

**Grantee: Washington, DC**

**Grant: B-09-LN-DC-0015**

**July 1, 2013 thru September 30, 2013 Performance Report**

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**Grant Number:**

B-09-LN-DC-0015

**Obligation Date:****Award Date:**

02/11/2010

**Grantee Name:**

Washington, DC

**Contract End Date:**

02/11/2013

**Review by HUD:**

Reviewed and Approved

**LOCCS Authorized Amount:**

\$9,550,562.00

**Grant Status:**

Active

**QPR Contact:**

Towanna Watson

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$9,550,562.00

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

### Executive Summary:

Unlike many cities, the District of Columbia as a whole was spared an early entry into the foreclosure crisis through a strong housing market that allowed struggling households to sell before having to foreclose and kept prices high enough that homeowners could earn enough on the sale to repay the bank. Households were impacted by the economic decline, but they had more options than households in less robust housing and employment markets nationwide. Anchored by the Federal government's relatively stable employment base and the recent change in administration that brought new residents to the region, the District appeared to remain solvent amidst a challenging national picture.

However, this strong economy masked a growing problem in the District. Through 2007 when subprime mortgages began to reset, and low and moderate income families began to be overwhelmed by ballooning payments, they had options to sell in the market when they received the notice of foreclosure. Beginning in late 2007, as the housing market slowed and unemployment rose, many households were no longer able to sell and ran out of options. These communities saw monthly declines in home sales prices, rapid increases in the number of days homes stayed on the market, and a subsequent decline in the absorption rate. As a result, between 2006 and 2008, foreclosures rose by 660.4%, increasing from 149 foreclosures in 2006 to 1,133 in 2008. Meanwhile, foreclosure starts similarly increased dramatically, from 1,186 for all of 2006 to 3,194 in 2008.

Beyond the individual impacts of foreclosures such as individual credit loss and reduction of equity wealth, the District stands to lose the strong gains made during the economic boom of the last ten years. The housing boom of the past ten years had a tremendous impact on urban areas across the country. Like many cities, the District reversed decades of population decline and grew into an increasingly desirable place to live. Neighborhoods that were once abandoned with little or no economic activity became places where people wanted to buy and invest. These gains were reflected in HOPE VI projects such as Henson Ridge and Arthur Capper. Unfortunately, community development takes time, and when the housing boom ended and prices began to fall, many of the District's historically under served communities were still struggling to overcome the long term effects of disinvestment, vacancy and abandonment.

While the wealthier communities with long-standing homeownership markets remained strong (consistent with a strong upper middle class job market), neighborhoods in Wards 4, 5, 7, and 8 began to lose value and new resident flow. These lower income communities have been impacted by job loss and tightening of credit in the mortgage market, leading to instability in certain neighborhoods.

This disparate impact will further aggravate marked inequalities along socio-economic and racial lines. The District is already divided by income and race — with white income at \$94,940 and black income at \$35,915, while the median rests at \$54,317. In addition, the wealthier wards of the city have experienced smaller losses and even gains in home sales prices as well as far fewer foreclosures than the lower income wards of the city. This broad gap between the stable and unstable communities has diverted attention from the District and moder

### Executive Summary:

act in the big picture. Conversely, there are many areas where the growth in foreclosures and unemployment has exacerbated existing issues of vacancy, poverty and neighborhood quality.

With an infusion of resources from NSP2, local funding streams, and the private market, the District will arrest the current decline and manage the growth in targeted communities by encouraging a spectrum of housing options for households with a broad range of incomes, including rental and homeownership for families and individuals. Moreover, as a part of plans from the Office of the Deputy Mayor for Planning and



Economic Development, the Office of Planning and The DC Housing Authority, this investment can develop strong mixed-use, mixed-income communities with amenities for residents.

To do this, The DC Department of Housing and Community Development (DHCD), in partnership with the National Community Reinvestment Coalition (NCRC), has developed an integrated strategy to address the challenges created by the foreclosure crisis. NSP2 funds will be targeted in three neighborhoods within the District: Deanwood in Ward 7, Anacostia in Ward 8, and Trinidad/Ivy City in Ward 5.

Throughout the planning process the Department will work in these neighborhoods to provide a data driven approach to revitalizing the community, through this application that will reach 112 units and will require a Federal investment of \$9,550,562. This broad housing investment program will include the following approaches:

- Single Family Home Development:
  - Acquisition and disposition of 25 abandoned and foreclosed homes:
  - Downpayment assistance for 46 homebuyers.
- Multifamily development and preservation:
  - Acquisition and rehabilitation of 41 units
  
- All of the proposed activities in this application are tailored to complement, enhance, and bring to scale, rather than duplicate existing efforts throughout District government. The Department has acquired or disposed of 147 properties in the most recent two years; provided \$48 million to move 921 households into homeownership; financed the acquisition of 1,200 units of affordable housing; and financed the rehabilitation and construction of an additional 4,441 units of affordable housing. Aside from the actual programmatic infrastructure already in place, the Department has the following external partnerships and policies in place to address the challenges posed by the current housing crisis:
  - An existing network of housing counselors, trained foreclosure counselors and banks to assist households purchasing in DC;
  - A firm commitment to green development through the Department's three year use of the Green Communities Criteria for all DHCD funded projects;
  - An existing curriculum of activities for homeownership, including weekly homeownership sessions at community-based organizations and sister agencies;

The Department will connect these expanded existing programs with current initiatives in the Office of the Deputy Mayor for Planning and Economic Development; Office of Planning, Department of Consumer and Regulatory Affairs; and the District Department of the Environment. The end goal is to provide direct investment to address the fallout in communities and avoid further

### **Executive Summary:**

r decline in home sales prices and vacancy in the communities.

Concurrently, NCRC, together with the city, area non-profit members, builders, development consultants, NCRC's Minority Business Enterprise Center, NCRC's Community Development Financial Institution, and other community partners, will implement the GreenPRINT model. The GreenPRINT will immediately help execute the housing program and plan for the communities' long-term economic potential. It will ensure that the housing program is not implemented in isolation and that subsequent community development does not happen haphazardly or fail to benefit current residents.

The GreenPRINT represents an evolution in the planning process, as it combines comprehensive affordable housing investment and place-based community redevelopment with an explicit focus on bringing distressed communities into the growing green economy. The GreenPRINT leverages the NSP2 program to promote organic and sustainable development by enhancing the economic mobility of the base of the existing residents of Trinidad/Ivy City, Anacostia, and Deanwood.

The Department and NCRC will focus on housing as the cornerstone of a comprehensive and environmentally sustainable reinvestment plan. This plan will assist struggling and emerging communities to take ownership of their own future through the development of affordable and energy efficient homes, the creation of green jobs and small businesses and the fostering of healthy and sustainable communities. NCRC will use innovative planning techniques and technological tools to help communities envision and pursue a better quality of life. Green building and development techniques will be emphasized throughout the program.

As a part of the process for this application, the Department examined the possibility of partnering with the Metropolitan Washington Council of Governments (MWCOG). However, in the initial stages, the scores for foreclosure and vacancy could not be combined so that the application could not be considered. Once the NOFA was amended, the Department reconsidered the application, but given the unique challenges of long term vacancy and economically depressed communities faced by the District, the Department determined that an application should be done individually. Moreover, the Department will have the opportunity to participate in the national programs coordinated through MWCOG such as those through the National Community Stabilization Trust. Finally, because of the Department's unique laws regarding procurement and anti-deficiency, the Department submits this application with complementary programs to the regional application to provide an overall regional impact.

### **Target Geography:**

Deanwood/Burrville Cluster

Deanwood, located in Ward 7, across the Anacostia River, is anchored by the Minnesota Avenue Metro Station development in the center and borders the State of Maryland on two sides. This has historically been an area with a high concentration of older homeowners away from the



central city. In fact, roughly 13 percent of residents are elderly, and of those, between 13 and 32 percent live in poverty.

**Trinidad/Ivy City Cluster:**

Situated in the New York Avenue Industrial corridor, this mixed-use industrial neighborhood was once a bustling place to live. The cornerstone of the Ivy City neighborhood, since its erection in 1911, was for a long time the historic Alexander Crummell 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 discontinuous.

**Anacostia Cluster**

The Anacostia cluster, bounded roughly by Pennsylvania Avenue, SE, and Branch Avenue, is a historic community east of the Anacostia River. Part of a Main Streets initiative, Historic Anacostia has seen long term disinvestment beginning in the late 1960s as many middle class households left the City. More recently, the neighborhood has been the site of an increasing number of government buildings such as the DC Departments of Housing and Community Development; DC Homeland Security and Emergency Management Agency, and DC Department of Youth and Rehabilitation Services Agency.

**Program Approach:**

Throughout the planning process the Department will work in these neighborhoods to provide a data driven approach to revitalizing the community, through this application that will reach 112 units and will require a Federal investment of \$9,550,562. This broad housing investment program will include the following approaches:

- Single Family Home Development:
  - Acquisition and disposition of 25 abandoned and foreclosed homes:
  - Downpayment assistance for 46 homebuyers.
- Multifamily development and preservation:
  - Acquisition and rehabilitation of 41 units

**Consortium Members:**

The National Community Reinvestment Coalition, Inc. (NCRC) was formed in 1990 by national, regional, and local organizations to develop and harness the collective energies of community reinvestment organizations from across the country to increase the flow of private capital into traditionally underserved communities. NCRC has grown to an association of more than 600 community-based organizations that promote access to basic banking services including credit and savings, to create and sustain affordable housing, job development and vibrant communities for America’s working families.

NCRC will assign current professional staff listed below to lend their expertise to this project. The initiative will also leverage the diversity of skills among NCRC’s full Washington DC Area staff of 45, plus our members, as well as our Board of Directors. Key staff members will include John Taylor, President and CEO, James H. Carr, Chief Operating Officer, David Berenbaum, Executive Vice President, Ada Albright, Director, National Training Academy, Michael D. Mitchell, Director, National Neighbors, Jeffrey Paul May, Assistant Director, National Neighbors, Dica Adotevi, Chief Financial Officer, Joshua Silver, Vice President of Research and Policy, Patrice Davenport, Director of Marketing and Membership Development, Tamara Jayasundera, Senior Research Analyst, and Michelle Mulcahy, Research Specialist. NCRC also hopes to hire additional staff to support the activities of the grant, including a project coordinator and a marketing assistant.

**How to Get Additional Information:**

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$46,394,070.00
<b>Total Budget</b>	\$0.00	\$9,550,562.00
<b>Total Obligated</b>	\$0.00	\$10,450,562.00
<b>Total Funds Drawdown</b>	\$0.00	\$6,478,820.80
<b>Program Funds Drawdown</b>	\$0.00	\$6,478,820.80
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$9,550,562.00
<b>Match Contributed</b>	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$955,056.20	\$804,772.00
Limit on State Admin	\$0.00	\$804,772.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$955,056.20	\$955,056.20

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,387,640.50	\$5,289,113.56

## Overall Progress Narrative:

Bass Circle units complete with benefits

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
10-NSP2-CDG-12, Capital Development Group	\$0.00	\$550,000.00	\$550,000.00
10-NSP2-DFD-12, NSP II-DFD	\$0.00	\$0.00	\$0.00
10-NSP2-HHW-12, Habitat for Humanity of Washington, DC	\$0.00	\$462,083.01	\$350,723.95
10-NSP2-HPAP-E-12, NSP II-HPAP-E	\$0.00	\$2,883,332.94	\$2,883,332.94
10-NSP2-PADD-12, NSP II- PADD ACQUISITION	\$0.00	\$955,780.62	\$919,022.91
10-NSP11-12, NSP11- Admin	\$0.00	\$955,056.20	\$804,772.00
12-NSP-BCA-12, Bass Circle Apartments	\$0.00	\$1,100,000.00	\$0.00
12-NSP2-BP-12, Bryan Place	\$0.00	\$900,000.00	\$900,000.00
12-NSP2-DEMO-N, PADD Demo	\$0.00	\$539,678.23	\$0.00
12-NSP2-RD-12, Rosedale	\$0.00	\$749,631.00	\$70,969.00
12-NSP11-PC-12, Parkside Court	\$0.00	\$455,000.00	\$0.00



## Activities

<b>Grantee Activity Number:</b>	<b>2012-NSP-BCA-N</b>
<b>Activity Title:</b>	<b>Bass Circle Apartments</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

12-NSP-BCA-12

**Projected Start Date:**

06/04/2012

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Bass Circle Apartments

**Projected End Date:**

05/27/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

DHCD

Overall	Jul 1 thru Sep 30, 2013	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,100,000.00
<b>Total Budget</b>	\$0.00	\$1,100,000.00
<b>Total Obligated</b>	\$0.00	\$1,100,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$1,100,000.00
DHCD	\$0.00	\$1,100,000.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Bass Circle LLC is requesting \$1,100,000 in NSP2 funding for the Bass Circle Apartments Rehabilitation. The funding will be used for construction assistance on the rehabilitation. The LLC owns the site in a development partnership with the Bass Circle Tenants Association. The LLC is proposing to substantially rehabilitate the existing 119 units for affordable rental units for low income households at 60% AMI or below. The development will also emphasize energy efficiency and meet the requirements of the DC Green Building Law. The rehabilitation is reconfiguring 6 units as ADA accessible units (5% of the total units).

**Location Description:**

The property is located in the Marshall Heights neighborhood of Southeast and is located in Census Tract 99.06 in Ward 7. The neighborhood is home to both moderate and low-income families and is considered to be one of SE DC's more stable neighborhoods. To the immediate east and north of the property, the neighborhood is mostly single family detached and attached townhouse scale housing. In the last decade, the neighborhood has benefited from increasing public and private investment and there has been some revitalization. However, neglected properties such as Bass Circle Apartments have served as a destabilizing force in the neighborhood. The property is well located next to adjacent major transportation hubs enabling residents to have easy access to employment and shopping in DC. The Benning Road Metro Station and multiple bus lines, includ-



>ing the U8, 96, 97, and W4 routes, are located just two blocks away.  
 >The Benning Park Community Center, several churches, a shopping center,  
 >and neighborhood schools (Plummer Elementary, Nalle Elementary, and  
 >Kelly Miller Middle) are located close by.  
 The property consists of 119 rental units located in five buildings.  
 >The five buildings, facing four different streets, are grouped around  
 >a central sloping courtyard space. The space is mostly occupied by a  
 >parking lot and outdoor recreational space. The property is bordered  
 >by Benning Road SE, B Street SE, Bass Place SE, and Bass Circle SE.  
 >The two and three story brick buildings are believed to have been  
 >constructed in the 1940s. The apartment units mix consists of mostly  
 >one and two bedroom units with several three bedroom units. The build-  
 >ings and units are in poor physical condition and require substantial  
 >rehabilitation. The site 3.28 acre site is very sloped and slopes  
 >toward Benning Road SE. Erosion has been a problem.

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	5	5/1

  

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	83	83/119
# of Multifamily Units	83	83/119

**Beneficiaries Performance Measures**

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	83	0	83	83/119	0/0	83/119	100.00
# Renter Households	83	0	83	83/119	0/0	83/119	100.00

**Activity Locations**

Address	City	County	State	Zip	Status / Accept
1 Bass Circle SE #1	Washington		District of	20019-	Match / N
1 Bass Circle SE #101	Washington		District of	20019-	Match / N
1 Bass Circle SE #102	Washington		District of	20019-	Match / N
1 Bass Circle SE #103	Washington		District of	20019-	Match / N
1 Bass Circle SE #201	Washington		District of	20019-	Match / N
1 Bass Circle SE #202	Washington		District of	20019-	Match / N
1 Bass Circle SE #203	Washington		District of	20019-	Match / N
13 Bass Circle SE #101	Washington		District of	20019-	Not Validated / N
13 Bass Circle SE #102	Washington		District of	20019-	Not Validated / N
13 Bass Circle SE #201	Washington		District of	20019-	Not Validated / N
13 Bass Circle SE #202	Washington		District of	20019-	Not Validated / N
13 Bass Circle SE #301	Washington		District of	20019-	Not Validated / N



13 Bass Circle SE #302	Washington	District of	20019-	Not Validated / N
4505 B St., SE #101	Washington	District of	20019-	Match / N
4505 B St., SE #103	Washington	District of	20019-	Match / N
4505 B St., SE #202	Washington	District of	20019-	Match / N
4505 B St., SE 203	Washington	District of	20019-	Match / N
4505 B Street SE #1	Washington	District of	20019-	Not Validated / N
4505 B Street SE #102	Washington	District of	20019-	Not Validated / N
4505 B Street SE #2	Washington	District of	20019-	Not Validated / N
4505 B Street SE #201	Washington	District of	20019-	Not Validated / N
4507 B St., SE #A	Washington	District of	20019-	Match / N
4507 B St., SE #B	Washington	District of	20019-	Match / N
4507 B St., SE #C	Washington	District of	20019-	Match / N
4507 B St., SE #D	Washington	District of	20019-	Match / N
4507 B Street SE #B	Washington	District of	20019-	Not Validated / N
4507 B Street SE #D	Washington	District of	20019-	Not Validated / N
4507 B Street SE #E	Washington	District of	20019-	Not Validated / N
4509 B St., SE #A	Washington	District of	20019-	Match / N
4509 B St., SE #B	Washington	District of	20019-	Match / N
4509 B St., SE #D	Washington	District of	20019-	Match / N
4509 B Street SE #C	Washington	District of	20019-	Not Validated / N
4511 B St., SE #101	Washington	District of	20019-	Match / N
4511 B St., SE #201	Washington	District of	20019-	Match / N
4511 B St., SE #202	Washington	District of	20019-	Match / N
4511 B St., SE #203	Washington	District of	20019-	Match / N
4511 B Street SE #101	Washington	District of	20019-	Match / N
4511 B Street SE #102	Washington	District of	20019-	Not Validated / N
4605 BASS PL., SE #1	Washington	District of	20019-	Match / N
4605 BASS PL., SE #102	Washington	District of	20019-	Match / N
4605 BASS PL., SE #201	Washington	District of	20019-	Match / N
4605 BASS PL., SE #202	Washington	District of	20019-	Match / N
4605 BASS PL., SE #203	Washington	District of	20019-	Match / N
4605 Bass Place SE #101	Washington	District of	20019-	Not Validated / N
4605 Bass Place SE #103	Washington	District of	20019-	Not Validated / N
4605 Bass Place SE #203	Washington	District of	20019-	Not Validated / N
4606 Benning Rd SE #101	Washington	District of	20019-	Match / N
4607 BASS PL., SE #A	Washington	District of	20019-	Match / N
4607 BASS PL., SE #C	Washington	District of	20019-	Match / N
4607 Bass Place SE #301	Washington	District of	20019-	Not Validated / N
4608 Benning Rd SE #101	Washington	District of	20019-	Match / N
4608 Benning Rd SE #102	Washington	District of	20019-	Match / N
4608 Benning Rd SE #103	Washington	District of	20019-	Match / N
4608 Benning Rd SE #202	Washington	District of	20019-	Not Validated / N
4609 BASS PL., SE #301	Washington	District of	20019-	Match / N



4609 BASS PL., SE #302	Washington	District of	20019-	Match / N
4609 Bass Place SE #101	Washington	District of	20019-	Not Validated / N
4609 Bass Place SE #102	Washington	District of	20019-	Not Validated / N
4609 Bass Place SE #201	Washington	District of	20019-	Not Validated / N
4609 Bass Place SE #202	Washington	District of	20019-	Not Validated / N
4610 Benning Rd SE #A	Washington	District of	20019-	Match / N
4611 BASS PL., SE #2	Washington	District of	20019-	Match / N
4611 Bass Place SE #1	Washington	District of	20019-	Not Validated / N
4611 Bass Place SE #101	Washington	District of	20019-	Match / N
4611 Bass Place SE #102	Washington	District of	20019-	Match / N
4611 Bass Place SE #103	Washington	District of	20019-	Match / N
4611 Bass Place SE #201	Washington	District of	20019-	Match / N
4611 Bass Place SE #202	Washington	District of	20019-	Match / N
4611 Bass Place SE #203	Washington	District of	20019-	Match / N
4611 Bass Place SE #3	Washington	District of	20019-	Match / N
4612 Benning Rd SE #B	Washington	District of	20019-	Match / N
4614 Benning Rd SE #1	Washington	District of	20019-	Match / N
4614 Benning Rd SE #101	Washington	District of	20019-	Match / N
4614 Benning Rd SE #201	Washington	District of	20019-	Not Validated / N
4614 Benning Rd SE #203	Washington	District of	20019-	Match / N
5 Bass Circle SE #A	Washington	District of	20019-	Match / N
5 Bass Circle SE #B	Washington	District of	20019-	Match / N
5 Bass Circle SE #C	Washington	District of	20019-	Match / N
9 Bass Circle SE #A	Washington	District of	20019-	Match / N
9 Bass Circle SE #B	Washington	District of	20019-	Match / N
9 Bass Circle SE #C	Washington	District of	20019-	Match / N
9 Bass Circle SE #D	Washington	District of	20019-	Match / N

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
CDBG Takeback Mortgage	\$4,843,000.00
DCHFA Bond	\$3,878,526.00
LIHTC Equity	\$6,146,982.00
Private Financing	\$6,575,000.00
Total Other Funding Sources	\$0.00

