

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

**MEETING MINUTES**  
TUESDAY, OCTOBER 8, 2013  
10:00 a.m. | DHCD Housing Resource Center

**Meeting Participants:**

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

Inter-Agency Government Staff: Victor Hoskins, Deputy Mayor for Planning and Economic Development (DMPED); Andrew Trueblood, Deputy Chief of Staff, DMPED; Matt Scalf, Office of Deputy Mayor for Health and Human Services (ODMHHS).

DHCD Staff: Milton Bailey, Oke Anyaegbunam, Marthine Bartee-Williams, Chris Dickersin-Prokopp, Beatrix Fields, Pamela Hillsman, Doug Kemp, Vonda Orders, Felicia Pearson, Nathan Simms, and Marcus Williams.

See attached Meeting Sign-In Sheet (*Attachment (1)*).

**Call to Order & Introductions:**

At 10:15 A.M., a quorum was present and the meeting was called to order by Chairman David Bowers.

**Discussion Highlights and Actions Taken:** See attached Agenda (*Attachment (2)*).

1. **DHCD Announcements.**

Director Kelly reminded the Board that DHCD maintains on-site the Housing Resource Center, which is a valuable housing information and counseling center, and requested that the Board members share with others in the community that this Center is available to provide housing assistance. Notwithstanding the federal government shutdown, Mr. Kelly advised that DHCD will hold the following upcoming community events:

- “Educational Series on the Tenant Opportunity to Purchase Act (TOPA) for Tenants”, on Thursday, October 10, 2013, from 10:00 AM to 12:00 PM, in the DHCD Housing Resource Center; and
- “Contractor Conference” held by the Lead Safe Washington Program, in conjunction with the Single Family Residential Rehabilitation Program, on Wednesday, October 22, 2013, at 9:30 AM, in the Housing Resource Center.

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2. **Discussion of Recommendations for Trust Fund Use: Highlights from the Office of the Deputy Mayor for Planning and Economic Development**

Deputy Mayor Hoskins thanked the Board members for their willingness to serve and help create 10,000 units by 2020. While a challenge, Deputy Mayor Hoskins opined that he felt the goal could be accomplished "with a lot of hard work".

The Deputy Mayor advised that Mayor Gray asked him, along with Michael Kelly, Milton Baily, Nathan Simms, Rich Nichols and Andrew Trueblood, to look at historical outputs, funding and pipeline projects to determine how to accelerate the production of affordable housing within the next 24 months to reach the ultimate goal, utilizing the resources of the \$100 million for the Affordable Housing Initiative and available and projected dedicated tax revenues, to fund the pipeline projects from FY12 &13 and other special projects. Mr. Trueblood discussed these variables from a presentation for the Mayor and how the Executive proposed that the affordable housing production goal will be reached (see slides from Power Point presentation in Attachment (3)). In summary, there is \$142,807,641 in authorized available funding, including \$105,321,000 allocated for FY2014, and \$99M in funding requests. He indicated that the Mayor will seek additional budget authorization, if necessary, once projects are funded.

Mr. Trueblood discussed the proposed FY14 uses of the authorized \$142.8M: \$4.5M for administrative expenses; \$9.2M for New Communities Debt Service; \$2.5M for other Expenses; \$21.3M for expenditures on projects obligated in prior fiscal years, leaving \$105.3M available for new projects in FY14. A review of the Pipeline indicated for FY 14, thirty-three (33) HPTF projects, totaling \$99.4M in requests, and nine (9) Non-HPTF requests; and for FY15, ten (10) HPTF projects, totaling \$79.5M in requests. Since HPTF funding is primarily gap financing, there are other funding sources to support the total development costs for projects. In assessing the projects and requested funding, Mr. Trueblood indicated the government is reviewing the types of leverage that are needed for different types of projects and unit affordability. It was noted that the non-HPTF projects still have to go through the DHCD underwriting process, and must be considered in determining work-load.

In order to accomplish this task, Deputy Mayor Hoskins discussed the need for changes to the funding process and modifications to underwriting. In the past, DHCD approved 15 projects per year. For FY14, it is anticipated that 42 projects will be considered for closing, with an anticipated 30 projects closing given the historical 30% fall out or fall back rate. With the present environment, the City would be unable to deliver this level of production. The Deputy Mayor pledged to get the manpower and the operational improvements needed to accomplish the tasks of delivering affordable housing.

*Questions from Board to Deputy Mayor:*

The questions and responses were grouped by categories.

(1) *When will the Mayor's Affordable Housing Initiative dollars be spent?*

Deputy Mayor Hoskins was asked when the affordable housing dollars could be expended. He informed the Board that the funds are available now for spending and the Mayor has requested that the funds be moved as quickly as possible. Further if it appears that the authorized funds will be spent, the Mayor

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would seek additional spending authority. In addition, it is anticipated that there will be another NOFA issued in the spring of 2014, and the City is expecting about 12 new deals, and for new non-profits to enter the next NOFA.

(2) *Is a need to seek Budget Authority for unbudgeted but available dollars?*

Several questions were raised about the unbudgeted but available funds. First, does the Mayor/DHCD needed to go to the Council now to seek additional authority to spend available HPTF dollars for which there is no budget authority to spend; and second, is \$59M the amount of available funding without budget authority? The Deputy Mayor advised that there appears to be sufficient budget authority for FY14 at this time, but assured the Board that the Mayor would seek additional authority to spend available funds, if the available authority is committed. He also noted that for the first time, there is more money than projects, providing an opportunity to be more creative.

(3) *Pipeline being considered?*

In response to questions, the Deputy Mayor advised that the projects being considered include the DHCD pipeline and four (4) special merit projects where the government is in partnership with the development, e.g., Parkway Overlook (a Housing Finance Agency (HFA) deal). The Deputy Mayor noted that his office is building a database regarding variables, needs and resources for various types of units from at least 15 agencies, and that an analysis of this information will be helpful going forward.

(4) *Additional Information about the Pipeline projects, dollar amount requested & location?*

The Board asked that the dollar amount in requests for funding be added by income band to the previously distributed DHCD pipeline chart. The Board noted that the HPTF statute requires annual spending targets by dollars spent as opposed to units produced. Staff advised that the information would be provided.

Also, another Board member noted that there is still information the Board would like to have regarding the pipeline projects, such as location.

(5) *Homeownership vs Rental?*

Two homeownership questions were raised by Board:

(a) What percentage of pipeline projects represents rental vs homeownership? The Board was advised that most of the projects in the pipeline are rental, except the TOPA (coop) projects.

(b) Are HPAP funded units/homes being counted as homeownership because there is a mortgage?

With regard to homeownership, the Deputy Mayor raised the issue of whether those who qualified for homeownership and can pay the mortgage were really ready for homeownership, when, in many instances, these homeowners were unable to pay for the repairs or other variable costs. In some instances, the Deputy Mayor noted that condominium fees are higher than the mortgage. This has been a consequence of the Inclusionary Zoning (IZ) requirements; to be discussed at a later time.

(6) *Funds for TOPA deals?*

Questions were raised about available funding for new Tenant Opportunity to Purchase Assistance (TOPA) projects that may come up throughout the year. The Board was advised that some of the \$5.8M

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projected as FY2014 surplus could be used for that purpose; but there are other DHCD funds, such as CBDG and HOME that can be used for TOPA projects that are not already in the pipeline. Generally, TOPA projects may fall back, until all project funds are assembled, but they do not generally fall out. Further, it is anticipated that the surplus amount will increase as pipeline projects are underwritten.

*(7) Capacity Building support for affordable housing developers to meet City goals?*

Another issue raised was the capacity of the local non-profits and for-profit organizations to handle this increased production projection. The Board asked whether local organizations would be given assistance to increase organizational capacity for increased production. It was suggested that there may be philanthropic organizations that may provide capacity assistance, but the Deputy Mayor indicated that there are “new market entrants” with capacity ready to assist the city in meeting its production goals. The Deputy Mayor noted that when he started there were no projects under development through his office, however two years and eight months later, he has completed 25 projects and has 39 under construction. He indicated that his management style is to change the people and leadership of the organization to reach goals.

Similar to last year, Mr. Kelly added that DHCD will continue to hold capacity building workshops for stakeholders to be successful in awards from DHCD. These sessions will include not only real estate developers but also service providers that complement and make some affordable housing projects feasible. Next year, these sessions may be taken to another level to require evidence of capacity.

*(8) Stakeholders Meeting to discuss City goals?*

The Deputy Mayor was asked whether the City will convene a meeting with involved stakeholders to discuss the city’s goals to accelerate affordable housing production. Further, he was asked whether the city will ask stakeholders what they need in capacity in order to meet the city's production goals. The Deputy Mayor discussed four factors impacting organizational capacity to produce: financial cash flow (available lines of credit); carrying issues – number of pipeline projects and amount of equity and debt outstanding; established contractor relationships; and organizational financial capacity (including available predevelopment funds). The factor the Deputy Mayor said he is most concerned about is the financial capacity to produce.

A Board member advised that the city’s goals as conveyed by the Deputy Mayor involve more than the government, and there is a need to see how all stakeholders can participate, including banks and philanthropists. It was suggested that stakeholders may need clarity around the types of changes needed, the vision, the dollars available, and each party's role in reaching the City's goals. Several Board members felt that the city’s goals were not known in the community or what is expected from all parties. As a result, there may be a threshold requirement in order to participate.

It was determined that a visioning session would be convened to outline the City’s expectations and the capacities needed. However, the first step would be to let stakeholders know that there will be a spring 2014 NOFA, which the Deputy Mayor indicated Board members could communicate. It was agreed that Board members Newsome and Bowers will work with the City to bring together stakeholders; and the

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Deputy Mayor will coordinate the City's involvement. Chairman Bowers asked that if Board members have any suggestions for this type session, please share recommendations.

*(9) Changes to Funding process?*

The Deputy Mayor asked the Board for an honest assessment of what in the funding process needs to change. For example, some of the operational changes that the Deputy Mayor suggested from past work experiences included:

- Change what people do. Let banks underwrite; while the city performs compliance. This would change the threshold of what is required upfront for the underwriting process to go faster.
- Greater leveraging which allowed for more funds to be made available. The Board was asked to provide leveraging ideas from other markets that could be adopted.

The Deputy Mayor emphasized that he wants to exceed the City's goals, and create more affordable housing.

Chairman Bowers noted that one of the key outcomes of the 2012 Comprehensive Housing Strategy Task Force was to review leveraging; and the Board will hold meeting(s) on this subject to hear from external resources. Thereafter, the Board will make recommendations to the Mayor on this subject.

*(10) Reaching units for 30% of AMI?*

The Deputy Mayor was also asked questions regarding how the City would reach the 30% AMI group and other percentages as required under the HPTF statute. Specifically, whether there is a breakout of supportive services needed and what percentage of the pipeline population that represents, whether there are there other agency resources for supportive services, and how many projects require operating subsidy per AMI category. The Deputy Mayor advised that this information has not been determined and that the data will be collected.

*(11) Dollar Amount available for Services in the 2013 NOFA?*

Board members raised concerns regarding the dollar amount available in capital, operating (rent subsidies) and supportive service dollars for families in the 30% and below income ban. One Board member asked what dollar amount is available for services in the most recent NOFA, and how many funding requests included permanent supportive housing, both capital and service dollars? The Board was advised that the service dollar figure is still a work in progress; and that the government could not determine whether there are sufficient service dollars available. The City has not completed its assessment or underwriting of the NOFA projects. Mr. Kelly advised that DHCD is working with sister agencies and that it is anticipated that this data would be compiled by the end of November. Further, Mr. Simms, DHCD Chief Program Officer, advised that DHCD is having new conversations with developers, and that service requests are less than anticipated. He noted that it is a staff priority to service the projects that provide lower AMI units. Board member Marshall added that her organization funds these type services and has data to assist in assessing the dollar amount needed.

*(12) Dollars for preservation of expiring Section 8 units?*

A Board member asked whether there are funds to assist in preserving 8,000 existing or expiring Section 8 units. The Deputy Mayor responded that the focus is to develop what is in the pipeline first and then

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look to other creative uses, such as creating a credit facility or credit enhancers for such items as pre-development dollars or to use land as a subsidy.

**3. Next Meeting Topics/Dates.**

After discussion, the Board concluded the following:

- Move Demand Side issues to the December Meeting, giving members and stakeholders an opportunity to meet with Deputy Mayor Otero in advance. Board member Sue Marshall is taking the lead for this discussion. Matt Scaff, DMHHS, will coordinate dates for this meeting with Deputy Mayor Otero.
- For the November meeting, Board members will review the additional information requested regarding the pipeline. Any additional requests from government staff should be sent to Chairman Bowers by next week; and he will forward a written request to DHCD. Mr. Bailey asked that the staff receive all requests for additional information in one document from the Chair prior to the meeting. In addition, the Board agreed that the Chairman could begin setting up a series of presentations over the next few months on the issue of leveraging. For example, Chairman Bowers indicated he will contact Board member Newsome for a presentation by the Task Force Leveraging Work Group, and Harry Sewell, Executive Director, Housing Finance Agency (HFA) and several others. Chairman Bowers indicated that he had talked with Mr. Sewell, and will reach out to him for the next meeting, about pulling together a leveraging presentation that will include HFA and non-HFA resources.
- Chairman Bowers will send an email recommending dates for future meetings; and will determine the date for November's meeting as well as the regularly scheduled meeting dates going forward based on the availability of the majority of the members. From the past survey of Board members, he was unable to find a regular meeting date when all members were available.

**4. Proposed Board Recommendation regarding status of HPTF as a Capital Fund and Need for Additional FY2014 Budget Authority.**

For the Board's consideration, Board member Pohlman presented a draft letter to be sent to the Mayor which discusses two issues on the way the Fund is handled, relating to how its books are maintained and how the budget is established (Attachment (4)). He indicated that the FY14 approved HPTF budget authority is less than the resources available for expenditure. When the HPTF budget is established in January or six months prior to the next year's budget, the carryover dollars or under spent dollars for that year are estimated. The Fund, similar to a capital type fund, finances units that take up to three funding years to complete. With a capital fund, like the DC public school modernization fund, there is an appropriation and obligation of funds in one fiscal year and expenditures are made until completed. Only new funds are authorized in future fiscal years. For the HPTF Fund, each year the previously approved but unspent funds must be de-obligated, and re-obligated in a new fiscal year, causing delays in funding and unnecessary pains for affordable housing developers. Given this year as an example,

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Board member Pohlman pointed out that the funds have not been re-obligated for FY 2014 because of the congressional government "shutdown". Further, he indicated he talked with capital fund staff in the Office of the Chief Financial Officer (CFO) and they agreed that the Fund functions as a capital type fund. However, Board member Pohlman concluded from his conversations that it is unclear how this budget structure can be changed, i.e., whether the CFO can treat the fund differently or whether this matter must go to the Council for approval. Thus, the draft letter concludes that since the HPTF operates like a capital fund, with spending commitments across fiscal years, it should be considered as a capital fund with approved dollars available in a timely manner. Mr. Kemp, DHCD Budget Officer under the CFO, indicated that he would consult with the CFO Budget Office regarding the requested change. He clarified that DHCD is not authorized to draw any HPTF dollars for FY 2014 due to the congressional shutdown, even though DHCD has outstanding contracts.

The Board unanimously approved the issuance of the draft letter to Mayor Gray.

**5. Status of Housing Needs Assessment Contract.**

Mr. Bailey, DHCD, advised that the government is in the process of evaluating the responses to the Request for Proposals (RFP) and anticipates adding to the scope of work the review of Inclusionary Zoning (IZ), Affordable Dwelling Units (ADU) and other components. It is anticipated that a vendor will be selected by the end of the month.

**6. Approval of Provisional Meeting Minutes for August 15, 2013; and Draft Minutes for September 15, 2013.**

Chairman Bowers moved and it was seconded that both sets of Minutes, with attachments, be approved, with leave for the staff to make any technical amendments. This motion was unanimously approved by the Board.

**7. Review of DHCD Responses to Board Request for Additional Information.**

DHCD provided the Board with written responses to its questions provided in advance of the meeting. See Attachment (6). Many of the responses were covered in the presentation by the DMPED. Mr. Dickersin-Prokopp, DHCD, presented a Power Point responding to matters raised by the Board in the past (Attachment (7)). In summary, the matters discussed and responses to questions from the Board were as follows:

- a. Eight projects, with HPTF requests, passed the eligibility test, but that does not mean they will all be committed.
- b. The DHCD Pipeline requests, as proposed, would not meet the HPTF spending requirements by AMI bans. Most requests are in the 60% income ban, representing primarily LIHTC units. Mr. Bailey indicated that DHCD will have an opportunity to negotiate for more affordable units, utilizing available subsidies, to meet the statutory requirements for 30% and 50% AMI bans.

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c. For the April 2013 NOFA, the development finance timeline and four project stages or milestones include: (1) Review- resulting in conditional commitment letters issued (earmarked); (2) Underwriting - resulting in Letters of Commitment issued (committed); (3) Closing - resulting in loan closings (obligated); and (4) Completed/constructed. Along the way, a project may be withdrawn. It was anticipated that conditional letters would be issued by October 2013; however Mr. Kelly indicated the projected date has been pushed back to the end of November.

d. Project Funding Sources or total development costs were updated from previously provided information to show the types of public subsidy and average percentages by income bans for 30%, 50% and 60%. Information was not available for the 80% ban, but as data is collected, this information will be tracked. The updated information showed that the percentage of tax credit equity did not change that much between AMI bans, but amounts varied greatest between the invested market rate debt or equity, including bond financing, and public below market rate loans.

e. The average per-unit of public investment by ward was provided. This assessment is from the Affordable Housing Database for about 170 projects, and includes grants, loans and tax credits from all District agencies involved in the production of affordable housing (DHCD, DMPED, DCHFA, and DMH). The highest investment was in Ward 2.

Chairman Bowers thanked the staff for its presentation and for its timely responses to questions.

**Meeting Adjournment:** The meeting was adjourned at 12:04 P.M.

**Attachments: (Handouts or PowerPoint Slides)**

- Attachment (1): Copy of Sign-In Sheet.
- Attachment (2): Agenda, dated 10/8/13.
- Attachment (3): DMPED PowerPoint Slides, entitled "Mayor's Affordable Housing Initiative Update", dated 10/13/13.
- Attachment (4): Draft Letter to Mayor Gray.
- Attachment (5): Provisional Meeting Minutes for August 15, 2013; and Draft Minutes for September 15, 2013, with attachments.
- Attachment (6): Memorandum from Milton Bailey, DHCD to David Bowers, Chairman, HPTF, re: Responses to Chairman's Questions for October 8, 2013 HPTF Advisory Board Meeting, dated 10/7/13.
- Attachment (7): DHCD PowerPoint Slides, entitled, "Responses to Questions from September 12, 2013 Meeting, Presented on 10/8/13".

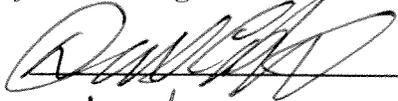
Submitted By: Beatrix D. Fields, DHCD  
(Any corrections should be forward to [Beatrix.fields@dc.gov](mailto:Beatrix.fields@dc.gov))

\*\*The audio recording of this meeting may be heard by contacting Pamela Hillsman, Senior Community Resource Specialist, at [Pamela.hillsman@dc.gov](mailto:Pamela.hillsman@dc.gov) or calling (202) 442-7200.

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**Approval of Meeting Minutes.** *The Board unanimously approved these Meeting Minutes at its November 18, 2013 meeting, with leave for the staff to make any technical amendments. After review by the Chairman, the final Meeting Minutes shall be posted on the DHCD website.*

**Final Approval:**



**(David Bowers, Chairman)**

11/18/2013

**(Date)**

***ATTACHMENT (1)***

# **Copy of Sign-In Sheet to be added.**

The original Sign-In Sheet(s) has been temporarily misplaced; once located, it will be added to the originally signed and approved Minutes.

HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (2)***

Government of the District of Columbia  
**Housing Production Trust Fund Advisory Board**

**Tuesday, October 8, 2013; 10:00 A.M.**

**Location: DHCD, Housing Resource Center  
1800 Martin Luther King, Jr., Ave., SE, Washington, DC 20020**

**Meeting Agenda**

1. Call to Order & Establish Quorum: David Bowers, Chairman
2. Approval of Provisional Meeting Minutes for 8.15.13 and Draft Minutes for 9.15.13
3. Review of Proposed Board Recommendation regarding status of HPTF as a Capital Fund and Need for Additional FY14 Budget Authority
4. Discussion of Recommendations for Trust Fund Use
5. Status of Needs Assessment Contract
6. Old Business:
  - a. Schedule for Regular Board Meetings
7. New Business
  - a. Next Meeting Agenda
8. Adjournment

HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (3)***



**Mayor Vincent C. Gray**  
Deputy Mayor Victor L. Hoskins





## MAYOR'S AFFORDABLE HOUSING INITIATIVE UPDATE

October 13, 2013

### Mayor's Affordable Housing Initiative



<b>HPTF Housing</b>	<b>\$86,900,000</b>	<b>3,800 units</b>	DHCD
<b>Non HPTF Housing</b>	<b>\$ 9,100,000</b>		
Home Purchase Assistance Program	\$ 1,000,000	27 purchases	DHCD
Local Rent Supplement Program	\$ 3,000,000	215 households	DCHA
Rapid Rehousing	\$ 1,000,000	60 new households	DHS
Emergency Rental Assistance Program	\$ 1,000,000	600 new households	DHS
DMPSJ Victim Services	\$ 3,100,000	85 preserved households	DMPSJ
<b>Technology and Tools</b>	<b>\$ 4,000,000</b>		
Housing Needs Assessment	\$ 100,000		DMPED
Affordable Housing Database	\$ 3,900,000		OCTO
<b>Total</b>	<b>\$100,000,000</b>		

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## Mayor's Affordable Housing Initiative



### "10 x 20" Goal for Affordable Housing Production and Preservation

2,433 units produced (24% of goal)			4,198 units in pipeline or planned (42% of goal)				
2011	2012	2013	2014	2015	2016	2017-2020	Total
422	1,137	874	2,287	850	1,061	3,400	10,000

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## The Mayor's \$100 million investment will:



1. Continue to show impacts through 2014 and 2015 by supporting various projects and services
2. Create over **3,800 units** in more than **52 projects** in DHCD's development pipeline through leveraging investment with other funding sources
3. Finance units at various levels of affordability, targeting:
  - 40% of the funds for families **at or below 30% AMI**
  - 40% of the funds for families **at or below 50% AMI**
  - **Special needs populations**
4. Develop technology and tools to guide ongoing investments, through:
  - **Housing needs assessment** to guide strategy and policy and to set the groundwork for the ongoing monitoring of housing needs
  - **Affordable Housing Database** to align data from 15 agencies that produce, fund, or manage affordable housing

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### Mayor's Affordable Housing Initiative



<b>HPTF Housing</b>	<b>\$86,900,000</b>	<b>3,800 units</b>	<b>DHCD</b>
Non HPTF Housing	\$ 9,100,000		
Home Purchase Assistance Program	\$ 1,000,000	27 purchases	DHCD
Local Rent Supplement Program	\$ 3,000,000	215 households	DCHA
Rapid Rehousing	\$ 1,000,000	60 new households	DHS
Emergency Rental Assistance Program	\$ 1,000,000	600 new households	DHS
DMPSJ Victim Services	\$ 3,100,000	85 preserved households	DMPSJ
<b>Technology and Tools</b>	<b>\$ 4,000,000</b>		
Affordable Housing Database	\$ 3,900,000		OCTO
Housing Needs Assessment	\$ 100,000		DMPED
<b>Total</b>	<b>\$100,000,000</b>		

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### HPTF Funding Availability for FY2014 and FY2015



Amount	Source
\$ 51,056,249	Unbudgeted Fund Balance
\$ 37,720,313	FY13 Unspent Budget Authority, Carried Over
\$ 66,930,952	Mayor's Affordable Housing Initiative (FY14)
\$ 46,683,000	FY14 Recordation and Transfer Taxes (Estimate)
<b>\$ 202,390,514</b>	<b>Sum of FY14 Sources</b>
\$ 202,390,514	Sum of FY14 Sources
\$ (142,807,641)	FY14 Budget Authority
<b>\$ 59,582,873</b>	<b>FY14 Year End Balance (Estimate assuming all FY14 Budget Authority is Spent)</b>
\$ 59,582,873	FY14 Year End Balance, Carried Over
\$ 19,969,048	Mayor's Affordable Housing Initiative (FY15)
\$ 51,636,000	FY15 Recordation and Transfer Taxes (Estimate)
<b>\$ 131,187,921</b>	<b>Sum of FY15 Sources (Projected Maximum FY15 Budget Authority Available to Request)</b>

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## Mayor's Investment in HPTF



Amount	Source
\$ 51,056,249	Unbudgeted Fund Balance
\$ 37,720,313	FY13 Unspent Budget Authority, Carried Over
<b>\$ 66,930,952</b>	<b>Mayor's Affordable Housing Initiative (FY14)</b>
\$ 16,000,000	FY14 Recreational and Transfer Taxes (Estimate)
\$ 212,342,514	Special Purpose Revenue
\$ 17,192,013	Special Purpose Revenue
\$ 11,622,040	FY14 Budget Authority
\$ 19,582,000	FY14 Year End Balance (Estimated) - Mayor's Affordable Housing Initiative
\$ 14,342,860	FY14 Mayor's Affordable Housing Initiative
<b>\$ 19,969,048</b>	<b>Mayor's Affordable Housing Initiative (FY15)</b>
\$ 12,636,000	FY15 Recreational and Transfer Taxes (Estimate)
\$ 17,187,921	Special Purpose Revenue (Projected Maximum FY15 Budget Authority Available to Request)

**\$ 86,900,000 Total Budgeted Over 2 Years**

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## HPTF Funding Sources for FY2014



Amount	Source
\$ 142,807,641	FY14 Budget Authority
\$ 39,562,873	FY14 Year End Balance (Estimated) - Mayor's Affordable Housing Initiative
\$ 39,562,873	FY14 Year End Balance, Carried Over
\$ 19,969,048	Mayor's Affordable Housing Initiative
\$ 31,536,000	FY15 Recreational and Transfer Taxes (Estimate)
\$ 131,187,921	Sum of FY15 Sources (Projected Maximum FY15 Budget Authority Available to Request)

FY14 HPTF Sources	
\$ 29,193,689	Revenue from Previous Years
\$ 46,683,000	New FY14 Tax Revenue (estimate)
\$ 66,930,952	Special Purpose Revenue Fund (Mayor's Affordable Housing Initiative)
<b>\$ 142,807,641</b>	<b>FY14 Budget Authority</b>

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## HPTF Funding Availability for FY2014



Amount	Source	
\$ 142,807,641	FY14 Budget Authority	
\$ (4,514,000)	Administrative Expenses	
\$ (9,200,000)	New Communities Debt Service	
\$ (2,488,450)	Other Expenses	
\$ (21,283,514)	Expenditures on Projects Obligated in Prior Fiscal Years	
<b>\$ 105,321,677</b>	<b>Total Available for New Projects in FY14</b>	
\$ 59,582,873	FY14 Year End Balance (Assumes Budget Authority is Spent)	
\$ 59,582,873	FY14 Year End Balance, Carried Over	
\$ 19,969,048	Mayor's Affordable Housing Initiative (FY15)	
\$ 51,636,000	FY15 Recordation and Transfer Taxes (Estimate)	
\$ 131,187,921	Sum of FY15 Sources (Projected Maximum FY15 Budget Authority Available to Request)	

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## DHCD Development Finance Division (DFD) Pipeline Analysis



### Pipeline categorizes projects:

- HPTF FY2014 by quarter (33 projects, \$99.4 million in requests)
- Non-HPTF FY2014 requests (9 projects)
- HPTF FY2015 requests (10 projects, \$79.5 million in requests)

### Three ways that projects get in pipeline:

- 2013 NOFA
- NOFAs prior to 2013
- TOPAs

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### HPTF Deal Pipeline Requests

Based on NOFA and TOPA requests, subject to underwriting



	Projects	Affordable Units	Total Dev. Cost	DHCD Investment (All Sources)	DHCD Leverage Ratio	HPTF Investment	HPTF Leverage Ratio
<b>Projected FY14 Closings</b>	<b>42*</b>	<b>2,279</b>	<b>\$556.7m</b>	<b>\$ 168.4m</b>	<b>\$3.2 : 1</b>	<b>\$ 99.4m</b>	<b>N/A</b>
HPTF Funds in Deal	33	1,899	\$ 463.0m	\$ 115.6m	\$3.2 : 1	\$ 99.4m	\$3.7 : 1
No HPTF Funds in Deal	9	380	\$ 93.7m	\$ 52.8m	\$0.8 : 1	\$ 0	N/A
<b>Projected FY15 Closings</b>	<b>10</b>	<b>700</b>	<b>N/A</b>	<b>\$ 79.5m</b>	<b>N/A</b>	<b>\$ 79.5m</b>	<b>N/A</b>
<b>Total Pipeline</b>	<b>52</b>	<b>2,979</b>	<b>N/A</b>	<b>\$ 247.9m</b>	<b>N/A</b>	<b>\$ 178.9m</b>	<b>N/A</b>

\* Historical annual project closings: 15  
 FY2014 project closing goal: 30 (assumes fallout of 30% due to factors outside of DHCD's control)  
 Over the next few months, DHCD will be improving its business processes and resource allocation to be able to meet the higher production goal of 30 projects closed in FY2014.

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### HPTF Deal Pipeline Requests

Based on NOFA and TOPA requests, subject to underwriting



	Projects	30% AMI units	50% AMI units	60% AMI units	80% AMI units	Total Units
<b>Projected FY14 Closings</b>	<b>42*</b>	<b>481</b>	<b>286</b>	<b>1,404</b>	<b>108</b>	<b>2,393</b>
HPTF Funds in Deal	33	359	210	1,227	103	2013
No HPTF Funds in Deal	9	122	76	177	5	380
<b>Projected FY15 Closings</b>	<b>10</b>	<b>298</b>	<b>126</b>	<b>270</b>	<b>6</b>	<b>700</b>
<b>Total Pipeline</b>	<b>52</b>	<b>779</b>	<b>412</b>	<b>1674</b>	<b>114</b>	<b>3,093</b>

*add ranges*

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HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (4)***

DRAFT  
October 8, 2013

DRAFT

DRAFT

DRAFT

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DRAFT

The Honorable Vincent C. Gray  
Mayor of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Ave., NW  
Washington, DC 20004

Dear Mayor Gray,

On behalf of the Housing Production Trust Fund Advisory Board, thank you for your commitment to affordable housing in the District of Columbia and in particular to the Housing Production Trust Fund. We take very seriously your charge to make the Trust Fund as efficient and effective as possible, and with that challenge in mind want to bring to your attention an issue that we believe needs to be addressed.

We understand that the Housing Production Trust Fund is treated as a separate Special Revenue Fund in the District's books and budget. While it is a non-lapsing fund, under current practice, all unspent funds at the end of each fiscal year must be re-appropriated in the next fiscal year. The unexpended portion of obligations must be de-obligated at the end of each fiscal year and re-obligated at the beginning of the next fiscal year.

Following these procedures makes effective and efficient administration of the Trust Fund much more difficult. As you know, the budget is prepared more than six months prior to the beginning of a new fiscal year. Under current procedures, the Trust Fund budget must include the estimated carryover (i.e. unexpended funds) from the previous fiscal year – an amount which can only be roughly estimated six months prior to the end of the fiscal year. Hence, the amount of budget authority requested for the Trust Fund based on an estimate of carryover, could be considerably more or less than the actual amount of unspent funds remaining at the end of the fiscal year. This has obvious consequences in budgeting how much is available to spend in the next fiscal year.

The practice of de-obligating and re-obligating funds is also problematic. It has in the past resulted in delays in processing construction draws to housing developers. Despite the fact that loan agreements have been entered into between DHCD and the housing developer and the funds have been obligated, there is no authority to spend in a new fiscal year until the obligated but unspent funds have been re-obligated. If there is a delay in Congressional approval of the District's budget – as is currently the case – it can prevent DHCD from re-obligating carryover funds. In these circumstances, funds that have already been appropriated and obligated under loan agreements, with project construction draws underway, cannot be re-obligated and drawn down upon. This is an untenable situation.

We ask that this matter be brought to the attention of the Office of the Chief Financial officer to see if procedures similar to the Capital Budget financing of multi-year projects could be adopted such that funds only need to be appropriated and obligated one time.

We appreciate your support and thank you in advance for your assistance in regard to this matter.

Sincerely,  
David Bowers  
Chair, HPTF Advisory Board

HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (5)***

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

**DRAFT MEETING MINUTES**  
THURSDAY, SEPTEMBER 12, 2013  
10:00 a.m. / DHCD Housing Resource Center

**Meeting Participants:**

**Board Members:** David Bowers, Chairperson; Stanley Jackson; Jim Knight; Sue Marshall; Oramenta Newsome; M. Craig Pascal; Bob Pohlman; Jacqueline Prior; David Roodberg; and Michael P. Kelly, Director, DHCD, *ex officio*.

**Inter-Agency Government Staff:** Richard Nichols, Chief of Staff, Office of the Deputy Mayor for Planning and Economic Development (DMPED); BB Otero, Deputy Mayor for Health and Human Services (DMHHS); Art Rodgers, Office of Planning (OP); Matt Scalf, DMHHS; Ketan Gada, DMPED; Jackie McDonald, DMPED; and Allison Ladd, DC Housing Finance Agency (HFA).

**DHCD Staff:** Milton Bailey, DMPED/DHCD; Oke Anyaegbunam; Marthine Bartee-Williams; Chris Dickersin-Prokopp; Beatrix Fields; Pamela Hillsman; Doug Kemp; Angela Nottingham; Vonda Orders; Felicia Pearson; and Nathan Simms.

See attached Meeting Sign-In Sheet (*Attachment (1)*).

**Call to Order & Introductions:**

At 10:02 a.m., a quorum was present and the meeting was called to order by Chairman David Bowers.

**Discussion Highlights and Actions Taken:** See attached Agenda (*Attachment (2)*).

1. **Highlights from the Office of the Deputy Mayor for Planning and Economic Development**

On behalf of the Deputy Mayor for Planning and Economic Development, Rich Nichols, Chief of Staff, advised that the DMPED has been working with DHCD to provide its report on the HPTF Status.

With regard to the Housing Needs Assessment contract, Ms. McDonald, Director of Contracts and Procurement, ODMPED, indicated that since the Request for Proposals (RFP) is an active solicitation, she is limited in what she can disclose. She advised that the District opened an RFP on July 31<sup>st</sup> and the solicitation closed on September 3<sup>rd</sup>. They have received four (4) proposals. She will be meeting with the Technical Evaluation Committee on September 12<sup>th</sup> for more information, which is non-public. The timetable is flexible, but on a fast-track; and the evaluation should take about one month.

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

2. **Follow-Up Items:**

Chairperson Bowers reviewed the chart of requested items and status. See *Attachment (3)*.

- a. Item #2: Office of Planning PowerPoint was distributed.
- b. Item #3: Request to provide revisions to Pipeline Data Assessment, eliminating pipeline or projected units for "emergency shelter", was a misunderstanding.
- c. Item #4: Board requested access to DMPED data used in developing assumptions regarding preliminary leveraging analysis. This matter will be discussed under Update on Trust Fund Status below.
- d. Item #5: Assessment of DHCD's staff capacity and resources. See *Attachment (3)* for the response.
- e. Item #6: FY13 Spring NOFA, how many households would be served? This matter will be discussed under Update on Trust Fund Status below.
- f. Item #7: Meeting Minutes. Draft minutes were presented, discussed and edited.
- g. Item #8: This matter will be discussed under Update on Trust Fund Status below.
- h. Item #11: Permanent supportive housing assets. See response in *Attachment (3)*.

With regard to Item #1: Amount of money that will be provided by agencies other than DHCD to address "demand side" issues:

- The Board asked whether DHCD's modified LIHTC QAP gives bonus points to projects that include wrap-around services in the development plans, and allow services to be an eligible expense in the operating budget? Mr. Kelly advised that we now have support service agencies providing resources and this will need to be included in the QAP public approval process. It will be included in the proposed FY 14 QAP.
- Deputy Mayor Otero clarified her response in *Attachment (3)* and indicated that there is no dollar figure for "demand" side services, but a gathering of resources from many different government sources and a determination of what a project may need as it relates to the source and use of funds. The priority is to move people out of shelters and hotels, especially families. Many of these families are already receiving DHS support services, not always on-site resources, and have individual development plans structured on a case-by-case basis. Following this first consolidated RFP, she indicated the government will assess whether support needs have been met and consider whether additional funds are needed for FY14 and 15 budgets.
- Issues were raised regarding the need to coordinate support services and to include the Department of Employment Services to assist in providing jobs. Deputy Mayor Otero emphasized that her mandate from the Mayor is to coordinate services; commencing with significant policy and programmatic changes. A Board member suggested that under the consolidated RFP where service dollars come to a housing project, there is a different opportunity for partnership and centralizing the services. Deputy Mayor Otero expressed concern regarding the impacts of changing established family service providers and noted the value in continuity of service for clients. DHCD Director Kelly added that this is the first year that there will be a unified procurement process where both service provider delivery entities and real estate developers can apply simultaneously. It was agreed that further discussion is necessary on this topic, and that a group of members should frame the

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

issues offline and come back to the Board at the next meeting with an agenda item relating to Trust Fund usage. Deputy Mayor Otero agreed to pull together the group that will include Members Marshall, Prior, Newsome, Knight and Bowers.

With regard to Item #5, a question was raised regarding whether there were sufficient Office of the Attorney General (OAG) attorneys available under DHCD's staff capacity. The Board was advised that DHCD has other resources and it is working with DMPED to get a full complement of qualified staff. In addition, DHCD is holding workshops with staff to enhance the program management process, so that everyone knows their role from start to finish. It was suggested that DHCD also utilize resources from other entities, such as the Housing Finance Agency, where Board member Jackson sits on the HFA Board. Mr. Kelly advised that the two agencies are reviewing shared or delegated underwriting for certain project types; and he reminded the Board that DHCD provides gap financing, not front-end financing.

The Board requested a flow-chart of staff and responsibilities and a timeline for the entire development finance process. Mr. Kelly advised that these items are works in process. In the interim, Mr. Bailey suggested assigning ambassadors to the process; a single point of inquiry. At this point with regard to the pending RFP proposals, Mr. Kelly advised that he anticipates announcing initial public commitments in mid to late October, and beginning the RFP process again next Spring.

**3. Edits and Approval of August 15, 2013 Meeting Minutes:**

Chairman Bowers moved and it was seconded that the Minutes be provisionally approved with noted corrections; and be finalized at the next Board Meeting. This motion was unanimously approved by the Board. Once the minutes are revised, and approved by the Chairman, they can be posted on the DHCD website.

Summary of noted Meeting Minute corrections:

1. Page 1: add statement that DMPED, in response to a question, indicated the Board should select 2 or 3 key issues/recommendations from 2013 Comprehensive Housing Strategy Task Force Report, and try to push those forward.
2. Page 2, first paragraph, fifth line: correct typo for "\$100 million".
3. Page 2, section 2, third paragraph, line one: correct typo for "mere".
4. Page 3, Other Matters, add: The Board requested information be provided by other agencies for services or demand side issues.
5. Page 1, under interagency staff: correct typo spelling of name "Ariana Quinones".
6. Page 2, last paragraph: correct typo spelling of "Pohlman".
7. Page 2, clarify type information provided by Polina and add a note to "see any handouts and transcript for greater detail."
8. Page 3, with reference to DHCD's capacity and resources to manage the Board's requests, change the end to "DHCD's overall capacity to be effective".
9. Add discussion about "preservation in addition to production".
10. Add discussion by Chair regarding the funding percentages per the statute & impact on income bands selected.

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

4. **Update on Trust Fund Status**

a. Chairman's Questions:

The Chairman requested responses to questions submitted to DHCD in advance of the meeting; and advised that the responses would be followed with more details by the DHCD staff presentation.

*Questions/Responses:*

Question #1     How much HPTF funding is available from FY13 and prior years that has not been committed or obligated that is legally available to fund projects in the latest FY13 NOFA?

*Response:* \$36M, which is the reserve amount.

Question #2

- How much of the \$86.9M that the Mayor allocated and Council approved for the HPTF is legally available to be spent on projects in the latest FY13 NOFA?

*Response:* A portion will be legally available on 10/1/13; \$66.9M would be available once the funds come in.

- For the remaining balance of the \$86.9M that is not legally available to be spent on FY13 NOFA projects, when will it legally be available to be spent?

*Response:* 10/1/13 (FY14) = \$66.M  
10/1/14 (FY15) = \$19.9M

Question #3

- What is the latest projection of how much HPTF money will be available in FY14 from deed and recordation taxes?

*Response:* The gross projection is \$46.6M, minus expenditures for: adm fees (10%); New Communities debt service of approx. \$9.2M; and \$5M for other/continent items, with about \$30M net remaining. In addition to development financing for NOFA projects, these funds provide support to the lead poisoning abatement and single family rehab programs and for TOPA projects --all competing priorities.

- How much, if any, could be spent on FY13 NOFA projects?

*Response:* Some of it.

Question #4     How many projects were selected for the "Earmark" stage from the FY13 NOFA?

*Response:* Twenty-three (23) projects met threshold. The term of art, "earmarked", is defined in the HPTF periodic reports as a stage of funding, the period of underwriting review. Director Kelly referred to it as a conditional notice of award.

b. Staff Presentation:

DHCD staff members (Bailey, Anyaegbunam and Dickersin-Prokopp) provided a review of the status of the Trust Fund, referring to the handouts in *Attachments* (4) – (8).

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- 1) Review of HPTF Fund Position as of June 30, 2013, End of Third Quarter. See *Attachments (4 & 5)*. Note that while the total funds available at the beginning of the fiscal year was projected to be \$104.7M, DHCD only had \$68.6M in “budget authority” to spend, leaving a balance in the fund of \$36.1M, referred to as “unbudgeted reserves”. Project and related expenditures includes such items as Lead Safe Washington and Single Family Rehab programs. After deducting expenditures, funds available for obligation as of 6.30.13 was \$21.6M; however there are projects totaling \$21.556M projected to be obligated by 9/30/13 (including three TOPA projects). Some projects have already been funded as of this date, e.g., 925 Georgia Ave, a TOPA project. Thus, leaving a projected budget balance of \$66,588. When the balance of \$66,580 is added to the reserve amount of \$36.1M, the projected balance in the HPTF at the end of year would be \$36,186M. In response to a question, staff clarified that the New Communities debt service expenditure is for all New Communities.
  
- 2) Review of DFD Pipeline Projects. Staff explained that the DFD Pipeline is composed of two parts. The first part represents twenty-six (26) projects already in the pipeline prior to the FY13 NOFA and a few TOPA projects; and the second part represents twenty-three (23) FY13 NOFA projects that have met the threshold requirements. For each project, there is the total development cost, the proposed funding source and subsidy requested. Subsidy requests are just requests, not firm commitments. Also there is the subsidy per unit, or DHCD’s proposed participation, as a percentage and a breakdown of the number of units at each AMI level. For NOFA projects, there were 32 submissions and 23 proposals that made the first threshold. These two parts combine for a total of 49 projects currently in the DHCD pipeline, with total development costs of \$712M, and subsidy “requests” of \$220M. Of the \$220M in requests, \$148M, or 30.9%, is requested from the HPTF. Subsidies include all funding sources, including LIHTCs (tax credit amount estimated multiplying by 10, or if the equity amount that would be brought in is known, then the exact amount of the subsidy). This results in a projected over-subscription for funding of \$91M. Staff noted that some project proposals will fall-out. Also noted, this discussion does not include use of the \$36M unbudgeted reserve or the \$86.9M from Mayor’s Affordable Housing Initiative. Staff emphasized that pipeline projects are subject to further underwriting. See *Attachments ((6), (7) & (8))*.

Staff advised that it is still working on the previously presented Polina document, compiling the databases from all the different agencies that create affordable housing units on the capital side. This is a work in process.

With regard to an average subsidy per unit for about 160 projects (where there was available data), the staff provided the subsidy by targeted income groups (See *Attachment (6)*); and concluded that the average subsidy cost was \$250,000 per HPTF unit. Staff noted that with regard to the Housing Finance Agency (HFA), the info does not include bonds; and also does not include tax credit equity as a subsidy. It does include NSP grants and DCHA funds as capital. A Board member asked that the LITHC equity be broken out since it represents private sector investment. *Response:* Yes, it can be broken out to show what is a direct outlay from the government’s budget. The equity amount is shown vs the allocation for the tax credit, since the government gives up its taxes to provide credits to investors. The credit is worth the amount of equity that is brought in for the project. The Board

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wanted to make sure that the private investment is also shown; and thus requested to see a revised version of attached chart with a separation/overlay of the private sector investments.

- 3) Other Board Member Comments on Status Report: On the advice of DHCD legal counsel, the Chairman indicated that if a Board member is making a comment and has a project in the NOFA pipeline, then the member should state that fact for the record. Board member Knight was the only member asking a question/comment who disclosed that Jubilee Housing, his employer, has a project in the pipeline.

Other questions/comments:

- a. What is required to spend unbudgeted reserve funds? *Response:* It would require Council action, and a recommendation from this body to the Mayor.
- b. How is the land subsidy valued? *Response:* The land is based on the appraised value when there is one. Otherwise, the assessed value is used as an estimate.
- c. Provide the pipeline information by ward. This information may show that there is a trade-off between bigger subsidies and land costs in certain locations. At some point, it may be necessary to subtract land costs from development costs. The Board also requested that DHCD assess preservation and production costs by ward. *Response:* Staff will assess.
- d. Since the pipeline percentages per AMI are based on units and all sources of funds, the Board needs to see what the total requested dollar amount is for HPTF per AMI category, consistent with the percentage requirements for annual expenditures under the statute. *Response:* Staff will assess.
- e. Provide a legal opinion whether the HPTF can spend the Mayor's additional affordable housing funds for the FY13 NOFA projects, on October 1, 2013. *Response:* Staff advised that additional affordable housing funds are HPTF funds and can be used for the FY13 NOFA projects requesting HPTF dollars.

5. **Recommendations for Use of the HPTF**

The Chairman indicated that there are several recommendations that the Board could consider for this meeting or a subsequent meeting:

- a. how trust fund dollars should be allocated and when (since the city has more requests to spend than money available); and
- b. request budget authority to spend unbudgeted reserved funds and a structural fix around how HPTF funds are budgeted to give the HPTF more spending flexibility for available funds. For the next meeting, it was requested that a letter be drafted for the Board to consider. Board members Pohlman, Jackson and Bowers will meet and make a recommendation.

It was suggested that any Board recommendations would be communicated directly from the Board to the Mayor by a letter and/or an in-person meeting. However, the Board concluded that it needed more information before making any recommendations.

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Further, Board members made the following comments regarding recommendations. It was recommended to step back and look at leveraging strategies and also to determine if the projects in the pipeline are the best ones. Another Board member suggested that any new criteria not be considered retroactively, but that a model be developed that best allows the Board to profile the kind of projects that achieve the pipeline opportunities needed. Further, it was suggested that the Board look at the types of projects that include more retail or commercial opportunities.

Staff noted that future pipelines also include projects beyond DHCD. There are other agencies with affordable housing unit pipelines to contribute toward the total number of affordable units by 2020. Further Mr. Kelly noted that the agency is reviewing its underwriting process; and it is now in a broader way including sister agencies as a part of the review process. With regard to the additional HPTF affordable housing dollars, staff indicated that this is an opportunity to use additional funds to finance all good projects in the pipeline; and if the Needs Assessment suggests a modification to funding, then the new NOFA could be used for that purpose.

*\*\*See Attachments and the meeting transcript for greater detail.*

**Next Board Meeting Date:**

The Board agreed that the next Board Meeting would be scheduled for Thursday, September 26, 2013, from 10:00 am to 12 noon, at DHCD offices, 1800 Martin Luther King, Jr., Avenue, SE.

The next meeting will include a discussion of the Trust Fund, the budgeting process letter and any Board recommendations to consider. Another item the Board needs to consider at its next meeting is developing a calendar for future meetings. Members were asked to think about a day of the week to meet on a monthly or quarterly basis.

It was concluded that the October meeting will include a deeper discussion of the services issue, after a meeting is convened with Deputy Mayor Otero and Board members Prior, Newsome, Knight, Marshall and Bowers, to determine who should be present for the Board meeting discussion. Further, the Chairman suggested that the issue of leveraging should be discussed at the October or November meeting. The Chairman will discuss with Board member Newsome what the Leverage Working Group is doing; discuss with Harry Sewell, HFA Director, about his availability to make a presentation, and discuss with others the issue of leveraging. Board members are to think about who they want to be a part of a dialogue with the Board or make a presentation regarding leveraging.

**Meeting Adjournment:** The meeting was adjourned at 12:15 P.M.

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

Attachments: (Handouts or PowerPoint Slides)

- Attachment (1): Agenda, dated 9/12/13.
- Attachment (2): Copy of Sign-In Sheet.
- Attachment (3): Summary of HPTF Advisory Board Follow-Up Items from 8/15/13 Meeting.
- Attachment (4): HPTF Fund Position, as of 6/30/13; dated 9/9/13.
- Attachment (5): HPTF Actual Revenues from Rec. & Trans. Taxes of 3<sup>rd</sup> Qtr. FY 2013 & Estimates as of 6/20/13 for FY 2014-2017.
- Attachment (6): Average Capital Subsidy for Affordable Housing Units, dated 9/9/13.
- Attachment (7): DFD Pipeline Compared to Available HPTF Budget.
- Attachment (8): Current Total HPTF Over Subscription.

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

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

**Approval of Meeting Minutes.** *The Board unanimously approved these Meeting Minutes, with noted corrections, at its October 8, 2013 meeting. After review by the Chairman, the Meeting Minutes shall be posted on the DHCD website.*

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

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

***ATTACHMENT (1)***

The Housing Production Trust Fund Board Meeting  
 September 12, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	M Craig Pickett BBT	
2	Regulina Piroz Capity Foundation	
3	David Bowers Enterprise	dbowers@enterprisecommunity.org
4	Ruby Nappin	
5	Emily Morris, OAG-DIVED	
6	Douglas A Kemp DHCD/CCFO	douglas.kemp@dc.gov
7	Jim Krusik Community Partnership	
8	Sue Marshall Community Partnership	sue@community-partnership.org
9	Ketan Gada	ketan.gada@dc.gov
10	Reyna Alarín	reyna.alarin@dc.gov

The Housing Production Trust Fund Board Meeting  
 September 12, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	Howard Treuband, DMPCD	
2	Thomas Stauback	Thomas.Stauback@dc.gov
3	Bob Pohlman	bpohlman@cedhcd.org
4	Stan Jackson	NEDC
5	Stamanta Newsum	LISC
6	Michael Kelly	DMCO
7	Milton Bantey	DMPCD
8	IMBauer sum	DMCD
9	OPe Angerssum	DMCD
10		

The Housing Production Trust Fund Board Meeting  
 September 12, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	Susinda Sharma DRP/DCD	Susinda.Sharma@dc.gov
2	Allison Ladd DC HPHA	aladd@dchfa.org
3	Art Rodgers PCOP	art.rodgers@dc.gov
4	Beatriz Fields DHEC	
5	Yonda Orders, DAG-DHCD	
6	OKE ANYAEGENAM DHEC	oke.anyaegenam@dc.gov
7		
8		
9		
10		

The Housing Production Trust Fund Board Meeting  
 September 12, 2013  
 Department of Housing and Community Development Resource Center

	Name and Organization	E-mail Address or Mailing Address
1	Jacquie McDonald, OMPED	jacquie.mcdonald@dc.gov
2	John Dickson, DHCD	
3	Maurice Ackerly	
4	Arlene Johnson	AJohnson@dc.gov
5		
6		
7		
8		
9		
10		

***ATTACHMENT (2)***

# Housing Production Trust Fund Advisory Board

Thursday, September 12, 2013; 10:00 A.M.

Location: DHCD, Room 318  
1800 Martin Luther King, Jr., Ave., SE, Washington, DC 20020

## Meeting Agenda

1. Call to Order & Establish Quorum : David Bowers, Chairperson
2. Approval of Meeting Minutes, 8.15.13
3. Highlights from Deputy Mayor for Planning & Economic Development
4. Update on Trust Fund Status
  - a. Budget
  - b. Pipeline Projects
  - c. RFP Applications
  - d. Board Review/Q&A
5. Status of Needs Assessment Contract
6. Discussion of Recommendations for Trust Fund Use
7. Old Business:
  - a. Meeting Schedules
8. New Business
9. Adjournment

***ATTACHMENT (3)***

**HPTF Advisory Board Follow-Up Items from 8/15/13 Meeting:**

Listed below are the items requested by the HPTF Advisory Board during its August 15, 2013 meeting, and the status of each item. Available documents are attached to this email for your review.

**HPTF Advisory Board Meeting Follow-Up Items: 8/15/2013**

#	Requests	Status as 9.5.13
1	<i>DMHHS:</i> The amount of money that will be provided by agencies other than DHCD to address "demand side" issues.	The Administration will not commit to a specific amount of funds for on-site supportive services to be paired with projects funded by the HPTF. This is because many clients in the 0-30% AMI range do not necessarily need on-site services. The majority of clients in the 0-30% AMI range already receive services from the Health and Human Services Cluster including, but not limited to TANF, SNAP, Medicaid, mental health treatment, substance abuse treatment, and general case management services. Given the robust availability of services in the community, the funding of on-site services will be considered on a case by case basis when an HPTF project proposal requests such funding. Often, existing supports, case management services and funding can be redeployed and new resources many not be required.
2	<i>OP:</i> Distribute copy of Office of Planning PowerPoint presentation	See OP attached PowerPoint entitled, " <b>Bridges to Opportunity: 10 by 20 Setting the Context</b> ". <i>This is not for public distribution.</i>
3	<i>DMPED:</i> In Data Assessments, eliminate pipeline or projected units that are for emergency shelter and reassess data presented (i.e., emergency housing units are shelter only, not housing)	DMPED has advised that there are no emergency shelter units included in the pipeline – this was a misunderstanding.
4	<i>DMPED:</i> Board would like access to data used in developing assumptions, and a copy of the presentation slides presented by Milton/Polina.	DMPED is currently working on scrubbing the data that was used for the presentation. This update will make the 8/15 presentation obsolete. Once the data is updated, DMPED can transfer it to the Board. DMPED aims to have updated data available to the Board during the next meeting. Unfortunately, due to FTE constraints and the need for multi-agency submissions, DMPED will be unable to email requested information five business days before the next scheduled meeting.
5	<i>DHCD:</i> An assessment of DHCD's staff capacity and resources to manage and execute in a timely manner the demands of the new Mayor's Housing Initiative. Note any challenges.	In order to meet Mayor Gray's Affordable Housing Initiative, DHCD is in the process of hiring three additional Project Managers. This will bring the total number of PM's from 6 to 9. In addition, DHCD has awarded a contract to a vendor to provide additional underwriting capacity. DHCD has also assigned two staff members to work specifically on financial leveraging and portfolio analysis to support the efforts of DMPED and the HPTF Advisory Board.

6	<p><i>DHCD:</i> With regard to the Spring 2013 NOFA applications, how many households would be served: at or below 30% AMI, 31-50% AMI, etc. ; and what percentage is rental from the submitted applications?</p>	<p>See attached document, entitled <b>"FY 2013 RFP Applications with AMI Bands.Subsidies 9.3.13 "</b></p>
7	<p><i>DHCD:</i> Once transcript is received, draft Meeting Minutes, in bullet form, and submit to Chairman Bowers for concurrence. Once interim minutes are approved, post Draft Minutes on website along with agenda. Thereafter, develop Meeting Minutes for the record and approval at the next meeting.</p>	<p>Staff needed the transcript to accurately draft Meeting Minutes. Once the transcript was received by the agency on 8/29, a copy of the transcript was forwarded to all Board members. The staff is developing Meeting Minutes for approval by the Board at its next meeting.</p>
8	<p><i>DHCD:</i> Provide additional information regarding the HPTF budget and expenditures for FY13 and FY14; in particular, cash available for expenditure. Indicate when the funds in are legally &amp; financially available.</p>	<p>To be submitted for the next Board meeting.</p>
10	<p><i>DHCD:</i> Under DHCD programs, provide the curves for leveraging by AMI categories for Fiscal Years 11, 12 and 13.</p>	<p>To be submitted in consultation with data provided to the DMPED.</p>
11	<p><i>DHCD:</i> Provide information regarding identified permanent supportive housing assets per the Subcommittee on Permanent Supportive Housing, under the Inter-Agency Council on Homelessness</p>	<p>DHCD Director Kelly serves as Co-Chair of the ICH/Permanent Supportive Housing Production Committee. The PSHP Committee has been working to define permanent supportive housing and the target populations it will serve. The Committee will also be tracking PSH production that comes out of the current consolidated RFP process, and will be providing a recommendation for PSH production for FY15 in order to influence the upcoming budget formulation process. The inventory of unit assets is in draft form and has not been approved for distribution by the Committee. Once the Committee releases this information, we will seek their permission to share with the HPTF Advisory Board. In the interim, background data for the inventory was collected by The Community Partnership, and the organization may be a source for immediate information.</p>

***ATTACHMENT (4)***

HPTF FUND POSITION AS OF JUNE 30, 2013 (Third Quarter 2013)

PER BUDGET

Fund Balance September 30, 2012 (FY 2012 CAFR)	73,436,000
Carryover Obligations September 30, 2012	<u>(14,935,983)</u>
<b>Available Fund Balance September 30, 2012</b>	<b>58,500,017</b>
Projected Revenue from Recordation Taxes FY 2013 (6/30/13 Estimated Revenue)	44,924,000
Projected Interest Income FY 2013	1,300,000
<b>Total Available Funds FY 2013 as of October 1, 2013</b>	<b><u>104,724,017</u></b>
<b>FY 2013 HPTF BUDGET (FY 2013 Budget Authority)</b>	<b>68,603,751</b>
FY 2013 Projected Administrative Expenditures @10% of Revenues of \$44.9 million & \$1.3 million	(4,622,400)
Debt Service (New Communities Bonds)	(9,200,000)
Obligated Projects from 2012 as of 6/13	(9,005,182)
Obligated Projects in FY 2013 as of 6/13	(17,930,303)
Project and related Expenditures as of 6/13	(6,222,400)
<b>Funds Available for Obligation 6/30/2013</b>	<b>21,623,466</b>
Projects projected to be obligated by 9/30/2013 (including TOPA projects)	<u>(21,556,878)</u>
	<b>66,588</b>

Prepared 9/9/13

***ATTACHMENT (5)***

HPTF ACTUAL REVENUES FROM REC. & TRANS. TAXES AS OF 3RD QTR. FY 2013

October 2012	4,449,296	
November 2012	2,708,674	
December 2012	2,140,347	
	<b>9,298,317</b>	<b>Total 1st Qtr. FY2013</b>
January 2013	8,262,780	
February 2013	3,188,134	
March 2013	1,843,067	
	<b>13,293,981</b>	<b>Total 2nd Qtr. FY 2013</b>
April 2013	5,139,676	
May 2013	4,479,047	
June 2013	3,339,120	
	<b>12,957,843</b>	<b>Total 3rd Qtr. FY 2013</b>
	<b>35,550,141</b>	<b>Total Actual Revenues from Recordation and Transfer Taxes as of 6/30/2013</b>
	<u>47,400,188</u>	

Extrapolated 2013 Amount:

HPTF REVENUE ESTIMATES AS OF 6/20/2013 for FY 2014, 2015, 2016, 2017

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Recordation & Transfer Taxes	# 21,623,466	*	46,683,000	*	51,636,000
**From Mayor's \$100M allocation	66,930,952		19,969,048	*	56,362,000
Total	88,554,418	66,652,048	51,636,000	56,362,000	59,619,000

# \$21.6M is net Budget Authority for FY 2013 as of 6/30/13. This does not include anticipated expenditures thru 9/30/13 of \$21.5M

\*Please note that these are Estimates but Uses will be based on Budget Authority

\*\* Additional infusion of \$66.9M and \$20.0M in FY 2013 and FY 2014 HPTF Budget from the \$100.0M Mayor's allocation to Agencies

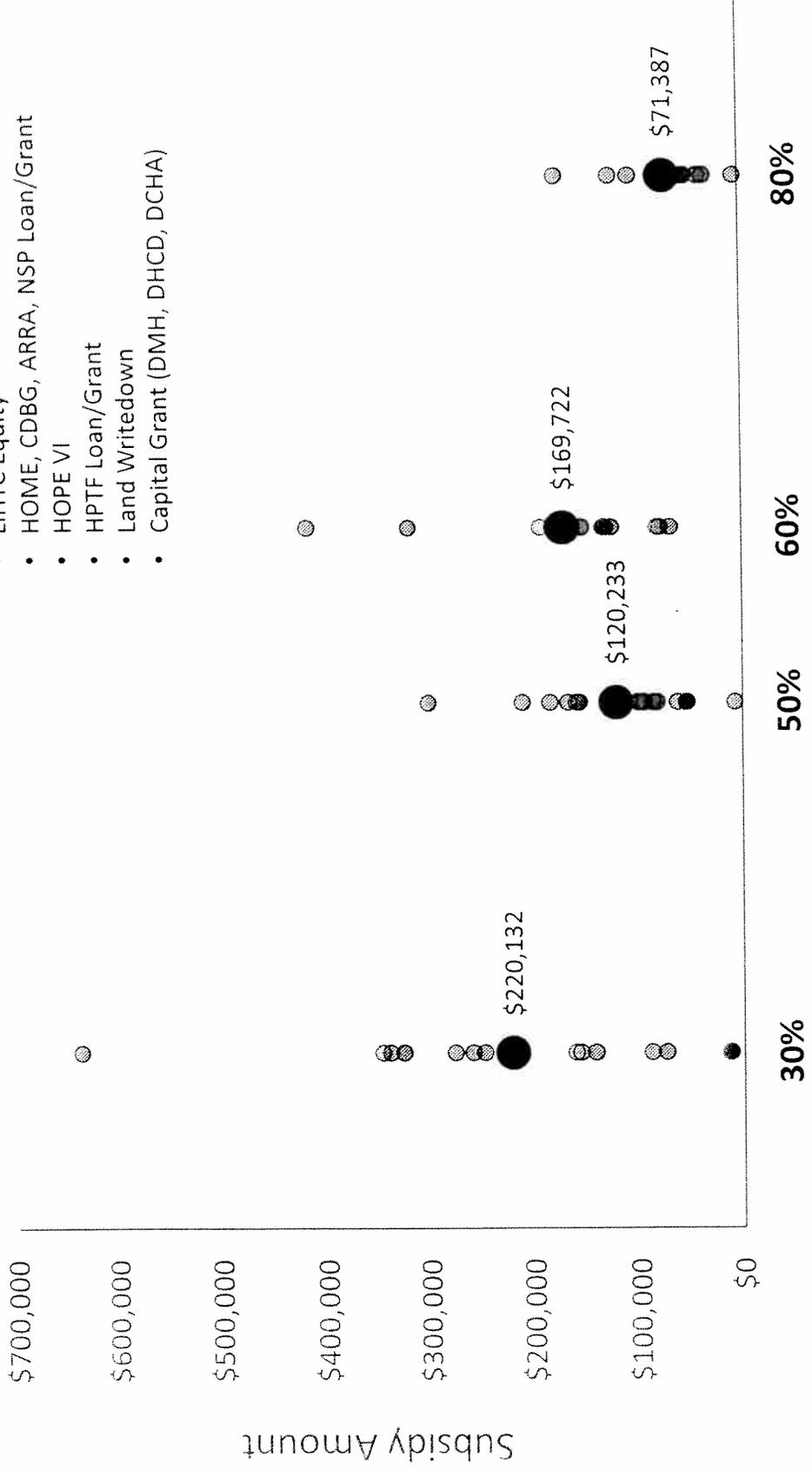
Prepared 9/9/13

***ATTACHMENT (6)***

## Average Capital Subsidy for Affordable Housing Units (Includes DCHFA, DCHA, DMH, DHCD, DGS, DMPED Sources)

*Funding Sources Considered Capital Subsidy:*

- DMPED Loan/Grant
- LIHTC Equity
- HOME, CDBG, ARRA, NSP Loan/Grant
- HOPE VI
- HPTF Loan/Grant
- Land Writedown
- Capital Grant (DMH, DHCD, DCHA)



Based on sample of recent projects in draft database.  
Data extracted on 9/6/2013

***ATTACHMENT (7)***

**DFD Pipeline Compared to Available HPTF Budget**

Remaining FY13 Project Delivery Budget (As of 6/30/2013)	\$	21,623,466
FY14 Budget	\$	60,000,000
Amount Set Aside for 2014 NOFA	\$	(24,000,000)
<b>Amount Available for Projects on this List*</b>	<b>\$</b>	<b>57,623,466</b>

\*Does not include \$86.9m from Mayor's Housing Initiative

Current Pipeline HPTF Request	\$	49,810,003
2013 NOFA HPTF Request	\$	99,136,965
<b>Total Outstanding HPTF Request</b>	<b>\$</b>	<b>148,946,968</b>

<b>HPTF Oversubscription</b>	<b>\$</b>	<b>(91,323,502)</b>
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***ATTACHMENT (8)***

Current Total HPTF Over Subscription	(\$91,323,502)
Mayor's 2013 Commitment	+\$66,930,952
Over Subscription less Mayor's 2013 Commitment	(\$24,392,550)
Unbudgeted HPTF funds available (requires Council approval to release)	+\$36,120,266
2014 Potential Starting Balance	\$11,727,716
Mayor's 2014 Commitment	+\$19,969,048
Potential 2014 Funds Available	\$31,696,764
Approximate 2014 HPTF Transfer and Recordation Tax Infusion*	+\$46,683,000
Total Potential 2014 HPTF Funds Available	\$78,379,764
Less Standard Set-asides (e.g., 10% HPTF Admin. Fee; \$9.2 million Debt Service on New Community Bonds; 5% for etc.)†	-\$16,202,450
Potential 2014 HPTF Budget for Projects	\$62,177,314

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

**ORGANIZATIONAL MEETING MINUTES**

THURSDAY, AUGUST 15, 2013

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

**Provisionally Approved; Pending Final Approval**

**Meeting Participants:**

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

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

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

**Call to Order & Introductions:**

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

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

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

**1. Task to the Board:**

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

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

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

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

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

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

**2. Open Meetings Review:**

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

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

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

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

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

3. **Other Matters:**

The following interagency presentations were made:

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

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

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

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

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

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

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

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

**NEXT BOARD MEETING DATE:**

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

**MEETING ADJOURNMENT:**

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

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

Attachments: (Handouts or PowerPoint Slides)

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

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

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

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

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

**Board Vote: Unanimous**

***ATTACHMENT (1)***

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

	Name and Organization	E-mail Address or Mailing Address
1	Dwid Bowers	dbowers@enterprise.com
2	Traci Hughes	traci.hughes@dc.gov
3	Harriet Hegining	harriet.hegning@dc.gov
4	Ji-Coveline Prior	jprior@CapHtz-foundation.org
5	Gilles Stucker DMPEd	gilles.stucker@dc.gov
6	Vivian Orades	vivian.orades@dc.gov
7	FRINA Quiñones (DMHHS)	ariana.quinones@dc.gov
8	Matt Scalf (DMHHS)	matt.scalf@dc.gov
9	Ingrid P. Rios (DMPEd) DMHHS	ingrid.rios@dc.gov
10		

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

	Name and Organization	E-mail Address or Mailing Address
1	Mike Marshall - Community Partners SLP	Mike Marshall (@dorm)
2	Drew Rogers - Herring Brothers	drewdberg@herringbrothers.com
3	Art Rodgers - DCOP	art.rodgers@dco.gov
4	M Cary Pascul - BBT	c.pascul@bbandt.com
5	Jim Knight	JKnight@jblubehouse.org
6	Robin Balkhaus	Robin.Balkhaus@dc.gov
7	Climenta Teusome	oneusome@lisc.org
8	Jeff Seelwiler	mcrathin@budee-williams@dc.gov
9	Angela Nottingham	angela.nottingham@dc.gov
10		

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

	Name and Organization	E-mail Address or Mailing Address
1	<del>Darryl</del> DARRYL GORMAN OBC EOM	darryl.gorman@dc.gov
2	Reyna Alaru DMPED	reyna.alaru@dc.gov
3	Estee Anyasobuwa DHP of	estee.anyasobuwa@dc.gov
4		
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***ATTACHMENT (2)***

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



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

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

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

**Agenda**

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

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

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

**6. Update on HPTF Status**

- DHCD Staff

**7. Discussion of Board Priorities**

- Board Members

**8. Selection of Working Groups**

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

**9. Meeting Schedule**

- Quarterly Meetings
- Smaller Committee Meetings

**NOTES:**

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***ATTACHMENT (3)***

# Open Meetings Act

## D.C. Official Code §§ 2-573-579

Traci Hughes, Esq.  
 Director, Office of Open Government  
[traci.hughes@dc.gov](mailto:traci.hughes@dc.gov)  
 202-481-4416

### Quorum

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

***ATTACHMENT (4)***

## SUMMARY OF MAJOR HPTF LEGISLATIVE PROVISIONS

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

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

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

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

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

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

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

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

- IX. ***New Communities*** (§ 42-2812.01 – 2812.12)
- Subject to Council approval by resolution, the Mayor is authorized to issue bonds to assist in financing, refinancing, or reimbursing costs of developing mixed income and mixed use projects situated in an area approved by Council pursuant to the New Communities Initiative.
- X. ***HPTF Rules: DC Municipal Regulations (10 DCMR Chapter 41)***
- Provides specific rules for the implementation of the HPTF Act:
    - I. Fund revenues and the handling of Fund deposits (§ 10-4101)
    - II. Responsibilities of DHCD (§ 10-4102)
    - III. Responsibilities of the HPTF Board (§ 10-4103)
    - IV. Eligible uses of Funds and underwriting requirements (§ 10-4104)
    - V. Use of participating lenders to originate loans from the Fund (§ 10-4105)
    - VI. Eligible and ineligible entities for Fund assistance (§ 10-4106)
    - VII. Affordability requirements and underwriting criteria (§ 10-4107)
    - VIII. Approval or rejection of applications for assistance (§ 10-4108)
    - IX. Special Financial Projects (§§ 10-4109-10-4111)
    - X. Developer Covenants (§ 10-4112)
    - XI. Definitions (§ 10-4199)

***ATTACHMENT (5)***

# Bridges to Opportunity: 10 by 20 Setting the Context



DC Office of Planning

Presentation to

Housing Production Trust Fund  
Advisory Committee

August 15, 2013



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



# DC's Affordability Problem

## Focusing on working households

DC Rental Households: One or More Full-Time Workers\*

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

% of DC Households 29.6%

Total of DC Households 256,080

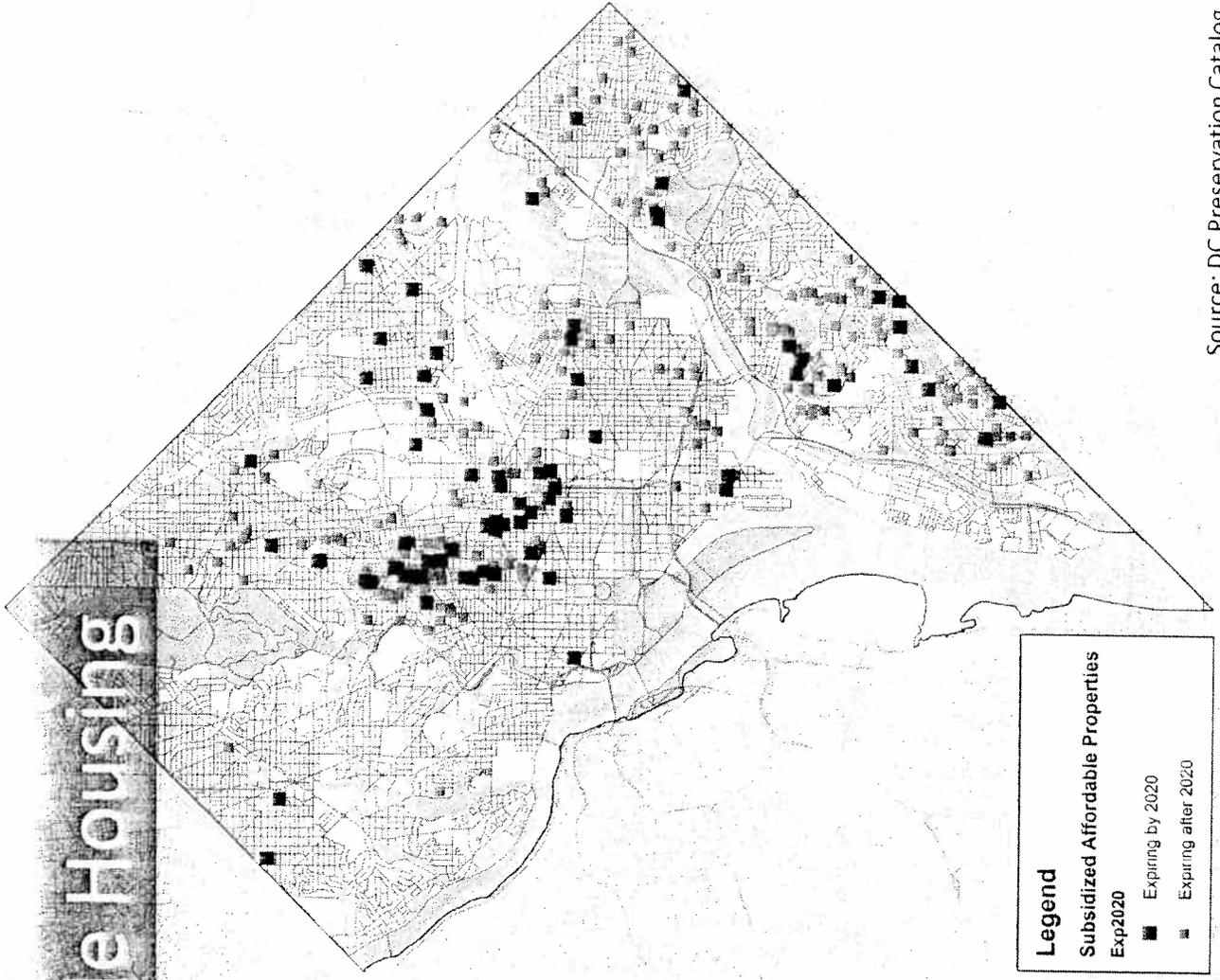
\* Defined as at least one member of the household working more than 1,750 hours per year.

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



# Preserving Affordable Housing

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



Source: DC Preservation Catalog



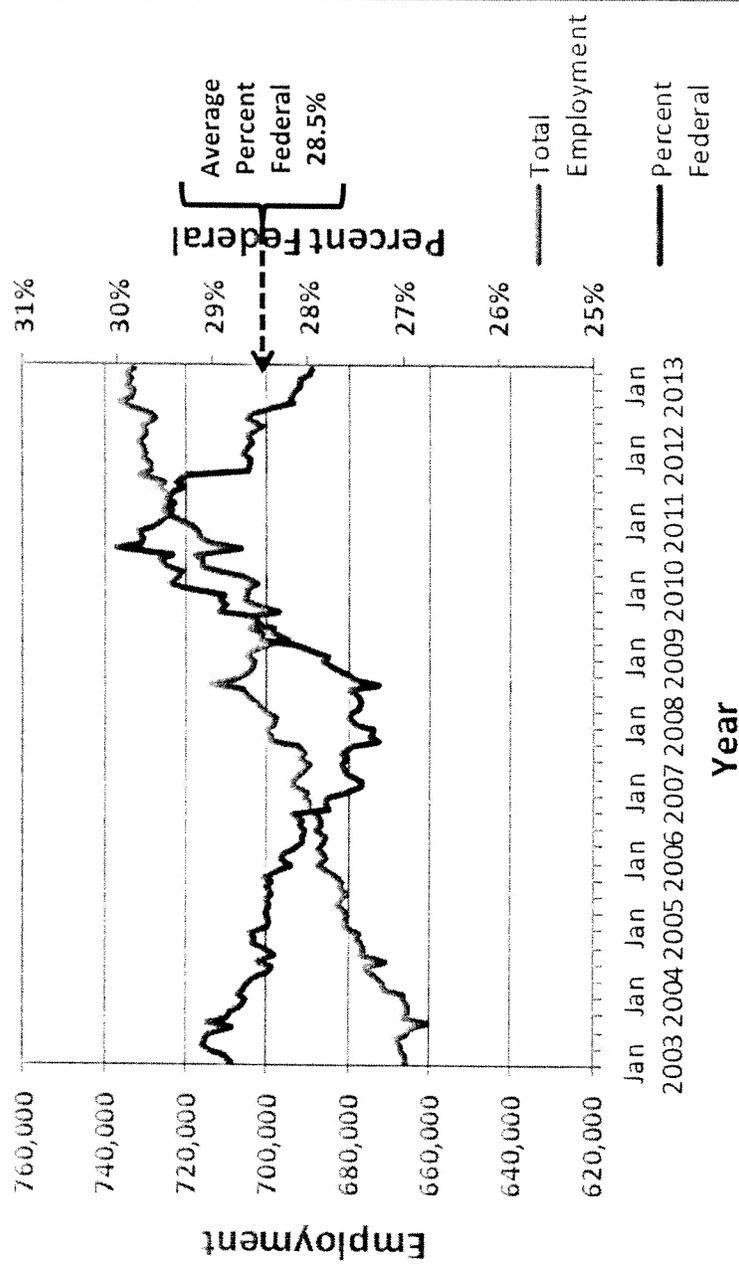
# Changes in DC's Employment

Highest Growth Industries

(since April 2009)

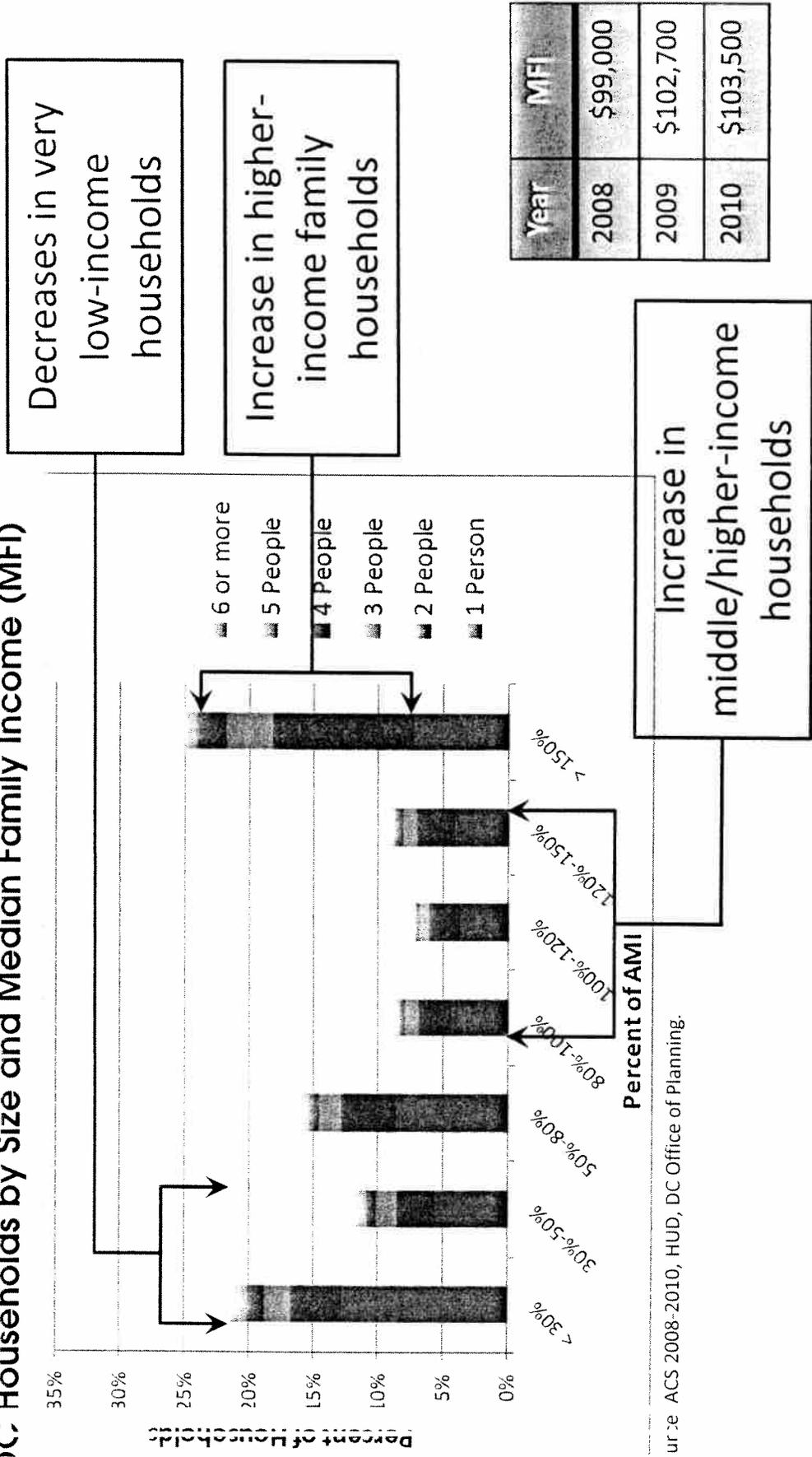
- Education & Health Services
- Accommodations and Food Services

Total DC Employment and Percent Federal



# Changes in Household Income

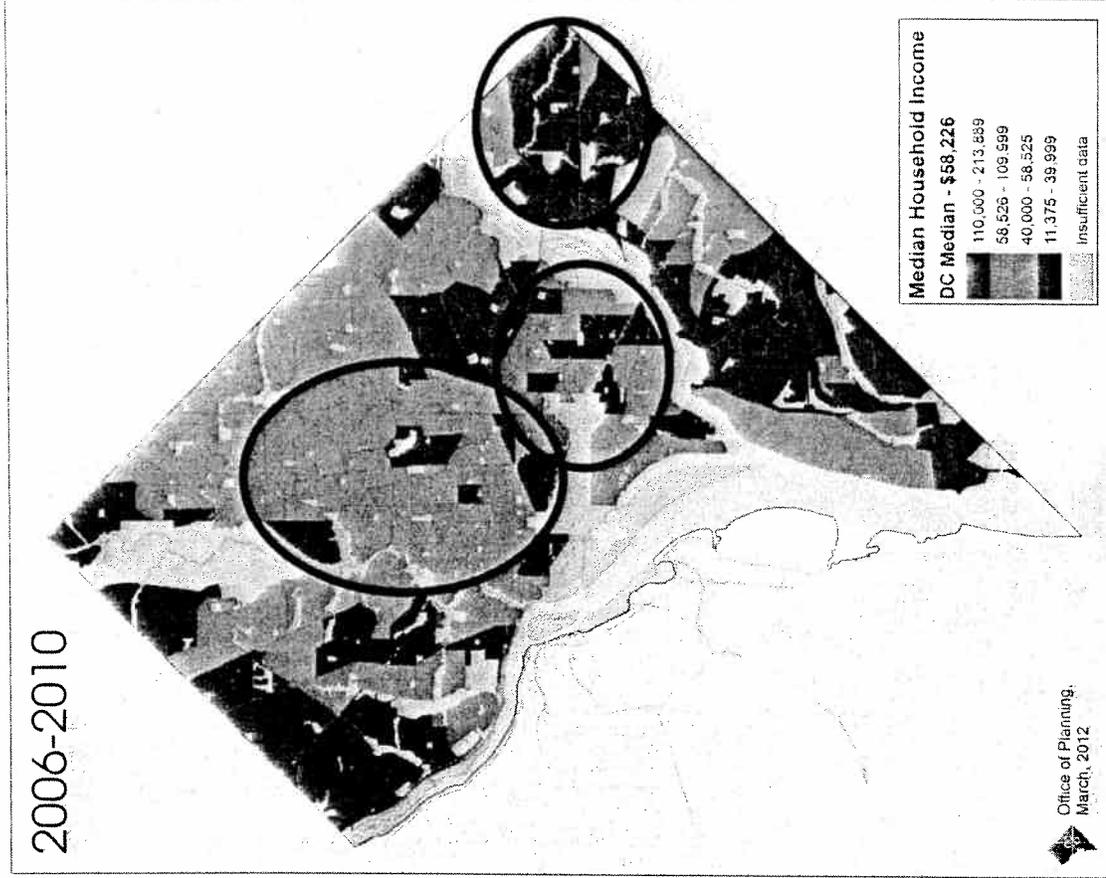
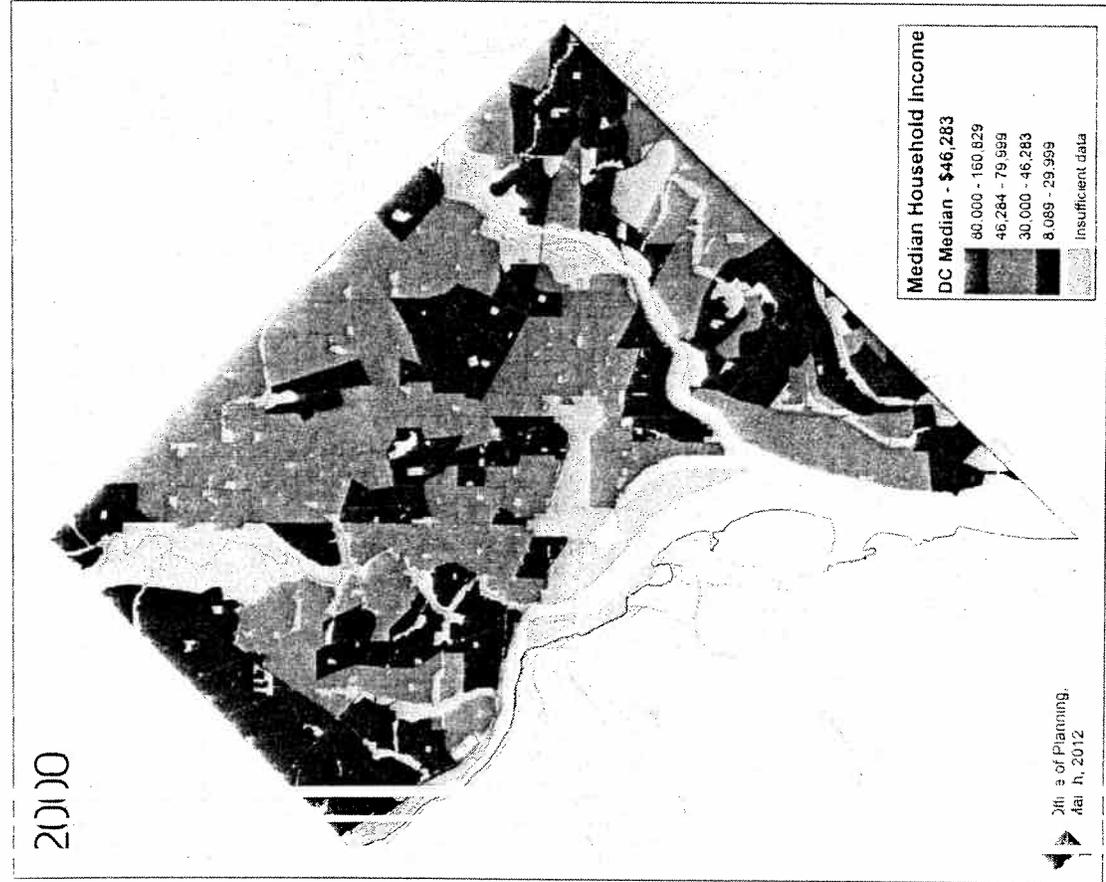
DC Households by Size and Median Family Income (MFI)



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



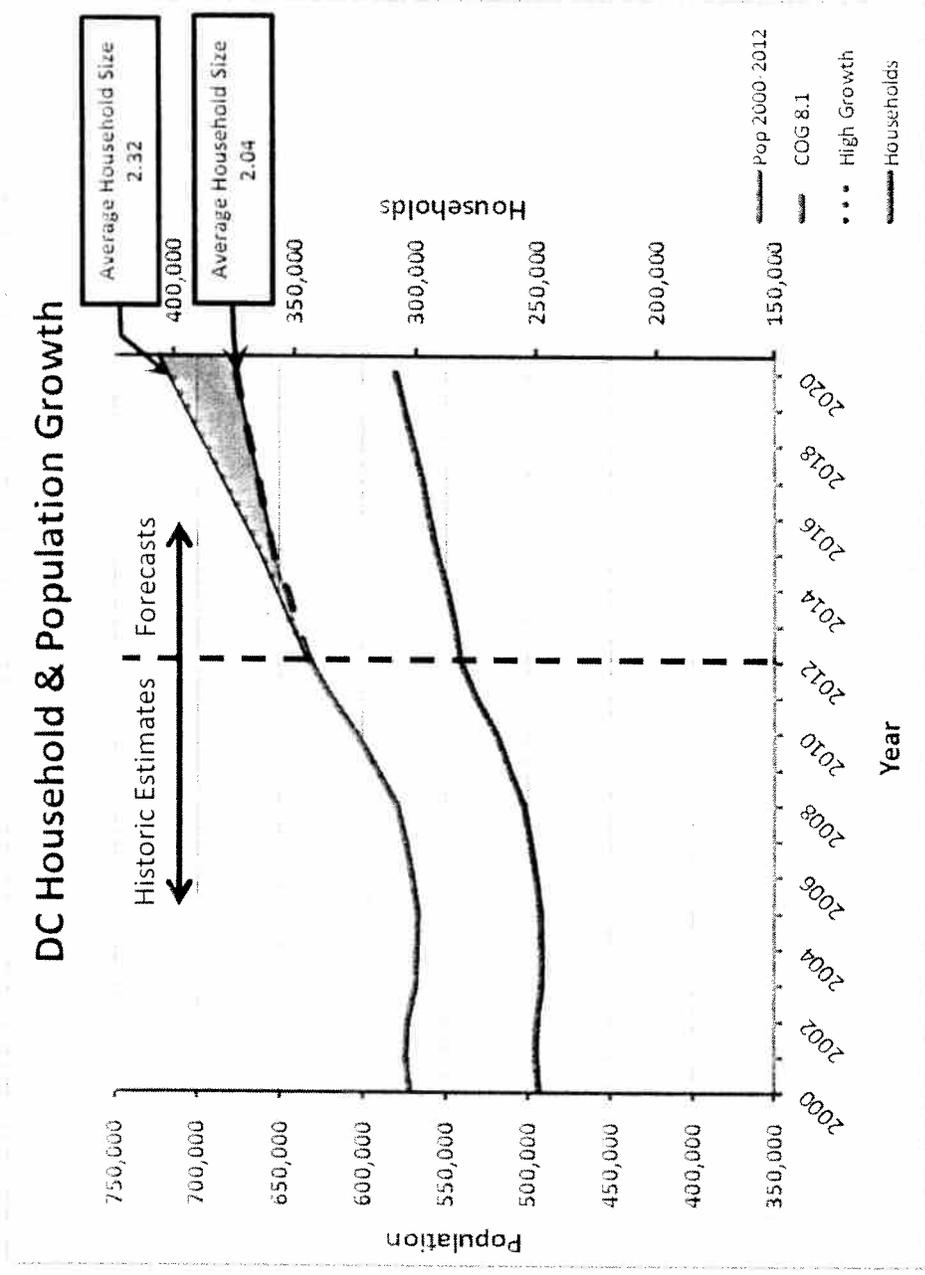
# Mapping Changes in DC: Income



# Forecasting Households and Population

## OP Forecasts

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



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

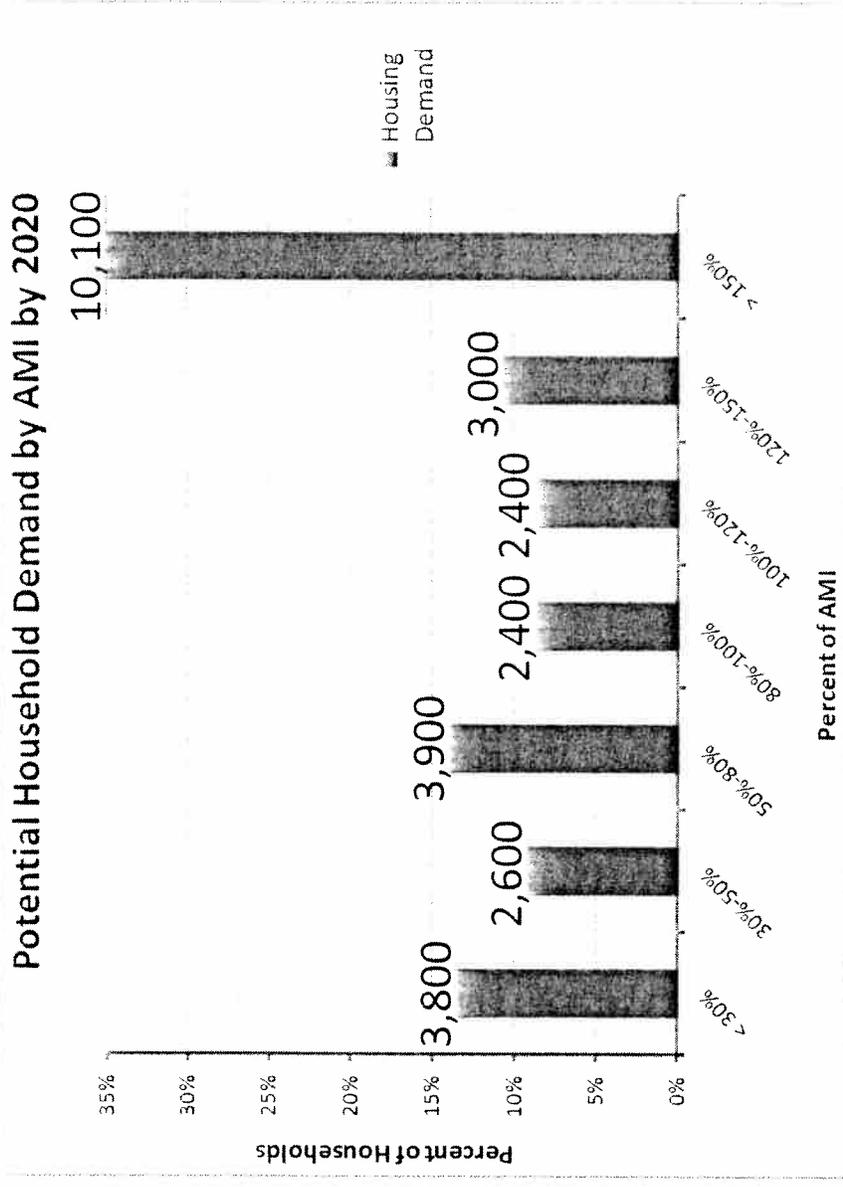


# Forecasting Household Income

## Among the 50 States by 2018 DC Ranks

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

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

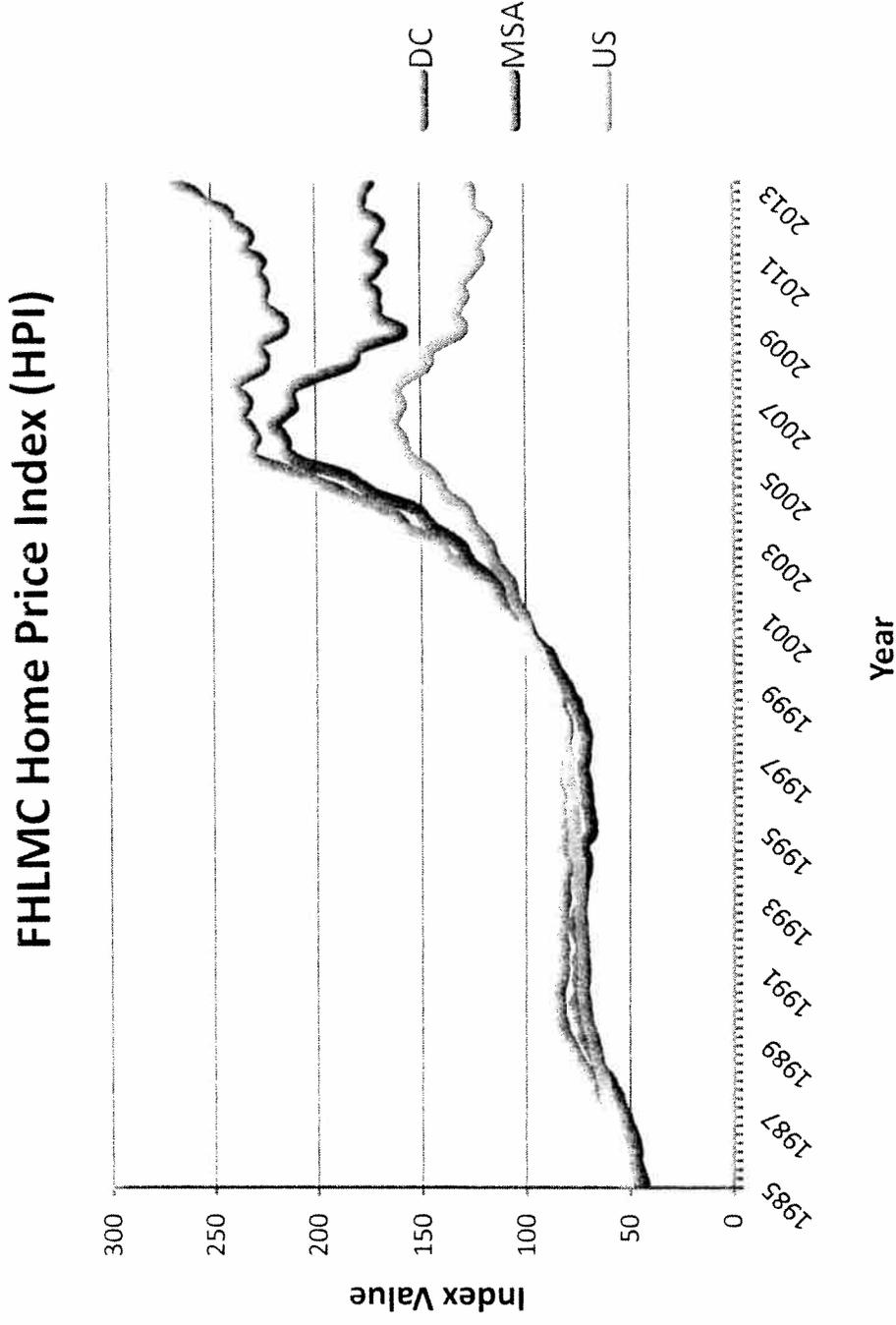


Source: CRA-George Mason University; Dept of Employment Services; DC Office of Planning, June 2013.



# Impact on Housing Cost

DC Prices have not only recovered but surpassed the previous peak in 2007. The US and the region is still lagging.

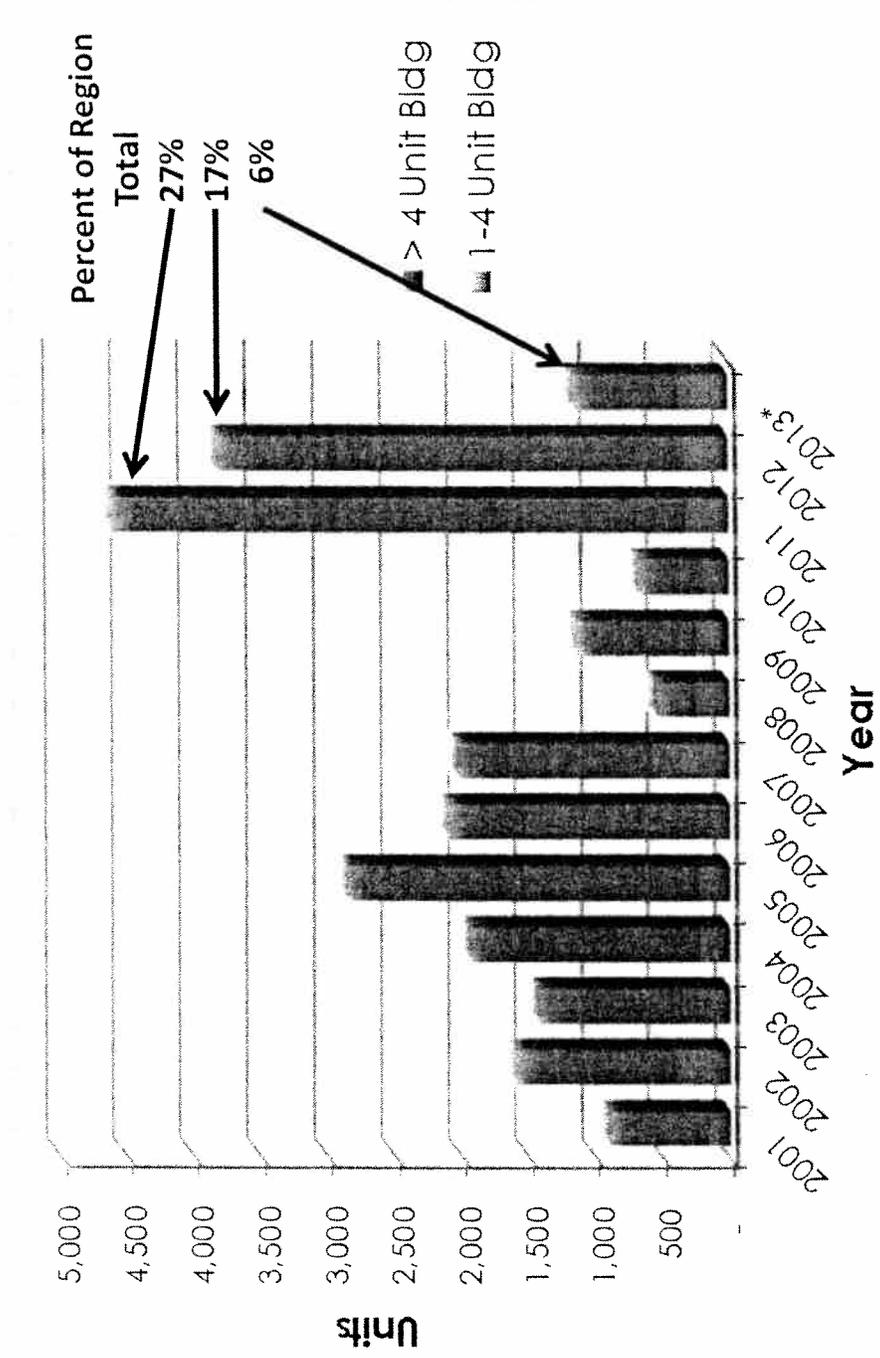


Source: Freddie Mac, May 2013.



# Impact on Residential Development

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



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



## Developing an Investment Strategy

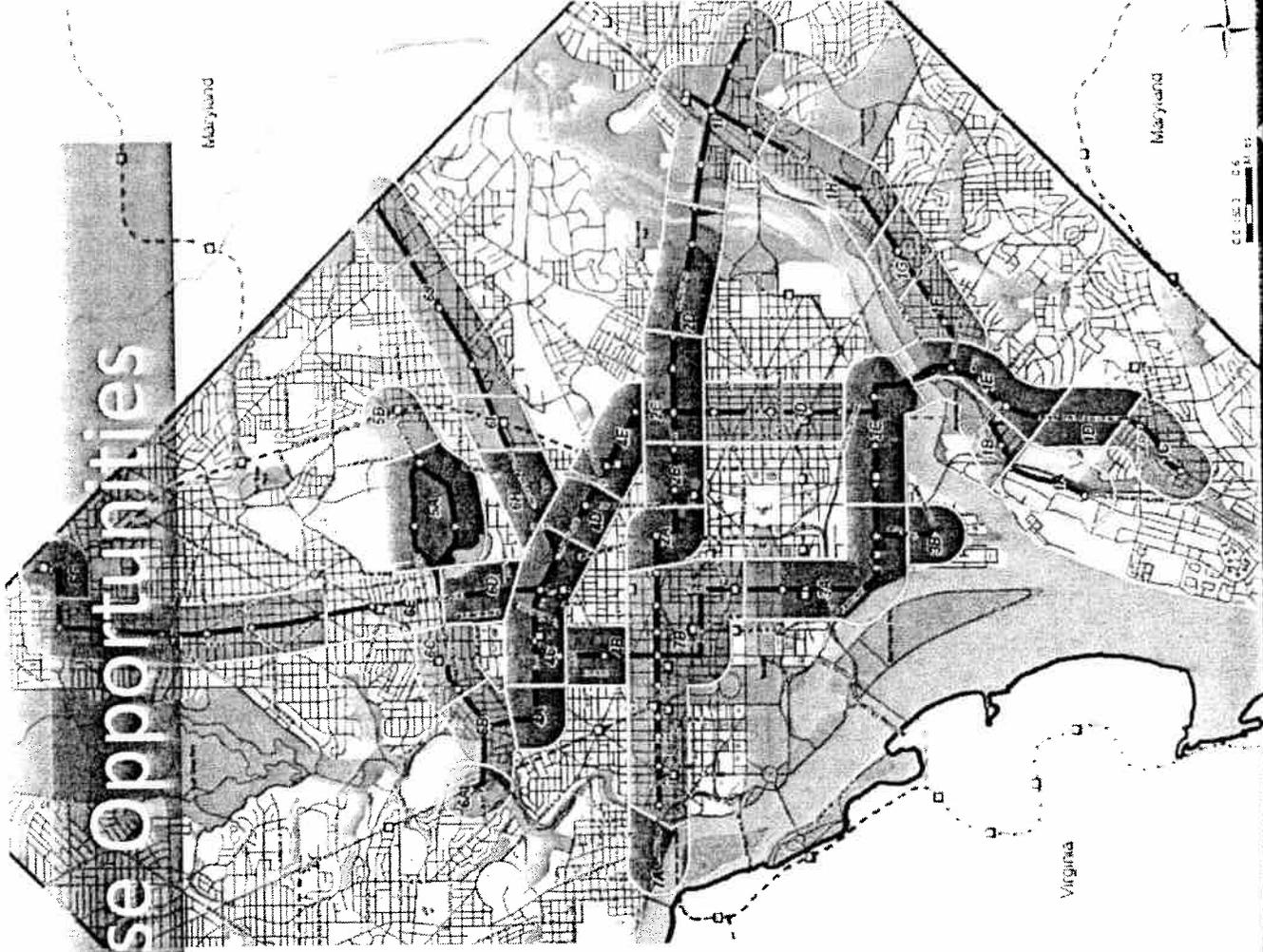
- Street Car
- Diversifying Neighborhoods
- Preservation of Affordability
- Historic Preservation Tax Credit
  
- Long Term Factors & Opportunities



# Street Car and Land Use Opportunities

## New Residential Development Market Potential

- Publicly controlled sites
- Affordable housing stock
- Land value capture techniques
- Rezoning for greater density/affordability



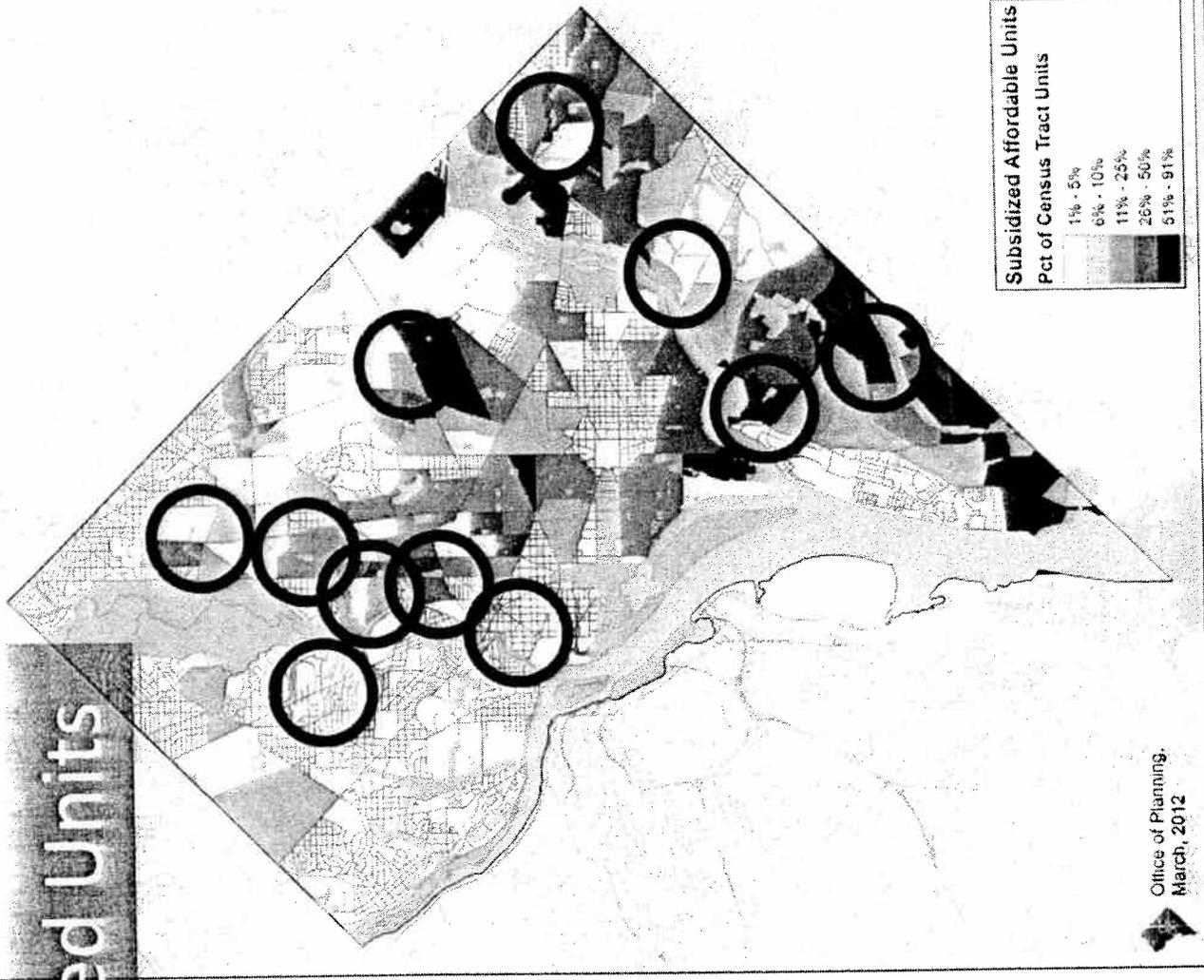
# Location of Subsidized Units

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

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

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

Source: *L.C. Vibrant Retail Streets Toolkit*, Streetsense, March 2011.



## Rethinking Land Disposition Policies

### It's Just Math

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



# Leveraging Historic Preservation Tax Credits

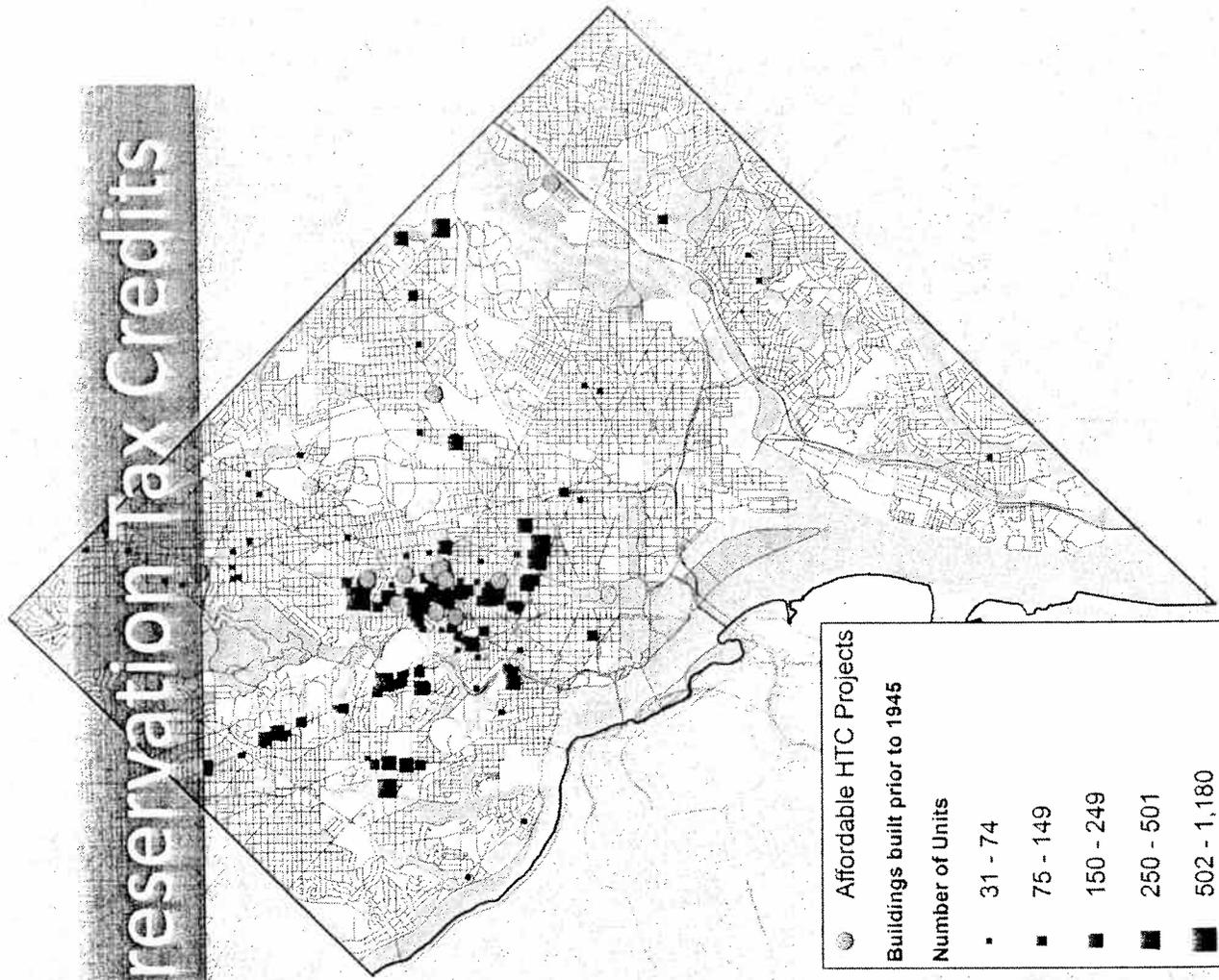
## Basic & Production

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

## Potential

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

It could be DC's state tax credit to fiscal impact to the District



## District Opportunity to Purchase (DOPA)

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

### Pros

- Potentially low cost
- Cross subsidization
- Targeted to need

### Cons

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



## DC's Elemental Pressure on Housing

**233,000**

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

**500,000**

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



# Questions



***ATTACHMENT (6)***

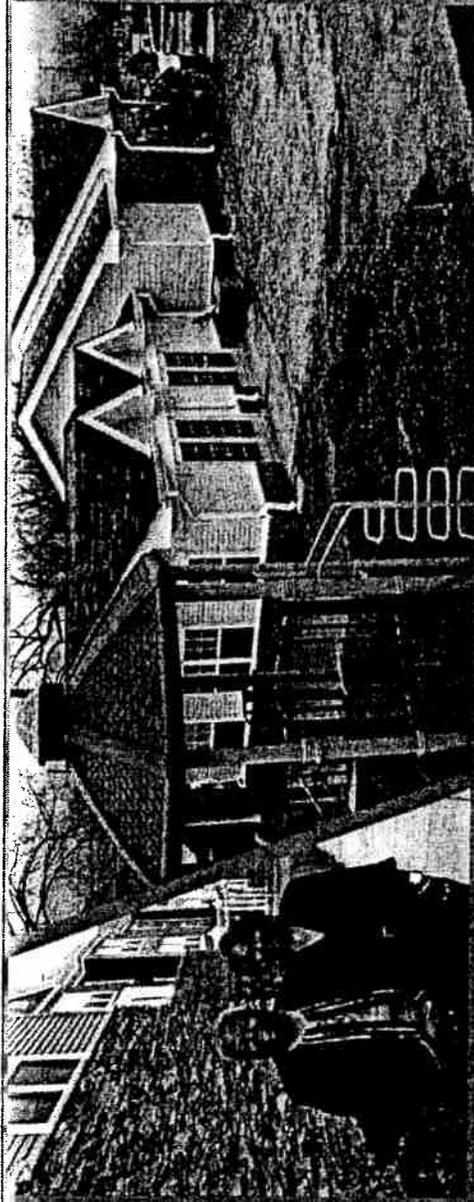
# DC's Comprehensive Housing Strategy Task Force Report



**BRIDGES TO  
OPPORTUNITY**

A NEW HOUSING STRATEGY FOR D.C.





## Summary of Strategic Goals & Action Items

### VISION

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

### OBJECTIVE

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

### STRATEGIC GOALS

#1: Preserve approximately 8,000 existing affordable housing units with subsidies that will expire by the year 2020.

#2: Produce and preserve 10,000 net new affordable housing units by the year 2020 (10x20).

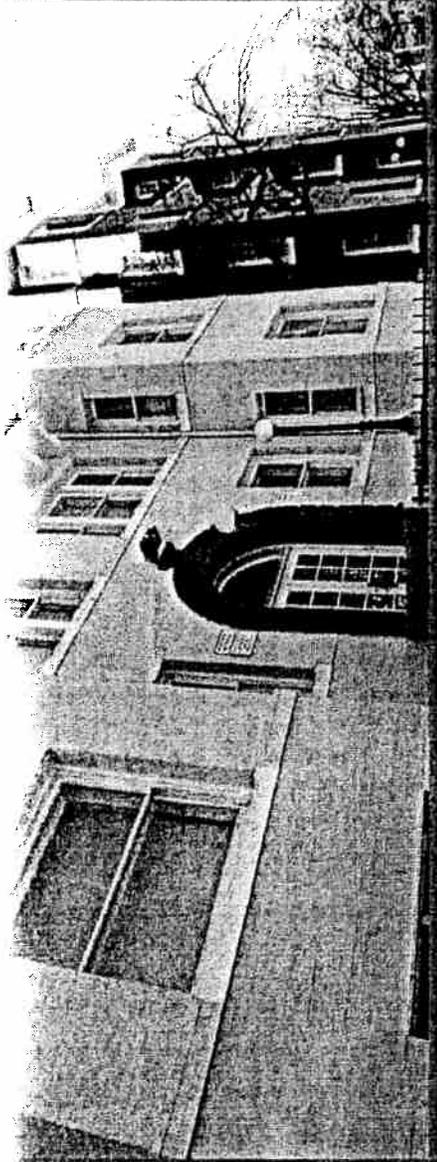
#3: Support the production of 3,000 market rate housing units annually through 2020.

### POLICY Action Items

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

### ADMINISTRATIVE Action Items

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



**ADMINISTRATIVE Action Items (continued)**

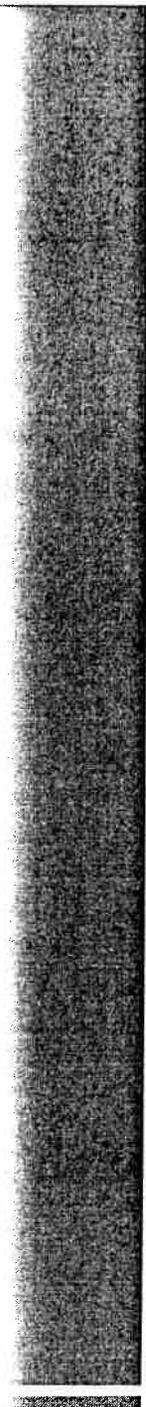
SUPPLY DEMAND OR BOTH	ACTION ITEM	DATE FINISH
Supply	4 Amend the building regulations to expedite the building permit process for affordable and market rate housing developments and waive fees for affordable housing developments	Next 12 months
Supply	5 Create a website to serve as a one-stop for affordable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



### FINANCIAL Action Items

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

**DEMAND SIDE  
RECOMMENDATIONS**



## POLICY

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

## ADMINISTRATIVE

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

ADMINISTRATIVE  
(DEMAND AND SUPPLY)

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

## FINANCIAL

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

## FINANCIAL

- FUND PHASE II OF THE COLLABORATIVE INITIATIVE FOR SYSTEM CHANGE

- 12 TO 36 MONTHS

***ATTACHMENT (7)***

## DHCD Staff Discussion: Housing Production Trust Fund Status

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

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

Attachment

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

Budget Allocation Purposes of \$100 million

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

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

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

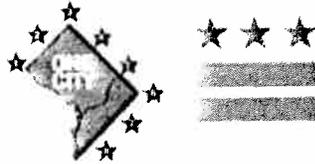
Allocation to DHCD	87,900,000
Allocation to Other Agencies (DCHA, DHS, DMPSJ, OCTO, & DMPED)	12,100,000
<b>TOTAL Budget Allocation of \$100 million</b>	<b>100,000,000</b>

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

HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (6)***

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Department of Housing and Community Development



**Date:** October 7, 2013

**To:** David Bowers, Chairman  
Housing Production Trust Fund Advisory Board and  
Members

**From:** Milton Bailey, Chief of Staff  
Department of Housing and Community Development

**Subject:** Responses to Chairman's Questions for October 8th 2013 Housing Production Trust  
Fund Advisory Board Meeting

The purpose of this communique is to respond to certain questions presented in your email of September 26, 2013.

1. The approved FY 2014 budget for the Housing Production Trust Fund is \$142,676,000 (see attached budget). Based on projected FY 2013 year-end carryover, plus the \$66.9 million the Mayor committed, plus new FY 2014 dedicated tax revenue, what is the correct amount of authority that should be reflected in the FY 2014 budget?

**Response: \$142,807,641**

2. How much of the FY 2014 Housing Production Trust Fund budget –assuming the correct number is used - is unobligated as of September 30, 2013?

**Response: \$105,321,677**

3. Of the unobligated portion of the FY 2014 budget, how much is considered "committed" to projects in the pipeline (excluding NOFA projects).

**Response: \$14,309,767 is CONDITIONALLY committed**

4. What is the total amount of subsidy needed from the HPTF for projects in the pipeline (excluding NOFA projects) that are not considered committed?

**Response: \$35,500,236**

5. What is the amount of budget authority – assuming the correct budget authority number for FY 2014 – that is neither obligated nor committed, and is available to fund NOFA projects?

**Response: \$91,011,910 is available for ALL non-committed projects in the pipeline. This category includes the 2013 NOFA projects AND non-committed projects from previous NOFAs. If the entire**

\$35,500,236 requested by projects already in the pipeline (Excluding 2013 NOFA Projects) becomes committed, then there will be \$55,511,674 available for the FY13 NOFA Projects.

However, there is no guarantee that the still-uncommitted projects from previous years or that entered the pipeline via TOPA will be committed prior to all of the FY13 NOFA Projects. The most accurate response to the intent of this question is that there is \$91,011,910 available in uncommitted/unobligated funds for which ALL uncommitted projects are competing.

HPTF Advisory Board Meeting Follow-Up Items: 9/12/2013

#	Requests	Status as 9.19.13
1	DMHHS: Deputy Mayor Otero to meet with Board Members ( Knight, Marshall, Prior) to determine how to frame issues regarding "demand side" concerns, and to identify subject matter experts to address the Board. To present findings at the October Board meeting.	Will reattempt to schedule a meeting with DM Otero upon her return.
2	DMPED: Provide a legal opinion regarding when the \$100M is legally available from the Mayor's Affordable Housing Initiative. (Nichols & Morris)	No legal opinion needed. FY14 funds are available.
3	DHCD: Provide Staff flow chart identifying staff that evaluate and provide decisions in the project evaluation process.	See attached HPTF Deck
4	DHCD: Provide a Projected Timetable for approving applications from the Spring 2013 RFP.	Under development
5	DHCD: Revise "Average Capital Subsidy for Affordable Housing Units" to show wards impacted, to state what subsidy includes (e.g., loans, grants), to show LIHTCs and Mortgage Revenue Bonds separately (private sector involvement), etc. It was suggested that the chart have an overlay to show private sector involvement.	See attached HPTF Deck
6	DHCD: Revise the "DHCD DFD Pipeline and HPTF Analysis" spreadsheet, as of 9/11/13, to show only HPTF requested dollars by AMI income bands & units, and projects by ward. <i>Note: the requirements to meet statutory spending percentages are determined by fiscal year. We may need to present information separately for Spring2013 RFP projects which will be funded or committed in FY14. Some of the other DFD pipeline projects will be funded in FY 13, which goes toward Fiscal Year 2013 spending percentages.</i>	See attached HPTF Deck
7	DHCD: Meeting Minutes for 8.15.13: Make changes identified by the Board; and note that Minutes were Provisionally Approved, with noted corrections; and Post on the website. Finalize Meeting Minutes for vote by the Board at the 9.26 meeting.	See handout
8	DHCD: Meeting Minutes for 9.12.13: Draft Meeting Minutes for approval at the next Board Meeting.	See handout

Attachments

HPTF Advisory Board Meeting Minutes 10.8.2013

***ATTACHMENT (7)***

Responses to Questions from  
September 12, 2013 Meeting

Presented on October 8, 2013



D.C. Department of Housing  
and Community Development  
Michael P. Kelly, Director  
(202) 442-7210 | dhcd.dc.gov



Summary of DFD Pipeline

8 Projects have received **Conditional** Letters of Commitment *(All have HPTF Requests)*

The Pipeline, as proposed, would not meet the HPTF spending requirements:

	30% AMI	50% AMI	80% AMI (includes 60% AMI Units)
Funding Requests	35.3%	11.3%	53.4%
Requirement	40.0%	40.0%	20.0%

