



## **FY 2010 PERFORMANCE PLAN**

### **Department of Housing and Community Development**

#### **MISSION**

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

#### **SUMMARY OF SERVICES**

DHCD focuses on three strategic objectives: (1) preserving and increasing the supply of quality affordable housing; (2) increasing homeownership opportunities; and (3) revitalizing neighborhoods, promoting community development, and providing economic opportunities. To help meet the housing needs of the city's low- to moderate-income residents, DHCD operates programs for individuals, developers, and community groups. DHCD also ensures the preservation and maintenance of affordable rental housing by regulating building sales and conversion, administering the Rental Housing Act of 2006, and by enforcing the Tenant Opportunity to Purchase Act (TOPA).

#### **PERFORMANCE PLAN DIVISIONS**

- Office of the Director (ODR)
- Housing Regulation Administration (HRA)
  - Rental Accommodation Division (RAD)
  - Rental Conversion and Sales Division (CASD)
- Rental Housing Commission
- Development Finance Division (DFD)
- Residential and Community Services Division (RCSD)
- Property Acquisition and Disposition Division (PADD)
- Office of Program Monitoring (OPM)
- Portfolio Management Division (PMD)



## *Office of the Director*

### **SUMMARY OF SERVICES**

The Office of the Director (OD) leads the department in meeting its mission to create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia. DHCD has three strategic objectives: (1) preserving and increasing the supply of quality affordable housing; (2) increasing homeownership opportunities; and (3) revitalizing neighborhoods, promoting community development, and providing economic opportunities.

#### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

##### **INITIATIVE 1.1: Apply for and secure all funding directed to DHCD through the American Recovery and Reinvestment Act of 2009, by September 2010.**

The U.S. Department of Housing and Urban Development allocated \$10.1 billion through the American Recovery and Reinvestment Act of 2009 (ARRA). Of this \$10.1 billion, DHCD has applied for \$123,417,482 for the following programs: \$63,000,000 for the Neighborhood Stabilization program; \$33,770,695 for Grants in Lieu of Low Income Housing Tax Credit Program; \$11,644,346 for the Tax Credit Assistance Program (TCAP); \$7,489,476 for the Homelessness Prevention and Rapid Re-housing Program (HPRP); \$4,896,122 for the Community Development Block Grant-Recovery (CDBG-R); and \$2,616,843 for Lead Hazard Reduction Grants. These programs provide funding for housing, community and economic development, and assistance for low and moderate-income persons and special populations across the country. It is the responsibility of OD to ensure that all the money available to the District through the Department be applied for, secured, managed, and expended efficiently and effectively.

#### **OBJECTIVE 2: Revitalize neighborhoods, promote community development and provide economic opportunities.**

##### **INITIATIVE 2.1: Renewed process and completion of the Five Year Consolidated Plan for FY 2011-2015 by August 15, 2010, to be used as a strategy, planning document and action plan that provides a basis for assessing performance.**

The five year consolidated plan sets the priority needs for DHCD in accordance with the statutory goals and objectives prescribed by HUD, identifies any obstacles to providing affordable housing, and sets the course of action needed to accomplish the agency's mission. Once in every five years this process will take place and in FY 2010 the plan will consist of a newly revised process and timeline. It is the goal of DHCD to complete the consolidated plan, in consultation with the community and key stakeholders, in the desired timeframe ending August 15, 2010.

##### **INITIATIVE 2.1: Through targeted outreach throughout the community, DHCD plans to educate District residents, specifically those facing potential foreclosure, on foreclosure prevention and support.**

Between 2006 and 2008, foreclosures rose by 660.4% in the District, increasing from 149 foreclosures in 2006 to 1,133 in 2008. Through a series of projects continuing



throughout FY 2010, DHCD will provide information and support to District residents, in order to deter the number of foreclosures in the District. These projects will include an Interagency Foreclosure Alliance; Housing Monitor Policy Forums; Community Foreclosure Prevention Clinics; Council Foreclosure Hearings; DC Homeownership Expo and Foreclosure Clinic; a Foreclosure Prevention Resource Page; and advertisement and support of the HOPE Hotline and NeighborWorks organization to prevent foreclosures.

**STANDARD CITYWIDE OPERATIONAL MEASURES**

<b>Measure</b>	<b>FY09 YTD</b>
<b>Contracts</b>	
<b>KPI:</b> % of sole-source contracts	
<b>KPI:</b> Average time from requisition to purchase order for small (under \$100K) purchases	
<b>KPI:</b> # of ratifications	
<b>KPI:</b> % of invoices processed in 30 days or less	
<b>Customer Service</b>	
<b>KPI:</b> OUC customer service score	
<b>Finance</b>	
<b>KPI:</b> Variance between agency budget estimate and actual spending	
<b>KPI:</b> Overtime as percent of salary pay	
<b>KPI:</b> Travel/Conference spending per employee	
<b>KPI:</b> Operating expenditures "per capita" (adjusted: per client, per resident)	
<b>People</b>	
<b>KPI:</b> Ratio of non-supervisory staff to supervisory staff	
<b>KPI:</b> Vacancy Rate Total for Agency	
<b>KPI:</b> Admin leave and sick leave hours as percent of total hours worked	
<b>KPI:</b> Employee turnover rate	
<b>KPI:</b> % of workforce eligible to retire or will be within 2 years	
<b>KPI:</b> Average evaluation score for staff	
<b>KPI:</b> Operational support employees are percent of total employees	
<b>Property</b>	
<b>KPI:</b> Square feet of office space occupied per employee	
<b>Risk</b>	
<b>KPI:</b> # of worker comp and disability claims per 100 employees	



## *Housing Regulation Administration*

### **SUMMARY OF SERVICES**

The Housing Regulation Administration (HRA) administers residential housing regulations relating to condominium and cooperative conversions, rent adjustment procedures, licensing and other related matters. It is composed of two divisions, the Rental Accommodation Division (RAD) and the Rental Conversion and Sales Division (CASD), and manages the DHCD Housing Resource Center.

### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

#### **INITIATIVE 1.1: Increase the number of District Residents who utilize DHCD services by fully opening the on-site Housing Resource Center.**

The new center is a one stop shop of HRA services and referrals to other DHCD resources, including computers for people to use [dchousingsearch.org](http://dchousingsearch.org). The center will also serve as an office space for the in-take specialists from University Legal Services (ULS), who provide comprehensive housing counseling. This counseling includes rental counseling to assist DC residents with locating affordable and accessible housing as well as homeownership counseling for low- and moderate-income people looking to purchase and rehabilitate homes or prevent mortgage default and foreclosure.

#### **INITIATIVE 1.2: Implement Inclusionary Zoning to ensure new development meets affordability standards in the District.**

In FY 2010, HRA will partner with DCRA to implement the administration of the Inclusionary Zoning regulations. For the first time in the District, implementation of these regulations will require builders of 10 or more residential units to set aside 8-10 percent of the new housing as affordable to moderate and low income families - those making between 50 percent and 80 percent of area median income. This will result in making housing more widely available to people of varying income levels throughout the city.



### PROPOSED KEY PERFORMANCE INDICATORS – Housing Regulation Administration

Measure	FY08 Actual	FY09 Target	FY09 YTD	FY10 Projection	FY11 Projection	FY12 Projection
# of customers who utilize Housing Resource Center services	N/A	N/A	N/A	600	650	700
% of orders issued on voluntary agreement petitions within 45 days	N/A	N/A	N/A	90%	95%	95%
% of orders issued on hardship petitions within stated division timelines	N/A	N/A	N/A	80%	85%	90%
% of condo registration applications processed within 60 days	N/A	N/A	N/A	95%	98%	98%
% of structural defect warranty claim notices of funding processed within 60 days	N/A	N/A	N/A	95%	98%	98%
% of complete housing assistance payment requests processed within 30 days	N/A	N/A	N/A	95%	100%	100%
# of inclusionary zoning units built	N/A	N/A	N/A	TBD	TBD	TBD
% of lotteries conducted for inclusionary units within administrative deadlines	N/A	N/A	N/A	95%	98%	98%



## *Rental Housing Commission*

### **SUMMARY OF SERVICES**

The Rental Housing Commission is charged with the responsibility of enforcing the Rental Housing Act of 1985, as amended. The commission has three statutory functions in order to preserve and increase the supply of quality affordable housing in the District: 1) to issue, amend and rescind regulations that are promulgated for enforcement of the Act; 2) to certify and publish the annual adjustment of general applicability to rents and/or rent ceilings, which adjustment is based upon annual changes (if any) in the consumer Price Index for the applicable region in which the District of Columbia is located; and 3) decide appeals brought to the Commission from the Rent Administrator and the Office of Administrative Hearings (OAH). Although the Commission is an independent quasi-judicial body, it has direct reporting responsibility to DHCD on administrative, management and budgetary matters.

### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

#### **INITIATIVE 1.1: Issue and review proposed regulations in a timely manner, to include other agencies that have approval responsibilities, including DHCD, OAH and OAG.**

Previously the Commission has had no timelines for the review of proposed regulations and approvals have lagged in expectations. In FY 2010 the Commission will set realistic time frames for review in order to expedite the process. The Commission will coordinate its review of proposed regulations with other agencies that have approval responsibilities, including DHCD, OAH and OAG. All Commissioners will be required to participate in the review and approval process.

#### **INITIATIVE 1.2: Eliminate the backlog of cases by FY 2011.**

Throughout the previous years the Commission has accumulated a backlog of cases that hamper its capability of reviewing current cases in a timely manner. In order to prevent current cases from becoming backlogged and eliminate the current backlog, the Commission will calendar hearings as soon as the record that is transmitted from the Rent Administrator or OAH meets the statutory requirements for completeness. The Commission will attempt to calendar all appeals after it has received the certified record from the Rent Administrator/OAH in thirty (30) days from receipt. The Chairman of the Commission will assign, with equality, an appeal to him/herself or to another Commissioner, from current cases heard or from the backlog. The assigned Commissioner will have no more than 6 weeks to complete the case. A one-time appropriation of funds for FY 2010 to the Commission will allow coordination with HRA to digitalize and update current procedures in the process.



**PROPOSED KEY PERFORMANCE INDICATORS – Rental Housing Commission**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
# of appeals disposed	35	30	31	33	34	35
# of appeals cases > 3 years old	12	N/A	18	18	14	10
% of cases processed under 6 weeks (from date of commencement)	55%	N/A	N/A	55%	65%	70%
Average amount of time from receipt of case to assignment	12 mo	N/A	12 mo	10 mo	10 mo	8 mo
% of hearings scheduled within 30 day requirement	100%	N/A	100%	100%	100%	100%



## *Development Finance Division*

### **SUMMARY OF SERVICES**

DHCD's Development Finance Division (DFD) provides funding for the development of rental, homeownership and community facility developments that serve District of Columbia neighborhoods. As both the creation and preservation of affordable housing units are important to DHCD, DFD plays a prominent role in helping the agency achieve its annual multifamily housing production goals.

### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

#### **INITIATIVE 1.1: Complete the development of 345 units for special needs population housing by September 30<sup>th</sup>, 2010.**

Through a recent partnership with the Department of Mental Health (DMH), DFD is responsible for DHCD meeting its goal of financing the development of 300 units for the exclusive use of DMH consumers. Through an additional partnership with the Department of Human Services (DHS), DFD is responsible for DHCD meeting its goal of providing 45 units of permanent supportive housing to serve the District's homeless population. By means of this ongoing development process, DFD is scheduled to substantially complete the 345 total units by the September 2010 deadline.

#### **INITIATIVE 1.2: Commit or expend required amount of the American Recovery and Reinvestment Act of 2009 (ARRA) funds awarded, by September 30<sup>th</sup>, 2010.**

With the passing of the American Reinvestment and Recovery Act of 2009 (ARRA) and the associated funds awarded to the District, DHCD will be able to invest over \$45 million in rental housing developments that have stalled due to the recent economic downturn. Not only will this investment attract private sector investment into low-to-moderate income communities that would be matched with DHCD's other federal and local financing sources, but it will also serve as a vehicle for job creation and economic development. DFD is responsible for implementation of three ARRA grants: 1) Section 1602 Low Income Housing Tax Credits exchange program funds totaling \$33,770,695; 2) HUD's Tax Credit Assistance Program grant totaling \$11,644,346; and 3) HUD's Community Development Block-Recovery grant totaling \$4,896,122.

#### **INITIATIVE 1.3: Increase the use of financing pool structures to leverage District subsidies to finance Tenant Opportunity to Purchase Act (TOPA) deals.**

Obtaining homeownership opportunities has become more difficult due to the national economic downturn. Therefore, DFD will leverage DHCD investments already made into housing cooperatives, by coordinating with financial institutions in order to structure housing cooperative pools – these “pools” will enable tenant association members that have already purchased their buildings within a cooperative structure to reduce their cost of housing preservation, obtain new rehabilitated housing units and preserve their ability to reside within the District of Columbia.





**OBJECTIVE 2: Increase homeownership opportunities.**

**INITIATIVE 2.1: Complete the final phase of the Ivy City Demonstration Housing Initiative in FY 2011, creating 60 units of affordable housing.**

Using HUD Neighborhood Stabilization Program funds received under the Housing and Economic Recovery Act of 2008 (HERA), DFD will finance the construction activities under the Ivy City Demonstration Housing Initiative, completing the final phase of this multi-year initiative that will create 60 units of affordable homeownership opportunities in an extremely under-developed neighborhood of the District.

**OBJECTIVE 3: Revitalize neighborhoods, promote community development and provide economic opportunities.**

**INITIATIVE 3.1: Increase the development of community facilities across the District.**

Neighborhoods across the District rely on the development of community facilities for services such as childcare, healthcare, food provisions, job training, etc. Such facilities can be difficult to develop in a down economic climate, since many private lenders will not make loans for such projects, since loan repayment can be uncertain. As a result, DFD will coordinate with local financial institutions that have been awarded New Market Tax Credit (NMTC) allocations, so that a modest investment from DHCD can catalyze a larger investment from NMTC equity providers – all with the goal of financing the development of much needed community facilities in specific District neighborhoods. Within this public/private partnership, the goal is for DHCD to provide nearly \$4 million in DFD project financing to help spur the completion of three community facilities located in Wards 1, 5 & 6 of the District.



**PROPOSED KEY PERFORMANCE INDICATORS – Development Finance Division**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
% of District owners spending >30% of income on monthly housing costs	37.5%	N/A	TBD	30%	25%	25%
% of District renters spending >30% of income on housing costs	47.4%	N/A	TBD	45%	40%	30%
Total affordable housing units funded (new and rehab)	N/A	N/A	719	900	900	900
Total special needs housing units funded (elderly, disabled, and homeless units)	373	N/A	191	150	150	150
Total new homeownership units funded	N/A	N/A	62	80	80	80
Total First Right Purchase Assistance Program (tenant purchase) units funded – FRP New and Rehab Units	293	150	59	100	100	100
Total affordable housing units rehabilitated	N/A	N/A	238	250	200	200
Total affordable housing units preserved (via loan structuring, technical assistance, etc.)	N/A	N/A	N/A	200	200	200
% of affordable housing developments competitively evaluated and advancing to underwriting in the respective FY, that are highly sustainable and meet the Green Communities criteria	N/A	90%	N/A	95%	100%	100%



## *Residential and Community Services Division*

### **SUMMARY OF SERVICES**

The Residential and Community Services Division (RCSD) provides funding for programs focused on household level housing needs and neighborhood revitalization. RCSD works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance and façade improvement opportunities. RCSD administers the District's Home Purchase Assistance Program and Employee Assisted Housing Programs which provide financial assistance for low and moderate-income households and District Government employees for the purpose of first-time home purchase. The Division also provides rehabilitation resources, including grants for lead hazard remediation to eligible units and loans and grants to income-qualified owner-occupant DC residencies in order to preserve homeownership in the District.

#### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

##### **INITIATIVE 1.1: Expend 50% of Lead Hazard Reduction Grant by September 30<sup>th</sup>, 2010, in order to reduce lead hazards in up to 175 District homes by the end of FY 2011.**

The US Department of Housing and Urban Development (HUD) announced on February 25 the award of \$2.6 million in funding to the District of Columbia for lead hazard reduction. The funding is part of the American Recovery and Reinvestment Act of 2009. The District provides residents funds to identify and control lead-based paint hazards in eligible single- and multi-family dwellings under the Lead Safe Washington Program (LSW). Deteriorated lead-based paint and lead-contaminated dust present significant health hazards to individuals of all ages and children younger than six-years-old in particular. By addressing the lead-based paint and lead dust hazards in housing, the District can create a lead-safe environment for residents. DHCD estimates the Recovery Act funds, combined with local Housing Production Trust Funds, can reduce lead hazards in up to 175 homes across the District.

#### **OBJECTIVE 2: Increase homeownership opportunities.**

##### **INITIATIVE 2.1: Include Negotiated Employee Assisted Housing Program (NEAHP) grant funding for FY 2010, in order to increase homeownership in the District among District Government employees.**

In an effort to assist and encourage employees to live and work in the District of Columbia, the District Government included a non-traditional affordable housing assistance incentive, NEAHP, as part of the collective bargaining agreement. Qualified employees covered under the collective bargaining agreements may be eligible for financial assistance towards the purchase of a primary residence in the District of up to \$20,000 for individuals and \$26,500 for couples. Assistance provided through the NEAHP will be in addition to any assistance already provided by RCSD and DHCD, or any other affordable housing program(s) for which the employee qualifies.



**OBJECTIVE 3: Revitalize neighborhoods, promote community development and provide economic opportunities.**

**INITIATIVE 3.1: Expend allocated portion of CDBG-R funds by September 30<sup>th</sup>, 2010, to continue targeted intensive revitalization efforts focused on small businesses.**

RCSD has been allocated \$400,000 of the CDBG-R funds awarded to the District (through the American Recovery and Reinvestment Act of 2009) in order to improve small business development. Through community-based, nonprofit organizations, seven funded projects will help to support and strengthen existing businesses, broaden the commercial mix of stores, restaurants, and services; provide technical assistance to small businesses, and provide greater access to capital for small, neighborhood-based businesses. The grants will support businesses that serve low and moderate income areas of the District.

**INITIATIVE 3.2: Through an overhaul of the development process, RCSD will improve performance and efficacy of the storefront façade improvement program.**

RCSD will work to enhance the image and overall effectiveness of the storefront façade improvement program for FY 2010. It is the goal of the division to streamline the development process and increase the number of facades improved from FY 2009. In the outset of FY 2010, RCSD will administer a Request for Proposals (RFP) in order to determine grantees eligible for funds. RCSD will provide grants, through community-based non-profit partners, to retail and commercial property owners for the enhancement of retail and commercial facades in targeted commercial corridors of the District. In addition, DHCD has been allocated \$700,000 of the CDGR-R funds awarded to the District (through the American Recovery and Reinvestment Act of 2009) to be used for storefront façade improvement. RCSD had identified four storefront improvement projects which are at or near the construction (final) phase. They include two projects by the Latino Economic Development Corporation (LEDC) in Columbia Heights/Me. Pleasant and on lower Georgia Avenue, NW, one project by Emory Beacon of Light on upper Georgia Avenue, NW, and one by Barracks Row Main Streets, Inc., on 8<sup>th</sup> Street, SE.



**PROPOSED KEY PERFORMANCE INDICATORS – Residential and Community Services Division**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
Total affordable housing units funded	779	800	549	425	550	700
Total Single Family Rehab units funded	142	100	42	65	75	80
Total Lead Multifamily units funded	129	200	273	60	65	70
Total Residential Rehab Elderly, Disabled, and Homeless units (special needs) funded	N/A	N/A	16	10	15	20
Total Home Purchase Assistance Program (HPAP) Elderly, Disabled, and Homeless units (special needs) funded	9	N/A	4	5	10	20
# of first-time homebuyers funded by HPAP	508	500	234	300	500	650
# of District employee homebuyers funded by EHAP	89	N/A	58	80	90	100
# of District employee homebuyers funded by NEAHP	N/A	N/A	N/A	100	150	150
# of loans or grants by the Residential Rehab Program for Single Family Rehab units	142	100	42	65	75	80
# of loans or grants by the Residential Rehab Program for Lead Multifamily units	129	50	146	20	30	40
# of Elevated Blood Level cases in the District	N/A	N/A	44	30	20	10
# of storefront facades improved	45	90	9	50	40	90
Average cost per façade unit funded	N/A	25,000	22,306	25,000	25,000	25,000



## *Property Acquisition and Disposition Division*

### **SUMMARY OF SERVICES**

The Property Acquisition and Disposition Division's (PADD) stabilizes neighborhoods by decreasing the number of vacant and abandoned residential properties in the District, and transforming vacant and/or abandoned residential properties into homeownership opportunities for District of Columbia residents at all income levels. PADD has three main functions: (1) encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property; (2) acquire vacant, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation or tax sale foreclosure and (3) dispose of properties in the PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods.

### **OBJECTIVE 1: Revitalize neighborhoods, promote community development and provide economic opportunities.**

#### **INITIATIVE 1.1: Continue three-year effort to recapture property when developers have not performed.**

In FY 2009, recapture efforts began with respect to non-compliant properties disposed of through the previously existing Homestead Housing and Preservation Program and Home Again Initiative. These activities will continue for all seven remaining properties that are currently in default. It is anticipated that this activity will run through FY 2011 to allow for any litigation activities to take place. Due to certain requirements to pay outstanding construction debts, some properties may not be able to be recaptured until FY 2011.

#### **INITIATIVE 1.2: Implementation of the Turnkey Residential Development Initiative.**

During an FY 2009 CapStat, the Mayor requested that PADD explore and implement a program whereby the District would hire contractors directly to rehab and build new construction on properties currently in the PADD inventory and then sell the finished units to District residents. This "Turnkey Initiative" began in FY 2009, but will take off in FY 2010. Each unit is estimated to cost between \$200,000 and \$250,000 to rehab or build new construction. For FY 2009, it is estimated that between 10 and 15 units will be developed at a cost between \$2,050,000.00 and \$3,175,000.00. The units are planned to be sold at or slightly below cost in order to achieve an affordability range of 50% - 80% AMI and recoup a portion of the District's investment.

#### **INITIATIVE 1.3: Issue a special Solicitation of Offers to ensure the development of scattered affordable units in the Bellevue target area for FY 2010.**

In FY 2009, PADD focused its acquisition efforts in the Bellevue target area and has been able to acquire six buildings and two vacant lots. In FY 2010, PADD will issue a special Solicitation of Offers for the Bellevue properties (six buildings and two vacant lots) to ensure that scattered affordable units will be developed and offered for rent and for-sale.



**PROPOSED KEY PERFORMANCE INDICATORS – Property Acquisition and Disposition Division**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
# of properties acquired	NA	NA	11	20	25	30
# of properties acquired in each targeted neighborhood (Ivy City/Trinidad, Historic Anacostia, & Washington Highlands)	NA	NA	4	10	15	20
# of properties recaptured from developers or transferees	NA	NA	2	8	10	12
# of properties for which disposition agreements were executed	NA	NA	49	50	55	60
# of housing units created or rehabbed through reclamation of abandoned properties	NA	NA	43	45	55	70
# of affordable housing units created or rehabbed through reclamation of abandoned properties	NA	NA	32	35	45	60
Average # of years of affordability for units created or rehabbed through reclamation of abandoned properties	NA	NA	10	10	15	20
# of properties investigated that result in rehabilitation by the owner	NA	NA	NA	10	15	15
Average cost per property of acquisitions	NA	NA	\$190,000	\$190,000	\$190,000	\$190,000



***Program Monitoring Division***

**SUMMARY OF SERVICES**

The Program Monitoring Division (OPM) conducts oversight and reviews of DHCD projects and funding recipients. Its core functions include: (1) contract compliance—completing various federally required compliance reviews as part of the underwriting and project development process; (2) quality assurance—monitoring the compliance of DHCD funded sub-recipients with federal HOME Investments Partnership Program (HOME) and Community Development Block Grant Program (CDBG) funding requirements; and (3) compliance monitoring—ensuring projects developed by DHCD through the Housing Production Trust Fund (HPTF), CDBG, HOME and Low Income Housing Tax Credit (LIHTC) programs remain in compliance with federal and local program requirements throughout the duration of the project’s period of affordability.

**OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

**INITIATIVE 1.1: Ensure the American Recovery and Reinvestment Act of 2009 (ARRA) funds are monitored and reported.**

The implementation for the ARRA funds awarded to the District involves an extensive reporting process. In FY 2010, OPM has the task of ensuring that the ARRA funds filtered through DHCD are expended and reported as required under ARRA. OPM will monitor the funds as they are received and expended by DHCD and will report on all areas required under ARRA, including project period, award type, project description and status, job creation and recipient area of benefit. OPM will also be required to ensure that all DHCD sub-recipients of these funds are reporting as required under ARRA.

Additionally, in the ARRA funds for the Homeless Prevention and Rapid Re-Housing Program (HPRP), OPM will administer inspections for all units. The initial date of federal reporting requirements will be October 1, 2009 for the entire District.

**PROPOSED KEY PERFORMANCE INDICATORS – Office of Program Monitoring**

<b>Measure</b>	<b>FY08 Actual</b>	<b>FY09 Target</b>	<b>FY09 YTD</b>	<b>FY10 Projection</b>	<b>FY11 Projection</b>	<b>FY12 Projection</b>
Number of grant projects reviewed	64	58	61	60	62	65
% of environmental reviews conducted within 45 days	92%	90%	95%	95%	98%	98%
% of Fair Housing reviews completed within stated division timelines	N/A	90%	92%	95%	98%	98%
# of eligible Community Housing Development Organizations recertified	16	15	15	12	12	12
# of physical inspections and file reviews conducted for HOME and LIHTC properties	N/A	986	881	1,000	1,050	1,175





## *Portfolio and Asset Management Division*

### **SUMMARY OF SERVICES**

The Portfolio and Asset Management Division (PMD) manages the allocation of Low Income Housing Tax Credits (LIHTC) and provides portfolio management oversight to outstanding loans in the division. Established in FY 2008, the division monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due and conducts the reviews of the risks and relationships of potential borrowers to protect the Department's assets.

### **OBJECTIVE 1: Preserve and increase the supply of quality affordable housing.**

#### **INITIATIVE 1.1: Allocate 100% of the American Recovery and Reinvestment Act of 2009 (ARRA) Grants in Lieu of Low Income Housing Tax Credit funding awarded, before September 30<sup>th</sup>, 2010., to produce affordable housing in the District.**

Under ARRA, DHCD is eligible to receive grants for low-income housing projects in lieu of low income housing tax credits. DHCD has elected to take a portion of its 2009 state housing tax credit ceiling in the form of grant amounts that will be passed on to sub-recipients. It is the responsibility of PMD to allocate these awards to recipients that demonstrate a good faith effort to find low income housing tax credit investors before making the request to DHCD. The Division will require proof of good effort in the form of a denial letter or offer of an amount that will result in an irreconcilable gap in funding for the recipient. It is the responsibility of DHCD to expend these funds by the end of the FY 2010.

#### **INITIATIVE 1.2: Expand asset management monitoring to reduce loan delinquency by 5% in FY 2010.**

This initiative will enhance asset management monitoring in order to improve loan performance. The overarching goal in expanding monitoring will be to reduce loan delinquency by 5% in FY 2010 and by 10% in FY 2011. Additionally, PMD will work to increase the base amount of \$500,000 for collections from loans per month.



### PROPOSED KEY PERFORMANCE INDICATORS – Portfolio Management Division

Measure	FY08 Actual	FY09 Target	FY09 YTD	FY10 Projection	FY11 Projection	FY12 Projection
# of loans in portfolio	6752	6952	6413	6715	7015	7415
% of all required financial reviews completed by staff within determined timeline	N/A	N/A	N/A	39%	50%	72%
% of loans in good standing (e.g. current loans and payoffs, and 30 days or less delinquent)	80%	N/A	83%	87%	92%	97%
% increase in # of loans in good standing from date baseline was established	9.79%	N/A	3.57%	4.17%	4.37%	4.59%
% of loans more than 30 days delinquent	N/A	N/A	2.00%	1.91%	1.81%	1.72%
% of loans in default	20%	24%	17%	12%	8%	3%
# of loans moved from delinquent to correct status	20	40	60	45	60	70
% of financial reports collected from existing borrowers	N/A	N/A	N/A	2%	3%	4%
% of loans with a risk rating of 4 or above	N/A	N/A	20%	18%	15%	15%