

Department of Housing and Community Development FY2017

FY2017 Performance Accountability Report

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives, and key performance indicators (KPIs).

Mission

The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.

Summary of Services

Rental Conversion and Sale Division: Administers the Rental Housing Conversion and Sale Act of 1980 and the Condominium Act of 1976. Housing Regulation Administration: Administers residential housing regulations relating to condominium and cooperative conversions, rent adjustment procedures, licensing and other related matters. HRA also manages the Housing Resource Center. Development Finance Division: Provides funding for the development of rental, homeownership and community facility developments that serve District of Columbia neighborhoods. Property Acquisition and Disposition Division: Stabilizes neighborhoods by decreasing the number of vacant and abandoned residential properties in the District, and transforming vacant and/or abandoned residential properties into homeownership opportunities for District of Columbia residents at all income levels. Residential and Community Services Division: Provides funding for programs focused on housing needs and neighborhood revitalization. Portfolio and Asset Management Division: Manages the allocation of Low Income Housing Tax Credits and provides portfolio management oversight to outstanding loans. Office of Program Monitoring: Conducts oversight and reviews of DHCD projects and funding recipients. Rental Housing Commission: Charged with enforcing the Rental Housing Act of 1985.

FY17 Top Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
Completion of the required legislative and regulatory drafts required by the Zoning Commission to simplify and improve the Inclusionary Zoning Program.	In FY 2017, DHCD worked with the Department of Housing and Community Development (DCRA), the Office of Planning, the Deputy Mayor for Planning and Economic Development (DMPED) and the Council to pass the B22-0104 - Inclusionary Zoning Consistency Amendment Act of 2017, which became law on September 23, 2017. This amendment was followed by emergency and proposed amendments to the IZ program regulations, which were published on September 1, 2017. The final rulemaking will address the process and definitions of reasonable accommodations for compliance with the Americans with Disabilities Act.	The IZ program is one of many tools used in the District of Columbia to help address the affordable housing crisis, where, in exchange for bonus density, developers of larger new construction/substantial rehabilitation projects must set aside a percentage of housing units as affordable.
Improvements to the Home Purchase Assistance Program (HPAP)	DHCD also issued an RFP, which resulted in two administrators to close loans for the HPAP program, the Greater Washington Urban League and DC Housing and Finance Authority. This improvement will allow DHCD to increase and improve service delivery.	DHCD increased the amount of funding for HPAP borrowers was increased from \$50K to \$80K, which is the highest maximum loan amount for the program and should give low-income borrowers more buying power when purchasing a new home. DHCD revised the HPAP program for borrowers with incomes below 80 percent of the area median income (AMI). The 5-year deferral period was removed and repayment is deferred until the property is sold, refinanced to take out equity, or is no longer their primary residence. However, moderate-income borrowers who earn between 80 percent and 110 percent AMI will have payments deferred for five years with a 40 year principal-only

		repayment period.
In FY17, DHCD made improvements in the their financial systems and reporting.	DHCD reduced A-133 findings in 2 years from 17 to 2 (projected), 88% drop from FY14 to FY16 given improved operations.	DHCD met the Community Development Block Grant (CDBG) spending test in FY17. DHCD utilized CDBG funds to support various interagency efforts including Department of Energy & Environment (DOEE) Weatherization Project, Office of Victims Services and Justice Grants (OVSJG) emergency shelter, Office on Aging Safe at Home Program, Short term family housing efforts with Department of Human Services (DHS) and Department of General Services (DGS), District Department of Transportation (DDOT) and Department of Public Works (DPW) infrastructure and alley improvements. In addition, DHCD funded down payment assistance (HPAP), critical affordable housing efforts and supported nonprofit organizations through operational grants (DHCD Neighborhood Based Activities Program) for housing counseling, small business technical assistance and storefront façade improvement program.

2017 Strategic Objectives

Objective Number	Strategic Objective
1	Increase New Affordable Housing Opportunities.
2	Preserve Existing Affordable Housing Stock.
3	Promote community development activities.
4	Create and maintain a highly efficient, transparent and responsive District government. **

2017 Key Performance Indicators

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY 2017	KPI Status	Explanation
1 - Increase New Affordable Housing Opportunities. (3 Measures)									
Number of total new construction affordable rental housing units funded	Quarterly	500	150	345	0	59	554	Met	
Number of affordable homeownership units produced or preserved	Quarterly	30	0	0	48	0	48	Met	
Number of Homebuyer Purchase Assistance Program loans	Quarterly	225	56	67	78	106	307	Met	
2 - Preserve Existing Affordable Housing Stock. (2 Measures)									
Number of affordable rental housing units preserved (rehabbed)	Quarterly	780	36	254	361	766	1417	Met	

Number of affordable single-family homeownership units rehabbed from Single Family Rehab/Lead Safe Programs	Quarterly	100	19	10	72	7	108	Met	
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3 - Promote community development activities. (4 Measures)

Number of storefront facades improved	Quarterly	40	3	6	16	7	32	Unmet	The Neighborhood Based Activities Program is funded by HUD when entitlement monies are made available in the IDIS system. Monies are generally made available in late spring and early summer, which can cause a delay in project funding.
Number of capacity-building workshops given to organizations	Quarterly	10	3	2	2	4	11	Met	
Number of properties disposed that were developed by DHCD (Turn-Key)	Quarterly	5	0	0	0	2	2	Unmet	In fiscal year 2017, PADD was required to use a significant portion of its rehabilitation funding on the immediate stabilization of several properties newly acquired in FY 2016 as well as older properties in its inventory, and to complete the funding of a public housing weatherization project with DOEE. This depleted the funds available for rehabilitation of turnkey assets.
Number of Section 3 Jobs Created	Annually	25	Annual Measure	Annual Measure	Annual Measure	Annual Measure	27	Met	

4 - Create and maintain a highly efficient, transparent and responsive District government. (16 Measures)**

Percentage of loans at least one year old in good standing	Annually	92%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	87.5%	Nearly Met	In FY17, the percentage of loans in good standing has remained consistent over the last three quarters. The number of loans and delinquencies has remained stable throughout FY17. In FY18 the performance measure will be more reflective of the portfolio.
Percentage of hardship petitions processed within 90 days	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	100%	Met	
Average number of calendar days for compliance review	Annually	45	Annual Measure	Annual Measure	Annual Measure	Annual Measure	27	Met	
Percentage of required	Annually	100%	Annual	Annual	Annual	Annual	100%	Met	

Asset Management site visits completed			Measure	Measure	Measure	Measure			
Percentage of IZ lotteries held in 17 days or less after receiving a notice of availability	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	97.3%	Nearly Met	In order for DHCD to conduct an IZ lottery, it requires that the developer accurately lists the properties on dhousingsearch.org. In FY18 the revised IZ regulations clarify the timeframes and explicitly state that the lottery will not be conducted until the properties are listed. The FY18 KPI language will be updated to reflect this change.
Percentage of development finance projects that close within 9 months of selection	Annually	50%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	15%	Unmet	Measure should be revised to 12 months instead of 9, and target reduced to 50%. Request made to OCA.
Percentage of projects that start construction within 6 months after DHCD receives the application	Quarterly	80%	65%	65%	75%	65%	67.5%	Unmet	In FY17, both Single Family Rehabilitation (SFRRP) and Lead Safe Washington (LSW) operated with severe staff shortages. In particular, SFRRP operated with no full time manager from April 2016 until May 2017 and has been functioning with only two construction analysts when we have four FTE's. These deficiencies have prevented the program from adding efficiency to job completion and application processing.
Percentage of HPAP loans that close within 45 days after sales contract approval	Quarterly	80%	33%	36%	49%	45%	40.8%	Unmet	In FY17, it was determined by the new HPAP manager that processing time for our HPAP Administrator to receive the contract to the settlement dates takes about 60 days. The FY18 measure will be revised to reflect this change.
Percentage of HPAP loans subordinated within 45 days upon receipt of a complete subordination package	Quarterly	80%	100%	78%	63%	0%	60.3%	Unmet	In FY17, there was a decline in the number of applications received that met the requirements and contained all of the appropriate paperwork. In FY18, DHCD will work with our Community Based Organizations to ensure that all required documentation is contained in each of the submitted application packets.
Percentage of Storefront Facade projects that complete within 10 weeks after pre-construction	Annually	80%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	30%	Unmet	The Neighborhood Based Activities Program is funded by HUD when entitlement monies are made available in the IDIS system. Monies are generally made

approval										available in late spring and early summer, which can cause a delay in project funding. Additionally, even with pre-construction approval issued, there are structural code, architectural and other unforeseen project issues that could the façade improvement.
Median Number of Months Property is in DHCD's portfolio	Annually	40	Annual Measure	Annual Measure	Annual Measure	Annual Measure	39	Met		
Average number of days between Rental Housing Commission hearing a new case and final decision	Annually	60	Annual Measure	Annual Measure	Annual Measure	Annual Measure	45.8	Met		
Percentage of TOPA notices received listed in a published online report on DHCD's website within two weeks	Quarterly	100%	100%	100%	100%	100%	100%	Met		
Met HPTF Statutory Requirements - 30% AMI	Quarterly	40%	64%	37%	34%	7%	35.5%	Unmet	In FY17, DHCD funded many TOPA and preservation projects This impacted the AMI, since residents already occupied these properties and were already above 50% of AMI.	
Met HPTF Statutory Requirements - 50% AMI	Quarterly	40%	36%	22%	48%	18%	31%	Unmet	In FY17, DHCD funded many TOPA and preservation projects This impacted the AMI, since residents already occupied these properties and were already above 50% of AMI.	
Met HPTF Statutory Requirements - 80% AMI	Quarterly	20%	0%	40%	18%	2%	15%	Met		

We've revisited a project to standardize District wide measures for the Objective "Create and maintain a highly efficient, transparent and responsive District government." New measures will be tracked in FY18 and FY19 and published starting in the FY19 Performance Plan.

2017 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	FY 2017
1 - Affordable Housing Project Financing (2 Measures)						
Number of loan closings	Quarterly	2	6	8	12	28
Number of financial applications submitted	Quarterly	No data	15	No data	33	48

		available		available		
1 - Down Payment Assistance (1 Measure)						
Number of HPAP applications received	Quarterly	145	157	229	236	767
1 - Inclusionary Zoning (1 Measure)						
Number of IZ units available for occupancy	Quarterly	25	78	25	21	149
2 - Home Rehab Assistance (2 Measures)						
Number of Single FamilyRehab applications received	Quarterly	13	18	12	16	59
Number of Lead Safe Washington applications received	Quarterly	6	8	7	5	26
2 - Rental Conversion and Sales (1 Measure)						
Number of TOPA notices processed	Quarterly	349	404	124	468	1345
3 - Foster Small Business Development (1 Measure)						
Number of small business technical assistance sessions	Quarterly	6310	1217	1736	1240	10503
3 - Housing Counseling (1 Measure)						
Number of housing counseling sessions given	Quarterly	5702	5954	6803	5822	24281
3 - Housing Resource Center (1 Measure)						
Number of customers who utilize the Housing Resources Center	Quarterly	1350	1564	1674	1750	6338
3 - Maintain DHCD's property portfolio (2 Measures)						
Number of properties acquired	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	4
Number of total properties disposed	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	6
4 - Housing Regulation Administration and Rental Housing Commission (2 Measures)						
Number of Rental Housing Commission appeals disposed	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	14
Number of hardship petitions received	Quarterly	0	1	0	1	2
4 - Portfolio and Asset Management (2 Measures)						
Number of submitted financial reviews	Quarterly	0	0	0	285	285
Number of loans serviced by a third-party vendor	Quarterly	7811	7835	7849	7885	31380
4 - Program Monitoring (2 Measures)						
Number of Davis Bacon inspections	Quarterly	24	10	38	43	115
Number of compliance reviews completed	Quarterly	35	42	31	11	119

Title	Description	Complete to Date	Status Update	Explanation
AFFORDABLE HOUSING PROJECT FINANCING (7 Strategic initiatives)				
Establish a Preservation Unit	Establish a "Preservation Unit" located within a designated District agency that is tasked with being the District's central source to (a) preserve existing assisted affordable housing in the city, (b) identify opportunities to place "naturally affordable," unassisted units under covenant or to otherwise preserve their affordability, and (c) maintain comprehensive data on all affordable housing in the city.	75-99%	DHCD is currently in 2nd round of interviews to hire the first Preservation Officer.	DHCD received an FTE to hire a preservation officer in the FY18 budget request.
Commit local and Federal Resources for affordable housing preservation and production	<p>DHCD will continue to fully commit unprecedented local and federal resources towards affordable housing production and preservation. To ensure adequate flow of funds, the Development Finance Division will take the following measures in FY17:</p> <ul style="list-style-type: none"> - Update and align the Qualified Allocation Plan (QAP) - a plan that enables the agency to allocate its low-income housing tax credits - with the revamped Request for Proposal process. The latest QAP was published in 2012. - Commit to two RFPs per year which will increase the number of potential applicants for funding. - Evaluate how the division can decrease the time at which the Agency reviews and selects qualified applications and underwrites deals. - Launch a new loan program called Great Spaces, Healthy Places. Landlords with buildings up to 50 units will be able to apply for low-interest loans to address sub-standard property issues (safety and environmental hazards). DHCD will draft an application, pilot the program, and develop recommendations for the next fiscal year. 	75-99%	<p>In FY17, DHCD completed the following to ensure that that federal resources were adequately spent:</p> <ul style="list-style-type: none"> -The QAP report was published in May 2017. -DHCD awarded eight (8) projects that focused on preservation, production and homeownership. -DHCD met the August 2, 2017 CDBG HUD Spending Test. -DHCD reduced A-133 audit findings from 17 to 2 -DHCD ensured compliance with federal funds (CDBG, HOME and HPTF). -Over \$100 million awarded in HPTF two years in a row 	Great Spaces, is now the Small Building Program and will be implemented in FY18.
Public Private Preservation Fund	Provide seed funding to a Public-Private Preservation Fund to facilitate early investments while leveraging greater amounts of private capital to preserve affordable housing.	Complete	In FY 2017, \$10 million dollars was allocated In the FY18 budget to establish a preservation fund. The Preservation Fund (anticipated to be a revolving loan fund) is one of six recommendations/action items provided in the DC Housing Preservation Strike Force final report (https://dhcd.dc.gov/service/dc-housing-preservation-strike-force)	

Small Properties Program	Develop a Small Properties Preservation and Affordability Program within DHCD to assist properties with 5 to 50 units with funds for renovations and repairs.	0-24%	In FY 2017, DHCD renamed the Great Spaces, Healthy Places program to the Small Buildings Program. This program was a recommendation of the Housing Preservation Strike Force to improve housing conditions in the District by eliminating safety hazards and providing a funding source for renovations for landlords in buildings with less than 50 units. Currently, the DHCD is working with DCRA, DOEE and DMGEO to leverage other district resources to address the needs of small building owners to improve housing conditions.	An RFP was released in November 2016 however, no applications were received due to the matching fund requirement and 40 year housing covenant. The program is currently being revamped to better leverage district resources and address the needs of small building owners.
Implement DOPA	Implement DOPA by releasing draft regulations that will allow the District to take greater advantage of DOPA through the transfer of ownership to pre-qualified developers.	75-99%	In FY 2017, DHCD completed draft DOPA regulations that have began the formal review process for approval.	Draft regulations are currently under review.
Improve TOPA	Improve Preservation under TOPA and TOPA exemptions by providing financial incentives for preservation in TOPA transactions, including predevelopment work, legal services, third party reports, and acquisition bridge financing.	Complete	DFD's TOPA Assistance Program offers loans to eligible borrowers who have a time-sensitive opportunity to acquire their building under the District's Tenant Opportunity to Purchase Act. These loans cover costs related to acquisition, predevelopment, and critical repairs. In FY 2017, DHCD funded 13 TOPA projects. DHCD will continue to examine the impact of AMI on TOPA and affordability requirements, as the affordability numbers are skewed due to most projects being 60% of AMI.	
Programs for low-income senior renters	Establish Programs to Facilitate Low-Income Senior Renters Aging in Place by formulating strategies for older residents to remain in place.	Complete	In FY 2017, DHCD partnered with the Office on Aging by providing funding for the implementation of the Safe at Home Program. The SFRRP Program Manager continues to meet with small groups of seniors to provide information on the SFRRP program. Both programs are intended to allow seniors to age-in-place. DFD also closed on Hedin House which is a senior preservation project preserving 48 units at 2900 Newton Street NE.	

INCLUSIONARY ZONING PROGRAM (1 Strategic Initiative)

Update the IZ program	In FY17, DHCD will update the IZ program by doing the following: – Incorporate the Zoning Commission's changes to applicant income levels, adding a	75-99%	In FY 2017, DHCD worked with DCRA, OP, DMPED and the Council to pass the B22-0104 - Inclusionary Zoning Consistency Amendment Act of 2017 which became law on September 23,	The comment period for the proposed amendments closed on October 2, 2017 and a final rule will be
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	<p>60% AMI category</p> <ul style="list-style-type: none"> - Address a conflict between IZ and rent control—we need to determine if this will be a regulatory fix and/or a statutory change - Address an omission in the IZ regulations relating to our process and definitions of reasonable accommodations for compliance with the Americans with Disabilities Act 		<p>2017. This was followed by emergency and proposed amendments to the program's regulations, which were published on September 1, 2017.</p>	<p>published in the first quarter of FY 2018.</p>
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NEIGHBORHOOD BASED ACTIVITIES (3 Strategic initiatives)

<p>Improve the HPAP program</p>	<p>DHCD will undertake a few measures to improve the HPAP program:</p> <ul style="list-style-type: none"> - Hire a new program manager - Identify ways in which DHCD can leverage other funding platforms that can be implemented in FY18 - Develop a new online homebuyer application and online counseling tool - Select administrator(s) from our most recent RFA - Implement and evaluate the new - Evaluate and develop recommendations for repayment terms to lowest-income borrowers - Implement program's new loan cap (\$80,000 from \$50,000) and evaluate the impact to the program 	<p>Complete</p>	<p>In FY 2017 DHCD:</p> <ul style="list-style-type: none"> -Filled the HPAP Manager position on September 19, 2016. Frank Demarais -Expanded the financial support for funding HPAP loans by adding two administrators, GWUL and DCHFA. -Created an HPAP online orientation tool that will be used to assist trainers with in-person classes. -Recommended changes to the repayment on Very Low income borrowers which became effective February 1, 2017. -Implemented a new maximum assistance table which became effective February 1, 2017. 	
<p>Streamline Single-Family Rehab Programs</p>	<p>In FY17, DHCD will focus on more quickly serving Single-Family Residential Repair program through the following activities:</p> <ul style="list-style-type: none"> - Hire a new SFRRP program manager - Eliminate the program's 3-bid requirement by revising the program's administrative instructions - Implement a new emergency-based repair grant program to separate urgent repairs that need immediate attention from standard home repairs - Develop and publish a new streamlined application 	<p>Complete</p>	<p>In FY 2017, DHCD hired the SFRRP Manager, Sara Imhulse and issued a RFA for the Critical Home Repairs Initiative (CHRI) and selected Habitat for Humanity of Washington DC as the grantee of the RFA. Additionally, a new SFRRP application was developed and implemented in the first quarter of FY17. The CBOs are currently using the new application.</p>	
<p>Create Opportunities for Seniors to Age in Place</p>	<p>Partner with the DC Office on Aging for a second year to evaluate, tweak, enhance, and expand the Safe at Home program. The program promotes aging-in-place for older adults (60 years and older) and people with disabilities (18 to 59 years old) by providing up to \$10,000 in home accessibility adaptation grants to reduce the risk of falls and reduce barriers that limit mobility. DHCD will provide funding and execute a Memorandum of Understanding to DCOA to implement the program.</p>	<p>Complete</p>	<p>In October 2016 DHCD and DC Office on Aging (DCOA) entered into a new MOU for DCOA to continue administering the Safe at Home program.</p>	

PROPERTY MANAGEMENT (1 Strategic Initiative)

Implement new Vacant to Vibrant Program	Launch and lead a new Vacant to Vibrant Program. Within FY2017, DHCD will: <ul style="list-style-type: none">- Develop and launch online materials to improve transparency and education about DHCD's properties- Collaborate with DCRA to identify and enforce vacant/blighted properties- Reduce DHCD's current portfolio of 161 properties by 50%- Acquire 15 new vacant properties and begin their disposition process	0-24%	DHCD is no longer pursuing this initiative, but has devised another plan to disposed of the properties in the DHCD inventory.	DHCD is no longer pursuing this initiative, but has devised another plan to disposed of the properties in the DHCD inventory.
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