

COUNCIL OF THE DISTRICT OF COLUMBIA
Office of the Budget Director



Jennifer Budoff
Budget Director

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jennifer Budoff
Budget Director, Council of the District of Columbia

DATE: May 28, 2019

SUBJECT: Certification of Report and Recommendations of the Committee on
Housing and Neighborhood Revitalization on the Fiscal Year 2020
Budget and Financial Plan for Agencies Under Its Purview

This is to certify that the Office of the Budget Director has reviewed the Report and Recommendations of the Committee on Housing and Neighborhood Revitalization on the Fiscal Year 2020 Budget and Financial Plan for Agencies Under Its Purview and found it to be balanced and compliant with Council Rule 703(b)(1) and (2).

If you have any questions in this regard, please do not hesitate to call me at 202-724-5689.



Jennifer Budoff

**COMMITTEE ON HOUSING
AND NEIGHBORHOOD REVITALIZATION**

COUNCILMEMBER ANITA BONDS, CHAIRPERSON
FISCAL YEAR 2020 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

FROM: Councilmember Anita Bonds
Chairperson, Committee on Housing and Neighborhood Revitalization

DATE: May 1, 2019

SUBJECT: Report and Recommendations of the Committee on Housing and
Neighborhood Revitalization on the Fiscal Year 2020 Budget for Agencies
Under Its Purview

The Committee on Housing and Neighborhood Revitalization (“Committee”), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for Fiscal Year 2020 (“FY 2020”) for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2020 Budget Support Act of 2019, as proposed by the Mayor.

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I. SUMMARY

A. FISCAL YEAR 2020 AGENCY OPERATING BUDGET BY FUND TYPE

Fund Type	FY2018 Actual	FY 2019 Approved	FY 2020 Mayor's Proposed	Sum of Committee Variance	Committee Approved
Department of Aging and Community Living (BY0)					
Local	\$37,868,407	\$38,391,428	\$40,981,944	\$288,200	\$41,270,144
Federal Grant Fund	\$7,994,162	\$7,042,675	\$7,239,827	\$0	\$7,239,827
Federal Medicaid Payments	\$2,035,767	\$2,752,297	\$3,142,002	\$0	\$3,142,002
Operating Intra-District Funds	\$931,717	\$228,958	\$1,986,291	\$0	\$1,986,291
Gross Funds	\$48,830,054	\$48,415,358	\$53,350,064	\$288,200	\$53,638,264
Office of the Tenant Advocate (CQ0)					
Local	\$3,121,221	\$3,745,327	\$3,523,633	\$0	\$3,523,633
Special Purpose Revenue Funds	\$19,004	\$509,037	\$660,065	\$0	\$660,065
Gross Funds	\$3,140,225	\$4,254,365	\$4,183,698	\$0	\$4,183,698
Department of Housing and Community Development (DB0)					
Local	\$27,738,697	\$31,772,227	\$56,146,567	(\$3,395,968)	\$52,750,599
Special Purpose Revenue Funds	\$6,199,956	\$3,133,812	\$4,077,531	(\$385,744)	\$3,691,787
Federal Grant Fund	\$30,099,939	\$55,829,997	\$61,527,809	\$0	\$61,527,809
Private Donations	\$0	\$20,000	\$0	\$0	\$0
Operating Intra-District Funds	\$148,367,953	\$100,000,000	\$18,906,465	\$0	\$18,906,465
Gross Funds	\$212,406,545	\$190,756,036	\$140,658,371	(\$3,781,712)	\$136,876,659
Housing Finance Agency (HF0)					
Enterprise and Other Funds	\$0	\$13,460,432	\$13,581,674	\$0	\$13,581,674
Gross Funds	\$0	\$13,460,432	\$13,581,674	\$0	\$13,581,674
Housing Production Trust Fund Subsidy (HP0)					
Local	\$12,515,509	\$39,335,078	\$52,645,047	\$0	\$52,645,047
Gross Funds	\$12,515,509	\$39,335,078	\$52,645,047	\$0	\$52,645,047
Housing Authority Subsidy (HY0)					
Local	\$81,109,810	\$111,488,631	\$128,063,975	\$10,486,298	\$138,550,273
Operating Intra-District Funds	\$1,400,000	\$0	\$0	\$0	\$0
Gross Funds	\$82,509,810	\$111,488,631	\$128,063,975	\$10,486,298	\$138,550,273
Housing Production Trust Fund (UZ0)					
Enterprise and Other Funds	\$45,651,387	\$39,335,078	\$52,645,047	\$0	\$52,645,047
Enterprise and Other Funds - Dedicated Taxes	\$108,589,296	\$60,664,922	\$77,354,953	(\$8,519,400)	\$68,835,553
Gross Funds	\$154,240,683	\$100,000,000	\$130,000,000	(\$8,519,400)	\$121,480,600

B. FISCAL YEAR 2020 AGENCY FULL-TIME EQUIVALENT

Fund Type	FY2018 Actual	FY 2019 Approved	FY 2020 Mayor's Proposed	Sum of Committee Variance	Committee Approved
Department of Aging and Community Living (BY0)					
Local	37.47	41.50	52.50	0.00	52.50
Federal Grant Fund	4.00	4.00	6.00	0.00	6.00
Federal Medicaid Payments	24.58	27.50	29.50	0.00	29.50
Private Donations	0.00	0.00	0	0.00	0.00
Operating Intra-District Funds	3.00	0.00	13.00	0.00	13.00
Gross Funds	69.05	73.00	101.00	0.00	101.00
Office of the Tenant Advocate (CQ0)					
Local	16.51	18.65	20.65	0.00	20.65
Special Purpose Revenue Funds	0.90	3.35	3.35	0.00	3.35
Gross Funds	17.41	22.00	24.00	0.00	24.00
Department of Housing and Community Development (DB0)					
Local	65.08	73.19	74.31	-2.00	72.31
Special Purpose Revenue Funds	0.00	0.00	0.00	0.00	0.00
Federal Grant Fund	29.78	24.82	30.36	0.00	30.36
Private Donations	0.00	0.00	0.00	0.00	0.00
Operating Intra-District Funds	57.61	80.00	73.28	0.00	73.28
Gross Funds	152.47	98.01	104.67	-2.00	102.67

C. FY 2020 - 2025 AGENCY CAPITAL BUDGET SUMMARY

Project No	Project Title	Allotment Scenario	Available Allotments (3-19-19)	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	6-yr Total
DEPARTMENT OF AGING AND COMMUNITY LIVING (BY0)										
A0508C	WARD 8 SENIOR WELLNESS CENTER	FY19-24 Approved CIP	0	0	0	2,500,000	8,900,000	0	0	11,400,000
		Mayor's Proposed FY20 Change	0	2,500,000	8,900,000	(2,500,000)	(8,900,000)	0	0	0
A0508C Total			0	2,500,000	8,900,000	0	0	0	0	11,400,000
EA337C	WASHINGTON CENTER FOR AGING SERVICES REN	Available Balances	519,053	0	0	0	0	0	0	0
EA337C Total			519,053	0	0	0	0	0	0	0
SW601C	SENIOR WELLNESS CENTER RENOVATION POOL	Available Balances	5,039,333	0	0	0	0	0	0	0
		FY19-24 Approved CIP	0	0	0	0	0	0	0	1,936,910
		Mayor's Proposed FY20 Change	0	0	0	0	0	0	0	(1,936,910)
SW601C Total			5,039,333	0	0	0	0	0	0	0
BY0 Total			5,558,387	2,500,000	8,900,000	0	0	0	0	11,400,000
OFFICE OF THE TENANT ADVOCATE (CQ0)										
RCCD1C	RENT CONTROL DATABASE	Available Balances	476,718	0	0	0	0	0	0	0
		FY19-24 Approved CIP	0	0	0	0	0	0	0	476,718
		Mayor's Proposed FY20 Change	0	0	0	0	0	0	0	(476,718)
		Committee FY20 Recommendation	0	617,348	0	0	0	0	0	617,348
RCCD1C Total			476,718	617,348	0	0	0	0	0	617,348
CQ0 Total			476,718	617,348	0	0	0	0	0	617,348
DEPT. OF HOUSING AND COMM. DEVELOPMENT (DB0)										
DHDOTC	DHCD -DDOT CAPITAL FEDERAL GRANT PROJECT	Available Balances	3,078,544	0	0	0	0	0	0	0
DHDOTC Total			3,078,544	0	0	0	0	0	0	0
DB0 Total			3,078,544	0	0	0	0	0	0	0
Grand Total			9,113,649	3,117,348	8,900,000	0	0	0	0	12,017,348

D. TRANSFERS IN FROM OTHER COMMITTEES

Sending Committee	Amount	FTEs	Receiving agency	Program	Purpose	Recurring or One-Time
Transportation and Environment	\$9,000 in FY20 and \$600,000 over the four-year plan, recurring.	0	N/A	N/A	Funds the Rental Housing Affordability Re-establishment Amendment Act of 2018	Recurring
Business and Economic Development	\$77,740	0	DCHA	6000	Funds 3.7 units of Permanent Supportive Housing for Individuals	Recurring
Facilities and Procurement	\$420,720	0	DCHA	6000	Funds Local Rent Supplement Program tenant-based assistance to 20 returning citizens designated by the Office on returning Citizen Affairs.	Recurring
Facilities and Procurement	\$210,360	0	DCHA	6000	Funds 10 units of Targeted Affordable Housing for individuals.	
Facilities and Procurement	\$210,364	0	DCHA	6000	Funds 10 units of Permanent Supportive Housing for individuals.	
Facilities and Procurement	\$67,000	0	DAFL	9500	Funds community dining and peer support services for LGBTQ seniors.	One-time
Human Services, Labor and Workforce, and Committee of the Whole	\$984,710.25	0	DCHA	6000	Funds 46.8 new units of Permanent Supportive Housing for individuals.	Recurring
Human Services	\$53,250	0	DCHA	7000	Enhances Jubilee Maycroft LRSP in FY19	One-time
Human Services	\$213,000	0	DCHA	7000	Enhances Jubilee Maycroft LRSP in FY20 and beyond.	Recurring
Total						

E. TRANSFERS OUT TO OTHER COMMITTEES

Receiving Committee	Amount	FTEs	Receiving agency	Program	Purpose	Recurring or One-Time
Judiciary and Public Safety	\$125,784.62	1.0	Office of the Attorney General		Fund 1 Elder Abuse Civil Enforcement Attorney.	Recurring
Committee on Human Services	\$315,540	0	Department of Human Services		Returning funding for Youth Permanent Supportive Housing erroneously budgeted under the Housing Authority Subsidy.	Recurring
Total						

F. REVENUE ADJUSTMENT

Revenue Adjustments				
Agency	Fund Type	Amount	Use	BSA subtitle
N/A				

G. FUNDING OF BUDGET SUPPORT ACT SUBTITLES

Subtitle	Agency	Program	Amount	FTEs
The Dedicated Rental Subsidies Amendment Act of 2019	D.C. Housing Authority	7000, 6000, 2000	\$8,519,400	0

H. FUNDING OF PENDING BILLS OR LAWS PASSED SUBJECT TO APPROPRIATION

Bill or Law #	Status	Agency	Program	Amount	FTEs
L22-154	Fully funded	DCHA	2000	\$164,544	0

Bill or Law #	Status	Agency	Program	Amount	FTEs
L22-202	Fully funded	N/A	N/A	\$9,000 in FY20; \$600,000 over the four-year plan.	0
L22-223	Fully funded	N/A	N/A	\$53,000 in FY20; \$3,474,000 over the four-year plan.	0

I. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

DEPARTMENT OF AGING AND COMMUNITY LIVING (BY0)

Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2020 operating budget for the Office in the amount of \$53,350,064 with the following changes:

Accept the following:

1. \$21,200 enhancement to CSG 50 – Program 9400, Activity 9430 for satellite wellness programming
2. \$200,000 enhancement to CSG 50 – Program 9400, Activity 9440 for day programs
3. A transfer of \$67,000 in one-time funds from Committee on Facilities and Procurement to CSG 50 – Program 9500, Activity 9520 for Community Dining and Peer Support for LGBTQ Seniors.

Fiscal Year 2020 Capital Budget Recommendations

The Committee recommends the approval of the Mayor's proposal for accelerating the new Ward 8 senior wellness center.

Fiscal Year 2020 Policy Recommendations

The Committee recommends that the Department on Aging and Community Living implement the following policy recommendations:

1. The Committee encourages the Department to fulfill its new mission of combatting elder abuse by conducting greater outreach in support of the D.C. Long-Term Care Ombudsman services conducted by the Legal Counsel for the Elderly, as well as other similar support services that will assist in preventing or resolving instances of elder abuse, financial or consumer fraud, identity theft, and other legal disputes that seniors face.

2. The Committee congratulates and supports the Department's absorption of Adult Protective Services from the Department of Human Services. Further, the Committee DACL to ensure a streamlined absorption of the Adult Protective Services program from the Department of Human Services. Moreover, the Committee urges the Department to put in place the necessary mechanisms that will ensure prompt protection and resolution for all individuals within the APS case load.
3. As relates to Consumer Information, Assistance, and Outreach, the Committee urges that DACL ensures that language is not a barrier to access of the many benefits and supports for our senior population. Specifically, the Committee urges the Department to ensure that all publicly-facing informative documents, flyers, pamphlets, and web materials are provided with an easily accessible Spanish translation.
4. The Committee recommends that the Department conducts a comprehensive review of Lead Agency delivery goals and performance measures to ensure that District funds are used appropriately and cost-effectively.
5. The Committee recommends that the Department continues to closely monitor and diligently respond to Safe at Home requests, with the understanding that unmet Safe at Home applications weigh down the single-family rehabilitation process conducted by the Department on Housing and Community Development. Furthermore, the Committee urges DACL to conduct diligent oversight of the extension of Safe at Home 50/50 cost-share component so that the District government may determine the scope of public demand for in-home and security camera safety adaptations for the 80-100 percent AMI population in the District.
6. The Committee remains concerned about adequate nutrition services for District seniors and recognizes that increased funding is needed for better coverage of nutrition and dietician services. Despite the flat funding, the Committee recommends that DACL continue to work with grantees to ensure that the need for meals and nutrition supplements are met. The Committee recommends the Department work with the Committee to determine if there are programs that can be brought to the District that target both meal delivery and socialization. The Committee further recommends that the Department conducts an initial assessment of the capacity and efficacy of nutritionists, social workers, and other District-employed caregivers in meeting the needs of District seniors, including those Wards where no such services are currently provided.
7. The Committee is concerned with the adequacy and timeliness of the current transportation services offered to District residents. The Committee urges the Department to ensure that District seniors are provided with safe, sufficient, efficient, and mobility-device friendly transportation services to seniors' varied destinations. The Committee strives to ensure that all District seniors who make efforts to be part of a community living environment will be afforded with adequate transportation services.

8. The Committee recommends that the Department works closely with the Committee in gathering the data necessary to provide seniors with a comprehensive benefits package targeting the costs and burdens of aging-related health issues concerning vision, hearing, dental health, and cognitive functioning.

OFFICE OF THE TENANT ADVOCATE (CQ0)

Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2020 operating budget for the Office of the Tenant Advocate in the amount of \$4,183,698 with the following changes:

1. The Office of the Tenant Advocate's unexpended amount of funds from the Rent Control Housing Clearinghouse database of \$617,348 in FY 2019 (Project number RCCD1C, Program code 1000, Activity codes 1040 and 1087) be reallocated to FY 2020 to fund the Rent Control Housing Clearinghouse database in FY 2020.

Fiscal Year 2020 Capital Budget Recommendations

The Office of the Tenant Advocate has no associated proposed capital funds in the Mayor's proposed FY 2020 budget.

Fiscal Year 2020 Policy Recommendations

The Committee recommends that the Office of the Tenant Advocate implement the following policy recommendations:

1. Complete the Rent Control Housing Clearinghouse (the "Clearinghouse"), authorized by subtitle J, the Publicly Accessible Rent Control Housing Clearinghouse Amendment Act of 2017, of L22-0033, the Fiscal Year 2018 Budget Support Act of 2017, effective from December 13, 2017.¹

Also complete the reregistration project authorized by subtitle CC of L22-0168, the Rental Housing Registration Update Amendment Act of 2018, effective from October 30, 2018. The Rental Housing Registration Update is a priority component of the Clearinghouse project, and it is the Committee's expectation

¹ In L21-0036, the Fiscal Year 2016 Budget Support Act of 2015, the Committee had authorized DHCD to establish an internet-accessible, searchable database for the submission, management, and review of all documents that the Rental Housing Act of 1985 requires housing providers to submit to RAD. The Clearinghouse was required to be completed by DHCD within two years of the effective date of L21-0036 so that documents could be submitted by housing providers and tenants to RAD through the online clearinghouse. However, two years after the mandate was given to DHCD, the Committee saw no discernable progress in the development of the database, so the responsibility was transferred to the Office of the Tenant Advocate in L22-0033.

that the reregistration requirement would be developed as a priority task order by the OTA in the overall development of the Clearinghouse.

The Committee was and remains confident that based on the OTA's past and current reputation for "getting things done", the OTA will fulfill this important responsibility and bring the District significantly closer to the realization of the Clearinghouse and the re-registration project. The Committee encourages and urges the OTA to excel in the quality of the project, and to complete its work on this project by September 30, 2020.

2. Work to further enhance interagency coordination, especially as it relates to emergency housing for District tenants. The Committee applauds the OTA's efforts at interagency coordination and encourages the OTA to explore further developing and implementing joint initiatives to improve interagency communication and coordination to serve better constituent needs. Interagency coordination between agencies remains an ongoing challenge citywide. The lack of coordination impedes the administration and enforcement of rental housing laws, and it is wasteful of government resources and public funds.
3. Evaluate whether there are any possible avenues to reduce the cost of providing the tenants of the District with the very valuable educational annual OTA Tenant Summit. While the Committee recognizes the critical outreach importance of this successful event sponsored for over a decade by the OTA, the Committee also urges that costs for the event be regularly scrutinized. Should there be any potential to provide the same quality of services to District tenants in a more cost-effective way, the Committee requests that those possibilities be thoroughly investigated.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DB0)

Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the Mayor's FY 2020 operating budget for the Department of Housing and Community Development in the amount of \$140,658,371 with the following changes:

1. Delete the following two (2) vacant FTEs to fund one (1) FTE as an Elder Abuse Civil Enforcement Attorney at the Office of the Attorney General:
 - a. Reduce CSG 11 (Regular Pay – Continuing Full Time) by \$85,149 and CSG 14 (Fringe – Current Personnel) by \$15,923 from Program 1000 (Agency Management), Activity 1080.
 - b. Reduce CSG 11 (Regular Pay – Continuing Full Time) by \$59,727 and CSG 14 (Fringe – Current Personnel) by \$11,169 from Program 1000 (Agency Management), Activity 1010 (Performance Management).

2. Reduce CSG 41 – Program 4100, Activity 4110 by \$385,744 to fund the Public Housing Credit Building Amendment Act of 2018 and to fund additional day programming and satellite programming at the Department of Aging and Community Living.
3. Reduce CSG 50 – Program 2000, Activity 2025 by \$3,324,000 to fund L22-0223, the Vacancy Increase Reform Amendment Act, which limits the allowable rent increase for a vacant rent-controlled apartment unit to 10%.

Fiscal Year 2020 Capital Budget Recommendations

The Committee recommends approval of the Mayor's FY 2020 capital budget in the Department of Housing and Community Development.

Fiscal Year 2020 Policy Recommendations

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. The Committee recognizes the large number of vacancies in the agency and will continue to urge and communicate with the agency on their hiring timeline to fill the vacancies, to ensure that there is no deficit in the operations of the organization.
2. The Committee advises the agency to expeditiously implement and enforce L22-0223, Vacancy Reform Increase Amendment Act in order to safeguard our rent control housing stock from losing its affordability through vacancies.
3. The Committee encourages the agency to adhere to minimums placed on the Workforce Housing Fund for the various income bands to properly utilize the funds for the intended target population.
4. The Committee recommends the agency release a Consolidated Request for Proposals (RFP) twice a fiscal year. In the recent past, the agency has shown attempts to release a Consolidated RFP twice in one calendar year but has yet to demonstrate the ability to release two Consolidated RFPs in one fiscal year.
5. The Committee also urges DHCD to move more quickly through the selection process for projects. The last Consolidated RFP closed on September 28, 2018, which is FY 2018. Results were released on March 19, 2019, halfway through the current fiscal year. The Committee would like to see a more transparent and swift selection process.
6. The Committee recommends the agency to conduct a unified training for the Home Purchase Assistance Program administrators and housing counseling organizations so that all stakeholders are working cohesively to serve the participants of HPAP.

7. The Committee strongly encourages DHCD to work to reduce the backlog of cases for the Single-Family Residential Rehabilitation Program and expedite the timeline from the time of application submission to project completion.
8. The Committee encourages the agency to reduce its PADD portfolio and dispose of any property at a more expeditious pace. The Committee recognizes that the upcoming release of the Chesapeake property and the May auction of PADD properties will be the first time in FY 2019 that the PADD portfolio has had any form of solicitation.
9. The Committee urges DHCD to closely follow the newly designated percentages for fund use, based on the income bands for the Housing Production Trust Fund. Previously, HPTF was required to utilize funds in the following manner:

40% on 0-30% MFI
40% on 31-50% MFI
20% on 51-80% MFI

The new minimums are the following:

50% on 0-30% MFI
40% on 31-50% MFI
10% on 51-80% MFI

HOUSING FINANCE AGENCY (HF0)

Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the FY 2020 budget for the District of Columbia Housing Finance Agency in the amount of \$13,581,674, as proposed by the Mayor.

Fiscal Year 2020 Capital Budget Recommendations

The District of Columbia Housing Finance Agency has no associated capital funds.

Fiscal Year 2020 Policy Recommendations

The Committee recommends that the District of Columbia Housing Finance Agency implement the following policy recommendations:

1. Work expeditiously with DHCD to align guidelines for HPAP, including the establishment of an HPAP “checklist”, such that the program may operate consistently and efficiently across HPAP vendors.
2. Meet DCHFA’s proposed goal of adding 1400 new rental units to the District’s housing stock.

3. Surpass DCHFA’s proposed goal of supplying housing where 30% of multi-family units are occupied by District residents whose incomes are below 50 percent of the AMI.
4. Surpass DCHFA’s proposed goal of supplying housing where 85% of multi-family units are occupied by District residents whose incomes are below 60 percent of the AMI.
5. Meet DCHFA’s proposed goal of 125 single-family and individual home purchases are financed.
6. Work to collaborate with DHCD and GWUL to administer a citywide training for all community-based organizations that serve as the intake entity for HPAP to foster cohesiveness and efficiency amongst stakeholders.
7. Surpass DCHFA’s FY19 target of 170 single-family MCCs issued.
8. Continue the successful rollout of the Reverse Mortgage Foreclosure Prevention Pilot program (ReMITT”) that provides financial assistance for the payment of overdue property taxes and property insurance bills for those homeowners who are at risk of foreclosure.
9. Work to expeditiously fill any vacant position.
10. Continue to explore innovative options for supporting the development of housing that targets residents at lower income levels, particularly those under 60% of the Area Median Income.
11. Continue extensive outreach for DCHFA’s DC Open Doors homeownership program through seminars is conducted Facebook, Twitter, Capital Community News, Northwest Current, Popville, SpinGo, WUSA9.com, the Washington Informer and the Washington Post.

HOUSING AUTHORITY SUBSIDY (HY0)

Fiscal Year 2020 Operating Budget Recommendations

COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the Mayor’s FY 2019 operating budget for the District of Columbia Housing Authority in the amount of \$96,696,225 with the following changes:

1. Increase CSG 50 – Program 7000, Activity 7010 by \$5,679,600 in recurring local funding for project and sponsor-based LRSP.

2. Increase CSG 50 – Program 8000, Activity 8010 by \$164,544, to implement the Public Housing Credit Building Pilot Program Amendment Act of 2017 (D.C. Law 22-0154).
3. Increase CSG 50 – Program 6000, Activity 6040 by \$1,419,900 to fund tenant based LRSP vouchers for vulnerable populations including seniors, LGBTQ individuals, returning citizens, domestic violence survivors, and veterans.
4. Increase CSG 50 – Program 2000, Activity 2002 by \$1,419,900 to provide additional funding to the Rental Assistance for Unsubsidized Seniors Program.
5. Accept a transfer of \$420,720 in recurring funds from the Committee on Facilities and Procurement, directed to CSG 50 – Program 6000, Activity 6040, to provide rental assistance to 20 returning citizens designated by the Office on returning Citizen Affairs.
6. Accept a transfer of \$210,360 in recurring funds from the Committee on Facilities and Procurement, directed to CSG 50 – Program 6000, Activity 6040, to provide rental assistance to 10 homeless individuals in Targeted Affordable Housing.
7. Accept a transfer of \$210,364 in recurring funds from the Committee on Facilities and Procurement, directed to CSG 50 – Program 6000, Activity 6020, to provide rental assistance to 10 homeless individuals in Permanent Supportive Housing.
8. Accept a transfer of \$984,710.25 in recurring funds from the Committee on Human Services, the Committee on Labor and Workforce Development, and the Committee of the Whole directed to CSG 50 – Program 6000, Activity 6020 to create 46.8 new units of Permanent Supportive Housing.
9. Accept a transfer of \$53,250 in one-time funds from the Committee on Human Services to CSG – 50 Program 7000, Activity 7010, to fund an enhancement of project and sponsor-based LRSP for the Jubilee Maycroft Project in FY 2019.
10. Accept a transfer of \$213,000 in recurring funds form the Committee on Human Services to CSG 50 – Program 7000, Activity 7010, to fund a recurring enhancement to project and sponsor-based LRSP for the Jubilee Maycroft project.
11. Accept a transfer of \$77,740 in recurring funds from the Committee on Business and Economic Development to CSG 50 – Program 6000, Activity 6020, to fund 3.7 units of Permanent Supportive Housing for Individuals.
12. Decrease \$315,540 in CSG 50 – Program 3000, Activity 3010, for Permanent Supportive Housing for youth, which was erroneously budgeted in the Housing Authority Subsidy and should have been a part of the Department of Human Services budget.

Fiscal Year 2020 Capital Budget Recommendations

The Housing Authority Subsidy has no associated capital funds.

Fiscal Year 2020 Policy Recommendations

The Committee recommends that the District of Columbia Housing Authority implement the following policy recommendations:

1. The Committee expects that, in seeking participants for Public Housing Credit Building Pilot Program, DCHA reach out to residents who are best poised to benefit from the program by having timely rent payments, and to regularly update the committee as to the agency's progress in selecting and educating residents, implementing the program, and evaluating its results.
2. The Committee recommends that the Housing Authority and the Mayor work together to find funding in future fiscal years to pull applicants from the DCHA voucher waitlist.
3. The Committee urges that DCHA work closely with the Office of the Chief Financial Officer over the coming months to determine what stopgap measures for critical repair needs can be put in place using cash reserves and funding from the Rehabilitation and Maintenance Fund, as well as how the District could be involved in a longer term solution, and to begin working on a more concrete plan for the entire portfolio including scope of work such that the District could responsibly budget for a longer term solution in the future.
4. The Committee requests that DCHA work with relevant agencies to distribute the \$1,419,000 in tenant-based vouchers provided by the Committee to the most vulnerable communities, including LGBTQ individuals, veterans, returning citizens, seniors, and domestic violence victims.

HOUSING PRODUCTION TRUST FUND (UZ0)

Fiscal Year 2020 Operating Budget Recommendations

1. The Committee recommends approval of the FY 2019 budget for the Housing Production Trust Fund with the following modifications:

Reduce CSG 50 – Program 1000, Activity 1101 by \$8,519,400 to fund project and sponsor-based vouchers, tenant-based vouchers, and the Rental Assistance for Unsubsidized Seniors Program within DCHA.

c. Policy Recommendations

The Committee recommends that the Department of Housing and Community Development implement the following policy recommendations:

1. The Committee recommends that DHCD carefully design future RFPs to ensure HPTF meets the new statutory requirement proposed by the Committee for a and the 50/40/10 rule: 50% spending on the 0-30% AMI level; 40% spending on the 31-50% AMI level; and 20% spending on the 51-80% AMI level.
2. The Committee recommends that DHCD closely monitor the HPTF's administrative expenses in the interest of operating in the most efficient manner possible.
3. The Committee recommends that DHCD find a way to avoid double-counting project funds in both DB0 and UZ0, while still breaking out the funding in UZ0 when presenting the budget to show the various purposes for which is planned to be used, and by which DHCD divisions.

Fiscal Year 2020 Capital Budget Recommendations

The Housing Production Trust Fund has no associated capital funds.

II. AGENCY FISCAL YEAR 2020 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee on Housing and Neighborhood Revitalization, having conducted hearings and received testimony on the Mayor's proposed operating and capital budgets for Fiscal Year 2020 ("FY 2020") for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2020 Budget Support Act of 2019, as proposed by the Mayor.

The District agencies, boards, and commissions that come under the Committee's purview are as follows:

- Age-Friendly DC Task Force
- Board of Real Estate Appraisers
- Condominium Association Advisory Council
- Commission on Aging
- Department of Housing and Community Development
- District of Columbia Housing Authority
- Housing and Community Development Reform Commission
- Housing Finance Agency
- Housing Production Trust Fund
- Interagency Council on Homelessness

- Office of the Tenant Advocate
- Office on Aging
- Real Estate Commission
- Rental Housing Commission
- Office-to-Affordable-Housing Task Force

The Committee is chaired by At-large Councilmember Anita Bonds. The other members of the Committee are Brianne K. Nadeau, Elissa Silverman, Robert C. White, Jr., and Trayon White, Sr.

The Committee held performance and budget oversight hearings on the following dates:

Performance Oversight Hearings	
February 7, 2019	Housing Finance Agency Real Estate Commission Board of Real Estate Appraisers Rental Housing Commission Office of the Tenant Advocate
February 14, 2019	Age-Friendly DC Task Force Commission on Aging DC Office on Aging
February 22, 2019	DC Housing Authority
February 26, 2019	Department of Housing and Community Development Housing Production Trust Fund (Public Witnesses Only)
March 1, 2019	Department of Housing and Community Development/ Housing Production Trust Fund (Government Witness Only)

Budget Oversight Hearings	
March 28, 2019	Rental Housing Commission Housing Finance Agency Office of the Tenant Advocate
April 11, 2019	DC Housing Authority
April 23, 2019	Department of Housing and Community Development/ Housing Production Trust Fund (Public Witnesses Only)
April 25, 2019	Department of Aging and Community Living

	Department of Housing and Community Development/ Housing Production Trust Fund (Government Witness Only)
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The Committee received important comments from members of the public during these hearings. Copies of witness testimony are included in this report as *Attachments*. A video recording of the hearings can be obtained through the Office of Cable Television or at *oct.dc.gov*. The Committee continues to welcome public input on the agencies and activities within its purview.

B. DEPARTMENT OF AGING AND COMMUNITY LIVING (BY0)

1. AGENCY MISSION AND OVERVIEW

The District of Columbia Department on Aging and Community Living (DACL) was established as the D.C. Office on Aging by the Government Reorganization Procedures Act of 1975, effective October 29, 1975,² and expanded into a department by the District of Columbia Department on Aging and Community Living Amendment Act of 2018, effective March 29, 2019.³ The mission of DACL consists of the following: (1) to advocate, plan, implement, and monitor programs in health, education, and social services for the elderly; (2) to promote longevity, independence, dignity, and choice for aged District residents, District residents with disabilities regardless of age, and caregivers; (3) to ensure the rights of older adults and their families, and prevent their abuse, neglect, and exploitation; (4) to uphold the core values of service excellence, respect, compassion, integrity, and accountability; and, (5) to lead efforts to strengthen service delivery and capacity by engaging community stakeholders and partners to leverage resources.⁴

DACL provides a single administrative unit within the District government to execute the provisions of the Older Americans Act (P.L. 89-73, as amended), and such other programs as delegated to it by the Mayor or the Council of the District of Columbia. The Department also provides consumer information, assistance, and outreach for its constituents and their caregivers so they can be better informed about aging issues, improve their quality of life, and maintain their independence.⁵ In addition, the Department provides elder rights assistance, health and wellness promotion, counseling, case management services, legal, transportation and recreational services, and finally, caregiver services to assist aging in place.⁶

² D.C. Law 1-24; D.C. Official Code § 7-503.02.

³ D.C. Law 22-0276; D.C. Official Code § 7-503.01.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

The expansion of the Office on Aging into the Department on Aging and Community Development did not affect the organizational structure of the Department. The Department on Aging and Community Living remains organized as follows:⁷

Office of the Executive Director (OED): OED provides the vision, planning, and leadership for the Department on Aging and Community Living, including executive management, policy, legal, strategic, and financial planning, communications, and resource management. OED also manages, leads, and directs all programs and services of DACL. Additionally, OED controls and disseminates work assignments and coordinates agency operations to ensure the attainment of the Department’s mission statement and achievement of the goals and objectives of DACL’s State Plan.

General Services: The General Services team is responsible for building support services, risk management, human resource services, and overall administrative support for DACL. The team also works to improve the efficiencies of basic services and provide the most cost-effective management and maintenance resources.

Aging and Disability Resource Center (ADRC): The operation of the Aging and Disability Resource Center (ADRC) provides a coordinated system of information and access for individuals seeking long-term services and support. This is accomplished through the provision of unbiased, reliable information, counseling, and service access to older adults (60 years and older), people with disabilities (18 to 59 years old), and their caregivers. The ADRC essentially facilitates the acquisition of services specific to the unique needs and desires expressed by each person. By connecting residents with this individualized level of care, DACL can assist residents “cut through the red tape” to access services. The subdivisions of the ADRC include:⁸

1. Information and Referral/Assistance;
2. Community Transition and Community Social Work;
3. Medicaid Enrollment; and
4. Health Insurance Counseling Project (HICP)

External Affairs and Communications (EAC): The External Affairs and Communication (EAC) team is charged with providing information about the events and activities of the Department on Aging and Community Living to residents of the District of Columbia. The Department’s responsibilities include developing, directing, coordinating, and administering policies relating to all the agency’s internal and external communications. The EAC manages all press inquiries and oversees the informational content provided on the Department’s website and social media sites. Additional responsibilities included developing and articulating the vision for the Department to key administration stakeholders and the

⁷ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, February 8, 2019, at question #1(b).

⁸ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, February 8, 2019, at question #1(b).

community, and developing, championing, and implementing a comprehensive integrated strategic communications plan.

Budget and Finance: The Budget and Finance team develops, maintains, and monitors a fiscal plan to achieve the Department’s goals, while conforming to the policies and procedures established by the District and the federal government. Fiscal responsibility and transparency are achieved through the review of procurement transactions, expenditures, and projections.

Programs: The Programs team oversees the programmatic and fiscal efficiency of senior services provided through DACL grants and contracts. This includes the effective planning, developing, coordinating, and implementation of programs and services to ensure a continuum of services are available for District seniors, people with disabilities, and caregivers. This team monitors DACL’s Senior Service Network (SSN), comprised of 22 community-based, non-profit, and private organizations that operate 40 programs in all 8 wards for the District’s senior residents. These programs support a broad range of legal, nutrition, social, and health services—including adult daycare caregiver support services.

Adult Protective Services (APS):⁹ Beginning on October 1, 2019, the Department on Aging and Community Living will absorb and administer the Adult Protective Services (APS) program from the Department of Human Services.¹⁰ APS investigates reports of alleged cases of abuse, neglect, and exploitation by third parties, and self-neglect of vulnerable adults 18 years of age or older.¹¹ APS also provides protective services to reduce or eliminate the risk of abuse, neglect, self-neglect, and exploitation. As of this publication, the Department on Aging and Community Living has not yet determined how the Adult Protective Services program will fit within the Department’s structure, but Executive Director Laura Newland explained that “Having APS operate within the agency that serves our seniors, adults with disabilities, and caregivers is a natural fit,” because the majority of APS cases involve District seniors age 60 and over.¹²

DACL executes its mission through four programs:¹³

Agency Management Services: This program provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

Consumer Information, Assistance and Outreach: The program provides information, assistance, and outreach for a variety of long-term care needs to older adults, people with disabilities, and caregivers regarding long-term care services and supports

⁹ DACL Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, February 8, 2019, at question #14

¹⁰ DACL Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, February 8, 2019, at question #14.

¹¹ *Id.*

¹² See *Testimony of Director Laura Newland Before the Committee on Housing & Neighborhood Revitalization*, FY 2019-2020 Budget Oversight Hearing, April 25, 2019.

¹³ Mayor’s FY 2020 Proposed Budget and Financial Plan, Volume 4, Department on Aging and Community Living (BY0)

offered in the District. This program is further sub-divided into 3 activities: (1) Community Outreach and Special Events, which provides socialization, information, and recognition services for District residents age 60 or older, adults with disabilities, and caregivers in order to combat social isolation, increase awareness of services provided, and project a positive image of aging; (2) Advocacy and Elder Rights, which provides legal support and advocacy for elder rights for District residents, age 60 or older, who need assistance with relevant state laws, long-term planning, or complaint resolution between residents/families and nursing homes or other community residential facilities for seniors; and, (3) Assistance and Referral Services, which provides information on, connection to, and assistance with accessing home and community-based services, long-term care options, and public benefits for District residents age 60 or older, adults with disabilities, and caregivers.

Home and Community Based Support Program: This program provides services for District residents who are 60 years of age or older so that they can live as independently as possible in the community. Services include health promotion, case management, nutrition, homemaker assistance, wellness, counseling, transportation, and recreation activities. This program contains the following 8 activities: (1) In-Home Services, which provides home health and homemaker services for District residents, 60 years of age and older, to help manage activities of daily living; (2) Lead Agencies and Case Management, which provides core services and supports, such as case management and counseling services, for District residents age 60 or older, adults with disabilities, and caregivers; (3) Senior Wellness Centers/Fitness, which provides socialization, physical fitness, and programs that promote healthy behavior and awareness for District residents age 60 years or older; (4) Senior Villages, which provides support and technical assistance to the grassroots volunteer model of neighbors helping neighbors age in place; (5) Supportive Residential Services, which provides emergency shelter, supportive housing, and aging-in-place programs; (6) Caregivers Support, providing caregiver education and training, respite, stipends, and transportation services to eligible caregivers; (7) Transportation, providing transportation to medical appointments, group social, and recreational activities for District residents age 60 years or older; and, (8) Day Programs, providing programs through adult day health and senior centers, which allow District residents age 60 years or older to have socialization and access to core services.

Nutrition Services: This program provides meals, food, and nutrition assistance to District residents age 60 years or older, to maintain or improve their health and remain independent in the community. This program contains the following 4 activities: (1) Community Dining, which provides meals in group settings such as senior wellness centers, senior housing buildings, and recreation centers for District residents age 60 years or older; (2) Home-Delivered Meals, which provides District residents age 60 years or older who are frail, home-bound, or otherwise isolated, with meals delivered directly to their home; (3) Nutrition Supplements, which provides nutrition supplements each month for District residents age 60 years or older who are unable to obtain adequate nutrition from food alone; and, (4) Commodities and Farmers Market, which provides a monthly bag of healthy, shelf-stable foods to low-income District residents, as well as vouchers to purchase fresh produce at local farmers markets.

2. FISCAL YEAR 2020 OPERATING BUDGET

Fund Type	FY2018 Actual	FY 2019 Approved	FY 2020 Mayor's Proposed	Sum of Committee Variance	Committee Approved
Department of Aging and Community Living (BY0)					
Local	\$37,868,407	\$38,391,428	\$40,981,944	\$288,200	\$41,270,144
Federal Grant Fund	\$7,994,162	\$7,042,675	\$7,239,827	\$0	\$7,239,827
Federal Medicaid Payments	\$2,035,767	\$2,752,297	\$3,142,002	\$0	\$3,142,002
Operating Intra-District Funds	\$931,717	\$228,958	\$1,986,291	\$0	\$1,986,291
Gross Funds	\$48,830,054	\$48,415,358	\$53,350,064	\$288,200	\$53,638,264
Fund Type	FY2018 Actual	FY 2019 Approved	FY 2020 Mayor's Proposed	Sum of Committee Variance	Committee Approved
Department of Aging and Community Living (BY0)					
Local	37.47	41.50	52.50	0.00	52.50
Federal Grant Fund	4.00	4.00	6.00	0.00	6.00
Federal Medicaid Payments	24.58	27.50	29.50	0.00	29.50
Private Donations	0.00	0.00	0	0.00	0.00
Operating Intra-District Funds	3.00	0.00	13.00	0.00	13.00
Gross Funds	69.05	73.00	101.00	0.00	101.00

Committee Analysis and Comments

The Mayor's FY 2020 budget proposal for the DACL is \$53,350,064, an increase of \$4,934,706, or a 10.2% increase from the current fiscal year. The proposed budget supports 101 FTEs, an increase of 38.4 FTEs, or 52.6% increase, from the FY 2019 approved level.¹⁴

Local Funds:¹⁵ The Mayor's proposed budget is \$40,981,944, an increase of \$2,591,000, or 6.7% increase from FY 2019 approved budget. This funding supports 52.5 FTEs, an increase of 11 FTEs, or a 26.5% increase from the FY 2019 approved level.

Federal Grant Funds:¹⁶ The Mayor's proposed budget is \$7,240,000, an increase of \$197,000, or 2.8%, from FY 2019 approved budget. This funding supports 6 FTEs, an increase of 50%, from the FY 2019 approved level.

¹⁴ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 4, Department on Aging and Community Living (BY0), Table BY0-1

¹⁵ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 4, Department on Aging and Community Living (BY0), Table BY0-2

¹⁶ *Id.*

Federal Medicaid Payments:¹⁷ The Mayor’s proposed budget is \$3,142,000, an increase of \$390,000, or 14.2%, from FY 2019 approved budget. This funding supports 29.5 FTEs, an increase of 7.3% from the FY 2019 approved level.

Intra-district Funds¹⁸: The Mayor’s proposed budget is \$1,986,000, an increase of \$1,757,000, or 767%, from FY 2019 approved budget. This funding supports 13 FTEs, an increase of 13 FTEs, or 100%, from FY 2019 approved level.

Senior Service Network & Lead Agencies: The Senior Service Network is a collection of 20 community-based organizations operating 40 programs that provide a wide range of social and health services throughout the eight wards of the city.¹⁹ Several Network organizations operate the 6 Senior Wellness Centers throughout the District of Columbia. These are frequently the Lead Agencies in individual wards and are thus responsible for turning DACL referrals into necessary services. As part of the strategic plan, DACL expands their umbrella of assistance using Lead Agencies, which assess, plan, facilitate, coordinate, evaluate, and advocate for options and services to meet an individual’s and family’s comprehensive health needs through communication and available resources to promote quality, cost-effective outcomes.²⁰

Safe at Home: The Safe at Home (SAH) program serves District residents, aged 60 and over, or adults with disabilities, age 18 and over, who are homeowners or renters of a property used as a primary residence. Safe at Home provides in-home preventative adaptations to reduce the risk of falls. Examples include handrails, grab bars, bathtub cuts, shower seats, furniture risers, and chair lifts for stairs. To be eligible for the Safe at Home program benefits, an applicant must meet the following requirements:²¹

1. Must be a District resident;
2. Must be age 60 or over or an adult with a disability;
3. Must have a household income at or below 80% Area Median Income (AMI), including benefits, pensions, annuities, and salary; and
4. Must receive a score of four (4) or above on the Vulnerable Elders Assessment (VES), as determined by the OT.

Beginning on May 1, 2019, a third grantee will begin to provide a 50/50 cost share component to serve individuals with incomes between 80-100 percent of the AMI.²² This

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ See DCOA Responses to Questions in Advance of the Performance Oversight Hearings for FY 2018/2019, February 8, 2019, at question #10.

²⁰ Available at: <http://www.cmsa.org/Home/CMSA/WhatisaCaseManager/tabid/224/Default.aspx>

²¹ DACL Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2018/2019, April 18, 2019, at question #16(e).

²² *Id.*

new cost-share component is a response to the public demand for expanded eligibility options for the Safe at Home program.

The following table identifies how many individual residents have been served by the Safe at Home program since FY 2016.²³ A client may receive more than one project type depending on his or her needs, as determined by an Occupational Therapist Assessment and Scope of Work. In addition to the in-home preventative adaptations listed above, the Safe at Home program also enables better home security for seniors and residents with disabilities by installing a private security camera system without cost. Then-DCOA began the installation of cameras in June 2017, starting with 73 referral requests.²⁴ This program is intended to help deter crime and assist law enforcement with investigations. The following table illustrates the growth of all Safe at Home adaptations between FYs 2016 and 2019.

SAH Clients Served	FY16	FY17	FY18	FY19 YTD*	TOTAL
In-Home Adaptations	193	595	1,031	361	2,180
Security Cameras	0	100	617	285	1,002

** Data as of February 28, 2019*

Senior Villages: Senior Villages (herein referred to as “Villages”) are neighborhood based, independent, non-profit volunteer organizations that assist older adults to remain in their own homes and communities. Currently, 11 Villages exist within the District. Members of Villages can age in place and avoid social isolation while simultaneously receiving services from volunteers, at no cost to the District government. Services provided by Senior Villages include transportation, education and wellness education, medical assistance, and snow shoveling during snow storms. The Committee recognizes the importance of grassroots organizations like Villages in addressing the needs of the District’s growing aging population and making D.C. age-friendly.²⁵ The following table describes the budgets allocated to each Senior Village by the Department on Aging and Community Living for FY 2019, as well as a description of the intended uses for the allocations.²⁶

Village Name	FY19 Budget	Description

²³ DACL Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2018/2019, April 18, 2019, at question #16(f).

²⁴ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 5, 2018, at question #a77(vi).

²⁵ Available at: <http://agefriendly.dc.gov/>

²⁶ DCOA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, February 8, 2019, at question #69.

Capitol Hill Village	\$23,500	Strengthen volunteer protocols, training and oversight. Recruit more volunteers and create volunteer teams that are self-organizing and directed around particular projects. Document the impact of volunteers by recording their hours work, Increase the number and variety and expand impact of its health and wellness programs. Develop a peer-to-peer learning and attendance program to increase turnout, accountability and follow on practices by older adults Provide wellness resources on the web and through handouts to older adults as prelude or follow up to activities.
Cleveland & Woodley Park Village	\$23,500	Increase diversity and inclusiveness of the village through subsidized and supported dues initiative. Increase volunteer pool to expand services, implement new village information system to be used by the village network. Provide health and wellness programs and appropriate referrals for successful short-term crisis prevention.
DuPont Circle Village	\$23,500	Implement a health care navigation program and develop a medical database for members. Provide educational programs around self-sufficiency for seniors with physical challenges and mobility challenges.
East Rock Creek Village	\$23,500	Learn from other DC villages regarding their engagement of a social worker to provide geriatric care management services. Work with communities of ethnic diversity to recruit new members. Increase engagement in services and goods for seniors. Strengthen Village Infrastructure.
Foggy Bottom West End Village	\$23,500*	Track and document care services provided to members and their effect on the quality of life of the seniors. Provide education and training programs to members and volunteers on the effects of aging and isolation. Engage seniors, business, and volunteers to increase services and benefits that the village can provide.
Georgetown Village	\$23,500	Provide educational lecture series to all members of D.C senior villages to increase socialization and community involvement. Provide opportunities for creative expression to decrease anxiety and depression. Outreach to lower income seniors within the Georgetown area to diversify the member pool. Update member handbook.
Glover Park Village	\$23,500	Provide Geriatric care management. Engage members that have not utilized village services to determine level of need and connect with and identify vulnerable service recipients. Continue to develop partnership with Iona. Help make the

		village more diverse and inclusive through recruitment and outreach activities.
Palisades Village	\$23,500	Create social and educational programs to engage community members, including low income members. Offer Care management services to provide information and guidance on health- related issues to members. Offer aging-related trainings to staff, and volunteer. Offer Programs and Assistive Devices for those that live alone. Increase / improve seniors' connections to personal and health care services.
Kingdom Care Senior Village	\$23,500**	Conduct workshops, trainings to provide information and equip seniors with access to additional services and resources. Provide social activities cultural outings recreational trips, social events or activities events. Open the pantry for member shopping. Conduct membership drives to increase membership and volunteer pool. Launch the Quilting Club and Writing Therapy Series. Incorporate art into spiritual healing and emotional growth Conduct trainings through the Kingdom Technology Academy.
Mount Pleasant Village	\$23,500	Research and assess population and member needs to improve design of services and member engagement. Enhance Website to increase member communication and engagement.
Northwest Neighbors Village	\$23,500	Offered weekly classes to promote physical fitness and social engagement. Implement a new database system that allows for coordination of volunteer services, management of member participation and website management. Conduct social events, educational programming and specialized volunteer trainings. Provide short-term professional assistance during periods of crisis or life transition.
Waterfront Village	\$23,500	Combat social isolation, strengthen community relationships and enhance collaboration among D.C. Villages. Improve nutrition among members through a weekly grocery shuttle program. Improve the quality of support the Village provides to its most vulnerable members. Ease the burden of friends and family members involved with frail Members' participation. Increase gender, income, and ethnic diversity to better reflect the larger community

Senior Wellness Centers: The Department operates Senior Wellness Centers in Ward 1, Ward 4, Ward 5, Ward 6, Ward 7, and Ward 8. Senior Wellness Centers provide

comprehensive programs that promote the health and wellness of D.C. senior residents through classes that focus on wellness, health promotion, and disease prevention.²⁷ Activities conducted through the Senior Wellness Centers are important to keeping seniors engaged and active throughout the District.

The Senior Wellness Centers are consistently one of the most popular topics of conversation at Department hearings. Residents want increased space for larger classes, more accommodation for mobility issues, and to expand building space in general. Time and again, senior after senior testified that the centers have not grown, but the number of seniors seeking to participate in Center activities has significantly increased. The Committee empathizes with the residents, who clearly have expressed the need for the expansion of facilities.

In FY 2018, the Mayor announced an \$11.4 million investment for a new senior wellness center in Ward 8. The project was originally set to be completed in FY 2023, with an estimated allocation for FY 2022 of \$2.5 million and for FY 2023 of \$8.4 million. The Mayor accelerated this project by two years, with an expected completion date in FY 2021.²⁸ The original projected costs of \$2.5 million and \$8.4 million remain the same projections for FY 2020 and FY 2021, respectively.²⁹ DACL and DGS will work with Council to search for a location for the site. In addition, both agencies plan to get feedback from the community and stakeholders on the design and programs that should be included at the site.³⁰ Additionally, at this new Ward 8 center, the Department plans to create a senior-driven and senior-led food-based hub with a focus on community-based programs on sustainability, entrepreneurship, and holistic health. In FY 2019, the Department of General Services (DGS) received \$1.5 million in capital funding for the expansion of Model Cities Wellness Center (Ward 5) and Congress Heights Senior Wellness Center (Ward 8). Together, DGS and DACL collaborated in engaging with the community on the scope of these expansions.³¹

Nutrition: One of the most frequently stated needs at the FY 2019 DCOA Performance and DACL Budget Hearings was the need to feed D.C.'s seniors. District seniors testified to the need for and their enjoyment of varying nutrition programs available to them through the Department. DACL is working with grantees to ensure that the need for meals are met. However, while funding remains flat, many constituents testified to the growing need for meal services. The Committee's concerns about adequate nutrition for District seniors will keep this topic at the forefront throughout the remainder of FY 2019 and FY 2020. The Committee is encouraged by the Director's stated ambition to take a national look at nutrition and see if some programs that have been successful elsewhere could also be successful here in the District.

²⁷ Available at: <http://dcoa.dc.gov/service/senior-wellness-centers>.

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ DACL Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 25, 2019, at question #11(b).

Meal Services Funding					
Type of Meal Service	FY15	FY16	FY17	FY18	FY19
	Local/Federal	Local/Federal	Local/Federal	Local/Federal	Local/Federal
Congregate Meals	4,726,994.06	5,138,602.00	4,798,401.00	4,798,401.00	4,798,271.50
Home Delivered Meals	2,026,395.00	2,924,940.00	4,831,706.00	4,831,706.00	4,829,628.50
Nutrition Supplements	21,150.00	21,150.00	21,150.00	21,150.00	21,150.00
Commodity and Farmers Market	918,000.00	918,000.00	842,796.02	988,729.00	410,000.00*
TOTAL	\$7,692,539.06	\$9,002,692.00	\$10,494,053.02	\$10,639,986.00	\$10,059,050.00

* Variance due to federal grant funds transferred to DOH for administration in FY19.

Transportation Services: The Department on Aging and Community Living provides necessary transportation service to seniors throughout the District. The following table demonstrates the various types of transportation services available through DACL and the levels of funding budgeted for each type in FY 2016, FY 2017, FY 2018, and FY 2019 to date:³²

³² *Id.*

Transportation Services Funding				
	FY16	FY17	FY18	FY19
Service Type	Local/Federal	Local/Federal	Local/Federal	Local/Federal
Transportation & Escort	2,856,681.47	2,624,781.72	2,666,500.33	2,666,500.33
Transportation to Site & Activities	1,978,355.22	1,940,756.66	2,165,095.28	2,165,095.28
Transportation Home Delivered Meals	809,190.42	729,286.00	729,286.00	729,286.00
Contractual Services/Connect or Card	362,653.89	262,959.62	466,732.92	466,732.92
Seabury Radio Communication - Transportation	51,503.00	51,502.48	65,165.93	53,182.75
TOTAL	6,058,384.00	5,609,286.48	6,092,780.46	6,080,797.28

3. FY 2020-2025 CAPITAL BUDGET

The Committee recommends the approval of the Mayor’s proposal for accelerating the new Ward 8 senior wellness center.

C. OFFICE OF THE TENANT ADVOCATE (CQ0)

1. AGENCY MISSION AND OVERVIEW

The mission of the Office of the Tenant Advocate (OTA) is to advocate for the rights and interests of the District’s tenants, and to educate and inform tenants, tenant organizations, and the people of the District about tenant-related laws, rules, and policy matters. The OTA was established as an independent agency by the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.07). Law 16-33 charged the OTA with:

1. Providing education and outreach to the tenant community about laws, rules, and other policy matters involving rental housing and tenant rights;
2. Representing the interests of tenants in legislative, regulatory, and judicial matters;
3. Advising tenants on filing complaints and petitions regarding disputes with landlords; and
4. Referring tenants who seek representation in administrative or judicial actions to attorneys or legal services and provides funding for representation in certain instances.

The OTA provides a broad range of services to approximately 350,000 renters³³, a number that is constantly rising as the District continues to grow at a rapid pace. Although a small agency in terms of budget and staffing, OTA's mandate is critical to achieving housing affordability, as approximately 50% of the District's residents live in rental housing.

The Office of the Tenant Advocate operates through the following programs:

Legal Representation: Implements the agency's statutory duty to represent tenants, at its discretion and as it determines to be in the public interest in federal, and District judicial and administrative proceedings. This program provides case management services and legal advice to tenants about their rights and remedies regarding landlord-tenant disputes. In FY 2018, over 7,124 tenants contacted the OTA for advice and assistance.³⁴

Approximately 3,468 tenants resolved their issues with the aid of an attorney advisor, and the remaining tenants were able to resolve their issues with the assistance of a paralegal or case management specialist.³⁵ In addition to providing limited legal representation by coaching tenants who on their own represented themselves in court and drafted complaints, petitions, and other court documents, attorney advisors also provided in-court representation and negotiated on behalf of 43³⁶ tenants in judicial and administrative proceedings.³⁷

For FY 2019 through February 1, 2019, approximately 1,663 tenants contacted the OTA for advice and assistance.³⁸ Approximately 86616 tenants resolved their issues with the aid of an attorney advisor and the remaining tenants were able to resolve their issues with the assistance of a paralegal or case management specialist.³⁹

³³ Budget hearing testimony of Johanna Shreve, Chief Tenant Advocate, OTA, April 20, 2016, page 4.

³⁴ Performance oversight hearing testimony of Johanna Shreve, Chief Tenant Advocate, OTA, February 7, 2019, page 8.

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Ibid.* page 9.

³⁹ *Id.*

In FY 2018 the most common issues reported by tenants were (1) 2,801 housing code violations and mold; (2) 2,458 lease issues; (3) 2,114 notices to vacate and lease violations; (4) 740 security deposits; and (S) 590 rent increases. Lease issues include questions about the legal meaning of lease terms, utilities, and basic tenant rights. Common housing code issues include bed bugs, rodents, pests, water damage, and malfunctioning appliances.⁴⁰

OTA's Legal Division provides significant return-on-investments for the District. In FY 2018, the Division secured the return of \$915,186 in legal awards to the tenant community and the Legal Service Provider Program won an additional \$372,745 for a total of \$1,287,931.⁴¹ Further, these awards continue to generate a significant ripple effect throughout the rental housing community, in terms of greater compliance, enforcement, affordability, and the enhanced quality of rental housing in the District.

The Legal Division includes the following activities:

1. *In-House Legal Representation* – provides agency clients with in-house legal representation in certain “high-impact” cases and refers others to *pro bono*, contracted legal service providers and attorneys, or helps them find other representation.
2. *Legal Hotline* – provides general advice regarding tenant rights in response to informal inquiries; provides a web-based “Ask the Director” forum and responds to Mayoral, Council, inter-agency, and community inquiries about tenant rights and rental housing law; and engages the community in a regular “Live On-line Chat” through the agency website to discuss tenant rights and rental housing matters.
3. *Legal Service Provider* – enhances the capacity of contracted non-profit legal service providers and attorneys who provide tenants with appropriate legal assistance by providing funding to the non-profits.
4. *Law school students* – through its relationship with DC Law Students in Court, OTA also enhances the provision of indirect legal representation to the tenant community, as well as assisting in the development of new, talented attorneys who will understand the complexities and joys of this area of practice. OTA also provides opportunities for a limited number of law school students to work directly with OTA litigating attorneys, by assisting in the legal research, client communications, and administrative responsibilities inherent in providing legal representation.

Policy Advocacy: Implements the agency's statutory duty to represent the interests of tenants and tenant organizations in legislative, executive, and judicial issues by advocating for changes in laws and rules. This division also tracks developments in rental housing legislation and regulations at both the local and federal levels, and keeps agency stakeholders

⁴⁰ *Id.*

⁴¹ *Ibid.*, page 10.

apprised; develops legislative, rulemaking, and other policy recommendations, and coordinates policy discussions with governmental and community colleagues, including regular discussions with agency stakeholders; advises tenants, advocates, attorneys, governmental colleagues, and others regarding rental housing laws; serves as the agency's in-house statutory and regulatory expert; and provides support to community-based programs that inform tenants regarding their legislative and regulatory legal protections.

OTA Educational Institute: Implements the agency's statutory duty to provide education and outreach to tenants and the community about laws, rules, and other policy matters involving rental housing, including tenant rights under the petition process and formation of tenant organizations. This program also conducts informational presentations in various settings throughout the community; provides a formal series of educational and outreach forums; and develops educational material regarding rental housing laws, rules, and policies.

In FY 2012, OTA established the "Tenant Education Institute", with a curriculum that includes workshops on the foundations of tenants' rights, empowering tenant associations, rent control for the elderly and tenants with a disability, Tenant Opportunity to Purchase Act rights, and the fundamentals of leases. In FY 2015 and again in FY 2017, OTA continued to hold a variety of workshops on these issues. In FY 2018, the OTA participated in 41 outreach events.⁴² In FY 2019 to date, the OTA has participated in over 33 outreach events. In FY 2019 to date, the OTA has participated in over 33 outreach events. In the 74 outreach events, the OTA has informed 2,582 District tenants and governmental and non-governmental colleagues about tenant rights and OTA's services.⁴³

Emergency Housing Assistance Program: OTA's Emergency Housing Assistance Program (EHAP), implements the agency's statutory duty to provide emergency housing assistance to qualified tenants in certain situations by:

1. Providing financial assistance to temporarily house tenants displaced by fires, floods, and government closures, and in other appropriate circumstances;
2. Providing assistance to tenants regarding the packing, moving, and storing of personal possessions;
3. Providing first month's rent, and security deposits, utility deposits, and application fees for replacement rental housing; and
4. Coordinating with other District agencies and community-based organizations to ensure that displaced tenants receive appropriate services.

EHAP provides emergency housing assistance to tenants displaced due to the closure of the unit by a government agency, a fire, or other circumstance that renders the accommodation uninhabitable. EHAP assistance can take the form of hotel or motel accommodations for up to 14 days, help with moving and storage of personal property, the

⁴² *Ibid.*, page 19.

⁴³ *Id.*

first month's rent, and security and utility deposits. In FY 2017 the agency was provided with \$203,064 in supplemental funding, largely due to a devastating fire at 6300 Peabody St. NE. A total of 162 households were assisted with this fund in FY 2017, and a total of 82 households have been served in FY 2018 to date.

EHAP also is important in preventing District tenants from being evicted. According to OTA's 2015 Annual Report,⁴⁴ between FY 2011 and FY 2014, there were 27,091 writs for possession awarded in the District (an average of 6,772 per year). During the same period, a total of 8,326 writs (an average of 2081 per year), resulted in an actual eviction. Estimating an average of four family members in a unit, that means that 33,304 tenants became homeless during those four years.

Case Management Administration and Community Outreach: Implements the agency's statutory duty to advise tenants and tenant organizations on filing complaints and petitions, including petitions in response to disputes with landlords. This program contains the following activities:

1. *Case Management Administration* – provides legal and technical assistance to tenants regarding rental housing disputes with landlords, including identifying legal issues and the tenant's and the landlord's respective rights and responsibilities, and assisting with follow-up action items, such as completing and filing tenant petitions and monitoring rental housing case hearings.
2. *Community Outreach* – provides outreach and educational programs regarding tenant rights and rental housing matters and sends "rapid response" letters to tenants affected by certain administrative actions to apprise them of their rights and of OTA's availability to provide further assistance.

Administrative Services: Provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting. Administrative services at the OTA include information technology, language access, and performance management.

Rent Control Housing Clearinghouse: Implements the agency's statutory duty to develop a demonstration project to establish the initial framework of a user-friendly, internet-accessible, and searchable database for the submission, management, and review of all documents and relevant data housing providers are required to submit to the RAD under the District's rent control law. The project is being accomplished with the significant consultation with the Department of Consumer and Regulatory Affairs, Office of Tax and Revenue, Office of the Chief Technology Officer, and Department of Housing and Community Development's Rental Accommodations Division and Housing Provider Ombudsman.

⁴⁴ OTA's 2015 Annual Report, page 13.

2. FISCAL YEAR 2020 OPERATING BUDGET

- *Operating Budget by Fund*

Office of the Tenant Advocate					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	\$3,121,221	\$3,745,327	\$3,523,633	\$0	\$3,523,633
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	\$19,004	\$509,037	\$660,065	\$0	\$660,065
TOTAL	\$3,140,225	\$4,254,365	\$4,183,698	\$0	\$4,183,698

- *Operating Budget by FTEs*

Office of the Tenant Advocate					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	16.51	18.65	20.65	0.00	20.65
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	0.90	3.35	3.35	0.00	3.35
TOTAL	17.41	22.00	24.00	0.00	24.00

Committee Analysis and Comments

The Mayor's proposed FY 2019 operating budget for the OTA is \$4,183,698. This represents a net reduction of \$70,667, or 1.7 percent, from the approved FY 2019 budget of \$4,254,365. The budget is comprised of \$3,523,633 in Local funds and \$660,065 in Special Purpose Revenue funds. The FTE level of 24.0 in FY 2020 reflects an increase of 2.0 FTEs from FY 2019.⁴⁵

The FY 2020 budget for OTA includes a net reduction of \$269,049 to account for the removal of one-time funding appropriated in FY 2019. This amount is comprised of \$255,000 to support the Rent Control Housing Clearinghouse database and \$14,049 to support the procurement of legal reference software for use by agency attorneys and legislative staff for in-house legal representation and reference materials.

⁴⁵ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 2, Office of the Tenant Advocate (CQ0), page B-136.

Local funds: OTA's proposed budget reflects a net increase in personal services in the amount of \$251,421, across multiple programs, to properly fund 2.0 FTEs and to support projected increases in salary step, fringe benefits, and overtime costs.⁴⁶

Special Purpose Revenue funds: The proposed budget includes a net increase of \$151,027 to align the budget with projected revenue from the Rental Unit Fee charged to housing providers. This additional funding will be used primarily to support the Rent Control Housing Clearinghouse program. OTA's proposed Local budget includes a net reduction of \$204,066 in nonpersonal services across multiple programs to partially offset the proposed increases in personal services.⁴⁷

Change in Personal and non-Personal Services: The 11.4 percent increase in funding for personal services is to support two additional FTEs - one for the Legal Branch and one for the Education and Outreach Branch. The 19.9 percent decrease in nonpersonal services funding is primarily due to two factors. First, \$175,000 has been removed from the Legal Service Provider fund. Second, most of the one-time funding for the Rent Control Clearinghouse Database demonstration project has been removed from the recurring budget.⁴⁸

The Office of the Tenant Advocate has 6 programmatic divisions: Legal Representation, Policy Advocacy, OTA Educational Institute, Emergency Housing, Case Management Administration and Community Outreach, and Administrative Services. The OTA has no program structure changes in the FY 2020 proposed budget.⁴⁹

Legal Representation: The proposed FY 2020 budget for this Division increases by \$103,000 to \$1,549,000, with an increase of 1.5 FTEs.^{50 51}

Policy and Advocacy Program: The proposed FY 2020 for the policy advocacy office was increased by \$39,000 to \$291,000, with no change in the number of FTEs.⁵²

OTA Educational Institute Education and Outreach: The proposed FY 2019 budget for the OTA Educational Institute increases by \$169,000 to \$297,000, with an increase of 1.0 FTEs.⁵³

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Testimony of Johanna Shreve, Chief Tenant Advocate, FY 2020 Budget hearing, March 28, 2019, page 2.

⁴⁹ *Supra* at 10.

⁵⁰ *Id.*

⁵¹ The OTA Legal Service Provider Program started when OTA had no litigating attorneys, but was given authority to distribute \$400,000 to the legal service community for the representation of tenants in public interest cases. Over time, the program's budget was reduced as funding increases allowed the agency to hire more in-house litigating attorneys. For FY2019, the OTA was given the authority to add three additional litigating attorneys, and the approved budget for the Legal Service Provider Program was reduced to \$175,000. Testimony of Johanna Shreve, Chief Tenant Advocate, FY 2020 Budget hearing, March 28, 2019, page 4.

⁵² *Supra* at 10.

⁵³ *Id.*

Emergency Housing: The Mayor’s proposed FY 2020 budget for emergency housing remained at \$550,000, with no change in the number of FTEs.⁵⁴ Emergency Housing implements the agency’s statutory duty to provide emergency housing assistance to qualified tenants in certain situations.⁵⁵

Case Management Administration and Community Outreach: The Mayor’s proposed FY 2020 budget for Case Management Administration and Community Outreach is increased by \$88,000 to \$384,000, with no change in the number of FTEs.⁵⁶

Administrative Services: The Mayor’s proposed FY 2020 budget for administrative services is decreased by \$632,000 to \$792,000, with a decrease of .5 FTE.⁵⁷

Rent Control Housing Clearinghouse: The Mayor’s proposed FY 2020 budget for the Rent Control Housing Clearinghouse (“Clearinghouse”) is increased by \$162,000 to \$321,000, with no change in the number of FTEs. The agency informs the Committee that it believes the Mayor’s proposed budget is sufficient for any database costs it may incur after the start of FY 2020.⁵⁸ Rent control is one of the District’s most significant policy tools for maintaining affordable housing. The Clearinghouse is expected to be a critical element for monitoring the success of the of the rent control program.

Additionally, the Committee has mandated the re-registration of nearly all rental units in the District. To ensure the best use by OTA of the re-registration funding, the Committee directed OTA to develop the re-registration project as a priority “task order” of the Clearinghouse project.

3. FY 2020-2025 CAPITAL BUDGET

The Office of the Tenant Advocate has no associated proposed capital funds in the Mayor’s proposed FY 2020 budget.

D. DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (DB0)

1. AGENCY MISSION AND OVERVIEW

The Department of Housing and Community Development (DHCD) was established by the Reorganization Plan No. 3 of 1975, effective July 3, 1975 (21 DCR 2793). The agency’s mission is to “create and preserve opportunities for affordable housing and

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ Testimony of Johanna Shreve, Chief Tenant Advocate, FY 2020 Budget hearing, March 28, 2019, page 3.

economic development and to revitalize underserved communities.”⁵⁹ DHCD focuses on three strategic objectives:⁶⁰

Preserving and increasing the supply of quality affordable housing;

1. Increasing homeownership opportunities; and
2. Revitalizing neighborhoods, promoting community development, and providing economic opportunities.

DHCD is led by a Director, who is appointed by the Mayor with the advice and consent of the Council. The agency operates through the following nine divisions:

Development Finance Division (DFD): Provides funding for the development of rental, homeownership, and community facility developments that serve District of Columbia neighborhoods. This division consists of the following 3 activities:

- **Affordable Housing Project Financing** – Provides funding through the Notice of Funding Availability (NOFA) and a competitive Request for Proposals (RFP) that targets communities of need and prioritizes the types of development needed to revitalize neighborhoods. Most of these funds come through the intra-District funding from the Housing Production Trust Fund. *The most recent addition to this activity is the establishment of the Workforce Housing Fund, that seeks to assist individuals and families that fall within 60-120% of the median family income.*
- **Community Facilities Project Financing** – Provides funding through a competitive RFP process for development financing and regulatory oversight to nonprofit and for-profit developers so they can build neighborhood, community, and commercial facilities.
- **Preservation Project Financing** – Allocates funds toward preserving affordable housing units for residents with low-to-moderate income across the District. These units were previously subsidized affordable housing units for residents that are now facing expiring subsidies.

Residential and Community Services Division (RCSD): Works through neighborhood-based organizations to provide comprehensive housing counseling, Small Business Technical Assistance (SBTA), and façade improvement opportunities; administers various down payment assistance programs such as the District’s Home Purchase Assistance Program (HPAP) and the Employer Assisted Housing Program (EAHP); and provides rehabilitation resources in the form of grants and loans to income eligible owner-occupant and rental units that address health, safety, and building code violations, through programs

⁵⁹ Department of Housing and Community Development (hereinafter “DHCD”), Mission and Vision: <http://dhcd.dc.gov/page/mission-and-vision-0>.

⁶⁰ *Id.*

including the Single Family Rehabilitation Program. This division consists of the following 6 activities:

- **Community Services: Housing Counseling** – provides funding for housing counseling for tenants, potential homeowners, and current homeowners
- **Community Services: Small Business Technical Assistance** – allocates grants to neighborhood-based organizations to provide small business technical assistance
- **Community Services: Commercial Revitalization** – provides grants to neighborhood-based organizations for façade improvements in commercial corridors
- **Residential Services: Home Purchase Assistance Program (HPAP)** – provides down payment and closing cost assistance for low- to moderate-income District residents for first-time home purchases
- **Residential Services: Employer Assisted Housing Program (EAHP)** – provides down payment and closing cost assistance to qualified District of Columbia government employees
- **Residential Services: Single Family Rehabilitation** – assists households finance up to \$75,000 in loans to bring homes up to code

Property Acquisition and Disposition Division (PADD): Stabilizes neighborhoods by (i) encouraging property owners to rehabilitate and/or occupy their vacant or abandoned residential property; (ii) acquiring vacant, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and (iii) disposing of such properties by selling them to individuals or developers to be rehabilitated into high-quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods.

Portfolio and Asset Management Division (PAMD): Provides portfolio management and oversight of outstanding loans to DHCD and manages the allocation of Low-Income Housing Tax Credits (LIHTC). This division monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due, as well as conducts the reviews of the risks and relationships of potential borrowers, to protect the department's assets.

Program Monitoring Division (PMD): Provides contract and regulatory compliance, as well as quality assurance, particularly regarding federal grant programs that have extensive requirements such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. This division consists of the following 2 activities:

- **Contract Compliance** – Provides oversight and monitoring services for all projects to ensure compliance with the Department of Housing and Urban Development (HUD) and District regulations

- **Quality Assurance** – Provides program review and performance evaluation to DHCD and contractors so that they are operating in full compliance with regulations

Housing Regulation Administration (HRA): Administers residential housing regulations relating to condominium conversions and registrations, rent adjustment procedures, licensing, and other related matters. This includes the Rental Accommodation Division and the Rental Conversion and Sales Division and manages the DHCD Housing Resource Center. This division consists of the following 4 activities:

- **Rental Conversion and Sales Division (CASD)** – Administers the District’s Tenant Opportunity to Purchase (TOPA) Program, regulates the conversion of property to condominiums and cooperatives, registers condominium and cooperative projects, and administers the structural defect warranty claim program;
- **Housing Resource Center** – Provides rental housing services to housing providers and tenants as well as information to the public on all of the Department’s services for first-time homebuyers, developers of affordable housing projects, and low-income homeowners;
- **Inclusionary Zoning & Affordable Dwelling Units** – Provides subject matter focus in the administration of the District’s Inclusionary Zoning and Affordable Dwelling Unit programs;
- **Rental Accommodations Division (RAD)** – Administers the District’s rent stabilization program, including registering and licensing rental housing, administering rent adjustment procedures, processing housing provider and tenant petitions, providing conciliation services, and acting as a repository for notices to vacate and all rental property records.

Agency Management: Provides administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Agency Financial Operations: Provides financial management services to, and on behalf of, District agencies to maintain financial integrity of the District of Columbia. This division is standard for all agencies using performance-based budgeting.

2. FISCAL YEAR 2020 OPERATING BUDGET

- *Fiscal Year 2020 Operating Budget, By Revenue Type*

Department of Housing and Community Development					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	\$27,738,697	\$31,772,227	\$56,146,567	(\$3,395,968)	\$52,750,599
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	\$6,199,956	\$3,133,812	\$4,077,531	(\$385,744)	\$3,691,787
FEDERAL GRANT FUND	\$30,099,939	\$55,829,997	\$61,527,809	\$0	\$61,527,809
PRIVATE DONATIONS	\$0	\$20,000	\$0	\$0	\$0
OPERATING INTRA-DISTRICT FUNDS	\$148,367,953	\$100,000,000	\$18,906,465	\$0	\$18,906,465
TOTAL	\$212,406,545	\$190,756,036	\$140,658,371	(\$3,781,712)	\$136,876,659

- *Fiscal Year 2020 Full-Time Equivalents, By Revenue Type*

Department of Housing and Community Development					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	65.08	73.19	74.31	-2.00	72.31
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	0.00	0.00	0.00	0.00	0.00
FEDERAL GRANT FUND	29.78	24.82	30.36	0.00	30.36
PRIVATE DONATIONS	0.00	0.00	0.00	0.00	0.00
OPERATING INTRA-DISTRICT FUNDS	57.61	80.00	73.28	0.00	73.28
TOTAL	152.47	98.01	104.67	-2.00	102.67

Committee Analysis and Comments

The Mayor's proposed FY 2020 gross funds operating budget for DHCD is \$140,658,371, which represents a 26.3 percent decrease from its FY 2019 approved gross budget of \$190,756,036.⁶¹ The FTE level of 178.0 in the proposed FY 2020 budget remains the same from the FY 2019 approved level of FTEs.⁶²

⁶¹ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-67. Table DB0-1.

⁶² *Id.*

Local Funds⁶³: The Mayor’s proposed local funds budget is \$56,147,000, an increase of \$24,374,000, or 76.7%, from the FY 2019 approved budget of \$31,772,000. This funding level supports 74.3 FTEs, an increase of 1.1 FTEs, or 1.5%, compared to the FY 2019 approved level.

Special Purpose Revenue Funds⁶⁴: The Mayor’s proposed special purpose revenue funds budget is \$4,078,000, an increase of \$944,000, or 30.1%, from the FY 2019 approved budget of \$3,3134,000. This funding supports 0.0 FTEs.

Federal Funds⁶⁵: The Mayor’s proposed federal funds budget is \$61,528,000, an increase of \$5,698,000, or 10.2%, compared to the FY 2019 approved level. This funding supports 30.4 FTEs, an increase of 5.5 FTEs, or 22.3%, compared to the FY 2019 approved level.

Intra-District Funds⁶⁶: The Mayor’s proposed intra-district funds budget no longer reflects the transfer from the Housing Production Trust Fund (HPTF), as the funds for HPTF will now remain housed in its own budget chapter under the code UZ0. The budget chapter UZ0 now reflects a total of \$130,000,000 that is comprised of the Mayor’s allocation of \$77,354,953 and the deed recordation and transfer tax revenue of \$52,645,047.⁶⁷ Therefore, due to this accounting change, the Department of Housing and Community Development (DB0) chapter reflects a significant decrease in the intra-District budget line item of \$81,094,000, or approximately 81.1% from the approved budget of FY 2019.

Staffing: DHCD was approved 178.0 FTEs for FY 2019 and the Mayor’s proposed budget for FY 2020 maintains these staffing levels at 178.0 FTEs. As of February 12, 2019, the Agency Fiscal Officer reported to the Committee that there were 23 vacancies at the agency. The following chart reflects the current vacancies at DHCD:⁶⁸

Program Code	Activity Code	Department Name	Position Title	Fund Details	Current Status
1080	0100	Office of the Director	Community Development Resource	\$73,906.00	Vacant
1080	0100	Office of the Director	Public Affairs Specialist (Team Leader)	\$100,639.00	Vacant

⁶³ Mayor’s FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-68. Table DB0-2.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ A more detailed analysis of the Housing Production Trust Fund (UZ0) is housed in a separate chapter of this Committee on Housing and Neighborhood Revitalization’s FY 2020 Budget Report.

⁶⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, February 22, 2019, at question #1.

7020	0100	Office of Program Monitoring	Compliance Special (Section 3)	\$79,930.00	Vacant
1010	0100	Office of the Director	Management Liaison Specialist	\$59,727.00	Vacant
3060	0100	Residential & Community Services	Construction Analyst	\$64,603.00	Vacant
3060	0100	Residential & Community Services	Construction Analyst	\$64,603.00	Vacant
4510	0100	Portfolio Management Division	Asset Manager	\$139,462.00	Vacant
8110	0100	Rental Conversion and Sales Division	Rental Conversion and Sales Administrator	\$139,462.00	Vacant
2010	0100	Development Finance Division	Supervisory Housing & Development	\$139,462.00	Vacant
3030	0100	Residential & Community Services	Home Purchase Assistance Program Manager	\$125,642.00	Vacant
3030	0100	Residential & Community Services	Lead Paint Program Supervisor	\$109,254.00	Vacant
4120	0100	Property Acquisition and Disposition Division	Realty Project Manager	\$92,093.00	Vacant
4120	0100	Property Acquisition and Disposition Division	Supervisory Realty Specialist	\$129,462.00	Vacant
8140	0100	Rental Accommodations Division	Housing Provider Ombudsman	\$85,149.00	Vacant
1080	0100	Office of the Director	Staff Assistant	\$49,570.00	Vacant
9110	0100	Housing Regulation Administration	Attorney Advisor	\$71,306.00	Vacant
120F	0100	Economic Development & Reg STAFF	Accounts Payable Technician	\$44,389.00	Vacant
4510	0100	Portfolio Management Division	Compliance Specialist	\$79,930.00	Vacant
4510	0100	Portfolio Management Division	Compliance Specialist	\$79,930.00	Vacant
4510	0100	Portfolio Management Division	Housing Financial Analyst	\$79,930.00	Vacant

4510	0100	Portfolio Management Division	Housing Financial Analyst	\$92,093.00	Vacant
2010	0100	Development Finance Division	Housing & Development Project Manager	\$92,093.00	Vacant
4510	0100	Portfolio Management Division	Housing Inspector	\$63,603.00	Vacant

The Committee urges DHCD to continue to work expeditiously to promote and fill the remaining number of vacancies that are outstanding within the Department with capable experts. Due to the large number of vacancies and the necessity to balance the capacity of other agencies, the Committee decided to cut two FTEs from the agency. The Committee will continue to monitor the vacancy levels to ensure that all the essential positions are filled.

Preservation Financing: The Mayor’s FY 2020 budget for DHCD reflects a \$5,000,000 increase to the Preservation Financing activity under the Development Finance Division.⁶⁹ The 18-member Preservation Strike Force, which was established on June 4, 2015 via Mayor’s Order⁷⁰, recommended the establishment of a public-private preservation fund to achieve the goal of preserving affordable rental housing in the District. The Preservation Fund seeks to create a flexible and nimble source of capital to preserve existing affordable housing with affordability covenants shorter than 40 years, and provide greater affordability to limit the displacement of current residents living in existing affordable housing.⁷¹ The fund’s goal is to preserve affordability for all federally and city-assisted rental homes in the District by leveraging local funds at a 3-to-1 ratio to facilitate early investment in preservation deals and leverage greater amounts of private capital.⁷² The two fund managers that were chosen to administer the funds were LISC DC and Capital Impact Partners.⁷³ The loans have a variable interest rate and the timeline for payback is 4 years maximum.⁷⁴

As of March 2019, \$27 million were distributed with an average loan amount of \$4.2 million while additional projects in the pipeline.⁷⁵ The \$27 million consisted of six TOPA projects, which preserved 485 units, of which 397 are affordable at or below 80% of MFI.⁷⁶

⁶⁹ Mayor’s FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4.

⁷⁰ Available at: <http://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Preservation%20Strike%20Force%20-%20Establishment%20Order.pdf>.

⁷¹ Correspondence from DHCD, May 10, 2017 from Polly Donaldson, Director.

⁷² *Id.*

⁷³ Response at DHCD Budget Oversight Hearing, April 25, 2019

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Id.*

There are also two pending TOPA projects that will include an additional 455 units preserved.⁷⁷

According to DHCD, for the FY 2020 budget, \$1 million of the Preservation Financing will be utilized to fund the Small Building Program, which began taking applications on September 1, 2018. Initially, DHCD received 9 applications, of which some were incomplete.⁷⁸ DHCD has worked with the various applicants to complete the required documentation and has completed a Scope of Work for four properties, intending to move forward with them.⁷⁹ The Preservation Financing will also be used to implement the District Opportunity to Purchase Act (DOPA), as well as to complement the management of the newly created 25 Opportunity Zones.⁸⁰

Utilizing Preservation Financing for the Vacancy Reform Increase Amendment Act

The Rental Housing Act of 1985 (“Rental Housing Act”) helps protect the affordability of more than 80,000 units under rent control. The availability of affordable rent control housing is critical to neighborhood stability, the maintenance of a diverse population, and a healthy economy. As demand for housing outpaces supply, apartment rents are rising above what many District residents can afford, fraying the fabric of the District’s diverse communities, and forcing working families to leave the District in search of more affordable housing elsewhere.⁸¹

The District now has fewer than half as many low-cost apartments as it had 15 years ago. The number of rental units with rent and utility costs of no more than \$750 a month fell from 70,600 in 2000 to 34,500 in 2010, a decline of 51%.⁸² This decline has resulted in low-cost housing in the District becoming just 20% of the District’s rental housing stock.⁸³ The number of moderately priced apartments has also decreased. There were 20,000 apartments with rent and utility costs between \$800 and \$1,000 per month in 2013, down from 28,000 in 2002.⁸⁴

The rapid rise of rents in the District has left a growing number of residents with significant housing burdens, spending more than 30% of their income on housing.⁸⁵

⁷⁷ *Id.*

⁷⁸ DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 19, 2019, at question #31.

⁷⁹ DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 19, 2019, at question #31.

⁸⁰ DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 19, 2019, at question #31.

⁸¹ Homes for an Inclusive City: A Comprehensive Housing Strategy for Washington, D.C., page 6, 2006.

⁸² Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs.

⁸³ Going, Going, Gone: DC’s Vanishing Affordable Housing, By Wes Rivers, DC fiscal Policy Institute, March 12, 2015, pages 3-4, <http://www.dcfpi.org/going-going-gone-dcs-vanishing-affordable-housing-2>.

⁸⁴ *Ibid.*

⁸⁵ The conventional public policy indicator of housing affordability in the United States is the percent of income spent on housing. Housing expenditures that exceed 30% of household income have historically been viewed as an indicator of a housing affordability problem. The conventional 30% of household income that a household can allocate to housing costs before the household is said to be “burdened”

Between 2000 and 2004, the portion of tenants paying more than 30% of their income for rent jumped from 39% to 46%, and the share of tenants paying more than 50% of their income (severely housing cost burdened⁸⁶) climbed from 18% to 23%.⁸⁷

One of the primary drivers of the rise of rents, and the consequent increase in housing burden, is the ability of housing providers to raise rents up to 30% of the previous tenant's rent after a unit becomes vacant. In his blog "District Measured, Posts from the District of Columbia's Office of Revenue Analysis", Steven Giachetti, former Director of Revenue Estimation, D.C. Office of Revenue Analysis, stated that the 30% vacancy increase is the likely source of the District's significant increases in rent despite the existence of rent control.⁸⁸

Therefore, in L22-0223, the Vacancy Increase Reform Amendment Act of 2018, the Committee lowered the vacancy increase from 30% to 10%⁸⁹. By limiting the vacancy increase, the Committee "put the brakes" on the meteoric rise of rents in the District. Further, through L22-0223, the Committee accomplished a significant step helping to keep low- and moderate-income households afford local rents and preserve their ability to remain living, working, and flourishing in the District. As the goal of this law is to preserve the affordability of units, the Committee is utilizing the preservation financing tool at DHCD's disposal to fund the fiscal impact for this law, which totals to \$3.324 million over the four-year financial plan.

Workforce Housing Fund: The FY 2020 budget includes the creation of a new workforce housing fund, to finance targeted middle-income housing by incentivizing the production of housing at the 60-120% Median Family Income (MFI) level.⁹⁰ This is

originated in the United States National Housing Act of 1937. The National Housing Act of 1937 established a tenant's maximum income at five to six times the rent for family to be eligible to live in public housing. By 1940, income limits shifted to a maximum rent standard in which rent could not exceed 20% of income. The Brooke Amendment (1969) to the 1968 Housing and Urban Development Act established the rent threshold of 25% of family income. By 1981, this threshold had been raised to 30%, which remains today as the rent standard for most rental housing programs. Mary Schwartz & Ellen Wilson, "Who Can Afford to Live in a Home? A look at data from the 2006 American Community Survey", US Census Bureau, 1.

⁸⁶ Paying more than half of one's income on housing is considered a severe housing burden by the U.S. Department of Housing and Urban Development and can leave low-income families with little left to take care of other necessities like food, clothing, medicine and transportation. "Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs".

⁸⁷ *Supra* at 8, page 12, 2006.

⁸⁸ "District Measured, Posts from the District of Columbia's Office of Revenue Analysis - How can the rent be so high in DC when almost two-thirds of all rental units in the District are subject to rent control? A small number of "spoiler" units with high turnover may be the reason", March 23, 2016, <https://districtmeasured.com/2016/03/23/how-can-the-rent-be-so-high-in-dc-when-almost-two-thirds-of-all-rental-units-in-the-district-are-subject-to-rent-control-a-small-number-of-spoiler-units-with-high-turnover-may-be-the-reason/>

⁸⁹ For units that had been occupied for 10 years or less, the vacancy increase is 10%, for all other units, it is 20%.

⁹⁰ DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 19, 2019, at question #18(b).

approximately \$50,000 to \$99,000 for a single-person household and \$70,000 to \$141,000 for a family of four.⁹¹

The Committee found that the wide range of 60 to 120% MFI of the fund needed accountability and transparency of how much funding would be used for each of the different income levels. Similar to how the income bands were separated into three categories for the Housing Production Trust Fund, the Committee divided the Workforce Housing Fund into three income bands and assigned percentage minimums to each band. The three bands would be broken down into the following minimums:

60-80% MFI – 50%
81-100% MFI – 40%
101-120% MFI – 10%

In other words, 50% of the funds must be spent on the production of units for persons between 60-80% of the MFI, 40% of funds must be spent on building units for 81-100% of the MFI, and 10% of funds can be used for the production of units for the target population at 101-120% of MFI.

Performance Management and Strategic Planning: DHCD maintains a dashboard database of DHCD’s affordable rental and homeownership projects, which can be accessed on the agency’s website.⁹² The purpose of this pipeline application is to provide stakeholders with real time updates on the status of the projects in the DHCD pipeline, including those that are currently in underwriting, under construction, completed, and projects utilizing the 9% Low Income Housing Tax Credit (LIHTC) allocations. This dashboard includes all projects financed, or in the pipeline to be financed, by DHCD’s Development Finance Division since the beginning of FY 2011 (October 1, 2010).⁹³

This database serves as an internal accountability tool for the agency, and a means to improve transparency and communication with the public, to allow tracking of the pipeline of development projects under DHCD. The data provides a clear view of how the HPTF and other funding sources are parlayed into actual units coming online to serve the District residents.

Currently, there are 36 projects in the DHD underwriting pipeline, totaling 2,833 units.⁹⁴ The loans for these projects are estimated to close in the third quarter of 2019 through the second quarter of 2020.⁹⁵ The projects listed under the construction page are those that have signed loan agreements with DHCD and are now, or will soon be, under construction.⁹⁶ The construction period generally lasts 13-24 months. There are currently 52 projects in the DHCD construction pipeline that are new construction, substantial

⁹¹ *Id.*

⁹² DHCD Performance Dashboard: https://octo.quickbase.com/db/bit4kvfmq?a=Mobile_Dashboard (last visited April 22, 2019).

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

rehabilitation, and acquisition and critical repairs.⁹⁷ Finally, the finished projects are those that are completed and are now, or will soon become, available to District renters or homebuyers. These projects go as far back as 2011 and extend through to today. These reflect a total unit count of 6,096.⁹⁸

Funding for Development Projects: The Notice of Funding Availability (NOFA)

is the annual competitive solicitation process through which a host of programmatic funding is allocated to affordable housing projects. This vehicle serves as a mechanism to acquire capital financing, as well as services and operational funding, to produce permanent supportive housing units.

The last Consolidated Request for Proposals (RFP) for Affordable Housing Projects was released on July 31, 2018 and closed on September 28, 2018.⁹⁹ This Consolidated RFP utilized combined funds from the Housing Production Trust Fund (HPTF), Department of Behavioral Health (DBH) Grant Funds, HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), National Housing Trust Fund (NHTF), Local Rent Supplement Program (LRSP), Annual Contributions Contract Program (AAC), and Department of Human Services (DHS) Supportive Services Funds.¹⁰⁰

On March 19, 2019, DHCD released the 11 selected projects list that included the production and preservation of 1,180 affordable housing units across Wards 1, 4, 5, 7, and 8.¹⁰¹ These projects consist of five new production projects, three preservation projects, and three mixed projects that preserve existing units, but also add new affordable units. All projects are set to serve households making no more than 80% of the Area Median Income (AMI), which is approximately \$93,750¹⁰² for a family of four. Over 12% of the units will be designated toward permanent supportive housing for those at no more than 30% AMI, which is \$35,150 for a family of four.¹⁰³ The next Affordable Housing NOFA, also known as the Summer NOFA for HPTF by DHCD, is set to be released June 28, 2019.¹⁰⁴

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ DHCD, Summer 2018 Consolidated Request for Proposals for Affordable Housing Projects, https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/DC%20DHCD%20Summer%202018%20Affordable%20Housing%20Consolidated%20Request%20for%20Proposals%20%28RFP%29.pdf

¹⁰⁰ DHCD, Summer 2018 Consolidated Request for Proposals for Affordable Housing Projects, https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/DC%20DHCD%20Summer%202018%20Affordable%20Housing%20Consolidated%20Request%20for%20Proposals%20%28RFP%29.pdf

¹⁰¹ DHCD Press Release, March 19, 2019: Mayor Bowser Makes Historic \$138 Million Investment in Affordable Housing

¹⁰² DMPED, DHCD: Inclusionary Zoning 2018 Maximum Income, Rent and Purchase Price Schedule: <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/IZ%20Income%20Schedule%20as%20of%20October%202018.pdf>

¹⁰³ *Id.*

¹⁰⁴ DMPED 2019 March Madness Slide Deck, Slide #25

The first solicitation for a Request for Qualifications to pre-qualify potential assignees under the District Opportunity to Purchase Act for FY 2019 was released on November 16, 2018 and closed on January 11, 2019.¹⁰⁵ The next solicitation for a parcel by DHCD is to be released is May 1, 2019 for 199 Chesapeake Street SW.¹⁰⁶

Tenant Opportunity to Purchase Act (TOPA): TOPA requires owners of housing accommodations to give tenants an opportunity to buy their homes before selling, razing, or discontinuing the housing use of the building. TOPA applies to rental housing of at least 2 units. The Council originally passed Law 3-86, the Rental Housing Conversion and Sale Act of 1980, primarily to attempt to address the following problems:¹⁰⁷

1. A continuing housing affordability crisis in the District;
2. A severe shortage of rental housing available to residents of the District;
3. The depletion of the rental housing stock due to the conversion of rental units to condominiums or cooperatives; and
4. The severe adverse effects of conversions on lower income tenants, particularly the elderly and tenants with disabilities, which often resulted in forced displacement, overcrowding, unsustainably high housing costs, and widespread fear and uncertainty among tenants.

The 1980 Council was determined that those most directly affected by a conversion, the tenants, would have a strong voice in any decision concerning whether their rental housing would be converted to condominiums or cooperatives. Therefore, the Council included certain requirements in TOPA intended to guarantee that tenant housing would be preserved at a cost that existing tenants, who could otherwise be involuntarily displaced, could afford. TOPA not only provides legal protections to tenants regarding their opportunity to purchase their rental housing, but also protects seniors and persons with disabilities by allowing them to opt to remain in their homes as long as they wish, under the District's rent control regime.

TOPA allows tenants to exercise their rights in different ways, such as preserving or creating affordable rental housing, or long-term affordable homeownership through limited equity cooperatives or condominiums with resale restrictions. Still, others sponsor market-rate condominium conversions that often offer discounted prices to existing residents. Finally, some tenants elect to receive payments that can partially offset the costs of their displacement and that can be used to acquire a home or to rent elsewhere. Whatever the outcome, over the years there have been numerous successful tenant-sponsored conversions that further the purposes of TOPA, and that would not have occurred but for the passing of

¹⁰⁵ DHCD, Request for Qualifications, To Pre-Qualified Potential Assignees Under the District Opportunity to Purchase Act,
https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/RFQ%20for%20DOPA%20Pre-qualified%20Assignees_0.pdf

¹⁰⁶ DMPED 2019 March Madness Slide Deck, Slide #23

¹⁰⁷ D.C. Official Code § 42-3401.01(a).

the Rental Housing Conversion and Sale Act of 1980.

In FY 2017, DHCD reported that there were 1,970 Offers of Sale filed, 152 Statements of Interest filed and 38 properties where a tenant organization registration application were filed with DHCD.¹⁰⁸ In FY 2018 to date, there were 552 Offers of Sale filed, 50 Statements of Interest filed and 17 properties where a tenant organization registration application were filed with DHCD.¹⁰⁹ DHCD also tracks properties in which DHCD funding is used in the TOPA process. Thirteen (13) buildings accessed DHCD financing to complete a TOPA purchase in FY 2017.¹¹⁰ One TOPA project has closed to-date in FY 2018. Eight (8) TOPA projects that applied for DHCD financing in FY 2017 or FY 2018 are currently in DFD's pipeline.¹¹¹

Although TOPA has been extended many times, opinions vary widely among stakeholders as to the effects of TOPA. Most tenants and tenant advocates assert that TOPA is an important tool in preventing tenant displacement, maintaining affordable housing, promoting home ownership, and protecting tenants' homes.¹¹² Tenant advocates support this belief by citing many examples of tenant-sponsored purchases that further TOPA's goals, and that would not have occurred but for the existence of tenants' TOPA rights.¹¹³

On the other hand, many owners of rental housing accommodations consider TOPA inequitable and burdensome. For owners, the biggest inequity in TOPA is the financial costs and uncertainty that owners must bear when selling their property. For single-family homes, tenants had up to 180 days to register their intent to purchase the rental accommodation, negotiate a contract of sale, obtain financing and complete the transaction, with a possible extension to obtain financing. Further, if 180 days lapsed from the date of a valid offer, and the owner had not sold or contracted for the sale of the accommodation, the owner was required to begin the entire TOPA process all over again.¹¹⁴

Other real estate practitioners, such as those in the title insurance and lender community, consider TOPA confusing and problematic. The financial commitments to property owners made by lenders and title insurance companies in the provision of loans and title insurance involve great risks. These risks are only compounded when the real estate transaction requires that the transfer of property also be in compliance with TOPA.¹¹⁵

¹⁰⁸ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #85.

¹⁰⁹ *Ibid.*

¹¹⁰ *Ibid.*

¹¹¹ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 28, 2018, at question #86.

¹¹² Report and Recommendations, Rental Housing Conversion and Sale Act Task Force, Washington, D.C., December 11, 2006, page 9.

¹¹³ *Ibid.*

¹¹⁴ D.C. Official Code § 42-3404.09(4).

¹¹⁵ Report and Recommendations, Rental Housing Conversion and Sale Act Task Force, *supra* note 112, at 10.

Specific rules apply in TOPA according to the size of the building being sold. Building size groups are separated as follows: single-family accommodations,¹¹⁶ accommodations with 2 to 4 units,¹¹⁷ and accommodations with 5 or more units.¹¹⁸ Each category has had its successes and problems.

As with multi-family buildings, in the single-family market, TOPA had been reported as being manipulated in a manner contrary to its purposes. The most common apparent abuse occurs when some tenants allegedly use the 180-day TOPA timeframe to hold up home sales. As a result, property owners were pressured into paying an exorbitant fee to stop the process from dragging on and threatening the cancellation of an existing third-party sale contract. Others allegedly tried to claim that they had TOPA rights even though they were only relatives or caregivers of an actual *bona fide* tenant.

Unfortunately, there are no available statistics reporting how many TOPA sales have been affected by these situations.¹¹⁹ However, according to *Urban Turf*, recently one business entity helped at least six clients recoup over \$100,000 in assignment fees, obtain months of free or abated rent, or write-off about “\$10,000 or \$20,000 in back rent or other debts owed to landlords”.¹²⁰ The same business entity apparently estimates TOPA rights amount to a \$100 million per year industry in D.C.¹²¹ Articles featuring statements and headlines like “Held Hostage”, “It Felt Like Extortion”, and “I’ve Been Accused of Hostage-Taking”¹²² have appeared in the local press.

In response, the Committee moved L22-0120, the “TOPA Single-Family Home Exemption Amendment Act of 2018”, effective from July 3, 2018. The goal of L22-0120 was to expand affordable housing options for District residents by implementing policy changes that will encourage single-family homeowners to offer more affordable basement level and other types of Accessory Dwelling Units (ADUs) for rent. This is accomplished by exempting single-family homes from the requirements of TOPA, with an exception that grandfathers-in elderly tenants and tenants with a disability.

However, the Committee continues to believe that in the multi-family market, TOPA has been successful in achieving many of the goals of the original 1980 act. That said, after nearly 40 years, it is time to take a renewed look at the Rental Housing Conversion and Sale Act of 1980. Back in December of 2006, Mayor Anthony Williams and the Council

¹¹⁶ D.C. Official Code § 42-3404.09.

¹¹⁷ D.C. Official Code § 42-3404.10.

¹¹⁸ D.C. Official Code § 42-3404.11.

¹¹⁹ There is also limited data on how many TOPA offers proceed as was intended by TOPA, that is, tenants avoid displacement and successfully remain in their single-family homes as owners or renters.

¹²⁰ The TOPA Arbitrator: This DC Company Wants to Help Tenants Buy or Sell Their Rights, March 7, 2017, Nena Perry-Brown, *Urban Turf*, http://dc.urbanturf.com/articles/blog/got_topa_this_company_wants_to_help_you_exercise_your_right_of_first_refusa/12297.

¹²¹ Key D.C. Council Member Says Law Being Exploited by Renters Needs to Change, Jodie Fleischer, Rick Yarborough, Steve Jones and Jeff Piper, NBC Washington, <https://www.nbcwashington.com/investigations/Key-DC-Council-Member-Says-Law-Being-Exploited-by-Renters-Needs-to-Change--422140523.html>.

¹²² *Ibid.*

established a Rental Housing Sale Act Task Force to “examine all aspects” of TOPA, including its implementation and compliance with its requirements. The Council also charged the Task Force with issuing a report proposing recommendations on policy initiatives, and revisions to the statute, designed to improve TOPA.¹²³ The Committee produced a comprehensive report, which included the following recommendations:

1. Implementation of specific administrative steps to help tenants in the District better understand and avail themselves of the opportunity to purchase.
2. Amendments to the statutory time periods established by the Act with respect to multi-unit housing accommodations. In general, the amendments would shorten time frames and would create a new category of housing with more than 20 units. Extensions of the settlement period should only be available for acquisitions involving financing from public agencies or non-profit organizations.
3. Amendments to the time period and process for providing and responding to notices of exempt transfers.
4. Making changes to the definitional sections of Title I of the Act, to amend the definitions for “housing accommodation”, “tenant”, “head of household”, “tenant organization” and “owner”.
5. Clarifying what constitutes a “sale” under TOPA, thus triggering its statutory notice requirements. Among other things, the Task Force recommended that the concept of transfers of economic interests that is used for purpose of the recordation tax be applied to determine whether transfers of interests in business entities that own housing accommodation constitute a sale.

While a few of the recommendations have been addressed through past amendments to TOPA, most of the recommendations remain unaddressed. Furthermore, an additional 13 years of emerging TOPA concerns are upon us. The Committee, therefore, believes that it should engage in a comprehensive review of the TOPA during Council Period 23 and move any appropriate legislation that results from said review. The Committee also wishes to reaffirm its support for the purposes of TOPA and TOPA’s role in preserving affordability in multi-family housing.

Home Purchase Assistance Program (HPAP): HPAP provides interest-free loans for down payment and closing cost assistance to low and moderate income District residents to facilitate becoming first-time homebuyers in the District.¹²⁴ The loan amount is based on a combination of factors including income, household size, and the amount of assets that each applicant commits towards a property purchase.¹²⁵ The loan is subordinate to a private first trust mortgage. Moderate income borrowers earning between 80% and

¹²³ Report and Recommendations, Rental Housing Conversion and Sale Act Task Force, Washington, D.C., December 11, 2006

¹²⁴ DHCD Home Purchase Assistance Program (HPAP) website: <http://dhcd.dc.gov/service/home-purchase-assistance-program-hpap>

¹²⁵ *Id.*

110% of the area median income will have the 0% interest loan deferred for the first 5 years and a 40 year principal-only repayment period.¹²⁶ Borrowers with incomes below 80% of the area median income will have the 0% interest loan deferred until the property is sold, refinanced to take out equity, or is no longer their primary residence.¹²⁷ The current breakdown of the assistance based on income is as follows:

Maximum Assistance	Household Size							
	1	2	3	4	5	6	7	8
Per household income less than or equal to:								
Very low income households								
\$80,000	\$38,000	\$43,450	\$48,900	\$54,300	\$58,650	\$63,000	\$67,350	\$71,700
Low income households								
\$64,000	\$49,150	\$56,150	\$63,150	\$70,150	\$74,550	\$78,900	\$83,300	\$87,700
\$56,000	\$52,200	\$59,700	\$67,150	\$74,600	\$79,250	\$83,900	\$88,600	\$93,250
\$40,000	\$60,800	\$69,500	\$78,200	\$86,900	\$92,300	\$97,750	\$103,150	\$108,600
Moderate income households								
\$32,000	\$74,500	\$85,150	\$95,800	\$106,400	\$113,100	\$113,100	\$113,100	\$113,100
\$16,000	\$83,600	\$95,550	\$107,500	\$119,450	\$126,900	\$126,900	\$126,900	\$126,900

The theories of economic, social, and psychological benefits of homeownership are numerous and well-recognized. Studies have shown that homeownership leads to wealth-building, which in turn leads to an enhanced quality of life, improved health, and enriched parenting. Greater residential security and quality housing reap the benefits of higher levels of high school and post-secondary completion, better school performance, improved youth behavior, increased social capital, and greater political participation. According to Zillow, the median home value in Washington, DC is \$580,100 as of March 31, 2019.¹²⁸ The value Washington homes has gone up 3.1% over the past year and Zillow predicts they will rise 2.2% within the next year.¹²⁹ These escalating home values is one of many obstacles to homeownership, including the daunting task of saving enough for a down payment.

For HPAP, there are two program administrators. Both administrators assist low-moderate income applicant households with down payment and closing cost assistance from

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ Zillow, Washington Home Prices & Values, <https://www.zillow.com/washington-dc/home-values/>

¹²⁹ Zillow, Washington Home Prices & Values, <https://www.zillow.com/washington-dc/home-values/>

DHCD.¹³⁰ The Greater Washington Urban League is the sole administrator performing settlements for condominiums and cooperatives.¹³¹ The following chart reflects the FY18 HPAP applications and closing by quarter:¹³²

Applications

Applications	Q1	Q2	Q3	Q4	Total
GWUL	110	149	143	142	544
DCHFA	98	157	86	126	467
Total	208	306	229	268	1011

Loans

Applications	Q1	Q2	Q3	Q4	Total
GWUL	48	50	56	57	211
DCHFA	45	34	33	39	151
Total	93	84	89	96	362

The total amount of funds distributed was \$19,983,152 and the average purchase price of a home was \$337,500.¹³³

The following charts reflect the FY19 HPAP applications and closings by quarter:

Applications

Applications	Q1	Q2	Q3	Q4	Total
GWUL	151	N/A	N/A	N/A	151

¹³⁰ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, February 22, 2019, at question #18.

¹³¹ *Ibid.* at 99, at question #18.

¹³² *Ibid.*, at question #19.

¹³³ *Id.*

DCHFA	34	N/A	N/A	N/A	34
Total	185	N/A	N/A	N/A	185

Loans

Applications	Q1	Q2	Q3	Q4	Total
GWUL	72	N/A	N/A	N/A	72
DCHFA	33	N/A	N/A	N/A	33
Total	105	N/A	N/A	N/A	105

The total amount of funds distributed was \$4,543,856 and the average purchase price of a home was \$319,418.¹³⁴

The HPAP purchases by Ward in FY 2018 and FY 2019 year to date were as follows:¹³⁵

Ward	Number FY 2018	Average Purchase Price	Number FY 2019 YTD	Average Purchase Price
1	15	\$346,375	8	\$323,333
2	7	\$352,086	1	\$184,600
3	6	\$303,650	2	\$299,500
4	19	\$282,888	10	\$325,750
5	34	\$366,237	14	\$333,552
6	30	\$358,488	4	\$289,800
7	117	\$319,153	31	\$287,693
8	134	\$309,679	35	\$286,947

¹³⁴ *Id.*

¹³⁵ *Ibid.* at question #94.

In recent months, the Committee has received constituent inquiries and complaints about the HPAP application process, the differing checklists, and the lack of the transparency for requested documentation for applicants. The Committee is pleased to see that the budget for the Home Purchase Assistance Program has been increased to approximately \$27.3 million from \$24 million in FY 2019.¹³⁶ However, based on constituent feedback, the Committee recommends a unified training for the HPAP administrators and the housing counselors in the community-based organizations take place expeditiously, to create a more uniform and cohesive intake process. The Committee will continue to prioritize enhancing homeownership in the District by monitoring this program, to ensure that funding continues to flow for qualified applicants.

Employer-Assisted Housing Program (EAHP): This program is administered by the Residential and Community Services Division and it seeks to help District of Columbia government employees to become homeowners in the District. As of October 4, 2017, the employees of District government agencies are currently eligible for a maximum loan amount of \$20,000 and a matching funds grant of a maximum of \$5,000 to put towards the purchase of a single-family home, condominium, or cooperative unit located in the District of Columbia.¹³⁷ The maximum allowable purchase price is \$636,150.¹³⁸ The EAHP-funded property must be owner-occupied and the employee’s primary residence. The loan has zero interest and no payments are required until the property is (1) sold or transferred; (2) no longer occupied as a principal place of residence; or (3) refinanced with cash out.¹³⁹ For first-responders who agree to a five-year service obligation and maintain the property as their principal place of residence, an additional recoverable grant of up to \$10,000 for down payment assistance is available.¹⁴⁰ First-responders also receive a higher matching funds grant maximum of up to \$15,000.¹⁴¹ The following table shows the number of applications, closings, funds distributed, and average purchase price for the EAHP program for FY 2018 and FY 2019 to date.¹⁴²

EAHP Program	FY 2018	FY 2019 to date
Applications	318	68
Closings	149	45

¹³⁶ Mayor’s FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4

¹³⁷ DHCD, Employer Assisted Housing Program (EAHP), <https://dhcd.dc.gov/service/employer-assisted-housing-program-eahp>

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² *Supra* at 99, at question #32.

Funds Distributed	\$3,173,968	\$925,883
Average Purchase Price	\$362,735	\$350,034

The EAHP purchases by Ward in FY 2018 and FY 2019 to date were as follows:¹⁴³

Ward	Number FY 2018	Average Purchase Price	Number FY 2019 to date	Average Purchase Price
1	5	\$392,625	2	\$392,000
2	0	-	0	-
3	2	\$368,000	1	\$320,000
4	7	\$303,500	7	\$388,500
5	13	\$387,728	5	\$500,000
6	15	\$400,400	5	\$297,000
7	50	\$344,669	15	\$340,441
8	57	\$342,223	10	\$341,205

Research shows that limited access to affordable mortgages, weak credit histories, and lack of down payment funds are among the greatest barriers preventing District residents from even considering homeownership. By potentially reducing the mortgage amount and the monthly payment amount, EAHP helps homeownership become an attainable goal. The Mayor’s proposed budget for FY 2020 for EAHP is \$4.4 million, compared to \$2.1 million in FY 2019 and \$1.8 million in FY 2018.¹⁴⁴ This steady increase demonstrates the need for aid our workforce has in order to acquire a home and invest in their communities. This is especially true regarding our District of Columbia government employees. The Committee will continue to monitor the program to ensure that District government employees and first-responders can utilize this program to its maximum capacity to promote homeownership in the District.

Small Business Technical Assistance (SBTA): DHCD provides business support services to small and retail businesses in eligible commercial areas in the District of Columbia, through community-based organizations. The assistance provided can include micro-loan packaging, business planning, entrepreneurial training, one-on-one business

¹⁴³ *Ibid.* at question #34.

¹⁴⁴ Mayor’s FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4.

technical assistance, tax preparation assistance, accounting assistance, or legal assistance, among others.¹⁴⁵

The Mayor's proposed FY 2020 budget is \$4 million, an increase from the approved FY 2019 budget of \$1.5 million.¹⁴⁶ The total amount awarded to SBTA grantees in FY 2018 was \$3,331,847 and for FY 2019 it is \$3,123,498.¹⁴⁷ In FY 2018, there were 12 SBTA Community Based Organizations (CBOs) all with executed grant agreements and funded purchase orders.¹⁴⁸ For FY 2019, there are 11 SBTA CBOs, of which 10 have fully executed grant agreements and funded purchase orders.¹⁴⁹

In 2018, the Neighborhood Based Activities Program piloted a revised web-based Quarterly Data and Performance (QDAP) for the SBTA program.¹⁵⁰ The QDAP was revised to enable this division to capture and categorize data so they could track grantee performance, and better respond to data requests, as well as adapt to changes in federal funding and public sector decision-making processes.¹⁵¹ This newly improved system has been implemented for FY 2019.¹⁵²

Another improvement to the SBTA was to fully implement an electronic application submission system for the FY 2019 Request for Applications for the Neighborhood Based Activities Program.¹⁵³ The grant review panel was performed through teleconferencing and sharing applications and forms via Google docs.¹⁵⁴ Implementation of such electronic application submissions allowed for active customer service engagement and a more expedited response time.¹⁵⁵

Single Family Residential Rehabilitation Program (SFRRP): This program is administered by the Residential and Community Services Division to provide financial assistance to low-income homeowners for home repairs, to alleviate D.C. building code violations and assist homeowners in repairing physical threats to health and safety, and modify or eliminate barriers to accessibility for persons with mobility or other physical impairments. This program seeks to allow the District's senior population to age in place. There are three specific programs under this title, as follows:

¹⁴⁵ DHCD, Small Business Technical Assistance (SBTA), <https://dhcd.dc.gov/service/small-business-technical-assistance-sbta>.

¹⁴⁶ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-70. Table DB0-4

¹⁴⁷ *Supra* at 99, at question #47.

¹⁴⁸ *Ibid.* at question #46.

¹⁴⁹ *Id.*

¹⁵⁰ *Ibid.*, at question #44.

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *Ibid.*, at question #45.

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*

Program Title	Program Description
Roof Repair Program	Provides a grant for seniors of up to \$15,000 to replace and/or repair the roof. This grant pays for exterior roofing and gutter work only.
Handicapped Accessibility Improvement Program (HAIP)	Provides a grant of up to \$30,000 for accessibility modifications needed to adjust most physical barriers within a home for persons with mobility or other physical impairments.
Permanent Deferred Loans for Seniors	This benefit allows households where the head of household is over 62 years of age to have the first \$10,000 of their loan, provided as a permanently deferred loan. Deferral of additional amounts is considered on a case-by-case basis.

The Mayor’s proposed FY 2020 budget for SFRRP is \$3 million, which can be found in the Housing Production Trust Fund chapter (UZ0).¹⁵⁶ This is an increase of \$500,000 from FY 2019 budget.¹⁵⁷ The SFRRP program has received 81 applicants over the age of 62 in FY 2018 and FY 2019 to date.¹⁵⁸ The average time from SFRRP application submission to completion in FY 2018 and FY 2019 to date is 2 years and 9 months.¹⁵⁹ In FY 2019, SFRRP is working to complete 61 projects.¹⁶⁰ The following chart indicates the number of applications received, projects completed, total expenditures, and average project cost from 2017 to 2019 to date.¹⁶¹

	2017	2018	2019 (as of Q2)
Applications received	57	99	65
Projects completed	24	33	6
Total expenditures	\$4,248,477.83	\$3,164,259.42	\$233,566.37
Average project cost	Data not collected	\$30,227.01	\$41,026.54

The SFRRP program closely tied with the program called Safe at Home, which is administered by the District of Columbia Office on Aging (DCOA). In the Safe at Home

¹⁵⁶ DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Years 2019/2020, April 19, 2019, at question #16.

¹⁵⁷ *Id.*

¹⁵⁸ *Supra* at 99, at question #38.

¹⁵⁹ *Ibid.*, at question #39.

¹⁶⁰ *Supra* at 125, at question #42.

¹⁶¹ *Ibid.*, at question #43.

program, senior homeowners are provided with minor home repairs through individual grants of up to \$6,000.¹⁶² The SFRRP handles home repairs to bring the home up to code and for health and safety issues, for dollar amounts above \$6,000.¹⁶³

However, in recent years, the Committee has received feedback regarding the timeline of the program. The agency responded by providing a chart that mapped out the estimated timeframe for each of the steps of the application process as the following:¹⁶⁴

Step	Timeline
CBO intake	Depends on homeownership responsiveness
Eligibility determination	Up to 6 months, depending on homeowner responsiveness
Development of scope of work and procurements	Up to 16 months
Compliance review and financial award	Up to 16 weeks, depending on homeowner responsiveness
Construction	Up to 8 weeks

The Committee finds the timeline to be exceedingly burdensome for the participants of the program. While the Committee understand the complexity of cases that the agency may come across, it is necessary for the agency to work towards reducing the backlog of cases and shortening the timeline for applicants of this program.

Property Acquisition and Development Division (PADD): The Property Acquisition and Disposition Division (PADD) seeks to stabilize neighborhoods by decreasing the number of vacant and abandoned residential properties in the District and transforming them into homeownership opportunities for residents at all income levels. PADD has three main functions:

Encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property;

1. Acquire vacant, blighted, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and

¹⁶² *Id.* at question #115.

¹⁶³ *Id.*

¹⁶⁴ *Ibid.*, at question #41.

2. Dispose of properties in the inventory by selling the properties to individuals or developers for rehabilitation into high quality affordable and market-rate single-family and/or multifamily for-sale housing.¹⁶⁵

In 2017, a five-point Vacant to Vibrant DC initiative was launched to transform the balance of that inventory into vibrant and productive solutions, such as workforce housing and creative green space, and spur economic development.¹⁶⁶ This was through a private auctioneer company called Alex Cooper Auctioneers. According to the DMPED March Madness 2019 slide deck, the second Vacant to Vibrant DC auction will take place in conjunction with Alex Cooper Auctioneers on May 10, 2019 and close on May 15, 2019.¹⁶⁷

Rental Housing Commission: The Rental Housing Commission's proposed budget reflects a net increase in personal services in the amount of \$35,000 or 3.3% to support projected increases in salary step, fringe benefits, and overtime costs.¹⁶⁸ The proposed budget also reflects a net increase in nonpersonal services in the amount of \$156,000 or 472.7% to support the planned independence of the RHC, as the RHC will be newly responsible for its own telecommunications, rentals (land and structures), security services, occupancy fixed costs, other services and charges, and contractual services.¹⁶⁹

Backlog of Cases: Regretfully, past problems in confirming qualified commissioners resulted in a lack of a quorum for a substantial portion of FY 2010 and part of FY 2011.¹⁷⁰ As a result, the Commission did not operate and fulfill its statutory duties for one year from January 17, 2010 to January 31, 2011. This situation resulted in excruciatingly long periods of time for cases to be decided, even though important rent control cases had lain dormant at the Commission for ages. However, in August of 2011, the Council approved incoming-Mayor Gray's two nominations to the Commission, which resulted in the restoration of the Commission's customary statutory functions and operations. On January 9, 2018, the Council confirmed Lisa M. Gregory as a member of the Rental Housing Commission, replacing Peter Szegedy-Maszak. Finally, on December 18, 2018, Rupa Puttagunta was appointed as a member of the Rental Housing Commission, replacing Diana Epps. The Commission's current full complement of Commissioners is as follows:¹⁷¹

- Michael T. Spencer, Chairman, originally appointed: July 17, 2016, and whose current term expires on July 18, 2021.
- Lisa M. Gregory, Commissioner, appointed January 9, 2018, and whose term expires on July 18, 2020.

¹⁶⁵ Mayor's FY 2018 Proposed Budget and Financial Plan, Volume 2, Department of Housing and Community Development (DB0), B-71

¹⁶⁶ *Id.*

¹⁶⁷ DMPED 2019 March Madness Slide Deck, Slide #24

¹⁶⁸ Mayor's FY20 Proposed budget for the District of Columbia Government, Volume 6, page B50.

¹⁶⁹ *Ibid.*

¹⁷⁰ *Id.* at question #112b.

¹⁷¹ Commission membership as of April 8, 2019.

- Rupa Puttagunta Commissioner, appointed December 18, 2018, and whose term expires on July 18, 2019.

The Committee’s longstanding concerns about the length of time the Commission has taken to resolving cases finally appears to be a problem of the past. The process of handling a case, from filing to the issuance of a decision, is a lengthy one which includes reviewing a case file, conducting a hearing, performing and compiling relevant legal research, drafting a written opinion, and circulating an opinion for comment. Thus despite the RHC’s past struggles with a backlog of long-pending cases, during FY 2017, the Commission reported that it reduced its overall backlog of cases pending final decision.¹⁷² Back in FY 2016, the Commission reduced its backlog of cases on appeal from 5 cases at the start of FY 2016, to 1 at the end of FY 2016 (80%). The number of cases that are greater than 3 years old was reduced from 2 to 0 (100%).¹⁷³ The Commission has estimated that the total number of hours required to resolve each case is currently 160-200 hours.¹⁷⁴

Despite a significant increase in the number of appeals filed by parties during FY 2017, the Commission’s progress has continued in FY 2017 and FY 2018.¹⁷⁵ The Commission also reports that as of March 2018, the Commission would outpace the progress made in FY 2017. For example, the Commission had already heard 4 appeals in FY 2018, compared to just 1 appeals case as of March of the previous year, representing a 300% increase.¹⁷⁶ Similarly, the Commission had already decided or dismissed 6 cases by March 1 in FY 2018, compared to only 2 cases in FY 2017, resulting in a 200% increase.¹⁷⁷

The Commission’s current total appeals caseload is as follows:¹⁷⁸

Appeals awaiting Certified Record (from OAH):	5
Appeals without Scheduled Hearing Date:	18
Appeals Scheduled for Hearing:	6
Appeals Pending Decision:	6
Total:	35

The Commission reports that it currently endeavors to issue decisions within 45 days of holding its hearing on a case. In FY 2018, the Commission issued decisions on the merits in an average of 210 days. In FY 2019 to date, the Commission issued decisions on the

¹⁷² DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2014/2015, February 25, 2016, at question #29.

¹⁷³ DHCD Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2016/2017, February 21, 2017, at question #117.

¹⁷⁴ *Id.* at question #120.

¹⁷⁵ The Commission experienced a 66% increase in the number of appeals in FY17, from 15 appeals filed in FY 16 to 25 appeals filed in FY17, and also heard 50% more appeals in FY 17 than it did in FY16, from 6 in FY16 to 12 in FY17. FY18 Performance Oversight Hearing, Testimony of Michael T. Spencer, Chairperson, March 2, 2018, page 3.

¹⁷⁶ *Id.*

¹⁷⁷ *Ibid.* at 4.

¹⁷⁸ RHC Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, January 31, 2019, at question #38b.

merits in an average of 293 days; each of these cases was heard during FY 2017 and FY 2018.¹⁷⁹ Although the Commission does not track the hours required to resolve each of its cases, the Commission estimates that the total number of hours required to resolve each case averages 160-200 hours.¹⁸⁰

The Commission reports that it is in the process of taking several steps to expedite its processing of appeals: First, the Commission is on-boarding its newest member, so she can write orders and decisions as soon as possible; Second, the Commission is recruiting law students to intern beyond the typical summer program, thus giving the Commission additional year-round legal assistance; Third, the Commission planned to fill its second Attorney-Advisor position before May 5, 2019.¹⁸¹

Regulations for the Rental Housing Act of 1985: The Commission has the duty, under the Rental Housing Act of 1985 (D.C. Law 6-10; D.C. Official Code §§ 42-3501.01 *et seq.*), to promulgate implementing rules and regulations. In part due to staffing concerns that led to the severe backlog of cases discussed above, the Commission had last issued comprehensive regulations in 1986. However, during FY 2016, FY 2017, and FY 2018 to date, the Commission, working with the Rent Administrator, the Office of Administrative Hearings (OAH), the Office of the Tenant Advocate, the Housing Provider Ombudsman (HPO), and other stakeholders, has a proposed rulemaking *draft* to update 14 DCMR §§ 3800-4400. Throughout FY 2017, FY 2018, and FY 2019 to date, the Commission has met with an interagency working group to review and revise the draft rulemaking.¹⁸²

While the Committee applauds the Commission for its progress in preparing a draft of the much-needed regulations for the Rental Housing Act of 1985, the Committee continues to grow impatient that long-overdue amendments to the regulations have still not been published. New regulations that reflect the numerous changes in the Rental Housing Act, decisional case law, and the changes in the rental housing market since 1986 are desperately needed. Regulations that implement the Rent Control Amendment Act of 2006, that significantly changed the District's rent control law, must be promulgated. Further, regulations that reflect transfer of the Rent Administrator's adjudicatory functions to the Office of Administrative Hearings are needed. More recently, the Committee has moved important Rental Housing Act amendments in Council Period 21 and 22 that require regulations. The Commission has assured the Committee that it plans to incorporate recently effective amendments into the draft rulemaking prior to publication, and that moving forward, the Commission will aspire to update the regulations on a rolling basis.¹⁸³

The Commission informs the Committee that it will hold meetings across the District to discuss proposed changes to the rent stabilization regulations. The Commission intends to listen to tenants, housing providers, experts, practitioners, advocates and other

¹⁷⁹ *Ibid.*, at question #41.

¹⁸⁰ *Id.*

¹⁸¹ *Id.*

¹⁸² *Ibid.* at question #117.

¹⁸³ RHC Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2018/2019, January 31, 2019, at question #42b.

interested parties and consider their feedback when finalizing the regulations and will devote significant staff time and resources on this process.

Without new regulations, housing providers, tenants, and judges are left to use their best judgments as to how to implement these and other legislative changes. These overdue regulations are vital to protecting tenants' rights and preserving affordable housing in the District and must be promulgated without further delay. Finally, the Commission informs the Committee that it "aspires" to transmit a draft proposed rulemaking to the Office of Attorney General for legal sufficiency no later than April 1, 2019. The Commission will endeavor to publish the draft regulations within 30 days of satisfying OAG's legal sufficiency requirements.¹⁸⁴

Independence of the Rental Housing Commission: L22-0200, The Rental Housing Commission Independence Clarification Amendment Act of 2018, established the Rental Housing Commission as an independent agency within the executive branch of the District government. The non-fiscal portions of the law are effective as of February 22, 2019 and the fiscal portions are effective subject to appropriation.¹⁸⁵

Although the Commission was traditionally regarded as an independent entity, the Rental Housing Act of 1985 does not specifically state¹⁸⁶ that the Commission *is* an independent agency.¹⁸⁷ Additionally, the precise relationship between the Commission and DHCD remained in question. Thus, although DHCD refers to the Commission on its website¹⁸⁸ and in the FY 2018 budget books¹⁸⁹ as "an independent quasi-judicial body", the DHCD website inaccurately stated that the Commission has "direct reporting responsibility to DHCD on administrative, management and budgetary matters." In fact, the only statutory relationship between the Commission and DHCD is that DHCD "... shall employ the staff necessary *to assist* the Rental Housing Commission in carrying out its functions."¹⁹⁰

Further, there were concerns whether the Commission or DHCD oversaw the approval process for RHA regulations, despite the clear statutory mandate of the RHA that solely the Commission is authorized to "issue, amend, and rescind"¹⁹¹ RHA regulations.

In summary, there simply was no indication in the law or legislative history that the Council intended DHCD to exercise any form of control over the Commission or the issuance of RHA regulations. This is for very good reasons. The bedrock concept of

¹⁸⁴ *Id.*, at question #42d.

¹⁸⁵ *See* <http://lims.dccouncil.us/Legislation/B22-0640?FromSearchResults=true>

¹⁸⁶ *See* D.C. Code § 42-3502.01(a)(1).

¹⁸⁷ In contrast, the Rental Accommodations Division is clearly "established within the Department of Housing and Community Development" (See D.C. Code § 42-3502.03), as is the Rental Conversion and Sale Division (See D.C. Code § 42-3502.04a).

¹⁸⁸ <https://dhcd.dc.gov/service/rental-housing-commission>

¹⁸⁹ *See* <https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/DC%20GOVT%20FY%202018%20BUDGET%20%E2%80%93%20CONGRESS%20%E2%80%93%20VOL%202.pdf> at B-65.

¹⁹⁰ *See* § 42-3502.02(d).

¹⁹¹ *See* § 42-3502.02(a)(1).

“separation of powers” and the Commission’s statutory responsibility to decide appeals require the Commission to be independent. The safeguarding of the impartiality of independent judicial and judicial-like entities is the foundation of a democracy. No judicial entity should have to deliberate under a cloud of potential political influence.

The Committee therefore addressed this situation by explicitly stating in L22-0200 that the Commission is “established as an independent agency within the executive branch of the District government.” The bill also severed any existing administrative, management, and budgetary relationships with DHCD. Finally, the bill adopted “model” language from the OAH establishment act to elucidate further the responsibilities and requirements of the Commission and its members.

In furtherance of L22-0200, the Mayor's proposed budget captures the transfer of the Commission’s two attorney advisors, from their technical placement in DHCD’s legal counsel office, to their actual placement at the Commission.¹⁹² The Mayor’s proposed budget reallocates monies from DHCD to the Commission for office telecommunications, the office lease, and related expenses, training, information technology, equipment, and temporary staffing services.¹⁹³

The proposed budget does *not* allocate the \$117,000 of funding for the additional FTE identified in the fiscal impact statement associated with the legislation.¹⁹⁴ The Commission informed the Committee that it estimates it would need an additional \$12,000 to obtain support services from DC Department of Human Resources in FY 2020. These funds would secure human resources assistance with performance management, benefits, classification and compensation, time management, labor and employee relations, and the like. DCHR estimates these costs would be reduced to \$7,000 in subsequent fiscal years.

Similarly, the Commission has requested an additional \$10,000 to obtain support services from the Office of the Chief Technology Officer (OCTO) in FY 2020. These funds would allow the Commission to create a website for stakeholders, receive software and technical support, maintain hardware, and the like.

The Committee concurs that the funding of the additional FTE, DCHR and OCTO are required for the Commission to become a fully independent agency. However, without the availability of additional recurring funding this year, the Committee is unable to allocate an additional FTE and will look to work with the Rental Housing Commission to complete the process of independence in the following budget cycle.

3. FY 2020-2025 CAPITAL BUDGET

¹⁹² Testimony of Michael Spencer, Chair of the RHC, Fiscals Year 2019 and 2010, Budget Oversight Hearing March 28, 2019, page 3.

¹⁹³ *Id.*

¹⁹⁴ Fiscal Impact Statement – Rental Housing Commission Independence Clarification Amendment Act of 2018 for Bill 22-640, Office of Revenue Analysis on June 29, 2018, signed by Jeffrey S. DeWitt, Chief Financial Officer, July 2, 2018.

- The Department of Housing and Community Development has a capital budget of \$3,078,544 in the DHCD DDOT Capital Federal Grant Project.

E. HOUSING FINANCE AGENCY (HF0)

1. AGENCY MISSION AND OVERVIEW

The District of Columbia Housing Finance Agency (“DCHFA”) was established in 1979 to support and expand homeownership and rental housing opportunities for low- to moderate-income residents of the District.¹⁹⁵ DCHFA accomplishes this by issuing mortgage revenue bonds, which lower homebuyers’ expenses of purchasing homes, and developers’ costs of developing rental units. DCHFA’s multifamily financing program involves the financing of affordable housing through the issuance of tax-exempt bonds, taxable bonds, 4% Low Income Housing Tax Credits, and McKinney Act Savings Funds.

DCHFA is a corporate instrumentality with a legal existence separate from the District government.¹⁹⁶ By statute, the agency’s budget is independent of the D.C. Government’s Executive Branch. The agency has its own financial reporting system and is not tied to the financial reporting system of the District. The agency is governed by a Board of Directors and does not utilize District FTEs. DCHFA’s Board of Directors approves the agency’s budget for the upcoming fiscal year in the fourth quarter of the current fiscal year.

DCHFA receives no dedicated taxes or special purpose funding. All revenues that support the agency are generated by the agency through fees and other revenues associated with its programs. The agency is entirely self-supporting, and none of its proposed budget funds are derived from District Government revenues. To support its operations and lending programs, the agency utilizes a variety of revenue sources, including the issuance of tax-exempt mortgage revenue bonds, earned income, fees and grants. Nevertheless, the agency’s budget is subject to the Council of the District of Columbia’s review and is included in the annual Budget Book.

Table 1: DCHFA Board of Directors¹⁹⁷

¹⁹⁵ See District of Columbia Housing Finance Agency (hereinafter “DCHFA”), *Mission Statement*, <http://www.dchfa.org/DCHFAHome/AboutUs/MissionStatement/tabid/107/Default.aspx> (last visited April 8, 2019).

¹⁹⁶ D.C. Official Code § 42-2702.01.

¹⁹⁷ DCHFA Board membership as of April 8, 2019.

Name	Position	Date of Confirmation	Expiration of Term
Buwa Binitie <i>Chair</i>	Member with experience in finance	June 27, 2017	June 28, 2019
Stephen M. Green <i>Vice Chair</i>	Member with experience in finance	Dec. 18, 2018	June 28, 2020
Bryan “Scottie” Irving	Member with experience in planning	June 27, 2017	June 28, 2019
Stanley Jackson	Member representing community interests	June 27, 2017	June 28, 2019
Sheila Miller	Member with experience in home building	June 27, 2017	June 28, 2019

DCHFA administers the following programs:

Multifamily Programs

Multifamily Mortgage Revenue Bond Program (MMRB): Under the MMRB Program, nonprofit, for-profit, and 501(c)(3) developers can access tax exempt, taxable, and 501(c)(3) bonds for the following eligible uses: acquisition, construction and permanent loans, fixed and variable rate loans, rated and un-rated tax exempt and taxable bond financing, and credit enhanced or un-enhanced financing, including financing under Federal Housing Administration Multifamily Insurance Programs, DCHFA-HUD Risk Sharing Program, Fannie Mae, Freddie Mac, Delegated Underwriting and Servicing lending, and Letter of Credit.¹⁹⁸

The MMRB financing product can be used to rehabilitate or construct the following: rental housing (affordable, mixed income, and market rate), cooperatives (Limited Equity), elderly housing, assisted-living facilities, and transitional housing.¹⁹⁹ Federal regulations require that developers/sponsors who utilize MMRB financing set aside at least 20% of their units for individuals or families earning at or below 50% of the AMI or at least 40% of their units for individuals or families earning at or below 60% of AMI.²⁰⁰ Projects approved for

¹⁹⁸ DCHFA, *Mortgage Revenue Bonds*, <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/MortgageRevenueBonds/tabid/134/Default.aspx> (last visited April 8, 2019).

¹⁹⁹ *Id.*

²⁰⁰ *Id.*

MMRB financing that will be financed through the sale of tax exempt private activity bonds are then eligible to receive 4% low income housing tax credits.²⁰¹

4% Low Income Housing Tax Credit Program (LIHTC): The 4% LIHTC Program was created by the Tax Reform Act of 1986 (P.L. 99-154). Its purpose is to incentivize development and rehabilitation of affordable rental housing. The Department of Housing and Community Development is the District’s authorized allocating agency for 4% LIHTCs. Pursuant to a Memorandum of Understanding between DHCD and DCHFA, DCHFA underwrites and administers the District’s allocation of 4% LIHTCs.

LIHTC is a companion financing tool for MMRB financing, and is funded through the sale of tax-exempt private activity bonds.²⁰² Developers apply to allocating agencies for tax credit allocations, then seek equity from third-party investors in exchange for the tax credits.²⁰³ This infusion of equity effectively reduces the cost of projects, thereby increasing the likelihood that they will be financed.²⁰⁴ In order to realize LIHTC benefits, developers must comply with the same “20-50 test” or “40-60 test” as the MMRB. LIHTCs can be used to generate part of the required equity a borrower must contribute to the financing, or they can be utilized to offset the borrower’s tax payments.²⁰⁵

McKinney Act Loan Program: McKinney Act Loans are short term predevelopment “bridge” loans that can be used to finance the acquisition, predevelopment, and rehabilitation costs associated with housing development, and are available to both nonprofit and for-profit developers.²⁰⁶ The funds may be used for one or the more of the following purposes: pre-development and development soft costs, acquisition, construction or rehabilitation, down payment closing cost assistance, mortgage interest rate buy down, credit enhancement or loan guarantee, ancillary or functionally related recreational, health, educational or social services facilities that are integral to housing occupied by very low income persons and families, and equity bridge loans.²⁰⁷

Single Family Programs

Agency’s Multifamily Lending and Neighborhood Investments: In FY 2019 to date, DCHFA closed 5 transactions located in Wards 2, 4, 6, 7, and 8. Those transactions

²⁰¹ *Id.*

²⁰² DCHFA, *4% Low Income Housing Tax Credit Program (LIHTC)*, available at <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/4LIHTC/tabid/135/Default.aspx> (last visited April 8, 2019).

²⁰³ *Id.*

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ DCHFA, *McKinney Act Loan Program*, available at <http://www.dchfa.org/DCHFAHome/Developers/ProgramDescriptions/McKinneyActFunds/tabid/136/Default.aspx> (last visited April 8, 2019).

²⁰⁷ *Id.*

represent \$120 million in tax-exempt bonds, \$83 million in Low Income Housing Tax Credit allocation, 130 units of new and 500 units of affordable rental housing preserved through rehabilitation. From the March 2019 through FY 2020, the DCHFA expects to close approximately 25 additional projects across 6 Wards, through \$395 million in DCHFA bond issuance, which will all result in an estimated 2,620 rehabbed affordable units.²⁰⁸

DC Open Doors: DC Open Doors provides home purchase loans and down payment assistance to first-time and repeat homebuyers. The program offers both FHA and Fannie Mae/Freddie Mac mortgage loan products that provide up to 3.5% down payment assistance to borrowers earning at or below 120% of AMI. The program also forgives 20% of the initial 3.5% down-payment loan per year. DCHFA administers DC Open Doors via a network of national and local lenders. DC Open Doors is compatible with a variety of other home purchase programs and products, including the DC Employer Assisted Housing Program (EAHP), DC Negotiated Employee Affordable Home Purchase Program (NEAHP), DC Home Purchase Assistance Program (HPAP), DCHFA’s Mortgage Credit Certificate Program, and Wells Fargo City LIFT Down Payment Assistance Program.²⁰⁹ Working with participating lenders and real estate agent partners, the program has quickly grown in popularity.

HomeSaver Phase I and Phase II: The HomeSaver Program was a federally funded foreclosure prevention initiative that provided onetime and ongoing monthly mortgage assistance to eligible unemployed and underemployed District of Columbia homeowners using U.S. Department of Treasury Hardest Hit Fund (HHF) funding. HomeSaver Phase I was a mortgage payment assistance program through which eligible D.C. homeowners may receive a one-time “lifeline assistance” payment of up to nine months mortgage delinquency and/or mortgage assistance of up to \$60,000 or monthly payments through December 31, 2020 when the program will sunset. HomeSaver Phase II was a restore assistance program through which eligible D.C. homeowners may receive a one-time payment of up to \$60,000 to catch up on delinquent property-related expenses, including real property taxes, condominium fees, homeowner association fees, and hazard insurance. Due to the December 31, 2020 sunset date, HFA is not accepting applications as of January 1, 2019.

Mortgage Credit Certificate (MCC): The Mortgage Credit Certificate provides borrowers with a tax credit of up to 20% of the interest annually paid. This product may be used in conjunction with DC Open Doors Loans. From the launch of the MCC in June 2016 through March 2019, DCHFA has paired 212 MCCs with DC Open Doors loans and issued MCCs on an additional 393 non-DC Open Doors loans for a total of 605 MCCs issued on \$195 million of first trust mortgages. MCCs may be purchased in conjunction with any of our DC Open Doors’ loan programs or it may be purchased as a “stand-alone” product in conjunction with other first trust mortgage loans.²¹⁰

Housing Investment Platform (“HIP”) and DCHFA’s Single Family Housing Investment Fund: In FY19, HIP has continued to support the creation of affordable

²⁰⁸ Testimony of Todd A. Lee, Executive Director & CEO, DCHFA, March 28, 2019, page 4.

²⁰⁹ DCHFA, *Responses to 2019 Performance Oversight Pre-Hearing Questions*, January 31, 2019 (pages 2 & 10).

²¹⁰ Testimony of Todd A. Lee, Executive Director & CEO, DCHFA, March 28, 2019, page 3.

workforce housing to District residents, grow local developers, and provide development opportunities to local entrepreneurs in the construction field. The Agency completed Elvans Road Townhomes, the first HIP project, in FY 2018 and created five new taxpaying households out of once vacant land. Purchasers of homes at Elvans Road ranged from 80 percent to 120 percent of AMI and included a DC public school teacher, a US Army Veteran, and an employee of the convention and sports authority for the District. As of March 2019, DCHFA has 15 units under construction, Cynthia Townhomes, in the Marshall Heights neighborhood on three vacant parcels that were privately acquired and has partnered with local developers on two sites acquired through Mayor Bowser’s Vacant to Vibrant initiative. The Vacant to Vibrant sites are located in Wards 6 and 8 and will be developed into 12 units of for-sale housing including one Inclusionary Zoning (IZ) unit.²¹¹ DCHFA remain on track to meet its goal of financing 50 total units of single-family housing under the HIP program in FY19.

New Asset Management platform: DCHFA is finalizing the implementation of its, ProLink. The system is being tested and anticipated to go live April 2019. The addition of ProLink will allow DCHFA’s Portfolio and Asset Management team to mitigate risks and improve and deliver data regarding affordable housing developments financed by the agency. With the implementation of ProLink, DCHFA will incur additional costs to implement a new application intake system for underwriting. In FY20, DCHFA will invest \$500,000 in single-family (Emphasys) and multi-family software as part of a multi-year investment in its reporting infrastructure. A portion of that investment will enable the agency to better manage the existing portfolio held on the balance sheet, which will reduce risk and allow the Agency to more efficiently manage an expanding production.

Home Purchase Assistance Program (HPAP): In March 2017, DCHFA was added as an administrator of HPAP to work in conjunction with the Greater Washington Urban League (GWUL). Last year, the Committee anticipated that the addition of DCHFA as the second administrator of HPAP would increase the speed at loan closings and an increase of homeownership rates via the program. This has demonstrated to be true with the increasing rate of loan closings.²¹² The Committee has received inquiries about the application process and urges the agency to work with DHCD and GWUL to administer training to the community-based organizations to foster cohesiveness amongst stakeholders and increase the efficiency of the program.

2. FISCAL YEAR 2020 OPERATING BUDGET

- *Fiscal Year 2020 Operating Budget, By Revenue Type*

Housing Finance Agency

²¹¹ Ibid. at page 5.

²¹² See HPAP section of the Department of Housing and Community Development (DBO) budget chapter.

Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
ENTERPRISE AND OTHER FUNDS	\$0	\$13,460,432	\$13,581,674	\$0	\$13,581,674

Committee Analysis and Comments

The Mayor’s proposed FY 2020 operating budget for DCHFA is \$13,581,674, which represents an increase of .9% from the FY 2019 approved budget of \$13,460,432. DCHFA’s budget is comprised entirely of Enterprise and Other funds, which makes it easier for the Office of the Chief Financial Officer to avoid double-counting monies that appear in certain transfer paper agencies and Enterprise agencies. DCHFA receives no dedicated taxes or special purpose funding.²¹³

Notable Budget Changes: The Housing Finance Agency’s FY 2020 proposed budget includes a net increase of \$466,658 in personal services to cover higher salaries and cost for current personnel. Nonpersonal services costs contain an increase of \$154,584 to support ongoing operations related to software maintenance fees. The budget proposal reflects a decrease of \$500,000 in nonpersonal services because of lower estimated projections. Discounting the \$500,000 decrease in subsidies and transfers, the operating budget increases by 6% for personal services, and by 3% for nonpersonal services.

Fiscal Year 2020 Operating Budget Recommendations

The Committee recommends approval of the FY 2020 budget for the District of Columbia Housing Finance Agency in the amount of \$13,581,674, as proposed by the Mayor.

3. FY 2020-2025 CAPITAL BUDGET

Fiscal Year 2020 Capital Budget Recommendations

The District of Columbia Housing Finance Agency has no associated capital funds.

F. HOUSING PRODUCTION TRUST FUND SUBSIDY (HP0)

1. AGENCY MISSION AND OVERVIEW

The Housing Production Trust Fund Subsidy is a paper agency with no operations that represents the Mayor’s local funds transfer to the Housing Production Trust Fund

²¹³ All revenues that support the agency are generated by the agency through fees and other revenues associated with its programs. Any administrative costs the agency incurs related to its role as a co-administrator of HPAP are reimbursed by DHCD through federal CDBG funds.

(Fund), apart from the dedicated deed recordation and transfer taxes that make up the rest of the Fund. The Mayor’s allocation to HP0 in FY2020 is \$52,645,047. This is a 33.8% increase over FY 2019.

- *Fiscal Year 2020 Operating Budget, By Revenue Type*

Housing Production Trust Fund Subsidy					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	\$12,515,509	\$39,335,078	\$52,645,047	\$0	\$52,645,047

G. HOUSING AUTHORITY SUBSIDY (HY0)

1. AGENCY MISSION AND OVERVIEW

The mission of the District of Columbia Housing Authority (DCHA) is to provide quality affordable housing to low-income households, foster sustainable communities, and cultivate opportunities for residents to improve their lives. The agency maintains five goals:

1. Create opportunities, through collaboration and partnerships, to improve the quality of life for DCHA residents;
2. Increase access to quality affordable housing;
3. Provide livable housing to support healthy and sustainable communities;
4. Foster a collaborative work environment that is outcome-driven and meets the highest expectations of the affordable housing industry; and
5. Effectively communicate DCHA’s accomplishments and advocate for its mission.

DCHA was established by the District of Columbia Housing Authority Act of 1999.²¹⁴ The Executive Director leads the agency and is appointed by the 11-member DCHA Board of Commissioners.

The Executive Director is supported by several agency divisions, including the Office of Administrative Services, the Client Placement Division, the Office of Resident Services, the Office of Capital Programs, the Office of Audit and Compliance, the Office of Fair Hearings, the Office of Financial Management, and the Office of General Counsel, as well as in-house Human Resources, Information Technology, Operations Support, Public Affairs, and Public Safety offices, and the D.C. Housing Authority Police Department.

²¹⁴ D.C. Law 13-105, effective May 9, 2000.

Local funding for DCHA is accounted for in three categories: the Local Rent Supplement Program, the Rental Assistance Program, and the Office of Public Safety. The rest of the agency's budget is funded by the federal government, mostly in the form of grants from the U.S. Department of Housing and Urban Development (HUD).

Most of DCHA's District funding, which is housed in the HY0 budget chapter, the Housing Authority Subsidy comprises the Local Rent Supplement Program (LRSP), a continuous stream of subsidies that maintain the deep affordability of rental housing units by flowing to housing providers, nonprofit partners, or directly to low-income households. One portion of this funding is allocated annually for tenant-based vouchers, which directly subsidize the monthly rent of low-income households (30% of Area Median Income ("AMI") and below). Along with its federally funded tenant-based vouchers (for which households at 50% AMI and below are eligible), DCHA administers these locally funded tenant-based housing vouchers under HUD's Housing Choice Voucher Program ("HCVP"). The rest of LRSP funding is allocated for project- and sponsor-based vouchers, which are awarded to housing providers and nonprofit partners who use them to provide subsidized affordable units for low-income households. There are currently 1,867 units committed or online through project and sponsor-based LRSP.

DCHA's Rental Assistance Program (DC Local) is similar to LRSP. More than 13,000 low-income households are currently able to maintain housing in the District through these housing assistance programs. At any given time, the majority of all rental subsidies administered by DCHA are committed, because once a subsidy is awarded it is continually applied to housing costs month after month.

DCHA also serves as the landlord for the nearly 20,000 residents of the more than 8,000 federally-owned public housing units in the District. Public housing units provide low-income households with the financial assistance they need to live in habitable, affordable, and safe rental homes.

DCHA also maintains its Office of Public Safety, funded by local and federal funds. DCHA employs on-site public safety officers who are as equipped and jurisdictionally empowered as officers of the Metropolitan Police Department. This District of Columbia Housing Authority Police Force ("DCHAPD") represents the District's commitment to the safety of public housing residents, as well as personal, District, and federal property.

In addition to providing and subsidizing low-income housing, DCHA also closely collaborates with other District agencies and organizations to help public housing residents lead independent lives. This is accomplished through on-site programs that improve job skills, provide continuing education, promote public safety, and encourage youth summer employment, education, and recreation.

DCHA is also an important member of the D.C. Interagency Council on Homelessness, a District-wide Council comprising District government agencies, nonprofit providers of housing and social services, advocates, and residents from the community who have lived experience of homelessness. DCHA-issued vouchers support the affordability of Permanent Supportive Housing (PSH) and Targeted Affordable Housing (TAH) units, which are the most intensive interventions for District households experiencing

homelessness. PSH features rental subsidies as well as supportive services for homeless residents typically facing drug addiction or other major health problems for as long as the resident needs those services. TAH provides permanent housing subsidies to homeless individuals who do not require intensive supportive services.

DCHA issues tenant-based vouchers to homeless households referred to the agency by the Department of Human Services (DHS), and in many cases project- and sponsor-based subsidies support units that are dedicated for PSH and TAH by the housing providers and sponsors who receive the subsidies. Vouchers under the DC Local program are all issued to homeless households, and in FY 2018 and FY 2019 the Mayor's proposed enhancements to LRSP to create new affordable units were dedicated to PSH and TAH to support the District's plan (Homeward DC) to end chronic homeless by 2020 (or in other words, to make homelessness rare, brief, and nonrecurring).

PSH and TAH in the District are administered according to established best practices that the U.S. Congress codified in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act; these programs represent the District's commitment to the "housing first" model for ending homelessness. This model entails providing housing and supportive services to homeless clients to the extent of their need and without burdensome conditions on the client, affording homeless residents the stability necessary to attain self-sufficiency more quickly and with the least expense to themselves and the public.

Project-Based and Sponsor-Based LRSP: Project-based and sponsor-based Local Rent Supplement Program vouchers are an important tool for easing excessive rent burdens on low-income families. DCHA uses project-based and sponsor-based LRSP funds to provide operating subsidies for affordable units created through the Department of Housing and Community Development's (DHCD) Notice of Funding Availability (NOFA) solicitation process, which allocates Housing Production Trust Fund (HPTF) funding packages that include project-based and sponsor-based LRSP funds.

Project- and sponsor-based LRSP funds are awarded to bidders who agree to maintain LRSP-backed affordable units that meet standards outlined in their agreements with DCHA. Units subsidized by sponsor-based LRSP funding must include on-site supportive services. Units subsidized by project-based LRSP are not required to maintain such on-site supportive services.

Project- and sponsor-based LRSP funding is an important tool by which the District pursues the legal mandate that that 40% of HPTF funding be used to create units affordable for residents at 30% of AMI or below. This funding also supports the production of new PSH and TAH units, which support the implementation of the Homeward DC Plan, and which must comprise 5% of all new rental properties funded by DHCD.

Tenant-Based LRSP: Tenant-based vouchers are issued to households who meet income and eligibility criteria. Locally funded LRSP tenant-based vouchers are issued to households at 30% of AMI and below, while federally funded HCVP vouchers are issued to households at 50% of AMI and below.

Rental Assistance Program: The Rental Assistance Support Program (DC Local) provides rental assistance to low income households. Its annual allocation of slightly over \$7 million local dollars (\$7,140,000 in the Mayor's FY 2020 Proposed Budget) is dedicated to providing ongoing tenant-based housing assistance payments to 450 families. Like LRSP, this allotment of funding is administered according to federal HCVP rules, and is dedicated primarily to stabilizing homeless households.

Public Housing: DCHA is also the direct provider of housing for nearly 20,000 residents at the more than 8,000 units of publicly-owned housing in the District. DCHA is responsible for the upkeep of these properties, including repairs and preventative maintenance to units and common areas. During the FY 2017 budget oversight process the Committee recommended, and the Council adopted, legislation creating a Public Housing Rehabilitation and Maintenance Fund (R&M Fund), through which all unspent LRSP at the end of each fiscal year is made available to the agency for much-needed repairs, maintenance, and major capital improvement projects at DCHA properties.

D.C. Housing Authority Police Department: The DCHAPD a police force under DCHA's Office of Public Safety that employs sworn officers whose jurisdiction is concurrent with that of an officer of the Metropolitan Police Department. DCHAPD also employs special police officers, who possess arresting power on District public housing properties, as well as security officers, who screen visitors to public housing, and public safety administrative personnel.

New Communities Initiative: DCHA partners with the Office of the Deputy Mayor for Planning and Economic Development (DMPED) in implementing the New Communities Initiative (NCI). NCI is intended to improve the quality of life for families and individuals living in the following four neighborhoods in the District of Columbia: Northwest One (Ward 6); Barry Farm (Ward 8); Lincoln Heights/Richardson Dwellings (Ward 7); and Park Morton (Ward 1). These designated New Communities sites are characterized by high rates of poverty and dilapidated housing stock. NCI seeks to revitalize such distressed public housing sites by building mixed-income and vibrant communities. NCI operates under four guiding principles: (1) one-for-one replacement of units, (2) the opportunity for public housing residents to stay or return following redevelopment, (3) the redevelopment of mixed-income housing, and (4) the policy of building first prior to demolition where feasible in order to minimize temporary displacement.

The Housing Authority Board of Commissioners: The Housing Authority Board of Commissioners (the Board), holds broad authority to regulate and determine the activities of DCHA under D.C. Official Code § 6-211. The Board promulgates rules and regulations both for the activities of DCHA and for Board elections. The Board is also empowered to evaluate the Executive Director of DCHA, and any DCHA contract valued greater than \$250,000.

The Board comprises 11 Commissioners: 5 are nominated by the Mayor with the advice and consent of the Council, and one of these five must be a Housing Choice Voucher Program recipient; 3 public housing resident Commissioners are elected to the Board by their fellow public housing residents; 1 Commissioner is named by the Central Labor Council; 1 Commissioner is named by the D.C. Consortium of Legal Service Providers; and

lastly, the Deputy Mayor for Planning and Economic Development serves as an ex-officio member of the Board.²¹⁵

Commissioners on the Board receive annual stipends, with the Chairman receiving a stipend of \$6,000 and the other members receiving a stipend of \$4,000.²¹⁶

2. FISCAL YEAR 2020 OPERATING BUDGET

Committee Analysis and Comments

Housing Authority Subsidy					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
LOCAL FUND	\$81,109,810	\$111,488,631	\$128,063,975	\$10,486,298	\$138,550,273
OPERATING INTRA-DISTRICT FUNDS	\$1,400,000	\$0	\$0	\$0	\$0
TOTAL	\$82,509,810	\$111,488,631	\$128,063,975	\$10,486,298	\$138,550,273

The Mayor's proposed FY 2020 gross funds budget for the Housing Authority Subsidy is \$128,063,975, reflecting an increase of \$16,575,344 or 14.9% compared to FY 2019. The agency does not fund any FTEs with local funding.

Local Funds: The Mayor's proposed FY 2020 gross funds budget for the Housing Authority Subsidy is \$128,063,975, reflecting an increase of \$16,575,344 or 14.9% compared to FY 2019. The agency does not fund any FTEs with local funding.

Special Purpose Revenue Funds: The Mayor's proposed budget does not include any special purpose revenue funds.

Federal Funds: The Mayor's proposed budget does not include any federal funds for the Housing Authority Subsidy.

Intra-District Funds: The Mayor's proposed budget does not include any intra-district funds.

Increase to tenant-based LRSP: The majority (\$15,105,000²¹⁷) of DCHA's LRSP funding enhancement in the Mayor's FY 2020 Proposed Budget is set aside under its LRSP program to house homeless individuals and families in PSH and TAH using tenant-based vouchers. DHS refers these individuals and families to DCHA pursuant to the Homeward D.C. Plan. PSH provides wraparound support services in addition to a permanent rental subsidy for homeless households. TAH is provided to homeless households who no longer need the wraparound supportive services of PSH, but need a longer-term solution than

²¹⁵ D.C. Law 13-105; D.C. Official Code § 6-211.

²¹⁶ DCHA Responses to Questions in Advance of the Performance Oversight Public Hearing on Fiscal Years 2017/2018, February 21, 2018.

²¹⁷ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-195.

Rapid Re-Housing (which DHS provides on a time-limited basis without using LRSP funding).

DCHA provided the following table²¹⁸ showing the Mayor’s proposed distribution of this funding between PSH and TAH for singles, families, and youth:

Category	Cost/Unit	Unit Request	DCHA
PSH Unit	\$21,036	325	\$6,836,700
TAH	\$21,036	20	\$420,720
Admin			\$631,080
Individuals/Singles Subtotal		345	\$7,888,500
PSH Unit	\$24,420	180	\$4,395,600
TAH	\$24,420	80	\$1,953,600
Admin			\$552,104
Families Subtotal		260	\$6,901,304
PSH Unit	\$21,036	15	\$315,540
Youth Subtotal		15	\$315,540
Total		620	\$15,105,344

The Committee was informed by the Council Budget Office that the \$315,540 for PSH for youth was meant to be budgeted under the Department of Human Services, but was erroneously budgeted under the Housing Authority Subsidy. (In contrast, the PSH for families and individuals is meant to be under the DCHA budget). This brings the true amount budgeted by the Mayor under HY0 for PSH and TAH to \$14,789,804.

In addition to this amount, the Committee gratefully accepts transfers of LRSP funding from the following Committees:

1. A transfer of \$841,444 from the Committee on Facilities and Procurement to fund 20 tenant-based vouchers for returning citizens designated by the Office on

²¹⁸ DCHA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2020, April 11, 2019.

Returning Citizen Affairs, 10 TAH vouchers for individuals, and 10 PSH vouchers for individuals.

2. A transfer of \$984,710.25 in recurring funds from the Committee on Human Services, the Committee of the Whole, and the Committee on Labor and Workforce Development to create 46.8 new units of PSH for individuals.
3. A transfer of \$77,740 in recurring funds from the Committee on Business and Economic Development, for 3.7 units of PSH for individuals.

This brings the totals for the Mayor's budget and the Committee enhancements for TAH and PSH to 30 TAH vouchers for individuals and 405.5 PSH vouchers for individuals. The Committee enhances tenant-based vouchers by \$1,419,000 via a redirection of 0.25% of deed recordation and transfer taxes from the Housing Production Trust Fund, for the purpose of providing tenant-based vouchers to members of vulnerable populations including seniors, LGBTQ individuals, returning citizens, domestic violence survivors and veterans.

The Committee notes that no additional vouchers were allotted in the Mayor's budget for households on the DCHA waiting list.²¹⁹ The waiting list for vouchers is currently at more than 40,000 households.

Increase to project and sponsor-based LRSP: The Mayor's FY 2020 proposed budget contains an increase of \$1,470,000 to project and sponsor-based LRSP.²²⁰ Project-based and sponsor-based Local Rent Supplement Program vouchers are an important tool for easing excessive rent burdens on low-income families. DCHA uses project-based and sponsor-based LRSP funds to provide operating subsidies for affordable units created through the DHCD Consolidated NOFA solicitation process, which allocates HPTF funding packages that include project-based and sponsor-based LRSP funds.

DCHA reported in the agency's budget oversight responses that the total number of units assisted and households served by the \$1,470,000 enhancement would "be dependent on projects selected through the RFP process."²²¹ However, DHCD's budget oversight responses explained that the amount of LRSP required averages to \$25,469 per unit each year.²²² Assuming a similar unit mix and contract rents, DHCD explained, the additional funding would yield roughly 59 new units for 0-30% AMI households.²²³ Again, DHCD stressed that the exact number of units yielded would depend on the number of one bedroom vs. family size units and small area fair market rents, which vary widely.

²¹⁹ Mayor's FY 2020 Proposed Budget and Financial Plan, Volume 2, Housing Authority Subsidy (HY0), B-195.

²²⁰ *Id.*

²²¹ DCHA Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2020, April 11, 2019.

²²² DHCD Responses to Questions in Advance of the Budget Oversight Public Hearing on Fiscal Year 2020, April 23, 2019.

²²³ *Id.*

However, the Committee heard from several public witnesses and organizations that this enhancement will not be enough operating subsidy to help meet the target percentage of 40% of the Housing Production Trust Fund spent on housing affordable at 0-30% AMI. Advocates who testified at the budget oversight hearing argued for enhancements as high as \$7.4 million.

Accordingly, the Committee recommends that project and sponsor-based LRSP be enhanced by \$5,679,600, with a dedicated tax comprising 1% of deed recordation and transfer taxes out of the 15% currently dedicated to the HPTF. This will provide a dedicated stream of LRSP subsidy to create units at 0-30% AMI via the HPTF. The Committee endeavors to set a new standard for the creation of 0-30% AMI units using the HPTF, by pairing this dedication with a Budget Support Act subtitle that would require that 50% of HPTF funds spent in a given year go to units for the 0-30% AMI income band. Even with the additional infusion of funding to project and sponsor-based LRSP, the Committee understands that the HPTF may not hit the 50% target in the next year because of the number of factors on which this depends. However, the Committee finds it appropriate to so galvanize the District's efforts with respect to the creation of 0-30% AMI housing. It is also worth noting that any unspent LRSP in a given year will be available to DCHA for critical repairs in the following year in the Rehabilitation and Maintenance Fund.

Maycroft Project: Jubilee Housing applied for and received the approval for LRSP funding in FY 2013. This funding would allow for Jubilee to provide 41 LRSP units at the Maycroft Project on 1473 Columbia Road NW. However, multiple years of litigation on a TOPA claim resulted in Jubilee not being able to close on construction financing until June of 2017. By this time, LRSP rent levels had increased. Because of this discrepancy in timing, the project's first mortgage of \$7.2 million was underwritten by public and private lenders utilizing LRSP rent levels from FY 2016. Parties agreed, that following closing, Jubilee Housing would apply to adjust LRSP rent levels from FY 2013 to FY 2016 once the project had achieved one year of operations.

The District of Columbia Housing Authority ("DCHA") administers these funds and have not been sufficiently funded to commit the funds to close the project's shortfall of \$213,000. In November 2018, the Executive Director of DCHA stated that it would propose an annual inflation factor both its tenant-based and project/sponsor-based LRSP in the agency's FY 2020 budget ask. This would enable DCHA to continue providing annual rent increases for projects already online and approve annual adjustments for projects in its pipeline. At the agency's budget oversight hearing, the Executive Director explained that these increases were not included in the budget.

With this, the Committee directs DCHA to provide Jubilee Housing \$213,000 in recurring funds for the purpose of meeting its debt obligations for the Maycroft Project, via a transfer from the Committee on Human Services.

Extreme Need for Repairs to Public Housing: The Committee shares the deep concerns of DCHA, residents, and advocates with respect to the extreme level of need for repairs at District public housing properties. The Executive Director of DCHA, Tyrone Garrett, testified at the agency's budget oversight hearing that the agency's best estimate of the true need in dollars to fully rehabilitate and stabilize District public housing is \$2.2

billion.²²⁴ This estimate factors in soft costs such as design, planning, and legal expenses, as well as the escalation of costs over an estimated 17-year timeline for completing all required work.

DCHA had previously reported an estimate of \$343 million for the cost of mitigating environmental hazards for one year at 2,610 units in extremely urgent condition. This would not have ensured the long-term viability of the entire public housing portfolio, as it would not address systemic infrastructure issues. Similarly, a previously reported estimate of \$1.3 billion did not take into account soft costs or cost escalation over time.²²⁵

The Director testified further that DCHA's lowest-cost scenario to address the full need would require \$785-850 million in cash, which would be leveraged to raise the full \$2.2 billion. This plan would require a dedicated stream of \$45-50 million per year for 17 years.²²⁶ The Committee is not in a position to be able to fund, on its own, a plan of this financial magnitude.

DCHA also presented a concept that would first call for \$12.5 million per year over two years to get started on two of the most urgent properties and use \$10 million in annually recurring funds over 10 years to get started on repairs at up to 850 units in the most urgent conditions. The agency would leverage this amount to obtain up to \$115 million in funding immediately available for rehabilitating public housing.²²⁷

However, The Committee is hesitant to commit such a substantial stream of annual funding to be leveraged at such a high rate without enhanced planning and oversight. The Committee believes that a robust discussion must take place over the coming months regarding the kind of planning and oversight that should be in place for a financial undertaking of the magnitude facing DCHA.

Furthermore, witnesses at the hearing presented concerns relating to the form that properties would take after being redeveloped, with some witnesses wondering whether properties might be privatized. While the Director did suggest that private equity is likely to be brought in to assist with redevelopment of severely distressed housing, he emphasized DCHA's intention to maintain ownership and control over all of its public housing.²²⁸

Ultimately, while the Committee gave strong consideration to providing a dedicated stream of funding for public housing repairs in this year's budget, too many questions remain for this to be a timely undertaking. There is not yet available a concrete plan from DCHA showing scope of work for what the agency would do with a large dedicated stream; furthermore, the Office of the Chief Financial Officer informed the Committee that DCHA has significant cash reserves, that it could use as a stopgap until a bona fide plan for operationalizing and leveraging a large dedicated stream of funding.

²²⁴ Testimony of DCHA Director Tyrone Garrett at the Fiscal Year 2020 Budget Oversight Hearing, April 11, 2019.

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ *Id.*

²²⁸ *Id.*

Chairperson Bonds has asked the Chief Financial Officer to undertake a comprehensive analysis of DCHA's budget and finances, and to work with the agency on putting together a long term plan that is fiscally responsible for the District, and would not impinge upon the District's debt cap, as a dedicated stream might entail.

The Committee therefore urges that DCHA work closely with the Office of the Chief Financial Officer over the coming months to determine what stopgap measures for critical repair needs can be put in place using cash reserves and funding from the Rehabilitation and Maintenance Fund, as well as how the District could be involved in a longer term solution, and to begin working on a more concrete plan for the entire portfolio including scope of work such that the District could responsibly budget for a longer term solution in the future.

The Public Housing Rehabilitation and Maintenance Fund: At the conclusion of each fiscal year, some LRSP funding typically remains unspent due to some committed subsidies being not required until the following fiscal year when projects are online. Prior to Fiscal Year 2017, these funds had reverted to the general fund at the end of the fiscal year. Housing providers relying on the future availability of such funds are assured that the commitment would again be reflected in the following fiscal year's budget and, when the housing is online and LRSP operating subsidies are needed, DCHA fulfills that commitment from its then-current fiscal year budget allocation.

Since FY 2017, this recurring unspent LRSP funding has been deposited in the R&M Fund,²²⁹ which the Committee proposed and the Council adopted in the Fiscal Year 2017 Budget Support Act of 2016, to address numerous short- and long-term maintenance and other capital needs faced by DCHA properties.

DCHA submitted its annual report on the R&M Fund in April 2019. This report detailed DCHA's use of unspent LRSP funding left over after FY 2018, as well as the Authority's plans for the use of unspent LRSP following FY 2019. The agency reported that it spread this funding in FY18 (funding unspent from the FY17 LRSP allocation) across 14 properties, with 16 different repair projects in total. The agency reported having done work ranging from vacant unit renovation to chiller replacement, as well as enhanced building safety measures. As of the agency's budget oversight hearing, 11 of the 16 projects had been completed, with completion dates for the rest ranging from April 15th through June 15th of 2019. These repairs are expected to benefit 1,329 households, 2,104 residents.

DCHA Also outlined the work it plans to undertake with the \$8,200,000 in funds available in the R&M fund in FY19. The agency explained that the projects selected in FY19 will be focused on making units available for occupancy and repairing major systems that impact quality of life for occupied units such as roof repair, boiler repair, and elevators. DCHA has 14 total projects planned across 12 properties, with unit renovation and repair comprising 28% of planned expenditures, and work on major systems and roofing work that

²²⁹ The District of Columbia Housing Authority Rehabilitation and Maintenance Fund Amendment Act of 2016 (D.C. Law 21-160 § 5131; D.C. Official Code 6-202).

will affect entire properties will comprise 72% of planned expenditures. This work is expected to benefit 1,823 households with 3,393 residents.

Rental Assistance for Unsubsidized Seniors: In the FY 2019 Budget Support Act of 2018, the Committee also recommended, and the Council adopted, the “Rental Assistance for Unassisted Seniors Amendment Act of 2018”. This subtitle created a new shallow subsidy, the Rental Assistance for Unsubsidized Seniors Program, to provide partial rental assistance to senior-headed households making up to 60% of AMI and paying more than 30% of their income toward rent.

The Committee is pleased to see a continuation of this program, with an allocation of \$736,000. DCHA estimates that this will assist approximately 100 senior households who are facing high rent burdens. The Committee enhances this amount by \$1,419,000 via a redirection of deed recordation and transfer taxes from the Housing Production Trust Fund.

Public Housing Credit Building Pilot Program: The Public Housing Credit Building Pilot Program Amendment Act of 2018²³⁰ passed the Council unanimously on June 5, 2018, but remains unfunded through the current fiscal year. The Committee has funded this program for FY 2020. The pilot program would allow 50 voluntarily participating public housing residents to have their rent payments reported to credit bureaus in order increase their credit scores. Rent reporting is a good means for otherwise credit-invisible individuals to build a credit score and increase their possibilities for economic opportunity. Several witnesses testified in favor of funding this program, including Devin Edwards and William Ernst of the McCourt Policy Innovation Lab, Dara Duguay, the CEO of the Credit Builders Alliance, and Constance Bradley-Bryant, Financial Empowerment Coordinator at Jubilee Housing.

The Committee recommends that, in seeking participants for this program, DCHA reach out to residents who are best poised to benefit from the program by having timely rent payments, and to regularly update the committee as to the agency’s progress in selecting and educating residents, implementing the program, and evaluating its results.

3. FY 2020-2025 CAPITAL BUDGET

The District of Columbia Housing Authority’s local budget does not include capital funding.

H. HOUSING PRODUCTION TRUST FUND (UZ0)

1. AGENCY MISSION AND OVERVIEW

²³⁰L22-0154

The Housing Production Trust Fund (HPTF or the Fund) is the District’s primary tool for funding affordable housing projects. Since 2001, HPTF funds have contributed to the production or preservation of over 9,500 units of affordable housing across every ward of the District.²³¹ Through grants and loans to both for- and non-profit developers, the HPTF can be used for either rental or homeownership housing opportunities. HPTF is also seen as an effective financing tool, as it often serves as “gap financing” for projects that have substantial amounts of private financing, and only require a partial contribution from the District.

Although the HPTF was established in 1988, it did not receive regular funding until FY 2001, when the District made a one-time \$25 million contribution. The Housing Act of 2002 dedicated 15% of the District’s real property transfer taxes and deed recordation taxes each year to fund the HPTF.²³² In FY 2007, a subsidy account for this entity was created to show the annual transfer of dedicated deed recordation and transfer taxes from the District’s General Fund to the HPTF. Beginning in FY 2013, these funds were deposited directly into the HPTF; as a result, there is no transfer of dedicated taxes through the General Fund. There was a transfer of local funds to the HPTF through this Agency in FY 2013, FY 2014, FY 2016, FY 2017. A local funds transfer was also budgeted for FY 2018 and FY 2019.

In the FY 2020 budget, the Housing Production Trust Fund Subsidy (HP0) budget chapter reflects the local funds transfer portion of the HPTF, with the dedicated tax portion reflected in the chapter for the Housing Production Trust Fund (UZ0). The local funds transfer portion of the Housing Production Trust Fund in the FY 2020 proposed budget is \$52,645,000.

The HPTF is administered by the Department of Housing and Community Development (DHCD), which is also the largest recipient of HPTF resources. Funds are also distributed to other agencies, including the District of Columbia Housing Authority (DCHA) and the Department of Human Services (DHS), via intra-district transfers²³³, as well as to developers.

To ensure the HPTF is used to create and preserve affordable housing for households whose income levels are below the area median income (AMI), accompanying legislation was passed that imposes several statutory spending requirements. The law requires 40% of HPTF expenditures to go toward housing affordable for households at or below 30% of the AMI, 40% of expenditures to go toward housing affordable for households at 31-50% of AMI, and 20% of expenditures to go toward housing affordable for households at 51-80% of the AMI.²³⁴

²³¹ Based on the 2017 report released by the District of Columbia Office of the Auditor, the exact number of units produced or preserved using HPTF funds is a point of contention. See Office of the District of Columbia Auditor, *DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals 3* (March 16, 2017) (“This review found that data to be unreliable and we are not confident in the accuracy of the total number of projects and units.”).

²³² Housing Act of 2002, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-2802(c)(16)).

²³³ The term “intra-district transfer” refers to the payment process that creates an advance of cash from one agency fund to another agency fund.

²³⁴ D.C. Official Code § 42-2802(b-1).

Table 1: HPTF Income Limits²³⁵

Income Band	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
0 - 30%	\$23,150	\$26,500	\$29,800	\$33,100	\$36,400	\$39,700	\$43,050	\$46,350
31 - 50%	\$38,600	\$44,100	\$49,650	\$55,150	\$60,650	\$66,200	\$71,700	\$77,200
51 - 80%	\$61,750	\$70,600	\$79,400	\$88,250	\$97,050	\$105,900	\$114,700	\$123,550

In addition, the statute requires half of the funds in the HPTF to be used for the purpose of assisting in the provision of rental housing.²³⁶ It also restricts administrative costs of the Fund to no more than 15% per fiscal year of the funds deposited into the Fund.²³⁷ The HPTF statute also ensures that the fund supports long-term affordability by imposing affordability covenants of 5-40 years on projects receiving HPTF funds, depending on the type and location of the project.²³⁸ The Mayor is required to file an annual report that reports on the actions and spending of the HPTF.²³⁹

DHCD has established rent limits for residents who obtain a rental unit that has been funded with HPTF money. A recent study showed that 63% of the District’s lowest-income residents devote 50% or more of their income to housing.²⁴⁰ Such high housing costs may force families to forego necessities, move frequently, or endure unsafe or unhealthy living conditions. The HPTF rent limits help alleviate these pressures by ensuring that qualified individuals do not spend a majority of their income on rent.

Table 2: HPTF Rent Limits²⁴¹

²³⁵ Department of Housing and Community Development (hereinafter “DHCD”), *Housing Production Trust Fund (HPTF) Program Limits*, available at https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/HPTF%20Program%20Limits%20of%20July%201%202017_0.pdf (effective July 1, 2017).

²³⁶ D.C. Official Code § 42-2802(b-1).

²³⁷ D.C. Official Code § 42-2802(b)(10). The restriction on administrative costs was previously set at 10% of the funds deposited into the Fund; however, administrative spending exceeded this cap with some regularity. In response the agency’s needs, and with the goal of increasing the agency’s capacity to improve compliance, monitoring, and enforcement, the Committee recommended increasing the permissible administrative spending to 15% beginning in FY 2018.

²³⁸ D.C. Official Code § 42-2802.02.

²³⁹ D.C. Official Code § 42-2803.02.

²⁴⁰ Claire Zippel, *Building the Foundation: A Blueprint for Creating Affordable Housing for DC’s Lowest-Income Residents*, DC FISCAL POLICY INSTITUTE (April 4, 2018) (citing DCFPI’s analysis of 2016 American Community Survey 5-year public Use Microdata Sample).

²⁴¹ DHCD, *Housing Production Trust Fund (HPTF) Program Limits*, available at <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/HPTF%20Program%20Limits%20of%20July%201%202018.pdf>

	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI
Efficiency	\$620	\$1,030	\$1,640
1 Bedroom	\$700	\$1,170	\$1,880
2 Bedroom	\$790	\$1,320	\$2,110
3 Bedroom	\$970	\$1,610	\$2,580
4 Bedroom	\$1,140	\$1,900	\$3,050
5 Bedroom	\$1,230	\$2,050	\$3,280

The HPTF has a 9-member Board, which is appointed by the Mayor with the advice and consent of the Council, and serves to advise the Mayor on the development, financing, and operation of the Fund.²⁴² The Housing Production Trust Fund Advisory Board (Board) was established by the Council of the District of Columbia under the Housing Production Trust Fund Act of 1988.²⁴³ The Board may review the uses of the HPTF for conformity with the purposes of the Act, and the Board must have access to records related to the HPTF to perform this review.

2. FISCAL YEAR 2020 OPERATING BUDGET

- Fiscal Year 2020 Operating Budget, By Revenue Type*

Housing Production Trust Fund					
Fund	FY18 Actuals	FY19 Approved	FY20 Proposed	Committee Adjustment	Committee Approved
ENTERPRISE AND OTHER FUNDS	\$45,651,387	\$39,335,078	\$52,645,047	\$0	\$52,645,047
ENTERPRISE AND OTHER FUNDS-DEDICATED TAX	\$108,589,296	\$60,664,922	\$77,354,953	(\$8,519,400)	\$68,835,553
TOTAL	\$154,240,683	\$100,000,000	\$130,000,000	(\$8,519,400)	\$121,480,600

Committee Analysis and Comments

The Mayor's proposed FY 2020 operating budget is \$130,000,000, which is an increase of \$30,000,000, or 30%, from the FY 2019 approved budget of \$100,000,000. The budget is comprised of Dedicated Taxes and Local Funds. This budget does not support any full-time equivalents (FTEs) since the HPTF is a paper agency administered by DHCD.

²⁴² D.C. Official Code § 42-2802.01.

²⁴³ D.C. Law 8-133; D.C. Official Code § 42-2802.01 (effective June 8, 1990).

Dedicated Taxes: The Mayor’s proposed FY 2020 dedicated taxes budget is \$77,355,00, an increase of \$16,690,000 or 27.5%, from the FY 2019 approved budget of \$60,665,000.

Local Funds: The Mayor’s proposed FY 2020 local funds budget is \$52,645,000, an increase of \$13,310,000, or 33.8%, from the FY 2019 approved budget of \$39,335,000.

Compliance with Statutory AMI Requirements: Over the past several years, DHCD has struggled to meet the HPTF’s statutory AMI spending requirements, often spending a disproportionate amount on housing for 51-80% AMI. In an effort to bring spending into compliance, beginning with the 2015 Consolidated Request for Proposals, the agency has placed greater emphasis on the lower AMI units by requiring that all funding for new units target the 0-50% AMI categories. While this preference has now been in place for three years, the agency has stated that the majority of projects that have closed since then have been legacy projects that were accepted into the pipeline before the preference was incorporated into the RFP.

Table 4: HPTF Spending by Income Category²⁴⁴

	0 - 30% AMI	31 - 50% AMI	51 - 80% AMI
Statutory Mandate	40%	40%	20%
FY 2017	28%	28%	45%
FY 2018	30%	57%	13%
FY 2019 (to date plus projected)	17%	72%	11%

DHCD has identified the nature of projects funded by HPTF as an additional challenge to meeting the statutory requirements. Specifically, the agency has indicated that preservation projects, including acquisitions under the Tenant Opportunity to Purchase Act (TOPA), tend to fall into the 51-80% AMI category.

In FY 2018 and 2019, DHCD has shown great ability in using the HPTF to meet the target of spending 40% of funds on housing for 31-50% AMI. In the past three fiscal years

²⁴⁴ DHCD, *Response to 2019 Performance Oversight Pre-Hearing Questions*, Feb. 25, 2019 (Question #77).

DHCD has also been getting closer to hitting the 40% target for 0-30% AMI, with 30% spent on that category in FY 2018 and 17% already spent there in FY 2019.

Redirection of Dedicated Taxes to Project and Sponsor-Based LRSP: While recognizing the above improvements, the Committee heard testimony from numerous advocates who argued that the Mayor's \$1,474,000 enhancement to project and sponsor-based LRSP, which provides the operating subsidy that enables the affordability of 0-30% AMI HPTF, is not enough of an increase to sustain this progress and meet the 40/40/20 target in the future. This is a refrain before the Committee year after year with respect to the Mayor's allocation for project and sponsor-based LRSP, while the Council has provided enhancements to the program that have helped see the HPTF targets come closer to being met in recent fiscal years. Accordingly, the Committee recommends the adoption of a Budget Support Act subtitle statutorily redirecting 0.88% of deed recordation and transfer taxes from the 15% dedicated to HPTF, toward a dedicated stream of project and sponsor-based LRSP beginning with \$5 million in FY 2020.

Increasing Emphasis on 0-30% AMI: Beyond dedicating 0.88% of deed recordation and transfer taxes to project and sponsor-based LRSP, the Committee also recommends as a subtitle to the Budget Support Act that the new target for HPTF spending on 0-30% AMI shall be 50%, up from 40%, to re-emphasize the need for the production of housing at the lowest income levels. The Committee expects these two statutory changes will work hand-in-hand to increase the production of HPTF units at 0-30% AMI

Audit Results: Between March 2016 and March 2018, the Office of the District of Columbia Auditor (ODCA) released a series of reports on the Housing Production Trust Fund, including two Management Alerts, one report, and two audit reports. The audits covered the HPTF from FY 2001 through FY 2016 and examined a sample of 14 projects from DHCD's list of multifamily projects from FY 2001 – FY 2015, including one project from each year.²⁴⁵ The selected projects represented a variety of types of projects, types of developers, and funding purposes.

The audit's results showed systemic deficiencies in DHCD's compliance, monitoring, and enforcement mechanisms in relation to the agency's management of HPTF funds. Specifically, the audit reports shows that, through inadequate income certification requirements and procedures, DHCD had failed to ensure that HPTF projects were actually benefiting eligible households.²⁴⁶ The audit also raised concerns about the rate of loan repayments. Finally, the audit showed that DHCD has not complied with various requirements, *e.g.* as commissioning an annual HPTF audit, timely submitting quarterly and annual reports, completing the outreach plan, and the annual housing needs assessment.²⁴⁷

In response to the audit, DHCD has acknowledged the need for improvement in several key areas and has already started implementing some of the audit's

²⁴⁵ The Committee recognizes that the audit was historical rather than current in nature, and that it did not include any projects that received federal funds or Low Income Housing Tax Credits.

²⁴⁶ Office of the District of Columbia Auditor, *DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals* 8-23 (March 16, 2017).

²⁴⁷ *Id.* at 25-32.

recommendations.²⁴⁸ The agency has indicated that, starting on October 1, 2017, all new HPTF projects are subject to the HUD Part V income certification standard, which is also the standard for federal funding sources.²⁴⁹ In addition, pursuant to the increased cap on administrative expenses, the agency assigned 8.0 new FTEs to work on HPTF administration and compliance in FY 2018.

In its FY 2020 budget oversight responses, DHCD provided the Committee with further updates as to its progress in addressing issues identified by the audit. Specifically, standard income certification procedures are now in the implementation phase.²⁵⁰ These procedures provide for income certification at the initial lease-up period and the stabilization phase. The agency has also developed an Annual Owner's Certification Form that will show household income. The agency also implements an annual audit review for tracking borrower compliance with loan agreements and loan repayments. The Committee appreciates DHCD's dedication to improving the management of the HPTF and looks forward to supporting the agency as it continues to work to address the audit issues.

Budget Transparency: DHCD explained in its budget oversight responses and at its budget oversight hearing that in FY 2020, funds budgeted out of the HPTF chapter, UZ0, would be accounted for differently than in the past. In past fiscal years, funding for DHCD's TOPA Program, Development Finance Division (DFD)-executed HPTF loan and grant activity, the Single Family Residential Rehabilitation Program (SFRRP), and project activity under the Property Acquisition and Disposition Division (PADD) had been budgeted both as part of UZ0 and as intra-district transfers from UZ0 in the DB0 budget. In FY 2020, project money for these programs is budgeted in UZ0 only, rather than in both DB0 and UZ0 such that it appeared to be double-counted.

This created the appearance in DHCD's budget that some programs had received large cuts or been zeroed out. In fact, per crosswalk tables provided in response to Question 16 of the agency's budget oversight responses, all of these programs see an increase or remain flat in FY 2020.²⁵¹ DFD Affordable Housing Project Financing sees an increase of \$25,584,060; TOPA Assistance remains flat at \$10,000,000; SFRRP receives a \$500,000 increase, and PADD receives a \$1,395,609 increase.²⁵²

Unfortunately, this was not apparent from inspecting the FY 2020 Proposed Budget. The Committee recommends that DHCD find a way to avoid double-counting project funds in both DB0 and UZ0, while still breaking out the funding in UZ0 when presenting the budget and the various purposes is planned to be used, and by which DHCD divisions.

²⁴⁸ See DHCD, *DHCD Response to draft report entitled "To Better Meet Affordable Housing Goals DHCD Should Improve Management of the Housing Production Trust Fund"* (Feb. 24, 2017).

²⁴⁹ DHCD, *Response to Fiscal Years 2018/2019 Budget Oversight Pre-Hearing Questions*, April 11, 2018 (Question #18).

²⁵⁰ DHCD, *Responses to 2019/2020 Budget Oversight Pre-Hearing Questions*, April 19, 2019 (Question #71).

²⁵¹ DHCD, *Responses to 2019/2020 Budget Oversight Pre-Hearing Questions*, April 19, 2019 (Question #16).

²⁵² *Id.*

3. FY 2020-2025 CAPITAL BUDGET

The Housing Production Trust Fund has no associated capital funds.

III. TRANSFERS TO OTHER COMMITTEES

In addition to the changes recommended for agencies within its jurisdiction, the Committee has worked with other committees to identify funding needs and recommends transfers to support programs in those other committees as described below.

COMMITTEE ON THE JUDICIARY AND PUBLIC SAFETY

The Committee recommends transferring the following amounts to the Committee on the Judiciary and Public Safety:

- \$125,784.62 in recurring funds to the Office of the Attorney General to fund an Elder Abuse Civil Enforcement Attorney.

COMMITTEE ON HUMAN SERVICES

The Committee recommends transferring the following amounts to the Committee on Human Services:

- \$315,540 in recurring funds to the Department of Human Services (DHS), for Youth Permanent Supportive Housing Subsidies that were meant to be budgeted under DHS.

IV. BUDGET SUPPORT ACT RECOMMENDATIONS

On Wednesday, March 20, 2019, Chairman Mendelson introduced, on behalf of the Mayor, the “Fiscal Year 2020 Budget Support Act of 2019” (Bill 23-0209). The bill contains four subtitles for which the Committee has provided comments. The Committee also recommends the addition of four new subtitles.

A. RECOMMENDATIONS ON MAYOR’S PROPOSED SUBTITLES

The Committee provides comments on the following subtitles of the “Fiscal Year 2020 Budget Support Act of 2019”:

1. Title II. Subtitle (II)(B) – The Negotiated Employee Affordable Home Purchase Fund Act of 2019

a. Purpose, Effect, and Impact on Existing Law

The subtitle creates the Negotiated Employee Affordable Home Purchase (NEAHP) Fund, to be administered by the Department of Housing and Community Development. NEAHP would provide home purchase down payment and closing cost assistance to

government employees covered by a collective bargaining agreement that requires the District to fund NEAHP on behalf of the employees.

The Fund will receive funding designated for employee housing assistance under collective bargaining agreements that the District has negotiated with various unions, as well as repayments employees might make to NEAHP. The Fund will be non-lapsing, meaning money left in the Fund at the end of a fiscal year will stay in the Fund and be rolled over to the next fiscal year.

b. Committee Reasoning

Currently when a collective bargaining agreement includes NEAHP funding, the Department of Human Resources will transfer that funding to DHCD. If any of that funding is left over at the end of the year, DHCD must justify rolling over the funds to the next fiscal year by showing the funds are earmarked for NEAHP. The creation of the NEAHP Fund will make the process for rolling over the funds more transparent.

c. Section-by-Section Analysis

Sec. 2011. Short title.

Sec. 2012. Creates the Negotiated Employee Affordable Home Purchase Fund, as a special fund to be administered by the Department of Housing and Community Development.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE X. NEGOTIATED EMPLOYEE AFFORDABLE HOME PURCHASE FUND

Sec. 2011. Short title.

This subtitle may be cited as the “Negotiated Employee Affordable Home Purchase Fund Act of 2019”.

Sec. 2012. Negotiated Employee Affordable Home Purchase Fund.

(a) There is established as a special fund the Negotiated Employee Affordable Home Purchase Fund (“Fund”), which shall be administered by the Department of Housing and Community Development in accordance with subsection (c) of this section.

(b) There shall be deposited into the Fund:

(1) Amounts the District is required to allocate pursuant to a collective bargaining agreement to fund the Negotiated Employee Affordable Home Purchase Program (“NEAHP Program”); and

(2) Any required repayment to the District of a financial award made through the NEAHP Program.

(c) The Fund shall be used to provide financial assistance to District government employees pursuant to the terms of the applicable collective bargaining agreement and the NEAHP program.

(d)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation.

e. Fiscal Impact

The fiscal impact of this subtitle was incorporated into the FY 2020 budget and financial plan.

2. Title II. Subtitle (II)(M) – The Chief Tenant Advocate Salary Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law Background

The subtitle amends section 2066(c)(1) of the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.06(c)(1)), to remove the requirement that the Chief Tenant Advocate’s salary, which comes from the Excepted Service salary schedule, be equivalent to that of a Grade 15 employee on the District schedule. Instead, the subtitle allows the Mayor to set the salary of the Chief Tenant Advocate, allowing the Chief Tenant Advocate to have a salary higher than that of a Grade 15 career service employee.

b. Committee Reasoning

The proposed subtitle will remove the statutory salary cap so that the Chief Tenant Advocate may be compensated at a rate more comparable to that of other agency directors.

c. Section-by-Section Analysis

Sec. 2121. Short title.

Sec. 2122. Amends section 2066(c)(1) of the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.06(c)(1)) to remove the requirement that the Chief Tenant Advocate’s salary be equivalent to that of a Grade 15 employee on the District schedule, and thereby allows the Mayor to set the salary of the Chief Tenant Advocate at an amount higher than that of a grade 15 employee.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE M. CHIEF TENANT ADVOCATE SALARY

Sec. 2121. Short title.

This subtitle may be cited as the “Chief Tenant Advocate Salary Amendment Act of 2019”.

Sec. 2122. Section 2066(c)(1) of the Office of the Chief Tenant Advocate Establishment Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 42-3531.06(c)(1)) is amended to read as follows:

“(1) The Chief shall be a statutory officeholder in the Excepted Service pursuant to section 908 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Official Code § 1-609.08), and shall receive annual compensation under the Excepted Service salary schedule in an amount determined by the Mayor. No employee of the Office, other than the Chief, shall receive annual compensation above the level of that received by a District employee at a grade 14 under the District service salary schedule.”.

e. Fiscal Impact

The fiscal impact of this subtitle was incorporated into the FY 2020 budget and financial plan.

3. Title II. Subtitle (II)(O) - Workforce Housing Production and Preservation Fund Establishment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle creates a non-lapsing fund called the Workforce Housing Production and Preservation Fund. The fund will be used to provide grants, loans, and other forms of financial assistance to support the construction of new workforce housing, and the rehabilitation and preservation of existing workforce housing. Workforce housing is defined as for-sale or rental housing affordable to a household earning between 60 percent and 120 percent of the Area Median Income. Each property that benefits from the fund must have a covenant with respect to affordability, the terms and conditions of which will be determined by the Mayor.

The fund will receive revenue from the following sources:

- Amounts appropriated to the fund;
- Repayments of principal and interest on loans and other forms of financial assistance provided from the fund;
- Proceeds realized from the liquidation of security interests held by the District under terms of assistance provided from the fund;
- Revenue, receipts, and fees derived from the operation of the fund; and

- Interest earned from the deposit or investment of monies from the fund.

The proposed fiscal year 2020 budget includes \$20 million for the fund. This money will support the construction, rehabilitation, and preservation of workforce housing as well as the cost of administering the fund.

b. Committee Reasoning

District government subsidies have dramatically increased the amount of housing affordable to households at 50% of the District's Median Family Income (MFI) and below. However, the market does not produce a significant number of workforce housing units—housing for middle-income households and families earning 60% to 120% of MFI. One result is that households within this middle-income bracket tend to leave the District for the rest of the region at higher rates than other incomes. A recent survey of District households revealed that 48% of residents in the 50-80% of MFI income bracket feel that rising housing costs will be a key driver of their next move, likewise for a quarter of households at 80% MFI and over.

The Committee believes that District government subsidies are necessary to incentivize the production and preservation of workforce housing or else the gap of available housing in this important housing segment will continue to grow. The Workforce Housing Production and Preservation Fund provides \$20 million for a fund that will attract and leverage private capital to produce and preserve workforce housing. The goal of the Workforce Housing Fund is to aid in achieving increased supply of housing for the “missing middle” income households in DC. To accomplish this, the fund will:

- Target increasing housing supply affordable to households making between 60% and 120% of MFI;
- Include both preservation/rehabilitation and new production in eligible developments; and
- Require an affordability covenant to ensure that housing remains affordable even after initial residents move.

The Committee also recommends in addition a 50/40/10 rule for this Fund, analogous to the 50/40/10 rule the Committee has proposed for the Housing Production Trust Fund in the Budget Support Act subtitle entitled the “Housing Production Trust Fund Target Modification Amendment Act of 2019.” The 50/40/10 rule for the Workforce Housing Production and Preservation Fund would require that 50% of funds disbursed must be for housing at 60-80% AMI, 40% of funds must be for 81-100% AMI, and the remainder of funds may be spent on 101-120% AMI. The Committee believes it is wise to structure this fund similarly to HPTF so that the District is focusing its assistance on the lower AMI levels, which are in greater need of affordable housing.

c. Section-by-Section Analysis

Sec. 2141. Short title.

Sec. 2142. Creates the Workforce Housing Production and Preservation Fund as a non-lapsing fund to be used to provide grants, loans, and other forms of financial assistance to support the construction of new workforce housing and the rehabilitation and preservation of existing workforce housing.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE O. WORKFORCE HOUSING PRODUCTION AND PRESERVATION FUND

Sec. 2141. Short title.

This subtitle may be cited as the “Workforce Housing Production and Preservation Fund Establishment Act of 2019”.

Sec. 2142. Workforce Housing Production and Preservation Fund.

(a) There is established as a special fund the Workforce Housing Production and Preservation Fund (“Fund”), which shall be administered by the Mayor in accordance with subsection (c) of this section.

(b) (1) At least 50% of the funds disbursed from the Fund during a fiscal year shall be for the purposes of assisting in the provision of housing opportunities for households with an income that is greater than 60% but no more than 80% of area median income.

(2) At least 40% of the funds disbursed from the Fund during a fiscal year shall be for the purposes of assisting in the provision of housing opportunities for households with an income that is greater than 80% but no more than 100% of area median income.

(3) The Mayor may submit a written request to the Council for a waiver of the requirement in paragraphs (1) or (2) of this subsection if, by the end of the 3rd quarter of the fiscal year, the Mayor has not received a sufficient number of viable housing proposals to meet the requirement. The Council shall approve or disapprove the waiver by resolution within 30 days, and the resolution shall be deemed disapproved if the Council does not act within this 30-day period.

(c) Revenue from the following sources shall be deposited in the Fund:

(1) Such amounts as may be appropriated to the Fund;

(2) Repayments of principal and interest on loans and other forms of financial assistance provided from the Fund;

(3) Proceeds realized from the liquidation of security interests held by the District under terms of assistance provided from the Fund;

(4) All revenue, receipts, and fees derived from the operation of the Fund;
and

(5) Interest earned from the deposit or investment of monies from the Fund.

(d) The Fund shall be used to:

(1) Provide grants, loans, debt, equity, and other forms of financial assistance to support the construction of new workforce housing and the rehabilitation and preservation of existing workforce housing; and

(2) Pay for the costs of administration of the Fund.

(e) For each property assisted by an expenditure of funds from the Fund, the Mayor shall require a covenant with respect to affordability, the terms and conditions of which shall be determined by the Mayor, to be filed and recorded in the land records of the District.

(f)(1) The money deposited into the Fund shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of a fiscal year, or at any other time.

(2) Subject to authorization in an approved budget and financial plan, any funds appropriated in the Fund shall be continually available without regard to fiscal year limitation."

(g) For the purposes of this section, the term:

(1) "Area median income" shall have the meaning set forth in section 2(1) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801(1).

(2) "Workforce housing" means for-sale or rental housing affordable to a household earning between 60% and 120% of the area median income.

(h) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.), may issue rules to implement this section.

e. Fiscal Impact

The fiscal impact of this subtitle was incorporated into the FY 2020 budget and financial plan. The Committee's changes did not add any further fiscal impact.

4. Title V Subtitle (V)(G) The Adult Protective Services Transfer Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

The subtitle amends section 2(6) of the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901(6)), to transfer Adult Protective Services from the Department of Human Services (DHS) to the Department of Aging and Community Living (DACL).

b. Committee Reasoning

The Adult Protective Services Act of 1984 established an adult protective services (“APS”) function within the Department of Human Services (DHS). APS investigates reports of alleged cases of abuse, neglect, and exploitation by third parties, and self-neglect of vulnerable adults 18 years of age or older. APS also provides protective services to reduce or eliminate the risk of abuse, neglect, self-neglect, and exploitation.

The Council recently passed, and the Mayor recently signed, the District of Columbia Department of Aging and Community Living Amendment Act of 2018. This legislation expands the mission and scope of the Office of Aging (which was renamed the Department of Aging and Community Living (DACL)) to include the protection of older adults of the District; specifically, the legislation states that part of the mission of DACL is to “ensure the rights of older adults and their families, and prevent their abuse, neglect, and exploitation.” However, the legislation did not specifically transfer the functions of APS to DACL. This subtitle will effectuate the transfer of APS from DHS to DACL.

c. Section-by-Section Analysis

Sec. 5061. Short title.

Sec. 5062. amends section 2(6) of the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901(6)) to transfers Adult Protective Services from the Department of Human Services (DHS) to the Department of Aging and Community Living (DACL).

d. Legislative Recommendations for Committee of the Whole

SUBTITLE G. ADULT PROTECTIVE SERVICES TRANSFER

Sec. 5061. Short title.

This subtitle may be cited as the “Adult Protective Services Transfer Amendment Act of 2019”.

Sec. 5062. Section 2(6) of the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901(6)), is amended by striking the phrase “Department of Human Services” and inserting the phrase “Department of Aging and Community Living” in its place.

Sec. 5063. The District of Columbia Act on the Aging, effective October 29, 1975 (D.C. Law 1-24; D.C. Official Code § 7-501.01 *et seq.*) is amended by adding a new section 308 to read as follows:

“Sec. 308. Transfer of functions of Adult Protective Services.

“All positions, personnel, property, records, equipment, and unexpended balances of appropriations, allocations, and other funds available or to be made available to the Department of Human Services associated primarily with implementation of the duties and

functions of the Department of Human Services under the Adult Protective Services Act of 1984, effective March 14, 1985 (D.C. Law 5-156; D.C. Official Code § 7-1901 *et seq.*), are hereby transferred to the Department.”.

e. Fiscal Impact

The fiscal impact of this subtitle was incorporated into the FY 2020 budget and financial plan.

B. RECOMMENDATIONS FOR NEW SUBTITLES

The Committee recommends the following new subtitles to be added to the “Fiscal Year 2020 Budget Support Act of 2019”:

1. Title XX. Subtitle XX – The Housing Production Trust Fund Target Modification Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle increases the percentage of the Housing Production Trust Fund dedicated to producing housing for extremely low-income households (households with income equal to 30% or less of the area median income) from 40% to 50%.

b. Committee Reasoning

Currently, the Housing Production Trust Fund follows a 40/40/20 rule such that 40% of funding is to be spent on housing for 0-30% AMI, 40% is to be spent on housing at 31-50% AMI, and the remainder is to be spent on 51-80% AMI. The Committee believes it is time to create a more ambitious goal for the 0-30% AMI income band and require 50% of HPTF spending on that income band. The Committee notes that DHCD has come much closer in recent years to hitting the 40% target for 0-30% AMI, having reached 30% of spending in FY 2018. The Committee believes that, along with the Committee’s recommended additional \$5,679,600 in project and sponsor-based LRSP subsidies that would provide operating dollars to 0-30% AMI housing, DHCD can reach this new target soon.

c. Section-by-Section Analysis

Sec. 2011. Short title.

Sec. 2012. Amends the Housing Production Trust Fund Act of 1989 to change the statutory targets for the Housing Production Trust Funds such that 50% of funds shall be expended on extremely low-income households.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE xx. HOUSING PRODUCTION TRUST FUND TARGET MODIFICATION

Sec. XX. Short title.

This subtitle may be cited as the “Housing Production Trust Fund Target Modification Amendment Act of 2019”.

Sec. XX. Section 3(b-1)(2) of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(b-1)(2)), is amended by striking the phrase “At least 40%” and inserting the phrase “At least 50%” in its place.

e. Fiscal Impact

This subtitle has no fiscal impact.

2. Title XX. Subtitle XX – The Rental Housing Database and Registration Extension Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

This subtitle amends the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), to extend the due date for the Office of the Tenant Advocate (“OTA”) to complete the re-registration component of the rent control housing database and the database itself from December 13, 2019 to September 30, 2020, and to reset the due date when housing providers are required to file online re-registration statements to within 90 days after the launching of the database.

Consistent with this subtitle, the Committee recommends that the Office of the Tenant Advocate’s unexpended amount of funds from the Rent Control Housing Clearinghouse database of \$617,348 in FY 2019 (Project number RCCD1C, Program code 1000, Activity codes 1040 and 1087) be reallocated to FY 2020 to fund the Rent Control Housing Clearinghouse database in FY 2020.

b. Committee Reasoning

During the Fiscal Year 2018 budget cycle, the Council directed the Office of the Tenant Advocate to develop an internet-accessible, searchable database for the submission, management, and review of all documents that housing providers must submit to the Rental Accommodation Division (“RAD”) of the Department of Housing and Community Development (“DHCD”).

Then during the Fiscal Year 2019 budget cycle, the Council further required OTA to include a re-registration component in the database in the Rental Housing Registration Update Amendment Act of 2018, effective October 30, 2018 (D.C. Law 22-168; D.C. Official Code § 42-3502.03c). The re-registration would require all housing providers to file online information such as the number of units in a rental building, the sizes of the units, and the rent charged. The re-registration was to be completed by April 28, 2019, and the database was to be completed and transferred to RAD by December 13, 2019.

The original due date for the registration component was based on OTA's plan to:

- Develop the database by entering into a Memorandum of Understanding ("MOU") with the Department of Consumer and Regulatory Affairs ("DCRA") to collaborate with DCRA's general database vendor; and
- Complete the registration component as the first phase in a multi-phased process leading to the completion of the database.

However, due to circumstances beyond OTA's control, the MOU proved not to be viable. In the absence of an MOU with a current District government vendor, the registration component was not able to be completed before completion of the database itself, thus rendering the original due date impracticable.

The Office of the Tenant Advocate then proceeded to secure a vendor through open bidding in lieu of the MOU. Based on the Office of Contracting and Procurement's ("OCP") anticipated timeframe as of October 2018, the OTA expected the Request for Proposal ("RFP") to be published by November 2018 and the contract to be awarded by April 2019. That timeline would have enabled the OTA to complete the database itself and all related activities, and to transfer the project to RAD by the original due date of December 13, 2019.

Nevertheless, due to further unforeseen factors, OCP did not publish the RFP until April 2019. At that time, OCP also revised the anticipated timeframe for the contract award to sometime between September 2019 and November 2019. Accordingly, assuming the contract is actually awarded by the end of November 2019, and allowing 10 months for software development, testing, and necessary post-testing modifications, the OTA expects to be able to transfer the completed project to RAD by September 30, 2020.

Thus in summary, this subtitle would amend the Rental Housing Act of 1985 to:

- Extend the due date for OTA to complete and transfer the Rent Control Housing Database and the re-registration component to the same completion date of September 30, 2020; and
- Reset the due date when housing providers are newly required to file online re-registration statements and claims of exemption to within 90 days after the launching of the database by RAD.

It is important that the re-registration time period be reset to be consistent with the new database due date so that housing providers may realistically fulfill their re-registration obligations under the act. Further, funds allocated in FY2019 for the completion of the registration project and database will be rolled over into FY2020 consistent with the deadlines required in this subtitle.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Amends the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), to extend the due date for the Office of the Tenant Advocate to complete the re-registration component of the rent control housing database and the database itself to September 30, 2020, and to reset the due date when housing providers are required to file online re-registration statements to within 90 days after the launching of the database by RAD.

d. Legislative Recommendations for Committee of the Whole

SUBTITLE X. RENTAL HOUSING DATABASE AND REGISTRATION
EXTENSION

Sec. XX. Short title.

This subtitle may be cited as the “The Rental Housing Database and Registration Extension Amendment Act of 2019”.

Sec. XX. The Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 *et seq.*), is amended as follows:

(a) Section 203c (D.C. Official Code § 42-3502.03e) is redesignated as section 203e.

(b) The second section 203a (D.C. Official Code § 42-3502.03c) is redesignated as section 203c.

(c) The newly redesignated section 203c is amended as follows:

(1) Subsection (a) is amended by striking the phrase “and administer”.

(2) Subsection (e) is amended by striking the phrase “December 13, 2019” and inserting the phrase “September 30, 2020” in its place.

(3) Subsection (e-1)(1) is amended to read as follows:

“(e-1)(1) The OTA shall develop an online portal and database for the filing of registration statements and claims of exemption under section 205(f), which OTA shall integrate into the database created pursuant to subsection (a) of this section, by the same date required in subsection (e) of this section for database completion, testing, and operation.”.

(d) Subsection (e-2)(1) is amended by striking the phrase “no later than December 13, 2019” and inserting the phrase “by the same date required in subsection (e) of this section for database completion, testing, and operation” in its place.

(e) The second section 203b (D.C. Official Code § 42-3502.03d) is redesignated as 203d.

(f) The newly redesignated section 203d is amended as follows:

(1) The section heading is amended by striking the phrase “and registration”.

(2) The text is amended to read as follows:

“Upon completion of the publicly accessible rent control housing database created pursuant to section 203c, a housing provider shall use the online housing provider portal developed pursuant to section 203c(b)(1) to file all documents and data required to be filed pursuant to this title and all regulations promulgated pursuant to this title.”.

(g) Section 205(f) (D.C. Official Code § 42-3502.05(f)) is amended as follows:

(1) Paragraphs (1) and (2) are amended to read as follows:

“(1) Within 90 days after completion of the publicly accessible rent control housing database created pursuant to section 203c, each housing provider of a housing accommodation for which the housing provider is receiving rent or is entitled to receive rent shall file a new registration statement and, if applicable, a new claim of exemption via the online housing provider portal developed pursuant to section 203c(e-1).

“(2) A person who becomes a housing provider of a housing accommodation 90 days or more after completion of the publicly accessible rent control housing database created pursuant to section 203c, shall file a registration statement and, if applicable, claim of exemption, within 30 days of becoming a housing provider.”.

(2) Paragraph (3) is amended by striking the phrase “A housing provider shall file a registration statement and, if applicable, a claim of exemption, with the Division in accordance with section 203d, which shall solicit” and inserting the phrase “The registration statement and claim of exemption shall solicit” in its place.

(3) Paragraph (4) is amended as follows:

(A) Subparagraph (A) is amended to read as follows:

“(A) No penalties for failure to previously register the housing accommodation shall be assessed against a housing provider who registers a housing accommodation under this section within 90 days after completion of the publicly accessible rent control housing database created pursuant to section 203c.”.

(B) Subparagraph (B)(i) is amended by striking the phrase “Beginning 241 days after October 30, 2018” and inserting the phrase “Beginning 91 days after

completion of the publicly accessible rent control housing database created pursuant to section 203c” in its place.

e. Fiscal Impact

Funding of \$617,348 for the Rent Control Housing Clearinghouse database was already included in FY 2019 budget (Project number RCCD1C, Program code 1000, Activity codes 1040 and 1087), which is being reallocated to FY 2020.

3. Subtitle XX. Dedicated Rental Subsidies Amendment Act of 2019

a. Purpose, Effect, and Impact on Existing Law

The purpose of this subtitle is to dedicate 1% (\$ 5,679,600 in FY 2020) of deed recordation and transfer taxes to the Project and Sponsor-Based Local Rent Supplement Program, which provides operating subsidy for units affordable at 0-30% of Area Median Income; 0.25% (\$1,419,900 in FY 2020) of deed recordation and transfer taxes to Local Rent Supplement Program tenant-based vouchers, and 0.25% (\$1,419,900 in FY 2020) to the Rental Assistance for Unsubsidized Seniors Program. These portions would come from the 15% of these taxes that are currently dedicated to the Housing Production Trust Fund, leaving 13.5% of the taxes dedicated to HPTF annually.

b. Committee Reasoning

The Housing Production Trust Fund (HPTF) currently follows the 40/40/20 rule, in which 40% of funds must be spent on housing affordable at 0-30% AMI, 40% must be spent on 31-50% AMI, and the remainder is to be spent on 51-80% AMI. For 0-30% AMI housing, HPTF projects use project and sponsor-based LRSP as operating subsidy to maintain the affordability of the units. The Committee notes that advocates at budget hearings have argued that the Mayor’s budget does not offer sufficient project and sponsor-based LRSP to meet the goal of spending 40% of HPTF funding on 0-30% AMI. Indeed, the HPTF has struggled to meet the 40% target in past years. The Committee therefore finds it prudent to redirect funding that is currently within the HPTF in order to help it more efficiently operate at the 0-30% AMI level, with a dedicated stream of project and sponsor-based LRSP funding.

Furthermore, the Committee wishes to support the Local Rent Supplement Program tenant-based program by providing additional vouchers for vulnerable populations, as well as the Housing Authority’s Rental Assistance for Unsubsidized Seniors Program, which provides partial rental assistance to senior-headed households making up to 60% of AMI and paying more than 30% of their income toward rent.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Amends the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(c)(16) to change the amount

of deed recordation and transfer tax dedicated to the Housing Production Trust Fund from 15% to 13.5%.

Sec. XX. Amends the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*) to dedicate deed recordation and transfer taxes as follows: 1% to project and sponsor-based LRSP, 0.25% to the tenant based Local Rent Supplement Program, and 0.25% to the Rental Assistance for Unsubsidized Seniors Program.

Sec. XX. Amends Section 303(a-4) of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103(a-4) to make conforming amendments.

Sec. XX. Amends Section 47-903(a-4) of the District of Columbia Official Code to make conforming amendments.

d. Legislative Recommendations for Committee of the Whole

SUBTITLE XX. DEDICATED RENTAL SUBSIDIES AMENDMENT ACT OF 2019

Sec. XX. Short title.

This subtitle may be cited as the “Dedicated Rental Subsidies Amendment Act of 2019”.

Sec. XX. Section 3(c)(16) of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(c)(16)), is amended as follows:

(a) The existing text is designated as subparagraph (A).

(b) The newly designated subparagraph (A) is amended by striking the phrase “Beginning October 1, 2003” and inserting the phrase “Beginning October 1, 2003 and ending September 30, 2019” in its place.

(c) A new subparagraph (B) is added to read as follows:

“(B) Beginning October 1, 2019, 13.50% of the real property transfer tax imposed by D.C. Official Code § 47-903 and 13.50% of the deed recordation tax imposed by section 303 of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103); provided, that if, in any fiscal year, the Chief Financial Officer certifies the proposed budget will not be balanced as required by section 603(c) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-206.03(c)), if the provisions of this paragraph take effect, the applicable percentage for the fiscal year shall be the amount derived from the available general fund balance; and”.

Sec. XX. The District of Columbia Housing Authority Act of 1999, effective May 9,

2000 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*), is amended as follows:

(a) Section 26a(d) (D.C. Official Code § 6-226(d)) is amended by adding new paragraphs (3) and (4) to read as follows:

“(3) Beginning October 1, 2019, 1% of the real property transfer tax imposed by D.C. Official Code § 47-903 and 1% of the deed recordation tax imposed by section 303 of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103) shall be deposited in the Rent Supplement Fund for the purposes of funding project-based and sponsor-based voucher assistance, as described in section 26b; provided, that if, in any fiscal year, the Chief Financial Officer certifies the proposed budget will not be balanced as required by section 603(c) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-206.03(c)), if the provisions of this paragraph take effect, the applicable percentage for the fiscal year shall be the amount derived from the available general fund balance.

“(4) Beginning October 1, 2019, .25% of the real property transfer tax imposed by D.C. Official Code § 47-903 and .25% of the deed recordation tax imposed by section 303 of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103) shall be deposited in the Rent Supplement Fund for the purposes of funding tenant-based voucher assistance, as described in section 26c; provided, that if, in any fiscal year, the Chief Financial Officer certifies the proposed budget will not be balanced as required by section 603(c) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-206.03(c)), if the provisions of this paragraph take effect, the applicable percentage for the fiscal year shall be the amount derived from the available general fund balance.”.

(b) Section 26f(b) (D.C. Official Code § 6-231(b)) is amended to read as follows:

“(b) Revenue from the following sources shall be deposited into the Fund:

“(1) The rental unit fee, reserved pursuant to section 401(a)(2)(C) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3504.01(a)(2)(C)); and

“(2) Beginning October 1, 2019, .25% of the real property transfer tax imposed by D.C. Official Code § 47-903 and .25% of the deed recordation tax imposed by section 303 of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103); provided, that if, in any fiscal year, the Chief Financial Officer certifies the proposed budget will not be balanced as required by section 603(c) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-206.03(c)), if the provisions of this paragraph take effect, the applicable percentage for the fiscal year shall be the amount derived from the available general fund balance.”.

Sec. XX. Section 303(a-4) of the District of Columbia Recordation Tax Act, approved March 2, 1976 (76 Stat. 12; D.C. Official Code § 42-1103(a-4)), is amended as follows:

(a) The existing text is designated as paragraph (1).

(b) The newly designated paragraph (1) is amended by striking the phrase “Beginning October 1, 2006” and inserting the phrase “Beginning October 1, 2006 and ending September 30, 2019” in its place.

(c) A new paragraph (2) is added to read as follows:

“(2) Beginning October 1, 2019, except for residential properties transferred for a consideration less than \$400,000, an additional tax of .35% is imposed upon a deed that is subject to the tax under subsection (a)(1) or (3) of this section. The funds collected under this subsection shall be deposited as follows:

“(A) 13.50% shall be deposited in the Housing Production Trust Fund established by section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802);

“(B) 1.25% shall be deposited in the Rent Supplement Fund established by section 26a of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-226);

“(C) .25% shall be deposited in the Tenant-Based Rental Assistance Fund established by section 26f of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-231); and

“(D) The remainder shall be deposited in the General Fund of the District of Columbia.”

Sec. XX. Chapter 9 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) Section 47-903(a-4) of the District of Columbia Official Code is amended as follows:

(1) The existing text is designated as paragraph (1).

(2) The newly designated paragraph (1) is amended by striking the phrase “Beginning October 1, 2006” and inserting the phrase “Beginning October 1, 2006 and ending September 30, 2019” in its place.

(3) A new paragraph (2) is added to read as follows:

“(2) Beginning October 1, 2019, except for residential properties transferred for a consideration less than \$400,000, an additional tax of .35% is imposed upon a deed that is subject to the tax under subsection (a)(1) or (3) of this section. The funds collected under this subsection shall be deposited as follows:

“(A) 13.5% shall be deposited in the Housing Production Trust Fund established by section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802);

“(B) 1.25% shall be deposited in the Rent Supplement Fund established by section 26a of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-226);

“(C) .25% shall be deposited in the Tenant-Based Rental Assistance Fund established by section 26f of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-231); and

“(D) The remainder shall be deposited in the General Fund of the District of Columbia.”.

(b) Section 47-919 is amended by striking the phrase “that 15% of the monies collected under this chapter shall be deposited into the Housing Production Trust Fund established by section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802)” and inserting the phrase “that 13.5% of the monies collected under this chapter shall be deposited into the Housing Production Trust Fund established by section 3 of the Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802); 1.25% of the monies collected under this chapter shall be deposited into the Rent Supplement Fund established by section 26a of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-226); .25% of the monies collected under this chapter shall be deposited into the Tenant-Based Rental Assistance Fund established by section 26f of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-231)”.

e. Fiscal Impact

This subtitle has a fiscal impact of \$8,519,400 in FY 2020, a decrease in the amount available in the Housing Production Trust Fund. This amount will be re-directed to the Housing Authority.

4. Subtitle XX – Subject to Appropriations Repealer

a. Purpose, Effect, and Impact on Existing Law

This subtitle repeals the subject to appropriations provisions of bills that the Committee has funded in its Fiscal Year 2020 budget recommendations.

b. Committee Reasoning

This subtitle is necessary because the Committee has secured funding for the following legislation: the Public Housing Credit Building Pilot Program Amendment Act of 2018, the Vacancy Increase Reform Amendment Act of 2018, and the Rental Housing Affordability re-establishment Amendment Act of 2018.

c. Section-by-Section Analysis

Sec. XX. Short title.

Sec. XX. Repeals the subject to appropriations provision of the Public Housing Credit Building Pilot Program Amendment Act of 2018.

Sec. XX Repeals the subject to appropriations provision of the Rental Housing Affordability Re-establishment Amendment Act of 2018.

Sec. XX. Repeals the subject to appropriations provision of the Vacancy Increase Reform Amendment Act of 2018.

d. Legislative Recommendation for Committee of the Whole

SUBTITLE XX. SUBJECT TO APPROPRIATIONS REPEALER

Sec. XX. Short title.

This subtitle may be cited as the “Subject to Appropriations Repealer Act of 2019”.

Sec. XX. Section 3 of the Public Housing Credit Building Pilot Program Amendment Act of 2018, effective August 22, 2018 (D.C. Law 22-154; 65 DCR 7146), is repealed.

Sec. XX. Section 3 of the Rental Housing Affordability Re-establishment Amendment Act of 2018, effective February 22, 2019 (D.C. Law 22-202; 65 DCR 12333) is repealed.

Sec. XX. Section 3 of the Vacancy Increase Reform Amendment Act of 2018, effective February 22, 2019 (D.C. Law 22-223; 66 DCR 185) is repealed.

V. COMMITTEE ACTION AND VOTE

On Wednesday, May 1, 2019, in Room 500 of the John A. Wilson Building, the Committee met to consider and vote on the Mayor’s FY 2020 Budget Report for the agencies under its jurisdiction.

Chairperson Anita Bonds determined the presence of a quorum consisting of herself and Councilmembers Elissa Silverman, Robert C. White Jr., Brianne K. Nadeau, and Trayon White, Sr. Chairperson Bonds provided a brief overview of the report and a summary of the changes to the Mayor’s proposed budget as recommended by the Committee before opening the floor for discussion.

Councilmember Trayon White, Sr. thanked the Chairperson for her efforts to support seniors in the budget and applauded the acceleration of plans for the Ward 8 Senior Center. Councilmember White also praised the 50/40/10 rule for the Housing Production Trust Fund, the funding of the Public Housing Credit Building Pilot Program, and the additional funding for vouchers added by the Committee.

Councilmember Elissa Silverman expressed support for the increase to project and sponsor-based vouchers, and that the Committee was able to fund the Rental Housing Affordability Re-establishment Amendment Act of 2019. Councilmember Silverman also added that the Committee had placed important guardrails in the Workforce Housing Production and preservation Fund by establishing a 50/40/10 rule. Finally, Councilmember Silverman noted her disappointment that the Committee's budget did not include funding for public housing repairs, but that she understood that the price was very high to be funded out of one committee.

Councilmember Brianne K. Nadeau expressed her pleasure that the Committee secured funding for 61 new permanent supportive housing vouchers, and a new elder abuse attorney at the Office of the Attorney General. She expressed disappointment at the lack of additional funding for Neighborhood Based Activities within DHCD, and skepticism toward the Mayor's Workforce Housing Production and Preservation Fund regarding the income bands that it would support. Finally, Councilmember Nadeau said she believes the District needs to act regarding public housing repair needs, but she understands the Committee's caution in not doing so when there is no plan in place.

Councilmember Robert C. White, Jr. praised the Committee's increases in funding for senior services and expressed gratitude toward the Committee for accepting his own Committee on Facilities and Procurement's contributions to the Committee's budget. Councilmember White likewise expressed skepticism toward the Mayor's Workforce Housing Production and Preservation Fund, suggesting that the District should be prioritizing production of housing for lower income levels due to limited resources.

Chairperson Bonds then moved the Committee's Fiscal Year 2020 Budget recommendations for approval, with leave for staff to make technical and conforming changes to reflect the Committee's actions.

The Members voted 5-0 in support of the proposed recommendations, with the members voting as follows:

Members in favor: Councilmembers Anita Bonds, Elissa Silverman, Robert C. White Jr., Brianne K. Nadeau, and Trayon White, Sr.

Members opposed:

Members voting present:

Members absent:

Chairperson Bonds adjourned the meeting at 3:25 p.m.

VI. ATTACHMENTS

- A. Bill 23-209, Fiscal Year 2020 Budget Support Act of 2019 Recommended Subtitles
- B. Thursday, March 28, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.

- C. Thursday, April 11, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.
- D. Tuesday, April 23, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.
- E. Thursday, April 25, 2019 Fiscal Year 2020 Budget Oversight Hearing Witness List and Testimony.