

Annual Report 2005

D.C. Housing Finance Agency

More Than Bricks and Mortar



A Message from the Executive Director

The HFA continues to fulfill its longstanding commitment of financing affordable housing for all persons in the nation's capital. Fiscal Year 2005 (FY 2005) was no exception. Despite rising acquisition and construction costs, the HFA worked closely with the D.C. Housing Authority, local developers and its many government partners to ensure that our low- and moderate-income residents have safe, attractive and functional accommodations.

However, developing affordable housing is not just about financing bricks and mortar. It is about providing a family or a senior citizen with a safe and lasting harbor while we nurture our children within that sanctuary. It is about the ability of our students to sit at a computer and have the entire world displayed at their fingertips. It is about gathering peacefully in community rooms to discuss and plan the future of our neighborhoods. It is about binding the social fabric of our society into cohesive communities.

With these fundamental principles firmly in mind, the HFA makes certain it finances homes that offer more than just a nice place to live. We believe in taking the next step of ensuring that the bricks and mortar contain vital essentials that connect people with the community.

The HFA's Board of Directors and staff are honored to offer this report which highlights the \$133 million in tax-exempt bonds that resulted in the production and preservation of 7,623 affordable housing units. More importantly, we are equally proud to highlight a few of the many amenities, such as fully functional community rooms, ergonomic playgrounds, high-tech computer learning centers and resident-driven social programs that have transformed mere apartment buildings into the building blocks of new communities.



Milton J. Bailey
Executive Director



A Message from the Chairperson

FY 2005 was another exciting and productive year for the HFA. We teamed with the D.C. Housing Authority to finance the preservation and modernization of 38 public housing developments; worked with the Department of Mental Health on a strategy for providing 300 units of housing for our city's special needs residents; established the framework for a new single-family homeownership program; and entered into negotiations for the sale of the agency's headquarters.

In an effort to help bridge the city's rapidly growing affordability gap, the HFA is offering working families and individuals two new single-family mortgage loan programs in Fiscal Year 2006. The first is a Low-Rate program in which homebuyers will receive a 30-year fixed-rate mortgage loan at 4.70%. The second is an Assisted-Rate program in which homebuyers will receive a 30-year fixed-rate mortgage loan at 5.95% along with a 4% credit to help fund down-payment and closing costs.

In March 2004, our staff began working with ANC representatives, local community groups and small businesses on a strategy for the sale of the HFA's headquarters in the rapidly redeveloping U Street

Corridor. As a result of those discussions, my fellow board members and I voted affirmatively to place the bulk of the proceeds from the sale in a fund that can be used to help lower mortgage loan interest rates for homes purchased in the city. Further, we are negotiating with a competitively selected development team for the headquarters site that is proposing ground floor retail and/or arts space with housing above. The development team will reserve 25% of housing produced on the site as affordable for working families and individuals and has agreed to provide a substantial package of community benefits.

On behalf of my colleagues, I would like to acknowledge the commitment of our local leaders, partners and staff toward making FY 2005 another successful year.



Rosalyn P. Doggett
Chairperson



Left to Right: Everett E. Hamilton, Jr., Isaac Green, Rosalyn P. Doggett and Michael Wheat.

FY 2005 Accomplishments

Financial

- Realized \$2.393 million in Net Earnings
- Increased Operating Reserves by \$0.838 million from \$15.654 million to \$16.492 million

Programmatic: Single-Family

Homeownership Programs

- Counseled 1,500 clients citywide
- Laid the groundwork for the issuance of \$17 million in single-family mortgage revenue bonds with 30-year fixed rate loan as low as 4.70%

Legislative Initiatives

- Achieved the re-appointment of two board members

Programmatic: Multifamily Rental Housing

- Issued more than \$76 million in tax-exempt bonds to the D.C. Housing Authority to help rehabilitate and modernize 6,858 public housing units
- Received a commitment of \$10.7 million from the Department of Mental Health (DMH) to issue low-interest loans and grants to developers who commit to using the funds to produce affordable housing for DMH consumers
- Issued \$57.465 million in tax-exempt bonds and \$4.7 million in tax-exempt bridge bonds for the construction or rehabilitation of 765 rental units
- Funded \$9 million for Arthur Capper/Carrollburg - Phase I
- Funded \$13.5 million for Henson Ridge - Phase II
- Funded \$11.9 million for Faircliff Plaza West
- Funded \$11.1 million for Capitol Gateway Single-Family Rental
- Funded \$11.9 million for Shipley Park Apartments

FY 2006 Objectives

Financial

- Realize \$1.317 million in Net Earnings
- Increase Operating Reserves by \$0.336 million from \$16.492 million to \$16.828 million

Programmatic: Single-Family

Homeownership Programs

- Fund low-rate mortgage loans to 55 homebuyers through \$17 million single-family bond issuance
- Issue \$50 million in single-family tax-exempt bonds to assist about 150 homebuyers

Management and Administrative

- Finalize redevelopment of the HFA Site and relocation of headquarters
- Update and finalize personnel, procurement and other regulations

Programmatic: Multifamily Rental Housing

- Fund approximately 1,671 units of affordable housing at a total community investment of \$108.95 million in tax-exempt bonds, taxable bonds and Affordable Housing Specialized Loan Funds
- Fund \$24 million for Parkside Terrace
- Fund \$15 million for Southview I & II Apartments
- Fund \$12.6 million for Golden Rule Apartments
- Fund \$10.8 million for Hunter Pines Apartments
- Fund \$9.5 million for New Eastgate Phase II -Single-Family
- Fund \$9 million for Pentacle Apartments
- Fund \$4.7 million for Galen Terrace
- Fund \$4.1 million for Azeeze Bates
- Fund \$3.2 million for The Williston
- Fund \$350,000 for Colorado Avenue Northwest Cooperative
- Fund \$300,000 for Miriam's House
- Fund \$8 million for Wesley House Apartments
- Fund \$7.4 million for George Washington Carver

commitment and counseling

Home Resource Center

In FY 2005, the Home Resource Center continued to act as one of the city's key resources for residents searching for information about homeownership. The Home Resource Center is the flagship component of the HFA's homeownership education and counseling activities, and staff provides homeownership, credit and foreclosure counseling to residents. Staff assisted more than 1,500 residents who attended weekly workshops every Wednesday and Friday as well as those who visited the office for free one-to-one counseling.

The Director of the Home Resource Center, Mrs. Gwen Adams, and the entire staff continued to focus much of their attention on providing homeownership counseling to residents through Homebuyer Clubs and satellite offices. After two successful years of operating a satellite office in the Bellevue neighborhood, the Home Resource Center expanded its outreach to the residents of Washington by opening two new satellite offices. One office is located in Wheeler Creek Estates; the other office is at Capitol Gateway CSSP. Satellite offices ensure that residents who wish to learn about homeownership do not have to travel long distances to the HFA's headquarters for assistance.

The D.C. Housing Authority also extended the Home Resource Center's contract to provide homeownership counseling for residents who are relocated from public housing sites slated for redevelopment using HOPE VI grants from the U.S. Department of Housing and Urban Development. Staff worked with more than 400 relocated residents through the Homebuyer Clubs to prepare them to purchase homes in several redeveloped properties, including Henson Ridge.

Ms. Rondell Tyler is a homeowner at Henson Ridge. As a relocated resident from the Frederick Douglass and Stanton Dwellings public housing site, she was committed to returning to the site as a homeowner. Thanks to her commitment and the counseling she received from the Homebuyer Club, she is one of 13 former residents who was able to return to the site as a homeowner.

"I'm actually glad to be a first-time homebuyer. I didn't think I could buy a home, because I had no credit. But, working with Gwen Adams and the HFA, I was able to find a lender who would provide a mortgage loan to me. I couldn't have done it without the counseling assistance from the agency," Ms. Tyler said.



Rondell Tyler
Homeowner

a longstanding partnership

D.C. Modernization Program

The D.C. Housing Authority (DCHA) and the HFA have a longstanding partnership that has helped secure Section 8 Vouchers for city residents in HFA-financed buildings and facilitated the renovation or construction of affordable multifamily rental housing owned by DCHA. In FY 2005, the HFA partnered with DCHA to issue more than \$76 million in tax-exempt bonds to help modernize and preserve 6,858 public housing units. The monies to fund activities under the D.C. Modernization Program were the largest amount received by DCHA in a single fiscal year to fund housing renovations.

The public housing units are located in 38 properties across the city, including Sibley Plaza, Columbia Road Apartments, Montana Terrace, Horizon House, Kentucky Courts and Woodland Terrace. DCHA met with residents from each site to discuss the D.C. Modernization Program and how

it would affect them, including the scope of renovations to their homes and the scheduled timeframe for improvements.

Depending on the size of the property and the scope of work, renovations can span a 6-month or 36-month period and include heating and cooling system improvements, roof replacements, site enhancements and facade improvements. The multiphase renovation plan is expected to be complete in December 2008.



much-needed housing options

Department of Mental Health

Many adults who receive mental health services and support from the Department of Mental Health (DMH) live below the poverty line. Therefore, it is critical that government agencies combine resources and coordinate services to provide much-needed housing options for this special needs population. In

2004, DMH partnered with the HFA to help increase the availability of safe, stable and affordable housing for individuals who receive mental health services and support. Under the agreement, DMH provides funds to the

HFA to make low-interest loans and grants to developers for the acquisition and rehabilitation or construction of housing units for DMH consumers. The monies provided will be used to finance a goal of 300 supportive housing units for DMH consumers.

Developers who produce housing for DMH consumers are generally not restricted in the amount of financing borrowed, and the rates and terms are negotiable. Financing can be used to produce single-family housing, condominiums, cooperatives, multifamily rental buildings or single room occupancy units or buildings in any area of Washington. Developers may also integrate DMH units into large multifamily housing developments. Developers tapping into this fund must ensure rental costs to DMH consumers do not exceed 30% of their household incomes and must commit to maintaining the units for DMH consumers for a minimum of 25 years.



Sibley Plaza

greater sense of community

Shipley Park Apartments

The HFA provided \$11.9 million in tax-exempt bonds for the renovation of Shipley Park Apartments. Thanks to the partnership with a local developer, the one- and two-bedroom apartments received much-needed renovations and 95% of the units will remain affordable.

Built in 1949, Shipley Park Apartments is a 249-unit garden style apartment complex located in Ward 8's Congress Heights neighborhood, which is one of the HFA's Strategic Investment Areas. The site has 22 three-story buildings situated on 5.9 acres. While the property underwent a moderate renovation in the 1980's, decades of wear and tear, high residential turnover and deferred maintenance left the property in desperate need of repairs.

Current renovation plans do not call for changes in unit sizes or types, but plans do entail replacement of the heating, cooling and plumbing systems, replacement of the roofs and windows, complete renovations of kitchens and bathrooms and new carpeting or hardwood floor restoration. The grounds of the apartment

complex will also be improved with new lighting, landscaping and a playground. In addition, residents will have recreational and residential services, including summer youth employment and resident outreach programs.

William C. Smith and Company plans to make Shipley Park Apartments part of the Villages of Parklands community, which will allow residents to benefit from the services, opportunities and amenities available there. Shipley Park Apartments residents will have full access to the state-of-the-art Splash Park located in the Villages of Parklands community and access to shuttle buses that provide transportation to local Metro stations. William C. Smith and Company has invested over \$70 million into the renovation and new construction of almost 900 rental units in the Villages of Parklands community.





Matthew Quarles
Resident



LaSonya Olden
Resident

a safe harbor

Faircliff Plaza West

The HFA provided \$11.9 million in tax-exempt bonds to help finance the acquisition and renovation of Faircliff Plaza West, a 112-unit apartment complex in Columbia Heights. Through a 20 year extension of the apartment complex's Section 8 contract, 100% of the units will remain affordable to low- and moderate-income residents.

Faircliff Plaza West is located on a 2.5-acre site in Columbia Heights. The apartment complex consists of four buildings, a recreation area, small community room and laundry facilities. The buildings are clustered along 14th Street, NW, between Euclid and Clifton Streets, NW. The site is conveniently located near the bustling U Street Corridor, a Metro station and a number of retail shops.

The developers plan to complete a moderate renovation, including replacement of the plumbing fixtures in the bathrooms and kitchens; replacement of light fixtures; upgrades to entryways and alarm systems; and major upgrades and replacement of the HVAC systems, including new furnaces and air conditioners.

A new community center will be built on the site to create a place for tenants to meet and socialize. The center will house a computer lab with state-of-the-art computer technology and Internet access as well as upgraded laundry facilities. In addition, a new children's play area will be built to provide young residents a safe harbor to run, jump and exercise their imaginations.

ideally situated

Arthur Capper/Carrollsburg

Ideally situated between the Anacostia River and Capitol Hill, the Arthur Capper/Carrollsburg public housing complex will undergo a redevelopment utilizing \$35 million in HOPE VI grant funds provided to the D.C. Housing Authority (DCHA) by the U.S. Department of Housing and Urban Development. The HFA issued \$9 million in tax-exempt bridge bonds to assist with the construction of a 138-unit apartment building for residents 62 years of age or older on the former public housing site. All of the apartments will be affordable to individuals earning 50% or less than the Area Median Income.

The new building is located at 900 5th Street, SE in Ward 6, and it is one part of a multiphase plan to construct 758 units on the

public housing site. One of the primary goals of the site's redevelopment is to create a vibrant mixed-income neighborhood that includes large-scale commercial development, which will generate investment in the community and provide employment opportunities for residents. The revitalization plan includes newly created office and neighborhood retail space designed to infuse new life into the community's economy. DCHA intends to provide jobs to at least 1,130 residents over a three-year period. An economic development program will also be put in place to educate residents about maximizing the employment and homeownership opportunities that will become available to them. A community center is also being constructed to provide residents a place to meet and socialize.



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BRANDT, BREEZ, SYSTEMS



a vibrant community

Henson Ridge

Mr. Tobias Henson, a former slave, purchased his and his family's freedom and bought a 24-acre plot of land that he named "The Ridge" in southeast Washington. As decades passed, a portion of the original land was used for temporary housing for World War II workers and eventually became the site for the Frederick Douglass and Stanton Dwellings public housing developments. In 1999, the D.C. Housing Authority (DCHA) was awarded a \$29.9 million Hope VI grant from the U.S. Department of Housing and Urban Development to transform the abandoned and dilapidated properties.

DCHA renamed the site Henson Ridge in honor of Mr. Henson and is transforming the site into a 600-housing unit community complete with new streets, sidewalks and alleys. In Fiscal Year 2003, the HFA provided \$8.2 million in tax-exempt mortgage

revenue bonds to fund the construction of 124 affordable rental units on the site, and in FY 2005, the HFA provided \$13.5 million in tax-exempt bonds to finance an additional 156 affordable housing units at Henson Ridge.

Henson Ridge is a vibrant community that offers more than just newly constructed homes. A new elementary school is planned for the site, and a community center will be constructed that will offer both indoor and outdoor programs and services for the entire family, including a daycare center, computer learning center and a multipurpose space for meetings and public events. In addition, through the HFA's Home Resource Center, former public housing residents receive free membership in a Homebuyer Club to assist them in purchasing homes on the site.

a new look

Capitol Gateway

The D.C. Housing Authority received \$30 million to redevelop a 40-acre site that houses two public housing developments in Ward 7. The local developers who were awarded the rights to redevelop the site plan to transform the area into a mixed-income community with both rental and homeownership units.

East Capital Dwellings will be demolished, and Capitol View Plaza I & II will be renovated. When complete, the revitalized area will have affordable rental units contained within 50 townhouses, four duplexes and seven grandhomes, and the affordable single-family homeownership units will consist of 68 townhomes, 30 duplexes and 14 detached homes. The HFA

provided \$11.1 million in tax-exempt bonds for the construction of 86 affordable single-family rental units at the redeveloped East Capital Dwellings site.

Renamed Capitol Gateway, the site will offer a new look for the East Capitol Street corridor with paved driveways, newly planted trees and front and rear yards. In addition to the newly constructed and renovated buildings, a community center will be built. The center will house the resident-owned and operated community development corporation, a daycare center, family and career counseling offices, multipurpose room, computer training center and other comprehensive community and support service programs.

CAPITOL GATEWAY PARTNERS



A&R/THC, LLC



Doracon

DR. ORVILLE S. WOODRUFF, IV

LONG FENCE



NAMC



PM | Land sense Architecture

HFA Staff



Office of the General Counsel



Information
Technology



Home Resource Center



Finance Group



Office of Government Relations
and Public Affairs



Compliance and Asset Management Group



Office of the Executive Director

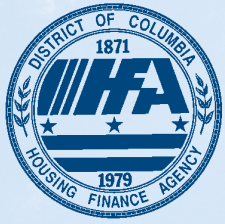


Business Services Group



Public Finance Group

Not pictured: Gwen Adams, Kayode Adatayo, Dawn Fergus, Ainsley Levy, Anita Thoms and Jacqueline Walker



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