

## A Snapshot of Properties Inside the Housing Production Trust Fund

The Housing Production Trust Fund (HPTF) is one of the District’s most powerful tools created to address the pressing need for affordable housing. The HPTF provides loans and grants to for-profit and non-profit developers who are seeking to build or preserve existing affordable housing. Authorized in 1988 by the Council of the District of Columbia, the HPTF is administered by DHCD, which had an agency-approved budget of approximately \$285 million and 170 full time employees in Fiscal Year (FY) 2016. The following are brief summaries of four of the 14 properties examined in the Office of the D.C. Auditor’s report, [DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals](#).

**HPTF** makes loans and grants to developers to build and preserve affordable housing in D.C.

 First funded in 2001, has received more than <b>\$1B</b>	 80% of funds should go to <b>extremely and very low-income households</b> (\$32,580–\$54,300/ family of 4)	 One of some <b>79</b> city-level funds nationwide	 <b>\$100M</b> in local funds appropriated in both FY16 and FY17
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### Martin Luther King Jr. Latino Cooperative



**Borrower: Martin Luther King Jr. Latino Cooperative**  
**Number of Affordable Units: 74**  
**Rental or Ownership: Rental**  
**Award Amount: \$8,398,000**

The MLK Cooperative was an example of tenants purchasing their building to keep it affordable as a limited equity cooperative. There has been little turnover in the units: Almost 10 years after the purchase of the building, many of the original tenants are still living in the building with their families. The rents complied with the rent limits. MLK Cooperative is located in downtown D.C., close to schools and workplaces for its largely immigrant tenant population. Generally, in recent years, tenant incomes were recertified on an annual basis, but as the property managers have changed over the years, and DHCD had not been on site to provide guidance, there was some confusion about what documentation was required for income certification. Another reason it was a problem that DHCD had not conducted a site visit is that one of the units was being used as the office for the property manager and not as a rental unit, and this arrangement was not reflected in the loan agreement or modification of the agreement.



**Progression Place**

**Borrower: Broadcast Residential Partners LLC**

**Number of Affordable Units: 51**

**Special Population: N/A**

**Rental or Ownership: Rental**

**Award Amount: \$2,700,000**

Progression Place is located in the midst of a bustling commercial corridor near the Shaw-Howard University Metro station. It is a newly constructed mixed-income rental property in which some of the units are reserved as affordable. The new property manager took seriously the task of income certification and was trying to formalize the process, whereas the previous manager did not. While we found that the tenants living in the affordable units did go through a process of income certification, upon closer scrutiny we noticed that several tenants may not have been forthcoming about their true income as we found deposits in their bank accounts from unreported jobs and side-businesses. Also, a large number of the tenants were graduate students. Additionally, it was Progression Place's policy to recertify tenant income at a level above the HPTF annual income limits, which they had inquired to DHCD about on numerous occasions, but shows how a lack of clear guidance from DHCD can create a deviation from HPTF program requirements.



**Buxton Condominiums**

**Borrower: Manna, Inc.**

**Number of Affordable Units: 24**

**Special Population: N/A**

**Rental or Ownership: Ownership**

**Award Amount: \$1,525,000**

The Buxton Condominiums were developed by Manna, Inc. and were one of the home purchase projects in our sample. Manna contracted with the Housing Counseling Services to conduct the income certifications for buyers. We were very impressed with the Housing Counseling Services' income certification process. There was sufficient documentation to prove that all the homebuyers in our sample were income qualified and there was evidence that bank statements were meticulously reviewed for unreported income. Because there was so much information about these buyers, we were able to get a sense that these were the families targeted by HPTF and represented a cross-section of the District that is in need of affordable housing— single parents, those employed as security guards, retirees, and disabled adults living with their parents.