



Department of Housing and Community Development

Affordable Housing

Funding, Challenges and Accomplishments

Presented to the CHS Task Force October 20, 2004

DHCD Mission Statement



The Department of Housing and Community Development (DHCD) facilitates the production and preservation of affordable housing, fosters economic development opportunities, and promotes community and economic development opportunities. DHCD fosters partnerships between the public and non-

- Create and maintain stable neighborhoods;
- Retain and expand the city's tax base;
- Promote economic opportunities through community empowerment; and
- Retain and create job and business opportunities for the benefit of Washington, DC, residents.

Funding Sources

- DHCD relies on three funding sources to finance housing and community development projects, programs and delivery costs. These sources are:
 - Federal entitlement grants from HUD;
 - Local and other funds comprised of appropriated and certain loan repayments; and
 - Private investments leveraged with public resources.

Fiscal Year 2005 Funding

Net Available Funds

* CDBG	\$33,413,000
HOPWA	\$11,802,000
* HOME	\$9,741,849
ESG	\$836,352
Lead Hazard (multi-year grants)	\$4,997,743
HPTF (estimated)	<u>\$87,503,587</u>
TOTAL	\$148,294,531
LIHTC (annual allocation)	\$2,000,000

* Includes program income generated from prior year activities

Summary of Challenges

- Escalating housing prices and market rate competition
- Higher housing costs out pace the ability of unskilled and low-paid DC residents to afford housing
- Median household income of District residents is \$40,127 and the median home value is \$157,200
- 45% of all DC households income is less than \$35,000
- Threat of displacement due to reduction in affordable housing units including the expiration of federally funded subsidized housing
- Lack of access to transportation to regional employment opportunities

Addressing The Challenges

DHCD invests in its very-low, low and moderate-income residents, using federal and local dollars in implementing community priorities by:

- Producing affordable rental/home ownership housing through rehabilitation and new construction;
- Helping DC residents become homeowners through loans, grants and tenant purchase assistance;
- Fostering neighborhood revitalization and increasing economic and community development opportunities; and
- Working with CBO's to expand our capacity to serve the community.

Addressing The Challenges Coordination with DC Partners

- DC Housing Finance Agency
- DC Housing Authority
- NCRC
- DC Department of Health
- DC Department of Human Services
- Office of Planning

DHCD Planning and Implementation

DHCD makes all of its planning and implementation decisions within a citizen participation framework:

- Five Year Consolidated Plan (Mandated by HUD)
 - Annual Action Plans
- Notice of Funding Availability (NOFA)
 - RFA
 - RFP
- Strategic Neighborhood Action Plans (SNAP)
- Strategic Neighborhood Investment Program (SNIP)
- Mayor's Citywide Citizen Summit
- Hot Spots

DHCD Funding Principles

DHCD provides gap-financing for development of projects:

- DHCD does not fund total development costs;
- DHCD leverages public (DHCD) funds with non-DHCD dollars to expand development capacity; and
- * Recently, each DHCD dollar invested has leveraged between six and eight non-DHCD dollars.

DHCD Funding

- **Annual Action Plan** is community participation driven, and sets the framework for the funding process
- **NOFA's** alert the community of the amount of funding available for housing and other community needs
 - Request for Proposals (RFP) solicits proposals for housing, economic and community projects from for-profit and non-profit developers
 - Request for Applications (RFA) solicits applications from neighborhood-based organizations to provide housing counseling and a wide variety of services and activities for neighborhood revitalization
 - DHCD identifies the kinds of projects that are desired and the geographic target areas in its RFPs and RFAs

Accomplishments, 2001-2004, Current Five Year Plan

Affordable Housing

- DHCD invested **\$67.7** million of CDBG, HOME, HPTF and DC Appropriated Funds to provide **5,437** rehabilitated multi-family units
 - Average subsidy per unit **\$12,456**
- DHCD invested **\$29.2** million in creation of **2,569** new housing units
 - Average subsidy per unit **\$11,368**

Accomplishments, 2001-2004, Current Five Year Plan - cont

Special Needs Housing

- DHCD invested **\$7.7** million to provide **173** housing units to persons w/physical and other disabilities
- DHCD invested **\$17.6** million to provide **910** housing units to elderly residents
- Subsidies for Special Needs and Elderly Housing units are higher because of their unique construction requirements

Accomplishments, 2001-2004, Current Five Year Plan – cont.

Assistance for Homebuyers and Homeowners

Home Purchase Assistance Program (HPAP)

- Provides loans/grants to first-time homebuyers for down payments and closing costs
- DHCD invested **\$16.1** million to assist **1,086** first-time homebuyers with HPAP assistance
- Long-term deferred loans for DC employees; special assistance for police officers, teachers, fire-fighters and EMTs

Single Family Residential Rehabilitation Program

- DHCD invested approximately **\$2.4** million to assist **83** single-family home owners with low cost loans/grants to rehabilitate their homes

Accomplishments, 2001-2004, Current Five Year Plan – cont.

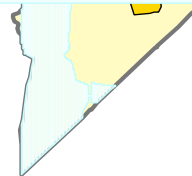
Neighborhood-Based Investments through CBOs

DHCD invested:

- **\$7.3** million to provide comprehensive housing counseling services for **15,900** households;
- **\$1.2** million to assist **4,020** tenants in properties where expiring Section 8 voucher program threatens tenant dislocation;
- Nearly **\$3** million to assist tenants associations in predevelopment and development support activities for affordable housing units;
- **\$4** million for storefront façade improvements for **284** businesses;
- **\$1.2** million for job training and placement for **657** individuals; and
- **\$5.3** million for technical assistance for **2,600** small businesses.

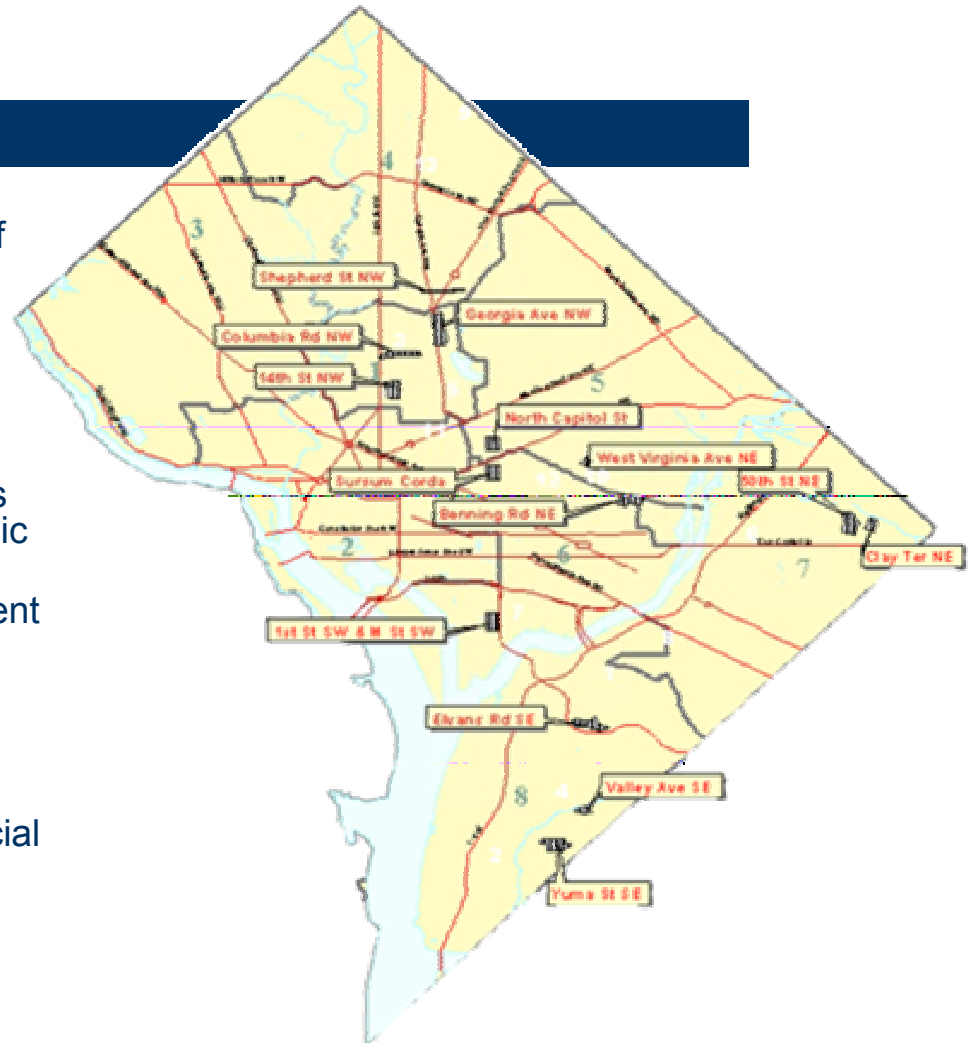
12. H St NE

13. Georgia Ave NRSA



District Areas for Targeted Investment

- **Hot Spots**, where a high incident of crime occurs, vacant housing and absence of retail, educational and social enrichment opportunities require long-term sustained investment;
- **Emerging Growth Communities**, where development momentum has been established, but further periodic investment is needed;
- **Neighborhoods** abutting government centers, Metro Stations, and Convention Center;
- **Neighborhoods** in which there is a dense concentrating of tax-delinquent, vacant abandoned and underutilized housing and commercial facilities; and
- **Gateways** to the city – where first impression set the tone for visitor's interaction with city.



Matching Assistance to Community Needs

Focusing DHCD Investment

- DHCD's investments are focused in target areas where there are high concentrations of very-low, low and moderate-income residents, and where the housing stock has experienced significant levels of deferred maintenance over many years, and;
- Investments can prevent further neighborhood deterioration or spur and maintain revitalization efforts in conjunction with other government initiatives
- US Census Data, marketing trends and Citywide Citizen Summits are tools to identify target areas which face:
 - Considerable challenges with high poverty rates for families, seniors and children;
 - Reductions in working-age adults;
 - Expiration of Section 8 subsidized housing; and
 - Sharp increases in housing prices.

In Conclusion...

DHCD is producing fewer units at higher subsidy costs per unit because of market forces.