

***Interagency Council on Homelessness
Housing Solutions Committee***



June 21, 2021

Meeting Agenda



- ❖ Welcome & Call to Order
- ❖ Introductions
- ❖ Discussion: Budget
 - DHCD Budget
 - DCHA Budget
 - DHS Budget and STAY DC
- ❖ Announcements
- ❖ Adjournment

Meeting Agenda



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FY 22 BUDGET AFFORDABLE HOUSING PROPOSALS

June 2021



EXPANDING AFFORDABILITY BY INVESTING IN THE HOUSING PRODUCTION TRUST FUND AND THE LOCAL RENT SUPPLEMENT PROGRAM

This initiative is part of the District's Economic Recovery Investment Plan to ensure equitable access by creating more affordable housing through the Housing Production Trust Fund and Local Rent Supplement Programs



Overview of budget proposal

- This initiative would create more affordable housing by:
 - **Substantively increasing funding to the Housing Production Trust Fund (HPTF)**
 - **Expanding Local Rent Supplement Program (LRSP) vouchers** to support more residents with very low-income
- An additional **investment in the HPTF of \$400M** in FY21 and FY22 will allow DHCD to fund more affordable housing units currently in its pipeline - **delivering ~2,700 new units**
- Add \$42M for new LRSP vouchers to create **1,100 deeply affordable units**

HPTF/LRSP background

- The Housing Production Trust Fund (HPTF) provides **gap financing, loans, and technical assistance** for the construction, rehabilitation, and acquisition of affordable housing projects
- The HPTF is one of DC's **highest impact tools**, having **produced over 6,000 affordable units** since 2015, with ~\$1B invested in that time
- The Local Rent Supplement Program (LRSP) is a **locally-funded housing voucher program** that supplements housing costs for residents with extremely low income (<30% AMI)
- The LRSP is a **critical program for supporting families with the most need**, especially as federally funded housing vouchers have failed to meet the total need

HOUSING AFFORDABILITY: SIGNATURE INVESTMENTS (1/3)



Investment	Impact	Funding	Agency
<p>Investment in the Housing Production Trust Fund (HPTF) and Local Rent Supplement Program (LRSP):</p> <ul style="list-style-type: none"> The HPTF provides gap financing, loans, and technical assistance for the construction, rehabilitation, and acquisition of affordable units, and is one of DC’s highest impact tools, having produced over 6,000 affordable units since 2015. This one-time additional investment of \$150M in FY21 and \$250M in FY22 will deliver an estimated 2,700 units of affordable housing over the next 2-3 years LRSP project- and sponsor-based housing vouchers supplement housing costs for residents with extremely low income (< 30% AMI) – the combination of LRSP with HPTF enables the creation and preservation of deeply affordable units. In addition to new funding, this initiative will also give DHCD and DHS additional influence over funding allocation increasing transparency and efficiency. Faith Based Housing Initiative: This initiative would support faith-based institutions, such as churches, that are considering developing housing on their assets through a \$1M pilot program, within the HPTF investment, that will provide financial assistance in the form of forgivable loans and technical assistance Accessory Apartments Demonstration: Within the HPTF investment, this initiative would pilot a program of financial incentives to make it easier for eligible homeowners to create accessory apartments 	<p>~2,700 Affordable units</p>	<p>\$400M</p>	<p>DHCD</p>
<p>Housing Preservation Fund (HPF): This initiative add \$17M in FY22 to the HPF, which provides short-term bridge acquisition and pre-development financing. The HPF was created as a recommendation from the Preservation Strike Force and has preserved over 1,300 affordable units since 2018. This initiative will also include efforts similar to the First Right to Purchase Program (FRP) which supports tenants in purchasing their properties in order to preserve affordable housing. Leveraged 3:1 for a total investment of \$68M.</p>	<p>~1,100 Deeply affordable units</p>	<p>\$42M New vouchers</p>	<p>DHCD DHS DCHA</p>
<p>Affordable Housing Acquisition: This investment creates a new tool for affordable housing production by providing funds for purchasing and redeveloping properties such as vacant hotels for temporary and permanent affordable housing. Includes \$2M for Douglass Community Land Trust.</p>	<p>~6K - 29K Full potential of new units after pilot</p>		
	<p>~300 Potential accessory units per year</p>		<p>DHCD</p>
	<p>1,500+ Affordable units preserved</p>	<p>\$17M</p>	<p>DHCD</p>
	<p>~200 Affordable units estimated</p>	<p>\$52M</p>	<p>DHCD</p>

HOUSING AFFORDABILITY: SIGNATURE INVESTMENTS (2/3)



Investment	Impact	Funding	Agency
<p>DC Low-Income Housing Tax Credit (LIHTC): The District has established a local LIHTC to provide additional affordable housing investment. This initiative would enable the District to maximize public resources by making the local credit discretionary, supporting the projects with demonstrated need</p>	Maximized use of public resources		DHCD
<p>Property Tax Relief for Low Income Housing Harmonization Act of 2021: This initiative would close gaps in the coverage and effectiveness of tax benefits that help produce affordable housing. Specifically, a property tax abatement would be provided to affordable housing projects that receive financial development assistance from the District but are not eligible for low-income housing tax credits</p>	Equalized support across different kinds of affordable housing	~\$3M	DHCD
<p>Ward 3 Planning Analyses: The District is the first locality to establish housing production goals by neighborhood. In partnership with local Ward 3 communities, these planning analyses will identify the best ways to use additional density provided by the recently approved Comprehensive Plan in Friendship Heights, Tenleytown and Cleveland Park and Woodley Park.</p> <p>New York Avenue Vision Framework: This initiative would fund a planning effort that is the first step in a broader, multi-year New York Avenue Strategy to guide orderly and coherent redevelopment for the area. New York Avenue represents one of the District’s largest opportunities to produce new housing and new affordable housing for residents, as well as to spur job creation. The investment would fund specialized contracting services to support and complement in-house planning staff, enabling OP to move forward with the speed and breadth required</p>	<p>20,000 Potential units*</p> <p>4,000 Affordable units*</p>	~\$1.0M	OP
<p>STAY DC: Will provide \$352M in emergency rental assistance to households unable to pay rent and utilities due to the COVID-19 pandemic</p>	20,000+ Renters supported	\$352M	DHS DMHHS DHCD DMPED

*Based on initial estimates. Further analysis will be conducted based on planning effort outcomes.

HOUSING AFFORDABILITY & SECURITY: ADDITIONAL INVESTMENTS (3/3)

Investment	Funding	Agency
Redevelopment projects: DMPED's real estate development portfolio will deliver new affordable housing and needed amenities to neighborhood residents to increase equitable access to resources and opportunities. Significant projects include: Hill East, St. Elizabeths East, McMillan, 1600 U Street, 1800 MLK.	\$208M FY22-27 CIP	DMPED
Public housing: Capital funding to rehabilitate and modernize public housing units, including Claridge (\$57M), Northwest One (\$20M), Park Morton (\$14.8M), Barry Farm (\$21M) and small caps as well as Local Rent Supplement Program vouchers.	~\$113M	DCHA DMPED
Homeward DC: Investment to make homelessness rare, brief, and non-recurring, including 758 new permanent supportive housing units for singles, 347 new permanent supportive housing units for families, and expansion of Project Reconnect, shallow subsidies, and rapid re-housing for singles	\$35M	DHS
First time homebuyers: Expansion of Housing Purchase Assistance Program (HPAP) to help low-income first-time homebuyers with down payment and closing cost assistance, and Employer Housing Assistance Program (EAHP) to help District employees with the same	\$23.5M	DHCD
BEPS: Funds to assist affordable housing projects in the DHCD portfolio with complying with new Building Energy Performance Standards (BEPS).	\$20M	DOEE DHCD
Tenant Support: Funds for the Office of the Tenant Advocate to support tenants in navigating housing challenges and resources, such as STAY DC, after the eviction moratorium is lifted	\$335K	OTA



LOCAL RENT SUPPLEMENT PROGRAM (LRSP) ENHANCEMENT

This initiative is put forward by the Department of Housing and Community Development (DHCD) to increase efficiency and transparency of LRSP awards



Overview of amendment

- The change would enable LRSP vouchers to be administered **more efficiently and with greater transparency**
- Currently, the **District of Columbia Housing Authority (DCHA) receives a budget allocation for LRSP vouchers** (both tenant- and project-based) and **assigns those funds based on recommendations** from DC's Department of Housing and Community Development (DHCD) (project-based) and Department of Human Services (DHS) (tenant-based)
- The proposed amendment will **allow DHCD and DHS to directly manage funds** for project- and tenant-based vouchers, respectively
- **DCHA will continue to receive administrative funding** to manage the assignment of vouchers
- Funds for the vouchers and associated administration costs will be **sent to DCHA when the funds are needed to advance the project**

LRSP background

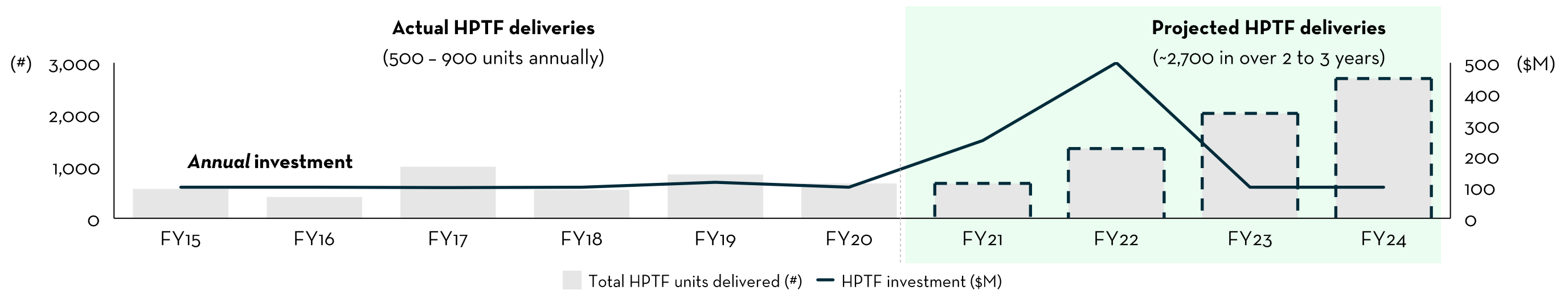
- LRSP provides **monthly rental subsidies**, in the form of vouchers, to cover the difference between what participating families can afford and the actual monthly cost of rent
- **Tenant-based vouchers** are provided to families or individuals exiting homelessness, who can use the voucher for any rental unit priced at or below the Fair Market Rent
- **Project-based vouchers** are provided to developers for producing specific units designated for low-income families

EXPANDING AFFORDABILITY BY INVESTING IN THE HOUSING PRODUCTION TRUST FUND AND THE LOCAL RENT SUPPLEMENT PROGRAM

Details of budget proposal

- Since 2015, the Bowser Administration has invested approximately **\$1B** (including this proposed investment) to successfully deliver **more than 10,000** new affordable homes, 6,000 of which have come through HPTF
- In 2019, DHCD received applications for nearly **three times as much eligible investment as funding could support** - leaving 17 projects (~1,200 units) unfunded
- **Now is the time to maximize investment** in the HPTF to build more affordable units. Mayor Bowser will invest **\$400M** to **deliver at least 2,700 affordable units**
- The **HPTF and LRSP work in tandem** - project-based LRSP ensures families with the most need can afford rent in properties like those constructed by HPTF - therefore this budget proposal includes **\$42M for LRSP project-based vouchers to create ~1,100 deeply affordable units**

The proposed investment would increase *HPTF* impact



Resources to learn more

The District's goals and commitments to housing: <https://housing.dc.gov/>

The Housing Production Trust Fund: <https://dhcd.dc.gov/page/housing-production-trust-fund>

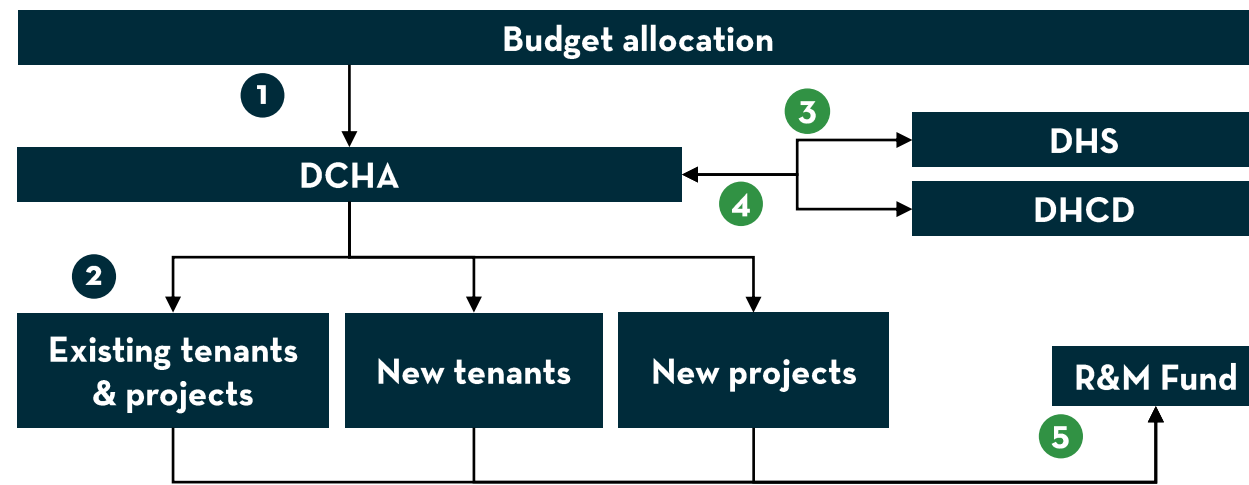
Press Release on HPTF proposal: <https://mayor.dc.gov/release/mayor-bowser-announces-400-million-investment-housing-production-trust-fund>

DC Fiscal Policy Institute report on the Local Rent Subsidy Program: <https://www.dcfpi.org/wp-content/uploads/2016/04/16-04-LRSP-Brief.pdf>

LOCAL RENT SUPPLEMENT PROGRAM (LRSP) ENHANCEMENT

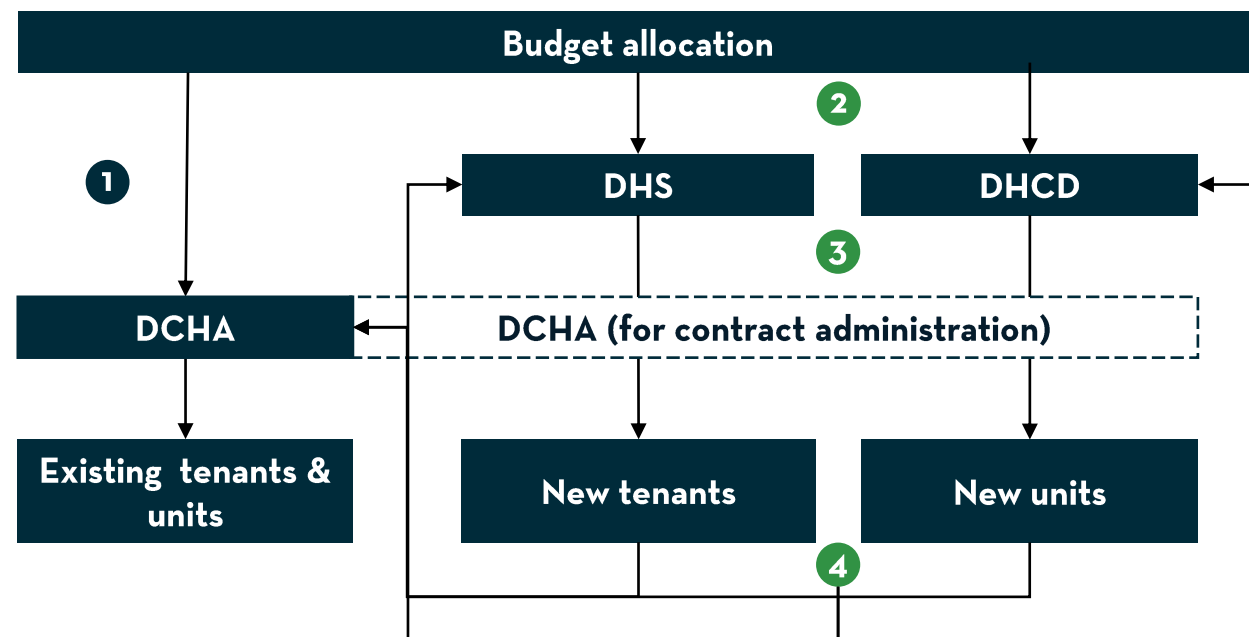
Unchanged processes # Changed/new processes

Current process



1. LRSP budget is controlled by DCHA
2. DCHA allocates funding between project- and tenant-based programs
3. DHCD and DHS receive information on fund distribution, then select new projects/tenants to receive assistance
4. DCHA sets the amount to be provided to the developer/project owner, to be paid only once the project is completed
5. Remaining unspent LRSP funds at the end of the fiscal year are diverted into the DCHA Rehabilitation & Maintenance (R&M) fund, despite significant unmet LRSP demand

New Process



1. Budget for existing projects continues to be allocated to DCHA
2. Budget for new tenant- and project-based allocations is allocated to funds managed by DHS and DHCD, respectively
3. DHS and DHCD select specific tenants and units, respectively, to receive LRSP funding and then transfer the necessary funds to DCHA, which will then enter into and manage the resulting contracts
4. Unspent LRSP funds at the end of the fiscal year will remain in the respective DHCD- and DHS-managed funds

In addition, a quarterly report will be provided on LRSP budget utilization to date and projected utilization so as to ensure transparency & maximum utilization of LRSP funds

Meeting Agenda



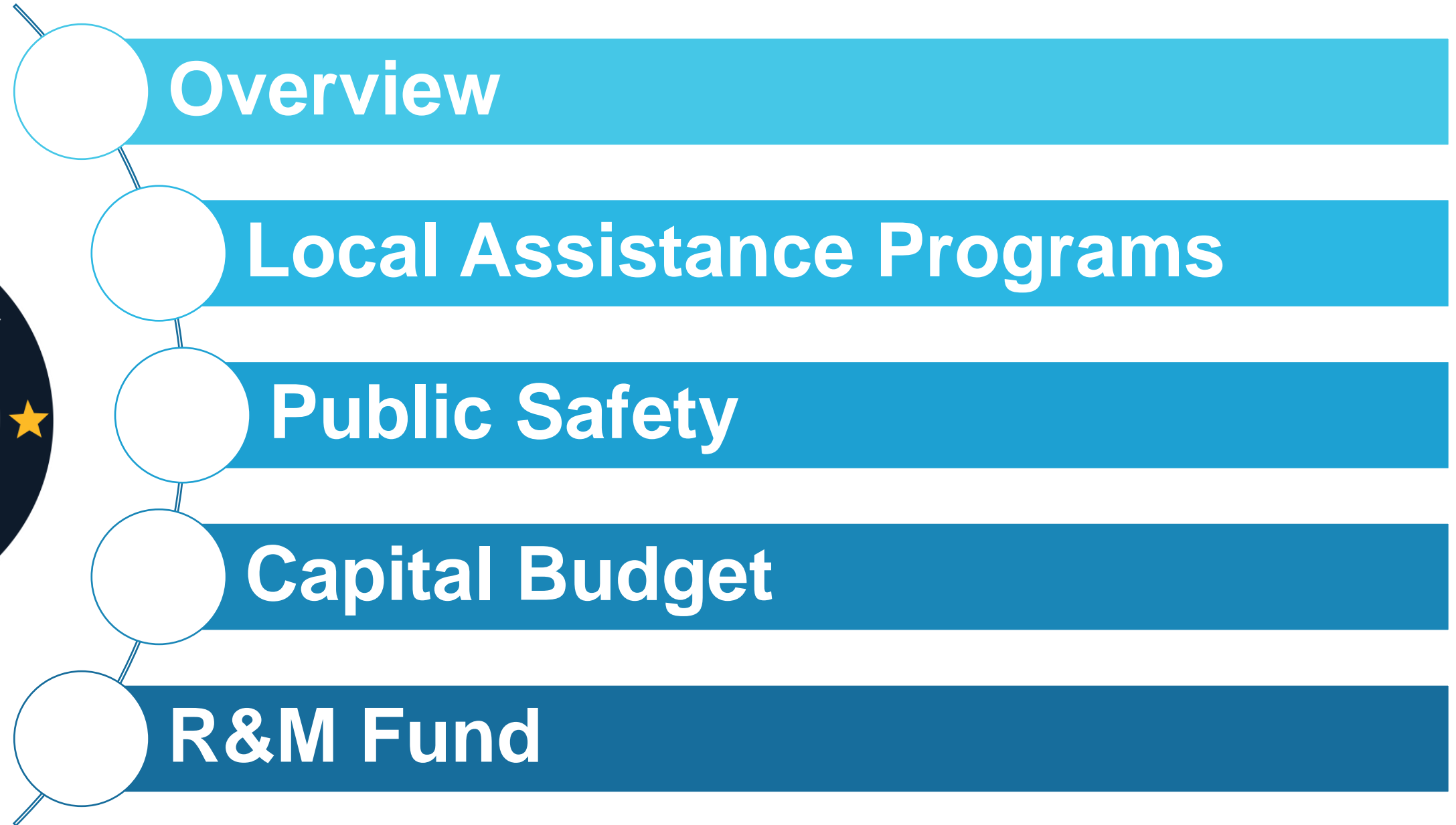
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Budget Overview

June 21, 2021



FY 22 Budget Overview



Budget Summary, Shifts and Adjustments

FY22 Summary, Shifts and Adjustments

- \$4.2M Ongoing support of the Office of Public Safety
- \$7.14M Ongoing support of DC Local – Rental assistance support for existing families
- \$1.40M Ongoing support of Shallow Subsidy for Seniors
- \$110M LRSP Tenant Based Voucher Program*
- \$35.5M LRSP Project / Sponsor Based* – Increase of \$2.8M to cover existing obligations

Capital Fund Proposed Budget

- \$50M FY 21 Allocation (projects identified and fund obligation / construction in process)
- \$22M FY 22 proposed
- \$23M FY23 proposed
- \$15M FY24 proposed
- Total Capital Budget - \$107 M

*FY 22 Budget Support Act proposes shifting funding allocation for LRSP Tenant Based to DHS and LRSP Project Based to DHCD for any NEW funding beginning FY22 and beyond

Three Year Budget Comparison

Local Voucher/Rental Assistance Program	FY20 Approved	FY21 Approved	FY22 Enhancements	FY22 Proposed
Rental Assistance				
Rental Assistance-DC Local	\$7,140,000	\$7,140,000	\$0	\$7,140,000
Shallow Subsidy	\$1,336,000	\$1,407,000	\$0	\$1,407,000
SUBTOTAL RENTAL ASSISTANCE SUPPORT	\$8,476,000	\$8,547,000	\$0	\$8,547,000
Local Rent Supplement Tenant Based				
Tenant Based Vouchers	\$14,265,832	\$13,215,855	\$0	\$13,215,855
DCHA Waitlist	\$25,201,983	\$25,201,983	\$0	\$25,201,983
Returning Citizens	\$925,000	\$1,393,009	\$0	\$1,393,009
LGBTQ Seniors	\$180,000	\$528,964	\$0	\$528,964
Senior Vouchers	\$180,000	\$414,004	\$0	\$414,004
Permanent Supp. Housing Families	\$10,614,185	\$13,105,185	\$0	\$13,105,185
Permanent Supp. Housing Individual	\$21,179,000	\$25,017,000	\$0	\$25,017,000
Targeted Affordable Housing Families	\$19,764,000	\$21,264,000	\$0	\$21,264,000
Targeted Affordable Housing Individuals	\$5,330,000	\$5,330,000	\$0	\$5,330,000
Admin Fees	\$1,283,000	\$4,721,000	\$0	\$4,721,000
SUBTOTAL LOCAL RENT SUPP TENANT BASED	\$98,923,000	\$110,191,000	\$0	\$110,191,000
Local Rent Supp Project & Sponsor Based				
LRSP Project & Sponsor Based	\$32,574,000	\$35,516,000	\$2,878,000	\$38,394,000

Public Safety Fund Background



Dollars in Thousands

Division/Program and Activity	Actual FY 2019	Actual FY 2020	Approved FY 2021	Proposed FY 2022	Change
					from FY 2021
(4000) PUBLIC SAFETY					
(4001) Public Safety	4,200	4,200	4,200	4,200	0
SUBTOTAL (4000) PUBLIC SAFETY	4,200	4,200	4,200	4,200	0

History:



- ✓ The Public Safety budget line item of \$4.2M covers less than 50% of DCHA's police officers' cost.
- ✓ The last increase to this line item was in FY17, when the budget increased from \$4M to \$4.2M

Capital Budget Background



History:

- ✓ First introduced in FY21 by DC Council, a dedicated Capital Budget fund of \$50 M was established to help DCHA address major capital needs
- ✓ \$18.94 M is obligated to date by DCHA from the FY21 Capital Budget in three tranches
- ✓ Projects expected for completion in H2 2022 with full obligation of the \$50M by then

- ✓ FY22 Budget proposal reduced this line item to \$22M

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Proposed	% Change from FY 2021
CAPITAL BUDGET	\$0	\$0	\$50,000,000	\$22,000,000	-56.0



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DC Department of Human Services

FY22 Proposed Budget

June 21, 2021



WE ARE WASHINGTON
GOVERNMENT OF THE DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

Department of Human Services: Pillars of Growth & Recovery

OUR OPPORTUNITY

- We must **continue** income supports for residents to meet essential needs including Pandemic-EBT, SNAP, and TANF cash assistance
- We must **assist residents to stay in their homes** amidst the devastating economic impact of COVID-19 through homelessness prevention
- We must **protect the safety and health** of residents experiencing homelessness through vaccine access, operating within health guidance, ISAQ/PEP-V
- We must make **unprecedented investments** for single adults experiencing homelessness in supports, temporary housing, and emergency shelters for single adults
- We must provide **more permanent supportive housing** for our residents
- We must design and pilot innovative solutions that **remove barriers** to career advancement and economic mobility

Investments in Rental Assistance and Prevention of Homelessness



- **\$352M** in Federal Emergency Rental Assistance funds available through 2025
- **STAY DC** provides up to 18 months of support for rent and utility payments

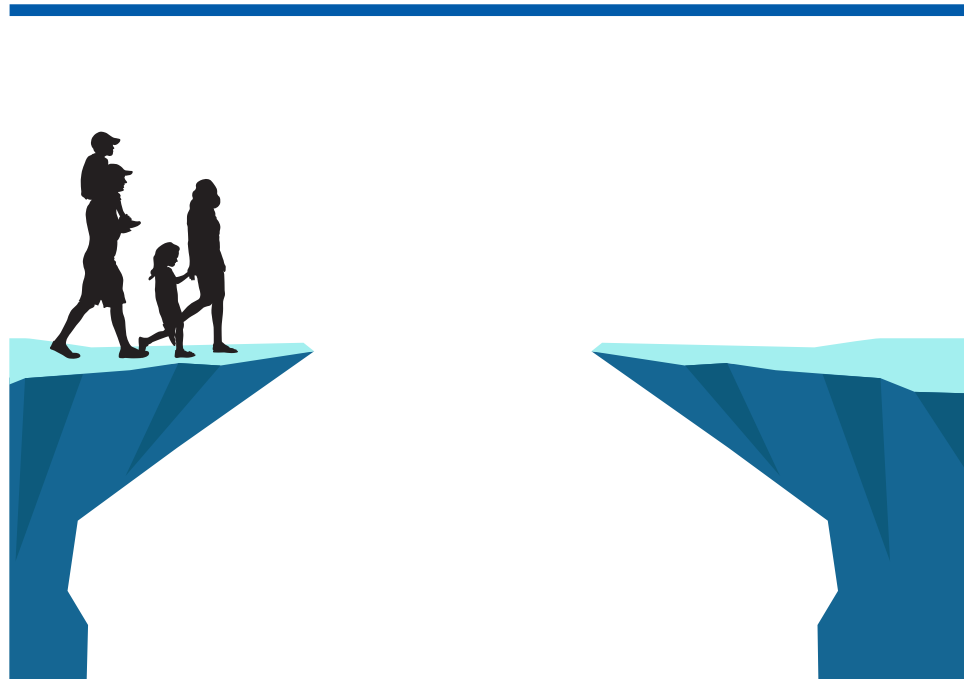
- STAY DC – rental + utility assistance
- Project Reconnect
- Diversion support
- Shallow subsidies for singles
- Rapid Rehousing for singles
- Homelessness Prevention Program
- Rapid Rehousing for families



Investing in Families' Economic Mobility: Career Mobility Action Plan

CURRENT:

Interruption in path to middle class



FUTURE:

Bridge giving a fair shot to middle class



VISION: Replacing the Benefit Cliff with Uninterrupted Economic Mobility

Ending Homelessness for Unaccompanied Adults

\$1.6M: Reform front door +
expand shelter diversion services

PROJECT
RECONNECT

\$150M: Redesign shelter + **invest**
in shelter alternatives



Over \$25M: Scale Rapid
Rehousing + **invest** in Permanent
Supportive Housing



Investing in New Permanent Supportive Housing Units and Program Improvements

Over 1,000 chronically homeless households will have access to a voucher.

Individuals/Singles	
PSH - Site-Based	71
PSH - Emergency Housing Voucher*	550
PSH - Scattered-Site	137
TOTAL	758
Families	
PSH - Site-Based	20
PSH - Emergency Housing Voucher*	157
PSH - Scattered-Site	170
TOTAL	347
Youth	
PSH - Scattered-Site	10
TOTAL	1115

**Budget based on preliminary allocation of 707 Emergency Housing Vouchers; subject to adjustment*



Homeward DC: \$35M

Program Type	Proposed	# of Units
Individuals/Singles		
Diversion (Project Reconnect)	\$ 875,000	500
Shelter safety/security	\$ 975,000	System-wide
Streamline singles intake	\$ 270,312	System-wide
Singles shallow subsidy	\$ 1,000,000	200
Outreach	\$ 1,800,000	n/a
RRH Unit	\$ 4,197,600	300
RRH Services	\$ 3,330,000	300
PSH Unit	\$ 2,968,390	137
PSH Services	\$ 3,101,736	758
Admin - Program Mgmt	\$ 2,196,846	18
Admin - Vouchers	\$ 178,103	6%
TOTAL	\$ 20,892,987	

Homeward DC: \$35M

Program Type	Proposed	# of Units
Families		
Prevention/Diversion	\$ 891,000	500
PSH Unit	\$ 4,275,942	170
PSH Services	\$ 4,938,504	347
PSH Site-Based Operations	\$ 1,563,354	26
Admin - Program Mgmt	\$ 410,124	4
Admin - Vouchers	\$ 256,557	6%
TOTAL	\$ 12,335,481	
Youth		
Extended Transitional Housing	\$ 1,500,000	Right-size
PSH Unit	\$ 216,671	10
PSH Services	\$ 40,920	10
Admin - Vouchers	\$ 13,000	6%
TOTAL	\$ 1,770,591	

QUESTION AND ANSWER



Federal Emergency Rental Assistance Program Overview

Department of Human Services

Overview of New Federal Funds

The District has received \$350 million to assist households unable to pay rent and utilities due to the COVID-19 pandemic.

Use of Funds

- Assistance can be provided for 12 months, though an additional 3 months can be provided to ensure housing stability. Financial assistance for prospective rent payments is limited to three months at a time up to the 18-month limit.
- Payments are made to landlords or utility companies on behalf of renters but can go to renters if landlords are unresponsive to US mail within 14 days or if telephone, electronic, or other outreach attempts over 10 days are unsuccessful.
- Landlords are explicitly allowed to assist tenants in applying, but tenants must sign the form and receive notice of the application.

Overview of New Federal Funds

Eligibility

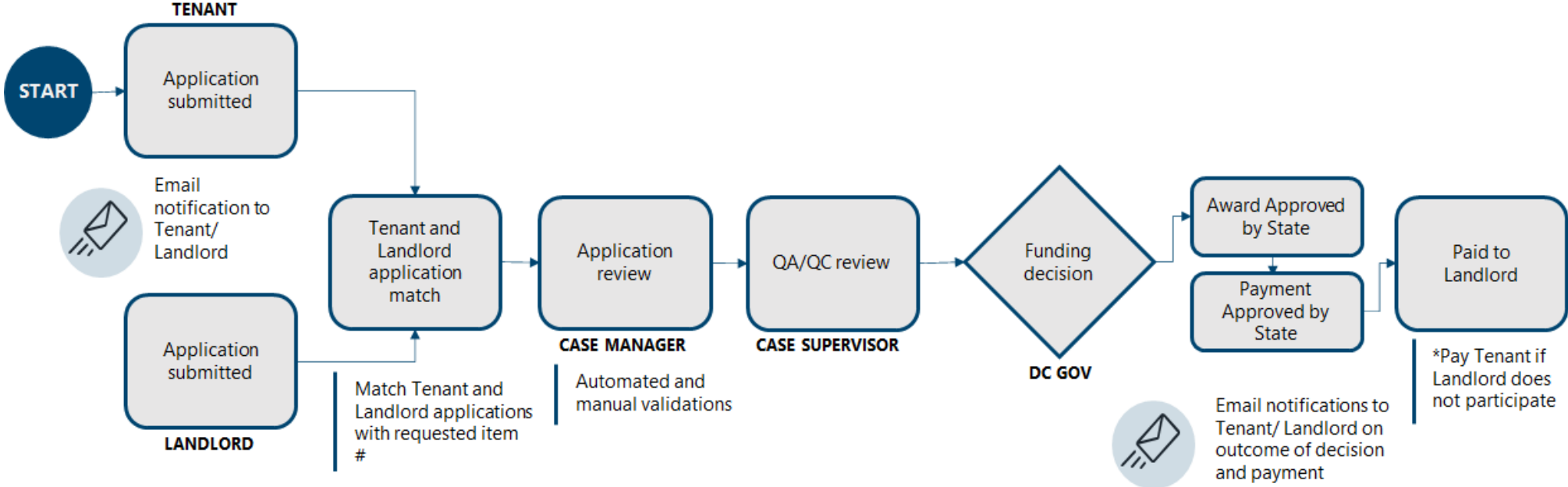
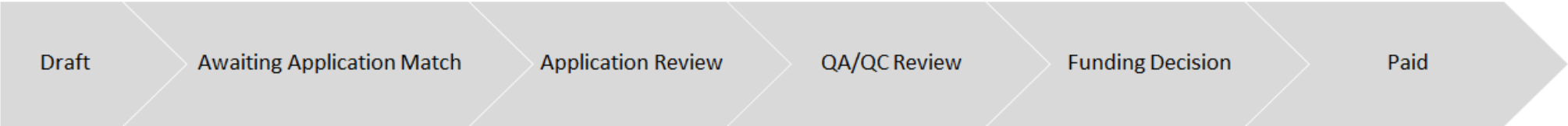
- REQUIREMENT #1: One or more individuals within the household has qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak; and
- REQUIREMENT #2: One or more individuals within the household can demonstrate a risk of experiencing homelessness or housing instability; and
- REQUIREMENT #3: The household has a household income at or below 80% of area median income.

There are no restriction on those who have housing subsidies or those who are undocumented.

Documentation

- Federal requirements include proof of identity, income, rent, need, and eligibility
- In some cases, self-attestation can be utilized for people missing certain required documents.

Application Process



Administration and Prioritization

Federal Prioritization: Households below 50% AMI or more than 90 days of unemployment.

Administration: The new program will be administered jointly by DHS and DHCD. The District has contracted with Deloitte to quickly build a streamlined application system. Deloitte is also managing a contact center to answer questions about rent assistance.

- you can apply at stay.dc.gov.
- If residents have questions about the program or about how to apply, they should call the program's Contact Center at 833-4-STAYDC or 833-478-2932.
- As an additional resource you can [access our FAQ document here](#).

Communication and Outreach Plan

- Communication & Outreach:
 - Outreach efforts, led by DMPED and DHCD, include a website, media campaign, and grassroots outreach with trusted community entities.
 - Outreach effort will be ongoing (while funds are available) to ensure residents have the resources they need.

THANK YOU!

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