
GOVERNMENT OF THE DISTRICT OF COLUMBIA



**DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT**

Testimony of
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Director

PR 17-0784
***“CONSOLIDATED PLAN FOR THE DISTRICT OF
COLUMBIA, FISCAL YEAR 2009 ACTION PLAN,
APPROVAL RESOLUTION OF 2008”***

Committee on Housing and Urban Affairs
The Honorable Marion Barry, Chair
Council of the District of Columbia

Friday, June 13, 2008

JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, DC 20004

Good Morning Chairman Barry and members of the Committee on Housing and Urban Affairs. I am Leila Finucane Edmonds, Director of the Department of Housing and Community Development (DHCD).

Accompanying me today is Victor Selman, Chief Operating Officer and Colleen Bonnicklewis, Chief of Staff. I am pleased to appear before the Committee today to request approval of Proposed Resolution 17-0784 “The Consolidated Plan for the District of Columbia, Fiscal Year 2009 Action Plan, Approval Resolution of 2008.” I will first provide a brief overview of the plan, our past performance and then discuss our goals and objectives for FY 2009.

The Action Plan is the District’s annual application to the US Department of Housing and Urban Development for the use of four entitlement grants:

1. the Community Development Block Grant (CDBG),
2. the Home Investment Partnerships Program (HOME),
3. the Emergency Shelter Grant (ESG) program, and
4. the Housing Opportunities for Persons with HIV/AIDS (HOPWA) program.

DHCD is the designated agency for the District that is accountable to HUD for the management, operation and monitoring of each of these grants except HOPWA, which is a pass-through from DHCD to the DC Department of Health, HIV/AIDS Administration. The Action Plan details the projected uses of these funds for HUD’s review.

The Action Plan is also a statement of the strategic activities related to housing and community development that are planned for the fiscal year across the District.

In order to ensure that the needs of the residents are reflected in the Action Plan, HUD requires that the District develop and follow a Citizen Participation Plan. In accordance with the District's Citizen Participation Plan, DHCD held eight public hearings, followed by a 30-day review period, to solicit feedback on the plan from the community. Notices of the hearings were made public through direct mailings, email distribution, web site access and newspaper advertisements.

The FY 2009 Action Plan marks the fourth year in the implementation cycle for the Five-Year Consolidated Plan. Each Action Plan must be submitted to HUD 45-days prior to the start of each program year.

The Department has had many successful accomplishments over the past year, and the Action Plan details how we will build upon that success. I would like to highlight that from FY 2006 through the end of the second quarter of FY 2008, DHCD:

- ◆ funded more than 7,000 units of affordable housing,
- ◆ helped more than 1,000 first-time homebuyers with down payment and closing cost assistance, and
- ◆ assisted 261 residents with rehabilitations to single-family residences.

The Action Plan begins with an overview of these and other accomplishments, then provides details on the implementation strategy for

FY 2009 and how our financial resources will be used to implement that strategy.

Financial Sources

This Plan is consistent with the Department's FY 2009 budget that was previously approved by the Council earlier this year, and those projections are described in the Plan. In short, the Department uses federal and local resources to fund housing and community development projects, programs, and delivery costs. The FY 2009 sources of funds that are available, both federal and local, are described in the Action Plan.

The net available projected Federal funding for FY 2009 is approximately \$75 million, and the net available projected local funding for FY 2009 is approximately \$138 million.

Financial Uses

The specific activities and programs that will be undertaken with the FY 2009 resources are outlined in the Action Plan. I want to state a few of the activities where these critical Federal resources will be joined with local funding to achieve our goals. We plan to:

- ◆ help at least 500 residents become first-time homebuyers through our Home Purchase Assistance Program and Employer-Assisted Housing Program.
- ◆ provide gap financing toward the preservation and production of 1,400 homeownership units and 1,700 rental units for low- income residents,

- ◆ work with the Department of Mental Health (DMH) and the Department of Human Services (DHS) to develop, respectively, permanent supportive housing for DMH consumers and the chronically homeless, and
- ◆ work with our network of community-based organizations to provide comprehensive housing counseling services to at least 15,000 low-or moderate-income households, including credit and financial management counseling, homeownership counseling and foreclosure prevention.

In addition to the above goals, we will use our funding to implement several key initiatives.

Green Design Initiatives

In FY 2008, we added green building requirements, consistent with the Green Building Act of 2006, to the Request for Proposals for our Development Finance and Property Acquisition and Disposition Divisions. These requirements ensure that enhanced energy efficiency and sustainability will be part of each development project supported by DHCD. In FY 2009, DHCD will work to incorporate the principles of green building into our home purchase assistance and residential rehabilitation programs.

Section 3

The Department encourages our borrowers to provide employment opportunities for low-income persons through enforcement of HUD's Section 3 policies. In FY 2008, we held trainings with HUD to educate DHCD staff and sub-recipients about Section 3, hired a Section 3

coordinator, and developed a specific plan and certification process. In the remaining months of FY 2008 and FY 2009, we plan to hold additional workshops about the Section 3 certification process and host a first annual outreach event to inform the community about Section 3 opportunities.

Section 108

In FY 2009, DHCD will apply to HUD officials to establish a Section 108 Loan program to support economic development activities and to fund community facilities. The initial investments made by these funds will help give private investors the confidence to invest in underserved communities.

Operationally, DHCD will continue to improve our processes. While we have made significant strides in the area, as reflected in our increased spending and reduced pipeline, we are aware of the concerns surrounding the current timeline for underwriting. We look forward to working with the Council, the development community, and others as we work to address these concerns.

In closing, Chairman Barry, we thank you and this Committee for your support as we continue to fulfill our mission. We now seek your approval of PR 17-0784.

This concludes my formal testimony. My staff and I would be pleased to answer any questions you and members of the Committee may have. Thank you.