



Department of Housing and Community Development

DHCD (DB)

MISSION

The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing, promote economic development, and revitalize underserved communities in the District of Columbia.

SUMMARY OF SERVICES

DHCD focuses on three strategic areas: 1) preserving and increasing the supply of affordable housing through new construction and rehabilitation; 2) increasing homeownership opportunities; and 3) revitalizing neighborhoods, promoting community development, and providing economic development opportunities. To help meet the housing needs of the city's low- to moderate-income residents, DHCD operates programs for individuals, developers and community-based organizations. DHCD also ensures the preservation and maintenance of affordable rental housing by regulating building sales and conversions and by enforcing rental housing regulations and requirements such as the Tenant Opportunity to Purchase Act (TOPA).

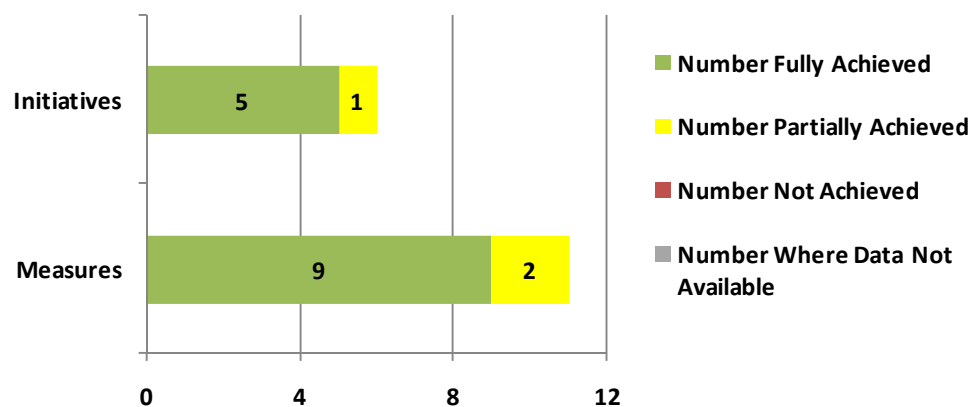
AGENCY OBJECTIVES

1. Finance the production of quality affordable housing and homeownership opportunities at the project and household levels.
2. Preserve quality affordable housing and homeownership opportunities.
3. Increase economic opportunities for low and moderate income residents.

3 KEY ACCOMPLISHMENTS

- ✓ Transferred and improved performance of Housing Regulation Administration (HRA)
- ✓ Increased production of special needs housing
- ✓ Implemented green building standards

OVERVIEW OF AGENCY PERFORMANCE








Performance Initiatives – Assessment Details


Performance Assessment Key:

-  Fully achieved  Partially achieved  Not achieved  Data not reported

OBJECTIVE 1: Finance the production of quality affordable housing and home ownership opportunities as the project and household levels.

-  **INITIATIVE 1.1: Coordinate and target resources to increase production of special needs housing.**
Fully Achieved. DHCD exceeded the target of funding 100 housing units for DMH consumers and increased the goal to 300 units over two years. In FY08, the Department funded a total of 373 special needs units for the homeless, elderly, and people with disabilities, including the 107 units funded under the agency’s MOU with DMH.
-  **INITIATIVE 1.2: Implement Green Design across all funding areas to ensure energy efficiency and sustainability in new developments.**
Fully Achieved. Compliance with green building requirements is now an integral part of eligibility review for projects greater than 10,000 SF which are publicly financed for 15% or more the project’s total cost. In FY08, DHCD partnered with the DC Green Communities Initiative to offer funding for nonprofits to conduct integrated design charrettes. Moreover, DHCD published a revised Low Income Housing Tax Credits (LIHTC) Qualified Allocation Plan (QAP) for the first time since 2003, including the Green Communities standard as a threshold requirement.
-  **INITIATIVE 1.3: Increase homeownership opportunities for low- to moderate-income households through the Ivy City/Trinidad Demonstration Project.**
Partially Achieved. The Department acquired 37 vacant properties within the Ivy City neighborhood and conditionally awarded the development rights to four local non-profit developers. Of the 58 units to be developed, 38 of the units will be affordable to individuals and families at or below 60% of the AMI. Developers awarded the project identified a storm water management issue that prohibited them from initiating construction in April as originally planned. In response, DHCD contracted with a civil engineer for a storm water survey and report and the developers will oversee remediation efforts to move the project to construction.

OBJECTIVE 2: Preserve quality affordable housing and homeownership opportunities.

-  **INITIATIVE 2.1: Preserve homeownership and protect DHCD investments when foreclosure events occur.**
Fully Achieved. Through funding provided by the Department, DHCD’s community partners provided foreclosure counseling to 244 homeowners in FY07 and 351 in FY08, an increase of 48% during which time the District experienced a significant spike in foreclosures. Collectively, the grantees had a 95% success rate in FY08 (compared to 85% in FY07), meaning that 95% of the homeowners that participated in a mortgage default or foreclosure training program successfully avoided foreclosure.



● **INITIATIVE 2.2: Enhance the Single Family Residential Rehabilitation Program (“Single Family Rehab”) to serve more households and more effectively leverage public funds.**

Fully Achieved. The Department combined the Lead Safe Washington and Single Family Rehab programs to form the Residential Rehab program with a renewed emphasis on sound financial and project management. As a result, the Department exceeded its target of 100 loans or grants by making 142 rehab loans and grants to homeowners during FY08.

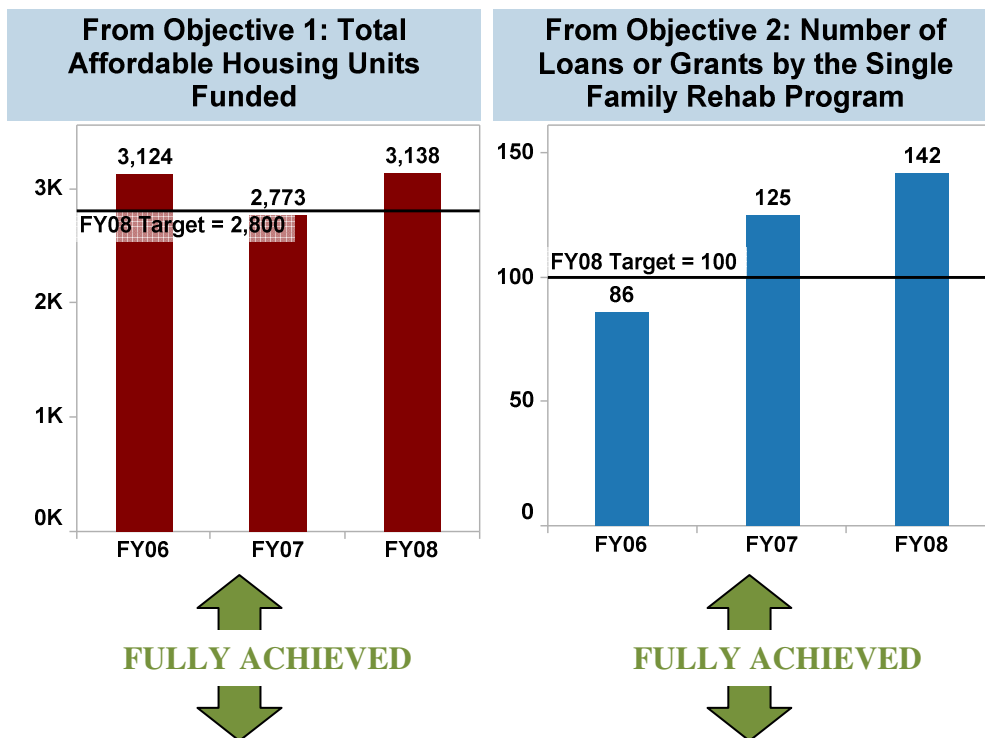
OBJECTIVE 3: Increase economic opportunities for low and moderate income residents.

● **INITIATIVE 3.1: Launch DC Section 3 Demonstration Program, focusing on employment of low-income and/or public housing residents, in partnership with HUD.**

Fully Achieved. DHCD refocused its efforts to ensure that grant and loan recipients train and hire low-income or public housing residents in FY08 by launching the Section 3 Demonstration Program. DHCD hired a compliance specialist to implement the Department’s compliance policy, which includes the review of Section 3 plans and quarterly reports, mandatory training, and on-site monitoring. Additionally, DHCD established a certification program, similar to the CBE certification awarded by DSLBD, to promote grantee and recipient compliance. Under the new policy, six new hires and one trainee were brought on board by recipients, 26 plans were approved, two businesses were certified, and six certification applications were submitted.



Key Performance Indicators – Highlights



More About These Indicators:

How did the agency's actions affect this indicator?

- Implemented improvements to the underwriting criteria
- Streamlined due diligence and closing process
- Established Weekly Pipeline Meetings to go over project status, deal structure, and priorities
- Increased leveraging of District resources met increasing costs and increased production
- Revision to the RFP to improve qualification criteria (i.e. Readiness to Proceed)

What external factors influenced this indicator?

- High cost of housing in the District
- Scarcity of housing that is affordable to residents that are 80% of AMI
- Increased probability of displacement and demand for Tenant Purchase acquisitions

How did the agency's actions affect this indicator?

- Conducted comprehensive review of Single Family Rehab and Lead Safe Washington program performance
- Replaced an ineffective program manager
- Combined the Single Family Rehab and Lead Safe Washington programs to create the Residential Rehab program with renewed attention to solid financial and project management

What external factors influenced this indicator?

- Borrowers who qualify for these loans are not likely to qualify for conventional loans to repair their homes
- Without notice to DHCD, the OCFO severed its relationship with Independence Bank this summer causing a temporary halt to the processing of any payments to the contractors performing the rehab work.



Key Performance Indicators – Details

Performance Assessment Key:

● Fully achieved
 ● Partially achieved
 ● Not achieved
 ● Data not reported

	FY06 Actual	FY07 Actual	FY08 Target	FY08 Actual	FY09 Projection
● Percentage of households at or below 80% AMI Who own their homes	N/A	24%	25%	27%	26%
● Total affordable housing units funded	3,124	2,773	2,800	3,138	2,850
OBJECTIVE 1: Finance the production of quality affordable housing and homeownership opportunities at the project and household levels.					
● Total special needs housing units funded.	134	196	300	373	350
● Total new ownership units and households funded.	1,033	1,247	1,250	1,212	1,400
● Number of first-time homebuyers funded by the Home Purchase Assistance Program (HPAP).	278	513	475	508	525
OBJECTIVE 2: Preserve quality affordable housing and homeownership opportunities.					
● First Right Purchase Assistance Program (Tenant Purchase) units funded	173	149	200	293	225
● Total affordable housing units rehabilitated	1,839	1,369	1,500	1,990	1,600
● Number of loans or grants by the Single Family Rehab Program	86	125	100	142	125
● Percentage of affordable housing units completed Or in development that are highly sustainable and Meet the Green Communities criteria	N/A	N/A	50%	56%	75%
OBJECTIVE 3: Increase economic opportunities for low and moderate income residents.					
● Number of technical assistance services provided to small businesses.	1,205	3,292	3,000	3,106	3,250
● Number of storefront facades improved	31	25	125	45	50