



FY 2013 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 (DC).

SUMMARY OF SERVICES

DHCD's fundamental activities consist of financial operations, administration of regulations and support of the independent Rental Housing Commission. The specific strategic objectives that DHCD focuses on to stimulate economic development and spur the dream of home ownership in underserved communities is (1) Preserve and increase the supply of quality affordable housing throughout DC, (2) Increase homeownership opportunities to residents of low and moderate income households and (3) revitalization of DC neighborhoods by promoting community development that embraces economic opportunities for local businesses. DHCD creates and preserves affordable housing by providing low-cost gap financing and subsidies for single family residential rehabilitation and multi-family construction projects to garner affordable rental and homeownership opportunities throughout the city. DHCD also leverages its appropriated local and federal funding to help finance community facilities, acquire property, and administer disposition activities for vacant and abandoned properties to help stabilize DC neighborhoods and provide new local opportunities. DHCD partners with community based organizations city wide to implement residential and community services that include homeownership assistance programs, housing counseling services, storefront façade improvement initiatives, and small business technical assistance services. In addition, DHCD administers the rental housing regulations that govern condominium and cooperative conversions, rent control, inclusionary zoning, and affordable dwelling unit programs. The Affordable Housing Locator is also a service of DHCD and is available online at dchousingsearch.org. All of these programs and services can be accessed through DHCD's Housing Resource Center located in DC's Historic Anacostia neighborhood in Ward 8.

PERFORMANCE PLAN DIVISIONS:

- Housing Regulation Administration (HRA)
- Rental Housing Commission (RHC)
- Development Finance Division (DFD)
- Residential and Community Services Division (RCSD)
- Property Acquisition and Disposition Division (PADD)
- Program Monitoring Division (PMD)
- Portfolio and Asset Management Division (PAMD)
- Office of the Director (ODR)



AGENCY WORKLOAD MEASURES

| Measure | FY2010 Actual | FY2011 Actual | FY2012 YTD |
|---|------------------|------------------|---------------|
| HRA: # of customers who utilize Housing Resource Center services | 6,568 | 6,399 | 4,899 |
| RHC: # of cases received | 31 | 27 | 17 |
| DFD: # of applications for financial assistance | 12 | 40 | 39 |
| RCSD: # of HPAP applications | 362 | 554 | 398 |
| PADD: # of properties in PADD's inventory | 193 | 634 | 476 |
| PMD: # of internal and external environmental reviews requested | 192 | 201 | 248 |
| PAMD: # of loans in portfolio | 6,305 | 6,758 | 7,067 |



Housing Regulation Administration

SUMMARY OF SERVICES

The Housing Regulation Administration (HRA) administers residential housing regulations relating to condominium and cooperative conversions, condominium registration, sale of rental housing, rent adjustment procedures, licensing, affordable housing creation and preservation and other related matters. It is composed of three divisions, the Rental Accommodation Division (RAD), the Rental Conversion and Sales Division (CASD), and the Housing Resource Center (HRC). The HRC houses the Housing Provider Ombudsman and RAD Contact Representatives. Staff in the HRC administer the District's Inclusionary Zoning Program, monitor and enforce many of the District's affordable dwelling units (ADUs), and manage the Housing Resource Center, which is located on the first floor of DHCD's main office in Historic Anacostia.

OBJECTIVE 1: Preserve and Increase the Supply of Quality Affordable Housing

INITIATIVE 1.1: Case Management Tracking System Implementation

As part of the DHCD's partnership with the Office of the Chief Technology Officer (OCTO), DHCD will continue efforts to implement a Case Management Tracking System (CMTS). In FY11, a CMTS was created for the Inclusionary Zoning (IZ) program. The management and workflow requirements will also be created for RAD, CASD and ADUs in FY11. In FY12, the implementation of the CMTS will continue for the RAD, CASD and ADUs. The CMTS will allow HRA to operate more efficiently by providing better electronic access to documents as well as tracking cases, petitions, and other processes. The end result will be increased coordination and data sharing across DHCD, and enhanced ability to assess Agency performance. **Completion date: September 30, 2013**

INITIATIVE 1.2: House Locator Enhancements

DCHousingSearch.org went live in the District in December 2009. Since that time, more than 276,000 searches are performed annually for affordable rental and sale properties in the District. In FY12, DHCD will further enhance the housing locator to increase its functionality and to ensure available affordable housing in the District is captured in the housing locator. **Completion date: September 30, 2013**

INITIATIVE 1.3: Housing Regulation Administration Electronic Information

In FY12, HRA will enhance its website to include additional education and information, with the end goal of providing stakeholders with a more comprehensive understanding of HRA's processes and procedures. In particular, all of HRA's forms will be updated and available in PDF fillable forms online. Further, the website will include program descriptions, stakeholder guides regarding processes and procedures, answers to frequently asked questions, and lists of stakeholder resources. **Completion date: September 30, 2013**



OBJECTIVE 2: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities

INITIATIVE 2.1: Expand and Enhance Housing Provider Ombudsman Education Series

The Housing Provider Ombudsman (HPO) assists small housing providers with understanding the District of Columbia’s housing laws. To this end, the HPO explains HRA notices, petitions and general forms. The HPO also provides technical assistance on rent control, tenant opportunity to purchase, and the sale and conversion process. In FY12, the HPO will expand education and outreach of stakeholders (e.g. small housing providers, small housing provider agents, and real estate agents) through expanded seminars and inter-Agency coordination. **Completion date: September 30, 2013.**

INITIATIVE 2.2: Expand and Enhance the Housing Regulation Administration Education Series

In FY12, HRA will conduct its regularly scheduled quarterly stakeholder meetings, as well as provide a larger array of educational opportunities regarding condominium and cooperative conversions, sale of rental housing, rent adjustment procedures, licensing, affordable housing creation and preservation, and other related matters. HRA’s educational events will be enhanced based upon stakeholder requests, legislative changes, market driven conditions, and coordinated efforts with other Agencies resulting in more comprehensive programs. **Completion date: September 30, 2013.**

KEY PERFORMANCE INDICATORS – Housing Regulation Administration

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|--|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| % of orders issued on voluntary agreement petitions within 45 calendar days | 100% | 90% | 100% | 90% | 90% | 90% |
| % of orders issued on hardship petitions within 90 calendar days of receipt ¹ | 75% | 90% | 100% | 90% | 90% | 90% |
| % of condo registration applications processed within 60 calendar days | 91.96% | 98% | 94.05% | 98% | 98% | 98% |
| % of structural defect warranty claim notices processed within 60 calendar days | 35.42% | 95% | 29.17% | 95% | 95% | 95% |
| % of complete housing assistance payment requests processed within 30 calendar days | 0% | 95% | 0% | 95% | 95% | 95% |

¹ An Acting Rent Administrator was installed in June 7, 2010 and is awaiting nomination.



| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|---|---------------------------|---------------------------|------------------------|-------------------------------|-------------------------------|-------------------------------|
| # of inclusionary zoning units built | 0 | TBD | 2 | TBD | TBD | TBD |
| % of lotteries conducted for inclusionary units within 17 calendar days of receiving notice of availability | 0% | 95% | 0% | 95% | 95% | 95% |



Rental Housing Commission²

SUMMARY OF SERVICES

The Rental Housing Commission (RHC) 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: Create Standard Operating Procedures Manual.

A standard operating procedures manual will serve as a guide for management and administrative procedures provide a detailed outline of the processes for rent control appeals and educate new Commissioners about DC Housing Regulations. The operating procedures manual will facilitate in the creation of a streamlined RHC process to better serve the large number of District renters through the timely resolution of their legal appeals and will reduce government spending through processes and management efficiencies. The operating manual will also set guidelines for process transparency and performance accountability. **Completion date: September 30, 2013.**

INITIATIVE 1.2: Implement Process to Streamline Case Resolution.

Appeals of landlords and tenants disputes are not decided on timely basis by the RHC. Between 2006 and 2009, the RHC on average decided about 11 cases annually (2006 to 2009 average) while receiving an average of 24 cases annually during the same timeframe. In conjunction with the creation of a standard operating procedures manual, a new case resolution process will be implemented whereby regular management meetings will be held, Commissioner workload will increase from 1 to 3 cases at a time, hearings will be scheduled on fixed timelines (as opposed to base on attorney availability), cases will be categorized by difficulty, backlogged cases will be prioritized, commissioners will specialize in specific types of cases (i.e., hardship petitions, capital improvements) and the case tracking dashboard will be used more efficiently.

² The Rental Housing Commission Quorum Temporary Amendment Act of 2010 amended, on a temporary basis, the Rental Housing Act of 1985 to reduce the quorum requirement of the Rental Housing Commission to one member. The temporary act was extended until August 8, 2011. The Rental Housing Commission had a quorum of one from January 31, 2011 until August 7, 2011. The RHC had no quorum from January 31, 2010 to January 30, 2011. As of August 8, 2011 the RHC has a quorum of 3.



The timely resolution of appeals through a sustainable and transparent process will increase the Commission's credibility, improve customer satisfaction and prevent a future backlog. **Completion date: September 30, 2013.**

KEY PERFORMANCE INDICATORS – Rental Housing Commission

| Measure | FY 2011 Actual | FY 2012 ³ Target | FY 2012 YTD | FY 2013 ⁴ Projection | FY 2014 ⁵ Projection | FY 2015 Projection |
|---|----------------|-----------------------------|-------------|---------------------------------|---------------------------------|--------------------|
| # of appeals disposed | 19 | 31 | 40 | 32 | 33 | 33 |
| # of appeals cases > 3 years old | 71 | 18 | 75 | 12 | 10 | 10 |
| % of cases processed under 6 weeks (from date of commencement) | 46.25% | 55% | 35.00% | 55% | 60% | 60% |
| Average amount of time from receipt of case to assignment | 15mo | 3mo | 11mo | 5mo | 4mo | 4 Mos |
| % of hearings scheduled within 30 day requirement | 75% | 100% | 100% | 100% | 100% | 100% |
| Average # of calendar days between receipt of case and final decision | 376 | 20 | 9 | 20 | 20 | 20 |

³ Assuming one of three Commissioners and a contact representative.

⁴ Assuming three Commissioners and supporting attorneys, law clerks and a contact representative.

⁵ Assuming three Commissioners and supporting attorneys, law clerks and a contact representative.



Development Finance Division

SUMMARY OF SERVICES

DHCD's Development Finance Division (DFD) provides funding for the development of affordable rental and homeownership developments, as well as community facilities. As the key division for both the creation and preservation of affordable housing units, 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: Implement Tiered Target Area Investment Strategy.

DHCD identified several areas for targeted investment through the Five-Year Consolidated Plan's city-wide citizen participation process. Tier One focuses on projects in Wards 5, 7, and 8 that complement DHCD's Livability Principles, Tier Two focuses on high priority projects where coordination with other District agencies is developed, Tier Three focuses on areas of general poverty and Tier Four focuses on distributing mixed income housing more equitably across the entire city. This initiative will be implemented through the prioritization of Tiered Target Areas in Requests for Proposals (RFPs) and other future funding opportunities, an increase in the percentage of dollars expended in the Tiered Target Areas and the fulfillment of NSP2 grant expenditure requirements, which parallel the goals of the Tiered Target Area Investment Strategy. In effecting this tiered strategy, DFD's role will be to increase affordable housing by leveraging private investment and to cultivate vibrant and safe places to live by prioritizing projects that prevent further concentration of poverty. **Completion date: September 30, 2013.**

INITIATIVE 1.2: Reduce Loan Delinquency and Increase Collections (Joint Initiative with PAMD).

DFD, in conjunction with Portfolio and Asset Management Division (PAMD), will develop an efficient, cross-divisional, internal risk rating system that will allow for a standardized, consistent and ongoing analysis of individual project and agency risk exposure. Further, the agency will create standardized loan documents that will mirror Federal reporting requirements to create reporting and monitoring efficiencies internally and externally. Along these lines, DHCD has identified five projects from the Troubled Property List for increased analysis and repositioning. Increased monitoring, assessment and analysis of DHCD's loan portfolio is expected to reduce the loan delinquency rate to under 2%. Further, this will result in an increase in collections of previously expended funds and allow for increased reinvestment into the supply of affordable housing units. **Completion date: September 30, 2013.**



OBJECTIVE 2: Increase Homeownership Opportunities.

INITIATIVE 2.1: Execute Second Year of Three Year Effort to Stabilize Targeted Neighborhoods through NSP2 Grant (Joint Initiative with RCSD and PADD).

In recognition of the tremendous need to stabilize DC neighborhoods hardest hit by the economic downturn and foreclosure crisis, DHCD was awarded \$9,550,562 by the U.S. Department of Housing and Urban Development (HUD) under the competitive Neighborhood Stabilization Program. PADD will obligate these funds for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will house individuals or families whose incomes do not exceed 50% of the area median income. DFD will obligate the funds to redevelop abandoned or foreclosed properties to prevent foreclosure of affordable multi-family housing units and RCSD will expend the funds through the HPAP program. In accordance with the requirements of the grant, 25% of the funds will be expended in FY11, 50% will be expended by February FY12, and 100% will be expended by FY13. By committing or expending all funds awarded in accordance with grant requirements DHCD will stabilize Tiered Target Neighborhoods by decreasing the number of vacant and abandoned residential properties and providing financing to properties at risk of foreclosure. Further, these properties will also meet the objectives as set forth by “Sustainable City, Complete Neighborhoods” by transforming troubled properties into housing opportunities for District residents. **Completion date: September 30, 2013.**

OBJECTIVE 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

INITIATIVE 3.1: Commit or Expend Awarded American Recovery and Reinvestment Act of 2009 (ARRA) Funds and Housing and Economic Recovery Act of 2008 (HERA) Funds.

With the passing of HERA and ARRA, new federal programs were established to help communities hardest hit by the current economic crisis. With the goal of “Sustainable City, Complete Neighborhoods” and within the framework of the Livability Principles, DFD is investing stimulus dollars made available to DC through the Section 1602 Low Income Housing Tax Credits Exchange Program, the Tax Credit Assistance Program (TCAP) and the Community Development Block Grant-Recovery (CDBG-R) program. Section 1602 must be 100% expended by January 1, 2011; TCAP must be 75% expended by February 16, 2011 and 100% by February 16, 2012; and CDBG-R must be 100% expended by September 30, 2012. These funds will draw private sector investment into low-to-moderate income communities and will allow DHCD’s to stretch its other financing sources, like the Housing Production Trust Fund and Unified Fund, to serve more residents. Results will be posted on recovery.gov, on the Mayor’s stimulus website, recovery.dc.gov, and on the Housing Recovery section of DHCD’s website. **Completion date: September 30, 2013.**



KEY PERFORMANCE INDICATORS – Development Finance Division

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|---|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| Total affordable housing units funded (new and rehab) ⁶ | 846 | 900 | 686 | 900 | 900 | 900 |
| Total special needs housing units funded (elderly, disabled, and homeless units) | 251 | 150 | 169 | 150 | 150 | 150 |
| Total new homeownership units funded | 223 | 80 | 223 | 80 | 80 | 80 |
| Total First Right Purchase Assistance Program (tenant purchase) units funded – FRP New and Rehab Units | 241 | 100 | 36 | 100 | 100 | 100 |
| Total affordable housing units rehabilitated | 300 | 200 | 286 | 200 | 200 | 200 |
| Total affordable housing units preserved (via loan structuring, technical aid, etc.) | 122 | 200 | 0 | 200 | 200 | 200 |
| % of affordable housing units competitively evaluated and advancing to underwriting in the respective FY, that are highly sustainable and meet the Green Communities criteria | 86% | 100% | 100% | 100% | 100% | 100% |

⁶ DHCD funds a unit of affordable housing when a project has completed all application and underwriting processes and its funding has been obligated in SOAR (System of Accounting and Reporting).



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 (HPAP), Employer Assisted Housing Program, Home Purchase Assistance Enhancement Program (HPAP "E") and the HPAP 203 (k) Program which provides financial assistance to 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: Execute Second Year of Three-Year ARRA Lead Hazard Reduction Demonstration Grant.

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. In May 2009, the US Department of Housing and Urban Development (HUD) awarded DHCD \$2.6 million in funding for lead hazard reduction under ARRA. Under the Lead Safe Washington Program (LSW) residents receive funding to identify and control lead-based paint hazards in eligible single and multi-family dwellings. Combined with local funds, RCSD can address the lead-based paint and lead dust hazards in housing in order to create a lead-safe environment for up to 170 housing units by the end of FY12. In order to achieve this, RCSD must meet the quarterly HUD benchmarks for unit clearance, risk assessments and funds expended. Specifically, 55% (\$1.4 million) of the grant funds must be expended and 94 units must be created by March 31, 2011 and 100% (\$2.6 million) of the grant funds must be expended and 170 units must be created by May 31, 2012. **Completion date: September 30, 2013.**

OBJECTIVE 2: Increase Homeownership Opportunities.

INITIATIVE 2.1: Expand Use of FHA Insured 203(k) Streamlined Loans in Conjunction with the Home Purchase Assistance Program (HPAP).

DHCD provides a variety of homeownership assistance products to targeted populations in order to encourage homeownership and residency in the District. Allowing the use of 203(k) Loans with these products permits homebuyers to finance an additional \$35,000 into their mortgage to improve or upgrade their home before move-in.

Participation in homeownership programs will be increased by expanding outreach through increased training of Community Based Organizations (CBOs), greater outreach and coordination with unions and other stakeholder groups, and informational and



educational materials enhanced to highlight the ability to combine the programs. The benefits of enhanced outreach, in particular the marketing of the 203(k) in conjunction with HPAP, are many. First, it will assist first time homebuyers in obtaining affordable homes. Second, it will assist in moving foreclosed homes out of the hands of banks and into the hand of low and moderate- income residents. Third, it will place current vacant units back onto the tax rolls and help revitalize neighborhoods by reducing the number of vacant and abandoned properties. Increased participation in these programs will help DHCD achieve its Livability Principles by enabling low-income residents to become self-sufficient, encourage government employees to reside in the District and assist in the creation of generational wealth through homeownership. **Completion date: September 30, 2013.**

INITIATIVE 2.2: Execute First Year of Three Year Effort to Stabilize Targeted Neighborhoods through NSP2 Grant (Joint Initiative with DFD and PADD).

In recognition of the tremendous need to stabilize housing in DC neighborhoods hardest hit by the economic downturn and foreclosure crisis, DHCD was awarded \$9,550,562 by the U.S. Department of Housing and Urban Development (HUD) under the competitive Neighborhood Stabilization Program. PADD will obligate these funds for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will house individuals or families whose incomes do not exceed 50% of the area median income, DFD will obligate the funds to redevelop abandoned or foreclosed properties to prevent foreclosure of affordable multi-family housing units and RCSD will expend the funds through the HPAP program. In accordance with the requirements of the grant, 25% of the funds will be expended in FY11, 50% will be expended by February FY12, and 100% will be expended by FY13. By committing or expending all funds awarded in accordance with grant requirements DHCD will stabilize Tiered Target Neighborhoods by decreasing the number of vacant and abandoned residential properties and providing financing to properties at risk of foreclosure. Further, these properties will also meet the objectives as set forth by “Sustainable City, Complete Neighborhoods” by transforming troubled properties into housing opportunities for District residents. **Completion date: September 30, 2013.**

OBJECTIVE 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

INITIATIVE 3.1: Complete Overhaul of the Storefront Façade Development Process.

RCSD provides grants through non-profit partners to retail and commercial property owners to enhance retail and commercial façades in targeted areas of the District. Generally, a grant of up to 80% of construction costs for façade improvements is awarded.

An additional 20% is provided to the non-profit for administrative and management costs including outreach efforts, design fees, project management, and construction administration. In FY10, RCSD enhanced the image and overall effectiveness of the



storefront façade improvement program by streamlining the development process and increasing the number of façades improved from FY09. In FY11, the process will continue with best practices research on how other jurisdictions develop and implement façade improvement programs, particularly using federal funds, the development of improved internal policies and procedures with our non-profit partners in order to increase program efficiency and enhance marketing. DHCD will also work to expand awareness of the program within the District government, including how it can complement other or nearby development efforts, or the programs and initiatives of other agencies. In FY11, RCSD will continue to improve the program through the efficient allocation of ARRA funds, focused investment in the Tiered Target Neighborhoods for projects that meet the Livability Principles and expenditure of all remaining stimulus funds. **Completion date: September 30, 2013.**

KEY PERFORMANCE INDICATORS – Residential and Community Services Division

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|--|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| Total affordable housing units funded | 506 | 425 | 266 | 425 | 425 | 425 |
| Total Single Family Rehab units funded | 124 | 75 | 31 | 75 | 75 | 75 |
| Total Lead Multifamily units funded | 137 | 60 | 41 | 60 | 60 | 60 |
| Total Residential Rehab Elderly, Disabled, and Homeless units (special needs) funded | 73 | 15 | 16 | 15 | 15 | 15 |
| Total Home Purchase Assistance Program (HPAP) Elderly, Disabled, and Homeless units (special needs) funded | 7 | 10 | 6 | 10 | 10 | 10 |
| # of first-time homebuyers funded by HPAP | 223 | 260 | 179 | 260 | 260 | 260 |
| # of District employee homebuyers funded by EHAP | 75 | 80 | 55 | 80 | 80 | 80 |
| # of District employee homebuyers funded by NEAHP | 20 | 25 | 17 | 25 | 25 | 25 |
| # of Elevated Blood Level cases in the District ⁷ | 43 | 30 | 31 | 30 | 30 | 30 |
| # of storefront façades improved | 46 | 40 | 6 | 40 | 40 | 40 |
| Average cost per façade unit funded | \$25,000 | 25,000 | 18,667 | 25,000 | 25,000 | 25,000 |

⁷ Industry Standard – collected by the U.S. CDC in conjunction with DDOE. The current national average is approximately 1%.



Property Acquisition and Disposition Division

SUMMARY OF SERVICES

The Property Acquisition and Disposition Division (PADD) stabilizes and revitalizes 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 for rehabilitation into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods.

OBJECTIVE 1: Preserve and Increase the Supply of Quality Affordable Housing.

INITIATIVE 1.1: Execute First Year of Three Year Effort to Stabilize Targeted Neighborhoods through NSP2 Grant (Joint Initiative with DFD and RCSD).

In recognition of the tremendous need for affordable housing in DC neighborhoods hardest hit by the foreclosure crisis, DHCD was awarded \$9,550,562 by the U.S. Department of Housing and Urban Development (HUD) under the competitive Neighborhood Stabilization Program. PADD will obligate these funds for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will house individuals or families whose incomes do not exceed 80% of the area median income, DFD will obligate the funds to redevelop abandoned or foreclosed properties to prevent foreclosure of affordable multi-family housing units and RCSD will expend the funds through the HPAP program. In accordance with the requirements of the grant, 25% of the funds will be expended in FY11, 50% will be expended by February FY12, and 100% will be expended by FY13. By committing or expending all funds awarded in accordance with grant requirements DHCD will stabilize Tiered Target Neighborhoods by decreasing the number of vacant and abandoned residential properties and providing financing to properties at risk of foreclosure. Further, these properties will also meet the objectives as set forth by “Sustainable City, Complete Neighborhoods” by transforming troubled properties into homeownership opportunities for District residents. **Completion date: September 30, 2013**



OBJECTIVE 2: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

INITIATIVE 2.1: Complete Three-Year Effort to Recapture Properties from Non-Performing Developers.

DHCD began monitoring and enforcing non-compliant properties disposed through the previously existing Homestead Housing and Preservation Program and Home Again Initiative in FY09.

These activities continued in FY10 for seven remaining properties that were in default through litigation activities in which the requirements to pay outstanding construction debts were enforced. In FY11, the recapture process will be completed and the properties will be incorporated into the disposition pipeline to become affordable units and market rate units for DC residents. **Completion date: September 30, 2013.**

INITIATIVE 2.2: Implement the Turnkey Residential Development Initiative.

During an FY09 Cap-Stat, the Mayor requested that PADD explore and implement a program whereby the District would hire contractors directly to perform rehabilitation or new construction on properties currently in the PADD inventory and then sell the finished units to District residents. Planning for this Turnkey Initiative began in FY09 and implementation began in FY10. In FY11, the Turnkey Initiative will be actualized with the first properties being prepared for market consumption by going through the process of permitting, releasing a track order RFP and building construction. Each unit is estimated to cost between \$200,000 and \$250,000 to rehabilitate or build new construction. It is estimated that up to 10 units will be developed at a cost of approximately \$2,050,000.00, with four units expected to be under construction by December 2010. The units are planned to be sold at or slightly below cost in order to achieve an affordability range of 50% - 80% AMI, recoup a portion of the District's investment and meet the Livability Principles. **Completion date: September 30, 2013.**

INITIATIVE 2.3: Acquire Vacant Commercial Property in Historic Anacostia.

PADD will target five vacant commercial properties in Historic Anacostia for acquisition in order to further facilitate the neighborhood revitalization efforts and meet the objectives of "Sustainable City, Complete Neighborhoods." These acquisitions will occur over the next two fiscal years and will then be rehabilitated and disposed through PADD programs, complementing the agency's work in Historic Anacostia under the NSP2 grant, and through the many DFD and RCSD projects that are active in the neighborhood. **Completion date: September 30, 2013.**



KEY PERFORMANCE INDICATORS – Property Acquisition and Disposition Division

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|--|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| # of properties acquired | 11 | 15 | 6 | 15 | 15 | 15 |
| # of total properties acquired in targeted neighborhoods (Ivy City/Trinidad, Historic Anacostia, & Washington Highlands) | 3 | 10 | 3 | 10 | 10 | 10 |
| # of properties recaptured from developers or transferees | 0 | 10 | 0 | 10 | 10 | 10 |
| # of properties for which disposition agreements were executed | 28 | 55 | 32 | 55 | 55 | 55 |
| # of housing units rehabilitated through acquisition of abandoned properties | 53 | 45 | 46 | 45 | 45 | 45 |
| # of affordable housing units created or rehabilitated through acquisition of abandoned properties | 31 | 45 | 20 | 45 | 45 | 45 |
| Average # of years of affordability for units created or rehabilitated through acquisition of abandoned properties | 12 | 15 | 15 | 15 | 15 | 15 |
| # of properties investigated that result in rehabilitation by the owner | 0 | 5 | 0 | 5 | 5 | 5 |
| Targeted Average cost per property of acquisitions ⁸ | \$38,095 | \$190,000 | \$230,683 | \$190,000 | \$190,000 | \$190,000 |

⁸ FY10 YTD costs are lower than projected due to recapture methods available for FY10 YTD properties recaptured. Costs are expected to increase in alignment with projections due to costs associated with more complex recaptures.
Department of Housing and Community Development
Government of the District of Columbia

FY 2013 Performance Plan
Re-Published March 2013



Program Monitoring Division

SUMMARY OF SERVICES

The Program Monitoring Division (PMD) conducts oversight and reviews of DHCD projects and funding recipients. Its core functions include the following types of oversight: (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 Partnerships Program (HOME) and Community Development Block Grant Program (CDBG) Program 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 projects' periods of affordability.

OBJECTIVE 1: Preserve and Increase the Supply of Quality Affordable Housing.

INITIATIVE 1.1: Ensure ARRA Funds are Monitored and Reported.

PMD will monitor all ARRA funds as they are received and expended by DHCD and will report on all areas required under Federal regulations, such as project period, award type, project description and status, jobs funded and recipient area of benefit. PMD will also ensure that all sub-recipients of these funds meet the Recovery Act's unprecedented accountability and transparency standards, including all reporting requirements. Additionally, PMD will contract for inspections of all units funded under the Homeless Prevention and Rapid Re-Housing Program (HPRP) which has a requirement to spend 60% of the grant by July 21, 2011. **Completion date: September 30, 2013.**

OBJECTIVE 2: Increase Home Ownership Opportunities.

INITIATIVE 2.1: Hold Annual Fair Housing Symposium and Monitor Analysis of Impediments to Fair Housing Choice (AI).

The District of Columbia must adhere the Fair Housing Act which provides for Affirmatively Further Fair Housing (AFFH) [§808(e) (5)]. As part of this requirement, DHCD must conduct an Analysis of Impediments to Fair Housing Choice (AI) on five-year intervals as mandated by regulation. DHCD will have completed its AI in fiscal year 2011. As a result, DHCD will take appropriate actions to overcome the adverse effects of impediment identified through the analysis. It will also coordinate and maintain records reflecting actions taken by the private, non-profit and government sectors in this regard.

Additionally, DHCD will create an ad-hoc advisory group composed of key stakeholders to provide guidance and recommendations on mitigating the District's fair housing impediments and ensuring these are addressed by the proper bodies of government or private sector. With continued and sustained management of impediments, District residents are ensured to be better served and have greater access to public or privately financed housing, thereby affirmatively furthering fair housing. DHCD will report on the



progress to date of actions to overcome the impediments to fair housing choice in its 2012 Annual Fair Housing Symposium.

Completion date: September 30, 2013.

In celebration of the National Fair Housing Month, DHCD will hold its annual Fair Housing Symposium in collaboration with government and non-profit partners to educate public and private fair housing advocates, community-based organizations, and housing industry providers on the critical fair housing issues affecting housing accessibility and choice. DHCD will also conduct training to sub-recipients and staff on accessibility and affirmatively furthering fair housing in order to increase home ownership opportunities.

Completion date: September 30, 2013.

OBJECTIVE 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

INITIATIVE 3.1: Increase Compliance of Section 3 Program.

The Section 3 Program within DHCD is aimed at creating greater opportunities for recruitment and employment of low- and very low-income residents and business interests by DHCD funded developers working on contracts partially or wholly funded through HUD. In order to achieve this goal PMD will implement procedures designed to notify Section 3 residents about training and employment opportunities, notify Section 3 businesses of contracting opportunities generated by Section 3 covered assistance, and facilitate the training and employment of Section 3 residents. Milestones for the completion of this initiative will be the development of a communications plan for both Section 3 residents and Section 3 businesses and a revision of contracting policies and procedures. **Completion date: September 30, 2013.**



KEY PERFORMANCE INDICATORS – Program Monitoring Division

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|---|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| Total number of grant projects reviewed | 201 | 95 | 88 | 105 | 115 | 115 |
| % of DHCD environmental reviews ⁹ conducted within 45 calendar days | 88.51% | 80% | 74.00% | 90% | 95% | 95% |
| % of Fair Housing Reviews completed within stated Division timelines | 100% | 98% | 100% | 98% | 98% | 98% |
| #of Section 3 Business Concerns Certified | 14 | 10 | 18 | 12 | 15 | 15 |
| # of Section 3 Jobs Created | 38 | 15 | 23 | 20 | 25 | 25 |
| # of eligible Community Housing Development Organizations certified/recertified by fiscal year-end | 5 | 6 | 5 | 6 | 6 | 6 |
| # of required physical inspections and file reviews of units conducted annually for HOME and LIHTC properties | 1,032 | 1,000 | 1,393 | 1,000 | 1,000 | 1,000 |

⁹ OPM staff complete a HUD-approved checklist after it independently reviews all of the environmental information collected for each site. Additionally, in accordance with the National Environmental Protection Act (NEPA), OPM has provided public notice and reviewed the environmental effects of proposed housing related activities throughout the District and concluded that a broad range of activities will not have an adverse impact on the environment.



Portfolio and Asset Management Division

SUMMARY OF SERVICES

The Portfolio and Asset Management Division (PAMD) 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 collections of loans that are due and compliance with loan covenants. PAMD also analyzes 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: Enhance Monitoring of the Multifamily Portfolio of the District of Columbia including Low Income Housing Tax Credits (LIHTC).

The LIHTC Program was enacted by Congress in 1986 to provide owners of qualifying properties a federal tax incentive with the Internal Revenue Service for providing rental housing at affordable rates for individuals and families of low or moderate income levels. As mandated by the Internal Revenue Service, DHCD is charged with insuring ongoing compliance of LIHTC properties in the District of Columbia by providing oversight of the allocation of the credits. In FY12, DHCD will enhance monitoring of multifamily housing, including LIHTC, through ongoing monitoring of financial performance and through the review of taxes, insurance and overall compliance with loan document requirements. **Completion date: September 30, 2013.**

INITIATIVE 1.2: Reduce Loan Delinquency and Increase Collections (Joint Initiative with DFD).

Development Finance Division, in conjunction with PAMD, will develop an efficient, cross divisional, internal risk rating system that will allow for a standardized, consistent and ongoing analysis of individual project and Agency risk exposure. Further, the Agency will create standardized loan documents that will mirror Federal reporting requirements to create reporting and monitoring efficiencies internally and externally. Along these lines, DHCD has identified 5 projects from the Troubled Property List for increased analysis and repositioning. Increased monitoring, assessment and analysis of DHCD's loan portfolio is expected to increase the percentage of loans in good standing by 5% decrease the percentage of loans more than 30 calendar days delinquent by 1% and allow for 60% of multi-family loans to be risk rated. Further, this will result in an overall reduction in loan delinquency, an increase in collections of previously expended funds and allow for increased reinvestment into the supply of affordable housing units. **Completion date – September 30, 2013.**



KEY PERFORMANCE INDICATORS – Portfolio and Asset Management Division

| Measure | FY 2011 Actual | FY 2012 Target | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|--|----------------|----------------|-------------|--------------------|--------------------|--------------------|
| # of loans in portfolio | 6,758 | 7,015 | 7,067 | 7,015 | 7,015 | 7,015 |
| % of all required financial reviews completed | 49.43% | 50% | 40.69% | 50% | 50% | 50% |
| % of loans in good standing from previous quarter | 94.45% | 92% | 93.12% | 92% | 92% | 92% |
| % increase in # of loans in good standing from previous quarter | 5.06% | 1.55% | 0.35% | 1.55% | 1.55% | 1.55% |
| % of loans more than 30 calendar days delinquent | 2.75% | 1.91% | 3.21% | 1.91% | 1.91% | 1.91% |
| % of loans in default | 4.22% | 12% | 6.88% | 12% | 12% | 12% |
| # of loans moved from delinquent to correct status | 62 | 60 | 20 | 60 | 60 | 60 |
| % of multi-family loans risk rated | 32.14% | 50% | 8.57% | 50% | 50% | 50% |
| % of financial reports collected from existing borrowers ¹⁰ | 2.56% | 2.50% | 2.40% | 2.5% | 2.5% | 2.5% |

¹⁰ PAMD collects this data in order to monitor the status of existing loans and to ensure compliance with loan covenants.



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: Execute the First Year of DHCD's New Five-Year Consolidated Plan.

Fiscal Year 2011 (FY11) will mark the first year of the FY11 – FY15 Five-Year Consolidated Plan (Plan). The overarching theme of the Plan is “Sustainable City, Complete Neighborhoods” and is embodied in the Six Livability Principles: Provide More Transportation Choices, Promote Equitable Affordable Housing, Enhance Economic Competitiveness, Support Existing Communities, Coordinate Policies and Leverage Investment and Value Communities and Neighborhoods. The FY11 Action Plan, which is also an application to the U.S. Department of Housing and Urban Development (HUD) for Federal FY10 funding, will serve as a strategic roadmap for the activities that each Division will perform and ensure that the Livability Principles are embodied in the services that are provided. **Completion date: September 30, 2013.**

OBJECTIVE 2: Increase Homeownership Opportunities.

INITIATIVE 2.1: Implement the Multi-family Tax Abatement Program.

Under new authorities granted to the agency in FY10 and FY11, DHCD will create incentives to preserve and create multi-family affordable housing in the District through tax abatement programs in partnership with the Office of Tax and Revenue. For instance, the program will provide tax relief and other financial incentives (such as water and sewer fee relief) to distressed rental property owners contingent on the affordability of the housing units and on the rehabilitation of the housing units. The purpose of these abatements will be to protect the supply of affordable housing by encouraging owners to grow the supply of mixed income housing communities in the Tiered Targeted Areas. Tiered Targeted Areas prioritize resource allocation based on the goals of regional sustainability, integrated development coordination with other District agencies, revitalizing areas of general poverty and underserved need, and citywide economic integration of subsidized housing.

This program will strengthen the District's economic and tax base as well as create, preserve and upgrade the supply of affordable housing units by reducing tax liability instead of through direct spending. **Completion date: September 30, 2013.**



OBJECTIVE 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

INITIATIVE 3.1: Meet Accountability and Transparency Requirements of the American Recovery and Reinvestment Act of 2009 (ARRA).

DHCD received approximately \$70 million in ARRA funds through multiple competitive and formula grant and tax credit programs for affordable housing, including the Neighborhood Stabilization Program (NSP); Section 1602 Grants in Lieu of Low Income Housing Tax Credit Program; Tax Credit Assistance Program (TCAP); Homelessness Prevention and Rapid Re-housing Program (HPRP); Community Development Block Grant-Recovery (CDBG-R) Program and Lead Hazard Reduction Demonstration Grants. All funds must be spent within two to three years of the award date. In FY10, DHCD expended approximately \$30 million of the awarded stimulus funds and will continue to expend the remaining funds in FY11 consistent with the requirements of each grant. These funds have and will continue to help the District with homelessness prevention, neighborhood stabilization, lead abatement, façade improvements, small business assistance, community development and tax credit assistance to developers of affordable housing. It is the responsibility of the Office of the Director to ensure that all funds are managed and expended efficiently and effectively and to comply with the transparency and accountability requirements of the Federal government. Results are posted on recovery.gov, on the Mayor’s stimulus website, recovery.dc.gov, and on the Housing Recovery section of DHCD’s website. **Completion date: September 30, 2013.**

KEY PERFORMANCE MEASURES – Office of the Director

| Measure | FY 2011 Actual | FY 2012 Projection | FY 2012 YTD | FY 2013 Projection | FY 2014 Projection | FY 2015 Projection |
|---|----------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| % of sub-grantee budget spent on programmatic costs ¹¹ | 65% | 80% | 13.20% | 80% | 80% | 80% |
| % of scheduled monitoring reports as defined in agency monitoring plan completed for each grant award ¹² | 100% | 100% | Annual Measurement | 100% | 100% | 100% |

¹¹ The Wise Giving Alliance of the Better Business Bureau identifies 65% to be an industry standard for this measure <http://www.bbb.org/us/Charity-Standards/>. This metric measures all sub-grantees’ programmatic costs as a percentage of their overall costs.

¹² This monitoring function was transferred to PMD in FY09. Pursuant to 11.4 of the Grants Manual and Source Book all District agencies must complete monitoring reports. All District agencies should be in compliance with this standard. The standard is 100%.