BUILDING BRIDGES ACROSS THE RIVER

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AGENDA

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3. RECOMMENDATIONS
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ULI Regional Land Use Leadership Institute

Nine-month leadership program for mid-career professionals in the public, private and nonprofit real estate and planning professions

- Transportation + Infrastructure
- Finance + Development Process
- Housing + Affordability
- Trends + Innovation
- Health + Livability
- Placemaking + Design
- Resiliency + The Built Environment
PROJECT OVERVIEW

Serve as an anchor for equitable and inclusive growth.

- Address the economic, racial, and geographic segregation of Wards 7 and 8
- Solve for the low homeownership, high poverty, and unemployment in communities east of the river
- Preserve and develop housing accessible for low and moderate income residents to prevent displacement
PROJECT OVERVIEW

- PARTNERSHIP: How should the CLT manage development with multiple development partners and what are the tradeoffs?

- PRESERVATION: What are the steps necessary to preserve small apartment buildings in the Bridge Impact Area? What are the financial tools available to bundle smaller buildings?

- POLICY & ADVOCACY: What District of Columbia government policies exist that can be leveraged/created/modified to facilitate the efforts of a Community Land Trust to preserve affordable housing in the Bridge Park Impact Area?

- FINANCING: What is the city’s role in financing/supporting continued CLT growth & expansion?
PARTNERSHIP RECOMMENDATIONS

- Organize a multi-sector approach
- Partner more with non-profits
  - Development and construction
- Partner with for-profit developers
  - Financial relationships and as a source of for-sale products
- Liaison within Mayor’s Office, City Council, DHCD
  - Consider membership on the CLT
- Work more closely with residents
- Develop education, marketing, and promotion strategies
  - White papers, brochures, CLT 101
  - Focus on shared values and solutions
PRESERVATION RECOMMENDATIONS

▪ Preservation Strike Force
  ▪ Monitor the progress of recommendations from report
  ▪ Continue communications with Preservation Officer

▪ DC Preservation Fund
  ▪ Acquisition, financing

▪ Small Building Preservation and Affordability Program
  ▪ Great Spaces Healthy Places Reboot
  ▪ Small, multi-family loan program for repairs to improve sub-standard housing conditions

▪ Housing Production Trust Fund
  ▪ Gap financing, pre-development, rehab and acquisition

▪ Freddie Mac
  ▪ TAF Express
There are a number of policies and tools that, with appropriate action by BBAR, could be employed to facilitate funding, operations, and general feasibility of the CLT.

### Local Policies and Tools
- Home Purchase Assistance Program
- District Opportunity to Purchase Act (DOPA)
- Accessory Dwelling Units (ADU)

### Federal Policies and Tools
- Opportunity Zone designation
- Community Housing Development Organization (CHDO)
- HUD funding (CDBG and HOME)
**POLICY & ADVOCACY OPPORTUNITIES**

Local Policies and Tools

**District Opportunity to Purchase Act (DOPA)**

**Opportunity**
A policy framework is now being developed for the District to have first right of refusal on property sales, intended to support the creation of affordable housing.

**Actions**
- Ensure policy language includes nonprofit eligibility for assignment of properties
- Position CLT to meet eligibility requirements
- Explore potential for special designation of nonprofits for certain properties

**Home Purchase Assistance Program (HPAP)**

**Opportunity**
Participation in the existing HPAP is often limited by affordability covenants tied to funding. However, existing covenants for CLT properties align with these covenants.

**Actions**
- Utilize HPAP as a source of debt for CLT residents.
Local Policies and Tools

Accessory Dwelling Unit (ADU)

Opportunity
ADU’s provide opportunity for a homeowner to create a rented accessory space that generates income to support homeownership while also increasing overall housing stock.

Actions
• Explore potential to incorporate ADU’s in acquired properties
• Seek approval for ADU’s on properties outside of the residential zones where they are permitted
POLICY & ADVOCACY OPPORTUNITIES

Federal Policies and Tools

Community Housing Development Org. (CHDO)

Opportunity
Designation of the CLT as a CHDO offers additional flexibility and would enable the CLT to more easily attain direct state and federal funds (HOME / CDBG).

Actions
• Submit a certification application to DHCD

HUD Funding (CDBG and HOME)

Opportunity
In recent years, the District has not used its full federal allocation of CDBG and HOME funds.

Actions
• Evaluate DHCD priorities related to mitigating displacement
• Ensure CLT eligibility / capacity to receive federal funds, including for land acquisition
• Engage DHCD to seek allocation of unused funds
Federal Policies and Tools

Opportunity Zones Program

Opportunity
New program born out of the Tax Cuts and Jobs Act (2017) intended to drive long-term capital to underserved communities through tax abatements for investments.

Actions
• Monitor final designations for Opportunity Zones
• Monitor implementation of program and flow of capital, to pair with LIHTC and other affordable development.
• Target relationships with Opportunity Funds
INITIATIVES TO MONITOR

▪ DOPA
  ▪ More implementation guidance in spring

▪ Preservation Strike Force
  ▪ Six recommendations and 4,000 units of Section 8 Housing to expire in 2021

▪ Small Building Program
  ▪ Reboot of the Great Spaces, Healthy Places Initiative

▪ Opportunity Zones
  ▪ Check overlap with impact area
  ▪ Pair with LIHTC and NMTC
FINANCING RECOMMENDATIONS

- **Joint Ventures:** Create long term joint ventures to preserve strategic alignment.
- **Federal Home Loan Banks:** Partner with member institutions to obtain funding from existing programs, such as:
  - Affordable Housing Program (AHP)
  - Community Investment Program (CIP)
  - Community Investment Cash Advance Program (CICA)
- **Low Income Housing Tax Credit (LIHTC)**
- **Housing Production Trust Fund (HPTF)**
FINANCING RECOMMENDATIONS

- **Historic Rehabilitation (20% tax credit, Anacostia Historic District)**
  - For-profit development partners should explore 20% tax credit for rehabilitating property in the Anacostia Historic District.

- **Inclusionary Zoning**
  - Potential future stewardship opportunity as development begins.

- **Private Activity Bonds (PAB)**
  - Understand and monitor the requirements of PABs so they can be utilized as part of the capital stack.

- **Debt Financing**
  - Based on current interest rates and assets held by the CLT, debt financing can be a straightforward solution to the acquisition and construction of real estate.
RESEARCH

INTERVIEWS
- Anita Ballantyne, Housing Counseling Services
- Melissa Bondi, Enterprise Community Partners
- David Bowers, Enterprise Community Partners
- Sue Cheng, Housing Counseling Services
- Brad Fennell, WC Smith
- Matthew Galluzzo, Executive Director, Lawrenceville Corporation
- Jenee Gaynor, Grounded Solutions Network
- Jade Hall, Housing Counseling Services
- Irene Kang, Committee on Housing and Neighborhood Revitalization
- Evelyn Kasongo, DC Office of Planning
- Scott Kline, National Housing Trust
- Danilo Pelletiere, DC Dept. of Housing and Community Development
- Marian Siegel, Housing Counseling Services
- Jim Steck, City First Homes
- Brett Theodos, Urban Institute
- Elin Zurbrigg of Mi Casa

RESOURCES
- Community-Wealth.org by The Democracy Collaborative
- CLT Network
- Lincoln Institute
- Policy Link
- Urban Institute’s Shared Equity Research