

**DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

Neighborhood Stabilization Program Substantial Amendment



Ivy City/Trinidad Neighborhood



ADRIAN M. FENTY, MAYOR
NEIL O. ALBERT, DEPUTY MAYOR
FOR PLANNING AND ECONOMIC DEVELOPMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA

LEILA FINUCANE EDMONDS, DIRECTOR
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
1800 MARTIN LUTHER KING, JR. AVENUE, SE
WASHINGTON, DC 20020 (202) 442-7200





Application for Federal Assistance SF-424		Version 02
*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	*2. Type of Application <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s) *Other (Specify) _____
3. Date Received: December 1, 2008		4. Applicant Identifier: 53-6001131
5a. Federal Entity Identifier:	*5b. Federal Award Identifier:	
State Use Only:		
6. Date Received by State:	7. State Application Identifier:	
8. APPLICANT INFORMATION:		
*a. Legal Name: District of Columbia		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 53-6001131	*c. Organizational DUNS: 072634306	
d. Address:		
*Street 1:	1800 Martin Luther King, Jr. Avenue, SE _____	
Street 2:	Suite 300 _____	
*City:	Washington _____	
*State:	D.C. _____	
*Country:	_____	
*Zip / Postal Code	20020 _____	
e. Organizational Unit:		
Department Name: Department of Housing & Community Development	Division Name: Office of Program Monitoring	
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Ms. _____	*First Name: Michelle _____	
Middle Name: Y. _____		
*Last Name: Christopher _____		



Title:	Housing Compliance Officer	
Organizational Affiliation:	Employee	
*Telephone Number:	202-442-7241	Fax Number: 202-442-9280
*Email:	Michelle.Christopher@dc.gov	
*9. Type of Applicant 1: Select Applicant Type:	D. Special District Government	
*Other (Specify)		
*10 Name of Federal Agency:	U. S. Department of Housing & Urban Development	
11. Catalog of Federal Domestic Assistance Number:		
FDAN:	CFDA Title:	
<u>14.218</u>	<u>Neighborhood Stabilization Program (NSP)</u>	
*12 Funding Opportunity Number:	_____	
*Title:	_____	
13. Competition Identification Number:	_____	
Title:	_____	
14. Areas Affected by Project (Cities, Counties, States, etc.):	District of Columbia	
*15. Descriptive Title of Applicant's Project:		
16. Congressional Districts Of:		
*a. Applicant:	District of Columbia	*b. Program/Project: DC - all
17. Proposed Project:		
*a. Start Date:	5/01/2009	*b. End Date: 10/30/2010
18. Estimated Funding (\$):		



	NSP			
*a. Federal	\$2,836,384			
*b. Applicant	0			
*c. State	0			
*d. Local	0			
*e. Other(Fund Balance)	0			
*f. Program Income	0			
*g. TOTAL	0			
	\$2,836,384			

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

- Yes
- No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Ms. *First Name: Leila
 Middle Name: Finucane
 *Last Name: Edmonds

*Title: **Director**

*Telephone Number: **202-442-7200** Fax Number: **202-442-7078**

* Email: **Leila.Edmonds@dc.gov**

*Signature of Authorized Representative: _____ *Date Signed: _____

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>District of Columbia</u> Jurisdiction Web Address: <ul style="list-style-type: none"> • http://dhcd.dc.gov 	NSP Contact Person: <u>Michelle Y. Christopher</u> Address: 1800 MLK, Jr. Ave., SE, Washington, DC, 20020 Telephone: (202) 442-7241 Fax: (202) 442-9280 Email: michelle.christopher@dc.gov
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A. AREAS OF GREATEST NEED

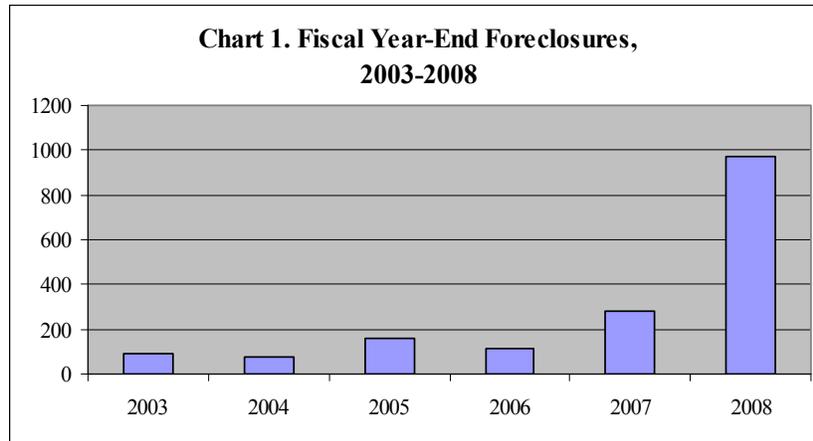
Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.

***Note:* An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction’s consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State’s own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions’ consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity’s own plan.**

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data in developing this section of the Substantial Amendment.

Response:

After several consecutive years with a relatively low number of foreclosures, the crisis that has gripped communities around the country finally reached the District of Columbia in 2008. Foreclosures in DC rose more than 254 percent from 282 in FY2007 to 973 in FY2008, as demonstrated by Chart 1. As alarming, the trend has continued into the first quarter of FY2009 with more than 116 foreclosures in the month of October 2008 alone.



Through the first 10 months of calendar year 2008 there have been 959 total foreclosures citywide (see map on page 24). Many of the city’s foreclosures are concentrated in the District’s poorest wards. The highest number of foreclosures this year has been in Ward 5, where there were 228 foreclosures or 24 percent of all foreclosures. Additional concentrations are in Ward 7 with 182 foreclosures (19 percent) and Ward 6 with 143 foreclosures (15 percent).¹

The Department of Housing and Community Development (DHCD) is committed to preserving the supply of the District’s affordable housing, and to strengthening the economy of the District’s neighborhoods through the acquisition of foreclosed or abandoned homes. To bring resources to need, DHCD will focus on the Ivy City/Trinidad neighborhood and the tracts surrounding it in Ward 5. The District hopes to stabilize a neighborhood that, due to existing vacant buildings, could see additional instability as foreclosure activity continues to spike in the neighborhood.

Situated in the New York Avenue Industrial corridor, this mixed-use industrial neighborhood was once a bustling place to live. The cornerstone of the neighborhood, since its erection in 1911, was for a long time the historic Alexander Crumell School, until its closing in 1972. This closing marked the beginning of a period of economic decline for the neighborhood. Properties were abandoned and neglected, creating gaps that left the urban fabric of the Ivy City discontinuous.

Today, the built environment remains in disrepair, occupied largely by old warehouses and featuring the largest concentration of vacant and decrepit homes in the District. While most of the neighborhood is residential and zoned R-4, a portion is commercial or industrial in nature, zoned C-M-1. Based on a survey of the community, the overall condition of buildings and housing is generally poor.

¹ Washington, DC Recorder of Deeds. (2008). *Trustees Deeds: 1/1/2008-10/31/2008*. Retrieved November 11, 2008 from <http://www.washington.dc.us.landata.com/#>.

Ivy City's current population stands at approximately 437, marked by a 28.8 percent decline during the last decade. The community is 96 percent African-American. Of the 190 households in Ivy City, 33 percent of them have children under the age of 18 and 25 percent have one or more persons 60 years of age and older. The neighborhood is economically distraught, with a median household income of only \$17,422 and almost half of its residents (44 percent) living below the poverty level.²

According to the HUD information for localities, census tract 8803 block group 5, Ivy City, is eligible for NSP funding. Fully 84.3 percent of the population in the area is at or below 120 percent of the Area Median Income (AMI).

According to HUD rankings, the area has an estimated foreclosure abandonment risk score of nine out of 10. Of the 87 housing loans for the area in 2005, almost 10 percent were sub-prime, slightly lower than the average for the entire District.³ Ivy City/Trinidad has a homeownership rate of only 12.7 percent, suggesting that there may be little incentive for property reinvestment by occupants. Furthermore, the recent rise in homicides and arsons in the community has created an imminent need for intervention. Between 2007 and 2008, homicides increased 27 percent, and arson increased 250 percent. Conversely, the overall decline in crime in the community is a strength that can be built upon in community development efforts through NSP.⁴ These conditions have continued to detract from the value, safety and overall quality of Ivy City, making this once vibrant neighborhood a high crime, less desirable place.

Those who do own homes are facing foreclosure at an alarming rate. This neighborhood cluster has seen 8.1 percent of the District's total foreclosures to date in 2008. Moreover, HUD data shows that almost 43 percent of all loans in that neighborhood were high cost and therefore at highest risk of foreclosure. The predicted 18-month foreclosure rate is 5.6 percent, making it the twelfth highest in the District out of 457 census tracts.⁵ While the median home sales price data for the zip code that includes Ivy City has fallen by just 11.3 percent, this is primarily due to the continued strength of the Capitol Hill neighborhood, which shares the same zip code.⁶

As home prices have fallen in Ivy City/Trinidad, homeowners have been unable to sell their homes at prices high enough to pay off their mortgages. In September, homes for sale in Trinidad/Ivy City remained on the market for 107 days. At this rate, homeowners

² US Census. (2000). *Decennial Census*. Retrieved October 2008, from <http://www.factfinder.census.gov>

³ *HUD Allocation Formula for Neighborhood Stabilization Program Funds*, US Department of Housing and Urban Development. (September 28, 2008).

⁴ Metropolitan Police Department (2008). *Crime Statistics Mapping Tool*. Retrieved January 22, 2008 from <http://crimemap.dc.gov/presentation/report.asp>

⁵ *Ibid*

⁶ Metropolitan Regional Information Systems (MRIS) (2007). *Year End Real Estate Trend Tracker*. Retrieved March 2008, from http://www.mris.com/reports/stats/yearly_reti.cfm

that try to sell their homes upon notice of foreclosure are often unable to do so before the bank acts to foreclose.⁷

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.*

Response:

As mentioned, DHCD plans to invest the District's \$2.8 million allocation under the federal government's Neighborhood Stabilization Program (NSP) in Ivy City/Trinidad, one of the city's neighborhoods with the greatest need.

In accordance with Section 2301(c)(2) of the Housing and Economic Recovery Act, DHCD will give priority emphasis and consideration to an area of the District

- (A) with the greatest percentage of home foreclosures;
- (B) with the highest percentage of homes financed by subprime mortgage related loan;
- (C) identified by the District government as likely to face a significant rise in the rate of home foreclosures.

Since 2003, DHCD has acquired a total of 37 vacant properties in Ivy City/Trinidad through tax foreclosures and public purchase⁸. The District is able to foreclose on tax liens that are not purchased by private investors. The DC government is also able to acquire vacant and abandoned properties through negotiated sales and select use of eminent domain on the basis of slum and blight. The development rights to the District owned properties have been conditionally awarded to four non-profit developers: MissionFirst, DC Habitat for Humanity, Mi Casa, Inc., and Manna, Inc.

The design guidelines and affordability requirements of the redevelopment plan for Ivy City/Trinidad were developed as the result of a community charrettes planning process, and input by the Ivy City Community task force. The project incorporates several best practice concepts and includes special provisions for storm water management and environment friendly, green design principles.

⁷ Metropolitan Regional Information Systems (MRIS) (2007). *Monthly Real Estate Trend Tracker*. Retrieved October 10, 2008, from http://www.mris.com/reports/stats/monthly_reti.cfm

⁸ Property Acquisition and Disposition Division (PADD) (2008) *2008 Annual Report*.

Fifty units will be developed, which will represent a \$2.5 million NSP investment in the community by DHCD.⁹ Of the 50 units to be developed, 21 units will be affordable units at or below 50 percent of AMI, including 12 that will be available to residents at or below 30 percent of AMI.

The projected sales prices of the units will range from \$98,000 for the lower income units to \$400,000 for the market rate units that are to be developed. The properties will be sold to developers below market value to reduce the acquisition costs and subsidy needs, thus making affordable housing on the site feasible.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

D.C. Official Code § 42-3171 et seq. is the statute that governs how the District of Columbia determines when a property constitutes a threat to the public health, safety, or welfare and is a candidate to be acquired by the District, through certain enumerated procedures, to eliminate slum and blight. Although “slum and blight” is defined in the D.C. Official Code, “blight” is not specifically defined by the statute. The District will apply the definition of abandoned and deteriorated property as its definition of “blighted” properties for NSP activities. The D.C. Official Code § 42-3171.01 defines “abandoned” and “deteriorated” property, detailed below, which definitions are used in identifying those properties which may be acquired to remediate slum and blight as expressed in D.C. Official Code § 42-3171.02.

Further guidance on the specific characteristics for the identification of “abandoned” and “deteriorated” property referenced in the statute is provided in the D.C. Municipal Regulation at DCMR §10-4600 et seq. The combination of applicable statute, D.C. Official Code § 42-3171 et seq., and the correlating regulations, DCMR §10-4600 et seq., provide the Department of Housing and Community Development a comprehensive definition for identifying those properties which would traditionally be considered “blighted” within the District.

Specifically, an “abandoned property” under the DC Code can be a) a structure that is unoccupied by an owner or a tenant and on which no taxes have been paid in 18 months, b) a vacant lot on which no taxes have been paid in 18 months, c) a structure that is unoccupied, that has been deemed structurally unsafe by the District, and that the District has issued to the owner a notice to the owner to bring to code or demolish, or d) a vacant lot on which a building has been demolished.

In the DC Code, a “deteriorated” property is a property a) determined by the District to be a threat to public health, safety, or welfare, b) contributes to the blight or dilapidation

⁹ DHCD Analysis, 2008.

of the area immediately surrounding the property, or c) a structure for which notice has been given to the owner to abate all code violations or to demolish the structure and the owner has failed to do so.

”Slum and blight” under the DC Code is defined as one or more parcels of land, whether vacant or improved, that are in a blighted area or exhibit one or more characteristics of a blighted area.

The full text of the relevant chapters of the DC Municipal Regulations is as follows:

10-4600. GENERAL PROVISIONS.

4600.1 The Purpose of this chapter is to provide criteria to be considered in identifying “deteriorated property” that constitutes a threat to the public health, safety, or welfare or that contributes to the blight or dilapidation of the area immediately surrounding the subject property pursuant to D.C. Official Code § 42-3171.01(2) (2006 Supp.).

TITLE 10. PLANNING AND DEVELOPMENT CHAPTER 46. ACQUISITION OF ABANDONED AND DETERIORATED PROPERTY

CDCR 10-4601 (2008)

10-4601. REAL PROPERTY THAT CONSTITUTES A THREAT TO THE PUBLIC HEALTH, SAFETY, OR WELFARE.

4601.1 In accordance with D.C. Official Code § 42-3171.01(2)(a), property constitutes a threat to the public health, safety, or welfare if conditions on the property meet at least two (2) of the following criteria:

(a) If the property contains a structure, the structure shows signs of disrepair that threaten surrounding properties, structures, systems, or persons, as evidenced by an absent, dilapidated, or partial roof, dilapidated or partial floors or exterior walls, visible structural defects, conditions that may expose the structure to the elements, or any other condition that evidences the structure is not maintained;

(b) If the property contains a structure, the structure fails to provide for necessary ventilation, light, sanitation, or drainage, as evidenced by inadequate or inoperable electrical wiring or plumbing, standing water, boarded or blocked doors or windows, or unconnected public utilities;

(c) If the property contains a structure, conditions on the property that violate the fire, building, or housing codes;

(d) Conditions on the property that present a threat of disease transmission or ill health, as

evidenced by an environment conducive to the harborage of vermin or vectors, including the existence of abandoned cars, garbage, standing water, or excessive vegetation, or criminal acts on the property, as evidenced by drug usage or other illicit activities;

(e) Evidence of trash dumping, which includes the existence of abandoned automobiles, automobile parts, appliances, furniture, household items, clothing, household garbage, yard debris, or any other discarded items; or

(f) The property is located within a crime reduction target area; or

(g) The existence of any other condition that constitutes a threat to the public health, safety, or welfare, as determined by the Director.

TITLE 10. PLANNING AND DEVELOPMENT
CHAPTER 46. ACQUISITION OF ABANDONED AND DETERIORATED
PROPERTY

CDCR 10-4602 (2008)

10-4602. REAL PROPERTY THAT CONTRIBUTES TO THE BLIGHT OR
DILAPIDATION OF THE AREA IMMEDIATELY SURROUNDING THE
PROPERTY.

4602.1 In accordance with D.C. Official Code § 42-3171.01(2)(b), property contributes to the blight or dilapidation of the area immediately surrounding the property if the conditions on the property meet at least two (2) of the following criteria:

(a) If the property contains a structure, the structure shows signs of disrepair, which may be evidenced by a neglected exterior including, but not limited to, chipping or flaking paint, rotting wood, crumbling brick or other stone, missing or broken doors or windows, graffiti, or unsecured entrances or openings;

(b) The property comprises an irregular sized or shaped lot, which renders the property unusable for its intended purpose;

(c) A vacant lot for which the perimeter is not secured by an upright fence or other barrier that limits access to the lot;

(d) The property exhibits a pattern of neglect, as evidenced by the following:

(1) More than two (2) recorded housing code violations within a two (2) year period, regardless of whether the violation was paid or abated;

(2) More than two (2) citations issued by the District of Columbia Department of Public Works within a two (2) year period, regardless of whether the citation was paid or

abated;

(3) Delinquent real property taxes or other assessments that result in the property being eligible to be sold at the real estate tax sale two (2) or more times, regardless of whether redeemed or paid; or

(4) Combination of two or more recorded housing code violations, citations issued by the Department of Public Works, or delinquent real property taxes or other assessments that result in the property being eligible to be sold at the real estate tax sale, regardless of whether abated, redeemed, or paid;

(e) The property's title contains an irregular ownership history or encumbrance that renders the title unmarketable;

(f) The existence of any other condition that may contribute to the blight or dilapidation of the area immediately surrounding the property, as determined by the Director.

(2) Definition of “affordable rents.” *Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program-specific requirements such as continued affordability.*

Response:

All units will be “for sale” units, which eliminates the requirement for affordable rents. However, DHCD sets affordable rents at an amount that is at or below 30% of a low-to-moderate person’s gross income.

DHCD shall ensure, to the maximum extent practicable and for the longest feasible term, that the redevelopment of abandoned and foreclosed upon residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Within its loan agreement to each prospective borrower, DHCD will incorporate financing covenants that mandate that all 50 units are to be sold by the Borrower to individuals/households within set income ranges. Twenty-one of the 50 units are to be sold to households with incomes at or below 50 percent of the AMI, including 12 units that are to be sold to households with incomes at or below 30 percent of the AMI for the Washington, DC MSA.

For compliance with these covenants, DHCD will conduct initial income certifications of each buyer and upon the transfer of the property in the future, DHCD will perform subsequent income certifications to ensure that the units remain affordable for the entire duration of the covenant term. In keeping with HOME program guidelines, DHCD will impose affordability covenants with a minimum of 15 years, as the subsidy per unit is expected to exceed \$40,000. DHCD will utilize the RESALE provisions of the HOME Program pursuant to 24 CFR 92.254 (a)(5)(i)(A) by incorporating restrictive covenants running with the land and a silent second Deed of Trust that will require homebuyers to:

- 1) Maintain the NSP-assisted unit as his/her principal place of residency during the Affordability Period, and
- 2) Sell the NSP-assisted unit to a subsequent NSP income-eligible buyer, if said sale occurs within the unit's Affordability Period.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

The housing rehabilitation standards that will apply are laid out in the DCMR as follows:

I. Introduction

The Department of Housing and Community Development (DHCD) Property Acquisition and Disposition Division (PADD) has developed design standards for new and renovation construction to ensure that all projects conform to current applicable regulations, and to promote good design quality within budget. For each project the goal is to achieve the highest quality product within the cost constraints of the project. Major goals of these design and generic specifications are to guide and encourage the creation of design standards that:

- Are compatible with and complementary to the surrounding neighborhood.
- Result in high quality, cost effective construction.
- Result in low maintenance costs and energy efficiency for homeowners.
- Use interior and exterior space to enhance the quality of life of the residents and neighbors.
- Conform to all applicable building codes, regulations, ordinances, etc.

II. Procedures

For vacant lots, the Developer shall provide a copy of the permit set of plans for PADD review. Specifications for all equipment/appliances/products shall be provided for same review if not contained in the permit set of plans. Prior to settlement, a copy of the approved permit set of plans shall be provided to PADD.

III. Guidelines

Developers are responsible for and must be in compliance with all applicable regulatory requirements. PADD will not review projects for compliance with other regulations.

IV. Building Permits and Codes

It is the responsibility of the Developer to be aware of and satisfy all local codes, regulations, ordinances, and to obtain all required authorizations, waivers, permits, etc., necessary to begin construction. The Developer will be responsible for applying for and obtaining the Building Permit(s) and also applying for and obtaining the use and Occupancy permit(s) when applicable. PADD requires that the developer be prepared to furnish to Home Again verification or approval from all agencies having jurisdiction and authority over the project.

V. Public Utilities

For gas, water/sewer, and electrical services, the Developer shall check with the various utility companies and departments to determine where service entrances to the property and building can be best made if additional service is required.

VI. General Energy Requirements

All new buildings should be designed to meet the National Energy Five Star efficiency performance standard of 86. Procedures used for this Five Star rating shall comply with National Home Energy Rating Systems guidelines. For additional information and product information/manufacturers meeting Energy Star requirements see contact information below.

- Energy Star Hotline: 1-888-STAR-YES (782-7937)
- Email: info@energystar.gov
- Energy Star Site Map: www.epa.gov/nrgystar/sitemap.html

VII. Neighborhood Compatibility

PADD will review all house designs and site plans for compatibility with the existing neighborhood. Prime areas of review will be the siting of the building, building proportions, parking layouts, exterior detail and landscaping. Developers should demonstrate how their proposal responds to the Community Design Guidelines provided in conjunction with this Request for Proposal.

VIII. Construction Site Security

Construction site security is the responsibility of the Developer.

IX. Public Sidewalks

The Repair and/or replacement of public sidewalks(s) abutting the Properties, shall be the responsibility of the Developer.

X. Performance Standards

Quality Control: All inspections, test and other quality control measures required by the local jurisdiction or the contract documents shall be the responsibility of the Developer. Copies of the test and/or inspection results will be made available to PADD upon request.

Warranties: The Developer shall provide new owner copies of all warranties for materials and equipment. The Developer shall warrant work for no less than one year from occupancy. For new homes it is recommended that the Developer provide a homeowner's warranty from RWC or other firm. The Developer shall provide this information in a Homeowner's Warranty and Maintenance Book that includes the names, addresses, phone number and contact people for all sub-contractors whose work is being warranted.

Noise Control: The Developer shall comply with all applicable noise control measures.

Public Space/Adjoining Property: It is recommended that the Developer photograph all elements of public space such as sidewalks and adjoining structures to eliminate issues of damage to either public or private property during construction.

Termite Certification: The Developer shall provide a termite treatment/soil treatment certification for the mortgage lender.

Insulation: The insulation standard applies to all new construction and in the cases of rehabilitation, those areas where the space was exposed during rehabilitation. Basement insulation shall have an R-19 rating; Roof and attic insulation shall have an R-30 rating; exterior wall insulation shall have an R-21 rating.

Roofing: Developer shall provide a 20 year warranty for asphalt shingle roofs. The Developer shall provide at least a 10 year manufacturer's warranty for a built-up asphalt roof. Single-ply membrane roofing shall be Carlisle Syntec Systems or equivalent applied as per manufacturer's warranty specifications.

Exterior Doors: Wood doors must comply with AWI's "Architectural Woodwork Quality Standards Illustrated". Metal doors shall be manufactured by Therma-Tru or equal. All glass in doors to be insulated.

Windows: Wood windows must be double-glazed with U-factor of .52 or lower with maximum solar heat gain of .60 or lower. Manufacturers: Certain Teed, Andersen, Pella, Superseal, Champion, BFRich or equivalent. Vinyl windows must be insulated, double-glazed. U-factors and solar heat gain same as wood windows. Manufacturers will be the same or equivalent.

Indoor Air Quality: Include carbon monoxide detectors in garage (if proposing a garage). Include the use of exhaust fans and ventilation in the home.

Appliances: Appliances to be Energy Star rated. The Developer will provide a range (gas or electric); frost-free refrigerator/freezer; range hood (vented or non-vented); garbage disposal. Optional equipment: dishwasher, washer/dryer, trash compactor. Manufacturers: Whirlpool, GE, Hotpoint, Kenmore, Frigidaire, Amana, Jenn-air.

Cabinets and Countertops: “Chadwood” Series by Kitchen Kompact, Inc.; Kraftmaid or equal.

Sump Pumps: Recommended. If not provided explain why.

Water Heaters: Gas or electric fired 40-gallon “energy saver” water heater with a minimum 5 year warranty and energy factor of .92 or better. Manufacturers: AO Smith, Rheem, RUUD or equal.

Plumbing Fixtures: Water conserving fixtures such as low flow toilets, low flow shower heads, etc.

Furnaces: Minimum 90 AFUE or greater, central air minimum efficiency level of 12 SEER. Manufacturers: Carrier, Lennox, Rheem, Sears, Trane, RUDD, York or equal.

Electrical: Provide minimum 100 amps, single-phase 110/220 volt, 3-wire electrical service with 100amp, 20 breaker panel.

Smoke Detectors: As per code with battery back up.

XI. Green Building Standards

The District of Columbia is committed to sustainable development practices that maximize energy efficiency and provide healthy living environments. This is particularly true for residents of affordable housing developments who will benefit from lower monthly utility bills and improved health. An integrated design process incorporates sustainability up-front, uses a holistic and total-systems approach to the development process, and promotes good health and livability through the building’s life cycle. Home Again encourages pre-qualified developers to adopt the following green building or high performance standards:

Energy: Demonstrate energy efficiency by meeting Energy Star standards, achieving a Home Energy Rating System (HERS) design score of 86, exceeding ASHRAE 90.1 by 30 percent or local energy code, whichever is more stringent.

Indoor Air Quality: Use of low-toxic, solvent free, low-VOC paints, primers, adhesives, and sealants.

Water: Use of Low Impact Development methods such as raingardens, rain barrels, pervious paving, GreenRoofs, etc

Waste: Recycle construction debris & demolition materials, where appropriate

Materials: >25% of materials are renewable or of recycled content

For more information about high-performance sustainable design & construction practices see Appendix C and contact the DC Office of Planning at (202) 535-1556.

Additional information on sustainable residential development can be found at www.greencommunitiesonline.org

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$1,072,153.

***Note:* At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.**

Response:

Twenty-one of the 50 units to be developed, or 42 percent, will be sold to individuals and families whose incomes do not exceed 50 percent of AMI, including 12 units that are to be sold to individuals at or below 30 percent of AMI. All 50 units will be used to house individuals and families whose incomes do not exceed 120 percent of AMI. Of the 50 total units:

- Mi Casa – Phase II (\$551,492): five of the seven units will target households at or below 80 percent of AMI; the two remaining units will target households between 80 and 120 percent of AMI
- Manna, Inc (\$912,805): Thirteen of the twenty units will target households at or below 50 percent of AMI; the remaining seven units will target households at or below 80 percent of AMI
- DC Habitat for Humanity (\$724,305): all eight units will target households at or below 30 percent of AMI.

In total, a minimum of \$1,072,153 (42 percent) of the District’s \$2.8 million allocation will be directed to house individuals or families whose incomes do not exceed 50 percent of AMI.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

If so, include:

- **The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.**
- **The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).**
- **The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.**

Response:

DHCD does not intend to demolish or convert any occupied low- or moderate-income units.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction’s website for no less than 15 calendar days for public comment.

Response:

On November 7, 2008, DHCD published a “Solicitation of Public Comment, Neighborhood Stabilization Program Funding” in *District of Columbia Register*, Volume 55, Number 45 (See *DC Register* Attachment). This notice informed the public that DHCD’s NSP Substantial Amendment would be available on November 13, 2008, on our website, and gave contact information to request a printed copy. Additionally, it provided the details of the November 20, 2008 public hearing, as well as details for submitting comments by email and by mail.

On November 13, 2008, DHCD posted the NSP Substantial Amendment on its official website, www.dhcd.dc.gov for public comment. On November 20, 2008, in a properly

noticed Community Needs Hearing, DHCD accepted public comments on the NSP Substantial Amendment.

Comments received through the website posting and the formal hearing are summarized below:

o **Enterprise Community Partners**

1. Will the developers have to purchase the lots from DHCD or will they be given to the developers for no financial consideration? For the financing shown on pages 19-23 - is there any acquisition assumed or are the numbers assuming only construction and sales expenses?

DHCD Response: The acquisition price is \$1000 per lot.

2. What are the lengths of the loans/terms envisioned for the 1-3% loans described on pages 19-23?

DHCD Response:

For the projects within this initiative, the term and affordability periods of the loans will be structured similarly to loans made from HOME Investment Partnerships Program funds, in that both loan characteristics will be governed by the per unit subsidy required for each unit across the entire initiative as a whole (see the affordability guidelines below). This structure translates into an NSP investment of approximately \$51,000 per unit across the initiative. Upon the construction completion of each unit, this translates into a “silent” second mortgage with a 15-year loan term and affordability period assigned from each developer upon unit sale to individual income-eligible purchasers. Each “silent” second mortgage will require no repayment during the course of the 15-year affordability period – and as long as the unit is maintained as the primary residence of the purchaser, 1/15th of the silent second mortgage will be forgiven annually over the course of the 15-year affordability period. This structure will be written into the covenant recorded against each unit, and in the event a purchaser breaches any of these terms, the outstanding loan balance of the silent second mortgage will become immediately due and payable.

HOME Affordability for Homebuyer Projects:

<u>HOME Investment per Unit</u>	<u>Affordability Period</u>
Less than \$15,000	5 years
\$15,001 - \$40,000	10 years
\$40,001 or more	15 years

3. Have the private financing sources listed on pages 19-23 been contacted to gauge their interest/rates/terms?

DHCD Response: Securing private financing is the responsibility of the individual developers involved in the transactions. To date, the main private financing source for the initiative appears to be LISC, who is presently underwriting the first phase of units to be developed by Mi Casa. As DHCD has nearly finalized its loan terms, it is expected that a number of different private financing sources may show interest in providing lower-than-market financing for the project.

4. Will the developers have clear title to the land one transferred from DHCD?

DHCD Response: Yes, the developers will have clear title to the land once transferred from DHCD.

5. Suggest that the submission reference the National Community Stabilization Trust (NCST) and the potential for the city to connect with that effort and the funds expected to be available. Enterprise has submitted D.C. as a city to be on the NCST list.

DHCD Response: NCST is not referenced in this proposal, however DHCD is exploring possibilities for working with the National Community Stabilization Trust (NCST) in the future to address the issues of concentrated foreclosure occurrences and the potential for community destabilization. Rather, the proposal focuses on one distressed area of the city, Ivy City/ Trinidad, with a high number of vacant and abandoned properties to be redeveloped, so that we may most effectively leverage limited NSP resources.

o **Washington Legal Clinic for the Homeless**

1. The affordability periods should be longer.

DHCD and housing advocates currently struggle to preserve affordable properties that have received some form of governmental assistance and are exiting the various subsidy programs. Yet, each year, the affordable housing stock continues to diminish. We applaud DHCD for taking this opportunity to exceed the minimum requirement that 25% of the NSP funds be spent on families making 50% AMI or less. However, it is imperative that affordability levels in the NSP are maintained for as long as possible. With new construction, this period should be 40 years, not the 15 years that is proposed in the draft plan.

DHCD Response: Given the very low homeownership rate in the Ivy City/Trinidad community, this redevelopment is designed to incentivize homeownership for low-

and moderate-income households. DHCD recognizes the importance of maintaining affordability while building a mixed income community, and the 15 year affordability period has been designed to strike this balance.

2. Accessibility should be included in the design.

In as much as there is a dearth of housing affordable to low-income residents of DC, there is an even greater lack of housing that is both affordable and accessible for persons with mobility impairments. In addition, the households of Ivy City are decidedly inter-generational: 25 percent have one or more persons over the age of 60. Mandating accessibility in the design of the new units will enable these residents to age in place rather than have to relocate if they are or should become mobility impaired. The design of these new construction units should be accessible to persons with mobility impairments.

DHCD Response: In accordance with Section 504 of the Rehabilitation Act of 1973, each affordable housing development funded by DHCD, using either federal or District funds, prohibits discrimination based on disability and establishes requirements for program and physical accessibility in connection with housing programs – this also applies to substantially rehabilitated and/or newly constructed housing units. In order to comply with this regulation, DHCD completes a thorough regulatory compliance review for each project to ensure that Section 504 unit design requirements are implemented to provide accessibility to mobility impaired residents interested in living in the development. Additionally, DHCD abides by the Uniform Federal Accessibility Standards (UFAS), which set the standards for accessibility by physically handicapped persons for federally-funded housing development. On certain developments, DHCD has financed a specific portion of the project to fund the UFAS housing units – these projects are generally completed in conjunction with the District of Columbia Housing Authority (DCHA).

3. Additional funds should focus on maintaining current households, rather than acquiring other foreclosed homes.

According to the draft plan, in addition to the specific plans in Ivy City, the District funds will also be used to purchase additional foreclosed properties in the surrounding areas. We strongly urge you, instead, to target those funds at enabling low-income families who are at risk of foreclosure to remain in their homes. We suggest any remaining funds be made available to low-income families who, but for past-due payments, could maintain their affordable home ownership. Such a program could be structured and administered similar to the existing Emergency Rental Assistance Program with an express focus on foreclosure prevention.

DHCD Response: DHCD has revised its plan since its initial submission, and has determined that with the limited funds available, the purchase of additional foreclosed properties is not feasible at this time. Outside of the NSP allocation, DHCD is exploring partnership opportunities and additional resources to assist with foreclosure prevention as suggested.

4. The plan does not directly answer the question of whether any currently occupied low- and moderate-income dwelling units will be demolished or converted.

It appears the property to be used in the Ivy City development has already been acquired, and is currently vacant. However, we strongly urge you to pledge not to acquire any additional property necessary for this project if it will result in the loss of any low- or moderate-income housing units *unless* there is prior one-to-one replacement of any such affordable units and any families to be displaced are permanently housed in affordable units.

DHCD Response: The property to be used in the Ivy City development has already been acquired, and is currently vacant. There are no plans to acquire additional property that may result in the conversion of currently occupied low- and moderate-income dwelling units being demolished or converted.

o **United States Veterans Initiative (US VETS)**

US VETS has reviewed the District of Columbia's NSP Substantial Amendment and is concerned that the proposal does not target the growing housing needs of veterans, including homeless veterans and other low-income veterans in the District, and especially those needing workforce housing, as well as clean and sober permanent supportive housing options. Approximately 38,589 veterans live in the city of DC, many low-income and very low-income. Particularly now, with the growing number of veterans returning from Iraq and Afghanistan (OEF/OIF), it is critical to recognize the need for veterans housing. At US VETS, we are experienced providers of a wide array of housing options to veterans across the United States, including our facilities in the District of Columbia.

US VETS specifically proposes amending the NSP Substantial Amendment to allocate \$1.4 million for veterans housing to be developed and managed by US VETS. We would be in a position to leverage NSP funds with funds from the HUD-Veterans Affairs Support Housing Program (HUD-VASH vouchers), as well as, for those veterans enrolled in school, the housing stipend under the Post 9/11 Veterans Education Assistance Act of 2008. US VETS is an ideal partner in this capacity. US VETS' expertise could significantly impact the effectiveness of an affordable rental housing program.

While we recognize and commend the efforts of DC to design an efficient program for the use of NSP funds, US VETS strongly encourages the city to include in the Substantial

Amendment a commitment to veterans housing. US VETS is making a similar request to a handful of NSP fund recipients in the cities and counties where significant numbers of veterans reside. HUD has approved a preference for veterans in their NSP Funds Q & A (citation provided). We greatly appreciate the State of Arizona's previous support and collaboration in our efforts to assist veterans in their road to independence. As veterans return from Iraq and Afghanistan, we look forward to working with the city to find every opportunity to support our veterans.

DHCD Response: DHCD fully supports the men and women who have served our country as members of the armed forces – both during their time of service and after they have completed their respective tours of duty. DHCD has invested over \$3 million for the development of specialized housing units targeted toward veterans living in the District of Columbia with special needs, and as the need for additional units arises, DHCD will continue its support for such initiatives as the opportunities present themselves.

o **Mike Davis, resident**

I say put the money toward more apartments for low income and homeless people like myself. I've been waiting for an apartment for three to four years. Help me get an apartment, it would be a true act of God. Thank you.

DHCD Response: While DHCD proposes to use the NSP funds to assist with the redevelopment of Ivy City/Trinidad, the Department recognizes the importance of assisting homeless residents, and targets significant resources in this area. Specifically, DHCD manages the Emergency Shelter Grant (ESG) Program. ESG funds provide assistance in three significant areas including prevention of homelessness (eviction prevention), shelter operations, and shelter renovations.

The homeless prevention (eviction prevention) funds serve approximately 154 households a year. The program is directly administered by the Community Partnership for the Prevention of Homelessness (TCP).

DHCD also manages the Shelter Plus Care (S + C) Program on behalf of the District. These federal grant funds are provided to local governments to provide rental assistance so that homeless persons with disabilities can obtain permanent housing. The program currently serves approximately 400 residents through the use of tenant-based rental assistance and sponsor-based rental assistance. TCP is currently also administering this grant for the District.

Community Needs Hearing, November 20, 2008 Public Comments on Proposed NSP Substantial Amendment

o **George Rothman, Manna, Inc.**

We support DHCD's plan to allocate Neighborhood Stabilization Program funds to Ivy City. For the last three years, Manna has been working with DHCD and its Home again initiative along with our other developer partners, Mi Casa, Habitat for Humanity, and Mission First, to develop affordable home ownership opportunities in the Ivy City neighborhood.

Manna participated in the community development charrettes, during which residents shared their vision for the redevelopment of Ivy City's vacant lots and abandoned buildings. These community design guidelines are incorporated into Manna's townhouse design for 20 condominium homes.

The Ivy City residents and Manna have been waiting to start the Ivy City work. So Manna is hopeful that the award of NSP funds will help jump-start the disposition of the properties. However, we hope that DHCD's decision to use NSP funds will not preclude DHCD from honoring commitments made to the four developers under the Home Again Initiative regarding additional funds that are needed for the program.

For example, in the NSP proposed plan, DHCD indicates it will charge a one to three percent interest rate on the funds. In the original Home Again agreement, the construction loans were at zero percent. And the home buyers would assume a pro rata share of the DHCD construction loan. The loan would then continue at the zero percent interest rate during the period the home buyer carries it and would be repaid to DHCD at the time each buyer sells his or her unit. Changing the terms, such as the interest rate, will require additional subsidy from DHCD and will delay the production of the units and subsequent benefits for Ivy City.

Another issue is that because the property disposition has been delayed, development cost estimates are now outdated. The budget we originally provided two years ago, it was assumed that DHCD would have transferred the properties by now and we would be in construction.

Additionally, Manna has some concerns with the draft covenants that DHCD will require home buyers to sign. Some of the covenant language is inconsistent with FHA requirements. And we are concerned that this will prevent homeowners from being able to obtain mortgages. We are working with the Department now on this issue. FHA loans are rapidly becoming the best type of permanent financing for most low and moderate-income buyers. Without FHA project approval, affordable home ownership projects will not be feasible because of the high risk involved for developers.

Projects subject to inclusionary zoning restrictions or land trust financing will not comply with FHA requirements. However, Manna continues to be concerned about the restrictive and burdensome affordability requirements that keep home buyers from receiving the full benefits of home ownership. It is difficult enough to qualify for a mortgage today. If a home buyer manages to accomplish this, Manna thinks they should be treated like other buyers and be able to accumulate equity to help themselves and their families.

Like DHCD, Manna believes that by creating affordable home ownership opportunities in Ivy City, the neighborhood will benefit from the social and economic stabilization effects that home ownership has yielded in other D.C. neighborhoods. Manna appreciates the opportunity to work with the Department to address the housing needs in Ivy City. And we hope that this will be a productive partnership. Thank you.

DHCD Response: DHCD appreciates the support of our community partners such as Manna who assist in the development and preservation of affordable housing opportunities here in the District.

In response to the specific items raised by Manna:

- Requests for Proposals (RFPs) issued by DHCD do not include loan terms; the Ivy City/Trinidad RFP was consistent with this policy. The disposition agreements for these properties are now being finalized and will solely govern the transfer of the property. Loan terms are determined during the underwriting phase of the project, at which time it is standard for revised construction budgets to be submitted by the developer.
- Before submission of the NSP Substantial Amendment, DHCD had begun the process of examining affordability covenants and compatibility with FHA standards. This process is currently underway and we anticipate that we will be able to reach a solution that balances the needs of both individual homeowners and the need to preserve affordable units overall.
- **Elizabeth Askew, Mission First**

Good evening, and thank you for the opportunity to express support this evening for the Neighborhood Stabilization Program funds proposed for the Ivy City-Trinidad neighborhood. My name is Elizabeth Askew. And I am a project manager with Mission First Development, a D.C.-based CBE affordable housing and real estate developer that has completed over 950 affordable units in the District of Columbia.

Mission First and D.C. Habitat for Humanity are development partners for the District on Bundle 24 parcels in Ivy City. We have been conditionally awarded the project by D.C. through a competitive RFP process. We propose to develop 23 units along Providence Street and Central Place, with 80 percent of the units set aside as affordable. Mission First will develop 15 units, and D.C. Habitat will develop 8 units.

Mission First envisions the construction of affordable home ownership opportunities as key to revitalizing the Ivy City neighborhood, improving safety by eliminating vacant lots, and retaining and attracting residents who are committed to the neighborhood. It is our goal to prioritize the sale of new homes to Ivy City residents, who have been heavily involved and committed to this revitalization effort for several years. We have attended several public meetings to present our designs and address the concerns of the community and are committed to continuing to do that.

Mission First proposes two-story homes with brick facades and front porches, therein keeping with community character. The designs include three bedrooms, green design elements, front and rear yards, and off-street parking places. Mission First has completed 13 units in partnership with the District's scattered site disposition program and currently has one additional unit under construction.

We are strong believers in the mission of the program and are pleased to have a close and productive relationship with DHCD. We fully support the use of the neighborhood stabilization funds for the DHCD-sponsored Ivy City-Trinidad program so that the long-awaited transformation of this neighborhood can occur and a stock of quality affordable housing further expanded in the District of Columbia. Thank you.

DHCD Response: DHCD appreciates the support of Mission First and looks forward to continuing our productive relationship through the redevelopment of these fifteen units.

o **Oramenta Newsome, LISC**

Good evening. I am Oramenta Newsome, Executive Director of the Washington, D.C. LISC office. Our mission is to help nonprofits create healthy neighborhoods that are good places to live, work, raise children, and conduct business. We provide loans, grants, equity, and a range of technical support to undertake our sustainable communities and our equitable development work in the neighborhoods of Washington, D.C.

I am here to provide comments on the proposed Neighborhood Stabilization Program amendment, as provided by the Department of Housing and Community Development. I wish to express my support for the use of the District of Columbia's \$2.8 million NSP allocation for the redevelopment plan for the Ivy City, Trinidad neighborhoods.

The staff of D.C. LISC participated in the charrette and planning process that led to the development of a vision plan for Ivy City, in which there is a design and a plan of action for addressing the neighborhood's housing, street/sidewalk, safety, and community facilities needs. The redevelopment activities that will be funded with NSP funds will be the first step in implementing the recommendations of in a vision plan for Ivy City. Through the use of the NSP funds, the long-awaited housing redevelopment project can proceed.

Ivy City comparatively is a small neighborhood in size, population, and housing units. This is why the development of 58 housing units will have such a positive effect on the neighborhood. Deteriorated properties will be renovated, and vacant lots will now have homes for sale, bringing opportunities for home ownership to existing residents and attracting new residents.

Washington, D.C. LISC has designated Ivy City as one of our three sustainable communities' neighborhoods. We have a 25-year and a 15-year relationship with MANNA and Mi Casa, respectively. We are prepared to be a member of the DHCD-led team that will develop a workable package of financing and funding that ultimately allows the homes to be affordable to lower-income, first-time home buyers.

In addition to the use of the NSP funds, the city must provide leadership and resources to address the other recommendations in a vision plan for Ivy City. This includes street maintenance, parking issues, greening, storm water management, and working with the community to develop a viable plan for the Crummell School. To attract buyers and make the neighborhood a healthy place means that we must work comprehensively to address a range of quality of life needs.

DHCD Response: The participation of LISC in this long-term community-sensitive redevelopment has been catalytic. DHCD is very appreciative of their support. In terms of comprehensive work to improve the Ivy City neighborhood, District agencies regularly participate in neighborhood walk-throughs with the Mayor to identify community needs and develop interagency strategies to meet those needs. Specifically, DHCD is coordinating with the District of Department of Transportation (DDOT) to ensure that street resurfacing is timed close to the completion of development. Additionally, DHCD is coordinating with the District Department of the Environment (DDOE) to ensure storm water management planning and compliance, including the use of innovative techniques such as rain gardens and green roofs.

o **Dennis Smyth, Habitat for Humanity**

Good evening. And thank you for the opportunity to testify today regarding the Ivy City Home Again project. My name is Dennis Smyth. I am the Interim Executive Director with D.C. Habitat for Humanity, a D.C.-based nonprofit affordable housing developer that has completed just over 100 affordable homes in the District of Columbia.

Mission First and D.C. Habitat are development partners in this home again project. D.C. Habitat works in partnership with the District government, sponsors, and volunteers to build homes and sell them to qualifying low to moderate-income families, who otherwise would not qualify for a traditional mortgage. We sell the homes at cost with no interest, no profit, 25-year mortgages. Home buyer families must qualify by demonstrating need for affordable adequate housing, ability to pay the mortgage, and willingness to partner with D.C. Habitat through the construction process. We reach out to those who are most in need of affordable housing. The supporting of our housing counselor ensures that homeowners have the resources they need to succeed as homeowners, providing a long-term safe environment for children, building equity, and effectively breaking the cycle of poverty.

Although housing prices have begun to fall, home ownership still remains out of reach for many working families in our area. In 2006, the median price for a home in Washington, D.C. was \$431,000. Less than 20 percent of homes sold in 2006 were below \$300,000, a price that remains far out of reach of low-income home buyers earning 30 percent or less of the area median income. The average income of the first 33 families in our current development is \$26,366. The site, in Northeast D.C., when complete will contain 53 modest and energy-efficient homes, each approximately 1,200 square feet, containing 3 bedrooms and one bathroom.

Mortgage payments for these Habitat families are not higher than \$500 per month, less than many of the families were paying for rent. Mortgage payments are placed into a development fund for future Habitat home construction. In our outreach efforts to find qualified home buyers for the Ivy City development, D.C. Habitat will give the highest priority to current residents of Ivy City.

We look forward to working with Mission First., MANNA, Mi Casa, and the District government in this exciting opportunity to make a difference in Ivy City.

DHCD Response: DHCD appreciates the support of Habitat for Humanity, whose model enables very low- and low-income households the opportunity to own homes of their own. We look forward to our mutual success in the completion of this project.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

The following Table 3s contain the required NSP information for each activity.

**Table 3C
Consolidated Plan Listing of Projects**

Responsible Organization – Mi Casa, Inc., Fernando Lemos, 6230 3rd Street, NW, Ste. 2, Washington, DC 20011, (202) 722-7423

Priority Need

Owner Households (small-related, large-related and elderly)

Project Title

NSP – Activity 1 – Mi Casa, Inc.- Ivy City Demonstration Project

Description: The activity addresses the need to stabilize and create additional affordable home ownership opportunities in the Ivy City neighborhood. Mi Casa will offer 7 housing units for sale once construction is complete. The District of Columbia will mandate that these homes remain affordable to households within the same Area Median Income ranges identified in the chart below for a minimum of 15 consecutive years starting at the date of the initial sale. In order to bring this development to fruition, the District will lend NSP funds to Mi Casa at a 1%-3% annual interest rate, in order to finance a portion of the construction costs, which will make the development of the affordable units financially feasible.

Activity Type: Redevelopment of vacant properties and new construction to create 7 individual housing units.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area: Ivy City, Ward 5– Mount Olivet Road NE on the southwest, New York Avenue on the northwest and West Virginia Avenue on the southeast

(Street Address): 1302 and 1304 Gallaudet St., NE; 1917 Capitol Ave., NE; 1835, 1940, 1839 and 1948 Capitol Ave., NE; 1828 & 1833 Kendall St. NE; 1868 Corcoran Street NE

(City, State, Zip Code): Washington, DC Census tract 88.03

NSP Eligible Use Sec 2301(c)(3)(E)	CDBG Citation 24 CFR 570.202
Type of Recipient Subrecipient	CDBG National Objective LMMH
Start Date (mm/dd/yyyy) 05/01/2009	Completion Date (mm/dd/yyyy) 6/30/2010
Performance Measures Units ≤30% AMI = 0 Units ≤50% AMI = 0	Performance Measures Units ≤80% AMI = 5 Units ≤120% AMI = 2
Performance Indicator Units	Annual Units 7
Local ID	Units Upon Completion 7

Funding Sources:

NSP **\$ 551,492**
Private Financing 2,418,925
Total Sources **\$2,970,417**

**Table 3C
Consolidated Plan Listing of Projects**

Responsible Organization – Manna, Inc., George Rothman, 828 Evarts Street, NE, Washington, DC 20018, (202) 832-1845

Priority Need

Owner Households (small-related, large-related and elderly)

Project Title

NSP – Activity 2 – Manna Inc.- Ivy City Demonstration Project

Description: The activity addresses the need to stabilize and create additional affordable home ownership opportunities in the Ivy City neighborhood. Manna will offer 20 housing units for sale once construction is complete. The District of Columbia will mandate that these homes remain affordable to households within the same Area Median Income ranges identified in the chart below for a minimum of 15 consecutive years starting at the date of the initial sale. In order to bring this development to fruition, the District will lend NSP funds to Manna at a 1%-3% annual interest rate, in order to finance a portion of the construction costs, which will make the development of the affordable units financially feasible.

Activity Type: New construction on vacant lots to create 20 individual housing units.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area: Ivy City, Ward 5– Mount Olivet Road NE on the southwest, New York Avenue on the northwest and West Virginia Avenue on the southeast
(Street Address): Capitol Avenue and Kendall St, NE
(City, State, Zip Code): Washington, DC Census tract 88.03

NSP Eligible Use Sec 2301(c)(3)(E)	CDBG Citation 24 CFR 570.202
Type of Recipient Subrecipient	CDBG National Objective LMMH
Start Date (mm/dd/yyyy) 06/01/2009	Completion Date (mm/dd/yyyy) 05/30/2010
Performance Measures Units \leq 30% AMI = 4 Units \leq 50% AMI = 9	Performance Measures Units \leq 80% AMI = 7 Units \leq 120% AMI = 0
Performance Indicator Units Constructed/Rehab	Annual Units 20
Local ID	Units Upon Completion 20

Funding Sources:

NSP	\$ 912,805
Private Financing	2,327,563
Developer Equity	232,924
Proposed LISC Loan	1,269,501
Total Sources	\$4,742,793

**Table 3C
Consolidated Plan Listing of Projects**

Responsible Organization – Mission First, Sarah Constant, 1330 New Hampshire Avenue, NW, Ste. 116, Washington, DC 20036, (202) 223-3405

Priority Need

Owner Households (small-related, large-related and elderly)

Project Title

NSP – Activity 3 – Mission First- Ivy City Demonstration Project

Description: The activity addresses the need to stabilize and create additional affordable home ownership opportunities in the Ivy City neighborhood. Mission First will offer 15 housing units for sale once construction is complete. The District of Columbia will mandate that these homes remain affordable to households within the same Area Median Income ranges identified in the chart below for a minimum of 15 consecutive years starting at the date of the initial sale. In order to bring this development to fruition, the District will lend NSP funds to Mission First at a 1%-3% annual interest rate, in order to finance a portion of the construction costs, which will make the development of the affordable units financially feasible.

Activity Type: New construction on vacant lots to create 15 individual housing units.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area: Ivy City, Ward 5– Mount Olivet Road NE on the southwest, New York Avenue on the northwest and West Virginia Avenue on the southeast

(Street Address): Central Place, NE

(City, State, Zip Code): Washington, DC Census tract 88.03

NSP Eligible Use Sec 2301(c)(3)(E)	CDBG Citation 24 CFR 570.202
Type of Recipient Subrecipient	CDBG National Objective LMMH
Start Date (mm/dd/yyyy) 05/01/2009	Completion Date (mm/dd/yyyy) 05/30/2010
Performance Measures Units ≤30% AMI = 0 Units ≤50% AMI = 0	Performance Measures Units ≤80% AMI = 11 Units ≤120% AMI = 4
Performance Indicator Units Constructed/Rehab	Annual Units 15
Local ID	Units Upon Completion 15

Funding Sources:

NSP	\$ 364,144
Private Financing	4,675,000
Developer Equity	199,199
Total Sources	\$5,238,343

**Table 3C
Consolidated Plan Listing of Projects**

Responsible Organization – DC Habitat for Humanity, Dennis Smyth, 843 Upshur Street, NW, Washington, DC 20011, (202) 882-4600

Priority Need

Owner Households (small-related, large-related and elderly)

Project Title

NSP – Activity 4 – DC Habitat for Humanity - Ivy City Demonstration Project

Description: The activity addresses the need to stabilize and create additional affordable home ownership opportunities in the Ivy City neighborhood. DC Habitat for Humanity will offer eight housing units for sale once construction is complete. The District of Columbia will mandate that these homes remain affordable to households at or below 30% Area Median Income for a minimum of 15 consecutive years starting at the date of the initial sale. In order to bring this development to fruition, the District will lend NSP funds to Habitat for Humanity at a 1%-3% annual interest rate, in order to finance a portion of the construction costs, which will make the development of the affordable units financially feasible.

Activity Type: Redevelopment of two vacant properties and new construction on two vacant lots to create 8 individual housing units.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area: Ivy City, Ward 5– Mount Olivet Road NE on the southwest, New York Avenue on the northwest and West Virginia Avenue on the southeast
(Street Address): Providence Street, NE
(City, State, Zip Code): Washington, DC Census tract 88.03

NSP Eligible Use Sec 2301(c)(3)(E)	CDBG Citation 24 CFR 570.202
Type of Recipient Subrecipient	CDBG National Objective LMMH
Start Date (mm/dd/yyyy) 07/01/2009	Completion Date (mm/dd/yyyy) 02/28/2011
Performance Measures Units \leq 30% AMI = 8 Units \leq 50% AMI = 0	Performance Measures Units \leq 80% AMI = 0 Units \leq 120% AMI = 0
Performance Indicator Units Constructed/Rehab	Annual Units 8
Local ID	Units Upon Completion 8

Funding Sources:

NSP	\$ 724,305
HUD SHOP Funds	120,000
Other Grant Funds	440,000
Total Sources	\$1,284,305

**Table 3C
Consolidated Plan Listing of Projects**

Responsible Organization – District of Columbia

Priority Need

Planning/Administration/Financial Services

Project Title

NSP –Ivy City Demonstration Project – Agency Management Program

Description: Up to 10% of NSP funds may be used to pay reasonable program administration costs and carrying out charges related to the planning and execution of NSP-assisted activities. Program administration costs include staff and related expenditures required or overall program management, coordination, monitoring, reporting and evaluation. A separate function of program administration is financial services, whereby financial and budgetary information is provided to department program/administrative units.

Activity Type: Acquisition of vacant and abandoned properties.

Objective category: Suitable Living Environment Decent Housing Economic Opportunity
Outcome category: Availability/Accessibility Affordability Sustainability

Location/Target Area: Ivy City, Ward 5– Mount Olivet Road NE on the southwest, New York Avenue on the northwest and West Virginia Avenue on the southeast

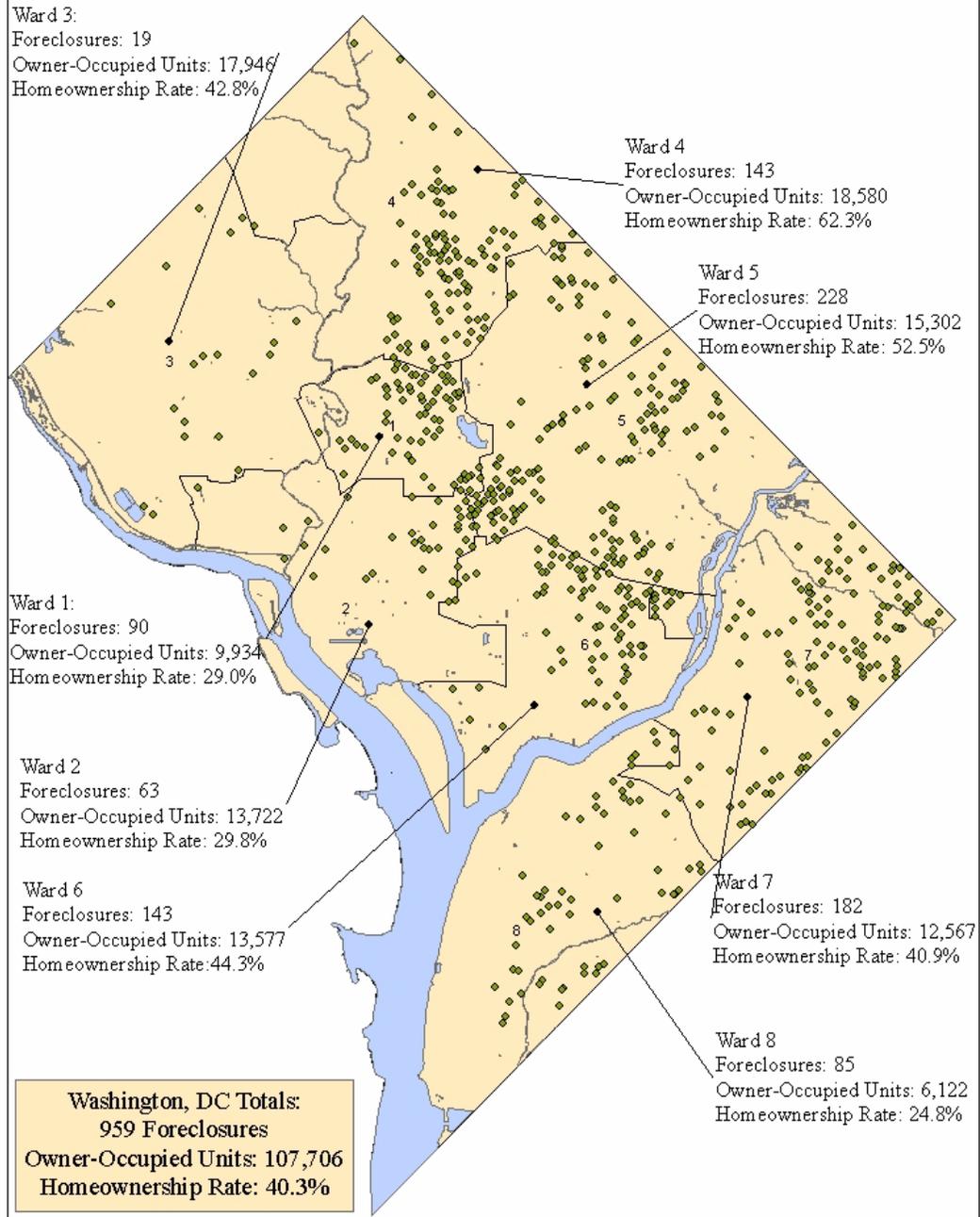
(Street Address):

(City, State, Zip Code): Washington, DC Census tract 88.03

NSP Eligible Use Sec 2301(c)(3)	CDBG Citation 24 CFR 570.205 and 206
Type of Recipient Grantee	CDBG National Objective N/A
Start Date (mm/dd/yyyy) 05/01/2009	Completion Date (mm/dd/yyyy) 10/30/2010
Performance Measures Various	Performance Measures Various
Performance Indicator Various	Annual Units Various
Local ID	Units Upon Completion Various

Funding Sources:
NSP	\$ 283,638
Total Sources	\$283,638

Washington, DC Foreclosures, January - October, 2008



CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds ≤ 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): <u>District of Columbia</u> Jurisdiction Web Address: <ul style="list-style-type: none"> • http://dhcd.dc.gov 	NSP Contact Person: <u>Michelle Y. Christopher</u> Address: 1800 MLK, Jr. Ave. SE, Washington, DC, 20020 Telephone: (202) 442-7241 Fax: (202) 442-9280 Email: michelle.christopher@dc.gov
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes No . Verification found on pages 4-6.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes No . Verification found on page 7.

Note: The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,
Yes No . Verification found on pages 8-11.
- a definition of “affordable rents,”
Yes No . Verification found on page 11.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes No . Verification found on pages 11-12.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes No . Verification found on pages 12-15.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 16.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 16.
Amount budgeted = \$1,072,153.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No (If no, continue to next heading)
Verification found on page N/A.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes No . Verification found on page N/A.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes No . Verification found on page N/A.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes No . Verification found on page N/A.

F. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes No Verification found on page 17.

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on pages 17-27.

G. INFORMATION BY ACTIVITY

Activities 1-5:

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No Verification found on pages 28-31.
- correlated eligible activity under CDBG,
Yes No Verification found on pages 28-31.
- the areas of greatest need addressed by the activity or activities,
Yes No Verification found on pages 28-31.
- expected benefit to income-qualified persons or households or areas,
Yes No Verification found on pages 28-31.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No Verification found on pages 28-31.
- appropriate performance measures for the activity,
Yes No Verification found on pages 28-31.
- amount of funds budgeted for the activity,
Yes No Verification found on pages 28-31.
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page pages 28-31.

- expected start and end dates of the activity?
Yes No . Verification found on pages 28-31.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on pages 28-31.
- If the activity provides financing, the range of interest rates (if any),
Yes No . Verification found on pages 28-31.
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on pages 28-31.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on pages 28-31.
- does it ensure continued affordability?
Yes No . Verification found on pages 28-31.

H. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |