

Report and Recommendations of the DC Council  
**Committee on Housing**  
on the Fiscal Year 2024 Budget for Agencies Under Its Purview

April 26, 2023

Councilmember At-Large Robert C. White, Jr., Chairperson

# COMMITTEE ON HOUSING

ROBERT C. WHITE, JR., CHAIR  
COUNCIL OF THE DISTRICT OF COLUMBIA

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**To:** Members of the Council of the District of Columbia

**From:** Councilmember At-Large Robert C. White, Jr.  
Chairperson, Committee on Housing

**Date:** April 26, 2023

**Re:** Report and Recommendations of the Committee on Housing  
on the Fiscal Year 2024 Budget for Agencies Under Its Purview

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The Committee on Housing (Committee), having conducted hearings and received testimony on the Mayor’s proposed operating and capital budgets for fiscal year 2024 for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on the *Fiscal Year 2024 Budget Support Act of 2023*, as proposed by the Mayor.

## CONTENTS

<b>I. SUMMARY</b> .....	<b>4</b>
A. EXECUTIVE SUMMARY .....	4
B. FISCAL YEAR 2024 AGENCY OPERATING BUDGETS BY FUND.....	6
C. FISCAL YEAR 2024 AGENCY OPERATING BUDGETS BY PROGRAM .....	8
D. FISCAL YEAR 2024 AGENCY FULL-TIME EQUIVALENT PERSONNEL .....	11
E. FISCAL YEAR 2024 - 2029 AGENCY CAPITAL BUDGETS .....	13
F. TRANSFERS IN FROM OTHER COMMITTEES.....	15
G. TRANSFERS OUT TO OTHER COMMITTEES.....	15
H. REVENUE ADJUSTMENT .....	17
I. FUNDING OF LEGISLATION.....	17
<b>II. AGENCY FISCAL YEAR 2024 BUDGET RECOMMENDATIONS</b> .....	<b>18</b>
A. INTRODUCTION .....	18
B. RENTAL HOUSING COMMISSION (DR0).....	20
C. ADVISORY NEIGHBORHOOD COMMISSIONS (DX0).....	23
D. OFFICE ON RETURNING CITIZEN AFFAIRS (RC0) .....	28
E. OFFICE OF THE TENANT ADVOCATE (CQ0) .....	38
F. HOUSING FINANCE AGENCY (HF0) .....	42
G. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DB0) .....	50
H. HOUSING PRODUCTION TRUST FUND (UZ0).....	58
I. HOUSING PRODUCTION TRUST FUND SUBSIDY (HP0) .....	66
J. HOUSING AUTHORITY SUBSIDY (HY0).....	67

K. DEPARTMENT OF HUMAN SERVICES (JA0) .....	81
<b>III. BUDGET SUPPORT ACT RECOMMENDATIONS.....</b>	<b>89</b>
A. RECOMMENDATIONS ON MAYOR’S PROPOSED SUBTITLES.....	89
1. Land Purchases for Affordable Housing.....	89
2. District of Columbia Low-Income Housing Tax Credit.....	91
3. Home Purchase Assistance Program Amendment.....	92
4. Housing Production Trust Fund.....	93
5. Tax Abatements for Affordable Housing in High-Need Areas.....	94
6. Downtown Housing.....	95
B. RECOMMENDATIONS FOR NEW SUBTITLES .....	96
1. Advisory Neighborhood Commission Support Flexibility .....	96
2. Emergency Rental Assistance Program Transparency.....	97
3. Housing Authority Accountability .....	98
4. Housing Authority Financial Reporting.....	100
5. Local Rent Supplement Program Eligibility .....	101
6. Emergency Housing Assistance Program Financial Responsibility .....	103
7. Subject to Appropriations Repeals and Modifications .....	105
<b>IV. ACKNOWLEDGMENTS.....</b>	<b>106</b>
<b>V. COMMITTEE ACTION AND VOTE.....</b>	<b>107</b>
<b>VI. COMPREHENSIVE LOG OF ADJUSTMENTS .....</b>	<b>108</b>
<b>VII. RECOMMENDED SUBTITLES .....</b>	<b>115</b>

# I. SUMMARY

## A. EXECUTIVE SUMMARY

This report of the Committee on Housing on the fiscal year 2024 proposed budget for the agencies under its purview was developed with the benefit of feedback from members of the public and executive agencies through public hearings and written testimony. The Committee's recommended budget:

### *Reinforces the Social Safety Net*

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- Sets up a new program for **free social work degrees** through the University of the District of Columbia and lays the groundwork for future housing and human services case management by pre-funding the *Pathways to Behavioral Health Degrees Amendment Act of 2023*
- Promotes tenants' awareness of their rights by funding a formerly federally supported position at the **Office of the Tenant Advocate Educational Institute**
- Fights displacement by funding an in-house **legal representative for tenants** at the Office of the Tenant Advocate and permitting the Office to recoup more of its costs from negligent landlords
- Enhances funding for the **Emergency Rental Assistance Program** by \$6.3 million to assist low- and moderate-income tenants facing eviction, while improving transparency in the program
- Boosts the **Emergency Housing Assistance Program** for tenants temporarily forced out of their homes by natural disasters or landlord neglect
- Provides \$1.2 million in additional funding for **Project Reconnect** to divert residents from shelter and provide them with trained case management
- Restores human services funding to **support survivors of domestic violence**
- Funds support services to address the distinctive needs of people with disabilities through the **Interim Disability Assistance Program**
- Ensures that more formerly incarcerated people have a meaningful chance at a safe and peaceful return to society by funding 20 **housing vouchers for returning citizens**
- Covers the cost of **furniture for recently homeless people** to ensure their stability in housing

### *Expands the Availability of Safe, Well-Maintained, Affordable Housing*

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- Promotes **accountability in housing voucher and public housing administration** by mandating and funding an annual independent audit of the DC Housing Authority, making reforms to enhance transparency and leadership training, and limiting executive bonuses
- Strengthens condominium associations and assists condominium owners with needed

inspections and attorneys' fees necessary to address building condition issues by fully funding the *Condominium Warranty Claims Clarification Amendment Act of 2022*

- Expands authority for *innovative tools to establish affordability* across the city through government acquisition of land and housing units and through providing targeted tax abatements, while maximizing affordability, family size housing, and access to public restrooms
- Invests in security improvements for the **Edgewood Terrace** community to address consistent resident safety concerns

#### *Funds Recent Breakthrough Civil Rights Legislation*

- Promotes **fair and safe working conditions for domestic workers** by funding the anti-discrimination and contracting provisions of the *Domestic Workers Employment Rights Amendment Act of 2022*
- Funds the *Elimination of Discrimination Against Women Act of 2022* to require every District government agency to take concrete action to **promote gender equity**, including reproductive rights

#### *Supports Advisory Neighborhood Commissions and the LGBTQ Community*

- Gives more LGBTQ residents a path to steady employment by reversing proposed cuts to a new **LGBTQ workforce program** for permanent supportive housing clients
- Opens up new lines of **communication between Advisory Neighborhood Commissions and their constituents** by funding Commissioners' teleconferencing accounts, email licenses, and websites
- Covers the costs of **critical behind-the-scenes operations** at the Office of ANCs, such as accounting software and human resources services

The remainder of this Part I consists of tables summarizing the Mayor's budget proposals for agencies in the Committee's purview, the Committee's recommended changes, recommended transfers to and from other committees, and other key technical information.

B. FISCAL YEAR 2024 AGENCY OPERATING BUDGETS BY FUND

Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Rental Housing Commission					
Local	1,293,611.02	1,356,911.78	1,376,565.12	1,376,565.12	0.00
<b>Gross</b>	<b>1,293,611.02</b>	<b>1,356,911.78</b>	<b>1,376,565.12</b>	<b>1,376,565.12</b>	<b>0.00</b>
Advisory Neighborhood Commissions					
Local	1,343,096.05	2,575,153.18	2,325,374.00	2,532,071.00	206,697.00
<b>Gross</b>	<b>1,343,096.05</b>	<b>2,575,153.18</b>	<b>2,325,374.00</b>	<b>2,532,071.00</b>	<b>206,697.00</b>
Office on Returning Citizens Affairs					
Fed. Paymts.	459,246.23	616,800.00	616,800.00	616,800.00	0.00
Local	1,606,304.03	2,134,296.76	2,262,609.00	2,262,609.00	0.00
Intra-District	95,263.97	0.00	0.00	0.00	0.00
<b>Gross</b>	<b>2,160,814.23</b>	<b>2,751,096.76</b>	<b>2,879,409.00</b>	<b>2,879,409.00</b>	<b>0.00</b>
Office of the Tenant Advocate					
Fed. Paymts.	138,969.29	511,680.07	0.00	0.00	0.00
Local	3,125,262.44	3,529,840.68	3,063,748.67	3,340,615.99	276,867.32
Spec. Purp. Funds	408,662.89	643,735.70	817,681.95	817,681.95	0.00
<b>Gross</b>	<b>3,672,894.62</b>	<b>4,685,256.45</b>	<b>3,881,430.62</b>	<b>4,158,297.94</b>	<b>276,867.32</b>
Housing Finance Agency					
Enterprise/Other	0.00	15,891,251.81	5,887,917.66	5,887,917.66	0.00
<b>Gross</b>	<b>0.00</b>	<b>15,891,251.81</b>	<b>5,887,917.66</b>	<b>5,887,917.66</b>	<b>0.00</b>
Department of Housing and Community Development					
Fed. Grant	35,114,337.00	57,431,849.54	71,098,423.02	71,098,423.02	0.00
Fed. Paymts.	1,512,059.60	0.00	0.00	0.00	0.00
Local	17,394,942.05	35,467,870.20	42,125,949.30	35,715,258.30	-6,410,691.00
Intra-District	15,000,644.07	0.00	0.00	0.00	0.00
Spec. Purp. Funds	3,007,132.65	6,912,000.00	8,189,906.00	8,189,906.00	0.00
<b>Gross</b>	<b>72,029,115.37</b>	<b>99,811,719.74</b>	<b>121,414,278.32</b>	<b>115,003,587.32</b>	<b>-6,410,691.00</b>

Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Housing Production Trust Fund					
Enterprise/Other	10,000,000.00	364,197,300.87	12,500,000.00	12,500,000.00	0.00
Enterp./Other-Ded. Tax	133,228,442.31	79,810,952.00	55,563,224.00	55,563,224.00	0.00
Fed. Paymts.	0.00	0.00	31,936,776.00	31,936,776.00	0.00
<b>Gross</b>	<b>143,228,442.31</b>	<b>444,008,252.87</b>	<b>100,000,000.00</b>	<b>100,000,000.00</b>	<b>0.00</b>
Housing Production Trust Fund Subsidy					
Fed. Paymts.	0.00	0.00	31,936,776.00	31,936,776.00	0.00
Local	166,684,444.00	354,197,301.00	0.00	0.00	0.00
<b>Gross</b>	<b>166,684,444.00</b>	<b>354,197,301.00</b>	<b>31,936,776.00</b>	<b>31,936,776.00</b>	<b>0.00</b>
Housing Authority Subsidy					
Local	169,156,065.09	185,662,685.64	185,551,082.00	186,370,760.00	819,678.00
<b>Gross</b>	<b>169,156,065.09</b>	<b>185,662,685.64</b>	<b>185,551,082.00</b>	<b>186,370,760.00</b>	<b>819,678.00</b>
Department of Human Services					
Fed. Grant	177,690,408.66	160,643,157.31	177,954,731.95	177,954,731.95	0.00
Fed. Medicaid	15,317,581.57	16,195,053.99	18,089,592.93	18,089,592.93	0.00
Fed. Paymts.	256,659,483.07	34,274,452.00	87,175,189.00	87,175,189.00	0.00
Local	490,096,827.25	653,200,915.62	524,645,085.13	533,623,990.96	8,978,905.83
Intra-District	3,021,882.46	0.00	0.00	0.00	0.00
Private Donations	4,626.80	0.00	0.00	0.00	0.00
Spec. Purp. Funds	9,727.20	796,427.00	521,427.00	521,427.00	0.00
<b>Gross</b>	<b>942,800,537.01</b>	<b>865,110,005.92</b>	<b>808,386,026.01</b>	<b>817,364,931.84</b>	<b>8,978,905.83</b>

C. FISCAL YEAR 2024 AGENCY OPERATING BUDGETS BY PROGRAM

Program	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance	% Change (24 Cmte. vs. 23 Approv.)
Rental Housing Commission					
9100 - RENTAL HOUSING COMMISSION	1,356,911.78	1,376,565.12	1,376,565.12	0.00	0.01
<b>Gross</b>	<b>1,356,911.78</b>	<b>1,376,565.12</b>	<b>1,376,565.12</b>	<b>0.00</b>	<b>0.01</b>
Advisory Neighborhood Commissions					
1000 - AGENCY MANAGEMENT	1,659,465.18	1,409,686.00	1,616,383.00	206,697.00	-0.03
2000 - ANCS	915,688.00	915,688.00	915,688.00	0.00	0.00
<b>Gross</b>	<b>2,575,153.18</b>	<b>2,325,374.00</b>	<b>2,532,071.00</b>	<b>206,697.00</b>	<b>-0.02</b>
Office on Returning Citizen Affairs					
1000 - RETURNING CITIZEN AFFAIRS	2,751,096.76	2,879,409.00	2,879,409.00	0.00	0.05
<b>Gross</b>	<b>2,751,096.76</b>	<b>2,879,409.00</b>	<b>2,879,409.00</b>	<b>0.00</b>	<b>0.05</b>
Office of the Tenant Advocate					
1000 - ADMINISTRATIVE SERVICES	838,017.98	896,706.11	896,706.11	0.00	0.07
3000 - LEGAL REPRESENTATION	1,695,416.61	1,380,906.67	1,517,840.49	136,933.82	-0.10
4000 - POLICY ADVOCACY PROGRAM	414,615.74	438,822.81	438,822.81	0.00	0.06
5000 - OTA EDUCATIONAL INSTITUTE	511,210.01	294,398.45	404,331.95	109,933.50	-0.21
6000 - EMERGENCY HOUSING	550,000.00	550,000.00	580,000.00	30,000.00	0.05
8000 - CASE MNGT ADM AND COMM OUTREACH	411,996.10	320,596.58	320,596.58	0.00	-0.22
9000 - RENT CONTROL HOUSING CLEARINGHOUSE	264,000.00	0.00	0.00	0.00	-1.00
DCRP - DISTRICT RECOVERY PLAN	0.01	0.00	0.00	0.00	-1.00
<b>Gross</b>	<b>4,685,256.45</b>	<b>3,881,430.62</b>	<b>4,158,297.94</b>	<b>276,867.32</b>	<b>-0.11</b>
Housing Finance Agency					
1000 - HOUSING FINANCE AGENCY	15,891,251.81	5,887,917.66	5,887,917.66	0.00	-0.63
<b>Gross</b>	<b>15,891,251.81</b>	<b>5,887,917.66</b>	<b>5,887,917.66</b>	<b>0.00</b>	<b>-0.63</b>



Program	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance	% Change (24 Cmte. vs. 23 Approv.)
Department of Housing and Community Development					
1000 - AGENCY MANAGEMENT	8,452,212.11	7,205,100.09	6,594,409.09	-610,691.00	-0.22
100F - AGENCY FINANCIAL OPERATIONS	342,502.90	746,183.43	746,183.43	0.00	1.18
2000 - DEVELOPMENT FINANCE DIVISION	32,389,011.15	46,298,436.72	46,298,436.72	0.00	0.43
3000 - RESIDENTIAL AND COMMUNITY SERVICE DIV	49,814,108.57	49,791,884.90	43,791,884.90	-6,000,000.00	-0.12
4100 - PROPERTY ACQUISITION AND DISPOSITION DIV	1,542,843.14	10,518,285.38	10,518,285.38	0.00	5.82
4500 - PORTFOLIO AND ASSET MANAGEMENT DIVISION	2,311,903.04	1,939,288.07	1,939,288.07	0.00	-0.16
7000 - PROGRAM MONITORING DIVISION	1,923,115.02	1,425,949.81	1,425,949.81	0.00	-0.26
8100 - HOUSING REGULATION ADMINISTRATION	3,036,023.81	3,489,149.92	3,689,149.92	200,000.00	0.22
9960 - YR END CLOSE	0.00	0.00	0.00	0.00	NA
<b>Gross</b>	<b>99,811,719.74</b>	<b>121,414,278.32</b>	<b>115,003,587.32</b>	<b>-6,410,691.00</b>	<b>0.15</b>
Housing Production Trust Fund					
ADMN - HOUSING PRODUCTION TRUST FUND (ADMIN)	21,773,237.50	15,000,000.00	15,000,000.00	0.00	-0.31
PROJ - HOUSING PRODUCTION TRUST FUND (PROJECT)	422,235,015.37	85,000,000.00	85,000,000.00	0.00	-0.80
<b>Gross</b>	<b>444,008,252.87</b>	<b>100,000,000.00</b>	<b>100,000,000.00</b>	<b>0.00</b>	<b>-0.77</b>
Housing Production Trust Fund Subsidy					
1000 - HOUSING PRODUCTION TRUST FUND (SUBSIDY)	354,197,301.00	31,936,776.00	31,936,776.00	0.00	-0.91
<b>Gross</b>	<b>354,197,301.00</b>	<b>31,936,776.00</b>	<b>31,936,776.00</b>	<b>0.00</b>	<b>-0.91</b>

Program	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance	% Change (24 Cmte. vs. 23 Approv.)
Housing Authority Subsidy					
2000 - RENTAL ASSISTANCE SUPPORT	12,268,284.00	10,580,690.76	10,580,690.76	0.00	-0.14
4000 - PUBLIC SAFETY	4,200,000.00	4,200,000.00	4,400,000.00	200,000.00	0.05
5000 - DCHA REHABILITATION & MAINTENANCE	0.00	0.00	0.00	0.00	NA
6000 - LOCAL RENT SUPPLEMENT - TENANT BASED	125,948,476.94	127,474,466.54	128,094,144.54	619,678.00	0.02
7000 - LOCAL RENT SUPPLEMNT - PROJECT & SPONSOR	43,245,924.70	43,295,924.70	43,295,924.70	0.00	0.00
<b>Gross</b>	<b>185,662,685.64</b>	<b>185,551,082.00</b>	<b>186,370,760.00</b>	<b>819,678.00</b>	<b>0.00</b>
Department of Human Services					
0000 -	0.00	0.00	0.00	0.00	NA
00NA - NO PROGRAM	0.00	0.00	0.00	0.00	NA
1000 - AGENCY MANAGEMENT	44,630,162.06	45,496,093.53	45,240,430.53	-255,663.00	0.01
100F - AGENCY FINANCIAL OPERATIONS	3,521,593.86	3,664,518.14	3,664,518.14	0.00	0.04
2000 - ECONOMIC SECURITY ADMINISTRATION	297,941,318.21	300,157,006.46	299,863,630.46	-293,376.00	0.01
5000 - FAMILY SERVICES	519,016,931.79	459,068,407.88	468,596,352.71	9,527,944.83	-0.10
9220 - DHS PCARD POOL	0.00	0.00	0.00	0.00	NA
9960 - YR END CLOSE	0.00	0.00	0.00	0.00	NA
<b>Gross</b>	<b>865,110,005.92</b>	<b>808,386,026.01</b>	<b>817,364,931.84</b>	<b>8,978,905.83</b>	<b>-0.06</b>
<b>GRAND TOTAL</b>	<b>1,974,692,723.37</b>	<b>1,262,262,293.61</b>	<b>1,266,133,750.76</b>	<b>3,871,457.15</b>	<b>-0.36</b>

**D. FISCAL YEAR 2024 AGENCY FULL-TIME EQUIVALENT PERSONNEL**

<b>Fund Type</b>	<b>FY 22 Actual</b>	<b>FY 23 Approved</b>	<b>FY 24 Mayor's Proposed</b>	<b>FY 24 Committee Approved</b>	<b>Committee Variance</b>
<b>Rental Housing Commission</b>					
LOCAL FUND	8.57	9	9	9	0
<b>TOTAL FTE</b>	<b>8.57</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>
<b>Advisory Neighborhood Commissions</b>					
LOCAL FUND	5.14	9.5	9.5	9.5	0
<b>TOTAL FTE</b>	<b>5.14</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>0</b>
<b>Office on Returning Citizen Affairs</b>					
LOCAL FUND	12.8	12	13	13	0
FEDERAL PAYMENTS	6	6	6	6	0
OPERATING INTRA-DISTRICT FUNDS	0.2	0	0	0	0
<b>TOTAL FTE</b>	<b>19</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>0</b>
<b>Office of the Tenant Advocate</b>					
LOCAL FUND	20.24	19	17	19	2
FEDERAL PAYMENTS	8.55	5	0	0	0
SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)	3.08	5.31	5.31	5.31	0
<b>TOTAL FTE</b>	<b>31.87</b>	<b>29.31</b>	<b>22.31</b>	<b>24.31</b>	<b>2</b>
<b>Department of Housing and Community Development</b>					
LOCAL FUND	52.78	63.27	68.05	67.05	-1
FEDERAL GRANT FUND	18.09	21.04	27.24	27.24	0
OPERATING INTRA-DISTRICT FUNDS	90.09	0	0	0	0
<b>TOTAL FTE</b>	<b>160.96</b>	<b>84.31</b>	<b>95.29</b>	<b>94.29</b>	<b>-1</b>
<b>Housing Production Trust Fund</b>					
ENTERPRISE AND OTHER FUNDS-DEDICATED TAX	0	90.29	74.45	74.45	0
<b>TOTAL FTE</b>	<b>0</b>	<b>90.29</b>	<b>74.45</b>	<b>74.45</b>	<b>0</b>

Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
<b>Department of Human Services</b>					
LOCAL FUND	749.99	909.65	825.53	820.53	-5
FEDERAL PAYMENTS	1.58	27	6	6	0
FEDERAL GRANT FUND	378.85	401.28	468.66	468.66	0
FEDERAL MEDICAID PAYMENTS	92.31	147.56	165.98	165.98	0
SPECIAL PURPOSE REVENUE FUNDS (O'TYPE)	0	1	0	0	0
OPERATING INTRA-DISTRICT FUNDS	25.23	0	0	0	0
<b>TOTAL FTE</b>	<b>1247.96</b>	<b>1486.49</b>	<b>1466.17</b>	<b>1461.17</b>	<b>-5</b>
<b>GRAND TOTAL</b>	<b>1464.93</b>	<b>1717.9</b>	<b>1686.72</b>	<b>1682.72</b>	<b>-4</b>

**E. FISCAL YEAR 2024 - 2029 AGENCY CAPITAL BUDGETS**

Project	Scenario	Unspent as of 03/21/2023	FY24	FY25	FY26	FY27	FY28	FY29	Sum FY24-29
<b>DEPARTMENT OF HUMAN SERVICES</b>									
<b>CASE MANAGEMENT SERVICES-FEDERAL</b>	Existing Balances	\$94,436,416.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$94,436,416.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>CASE MANAGEMENT SYSTEM - GO BOND</b>	Existing Balances	\$522,677.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$522,677.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>CHILDREN'S TRACKING SYSTEM</b>	Existing Balances	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>EMERGENCY &amp; TEMPORARY HOUSING FOR MEN</b>	Existing Balances	\$1,243,936.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$1,243,936.24</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>EMERGENCY AND TEMPORARY HOUSING UPGRADES</b>	Existing Balances	\$6,766,878.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	\$7,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$13,766,878.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>MADISON SHELTER</b>	Existing Balances	\$5,200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$5,200,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>MP-TEMPORARY AND PERMANENT SUPPORTIVE HO</b>	Existing Balances	\$244,116.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$244,116.64</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SINGLE SHELTER REPLACEMENT 5</b>	Existing Balances	\$24,336,502.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$0.00	\$18,178,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,178,000.00
	<b>Total</b>	<b>\$24,336,502.43</b>	<b>\$0.00</b>	<b>\$18,178,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$18,178,000.00</b>
<b>SINGLE SHELTER REPLACEMENTS - MP</b>	Existing Balances	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	-\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SINGLE SHELTER REPLACEMENTS 3 AND 4</b>	Existing Balances	\$57,877,847.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$57,877,847.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SINGLES SHELTER REPLACEMENT 1 AND 2</b>	Existing Balances	\$40,502,208.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	-\$40,502,208.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>SMALL CAPITAL PROJECTS</b>	Existing Balances	\$9,634,498.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$1,500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
	<b>Total</b>	<b>\$9,634,498.87</b>	<b>\$1,500,000.00</b>	<b>\$500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,000,000.00</b>
	Existing Balances	\$2,613,262.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

WARD 1 TEMPORARY HOUSING FOR FAMILIES	Mayor's Proposed FY23 Supplemental	-981,500.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$1,631,762.56</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 3 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$421,308.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$421,308.54</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 4 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$326,994.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$326,994.81</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 5 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$347,965.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$347,965.21</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 6 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$410,646.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$410,646.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 7 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$16,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$16,500.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 8 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$132,229.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$132,229.98</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>DEPARTMENT OF HUMAN SERVICES Total</b>		<b>\$210,550,283.12</b>	<b>\$1,500,000.00</b>	<b>\$18,678,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$20,178,000.00</b>
<b>HOUSING AUTHORITY SUBSIDY</b>									
DEVELOPMENT AND REHABILITATION - DCHA	Existing Balances	\$60,027,944.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$54,330,563.00	\$61,201,333.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,531,896.00
	<b>Total</b>	<b>\$60,027,944.36</b>	<b>\$54,330,563.00</b>	<b>\$61,201,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$115,531,896.00</b>
<b>HOUSING AUTHORITY SUBSIDY Total</b>		<b>\$60,027,944.36</b>	<b>\$54,330,563.00</b>	<b>\$61,201,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$115,531,896.00</b>
<b>Grand Total</b>		<b>\$270,578,227.48</b>	<b>\$55,830,563.00</b>	<b>\$79,879,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$135,709,896.00</b>

F. TRANSFERS IN FROM OTHER COMMITTEES

<i>Sending Committee</i>	<i>Receiving Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>	<i>Type</i>	<i>Purpose</i>
Committee on Facilities and Family Services	DHS	5000	\$2,100,000	0	One-Time	Enhancement to the Emergency Rental Assistance Program
			\$1,200,000	0	Recurring	Enhancement to Project Reconnect
Committee on Public Works and Operations	DHS	5000	\$1,000,000	0	One-Time	Enhancement to the Emergency Rental Assistance Program
			FY25 - \$404,766	0	Recurring from FY 25	Funding for Domestic Violence Training and Technical Assistance
	OTA	6000	FY 25 - \$30,510	0	Recurring from FY 25	Recurring Enhancement to the Emergency Housing Assistance Program
	DCHA Subsidy	6000	FY25 – \$561,384	0	Recurring from FY 25	Funding for 20 LRSP Vouchers for Returning Citizens Designated by ORCA
Committee on Executive Administration and Labor	DHCD	8100	\$200,000	0	Recurring	Funding for B24-0934, the Condominium Warranty Claims Clarification Amendment Act of 2022
Committee on Transportation and the Environment	DHS	5000	\$1,000,000	0	One-Time	Enhancement to the Emergency Rental Assistance Program
Committee on Health	DHS	5000	\$500,000	0	One-Time	Enhancement to the Emergency Rental Assistance Program

G. TRANSFERS OUT TO OTHER COMMITTEES

<i>Receiving Committee</i>	<i>Receiving Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>	<i>Type</i>	<i>Purpose</i>
Committee on Executive Administration and Labor	OIG	2000	\$250,000	0	Recurring	Funding for Subtitle X. Housing Authority Financial Reporting
	DOES	3000	\$253,000	0	Recurring	Funding for B24-0712, the Domestic Workers Employment Rights Amendment Act of 2022
			\$50,000	0	One-Time	Funding for B24-0712, the Domestic Workers Employment Rights Amendment Act of 2022

<i>Receiving Committee</i>	<i>Receiving Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>	<i>Type</i>	<i>Purpose</i>
	EOM	5000	\$275,000	0	Recurring	Funding for B24-0649, the Elimination of Discrimination Against Women Amendment Act of 2022
Committee of the Whole	Non-Departmental	1000	\$1,242,180	0	Recurring	Funding for B25-0055, the Pathways to Behavioral Health Degrees Act of 2023



H. REVENUE ADJUSTMENT

The Committee recommends no adjustments to revenue.

I. FUNDING OF LEGISLATION

<i>Subtitle/Bill</i>	<i>Agency</i>	<i>Program</i>	<i>Amount</i>	<i>FTEs</i>
Subtitle X. Housing Authority Financial Reporting	Transfer of Funds to OIG	2000	\$250,000 - Recurring	0
B24-0649, the Elimination of Discrimination Against Women Amendment Act of 2022	Transfer to EOM	5000	\$275,000 – Recurring	2
B24-0712, the Domestic Workers Employment Rights Amendment Act of 2022	Transfer to DOES	3000	\$253,000 – Recurring	2
			\$50,000 – One-Time	0
B24-0934, the Condominium Warranty Claims Clarification Amendment Act of 2022	DHCD	8100	\$200,000 - Recurring	0
B25-0055, the Pathways to Behavioral Health Degrees Act of 2023 (Pre-Funding)	Non-Departmental	1000	\$1,242,180 – Recurring	0

## II. AGENCY FISCAL YEAR 2024 BUDGET RECOMMENDATIONS

### A. INTRODUCTION

The Committee’s responsibilities, as delineated in the Rules of Organization and Procedure for the Council of the District of Columbia, Council Period 25, Resolution of 2023, include “matters relating to the development, maintenance, preservation, and regulation of housing stock, including rental housing and public housing; neighborhood revitalization, development, improvement, and stabilization; joint jurisdiction for the purpose of oversight (not legislation) with the Committee on Business and Economic Development for New Communities; urban affairs; homelessness; housing vouchers; matters regarding Advisory Neighborhood Commissions; and matters regarding returning citizens.”

The following agencies, boards, and commissions fall within the Committee’s purview:

- Advisory Neighborhood Commissions
- Board of Real Estate Appraisers
- Condominium Association Advisory Council<sup>1</sup>
- Commission on Re-Entry and Returning Citizen Affairs
- Department of Housing and Community Development
- Department of Human Services
- District of Columbia Housing Authority
- Housing and Community Development Reform Commission
- Housing Finance Agency
- Housing Production Trust Fund
- Interagency Council on Homelessness
- Office on Returning Citizen Affairs
- Office of Advisory Neighborhood Commissions
- Office of the Tenant Advocate
- Office-to-Affordable-Housing Task Force
- Real Estate Commission
- Rental Housing Commission

The Committee is chaired by Councilmember At-Large Robert C. White, Jr. The other Committee members are Councilmembers Kenyan R. McDuffie, Brooke Pinto, Matt Frumin, and Zachary Parker.

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<sup>1</sup> Bill 21-443, the *Condominium Owner Bill of Rights and Responsibilities Amendment Act of 2016*, included provisions establishing a Condominium Association Advisory Council (CAAC). As detailed at D.C. Official Code § 42-1903.08a, the CAAC was intended to bring together 14 condo residents from across the District with varying expertise to advise the District government on condo matters. However, based on a conversation with the Mayor’s Office of Talent and Appointments, the Committee understands that the CAAC has never met or even had members appointed to most of its seats.

The Committee held performance and budget oversight hearings on the following dates in 2023:

Performance Oversight Hearings	
January 31	Office of Advisory Neighborhood Commissions Commission on Reentry and Returning Citizens Affairs Office on Returning Citizens Affairs
February 9	Office of the Tenant Advocate Real Estate Commission Board of Real Estate Appraisers Rental Housing Commission
February 13	Department of Housing and Community Development Housing Production Trust Fund
February 23	Housing Finance Agency Interagency Council on Homelessness Department of Human Services
March 2	Housing Authority

Budget Oversight Hearings	
March 27	Office of Advisory Neighborhood Commissions Office on Returning Citizens Affairs
March 29	Office of the Tenant Advocate Rental Housing Commission Housing Finance Agency
March 31	Department of Human Services
April 3	Department of Housing and Community Development Housing Production Trust Fund
April 10	Housing Authority

The Committee received important feedback from members of the public during these hearings. The hearing records for each performance and budget oversight hearing have been filed with the Office of the Secretary. Written responses from the executive to performance oversight questions are available at <https://dccouncil.gov/housing/> and <https://dccouncil.gov/housing-2/>. Video recordings of the hearings are available through the Council website as well as <https://oct.dc.gov>, the Office of Cable Television. The Committee continues to welcome public input on the agencies and activities within its purview.

Agency-specific budget breakdowns, operational overviews, and policy recommendations follow.

**B. RENTAL HOUSING COMMISSION (DR0)**

**AGENCY SUMMARY TABLES**

<b>Operating Funds by Fund Type</b>					
<b>Fund Type</b>	<b>FY 22 Actual</b>	<b>FY 23 Approved</b>	<b>FY 24 Mayor's Proposed</b>	<b>FY 24 Committee Approved</b>	<b>Committee Variance</b>
Local	1,293,611.02	1,356,911.78	1,376,565.12	1,376,565.12	0.00
<b>Gross</b>	<b>1,293,611.02</b>	<b>1,356,911.78</b>	<b>1,376,565.12</b>	<b>1,376,565.12</b>	<b>0.00</b>

<b>FTEs by Fund Type</b>					
<b>Fund Type</b>	<b>FY 22 Actual</b>	<b>FY 23 Approved</b>	<b>FY 24 Mayor's Proposed</b>	<b>FY 24 Committee Approved</b>	<b>Committee Variance</b>
Local	8.57	9	9	9	0
<b>Total</b>	<b>8.57</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>

**POLICY RECOMMENDATIONS**

The Committee recommends that the Rental Housing Commission (RHC) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. The Committee applauds the RHC’s commitment to resuming formal, consistent performance measurement activities and encourages the agency to set attainable but ambitious goals for prompt resolution of appellate cases.
2. The Mayor should promptly submit a resolution nominating either Interim Chief Judge Gregory or another qualified candidate of her choice to serve as Chief Judge of the RHC.

**AGENCY MISSION AND OVERVIEW**

The mission of the RHC is “to ensure the fair and effective implementation of the District of Columbia’s rent stabilization and tenant rights laws by publishing clear legal guidelines and resolving appeals in disputed cases.”<sup>2</sup>

Under the Rental Housing Act of 1985—which, among other things, includes the District’s prohibitions on rent increases beyond certain percentages for housing accommodations in certain older buildings—landlords and tenants have the right to file various types of administrative challenges and complaints. The Office of Administrative Hearings (OAH) decides these matters, but parties may appeal OAH decisions to the RHC. The RHC’s 3 administrative judges, also referred to as “Commissioners” in the Rental Housing Act, share responsibility for reviewing sometimes complex administrative records, hearing parties’ arguments, rendering decisions, and drafting detailed opinions. The Rental Housing Act also assigns responsibility for administrative rule-writing and the issuance of annual rent increase certifications to the RHC (the latter is a relatively simple

<sup>2</sup> Rental Housing Commission, FY24 Performance Oversight Hearing Responses (Jan 18, 2023), <https://dccouncil.gov/wp-content/uploads/2023/02/Pre-Hearing-Question-Responses-RHC.pdf>.

administrative formality that depends entirely on a federal measure of inflation, the Consumer Price Index). While the RHC has existed in some form since the initial implementation of the Rental Housing Act of 1985, its status as a standalone agency with a budget chapter distinct from that of the Department of Housing and Community Development (DHCD) is relatively new.<sup>3</sup>

The Rental Housing Act dictates that the Chairperson of the RHC, also known as the Chief Judge, serve as the agency’s “administrative head and personnel authority” and handle additional duties such as implementing a code of professional responsibility, issue the agency’s internal procedures, and submit annual reports to the Mayor and Council.<sup>4</sup> As of the date of this report, Lisa M. Gregory serves as Interim Chairperson and Chief Administrative Judge.

Adam R. Hunter and Toya Carmichael also serve as Administrative Judges.

### OPERATING BUDGET ANALYSIS

The Committee has identified no need for significant changes to the RHC’s budget for fiscal year 2024 as proposed by the Mayor. Although the RHC’s Council-approved budget for fiscal year 2023 included authorization for 9 full-time-equivalent staff members (FTEs), the agency employed 10 people full-time staff as of its budget oversight hearing on March 29, 2023. In performance oversight hearing testimony, Judge Gregory explained that, when she became Interim Chief Judge, she created a new Acting Chief of Staff position for a colleague who had been employed in another capacity at the RHC. Subsequently, in budget oversight testimony, Judge Gregory further explained that she has worked with the Department of Human Resources and other leaders in the Mayor’s administration to maintain budget authority for the Acting Chief of Staff role even after the Council confirmed Judge Carmichael to the Commission and raised the total FTE count to 10. Judge Gregory reportedly requested a budget enhancement in fiscal year 2024 to make the Chief of Staff role a permanent part of the RHC’s structure, but the Mayor does not appear to have incorporated that request into her budget proposal. The Committee acknowledges Judge Gregory’s thoughtful arguments as to why an additional staff member would help fulfill the agency’s mission, but has not identified additional resources to support the requested expansion.

As for the agency’s operations more broadly: the number of appeals to the RHC is lower than might be expected, with only 4 filed in fiscal year 2022, and yet the agency reported a backlog of 15 undecided cases as of its most performance oversight hearing. Agency leadership attributes the slow pace of casework to several factors. They note that many parties litigate their matters before OAH and the RHC *pro se* (that is, without professional legal representation), so the RHC must be diligent to understand and fairly consider their claims. They also point out that a long overdue refresh of the Rental Housing Act regulations absorbed a significant portion of the agency’s capacity in recent years, and another rulemaking to implement the *Eviction Record Sealing Authority and Fairness in Renting Amendment Act of 2022* is ongoing.

The Committee believes that consistent tracking of performance measures may help the agency prioritize its various responsibilities and improve case processing timelines. Upon spinning off from DHCD, the RHC initially sought to participate in annual performance measure tracking through the Office of the City Administrator, but quickly determined that the amount of data collection and analysis it had set out to do was overly burdensome. ***The Committee applauds the RHC’s commitment to resuming formal, consistent performance measurement activities***

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<sup>3</sup> See D.C. Law 22-200, the *Rental Housing Commission Independence Clarification Amendment Act of 2018*, <https://lims.dccouncil.gov/Legislation/B22-0640>.

<sup>4</sup> D.C. Official Code § 42–3502.01a.

***and encourages the agency to set attainable but ambitious goals for prompt resolution of appellate cases.***

The Council has confirmed Judge Gregory as an Administrative Judge of the RHC for multiple 3-year terms, first on January 9, 2018<sup>5</sup> and again on December 15, 2020.<sup>6</sup> According to performance oversight testimony, the Mayor appointed Judge Gregory to assume Chief Judge responsibilities on an interim basis in April or May 2022 after the Mayor withdrew a prior nomination. Notably, however, the Mayor has not submitted a nomination resolution for the position of Chief Judge to the Council in nearly a year, in violation of D.C. Official Code § 1–523.01(c)(19). ***The Mayor should promptly submit a resolution nominating either Interim Chief Judge Lisa Gregory or another qualified candidate of her choice to serve as Chief Judge of the RHC.***

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<sup>5</sup> See Resolution 22-386, <https://lims.dccouncil.gov/Legislation/PR22-0481>.

<sup>6</sup> See Resolution 23-627, <https://lims.dccouncil.gov/Legislation/PR23-0924>.

C. ADVISORY NEIGHBORHOOD COMMISSIONS (DX0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Local	1,343,096.05	2,575,153.18	2,325,374.00	2,532,071.00	206,697.00
<b>Gross</b>	<b>1,343,096.05</b>	<b>2,575,153.18</b>	<b>2,325,374.00</b>	<b>2,532,071.00</b>	<b>206,697.00</b>

FTEs by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Local	5.14	9.5	9.5	9.5	0
<b>Total</b>	<b>5.14</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>0</b>

POLICY RECOMMENDATIONS

The Committee<sup>7</sup> recommends that the Office of Advisory Neighborhood Commissions (OANC) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. The OANC should set a timeline for engaging Commissioners in the development of its strategic plan, with a goal of completing the plan by the end of the year.
2. The OANC should fill all of its vacant positions by the end of 2023.
3. The OANC should provide the Committee with a set of options and associated costs for addressing its space needs in coordination with the Office of the Secretary by January 2024.
4. The OANC should ensure adequate notice and training for ANCs as financial management transitions to newly procured software and provide clear guidance to ANCs on financial management expectations and consequences for failing to meet those expectations.
5. The OANC should notify the Committee of any legislative changes needed to ensure both adequate accountability for ANC finances and ease of administration by both the OANC and ANCs.
6. The OANC should ensure it does not enter ongoing contractual obligations unless recurring funding has been secured to meet the associated costs.
7. The OANC should provide quarterly reports to the Committee on the balance in the Technical

<sup>7</sup> For purposes of this chapter on ANCs, “the Committee” refers to both Council Period 25’s Committee on Housing and the DC Council committees previously chaired by Councilmember Robert C. White, Jr., with jurisdiction over OANC, namely, the Committee on Facilities and Procurement in Council Period 23 and the Committee on Government Operations and Facilities in Council Period 24.

Assistance and Support Fund and the expenditures from the fund during the quarter.

8. The OANC should provide the Committee with a list of intended improvements and a timeline for updating the OANC and ANC websites using the new funding identified for this purpose.
9. The OANC should provide the Committee with regular updates on the distribution and use of hybrid meeting kits by ANCs.
10. The OANC should provide the Committee with annual updates on the utilization of the printer-copier and Granicus communications software.
11. The OANC should provide the Committee with quarterly updates on the use of the expert assistance funding available for Commissioners.
12. The OANC should provide quarterly updates on requests for assistance from the General Counsel for matters involving legal interpretation, litigation, and FOIA.
13. The OANC should provide the Committee with an annual training plan accompanied by a report on trainings held the prior year and the attendance for each training.

#### **AGENCY MISSION AND OVERVIEW**

The Advisory Neighborhood Commissions (ANCs) budget chapter is split into two major divisions: funding provided directly to ANCs themselves and funding provided to the Office of Advisory Neighborhood Commissions (OANC).

Funding provided directly to ANCs themselves is intended to support their individual operations. ANCs are 46 independently elected advisory commissions consisting of 346 single-member districts (SMDs). Each SMD is represented by an individual Commissioner elected for a two-year term to represent approximately 2,000 residents. ANCs were established in the Home Rule Act and were founded to represent their constituents primarily through providing advice and recommendations to the Council, the Mayor, and District agencies. Existing law in many instances requires that notice be given to ANCs of pending government actions and that agencies provide great weight to ANC resolutions on issues impacting their neighborhood.

ANCs receive their share of funding pursuant to D.C. Official Code § 1-207.38(e), which dictates that allocations for each ANC “shall bear the same ratio to the full sum allotted as the population of the neighborhood bears to the population of the District.” In order to receive their allocations, ANCs must comply with regular financial reporting and management requirements. Under the Council’s direction, allocations for ANCs were significantly increased in fiscal year 2023, and funding was identified to support newly formed Commissions with anticipated start-up costs.

ANCs are also supported by the OANC, which receives its funding under the “Agency Management” project in the overall ANC budget. The mission of the OANC, as provided by the Office in response to the Committee’s performance questions, is to “provide technical, administrative, and financial reporting assistance to the Advisory Neighborhood Commissions...The OANC is intended to support the efforts of Advisory Neighborhood Commissions, review Commission quarterly financial reports, and approve or disapprove the release of Commission quarterly allotments pursuant to § 1-3091.13.”



With the continuous support of the Council, the OANC has more than doubled in approved staff size since fiscal year 2020 and benefited from a budget that has quadrupled in size. With that funding has come substantially heightened expectations of the OANC, with Commissioners and the Council anticipating the continuous roll-out of new support services, programs, training, and expert assistance to ANCs.

During this fundamental transformation of the OANC, the office has also undergone a leadership change. The long-time former executive director of the office departed, to be replaced by an interim director during a leadership search. On November 1, 2022, the Council approved the appointment of Kent Boese as the new, permanent executive director of the OANC.

## OPERATING BUDGET ANALYSIS

The Mayor's proposed budget makes minimal substantive changes to OANC's budget. The proposed budget reflects the removal of one-time funding for the purchase of hybrid meeting technology, websites for ANCs, a printer and copier, and supplies. As is the case across agencies, the proposed budget incorporates inflationary increases for salaries, benefits, and telecommunications through savings identified elsewhere in the budget.

### Administration

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In the fiscal year 2022 budget, the Committee recognized that the OANC had developed a growing backlog of investments in ANCs that had yet to be implemented. Those delays had, and continue to have, significant impacts on ANCs and the communities they represent. As unpaid elected volunteers, typically with other careers, commissioners are asked to shoulder a heavy burden to adequately represent their constituents, while managing the necessary technical, financial, and administrative tasks associated with the role.

The Committee has heard these concerns and for years has targeted unprecedented investment directly to the areas of greatest need identified by Commissioners themselves. However, to sustain this level of growth within the OANC requires a robust strategic planning process that engages commissioners in the future of the OANC and ANCs. A strategic plan should, at a minimum, envision how to strengthen ANCs and better support commissioners, prioritize among the outstanding needs for ANCs, and set timelines and metrics for meeting those needs.

Unfortunately, while funding for this strategic planning effort has been available for some time, leadership turnover in the OANC has delayed its onset. Now that the OANC has stabilized and is making progress on its goals, ***the OANC should set a timeline for engaging Commissioners in the development of its strategic plan, with a goal of completing the plan by the end of the year.***

Last year, the Committee provided funding for four new employees at the OANC. These employees were designated to assist the OANC with commissioner on-boarding and training, to assist with legal matters and Freedom of Information Act requests, and to implement legislation to ensure ANCs have expert advice and assistance in negotiations around development, zoning, and planning. To ensure ANCs have a robust support network, ***the OANC should fill all of its vacant positions by the end of 2023.***

The Committee recognizes that the current office space for the OANC is insufficient for its growing size. Unfortunately, the funding needs and options to address this inadequate office space were not clarified in time for the Committee budget mark-up this year. For the time being, OANC

staff will likely need to work in a hybrid fashion. In addition, the OANC is currently evaluating options for reconfiguring its existing space. Should the OANC not be able to meet the space needs of its staff within its existing budget, ***the OANC should provide the Committee with a set of options and associated costs for addressing its space needs in coordination with the Office of the Secretary by January 2024.***

One of the core responsibilities of the OANC is to ensure adequate financial oversight of the ANCs according to standards set out in law. There is evidence that the OANC has improved its financial oversight in recent months. However, financial errors and omissions among ANCs remain unreasonably high according to recent audits and the impact of those errors is to reduce resources for impacted neighborhoods. The OANC is in the process of rolling out new financial management software similar to software used previously by the DC Auditor. ***The OANC should ensure adequate notice and training for ANCs as financial management transitions to newly procured software and provide clear guidance to ANCs on financial management expectations and consequences for failing to meet those expectations.*** In addition, ***the OANC should notify the Committee of any legislative changes needed to ensure both adequate accountability for ANC finances and ease of administration by both the OANC and ANCs.***

During the fiscal year 2024 budget process, the Committee was alerted that the OANC did not have sufficient recurring funding to meet its existing contract obligations and funding responsibilities for other agencies. In this proposed budget, the Committee has identified funding to fully meet the OANCs' financial needs, including funding for contracts for financial management and communications software, and to fund the memoranda of understanding needed to pay for support services from the Department of Small and Local Business Development, District of Columbia Human Resources, and the Office of the Chief Technology Officer. Going forward, ***the OANC should ensure it does not enter ongoing contractual obligations unless recurring funding has been secured to meet the associated costs.***

### ***Technical Support and Assistance***

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In the fiscal year 2021 budget, the Committee established the Advisory Neighborhoods Technical Support and Assistance fund to recapture funding forfeited or unclaimed by ANCs to meet certain needs that had been identified by commissioners, including communications and outreach software, sign language interpretation and communications access services, remote meeting technologies, audio-visual technology and services, printing services, and website assistance. From time to time, the Committee has supplemented funding available to meet these needs.

This fund was originally drafted using restrictive language with constricted fund uses and a requirement that services and supports be provided at the request of ANCs. Over time, it has become clear that this language is overly restrictive. With a more robust staff and new leadership, more flexibility is justified. The Committee is therefore recommending a reform in the Budget Support Act to permit the OANC to use the fund to support ANCs, with the listed services serving only as illustrative examples. However, in utilizing this new authority, ***the OANC should provide quarterly reports to the Committee on the balance in the Technical Assistance and Support Fund and the expenditures from the fund during the quarter.***

Since fiscal year 2021, the Committee has recognized that the website of the OANC remains inadequate and does not meet the needs of commissioners or the public. In addition, the individual websites of ANCs are variable in quality and a number of ANCs do not have websites at all and rely on social media platforms. Some ANCs have also had trouble maintaining websites through transitions between commissioners.

Over the last several years, the OANC has made improvements to its website, including pages for commissioner training, financial transparency, advice letters, assistance funds, and applications for language access and sign language services. These are welcome improvements that have improved transparency and usability. However, the overall website design remains dated and nontransparent. To address this, and to develop the OANC website into a portal to access new, robust ANC websites, the Committee has identified an additional \$65,000 in fiscal year 2024 to support OANC and ANC website improvements. ***The OANC should provide the Committee with a list of intended improvements and a timeline for updating the OANC and ANC websites using the new funding identified for this purpose.***

During the pandemic, it became clear that virtual and hybrid meetings will remain a part of public life for the foreseeable future. To support ANCs' transition to virtual and hybrid meetings, the Committee has continued legislation allowing each ANC to meet in the format it believes will best engage its residents. In addition, the Committee has previously provided funding for the purchase of hybrid meeting kits to allow ANCs to meet with residents and commissioners either virtually or in-person. These hybrid meeting kits have been procured and should be available to ANCs soon. ***The OANC should provide the Committee with regular updates on the distribution and use of hybrid meeting kits by ANCs.***

Not all ANCs, however, will choose to meet in a hybrid fashion and many continue to meet fully virtually on zoom. But it is not an efficient use of funds for each ANC to procure its own zoom account. To that end, the Committee has identified \$13,520 for the OANC to procure Zoom accounts and make those accounts available for the use of ANCs.

The OANC has also undertaken 2 additional procurements for the benefit of ANCs – one for a printer/copier for ANC use in part to facilitate mail and flyer printing and one for Granicus software to assist ANCs in their digital communication with their constituents. ***The OANC should provide the Committee with annual updates on the utilization of the printer-copier and Granicus communications software.***

### ***Expert Assistance and Training***

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In fiscal year 2022 and fiscal year 2023, the Committee funded internal staff positions at OANC and provided funding for contracting outside experts to assist ANCs in their work. Two staff positions were added to fund the implementation of the *Advisory Neighborhood Commissions Participation in Planning Amendment Act*, in addition to a General Counsel and staffer to support commissioner on-boarding and training. As mentioned earlier, the Committee expects these staff positions to be filled by the end of the calendar year.

In the meantime, the OANC should provide the Committee with quarterly updates on the use of the expert assistance funding available for Commissioners. In addition, after the hiring of its General Counsel, the OANC should provide quarterly updates on requests for assistance from the General Counsel for matters involving legal interpretation, litigation, and FOIA.

Finally, the Committee has been pleased with the OANCs progress in increasing training opportunities for ANCs, making those trainings available on-demand online, and keeping statistics on attendance. The Committee expects these training resources to expand further as the OANC staffs up. ***The OANC should provide the Committee with an annual training plan accompanied by a report on trainings held the prior year and the attendance for each training.***

D. OFFICE ON RETURNING CITIZEN AFFAIRS (RCO)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Paymts.	459,246.23	616,800.00	616,800.00	616,800.00	0.00
Local	1,606,304.03	2,134,296.76	2,262,609.00	2,262,609.00	0.00
Intra-District	95,263.97	0.00	0.00	0.00	0.00
<b>Gross</b>	<b>2,160,814.23</b>	<b>2,751,096.76</b>	<b>2,879,409.00</b>	<b>2,879,409.00</b>	<b>0.00</b>

FTEs by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Paymts.	6	6	6	6	0
Local	12.8	12	13	13	0
Intra-District	0.2	0	0	0	0
<b>Total</b>	<b>19</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>0</b>

POLICY RECOMMENDATIONS

The Committee<sup>8</sup> recommends that the Office on Returning Citizen Affairs (ORCA) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. ORCA should support the programmatic development of the halfway house being constructed in Ward 7 to ensure the services offered by the halfway house meet the contemporary needs of returning citizens in the District.
2. ORCA should post the voucher selection criteria and an application to apply for a voucher on the front page of its website and social media pages. The website should include the application window and when people can expect to hear from ORCA on the status of being approved or denied for a voucher.
3. ORCA should work with the Corrections Information Council (CIC) as a possible source of Federal Bureau of Prisons (FBOP) data.
4. ORCA should also consider attorney groups like the Public Defender Service (PDS) who may serve as an alternative source of FBOP data.

<sup>8</sup> For purposes of this chapter on ORCA, “the Committee” refers to both Council Period 25’s Committee on Housing and the DC Council committees previously chaired by Councilmember Robert C. White, Jr., with jurisdiction over ORCA, namely, the Committee on Facilities and Procurement in Council Period 23 and the Committee on Government Operations and Facilities in Council Period 24.

5. ORCA should disclose the five industry leaders selected through the Access to Jobs program on its website and social media pages. ORCA should also post instructions on how returning citizens can apply for jobs through the program.
6. ORCA should work with the Commission on Re-Entry to determine the unemployment rate of returning citizens in the District of Columbia in order to better measure the District's progress.
7. ORCA should move quickly to improve outreach for the Transportation Stipend program and ensure that returning citizens are aware of the program and that all available stipends are distributed to those in need. At a minimum ORCA should post on its website and social media pages information regarding the transportation stipends as soon as possible.
8. ORCA should finalize edits to the Board of Elections (BOE) flyer on voting rights and send the Committee a copy by the end of June 2023.
9. ORCA should work with the Commission on Re-Entry and Returning Citizen Affairs to identify any gaps in services that exist to ensure all returning citizens can vote.
10. ORCA should be prepared to give regular status updates on the *Helping Children Impacted by Parental Incarceration Amendment Act* to the Committee. ORCA should be prepared to share the preliminary findings of the comprehensive assessment after it has begun.
11. The Commission on Re-Entry should work to develop policy recommendations on how the District can better support women returning citizens who are separated from their children.
12. ORCA should utilize the resources available for the vital documents program through DC Health and the DMV, rather than outsourcing it to the non-profit sector. Additionally, ORCA should place the information about how to apply for an ID and the Birth Certificate Fee Waiver form on its website and social media pages.
13. The Commission on Re-Entry should work with the Mayor and the Committee to fill the 11 vacancies on the Commission.
14. The Commission on Re-Entry should disclose to the Committee its plan for fiscal year 2023 and fiscal year 2024 spending.

### AGENCY MISSION AND OVERVIEW

The late Councilmember Marion Barry created the Office on Returning Citizen Affairs (ORCA) when he introduced, and Council passed, the *Office on Ex-Offender Affairs and Commission on Re-Entry and Ex-Offender Affairs Establishment Act of 2006*. Since 2007, ORCA has stood as the executive agency singularly dedicated to supporting those who have been incarcerated. According to the Council Office of Racial Equity, “[w]hile the US has the highest incarceration rate among other countries, the District has one of the highest per capita rates in the nation (and therefore the world).”<sup>9</sup> This means the District has a disproportionate percentage of citizens who have been justice involved as compared to any other jurisdiction in the United States. According to the Criminal Justice Coordinating Council’s (CJCC) most recent numbers from 2013, each year an estimated

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<sup>9</sup> See Emily Widra and Tiana Herring, "States of Incarceration: The Global Context 2021" (Sept. 2021), <https://www.prisonpolicy.org/global/2021.html>.

2,000–2,500 individuals return to the District from the Federal Bureau of Prisons (FBOP) and roughly 17,000 individuals cycle through the D.C. Department of Corrections (DOC).<sup>10</sup>

Incarceration takes a particular toll on people. The FBOP and DOC do not guarantee residents have the holistic guidance needed to successfully transition back into society. This is a gap that ORCA aims to fill. ORCA provides access to job readiness programs, connects residents to employment opportunities, offers comprehensive case management services, provides metro cards, connects incarcerated residents to their families, and provides housing vouchers.

Through working with returning citizens and advocates, the Committee was able to steadily increase ORCA’s budget by establishing needed programs, resulting in an agency that has seen dramatic growth from 6 years ago when the Office had 5 employees and an operating budget of \$490,000.

### *Commission on Re-Entry and Returning Citizen Affairs*

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The same law that established ORCA also created the Commission on Re-Entry and Returning Citizen Affairs (CRERCA or Commission). The Commission serves as an independent body of advisors to ORCA, the Council, and the Mayor. The Commission advises on the process, issues, and consequences of the reintegration of returning citizens into the general population.

According to the law the Commission must be comprised of 15 public voting members who are appointed by the Mayor and confirmed by the Council. Commissioner nominees who are returning citizens or who have experience within the reentry community are strongly considered. The Commission also has 13 ex-officio, non-voting members who represent a variety of District government agencies. These members are to engage the Commission and use their agency resources to help the Commission achieve its goals. This year’s performance oversight testimony confirmed that, as has been the case for years, the agency directors who are members of the Commission rarely attend Commission meetings. The ex-officio members on the Commission are listed below:

- Attorney General: Brian Schwalb, Esq.
- Director of the Department of Human Services: Laura Zeilinger
- Director of the Department of Health: Sharon Lewis, DHA, RN-BC, CPM
- Director of the Department of Housing and Community Development: Colleen Green
- Director of the Department of Consumer and Regulatory Affairs<sup>11</sup>
- Superintendent of Education of the District of Columbia: Christina Grant, Ph.D.

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<sup>10</sup> See Sean J. Goliday and David Mazeika, “Reentry in the District of Columbia: Supporting Returning Citizens’ Transitions into the Community” (Dec. 2013), <https://cjcc.dc.gov/page/reentry-district-columbia-supporting-returning-citizens-transitions-community#:~:text=Research%20and%20Reports-.Reentry%20in%20the%20District%20of%20Columbia%3A%20Supporting%20Returning%20Citizens%27%20Transitions.the%20D.C.%20Department%20of%20Corrections>.

<sup>11</sup> In 2022, the Department of Consumer and Regulatory Affairs (DCRA) split into two agencies: (1) The Department of Buildings (DOB) and (2) the Department of Licensing and Consumer Protection (DLCP). Ernest Chrappah is the Acting Director of DOB and Shirley Kwan-Hui is the Interim Director of DLCP.

- President of the University of the District of Columbia: Ronald Mason, Jr., J.D.
- Chief of the Metropolitan Police Department: Robert Contee
- Director of the Department of Youth Rehabilitative Services: Trey Stanback (Interim)
- Director of the Department of Employment Services: Unique N. Morris-Hughes, Ph.D., MBA
  - Designee: DeCarlo Washington
- Director of the Office of Human Rights: Hnin Khaing
- Director of the Department of Behavioral Health: Barbara J. Bazron, Ph.D.
- Director of the Addiction Prevention and Recovery Administration, or the administrative head of the agency or the successor agency within the Department of Behavioral Health responsible for administering substance abuse prevention and treatment services: Barbara J. Bazron, Ph.D.

Below is a chart that shows all currently active public voting members of the Commission.

<b>Name</b>	<b>Term Expiration</b>	<b>Appointment Status</b>	<b>Ward</b>
Natasha Dasher (Chair)	08/04/2023	Active	6
James Berry, Jr.	04/04/2023	Active (Reappointment)	4
Larry Moon	08/04/2023	Active (Reappointment)	7
Kennetta Calloway	08/04/2023	Active	7

The Commission is required to have 15 public voting members. The Office on Talent and Appointments (MOTA) confirmed that the Commission only has 4 active members. This is a stark contrast from one year ago when the Commission had 12 commissioners. According to MOTA, it has identified nominees. The Committee would like to see people nominated who are already attending meetings and have demonstrated a dedication to the Commission’s mission. This is a strategy that the Committee believes will increase retention. Despite the challenge to retain commissioners, the Commission has managed to host monthly well attended meetings and create a subcommittee structure to better focus the work of the Commission.

### **OPERATING BUDGET ANALYSIS**

Under the fiscal year 2024 budget proposal ORCA will have an operating budget of \$2,879,409. This is a \$128,312 increase in local funds. ORCA’s budget will support 19 full-time employees.

#### ***Committee Analysis and Comments***

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While it is the position of the Committee that ORCA has done transformational work for almost two decades; recently, funded programs have been unimplemented and resources unspent to support returning citizens. Many returning citizens continue to raise concerns with ORCA’s capacity to meet their wide range of needs.

The funded mandates assigned to ORCA that have yet to be implemented include the *Access to Jobs Amendment Act of 2020*, the *Helping Children Impacted by Parental Incarceration Amendment Act of 2020*, and the *Returning Citizens Opportunity to Succeed Amendment Act of 2017*. Below is an overview of the status of ORCA's programs and recommendations from the Committee.

## ***ORCA's Services and Programs***

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### Housing

Based on the fiscal year 2024 performance and budget oversight hearings on ORCA, housing may be the most pressing need for returning citizens. Pam Bailey with the organization More Than Our Crimes testified at the ORCA performance oversight hearing that, of their incarcerated members, approximately 50% noted they would have nowhere to go for housing if they were released in the immediate future.

During the budget oversight hearing one returning citizen, who was recently released from incarceration, spoke to the numerous challenges in securing housing—even with ORCA's help. Specifically, the individual discussed his experience trying to secure a housing voucher from ORCA. The returning citizen did not complete an application but was placed on the voucher waiting list at the initiation of an ORCA case manager. Additionally, the returning citizen never received any update on the status of receiving a voucher. This is not an uncommon story. Advocacy groups have met with the Committee noting their members believe that the ORCA voucher process is not structured.

The Committee also received written testimony from Roach Brown, who testified that “[t]here’s no halfway house for men, they are being sent to Baltimore and Newport News, Virginia, which further [makes more challenging] their transition. We need Emergency Transitional Housing...hotel rentals...group housing...” This testimony speaks to a broader picture. Not only do returning citizens need permanent housing, but they also need emergency options to support their transition into more permanent housing. ***ORCA should support the programmatic development of the halfway house being constructed in Ward 7 to ensure the services offered by the halfway house meet the contemporary needs of returning citizens in the District.***

To implement the currently funded housing vouchers for returning citizens, ORCA is responsible for identifying residents in need of housing and recommending people to the DC Housing Authority (DCHA) to receive a voucher. The Committee has committed to funding at least 20 housing vouchers a year since fiscal year 2021. In fiscal year 2022 ORCA received a total of 62 housing vouchers, including 20 from the Committee. In response to question 42 of the agency's pre-hearing questions, ORCA provided the following update on the fiscal year 2022 vouchers:

Based on the number of applications submitted and approved by DCHA, 62 vouchers were provided to clients in FY22. 59 vouchers were from the allotted number of vouchers provided in FY22 and three additional vouchers were from [unused] vouchers issued in 2019 and 2020... There are no housing vouchers remaining for the 2022 fiscal year.

In fiscal year 2023, the Committee funded 20 housing vouchers. Additionally, ORCA received vouchers from other sources bringing its total voucher amount to 23. After years of the committees with jurisdiction over ORCA asking ORCA to formalize its voucher process, ORCA has finalized criteria. The criteria, submitted by ORCA, to receive a housing voucher can be found below.



### Prioritizing applicants

Clients who have self-identified that they are homeless, living in a shelter, living in a transitional living program, or staying in places not meant for habitation (cars, abandoned buildings, bus stations, etc.) and have been placed on case management housing list by a case manager. Some individuals on the list have been on the housing list since 2019.

#### High Consideration-

- Seniors (55 and up)
- Individuals who receive Social Security Insurance (SSI) Benefits and it is their only source of income.
- Individuals who receive Disability (SSDI) benefits without the ability to work to supplement income.
- Individuals with zero income and who are enrolled in school or a vocational training program.
- Chronically homeless.

#### Medium Consideration-

- Disability recipients (SSDI) with the ability to work up to 20 hours a week.
- Employed part-time working under 40 hours per week.
- Employed full-time with income less than \$27,100.
- Person living in transitional housing program with set end date.
- Person with zero income and job seeking.

#### Low Consideration-

- People who have a place to live and not being removed from current living arrangement
- People in shared living placements, SRO programs.
- People who are not head of household, but name is on a lease.
- Individuals who rejected other housing referrals for temporary living (did not want to live in transitional programs).
- If a person is already receiving housing assistance through DHS (completed SPDAT).
- If a person is connected to a Core Service Agency and on mental health housing list.

Now that ORCA has created formal guidelines the Committee will be looking to the agency to transparently implement the criteria. Further, ***ORCA should post the voucher selection criteria and an application to apply for a voucher on the front page of its website and social media pages. The website should include the application window and when people can expect to hear back from ORCA on the status of being approved or denied for a voucher.***

Vouchers are only one part of the solution to the housing crisis for returning citizens. ORCA provided the following response when asked what additional efforts the agency is taking to meet housing needs:

Last year, in an effort to strengthen MORCA housing resources, one of the case managers conducted a partial landscape analysis of different housing options for returning citizens. The staff member went to the following housing programs: House of Ruth, Coalition for the Homeless, Oxford House, and Joseph's House... Oxford House has been receptive to referrals from the office, but people are required to have income to reside in their housing since they must pay rent. Coalition for the Homeless Men's Work program [requires] that men must be employed (or enrolled in school or a training program). Joseph's House offers housing specifically for men and women who have advanced HIV and terminal cancer... Different housing programs across the District have increased their requirements. This has directly affected the housing options for men...

ORCA's response points to a major issue with the availability of transitional housing opportunities in the District: narrow qualifications to access housing. Many returning citizens do

not have immediate access to employment opportunities to pay the rent required by the independent halfway house organization Oxford House, nor are they on probation and able to qualify for transitional housing through the federal Court Services and Offender Supervision Agency (CSOSA). This demonstrates a need in the District for more support to help returning citizens navigate housing qualifications prior to release.

Councilmember Robert C. White, Jr., introduced and the Council passed the *Returning Citizens Opportunity to Succeed Amendment Act of 2017* in part to address this concern. This law requires ORCA to maintain a database containing the names, location, and contact information for all District residents held by the FBOP who are expected to return within the following year and to assist returning citizens with obtaining information and services related to housing, employment, transportation, and identification cards. Family members of incarcerated residents have been vocal about the need for the District to begin to set up resources and assess the needs of returning citizens prior to release. Preparing returning citizens for housing prior to release will ensure they can better navigate the housing options available in the District. It would also give the District a better idea of the housing need.

Unfortunately, this bill has never been fully implemented because FBOP has failed to disclose information on incarcerated residents. As of November 2022, ORCA started getting reports. However, ORCA reported in March 2023 that FBOP has since refused to make any future disclosures. Without the partnership of FBOP the *Returning Citizens Opportunity to Succeed* legislation can never be fully implemented. The CIC has a relationship with FBOP and receives reports routinely. The CIC may be able to advise ORCA on how to navigate FBOP disclosures. ***ORCA should work with the Corrections Information Council (CIC) as a possible source of FBOP data.***

The Public Defender Service (PDS) tracks the release date of clients in FBOP and may be willing to work with ORCA to implement the *Returning Citizens Opportunity to Succeed* legislation. PDS and other attorney groups cannot replace a formal partnership with FBOP but there is a need to make progress. ***ORCA should also consider attorney groups like PDS who may serve as an alternative entry point.***

### Employment

Stable access to employment is vital to open doors like housing. The *Access to Jobs Amendment Act of 2020* was intended to put returning citizens on the path to stable employment. The bill created a pilot program, to be administered by ORCA, that would provide grants to District employers who register with ORCA to accept applications from returning citizens and then hire and retain those returning citizens. For almost 3 years this Committee and its predecessor with jurisdiction over ORCA have been asking ORCA to make progress on getting this pilot started. Funding is available in ORCA's budget to implement the program, the support of the Committee is unwavering, and most importantly the need is present, but there has been little tangible action for years. In June of fiscal year 2022, ORCA onboarded a Workforce Development Specialist with grant management experience to help implement the Access to Jobs program. ORCA is now working to select grantees.<sup>12</sup> The next phase of the program after selection will be the hiring of returning citizens. Additionally, ORCA will track employment through this program to ensure employers are retaining returning citizens. ***ORCA should disclose the 5 industry leaders selected through***

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<sup>12</sup> The Access-to-Jobs program will provide grants to five industry leaders who place returning citizens in employment opportunities.

***the Access to Jobs program on its website and social media pages. ORCA should also post instructions on how returning citizens can apply for jobs through the program.***

The Paralegal Fellowship Program continues to be a strong important pipeline for employment of returning citizens. This program was funded by the Committee and is designed to help returning citizens build careers in the legal field. Its first cohort of students graduated in 2019. Thanks to the efforts of community members, the Department of Employment Services (DOES), Georgetown University, and ORCA, the program has become a critical resource. ORCA is no longer the primary facilitator of the program but works to recommend and enroll individuals. ORCA enrolled 20 clients into the most recent cohort of the Paralegal Program. Of the 20 enrolled, 16 graduated and are in the interview process. The primary goal of the program is full-time employment with participating companies and agencies.

ORCA has also collaborated with Byte Back, Marshall Heights Community Development Corporation, Samaritan Ministries, and Skyland Business Development for the “Jobs 1st.” program. Three cohorts of 20 have participated in this two-week program where individuals earn \$16.10 an hour to learn professional development skills, soft skills, and basic computer skills. DOES pays for District residents that qualify for the job readiness program.

To better target employment needs, ORCA and the Commission would benefit from knowing and tracking the unemployment rate of returning citizens. ***ORCA should work with the Commission on Re-Entry to determine the unemployment rate of returning citizens in the District of Columbia in order to better measure the District’s progress.***

#### Transportation

On March 10, 2022, ORCA received 1,182 SmarTrip cards totaling \$35,460.00. The SmarTrip program is currently not funded in ORCA’s budget, and it is not clear where the funding lives. The Committee has been urging ORCA to take full control of the program by making sure the funds for the program are reflected in ORCA’s budget. When the Committee asked for the status of the fiscal year 2023 vouchers, ORCA responded “MORCA has not been allotted SmarTrips as a designated funding item.” Therefore, it is not clear how many SmarTrip cards ORCA will be funded to provide in fiscal year 2024. ***ORCA should move quickly to improve outreach for the Transportation Stipend program and ensure that returning citizens are aware of the program and that all available stipends are distributed to those in need. At a minimum ORCA should post on its website and social media pages information regarding the transportation stipends as soon as possible.***

#### Restore the Vote

The 15<sup>th</sup> amendment of the Constitution of the United States of America holds “the right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.” This amendment leaves returning citizens vulnerable. The 1974 Supreme Court decision *Richardson v. Ramirez* held that convicted felons could be barred from voting. The Sentencing Project reported “[l]aws in 48 states ban people with felony convictions from voting.”<sup>13</sup> Councilmember Robert C. White Jr. introduced, and the Council passed the *Restore the Vote Amendment Act of 2019*. This law restores voting rights to all

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<sup>13</sup> See Christopher Uggen, Ryan Larson, Sarah Shannon, and Robert Stewart, “Locked Out 2022: Estimated of People Denied Voting Rights (Oct. 2022), <https://www.sentencingproject.org/reports/locked-out-2022-estimates-of-people-denied-voting-rights/>.

incarcerated District residents. This made the District the first jurisdiction in the country to restore voting rights to people incarcerated with a felony conviction. The law was drafted based on guidance from returning citizens and the Commission on Re-Entry and Returning Citizen Affairs.

In fiscal year 2022, ORCA helped register 150 returning citizen voters. Thus far, in fiscal year 2023, ORCA has registered 10 residents to vote. ORCA has also partnered with CSOSA and the Board of Elections (BOE) on efforts to inform returning citizens of their right to vote. For example, ORCA is working to make edits to the current BOE flyer distributed in the FBOP. The Committee applauds these efforts. ***ORCA should finalize edits to the BOE flyer on voting rights and send the Committee a copy by the end of June 2023. ORCA should work with the Commission on Re-Entry to identify any gaps in services that exist to ensure all returning citizens can vote.***

Children and Families

In December 2020, the Council passed the *Helping Children Impacted by Parental Incarceration Amendment Act of 2020*. The fiscal year 2023 budget for ORCA includes \$50,000 to implement the law, which requires that ORCA conduct a comprehensive assessment of the needs of District children who have experienced the incarceration of a parent, by coordinating with non-government organizations and government agencies that serve District youth. There are two phases of implementation. The first is to perform a comprehensive assessment of the impact of incarceration on children in the District. The second is to create a strategic plan with recommendations on how the District can better meet the needs of those children. UDC has been selected as the entity to perform the comprehensive assessment and develop the strategic plan. This agreement between ORCA and UDC will be formalized through a Memorandum of Understanding (MOU). Regarding the comprehensive assessment ORCA outlined the following objectives:

Objective 1.1:	Objective 1.2:	Objective 1.3:
<b>Identify</b> the social, emotional, economic, educational, housing, health, mental health, and other needs of children impacted by parental incarceration.	<b>Estimate</b> the number of children impacted by parental incarceration in total and by Ward.  <b>Note:</b> Cost estimate below is based on an assumption that the data is already available in a spreadsheet format. If data entry of raw data is required, the cost will vary.	<b>Specify</b> the gaps between existing services available in the community and the identified needs of children impacted by parental incarceration.

At the fiscal year 2024 budget oversight hearing on ORCA, the ORCA Director noted that the MOU with UDC is pending approval by UDC’s general counsel. Once the MOU is approved, UDC will begin the comprehensive assessment which should be finished by the end of 2023. The strategic plan will be developed and finalized by the end of fiscal year 2024. ***ORCA should be prepared to give regular status updates on the Helping Children Impacted by Parental Incarceration Amendment Act to the Committee. ORCA should be prepared to share the preliminary findings of the comprehensive assessment after it has begun.***

A mission of the Commission on Re-Entry is to focus on the needs of women returning citizens. Chairperson Dasher testifying during her confirmation hearing about how the needs of women are overlooked in both incarceration and re-entry. Chairperson Dasher testified to a particular challenge for women: leaving their children when they go into incarceration. Chairperson Dasher spoke to the mental health toll this takes on mothers. The Commission created a

subcommittee on women re-entry to better focus and make recommendation towards mitigating this concern. ***The Commission on Re-Entry should work to develop policy recommendations on how the District can better support women returning citizens who are separated from their children.***

Identification and Birth Certificate Fee Waiver Program

In prior years, the Committee provided funding to waive fees for identification and birth certificates for returning citizens. That funding was appropriated within the Department of Health and the Department of Motor Vehicles (DMV). ORCA made 319 referrals to DC Health for all of fiscal year 2022 and the first quarter of fiscal year 2023 combined. According to ORCA’s pre-hearing disclosures the agency referred 24 people total to get IDs. These referrals were made to Thrive DC and not the DMV. ***ORCA should utilize the resources available for the vital documents program through DC Health and the DMV, rather than outsourcing it to the non-profit sector. Additionally, ORCA should place the information about how to apply for an ID and the Birth Certificate Fee Waiver form on its website and social media pages.***

Recruitment of New Commissioners

The Commission is statutorily required to have 15 public voting members, but as mentioned earlier, it currently only has 4 public voting members. The Commission needs dedicated and passionate members who are committed to serving the full length of their term. ***The Commission on Re-Entry must work with the Mayor and the Committee to fill the 11 vacancies on the Commission.***

Financial Transparency

In the fiscal year 2024 budget, the Commission will again receive \$10,000 through ORCA’s operating budget. The \$10,000 funded in fiscal year 2023 has not yet been spent. The Committee understands that the Commission is now working with ORCA to utilize these funds. ***The Commission on Re-Entry should disclose to the Committee its plan for fiscal year 2023 and 2024 spending.***

E. OFFICE OF THE TENANT ADVOCATE (CQ0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Paymts.	138,969.29	511,680.07	0.00	0.00	0.00
Local	3,125,262.44	3,529,840.68	3,063,748.67	3,340,615.99	276,867.32
Spec. Purp. Funds	408,662.89	643,735.70	817,681.95	817,681.95	0.00
<b>Gross</b>	<b>3,672,894.62</b>	<b>4,685,256.45</b>	<b>3,881,430.62</b>	<b>4,158,297.94</b>	<b>276,867.32</b>

FTEs by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Paymts.	8.55	5	0	0	0
Local	20.24	19	17	19	2
Spec. Purp. Funds	3.08	5.31	5.31	5.31	0
<b>Total</b>	<b>31.87</b>	<b>29.31</b>	<b>22.31</b>	<b>24.31</b>	<b>2</b>

POLICY RECOMMENDATIONS

The Committee recommends that the Office of the Tenant Advocate (OTA) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. OTA should monitor its reserve for the emergency housing assistance program carefully and alert the Mayor and the Committee should it appear that the fund will be exhausted.
2. The Council should approve the Committee's proposed Budget Support Act subtitle to extend OTA's existing authority to recoup additional costs in extreme scenarios where landlords' failure to maintain rental housing accommodations in habitable condition leads to extended hotel stays for displaced tenants.
3. OTA should keep the Committee informed of its administrative and budget needs as costs associated with its upcoming relocation come into focus.
4. OTA should provide the Committee with regular briefings on challenges facing the District's rental housing systems, possible solutions, and thoughts on prioritizing among possible solutions.
5. OTA should brief the Committee on any gaps in tenant protections left by the *Residential Lease Amendment Act of 2015*.
6. OTA should continue to work closely with DHCD on the rent control clearinghouse database following its launch, both to help ensure the database's usefulness to landlords and tenants, and to inform OTA's policy advocacy. To the extent OTA encounters resource challenges impeding the realization of the database's potential, OTA should alert the Committee promptly.

## AGENCY MISSION AND OVERVIEW

The mission of OTA is “to provide technical advice and other legal services to tenants regarding disputes with landlords; to educate and inform the tenant community about tenant rights and rental housing matters; to advocate for the rights and interests of District renters in the legislative, regulatory, and judicial contexts; and to create and operate a Tenant Hotline. In fiscal year 2009 the Agency created the program that provides emergency housing for tenants who have been displaced by fires and government closures.” The following divisions carry out this mission:

**Legal Representation**, which consists of 14 FTEs in fiscal year 2023, helps safeguard tenants’ legal interests in specific cases. Specifically, it maintains an online Ask the Director legal hotline service, contracts with qualifying legal services organizations to enhance their tenant representation work, and in some significant cases serves as tenants’ counsel of record or prepares friend-of-the-court briefs. Relatedly, the **Case Management and Outreach** team’s 3 FTEs assist tenants with the preparation and filing of various petitions in addition to other outreach. They also send “rapid response” letters to tenants they identify as potentially in need of urgent assistance, such as those against whom the U.S. Marshals Service has scheduled eviction actions. Another division, the **OTA Educational Institute**, works to inform the public of tenants’ rights through activities such as presenting and tabling at community events, hosting forums, and developing written guidance materials. It is currently funded for 4 FTEs—2 of which depend on federal COVID relief funds under the American Rescue Plan Act.

When tenants are forced to leave their homes due to disasters or when serious habitability concerns or other circumstances lead to a government order to close a housing unit, OTA’s **Emergency Housing** program funds assistance including packing, moving, and temporary hotel stays. This program also coordinates with other District agencies to connect displaced tenants with services. No FTEs appear specifically designated for this program in OTA’s current or proposed budget; Director Shreve indicated in oversight hearing testimony that a member of her administrative team conducts this program alongside other responsibilities.

The 3 FTEs in the **Policy Advocacy** program serve as internal and external policy experts on the many District and federal laws affecting tenants’ rights, and call for changes to advance tenants’ and tenants organizations’ interests.

Leading and coordinating all the operations described in this section is the **Administrative Services** or Agency Management division, a group of about 5 FTEs including Chief Tenant Advocate Johanna Shreve. Director Shreve is the District’s original Chief Tenant Advocate: she was first appointed in 2006, shortly after OTA’s establishment.

## OPERATING BUDGET ANALYSIS

The proposed fiscal year 2024 budget reflects significant cuts to OTA. The Committee recognizes the need to respond to fiscal challenges across the District government, but is concerned about the impact of the proposed cuts for rental housing residents.

### *Proposed Operating Budget Cuts*

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Prior to the Committee’s first performance oversight hearing with OTA, the agency noted that 2 FTE positions in the OTA Educational Institute currently rely on federal funds that are due to expire at the end of fiscal year 2023. In written performance oversight questionnaire responses, OTA requested that these positions be maintained with local funds going forward, keeping the

Educational Institute staffing budget at its current size. In a section detailing the agency’s top 5 priorities, OTA described their intent to expand their outreach activities with targeted pushes in Wards 5, 7, and 8, record podcasts and webinars, and hold events in response to requests from Council offices and other partners. The performance oversight pre-hearing questionnaire also noted that OTA had submitted a request to the Mayor’s budget team for 3 new attorney advisor positions to “create a dedicated litigation division.”

The proposed budget reflects neither any new attorney advisors nor any local enhancement to replace the lost federally funded positions. In fact, the proposed budget cuts every vacant position at OTA plus one filled position at the Educational Institute, amounting to 7 FTEs or 24% of the agency’s budgeted staff. At the Committee’s budget oversight hearing, Director Shreve emphasized that the loss of the filled Educational Institute position would be especially debilitating for the agency’s fiscal year 2024 goals.

Although spare resources have been especially difficult to find in this year’s budget, the Committee has identified funds to restore one Educational Institute position and one attorney advisor position that the proposed budget would have cut. These restorations should help more District residents avoid displacement and other hardships.

The proposed fiscal year 2024 budget also features a slightly lesser amount for the emergency housing program than the Council approved for fiscal year 2023: \$530,000 instead of \$550,000. In performance oversight pre-hearing responses, OTA noted that “[t]here is no way to anticipate the number of closures or disasters that may occur in any given fiscal year”—but that emergency housing expenditures in fiscal year 2022 had ultimately exceeded \$550,000.

To avoid a shortfall and help more tenants weather emergency displacements, the Committee has identified additional funds to divert to the emergency housing assistance program. ***OTA should monitor its reserve for the emergency housing assistance program carefully and alert the Mayor and the Committee should it appear that the fund will be exhausted.***

On the other hand, the Committee is concerned by indications that major incidents displacing hundreds of tenants can rapidly deplete emergency housing funds due to extended hotel stays—and that OTA’s ability to recoup costs in such scenarios is arbitrarily limited. As detailed further in the Budget Support Act chapter of this report, ***the Council should approve the Committee’s proposed Budget Support Act subtitle to extend OTA’s existing authority to recoup additional costs in extreme scenarios where landlords’ failure to maintain rental housing accommodations in habitable condition leads to extended hotel stays for displaced tenants.***

Director Shreve has repeatedly called for increased ERAP funding, and the Committee generally agrees with her concerns and recommendations on this point. The Committee’s efforts to reverse the Mayor’s proposed cuts to this vital program are discussed in greater detail in the DHS chapter of this report.

Director Shreve’s budget oversight hearing testimony highlighted that a planned relocation of OTA’s office space toward the end of fiscal year 2024 will necessitate administrative costs including, at minimum, updating the contact information on all of the agency’s public-facing materials. ***OTA should keep the Committee informed of its administrative and budget needs as costs associated with its upcoming relocation come into focus.***



Finally, as OTA continues to help tenants navigate the changing housing landscape, the Committee will look to the agency’s policy advocacy team and leadership for thoughts on needed adjustments. ***OTA should provide the Committee with regular briefings on challenges facing the District’s rental housing systems, possible solutions, and thoughts on prioritizing among possible solutions.*** Among other topics, ***OTA should brief the Committee on any gaps in tenant protections left by the Residential Lease Amendment Act of 2015.***

### ***Capital Project Wrap-Up***

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OTA received capital funding in past years, including fiscal year 2022, to support the development of a rent control clearinghouse database pursuant to D.C. Official Code § 42–3502.03c. No new funds were allocated for this purpose in fiscal year 2023 or are proposed for fiscal year 2024, so the proposed budget does not include a capital chapter for OTA. However, close-out work on the database is ongoing at OTA. The fiscal year 2023 approved budget includes \$264,000 in contractual service funding for the database; the proposed fiscal year 2024 would reduce this to zero reflecting the conclusion of the project. Director Shreve testified at the agency’s budget oversight hearing that the agency is preparing to transfer control of the database to the Department of Housing and Community Development (DHCD). Even so, advocates and policymakers continue to identify potential uses of database information, such as tracking in real time how many owners of rent stabilized units are taking the full statutorily permitted annual rent increase. ***OTA should continue to work closely with DHCD on the rent control clearinghouse database following its launch, both to help ensure its usefulness to landlords and tenants, and to inform its policy advocacy. To the extent OTA encounters resource challenges impeding the realization of the database’s potential, OTA should alert the Committee promptly.***

F. HOUSING FINANCE AGENCY (HF0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Enterprise/Other	0.00	15,891,251.81	5,887,917.66	5,887,917.66	0.00
<b>Gross</b>	<b>0.00</b>	<b>15,891,251.81</b>	<b>5,887,917.66</b>	<b>5,887,917.66</b>	<b>0.00</b>

POLICY RECOMMENDATIONS

The Committee recommends that the District of Columbia Housing Finance Agency (DCHFA) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. The DCHFA Board (the Board) should select a new chairperson and provide the timeline for doing so to the Committee. The Committee would like to see a new Chair elected to the Board by the end of fiscal year 2023.
2. DCHFA should continue to assess when the Mortgage Credit Certificate Program can get back online and if it should be a priority use of available bond cap.
3. DCHFA should connect with the Department on Aging and Community Living (DACL) to strategize how the agency might better reach seniors in the District who may be interested in Reverse Mortgage Insurance and Tax Payment Program assistance.
4. DCHFA should work with the Department of Small and Local Business Development (DSLBD) to brainstorm how to better advertise the Housing Investment Platform single family program. Additionally, DCHFA should consider what roadblocks exist for utilizing the program, if any.
5. DCHFA should work to have a more formal role in the creation of the Qualified Action Plan (QAP) and should include multibedroom unit requirements within the QAP.
6. DCHFA should brief the Department of Housing and Community Development (DHCD) on its Diversity, Equity, and Inclusion Policy to see where aspects of it can be implemented in the QAP.
7. DCHFA should assess DHCD’s proposal to shift the function of the District LIHTC Program and report its analysis of the proposed shift to the Committee and DHCD for discussion.

AGENCY MISSION AND OVERVIEW

DCHFA was established on March 3, 1979. A housing crisis precipitated the need for the agency. The DC Code speaks to the 1979 housing crisis in detail:

... a decline in the number of housing units in the District of Columbia, together with the existing number of substandard dwellings, has produced a critical shortage of adequate housing for low and moderate income families; the shortage of affordable housing and the inability of residents to obtain appropriate financing compels a

substantial number of District residents to live in unsanitary, overcrowded and unsafe conditions and to expend a disproportionate portion of their incomes on housing; that these conditions are detrimental to the health and welfare of District residents and adversely affect the economy of the District; that a major cause of this housing crisis is the cost of funds made available by mortgage lenders in the District to finance housing for low and moderate income families; and further that this situation has frustrated the construction, lease, sale and purchase of housing units for low and moderate income families.<sup>14</sup>

The state of the District today is not far removed from what many District residents were experiencing in 1979. For example, the District has a critical shortage of affordable housing units for families, and housing conditions continue to be a serious concern. Through programs like the Home Purchase Assistance Program (HPAP), which provides down payment and closing cost assistance in the form of interest-free loans, DCHFA continues to work toward its founding mission.

The Council gave DCHFA authority to generate funds from private and public sources to increase the supply and lower the cost of funds available for residential mortgages and construction loans and to thereby help alleviate the shortage of affordable housing. DCHFA is an enterprise agency, which operates similarly to a bank. However, fundamental to DCHFA’s operations is its codified mandate to focus its financial supports on moderate to low-income residents and families.<sup>15</sup> DCHFA’s duty is to make homeownership and affordable rent possible for residents who have been priced out of the District’s housing market. DCHFA is led by Director Christopher Donald.

***DCHFA Board of Directors***

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DCHFA has a 5-person Board of Directors (the Board). Pursuant to DC Code § 42–2702.02(a), the 5-person Board must be comprised of District of Columbia residents. Each member must serve a 2-year term. Two of the 5 members are required to have experience in mortgage lending or finance; an additional 2 of the 5 must have experience in home building, real estate, architecture, or planning; and the final member must represent community or consumer interests. The intent of the Board’s composition is to ensure a thorough understanding of the development and financing landscape of District of Columbia real estate development.

The Board votes on the issuance of tax-exempt bonds, multifamily and single-family lending programs, the annual budget, contracts over \$50,000, operational policies, and the appointment of the Board’s Executive Director. Members of the Board are reimbursed for actual and necessary expenses incurred while engaged in services for the DCHFA. A member of the Board not otherwise employed by the District may also receive per diem compensation at the rate equal to the daily equivalent of step 1 of Grade 15 of the General Schedule established under 5 U.S.C.S. § 5332, with a limit of \$ 8,000 per annum.

Below is a chart that shows the current DCHFA Board members:

<b>Name</b>	<b>Term Expiration</b>	<b>Member with Experience In</b>	<b>Appointment Status</b>	<b>Ward</b>
Stephen M. Green <b>(Vice Chairman)</b>	06/28/2022	Finance	Active – Term Expired	6

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<sup>14</sup> DC Code § 42–2701.01(a).

<sup>15</sup> DC Code § 42–2701.02 (12), (13) (Defines low-income and moderate-income).

Name	Term Expiration	Member with Experience In	Appointment Status	Ward
Heather Howard Wellington	06/28/2023	Home Building	Active	5
Bryan “Scottie” Irving	06/28/2023	Planning	Active	1
Stanley Jackson	06/28/2023	Community Interests	Active	8
Carri Cowan	06/28/2024	Finance	Active	6

On March 7, 2023, the Committee confirmed the Board’s newest member, Ms. Carri Cowan. It is the Committee’s expectation that she will begin her service on the Board shortly.

On June 28, 2022, the term of Chairperson Buwa Binitie ended; however, the Board has yet to elect a new chairperson pursuant to DC Code § 42–2702.02(c). ***The Board should select a new chairperson and provide the timeline for doing so to the Committee. The Committee would like to see a new Chair elected to Board by the end of fiscal year 2023.***

### OPERATING BUDGET ANALYSIS

DCHFA’s programs are organized into 2 divisions: Multifamily and Single Family. The Office of Single-Family Programs manages all DCHFA homeownership programs, including DC Open Doors, down payment assistance loans, the Mortgage Credit Certificate Program, the Home Purchase Assistance Program (HPAP), and the Reverse Mortgage Insurance and Tax Payment Program (ReMIT). During the last fiscal year, DCHFA funded 157 mortgage loans amounting to \$53.1 million with an additional \$1.6 million in down payment assistance through the DC Open Doors Program. From the start of fiscal year 2023 to date, the DC Open Doors Program also funded 52 mortgage loans in an amount of \$ 10.8 million.

Through the Multifamily Lending and Neighborhood Investment Division, DCHFA administers programs like the Low-Income Housing Tax Credit (LIHTC) Program. Through the Agency’s Multifamily Lending and Neighborhood Investments division, DCHFA issued \$285.9 million in bond financing for development and redevelopment in fiscal year 2022, which led to the creation of 1,160 units of affordable housing. To date in fiscal year 2023, DCHFA has funded and administered \$209 million in LIHTCs.

#### ***DCHFA’s Services and Programs – The Office of Single-Family Programs***

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##### The Mortgage Credit Certificate (MCC)

The MCC Program launched in 2016. The program issues “mortgage credit certificates” that increase the federal tax benefits of owning a home. The District’s MCC Program allows qualified borrowers to claim a Federal Tax Credit of 20% of the mortgage interest paid during each calendar year. To qualify for the program, you need only be a first-time homebuyer and meet the income, sales price, and loan amount limits. This program’s purpose is to support homeownership for low- and moderate-income families. The program is on hiatus as of February 2021, although it will reopen if more funding is allocated.

Director Donald noted during DCHFA’s performance oversight hearing that given the demand on bond cap the agency is currently focusing on multifamily housing needs. DCHFA does not have a timeline as to when the MCC Program will recommence. ***DCHFA should continue to assess when the Mortgage Credit Certificate Program can get back online and if it should be a priority use of available bond cap***

### Reverse Mortgage Insurance & Tax Payment Program (ReMIT)

ReMIT offers seniors with reverse mortgages up to \$40,000 cash assistance towards overdue property taxes and insurance fees to avoid foreclosure. It also offers seniors cash assistance with condominium fees and homeowners' association fees. The program, by law, is an 18-month pilot and received \$500,000 in funding in fiscal year 2019. The 18-month period has expired, and ReMIT has been able to stay active through numerous emergency and temporary measures. DCHFA confirmed there is approximately \$200,000 remaining in the program. This Committee recently introduced, and Council passed, a temporary measure that ensures DCHFA can access the remaining \$200,000.

So far, ReMIT has been able to assist 22 seniors with avoiding foreclosure. However, the program has not granted an award since January 2021. The take-up is likely slow due to the 2-year foreclosure moratorium that recently expired on June 30, 2022. DCHFA noted that during the foreclosure moratorium there was no need for the ReMIT Program assistance and no seniors asked for ReMIT assistance. ***DCHFA should connect with the Department on Aging and Community Living (DACL) to strategize how the agency might better reach seniors in the District who may be interested in Reverse Mortgage Insurance and Tax Payment Program assistance.***

### DC4ME

DC4ME was established in fiscal year 2019. DC4ME is offered to full-time District government employees, including employees of government-based instrumentalities, independent agencies, District public charter schools and other organizations. The program provides District government employees a mortgage at a reduced interest rate and access to down payment assistance. During DCHFA's performance oversight hearing, Director Donald noted that the program "bridge[s] the gap between D.C. government employees who wanted to buy a home but did not qualify for the Employer-Assisted Housing Program, which is operated by DHCD." During fiscal year 2022, DC4ME funded 19 mortgage loans totaling \$6 million with an additional \$94,230 in down payment assistance. Borrowers purchased homes in Wards 1, 3, 4, 7, and 8.

### Home Purchase Assistance Program (HPAP)

HPAP was established in 1978 and is one of the founding programs in the District that push forward homeownership for residents priced out of the District homeownership market. HPAP provides down payment assistance and closing cost assistance to first time homebuyers. At the start of fiscal year 2023, the maximum down payment assistance that residents could receive through HPAP increased from \$80,000 to \$202,000. DCHFA and the Greater Washington Urban League are co-administrators of HPAP. The Department on Housing and Community Development (DHCD) funds the program and sets forth the application criteria. To qualify for the program a resident must meet the following requirements:

1. Be the head of the household and a first-time homebuyer;
2. Be a very low-to-moderate income resident, based on the Department's standards;
3. Cannot have had ownership interest in any residential real estate within the 3 years prior to application;
4. The purchased home must be the borrower's primary residence and must be located within the District of Columbia; and
5. Possess a good credit rating.

In fiscal year 2022, DCHFA closed 125 HPAP loans for first-time homebuyers for a total of \$6.9 million funded. To date in fiscal year 2023, DCHFA has funded 136 HPAP loans amounting to \$19.7 million. Despite the down payment assistance increasing, there was not an increase to the standard \$4,000 assistance in closing costs.

### DC Open Doors

DCHFA established DC Open Doors in May 2013. DC Open Doors offers qualified buyers home purchase loans, down payment assistance, and closing cost assistance. DC Open Doors differs from HPAP because this program offers borrowers a mortgage, and repeat homebuyers are eligible for the program. DC Open Doors is accessed by working with one of DCHFA's lenders who offer its mortgage loan products. If a borrower qualifies, they can obtain a down payment assistance loan for the full amount of their required minimum down payment. Currently, under the program a borrower does not need to pay back the down payment assistance loan until (1) 30 years from the date of loan closing, (2) sale or any transfer of the property, or (3) refinancing. According to DCHFA, to qualify for the program, a borrower must meet the following criteria:

1. Minimum credit score of 640;
2. Maximum income of \$199,200 (income is based on borrowers' income only (not household));
3. Maximum debt-to-income (DTI) ratio of 50% (max DTI for Federal Housing Administration (FHA) loan is 45%. Max DTI for FHA loans with a 680-credit score is 50%);
4. Rates quoted with 0 points<sup>16</sup>; and
5. \$726,200 maximum first trust loan (no maximum sales price limit).

In, fiscal year 2022, DCHFA funded 157 mortgage loans amounting to \$53.1 million with an additional \$1.6 million in down payment assistance through our flagship DC Open Doors Program. From the start of the fiscal year to date, 23 mortgage loans in an amount of \$4.8 million have been funded via the Open Doors Program. DC Open Doors hosts 2 monthly homebuyers' informational sessions at DCHFA's headquarters along with a participating lender and realtor. The sessions are free and take place on the 1st and 3rd Wednesdays of each month.

### Housing Investment Platform (HIP) Single Family

DCHFA established HIP in 2017. HIP is a single-family investment program. DCHFA partners with developers to provide properties for sale between the 60% and 120% area median income (AMI) range.<sup>17</sup> In exchange for affordability DCHFA provides joint venture capital. An investment from HIP significantly reduces the amount of capital a developer needs to contribute to a project. This program targets smaller developers who are not large enough to qualify for the larger

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<sup>16</sup> A zero-points loan is a loan priced at the lender's market rate.

<sup>17</sup> Throughout this report, the use of Area Median Income (AMI) and Median Family Income (MFI) reflects which term is used by the agency, program, or statute. For the purposes of this report, the terms are considered interchangeable, unless noted otherwise.

programs within DCHFA’s Multifamily Division. Currently the program is underutilized. The HIP program currently has \$1.5 million in capital distributed to development partners.

During fiscal year 2022, DCHFA co-invested in The Ana development located in the Anacostia area. The project will consist of two phases, each with 10 townhomes reserved for residents and families earning between 50% and 120% AMI. The homes will have 3 bedrooms, 2 bathrooms and single-car garages. According to Director Donald, the program is a high priority of the agency. DCHFA will be increasing its outreach efforts to attract more development partners to increase its production efforts. DCHFA has expressed challenges in getting applicants. Considering this program is looking to attract smaller developers DCHFA may benefit by working with the Department of Small and Local Business Development as it is the District’s hub to support the needs of small businesses. ***DCHFA should work with the Department of Small and Local Business Development (DSLBD) to brainstorm how to better advertise the Housing Investment Platform single family program. Additionally, DCHFA should consider what roadblocks exist for utilizing the program, if any.***

### ***DCHFA’s Services and Programs – Multifamily Lending and Neighborhood Investment Division***

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#### 4% Low Income Housing Tax Credit Program (LIHTC)

There are 3 LIHTC programs in the District: the 9% LIHTC Program, the 4% LIHTC Program, and the District of Columbia LIHTC Program. All 3 of these sources of capital allow developers to provide affordable housing units for rent to those who make 60% AMI and below.

1. The 9% LIHTCs are allocated to states based on a formula implemented by the Internal Revenue Services (IRS) and are competitively granted by DHCD. To receive the 9% tax credit a developer generally needs to produce 100% affordable housing units.
2. Pursuant to the Qualified Action Plan (QAP) (described below), projects financed with tax exempt bonds under IRC Section 103 or involving the acquisition of existing buildings (when combined with substantial rehabilitation) are eligible for a fixed tax credit of not less than 4%. In other words, the 4% LIHTCs are allocated in combination with tax-exempt bond financing. The 4% LIHTC is awarded on a competitive basis.
3. Qualified projects that receive either the 4% or 9% federal LIHTC after October 1, 2021, are eligible for the District’s LIHTC in an amount up to 25% of the value of the federal LIHTC received with respect to the qualified project.

The LIHTC Program is administered by the Internal Revenue Service (IRS). Pursuant to federal law,<sup>18</sup> the District must develop a plan (QAP) to allocate the low-income housing tax credits to projects based on federally mandated requirements and priority needs determined by the District. Further, federal law requires the QAP be approved by the state’s authorized allocating agency.<sup>19</sup> DHCD is the District’s authorized allocating agency for all LIHTC programs. DCHFA administers the 4% LIHTC Program pursuant to a memorandum of understanding (MOU) between DHCD and DCHFA. According to the MOU, DCHFA performs the underwriting for the 4% LIHTC Program to

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<sup>18</sup> IRC §42(m) (1)

<sup>19</sup> *Id.*

determine whether affordable housing projects that receive tax-exempt bond financing satisfy the requirements of the Qualified Action Plan (QAP).

According to the District’s QAP, “preference points are awarded to projects in which at least 30% of the affordable units have 3 or more bedrooms. Partial weight may be awarded to Projects that include a certain percentage of units that have 2 or more bedrooms.” DHCD provides opportunities for the public and DCHFA to comment on the draft QAP each year. DHCD’s website outlined the following public comment timeline for the 2023 QAP.<sup>20</sup>

Timeline	Milestone
November 2022 – January 2023	2023 QAP Drafted
February 3, 2023	Draft 2023 QAP released for public comment
February 28, 2023	Public hearing
Friday, March 3, 2023 at 5:00pm	End of public comment period <b>**Extended from 2/28/23</b>
March 2023	Final 2023 QAP published

In fiscal year 2022, DCHFA underwrote \$216.5 million in federal LIHTC equity to finance the development or redevelopment of 1,160 affordable housing units. ***DCHFA should work to have a more formal role in the creation of the Qualified Action Plan (QAP) and should include multibedroom unit requirements within the QAP.***

DCHFA adopted a Diversity, Equity, and Inclusion Policy (DEI Policy) to provide opportunities for historically excluded local developers to participate in LIHTC transactions. ***DCHFA should brief DHCD on its Diversity, Equity, and Inclusion Policy to see where aspects of it can be implemented in the QAP.***

Subtitle II.B. of the fiscal year 2024 proposed BSA, the *District of Columbia Low-Income Housing Tax Credit Amendment Act of 2023*, would make sweeping changes to the DC LIHTC program. DHCD is not only seeking to make DC LIHTC a competitive program but also to separate the program from the federal LIHTC completely. DHCD would like the DC LIHTCs to be available to projects that cannot qualify or have not received federal LIHTCs. Under the proposed subtitle the LIHTC cannot exceed 9% of the project’s qualified basis. The Committee is not advancing the proposed change to the program and is recommending a permanent legislative process to DHCD. ***DCHFA should assess DHCD’s proposal to shift the function of the District LIHTC Program and report its analysis of the proposed shift to the Committee and DHCD for discussion.***

Multifamily Mortgage Revenue Bond Program (MMRB)

The MMRB Program is used to facilitate affordable multifamily rental housing projects. Local governments sell tax-exempt housing bonds, or MMRBs, and use the proceeds to finance the production of apartments at rents affordable to moderate to low-income families. Under the MMRB Program, developers can access tax exempt, taxable, and 501(c)(3) bonds for the following eligible

<sup>20</sup> DHCD, *2023 Qualified Allocation Plan Public Hearing* (Feb. 2023), [https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/event\\_content/attachments/Intro%20Presentation%20for%20Public%20Hearing\\_2-28-2023.pdf](https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/event_content/attachments/Intro%20Presentation%20for%20Public%20Hearing_2-28-2023.pdf)



uses: acquisition, construction, and permanent loans; fixed and variable rate loans; rated and un-rated tax exempt and taxable bond financing; and credit enhanced or unenhanced financing, including financing under Federal Housing Administration Multifamily Insurance Programs, Fannie Mae, Freddie Mac, Delegated Underwriting and Servicing lending, and Letter of Credit.

The MMRB financing product can be used to rehabilitate or construct the following affordable housing products: rental housing, cooperatives, elderly housing, assisted-living facilities, and transitional housing. To qualify for MMRB financing developers must set aside at least 20% of their units for individuals and families earning at or below 50% AMI or at least 40% of their units for individuals or families earning at or below 60% AMI. Projects approved for MMRB financing that will be financed through the sale of tax-exempt private activity bonds are then eligible to receive the 4% low-income housing tax credits described above.

### McKinney Act Loan Program

McKinney Act Loans are short-term predevelopment “bridge” loans that can be used to finance critical project needs. McKinney Act Loan Program funds may be used for one or the more of the following purposes in furtherance of the DCHFA’s single-family and multifamily programs:

1. Pre-development and development soft costs;
2. Acquisition;
3. Construction or rehabilitation;
4. Down payment closing cost assistance;
5. Mortgage interest rate buy down;
6. Credit enhancement or loan guarantee;
7. Ancillary or functionally related recreational, health, educational or social services facilities that are integral to housing occupied by very low-income persons and families;
8. Equity bridge loans; and
9. Other forms of assistance as permitted by the Act.

To qualify the project developers must set aside units for households with incomes at or below 50% AMI. To meet this, a 10-year restricted use covenant, which runs concurrently with the bond and LIHTC affordability covenants, is placed on the property.

## AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Grant	35,114,337.00	57,431,849.54	71,098,423.02	71,098,423.02	0.00
Fed. Paymts.	1,512,059.60	0.00	0.00	0.00	0.00
Local	17,394,942.05	35,467,870.20	42,125,949.30	35,715,258.30	-6,410,691.00
Intra-District	15,000,644.07	0.00	0.00	0.00	0.00
Spec. Purp. Funds	3,007,132.65	6,912,000.00	8,189,906.00	8,189,906.00	0.00
<b>Gross</b>	<b>72,029,115.37</b>	<b>99,811,719.74</b>	<b>121,414,278.32</b>	<b>115,003,587.32</b>	<b>-6,410,691.00</b>

FTEs by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Grant	18.09	21.04	27.24	27.24	0
Local	52.78	63.27	68.05	67.05	-1
Intra-District	90.09	0	0	0	0
<b>Total</b>	<b>160.96</b>	<b>84.31</b>	<b>95.29</b>	<b>94.29</b>	<b>-1</b>

## POLICY RECOMMENDATIONS

The Committee recommends that the Department of Housing and Community Development (DHCD) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter<sup>21</sup>:

1. DHCD should work with the Committee to improve participation in DHCD's public hearings by proactively conducting public outreach ahead of public hearings on social media and through listservs; removing the approximation symbol (~) when listing start times on hearing notices; ensuring that any hearing platform DHCD uses for a hearing, and which is advertised on the hearing notice, has a two-way communication mechanism for participants to interact directly with DHCD staff during the hearing; to the extent possible, replying to questions and comments from meeting participants in real time; keeping hearing forums open for at least one hour to accommodate any late arrivals; and publishing the content of any presentations from the hearing on the DHCD website within 24 hours after holding the meeting.
2. DHCD should continue to support efforts to preserve affordable housing through funding sources other than just the Housing Production Trust Fund.
3. DHCD should begin planning now for how to continue supporting households in foreclosure proceedings once the \$50 million in Homeowner Assistance Fund funding is depleted.

<sup>21</sup> The Committee's policy recommendations specific to the Housing Production Trust Fund (HPTF) are in the HPTF chapter of this report.

4. By the end of fiscal year 2023, DHCD should issue a public statement on the status of its First Right to Purchase Program, including eligibility criteria and funding availability.
5. DHCD should work with OTA to meet DHCD’s goal of having a public-facing rent control clearinghouse database by the end of fiscal year 2023. To the extent DHCD encounters resource challenges impeding the realization of the database’s potential, DHCD should alert the Committee promptly.
6. Pending the Council’s approval, DHCD should work to implement the following Budget Support Act subtitles, as amended by the Committee and provide regular updates on implementation to the Committee:
  - a. *Land Purchase Partnership Program Act of 2023*, renamed the *Local Property Acquisition Pilot Program Act of 2023*;
  - b. *Home Purchase Assistance Program Amendment Act of 2023*;
  - c. *Housing Production Trust Fund Amendment Act of 2023*;
  - d. *Tax Abatement for Affordable Housing in High-Need Areas Amendment Act of 2023*; and
  - e. *Housing in Downtown Abatement Amendment Act of 2023*.

#### AGENCY MISSION AND OVERVIEW

DHCD’s mission is to “produce and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.”<sup>22</sup> As of January 2023, Acting Director Colleen Green leads DHCD, which is the agency responsible for administering the Housing Production Trust Fund (HPTF). HPTF has 2 chapters in the budget and is discussed in more detail in the Housing Production Trust Fund and Housing Production Trust Fund Subsidy chapters of this report.

DHCD operates through 8 divisions:

1. *Development Finance Division (DFD)* – Plays a prominent role in housing production and preservation and is the main division responsible for Housing Production Trust Fund (HPTF) spending:
  - a. Provides competitive Request for Proposal (RFP) processes for the production and preservation of rental, ownership, and community facility developments in the District;
  - b. Provides debt service payments to the U.S. Department of Housing and Urban Development (HUD) for development loans borrowed under the Section 108 program;
  - c. Provides incentives to homeowners to create accessory dwelling units; and
  - d. Provides project-based Local Rent Supplement subsidies.

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<sup>22</sup> See DHCD, Performance Oversight Responses FY2022 and FY2023 YTD, at 2 (Feb. 10, 2023), available at <https://dccouncil.gov/wp-content/uploads/2023/02/Pre-Hearing-Responses-DHCD.pdf>.

2. *Residential and Community Services Division (RCSD)* – Provides funding for programs focused on household-level housing needs and neighborhood revitalization:
  - a. Funds community-based organizations that provide housing counseling services and small business technical assistance;
  - b. Administers down payment and closing cost assistance to prospective homeowners through the Home Purchase Assistance Program (HPAP) and the Employer Assistance Housing Program (EAHP); and
  - c. Finances loans for home repairs through the Single Family Residential Rehabilitation Program (SFRRP).
3. *Property Acquisition and Disposition Division (PADD)* – Encourages property owners to rehabilitate or occupy vacant or abandoned residential property, then acquires properties for disposition to be rehabilitated into affordable and market-rate for-sale housing.
4. *Portfolio and Asset Management Division (PAMD)* – Conducts portfolio management and oversight of loans to DHCD and manages the allocation of the Low Income Housing Tax Credit (LIHTC) Program.
5. *Program Monitoring Division (PMD)* – Responsible for conducting oversight over DHCD projects and funding recipients, including those receiving federal HOME Investments Partnership Program (HOME) and Community Development Block Grant Program (CDBG) funding, through contract compliance, quality assurance, and compliance monitoring.
6. *Housing Regulation Administration (HRA)* – Administers residential housing regulations related to condominium and cooperative conversions, rent adjustments, licensing, and other matters:
  - a. Administers the Tenant Opportunity to Purchase Act (TOPA), regulates conversions of properties to condominiums or cooperatives, and administers the structural warranty claim program through the Rental Conversion and Sales Division (CASD);
  - b. Manages the Housing Resource Center for landlords, tenants, and the general public;
  - c. Monitors and enforces compliance with Affordable Dwelling Units, and administers the Inclusionary Zoning Program; and
  - d. Administers the District’s Rent Stabilization Program (rent control), including registering and licensing rental housing, administering rent adjustment procedures, processing landlord and tenant petitions, providing conciliation services, and acting as a repository for notices to vacate and all rental property records through the Rental Accommodations Division (RAD).
7. *Agency Management* – Provides administrative support to DHCD.
8. *Agency Financial Operations* – Provides financial management services for DHCD.

## OPERATING BUDGET ANALYSIS

DHCD is the only agency within this Committee that received a proposed increase in its budget and staff for fiscal year 2024. However, the proposed funding for the HPTF decreased by almost 80%. Cuts to HPTF funding are discussed in greater detail in the HPTF chapter of this report.

### *Housing Production Trust Fund*

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Please see the HPTF chapter of this report for the Committee’s policy recommendations and operating budget analysis on the HPTF.

### *Public Participation in DHCD Hearings*

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This Committee has attended all 4 publicly noticed DHCD public hearings in 2023 to date. All 4 hearings had portions dedicated to public witness testimony. As indicated in the below chart, only 4 total public witnesses provided testimony across the 4 hearings, and the longest hearing lasted under 40 minutes.

<b>Date &amp; Time</b>	<b>Hearing Topic</b>	<b>Hearing Length</b>	<b>Number of Public Witnesses</b>
January 12, 2023, 6:30pm	Virtual Hearing on DHCD’s Use of Housing and Community Development Funds (i.e., the FY 2022 Consolidated Annual Performance and Evaluation Report (CAPER))	33 minutes	<i>Three total</i> <ul style="list-style-type: none"> <li>▪ One on WebEx</li> <li>▪ Two by phone</li> </ul> <p>Note: Ten people commented in the chat. It is unclear if DHCD included those comments as testimonies.</p>
February 28, 2023, 6:30pm	Virtual Hearing on the Draft 2023 Qualified Allocation Plan (QAP)	32 minutes	<i>One total</i> <ul style="list-style-type: none"> <li>▪ One by phone</li> </ul> <p>Note: The Public Input platform used for the hearing did not show participants how many others were present. When the Committee asked how many people attended the hearing, DHCD said 38 people.</p>
March 14, 2023, 6:30pm	Virtual Hearing on a Substantial Amendment (SA1) to the District’s FY 2023 Annual Action Plan (AAP)	16 minutes	<i>Zero total</i>
April 11, 2023, 6:30pm	Two-Part Virtual Hearing for the Regional Housing Equity Report and the District of Columbia’s Needs Assessment for the FY 2024 Annual Action Plan (AAP)	38 minutes	<i>Zero total</i>

Judging by the steady attendance the Committee has experienced during DHCD’s 2023 performance oversight and budget oversight hearings, including a combined 106 sign-ups and 76

attendees at both hearings, it is unlikely that constituents are uninterested in attending DHCD hearings.<sup>23</sup> Many public witnesses testified to this Committee with concerns about matters directly related to the plans discussed during DHCD hearings, such as the evaluation criteria for projects receiving DHCD funding (at the QAP hearing on February 28, 2023, DHCD discussed proposed changes to its evaluation criteria for federal tax credits). Rather, this is likely a matter of improving awareness of and accessibility to DHCD's public comment forums. In fact, one of the 3 public witnesses at DHCD's January CAPER hearing commented on how difficult it was to join the hearing and noted more people probably would have liked to speak that night. Reviewing one of DHCD's hearing platforms illustrates these concerns.

DHCD has been using the Public Input platform for its recent public hearings.<sup>24</sup> When joining the Public Input website, as instructed on DHCD's hearing notices, it is not clear that the Public Input website is a DHCD forum nor is it immediately apparent that the website is the proper platform on which a specific hearing will occur. A participant must scroll through several sections of text and past hearing videos (not in chronological order) to find a specific hearing. Then, at the time of the hearing, participants on the Public Input page view an active WebEx platform embedded in the Public Input platform. The presenters, including DHCD staff and sometimes other agency participants, are on the WebEx and are unreachable to participants on the Public Input platform. This prevents participants from directly engaging with DHCD or from seeing who else is attending the hearing. The Public Input platform had a comment section open on its website for at least one hearing, but DHCD did not reply to or acknowledge the question posted; it was unclear to the Committee whether DHCD was aware of the posts.

The Committee has shared these and other hearing accessibility issues with DHCD staff since February 2023. DHCD has acknowledged the concerns and committed to sharing the feedback with the relevant team members. The Committee has so far observed minimal improvements.

This Committee recognizes that, like with Council hearings, the public can submit written testimony outside of the days of DHCD hearings. However, unlike testimony collected at many Council hearings, written testimonies submitted to DHCD are not readily accessible on DHCD's website.

Increasing access to DHCD's public hearings is imperative for several reasons. First, the hearings provide a forum for communication between DHCD and its constituents. Second, DHCD hearings provide additional opportunities for public oversight of DHCD's performance throughout the year, which cannot occur if few to no members of the public participate. Third, DHCD's hearings are the main way residents can provide testimony directly to the agency about evaluation criteria for the dispersal of DHCD's funding for affordable housing production and preservation, including HPTF dollars. ***DHCD should work with the Committee to improve participation in DHCD's public hearings by proactively conducting public outreach ahead of public hearings on social media and through listservs; removing the approximation symbol (~) when listing start times on hearing notices<sup>25</sup>; ensuring that any hearing platform DHCD uses for a***

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<sup>23</sup> For this Committee's performance oversight hearing of DHCD and HPTF on February 13, 2023, 40 public witnesses signed up to testify, and 32 public witnesses testified during the hearing. For this Committee's budget oversight hearing of DHCD and HPTF on April 3, 2023, 66 public witnesses signed up to testify, and 44 public witnesses testified during the hearing. For each hearing, the Committee also received written testimony from public witnesses in attendance and not in attendance at the hearings.

<sup>24</sup> See <https://publicinput.com/D56341>.

<sup>25</sup> See, e.g., DHCD Hearing Notice for the 30-Day Public Comment Period and Public Hearing on DC's Draft FY 2023 Annual Action Plan (AAP) Substantial Amendment #1 (SA1), DC Register (March 3, 2023),

*hearing, and which is advertised on the hearing notice, has a two-way communication mechanism for participants to interact directly with DHCD staff during the hearing; to the extent possible, replying to questions and comments from meeting participants in real time; keeping hearing forums open for at least one hour to accommodate any late arrivals; and publishing the content of any presentations from the hearing on the DHCD website within 24 hours after holding the meeting.*

## Housing Preservation

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### Funding Preservation Projects

During this year's DHCD performance oversight hearing, DHCD described the Housing Preservation Fund (HPF) and HPTF as parallel pots of money. It is important to understand the distinction between the two: HPF provides short-term loans used for bridge and acquisition financing, while HPTF dollars can be used for permanent financing. The amounts for each fund are also vastly different: For fiscal year 2024, the Mayor proposed \$100 million in funding for the HPTF, while the HPF would have whatever money out of the \$21 million in the fiscal year 2023 budget carries over into the next fiscal year. During the budget oversight hearing, DHCD shared that the agency anticipates leveraging the \$21 million in HPF money into \$68 million worth of funding through a \$3-to-\$1 matching program with its private partners. The Committee recognizes that even with the matching, there may be significantly fewer dollars available next fiscal year to support existing communities seeking to preserve the affordability of units with expiring covenants or of older buildings in need of rehabilitation. This is particularly because the short-term loans granted through the HPF funding are not cycling back into the District as quickly as anticipated. As discussed in the Committee's recommendation in the HPTF chapter on amending the Consolidated RFP and QAP evaluation criteria, the Committee has also learned of smaller projects facing difficulties with competing for HPTF dollars. Accordingly, ***DHCD should continue to support efforts to preserve affordable housing through funding sources other than just the Housing Production Trust Fund.***

### Foreclosure Prevention

Attorneys representing predominately Black homeowners in foreclosure proceedings have highlighted for this Committee the significant impact foreclosure prevention programs have on reducing displacement and maintaining continuity of equity within Black families. While the \$50 million Homeowner Assistance Fund (HAF) has faced issues with implementation, such as the timeliness of processing payments, the initiative has begun to successfully save the homes of individual and family applicants. According to post-Performance Oversight Hearing Responses from DHCD, as of March 31, 2023, HAF payments had more than tripled, and DHCD had paid out \$7.4 million in direct assistance on behalf of District homeowners using HAF funds. ***DHCD should begin planning now for how to continue supporting households in foreclosure proceedings once the \$50 million in HAF funds is depleted.***

### Community Land Trusts (CLT)

Community land trusts (CLT) generally create split ownership models in which a nonprofit CLT purchases a piece of land, places an affordability covenant on the land, and then leases the house or building upon the land to an owner who agrees to sell the home at a restricted price in the

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<https://www.dcregs.dc.gov/Common/DCR/Issues/IssueCategoryList.aspx?CategoryID=15&IssueID=1023>  
("Date: Tuesday, March 14, 2023, ~ 6:30 pm, Via Public Input").

future. In DHCD’s fiscal year 2022 budget, passed by the Council, the District allocated \$2 million in American Rescue Plan (ARPA) dollars to the Douglass CLT. DHCD has since proposed to remove this \$2 million and use it for other purposes. In its testimony for the DHCD budget oversight hearing, Douglass CLT shared with this Committee that the \$2 million in funding was committed to supporting a 34-unit Tenant Opportunity to Purchase Act (TOPA) acquisition project and 2 single family homes sold to the Douglass CLT at below market prices by owners seeking to actively prevent displacement. Both DHCD and Douglass CLT teams shared their mutual appreciation of each other’s efforts and their concerns with how the funds have yet to be executed. The Committee is hopeful this mutual awareness is a positive step and will propel the Douglass CLT and DHCD to find a solution so that Douglass CLT can fulfill its commitments to its projects, rather than the agency depleting its funding.

### Clarity on the First Right to Purchase Program Funding (FRPP)

Tenant organizers and small nonprofit developers testified to this Committee that since 2018, DHCD has not distributed funds from or accepted applications to its First Right to Purchase Program (FRPP) fund. The FRPP historically provided ongoing acquisition to tenant organizations exercising their TOPA rights and acquiring their buildings for use as limited equity cooperatives (LEC). DHCD considered making changes to FRPP but has not yet shared its next steps for the program, which has left many tenant organizations and advocates wondering about the program’s official status and potential future use. In its final report in 2019, the District’s Limited Equity Cooperative Task Force recommended the District “[i]mprove the availability and dependability of acquisition financing tools for LECs—including an open and sufficiently-funded First Right to Purchase Program . . . .”<sup>26</sup> As the Committee continues to learn about which of the District’s preservation tools will most effectively accomplish the goals of producing and preserving affordable housing for households with extremely low, very low, and low incomes, it is important to have clarity on what tools are or will be available, including the FRPP. ***By the end of fiscal year 2023, DHCD should issue a public statement on the status of the FRPP, including eligibility criteria and funding availability.***

### Rent Stabilization

Under the *Rental Housing Act of 1985*, the District limits maximum annual rent increases for units in certain older buildings by tying annual increases to the Consumer Price Index inflation rate, plus an additional 2%. The District’s Rental Housing Commission approves the maximum increases each year for these rent stabilized, or rent controlled, units, after which the Rent Administrator in DHCD’s Rental Accommodations Division (RAD) sends out a notice of the maximum increase to building owners. This year’s approved 8.9% increase is by far the highest increase since the District’s current rent stabilization program began in 1985.<sup>[1]</sup> The Council sought to mitigate the potential harm to renters of this significant increase through emergency legislation in April 2023; however, DHCD asserted a minor fiscal cost to the legislation, barring any emergency Council action on the matter. Rent and other cost of living increases, combined with cuts to safety net programs, generate a detrimental combination for many District residents. The Committee acknowledges, and is committed to, the ongoing work necessary to ensure the District’s public

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<sup>26</sup> See District of Columbia Limited Equity Cooperative Task Force for 2018-2019 Final Report, at 16 (October 2019), available at [https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page\\_content/attachments/Final%20LEC%20Recommendations\\_10.21.19.pdf](https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/Final%20LEC%20Recommendations_10.21.19.pdf).

[1] The Committee notes the District had in effect various renditions of rent stabilization dating back to 1973.



investments and policies address the lack of choice and autonomy many residents face as a result of a prohibitively expensive housing market.

### ***Capital Project Transfer***

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As stated in the Office of the Tenant Advocate (OTA) chapter of this report, OTA received capital funding in past years, including fiscal year 2022, to support the development of a rent control clearinghouse database pursuant to D.C. Official Code § 42–3502.03(c). OTA testified at its budget oversight hearing that OTA is preparing to transfer control of the database to DHCD. DHCD shared in its performance oversight hearing responses that DHCD “has begun training its staff on the use of the database and will conduct public outreach to train stakeholders on using the database.”<sup>27</sup> In its fiscal year 2023 budget, DHCD has funding to hire a staff person to assist with implementing the database. Advocates and policymakers continue to identify potential uses of database information, such as tracking in real time how many owners of rent stabilized units are taking the full statutorily permitted annual rent increase. ***DHCD should work with OTA to meet DHCD’s goal of having a public-facing rent control clearinghouse database by the end of fiscal year 2023. To the extent DHCD encounters resource challenges impeding the realization of the database’s potential, DHCD should alert the Committee promptly.***

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<sup>27</sup> See DHCD, Performance Oversight Responses FY2022 and FY2023 YTD, at 7 (Feb. 10, 2023), available at <https://dccouncil.gov/wp-content/uploads/2023/02/Pre-Hearing-Responses-DHCD.pdf>.

H. HOUSING PRODUCTION TRUST FUND (UZ0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Enterprise/Other	10,000,000.00	364,197,300.87	12,500,000.00	12,500,000.00	0.00
Enterp./Other-Ded. Tax	133,228,442.31	79,810,952.00	55,563,224.00	55,563,224.00	0.00
Fed. Paymts.	0.00	0.00	31,936,776.00	31,936,776.00	0.00
<b>Gross</b>	<b>143,228,442.31</b>	<b>444,008,252.87</b>	<b>100,000,000.00</b>	<b>100,000,000.00</b>	<b>0.00</b>

FTEs by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Enterp./Other-Ded. Tax	0	90.29	74.45	74.45	0
<b>TOTAL FTE</b>	<b>0</b>	<b>90.29</b>	<b>74.45</b>	<b>74.45</b>	<b>0</b>

POLICY RECOMMENDATIONS FOR HPTF

The Committee recommends that the Housing Production Trust Fund (HPTF) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. As the administrator of HPTF, in fiscal year 2024, the Department of Housing and Community Development (DHCD) should comply with the statutory mandate to use 50% of HPTF dollars obligated to new projects for the purpose of providing housing opportunities for extremely low-income households (0 to 30% of the Median Family Income, or MFI), 40% of HPTF dollars for very low-income households (30% to 50% MFI), and 10% of HPTF dollars for low-income households (50% to 80% MFI). Accordingly, when submitting proposed HPTF contracts to Council for review, DHCD should include a document that lists the percentage (and dollar amount) of fiscal year 2024 HPTF dollars spent, to date, on each required income category, on rental units, on ownership units, and the total spent to date overall.
2. DHCD should adjust its Consolidated Request for Proposals and Qualified Action Plan evaluation criteria to:
  - a. Ensure smaller, community-based projects have a meaningful opportunity to receive much-needed funding for rehabilitation and preservation; and
  - b. Increase the weight given to housing projects that comply with accessible housing criteria, while also tracking accessible units by project.
3. DHCD should continue to reward project proposals that produce or preserve units with 3 or more bedrooms and proposals that comply with environmentally conscious green building initiatives.

4. By the end of fiscal year 2023, DHCD should fill the 5 vacant positions of the HPTF Advisory Board and ensure that all existing HPTF Advisory Board members are serving unexpired terms.

5. The Council should approve the Committee’s recommendations for inclusion of the Mayor’s proposed subtitles, with Committee amendments, in the Budget Support Act that impact the Housing Production Trust Fund. The subtitles are discussed in detail in the Budget Support Act Recommendations section of this report. These include:

- a. *Home Purchase Assistance Program Amendment Act of 2023*; and
- b. *Housing Production Trust Fund Amendment Act of 2023*.

### AGENCY MISSION AND OVERVIEW

The HPTF, administered by DHCD, states its mission “is to provide financial assistance to a variety of affordable housing programs and opportunities across the District of Columbia . . . [by funding] initiatives to build affordable rental housing, preserve expiring federally assisted housing, and help provide affordable homeownership opportunities for low-income families.”

The HPTF is the District’s primary tool for funding affordable housing projects through 4 activities:

1. Affordable Housing Project Financing – Administers the process to select projects submitted through competitive Request for Proposal (RFP) processes and distributes funds for the development of affordable ownership and rental housing;
2. Tenant Opportunity to Purchase Assistance – Provides support to tenant groups who wish to purchase their property after a landlord, as required, provides tenants with the first opportunity to buy the property prior to selling to another buyer;
3. Single Family Rehabilitation Project – Helps households finance up to \$75,000 in loans for home repairs to address District housing code violations; and
4. Property Acquisition and Disposition – Encourages property owners to rehabilitate and/or occupy vacant residential properties, and acquires vacant, blighted, abandoned, and deteriorated properties to dispose of them through sale to individuals or developers for the purpose of creating affordable and market-rate housing.

HPTF is a legally separate entity for which the District is financially accountable, but it is not its own standalone agency. Rather, HPTF is a program administered by the DHCD, led by Acting Director Colleen Green. Within DHCD, the Development Finance Division (DFD) is responsible for managing HPTF funds. A 9-member Housing Production Trust Fund Advisory Board also advises the Mayor on the development, financing, and operation of the HPTF and other matters related to the production of affordable housing. As of the date of this report, the HPTF Advisory Board had 5 vacancies and 4 active members – 2 members serving within unexpired appointments and 2 members serving within expired appointments.

This chapter of the Committee’s report deals with the HPTF budget chapter (UZ0), which lists the total amount of HPTF dollars in the Mayor’s proposed budget and outlines DFD’s administration of HPTF funding. The budget, however, contains a second chapter related to HPTF funding called the “HPTF Subsidy (HP0).” The Committee refers to the HPTF Subsidy briefly in a corresponding chapter in this report. **For clarity, the HPTF Subsidy is not a separate legal**

**entity, standalone agency, or funding source.** The HPTF Subsidy is solely included as its own budget chapter to show any transfer of local or federal funds into the HPTF more clearly. The total amount of HPTF funding in the proposed budget is reflected in the HPTF budget chapter covered in this chapter of the Committee’s report.

## OPERATING BUDGET ANALYSIS

The proposed fiscal year 2024 budget for HPTF is almost 80% less than the fiscal year 2023 budget and 31% less than the fiscal year 2022 budget. Despite these significant cuts, DHCD has confirmed it expects to close on all projects currently in the development pipeline, which will amount to about 3,800 units. However, the Committee acknowledges the impact such a decrease will have on the District’s ability to produce and preserve affordable housing in fiscal year 2024, illustrating the importance of the policy recommendations below and the corresponding recommendations in the DHCD chapter of this report.

### ***Non-Compliance with Statutory Mandates on Affordable Housing Production Using HPTF Funds***

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The *Housing Production Trust Fund Act of 1988* requires that in each fiscal year, at least 50% of HPTF funds obligated to new projects serve households with incomes at or below 30% of the Median Family Income (MFI) (extremely low-income households), at least 40% of funds serve households with incomes between 30% and 50% MFI (very low-income households), and the remaining 10% of funds serve households with incomes up to 80% MFI (low-income households). DHCD has stated it spends more than 50% of the overall DHCD budget on producing housing for extremely low-income households. However, DHCD has not complied with the statutory mandate to use 50% of HPTF-specific funds to support housing for those same households. According to the most recent HPTF Annual Report, in fiscal year 2022, DHCD used only 19% of its HPTF dollars on housing for households with extremely low incomes.<sup>28</sup> In post-budget oversight hearing responses, DHCD stated it anticipates utilizing between 35% and 40% of fiscal year 2023 HPTF funds on housing for households with extremely low incomes (0-30% MFI).

While the Committee recognizes the anticipated improvement from fiscal year 2022 to fiscal year 2023, and DHCD’s overall efforts to underwrite workable development projects to produce affordable housing, the Committee reiterates that the current HPTF funding benchmarks are not goals but mandates to which DHCD must adhere. In a year when almost 80% of HPTF dollars have been cut, it is imperative that the District spend its more limited HPTF dollars in compliance with legal requirements that seek to maintain and increase the District’s housing stock for those with the lowest incomes who have suffered most acutely under the loss of affordable housing. Public funds must be used to maximize public goods, which means encouraging the production and preservation of units that increase viable options for those who cannot financially access most units within DC’s expensive real estate market; that are large enough to fit households with multiple members; that are built to last with stable construction; that are environmentally sustainable and safe; and that provide comfort, dignity, and peace to their inhabitants. This Committee and the Council look forward to reviewing DHCD’s written report following the July 2023 RFP selection process for new HPTF projects and hope to see project proposals that will maximize the District’s investments for public goods. ***As the administrator of HPTF, in fiscal year 2024, DHCD should comply with***

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<sup>28</sup> DHCD, Fiscal Year 2022 Housing Production Trust Fund Annual Report, at 8 (March 31, 2023), *available at* <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Draft%20HPTF%20Annual%20Report%20FY22%20v3.pdf>.

***the statutory mandate to use 50% of HPTF dollars obligated to new projects for the purpose of providing housing opportunities for extremely low-income households (0 to 30% Median Family Income, or MFI), 40% of HPTF dollars for very low-income households (30% to 50% MFI), and 10% of HPTF dollars for low-income households (50% to 80% MFI). Accordingly, when submitting proposed HPTF contracts to Council for review, DHCD should include a document that lists the percentage (and dollar amount) of fiscal year 2024 HPTF dollars spent, to date, on each required income category, on rental units, on ownership units, and the total spent to date overall.***

### ***Scoring Criteria for Rewarding Projects with HPTF and Tax-Exempt Bond Funds***

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DHCD recently updated its solicitation process and plans to consistently release its Consolidated Request for Proposals (RFP) for HPTF-funded projects twice a year in January and July. The next opportunity to apply will be in July of 2023. DHCD expects to release its tax-exempt bond solicitations on that same timeline. On February 28, 2023, DHCD held a hearing on the Qualified Allocation Plan (QAP), which is DHCD’s federally mandated state plan for the allocation of those tax credits allotted to the District of Columbia from the federal Low Income Housing Tax Credit (LIHTC) program.

The 2021 Consolidated RFP and QAP evaluation criteria are the same.<sup>29</sup> It is the Committee’s understanding that will also be the case in this upcoming round of project solicitations. Currently, the evaluation criteria are divided into five categories: (1) project readiness and past performance, (2) inclusive and equitable housing, (3) place-based priorities, (4) maximizing the impact of DHCD resources, and (5) innovative and community-oriented features or programming. Project submissions can lose up to 25 points in the first category based on poor prior performance and can receive up to 25 points in each subsequent category for a total of 100 points. With the reduction in HPTF dollars for fiscal year 2024, these scoring criteria are especially critical, as fewer funds will go to fewer projects.

#### **Place-Based Criteria**

During this Committee’s budget oversight hearing on DHCD and the HPTF, we heard testimonies from multiple public witnesses about how the evaluation criteria for DHCD-funded projects skew the allocation of funds in a manner that severely disadvantages communities – often cooperatives – seeking to rehabilitate and maintain typically older and already affordable buildings. The Committee acknowledges these concerns.

In 2019, the Administration introduced a Mayoral Order that included a goal of producing 36,000 units of housing throughout the District by 2025, 12,000 of which were to be affordable at up to 80% MFI. The Order also set a goal to distribute the affordable units equitably across the city by 2045. This Order resulted in DHCD adjusting its QAP and Consolidated RFP criteria to prioritize projects proposed for specific locations that have historically had fewer housing opportunities affordable to lower income households. DHCD refers to these locations as “planning areas” in its

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<sup>29</sup> Compare DHCD, 2021 Consolidated Request for Proposals for Affordable Housing Projects, at 31 (Feb. 10, 2022), available at [https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page\\_content/attachments/2021-9-28%20DC%20DHCD%20Summer%202021%20Affordable%20Housing%20RFP\\_DFD%20updated%20021022.pdf](https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/page_content/attachments/2021-9-28%20DC%20DHCD%20Summer%202021%20Affordable%20Housing%20RFP_DFD%20updated%20021022.pdf), with DHCD, 2021 Low Income Housing Tax Credit Qualified Allocation Plan Draft, at 28 (Aug. 3, 2021), available at <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/2021-08-03%20DHCD%202021%20DRAFT%20Qualified%20Allocation%20Plan.pdf> (“The Selection Criteria is defined in this QAP and is further clarified in the Affordable Housing RFP.”).

evaluation criteria. In the place-based priorities category, “affordable housing opportunities across planning areas” carries a score of 25 points out of the maximum 25 points for that category. (Comparatively, in the “inclusive and equitable housing” category, creating accessible housing only carries a maximum of 5 points.) In practice, this means a project proposal could receive the highest scores in all other categories but could never score as highly as an identical project in a designated planning area, unless the first project is also near transit, near neighborhood amenities, and on District land.

The Committee agrees that “[t]o advance racial equity in housing, [the District must] prioritize public investment toward housing production and preservation serving very-low and extremely-low income households,” a directive outlined in the Implementation Element chapter of the District’s Comprehensive Plan.<sup>30</sup> The Committee also agrees that the District should “[p]rioritize public investment in the new construction of, or conversion to, affordable housing in Planning Areas with high housing costs and few affordable housing options.”<sup>31</sup> Nonetheless, such prioritization must not harm residents in those same income categories trying to avoid displacement.

Many of the place-based priority factors are completely outside of an existing community’s control. Neighborhoods, specifically in Ward 7 and Ward 8, have endured years of insufficient neighborhood amenities, including fewer grocery stores, less retail than some of the downtown corridors, and at times bus service reduced at the discretion of the District. From what residents have shared with the Committee, these, and other significant factors like safety concerns and fewer employment opportunities, have led residents to seek out amenities in other locations. This includes sending their kids to schools across the city. Incentivizing affordable housing production in wealthier neighborhoods with more amenities is one part of the solution. However, that must be paired with rehabilitating and maintaining housing options for communities with strong ties to their existing neighborhoods. The District must work towards strengthening a community’s ecosystem through creative partnerships with neighborhood residents and businesses. The Comprehensive Plan directives affirm this goal: “Make non-housing neighborhood economic and community development investments and preserve existing subsidized affordable housing in R/ECAP (as defined by HUD) [Racially or Ethnically Concentrated Areas of Poverty] to improve neighborhood amenities and attract public sector investment to expand housing supply.”<sup>32</sup> Failing to balance these goals sends a damaging message to communities that they are not worth the investment. ***DHCD should adjust its Consolidated RFP criteria to ensure smaller, community-based projects have a meaningful opportunity to receive much-needed funding for rehabilitation and preservation.***

### Accessible Housing

Last Council Period, the Council repeatedly heard about inaccessible school facilities that prevented students with disabilities from accessing their neighborhood schools. Presently, this Committee continues to hear about broken elevators in the District’s homeless shelters, rental housing buildings, and condominium buildings. Such inadequate facilities have a significant impact on residents’ daily lives and feelings of safety within their homes, especially those with mobility

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<sup>30</sup> D.C. Mun. Regs. tit. 10, 25-1 (2023); *see also* Office of Planning, Comprehensive Plan Volume 3 Chapter 25: Implementation Element, at 25-47 (Aug. 21, 2021), *available at* [https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/25\\_Implementation\\_0.pdf](https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/25_Implementation_0.pdf).

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 25-49.

impairments. Residents have also shared with the Committee how difficult it is to find wheelchair-accessible units, particularly when they are attempting to use a voucher to access housing.

Within DHCD’s proposed 2023 QAP evaluation criteria, creating “accessible housing” only adds a maximum 5 points to a project’s ability to compete for project funds.<sup>33</sup> This is significantly lower than, for example, the 25-point maximum a project can receive for proposing to produce or preserve housing in a particular “planning area.” As the District continues its push to produce and preserve housing that is affordable to people with extremely low, very low, and low incomes, the District must ensure the housing projects it funds are inclusive and can be accessed by people who use wheelchairs or other mobility devices. This may mean providing additional funding to renovation projects in older buildings to allow residents to age in place or to ensure access for households that include adults or children with disabilities. This aligns with the Comprehensive Plan Action H-4.3 in the Implementation Element that encourages DHCD and other agencies to create housing opportunities that meet the needs of specific groups, with a focus on older adults and people with disabilities.<sup>34</sup> ***DHCD should increase the Consolidated RFP evaluation weight given to housing projects that comply with accessible housing criteria and should track accessible units by project.***<sup>35</sup>

#### Family-Sized Units and Green Building Efforts

Within the proposed 2023 QAP evaluation criteria, the Committee appreciates the weight given to projects creating or preserving family-oriented units, in which 30% of the affordable units have 3 or more bedrooms. The Committee also appreciates the emphasis on green building design and construction but must note the Mayor’s proposed fiscal year 2024 budget does not actively support making progress on environmental initiatives. Both creating and maintaining larger units, and ensuring buildings are moving towards environmentally sustainable practices, are priorities of the Committee. ***DHCD should continue to reward project proposals that produce or preserve units with 3 or more bedrooms and proposals that comply with environmentally conscious green building initiatives.***

#### HPTF Advisory Board Vacancies

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The *Housing Production Trust Fund Act of 1988* established a 9-member Housing Production Trust Fund Advisory Board whose duty it is “to advise the Mayor on the development, financing, and operation of the Fund and other matters related to the production of housing for low-income, very low-income, and extremely low-income households.” The Board is authorized by law to “review the uses of the Fund for their conformity with the purposes of this chapter,” and the Board “shall have reasonable access to records related to the Fund to perform this review.” Board members are

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<sup>33</sup> See DHCD, 2023 Low Income Housing Tax Credit Qualified Allocation Plan Draft, at 32 (Feb. 3, 2023), available at <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/2-3-2023%202023%20DRAFT%20Qualified%20Allocation%20Plan.pdf>.

<sup>34</sup> D.C. Mun. Regs. tit. 10, 25-1 (2023); see also Office of Planning, Comprehensive Plan Volume 3 Chapter 25: Implementation Element, at 25-55 (Aug. 21, 2021), available at [https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/25\\_Implementation\\_0.pdf](https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/25_Implementation_0.pdf).

<sup>35</sup> DHCD does not currently have project by project data on accessible units. See DHCD, Performance Oversight Responses FY2022 and FY2023 YTD, at 23 (Feb. 10, 2023), available at <https://dccouncil.gov/wp-content/uploads/2023/02/Pre-Hearing-Responses-DHCD.pdf>.

appointed by the Mayor, with the advice and consent of the Council, and serve a maximum of two 4-year terms.

As of the date of this report, the Board’s composition is as follows:

HPTF Advisory Board Membership				
Current Member	Term Expiration	Statutory Description	Appointment Status	Ward
<b>Susanne Slater (Chairman)</b> <sup>36</sup> President and CEO for Habitat for Humanity of Washington, DC	01/14/2025	One member shall be a representative of the financial services industry	Active (Reappointment)	3
<b>Chapman Todd</b> <sup>37</sup> Principal of the Jaydot LLC consulting firm	01/14/2023	One member shall be a representative of the nonprofit housing production community	Active – expired	3
<b>Lynn French</b> <sup>38</sup> Executive Director of Hope and a Home	01/14/2023	One member shall be a representative of an organization that advocates for the production, preservation, and rehabilitation of affordable housing for lower-income households	Active – expired	1
<b>Charles R. Lowery</b> <sup>39</sup> Director of State Regulatory Relations at Ocwen Financial Corporation	01/14/2025	Three members shall have significant knowledge of an area related to the production, preservation, and rehabilitation of affordable housing for lower-income households	Active (Reappointment)	4
<b>Vacant</b>	N/A		Inactive	N/A
<b>Vacant</b>	N/A		Inactive	N/A
<b>Vacant</b>	N/A	One member shall be a representative of the for-profit housing production industry	Inactive	N/A
<b>Vacant</b>	N/A	One member shall be a representative of the low-income tenant association	Inactive	N/A
<b>Vacant</b>	N/A	One member shall be a representative of an organization that advocates for people with disabilities	Inactive	N/A

At the March and April 2023 HPTF Advisory Board meetings, DHCD discussed the importance of filling the vacant seats, particularly to assist with advising on how best to allocate the significantly fewer funds going into the HPTF in fiscal year 2024. The Committee supports DHCD’s goal of filling the HPTF Advisory Board vacancies as soon as possible. Based on what the Committee has heard from residents, it is especially crucial that low-income tenant associations and people with disabilities are at the table to lend their perspective on the viability of HPTF-funded projects and the need for adjustments to HPTF-related matters that may not presently meet their communities’

<sup>36</sup> <https://lims.dccouncil.gov/Legislation/PR24-0185>.

<sup>37</sup> <https://lims.dccouncil.gov/Legislation/PR23-0917>.

<sup>38</sup> <https://lims.dccouncil.gov/Legislation/PR22-1087>.

<sup>39</sup> <https://lims.dccouncil.gov/Legislation/PR24-0186>.



needs. It is imperative for the Board as a collective to create solutions with DHCD so the District can comply with its HPTF spending benchmarks for extremely low-income, very low-income, and low-income households. ***By the end of fiscal year 2023, DHCD should fill the 5 vacant positions of the HPTF Advisory Board and ensure that all existing HPTF Advisory Board members are serving unexpired terms.***

I. HOUSING PRODUCTION TRUST FUND SUBSIDY (HP0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Paymts.	0.00	0.00	31,936,776.00	31,936,776.00	0.00
Local	166,684,444.00	354,197,301.00	0.00	0.00	0.00
<b>Gross</b>	<b>166,684,444.00</b>	<b>354,197,301.00</b>	<b>31,936,776.00</b>	<b>31,936,776.00</b>	<b>0.00</b>

POLICY RECOMMENDATIONS FOR HPTF SUBSIDY

See the chapters in this report on the Department of Housing and Community Development (DHCD) and the Housing Production Trust Fund (HPTF) for corresponding policy recommendations related to the Housing Production Trust Fund Subsidy (HPTF Subsidy).

AGENCY MISSION AND OVERVIEW

The HPTF Subsidy is not a separate legal entity nor a standalone agency. The HPTF Subsidy budget chapter solely shows any transfer of Local or other funds to the HPTF. In fiscal year 2007, the District created this subsidy account for the HPTF to show the annual transfer of dedicated deed recordation and deed transfer taxes from the District’s General Fund to the HPTF. In total, 15% of these tax revenues are dedicated to the HPTF. Beginning in fiscal year 2013, these tax revenues were deposited directly into the HPTF. Now, the HPTF Subsidy reflects only any additional local or other funds transferred to the HPTF, on top of the routine deposit of dedicated tax revenues.

OPERATING BUDGET ANALYSIS

The funding in this HPTF Subsidy chapter reflects the Mayor’s proposed transfer of \$31,936,776 in Coronavirus Relief funds from the American Rescue Plan Act (ARPA) into the Housing Production Trust Fund. Compared to fiscal year 2023, this is a 91% reduction of funds transferred into the HPTF. Combined with dedicated taxes and Enterprise funds, the Mayor proposed a total of \$100 million in the Housing Production Trust Fund for fiscal year 2024, as discussed in the HPTF budget chapter – a 77.5% reduction from the total fiscal year 2023 HPTF funding. While DHCD has stated it expects to close on all projects currently in the development pipeline even with the reduction, the Committee acknowledges the impact such a significant decrease will have on the District’s ability to produce and preserve affordable housing in fiscal year 2024.

For additional analyses on HPTF, please visit the Housing Production Trust Fund chapter of this report.

J. HOUSING AUTHORITY SUBSIDY (HY0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Local	169,156,065.09	185,662,685.64	185,551,082.00	186,370,760.00	819,678.00
<b>Gross</b>	<b>169,156,065.09</b>	<b>185,662,685.64</b>	<b>185,551,082.00</b>	<b>186,370,760.00</b>	<b>819,678.00</b>

HOUSING AUTHORITY SUBSIDY CAPITAL									
Project	Scenario	Unspent as of 03/21/2023	FY24	FY25	FY26	FY27	FY28	FY29	Sum FY24-29
DEVELOPMENT AND REHABILITATION - DCHA	Existing Balances	\$60,027,944.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$54,330,563.00	\$61,201,333.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115,531,896.00
	<b>Total</b>	<b>\$60,027,944.36</b>	<b>\$54,330,563.00</b>	<b>\$61,201,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$115,531,896.00</b>
<b>HOUSING AUTHORITY SUBSIDY Total</b>		<b>\$60,027,944.36</b>	<b>\$54,330,563.00</b>	<b>\$61,201,333.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$115,531,896.00</b>

## POLICY RECOMMENDATIONS FOR DCHA

The Committee recommends that the District of Columbia Housing Authority (DCHA) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. DCHA should cooperate with the Office of the Inspector General in implementation of the Budget Support Act subtitle recommended by the Committee to conduct an annual public financial audit of DCHA, consistent with the Annual Comprehensive Financial Report that covers other District agencies.
2. DCHA executive leadership should review federal guidance materials on fraud, waste, and abuse prevention and private sector best practices on enterprise risk management, and should present the Stabilization and Review Board and this Committee with a plan to cultivate the utmost internal integrity and external public trust.
3. DCHA should not defund or otherwise inhibit the work of its internal ethics and compliance officials.
4. As DCHA continues to work to turn its Stabilization and Review Board-approved Administrative Plan, Admissions and Continued Occupancy Plan, Moving to Work plan amendment, and other policy documents into updated DC Municipal Regulations, DCHA should meet frequently with residents and local non-governmental experts in housing and homeless services policy to help evaluate the updated rules for administrative feasibility, fairness, and the possibility for unintended consequences.
5. As DCHA continues to update its Administrative Plan, Admissions and Continued Occupancy Plan, and other policy documents, DCHA should pay close attention to applicable requirements of District law and should promptly provide public notice of any rights and obligations that were omitted from earlier drafts.
6. In the event of ambiguity as to the applicability of District law to scenarios addressed in DCHA policies, DCHA should notify the Committee for assistance securing guidance from the Council Office of the General Counsel or from the Office of the Attorney General.
7. To help build public confidence in DCHA's ability to handle complex administrative workflows promptly and accurately, DCHA should share additional details of its plans to improve performance.
8. To the extent DCHA encounters resource constraints that impede its ability to handle existing obligations and added tasks under its newly revised policies, executive leadership should notify the Stabilization and Review Board, the Mayor's administration, and this Committee immediately so that the District government can evaluate possible ways to help.
9. DCHA should confer with the Committee and its legal and budget advisors, as well as experts in the Mayor's administration and the Office of the Attorney General, to evaluate existing practices around DCHA's submission of federally funded contracts involving expenditures in excess of \$1 million per year to the Council for review.
10. The Council should approve the Committee's proposed Budget Support Act subtitle that, among other things, makes clear that DCHA leaders are expected to adhere to limits on bonus pay

that apply to other District government employees, even if their compensation is not paid from local funds.

11. The federal government, the full Council, and the Mayor’s administration should come together and identify additional supports for the District’s public housing program.

12. DCHA leadership should explore ways to help property-level public housing staff review “open” maintenance work orders and resolve those records that have actually been completed—while also taking care to ensure that completed work was done to a high standard of quality before closing out tickets.

13. As DCHA continues with its Urgent Needs Campaign of public housing inspections and repairs, DCHA should conduct quality assurance for consistency in inspections, should maintain careful records of its inspection findings, and should compile those findings in a format that supports deep data analysis to guide future decisions regarding the direction of the public housing program.

14. DCHA leadership should continue to update the Stabilization and Review Board and this Committee in detail on the progress of the Urgent Needs Campaign and brief the Stabilization and Review Board and this Committee on the decision-making framework guiding its prioritization of repair and maintenance projects.

#### AGENCY MISSION AND OVERVIEW

DCHA is an independent agency of the District government, meaning that it has additional powers and responsibilities beyond those typically available to subordinate agencies in the Mayor’s administration.<sup>40</sup> Its mission statement reads: “[DCHA] provides quality affordable housing to extremely low- through moderate-income households, fosters sustainable communities, and cultivates opportunities for residents to improve their lives.”<sup>41</sup> The agency is involved in providing housing assistance to over 25,000 District households.

DCHA’s legal existence and basic governance structure flow from the *District of Columbia Housing Authority Act of 1999*, which abolished a troubled predecessor public housing authority and established DCHA in its place. Under that legislation, DCHA’s executive leadership is subject to the oversight and direction of a board of commissioners, as is standard practice for federally recognized public housing authorities.

In December 2022, Mayor Bowser introduced the *Housing Authority Stabilization and Reform Emergency Amendment Act of 2022*. As amended and passed by the Council, this legislation replaced the former governing board with a Stabilization and Reform Board (STAR Board) for a period of 2 years. For reasons discussed in the next section, the STAR Board is tasked with special short-term responsibilities, including preparing recommendations for the agency’s long-term governance structure and selecting its next Executive Director. The STAR Board currently consists of the individuals listed below.

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<sup>40</sup> See, e.g., D.C. Official Code § 6-203(11) (allowing DCHA to sue and be sued in its own name).

<sup>41</sup> Affordable housing policymakers and experts use terms like “extremely low-income” and “moderate-income” to mean different things in different contexts. According to written oversight responses provided to the Committee on April 7, 2023, DCHA generally uses these terms consistent with the federal Department of Housing and Urban Development levels published at <https://www.huduser.gov/portal/datasets/il.html>.

DCHA STAR Board Members	
Name	Statutory Qualification
Raymond A. Skinner	“experience in housing development or operations”; <b>chairperson</b>
James M. Dickerson	“experience in affordable housing development, operations, or finance”
Christopher Murphy	“knowledge of federal housing law and regulation”
Melissa Lee	“experience in capital project financing”
Denise Blackson	“resident of a property owned, operated, and managed by the Authority”
Ronnie Harris	“experience as a voucher holder”
Theresa Silla	“Executive Director of the Interagency Council on Homelessness”
Jennifer Reed	“Director of the . . . Office of Budget and Performance Management”
Katrina D. Jones	“experience in government procurement”
Leroy Clay III	“designee of the Chief Financial Officer”; <b>non-voting</b>
Rosa Burbridge	“President of the City-Wide Resident Advisory Board”; <b>non-voting</b>

According to the minutes of the STAR Board’s annual meeting on January 25, 2023,<sup>42</sup> the STAR Board currently maintains the following standing committees chaired by the following individuals: Budget, Audit, and Finance (Commissioner Reed); Capital Projects (Commissioner Murphy); Operations and Administrative Services (Commissioner Jones); and Resident Services (Commissioner Blackson).

The DCHA Board has long possessed the authority to hire the agency’s top executive. In 2021, Brenda Donald became Executive Director on an interim basis and then entered into a 2-year employment contract with the then-chairperson of the DCHA Board, pursuant to an authorizing resolution approved at the Board’s August 2021 meeting.<sup>43</sup>

In fiscal year 2022, approximately \$9.8 million in local funds supported 161 DCHA employees, according to a “Schedule A” personnel roster provided on February 24, 2023. However, according to a comprehensive organization chart provided to the Committee on April 7, 2023 (covering all personnel rather than just those positions reliant on local funding), DCHA has over 900 employees across several divisions.

DCHA is responsible for the local implementation of the federal Housing Choice Voucher (HCV) program as well as several important locally funded programs that operate on similar principles. Namely, HCVs and other housing vouchers cover a portion of the cost when participating low-income households rent housing units from owners other than the District government. The Eligibility and Continued Occupancy Division (ECOD) and HCV Program division – both of which report to the same Senior Vice President – manage these housing subsidy programs.

As of December 2022, DCHA reports that **12,170** households were using HCVs (again, federally funded vouchers) to help them afford rental housing units in the District. Meanwhile, District taxpayers fund additional housing supports through the Local Rent Supplement Program (LRSP). A total of **7,147** households were receiving various forms of LRSP housing supports from the District through DCHA as of December 2022. Supports under the LRSP umbrella include tenant-based voucher programs, which can follow a tenant from unit to unit like HCVs; permanent supportive housing (PSH), in which a partner organization provides support services to the voucher recipient; and targeted affordable housing (TAH), in which a partner organization provides a more

<sup>42</sup> [https://www.dchousing.org/api/files/board/8107dy3g\\_wvuj13z5496jmucwtkf496.pdf](https://www.dchousing.org/api/files/board/8107dy3g_wvuj13z5496jmucwtkf496.pdf).

<sup>43</sup> See DCHA Board of Commissioners Resolution 21-13, [https://www.dchousing.org/api/files/board/f8dbpj94\\_uw0urril186v1vue11z186.pdf](https://www.dchousing.org/api/files/board/f8dbpj94_uw0urril186v1vue11z186.pdf).

limited range of support services for families or individuals. The District also budgets tens of millions of LRSP dollars per year for project- and sponsor-based subsidies, which help encourage the development of affordable housing. For budgeting purposes, these funds all flow through DCHA, though other District agencies handle a substantial share of the work in some cases (such as project-based subsidies, which are awarded through competitive processes that DHCD manages, or permanent supportive housing, for which DHS provides coordination with external case managers). Large teams of inspectors, eligibility specialists, and other professionals report to the head of HCV and ECOD and manage aspects of both federally and locally funded programs.

As a federally recognized public housing authority, DCHA also receives federal funding pursuant to an Annual Contributions Contract (ACC) with the federal Department of Housing and Urban Development (HUD). DCHA uses this federal funding to support its portfolio of 45 public housing communities. Within DCHA, the Property Management Operations division manages the ongoing operation of public housing in the District of Columbia, while the Office of Capital Programs handles major capital projects. According to performance oversight responses that DCHA sent to the Committee in late February 2023, at that time there were a total of **6,431** housing units in traditional public housing communities (those dedicated entirely to housing lower-income residents) and 7,389 people lived in these communities. As detailed further in the Capital Budget Analysis section of this chapter, the District government has had to contribute substantial capital resources from District taxpayers in an attempt to help make up for a longstanding pattern of federal underinvestment in traditional public housing.

Within the Property Management Operations division, an Office of Resident Services reports to the Senior Vice President, while a Director of Resident Engagement reports directly to DCHA's Executive Director. The District government also contributes millions of operating dollars per year to help DCHA maintain a police force, the Office of Public Safety, that patrols public housing communities. The Chief of Police for DCHA reports directly to the Executive Director.

For several decades, HUD has been pushing public housing authorities across the country to pursue development and redevelopment projects that move away from the original public housing model and rely on a mix of financing sources. According to a dataset that DCHA provided to the Committee on April 7, 2023, federal ACC funds currently support **1,747** additional public housing units scattered across 29 mixed-finance housing communities (some of which resulted from redevelopment on the sites of former traditional public housing).

A small team of internal audit professionals comprises the Office of Audit and Compliance, whose Vice President reports directly to the Executive Director and STAR Board. This team is responsible for investigating tips and preparing reports when allegations of improper or unlawful behavior come to the attention of senior leadership. The Senior Vice President in charge of the Office of the General Counsel also reports directly to the Executive Director.

Several important administrative divisions, including Human Resources, Information Technology, Financial Management, and the Office of Administrative Services (responsible for procurement), report to the Chief Operating Officer (COO). The COO also oversees the work of the Americans with Disabilities Act and Section 504<sup>44</sup> compliance division, as well as the Office of Fair Hearings that handles certain administrative disputes.

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<sup>44</sup> See HUD, "Section 504: Frequently Asked Questions" (last visited Apr. 19, 2023), [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/disabilities/sect504faq](https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/sect504faq).

Finally, the Office of Customer Engagement reports to the Chief of Staff, who also oversees various agency-wide performance initiatives.

## OPERATING BUDGET ANALYSIS

The creation of the STAR Board in December 2022 was part of the District government’s response to a series of crises at DCHA. The arrival of the COVID pandemic in our region in early 2020 required massive operational changes across the entire District government, and the Committee has no doubt that DCHA leaders and staff at the time worked hard to make the transition as smooth as possible. However, the pandemic appears to have disrupted important functions such as inspections and rent collection particularly badly. Housing service professionals have observed that longstanding concerns about the agency’s responsiveness and efficiency intensified dramatically in the early months of the pandemic and have remained unsatisfactory ever since.

In October 2021, DCHA’s board chair resigned amid concerns about a conflict of interest.

In March 2022, HUD representatives conducted an onsite review of DCHA’s main federally funded activities, the public housing and HCV programs. HUD’s report on that assessment,<sup>45</sup> which became publicly available in October 2022,<sup>46</sup> painted a grim picture. HUD highlighted “five principal issues” that affected the HCV and public housing programs, leading to dozens of findings, observations, and recommendations. The 5 principal issues were:

- Inadequate oversight, management and tracking of critical ‘Financial Management and Procurement’ functions and indicators . . . ;
- Inadequate management and knowledge of property management functions including compliance with HUD rules and regulations . . . ;
- Inadequate management and knowledge of HCV program functions including compliance with HUD rules and regulations . . . ;
- Poor oversight of DCHA policies and operations, by DCHA’s Board of Commissioners and Executive Leadership . . . ; and,
- DCHA’s failure to provide decent, safe, and sanitary housing opportunities for residents . . . .

In October 2022, the Inspector General of the District of Columbia released a separate report highlighting deficiencies in DCHA’s effectiveness, internal controls, and compliance with District law.<sup>47</sup>

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<sup>45</sup> [https://www.dchousing.org/wordpress/wp-content/uploads/2022/10/DCReview\\_Final-9302022.pdf](https://www.dchousing.org/wordpress/wp-content/uploads/2022/10/DCReview_Final-9302022.pdf).

<sup>46</sup> See Steve Thompon and Michael Brice-Saddler, “D.C. Housing Authority’s leadership is failing, HUD report says,” WASHINGTON POST (Oct. 7, 2022, 7:30 PM), <https://www.washingtonpost.com/dc-md-va/2022/10/07/hud-report-dcha-failures/>.

<sup>47</sup> <https://www.dchousing.org/wordpress/wp-content/uploads/2022/10/OIG-Final-Report-No.-22-1-02HY-DCHA-Financial-and-Program-Management-of-District-Housing-Subsidies.pdf>.



On November 29, 2022, DCHA released its initial 60-page response to the HUD assessment, laying out a plan for demonstrating substantial progress toward resolving HUD’s concerns. The initial response and some related documents are currently available on DCHA’s website.<sup>48</sup>

DCHA’s situation remains critical, as public witness testimony throughout recent months demonstrates. The Committee will continue to delve into DCHA operations. This chapter addresses some of the most pressing concerns.

### *Financial Transparency and Organizational Integrity*

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As the Agency Mission and Overview section of this chapter makes clear, the federally and locally funded aspects of DCHA’s work are highly complementary and interwoven. And although a large share of DCHA’s important work relies on federal funding and is subject to federal oversight, the agency is ultimately a creation and instrumentality of the District government. In 2011, the Attorney General of the District formally opined that “it is absolutely clear that the financial affairs of the DCHA, including the funds it holds in a fiduciary capacity from the federal government, must be under the supervision and control of the District CFO.”<sup>49</sup> The Attorney General noted that under the Home Rule Act, the Council could not have created an agency exempt from Congressional directives applicable to our government even if it had tried.

Despite this directive, OCFO has made a practice of excluding most of DCHA’s finances from the budget proposals it certifies for the Council’s consideration each year. The relevant budget proposal chapter is titled “Housing Authority **Subsidy**” (emphasis added). It lists the District’s operating contributions to various LRSP subsidies, to the Office of Public Safety, and to certain relatively small special programs, as well as capital contributions to public housing, but it does not encompass vital programs like the HCV program or the personnel involved in administering the public housing program outside of major construction projects. And the CFO’s position appears consistent with how DCHA views its own relation to the District budget process: as noted earlier in this chapter, fewer than 200 out of DCHA’s approximately 900 employees appeared in the latest “Schedule A” personnel roster, “which lists DCHA positions funded by local dollars.”

In its 2022 assessment report, HUD highlighted that the public housing program is not operating in a financially sustainable manner and emphasized the importance of improved board oversight of financial matters. Accordingly, at recent STAR Board meetings, board leadership and executive leadership have indicated that the relevant committee of the STAR Board is to receive more detailed financial reporting, rather than simply the consolidated financials that the DCHA board has historically received. This is an important step toward sound financial management. The Committee believes that the Council should also play a role in monitoring the agency’s overall financial health. Notably, federal policy applies varying levels of constraints to public housing units’ use of the funds that HUD pays to public housing authorities. For example, HUD is relatively permissive as to the use of certain “defederalized” funds derived from lump sum fees. But this is a separate question from whether DCHA, as an instrumentality of the District’s Home Rule government, is totally free to spend those funds without Council appropriation and oversight.

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<sup>48</sup> <https://www.dchousing.org/wordpress/about-us/reports/>

<sup>49</sup> Acting Attorney General Irvin B. Nathan, “Authority of the District of Columbia Chief Financial Officer Over the Financial Functions and Financial Personnel of the District of Columbia Housing Authority” (Feb. 8, 2011), <https://oag.dc.gov/sites/default/files/2018-02/Opinion-July-2014-Housing-Authority.pdf>.

15. In 2019, Councilmember Nadeau responded to performance and transparency issues at DCHA by introducing the *District of Columbia Housing Authority Amendment Act of 2019*, which would have terminated DCHA's status as an independent agency altogether. The Committee appreciates the proposal but is not prepared to pursue a similar approach at this time. Instead, the Council should subject DCHA's full finances to an annual audit managed by the Office of the Inspector General. ***DCHA should cooperate with the Office of the Inspector General in implementation of the Budget Support Act subtitle recommended by the Committee to conduct an annual public financial audit of DCHA, consistent with the Annual Comprehensive Financial Report that covers other District agencies.***

Some of the first deficiencies discussed in HUD's assessment report deal with agency governance. Consistent with emergency legislation that the Council passed last fall, the board and executive leadership have followed a recurring training program focused on compliance with federal expectations for public housing authorities. The agency's relationship to the Council has also shifted in the wake of the HUD report. In response to a standing request from the Committee, Director Donald has shared a series of internal audit reports with the following dates and subjects:

- July 28, 2022, regarding a public housing resident's allegations of substandard maintenance and violations of a temporary protection against evictions.
- August 4, 2022, regarding allegations including inadequate monitoring of contractor performance; accompanied by management comments.
- September 23, 2022, regarding allegations including improperly procured services and circumvention of procurement oversight protocols.
- September 30, 2022, regarding allegations of improper conduct by a public housing resident leader.
- November 1, 2022, regarding allegations including improperly procured services.
- January 21, 2023, regarding allegations including that a DCHA voucher program employee placed residents in affordable housing without adhering to New Communities Initiative prioritization protocols for former public housing residents.
- March 3, 2023, regarding allegations including that DCHA voucher program employees conspired with a landlord to steer voucher-supported residents to the landlord's property; accompanied by a summary of agency management's corrective action plans.

DCHA leadership included updates on some of these matters in its February 24, 2023, performance oversight responses, and others have been discussed in subsequent committee hearings and in the press.

Several of the incidents described in these reports appear consistent with an internal agency culture where staff expect that unethical or unlawful behavior will not be detected and punished. Tweaks to singular processes, such as conflict of interest disclosures for new employees, are necessary but not sufficient responses to this broader problem. Yet at the Committee's April 10, 2023, budget oversight hearing, agency leadership expressed a belief that it would not be productive or feasible to engage in a wide-ranging effort to root out instances of unethical conduct, and further, that there was little left for the agency to do to create an internal culture of compliance and integrity. The Committee finds this difficult to square with public witness testimony about misleading backdating of materials or with Council constituent services professionals who share that numerous

residents believe agency personnel have diverted agency and resident funds for personal gain. To reiterate, ***DCHA executive leadership should review federal guidance materials on fraud, waste, and abuse prevention and private sector best practices on enterprise risk management, and should present the STAR Board and this Committee with a plan to cultivate the utmost internal integrity and external public trust.*** In the meantime, as executive leadership prepares its fiscal year 2024 budget, ***DCHA should not defund or otherwise inhibit the work of its internal ethics and compliance officials.***

### ***Policy Overhauls and Staff Capacity***

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As a federally recognized public housing authority, DCHA is expected to maintain both an Administrative Plan regarding its HCV program activities and an Admissions and Continued Occupancy Plan (ACOP) regarding its administration of the public housing program. In addition, DCHA participates in a special regulatory framework known as Moving to Work (MTW), which involves distinctive flexibilities contingent on completing certain reports and adhering to certain safeguards. DCHA submits a MTW planning document to HUD for each fiscal year. All of these policy documents provide important guidance and transparency for the public, including both residents, who need to understand their basic rights and obligations, and legal practitioners and other advocates, who rely on a shared set of rules of the road to be able to help resolve disputes with the agency. DCHA's policy documents should reflect the extensive technical requirements that Congress and HUD impose on public housing authorities in the administration of public housing programs and HCV programs. They should also reflect DCHA's affirmative policy choices in the various areas where federal authorities leave public housing authorities some discretion. And since DCHA is an instrumentality of the District government, these plans must also conform to District laws and those District government policies that apply to independent agencies, to the extent those laws and policies are not clearly superseded by federal law.

The 2022 HUD assessment report details extensive concerns about DCHA's Administrative Plan, ACOP, and MTW plan, including concerns that these documents do not conform to federal requirements as well as concerns that DCHA is not carrying out its programs according to the existing documents. DCHA's written response from November 2022 laid out an aggressive plan for revisiting policies, issuing proposed updates, and securing board approval, all in time to demonstrate substantial progress to HUD by the end of May 2023. DCHA engaged a national housing policy consulting firm, Nan McKay and Associates, to help rebuild its central policy documents from the ground up and held a series of meetings with public housing residents and other engagement opportunities after releasing draft policies in February 2023. Written public comments were accepted through March 31, 2023. On April 12, 2023, the STAR Board voted to approve modified versions of the Administrative Plan, ACOP, MTW plan, and language access policy, all of which are available at <https://www.dchousing.org/wordpress/about-us/moving-to-work/> as of the date of this report.

The Committee recognizes the tremendous amount of effort that DCHA executive leadership, staff, and STAR Board members have exerted in order to produce over 1,400 pages of updated policy documents under intense federal scrutiny and on an accelerated timeframe.

The Committee also appreciates the work of public housing residents, and of local non-governmental organizations serving lower-income tenants and people experiencing homelessness, who collaborated to review the proposed rules quickly and produce extensive, thoughtful commentary before the March 31 deadline. In a joint letter raising various concerns with DCHA's policy revision proposals, representatives of several local housing service and advocacy organizations noted that previous rewrites of DCHA's voucher and public housing regulations involved near-

weekly meetings over a period of years to evaluate regulatory text line by line.<sup>50</sup> They expressed serious concern that many of the intricate considerations that had informed that prior rewrite seemed not to have carried forward into the new policy documents. ***As DCHA continues to work to turn its STAR Board-approved Administrative Plan, ACOP, MTW plan amendment, and other policy documents into updated DC Municipal Regulations, DCHA should meet frequently with residents and local non-governmental experts in housing and homeless services policy to help evaluate the updated rules for administrative feasibility, fairness, and the possibility for unintended consequences.***

Local human rights litigators and tenant advocates have also pointed out instances where the February 2023 drafts of DCHA’s policy reform proposals appeared to incorporate language from a consultant template that was prepared with only HUD requirements in mind – and that did not fully incorporate important anti-discrimination laws and other protections that are distinctive to the District of Columbia, but are nonetheless binding on DCHA and the other landlords who participate in its programs. ***As DCHA continues to update its Administrative Plan, ACOP, and other policy documents, the agency should pay close attention to applicable requirements of District law, and should promptly provide public notice of any rights and obligations that were omitted from earlier drafts. In the event of ambiguity as to the applicability of District law to scenarios addressed in DCHA policies, DCHA should notify the Committee for assistance securing guidance from the Council Office of the General Counsel or from the Office of the Attorney General.***

The Committee also shares the concern, voiced in policy proposal comments and budget oversight hearing testimony, that many of the proposed changes to the ACOP and Administrative Plan threaten to place additional administrative burdens on the agency at a time when its staff already appear to struggle to meet expectations regarding timely and accurate completion of important processing tasks or to manage residents’ records in a diligent and orderly manner. In response, Director Donald has highlighted some ongoing efforts to improve administrative efficiencies, as well as plans for upcoming intensive training for staff on how to follow the newly overhauled policies. ***To help build public confidence in DCHA’s ability to handle complex administrative workflows promptly and accurately, DCHA should share additional details of its plans to improve performance. To the extent DCHA encounters resource constraints that impede its ability to handle existing obligations and added tasks under its newly revised policies, executive leadership should notify the STAR Board, the Mayor’s administration, and this Committee immediately so that the District government can evaluate possible ways to help.***

In addition to the other policy documents discussed in this section, DCHA has worked to update its procurement policy and regulations to address concerns in both the HUD assessment and OIG’s latest report on the agency. The *District of Columbia Housing Authority Act of 1999* contemplated that DCHA would send formal procurement regulations to the Council for passive approval “in whole or in part” over 22 years ago.<sup>51</sup> The Committee appreciates that current executive

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<sup>50</sup> Letter from Rebecca Lindhurst, Bread for the City; Kathy Zeisel and Makenna Osborn, Children’s Law Center; Daniel del Pielago, Empower DC; Amanda Korber and Sam Koshgarian, Legal Aid of the District of Columbia; Sunny Desai and Elizabeth Butterworth, Legal Counsel for the Elderly; Catherine Cone, Washington Lawyer’s Committee for Civil Rights and Urban Affairs; Brittany K. Ruffin, Washington Legal Clinic for the Homeless; and Kate Scott, Equal Rights Center, to Executive Director Brenda Donald, DCHA, re “Comments on the proposed Administrative Plan and the Admissions and Continued Occupancy Plan” (March 31, 2023) (on file with the Committee).

<sup>51</sup> See D.C. Official Code § 6-219.

leadership is attending to this long overdue task. Changes to the agency’s procurement practices have received multiple rounds of STAR Board approval, and updated regulations are currently pending before the Council with a deemed-approved date of June 1, 2023.<sup>52</sup>

One provision of these rules merits the Council’s close attention. In proposed 14 DCMR § 7200.1, DCHA claims that the Council “has determined that D.C. Code, §1-204.61 and §2-352.02, which require D.C. Council approval of contracts in excess of one million dollars (\$1,000,000) and of contracts that are multi-year, does not apply to DCHA procurements involving Federal Funds.” The Committee believes the first statutory citation was intended to refer to D.C. Official Code § 1-204.51(b)(1). The Committee emphasizes that this provision is part of the Home Rule Act and cannot be modified or disregarded except at Congress’s direction. The Committee has requested further analysis on this point, but the Chairperson and staff anticipate that it will be necessary to strike this language from the proposed regulations. ***DCHA should confer with the Committee and its legal and budget advisors, as well as experts in the Mayor’s administration and Office of the Attorney General, to evaluate existing practices around DCHA’s submission of federally funded contracts involving expenditures in excess of \$1 million per year to the Council for review.***

### ***Executive Compensation***

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As part of DCHA’s February 24, 2023, performance oversight pre-hearing disclosures, the agency provided a list of 16 performance bonuses that the agency had paid to executive officers in FY 2023 to date. Among them was a \$41,250 bonus to Director Donald. When Committee staff sent inquiries about the legal basis and procedural background behind the bonus award, Director Donald, her staff, and STAR Board Chair Raymond Skinner made clear that they regarded these details as confidential personnel matters. They largely rebuffed repeated inquiries. Additional details have emerged, but these details do not inspire confidence that the bonus payment received the level of board approval that the Committee would expect.

One detail of the bonus dispute merits particular attention in the context of the Council’s budget deliberations. Under the *Bonus Pay and Special Awards Pay Act of 2016*, funds “appropriated to any agency, department, unit, or instrumentality of the District of Columbia government” may only be used for bonus pay if the bonus pay is awarded as part of a program meeting detailed requirements—including that the bonus cannot exceed 10% of the employee’s base pay.<sup>53</sup> Meanwhile, federal law caps compensation for public housing authority executives paid with federal funds at certain levels<sup>54</sup> well below the \$275,000 base salary that Director Donald reported in February of this year. DCHA explained that the source of the Executive Director’s compensation was neither federal funding nor local funding, so it was not subject to either of these limits; rather, the compensation was paid from defederalized funds.

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<sup>52</sup> See PR24-141, the *District of Columbia Housing Authority Procurement Regulations Approval Resolution of 2023*.

<sup>53</sup> See D.C. Official Code §§ 1-551.02, 1-551.03(b)(7).

<sup>54</sup> See Pub. L. 112-55 § 234(a) (“None of the funds made available . . . under section 8 (only with respect to the tenant-based rental assistance program) and section 9 . . . may be used . . . for any amount of salary . . . that exceeds the annual rate of basic pay . . . at level IV of the Executive Schedule . . . .”); see also “Salary Table No. 2022-EX: Rates of Basic Pay for the Executive Schedule (EX),” <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/EX.pdf> (setting Level IV compensation at \$176,300).

To address these concerns going forward, *the Council should approve the Committee’s proposed Budget Support Act subtitle that, among other things, makes clear that DCHA leaders are expected to adhere to limits on bonus pay that apply to other District government employees, even if their compensation is not paid from local funds.*

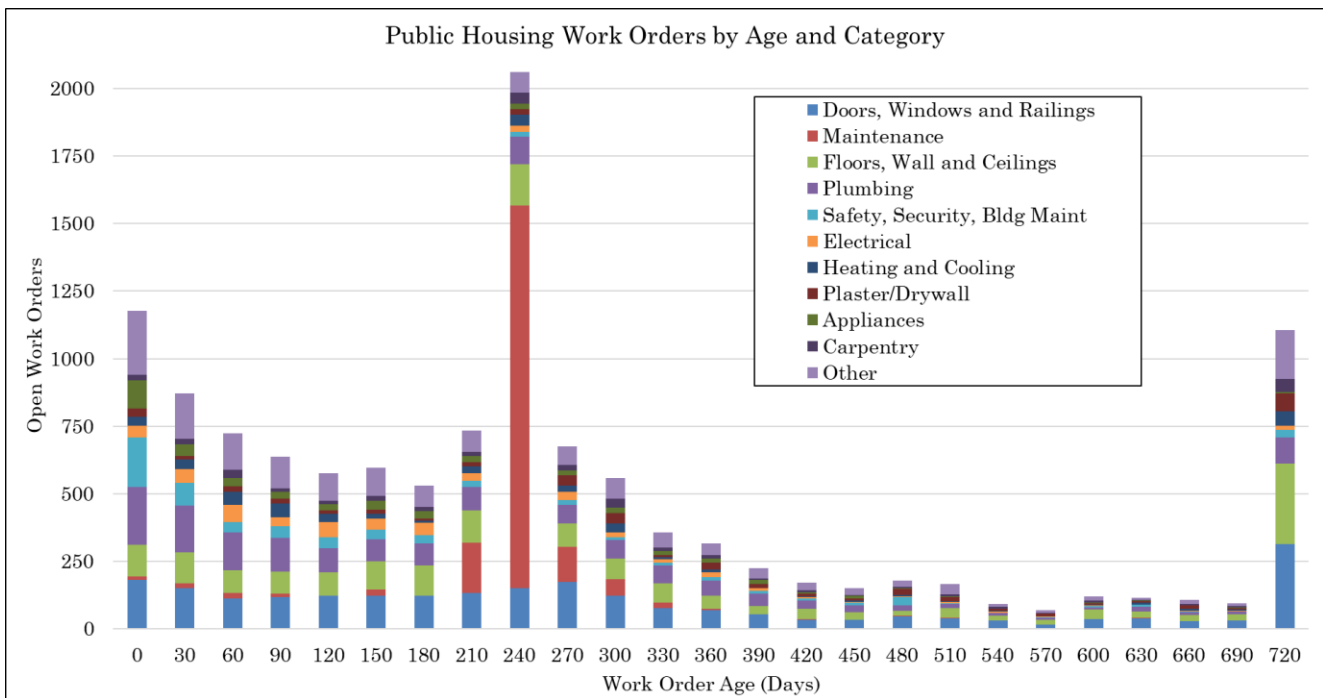
### CAPITAL BUDGET ANALYSIS

DCHA’s capital portfolio consists primarily of 45 public housing sites. In 2019, then-Executive Director Tyrone Garrett testified that DCHA would need \$2.2 billion over a 17-year period to restore all public housing units to good condition. More recently, in 2021, DCHA worked with OCFO to conduct a systematic Physical Needs Assessment, and they concluded DCHA would require approximately **\$1.03 billion** over 20 years in order to keep the District’s public housing stock in safe and habitable condition. In a presentation in March 2023, DCHA executive leadership noted that this estimate did not take into account the startling inflation recently afflicting the US economy, so the real need is likely greater. DCHA also shared that they expected about **\$9 million** per year from HUD. Even if this flow of federal funds remains steady, it will amount to just \$180 million over 20 years.

In short, there is a vast gulf between the level of investment that District public housing needs and the level of support that the federal government is offering. Concerningly, the proposed Capital Improvement Plan features modest increases in funding for DCHA in FY 2024 and FY 2025—followed by no investments at all in subsequent fiscal years. The Committee is gravely concerned by the lack of a long-term plan to maintain public housing in safe and comfortable condition consistent with District residents’ right to dignified housing. *The federal government, the full Council, and the Mayor’s administration should come together and identify additional supports for the District’s public housing program.*

Languishing public housing unit vacancies were a key finding in the 2022 HUD assessment. And according to a vacancy spreadsheet that DCHA provided to the Committee on April 10, 2023, there were still 2,124 units considered vacant for HUD tracking purposes. This total included over 1,200 units marked “vacant – down,” which DCHA has explained means the unit is “to be placed in [modernization] or [demolition] list.” On the other hand, 131 units were marked “vacant – lease up,” meaning that tenants had selected these units and were preparing to move in. The most urgent category, “vacant – make ready,” still included 666 units. Many of the public housing units that sit vacant today are vacant because they are uninhabitable due to serious deterioration.

A closely related HUD assessment finding dealt with backlogged public housing work orders. After HUD completed their onsite assessment in March 2022, but before its report became public, DCHA conducted a “summer blitz” that reportedly resulted in the completion of over 10,000 open work orders. Meanwhile, new work orders continue to stream in. The graph below shows how many days public housing work orders in various categories were listed as open as of early April 2023. The total number of open work orders at that time was 12,410.



A major spike of over 2,000 work orders that have been open for between 240 and 269 days, most of which were listed as “maintenance” rather than some more specific category, stands out in the graph. This spike includes parts of July and August 2022; it likely arose from workers noticing and logging issues during the summer blitz effort described above. Also notable are the more than 1,100 work orders that have been open for at least 720 days (about 2 years).

DCHA leadership has emphasized in written oversight responses and hearing testimony that part of the apparent backlog of work orders is due to widespread failure to close out tickets after work is completed. On one hand, this is reassuring in that it suggests there may not be quite as many outstanding maintenance issues in public housing as the data would suggest. On the other hand, having outdated work orders intermingled with active issues would seriously limit the usefulness of the entire work order system in guiding ongoing maintenance work. The stakes of this ambiguity are high; during public housing visits and STAR Board listening sessions, the Committee has heard from multiple residents that they do not believe their requests for maintenance will be taken seriously. ***DCHA leadership should explore ways to help property-level public housing staff review “open” maintenance work orders and resolve those records that have actually been completed—while also taking care to ensure that completed work was done to a high standard of quality before closing out tickets.***

In response to the vacancy crisis and work order backlog, DCHA leadership announced a public housing inspection and repair program that they are calling the Urgent Needs Campaign. It involves inspecting every public housing unit over a period of 16 weeks using a rubric that incorporates metrics from multiple recurring inspections, addressing emergency-priority problems as quickly as possible, and laying the groundwork for further intensive work. As of April 7, 2023, DCHA reported that they had fully inspected 897 units across 7 public housing communities and begun inspections at 2 additional communities. Director Donald testified on April 10 that the Urgent Needs Campaign effort remains on track to complete its inspections at all 45 public housing communities within 16 weeks as originally contemplated. DCHA also completed an expedited procurement process for construction management and construction services by examining solicitations for the same services that the Department of General Services had already collected; 7

contracts recently received Council approval. Three additional contracts recently received STAR Board approval. These resources, if deployed swiftly and conscientiously, should make a meaningful difference in the condition of the District's public housing resources over the 4-year terms of the contracts. ***As DCHA continues with its Urgent Needs Campaign of public housing inspections and repairs, the agency should conduct quality assurance for consistency in inspections, should maintain careful records of its inspection findings, and should compile those findings in a format that supports deep data analysis to guide future decisions regarding the direction of the public housing program.***

The agency will continue to face tough choices as to how best to prioritize repairs and use limited resources responsibly while also bringing as many units into habitable condition as possible. These will be uncomfortable conversations, but the outcomes and the level of public trust will be improved if they are frank and transparent. ***DCHA leadership should continue to update the STAR Board and Committee in detail on the progress of the Urgent Needs Campaign and brief the STAR Board and Committee on the decision-making framework guiding its prioritization of repair and maintenance projects.***



K. DEPARTMENT OF HUMAN SERVICES (JA0)

AGENCY SUMMARY TABLES

Operating Funds by Fund Type					
Fund Type	FY 22 Actual	FY 23 Approved	FY 24 Mayor's Proposed	FY 24 Committee Approved	Committee Variance
Fed. Grant	177,690,408.66	160,643,157.31	177,954,731.95	177,954,731.95	0.00
Fed. Medicaid	15,317,581.57	16,195,053.99	18,089,592.93	18,089,592.93	0.00
Fed. Paymts.	256,659,483.07	34,274,452.00	87,175,189.00	87,175,189.00	0.00
Local	490,096,827.25	653,200,915.62	524,645,085.13	533,623,990.96	8,978,905.83
Intra-District	3,021,882.46	0.00	0.00	0.00	0.00
Private Donations	4,626.80	0.00	0.00	0.00	0.00
Spec. Purp. Funds	9,727.20	796,427.00	521,427.00	521,427.00	0.00
<b>Gross</b>	<b>942,800,537.01</b>	<b>865,110,005.92</b>	<b>808,386,026.01</b>	<b>817,364,931.84</b>	<b>8,978,905.83</b>

DEPARTMENT OF HUMAN SERVICES									
Project	Scenario	Unspent as of 03/21/2023	FY24	FY25	FY26	FY27	FY28	FY29	Sum FY24-29
CASE MANAGEMENT SERVICES-FEDERAL	Existing Balances	\$94,436,416.96	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$94,436,416.96</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
CASE MANAGEMENT SYSTEM - GO BOND	Existing Balances	\$522,677.62	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$522,677.62</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
CHILDREN'S TRACKING SYSTEM	Existing Balances	\$0.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.01</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
EMERGENCY & TEMPORARY HOUSING FOR MEN	Existing Balances	\$1,243,936.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$1,243,936.24</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
EMERGENCY AND TEMPORARY HOUSING UPGRADES	Existing Balances	\$6,766,878.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	\$7,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$13,766,878.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
MADISON SHELTER	Existing Balances	\$5,200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$5,200,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
MP-TEMPORARY AND PERMANENT SUPPORTIVE HO	Existing Balances	\$244,116.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$244,116.64</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
	Existing Balances	\$24,336,502.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

DEPARTMENT OF HUMAN SERVICES									
Project	Scenario	Unspent as of 03/21/2023	FY24	FY25	FY26	FY27	FY28	FY29	Sum FY24-29
SINGLE SHELTER REPLACEMENT 5	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$0.00	\$18,178,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,178,000.00
	<b>Total</b>	<b>\$24,336,502.43</b>	<b>\$0.00</b>	<b>\$18,178,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$18,178,000.00</b>
SINGLE SHELTER REPLACEMENTS - MP	Existing Balances	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	-\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
SINGLE SHELTER REPLACEMENTS 3 AND 4	Existing Balances	\$57,877,847.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$57,877,847.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
SINGLES SHELTER REPLACEMENT 1 AND 2	Existing Balances	\$40,502,208.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	-\$40,502,208.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
SMALL CAPITAL PROJECTS	Existing Balances	\$9,634,498.87	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY24-FY29 CIP	\$0.00	\$1,500,000.00	\$500,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
	<b>Total</b>	<b>\$9,634,498.87</b>	<b>\$1,500,000.00</b>	<b>\$500,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,000,000.00</b>
WARD 1 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$2,613,262.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Mayor's Proposed FY23 Supplemental	-\$981,500.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$1,631,762.56</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 3 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$421,308.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$421,308.54</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 4 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$326,994.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$326,994.81</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 5 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$347,965.21	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$347,965.21</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 6 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$410,646.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$410,646.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 7 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$16,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$16,500.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
WARD 8 TEMPORARY HOUSING FOR FAMILIES	Existing Balances	\$132,229.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<b>Total</b>	<b>\$132,229.98</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>DEPARTMENT OF HUMAN SERVICES Total</b>		<b>\$210,550,283.12</b>	<b>\$1,500,000.00</b>	<b>\$18,678,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$20,178,000.00</b>

## POLICY RECOMMENDATIONS FOR DHS

The Committee recommends that the Department of Human Services (DHS) implement the following recommendations, which are explained in greater detail in subsequent sections of this chapter:

1. While funding is limited, DHS should, in partnership with the Mayor seek all federal, local, and private resources to address its core needs and improve service to residents.
2. DHS should meet with legal services providers to ensure DHS participates in contested hearings on benefits and promptly complies with all lawful orders.
3. DHS should survey users on their experiences with the District Direct software to identify reoccurring concerns and continue to work with DHCF to make improvements.
4. DHS should evaluate the required documentation and workflow for Interim Disability Assistance applications and seek to reduce barriers to accessing assistance.
5. DHS should quickly utilize the newly identified funding for workforce development for LGBTQ youth and provide the Committee with data on enrollment figures and metrics to track success of the program.
6. DHS should develop a plan for complying with the Emergency Rental Assistance Funds Reporting and Notice Requirements Amendment Act of 2023.
7. DHS should track utilization of Project Reconnect and its success rate and report the information collected annually to the Committee.
8. DHS should develop a strategy for engaging other agencies and extending a network of support services in the areas surrounding its shelter facilities. These services should include mental and behavioral health services, social services engagement, educational programming, regular cleaning, and adequate security.
9. Given the Committee's ongoing financial support for survivors of domestic violence, DHS should engage with service providers to ensure that future grants reflect both the need for training and technical assistance and direct case management.
10. DHS should continue to track migration trends into the District and recommend any changes that should be made in the scope or nature of services for migrants given those trends.
11. DHS should also convene an advisory council of recent migrants to represent the community and provide regular feedback on services.
12. DHS should develop a proposal for how the District can assist migrants from moving beyond temporary shelter to permanent employment and housing, with or without financial support from the District.
13. DHS should utilize the funding the Committee has provided to issue competitive grants to organizations that are able to provide furniture and housewares to formerly homeless District residents entering housing.

## AGENCY MISSION AND OVERVIEW

The mission of DHS is to empower every District resident to reach their full potential by providing meaningful connections to work opportunities, economic assistance, and supportive services. The Department of Human Services is led by Director Laura Green Zeilinger, who has now served in that role for more than 8 years.

DHS's budget is divided into four major divisions – Agency Management, Agency Financial Operations, the Economic Security Administration, and the Family Services Administration.

The Agency Management division, including the Office of the Director, provides executive management, policy direction, strategic and financial planning, human capital management, information technology, capital programs, legislative and community relations, and performance management. The division also includes the Office of Program Review, Monitoring, and Investigation, which includes agency risk management, fraud investigation, internal affairs, homeless shelter monitoring, and the quality control division.

The Agency Financial Operations division provides comprehensive financial management services to, and on behalf of District agencies.

The Economic Security Administration (ESA) determines and maintains eligibility and the amount of assistance for cash, food, childcare, and medical benefits. ESA also administers Temporary Assistance for Needy Families (TANF), Supplemental Nutritional Assistance Program (SNAP), and Employment and Training (SNAP E&T) programs focused on employment and training to improve long-term employability and achieve sustainable income. In addition, the ESA also provides burial assistance, interim disability assistance, case management, and monitoring and quality assurance.

Finally, the Family Services Administration (FSA) provides an array of social services and supports for District residents to solve crises, strengthen families, and connect residences to resources and programs. FSA manages the system of care for those experiencing homelessness, the system of services and supports for youth at risk of court involvement, school disengagement, homelessness, and repeat teen pregnancy, and provides crisis-intervention services for families and refugees. The ESA is also responsible for administering the homeless prevention programs, the Emergency Rental Assistance Program (ERAP), and services for victims of domestic violence.

## OPERATING BUDGET ANALYSIS

The Mayor's proposed budget reflected a dramatic reduction in funding for the Department of Human Services (DHS). After years of increasing commitment to residents in poverty and experiencing homelessness, the proposed budget stands as a stark departure – recommending in excess of \$35 million in spending cuts in the remainder of the current fiscal year, and an additional proposed reduction of over \$56 million in Fiscal Year 2024. In addition, capital investment in DHS, particularly for new shelters, is proposed to decline by nearly 98%, with only \$1.5 million new proposed in Fiscal Year 2024, while existing capital balances were also reduced.

These drastic proposed reductions were widespread and harmful – including cuts in funding or services for victims of domestic violence, residents with disabilities, LGBTQ residents, residents facing eviction, and residents experiencing homelessness.

In addition, DHS will find itself facing these issues at a time of increasing demands for support, with benefit recertification processes restarting, encampments of residents experiencing

homelessness being regularly cleared by the administration, and overall shelter capacity projected to decline. Staff within DHS have been frank that the Department does not have the resources it needs to comply with legal mandates and serve residents in need.

This Committee has made difficult choices within its budget and called on colleagues across Council committees for assistance. The result of that effort has been to identify nearly \$14.5 million in additional funding for DHS across the financial plan. However, much more is needed to meet the needs of District residents experiencing poverty and homelessness and the Committee intends to continue its advocacy before the full Council. In addition, ***while funding is limited, DHS should, in partnership with the Mayor seek all federal, local, and private resources to address its core needs and improve service to residents.***

### ***Economic Security Administration***

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The Economic Security Administration serves as a lifeline for thousands of District residents, providing benefits including childcare, job training, cash assistance, including through Temporary Assistance to Needy Families (TANF), food access through the Supplemental Nutrition Assistance Program (SNAP), disability assistance through the Interim Disability Assistance Program (IDA), and burial assistance.

Unfortunately, these critical services have been threatened. SNAP benefits have declined due to the lapse of federal emergency funding, and programs have now begun restarting recertifications by residents as pandemic policies lapse. Unfortunately, these issues have been made worse due to systemic understaffing and technological breakdowns. DHS, in response to the Committee, noted that residents next fiscal year can anticipate “longer wait times for public benefits due to the reduced number of new eligibility workers” and that “[l]ack of case processing capacity also impacts the agency’s ability to comply with federal regulatory and legal requirements in light of continuing workload pressures that will increase”.

Staffing at DHS has already been a problem, and the Committee has received reports that DHS sometimes either goes substantively unrepresented at OAH cases on benefit disputes, or fails to comply with OAH orders to restart benefits. To address these concerns, ***DHS should meet with legal services providers to ensure DHS participates in contested hearings on benefits and promptly complies with all lawful orders.***

Additional challenges have been reported to arise from failures in DHS software and record management, including through the District Direct software, administered by the Department of Health Care Finance (DHCF), with concerns including lost documents and incorrect prompts. ***DHS should survey users on their experiences with the District Direct software to identify reoccurring concerns and continue to work with DHCF to make improvements.***

The Mayor’s proposed budget recommends a reduction of \$700,000 to the Interim Disability Assistance program in Fiscal Year 2024. IDA provides a cash benefit to adults who have applied for SSI or SSDI and are awaiting a federal eligibility decision. IDA allows individuals who cannot work to pay for basic needs. The District is reimbursed for these costs when residents are approved for federal assistance. The Committee has identified \$700,000 to restore funding to the IDA program to the prior year’s amount. However, testimony at the Committee’s hearing indicated that barriers to entry for the program have reduced its effectiveness, including unclear and burdensome documentation requirements and lost unprocessed applications. While the Committee is increasing funding for this program, ***DHS should evaluate the required documentation and workflow***

***for Interim Disability Assistance applications and seek to reduce barriers to accessing assistance.***

One bright spot in DHS's recent work has been its role in funding a Wraparound Workforce Development Program for Transgender, Nonbinary, and Gender Nonconforming District youth. The Committee received significant testimony about the value and importance of this targeted support. Unfortunately, the Mayor's proposed budget would have cut funding for this program. The Committee has identified \$667,000 to restore these services. ***DHS should quickly utilize the newly identified funding for workforce development for LGBTQ youth and provide the Committee with data on enrollment figures and metrics to track success of the program.***

### ***Family Services Administration***

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The Family Services Administration is responsible for helping District residents avoid homelessness, supporting residents who are homeless, and assisting residents in their return to housing stability.

One of the key tools available to prevent people entering homelessness is to prevent evictions. The Emergency Rental Assistance Program (ERAP) is designed to provide cash assistance to pay housing debts for tenants at 40% AMI or below who are facing eviction, up to certain program limits. As many residents do not have enough savings to manage even small financial emergencies, ERAP serves as a lifeline to ensure that residents can stay in their homes through periods of housing instability. This Fiscal Year, the Council approved a budget for ERAP of \$43 million. However, despite that unprecedented investment, ERAP ran out of money and shut down with little public notice after only 6 months. That spend rate reflects the large number of District residents currently facing eviction and in need of assistance. There is no indication that this need will decline in the next several months and residents who are evicted are more likely to face housing instability or homelessness.

Despite this, the Mayor's proposed budget recommends cutting funding from ERAP from \$43 million to \$8.2 million. By the Committee's estimation of current demand, that would be enough funding for a mere few weeks. The result would be that for 18 months, ERAP would only be available for a few weeks, likely resulting in a greater number of evictions and increased pressure on the homeless services system. To address this, the Committee has, with the support of other Committees, identified over \$6.3 million in fiscal year 2024, a more than 76% increase from the Mayor's proposed budget. The Committee recognizes that this is still insufficient to meet demand and requests further assistance in funding the program from the full Council. In addition, to address concerns with the program's transparency, the Committee has incorporated into its recommended Budget Support Act subtitles legislation originally introduced by Councilmember Lewis George. This legislation will require regular reporting on fund balances, applications, spending, and requests for assistance under ERAP. ***DHS should develop a plan for complying with the Emergency Rental Assistance Funds Reporting and Notice Requirements Amendment Act of 2023.***

Project Reconnect is a shelter diversion and rapid-exist program for unaccompanied adults that helps keep them out of low barrier shelter through case management and targeted financial assistance can help residents quickly return to housing. To support and expand this program, the Committee has received a transfer from the Committee on Facilities and Family Services to enhance Project Reconnect by \$1.2 million each year in the financial plan. ***DHS should track utilization of Project Reconnect and its success rate and report the information collected annually to the Committee.***

For residents that do experience a stay in shelter, DHS must provide a safe and clean environment that provides a solid foundation for residents to regain stability. New shelter facilities with designs informed by past failures and significant resident input can make a meaningful difference for residents who need them. Unfortunately, particularly in older facilities, DHS has not always maintained a safe and healthy environment for shelter residents and, as a result, some residents choose to live in encampments. The Committee has recently undertaken a series of oversight visits to DHS facilities that have identified issues with poor construction and maintenance and insufficient support services. One example of this was at the legacy Pat Handy shelter, where insufficient wrap-around services and agency coordination resulted in an unsafe environment both for residents at the shelter and in the surrounding neighborhood. These experiences result in antagonism toward homeless residents and opposition to critical facilities that should be distributed across the city. To address these concerns, ***DHS should develop a strategy for engaging other agencies and extending a network of support services in the areas surrounding its shelter facilities. These services should include mental and behavioral health services, social services engagement, educational programming, regular cleaning, and adequate security.***

A key focus of the Committee's work since it was formed in January has been on the ability of DHS and its partner agency DCHA to utilize the unprecedented investment in housing vouchers over the last few years to swiftly get residents off the street and out of shelters and into stable, permanent housing. Unfortunately, hundreds of District residents are sleeping on the street or in shelters tonight and every night despite funding being available immediately to pay for them to move into their own apartment, often with robust wrap-around services as well. This failure of government leaves people unhoused for months or years while facing serious risks to their health and safety. In many instances, those same people are repeatedly evicted from public spaces, further destabilizing them while they await government assistance that is too slow to arrive.

Numerous barriers keep residents from utilizing housing vouchers – including delays in engagement and lack of trust in the government, evaluation and matching residents to a housing program, accessing case management, finding an apartment, and getting an inspection. As a result, DHS is as much as a year behind in utilizing funded vouchers. And, in part due to those delays, the Mayor has proposed no new funding for vouchers in the fiscal year 2024 budget. The Committee believes investments in new permanent supportive housing and targeted affordable housing vouchers remain critical to avoid future gaps in availability of these resources and therefore requests assistance from the full Council in meeting these needs.

To help address the barriers to housing, the Committee has identified funding for the *Pathways to Behavioral Health Degrees Act of 2023*, which is targeted at expanding the supply of licensed social workers in the District through establishing a new free program at the University of the District of Columbia. Licensed social workers are critical to DHS and its service providers, and the absence of adequate trained staff has been a key barrier to residents getting into housing. While that effort is underway, ***DHS should continue to engage with DCHA, the Interagency Council on Homelessness, service providers, and residents experiencing homelessness to identify the barriers delaying residents access to housing, proposing urgent solutions to address those barriers, and identifying metrics to track success over time.***

The District Alliance for Safe Housing (DASH) has engaged in a successful partnership with DHS to meet the needs of survivors of domestic violence who arrive at the Virginia Williams Family Resource Center in need of housing. With grant funding for training and technical assistance, DASH provides both direct client services and training and systems improvement for DHS. In a recent visit to Virginia Williams, the Committee learned about this work first-hand. The Committee has also received significant testimony about the importance of these services for saving lives and helping

people regain security and stability. Unfortunately, the Mayor’s proposed budget would include significant cuts to services for victims of domestic violence and would significantly impact DASH’s program at Virginia Williams in particular. To help address these needs, the Committee has identified \$398,000 in recurring funding to restore cuts to domestic violence survivor services at DHS. ***Given the Committee’s ongoing financial support for survivors of domestic violence, DHS should engage with service providers to ensure that future grants reflect both the need for training and technical assistance and direct case management.***

In addition to its general homeless services system, DHS has, in recent months, stood up a new system of support services for recent migrants to the city. The quality of those services has been a matter of concern, with testimony raising issues with the quality of temporary housing, security, food quality, lack of program transparency, and lack of long-term planning for the future of recent migrants. The Committee recently moved emergency legislation to clarify expectations around services to be offered to recent migrants and to ensure some basic transparency and due process protections are in place and the Committee anticipates moving permanent legislation in the future to address the gaps in the current support system. ***DHS should continue to track migration trends into the District and recommend any changes that should be made in the scope or nature of services for migrants given those trends. DHS should also convene an advisory council of recent migrants to represent the community and provide regular feedback on services.*** Finally, ***DHS should develop a proposal for how the District can assist migrants from moving beyond temporary shelter to permanent employment and housing, with or without financial support from the District.***

When District residents do move from homelessness into permanent housing, they often need help procuring adequate furniture and housewares to make their new home livable. The District is home to a number of organizations with different models for meeting this need, but further support is needed. The Committee has identified \$250,000 to support grants for organizations providing furniture to formerly homeless residents. ***DHS should utilize the funding the Committee has provided to issue competitive grants to organizations that are able to provide furniture and housewares to formerly homeless District residents entering housing.***

#### CAPITAL BUDGET ANALYSIS

The Mayor’s proposed budget proposes only \$1.5 million in new capital funding for DHS in Fiscal Year 2024 for small capital projects and \$18,178,000 in Fiscal Year 2025 for the New York Avenue Men’s Shelter replacement, which DHS reports is an “extremely worn facility that has outlived its life cycle”. This reflects a steep decline in new capital investments from prior years. As a result, the Committee proposes no further reductions to DHS capital in Fiscal Year 2024.

While new investments have reduced, DHS does have access to fund balances to support new shelter projects for individuals. ***The Committee applauds DHS’s commitment to opening new non-congregate shelters and recommends that community members be substantively engaged in the design of all new shelter facilities at the outset.***



### III. BUDGET SUPPORT ACT RECOMMENDATIONS

On March 22, 2023, Chairman Phil Mendelson introduced, on behalf of the Mayor, Bill 25-202, the Fiscal Year 2024 Budget Support Act of 2023 (BSA). The Chairman referred 2 subtitles exclusively to this Committee for comments and another 4 subtitles jointly to this Committee and other committees. The Committee recommends the addition of 7 subtitles.

#### A. RECOMMENDATIONS ON MAYOR'S PROPOSED SUBTITLES

The Committee provides comments on the following subtitles of the BSA:

##### 1. Land Purchases for Affordable Housing

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###### Purpose, Effect, and Impact on Existing Law

Subtitle II.A. of the proposed BSA had as its short title the *Land Purchase Partnership Program Act of 2023*. The Committee proposes renaming it the *Local Property Acquisition Pilot Program Act of 2023*. Chairman Mendelson referred this subtitle to this Committee, the Committee on Facilities and Family Services, and the Committee on Business and Economic Development.

This subtitle, with the Committee's recommended amendments, would create the Local Property Acquisition Pilot Program (Pilot). This 2-year Pilot authorizes the Mayor to acquire real property on which there is existing housing and requires the Mayor, as a term of the acquisition, to enter into a ground lease with a lessee on the property. An initial ground lease is exempt from the standard approval process for disposition (DC Code § 10-801); however, any subsequent leases must comply with the disposition process. As a term of the initial ground lease, either the Mayor or the lessee must file a covenant on the property that requires 15% of any housing units to be affordable to households at or below 30% of the Median Family Income (MFI), 20% of any housing units to be affordable to households at or below 50% MFI, and 15% of any housing units to be affordable to households at or below 80% MFI. Prior to acquiring a property through this Pilot, the Mayor must submit to Council and publish online information about the property. The subtitle also authorizes the Mayor to establish rules and to impose fees for the administration of the Pilot.

As the likely administering agency, the Department of Housing and Community Development (DHCD) intends to use this Pilot to partner with mission-driven organizations seeking to preserve or create affordable housing, such as in support of existing limited equity cooperatives. The authority under this subtitle allows DHCD to become an equity partner in projects that may not otherwise qualify for the loans necessary for the preservation or production of housing affordable for households with lower incomes.

###### Committee Reasoning

The Committee recommends inclusion of the subtitle with several edits outlined in the attached committee print:

First, the committee print limits the Mayor's acquisition authority to property that has existing housing on it, thus excluding new developments. The Committee believes new developments

must still be subject to the District’s standard disposition approval process enumerated in DC Code Section 10-801.<sup>55</sup>

Second, the committee print includes reporting requirements to increase the transparency of the use of this Pilot. Under existing land disposition procedures, both the Mayor and Council are required to hold public hearings, and the Council is required to vote, prior to any surplus or disposition of District-owned property. Because this Pilot exempts properties acquired under the Pilot from the disposition requirements for an initial ground lease, it is important that the Council and the public have an opportunity to review how the Mayor plans to use the Pilot.

Third, the committee print deepens the affordability required on any property the District acquires using this Pilot. When the District uses its resources in partnership with private entities, as is intended through the ground leases required in this Pilot, it is imperative the public benefit matches the investment. The District is in great need of deeply affordable housing affordable for households below 50% MFI.<sup>56</sup> Accordingly, the Committee print amends the Mayor’s proposal of 50% of housing units affordable to households earning 80% MFI or less to ensure that some of those 50% of units are specifically affordable to households with lower incomes. The Committee notes it did not add income restrictions for renters of each of those units because doing so may displace residents of existing units on a property acquired by the District.

Lastly, the committee print makes this program a pilot for 2 fiscal years, providing an opportunity for the District to observe whether the Pilot is a viable option for maintaining and increasing the District’s affordable housing stock.

#### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Lists definitions for “affordable” and “median family income”

Sec. XXX3. Permits the Mayor to acquire property on which privately-owned housing is located and requires the Mayor to enter into a ground lease with a lessee subject to the reporting and affordability restrictions in the subtitle.

Sec. XXX4. Requires the Mayor to submit to the Council and publish online at least 30 business days prior to acquiring a property information about the property, including a description and appraisal of the property, the amount the District will pay to acquire the property, real property tax assessments for the property from the most recent tax year, the anticipated revenue gained or foregone by the District from the ground lease, any existing restrictions on the property like

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<sup>55</sup> The Committee Chair and several Council colleagues introduced the *Common Ground Amendment Act of 2023* to improve the District’s existing surplus and disposition process. See <https://lims.dccouncil.gov/Legislation/B25-0039>; <https://www.robertwhiteatlarge.com/statement-more-affordable-housing-and-resident-input-when-city-gives-developers-public-properties-why-i-re-introduced-the-common-ground-act/>.

<sup>56</sup> In its March 2023 Gap Report, the National Low Income Housing Coalition found there were 40 homes affordable and available per 100 renters at 30% of the area median income and below, 65 homes affordable and available per 100 renters at 50% of the area median income and below, and 94 homes affordable and available to renters with incomes at 80% of the area median income and below. See <https://nlihc.org/gap/state/dc>. Generally, and for purposes of this report, “area median income” is the same as “median family income.”

covenants or deeds, and information about the privately-owned housing located on the property like the number of units and the condition of the property; and requires the Mayor to submit to the Council a copy of any ground lease entered into under this act within 30 business days of entering into the ground lease.

Sec. XXX5. Requires the Mayor or lessee to file a covenant on an acquired property that requires, during the term of the ground lease, the following affordability levels:

- (1) At least 15% of housing units are affordable to households making 30% MFI or below;
- (2) At least 20% of housing units are affordable to households making 50% MFI or below; and
- (3) At least 15% of housing units are affordable to households making 80% MFI or below.

Sec. XXX6. Allows the Mayor to impose fees and issue rules to administer the Pilot.

Sec. XXX7. Sunset provision that sets an expiration date for the Pilot of September 30, 2025.

### Fiscal Impact

OCFO determined that the subtitle will not impact the financial plan because, while the subtitle authorizes the Mayor to purchase real property, there is no funding in the proposed budget or financial plan for the program.

## **2. District of Columbia Low-Income Housing Tax Credit**

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### Purpose, Effect, and Impact on Existing Law

Subtitle II.B. of the proposed BSA, the *District of Columbia Low-Income Housing Tax Credit Amendment Act of 2023*, would make sweeping changes to the District of Columbia Low-Income Housing Tax Credit (DC LIHTC) Program. The *District of Columbia Low-Income Housing Tax Credit Clarification Amendment Act of 2020* permanently established the DC LIHTC Program to support the development and preservation of affordable housing. The DC LIHTC Program functions as an automatic tack on to the federal LIHTC programs. There are three LIHTC programs in the District, the 9% Federal LIHTC Program, the 4% Federal LIHTC Program, and the DC LIHTC Program. Together these three sources of capital allow developers to provide affordable housing units for rent to those who make 60% AMI and below. The 9% federal LIHTCs are allocated to states based on a per capita formula implemented by the Internal Revenue Services (IRS) and are competitively granted. There is a high bar to receive the 9% credit. Developers generally need to produce 100% affordable housing units to get the 9% credits. The 4% credits are allocated in combination with tax-exempt bond financing and the 9% LIHTC. The DC LIHTC is set equal to 25% of the federal LIHTC.

DHCD is now seeking to make DC LIHTC a competitive program and to separate the program from the federal LIHTC completely. DHCD would like the DC LIHTCs to be available to projects that cannot qualify for or have not received federal LIHTCs. Under the proposed subtitle the LIHTC cannot exceed “9% of the project’s qualified basis.” The proposed changes to the DC LIHTC program look very similar to the 9% LIHTC. To this point DHCD made the following note:

[The DC LIHTC program] will be a competitive credit and that will be included in the District’s Qualified Allocation Plan, which guides the federal LIHTC program. However, since the intention of severing its direct ties to the Federal LIHTC, the primary purpose of the current legislation, is to use it in some projects that are not likely to be competitive for the 9% credits, there will be DC nuances in the evaluation

and there are already definite differences in the administration as defined in the statute and in forthcoming regs. So a strong resemblance but not a mirror [to the 9% LIHTC program].

Chairman Mendelson referred this subtitle to this Committee and the Committee on Business and Economic Development.

#### Committee Reasoning

The Committee recommends this proposal go through a permanent legislative process.. In fiscal year 2022, the Council passed an amendment to the DC LIHTC Program noting the award can be “up to” 25% of the federal tax and does not need to be exactly 25%. Just 2 years after the Council acted, DHCD has proposed a dramatic shift. A permanent legislative process will allow hearings and most importantly an opportunity for the public to comment on the proposed shift. The DC LIHTC Program is one of the District’s strongest tools to build affordable housing. LIHTCs have proven returns. To make a shift in the DC LIHTC Program, it is vital that the impact is clear and the shift is narrowly tailored to the need it is aiming to address. A permanent legislative process will allow just this.

### ***3. Home Purchase Assistance Program Amendment***

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#### Purpose, Effect, and Impact on Existing Law

The Home Purchase Assistance Program (HPAP) provides interest-free loans and closing cost assistance to eligible homebuyers in the District. This subtitle makes two changes to the HPAP law. First, under current law, HPAP applicants must receive a minimum of \$70,000 in loan assistance. While many HPAP applicants may require at least \$70,000 in HPAP loans, some applicants may wish to accept less. This subtitle clarifies that eligible applicants must now be approved for up to \$70,000 in assistance but are not required to receive the maximum, allowing applicants the flexibility to borrow what is in their best financial interest. Second, this subtitle removes a requirement that contract administrators of HPAP must receive equal funding. This contracting flexibility is necessary to make sure each administrator receives the specific amount of funding needed to complete the loans within its individual portfolio.

#### Committee Reasoning

The Committee recommends approving the Mayor’s proposed subtitle. The first change maintains the \$70,000 minimum level of assistance for which an applicant must be approved, but it gives applicants the autonomy to choose if they require the full \$70,000 or if they would prefer to borrow less, based on their individual financial circumstances.

On the second change, DHCD shared with the Committee that HPAP funds are allocated based on the amount of work being done by each grantee and within each HPAP contract. Right now, the District has two grantees that serve as HPAP fund managers: the DC Housing Finance Agency and the Greater Washington Urban League. Because the applicants working with each grantee may require different levels of assistance, and because each grantee may have different numbers of recipients within its portfolio, requiring an equal allocation of funding for each grantee does not align with the existing process. The Committee recommends removing this requirement.

## Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends the *Home Purchase Assistance Fund Act of 1978* by clarifying that qualified applicants must be approved for at a minimum \$70,000 in assistance but are not required to accept \$70,000 in assistance and removes a requirement that the District equally disburse funds to all grantees administering HPAP.

### Fiscal Impact

OCFO determined that the subtitle has no impact on the budget and financial plan. Allowing applicants to accept less than \$70,000 may make additional HPAP funding available for other applicants but will not impact the budget or financial plan. Similarly, changing how much money each HPAP grantee receives does not affect the amount of funding spent overall.

## 4. Housing Production Trust Fund

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### Purpose, Effect, and Impact on Existing Law

The Housing Production Trust Fund (HPTF) is the District's main funding source for the creation of new affordable housing and a leading funding source to preserve existing affordable housing units in the District. This subtitle, with the Committee's recommended amendments, makes a few amendments to the statute authorizing the use of HPTF money. First, the subtitle authorizes the District to purchase for-sale affordable dwelling units, including inclusionary units, for the purpose of reselling the units to households with extremely low (0-30% MFI), very low (31-50% MFI), or low income (51-80% MFI) households. DHCD intends to use this authority to purchase properties that might otherwise revert to market rate units over the course of a sale, thus helping to preserve or deepen their affordability. The subtitle directs proceeds from the sale to be deposited back into the HPTF.

Second, the subtitle authorizes the Mayor in fiscal year 2024 to transfer from the HPTF \$4 million to support the District's Home Purchase Assistance Program (HPAP) and \$2 million to DHCD's Neighborhood-Based Activities Program to support the Heirs Property Program.

### Committee Reasoning

The Committee recommends approving the Mayor's proposed subtitle with the modifications in the committee print that clarify the intent of the subtitle's authorization for purchase and resale of affordable dwelling units and inclusionary units. "Affordable dwelling unit" is an umbrella term that includes inclusionary and other affordable units restricted by a covenant or similar originating document. Affordable dwelling units, including inclusionary units, can be for-sale or for-rent. This subtitle is meant to apply to for-sale affordable dwelling units for the purpose of maintaining or deepening their affordability. When owners of some affordable dwelling units are unable to sell their units within a certain timeframe, there are circumstances in which owners are allowed to then sell their units above the affordable price. DHCD's intention is to avoid that loss of affordability by purchasing the unit for resale at the current or at a deeper level of affordability. The committee print amends the subtitle as introduced to clarify and meet this intent.

The committee print also makes a few other changes to the Mayor's proposal. First, the committee print repeals the definition for "moderate income." Moderate income is no longer used in

the statute, and the definition is therefore no longer necessary. Second, the committee print adds two additional authorized uses for HPTF dollars for fiscal year 2024 to support HPAP and the Heirs Property Program. Due to the Committee’s restricted budget and competing human services and housing priorities, the Committee was unable to keep the full proposed enhancements for these programs. Nonetheless, these two programs are valuable for promoting homeownership and protecting intergenerational home transfers in the District, particularly among Black residents. The Committee therefore authorizes the Mayor to utilize HPTF dollars as necessary to ensure both programs can operate in fiscal year 2024.

### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends the *Housing Production Trust Fund Act of 1989* by adding definitions for “affordable dwelling unit” and “inclusionary unit” and repealing the definition of “moderate income”; authorizing the Mayor to use HPTF funds to purchase for-sale affordable dwelling and inclusionary units for resale to households with extremely low, very low, and low incomes, while specifying revenue received from such sales shall go back into the HPTF; and authorizing the Mayor in fiscal year 2024 to transfer \$4 million in HPTF funds to HPAP and \$2 million in HPTF funds to the Neighborhood-Based Activities Program to support the Heirs Property Program.

### Fiscal Impact

OCFO determined that the subtitle does not have an impact on the budget and financial plan. The subtitle authorizes purchases, but purchases cannot exceed available funds.

## ***5. Tax Abatements for Affordable Housing in High-Need Areas***

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### Purpose, Effect, and Impact on Existing Law

Subtitle II.E. of the proposed BSA, the *Tax Abatements for Affordable Housing in High-Need Areas Amendment Act of 2023*, would change the designated high-need areas to qualify for a 30-year tax abatement. The Tax Abatements for Affordable Housing in High-Need Areas (HANTA) Program provides individuals who develop housing in “high need areas” or “planning areas” with a competitive tax abatement. To qualify for the tax abatement, at a minimum, developers must agree that “for the duration of the period [of the tax-abatement] . . . , at least one third of the housing units developed or redeveloped on the real property are affordable to and rented by households earning on average 80% or less of the median family income; provided, that during such period no such household earn more than 100% of the median family income.”<sup>57</sup>

Chairman Mendelson referred this subtitle to this Committee and the Committee on Business and Economic Development.

### Committee Reasoning

Currently any abatement certified must be within the program’s enumerated cap. The current cap is \$4 million per year across all projects in the program. There is a need to increase the tax abatement to cover projects in the newly designated areas based on data provided by DHCD. The Committee looked at this data critically and is compelled by the need to increase the current

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<sup>57</sup> DC Code § 47–860(a)(3).

cap to ensure the program is effective at targeting housing to areas with the highest need for affordability.

Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Section 47-860 of the District of Columbia Official Code amends the high-need areas impacted by the tax abatement and increases the cap on the tax abatement to \$6 million.

Fiscal Impact

Regarding the subtitle as introduced, OCFO found that revenue would decline by \$2 million per year, starting in fiscal year 2025. The Committee has not altered the amount of the tax abatement, so the OCFO has determined that funds are sufficient in the financial plan.

***6. Downtown Housing***

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Purpose, Effect, and Impact on Existing Law

Subtitle II.G. of the proposed BSA, the *Housing in Downtown Abatement Amendment Act of 2023*, would amend the Housing in Downtown (HID) program. In March 2022, the Mayor proposed the HID Program to encourage the creation of new housing in downtown. The program as it stands now allows developers to qualify for a 20-year tax abatement if the developer promises at least 15% of the housing units developed or redeveloped on the real property are affordable to households earning 60% or less MFI. The law also requires developers to comply with all District contacting laws: including First Source, CBE, and TOPA.

Under the Committee’s proposed amendment to the subtitle, the District would offer a 25-year tax abatement. The affordable housing unit percentage and MFI level will maintain current law<sup>58</sup> (which was just passed last year). The proposed amendment also tolls the Tenant Opportunity to Purchase Act (TOPA) rights for 10 years (five years less than the proposal) and removes the First Source mandate.

Chairman Mendelson referred this subtitle to this Committee and the Committee on Business and Economic Development.

Committee Reasoning

The Committee recommends the following changes. First, the TOPA exemption should be decreased to 10 years to balance the interests of tenants with the ability to attract new capital into the downtown market. The Committee also added a requirement that each benefiting property owner maintain and makes accessible to the public a restroom during all hours in which the building has staff on-site. Finally, at least 15% of the housing units developed or redeveloped on the real property must be affordable to households earning 60% MFI, and of the gross square footage encompassed by the affordable housing units; 50% must be dedicated to units with 3 or more bedrooms. As the Council is discussing affordable housing, the needs of families must be central. The Committee recommends no changes to the Mayor’s proposal regarding First Source compliance, but the Committee notes that DOES must work to improve its First Source program quickly to

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<sup>58</sup> Out of the total units, a developer must dedicate 15% of the units to households earning 60% or less MFI.

ensure it is effective at meeting resident needs without unduly increasing costs for affordable housing development.

Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Chapter 8 of Title 47 of the District of Columbia Official Code would be amended to changes the minimum affordability requirements to: at least 15% of the housing units are affordable to households’ earning 60 percent or less MFI (this change maintains the current law). Furthermore, of the 15% of total units, 50% of the total square footage must be dedicated to 3 or more bedrooms. The property owner must maintain and make accessible to the public a restroom during all hours in which the building has staff on-site. Finally, the TOPA exemption would be reduced from 15 years to 10 years.

Fiscal Impact

The OCFO determined that funds are sufficient in the financial plan for the subtitle as amended. The subtitle makes no changes to the annual cap on tax abatements for downtown housing for 2024 (\$2.5 million), 2025 (\$2.5 million), 2026 (\$2.5 million) and 2027 (\$6.8 million). Outside of the financial plan, the subtitle increases the annual cap for 2028 from \$7.072 million under current law to \$41 million. The annual cap would grow by 4 percent each year thereafter.

**B. RECOMMENDATIONS FOR NEW SUBTITLES**

***1. Advisory Neighborhood Commission Support Flexibility***

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Purpose, Effect, and Impact on Existing Law

The Committee proposes the incorporation of the *Advisory Neighborhood Commission Support Flexibility Amendment Act of 2023* into the BSA as a new subtitle. This subtitle amends the authorizing language of the Advisory Neighborhood Commissions Technical Support and Assistance Fund (Fund) to permit the OANC greater flexibility in determining how to spend this money.

The Fund was originally established in December 2020 as a means to recapture funds that had been forfeited or unclaimed by ANCs for reinvestment by the OANC in building the capacity of ANCs. The use of the funding was restricted to a specific list of functions and expenditures were required to be at the request of ANCs. Those fund uses included many of the requests for support from ANCs at the time, including constituent engagement applications, communications access services, remote meeting technology, audio-visual technology, printing services, and website assistance. Recaptured funds were supplemented at times with direct allocations by the Council to help meet the same needs.

The proposed subtitle removes the requirement that funds be utilized for the specific list of targeted investments and instead makes that list illustrative but not comprehensive, instead allowing the OANC to utilize funds at its discretion to provide services and supports to ANCs.

Committee Reasoning

The Fund was originally established at a time when the OANC was increasingly incapable of meeting the expectations of ANCs for support. Numerous Council investments had lagged in



implementation, and the Council faced recurring advocacy by Commissioners for investments that had already been made to support them, but that had not been implemented. The Fund was established to respond to Commissioner priorities at the time and to focus the OANC's efforts.

Since the Fund was established, the OANC has gone through a leadership transition. A new permanent Executive Director has been selected by the Council after a period of interim leadership. Over the last months, the OANC has worked swiftly to implement a number of new services for ANCs, including by rolling out printing services, website improvements, communications software, financial management software, and a substantially improved Commissioner training program.

This clear progress has given the Committee confidence that additional flexibility in the utilization of available funds is warranted, so that the OANC can help set priorities and meet needs as they arise. In addition, it has become clear in recent months, that meritorious requests for support from ANCs were being denied for not falling within the previously authorized uses of the Fund. As a result, the proposed subtitle defers to the OANC to utilize the Fund as it sees fit. The Committee, however, will request ongoing updates on uses of the Fund to ensure that it is being utilized responsibly for the benefit of ANCs.

#### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends Section 16a(c) of the Advisory Neighborhood Commissions Act of 1974 to permit the OANC to flexibly utilize the Fund to provide services and supports to ANCs.

#### Fiscal Impact

OCFO determined that funds are sufficient in the financial plan for the subtitle.

## ***2. Emergency Rental Assistance Program Transparency***

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#### Purpose, Effect, and Impact on Existing Law

The Committee proposes the incorporation of the *Emergency Rental Assistance Funds Reporting and Notice Requirements Amendment Act of 2023* into the BSA as a new subtitle, with modifications.

Specifically, the subtitle would require monthly reporting on applications, dispersal of funds, denials of benefits, appeals, and fund balances for the Emergency Rental Assistance Program (ERAP). ERAP is designed to assist District residents earning less than 40% MFI facing housing emergencies by providing funding for overdue rent if a tenant is facing an eviction and by supporting security deposits and first month's rent for prospective tenants, within program limits.

The reported information would have to be made public and notice would have to be provided before closing the application portal for the program. Finally, the subtitle would require quarterly reporting on requests and inquiries related to ERAP after program funds are exhausted.

#### Committee Reasoning

On March 29, 2023, Councilmember Janeese Lewis George introduced B25-237, the *Emergency Rental Assistance Funds Reporting and Notice Requirements Amendment Act of 2023*,

with the support of Councilmembers Nadeau, Allen, R. White, T. White, Gray, Pinto, Frumin, and Parker as co-introducers.

This legislation originated after it became clear that the ERAP portal would close on March 10, 2023, six months into the fiscal year. That closure occurred with little public notice and despite an unprecedented \$43 million investment in ERAP in fiscal year 2023.

Despite the evidence that demand for ERAP assistance far exceeded supply and the prospect of months without assistance before fiscal year 2024, the budget as proposed recommends only \$8.2 million for ERAP. While the Committee has identified funding for a substantial increase in ERAP, the funding constraints for the program make transparency about the use of these funds and adequate notice about their depletion all the more critical. The Committee further believes that increased transparency about ERAP utilization may help target future reforms to ensure the program is effective at meeting resident needs, while also being financially sustainable for the District.

#### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends Section 8f.

#### Fiscal Impact

OCFO determined that funds are sufficient in the financial plan for the subtitle.

### ***3. Housing Authority Accountability***

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#### Purpose, Effect, and Impact on Existing Law

The Committee proposes the addition of a new subtitle, the *Housing Authority Accountability Amendment Act of 2023*. This subtitle would make permanent the following accountability requirements that have applied to DCHA since November 2022:

- DCHA must submit monthly reports on key metrics including operating reserves, vacant public housing units, and use of local funds;
- Members of DCHA’s Board and the Executive Director must complete initial and annual training on critical public housing authority management topics such as fair housing, federal procurement requirements, and financial management; and
- DCHA is subjected to the District’s central consumer protection law on the same terms as other landlords in matters arising on or after December 19, 2016.

In addition, the subtitle would definitively extend an existing law that limits District employees’ bonus compensation to cover DCHA’s Executive Director, regardless of the source of funds used.

#### Committee Reasoning

As discussed in the DCHA chapter of this report, a deeply critical HUD report on DCHA’s operations and compliance with federal program requirements became public in early October 2022.

On October 17, 2022, in response to the HUD assessment, then-Councilmember Elissa Silverman introduced B24-1049, the *Housing Authority Accountability Emergency Amendment Act of 2022*, with the support of Chairman Mendelson and Councilmembers Cheh, McDuffie, Bonds, Nadeau, Allen, R. White, Gray, Pinto, Henderson, and Lewis George as co-introducers. The Council passed the bill on October 18, 2022, and the Mayor signed it into law on November 3, 2022. B24-1049's provisions have been continuously in effect through emergency and temporary legislation ever since.

Helping DCHA to ensure that HUD's concerns are resolved swiftly and thoroughly remains a key priority for the District government, including the Council. The Committee finds the monthly reporting and training requirements first created in B24-1049 beneficial and has determined that budget legislation to keep these requirements in place is appropriate because they will help ensure that DCHA maintains strong fiscal health and avoids devastating federal interventions. The Committee print carries over the provisions of B24-1049, with a few changes. It omits provisions that dealt with the initial implementation of Board and Executive Director training requirements; these transitional provisions are no longer necessary. It also makes minor technical and stylistic edits, such as omitting the phrase "his or her" where gender references are unnecessary.

The subtitle also contains one substantive addition that was not in B24-1049. As discussed in the DCHA chapter of this report, earlier this year the current Executive Director received a bonus equal to 15% of her annual base pay. Most employees of District agencies can only receive bonus compensation if it meets certain detailed procedural requirements and is limited to 10% of base pay. The restrictions stem from a 2016 Budget Support Act subtitle known as the *Bonus Pay and Special Awards Pay Act of 2016*. However, those restrictions only apply to compensation paid from funds appropriated by the District. DCHA has indicated that the Executive Director's compensation comes from "defederalized" funds, that is, funds that HUD originally paid to a public housing authority but that HUD allows the authority to use for a variety of purposes.

The Committee has concerns with both the decision to award a 15% bonus to the Executive Director of an agency facing as many ongoing challenges as DCHA and the process by which the bonus was awarded. To avoid future conflagrations of this character, the committee print of this subtitle extends the restrictions in the *Bonus Pay and Special Awards Pay Act of 2016* to DCHA's future compensation agreements with Executive Directors even if their compensation is not locally funded.

#### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends the *District of Columbia Housing Authority Act of 1999* to accomplish the following:

(a) Requires monthly reports to the Mayor, Attorney General, and each Councilmember including details on DCHA's operating reserves, vacant public housing units, length of time public housing units have been vacant, and expenses paid with District funds.

(b) Requires DCHA Board members to take training shortly after joining the Board and every year thereafter on a range of topics relevant to DCHA's operations as a federally recognized public housing authority, and lays out steps to monitor and enforce compliance with these training requirements.

(c) Applies the *Bonus Pay and Special Awards Pay Act of 2016* to future Executive Director employment agreements.

(d) Requires DCHA’s Executive Director to take training shortly after hire and every year thereafter on a range of topics relevant to DCHA’s operations as a federally recognized public housing authority.

Sec. XXX3. Applies D.C. Official Code Title 28, Chapter 39, “Consumer Protection Procedures,” to DCHA as a landlord.

Sec. XXX4. Sets an applicability date for sec. XXX3 of December 19, 2016, consistent with B24-1049.

#### Fiscal Impact

OCFO determined that the subtitle would not have a fiscal impact.

### 4. Housing Authority Financial Reporting

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#### Purpose, Effect, and Impact on Existing Law

The Committee proposes the addition of a new subtitle, the *Housing Authority Financial Reporting Amendment Act of 2023*. This subtitle would direct DCHA to prepare a comprehensive financial statement and report each year and to submit to an audit managed by the Office of the Inspector General (OIG), on the same terms as OIG’s existing Annual Comprehensive Financial Review (ACFR) process applies to most other District government agencies and instrumentalities.

#### Committee Reasoning

As discussed in the DCHA chapter of this report, DCHA has made progress toward providing its STAR Board with greater transparency into the agency’s finances. The Committee appreciates these efforts. The Committee believes that additional transparency into DCHA’s finances would help District government leadership understand the agency’s long-term financial health and ability to support public housing residents, residents who receive voucher assistance, and other direct constituencies of the agency. It would also make for better determinations by the Mayor and Council as to the need for and permitted uses of District taxpayers’ contributions to DCHA through the annual budget process.

Under existing law, the Mayor must submit an annual financial statement and report to the Council, and the financial statement and report must be audited by the Inspector General of the District of Columbia. The resulting report is known as the ACFR. According to the most recent ACFR, regarding fiscal year 2022:

For financial reporting purposes, the reporting entity of the District consists of: (1) the primary government; (2) five discretely presented component units . . . ; and (3) two blended component units . . . . **The District of Columbia Housing Authority and the District of Columbia Water and Sewer Authority are considered related**

**organizations because the District is not financially accountable for their operations.**<sup>59</sup>

Because OIG already procures the ACFR each year, the Committee believes OIG can also provide the public, DCHA leadership, the Board, the Council, and the Mayor with a comprehensive audit at relatively little additional cost. OIG has confirmed their willingness to lead this effort as part of their existing annual audit procurement workflow.

#### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Creates a new section under the *District of Columbia Housing Authority Act of 1999* directing DCHA to submit an annual comprehensive financial statement and report, audited by OIG, to the Mayor and Council.

Sec. XXX3. Amends a portion of the *District of Columbia Procurement Practices Act of 1986* that lays out OIG's responsibilities, to direct OIG to conduct the annual audit of DCHA's financial statement and report.

#### Fiscal Impact

OCFO determined that the subtitle would cost \$250,000 in fiscal year 2024 and \$1,025,790.48 over the 4-year plan. This estimate is based on the amount that OIG currently pays for other independent instrumentalities of the District. The Committee is transferring funds for this purpose to the Committee on Executive Administration and Labor, which has jurisdiction over OIG.

### ***5. Local Rent Supplement Program Eligibility***

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#### Purpose, Effect, and Impact on Existing Law

The Committee proposes to incorporate the substance of the *Local Rent Supplement Program Eligibility Amendment Act of 2023* into the BSA as a new subtitle. This legislation mirrors already-passed emergency and temporary legislation. It would have two main effects that apply to Local Rent Supplement Program (LRSP) activities, that is, the provision of various housing subsidies for the benefit of District residents using local funds through DCHA. First, the legislation prohibits consideration of residents' citizenship, immigration status, prior criminal arrests or convictions, or pending criminal matters when determining their eligibility for these locally funded supports. Second, it ensures that residents who "cannot easily obtain verification documentation" are able to complete and submit self-certifications of various eligibility criteria for locally funded assistance. (The Council is unable to extend similar flexibility to those residents who rely on federally funded housing subsidies, as more restrictive federal laws govern the administration of those subsidies.)

#### Committee Reasoning

On July 11, 2022, Chairman Mendelson introduced B24-906, the *Local Rent Supplement Program Eligibility Emergency Amendment Act of 2022*, with the support of Councilmembers Nadeau and Pinto as co-introducers. The Council passed the emergency measure on July 12, 2022

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<sup>59</sup> <https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/FY%202022%20DC%20ACFR.pdf> at 2 (emphasis added).

and the Mayor signed it into law on July 27, 2022. Substantively identical emergency and temporary legislation has been in effect ever since. It accomplishes the purposes described above.

On January 19, 2023, Chairman Mendelson introduced B25-49, the *Local Rent Supplement Program Eligibility Amendment Act of 2023*, with the support of Councilmember Pinto as co-introducer. The Chairman then referred the bill to this Committee. The Committee has determined that it is appropriate to make the current emergency provisions permanent through budget legislation.

The self-certification provisions are necessary to resolve voucher processing backlogs that have prevented the District government from following through and expending the massive sums allocated for housing supports in past budgets. They respond to the phenomenon of people who are experiencing homelessness, and therefore are among the District residents who need housing assistance most urgently, misplacing or losing access to important vital records that would be required for federal assistance applications.

The provisions regarding citizenship, immigration status, and criminal legal involvement also have a strong policy justification and budget nexus. While the federal government is free to withhold housing assistance from non-citizens, people returning from incarceration, and those who are facing the possibility of criminal liability, District values demand compassion for these populations. In addition, in many cases, depriving these populations of assistance at the point when they want housing will just mean that they will need additional, more resource-intensive government services or criminal legal system intervention by the District government at a later date. Denying them LRSP assistance would therefore be a shortsighted budgetary mistake.

While the Committee's intent is for the proposed subtitle to be identical in effect to Chairman Mendelson's various bills from the resident perspective, the committee print makes technical changes, such as consolidating some amendatory language that Chairman Mendelson's bills had replicated across several sections of the *District of Columbia Housing Authority Act of 1999*.

Notably, prior to passage of B24-906, multiple agencies were responsible for writing administrative regulations implementing different LRSP activities. The recent eligibility legislation on which the Committee based its proposed subtitle consolidated all rulemaking authority at DCHA. The committee print consolidates responsibility with DCHA.

### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends D.C. Official Code sections §§ 6-226 through 6-228, which are part of the *District of Columbia Housing Authority Act of 1999*, so that they still direct DCHA to follow federal Housing Choice Voucher procedures for LRSP administration purposes unless otherwise noted, but (1) prohibit inquiring into or considering citizenship, immigration status, arrests, convictions, or ongoing criminal cases for LRSP eligibility purposes and (2) allow self-certification of eligibility details for which documentation would typically be required but is unavailable.

### Fiscal Impact

OCFO determined that the subtitle would not have a fiscal impact.

## 6. Emergency Housing Assistance Program Financial Responsibility

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### Purpose, Effect, and Impact on Existing Law

The Committee proposes the addition of a new subtitle, the *Emergency Housing Assistance Program Financial Responsibility Amendment Act of 2023*.

Under existing law, the Office of the Tenant Advocate (OTA) runs the Emergency Housing Assistance Program (EHAP), which covers tenants' relocation and temporary housing costs in emergency situations.<sup>60</sup> OTA leadership has indicated that in practice, such emergencies typically include fires or floods, as well as situations in which the District government orders a rental housing unit closed due to serious habitability issues.

Where a government closure order displaces a tenant and the circumstances causing the emergency necessitating the closure were within the landlord's control, current law allows OTA to recover EHAP program costs in certain enumerated categories from the landlord.<sup>61</sup>

The categories of costs that OTA can recover from a landlord under this framework include, among others, (i) up to **30 days** of a stay in "hotels, motels, or other appropriate accommodations" for the displaced tenant and (ii) up to **60 days** of storage for the tenant's personal property.<sup>62</sup> The proposed subtitle would give OTA the ability to recover up to **180 days'** worth of costs in both these categories.

### Committee Reasoning

The Council established OTA by inserting the *Office of the Chief Tenant Advocate Establishment Act of 2005* into the *Fiscal Year 2006 Budget Support Act of 2005*.<sup>63</sup> OTA became formally responsible for administering a Housing Assistance Fund pursuant to the *Independent Office of the Tenant Advocate Establishment Amendment Act of 2006*,<sup>64</sup> and the Chief Tenant Advocate, Johanna Shreve, has testified that OTA began operating EHAP in earnest in 2009.

OTA's ability to recover hotel and storage costs from landlords who fail to prevent emergency housing conditions necessitating relocation derives from B21-656, the *Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016*, which Councilmember Nadeau introduced with the support of Councilmember Silverman as co-introducer and Councilmembers Bonds, Allen, and Alexander as co-sponsors. The original introduction version of this bill would have allowed OTA to recover the cost of up to **14 days** in a hotel and 60 days of storage. However, Director Shreve

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<sup>60</sup> D.C. Official Code § 42-3531.07(6A).

<sup>61</sup> D.C. Official Code §§ 42-3531.11, 42-3531.12.

<sup>62</sup> D.C. Official Code § 42-3531.11(b)(1), (3).

<sup>63</sup> Compare B16-200 as introduced by Chairman Cropp at the request of Mayor Williams with the bill as enrolled version, <https://lims.dccouncil.gov/Legislation/B16-0200>.

<sup>64</sup> See B16-181 as enrolled, § 2(f)(4) (inserting D.C. Official Code § 42-3531.07(6A)).

testified at a hearing on the bill that the hotel stay recoupment authority should be expanded to 30 days.<sup>65</sup>

The committee report acknowledged and adopted the Director's recommendation, resulting in the current 30-day limit on recoverable hotel stay costs. However, as Director Shreve noted in 2016, nothing in the EHAP statutes prohibits OTA from paying for tenants' costs in these categories for longer than the specified timeframes.<sup>66</sup> The limitation just applies to the agency's recoupment authority.

At this Committee's March 29, 2023, budget oversight hearing on OTA, Director Shreve explained that in rare, extreme cases, OTA is sometimes called on to help house displaced tenants for considerably longer than 30 days as a result of landlords' failures to maintain their rental units in habitable condition. She requested authority to recover costs for longer hotel stays, such as 180 days.

The Committee agrees with the Director's recommendation. According to OTA's testimony, EHAP funds ran out partway through fiscal year 2022. The Committee believes expanding OTA's recoupment authority to cover 180 days' worth of hotel costs will better achieve the remedial purposes of EHAP, safeguard the District's limited tenant assistance resources, and allow OTA to help additional tenants. After consulting with OTA leadership, the Committee is also increasing the storage cost recoupment authority to 180 days. It would be incoherent to leave OTA financially responsible for a tenant's storage costs beyond 2 months while allowing the agency to recover hotel costs for 6.

To the extent landlords are concerned about unjustified recoupment efforts, the Committee notes that landlords whom OTA bills under its EHAP authority will still have the right to appeal the charges to the Office of Administrative Hearings.<sup>67</sup> OTA has also indicated that the need for extended hotel stays and storage is rare and they endeavor to minimize costs for these forms of assistance by seeking out lower-priced accommodations wherever possible. According to an email from OTA leadership,

Under our guidelines, the maximum stay is generally 14 days. Tenants are told in no uncertain terms that they must find alternative housing within that timeframe because extensions are generally not granted. However, an extension of up to 28 days is possible where a displaced household, having done their due diligence, needs more time before they are able to move into alternative housing. The Chief Tenant Advocate exercises her discretion to extend hotel stays beyond the 14 [and] 28 day timeframes only in highly unusual circumstances, generally involving a large-scale disaster, the displacement of many vulnerable tenants such as the elderly, and inter-agency or Mayoral collaboration.

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<sup>65</sup> See Committee of the Whole, Subcommittee on Consumer Affairs, Councilmember Brianne K. Nadeau, Chairperson, record of public hearing on B21-656 at 106 (October 20, 2016), [https://lims.dccouncil.gov/downloads/LIMS/35415/Hearing\\_Record/B21-0656-HearingRecord1.pdf](https://lims.dccouncil.gov/downloads/LIMS/35415/Hearing_Record/B21-0656-HearingRecord1.pdf).

<sup>66</sup> Compare D.C. Official Code § 42-3531.07(6A)(A), (B) (allowing OTA to cover displaced tenants' hotel and storage costs, with no reference to a time limit) with § 42-3521.11(b).

<sup>67</sup> See D.C. Official Code §§ 42-3531.12(b)(2), 42-3531.13.



### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Amends the *Office of the Chief Tenant Advocate Establishment Act of 2005*, specifically the EHAP recoupment authority provisions, to allow OTA to recoup the costs of up to 180 days of hotel stays and personal property storage in specific circumstances, rather than the 30 days of hotel stays and 60 days of storage allowed under existing law.

### Fiscal Impact

OCFO determined that the subtitle would not have a fiscal impact.

## **7. Subject to Appropriations Repeals and Modifications**

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### Purpose, Effect, and Impact on Existing Law

This subtitle would repeal the subject to appropriations language in one bill that the Committee is proposing to fully fund.

The Council enacted Law 24-0262, the *Condominium Warranty Claims Clarification Amendment Act of 2022*, subject to inclusion in a budget and financial plan. The Committee recommends full funding for the implementation of this law and, accordingly, recommends repealing the subject to appropriations language to reflect this funding.

### Section-by-Section Analysis

Sec. XXX1. States the short title.

Sec. XXX2. Repeals the subject to appropriations language of the *Condominium Warranty Claims Clarification Amendment Act of 2022*.

### Fiscal Impact

OCFO estimates that the bill would cost \$200,000 in fiscal year 2023 and a total of \$824,000 over the 4-year financial plan.

## IV. ACKNOWLEDGMENTS

The Committee appreciates the commitment to humane, effective, and transparent governance that each Committee member and their staff have already demonstrated during Council Period 25. The Committee also owes immense gratitude to public servants whose brilliance and diligence make our work possible—and whose kindness, candor, flexibility, and good humor can often make it joyful. The Committee celebrates the contributions of our advisors and support personnel, including:

- Joseph Wolfe, Special Assistant, Office of the Budget Director
- Valerie Nadal, Assistant General Counsel
- Jamie Lantinen, Fiscal Analyst, Office of Revenue Analysis
- Anne Phelps, Budget Counsel and Chief of Staff, Office of the Budget Director
- Jennifer Budoff, Budget Director
- Nicole Streeter, General Counsel
- Nyasha Smith, Secretary to the Council
- Jamaine Taylor, Assistant Secretary
- Larry Cooper, Director of Support Services

The following staff of the Committee prepared this report under the direction of Chairperson Robert C. White, Jr.: Shawn Hilgendorf, Committee Director; Sean Cuddihy, Deputy Committee Director; Neah Evering, Legislative Counsel; and Caitlin Cocilova, Legislative Counsel. Finally, Chairperson White's personal office staff have provided all manner of invaluable support throughout the performance oversight, budget formulation, and report drafting processes: Angela Fowlkes, Chief of Staff; Katie Whitehouse, Legislative Director; Andre Strickland, Constituent Services Director; Devon Haynes, Communications Director; Lisa T. Wright, Legislative Assistant; and Sam Walden, Office Manager.

## V. COMMITTEE ACTION AND VOTE

On April 26, 2023, the Committee on Housing held a Committee Meeting to consider the Report and Recommendations of the Committee on Housing on the FY 2024 Budget for Agencies Under Its Purview. Committee Chairperson Robert C. White, Jr., recognized the presence of a quorum consisting of himself and Councilmembers XXXX. The Chair then provided the following statement:

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The Chair then moved the proposed committee report, with leave for staff to make technical and conforming amendments.

### *Dissenting, Separate, and Individual Views of Committee Members*

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None

### *Amendments or Other Motions*

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None

### *Vote on the Measure and Report*

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YES: XXX

NO: XXX

PRESENT: XXX

## VI. COMPREHENSIVE LOG OF ADJUSTMENTS

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	FY23	FY24	FY25	FY26	FY27	Comments
OTA	0100 - LOCAL	3000 - LEGAL REP.	3015 - IN-HOUSE LEGAL REP.	0011 - REGULAR PAY - CONT FULL TIME	1.00	Budget	Enhance	Recurring		\$109,987	\$111,857	\$113,758	\$115,692	To restore OTA legal staff position
OTA	0100 - LOCAL	3000 - LEGAL REP.	3015 - IN-HOUSE LEGAL REP.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Enhance	Recurring		\$26,947	\$27,580	\$28,228	\$28,892	To restore OTA legal staff position
OTA	0100 - LOCAL	5000 - OTA EDUCATIONAL INSTITUTE	5010 - OTA EDU. INST.	0011 - REGULAR PAY - CONT FULL TIME	1.00	Budget	Enhance	Recurring		\$88,300	\$89,801	\$91,328	\$92,880	To restore OTA staff position
OTA	0100 - LOCAL	5000 - OTA EDUCATIONAL INSTITUTE	5010 - OTA EDU. INST.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Enhance	Recurring		\$21,634	\$22,142	\$22,662	\$23,195	To restore OTA staff position
OTA	0100 - LOCAL	6000 - EMERGENCY HOUSING	6010 - EME. HOUSING	0040 - OTHER SERVICES AND CHARGES		Budget	Enhance	One Time		\$30,000				Enhancement for EHAP
DHCD	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1080 - COMMS.	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$90,805)	(\$92,349)	(\$93,919)	(\$95,515)	Position 00045736-Public Affairs Specialist is vacant. The position is being eliminated to fund other priorities.
DHCD	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1080 - COMMS.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$19,886)	(\$20,353)	(\$20,832)	(\$21,321)	Position 00045736-Public Affairs Specialist is vacant. The position is being eliminated to fund other priorities.
DHCD	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1080 - COMMS.	0040 - OTHER SERVICES AND CHARGES		Budget	Reduction	One Time		(\$500,000)				The proposed one-time communications enhancement is being eliminated to fund other policy priorities.
DHCD	0100 - LOCAL	3000 - RESIDENTIAL AND COMMUNITY SERVICE DIV	3010 - NEIGHBORHOOD-BASED ACTIVITIES	0050 - SUBSIDIES AND TRANSFERS		Budget	Reduction	Recurring		(\$2,000,000)	(\$1,017,000)	(\$1,034,289)	(\$1,051,872)	The proposed Heirs Property Assistance Program is a policy initiative that is being reduced to fund other policy priorities.

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time		FY23	FY24	FY25	FY26	FY27	Comments
								One Time							
DHCD	0100 - LOCAL	3000 - RESIDENTIAL AND COMMUNITY SERVICE DIV	3030 - RES. SVCS. - HPAP	0050 - SUBSIDIES AND TRANSFERS		Budget	Reduction	One Time			(\$4,000,000)				The proposed Black Homeownership HPAP enhancement is being reduced from \$8M to \$4M to fund other policy priorities. The proposed budget included this funding in program 4100, activity 4110-Property Acquisition and Disposition, CSG 41. A technical correction moved the budget to activity 3030, CSG 50.
DHCD	0100 - LOCAL	8100 - HOUSING REGULATION ADMINISTRATION	8120 - HOUSING RESOURCE CENTER	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	Recurring		\$200,000	\$204,000	\$208,000	\$212,000	Enhancement to fund the Warranty Claim Assistance Fund needed to implement the Condominium Warranty Claims Clarification Amendment Act of 2022	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1080 - COMMS.	0040 - OTHER SERVICES AND CHARGES		Budget	Enhance	One Time		\$65,000				Enhancement for Zoom accounts for ANCs	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1080 - COMMS.	0041 - CONTRACTUAL SERVICES - OTHER		Budget	Enhance	Recurring		\$13,520	\$13,750	\$13,984	\$14,221	Enhancement for OANC and ANC websites	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1085 - CUSTOMER SVCS.	0040 - OTHER SERVICES AND CHARGES		Budget	Enhance	Recurring		\$296	\$301	\$306	\$311	Enhancement for MOU with DSLBD for Salesforce	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1085 - CUSTOMER SVCS.	0040 - OTHER SERVICES AND CHARGES		Budget	Enhance	Recurring		\$9,281	\$9,439	\$9,599	\$9,762	Enhancement for MOU with DCHR for hiring OANC staff	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1085 - CUSTOMER SVCS.	0040 - OTHER SERVICES AND CHARGES		Budget	Enhance	One Time		\$25,750	\$26,188	\$26,633	\$27,086	Enhancement for MOU with OCTO for ANC Outlook licenses	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1085 - CUSTOMER SVCS.	0041 - CONTRACTUAL SERVICES - OTHER		Budget	Enhance	Recurring		\$14,400	\$14,645	\$14,894	\$15,147	Enhancement for DeGray Financial QFR Software contract	
ANCs/OANC	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1085 - CUSTOMER SVCS.	0041 - CONTRACTUAL SERVICES - OTHER		Budget	Enhance	One Time		\$78,450				Enhancement for Granicus contract	

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	FY23	FY24	FY25	FY26	FY27	Comments
								One Time						
ANCs/OANC	0100 - LOCAL			0011 - REGULAR PAY - CONT FULL TIME		Budget	Reduction	One Time	(\$173,232)					The Council added 4.0 FTEs to the agency budget for FY23. None of those positions have been filled. Therefore 50% of the existing budget for these positions will be redirected to other priorities.
ANCs/OANC	0100 - LOCAL			0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	One Time	(\$33,260)					The Council added 4.0 FTEs to the agency budget for FY23. None of those positions have been filled. Therefore 50% of the existing budget for these positions will be redirected to other priorities.
DCHA Subsidy	0100 - LOCAL	4000 - PUBLIC SAFETY	4001 - PUBLIC SAFETY	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$200,000				Enhancement for security and cameras at Edgewood Terrace
DCHA Subsidy	0100 - LOCAL	6000 - LOCAL RENT SUPPLEMENT - TENANT BASED	6010 - TENANT BASED VOUCHERS	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$67,678				One-time enhancement for start-up costs and application fees associated with 20 LRSP vouchers for returning citizens identified by ORCA
DCHA Subsidy	0100 - LOCAL	6000 - LOCAL RENT SUPPLEMENT - TENANT BASED	6010 - TENANT BASED VOUCHERS	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	Recurring		\$552,000	\$561,384	\$570,928	\$580,633	Recurring enhancement for 20 LRSP vouchers for returning citizens identified by ORCA
DCHA Subsidy	0100 - LOCAL			0050 - SUBSIDIES AND TRANSFERS		Budget	Reduction	One Time	(\$2,981,409)					The FY23 DCHA Rehabilitation and Maintenance Fund budget is being reduced from \$20.4M to \$17.4M so that \$3M of fund balance can be used to fund other priorities. Only \$6.8M was spent from the Fund in FY22, and less than \$3M has been spent to date in FY23.

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	FY23	FY24	FY25	FY26	FY27	Comments
DHS	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1010 - PERSONNEL	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$93,069)	(\$94,651)	(\$96,260)	(\$97,897)	Position 000077891-Human Resource Specialist is vacant and has been vacant since FY21. Budget associated with the position will be directed to other priorities.
DHS	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1010 - PERSONNEL	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$24,105)	(\$24,671)	(\$25,251)	(\$25,845)	Position 000077891-Human Resource Specialist is vacant and has been vacant since FY21. Budget associated with the position will be directed to other priorities.
DHS	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1090 - PERFORMANCE MGMT	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$109,999)	(\$111,869)	(\$113,771)	(\$115,705)	Position 00098193-Special Assistant is vacant and has been vacant since FY21. Budget associated with the position will be directed to other priorities.
DHS	0100 - LOCAL	1000 - AGENCY MANAGEMENT	1090 - PERFORMANCE MGMT	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$28,490)	(\$29,160)	(\$29,845)	(\$30,546)	Position 00098193-Special Assistant is vacant and has been vacant since FY21. Budget associated with the position will be directed to other priorities.
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2030 - CASE MGMT.	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$103,840)	(\$105,605)	(\$107,401)	(\$109,226)	Position 00082072-Supervisory Vocational Development Specialist is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2030 - CASE MGMT.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$26,895)	(\$27,527)	(\$28,174)	(\$28,836)	Position 00082072-Supervisory Vocational Development Specialist is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	Recurring or One-Time					Comments
									FY23	FY24	FY25	FY26	FY27	
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2030 - CASE MGMT.	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$70,592)	(\$71,792)	(\$73,013)	(\$74,254)	Position 00008106-Vocational Development Specialist is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2030 - CASE MGMT.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$18,283)	(\$18,713)	(\$19,152)	(\$19,602)	Position 00008106-Vocational Development Specialist is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2040 - ELIGIBILITY DETERMINATION SVCS.	0011 - REGULAR PAY - CONT FULL TIME	(1.00)	Budget	Reduction	Recurring		(\$58,591)	(\$59,587)	(\$60,600)	(\$61,630)	Position 000096758-Social Service Representative is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.
DHS	0100 - LOCAL	2000 - ECONOMIC SECURITY ADMINISTRATION	2040 - ELIGIBILITY DETERMINATION SVCS.	0014 - FRINGE BENEFITS - CURR PERSONNEL		Budget	Reduction	Recurring		(\$15,175)	(\$15,532)	(\$15,897)	(\$16,270)	Position 000096758-Social Service Representative is vacant and has been vacant since FY20. Budget associated with the position will be redirected to other priorities.
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5014 - EME. RENTAL ASSISTANCE (ERAP)	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$6,312,944.83				To restore Emergency Rental Assistance Program funding
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5020 - DOMESTIC VIOLENCE SVCS.	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$398,000	\$404,766	\$411,647	\$418,645	To restore funding for the domestic violence Training and Technical Assistance Program
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5034 - PERMANENT SUPPORTIVE HOUSING - INDIV	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$667,000				To restore funding for workforce training for Transgender and Gender Non-Conforming youth.
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5038 - HOMELESS SVCS. CONTINUUM-INDIVIDUALS	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	Recurring		\$1,200,000	\$1,220,400	\$1,241,147	\$1,262,246	To restore funding for Project Reconnect



Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	FY23	FY24	FY25	FY26	FY27	Comments
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5039 - HOMELESS SVCS. CONTINUUM - GENERAL	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$250,000				Enhancement to fund grants to organizations that supply furniture to formerly homeless residents
DHS	0100 - LOCAL	5000 - FAMILY SERVICES	5039 - HOMELESS SVCS. CONTINUUM - GENERAL	0050 - SUBSIDIES AND TRANSFERS		Budget	Enhance	One Time		\$700,000				To restore interim disability assistance funding
	0100 - LOCAL					Resources	Transfer in	One Time		\$1,000,000				Transfer in from PWO for DHS to restore funding for the Emergency Rental Assistance Program
	0100 - LOCAL					Resources	Transfer in	One Time		\$2,100,000				Transfer in from CFFS for DHS to restore funding for the Emergency Rental Assistance Program
	0100 - LOCAL					Resources	Transfer in	Recurring		\$1,200,000	\$1,220,400	\$1,241,147	\$1,262,246	Transfer in from CFFS for DHS to restore funding for Project Reconnect
	0100 - LOCAL					Resources	Transfer in	Recurring			\$404,766	\$411,647	\$418,645	Transfer in from PWO for DHS to restore recurring funding for domestic violence Training and Technical Assistance Program
	0100 - LOCAL					Resources	Transfer in	One Time		\$1,000,000				Transfer in from T&E for DHS to restore funding for the Emergency Rental Assistance Program
	0100 - LOCAL					Resources	Transfer in	Recurring		\$200,000	\$204,000	\$208,000	\$212,000	Transfer in from CEAL for DHCD to fund the Condominium Warranty Claims Clarification Amendment Act of 2022
	0100 - LOCAL					Resource	Transfer In	Recurring			\$541,384	\$570,927.53	\$580,633.30	Transfer in from PWO for out-year costs for 20 LRSP Vouchers for Returning Citizens
	0100 - LOCAL					Resource	Transfer In	Recurring			\$30,510	\$31,028.67	\$31,556.16	Transfer in from PWO for recurring costs for enhancement of EHAP at OTA
	0100 - LOCAL					Resources	Transfer in	One Time		\$500,000				Transfer in from HLT for DHS to restore funding for the Emergency Rental Assistance Program
	0100 - LOCAL					Resources	Transfer out	Recurring		(\$250,000)	(\$254,250)	(\$258,573)	(\$262,968)	Transfer to CEAL for OIG to fund a DCHA audit

Agency	Fund Type	Program	Activity	CSG	FTE Var.	Resources / Budget	Adjustment	Recurring or One-Time	FY23	FY24	FY25	FY26	FY27	Comments
	0100 - LOCAL					Resources	Transfer out	Recurring		(\$1,242,180)	(\$1,651,826)	(\$1,670,125)	(\$1,692,972)	Transfer to the COW for UDC to fund Pathways to Behavioral Health Degrees Act of 2023 that was referred to the COW.
	0100 - LOCAL					Resources	Transfer out	Recurring		(\$303,000)	(\$258,000)	(\$262,000)	(\$267,000)	Transfer to CEAL for DOES to fund Domestic Workers Employment Rights Amendment Act of 2022
	0100 - LOCAL					Resources	Transfer out	Recurring		(\$275,000)	(\$279,000)	(\$287,000)	(\$294,000)	Transfer to CEAL for EOM (Office of Women's Policy and Initiatives) to fund Elimination of Discrimination Against Women Act of 2022.

## VII. RECOMMENDED SUBTITLES

Committee on Housing  
Fiscal Year 2024 Budget Support Act of 2023  
Recommended Subtitles

1 ~~Land Purchase Partnership~~ Local Property Acquisition Pilot Program Act of 2023”.

2 Sec. XXX2. Definitions.

3 For the purposes of this chapter, the term:

4 (1) "Affordable" means a household paying no more than 30% of its income toward  
5 housing costs.

6 (2) "Median family income" means the median family income for a household in the  
7 Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the  
8 U.S. Department of Housing and Urban Development ("HUD"), adjusted for family size, without  
9 regard to any adjustments made by HUD for the purposes of the programs it administers.

10 Sec. ~~XXX2.~~ XXX3. ~~Land Purchase Partnership~~ Local Property Acquisition Pilot Program.

11 ~~(a) There is hereby authorized the Land Purchase Partnership Program ("Program").~~

12 ~~(b) (a) Under the Program, the The Mayor may acquire land property on which privately-~~  
13 ~~owned housing is located; or on which privately-owned rental or homeownership housing is to be~~  
14 ~~constructed, and the Mayor may~~ provided, that the Mayor shall thereafter enter into a ground lease  
15 of the land to ~~the owner or developer of the rental or homeownership housing a lessee,~~ subject to  
16 ~~subsection (c) of this section~~ section XXX4 and section XXX5 of this act.

17 ~~(c) As a condition of any ground lease of land entered into under subsection (b) of this~~  
18 ~~section, the Mayor shall require that the owner of the land file a covenant in the land records of~~  
19 ~~the District requiring that during the term of the ground lease at least 50% of the housing units on~~  
20 ~~the land shall be affordable to households earning 80% of the median family income or less.~~

21 ~~(d) (b) A~~ An initial ground lease on a property entered into under this section shall not be

22 subject to An Act Authorizing the sale of certain real estate in the District of Columbia no longer  
23 required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 *et*  
24 *seq.*).

25 ~~(e) The Mayor may impose fees related to the administration of the Program, including fees~~  
26 ~~for application to, and participation in, the Program.~~

27 ~~(f) For the purposes of this section, the term “median family income” means the median~~  
28 ~~family income for a household in the Washington Metropolitan Statistical Area as set forth in the~~  
29 ~~periodic calculation provided by the U.S. Department of Housing and Urban Development~~  
30 ~~(“HUD”), adjusted for family size, without regard to any adjustments made by HUD for the~~  
31 ~~purposes of the programs it administers.~~

32 ~~(g) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure~~  
33 ~~Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue rules~~  
34 ~~to implement the provisions of this subtitle.~~

35 **Sec. XXX4. Transparency and reporting.**

36 **(a) At least 30 business days prior to acquiring property pursuant to this chapter, the**  
37 **Mayor shall publish online and submit to the Council:**

38 **(1) The address, size, and a description of the property to be acquired;**

39 **(2) An appraisal of the value of the property, both with and without improvements,**  
40 **prepared by an independent licensed appraiser;**

41 **(3) The amount the District plans to pay to acquire the property;**

42 **(4) The amount of real property taxes assessed and received by the District for the**  
43 **property in the most recent tax year;**

44 **(5) The anticipated revenue gained or foregone by the District from the ground**  
45 **lease;**

46 **(6) Any existing covenants, deeds, or other restrictions on the property;**

47 **(7) For privately-owned housing located on the property:**

48 **(A) The type of units, including townhome, single family home, apartment, or**  
49 **cooperative;**

50 **(B) The number of housing units;**

51 **(C) The number of bedrooms per unit;**

52 **(D) The number of vacant units and their sizes;**

53 **(E) The rent per unit, if rental units; and**

54 **(F) An assessment of the condition of the property and any structural or**  
55 **maintenance issues on the property.**

56 **(b) Within 30 business days of entering into a ground lease pursuant to this act, the Mayor**  
57 **shall submit to the Council a copy of the ground lease.**

58 **Sec. XXX5. As a condition of any ground lease on property entered into under section**  
59 **XXX3 of this act, the Mayor or lessee shall file a covenant in the property records of the District**  
60 **that requires an increase in the overall affordability of housing units on the property to the extent**  
61 **necessary to ensure the following during the term of the ground lease:**

62 **(a) At least 15% of the housing units on the property shall be affordable for households**  
63 **earning 30% of the median family income or less;**

64 **(b) At least 20% of the housing units on the property shall be affordable to households**  
65 **earning 50% of the median family income or less;**

66 **(c) At least 15% of the housing units shall be affordable to households earning 80% of the**  
67 **median family income or less.**

68 **Sec. XXX6. Program administration.**

69 **(a) The Mayor may impose fees related to the administration of this subtitle.**

70 (b) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure  
71 Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 et seq.), may issue rules  
72 to implement the provisions of this subtitle.

73 Sec. XXX7. Sunset.

74 (a) This act shall expire on September 30, 2025.

75 ~~SUBTITLE B. DISTRICT OF COLUMBIA LOW-INCOME HOUSING TAX CREDIT~~

76 ~~Sec. 2011. Short title.~~

77 ~~This subtitle may be cited as the “District of Columbia Low-Income Housing Tax Credit~~  
78 ~~Amendment Act of 2023”.~~

79 ~~Section 2012. Chapter 48 of Title 47 of the District of Columbia Official Code is amended~~  
80 ~~as follows:~~

81 ~~(a) Section 47-4801 is amended as follows:~~

82 ~~(1) A new paragraph (5A) is added to read as follows:~~

83 ~~“(5A) “Eligible project” means a rental housing development in the District that~~  
84 ~~includes:~~

85 ~~“(A) More than 5 housing units; and~~

86 ~~“(B) Units that will be affordable to tenants at an income level no greater~~  
87 ~~than 80% of MFI.”.~~

88 ~~(2) A new paragraph (6A) is added to read as follows:~~

89 ~~“(6A) “MFI” means the median family income for a household in the Washington~~  
90 ~~Metropolitan Statistical Area as set forth in the periodic calculation provided by the U.S.~~  
91 ~~Department of Housing and Urban Development (“HUD”), adjusted for family size, without~~  
92 ~~regard to any adjustments made by HUD for the purposes of the programs it administers.”.~~

93 ~~(2) Paragraph (8) is repealed.~~

94 ~~(b) Section 47-4802 is amended as follows:~~

95 ~~(1) Subsection (d) is amended to read as follows:~~

96 ~~“(d) The Department may award District of Columbia low-income housing tax credits to~~  
97 ~~eligible projects in accordance with § 47-4803.”.~~

98 ~~(2) A new subsection (e) is added to read as follows:~~

99 ~~“(e) The total credits available for the Department to award are as follows:~~

100 ~~“(1) In fiscal year 2024, \$7,800,000;~~

101 ~~“(2) In fiscal year 2025, \$8,400,000;~~

102 ~~“(3) In fiscal year 2026, \$8,820,000;~~

103 ~~“(4) In fiscal year 2027, \$9,261,000; and~~

104 ~~“(5) In each subsequent fiscal year, 105% of the total credits available for award in~~  
105 ~~the prior fiscal year.”.~~

106 ~~(c) Section 47-4803 is amended as follows:~~

107 ~~(1) Subsection (a) is amended to read as follows:~~

108 ~~“(a)(1) An owner of an eligible project may be awarded a District of Columbia low-income~~  
109 ~~housing tax credit with respect to that eligible project. The amount of the credit shall not exceed~~  
110 ~~9% of the project’s qualified basis, as determined in accordance with paragraph (3) of this~~  
111 ~~subsection.~~

112 ~~“(2) Each District of Columbia low-income housing tax credit shall be awarded on a~~  
113 ~~competitive basis.~~

114 ~~“(3) The qualified basis of a project shall be determined pursuant to the standards~~  
115 ~~set forth in section 42(c) of the Internal Revenue Code of 1986, approved October 22, 1986 (100~~  
116 ~~Stat. 2189; 26 U.S.C. § 42(c)).”.~~

117 ~~(2) Subsection (b)(1) is amended to read as follows:~~

118 ~~“(1) If an owner of a project that was awarded or otherwise granted a District of~~  
119 ~~Columbia low-income housing tax credit transfers, sells, or assigns the credit to another taxpayer,~~  
120 ~~pursuant to § 47-4806, the District of Columbia low-income housing tax credit shall not be taken,~~  
121 ~~pursuant to subsection (c) of this section, against taxes imposed under this title unless the owner~~  
122 ~~has filed with the Department, in a form determined by the Department, an affidavit certifying~~  
123 ~~that the value received by the owner of the eligible project was used to ensure financial feasibility~~  
124 ~~of the eligible project.”.~~

125 ~~(3) Subsection (d)(2) is amended by:~~

126 ~~(A) Striking the phrase “An owner of a qualified project” and inserting the~~  
127 ~~phrase “An owner” in its place; and~~

128 ~~(B) Striking the phrase “The owner of a qualified project” and inserting the~~  
129 ~~phrase “The owner” in its place.~~

130 ~~(4) Subsection (f)(1) is amended by:~~

131 ~~(A) Striking the phrase “qualified project” and inserting the phrase “eligible~~  
132 ~~project” in its place; and~~

133 ~~(B) Striking the phrase “qualified District of Columbia project” and~~  
134 ~~inserting the phrase “eligible project” in its place.~~

135 ~~(d) Section 47-4804 is amended as follows:~~

136 ~~(1) Subsection (a) is amended by:~~

137 ~~(A) Striking the phrase “The owner of a qualified project eligible for the”~~  
138 ~~and inserting the phrase “An owner of a project that claims a” in its place;~~

139 ~~(B) Striking the phrase “eligibility statement” and inserting the word~~  
140 ~~“statement” in its place;~~

141 ~~(C) Striking the phrase “with respect to the qualified project” and inserting~~



142 ~~the phrase “with respect to the project” in its place; and~~

143 ~~(D) Striking the phrase “with respect to such qualified project” and inserting~~  
144 ~~the phrase “with respect to the project” in its place.~~

145 ~~(2) Subsection (b) is amended as follows:~~

146 ~~(A) The existing text is designated as paragraph (1).~~

147 ~~(B) A new paragraph (2) is added to read as follows:~~

148 ~~“(2) This subsection shall apply to District of Columbia low-income housing tax~~  
149 ~~credits awarded before October 1, 2024.”.~~

150 ~~(3) A new subsection (c) is added to read as follows:~~

151 ~~“(c)(1) If a project that claims a District of Columbia low-income tax credit, or the owner of~~  
152 ~~such a project, is found to be non-compliant pursuant to § 47-4807, the Department may~~  
153 ~~recapture credits held by the project or owner or impose a fine on the owner.~~

154 ~~“(2) This subsection shall apply to District of Columbia low-income housing tax~~  
155 ~~credits awarded on or after October 1, 2024.”.~~

156 ~~(e) Section 47-4806 is amended by striking the phrase “qualified project” wherever it~~  
157 ~~appears and inserting the word “project” in its place.~~

158 ~~(f) Section 47-4808 is amended by striking the phrase “a qualified District of Columbia~~  
159 ~~project” and inserting the phrase “a project” in its place.~~

160 ~~(g) Section 47-4810 is amended by striking the phrase “qualified project” and inserting the~~  
161 ~~word “project” in its place.~~

162 SUBTITLE X. HOME PURCHASE ASSISTANCE PROGRAM AMENDMENT

163 Sec. XXX1. Short title.

164 This subtitle may be cited as the “Home Purchase Assistance Program Amendment Act of  
165 2023”.

166 Sec. XXX2. Section 3a of the Home Purchase Assistance Fund Act of 1978, effective July 1,  
167 2016 (D.C. Law 21-139; D.C. Official Code § 42-2602.01), is amended as follows:

168 (a) Subsection (a)(2) is amended by striking the phrase “no qualifying applicant shall receive less  
169 than \$70,000” and inserting the phrase “no qualifying applicant shall be approved to receive less than  
170 \$70,000” in its place.

171 (b) Subsection (e)(1)(B) is repealed.

172 SUBTITLE X. HOUSING PRODUCTION TRUST FUND

173 Sec. XXX1. Short title.

174 This subtitle may be cited as the “Housing Production Trust Fund Amendment Act of 2023”.

175 Sec. XXX2. The Housing Production Trust Fund Act of 1989, effective March 16, 1989 (D.C.  
176 Law 7-202; D.C. Official Code § 42-2801 *et seq.*), is amended as follows:

177 (a) Section 2 (D.C. Law 7-202; D.C. Official Code § 42-2801) is amended as follows:

178 (1) ~~Paragraphs Existing paragraphs~~ (1), (1A), ~~and~~ (1B), (1C), (1D), and (1E) are  
179 redesignated as paragraphs (1A), (1B), ~~and~~ (1C), (1D), (1E), and (1F) respectively.

180 (2) A new paragraph (1) is added to read as follows:

181 “(1) “Affordable dwelling unit” means a ~~dwelling that is offered for rent or for sale for~~  
182 ~~residential occupancy and is made available to, and affordable to, a household whose income is~~  
183 ~~equal to, or less than, 120% of area median income, as a result of a federal or District requirement~~  
184 for-sale or for-rent housing unit that is restricted through a deed, covenant, land disposition  
185 agreement, or other originating document for occupancy by, or to ensure affordability for, a  
186 household whose income falls within a certain range.”.

187 (3) Paragraph (7) is repealed.

188 ~~(3)~~ (4) Paragraph (5A) is redesignated as paragraph (5B).

189 ~~(4)~~ (5) A new paragraph (5A) is added to read as follows:

190 “(5A) “Inclusionary unit” ~~shall have the meaning set forth in section 101(3) of the~~  
191 ~~Inclusionary Zoning Implementation Amendment Act of 2006, effective March 14, 2007 (D.C. Law~~  
192 ~~16-275; D.C. Official Code § 6-1041.01(3))~~ means a unit set aside for sale or rent to eligible  
193 households as required by the Inclusionary Zoning Program or established by an order approving  
194 a Planned Unit Development pursuant to Chapter 3 of Title 11-X of the District of Columbia  
195 Municipal Regulations.”.

196 (b) Section 3~~(b)~~ (D.C. Law 7-202; D.C. Official Code § 42-2802~~(b)~~) is amended ~~by adding a~~  
197 ~~new paragraph (6A) to read~~ as follows:

198 (1) Subsection (b) is amended by adding a new paragraph (6A) to read as follows:

199 “(6A) Funds for the purchase by the Mayor of one or more for-sale inclusionary units  
200 and for-sale affordable dwelling units for the purpose of reselling such units to ~~eligible~~ extremely low  
201 income, very low income, or low income households;”.

202 (2) A new subsection (b-6) is added to read as follows:

203 “(b-6) Notwithstanding any provision of this chapter or any other law, the Mayor may in  
204 Fiscal Year 2024 transfer the following from the Fund:

205 (1) \$4 million to the Home Purchase Assistance Program; and

206 (2) \$2 million to the Neighborhood-Based Activities Program to support the Heirs  
207 Property Program.”.

208 ~~(2)~~ (3) Subsection (c) is amended as follows:

209 (A) Paragraph (17) is amended by striking the phrase “; and” and inserting a  
210 semicolon in its place.

211 (B) Paragraph (18) is amended by striking the period at the end and inserting the  
212 phrase “; and” in its place.

213 (C) A new paragraph (19) is added to read as follows:

214 “(19) Revenue received by the District from the resale by the District of **for-sale**  
215 inclusionary units and **for-sale** affordable dwelling units previously purchased by the District with  
216 money from the Fund.”.

217 SUBTITLE X. TAX ABATEMENTS FOR AFFORDABLE HOUSING IN HIGH-NEED AREAS

218 Sec. XXX1. Short title.

219 This subtitle may be cited as the “Tax Abatements for Affordable Housing in High-Need Areas  
220 Amendment Act of 2023”.

221 Sec. XXX2. Section 47-860 of the District of Columbia Official Code is amended as follows:

222 (a) Subsection (a) is amended as follows:

223 (1) The lead-in language is amended by striking the phrase “abated for the period” and  
224 inserting the phrase “abated each year by the amount certified by the Mayor for that year during the  
225 period” in its place.

226 (2) Paragraph (1) is amended by striking the phrase “housing area;” and inserting the  
227 phrase “housing area or, for competitive processes initiated by the Mayor pursuant to **section subsection**

228 (b) of this section before January 1, 2023, is located in the Upper Northeast or Rock Creek East planning  
229 areas identified in the District’s Housing Equity Report published in October 2019 or within 1,000 feet  
230 in any direction beyond the Upper Northeast or Rock Creek East planning area boundaries;” in its place.

231 (b) Subsection (b) is amended as follows:

232 (1) Paragraph (2) is amended by striking the phrase “\$4 million” and inserting the phrase  
233 “\$6 million” in its place.

234 (2) Paragraph (3) is amended by striking the phrase “\$4 million” and inserting the phrase  
235 “\$6 million” in its place.

236 (c) Subsection (g)(6) is amended to read as follows:

237 “(6) “High-need affordable housing area” means the Near Northwest, Rock Creek West,

238 and Capitol Hill planning areas identified in the District’s Housing Equity Report, published in October  
239 2019, plus 1,000 feet in any direction beyond any of those 3 planning area boundaries.”.

240 SUBTITLE X. DOWNTOWN HOUSING

241 Sec. XXX1. Short title.

242 This subtitle may be cited as the “Housing in Downtown Abatement Amendment Act of 2023”.

243 Sec. XXX2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

244 (a) The table of contents is amended by adding a new section designation to read as follows:

245 “§ 47-860.02a. Tax abatements for housing in downtown – Exemptions.”.

246 (b) Section 47-860.02(a) is amended as follows:

247 (1) Paragraph (2) is amended to read as follows:

248 “(2)(~~i~~) At least ~~8%~~ 15% of the housing units (“affordable housing units”) developed or  
249 redeveloped on the real property are affordable to households earning 60% or less of the median family  
250 income for a period of at least ~~20 years; or 25 years, and of the gross square footage encompassed by~~  
251 the affordable housing units, 50% shall be dedicated to units with 3 or more bedrooms.”.

252 ~~“(ii) At least 15% of the affordable housing units developed or redeveloped on~~  
253 ~~the real property are affordable to households earning 80% or less of the median family income for~~  
254 ~~a period of at least 20 years.~~

255 (2) A new paragraph (3A) is added to read as follows:

256 “(3A) The property owner maintains and makes accessible to the public a restroom  
257 during all hours in which the building has staff on-site.”.

258 ~~(2)~~ (3) Paragraph (6) is repealed.

259 (c) A new section 47-860.02a is added to read as follows:

260 “§ 47-860.02a. Tax abatements for housing in downtown – Exemptions.

261 “(a) Each property for which the Mayor has approved a tax abatement under § 47-860.02(a)(8)

262 shall be:

263 “(1) Exempt from the requirement to enter into a First Source Agreement; and

264 “(2) For the first ~~15~~10 years after a certificate of occupancy has been issued for the  
265 property, exempt from the requirements of the Tenant Opportunity to Purchase Act of 1980, effective  
266 September 10, 1980 (D.C. Law 3-86; D.C. Official Code § 42-3404.01 *et seq.*) (“TOPA”).

267 “(b) Before an individual enters into a lease for a housing unit located on a property that is exempt  
268 from TOPA under subsection (a)(2) of this section, the owner of the property shall provide written notice  
269 to the individual of the property’s exemption from TOPA.”.

270 (d) Section 47-860.03(b) is amended as follows:

271 (1) Paragraph (2) is amended by striking the ~~phase-phrase~~ “; and” and inserting a  
272 semicolon in its place.

273 (2) Paragraph (3) is repealed.

274 (3) New paragraphs (4) and (5) are added to read as follows:

275 “(4) For Fiscal Year 2028, up to \$41 million; and

276 “(5) For each succeeding fiscal year after Fiscal Year 2028, up to an amount equal to 104%  
277 of the prior year’s cap.”.

## 278 SUBTITLE X. ADVISORY NEIGHBORHOOD COMMISSION SUPPORT FLEXIBILITY

279 Sec. XXX1. Short title.

280 This subtitle may be cited as the “Advisory Neighborhood Commission Support Flexibility  
281 Amendment Act of 2023”.

282 Sec. XXX2. The lead-in language of section 16a(c) of the Advisory Neighborhood Commissions  
283 Act of 1975, effective December 3, 2020 (D.C. Law 23-14; D.C. Official Code § 1-309.13a(c)) is  
284 amended to read as follows:

285 “(c) Money in the fund shall be used by the Office to provide services and supports to Advisory

286 Neighborhood Commissions, which may include:”.

287 SUBTITLE X. EMERGENCY RENTAL ASSISTANCE FUNDS REPORTING AND NOTICE  
288 REQUIREMENTS

289 Sec. XXX1. Short title.

290 This subtitle may be cited as the “Emergency Rental Assistance Funds Reporting and Notice  
291 Requirements Amendment Act of 2023”.

292 Sec. XXX2. Section 8f of the Homeless Services Reform Act of 2005, effective March 10, 2023  
293 (D.C. Law 24-287; D.C. Official Code § 4-753.08) is amended by adding a new subsection (c-1) to read  
294 as follows:

295 “(c-1)(1) Beginning October 31, 2023, the Mayor shall transmit a monthly written report to the  
296 Council that provides the following information related to the Emergency Rental Assistance Program  
297 every month that funds remain available:

298 “(A) The number of applications:

299 “(i) Received in the current fiscal year;

300 “(ii) Pending review;

301 “(iii) Approved with funds dispersed;

302 “(iv) Approved and pending payment;

303 “(v) Denied; or

304 “(vi) In the process of an appeal;

305 “(B) The amount of funding for the current fiscal year that has been:

306 “(i) Dispersed;

307 “(ii) Committed; and

308 “(iii) Remaining; and

309 “(C) The projected date funds will be exhausted based on application and

310 payment trends.

311 “(2)(A) The report required by paragraph (1) of this subsection shall be posted  
312 conspicuously on the Department of Human Services’ website and the application portal website for  
313 Emergency Rental Assistance funds.

314 “(B) The Mayor shall not pass costs or administrative obligations required by  
315 paragraph (1) of this subsection onto community-based organizations that support the dispersal of  
316 Emergency Rental Assistance funds; provided, that the Mayor may request the cooperation of  
317 community-based organizations to provide accurate reporting.

318 “(3) The Mayor shall provide one month of public notice before closing the application  
319 portal for Emergency Rental Assistance Funds.

320 “(4) When the application portal for Emergency Rental Assistance funds closes due to  
321 projected funding exhaustion, the Mayor shall report quarterly to the Council the number of inquiries or  
322 requests received through any means by the Department of Human Services related to emergency rental  
323 assistance.”.

#### 324 SUBTITLE X. HOUSING AUTHORITY ACCOUNTABILITY

325 Sec. XXX1. Short title.

326 This subtitle may be cited as the “Housing Authority Accountability Amendment Act of 2023”.

327 Sec. XXX2.

328 The District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-  
329 105; D.C. Official Code § 6-201 *et seq.*), is amended as follows:

330 (a) Section 3 (D.C. Official Code § 6-202) is amended by adding a new subsection (b-1) to read  
331 as follows:

332 “(b-1)(1)(A) Beginning on December 1, 2022, and monthly thereafter, the Authority shall submit  
333 a report to the Mayor, Attorney General, and each Councilmember that details:



334 “(i) The amount of operating reserves, expressed in dollars and in months  
335 of expenses, for the public housing program, Housing Choice Voucher program, and the Authority’s  
336 operations overall;

337 “(ii) The number of vacant public housing units classified by repair status,  
338 such as move-in ready, repairs in progress, and offline due to major repair needs;

339 “(iii) The average length of time that public housing units have been  
340 vacant in the prior year, by repair status; and

341 “(iv) A detailed accounting of expenses paid for with District funds in the  
342 prior month and the expenses budgeted for payment with District funds in the remainder of the fiscal  
343 year.

344 “(B) In lieu of a monthly report, the Authority may provide the Mayor, Attorney  
345 General, and each Councilmember with access to an online database through which the above reports  
346 can be generated.

347 “(2) If HUD designates the Authority as a Standard Performer or High Performer in  
348 HUD’s Public Housing Assessment System or if the Authority demonstrates that the lack of such a  
349 designation is solely due to the presence of HUD’s Moving to Work agreement with the Authority, the  
350 requirements of paragraph (2) of this subsection shall be waived for 12 months from the date such  
351 designation was received from HUD or documented by the Authority.”.

352 (b) Section 12 (D.C. Official Code § 6-211) is amended as follows:

353 (1) Subsection (h) is amended to read as follows:

354 “(h)(1) Within 60 days after a Commissioner’s appointment and on an annual basis thereafter,  
355 each Commissioner shall complete training offered by or in connection with HUD covering the  
356 following topics:

357 “(A) The role of a public housing agency Board;

358                   “(B) Ethics for public housing agencies and Board members or Commissioners;

359                   “(C) Background on major housing authority programs, including but not limited

360 to public housing, housing choice voucher program, and the rental assistance demonstration;

361                   “(D) Fair housing and reasonable accommodations;

362                   “(E) Public housing authority budgets, financial oversight, and financial

363 reporting; and

364                   “(F) Federal procurement requirements.

365                   “(2) Within 90 days after a Commissioner’s appointment and on an annual basis

366 thereafter, each Commissioner shall complete training offered by or in connection with HUD covering

367 the following topics:

368                   “(A) Public housing authority performance monitoring and risk management;

369                   “(B) HUD reporting requirements;

370                   “(C) Public housing asset management, development, redevelopment, disposition,

371 and repositioning;

372                   “(D) Objectives and requirements of HUD’s Moving to Work program; and

373                   “(E) Resident opportunity, including HUD’s Section 3 requirements for economic

374 and employment opportunities.

375                   “(3) In addition to the training required in paragraphs (1) and (2) of this subsection, each

376 Commissioner shall spend at least 4 hours per quarter in training or educational seminars on corporate

377 governance, public housing law and regulations, federal or local language access guidelines, labor and

378 personnel, real estate and construction, or other subjects related to public housing development,

379 operation, and management, the maximum reimbursable cost of which shall be established by the Board

380 and paid by the Authority.

381                   “(4) The Board shall monitor Commissioners’ compliance with the training requirements

382 of this subsection and provide a Commissioner a warning notice if the Commissioner is out of  
383 compliance with such requirements.

384 “(5) If a Commissioner has not completed the training requirements within 15 days after  
385 the conclusion of the timeline specified in the applicable paragraph in this subsection, the Commissioner  
386 shall be automatically suspended until the Commissioner demonstrates compliance with this subsection  
387 or is removed by the Board for noncompliance.

388 “(6) For purposes of this paragraph, the term “Commissioner” means a member of the  
389 Board”.

390 (c) Section 14 (D.C. Official Code § 6-213) is amended as follows:

391 (1) Subsection (a) is amended to read as follows:

392 “(a)(1) An Executive Director shall be appointed, and may be removed, by the Board. The  
393 Executive Director shall be an employee of the Authority, but shall not be a member of the Board. The  
394 Executive Director shall be a District resident and shall remain a District resident throughout the  
395 Executive Director’s term and failure to maintain District residency shall result in a forfeiture of the  
396 position.

397 “(2) The Executive Director shall receive compensation and other terms and conditions of  
398 employment as shall be fixed by the Board. Any Executive Director compensation agreement or  
399 arrangement adopted after July 1, 2023, shall conform to section 1003 of the Bonus Pay and Special  
400 Awards Pay Act of 2016, effective October 8, 2016 (D.C. Law 21-160; D.C. Official Code § 1-551.03),  
401 regardless of the source of funds used.”.

402 (2) A new subsection (d) is added to read as follows:

403 “(d)(1) Within 30 days of the Executive Director’s appointment and on an annual basis  
404 thereafter, the Executive Director shall complete training offered by or in connection with HUD  
405 covering the following topics:

406                   “(A) Background on major housing authority programs, including but not limited  
407 to public housing, housing choice voucher program, and the rental assistance demonstration;  
408                   “(B) Ethics for public housing agencies;  
409                   “(C) Fair housing and reasonable accommodations;  
410                   “(D) Housing authority budgets and financial reporting;  
411                   “(E) Federal procurement requirements;  
412                   “(F) Housing authority performance monitoring and risk management;  
413                   “(G) HUD reporting requirements;  
414                   “(H) Public housing asset management, development, redevelopment, disposition,  
415 and repositioning;  
416                   “(I) Objectives and requirements of HUD’s Moving to Work program; and  
417                   “(J) Resident opportunity, including HUD’s Section 3 requirements for economic  
418 and employment opportunities.

419                   “(2) In addition to the training in paragraph (1) of this subsection, the Executive Director  
420 shall complete other trainings that the Board requires, such as labor and personnel management,  
421 language access, public housing law and regulations, real estate and construction, or other subjects  
422 related to public housing development, operation, and management.”.

423                   Sec. XXX3. D.C. Official Code § 28-3901 is amended by adding a new subsection (e) to read as  
424 follows:

425                   “(e) Notwithstanding any other provision of this chapter, this chapter’s application to landlord-  
426 tenant relations shall include the District of Columbia Housing Authority’s activities as a landlord;  
427 provided, that this subsection shall not be construed to otherwise apply this chapter to the District of  
428 Columbia or any agency thereof.”.

429                   Sec. XXX4. Applicability.

430 Section XXX3 shall apply as of December 19, 2016.

431 SUBTITLE X. HOUSING AUTHORITY FINANCIAL REPORTING

432 Sec. XXX1. Short title.

433 This subtitle may be cited as the “Housing Authority Financial Reporting Amendment Act of  
434 2023”.

435 Sec. XXX2. The District of Columbia Housing Authority Act of 1999, effective May 9, 2000  
436 (D.C. Law 13-105; D.C. Official Code § 6-201 *et seq.*), is amended by inserting a new section 8a to read  
437 as follows:

438 “Sec. 8a. Independent annual audit.

439 “(a) Except as provided in subsection (b) of this section, by February 1 of each year, the  
440 Authority shall submit to the Council a complete financial statement and report for the preceding fiscal  
441 year, which report shall be prepared according to generally accepted accounting principles and audited  
442 by the Inspector General of the District of Columbia pursuant to section 208(e-1) of the District of  
443 Columbia Procurement Practices Act of 1986 (D.C. Law 6-85; D.C. Official Code § 1-301.115a(e-1)).  
444 The report shall include as a basic statement a comparison of audited actual year-end results with the  
445 revenues submitted in the budget document for the fiscal year and the appropriations enacted into law  
446 for such year, using the format, terminology, and classifications contained in the law that makes the  
447 appropriations for the year and the legislative history of such law.

448 “(b) If the Chief Financial Officer of the District of Columbia and Inspector General of the  
449 District of Columbia include some or all of the finances of the Authority in the annual audited financial  
450 report submitted pursuant to section 448(a)(4) of the District of Columbia Home Rule Act, approved  
451 December 24, 1973 (87 Stat. 801; D.C. Official Code § 1-204.48(a)(4)), the requirements of subsections  
452 (a) of this section shall apply only to any portions of the Authority’s finances omitted from such  
453 report.”.

454 Sec. XXX3. Section 208(3-1) of the District of Columbia Procurement Practices Act of 1986  
455 (D.C. Law 6-85; D.C. Official Code § 1-301.115a(e-1)) is amended to read as follows:

456 “(e-1) The Inspector General shall audit the annual financial statement and report on the  
457 activities of the District of Columbia Housing Authority out of local funds appropriated to the Authority  
458 by the Council, in accordance with the requirements set forth in paragraphs (4) and (5) of subsection (a)  
459 of this section. In addition, the Inspector General may undertake reviews and investigations of the  
460 District of Columbia Housing Authority and make determinations or render opinions.”.

461 SUBTITLE X. LOCAL RENT SUPPLEMENT PROGRAM ELIGIBILITY

462 Sec. XXX1. Short title.

463 This subtitle may be cited as the “Local Rent Supplement Program Eligibility Amendment Act of  
464 2023”.

465 Sec. XXX2. The District of Columbia Housing Authority Act of 1999, effective May 9, 2000  
466 (D.C. Law 13-105; D.C. Official Code § 6-201 et seq.), is amended as follows:

467 (a) Section 26a(c) (D.C. Official Code § 6-226(c)) is amended to read as follows:

468 “(c)(1) Except as provided in this subsection the Authority shall apply its existing Partnership  
469 Program and Housing Choice Voucher Program rules to govern eligibility, admission, and continuing  
470 occupancy by tenants in units receiving tenant-based, sponsor-based, or project-based voucher  
471 assistance under this section and sections 26b, 26c, and 26d.

472 “(2) Notwithstanding any other law, the Authority shall not inquire about nor consider  
473 any information about citizenship, immigration status, prior criminal arrests, convictions, or pending  
474 criminal matters for the purposes of eligibility, admission, or continued occupancy for the programs  
475 established under this section and sections 26b, 26c, and 26d and shall not maintain rules inconsistent  
476 with this subsection.

477 “(3)(A) The Authority shall allow applicants or participants to self-certify any required

478 eligibility, admission, or continued occupancy factors when an applicant cannot easily obtain  
479 verification documentation.

480                   “(B) Self-certification by the applicant at the time of initial eligibility shall be  
481 final and remain sufficient for purposes of continued occupancy recertifications.

482                   “(4) The Authority shall promulgate such additional rules as are necessary to ensure that  
483 eligibility for tenancy in the units supported by grants under this section and section 26b are limited to  
484 households with gross income at or below 30% of the area median income.”

485                   “(5) Rules affecting the Rent Supplement Program shall be submitted to the Council for a  
486 45-day period of review, excluding days of Council recess. If the Council does not approve or  
487 disapprove the proposed rules by resolution within the 45-day review period, the proposed rules shall be  
488 deemed approved.”.

489                   (b) Section 26b(c) (D.C. Official Code § 6-227(c)) is amended to read as follows:

490                   “(c) Rules regarding the implementation of this section shall be promulgated according to section  
491 26a(c) of this act.”.

492                   (c) Section 26c(a) (D.C. Official Code § 6-228(a)) is amended to read as follows:

493                   “(a) The funds allocated for tenant-based assistance shall be administered through the  
494 Authority’s Housing Choice Voucher Program.”.

495 **SUBTITLE X. EMERGENCY HOUSING ASSISTANCE PROGRAM FINANCIAL**  
496 **RESPONSIBILITY**

497                   Sec. XXX1. Short title.

498                   This subtitle may be cited as the “Emergency Housing Assistance Program Financial  
499 Responsibility Amendment Act of 2023”.

500                   Sec. XXX2. Section 2068c(b) of the Office of the Chief Tenant Advocate Establishment Act of  
501 2005, effective February 18, 2017 (D.C. Law 21-211; D.C. Official Code § 42-3531.11(b)), is amended

502 as follows:

503 (a) Paragraph (1) is amended by striking the number “30” and inserting the number “180” in its  
504 place.

505 (b) Paragraph (3) is amended by striking the number “60” and inserting the number “180” in its  
506 place.

507 SUBTITLE X. SUBJECT TO APPROPRIATIONS REPEALS AND MODIFICATIONS

508 Sec. XXX1. Short title.

509 This subtitle may be cited as the “Subject to Appropriations Repeals and Modifications  
510 Amendment Act of 2023”.

511 Sec. XXX2. Section 3 of the Condominium Warranty Claims Clarification Amendment Act of  
512 2022, effective February 23, 2023 (Law 24-262), is repealed.