

Public Hearing Q&A
Regarding DCHA's Proposed Amendment 1 to its FY2022 MTW Annual Plan
Questions Received January 5-7

Question: What is Initiative 25 and what will it do to the Barry Farm redevelopment?

Response: Initiative 25 "Local Blended Subsidy" allows DCHA to blend its MTW section 8 and public housing funds to subsidize units reserved for families earning at or below 80 percent of Area Median Income (AMI). This is done to create an operating expense level adequate to provide essential operating services while also supporting debt to meet capital needs in a manner structured to maximize the amount of equity (primarily through Low Income Housing Tax Credits "LIHTCs") available to redevelop or replace public housing with minimal public housing capital funds. Any project approved for LBS is also subject to a Subsidy Layering Review (SLR) or other appropriate analysis by HUD.

DCHA has received approval for LBS flexibility for four projects:

- Highland (approved as part of FY2014 MTW Plan)*
- The Bixby (approved as part of FY2014 MTW Plan)*
- Park Morton/Bruce Monroe (approved as part of FY2019 Plan)*
- Kenilworth Courts Phase 1 (approved as part of FY2020 Plan)*

In the case of Barry Farm, adding the site to this initiative provides DCHA with the opportunity to utilize HUD's new Faircloth-to-RAD financing tool for the already in-progress project. In a Faircloth-to-RAD transaction, PHAs develop public housing units using HUD's public housing mixed-finance program with pre-approval to convert the property to a long-term Section 8 contract following new construction. The early-stage RAD conversion approval gives lenders and investors revenue certainty to underwrite the construction of these projects.

The addition of Barry Farm to this initiative is a financing tool and does not impact the redevelopment plans for the site but allows flexibility in DCHA's ability to provide subsidy for the replacement units.

Question: The definition of MTW was explained; however, can you please share specifically how MTW will help residents obtain employment and become self-sufficient as opposed to supporting and enforcing Section 3 programming.

Section 3 is the starting point for all things self-sufficiency. Do you need MTW to encourage residents to participate in employment when you already have an instrument like Section 3 that is supposed to provide training, employment, and contracting to public housing residents?

Response: MTW and Section 3 work together to provide employment and other economic opportunities for residents. For example, the funding fungibility provided by MTW supports the Workforce Development Initiative where training and job placement services are available to Section 3 residents who are matched with Section 3 job opportunities.

Question: The definition of MTW was explained, however, can you please share specifically how the MTW will increase housing choices for low-income families? Specifically what other housing choices will be made available to families that are not already made available?

Response: In general, MTW initiatives provide additional housing choices to low-income by providing funding fungibility and policy flexibility. Six of DCHA's implemented activities contain policy modifications meant to increase housing choices for low income families.

- 1. Initiative 1 "Modifications to DCHA's Project-Based Voucher Program"*
- 2. Initiative 8 "Modifications to Methods for Setting Total Tenant Payments and Determining HCV Market Rents and Promoting Deconcentration"*
- 3. Initiative 11 "Site-based In-take and Waiting List Management of Public Housing, Redeveloped Properties and Service Rich Properties"*
- 4. Initiative 23 "Encourage the Integration of Public Housing Units into Overall HOPE VI Communities"*
- 5. Initiative 25 "Local Blended Subsidy (LBS)"*
- 6. Initiative 32 "Modifications to DCHA Self Sufficiency Program –Pathways to Self-Sufficiency"*

Together these initiatives prevent displacement, provide access to lower-poverty neighborhoods, provide additional types of housing including assisted living, increase participation in governance at mixed-income sites, secure efficient funding sources to preserve and create affordable housing, and increase homeownership opportunities.

Please refer to DCHA's MTW Annual Reports located at this link for specific outcomes:

https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/districtofcolumbia.

DCHA will post responses to additional questions received on January 6-7, 2022 the week of January 10, 2022.