



MEMORANDUM

From: Deputy Mayor Brian Kenner

To: Interested Parties

Re: Response to May 6 *Washington Post* article “The D.C. Housing Department forfeited millions as families waited for help”

Date: May 9, 2017

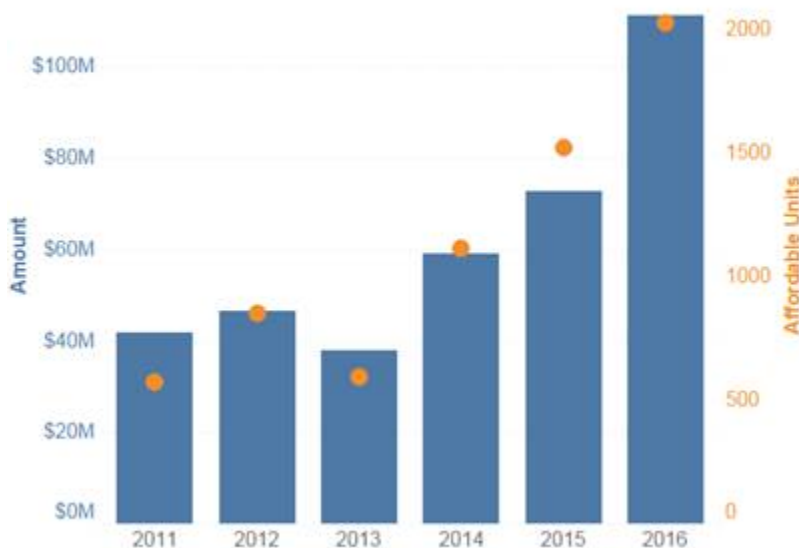
* Bowser Administration Making Unprecedented Investments into Affordable Housing

The Bowser Administration is **unequivocally serving more residents than we were just two years ago** – and the numbers don’t lie.

DHCD has **almost doubled the output of funding in just two short years**, which means **twice as many residents will have access to affordable housing** in the District every year.

See charts:

DHCD Affordable Housing Financing Closed
Fiscal Years 2011 - 2016



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Fiscal Year	Projects Funded	Funding Closed	Affordable Units Closed
2011	10	\$41,758,340	570
2012	17	\$46,614,659	850
2013	17	\$38,003,987	593
2014	24	\$59,171,545	1,114
2015	24	\$72,806,349	1,519
2016	28	\$111,276,661	2,023

As of May 1, our [Affordable Housing Production and Preservation tracker](#) shows:

Affordable Housing Tracker

Updated May 1, 2017

	Housing Production Snapshot		Production Since Jan. 2015	
	Under Construction	Pipeline	Delivered	Started*
Projects	74	39	100	87
Affordable Units	4,333	3,359	3,500	4,780
0-30% AMI	1,204	931		
31-50% AMI	803	784		
51-80% AMI	2,271	1,644		

*Started Includes projects for which financing closed or construction started.
 AMI = Area Median Income. AMI is \$109,200 for a family of four.
 Table includes DMPED, DHCD, IZ, DCHA, and DCHFA projects.

For the last three years, **we committed \$100 million to the Housing Production Trust Fund** each year—more than any other city per capita in the country.

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We also included **\$10 million for a new public-private preservation fund** in the Mayor’s FY2018 budget.

We have **produced and preserved 3,500 affordable housing units** in the District. And more than 3,300 affordable housing units—capable of **housing more than 8,400 District residents**—are in the development pipeline.

Mayor Bowser realizes that affordable housing is only one component of inclusive prosperity, so **she has taken a broad approach in fighting for greater economic opportunity for more residents** by successfully increasing the minimum wage, improving policies and supports for families who rely on public assistance, and advancing an end to homelessness.

*** Bowser Administration Fixing Long-Troubled Department of Housing and Community Development (DHCD)**

As reported, in 2015 the Bowser Administration took over a **DHCD agency beset with [high leadership turnover](#), excessive vacancies, a clogged project pipeline which took an average of three years to fund projects, and more than a decade of [spending difficulties](#) and [mismanagement of federal funds](#).**

For example, the over **\$15 million in HOME funds referenced in the Post’s story *actually expired prior to 2015***. These projects were funded and approved by the prior administration and were subsequently **found to be ineligible for HOME funds during the first six months of the Bowser Administration** – a fact the article fails to mention.

Grant breakdown from U.S. Department of Housing and Urban Development here:

HUD Reason Grant Reduction	Year	Amount Reduced	HUD Year Processed
COMMITMENT	2011	\$6,532,192.00	2015
EXPIRED-CHDO	2008	\$54,209.76	2015
COMMITMENT	2013	\$7,830,417.24	2016
EXPIRED-CHDO	2009	\$977,692.15	2016

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It is also not true that DHCD abandoned efforts to get approval for a tenant-based rental assistance program. In fact, in 2016 [HUD approved DHCD’s new five-year Consolidated Plan](#)—which includes funding for such a program.

We have **fixed problems from the previous administration** and are doing more now than at any time for affordable housing in DC. This includes:

- Reached historic levels of Housing Production Trust Fund (HPTF) project investments, funding over \$106 million in projects in 2016. This was possible because DHCD developed an online application for funds to speed up underwriting and because DHCD now provides two windows a year for project funding applications through its Notice of Funds Availability (NOFA)/Request for Proposals (RFP).
- Significantly improved management and oversight of Federal funding:
 - Created Federal Funding team to ensure tests were met
 - Closed out federal audit and HUD Office of Inspector General findings
 - Updated administrative procedures
 - Updated 5 year Consolidated Plan required by HUD to use HOME and CDBG
 - Updated an outdated Qualified Allocation Plan (QAP) for Low Income Housing Tax Credits
- Recruited and filled key management vacancies and improved organizational structure

Moreover today, **we are now serving more residents**, stabilizing the agency and resetting the District’s relationship with HUD.

In fact, **two of the projects where HOME funds were returned because of previous administrations’ actions**, Senior Housing at [O Street Market](#) and [Altamont Place](#), **have since been completed** and are used as examples by HUD of successful affordable housing developments in Wards 6 and 8, respectively.

For HOME funds under the Bowser Administration, **nearly half of the 638 units of affordable rental and for-sale housing we inherited - that sat dormant - are now available or under construction.**

Most of these units are affordable to extremely low income residents, like those described in the article, for 40 years.

These are long-term affordable housing opportunities to District residents like seniors and veterans – not just the temporary rental assistance the reporter focuses on.

In fact, the hyperbolic **assertion that DHCD could have funded 1,000 vouchers for a year with returned funds fails to take into account two important facts:**

- 1) the funds were from over multiple years so could never have funded 1,000 vouchers in any given year; and
- 2) vouchers must be funded as long as a resident is in a unit, so funding is more than a year-long commitment.

In short, **it would have been impossible to fund 1,000 vouchers in any year** and funding any vouchers would diminish future years’ allocation, a decision that cannot be made lightly.

The article quotes **former DHCD officials who actually made the decisions to underwrite projects while failing to meet the HUD requirements** yet fails to mention this reality.

Their quotes seem to place the blame with the current administration, while the article fails to ask or address the hard questions about their apparent mismanagement and handoff of a hobbled agency.

The article also focuses on data of a first-time audit of the fund that **only included one project funded during the Bowser administration**. Worst yet, it failed to cite that **DHCD hired an independent auditor several months ago** to continue to find ways to improve its execution.

HOME funds will not eliminate a 40,000 person public housing waiting list – this article makes the irresponsible suggestion that it does. That said, we all agree that the District does need to do even more.

Ultimately, we are committed to being good stewards of federal and local funds so the **problems of the past are not repeated** – as evidenced of DHCD being announced [as a finalist for the Urban Land Institute’s Larson Housing Policy Leadership Award](#), which recognizes innovative ways cities are addressing the nation’s affordable housing crisis.

*** Bowser Administration Tackling Longstanding Homelessness Challenges**

[Homeward DC](#) – the District’s ICH plan to **make homelessness rare, brief, and non-recurring** is working. With unprecedented investments in solutions to homelessness and a focus on system reforms, the **District has prevented homelessness among more than 3,000 families and supported more than 1,870 households to exit homelessness** with permanent housing between 2016 and 2017 alone. The 2017 annual Point in Time count reflects an overall **10.5% decrease in homelessness** with a **22% decrease in homelessness among families** and a **15%**

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decrease in homelessness among veterans between 2016 and 2017, the first year of full implementation of Homeward DC.

In addition to the \$100 million in HPTF investments, we have committed \$36 million in solutions that we know work to end homelessness over two years of implementation of Homeward DC. The Mayor’s FY2018 proposed budget includes an additional \$15M for permanent housing resources

*** Housing Resources and Data Serving District Residents and Families**

A current listing of available rent-restricted units can be found at: www.dchousingsearch.org.

Residents interested in the inclusionary zoning program can learn more and sign up at: <https://dhcd.dc.gov/service/inclusionary-zoning-affordable-housing-program>.

Residents interested in Home Purchase Assistance (HPAP) down payment assistance can learn more at: <https://dhcd.dc.gov/service/home-purchase-assistance-program-hpap>.

As part of Mayor Bowser’s push for open government, DMPED has created an online dashboard at: <http://open.dc.gov/economic-intelligence/affordable-production-preservation.html> to track information about affordable housing production and preservation by the Department of Housing and Community Development, the Deputy Mayor for Planning and Economic Development, the DC Housing Authority, the DC Housing Finance Agency and DC's Inclusionary Zoning program.

For more information on affordable housing and other real estate development projects, explore the [DMPED Real Estate Project Pipeline](#) open database and the [Department of Housing and Community Development's Development Finance Division Pipeline Database](#).