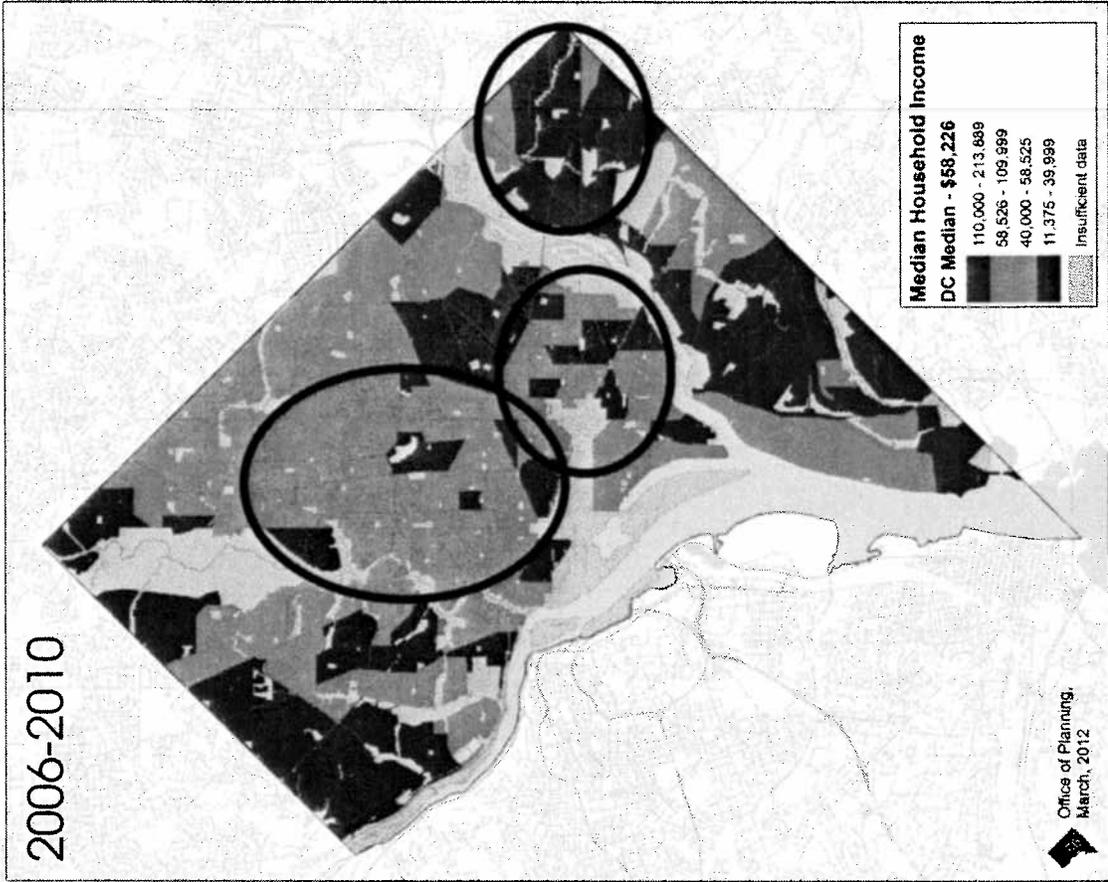
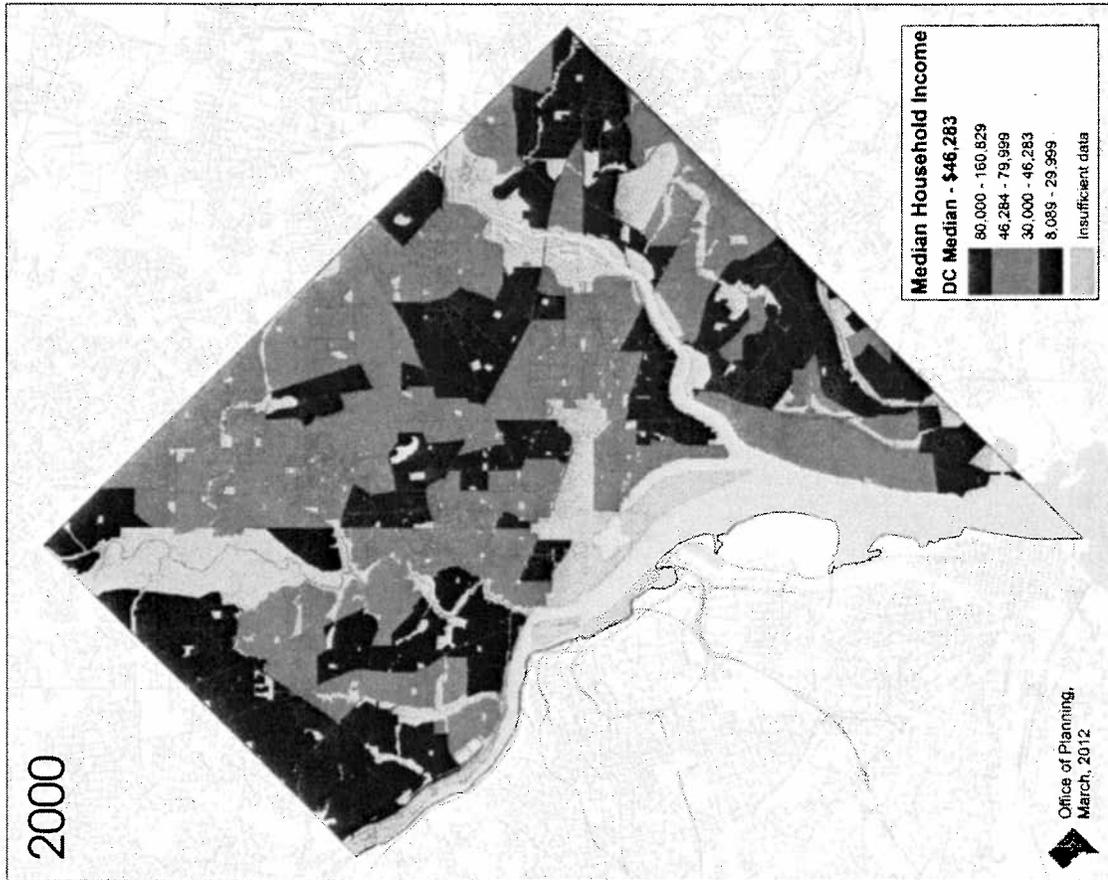
Increase in middle/higher-income households

Year	MFI
2008	\$99,000
2009	\$102,700
2010	\$103,500

Source: ACS 2008-2010, HUD, DC Office of Planning.



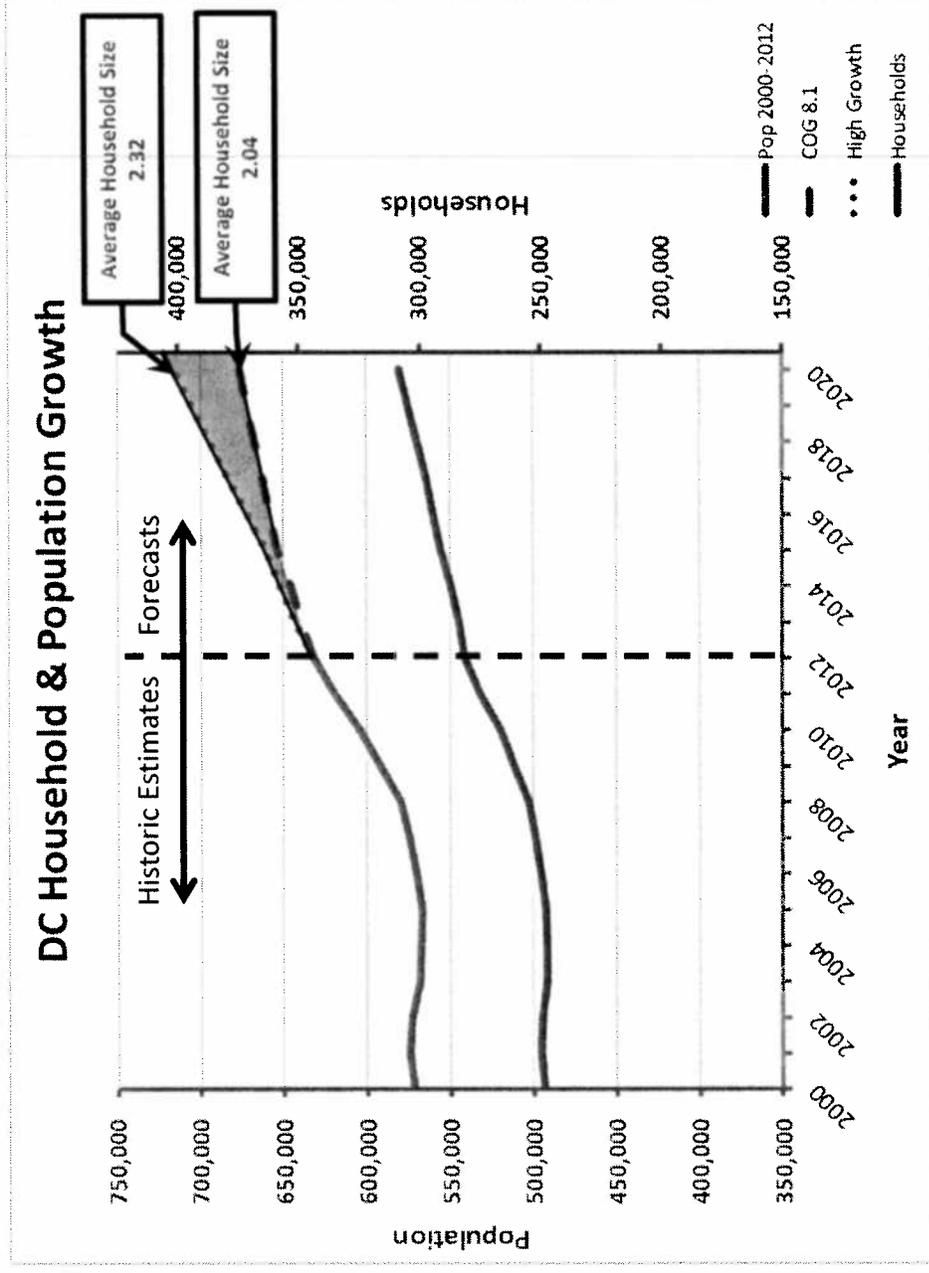
# Mapping Changes in DC: Income



# Forecasting Households and Population

## OP Forecasts

- COG 8.1 prior to US Census 2012 revision of DC Population
- High Growth considers impact of Universal Pre-School on families in the District
- 35,000 New Households by 2020



Source: ACS 2008-2010, HUD, DC Office of Planning.



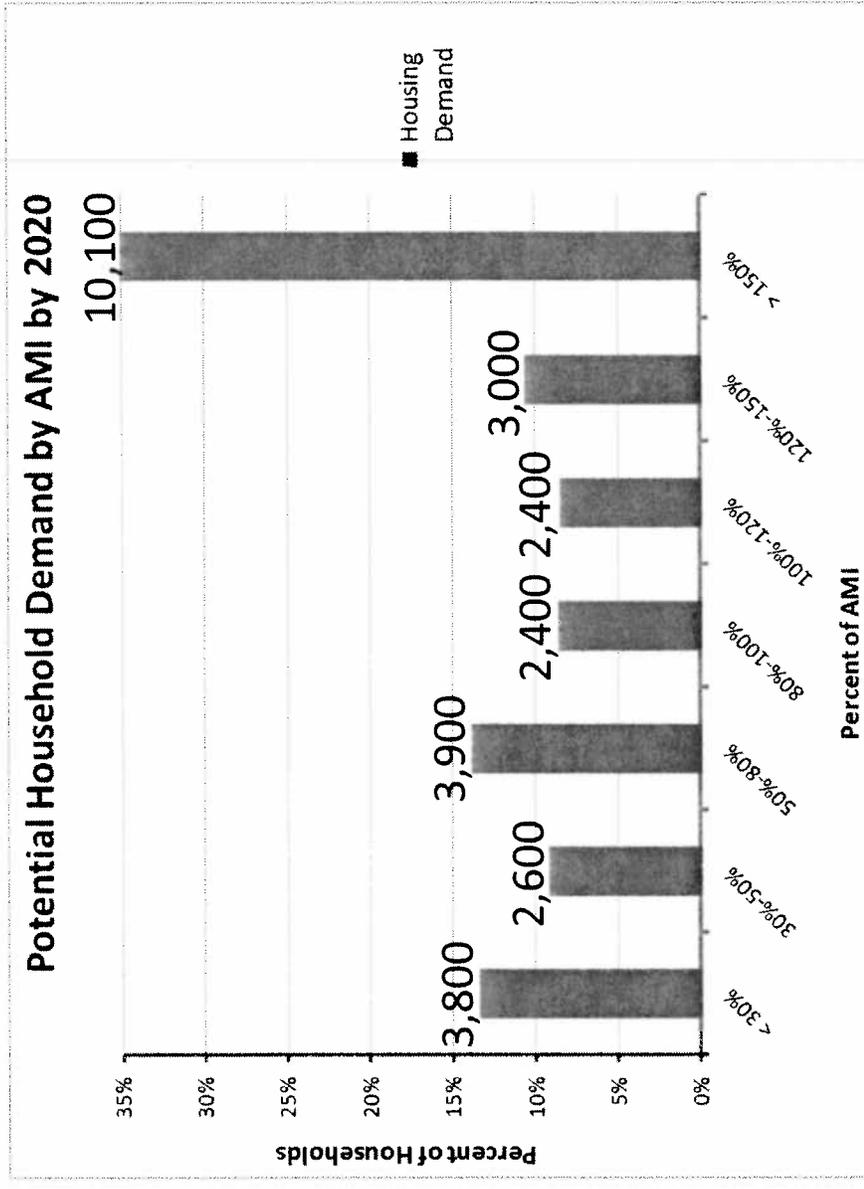
# Forecasting Household Income

## Among the 50 States by

### 2018 DC Ranks

- #1 in percent of new jobs (27%) requiring graduate degrees
- #4 in percent of new jobs (71%) requiring post secondary degrees
- #51 in percent of new jobs requiring high school to associates degrees
- #20 in percent of new jobs for high school dropouts

Source: *Help Wanted: Projections of Jobs and Education Requirements through 2018*. Center on Education and the Workforce, Georgetown University. June 2010.



Source: CRA-George Mason University; Dept of Employment Services; DC Office of Planning, June 2013.

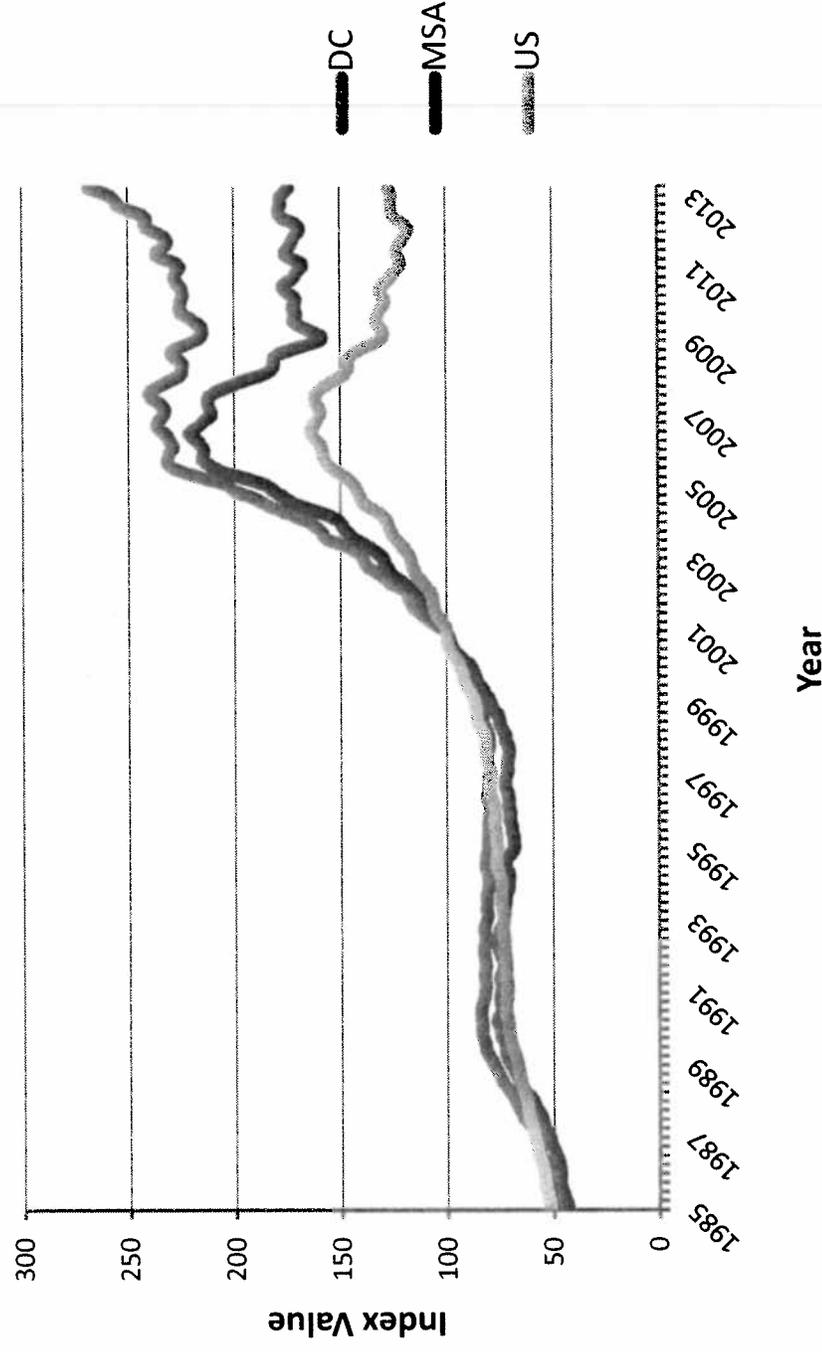


# Impact on Housing Cost

DC Prices have not only recovered but surpassed the previous peak in 2007.

The US and the region is still lagging.

FHLMC Home Price Index (HPI)

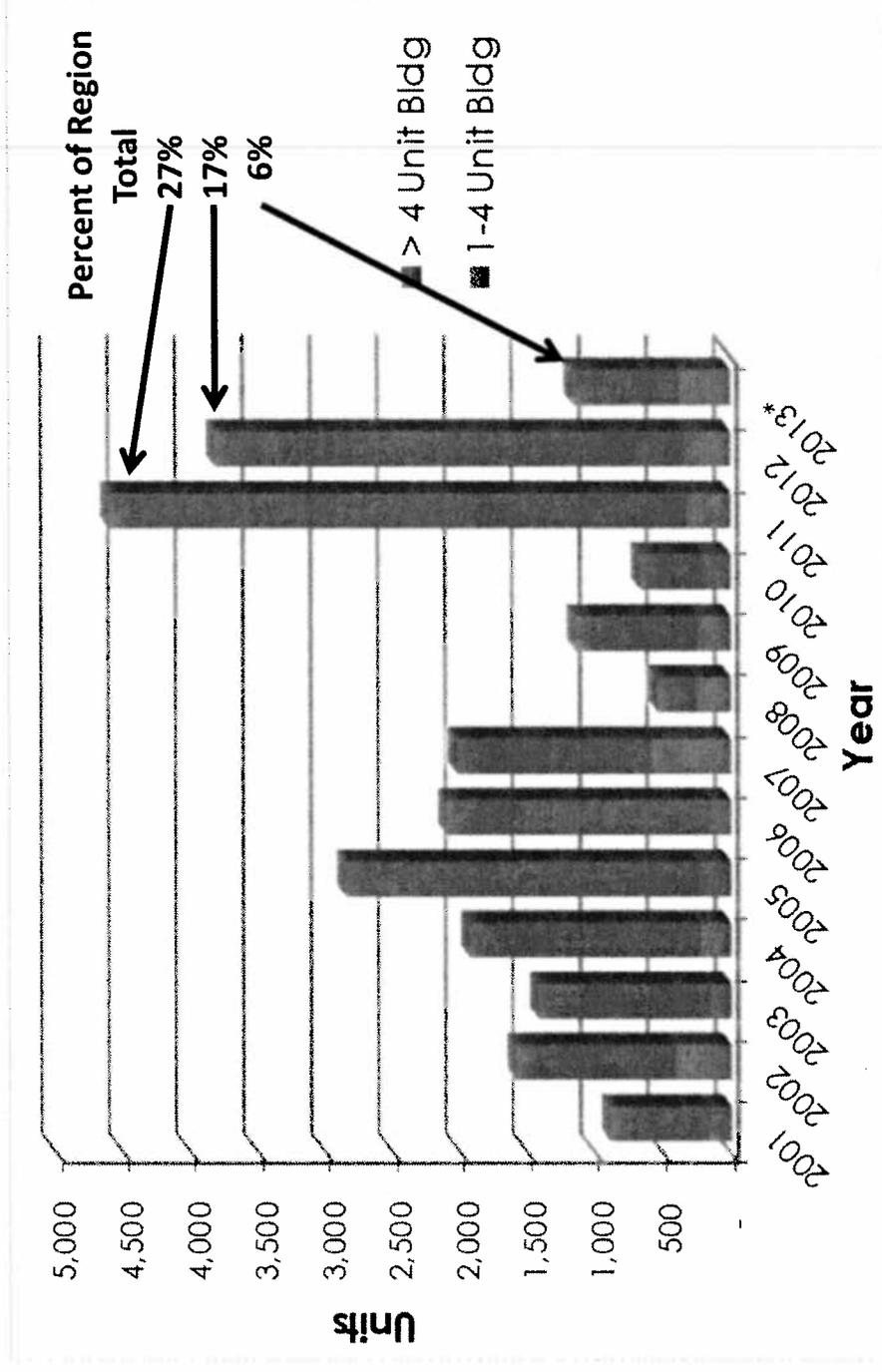


Source: Freddie Mac, May 2013.



# Impact on Residential Development

- New supply and economic uncertainty causing development to slow in 2013
- Annualized permits through April are down 70% from 2012



Source: US Census, April 2013.

\* Note: Annualized count based on year-to-date April, 2013.



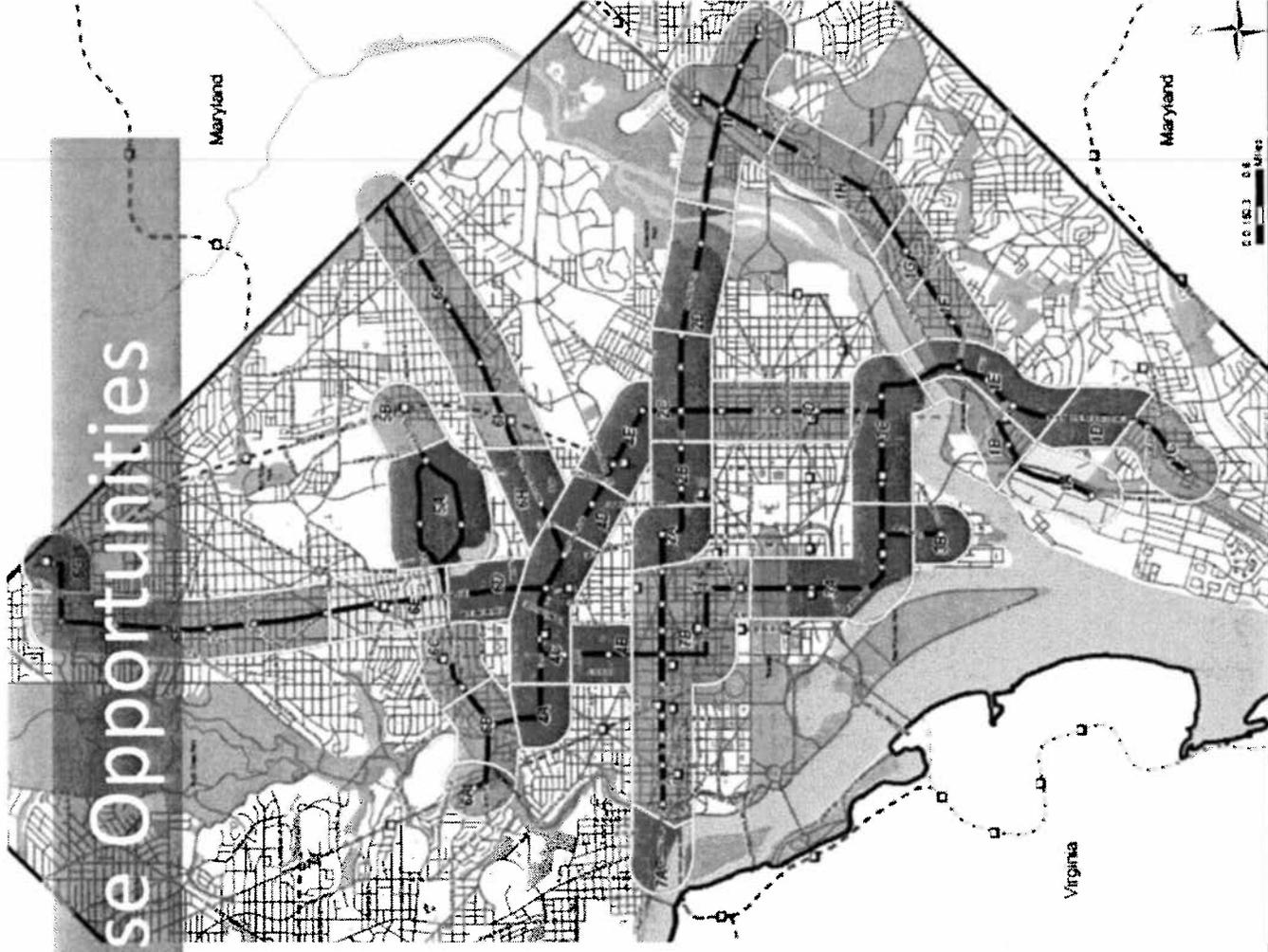
## Developing an Investment Strategy

- Street Car
- Diversifying Neighborhoods
- Preservation of Affordability
- Historic Preservation Tax Credit
- Long Term Factors & Opportunities



# Street Car and Land Use Opportunities

- ## New Residential Development Market Potential
- Publicly controlled sites
  - Affordable housing stock
  - Land value capture techniques
  - Rezoning for greater density/affordability



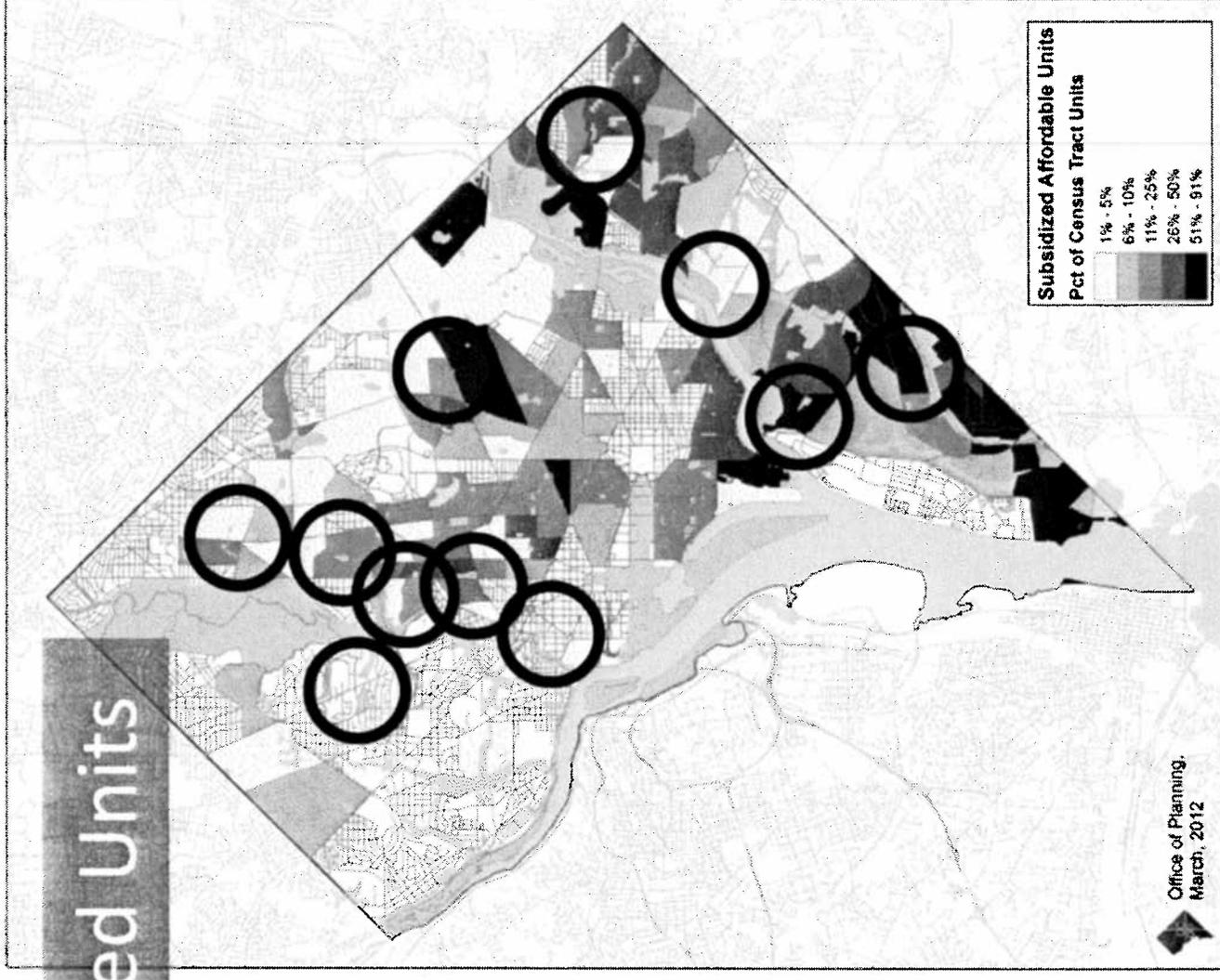
## Location of Subsidized Units

DC has 42% of the region's subsidized housing and high concentrations of affordable units in some neighborhoods can make other revitalization efforts like attracting retail more difficult.

### Minimum needs of Neighborhood Goods & Services are:

- 1,000 residents within ¼ mile
- \$35,000 Median Income
- 25% with Bachelor's Degree
- 5,000 daytime population

Source: *DC Vibrant Retail Streets Toolkit*, Streetsense, March 2012



# Rethinking Land Disposition Policies

## Its Just Math

- It takes \$205,000+ in cold hard cash to subsidize a 50% MFI unit in areas where the market is building high rise condo units.
- We don't have the cash, but we have land value.
- 20% affordable units at 50% MFI reduces land value by about 63%



# Leveraging Historic Preservation Tax Credits

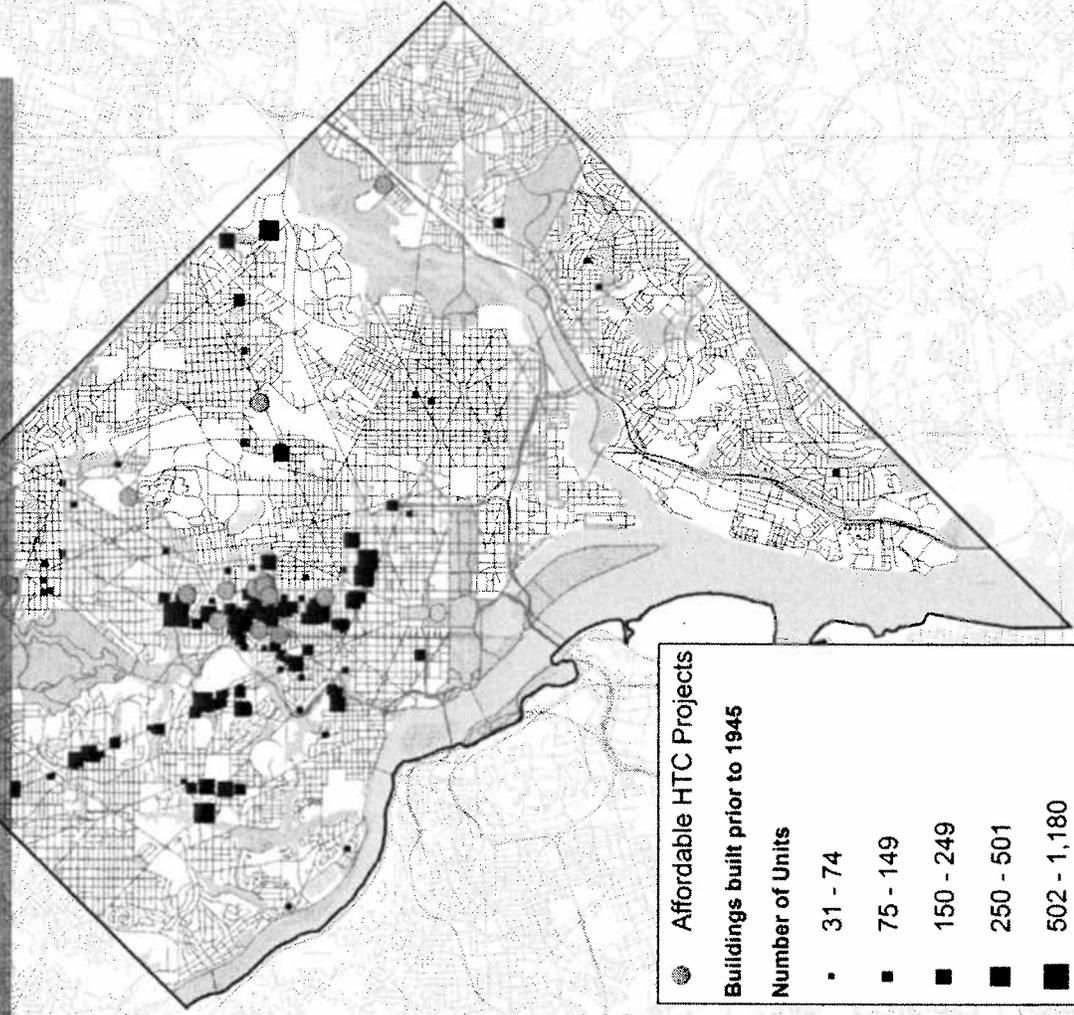
## Basics & Production

- One time 20% of eligible basis tax credit
- Blend with TE Bonds/4% LIHTC
- Financially assisted over 1,500 affordable units in the past 10 years
- Requires land mark designation

## Potential

- Over 162 properties built prior to 1945 totaling 16,800 units
- Primarily in neighborhoods with few affordable units
- High quality developments

**This could be DC's state tax credit with no fiscal impact to the District**



## District Opportunity to Purchase (DOPA)

- Purchase of older low cost rent controlled buildings
  - Probably by assigning right to a developer
- Resell with affordability covenants restricting 20%-30% of building to target incomes
- Release non-controlled units from rent control to float to market to cross subsidize and recapitalize

### Pros

- Potentially low cost
- Cross subsidization
- Targeted to need

### Cons

- Treatment of existing tenants
- Limited to buildings for sale
- Loss of market rate affordable



## DC's Elemental Pressure on Housing

**233,000**

People live and work in DC – the highest percent of any jurisdiction anywhere in the region. Any change in their desire to stay in DC dramatically affects the demand and cost of housing.

**500,000**

Approximate number of people who work in DC, but do not live here. Any change in their desire to live in DC dramatically affects the demand and cost of housing.



# Questions



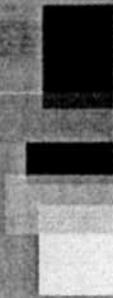
***ATTACHMENT (6)***

# DC's Comprehensive Housing Strategy Task Force Report

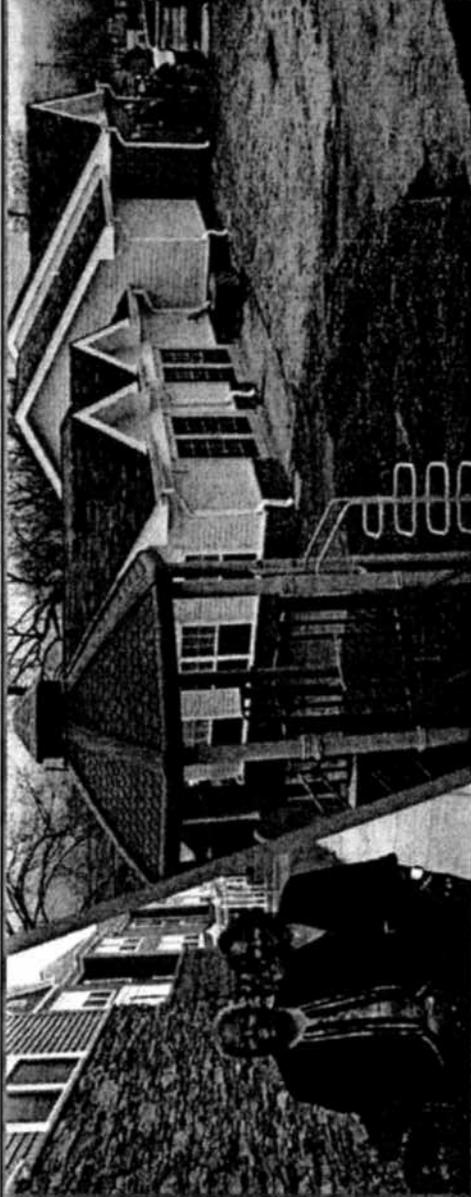


**BRIDGES TO  
OPPORTUNITY**

A NEW HOUSING STRATEGY FOR D.C.



**CNHED**



## Summary of Strategic Goals & Action Items

### VISION

The District of Columbia is a city that provides housing that is affordable for all who wish to live, work and play here.

### OBJECTIVE

Create a comprehensive housing strategy that provides action items to increase the supply of affordable housing and decrease the demand for affordable housing.

### STRATEGIC GOALS

- #1: Preserve approximately 8,000 existing affordable housing units with subsidies that will expire by the year 2020.
- #2: Produce and preserve 10,000 net new affordable housing units by the year 2020 (10x20).
- #3: Support the production of 3,000 market rate housing units annually through 2020.

### POLICY Action Items

SUPPLY/ DEMAND OR BOTH	ACTION ITEM	TIME FRAME
Both	1 Develop and update a Eberle Hill Housing Strategy Report	Next 12 months
Supply	2 Study the regulatory and policy aspects of affordable housing production and preservation (Tenant Opportunity to Purchase Act (TOPA), District Opportunity to Purchase Act (DOPA), Rent Control, affordable homeownership covenants, disposition of city owned land, etc.)	Next 12 months
Demand	3 Encourage District funded housing developments to use good faith efforts to hire eligible and qualified Temporary Assistance to Needy Families (TANF)/ Food Stamps/Local Rent Supplement Program (LRSP) participants that reside in the respective housing development	Next 12 months
Supply	4 Identify areas along streetcar routes and near transit to encourage affordable housing	Next 12 months
Supply	5 Encourage green building techniques in new and existing housing developments	Next 12 months
Supply	6 Align local and federal affordable housing covenants for rental and homeownership	12-36 months

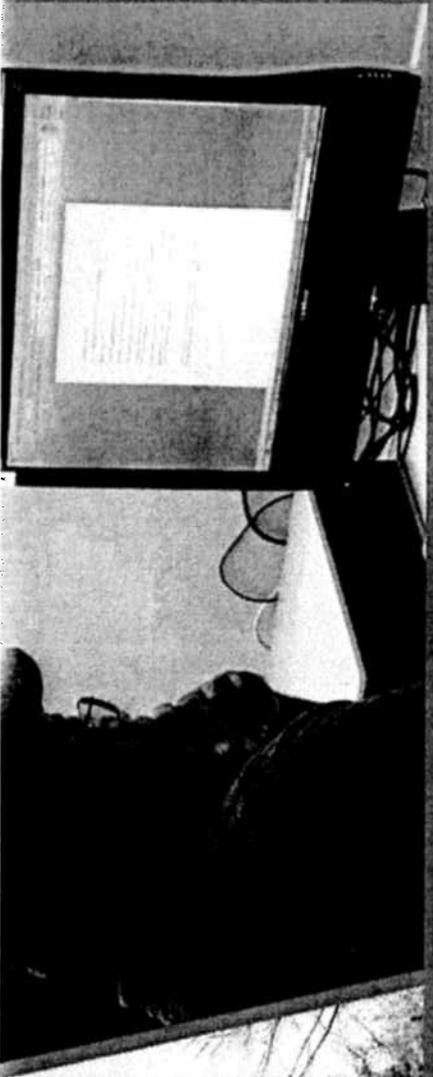
### ADMINISTRATIVE Action Items

SUPPLY/ DEMAND OR BOTH	ACTION ITEM	TIME FRAME
Both	1 Establish a Housing Investment Council (HIC) to implement the <i>Bridges to Opportunity: A New Housing Strategy</i> for the District and update the plan in 2 years, 2015	Next 12 months
Both	2 Create a housing database by supporting the One City Affordable Housing Data and Reporting System	Next 12 months
Supply	3 Streamline the permitting process for affordable and market rate housing projects	Next 12 months



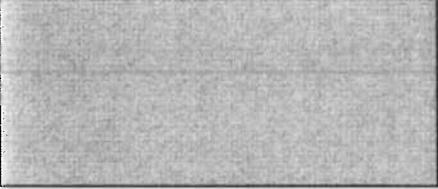
**ADMINISTRATIVE Action Items (continued)**

SUPPLY DEMAND OR BOTH	ACTION ITEM	TIME FRAME
Supply	4 Amend the building regulations to expedite the building permit process for affordable and market rate housing developments and waive fees for affordable housing developments	Next 12 months
Supply	5 Create a website to serve as a one-stop for affordable housing finance information	Next 12 months
Supply	6 Create a One Pitch meeting to streamline initial support for new production or preservation projects	Next 12 months
Supply	7 Grant delegated underwriting to the D.C. Housing Finance Agency (DCHFA) for the Department of Housing and Community Development (DHCD) gap funds	Next 12 months
Demand	8 Develop data sharing solutions to assist the city and nonprofit providers to identify common service goals	Next 12 months
Both	9 Promote existing tax expenditure programs dedicated to housing	12-24 months
Both	10 Modify DHCD's Qualified Allocation Plan (QAP) to give bonus points to projects that include wrap around services in the development plan and allow services to be an eligible expense in the operating budget	12-24 months
Both	11 Host an annual resident services and housing development symposium to encourage further collaboration	12-24 months



**FINANCIAL Action Items**

SUPPLY, DEMAND, OR BOTH	ACTION ITEM	TIME FRAME
Supply	1 Fully utilize and significantly increase resources devoted to existing housing programs including the stabilization of funding for the Housing Production Trust Fund (HPTF)	Next 12 months
Supply	2 Create a Housing Innovation Fund (HIF)	Next 12 months
Demand	3 Develop a Collaborative Initiative for Systems Change to support and coordinate on-going efforts to provide integrated, wrap-around or resident services, when affordable housing is funded by locally controlled funds	Next 12 months
Supply	4 Study the feasibility of creating a District Low Income Housing Tax Credit (DC-LIHTC)	Next 12 months
Supply	5 Create a by right tax abatement program for affordable housing projects	12-36 months
Supply	6 Fund DC Low Income Housing Tax Credit program (DC-LIHTC), if feasible	12-36 months
Demand	7 Fund Phase II of the Collaborative Initiative for Systems Change	12-36 months



# DEMAND SIDE RECOMMENDATIONS



## POLICY

- ENCOURAGE DISTRICT FUNDED HOUSING DEVELOPMENTS TO USE GOOD FAITH EFFORTS TO HIRE ELIGIBLE AND QUALIFIED TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)/FOOD STAMP AND LOCAL RENT SUPPLEMENT PROGRAM (LRSP) PARTICIPANTS THAT RESIDE IN THE RESPECTIVE HOUSING DEVELOPMENT
- NEXT 12 MONTHS

## ADMINISTRATIVE

- DEVELOP DATA SHARING SOLUTIONS TO ASSIST THE CITY AND NONPROFIT PROVIDERS TO IDENTIFY COMMON SERVICE GOALS
- NEXT 12 MONTHS

**ADMINISTRATIVE  
(DEMAND AND SUPPLY)**

- MODIFY DHCD'S QUALIFIED ALLOCATION PLAN (QAP) TO GET BONUS POINTS FOR PROJECTS THAT INCLUDE WRAP AROUND SERVICES IN THE DEVELOPMENT PLAN AND ALLOW SERVICES TO BE AN ELIGIBLE EXPENSE IN THE OPERATING BUDGET
- HOLD AN ANNUAL RESIDENT SERVICES AND HOUSING DEVELOPMENT SYMPOSIUM TO ENCOURAGE FURTHER COLLABORATION
- 12 TO 24 FOUR MONTHS

## FINANCIAL

- DEVELOP A COLLABORATIVE INITIATIVE FOR SYSTEM CHANGE TO SUPPORT AND COORDINATE ON-GOING EFFORTS TO PROVIDE INTEGRATED, WRAP AROUND OR RESIDENT SERVICES WHEN AFFORDABLE HOUSING IS FUNDED BY LOCALLY CONTROLLED FUNDING
- NEXT 12 MONTHS

## FINANCIAL

- FUND PHASE II OF THE COLLABORATIVE INITIATIVE FOR SYSTEM CHANGE
- 12 TO 36 MONTHS

***ATTACHMENT (7)***

## DHCD Staff Discussion: Housing Production Trust Fund Status

### *Responses to Chairman's Questions Submitted in Advance of Meeting:*

1. What is the uncommitted balance in the HPTF available to be put into new transactions?
  - The uncommitted balance in HPTF funds as of 6/30/2013 was \$21,623,466. These funds will be used to obligate nine (9) projects ready to close by 9/1/2013 and estimated to cost \$21,566,878.
2. How much of the \$100M the Mayor announced for affordable housing is coming to the HPTF?
  - See Attachment
3. When will the money in the answer to # 2 be available for DHCD to use to fund deals?
  - As projected, not until the Housing Needs Assessment has been completed.
4. How much of the \$100M that the Mayor committed to affordable housing is available now for DHCD to use to fund deals in the latest RFP?
  - None, until the Housing Needs Assessment has been completed. See response to # 3 above.
5. How much does DHCD plan to use to fund deals in the latest RFP?
  - DHCD anticipates utilizing the following revenue sources to fund the Spring 2013 RFP:
    - 1) HPTF- \$20 to \$24 million;
    - 2) CDBG-\$2 million;
    - 3) HOME- \$5 million;
    - 4) DMH Capital- \$8 to \$10 million; and
    - 5) HOPWA- \$2 to \$3 million.This represents a total of approximately \$37 to \$44 million.
6. How many transactions were submitted for the latest RFP?
  - DHCD received thirty-four (34) applications.
7. How many units were represented – preservation? New construction?
  - There were 2947 total units.
8. How much subsidy was requested from the District?
  - The thirty-four applications requested \$166,486,067.

Attachment

**MAYOR'S SUMMARY ALLOCATION of \$100 Million TO AGENCIES**

**Budget Allocation Purposes of \$100 million**

<b>1A</b>	<b>HPTF Housing</b>	<b>86,900,000</b>
<b>1B</b>	<b>Non HPTF Housing (Includes \$1M for HPAP within DHCD)</b>	<b>9,100,000</b>
<b>2</b>	<b>Technology and Tools</b>	<b>4,000,000</b>
<b>TOTAL Budget Allocation of \$100 million</b>		<b>100,000,000</b>

DESCRIPTION		FISCAL YEAR 2013	FISCAL YEAR 2014	Agency ALLOCATIONS	DHCD HPTF	NON DHCD HPTF
<b>1 (A)</b>	<b>HPTF Housing</b>	\$ 66,930,952	\$ 19,969,048	DHCD	\$ 86,900,000	
<b>1 (B)</b>	<b>Non HPTF Housing</b>					
	Home Purchase Assistance Program	\$ -	\$ 1,000,000	DHCD	\$ 1,000,000	
	Local Rent Supplement Program	\$ -	\$ 3,000,000	DCHA		\$ 3,000,000
	Rapid Rehousing	\$ -	\$ 1,000,000	DHS		\$ 1,000,000
	Emergency Rental Assistance Program	\$ -	\$ 1,000,000	DHS		\$ 1,000,000
	DNPSJ Victim Services *		\$ 3,100,000	DMPSJ		\$ 3,100,000
<b>2</b>	<b>Technology and Tools</b>					
	Data Base (Track, monitor and guide investments)	\$ 500,000	\$ 3,400,000	OCTO		\$ 3,900,000
	Citywide Housing Needs Assessment	\$ 100,000	\$ -	DMPED		\$ 100,000
<b>TOTAL ALLOCATION BY FY &amp; AGENCY</b>		<b>\$ 67,530,952</b>	<b>\$ 32,469,048</b>		<b>\$ 87,900,000</b>	<b>\$ 12,100,000</b>

**MAYOR'S SUMMARY ALLOCATION of \$100 Million TO AGENCIES**

Allocated to DHCD	87,900,000
Allocated to Other Agencies (DCHA, DHS, DMPSJ, OCTO, & DMPED)	12,100,000
<b>TOTAL Budget Allocation of \$100 million</b>	<b>100,000,000</b>

\* Note: \$3.1 million of HPTF will be added to DMPPSJ budget to provide funds to three (3) organizations that provide shelter to battered women: House of Ruth, My Sister's Place and Dash as there is a continuing funding commitment in place with these organizations.