



Washington, D.C.

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

The 2009 QAP awards 10 points to preservation projects. For projects involving rehabilitation, the costs must be the greater of \$6000/unit or 20% of the eligible basis. The 2009 QAP provides an exception to the 10-year rule for acquisition properties with Federal or other mortgages that are subject to prepayment provisions.

15 points will be awarded to projects that extend the affordability period 10 years beyond the required 30 year restriction, and 30 points are awarded to projects that extend the period by 20 years. Projects will also be awarded 10 points for the preservation of existing Section 8 and Section 236 projects as long as the applicant waives the rights to the developer fee.

DHCD directs the 30% basis boost toward QCTs and DDAs.

Allocations (2003-2006)

Properties Preserved: 8

Apartments Preserved: 825

Private Activity Bonds with 4% Tax Credits

The District of Columbia Housing Finance Agency (DCHFA), the provider of tax-exempt private activity bonds and 4% credits for the District of Columbia, provides 10 "bonus points" for proposals that preserve subsidized housing with an expiring use restriction and 10 additional points for properties that limit rent hikes to no more than 10% per year.

Allocations (2003-2007)

Properties Preserved: 16

Apartments Preserved: 4,062

Additional Info: In 2007, the District of Columbia allocated 88% of its 4% tax credits towards the preservation of affordable rental housing. Since that year, however, no preservation projects have received 9% tax credits in D.C.

Housing Trust Funds

In 2007 Washington Affordable Housing Trust Fund joined forces with the Unitarian Universalist Affordable Housing Corporation to create a \$17 million trust fund for affordable housing called OpenDoor Housing Fund. OpenDoor provides short-term loans to nonprofit and for profit housing developers and tenant associations seeking to buy properties. Loans are made for predevelopment, acquisition and bridge financing.

The Washington, D.C. Department of Housing and Community Development administers the D.C. Housing Production Trust Fund which provides loans to groups producing, rehabilitating, or preservation affordable housing. The HPTF first received dedicated funding in 2001 when 15% of the District's deed recordation and transfer tax was pledged to the fund. In 2006 the HPTF received over \$50 million in tax revenues. In 2010, that amount is predicted to be reduced to \$20 million due to the funds dependence on recordation/transfer tax.

In 2005, DHCD announced a new Site Acquisition Funding Initiative for Affordable Housing (SAFI), under the Housing Production Trust Fund Program. The Site Acquisition Funding Initiative (SAFI) is designed to provide quickly accessible, revolving loan funds for acquisition and predevelopment costs to nonprofit developers committed to the production, rehabilitation, and preserving of affordable housing. SAFI leverages DHCD funds with private monies for the preservation of affordable housing. To date, SAFI has provided over \$10 million in low-cost loans to affordable housing providers, creating close to 140 units of housing.

PLEASE NOTE: *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

Other Preservation Incentives

DHCD's First Right Purchase Assistance Program provides seed money, earnest money deposits, and acquisition assistance to tenant groups that are threatened with displacement due to the sale of their apartment building. With DHCD's assistance, the tenant groups are able to purchase the building and convert the units into cooperatives or condominiums.

The Department provides low-cost gap financing for the rehabilitation of residential properties containing five (5) or more units through the Affordable Housing Project Financing Program. The principal objective of this program is to stimulate and leverage private investment and financing in the rehabilitation of multi-family housing that is affordable to lower-income residents. Units for rental and home ownership are financed through this program.

The Tenant Opportunity to Purchase Assistance Program provides free, specialized organizational and development services for tenant groups who are pursuing the purchase of their apartment buildings with the intention to convert them to cooperatives or condominiums. Services can include assistance with structuring the tenant association, preparation of legal documents, and help with loan applications.

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

The D.C. Green Building Act of 2006 requires that all residential projects of more than 10,000 square feet and receiving at least 15% of their financing from public sources, including LIHTC properties, meet Enterprise's Green Communities criteria. Rehabilitation developments are exempt from the the EPA's Target Finder minimum score requirement.

Beginning with the November 2007 RFP, DHCD will require that all residential projects submitted for financing consideration conduct an integrated design charrette to explore the most cost-effective ways to incorporate green building standards. The integrated design charrette is a mandatory element of the Green Communities Criteria, the new standard which residential projects will be required to meet.

To facilitate the transition to green building, DHCD has partnered with the DC Green Communities Initiative (Enterprise Community Partners and GreenHOME) to offer up to \$5,000 in grant funds to conduct integrated design charrettes for non-profit sponsored affordable housing projects.

Other Green Incentives Relevant to Preservation

The District Department of the Environment administers D.C.'s Weatherization Assistance Program. D.C. encourages using weatherization funding on multifamily projects. For complete information on D.C.'s weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include rebates for replacing existing appliances with Energy Star models and a utility rebate program for energy efficient upgrades to existing construction.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

In D.C.'s 2009 QAP, 15 points are available in the "Evidence of location in a targeted neighborhood" section which is defined as a; Neighborhood Revitalization Strategy Areas ("NRSA"), Neighborhood Investment Fund, Great Streets Initiative, the New Communities Initiative, Neighborhood Investment Fund area and HOPE VI areas are neighborhoods in need of economic and community development, and where The District has made a strong commitment of resources. 5 points are also available if the proposed development is located in a QCT and is in a Revitalization Area.

DC's 2009 QAP states that the approved design plan must meet or exceed District Green Building Requirements as defined in the 2006 Green Building Act. For multi-family developments, this act defers to Enterprise's Green Communities, which awards points for "Transportation Choices: Locate project within 1/4 mile radius of adequate public transit service, or 1/2 mile radius from an adequate fixed rail or ferry station."