

Department of Housing and Community Development FY2018

FY2018 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 or 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.

FY18 Top Accomplishments

What is the accomplishment that your agency wants to highlight?	How did this accomplishment impact residents of DC?	How did this accomplishment impact your agency?
Mayor Bowser announced that in FY 2018, we committed almost \$168 million to 25 affordable housing projects just from the HPTF. Since January 1, 2015, DHCD has invested over \$471 million (almost \$1/2 billion) in HPTF to produce and or preserve over 5,200 units of affordable housing.	This represents safe and affordable housing from HTPF investments for over 11,600 residents—including individuals, families, our seniors, and veterans.	DHCD has met, and exceeded, the Mayor's charge to aggressively achieve her vision of affordable housing in all eight wards.
DHCD hosted an event to celebrate the 40th anniversary of the Home Purchase Assistance Program (HPAP) with past recipients and partners. The law became effective Sept. 12, 1978.	Over the history of the HPAP program, it has assisted over 7,700 households with first-time homeownership.	DHCD received positive media coverage (Washington Post and Urban Turf) and positive coverage in social media.
Seeing a Tiny House in Action: Learn how this housing trend can fit into the DC housing landscape, through a demonstration project and community education project. In partnership with the DC Students Construction Trades Foundation, featuring the Minim House built by students in the Academy of Construction and Design at IDEA Public Charter School in Northeast D.C.	Academy students are learning about the same safety practices and procedures that are required on commercial and residential construction sites. The tiny house demonstration project will offer interactive programs and information about energy-efficiency, conservation, and sustainable living for District residents of all ages.	This was Action Point 5 in Mayor Bowers's Vacant to Vibrant initiative that was announced December 15, 2017. This initiative also received positive media coverage from NBC 4, WTOP, Urban Turf, Curb DC and Real Estate Rama.

2018 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.**

2018 Key Performance Indicators

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
1 - Increase New Affordable Housing Opportunities. (12 Measures)									
Percent of HPAP loans that close within 60 calendar days after sales contract approval	Quarterly	80%	72%	53%	76%	90%	72.8%	Nearly Met	There may be some confusion with this KPI and the one that reads % of loans that close within 45 calendar days after sales contract approval.
Percent of IZ lotteries held in 17 calendar days or less after receiving a notice of availability	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	89.3%	Unmet	The Notices of Availability were incomplete when received from the developer and it took time to clarify those details before a lottery could be conducted. This impacted 8 IZ units.
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	210	Unmet	The Commission was without a quorum from late June 2018 to mid August 2018.
Percent of HPAP loans subordinated within 45 calendar days upon receipt of a complete subordination package	Quarterly	80%	89%	100%	0%	0%	47.3%	Unmet	No complete HPAP subordination requests were received during Q3 and Q4.
Percent of development finance projects that close within 12 months of selection	Annually	50%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	19.2%	Unmet	In FY18, the Department of Housing and Development Finance Division (DFD) closed 5 out of 26 projects within 12 months of selection or 19% of projects that closed in FY18. DFD did not meet this goal primarily due to individual project challenges, from waiting on permits to solving financing gaps.
Percent of loans at least one year old in good standing	Annually	85%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	90%	Met	

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
Number of Homebuyer Purchase Assistance Program loans	Quarterly	225	81	85	89	96	351	Met	
Number of total new construction affordable rental housing units funded	Quarterly	500	137	118	71	283	609	Met	
Met HPTF Statutory Requirements - 30% AMI	Quarterly	40%	13%	14%	52%	228%	76.8%	Met	
Met HPTF Statutory Requirements - 50% AMI	Quarterly	40%	53%	86%	127%	172%	109.5%	Met	
Met HPTF Statutory Requirements - 80% AMI	Quarterly	20%	0%	0%	11%	44%	13.8%	Met	
Number of affordable homeownership units produced or preserved	Quarterly	30	0	14	18	32	64	Met	
2 - Preserve Existing Affordable Housing Stock. (6 Measures)									
Number of affordable single-family homeownership units rehabbed from Single Family Rehab/Lead Safe Programs	Quarterly	135	24	12	4	21	61	Unmet	The Lead Safe Washington (LSW) program estimates for units rehabbed have consistently been higher than the Single Family Residential Rehabilitation Program (SFRRP) estimates. In FY 18, the LSW federal grant ended in July, and that impacted the total number of units rehabbed. In FY18, SFRRP prioritized older, more complicated cases, which required longer construction times and utilized more staff time. Finally, in FY18 SFRRP implemented the Critical Home Repair Initiative (CHRI), a programmatic enhancement that was initially anticipated to be available in the 1st quarter of FY18 but was not executed until the end of the 3rd quarter.
Percent of Single Family Rehabilitation/Lead Safe Washington projects that start construction within 6	Quarterly	65%	10%	10%	0%	0%	5%	Unmet	The Department of Housing and Community Development Residential and Community Service Programs (RCS) has requested the following change in the KPI language

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
months after DHCD receives the application									modified for projects to close in 6 months of compliance approval.
Average number of calendar days for compliance review	Annually	45	Annual Measure	Annual Measure	Annual Measure	Annual Measure	38.25	Met	
Number of affordable rental housing units preserved (rehabbed)	Quarterly	780	109	502	160	124	895	Met	
Percent of hardship petitions processed within 90 calendar days	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	100%	Met	
Number of total affordable housing units preserved through OPA acquisition assistance program	Quarterly	New Measure	49	0	14	330	393	No Target Set	
3 - Promote community development activities. (8 Measures)									
Percent of Storefront Facade projects that complete within 10 weeks after pre-construction approval	Annually	75%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	0%	Unmet	The KPI was modified in FY19 to reflect the way the funding is disbursed and the actual construction timeline. However 43 facade projects were completed in FY18.
Number of properties disposed that were developed by DHCD (Turn-Key)	Quarterly	5	0	0	0	0	0	Unmet	Four turn-key properties were awarded to CBE's in Q4 FY18 and will be developed by Q2 FY19.
Number of Section 3 Jobs Created	Annually	25	Annual Measure	Annual Measure	Annual Measure	Annual Measure	28	Met	
Percent of required Asset Management site visits completed	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	100%	Met	
Median Number of Months Property is in DHCD's portfolio	Annually	40	Annual Measure	Annual Measure	Annual Measure	Annual Measure	40	Met	
Number of storefront facades improved	Quarterly	40	5	4	6	43	58	Met	
	Quarterly	10	3	4	9	10	26	Met	

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
Number of capacity-building workshops given to organizations									
Percent 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	

**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.

2018 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	FY 2018
1 - Affordable Housing Project Financing (2 Measures)						
Number of loan closings	Quarterly	3	7	6	12	28
Number of financial applications submitted	Semi-Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	64
1 - Down Payment Assistance (1 Measure)						
Number of HPAP applications received	Quarterly	208	199	229	268	904
1 - Inclusionary Zoning (1 Measure)						
Number of IZ units available for occupancy	Quarterly	14	13	63	44	134
2 - Home Rehab Assistance (2 Measures)						
Number of Single Family Rehab applications received	Quarterly	15	24	27	33	99
Number of Lead Safe Washington applications received	Quarterly	5	10	6	0	21
2 - Rental Conversion and Sales (1 Measure)						
Number of TOPA notices processed	Quarterly	382	403	538	297	1620
3 - Foster Small Business Development (1 Measure)						

Measure	Freq	Q1	Q2	Q3	Q4	FY 2018
Number of small business technical assistance sessions	Quarterly	1130	3856	4585	2392	11,963
3 - Housing Counseling (1 Measure)						
Number of housing counseling sessions given	Quarterly	6507	12,410	10,087	7251	36,255
3 - 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	11
Number of hardship petitions received	Quarterly	0	0	2	0	2
3 - Housing Resource Center (1 Measure)						
Number of customers who utilize the Housing Resources Center	Quarterly	1495	1403	987	1590	5475
3 - Maintain DHCD's property portfolio (2 Measures)						
Number of properties acquired	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	2
Number of total properties disposed	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	18
3 - Portfolio and Asset Management (2 Measures)						
Number of loans serviced by a third-party vendor	Quarterly	7925	8017	8051	8074	32,067
Number of submitted financial reviews	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1121
3 - Program Monitoring (2 Measures)						
Number of compliance reviews completed	Quarterly	38	10	40	18	106
Number of Davis Bacon inspections	Quarterly	21	26	55	37	139

2018 Strategic Initiatives

Title	Description	Complete to Date	Status Update	Explanation
AFFORDABLE HOUSING PROJECT FINANCING (6 Strategic initiatives)				

Title	Description	Complete to Date	Status Update	Explanation
Establish a Preservation Unit	<p>In FY18, DHCD will 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.</p> <p>In FY18, DHCD will hire Preservation Officer & Program Analyst In FY18, DHCD will set-up program structure and operational guidelines</p>	Complete	In Q4 of FY18, the Preservation Officer collaborated with DHCD staff to launch three major Preservation initiatives including the Small Buildings Program, the Preservation Fund and DOPA. Additionally, a part-time analyst and Capital City Fellow was hired to assist the Preservation Unit.	
Commitment of local and Federal Resources	<p>In FY18, 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 FY18:</p> <p>In FY18, DHCD will update Qualified Allocation Plan (QAP) annually to ensure that the allocation of its low income tax credits aligns with the market.</p> <p>In FY18, DHCD will release two Request for Proposals (RFP) per year, which will increase the number of potential applicants /projects requiring funding.</p> <p>In FY18, DHCD will expend enough funds to reduce its fund balance.</p>	Complete	In Q4 FY18, Mayor Bowser announced that in FY 2018, we committed almost \$168 million to 25 affordable housing projects just from the HPTF.	
Public Private Preservation Fund	In FY18, DHCD will 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 Q4 of FY18, negotiations took place to finalize the grant agreement with both awarded fund managers. As a result, the allocated \$10 million were dispersed before the end of FY18 allowing both fund managers to commence the program. Each fund manager received \$5 million to be leveraged 3 to 1 with private funds bringing the total amount each one will manage to \$20 million (or \$40 million collectively). Both fund managers built a pipeline of prospective loans in order to quickly disperse funds in FY19.	
Small Properties Program	In FY18, DHCD will redesign the current Small Buildings Program and use a less restrictive funding source, as the	Complete	In Q4 of FY18, the program was relaunched as a recoverable grant for buildings with 5-20 units. A great deal of interest emerged from property	

Title	Description	Complete to Date	Status Update	Explanation
	<p>restrictions were a concern of potential applicants. This initiative will assist with smaller properties that have 5-50 units.</p> <p>Small Buildings Program Objective: The Department of Housing and Community Development (DHCD) and the Department of Consumer and Regulatory Affairs (DCRA) have joined together to minimize health risks in the home through Small Building Program.</p> <p>The partnership was created to improve housing conditions in the District by eliminating safety hazards and building sustainable housing choices. The program will enhance the existing services offered by the Department of Energy and Environment (DOEE) to reduce environmental hazards.</p>		<p>owners especially HUD supported properties and cooperatives. The application provided a number of challenges to property owners and hence, no applications were received in the last quarter. It is expected that applications will be received Q1 of FY19, after which solicitations will be created to review the scope of work for each prospective applicant as well as solicit contractors to complete the work.</p>	
Implementation of DOPA	<p>In FY18, DHCD will identify funding for the implementation of the District Opportunity to Purchase Act or DOPA regulations. DOPA empowers the Mayor with the right to purchase housing accommodations consisting of 5 or more units and which 25% of the rental units are deemed affordable.</p>	50-74%	<p>In Q4 of FY18, the DOPA regulations were finalized and submitted for final review to OAG and OPLA. Publishing of the regulations is expected in Q1 of FY19, after which an RFQ will be published to prequalify developers who will bid on properties we express interest in preserving through DOPA. A stakeholder meeting will officially launch the program in Q1 FY19.</p>	<p>In FY18, the DOPA regulations were revised to address comments received during the public comment period. The revised regulations will be published in the DC Register in Q1 FY19.</p>
Improve TOPA	<p>In FY18, DHCD will improve preservation under the Tenant Opportunity to Purchase Act (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.</p>	50-74%	<p>In Q4, the Preservation Officer worked with the Senior Policy Advisor to submit legislation that would assist LIHTC properties in year 15 to not have to undergo TOPA. This is a recommendation is a policy exemption from the Strike Force report will be submitted in Q3 of FY19.</p>	<p>Legislation will be submitted in Q3 of FY19.</p>
COMMUNITY DEVELOPMENT (1 Strategic Initiative)				
Small Business Development Upgrades	<p>In FY18, DHCD will implement Microsoft Gifts or Quick base solution to assist with accepting and monitoring application submissions from community based organizations.</p>	50-74%	<p>In Q4 of FY18, DHCD continues to use the retooled Quarterly Data Report through a third and fourth quarter pilot effort using Google Docs. Community Based Organizations (CBOs) is submitted data in real-time through Google Docs. DHCD will continue to evaluate options for online grant submission options.</p>	<p>In this fiscal year, DHCD tested the Quarterly Data Report option through Q3 and Q4. We will debrief about the modified tool</p>

Title	Description	Complete to Date	Status Update	Explanation
				and reevaluate other options.
HOUSING RESOURCE CENTER (1 Strategic Initiative)				
Upgrade Housing Resource Center	In FY18, DHCD will upgrade DCHousing Searches.org to increase functionality and contain more affordable housing information for individuals utilizing the system. In FY18, DHCD will work to automate the HRC systems and resources.	Complete	In Q4 FY18, DHCD redesigned the DCHousingSearch.org website. New features enables landlords and property owners to list and advertise their affordable rental units at no cost. DC residents receive free access to housing listings and can tailor their search for housing to include information on accessibility, wards, amenities, and other features.	
INCLUSIONARY ZONING PROGRAM (1 Strategic Initiative)				
Inclusionary Zoning	DHCD submitted emergency regulations for the Inclusionary Zoning (IZ) Program in FY17. In FY18, DHCD will ensure completion of permanent regulations by 1st quarter.	Complete	In Q1 FY18, the final Rulemaking for the revised IZ Regulations became final and were published in the DC Register on Dec. 29, 2017.	
NEIGHBORHOOD BASED ACTIVITIES (3 Strategic initiatives)				
Increased EAHP Funding	In FY18, DHCD will ensure the new program enhancements law and regulations will be in effect. DHCD in conjunction with the Office of the Deputy Mayor for Public Safety and Justice (DMPSJ), will implement housing program enhancements to the Employee Assistance Housing Program (EAHP) for first responders. In FY18, DHCD will increase the amount of EAHP funding available for eligible district employees to \$20,000 per case from current \$10,000. In FY18, DHCD will implement the expansion of the Down Payment Matching Funds. In FY18, DHCD will make available a grant of up to \$10,000 to provide financial assistance for the purchase of a housing unit to each First-	Complete	In FY18, the EAHP budget was increased and the First Responder program is being implemented.	

Title	Description	Complete to Date	Status Update	Explanation
	<p>responder who is a Participant. The First-responder Participant must agree to a 5-year service obligation</p> <p>If FY18, DHCD will budget increased by \$1 million dollars for the implementation of these programs.</p>			
Program Merger	<p>In FY18, DHCD will collapse the Single Family Residential Rehabilitation Program (SFRRP), Lead Safe, Safe at Home and Healthy Homes programs to report to one manager to create program efficiency and effectiveness.</p> <p>In FY18, DHCD will develop and publish a new consolidated and streamlined application process.</p>	Complete	Effective July 14, 2018, the HUD grant ended for Lead Safe Washington and the interim program manager is working with staff to complete the grant close-out requirements.	
PORTFOLIO AND ASSET MANAGEMENT (1 Strategic Initiative)				
Implement PMD changes	<p>In FY18, DHCD will hire 5 FTE's, added in the FY18 budget to address deficiencies identified in the 2017 Office of the District of Columbia Auditor (ODCA) Housing Production Trust Fund (HPTF) audit findings.</p> <p>In FY18, DHCD will review current program structure and make the appropriate adjustments to accommodate new staff and increase program oversight and compliance.</p>	75-99%	<p>In FY18, DHCD hired 5 FTE's, added in the FY18 budget to address deficiencies identified in the 2017 Office of the District of Columbia Auditor (ODCA) Housing Production Trust Fund (HPTF) audit findings.</p> <p>In FY18, DHCD reviewed current program structure and is making the appropriate adjustments to accommodate new staff and increase program oversight and compliance; new manuals are being drafted and standard operating procedures are being refined.</p>	In FY18, PMD hired staff but will continue to address audit findings cited in the Office of the District of Columbia Auditor (ODCA) Housing Production Trust Fund (HPTF) audit findings.
Program Monitoring (1 Strategic Initiative)				
Program Monitoring	<p>In FY18, DHCD will meet 2018 Community Development Block Grant (CDBG) spending test and 2018 HOME Investments Partnership (HOME) commitment test.</p> <p>In FY18, DHCD will reduce A-133 audit findings from two to zero.</p>	Complete	<p>In Q4 of FY18, DHCD met the CBBG spending test below the required ratio of 1.50 on August 2, 2018 with a ratio of 1.24.</p> <p>In Q4 of FY18, DHCD is on track to meet the October disbursement deadline for the HOME program (October 31, 2018.) all 2013 funds will</p>	

Title	Description	Complete to Date	Status Update	Explanation
			<p>be drawn by the deadline.</p> <p>In Q4 of FY18, DHCD implemented new time management controls in PeopleSoft as a corrective action to remediate the two 2017 time and attendance findings from the A-133 audit.</p>	
PROPERTY MANAGEMENT (1 Strategic Initiative)				
Implement "Getting to Zero" program	<p>In FY18, DHCD will launch online property tracker to improve transparency and education about DHCD's property inventory.</p> <p>In FY18, DHCD will collaborate with the Department of Consumer and Regulatory Affairs (DCRA) to enforce vacant/blighted properties.</p> <p>In FY18, DHCD will place every property in its PADD portfolio into disposition.</p>	50-74%	<p>In Q4, all PADD properties are in some form of disposition. At the end of FY18, PADD closed and/or transferred 18 properties, awarded four turn-key properties to CBEs and opened the tiny house demonstration site, in conjunction with IDEA Public Charter School. In Q1 of FY19, PADD will close 10 additional auction properties, begin construction on four turn-key properties and accept responses for three solicitations to develop affordable housing.</p>	<p>This initiative was launched in December 2017 and will report out on its success in December 15, 2018.</p>
RENTAL CONVERSION AND SALES DIVISION (1 Strategic Initiative)				
Revamp RCS Program	<p>In FY18, DHCD will higher new Rental Conversion and Sales Administrator.</p> <p>In FY18, DHCD will evaluate current operational procedures and update, as needed.</p> <p>In FY18, DHCD will implement technology solutions to enhance program (on-line forms and upgraded systems).</p> <p>In FY18, DHCD will launch Quick base mail log.</p> <p>In FY18, DHCD will review current legislation and regulations and recommend revisions, as appropriate.</p>	75-99%	<p>In Q4 FY18, DHCD has not hired a new Rental Conversion and Sales Administrator but will initiate the search in Q1 FY19.</p> <p>In Q4 FY18, RCS has updated operational procedures related to the processing of condo registrations to reduce processing time. The division has is now providing weekly information to CBOs and the public about TOPA notices .</p> <p>In Q4 FY18, RCS has made some rental conversion and sales forms fillable via the DHCD website which reduces processing times by eliminating delays via mail.</p> <p>I</p>	<p>The search to hire a new Rental Conversion and Sales Administrator will be initiated in Q1 of FY19.</p>