Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing

March 20, 2018

Audit Team:
Maya Foster, Program Analyst
Jennay Kingsbury, Auditor
Hussein Aden, Senior Financial Auditor
Ingrid Drake, Auditor-in-Charge
Laura Hopman, Assistant Deputy Auditor

A Report by the Office of the District of Columbia Auditor
Kathleen Patterson, District of Columbia Auditor

Office of the District of Columbia Auditor

March 20, 2018

Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing

Why ODCA Did This Audit

The Housing Production Trust Fund (HPTF), administered by the Department of Housing and Community Development (DHCD), provides loans and grants to for-profit and non-profit developers to build or preserve existing affordable housing for targeted populations. This is the third ODCA report on the HPTF over the last two years based on a request by D.C. Council Finance and Revenue Committee Chairperson Jack Evans (Ward 2). In an audit issued in March 2017, we noted that we could not achieve the objective of evaluating how efficient the HPTF has been in providing and creating affordable housing for District residents because DHCD's data was unreliable. This report addresses that objective using D.C. government financial data to create an accurate and reliable database.

What ODCA Recommends

The creation of an accurate and reliable Excel database of all HPTF projects funded between 2001 and 2016 that is searchable and customizable online was an enormous task. It required multiple requests for information and an analysis of more than 76,000 lines of transactional data. We hope that DHCD will use the verified data contained in our database. We recommend that:

- DHCD update its existing database so that it has the capacity to store accurate, accessible data for all HPTF loan agreements, and provide access to the public and the Office of the Chief Financial Officer (OCFO) to allow monitoring of HPTF expenditures.

The report contains 13 other recommendations, half of which are directed to the OCFO to address:

- The enforcement of reprogramming rules when budget authority is used for purposes other than those originally approved.
- Improving internal controls to ensure that the allocation of federal and local dollars complies with all requirements.
- Making public the specific OCFO estimates for the proportion of long-term loans considered to be doubtful in terms of repayment.
- The need for an MOU with DHCD to ensure that HPTF spending complies with the statutory administrative cap.
- The need for the OCFO to reassert its independence from the agencies it serves by instituting new safeguards.

What ODCA Found

- Some $622 million from the HPTF was used to produce and preserve 10,081 units of affordable housing between 2001 and 2016.
- DHCD and the Office of the Chief Financial Officer (OCFO) could not provide loan or grant documentation to support $13 million in HPTF spending.
- DHCD and the OCFO spent $16.6 million from the HPTF on repayments to the U.S. Department of Housing and Urban Development (HUD) due to DHCD's ineffective management of federal grants. They failed to reprogram the funds prior to repayment, which obscured this use of HPTF funds for the D.C. Council and other oversight bodies.
- DHCD has collected far less than it was owed and loan repayments have been and are projected to be a very small percentage of revenue.
- DHCD exceeded the HPTF administrative expenditure cap for FYs 2009, 2012, and 2015, totaling over $10 million that should have been invested in affordable housing projects, and the OCFO permitted the expenditures.
- DHCD and the OCFO's accounting obscured both the true costs of the HPTF and the Fund's efficiency in producing affordable housing.
- The HPTF paid for a significant and growing portion of DHCD salaries and benefits, yet the HPTF suffered from insufficient staffing and monitoring during the same period.
- DHCD continues to undermine D.C. Council oversight by failing to timely publish HPTF annual and quarterly reports.

For more information regarding this report, please contact Diane Shinn, ODCA Director of Communications, at Diane.Shinn@dc.gov or 202-727-3600 or visit www.dcauditor.org**.**

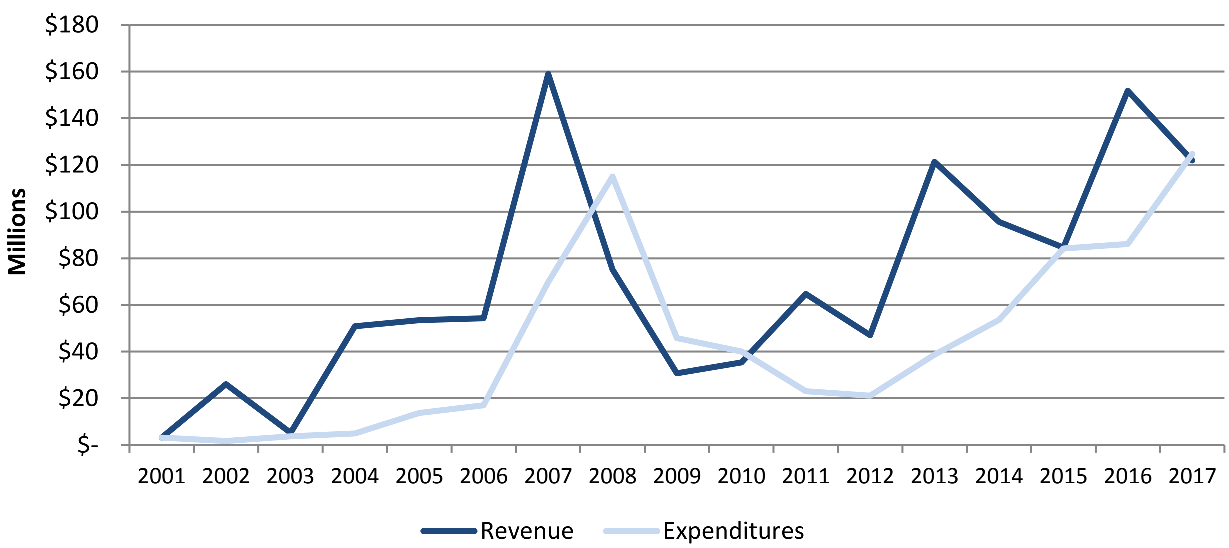
Table of Contents

Background

The Housing Production Trust Fund (HPTF) is one of the District's most powerful tools to address the critical need for affordable housing. The HPTF provides loans and grants to for-profit and non-profit developers who want to build or preserve existing affordable housing for targeted populations. Authorized in 1988 by the Council of the District of Columbia, the HPTF is administered by the Department of Housing and Community Development (DHCD).

Although established in 1988, HPTF first received funding in fiscal year (FY) 2001. With the *Housing Act of 2002*, the D.C. Council allocated a portion of deed transfers and recordation taxes to the HPTF as an annual, dedicated funding source.[1] The HPTF has received more than $1.1 billion and allocated almost $747 million in District funds as of September 2017, as detailed in Figure 1 and Appendix A.

Figure 1: HPTF Revenue and Expenditures, FYs 2001 through 2017



Source: SOAR, CAFR, OCFO

The District budget explains that the HPTF is used for two activities:

- Financial assistance to promote and enable affordable rental housing and residential housing in the District (hereafter referred to as "project costs"). Project costs can be in the form of loans, grants, or financing for site acquisition and construction, for either multi-family or single-family projects.
- Administrative services associated with the operation of the HPTF. The D.C. Code stipulates that a portion of annual HPTF spending can be used for administrative costs. From FY 2001 to 2016, the annual cap on administrative spending ranged from 10 percent to 15 percent of the funds deposited into the HPTF each year.

[1] See D.C. Law 14-114, the "Housing Act of 2002," effective April 19, 2002, which made this requirement effective starting in October 2002. However, D.C. Law 14-190, the "Fiscal Year 2003 Budget Support Act of 2002" amended the date and began the funding requirement in October 2003. This requirement is currently codified at D.C. Code § 42-2802(c)(16).

DHCD primarily uses loans to disburse HPTF funds. There are two major types of HPTF loans:

- **Deferred loans**, which allow borrowers to begin repaying the loan a number of years after the loan is issued, sometimes as many as 40.
- **Amortized loans**, which typically require payments to begin shortly after the loan is issued.

One feature of the District's HPTF is that on all projects, no more than 49 percent of total funds can come from the trust fund with the intent that local taxpayer dollars serve as leverage to encourage private investment.

Management of the HPTF

DHCD manages the HPTF in conjunction with a host of other housing-related programs that receive local and/or federal funds, including the Community Development Block Grant Program (CDBG), the HOME Investment Partnerships Program, the Housing Opportunities for Persons with AIDS (HOPWA) Program, the National Housing Trust Fund (HTF), and the Emergency Solutions Grant Program (ESG).

The Office of the Chief Financial Officer (the OCFO) oversees HPTF financial transactions as part of its statutory responsibility for "oversight and direct supervision of the financial and budgetary functions of the District government."[2] This includes "operating and maintaining a coordinated financial management system to budget, collect, control, and properly account for more than $7 billion in annual operating and capital funds" and "developing, implementing and monitoring the District's accounting policies and systems."[3] The OCFO's Economic Development and Regulation Cluster is responsible for the financial transactions of the HPTF and DHCD.

The HPTF is a "legally separate entity for which the elected officials of the District of Columbia are financially accountable."

The District government's official financial System of Accounting and Reporting (SOAR) assigns codes to each agency. For instance, DHCD, which had an approved FY 2017 budget of approximately $171 million and 170 full-time employees, has the agency code DBO. Prior to 2007, budget authority for HPTF expenditures was located within DHCD's annual budget under agency code DBO.

Starting in 2007, the District's budget established the HPTF as a unique agency with the agency code UZO. This was done to establish the HPTF as a "legally separate entity for which the elected officials of the District of Columbia are financially accountable."[4] Since then, the OCFO has deposited HPTF revenue, such as taxes and local fund transfers, into the UZO account in the District's accounting system.

From 2007 to 2011, DHCD spent HPTF funds directly from the UZO account. Starting in FY 2011, DHCD and the OCFO chose to use an annual intra-District transfer to move HPTF funds from the UZO account to

[2] D.C. Code § 1-204.24d outlines the duties of the CFO which include: "Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources." "Certifying and approving prior to payment of all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government, and determining the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or charges."
[3] According to the OCFO website, the "same legislation that created the Control Board also created the position of Chief Financial Officer, who had direct control over day-to-day financial operations of each District agency, and independence from the Mayor's office. The Omnibus Act also reasserted the independence and authority of the OCFO after the Control Board had become a dormant administrative agency on September 30, 2001, following four consecutive years of balanced budgets and clean audits."
[4] FY 2016 District of Columbia Budget

DHCD's DBO account. The OCFO's Office of Budget and Planning stipulates that an intra-District transfer is between an agency providing the services (the seller agency) and an agency receiving the services (the buyer agency), and budget authority is established with a signed Memorandum of Understanding (MOU) between the buyer and seller.

In the audit issued in March 2017, we noted that we could not achieve the objective of evaluating how efficient the HPTF has been in providing and creating affordable housing for District residents because DHCD's data was unreliable.

In FY 2017, the intra-District transfer of the entire HPTF budget from UZO to DBO was included in the OCFO's quarterly summary of intra-District requests provided to the Council of the District of Columbia (D.C. Council) and the Mayor.

Previous HPTF Reports Published by ODCA

This is the third in a series of ODCA reports on the HPTF over the last two years based on a request by D.C. Council Finance and Revenue Committee Chairperson Jack Evans (Ward 2). In the audit issued in March 2017, we noted that we could not achieve the objective of evaluating how efficient the HPTF has been in providing and creating affordable housing for District residents because DHCD's data was unreliable. This report addresses that objective using financial data from SOAR to link HPTF expenditures to specific HPTF projects.

We have invested significant resources into evaluating the HPTF because the Fund has experienced tremendous growth in recent years. In 2010, HPTF revenue was $35 million and in 2017 it had grown to almost $122 million. The other reason for our focus is the District's well-documented need for additional affordable housing. According to DHCD:[5]

- Some 38 percent of all D.C. households spend more than 30 percent of their income on housing costs.
- More than 42,000 families are on the District of Columbia Housing Authority (DCHA) waiting list for assistance.
- There are approximately 7,500 D.C. residents who are homeless.

Our March 2017 report marked the first time the HPTF had been audited. We wrote our recommendations in this and previous reports to help the Mayor, DHCD, the OCFO, the D.C. Council, and other District stakeholders make the HPTF a more powerful tool to address the affordable housing crisis and become a national model for accountability, transparency, and efficiency.

Our previous HPTF work products are described below:

March 15, 2016, ODCA issued a ***Management Alert*** to the director of DHCD identifying two areas of noncompliance: DHCD had not implemented the requirement for an annual audit by a Certified Public Accounting firm or a firm independent of DHCD, and DHCD had failed to publish annual reports on HPTF activity on a timely basis.

[5] District of Columbia Housing Preservation Strike Force Final Report: Six Recommendations for Addressing Affordable Housing Preservation, 2016, https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Strike%20Force%20Report%20Final%2011-9.pdf

June 30, 2016. ODCA released a report, **The District of Columbia's Housing Production Trust Fund: Revenues and Expenditures and 5-City Comparison**. That report included total revenue and expenditures and the number of units produced through FY 2015, as reported by DHCD, and compared the HPTF with other major city-level trust funds on reliability of revenue, output, target populations, and other factors.

March 16, 2017. ODCA released an audit report, **DHCD Should Improve Management of the Housing Production Trust Fund to Better Meet Affordable Housing Goals**. The audit objective was to examine compliance with the laws and regulations associated with the HPTF and evaluate how efficient it had been in providing and creating affordable housing for District residents. The report included a Limitation of Scope because:

- We found DHCD's data to be unreliable and we were not confident in the accuracy of the total number of projects and units.
- We found that information provided to the D.C. Council and to ODCA differed.
- Information, such as the number of units, number of projects, and award amounts from DHCD, changed throughout the course of our audit.
- DHCD did not have an accurate and complete database of multi-family projects going back to inception, nor did it have a database of loans for single-family projects that included HPTF funds.

Without accurate and reliable data we were not able to evaluate how efficient the HPTF has been in providing and creating affordable housing for District residents. We determined that to develop a more accurate count of units we would need to create a database of the total amount of dollars spent through the HPTF, and the total number of single-family and multi-family units rehabilitated or built based on the contracts negotiated between 2001 and 2016.

August 10, 2017. ODCA issued a ***Management Alert*** to the District's Chief Financial Officer about concerns with information we received from SOAR regarding HPTF transactions and how the OCFO had been collecting and maintaining HPTF financial data. The Management Alert is included as Appendix B.

Objective, Scope, and Methodology

The objective of this audit, which is a continuation of our March 2017 audit, was to evaluate how efficient the HPTF has been in providing and creating affordable housing for District residents.

Our scope was FY 2001, when DHCD issued the first HPTF-funded loans, through FY 2016, which ended on September 30, 2016.

To complete this audit, we reviewed D.C. Code and District of Columbia Municipal Regulations (DCMR) related to the HPTF. We analyzed D.C. financial data obtained from SOAR, and project and administrative documentation obtained from DHCD, the OCFO, and publicly-available sources. For more detail on our methodology, please see Appendix C.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Results

Trust funds provide governments with "flexibility of funds; unlike many federal funding sources for affordable housing, trust funds provide states and cities funding without restrictions."[6] While such flexibility can be valuable in leveraging public resources, the audit results detailed below show that in managing the HPTF, the District government took undue advantage of the flexibility in the statute.

DHCD's mismanagement of the HPTF, and a lack of rigorous oversight by the OCFO, led to inefficiency and resulted in less funding available to create and preserve affordable housing for District residents. While our other HPTF work products have focused primarily on management weaknesses at DHCD, we determined in this audit that the OCFO should have detected, prevented, and corrected many practices relating to HPTF expenditures. We found evidence that existing controls were overridden, which means that we cannot rule out the possibility that fraud could have occurred during the scope of the audit.

While our other HPTF work products have focused on DHCD's management weaknesses, during this audit, we determined that OCFO should have prevented, detected, and corrected many issues relating to HPTF expenditures.

Over the two years of our HPTF work, DHCD representatives have emphasized their commitment to improvement. They stated that they were aware of issues like those we raise and that they began the process of addressing weaknesses in 2015.

Because this is a GAGAS audit we stipulate that the audit results take several forms. Some are findings, which means that there was a clear mandate with which DHCD and/or the OCFO did not comply. Some represent areas of concern short of GAGAS findings in that there was no clear mandate for DHCD and/or the OCFO to have acted differently. We also include some facts and context resulting from our analysis, which do not necessarily lead to recommendations for action.

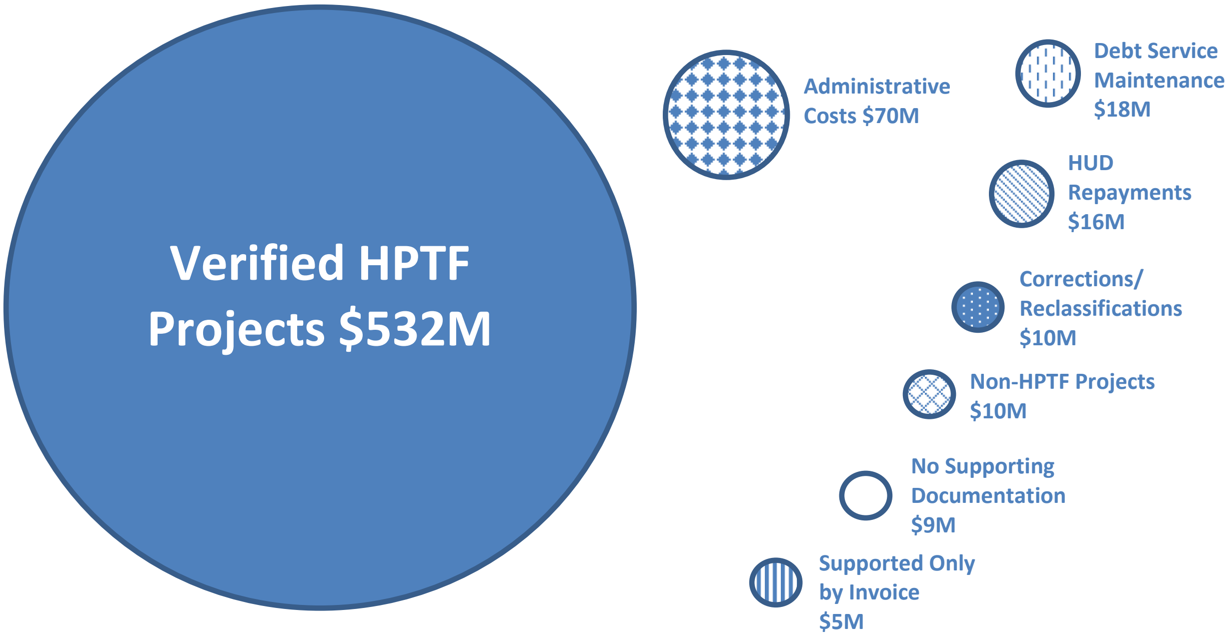
ODCA analyzed how DHCD spent HPTF dollars and calculated the number of affordable housing units created or preserved. Based on documentation from the OCFO and DHCD, from 2001 through 2016 approximately $622 million from the HPTF was used to produce and preserve 10,081 units of affordable housing.

To conduct this analysis, ODCA obtained HPTF expenditure data directly from SOAR for FYs 2001 through 2016. This resulted in roughly 76,000 lines of transactional data, totaling just under $622 million, which we analyzed and categorized. This analysis would not have been possible without thousands of pages of supporting documents provided by the OCFO and DHCD.

After careful review of the SOAR data, loan and grant agreements, and other supporting documentation, we determined that HPTF expenditures from FYs 2001 through 2016 are as outlined below in Figure 2 and detailed in Appendix D.

[6] *The District of Columbia Housing Production Trust Fund: Revenues and Expenditures and 5-City Comparison,* Office of the D.C. Auditor, June 30, 2016.

Figure 2: HPTF Expenditures Categorized by Documentation Provided[7]



Source: ODCA Analysis of SOAR Data

Based on the documentation provided, we calculated the number of units for projects that had expenditures in SOAR. From 2001 to 2016, we determined that the HPTF was used to produce or preserve 10,081 affordable housing units.[8] It is essential to note that this number is based solely on the information contained in loan and grant agreements. **We do not know, however, if every one of those units was ultimately built or rehabilitated, nor do we know whether the units that were completed have remained affordable over time,** including ensuring that the residents have continued to meet income-tested requirements.

While most HPTF investments were for **multi-family projects**, the HPTF also funded **single-family projects**—grants and loans to low-income homeowners for needed repairs and rehabilitation to preserve their homes as affordable housing—as allowed per the Code.

Based on the documentation provided, we calculated that the HPTF invested $3,477,998 for 146 single-family projects.[9] During our March 2017 audit, we found that DHCD was not tracking these units, or the amount of HPTF funds spent on single-family projects, as DHCD could not provide us with a list of units preserved through its single-family programs (i.e. Single Family Residential Rehabilitation Program and Lead Safe Washington[10]). Similarly, DHCD's two most recent HPTF annual reports (2014 and 2015) did not detail HPTF spending on single-family projects, including units preserved.

---

[7] Graphic is intended to show relative sizes and is not an exact representation of costs.
[8] Of these, 9,725 units were supported by HPTF loan and grant agreements and 356 units were supported by non-HPTF loan agreements (i.e. CDBG, or other federal programs).
[9] These 146 units include units supported by non-HPTF loan agreements (i.e. CDBG, or other federal programs).
[10] According to DHCD's website, Lead Safe Washington's (LSW) primary goal is to create lead safe affordable housing for low-to-moderate income families with children under the age of six, and the Single Family Residential Rehabilitation (SFRRP) administers loans and/or grants for home repairs to alleviate DC building code violations and assists homeowners in repairing physical threats to health and safety, and modify and/or eliminate barriers to accessibility for persons with mobility or other physical impairments.

Additionally, we sought to calculate the cost to the District per unit built/preserved, which is included as Appendix E. The Appendix also includes information on how the District's cost per unit compares with two other cities.

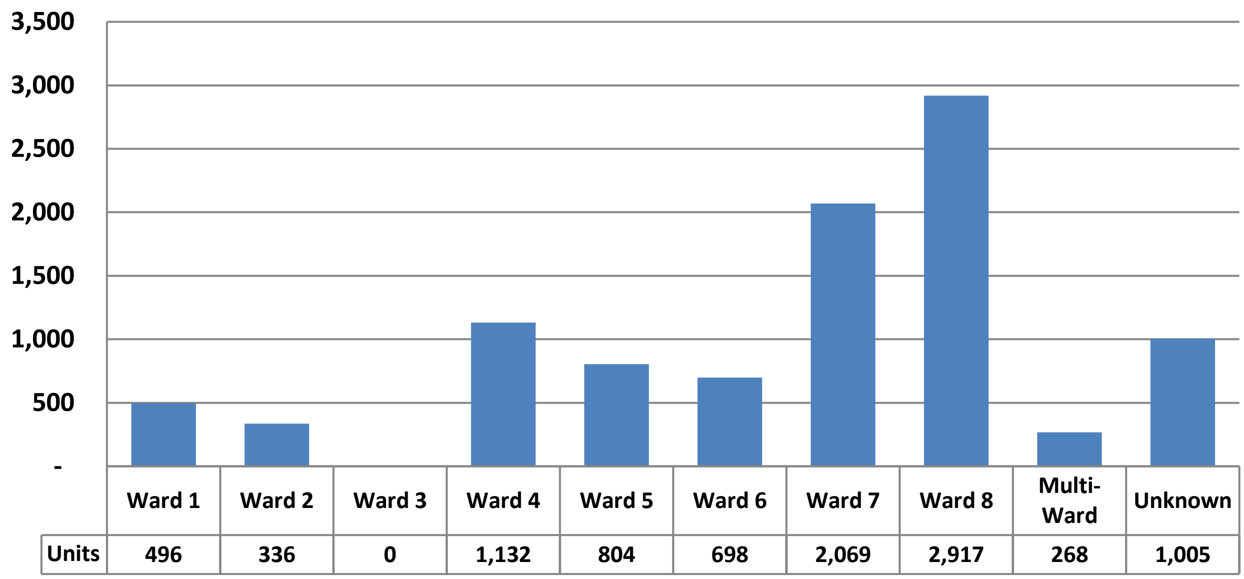
ODCA Database of HPTF-Funded Multi- and Single-Family Projects, FYs 2001-2016

ODCA created a database of projects that the HPTF has funded from FY 2001 through FY 2016, which can be accessed via an interactive map, and is presented in Appendix F. The database is based on documentation provided by DHCD and the OCFO, as well as ODCA analysis of HPTF expenditures in SOAR. The database compiles all loan and grant agreements that refer to HPTF funds and that also had expenditures in SOAR. That means that the database does not include HPTF agreements for which there were no related expenditures recorded in SOAR.

Also, there were HPTF expenditures totaling roughly $13 million for which DHCD and the OCFO could not provide loan or grant agreements, so it is likely that there were additional projects funded by the HPTF that are not reflected in the database.

The database includes borrower name, project name if stated in the agreement, award date, award purpose, award amount, total SOAR expenditures, property type, project address, and ward, based on ODCA research of address location. Figure 3 shows the number of HPTF units created or preserved by ward.

Figure 3: HPTF Multi-Family and Single-Family Units Created/Preserved by Ward



Source: ODCA Database
NOTE: The Multi-Ward category includes projects that received HPTF funding for locations in more than one ward, e.g. Ward 3 has one project, but it is counted in the Multi-Ward category. The Unknown category includes projects for which no address was specified in the agreement.

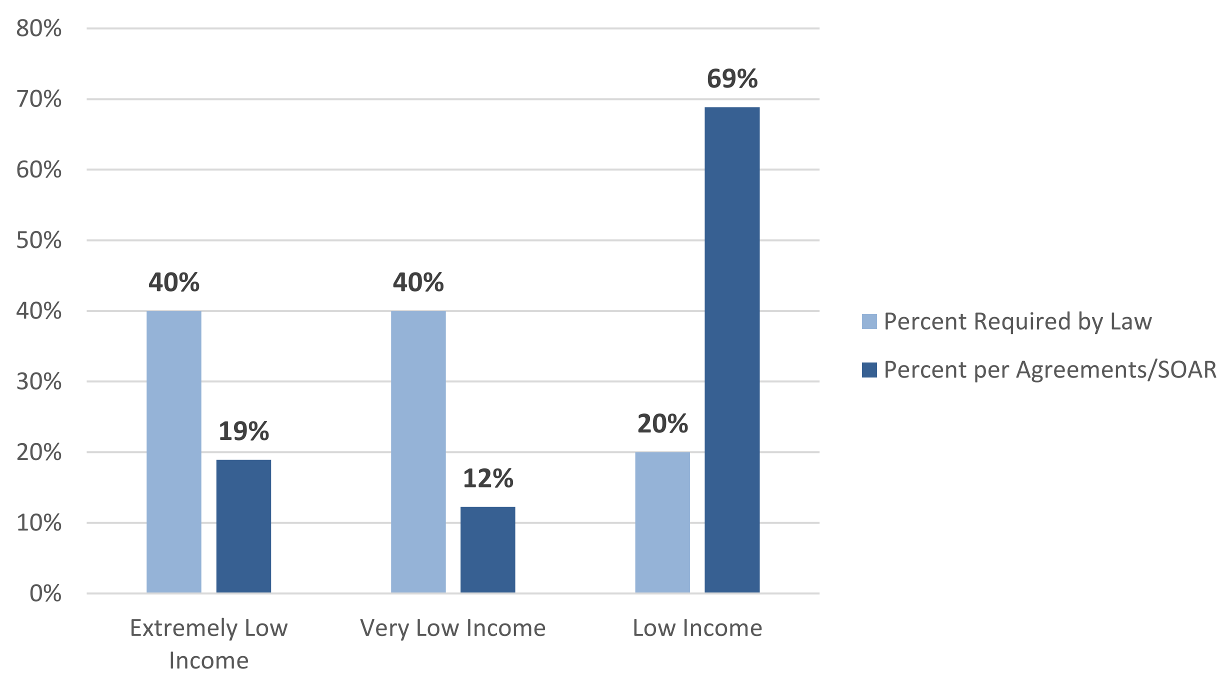
The database also includes the number of affordable units produced or preserved based on the information contained in the agreements, and whenever possible, how many of the units were for households earning up to 30 percent of the Area Median Income (AMI), 31 percent-50 percent of the AMI, and 51 percent-80 percent of the AMI. **As noted previously, we did not determine whether the units were actually produced**

or maintained as affordable. Additionally, our data does not reflect whether projects participate in other local and federal housing programs that may impact the number and type of reserved units (such as the Local Rent Supplement Program).

D.C. Code stipulates that 40 percent of HPTF funds disbursed annually are to assist households with income up to 30 percent AMI (extremely low income), 40 percent are to assist households with income between 31-50 percent AMI (very low income), and 20 percent are to assist households with income between 51-80 percent AMI (low income).[11] While detailed unit AMI information was not provided for many of the projects, it is still helpful to compare how much was spent to create units for each income level (as outlined in the loan/grant agreements) with how much should have been spent per the legal requirements. The database shows that the HPTF funds disbursed per AMI category failed to meet the legal requirements for the proportion that should have been available to extremely low- and very low-income households. And the percentage of funds disbursed to assist those at 51 percent to 80 percent AMI has significantly exceeded the legal requirement. It is important to note that we made this calculation for FY 2001-2016 in aggregate, rather than annually as stipulated in D.C. Code.

Figure 4 details the proportion of funds disbursed for each income category based on the total number of units stipulated in the HPTF agreements provided to ODCA. As noted above, many agreements did not detail the number of units per AMI category, leaving $103 million of spending that we could not allocate to an AMI category.

Figure 4: Percentage of Funds Disbursed to Support Extremely and Very Low-Income Households Fall Far Below Legal Requirements

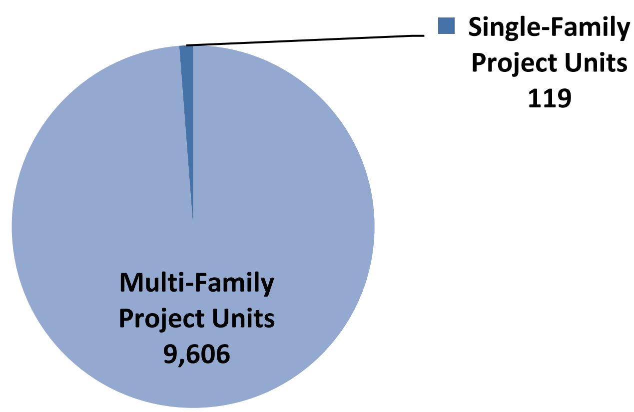


Source: ODCA Database, ODCA Calculations

[11] *See* D.C. Code § 42-2802(b-1). *See* also D.C. Code § 42-2801 for definitions.

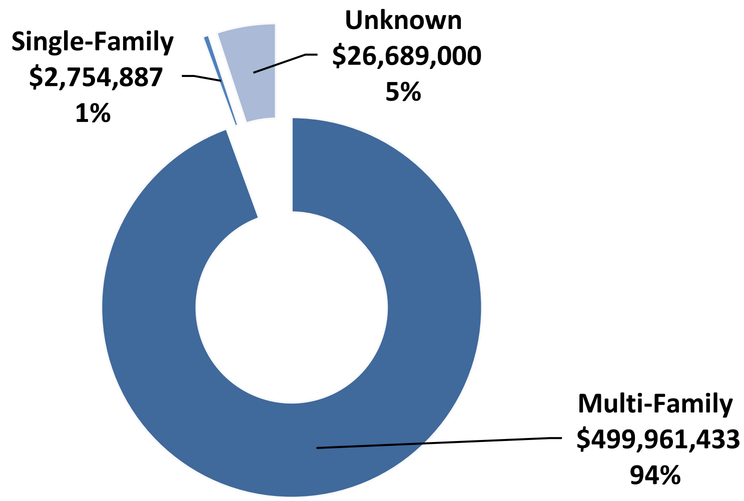
The database also indicates whether the loan/grant was for a single-family or a multi-family project. This is important as during ODCA's first HPTF audit, DHCD was not able to provide a list of single-family projects funded by the HPTF. Thus, this database provides a key set of data on the use of the HPTF for DHCD single-family programs, i.e. Lead Safe Washington and Single Family Residential Rehabilitation Program (SFRRP). Figures 5 and 6 show the number of single-family and multi-family units created/preserved by HPTF agreements.

Figure 5: Most Affordable Units Created Were for Multi-Family Projects



Source: ODCA Database

Figure 6: HPTF Database Shows Majority of Funds Expended on Multi-Family Projects



Source: ODCA Database

DHCD should seek to always provide complete and accurate information to the public and District leadership about HPTF performance. To accomplish this, DHCD should utilize information such as the ODCA database to verify and update the accuracy of its HPTF data.

DHCD and the OCFO could not provide loan or grant documentation to support $13 million in HPTF spending, 2 percent of total HPTF spending. It took more than one year for DHCD to provide some of the documents.

D.C. Municipal Regulations (DCMR) require records for ongoing contracts to be preserved and readily accessible when requested.[12] D.C. Code requires the OCFO to verify and approve financial transactions for the District of Columbia.[13] HPTF loan and grant agreements provide the legal authorization to pay a vendor, and provide pertinent details such as the borrower's name, date of award, award amount, number of affordable units, and repayment terms.

DHCD and the OCFO could not provide sufficient documentation to support millions in HPTF spending. Specifically:

- DHCD and the OCFO failed to provide loan agreements, grant agreements, and/or invoices to support $8,823,221 in HPTF expenditures.
- DHCD and the OCFO failed to provide loan or grant agreements for vendors totaling $4,517,718, although invoices were provided.

We first requested all loan and grant agreements from DHCD in July 2016. Ultimately, DHCD and the OCFO did provide loan or grant agreements for most HPTF projects, but more than a year after our initial request we were still waiting for documents to substantiate more than $500 million in HPTF project expenditures.

Neither DHCD nor the OCFO retained digital copies of loan or grant agreements before transferring them offsite for archiving. In addition, DHCD did not have its own accurate database with loan information for each borrower from HPTF inception. As will be made clear in more depth below, DHCD's failure to fully and consistently collect loan repayments may have been a factor in the failure to maintain the supporting documentation on hand.

While we did receive loan or grant agreements for most HPTF projects, the timeframe in which the documents were provided was problematic.

Because DHCD and the OCFO did not maintain complete HPTF documentation and data, DHCD cannot easily and accurately compile a count of the HPTF-funded affordable units throughout the District, nor can it easily and reliably calculate the average cost to create an affordable unit. Without signed documentation, neither can DHCD hold vendors accountable for creating a specified number of units and the agency cannot effectively monitor compliance with other aspects of the agreements. Additionally, when supporting documentation for $8.8 million of HPTF spending could not be provided, ODCA could not determine if the funds were used to create or preserve affordable housing. There is the further risk that the OCFO may

---

[12] D.C. Municipal Regulations require that records of continuing historical or other significance be located when needed. D.C. Municipal Regulations tit. 1 §1503.1 Maintenance and Use of Records: "Agency heads shall establish controls over the maintenance and use of records in accordance with these regulations, and shall ensure that records of continuing historical or other significance can be located when needed and that they are preserved in good condition for eventual transfer to the Archives."

[13] D.C. Code § 1-204.24d outlines the duties of the CFO which include: (6) Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources. (16) Certifying and approving prior to payment of all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government, and determining the regularity, legality, and correctness of such bills, invoices, payrolls, claims, demands, or charges.

have verified and approved financial transactions without full and complete supporting documentation.

Recommendation

1. DHCD should maintain a database with complete, accurate and accessible information on the HPTF. The agency should seek to use HPTF data verified by ODCA; store an accessible copy of all agreements (with the borrower's name, date award occurred, number of affordable units, AMI, loan amount, interest rate, and period of affordability); track borrower compliance with loan agreements; and provide access to the public and the OCFO to enable OCFO monitoring of HPTF agreements and expenditures.

DHCD and the OCFO spent $16.6 million from the HPTF on repayments to the U.S. Department of Housing and Urban Development (HUD) due to DHCD's ineffective management of federal grants. They also failed to reprogram the funds prior to repayment, which obscured HPTF spending for the D.C. Council and other oversight bodies.

DHCD made inefficient use of the HPTF and federal funds by using uncertified developers, paying for ineligible activities, and lacking effective policies and procedures, which did not comply with HUD requirements.

The D.C. Code defines a reprogramming as "a budget modification of $500,000 or more for purposes other than those originally authorized that results in an offsetting reallocation of budget authority from one budget category to another budget category."[14] The OCFO's Standard Operating Procedures (SOPs) state that an agency is required to use a reprogramming for "repurposing of budget authority for uses other than **originally planned and approved**" [emphasis added] and should only request one when "an unforeseen situation develops."

DHCD spent federal grant funds on a variety of HUD projects. Subsequently, HUD deemed some of those expenditures ineligible and demanded repayment. DHCD and the OCFO repaid HUD using a variety of local DHCD funding sources, including $16.6 million from the HPTF.

In one case, a repayment to HUD was not the result of ineligible spending, but the return of a $91,637 balance remaining on a HUD grant. Rather than return the balance from DHCD's HUD grant fund, DHCD and the OCFO paid HUD from the HPTF.

Additionally, HUD returned to DHCD $4.8 million of the repayments, and DHCD and the OCFO did not return any of the money to the HPTF, instead depositing it into DHCD's HOME/CDBG fund, where it remained as of November 2017.

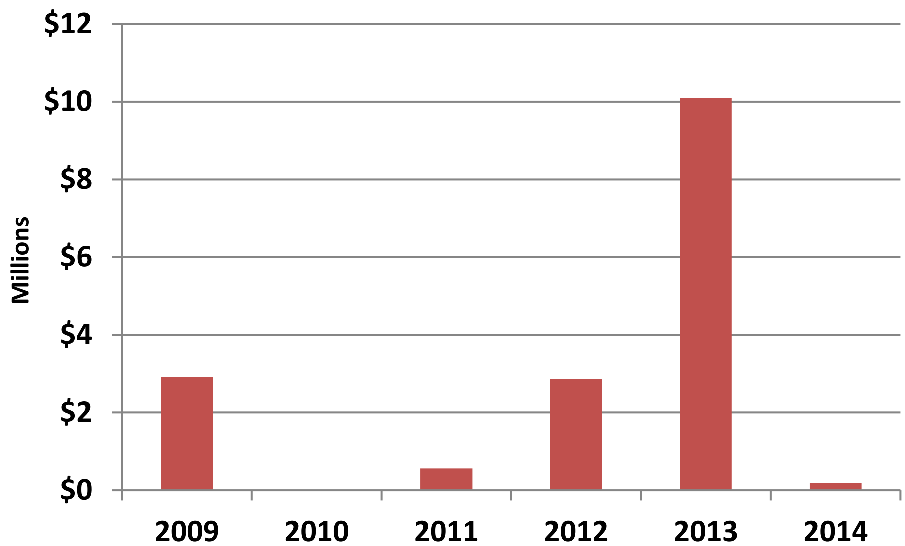
While HUD deemed the expenditures ineligible based on federal rules, the Code gives DHCD latitude in how HPTF funds are used. As a result, DHCD could have legally used HPTF funds for the projects originally funded by the federal grants.[15] DHCD, however, made inefficient use of the HPTF and federal funds by using uncertified developers, paying for ineligible activities, and lacking effective policies and procedures, which did not comply with HUD requirements. Specifically, if DHCD had properly allocated the expenditures in the

[14] D.C. Code § 47-361. Definitions.
[15] D.C. Code § 42-2802 (b)(9) states that HPTF can be used for "Other loans and grants for housing production determined by the Department to be consistent with the purposes of this chapter."

first place, it would not have had to repay HUD. And even after HUD demanded repayment, DHCD and the OCFO could have sought other available funds for the repayment, such as the General Fund surplus, as is common practice. Doing so would have kept $16.6 million of HPTF funding in circulation for new affordable housing projects.

DHCD's improper spending of federal funds appears to have been a widespread problem. As shown in Figure 7, DHCD and the OCFO used the HPTF to repay HUD over multiple years (2009, 2011, 2012, 2013, and 2014), showing systemic mismanagement.

Figure 7: The HPTF Used to Repay HUD in Multiple Years



Source: ODCA Analysis of SOAR

Failing to reprogram the funds hindered oversight of DHCD actions and mischaracterized actual HPTF spending.

Further, the April 2011 HUD letter disallowing the costs stated: "Due to the seriousness of the Department's concerns regarding the City's award of funds to organizations that may not qualify as HOME CHDOs, the Department is imposing a sanction on the City's use of HOME CHDO funds as specified in Finding No. 3.... The findings in the report are repeat findings."[16]

These repayments repurposed HPTF funds for uses other than originally planned and approved. The HPTF is designed to be a separate stream of local funding for affordable housing projects, which sometimes supplements federal funding but is distinct from federal funding streams. DHCD and the OCFO did not reprogram the funds to account for the unforeseen situation in which HUD required DHCD to repay HUD for ineligible expenditures of federal funds.

[16] According to DHCD's website, Community Housing Development Organizations (CHDOs) are eligible for certain set-aside funding from the U.S. Department of Housing and Urban Development's (HUD) Home Investment Partnerships (HOME) Program.

Of the 12 repayments to HUD totaling $16.6 million, 8 were over $500,000, which is the amount at which D.C. Council approval is required for a reprogramming.

DHCD and the OCFO recorded the HUD repayments in SOAR in a way that obscured the true use of the funds and subverted the D.C. Council oversight process that required approval. Two of the 12 payments were charged or partially charged to inappropriate administrative cost categories in SOAR. DHCD seems to have used any budget category that had available funds to repay HUD, possibly to avoid a reprogramming and D.C. Council review. For example, DHCD repaid HUD from the following categories: 0506-Grants and Gratuities; 0408-Professional Services; 0414-Advertising; 0702-Purchases Equipment and Machineries; and 0409-Contractual Services.

These repayments demonstrate that DHCD and the OCFO administered the HPTF in an environment in which employees could override SOPs, misclassify expenditures, and obscure the actual use of HPTF funds. In this context the OCFO did not function as an independent agency that supervised and assumed responsibility for financial transactions to ensure adequate control of revenues and resources. DHCD's lack of internal control related to federal grants was longstanding and was not remedied following HUD warnings and recommendations.

Failing to reprogram the funds mischaracterized actual spending and impeded D.C. Council oversight of DHCD actions. Again, while the Code provides wide latitude in HPTF spending, the D.C. Council should have been informed of these inefficient uses of HPTF funding that resulted from systemic DHCD weaknesses.

Recommendations

2. The OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster regularly enforces the requirement to use a reprogramming when repurposing "budget authority for uses other than originally planned and approved." If they do not, the OCFO should create a written action plan to increase enforcement.
3. The OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster uses appropriate funding sources for reprogramming, and specifically to determine if the Cluster should use more appropriate funds (such as the General Fund surplus or the reserve fund) that would keep HPTF funding in circulation for new affordable housing projects. If they do not, the OCFO should create a written action plan to improve the execution of reprogramming.
4. The OCFO should create a written action plan to improve internal controls throughout the Cluster or agency, with special emphasis on ensuring that the allocation of federal and local dollars is compliant with requirements.

The HPTF has not functioned as a revolving fund in that DHCD has collected far less than is owed and loan repayments have been and are projected to be a very small percentage of revenue.

The D.C. Code established the HPTF as a revolving fund and stated that loan repayments were to be one of several sources of HPTF revenue.[17] From its introduction in Council Period 7, the HPTF was to include among its revenue sources "repayments of principal and interest on loans provided by the Fund," language that was included in the bill as introduced, and as approved by the D.C. Council Committee on Economic Development. When the Fund's resources were significantly expanded in 2001 with the allocation of real estate transfer taxes and deed recordation taxes to the fund, the fiscal impact statement repeated the intent of the Fund: "The Housing Production Trust Fund may be used to provide loans, and in some cases, grants, to finance construction of new housing or rehabilitation or preservation of existing housing."

While no laws were violated, we note a stark difference between the common understanding of how a revolving fund works and the way DHCD and the OCFO manage the HPTF.

The definition of a revolving fund in the dictionary is as follows: "A fund set up for specified purposes with the proviso that repayments to the fund may be used again for these purposes."[18]

Based on this definition, the HPTF would be funded primarily, if not entirely, by repayments to the Fund and that HPTF loans would be paid back to the District according to the terms of the loan.

In the District, however, the definitions and the functioning of the HPTF have been quite different. The OCFO defines a revolving fund as: "A fund that is replenished as amounts are used, **either by additional appropriations** or by income/revenue from the programs the fund finances..."[19] (emphasis added) Further, in a 2015 OCFO report on the District's many special purpose revenue funds, 13 were identified as revolving. Based on the report's description of each fund's revenue source, only five of the 13 were funded by repayments. The OCFO, therefore, does not take a strict view of revolving funds as being only or primarily self-funded.

We note a stark difference between the common understanding of how a revolving fund works and the way DHCD and the OCFO manage the HPTF.

Additionally, the concept of loans as "expected to be paid back" does not hold true for the HPTF. Loan repayments to the HPTF historically have been very low, and DHCD and the OCFO consider the vast majority of future HPTF loan repayments to be potentially uncollectible.

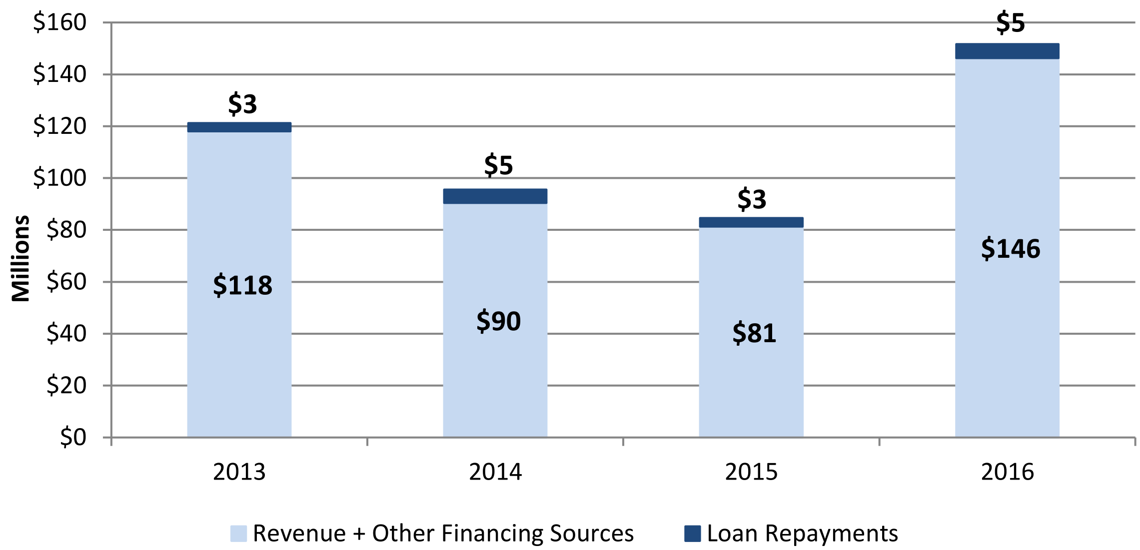
The following sections detail the extent to which the HPTF is self-funded and the expectations of the OCFO and DHCD on HPTF loan repayments.

[17] D.C. Code § 42-2802 (a): "There is established the Housing Production Trust Fund as a permanent revolving special revenue fund within the Governmental Funds of the District apart from the General Fund…"
[18] Merriam-Webster
[19] District of Columbia FY 2018 Proposed Budget and Financial Plan, Glossary of Budget Terms

Recent HPTF Loan Repayments

Between 2013 and 2016, loan repayments made up an average of 4 percent of total HPTF revenue. Figure 8 provides additional details.

Figure 8: Loan Repayments Are a Small Portion of Total HPTF Revenue



Source: ODCA Analysis of CAFR, SOAR

Future HPTF Loan Repayments

Every year, the District publishes a Comprehensive Annual Financial Report (CAFR), in which the District's financial statements are presented after examination by a team of independent accountants. In the CAFR's balance sheet, the HPTF is broken out separately and includes the amount of estimated future HPTF loan repayments.[20] Recent CAFRs showed that DHCD and the OCFO estimated that most HPTF loan repayments due in the future were considered doubtful, meaning that collection of those loans was deemed "possible or remote."[21]

Specifically, the FY 2016 CAFR showed that DHCD and the OCFO estimated that $55 million in HPTF loans would be repaid in the future, which is 11 percent of the roughly $496 million in loans due the HPTF at the end of FY 2016.

One reason for this low amount is that in the management letter accompanying the FY 2013 CAFR, the independent auditors faulted the District for not periodically analyzing the reasonableness of the assumptions used to estimate how much of the outstanding HPTF loan debt would be uncollectible. Responding to this criticism, in FY 2014, the OCFO updated their assumptions, presumably by reviewing past loan repayment rates, and increased the allowance for doubtful accounts almost five-fold, as seen in Figure 9. This significantly decreased the estimated future loan repayment amount. The OCFO performed this calculation in the workpapers to the CAFR, as was appropriate, but did not explain the background on

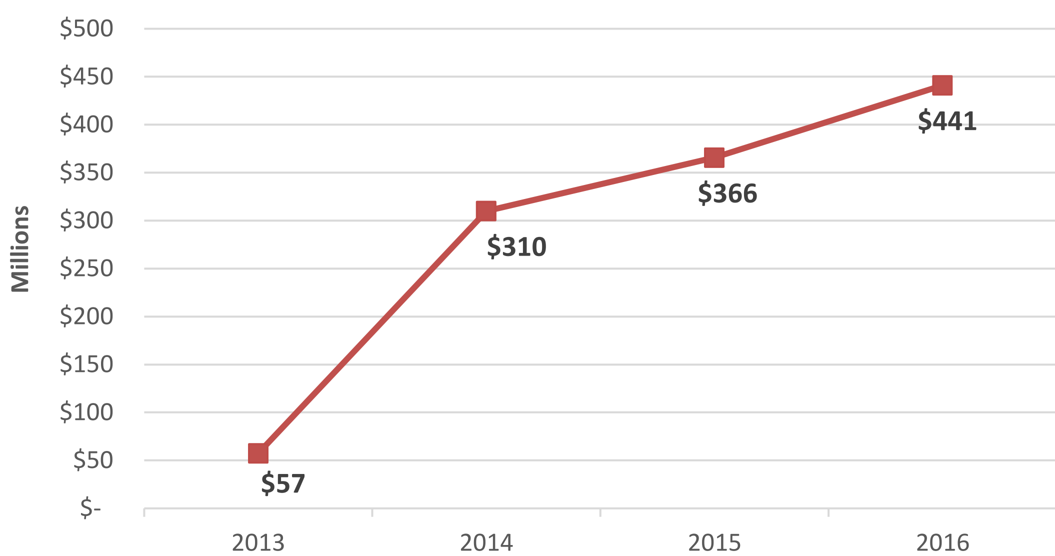
---

[20] Per a previous DHCD Agency Fiscal Officer, future estimated HPTF loan repayment was recorded as "Unearned Revenue" on the District's Balance Sheet in the CAFR.

[21] As described by the District's Deputy Chief Financial Officer for the Office of Financial Operations and Systems

the HPTF allowance for doubtful accounts anywhere in the CAFR. While such an explanation is not strictly required, it would have greatly improved transparency to include the amount that DHCD and the OCFO estimated to be doubtful in the CAFR's Management's Discussion and Analysis. We were pleased, however, to see that the OCFO included this information in the FY 2017 CAFR, which was released during the course of this audit.

Figure 9: OCFO Estimate of Doubtful[22] HPTF Loans Increased 5-Fold in 2014

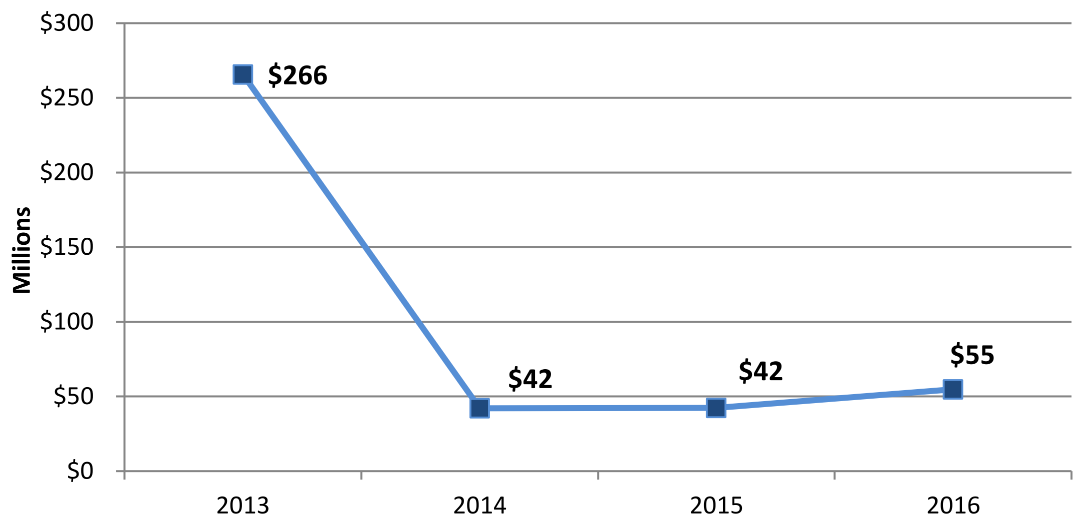


Source: OCFO

When asked about this change, OCFO representatives stated that they estimated that they were not going to collect any of the deferred loans and would collect only 50 percent of amortized loans, or 84 percent overall would remain uncollected. The OCFO's change in the CAFR was appropriate and necessary to more accurately estimate future repayments, but it also makes apparent a troubling reality about the prospect of using loan repayments to fund future projects as had been intended in the fund from its outset. Figure 10 shows the estimated future HPTF loan repayment amounts in the CAFR for FYs 2013-2016.

[22] Doubtful refers to the Allowance for Doubtful Accounts, an accounting term that describes the reduction in accounts receivable of a reported amount which is expected not to be collected.

Figure 10: OCFO Estimates of Future HPTF Loan Repayments in CAFR Reduced 6-Fold in 2014



Source: CAFRs

Reasons for the Low Rate of Past and Future HPTF Loan Repayments

There are several reasons for the low rate of past and future HPTF loan repayments:

- **Loans bind recipients to keep the properties affordable, even if the loans are not repaid according to schedule.** It is critical to recognize that by structuring the distribution of HPTF funds as loans, DHCD binds recipients to keep the properties affordable because a lien is placed on the property. Reflecting the policymakers' commitment to affordable housing, DHCD has an incentive to use loans over other types of funding mechanisms, such as grants, even when they know there may be little chance of timely or eventual repayment.
- **Most HPTF loans are deferred**. DHCD stated that most of its HPTF loans are deferred, meaning that payment is not due for a set number of years, in some cases up to 40 years. We confirmed this by reviewing an April 2017 cumulative report prepared by AmeriNat, the company that collects payments on HPTF loans, and found:
  - 298 or 75 percent of all HPTF loans were deferred.
  - 97 or 25 percent of all HPTF loans were amortized, meaning they were expected to be repaid in periodic payments.
- **HPTF loans are often subordinate to other loans on a project.** As noted previously, one feature of the District's HPTF is that on all projects no more than 49 percent of total funds can come from the trust fund. DHCD stated that because HPTF loans can be fifth or sixth in line after other loans for a project, it can be many years until the loans are repaid, if they are ever repaid, often only spurred by a refinancing or sale of the property.
- **There are weaknesses in DHCD's assessment of borrowers' ability to pay back loans and a lack of rigorous DHCD monitoring regarding loan compliance and collection**. The audit released in March 2017 found that for our sample, DHCD did not effectively manage HPTF loan repayments, including not enforcing the requirement that borrowers submit annual financial statements (which could impact the amount of loan repayment), not ensuring that loans were repaid per requirements, and

insufficiently monitoring loan repayments (i.e. monitoring its loan servicer AmeriNat's payment trackers). DHCD renewed AmeriNat's contract in April 2017.

- **DHCD had inaccurate/incomplete information about the amount of loan repayments collected**. The amount of loan repayments published in DHCD's HPTF annual reports was different from the amounts recorded in SOAR for every year from 2013 through 2015[23], as seen below in Figure 11.

Figure 11: Loan Repayments in HPTF Annual Reports Differed from Amounts Recorded in SOAR

FY	HPTF Annual Reports	SOAR
2013	$2,032,000	$3,255,896
2014	$0	$5,181,794
2015	$3,946,000	$3,405,254

Source: DHCD's HPTF Annual Reports, SOAR

The low percentage of loans that are anticipated to be repaid could contribute to a reputation for a lax attitude toward loan collection, possibly giving developers the impression that the District is "giving away money." Further, not collecting money owed and thereby replenishing the Fund means less funding is available for additional projects.

Some of these concerns echo findings contained in our report from March 2017, specifically DHCD's lack of rigorous monitoring regarding loan compliance and collection and DHCD's inaccurate/incomplete information about the amount of loan repayments collected. As a result, we have repeated one of our previous recommendations below, to reiterate its importance in resolving problems found in both audits. We raise these issues to encourage discussion among decision makers about the goals for the funding of the HPTF and the extent to which the HPTF should be a revolving fund.

Recommendations

5. DHCD should work with the Mayor and the D.C. Council to develop a written assessment of the goals of the HPTF regarding revenue from loan repayment, including whether the ratio of deferred to amortized loans is appropriate and whether the current rate of repayment is acceptable. If a consensus determines repayments are not sufficient, DHCD should develop a written report on how the agency will improve repayment through more efficient collections or assessing ability to pay or both.
6. The OCFO should include the specific figures for the HPTF allowance for doubtful accounts for long-term loans in the Management's Discussion and Analysis in the CAFR.
7. **Repeat Recommendation:** The D.C. Council should amend D.C. Code § 42-2803.01 to require that DHCD include the amount of HPTF loan repayments due and paid in the HPTF's annual and quarterly reports. (And this amount should be consistent with the amount listed in SOAR, the CAFR, and other public documents and testimony.)

We raise these issues to encourage discussion among decision makers about the goals for the funding of the HPTF and the extent to which the HPTF should be a revolving fund.

[23] We could not include 2016 information in our analysis as the 2016 HPTF annual report had not been published as of February 28, 2018.

DHCD exceeded the HPTF administrative expenditure cap for FYs 2009, 2012, and 2015, totaling over $10 million that should have been invested in affordable housing projects, and the OCFO permitted the expenditures.

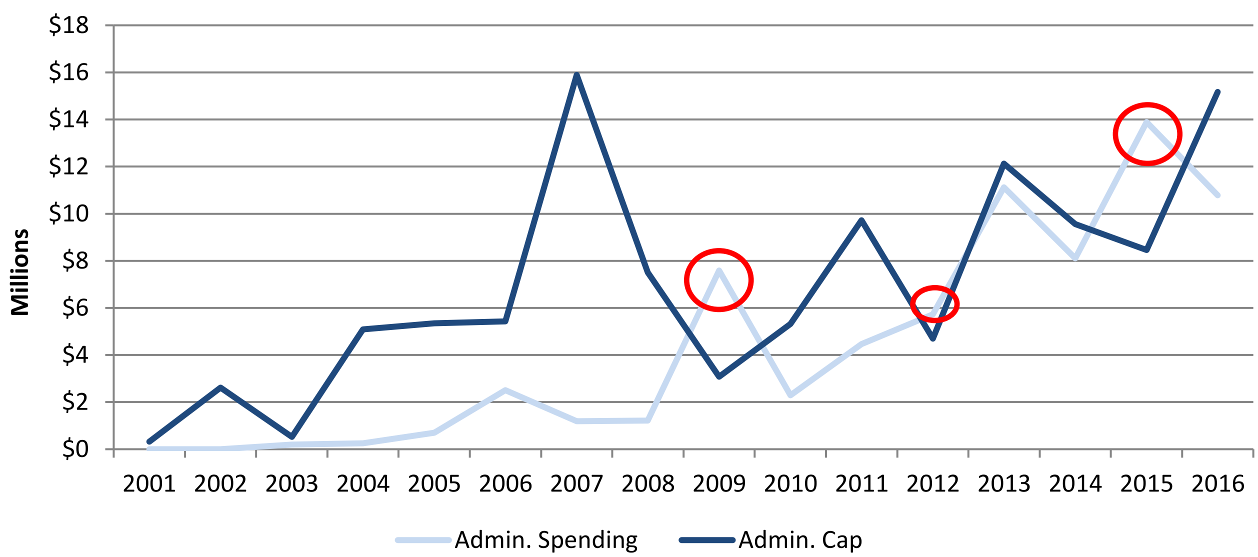
D.C. Code sets a cap on annual HPTF spending for administrative costs by specifying a percentage of the "funds deposited." The percentages varied over the 16 fiscal years we reviewed and was not to exceed:

- 10 percent in FY 2009 or earlier.
- 15 percent in FYs 2010 and 2011.
- 10 percent in FY 2012 or later.

Using a percentage of revenue to determine the administrative cap resulted in wildly varying caps from year to year.

Based on ODCA's calculation of administrative costs, DHCD and the OCFO exceeded the HPTF administrative cap in 3 of the 16 years we reviewed (19 percent). Figure 12 shows that DHCD and the OCFO exceeded the cap by $4.5 million in 2009, $1.2 million in 2012, and $5.3 million in 2015, as highlighted in red. Over the 16 years we reviewed, the cumulative percentage of HPTF administrative spending was 7 percent of the total funds deposited, far below the cap.

Figure 12: HPTF Administrative Spending Exceeded Cap 3 Years from FYs 2001-2016



Source: ODCA Analysis of SOAR

Salaries and fringe benefits made up the majority of HPTF administrative costs overall (45 percent). Other large cost categories were "contractual services" (32 percent), "other services and charges" (10 percent), and "rentals-land and structures" (9 percent).

DHCD and the OCFO stated that until December 2016, they misinterpreted the Code requirement and based the percentage for the cap on the annual *budget*, not "funds deposited" or *revenue*. Indeed, we saw evidence of confusion about how to interpret the cap: the HPTF FY 2012 annual report stated that the percentage was calculated using expenditures, and the FYs 2013, 2014, and 2015 annual reports stated that the percentage was calculated using revenues.

DHCD and the OCFO also lacked clarity and consistency about how to determine the actual amount of administrative spending. The HPTF administrative costs the OCFO recorded in SOAR were very different from the amounts DHCD reported in their annual reports, their annual budgets, and in reports to the D.C. Council. All the amounts were different from ODCA's calculations. For 2012 through 2015, in no year were the amounts the same, as detailed in Figure 13.

Figure 13: Reports of HPTF Administrative Costs Varied Greatly

FY	ODCA Calculation	SOAR	HPTF Annual Report	Actual Spending Reported in D.C. Annual Budget	Reported to the D.C. Council for Performance/Budget Hearings
2012	$5,723,131	$10,331,659	$5,256,622	$3,310,000	Not available
2013	$11,125,633	$16,170,874	$5,897,988	$4,539,000	Not available
2014	$8,047,754	$8,100,697	$12,988,876	$4,514,000	$4,514,090
2015	$13,789,864	$22,831,732	$21,957,368	$4,357,000	$13,130,778

Source: ODCA Analysis of SOAR, SOAR, DHCD's HPTF Annual Reports, District Budgets, D.C. Council Budget/Performance Documents

The ODCA calculation of administrative costs is different from what was recorded in SOAR because DHCD and the OCFO made errors when classifying expenditures in SOAR. We found DHCD and the OCFO incorrectly classified:

- $13 million in project costs (loans to developers and HUD repayments) as administrative costs.
- $1.7 million in administrative costs (such as advertising costs, like payments to Comcast, Radio One, and NBC Universal, and payments to DHCD's loan collector, AmeriNat) as project costs.

DHCD did not have detailed SOPs that described what constitutes HPTF administrative costs and how to comply with the cap. Additionally, the OCFO is responsible for oversight of HPTF financial transactions and should have monitored spending against the administrative cap based on the correct interpretation of the Code.

DHCD did not comply with the OCFO requirement to enter into an MOU when the intra-District transfer was initiated each year, and the OCFO did not enforce its own requirement. Lack of an MOU provided DHCD with too much leeway on spending and not enough structured OCFO guidance to comply with HPTF requirements. An MOU can be a key internal control that governs the use of funds and ensures that the OCFO and DHCD are on the same page regarding how HPTF funds are spent, and requires monthly reporting.

An MOU governing intra-District transfers is especially important for the HPTF because its annual budget is insufficiently detailed, showing 0 FTEs and no details for spending on project costs (i.e. multi-family, single-family, loans or grants) or administrative costs (i.e. personnel, supplies, etc.). An MOU would address the need for transparency, as the agency (DHCD) must prepare a budget modification request, the DHCD AFO must approve it, the Associate CFO must approve it, and then the OCFO's Office of Budget and Planning (OBP) must also approve it.

HPTF is a non-lapsing fund, meaning that funds carry over into the next fiscal year, thus, the amount overspent on administrative costs was permanently lost for potential projects. There may be sufficient investments in the Fund currently, but if financial conditions should ever dramatically decline and HPTF revenues decline, the importance of keeping under the administrative spending cap is even more pronounced.

DHCD overspent the administrative cap by a total of $10 million, which represented funding that could have been spent on projects, reducing the overall number of affordable units that could have been created or rehabilitated.

To show how DHCD could have better used the $10 million, we calculated the following:

- DHCD could have produced or preserved 162 additional affordable units[24]; or
- DHCD could have assisted additional households to complete needed repairs[25] by:
    - Helping keep 133 households safe from lead and other hazards; or
    - Repairing the roofs of 667 homes; or
    - Improving accessibility and removing physical barriers in 333 households with seniors or persons with disabilities.

There may be sufficient investments in the Fund currently, but if financial conditions should ever dramatically decline and HPTF revenues decline, the importance of keeping under the administrative spending cap is even more pronounced.

In fact, DHCD's administrative spending has been flagged by the D.C. Council's Committee on Housing and Community Development,[26] which recommended that "DHCD conduct an audit of all HPTF spending in order to minimize administrative costs, and thereby build more affordable housing."

Recommendations

8. The OCFO and DHCD should enter into an MOU on an annual basis that defines the intra-District transfer of HPTF funds. This MOU should include the amount that administrative costs are not to exceed for the year based on funds deposited.
9. In its monthly reports required per the MOU, the OCFO should ensure that HPTF administrative spending is on track to comply with the cap.

DHCD and the OCFO's accounting obscured both the true costs of the HPTF and the Fund's efficiency in producing affordable housing.

As noted in the background section of this report, the OCFO is responsible for "oversight and direct supervision of the financial and budgetary functions of the District government." This includes "operating and maintaining a coordinated financial management system to budget, collect, control, and properly

[24] Based on cost per HPTF unit calculated by ODCA.
[25] We used the maximum grant award amounts for different types of repairs associated with DHCD's Single Family Residential Rehabilitation Program.
26 The Committee's name was subsequently changed to the Committee on Housing and Neighborhood Revitalization.

account for more than $7 billion in annual operating and capital funds" and "developing, implementing and monitoring the District's accounting policies and systems."

In reviewing the entirety of HPTF expenditures from 2001 through 2016, we found several inappropriate costs charged to the HPTF, reclassifications of costs from one budget category to another, transfers that moved expenditures in or out of the HPTF to other funds, and other accounting weaknesses. In some cases, these transactions obscured the true project and administrative costs of the HPTF program. The following subsections provide more detail.

Costs Unrelated to Affordable Housing

There were several expenditures from FY 2014 that DHCD should not have charged to the HPTF and the OCFO should not have allowed. DHCD and the OCFO charged all these expenditures to a category normally reserved for affordable housing projects, not to administrative cost categories:

- **$19,113**: DHCD charged the HPTF for the entire amount billed for the frosting of the windows of DHCD's office building.

- **$11,073**: DHCD charged the HPTF for a grant to bring "enhanced livability, mobility, sustainability, and community development benefits of bicycling to the communities east of the Anacostia River..." A portion of this payment was for food, face painting, childcare, and DJ services for a Capitol City Bike Expo. This payment represented only a portion of the total grant; presumably the remainder of the grant was paid from another fund.

- **$10,307**: DHCD charged the HPTF for a grant "to provide small business and technical assistance in the Anacostia area" that appeared to be associated with the Commercial Corridor Small Business Development Program. This payment represented only a portion of the total grant; presumably the remainder of the grant was paid from another fund.

- **$5,104**: DHCD charged the HPTF for the entire amount billed for several pieces of fitness equipment for the "DHCD Gym."

While the amounts of these expenditures are modest, we find it concerning that these types of charges were not caught and redirected by someone at DHCD or the OCFO. It is important to acknowledge, however, that these charges were clustered in FY 2014 and we did not find any HPTF expenditures unrelated to affordable housing in FYs 2015 and 2016.

Reclassifications and Transfers that Obscured the True Costs of the HPTF Program

During the scope of our audit, there were a number of reclassifications, transfers of prior expenditures into and out of the HPTF, and corrections. We selected a few of these types of transactions from FYs 2015 and 2016 and requested additional supporting documentation from the OCFO. The selected expenditures were not a random sample; instead we chose transactions with a high dollar value and/or an invoice description in SOAR that raised a red flag.

While reclassifications and transfers can be a good thing, in that they can represent corrections to the record prior to the close of a fiscal year, some of the transactions reclassified funds in ways that obscured the true expenditures of the HPTF.

As noted earlier in the report, D.C. Code established an annual cap for administrative expenses related to the HPTF. Similarly, federal grant funds place a cap on administrative expenses. Supporting documentation provided by the OCFO showed that DHCD and the OCFO initially overspent some of these caps in FYs 2015 and 2016, both for the HPTF and federal grant programs. In response, OCFO employees either transferred the administrative costs that exceeded the cap to other funds and/or reclassified the administrative costs as project costs. In some cases, the documentation noted that the transfers and reclassifications were performed to correct a mistake, which was an appropriate response. In other cases, however, both the original documentation and recent OCFO explanations stated that the rationale was simply "to remain administrative cap compliant."

The following examples illustrate some of the inappropriate transfers and reclassifications, all of which occurred in FY 2016:

- As noted previously, the HPTF budget is distinct from DHCD's agency budget. DHCD and the OCFO transferred $1.8 million in HPTF administrative costs, along with additional HOME and CDBG administrative costs, to DHCD's agency budget, making them appear to be agency expenditures. DHCD and the OCFO did this to remain compliant with the administrative cap for all three funding sources, as the documentation indicated that DHCD faced spending pressures and had received $6.4 million in a reprogramming to cover the administrative costs. While we recognize DHCD and the OCFO's effort to comply with legal requirements, **this transfer resulted in the understatement of the true costs of administering the HPTF, as the transferred costs now appear in SOAR as DHCD agency costs.** This impacts the transparency of the numbers to both internal and external auditors and oversight bodies.

- DHCD and the OCFO transferred $888,075 from the federal CDBG grant to the HPTF. The expenditure was also reclassified from an administrative cost to a project cost. The amount transferred represented payments to AmeriNat, DHCD's loan servicer. Again, the rationale was to remain compliant with the administrative cap for the CDBG grant. In this case, the transfer and reclassification served to miscategorize a cost that is clearly administrative in nature and to improperly inflate the HPTF's project costs, again obscuring the true costs of the program.

While reclassifications and transfers can be a good thing, in that they can represent corrections to the record prior to the close of a fiscal year, some of the transactions that we reviewed reclassified funds in ways that obscured the true expenditures of the HPTF.

- DHCD and the OCFO reclassified an HPTF expenditure of $58,553 from an administrative cost to a project cost. Again, the amount transferred represented payments to AmeriNat, DHCD's loan servicer. In this case, the rationale was to keep the HPTF within its administrative cap. The reclassification served to improperly inflate the HPTF's project costs and understate administrative costs.

In some instances, the rationale provided for altering transactions was to correct misclassified costs, which was appropriate. What was not appropriate was the reclassification of expenditures to mask exceeding the administrative cost cap. A better approach would be for the OCFO and DHCD to carefully plan and monitor administrative spending prior to and throughout the fiscal year, and adjust to ensure that spending never exceeds the cap in the first place. If unexpected spending pressures make that impossible, they should work with the D.C. Council to amend the administrative spending cap in the D.C. Code accordingly. Accurate information about HPTF spending on projects and administrative costs is essential for decision makers to budget and plan for projects.

Other Accounting Weaknesses

Other issues that indicated poor oversight and weak internal controls include:

Overall, we found that the OCFO did not function as an independent agency with supervisory authority for financial transactions to ensure adequate control of revenues and resources.

- **Delays in corrections.** In 2016, there were corrections totaling $874,000 for charges that had been originally billed to the HPTF in FYs 2013 and 2014.

- **Excessive number of journal entries to correct one error**. It took DHCD and the OCFO three tries to correct a $2.1 million payment that was supposed to be revenue but was mistakenly classified as an expenditure.

As noted previously, an MOU governing the intra-District transfer would have required the OCFO and DHCD to take additional steps to monitor spending. Additionally, DHCD/the OCFO administered the HPTF in an environment in which employees could override SOPs, misclassify expenditures, and obscure the true use of HPTF funds. Furthermore, neither DHCD nor the OCFO provided evidence to show that any employees had been reprimanded or otherwise corrected for some of the problems we identified. Overall, we found that the OCFO did not function as an independent agency with supervisory authority for financial transactions to ensure adequate control of revenues and resources.

These actions resulted in inaccurate information about HPTF performance and federal grant performance. Inaccurate information impedes successful development of future HPTF budgets by DHCD, the OCFO, the D.C. Council, and other stakeholders. It also makes it nearly impossible for DHCD to determine true administrative costs and to identify potential improper movement of administrative costs to project cost categories.

Recommendations

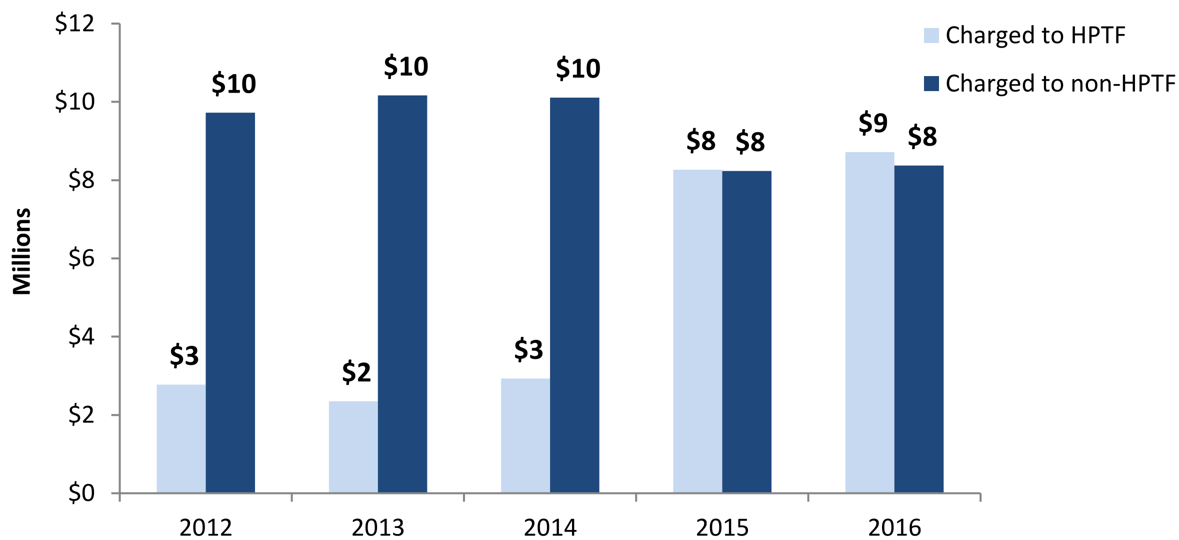
10. DHCD should work with the OCFO to develop criteria for what constitutes appropriate HPTF administrative and project expenditures, include the criteria in the HPTF SOPs and MOU, and document compliance with the criteria during the closeout of the MOU at year-end.

11. To address the breakdown in controls relating to the administration of the HPTF, the OCFO should conduct a written assessment on how it will reassert its independence from the agencies it serves by instituting new safeguards, such as a prescribed rotation of key OCFO employees between agencies and/or clusters to reduce entrenchment and bias; train staff on existing laws, regulations, and SOPs relating to financial transactions; and impose disciplinary actions for personnel when they do not follow laws, regulations, and SOPs.

While not a violation of legal requirements, the HPTF paid for a significant and growing portion of DHCD salaries and benefits, yet the HPTF has suffered from insufficient staffing and monitoring during the same period.

In recent years, DHCD personnel costs charged to the HPTF have risen significantly, from 22 percent of DHCD's salaries/benefits in FY 2012 to 51 percent in FY 2016. Figure 14 shows the amount and proportion of DHCD personnel expenditures paid from the HPTF versus DHCD's non-HPTF revenue sources.

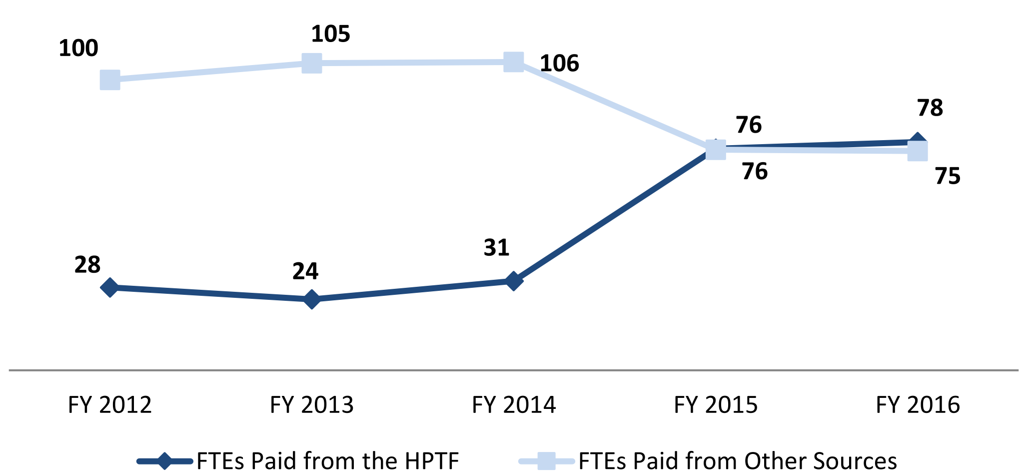
Figure 14: DHCD Has Increasingly Used the HPTF to Pay DHCD Salaries



Source: ODCA Analysis

We also note that the number of full-time employees (FTEs) paid by DHCD's agency budget decreased from roughly 100 in FYs 2012-2014 to roughly 75 in FYs 2015-2016, as seen in Figure 15.

Figure 15: Number of DHCD Employees' Salaries/Benefits Paid for By the HPTF Grows



Source: ODCA Analysis of CFO SOLV and District Budgets

When asked if this reduction in staff dedicated to non-HPTF programming corresponded to a decrease in workload associated with non-HPTF programming, DHCD did not respond.

DHCD did not have a policy for how to allocate personnel resources and costs to the HPTF, but reported that for the last two years it has been evaluating how personnel costs should be billed to the HPTF, including a detailed review of all positions and funding sources (local, federal, private, etc.).

Additionally, the use of the HPTF for agency personnel contributed to the previous finding that HPTF administrative spending exceeded the cap in three years.

We did not conduct an analysis to determine the appropriate level of HPTF spending on DHCD personnel. We do note that many of the findings in our March 2017 audit (enforcing income and rent limits, annual reports completed accurately and timely, conducting an annual needs assessment) might have been avoided with the allocation of additional program staff.

Additionally, as decision makers have invested at least $100 million annually in the HPTF, it is important that they know that the HPTF has been used for a larger proportion of DHCD personnel costs. Unfortunately, as the HPTF is not named in DHCD revenue reports and is referred to as intra-District revenue, it took some effort for ODCA to identify the HPTF personnel spending. Thus, this use of funds may be similarly unclear to decision makers and stakeholders.

Recommendation

12. DHCD should approve a written policy to formalize its efforts to standardize personnel allocation and spending across funding sources to ensure all programs meet their objectives.

DHCD continues to undermine D.C. Council oversight by failing to timely publish HPTF annual and quarterly reports, and recently publishing annual reports that contain inaccurate information.

D.C. Code and D.C. Municipal Regulations require DHCD to file and publish annual reports with the D.C. Council by April 1 of each fiscal year, as well as quarterly reports.[27] The FY 2016 HPTF annual report and all the FY 2016 and 2017 HPTF quarterly reports were still outstanding as of February 28, 2018. This issue has also been raised by the D.C. Council's Committee on Housing and Community Development.[28]

The absence of timely publishing and accurate annual and quarterly reports undermines D.C. Council oversight, as well as public access to information about HPTF operations and projects.

Additionally, the FY 2015 annual report, published March 2017, contained inaccurate information. In some places, the amount of loan repayments was $0 and in other places it was $3.9 million. Appendix G shows excerpts from the FY 2015 annual report with these inconsistencies.

---

[27] D.C. Code § 42–2803.01 states that "No later than April 1 of each fiscal year, the Mayor shall transmit to the Council a Housing Production Trust Fund Annual Report." D.C. Mun. Regs tit. 10 §4102.9 makes DHCD responsible for "[f]iling with the Chairman of the Council…quarterly and annual reports on activities and expenditures of the Fund"…

[28] The Committee's name was subsequently changed to the Committee on Housing and Neighborhood Revitalization.

DHCD's non-compliance with the timely submission of quarterly and annual reports was flagged as a finding in ODCA's March 2017 audit report. In response to that audit, DHCD confirmed their awareness of the requirement reporting that the FY 2015 report was under final approval and the FY 2016 report was due in April 2017. In that audit we determined that a lack of HPTF program staff and missing SOPs were contributing factors to DHCD's failure to complete accurate annual reports in a timely manner. When ODCA asked DHCD in this audit if the vacancies had been filled and if SOPs had been created for HPTF, DHCD said that position descriptions had been drafted and advertised and did not respond whether annual report SOPs had been developed. Thus, two recommendations from the previous report need to be repeated.

The absence of timely and accurate annual and quarterly reports undermines D.C. Council oversight, as well as public access to information about HPTF operations and projects. These reports are to contain the following information: expenditures; the number of loans and grants made; and the number of low, very low, and extremely low-income households assisted, which is an area in which DHCD did not comply in recent years.

As expressed in the FY 2017 Committee on Housing and Community Development report,[29] "the Committee and the residents are reliant on its timely filing to ensure the Agency is adhering to the statutory requirements of the Fund." Additionally, ODCA was unable to analyze the data from the FY 2016 annual report to determine its accuracy.

Recommendations

13. **Repeat Recommendation from March 2017:** DHCD should ensure that the HPTF Program has sufficient staff for the timely and consistent publishing of quarterly and annual reports.
14. **Repeat Recommendation:** DHCD should create detailed SOPs that address the compilation of the quarterly and annual reports, that include: retention of back-up information and calculations to support the reported figures; explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release.

[29] The Committee's name was subsequently changed to the Committee on Housing and Neighborhood Revitalization.

Summary of Report Recommendations

Most of the recommendations ODCA is making in this report are budget neutral, have the potential to be revenue generating and/or cost saving, and/or help to advance the goals of DHCD, the Mayor, or the OCFO, as seen below.

Recommendation	Budget Neutral	Potential Revenue Generating and/or Cost Saving	Advances Agency or District-Wide Goals
1. DHCD should maintain a database with complete, accurate and accessible information on the HPTF. The agency should seek to use HPTF data verified by ODCA; store an accessible copy of all agreements (with the borrower's name, date award occurred, number of affordable units, AMI, loan amount, interest rate, and period of affordability); track borrower compliance with loan agreements; and provide access to the public and the OCFO to enable OCFO monitoring of HPTF agreements and expenditures.	X		DHCD FY18 Performance Plan: "The Portfolio and Asset Management Division (PMD) manages the allocation of Low Income Housing Tax Credits (LIHTC) and provides portfolio management oversight to outstanding loans in the division. The division monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due and conducts the reviews of the risks and relationships of potential borrowers to protect the Department's assets."
2. The OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster regularly enforces the requirement to use a reprogramming when repurposing "budget authority for uses other than originally planned and approved." If they do not, the OCFO should create a written action plan to increase enforcement.	X		The OCFO 2017-2021 Strategic Plan: "Ensuring that a culture of continuous improvement takes root and thrives within the OCFO organization is one of our highest priorities. In this culture, employee empowerment and accountability are nurtured and promoted. An improvement-focused culture requires that we constantly review our organizational processes, procedures and systems to increase their overall efficiency, with the goal of continually increasing our effectiveness as an agency and the satisfaction levels of both our customers and employees."
3. The OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster uses appropriate funding sources for reprogramming, and specifically to determine if the Cluster should use more appropriate funds (such as the General Fund surplus or the reserve fund) that would keep HPTF funding in circulation for new affordable housing projects. If they do not, the OCFO should create a written action plan to improve the execution of reprogramming.	X		
4. The OCFO should create a written action plan to improve internal controls throughout the Cluster or agency, with	X		

Recommendation	Budget Neutral	Potential Revenue Generating and/or Cost Saving	Advances Agency or District-Wide Goals
special emphasis on ensuring that the allocation of federal and local dollars is compliant with requirements.			
5. DHCD should work with the Mayor and the D.C. Council to develop a written assessment of the goals of the HPTF regarding revenue from loan repayment, including whether the ratio of deferred to amortized loans is appropriate and whether the current rate of repayment is acceptable. If a consensus determines repayments are not sufficient, DHCD should develop a written report on how the agency will improve repayment through more efficient collections or assessing ability to pay or both.	X		<u>DHCD FY18 Performance Measure</u>: "Percent of loans at least one year old in good standing." <u>Mayor Muriel Bowser, 2017 State of the District:</u> "I will commit to you that I lead the government to solutions that are transparent and effective."
6. The OCFO should include the specific figures for the HPTF allowance for doubtful accounts for long-term loans in the Management's Discussion and Analysis in the CAFR.	X		<u>The OCFO 2017-2021 Strategic Plan</u>: "Improve Transparency and Quality of Information: This strategic objective works to ensure that information provided by the OCFO is accurate, timely, accessible, and easily understood."
7. **Repeat Recommendation:** The D.C. Council should amend D.C. Code § 42-2803.01 to require that DHCD include the amount of HPTF loan repayments due and paid in the HPTF's annual and quarterly reports. (And this amount should be consistent with the amount listed in SOAR, the CAFR, and other public documents and testimony.)	X		<u>D.C. Council's website</u>: The Council's "responsibilities also include oversight of multiple agencies, commissions, boards and other instruments of District government."
8. The OCFO and DHCD should enter into an MOU on an annual basis that defines the intra-District transfer of HPTF funds. This MOU should include the amount that administrative costs are not to exceed for the year based on funds deposited.		X	<u>Mayor Muriel Bowser, 2017 State of the District</u>: "For every $100 million we invest, we are constructing and preserving more than 1,000 affordable housing units in all 8 wards." <u>The OCFO 2017-2021 Strategic Plan</u>: "Improve Customer Service: This strategic objective is intended to improve the quality, timeliness, and accuracy of services provided by the OCFO to the public, District agencies, and elected officials."
9. In its monthly reports required per the MOU, the OCFO should ensure that HPTF	X		<u>The OCFO 2017-2021 Strategic Plan</u>: "Improve Transparency and Quality of

Recommendation	Budget Neutral	Potential Revenue Generating and/or Cost Saving	Advances Agency or District-Wide Goals
administrative spending is on track to comply with the cap.			Information: This strategic objective works to ensure that information provided by the OCFO is accurate, timely, accessible, and easily understood." DHCD FY18 Performance Plan: "Create and maintain a highly efficient, transparent and responsive District government."
10. DHCD should work with the OCFO to develop criteria for what constitutes appropriate HPTF administrative and project expenditures, include the criteria in the HPTF SOPs and MOU, and document compliance with the criteria during the closeout of the MOU at year-end.	X		Mayor Muriel Bowser, 2017 State of the District: "…We know we must do more to protect and preserve affordable housing. I ran on a promise of committing $100 million annually to the Housing Production Trust Fund. Our next budget will be the third one where we realize this commitment, but we are not just squirreling this money. We are putting it out on the street. For every $100 million we invest, we are constructing and preserving more than 1,000 affordable housing units in all 8 wards." The OCFO 2017-2021 Strategic Plan: "Improve Transparency and Quality of Information: This strategic objective works to ensure that information provided by the OCFO is accurate, timely, accessible, and easily understood. Regular feedback from the OCFO customers is required to ensure this objective is met."
11. To address the breakdown in controls relating to the administration of the HPTF, the OCFO should conduct a written assessment on how it will reassert its independence from the agencies it serves by instituting new safeguards, such as a prescribed rotation of key OCFO employees between agencies and/or clusters to reduce entrenchment and bias; train staff on existing laws, regulations, and SOPs relating to financial transactions; and impose disciplinary actions for personnel	X		The OCFO 2017-2021 Strategic Plan: "Strategic Initiative #4: Enhance current practices to strengthen internal controls and ensure compliance with applicable accounting, auditing, and legal standards."

<table>
<tr><th>Recommendation</th><th>Budget Neutral</th><th>Potential Revenue Generating and/or Cost Saving</th><th>Advances Agency or District-Wide Goals</th></tr>
<tr><td>when they do not follow laws, regulations, and SOPs.</td><td></td><td></td><td></td></tr>
<tr><td>12. DHCD should approve a written policy to formalize its efforts to standardize personnel allocation and spending across funding sources to ensure all programs meet their objectives.</td><td>X</td><td></td><td>DHCD response to FY17 Council budget questions: “In FY 2016, DHCD aligned the funding of positions to be consistent with the functions and descriptions of the positions. Administrative positions are now primarily funded with locally appropriated funds. Programmatic functions including development finance, residential and community services, and asset management are funded primarily through federal assistance funds via the CDBG and HOME Investment Partnerships Program funds, as well as HPTF funds.”</td></tr>
<tr><td>13. Repeat Recommendation from March 2017: DHCD should ensure that the HPTF Program has sufficient staff for the timely and consistent publishing of quarterly and annual reports.</td><td></td><td></td><td rowspan="2">DHCD FY18 Performance Plan: “In FY18, DHCD will review current program structure and make the appropriate adjustments to accommodate new staff and increase program oversight and compliance.”

DHCD FY18 Performance Plan: “In FY18, DHCD will hire 5 FTE's, added in the FY18 budget to address deficiencies identified in the 2017 Office of the District of Columbia Auditor (ODCA) Housing Production Trust Fund (HPTF) audit findings.”</td></tr>
<tr><td>14. Repeat Recommendation: DHCD should create detailed SOPs that address the compilation of the quarterly and annual reports, that include: retention of back-up information and calculations to support the reported figures; explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release.</td><td>X</td><td></td></tr>
</table>

Conclusion

These audit results are not intended to undermine the achievements of the HPTF or its role as a powerful tool in producing and preserving affordable housing. The HPTF had not been audited prior to our work, and our scope encompassed 16 years, so it was inevitable that we would identify multiple issues and weaknesses, some of which occurred long before the tenure of current leadership and management.

It bears repeating that a comprehensive audit of the HPTF since its inception was important because the public has invested more than $1 billion in the Fund. It is also critically important because District leaders frequently point to the HPTF as a key element in the District's effort to preserve and produce affordable housing, and accurate information about its performance is critical and long-overdue.

This audit of 16 years of HPTF activity required not only substantial resources from our team, but also from DHCD and the OCFO. We are very appreciative of the countless hours their staff invested in providing us with documentation and answers to our questions, particularly the staff of the OCFO, as this examination consisted mostly of expenditure analysis.

As part of this audit, we created a database of HPTF-funded projects. We hope this is useful not only for the public, but also for DHCD in evaluating spending on multi-family and single-family projects, among other spending priorities. Additionally, the database can help DHCD better deliver on the legal requirement that a majority of HPTF-funded projects target the most economically-vulnerable households in our community, as the database shows a historical pattern of falling short on this mandate. The HPTF annual report is a key tool for DHCD to hold itself accountable for HPTF management, and its timely and consistent publication is necessary.

Concluding this audit, as well as looking back at the other ODCA HPTF work products, leaves us with the impression that the OCFO and DHCD have taken seriously our findings and recommendations. During this audit, the OCFO was not only responsive and engaged, but also acknowledged shortcomings. We are confident that this spirit of improvement can continue as both agencies move to implement our recommendations, as evident by the agency's responses to the report, attached below.

We also hope that the Council and other stakeholders use this report to inform important discussions about the appropriate balance of HPTF personnel spending and investment in HPTF-dedicated personnel, as well as other trends.

Agency Comments

On January 25, 2018, we sent a draft copy of this report to DHCD and the OCFO for review and written comment. The OCFO responded with comments on February 23, 2018. DHCD responded with comments on February 28, 2018. Agency comments are included below in their entirety, followed by ODCA's response.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Jeffrey S. DeWitt
Chief Financial Officer

February 23, 2018

Ms. Kathleen Patterson
District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, DC 20005

Re: ODCA Draft Audit on Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing

Dear Ms. Patterson:

Thank you for the opportunity to comment on the findings and recommendations presented in the Office of the District of Columbia Auditor's draft report entitled, *Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing*, dated January 25, 2018. The responses of the Office of the Chief Financial Officer (OCFO) are attached.

If you have any questions or require additional information, please feel free to contact Cyril Byron, Associate Chief Financial Officer, at 442-8683.

Sincerely,

Jeffrey S. DeWitt

Jeffrey S. DeWitt

cc: Cyril Byron, Associate Chief Financial Officer, Economic Development and Regulations Cluster
Timothy Barry, Executive Director, Office of Integrity and Oversight

OCFO's response to ODCA Report: Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing (January 25, 2018)

FINDING # 1:

DHCD and OCFO could not provide loan or grant documentation to support $18 million in HPTF spending, 3 percent of total HPTF spending. It took more than one year for DHCD and OCFO to provide some of the documents.

OCFO RESPONSE:

Under this phase of the HPTF audit, the OCFO was first asked to provide documents in an email dated July 7, 2017. That request was updated on August 24, 2017. The August request covered information for approximately 2,998 transactions over a span of 15 years. The final response to the August request was provided on November 1, 2017, substantially less time than stated in the finding.

The OCFO was unable to provide supporting documentation for approximately $6M in HPTF spending over the 15 year period, not the $18 million stated in the finding.

RECOMMENDATION # 1:

DHCD should implement an accurate system capable of storing an accessible copy of all agreements, tracking borrower compliance with loan agreements (including the borrower's name, date award occurred, number of affordable units, loan amount, interest rate and period of affordability); and provide access to OCFO to enable better OCFO monitoring of HPTF expenditures.

OCFO RESPONSE:

The OCFO agrees that if DHCD develops such a system the OCFO should be given access. However, The OCFO uses and would continue to use SOAR, the system of record, to monitor and track HPTF expenditures. In addition to SOAR, the OCFO also uses Kwiktag and PASS to store payment and other supporting financial documentations

FINDING # 2

DHCD and OCFO spent $16 million from the HPTF on repayments to the U.S. Department of Housing and Urban Development (HUD) due to DHCD's ineffective management of federal grants. They also failed to reprogram the funds prior to repayment, which obscured HPTF spending for the D.C. Council and other oversight bodies.

OCFO RESPONSE:

The use of funds for the repayment of the $16 million to HUD was accurately and properly documented from an accounting perspective, however, the OCFO agrees that a reprogramming should have been submitted prior to using funds, per District requirements, to repay HUD. Of the 12 repayments to HUD, 2 (one in FY2011 and one in FY2013) were not properly reprogrammed prior to expending the funds. The OCFO has procedures in place regarding reprogramming requirements. OCFO financial staff have been instructed to strictly adhere to these requirements to ensure that this error doesn't occur in the future. Management within EDRC will regularly monitor this activity to ensure compliance.

Additionally, HUD returned to DHCD $4.8 million of the repayments, and DHCD and OCFO did not return any of the money to the HPTF, instead depositing it into DHCD's HOME/CDBG fund, where it remained as of November 2017.

OCFO Response:

HUD returned $4,866,826 to DHCD and were given explicit instructions in an email from HUD's Field Office Director, stating that "...$4,866,826 will be returned to the City's HOME/CDBG program bank account for use for additional eligible activities." A copy of the email was provided to ODCA on October 27, 2017. The OCFO was following the explicit instructions of the HUD Field Office Director.

RECOMMENDATION # 2

OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster regularly enforces the requirement to use a reprogramming when repurposing "budget authority for uses other than originally planned and approved." If they do not, OCFO should create a written action plan to increase enforcement.

OCFO RESPONSE:

The Office of Integrity and Oversight will consider including an audit of EDRC's reprogramming process and practices in the FY 2019 Audit Plan. More importantly, the OCFO has documented policies and procedures regarding reprogrammings. The EDRC financial staff have been instructed to strictly adhere to these policies. EDRC management staff will regularly monitor and review to ensure compliance. As noted in the audit, no reprogramming issues have occurred since 2014

RECOMMENDATION # 3

OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster uses appropriate funding sources for reprogramming, specifically to determine if the Cluster should use more appropriate funds (such as the General Fund surplus or the reserve fund) that would preserve HPTF funding for new affordable housing projects. If they do not, OCFO should create a written action plan to improve the execution of reprogramming.

OCFO RESPONSE:

The Office of Integrity and Oversight will consider including an audit of EDRC's reprogramming process and practices in the FY 2019 Audit Plan. As stated above, the

OCFO has documented policies and procedures regarding reprogrammings. The EDRC financial staff have been instructed to strictly adhere to these policies. EDRC management staff will regularly monitor and review to ensure compliance. As noted in the audit, no reprogramming issues have occurred since 2014.

RECOMMENDATION # 4

OCFO should create a written action plan to improve internal controls throughout the Cluster or agency, with special emphasis on whether the allocation of federal and local dollars is compliant with requirements.

OCFO RESPONSE:

The OCFO agrees with this recommendation. The OCFO is currently updating its policies and procedures to provide staff with more detailed, accurate and consistent guidance for reviewing and approving requisitions related to HPTF administrative and project expenditures to ensure that expenses are accurate and properly classified. Policies and procedures are also being updated to outline a step by step process to be performed by OCFO staff to ensure proper classification of federal administrative and project costs as well as local expenditures. Policies and procedures updates will be finalized and disseminated to OCFO staff by no later than March 30, 2018.

FINDING # 3

The HPTF has not functioned as a revolving fund in that DHCD collected far less than was owed and loan repayments have been and are projected to be a very small percentage of revenue.

OCFO RESPONSE:

The OCFO disagrees with this recommendation. The Fund is operating as a revolving fund within the guidelines of DC Code §42-2802(a) to the extent that loan repayments of principal and interest are deposited into the Fund and available to be used for purposes of the Fund, as permitted by the DC Code. The repayments received year-to-date are mostly from amortized loans, which are not a significant portion of the total HPTF loan portfolio outstanding account receivable balance.

The majority of the loans in the HPTF portfolio are deferred loans that do not require scheduled repayments for many years into the future and/or at maturity after 40 years, or in the event of a refinancing of the loan or sale of the property. Many of the deferred loans are "Cash Flow Loans" for which repayment is due from the borrower only if there are positive cash flows after other debts that take precedent to the HPTF loans are paid. Consequently, the first payment on an HPTF "Cash Flow Loan" may not be received until 15 to 20 years into the loan term. For the fiscal years 2013 to 2016, the HPTF loan portfolio balance consisted of amortized and deferred loans. See Table I below.

Table I

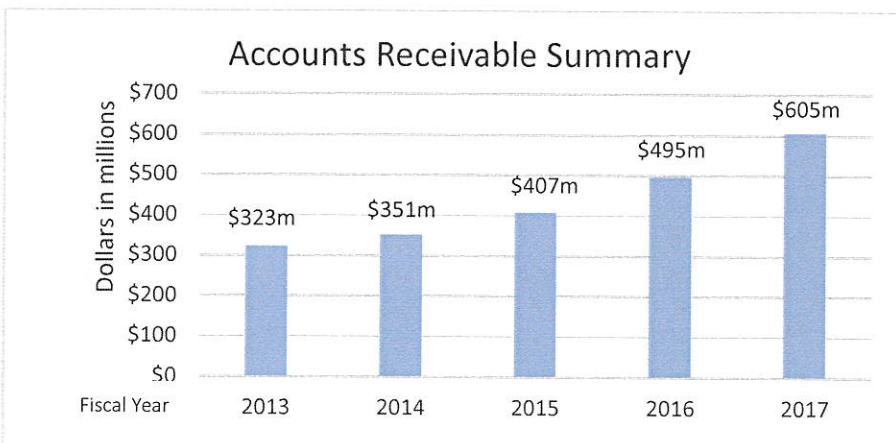
Fiscal Year	Total Principal	Amortized Loans	Amortized %	Deferred Loans	Deferred %
2013	$323,172,615	$ 72,566,797	22%	$250,605,818	78%
2014	351,964,789	78,335,326	22%	273,629,462	78%
2015	407,882,384	76,903,573	19%	330,978,811	81%
2016	495,820,483	79,789,059	16%	416,031,424	84%

Repayments received for the fiscal years 2013 to 2016 are noted in Table II below.

Table II

Fiscal Year	Total Principal Balance	Repayments of Principal and Interest	Repayments % to Total Balance
2013	$323,172,615	$2,914,501	0.90%
2014	351,964,789	3,921,553	1.11%
2015	407,882,384	3,329,653	0.82%
2016	495,820,483	3,796,531	0.77%

Despite the low rate of repayments received on the HPTF outstanding loans, DHCD expects to receive full repayment of the loan balances as they become due. The Table below reflects the HPTF accounts receivable balance, which has increased by approximately 87% from FY 2013 to FY 2017.



RECOMMENDATION # 5 – See responses provided by DHCD.

DHCD should work with the Mayor and the D.C. Council to develop a written assessment of the goals of the HPTF regarding revenue from loan repayment, including whether the ratio of deferred to amortized loans is appropriate and whether the current rate of repayment is acceptable. If a consensus determines repayments are not sufficient, DHCD should develop a written report on how the agency will improve repayment through more efficient collections or assessing ability to pay or both.

RECOMMENDATION # 6

OCFO should include the specific figures for the HPTF allowance for doubtful accounts for long term loans in the Management's Discussion and Analysis in the CAFR.

OCFO RESPONSE:

The OCFO has already implemented this recommendation. The FY 2017 CAFR Management's Discussion and Analysis Table MDA-7, page 34, includes information regarding HPTF loans/accounts receivable balances and related allowance for doubtful accounts.

RECOMMENDATION # 7 - See responses provided by DHCD.

Repeat Recommendation: The D.C. Council should amend D.C. Code § 42-2803.01 to require that DHCD include the amount of HPTF loan repayments due and paid in the HPTF's annual and quarterly reports. **Additional Element:** This amount should be consistent with the amount listed in SOAR, the CAFR, and other public documents and testimony.

FINDING # 4

DHCD exceeded the HPTF administrative expenditure cap for FYs 2009, 2012, and 2015, totaling over $10 million that should have been invested in affordable housing projects, and OCFO allowed it to happen.

OCFO RESPONSE

The law that established the HPTF fund and the administrative cap was initially misinterpreted to be based on budget and not revenue. There is a revenue fund and a budget fund entitled HPTF. The legislation refers to funds deposited in the revenue fund (account) and not the funds allocated in the budget fund. The law states that the administrative cap is based on '…funds deposited into the Fund', i.e. the revenue account.

Further, while the miscalculation of the administrative cap did exceed the cap by $4.5m in FY 2009, $1.2m in FY 2012, and $5.3m in FY 2015, the miscalculation of the administrative cap didn't prevent investment in affordable housing projects in any of those years. The HPTF fund balances for FY 2009, FY 2012, and FY 2015, were $44.9m, $74.3m and $185m, respectively.

Upon receiving an opinion from the OCFO's General Counsel, the correct interpretation of the legislation was applied in managing and developing the HPTF administrative cap in FY 2016 and subsequent years. Also, the OCFO realigned the FY 2016 HPTF budget to comply with the 10% administrative cap and froze the budget to prevent administrative expenditures in excess of the cap. Freezing the budget forced the agency to curtail spending until a decision was made by the Mayor to provide additional budget authority.

RECOMMENDATIONS # 8 and 9

- OCFO and DHCD should enter into an MOU on an annual basis that defines the intra-District transfer of HPTF funds. This MOU should include the amount that administrative costs are not to exceed for the year based on funds deposited.
- In its monthly reports required per the MOU, OCFO should ensure that HPTF administrative spending is on track to comply with the cap.

OCFO RESPONSE:

- The OCFO does not agree with the recommendation to establish an MOU between the OCFO and DHCD. The District's MOU process – which has been developed and adhered to by Executive Branch agencies, the D.C. Council and the OCFO -- requires agreement between a buyer agency (that needs the goods or services) and a seller agency (that provides the goods and services). OCFO is neither buyer nor seller. In this case, there is only one agency – DHCD – involved in the transfer of funds; HPTF is not a District agency and is wholly administered by DHCD. See D.C. Official Code §§ 42-2801(1A), 42-2802.

FINDING # 5

DHCD and OCFO's inappropriate, inaccurate, and unclear accounting obscured both the true costs of the HPTF and the Fund's efficiency in producing affordable housing.

OCFO RESPONSE:

The OCFO strongly disagrees with this finding which is not supported by the facts and information contained in this audit or those presented by our external auditors. The accounting and reporting of the HPTF, in all material respects, accurately reflects the activities and uses of the fund. While we agree that over the 15 year period minor errors occurred, those errors, totaling approximately $45, 997 as outlined in the detail on page 20 represent less than 0.1% of the fund, and do not rise to a level of materiality for the $528 million HPTF.

To ensure that minor errors of the past are not repeated, the OCFO is updating its policies and procedures manual to further clarify the definition of administrative costs and to document in detail the process for ensuring proper evaluation of such costs by OCFO personnel. Policies and procedures updates will be finalized and disseminated to OCFO staff by no later than March 30, 2018.

Reclassifications and Transfers that Obscured the True Costs of the HPTF Program

OCFO RESPONSE:

When the correct interpretation of the 10% HPTF administrative cap was applied, DHCD's FY 2016 budget had to be realigned to comply with the revised administrative cap. The OCFO froze the budget to ensure compliance with the revised administrative cap. DHCD received $6.2m in local funds to offset the reductions based on the realignment. Reclassifications and transfers of expenses out of the HPTF were to ensure compliance with the administrative cap per the D.C. Code.

RECOMMENDATION # 10

DHCD should work with OCFO to develop criteria for HPTF administrative and project expenditures, include the criteria in the HPTF SOPs and MOU, and document compliance with the criteria during the closeout of the MOU at year-end.

OCFO RESPONSE:

The OCFO partially agrees with this recommendation. The OCFO is in the process of updating its policies and procedures to provide staff with more detailed, accurate and consistent guidance for reviewing and approving requisitions related to HPTF administrative and project expenditures to ensure that expenses are accurate and properly classified. Policies and procedures updates will be finalized and disseminated to OCFO staff by no later than March 30, 2018.

RECOMMENDATION # 11

To address the breakdown in controls relating to the administration of the HPTF, OCFO should conduct a written assessment on how it will reassert its independence from the agencies it serves by instituting new safeguards, such as a prescribed rotation of key OCFO employees between agencies and/or clusters to reduce entrenchment and bias; train staff on existing laws, regulations, and SOPs relating to financial transactions; and impose disciplinary actions for personnel when they do not follow laws, regulations, and SOPs.

OCFO RESPONSE:

The OCFO disagrees with this recommendation. OCFO carries out its mission to enhance the fiscal and financial stability and viability of the District government and its agencies in an independent fashion. OCFO staff within the agencies are fully aware that they are hired, evaluated, and/or terminated by the District CFO. Additionally, the importance of our independence is continually reinforced through intra-agency meetings, such as the CFO Council, and publications, such as the BottomLine

Policies and procedures are being developed to provide additional guidance to employees regarding proper classification of charges under HPTF, and for frequent and consistent monitoring of administrative expenses to ensure compliance with administrative cap. The findings of this audit have been reviewed and discussed with the relevant staff to ensure that our performance in this area continually improves.

Lastly, the rotation of staff that have developed specific knowledge and expertise in an agency would not be productive. Not only would it create unnecessary disruption but would decrease the overall efficiency and effectiveness of the financial operation within the agency.

FINDING # 6 - See responses provided by DHCD.

While not a violation of legal requirements, the HPTF paid for a significant and growing portion of DHCD salaries and benefits, yet the HPTF has suffered from insufficient staffing and monitoring during the same period.

RECOMMENDATIONS # 12

DHCD should approve a written policy to formalize its efforts to standardize personnel allocation and spending across funding sources to ensure all programs meet their objectives.

FINDING # 7 - See responses provided by DHCD.

DHCD continues to undermine D.C. Council oversight by failing to timely publish HPTF annual and quarterly reports, and recently publishing annual reports that contain inaccurate information.

RECOMMENDATIONS # 13 and 14 – See responses provided by DHCD.

- **Repeat Recommendation from March 2017:** DHCD should ensure that the HPTF Program has sufficient staff for the timely and consistent publishing of quarterly and annual reports.

- **Repeat Recommendation:** DHCD should create detailed SOPs that address the compilation of the quarterly and annual reports, that include: retention of back-up information and calculations to support the reported figures; explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

February 28, 2018

Ms. Kathleen Patterson, Auditor
Office of the District of Columbia Auditor
717 14th St, N.W., Suite 900
Washington, DC 20005

Re: DHCD Response to draft report entitled "*Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing*"

Dear Ms. Patterson:

The Department of Housing and Community Development ("DHCD") is in receipt of the draft letter report from the **Office of the District of Columbia Auditor ("ODCA")** entitled "*Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing*". DHCD appreciates the opportunity to constructively examine compliance with the laws and regulations associated with the implementation of the Housing Production Trust Fund ("HPTF") and its efficiency in providing and creating affordable housing for District residents.

HPTF funding, spending, and management has been a central priority of the Bowser Administration, as the HPTF plays an important role in addressing one of the key challenges of our growing, prosperous city – the need for affordable housing. The Administration takes great pride in having made record investments in and disbursements from the Fund, which, contrary to the impression given by the report, is managed in a sound and responsible manner. By committing $100 million annually, augmenting the funds dedicated to the HPTF from deed recordation, and pushing projects through to delivery of homes and rental properties, Mayor Bowser has sparked the creation or preservation of more than 9600 affordable housing units, with another 3300 units in preconstruction. In addition, in Fiscal Year 2017, the District made historic investments in affordable housing, getting more than $138 million in Housing Production Trust Fund financing out the door to support 23 projects that will produce or preserve more than 1,900 affordable units.

DHCD appreciates the attention the Auditor is giving to this centerpiece program – as this is just the latest in a series of audits -- and agrees HPTF must be managed well. As detailed more fully below in response to various points, supporting documenting was unavailing for only 1% of HPTF spending over the 15 year period. No money has had to be returned to the US Department of Housing and Urban Development in the current administration, and for money returned back to DHCD from HUD, the money was placed *exactly* where HUD demanded it be placed. Other problems noted by the Auditor from past administrations have been fixed during this Mayoral administration, such as one relating to the administrative cap. Admittedly, annual reports have been slow to be produced, but let's not confuse that with a lack of transparency and accountability, much less defiance towards Council as the report states. Consistent with the Bowser Administration's open data policy, DHCD has posted a real-time public database of projects financed by DHCD and the HPTF. Council members, staff, the Auditor, sister agencies, investors, developers, philanthropists, and residents can all search the database, located on DHCD website, to look at projects under construction and in the pipeline, and upon request DHCD can provide supplemental reports as discussed below. DHCD enjoys a productive relationship with the Council, which supports our affordable housing goals and receives information from DHCD about the HPTF and other agency programs responsively and collegially.

Fundamentally, the Auditor's report appears to misunderstand the nature of this revolving fund. The report alludes to a concept that if the loans from HPTF were being monitored and paid back right away, then more money would be available for other loans from the Fund. Yet the Fund's operation is within legal guidelines established by City Council. The majority of the loans are deferred loans, not like a housing mortgage where payments start right away, but one where payments are scheduled years or decades in the future, sometimes even only at maturity in 40 years. Further, the loans only need be repaid if cash flows are positive, and the loans may be subordinate to other first debt loans. So the seemingly-small payback amounts that return to the Fund are *not* a product of mismanagement or malfeasance or poor record keeping or any other problem, but rather a built-in feature of a program designed to produce more units of affordable housing – which is exactly what DHCD is doing through our robust support and management of the Housing Production Trust Fund.

In response to the issues and recommendations offered by the ODCA, DHCD offers the attached response which outlines the Auditor Recommendations and DHCD's Responses. Thank you again for the opportunity to provide comments to the draft letter report. Please do not hesitate to contact Allison Ladd, Deputy Director, at 202-316-7583 if you have questions or require additional information.

Sincerely,

Polly Donaldson
Director

cc: Allison Ladd, Deputy Director, DHCD
Betsy Cavendish, Mayor's General Counsel
Brian Kenner, Deputy Mayor, Planning and Economic Development

DHCD's response to ODCA Report: Stronger Management of the Housing Production Trust Fund Could Build More Affordable Housing (January 25, 2018)

RECOMMENDATION # 1:

DHCD should implement an accurate system capable of storing an accessible copy of all agreements, tracking borrower compliance with loan agreements (including the borrower's name, date award occurred, number of affordable units, loan amount, interest rate and period of affordability); and provide access to OCFO to enable better OCFO monitoring of HPTF expenditures.

DHCD RESPONSE:

DHCD agrees with the recommendation. Upon the development of the system, DHCD will grant OCFO access to the system. The City is currently undergoing a major records retention reform and it is anticipated that DHCD's new approach to records retention will be more automated than paper centric. In an effort to begin the centralization of projects' information, DHCD created the online application in 2015 to better track and capture data such as the documents referenced in the recommendation. In addition, during the last 2 years, DHCD created a new database that contains the current project loan agreements funded by the HTPF. In sum, DHCD is in a far better position today to respond to inquiries from the public, DC Council or other stakeholders than prior to January 1, 2015.

RECOMMENDATION # 2

OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster regularly enforces the requirement to use a reprogramming when repurposing "budget authority for uses other than originally planned and approved." If they do not, OCFO should create a written action plan to increase enforcement.

DHCD RESPONSE:

See response provided by OCFO

RECOMMENDATION # 3

OCFO's Office of Integrity and Oversight should conduct a written assessment of whether management of the Economic Development and Regulation Cluster uses appropriate funding sources for reprogramming, specifically to determine if the Cluster should use more appropriate funds (such as the General Fund surplus or the reserve fund) that would preserve HPTF funding for new affordable housing projects. If they do not, OCFO should create a written action plan to improve the execution of reprogramming.

DHCD RESPONSE:

See response provided by OCFO

RECOMMENDATION # 4

OCFO should create a written action plan to improve internal controls throughout the Cluster or agency, with special emphasis on whether the allocation of federal and local dollars is compliant with requirements.

DHCD RESPONSE:

See response provided by OCFO

RECOMMENDATION # 5

DHCD should work with the Mayor and the D.C. Council to develop a written assessment of the goals of the HPTF regarding revenue from loan repayment, including whether the ratio of deferred to amortized loans is appropriate and whether the current rate of repayment is acceptable. If a consensus determines repayments are not sufficient, DHCD should develop a written report on how the agency will improve repayment through more efficient collections or assessing ability to pay or both.

DHCD RESPONSE:

DHCD follows the statutory and regulatory requirements regarding the loan repayments for projects financed by the HPTF. The majority of the loans are deferred loans, not like a housing mortgage where payments start right away, but one where payments are scheduled years or decades in the future, sometimes even only at maturity in 40 years. Further, the loans only need be repaid if cash flows are positive, and the loans may be subordinate to other first debt loans. The seemingly-small payback amounts that return to the Fund are *not* a product of mismanagement or malfeasance or poor record keeping or any other problem, but rather a built-in feature of a program designed to produce more units of affordable housing – which is exactly what DHCD is doing through our robust support and management of the Housing Production Trust Fund.

RECOMMENDATION # 6

OCFO should include the specific figures for the HPTF allowance for doubtful accounts for long term loans in the Management's Discussion and Analysis in the CAFR.

DHCD RESPONSE:

See response provided by OCFO.

RECOMMENDATION # 7

Repeat Recommendation: The D.C. Council should amend D.C. Code § 42-2803.01 to require that DHCD include the amount of HPTF loan repayments due and paid in the HPTF's annual and quarterly reports. **Additional Element:** This amount should be consistent with the amount listed in SOAR, the CAFR, and other public documents and testimony.

DHCD RESPONSE:

DHCD follows the statutory and regulatory requirements for the use of the HPTF and will include the required information in future HPTF annual and quarterly reports, as the statute is amended.

RECOMMENDATION # 8

- OCFO and DHCD should enter into an MOU on an annual basis that defines the intra-District transfer of HPTF funds. This MOU should include the amount that administrative costs are not to exceed for the year based on funds deposited.

DHCD RESPONSE:

See response provided by OCFO

RECOMMENDATION # 9

- In its monthly reports required per the MOU, OCFO should ensure that HPTF administrative spending is on track to comply with the cap.

DHCD RESPONSE:

See response provided by OCFO

RECOMMENDATION # 10

DHCD should work with OCFO to develop criteria for HPTF administrative and project expenditures, include the criteria in the HPTF SOPs and MOU, and document compliance with the criteria during the closeout of the MOU at year-end.

DHCD RESPONSE:

See response provided by OCFO

DHCD concurs with this finding and will work with OCFO to memorialize existing practices into a written policy.

RECOMMENDATION # 11

To address the breakdown in controls relating to the administration of the HPTF, OCFO should conduct a written assessment on how it will reassert its independence from the agencies it serves by instituting new safeguards, such as a prescribed rotation of key OCFO employees between agencies and/or clusters to reduce entrenchment and bias; train staff on existing laws, regulations, and SOPs relating to financial transactions; and impose disciplinary actions for personnel when they do not follow laws, regulations, and SOPs.

DHCD RESPONSE:
See response provided by OCFO

RECOMMENDATION # 12

DHCD should approve a written policy to formalize its efforts to standardize personnel allocation and spending across funding sources to ensure all programs meet their objectives.

DHCD RESPONSE: DHCD concurs with this finding and will memorialize existing practices into a written policy. By way of explaining the existing practice, several times through the year, DHCD and OCFO senior leaderships review personnel allocations and spending across funding sources. Annually, the DHCD and OCFO worked diligently on full implementation of using "combo codes" in PeopleSoft. The use of "combo codes" or time allocation codes is now required for all FTEs time entered into PeopleSoft, regardless of the funding source, federal or non-federal.

DHCD Senior Management has issued a directive for Managers to ensure that all direct reports have utilized "combo codes" prior to approving time each pay period. The DHCD OAFO conducts a review of Time and Labor Distribution Reports on a bi-weekly basis prior to payroll run to ensure that "combo codes" have been used, especially for those employees who charge time to federal grants. Reminders to use combo codes or to revise an invalid combo code that has been entered are sent to each employee and their Program Manager, where applicable, and are to be corrected prior to time entry being approved at the end of each pay period.

RECOMMENDATION # 13

Repeat Recommendation from March 2017: DHCD should ensure that the HPTF Program has sufficient staff for the timely and consistent publishing of quarterly and annual reports.

DHCD RESPONSE: On DHCD's website, DHCD has a real time, public database of projects financed by DHCD and by the HPTF. The database includes information about projects under construction, completed, pipeline and 9% LIHTC projects. The public dashboard contains information by project name and project address including but not limited to developer, funding source, amount of funding, number of units, units by affordability, type of project, and a map. In addition, immediately upon request, DHCD can provide a report of projects by ward, by affordability, by permanent supportive housing units, or other fields included within the robust DHCD database. Furthermore, DHCD created the online application in 2015 to better track and capture data such as the information requested in the HPTF annual and quarterly reports. DHCD is in a far better position today to provide the HPTF reports to the public, DC Council or other stakeholders than prior January 1, 2015.

In addition, the Mayor's FY18 budget included and Council approved the funding for an additional 8 FTEs specially to assist with overall HPTF operations, asset management and funding. The additional resources will add DHCD in addressing this recommendation.

RECOMMENDATION # 14

Repeat Recommendation: DHCD should create detailed SOPs that address the compilation of the quarterly and annual reports, that include: retention of back-up information and calculations to support the reported figures; explanations for any adjustments after the fiscal year closes; and reconciliation of the annual report information with SOAR data prior to report release.

DHCD RESPONSE: DHCD agrees with the creation of detailed SOPs for the HPTF administration. In FY17, DHCD advocated for additional positions (FTEs) to ensure that DHCD's resources were adequate to manage and publish the HPTF reports. The Mayor's FY18 budget included and Council approved the funding for an additional 8 FTEs specially to assist with overall HPTF operations, asset management and funding. The additional resources will aid DHCD in addressing this recommendation and for most of the positions, they have been advertised, candidates have been selected and hire dates will be finalized in the coming days to weeks.

ODCA Response to Agency Comments

We greatly appreciate the responses provided by the Office of the Chief Financial Officer (the OCFO) and the Department of Housing and Community Development (DHCD).

We note the OCFO's reluctance to enter into an MOU that would govern the annual intra-District transfer of HPTF funds into DHCD's budget, as they argue that DHCD would be both the "buyer" and "seller" in such an arrangement. We disagree, noting that the FY 2016 budget describes the HPTF as a "legally separate entity for which the elected officials of the District of Columbia are financially accountable." Further, even if the OCFO chooses to stand by its claim that an MOU is not strictly required, there is little harm in creating the added level of control that an MOU entails, particularly given the nature of the HPTF and the significant dollar amounts that are transferred and spent each year.

We are encouraged that DHCD cited agreement and/or actions underway to address most of the recommendations directed to them. In particular, we are pleased that an additional eight FTEs have been approved to assist with overall HPTF operations. Given the extraordinary investment of both dollars and hope in the HPTF, it is crucial that it is sufficiently staffed to ensure compliance with legal requirements.

We recognize that DHCD is confident in its strategy of deferring most of its HPTF loans. Our report does not seek to criticize DHCD's approach. Rather, we provide information to spur discussion among policymakers about the Fund's low rate of loan repayments in contrast to the expectations of a self-funded trust fund in the future. With the addition of HPTF-dedicated staff, we hope one priority will be the monitoring of borrowers' cash flows to ensure there is no lost revenue to the HPTF. One of the reasons we brought this discussion to the report is to ensure that the legislative intent of establishing the HPTF as a revolving fund is realized so that the Fund functions with maximum efficiency to tackle the pressing need for affordable housing.

Appendix A
HPTF Revenues and Expenditures FYs 2001-2017[30]

FY	Revenue	Expenditures
2001	$3,200,000	$3,200,000
2002	$26,149,836	$1,750,000
2003	$5,258,536	$3,683,784
2004	$50,890,018	$4,952,497
2005	$53,423,453	$13,768,079
2006	$54,316,703	$17,071,052
2007	$158,952,941	$69,742,166
2008	$75,081,778	$114,979,281
2009	$30,735,427	$45,832,405
2010	$35,424,685	$40,089,799
2011	$64,770,651	$23,015,883
2012	$46,990,906	$21,181,185
2013	$121,277,544	$38,666,911
2014	$95,570,222	$53,587,263
2015	$84,642,391	$84,233,276
2016	$151,717,977	$86,101,034
2017	$121,914,759[31]	$124,699,456
TOTAL	**$1,180,317,826**	**$746,554,071**

[30] 2017 was not part of our audit scope but is included here for informational purposes.
[31] This amount includes a $10,750,000 in Interfund transfer.

Appendix B
August 10, 2017, Management Alert to the District's Chief Financial Officer (CFO)

August 10, 2017

Jeffrey DeWitt
Chief Financial Officer
Office of the Chief Financial Officer
1350 Pennsylvania Avenue NW
Washington, DC 20004

Management Alert

Dear Mr. DeWitt:

The Office of the D.C. Auditor (ODCA) is conducting an audit of the Housing Production Trust Fund (HPTF) at the request of D.C. Council Finance and Revenue Committee Chairperson Jack Evans. We issued a report on March 16, 2017, with findings and recommendations concerning the management of the program by the Department of Housing and Community Development (DHCD).

As we stated in that report, we had a limitation of scope because information provided by DHCD on total dollars and total units created was not reliable and we were not able to evaluate how efficient the HPTF has been in providing and creating affordable housing for District residents as originally intended. We also stated that we would issue a final report with a detailed breakdown of the total amount of dollars spent through the HPTF, and the total number of units rehabilitated or built based on the contracts negotiated between 2001 and 2016. Our goal overall has been to provide the D.C. Council with information that will assist in their oversight of the priority work of increasing the stock of affordable housing in the District of Columbia.

Over the last two months the ODCA team has worked to collect, analyze, and compare data contained in the District's System of Accounting and Reporting (SOAR) with information provided by DHCD, including loan agreements and other documentation. This has been an enormously difficult task and in recent weeks, the ODCA team has reached out to Office of the Chief Financial Officer (OCFO) staff for supporting documentation on certain HPTF transactions. The purpose of this management alert is to share concerns with the information we have received and concerns with how the financial data has been and may still be collected and maintained by OCFO.

Specifically:

- A total of $16 million in HPTF funds appears to have been paid to the U.S. Department of Housing and Urban Development (HUD) with such payments as recent as FY 2014. OCFO staff indicated that these payments may be the District of Columbia reimbursing HUD for federal funds that were paid to the District for housing-related purposes, but were then spent in a manner that did not meet HUD requirements. Repayment was requested by the federal agency. Further, it appears that DHCD used any comptroller source group and object class that had available funds to repay HUD in order to avoid a reprogramming instead of using the appropriate comptroller source group or agency object class. For example, the agency used the following agency object classes: 0506—Grants and Gratuities; 0408—Prof Services; 0414—Advertising; 0702—Purchases Equipment and Machineries; and 0409—Contractual Services.

- DHCD has been unable to produce loan agreements or other supporting documentation for $62 million that, nevertheless, was expended from the HPTF in FYs 2001 through 2016 to named vendors.

- Another $4.8 million has been expended from HPTF without a vendor name. We believe that these transactions represent corrections to expenditures that were erroneously charged to an expenditure category and had to be reallocated to the correct category.

- Up to $25.3 million in HPTF project expenditures and $23 million in HPTF administrative expenditures were recorded with an Agency Object Title of "expense not expenditure" in FYs 2004-2006. OCFO staff indicated that these transactions likely represented the write-off of HPTF loans deemed uncollectible. Further, OCFO staff indicated that it is still current practice to write off a large portion of HPTF loans, though OCFO now accounts for it differently.

Each of these categories of expenditures from the HPTF raises questions about procedure, approval, and documentation. We share our concerns with you because it also appears that what we find in the financial system as events occurring between fiscal years 2001 and 2016 are practices that may continue to date.

We are seeking additional documentation on the HPTF expenditures and will report our findings within the next two to three months. We will share a draft of our report with you and with DHCD for comment before issuing it in final form. We will include this management alert and any written response you may wish to make in that final HPTF report.

My staff and I are available to review these concerns in greater detail with you and members of your staff, and if you would like to have such a conversation I would like to also invite DHCD Director Polly Donaldson, D.C. Councilmember Evans, and D.C. Councilmember Anita Bonds.

Thank you for your consideration.

Sincerely yours,

Kathy Patterson

Kathleen Patterson
Auditor of the District of Columbia

cc: D.C. Councilmember Jack Evans
D.C. Councilmember Anita Bonds
D.C. Council Chairman Phil Mendelson
Polly Donaldson, Director, DHCD
Betsy Cavendish, General Counsel, EOM

Appendix C
Audit Methodology

We reviewed the D.C. Code and District of Columbia Municipal Regulations (DCMR) related to the HPTF. ODCA's Agency Fiscal Officer (AFO) produced a report in the System of Accounting and Reporting (SOAR), the official financial accounting system of record for the D.C. government, of all HPTF expenditures from 2001-2017. Our AFO also produced a SOAR report of the different HPTF revenue sources (local, federal, deed recordation fees, etc.) from 2001-2017.

We requested from DHCD and the OCFO loan and grant agreements and documentation for all HPTF-funded projects (both multi-family and single-family), including loan modifications. We recorded basic information from the loan and grant agreements (project name, award amount, number of affordable units, etc.) in a database. We compared that information with SOAR expenditure data to identify how much had been spent on those projects. We calculated any difference in the amount spent and the award amount.

In some cases, DHCD provided agreements for non-HPTF projects, i.e. those that either referred to another funding source (e.g. CDBG) or that did not refer to HPTF. We compared that non-HPTF project information with SOAR data to identify how much HPTF funding had been spent on those non-HPTF projects.

We reviewed DHCD's HPTF annual reports from 2001 to 2015 (2016 was not available) to identify projects that appeared to have spending in SOAR, but for which we did not receive loan or grant documentation.

To determine if DHCD had complied with D.C. Code requirements on administrative spending limits, we:

- Obtained the funds deposited (revenue) for each year from a SOAR report produced by our AFO.
- Reviewed the expenditures that were categorized as administrative in SOAR.
- Compared the expenditures identified as administrative in SOAR to our project database to identify if any projects had been mislabeled as administrative.
- Conducted internet searches to identify if any of the expenditures were mislabeled as a project.
- Reviewed DHCD's HPTF annual reports from 2001 to 2015 (2016 was not available) to identify the reported administrative cost spending for each year.
- Shared our initial findings with the OCFO and DHCD and incorporated their feedback.
- Reviewed recent HPTF approved budgets.

We also:

- Identified expenditures that could not easily be labeled project or administrative. In some cases, such as repayments to HUD, we sought additional information from the OCFO and DHCD for all the transactions. In other cases, such as apparent accounting corrections, we sought additional information from the OCFO and DHCD for a sample of the transactions.
- Requested from DHCD and the OCFO procedures or guidance related to the billing of personnel costs to the HPTF.
- Compared HPTF spending on DHCD personnel costs (salaries, overtime, benefits, etc.) to DHCD spending on personnel, including by non-HPTF revenue sources (federal, special purpose, etc.).
- Requested a list of all HPTF loans forgiven, to which DHCD said that no HPTF have been forgiven.

Appendix D
HPTF Expenditures Categorized by Documentation Provided

ODCA Expenditure Category Description	Amount	% of Total HPTF Spending	Loan/ Grant Agreement Provided	Agreement Specified HPTF Funds	Affordable Units Created or Preserved
Verified HPTF project expenditures: These expenditures were traced to specific affordable housing project documents (loan agreements, grant agreements, etc.) in which HPTF was named as the funding source.	$529,405,320	85%	Yes	Yes	9,725
Administrative expenditures: These expenditures represent the cost to administer the HPTF. They were described in more detail in the report. This total does not include HPTF administrative expenditures that were transferred to other funds, as described in the report.	$69,711,825	11%	N/A	N/A	N/A
Debt Service Maintenance: These expenditures represent payments for HPTF debt service maintenance.	$17,665,580	3%	N/A	N/A	N/A
Expenditures to HUD for ineligible payments of federal grant funds: The U.S. Department of Housing and Urban Development demanded several repayments of federal grant funds that DHCD distributed to developers and projects deemed ineligible. DHCD and the OCFO used the HPTF to make these repayments. These expenditures are described in more detail in the report.	$16,608,055	3%	No	No	None
Corrections/Reclassifications: The net impact to the HPTF resulting from reclassifications for which we did not request supporting documentation.	$10,341,897	2%	N/A	N/A	N/A
Verified non-HPTF project expenditures: These expenditures were traced to specific affordable housing project documents (loan agreements, grant agreements, etc.) in which HPTF was **not** named as the funding source. Instead the supporting project documentation named other funding sources such as CDBG grants, HOME grants, etc. Nonetheless, these payments were made using HPTF funds.	$10,137,344	2%	Yes	No	356

ODCA Expenditure Category Description	Amount	% of Total HPTF Spending	Loan/ Grant Agreement Provided	Agreement Specified HPTF Funds	Affordable Units Created or Preserved
HPTF expenditures with no loan or grant agreement: Neither DHCD nor the OCFO could provide loan or grant agreements related to these HPTF expenditures, nor any supporting documentation. Assuming these expenditures are related to HPTF projects, nobody in the District government could provide the signed documents that: 1) detail the award amounts, or 2) bind recipients to the numbers/types of affordable units to be built or the repayment terms of the loans or grants.	$8,823,221	1%	No	Unknown	Unknown
HPTF expenditures with no loan or grant agreement, but documentation to support expenditure: Neither DHCD nor the OCFO could provide loan or grant agreements related to these HPTF expenditures, but the OCFO could provide invoices and other documentation to explain the cost's purpose.	$4,517,718	1%	No	Unknown	Unknown
Verified expenditures related to HPTF initiatives: These expenditures were appropriate to the HPTF but were not related to a specific project with associated affordable units. For example: a grant awarded to a non-profit organization to provide technical assistance to low to moderate income tenant associations.	$3,029,752	0%	Yes	Yes	N/A
Expenses: According to the OCFO, these transactions do not represent actual expenditures. In large part, they are related to the recording of the net balance of new loans for FYs 2005 and 2006. Neither DHCD nor the OCFO could provide any documentation on these transactions as they occurred in FYs 2004-2006.	-$48,383,233	-8%	Unknown	Unknown	Unknown
Total HPTF Spending	**$621,857,478**			**Total Units**	**10,081**

Appendix E
ODCA Calculation of Cost per Unit of Affordable Housing Built or Preserved Using HPTF Funds

We calculated the cost to the District per unit built, as detailed below in Figure 16. We divided the total amount spent by the total number of units produced or preserved to arrive at the overall cost per unit.

It is critical to understand two things about this calculation:

- The following per unit cost reflect only a portion of the total cost to produce an affordable unit–the portion funded by the HPTF. Because the HPTF can only represent 49 percent of the total costs of a project, at least 51 percent of project costs come from federal grants and/or the private sector. For example, in its FY 2015 HPTF annual report, DHCD stated that the HPTF loans closed for the year represented 19 percent of the total project development cost.
- The number of affordable units is based solely on the information contained in loan and grant agreements. We do not know if every one of those units was ultimately built or rehabilitated, nor do we know whether the units that were completed have remained affordable over time.

Figure 16: Cost per HPTF-Funded[32] Affordable Unit

ODCA Calculation	HPTF Expenditures	Number of Affordable Units	Cost per Affordable Unit
HPTF cost per unit	$621,857,478	10,081	$61,686

Source: ODCA Analysis of SOAR

This calculation provides a window into the efficiency of the HPTF. As noted previously in the report, DHCD did not always spend HPTF funds efficiently, potentially increasing the cost per unit built or rehabilitated.

To provide some context to the District's HPTF cost per unit and to provide a benchmark to which DHCD can compare its performance, we researched the calculations of other organizations and jurisdictions. It is very difficult to compare the HPTF's cost per unit to other jurisdictions for the following reasons:

- The District's HPTF revenues and expenditures are substantially larger than in other state or city trust funds.
- Each trust fund supports unique types of projects (i.e. Philadelphia's trust fund invests in utility assistance and homeless prevention, whereas the District has separate funds for those purposes).
- Trust funds do not typically publish their cost per unit, generally because projects need other funding sources to supplement the trust fund grants and loans, thus the true cost per unit requires private sector data.
- Trust funds are governed by different rules (i.e. HPTF funds can support no more than 49 percent of a project's total development costs).

[32] HPTF funding can represent no more than 49 percent of a projects total costs, thus the actual total costs of an affordable unit is much greater. According to the Urban Institute's *Affordable Housing Needs Assessment for the District of Columbia* published in 2015: "On average, **it costs about $283,600 to develop a new housing unit** in a residential development with affordable housing in DC. This includes all costs associated with acquisition and new construction, but not operating costs (emphasis added)."

Even so, we looked to the four other cities that we analyzed in our five-city comparison report.[33] Again, none published their trust fund's cost per unit of affordable housing created and preserved, so we needed to do our own calculations.[34] We could not find current data from Cambridge, Mass., and we could not find any data from Los Angeles. The following are estimates of the cost per unit of two other trust funds and to be used only for informational purposes:

- Seattle Housing Levy. We calculated the cost per unit of rental housing produced/preserved and home ownership from 2009-2016 was **$36,157**.
- Philadelphia Housing Trust Fund. We calculated the cost per unit for new and rehabilitated units, major repairs, and accessibility improvements from 2006-2015 was **$21,190.**

[33] *The District of Columbia's Housing Production Trust Fund: Total Activity and Comparison of Five City-Level Housing Production Trust Funds*.
[34] In doing our calculations, we excluded spending on trust-funded programs that are not primary uses of the District's HPTF (homeless prevention, utility assistance, operating and maintenance).

Appendix F
ODCA Database of HPTF-Funded Multi-Family and Single-Family Projects, FYs 2001-2016

ODCA Database of Housing Production Trust Fund Multi-Family and Single-Family Projects, FYs 2001-2016

The Office of the District of Columbia Auditor (ODCA) created this database based on documentation provided by the Department of Housing and Community Development (DHCD) and the Office of the Chief Financial Officer (OCFO), as well as ODCA analysis of HPTF expenditures.

Click here for the public database of projects that the HPTF has funded from FY 2001 through FY 2016

The database provides detail on all projects that received HPTF funds with loan and/or grant agreements that referenced HPTF funds.

The database does not indicate whether any units were actually produced or maintained as affordable.

Our data does not reflect whether projects participate in other local and federal housing programs that may impact the number and type of reserved units (i.e. the Local Rent Supplement Program).

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
7/30/2001	Edgewood Terrace IV Preservation Corporation	Edgewood IV	Multifamily	Acquisition and renovation	$3,200,000	$3,200,000	Unknown	611 Edgewood St NE	5	-	-	-	-	40 years	Agreement does not include # of units, but stipulates a minimum of 20% of total units be held as reserved.
12/3/2001	Trenton Park Apartments Limited Partnership c/o Banc of America Community Development Corporation	Trenton Park Apartments	Multifamily	Acquisition	$1,750,000	$1,750,000	Rental	3500 - 3649 6th St SE	8	-	-	-	-	Not provided	Agreement states units are for 80% AMI, but provides no number of units
6/17/2003	Bowling Green Apartments Limited Partnership	-	Multifamily	Demolition and Construction	$1,600,000	$1,600,000	Rental	multiple, see Notes	8	25	0	0	25	40 years	200-202 Wilmington Pl SE, 206-208 Wilmington Pl SE, 3708-3716 2nd St SE, 3720-3722 2nd St SE, 3701-3705 4th St SE, 3715-3719 4th St SE, 3723 4th St SE, 3815-3821 2nd St SE, 172-174 Mississippi Ave SE
12/31/2003	Carver Terrace, L.P.	Carver Terrace Apartments	Multifamily	Acquisition	$985,000	$1,335,000	Rental	21 St and Maryland Ave NE	5	62	0	12	50	30 years	
3/2/2004	Green Door	-	Multifamily	Acquisition	$174,548	$174,548	Rental	2721 Pennsylvania Ave SE	7	4	4	0	0	30 years	Units to house homeless, mentally ill persons
4/13/2004	Green Door	-	Multifamily	Acquisition	$368,504	$368,504	Rental	3471 14th St NW	1	4	4	0	0	30 years	Units to house homeless, mentally ill persons
4/20/2006	Green Door	-	Multifamily	Pay off bridge loans	$74,162	$74,162	Rental	6411 Piney Branch Rd NW	4	6	6	0	0	40 years	
2003	North Capitol at Plymouth Inc.	North Capitol at Plymouth	Multifamily	Planning and Production	$1,629,067	$1,629,067	Rental	5233 North Capitol St NE	5	14	-	-	-	30 years	Project is for elder housing
8/22/2003	Wingate Development of DC Limited Partnership	The Vista Apartment	Multifamily	Acquisition	$2,500,000	$2,500,000	Rental	4660 Martin Luther King Jr Avenue, 26 - 116 Galveston St SW	8	143	0	0	143	40 years	
9/24/2004	Carver 2000 Tenants Association, Inc./ Carver Senior Apartments Limited Partnership/	Carver Senior Apartments	Multifamily	Construction	$6,100,000	$7,030,547	Rental	4800 East Capitol St NE/ 20 47th St SE	7	236	0	0	236	40 Years	Loans in 2005, 2006, 2012. 104 units reserved for seniors living with income <60% AMI. Given the overrage on expenditures, it is clear that we are missing loan and grant agreements. However, OCFO/DHCD provided a CDBG agreement for the project totaling $2.44M.

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
3/31/2004	Friendly Neighbors Cooperative Association, Inc.	-	Multifamily	Acquisition	$665,000	$665,000	Rental	3128 Sherman Ave NW	1	3	1	1	1	40 years	
1/30/2004	1330 Seventh Street LP	Immaculate Conception Apartments	Multifamily	Acquisition financing	$2,187,557	$2,187,557	Rental	1330 7th St NW	6	27	0	0	27	40 years	
2005	House of Help City of Hope, Inc.	-	Multifamily	Acquisition	$2,166,900	$2,166,900	Rental	2310, 2314, 2318, 2322 16th St SE	8	42	42	0	0	40 years	
12/23/2004	Howard Hill Limited Partnership	Howard Hill Apartments	Multifamily	Acquisition and Rehabilitation	$2,062,497	$2,062,498	Rental	1341 - 1351 Howard Rd SE	8	43	17	17	9	40 years	
9/29/2004	Damon Johnson	-	Single	Lead Hazard reduction, Relocation	$30,819	$30,951	Owner	623 Jefferson St NW	4	1	-	-	-	Not Provided	2 loans in 2004
8/31/2004	JW King Seniors Limited Partnership	JW King Seniors Apartment Center	Multifamily	Construction	$2,120,000	$2,120,000	Rental	4638 H St SE	7	74	30	44	0	42 years	
12/10/2004	Renaissance Properties, LLC	-	Multifamily	Acquisition, Pre-development, and Rehabilitation	$2,826,547	$2,826,547	Rental	851 - 853 Yuma St SE	8	12	5	5	2	40 years	Reconstruction loan (2006)
11/8/2004	Lucille Steele	-	Single	Lead Hazard reduction	$39,290	$39,290	Owner	2337 Chester St SE	8	1	-	-	-	Not Provided	
7/1/2004	So Others Might Eat (SOME), Inc.	-	Multifamily	Rehabilitation	$1,300,000	$1,317,417	Rental	2800 - 2806 N St, 1225 29th St SE	7	21	21	0	0	30 years	
8/10/2005	City First Bank of DC, N.A.	-	Unknown	SAFI	$5,000,000	$5,000,000	Not Provided	Not provided	-	-	-	-	-	40 years for Rental projects and 15 years for homeownership projects	
7/26/2005	Enterprise Housing Financial Services Inc.	-	Unknown	SAFI	$5,000,000	$5,000,000	Not Provided	Not provided	-	-	-	-	-	Not provided	
2005	Las Marias Cooperative, Inc.	-	Multifamily	Rehabilitation	$1,842,518	$1,842,636	Rental	1458 Columbia Rd NW	1	50	5	5	40	20 years	Project also received a lead based paint hazard grant in 2007.
2005	A Street Manor Cooperative, Inc.	-	Multifamily	Rehabilitation	$1,045,110	$1,045,110	Rental	4920 A St SE	7	16	1	1	14	30 years	1 unit to be ADA compliant.
6/8/2005	Four Walls Development, Inc.	-	Multifamily	Rehabilitation	$773,808	$773,808	Rental	4400 Hunt Pl NE	7	15	15	0	0	40 years	To provide housing for individuals with mental illness.
12/29/2005	District of Columbia Housing Authority	Arthur Capper Carrollsburg HOPE VI	Multifamily	Bond Collateralization	$1,700,000	$1,700,000	Rental	5th and M St SE	6	138	-	-	-	40 years	For senior housing
3/12/2010	District of Columbia Housing Authority	Henson Ridge	Multifamily	Refinancing	$2,900,000	$2,900,000	Rental/ Owner	Alabama Ave and Stanton Rd SE	8	22	0	0	22	40 years	
8/4/2011	District of Columbia Housing Authority	-	Multifamily	Demolition, Construction, and Permanent financing	$1,772,400	$3,955,412	Rental	Hayes St and Anacostia Ave NE	7	7	4	0	3	40 years	Given the large overrage, it is likely we are missing an agreement or modification.
7/27/2005	Community of Hope, Inc.	Hope Apartments	Multifamily	Rehabilitation	$1,300,000	$1,300,000	Rental	3715 2nd Street SE	8	10	10	0	0	42 years	Transitional housing for homeless persons
3/8/2006	CornerStone Inc.	-	Unknown	SAFI	$3,000,000	$3,300,000	Not Provided	Not Provided	-	-	-	-	-	40 for rental and 15 for ownership	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
7/12/2005	Neighbors Consejo	-	Unknown	Acquisition/ Rehabilitation	$100,000	$100,000	Rental	1622 Lamont St NW	1	-	Number not provided but AMI is 30% or below	0	0	40 years	Transitional housing for persons recovering from substance abuse
9/30/2005	Phyllis Wheatley Young Women's Christian Association, Inc.	Phyllis Wheatley YWCA	Multifamily	Construction/ Rehabilitation, Redevelopment	$2,867,294	$704,201	Rental	901 Rhode Island Ave NW	6	84	84	0	0	40 years	Project also had a 2015 loan. Originally was 117 units, changed to 84 in 2015. Also in 2015, reserved 42 units for permanent supportive housing for DBH consumers.
9/8/2005	Wayne Place Senior Living Limited Partnership	Wayne Place Senior Living Facility	Multifamily	Construction	$1,600,000	$1,874,338	Rental	114 - 124 Wayne Pl SE	8	11	5	6	0	40 years	
6/27/2005	Unitarian Universalist Affordable Housing Corporation	-	Unknown	SAFI	$5,000,000	$5,000,000	Not Provided	Not Provided	-	-	-	-	-	Not Provided	
8/6/2007	4100 Georgia Avenue Limited Partnership	-	Multifamily	Construction	$6,677,043	$7,265,830	Rental	4100 George Ave NW	4	72	0	0	72	40 years	
4/11/2007	5610 Colorado Avenue Cooperative, Inc	-	Multifamily	Acquisition	$3,150,000	$3,150,000	Rental	5610 Colorado Ave NW	4	36	0	0	36	40 years	
2006	New Fairmont L.P.	Fairmont I & II	Multifamily	Rehab	$8,750,000	$8,750,000	Rental	1400, 1401 Fairmont St NW	1	-	-	-	-	Not provided	
6/22/2006	Joyce Johnson-Coker	-	Single	Rehabilitation repairs, Lead Hazard reduction	$83,197	$89,817	Owner	618 Ingraham St NW	4	1	-	-	-	Not Provided	
7/31/2006	Ameridream Amber Overlook, LLC	Amber Overlook/ Woodson Heights Condos.	Multifamily	Development and Construction	$1,200,000	$1,200,000	Owner	multiple, see Notes	7	80	0	0	80	15 years	300 50th St NE, 317 50th St NE, 319 50th St NE, 4947 C St NE, 4950 Call Pl NE, 5000 Call Pl NE, 306 Saint louis St NE, 308 Saint Louis St NE, 322 Saint Louis St NE, 324 Saint Louis St NE, 4919 C St NE, 4920 Call Pl NE
11/16/2006	Crawford Associates	Bethune House	Multifamily	Rehabilitation	$3,477,659	$3,477,659	Rental	401 Chaplin Street SE	7	44	0	44	0	40 years	AMI must be 50% or less
2006	Joseph & Eileen Asamoah	-	Single	Lead Hazard reduction	$36,690	$13,716	Owner	3176 Westover Drive SE	7	1	-	-	-	Not Provided	
2006	Washington Area Housing Trust Fund	-	Unknown	SAFI	$2,000,000	$2,000,000	Not Provided	Not Provided	-	-	-	-	-	Not Provided	
2006	Washington Area Housing Trust Fund	-	Unknown	SAFI	$2,000,000	$2,000,000	Not Provided	Not Provided	-	-	-	-	-	Not provided	
12/27/2006	Mayfair Mansions Limited Partnership	Mayfair Mansions	Multifamily	Refinance/Acquisition	$25,000,000	$24,550,000	Rental	Lot 40/Lot 803, Square 5057, Kenilworth Terrace NE and Jay St NE	7	245	-	-	-	40 years	
7/31/2006	Crestwood Cooperative Inc.	-	Multifamily	Acquisition	$5,046,960	$5,051,492	Rental	1630 Irving St NW	1	22	9	9	4	40 years	Rehab loan (2013). 2006 agreement stated 50 year affordability period.

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
10/25/2006	The Duncan Cooperative, Inc.	-	Multifamily	Acquisition	$2,565,400	$2,565,400	Rental	4625, 4627 13th St NW	4	24	0	0	24	40 years	
12/29/2006	FAR SW-SE Community Development Corporation	Trinity Plaza	Multifamily	Predevelopment	$1,380,000	$3,950,000	Lease-to-own	3927 - 3939 South Capitol St SW, 17 - 19, 21 Atlantic St SW	8	28	0	0	28	40 years	Financing loan (2010). Given the large overage, it is likely we are missing an agreement or modification.
9/18/2006	Martin Luther King Jr Latino Cooperative, Inc.	-	Multifamily	Acquisition and Rehabilitation	$14,896,120	$14,193,168	Rental	1236 11th St NW	2	73	0	0	73	40 years	Project also had a 2008 loan for rehab and construction, which revised the number of units (was 74 in 2006 agreement).
9/12/2006	The New Beginnings Cooperative Association, Inc.	-	Multifamily	Acquisition	$1,812,700	$1,812,700	Rental	2922 Sherman Ave NW	1	15	0	0	15	40 years	
5/25/2006	Park Southern Neighborhood Corporation	-	Multifamily	Refinance/ Rehabilitation	$3,076,641	$3,255,947	Rental	800 Southern Ave SE	8	359	144	-	-	40 years	
12/14/2006	Wesley House Limited Partnership	-	Multifamily	Payoff loan	$3,101,787	$4,359,353	Rental	3400 Commodore Joshua Barney Dr NE	5	120	0	8	112	40 years	Given the large overage, it is likely we are missing an agreement or modification.
6/18/2007	Bates Street Townhomes Cooperative, Inc.	-	Multifamily	Acquisition financing/ Rehabilitation	$1,705,403	$1,705,403	Rental	230 Bates St NW, 24 Bates St NW, 52 Bates St NW, 202 Q St NW	5	5	0	0	5	40 years	
7/26/2007	Brightwood Gardens Cooperative	-	Multifamily	Acquisition financing	$3,676,357	$3,676,357	Rental	931 Longfellow St NW	4	52	0	0	52	40 years	
3/1/2007	The Elizabeth Ministry	-	Multifamily	Predevelopment costs	$2,699,313	$2,773,881	Rental	200 55th NE, 210 55th NE	7	27	25	0	2	40 years	For use by low income post-foster care residents. The project also had a 2008 loan for acquisition.
6/21/2007	Enterprise Community Loan Fund, Inc.	-	Unknown	SAFI	$8,000,000	$3,000,000	Not Provided	Not Provided	-	-	-	-	-	40 years for rental and 15 years for homeownership	
12/18/2007	Golden Rule Apartments, Inc./ SeVerna LLC	-	Multifamily	Pre-Development and Demolition	$950,000	$950,000	Rental	1015 First St NW	6	60	-	-	-	Not Provided	2007 agreement stated 113 reserved affordable units (56 units for <30% AMI & 57 units for <80% AMI), but 2010 modification reduced units to 60 and did not specify AMI.
9/11/2007	City First Enterprises	Workforce Housing Land Trust	Multifamily	To leverage $65M in private funds to develop 1,000 units of affordable work force housing within 3 years	$10,000,000	$4,000,000	Not Provided	Not Provided	-	1000	0	0	1000	Not provided	
12/20/2007	Jubilee Housing, Inc.	Jubilee-Ontario Court	Multifamily	Rehabilitation	$3,428,019	$5,219,410	Rental	2525 Ontario Rd NW	1	27	14	5	8	47 years	Specifies a number of 3-bedroom units

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
12/13/2012	Jubilee Housing, Inc.	-	Multifamily	Community development activities	$2,922,451	$2,922,451	Rental	2720 Ontario Rd NW, 2448 18th St NW	1	20	20	0	0	Not Provided	Units to provide supportive housing for persons reentering the community after incarceration
7/27/2016	Jubilee Housing, Inc.	-	Multifamily	Development Rehab/ Predevelopment/ Acquisition	$7,536,648	$7,711,313	Rental	1474 Columbia Rd NW	1	64	15	0	49	40 years	Of the <30% AMI units: 6 reserved for DBH consumers; 4 for DHS clients; and 5 for DOH clients under the Housing Opportunities for Persons with AIDS
7/30/2007	Kentucky-Scott, LLC	Kennedy Street Apartments	Multifamily	Acquisition and Rehabilitation	$2,003,641	$2,003,641	Rental	135 Kennedy St NW	4	21	0	21	0	40 years	Units are for elderly low-income District residents
7/25/2007	New Columbia Community Land Trust, Inc.	-	Multifamily	Acquisition and Rehabilitation	$286,147	$286,147	Owner	1703 Euclid St NW	1	3	0	3	0	40 years	
7/21/2016	New Columbia Community Land Trust, Inc.	-	Multifamily	Acquisition/ Refinance	$373,290	$373,290	Not Provided	905 R St NW, 915 S St NW	6, 1	-	-	-	-	Not provided	
9/25/2007	Langston Lane Limited Partnership	-	Multifamily	Acquisition, pre-development and construction	$6,980,500	$6,980,500	Rental	2726 - 2734 Langston Pl SE, 2919 - 2925 Knox Pl SE	8	118	0	0	118	40 years	
8/24/2007	Voices of Madison Cooperative Association, Inc.	-	Multifamily	Acquisition and rehabilitation	$636,334	$636,334	Rental	700 Madison St NW	4	15	0	0	15	40 years	
9/28/2007	Mayfair Mansions Condo LLC/ MM Property LLC	Mayfair Mansions Apartments	Multifamily	Acquisition and Rehabilitation	$7,300,000	$7,863,646	Owner/ Rental	multiple, see Notes	7	160	-	-	-	40 years	3743-3751 Jay St NE, 3753-3761 Jay St NE, 3763-3765 Jay St NE, 3801-3809 Jay St NE, 3811-3817 Jay St NE
2/23/2007	New 4211 Second Street, LLC	Victory Hills	Multifamily	Rehabilitation	$425,000	$432,306	Rental	4211 2nd St NW	4	9	0	9	0	40 years	Housing is for the benefit of mentally challenged persons
11/13/2009	Open Arms Housing, Inc.	-	Multifamily	Rehabilitation and financing	$1,124,475	$1,124,475	Rental	57 O St NW	5	16	16	0	0	40 years	Units for chronically homeless, mentally ill clients
12/18/2014	Open Arms Housing, Inc.	-	Multifamily	Rehabilitation	$505,258	$379,258	Rental	1256 Owen Pl NE	5	4	4	0	0	40 years	Units for the purpose of providing permanent supportive housing for homeless women with a history of mental illness
12/28/2007	CPDC Parkside Terrace, Inc.	Parkside Terrace Apartments	Multifamily	Rehabilitation	$21,452,064	$19,306,910	Rental	3700 9th St SE	8	316	0	0	316	40 years	181 Units reserved for seniors
9/28/2007	R Street Preservation Partners, L.P.	-	Multifamily	Acquisition financing	$6,500,000	$6,500,000	Rental	1416, 1428, 1432, 1436, 1440 R St NW	2	124	6	24	94	40 years	Specifies a number of 3-bedroom units
9/24/2008	1314 K Street Tenants Association, Inc./ 1314 K Street SE Cooperative, Inc.	-	Multifamily	Acquisition and rehabilitation	$2,057,766	$1,595,290	Rental/ Owner	1314 K St SE	6	12	0	0	12	40 years	Project received a 2016 loan for rehab.

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
8/8/2008	2300 Pennsylvania Avenue LLC	-	Multifamily	Acquisition and construction	$7,500,000	$7,500,000	Rental	2309, 2311 - 2313, 2317 - 2323, 2325 - 2327 Pennsylvania Ave SE	7	118	0	0	118	40 years	
1/18/2008	Ailanthus Cooperative, Inc.	-	Multifamily	Acquisition Rehabilitation	$925,000	$925,000	Owner	1468 Harvard Street NW	1	5	-	-	-	40 years	
7/30/2008	Brownstein Commons, LP/Archer Park LP	-	Multifamily	Construction	$12,887,000	$12,185,569	Rental/ Owner	1100, 1200 Mississippi Ave SE	8	190	14	0	176	15 years for ownership units and 40 years for rental units	Also a 2016 construction loan. Of the 14 units, 10 units are reserved for DBH consumers. The 2016 agreement reduced the units from the 2008 agreement, which stipulated 214 affordable units for 60% AMI or less.
3/24/2008	Cornelius & Emma Dudley	-	Single	Lead based paint hazard	$729,382	$729,382	Rental	325 Franklin St NE	5	39	-	-	-	Not provided	
7/28/2008	Claiborne Cooperative Association, Inc.	-	Multifamily	Acquisition and rehabilitation	$11,912,076	$11,912,076	Rental	3033 16th St NW	1	92	0	0	92	40 years	Project received a 2010 loan for acquisition and rehab.
4/28/2008	Copeland Manor Cooperative, Inc.	-	Multifamily	Acquisition and rehabilitation	$4,083,606	$4,083,606	Rental	4710, 4730, 4740, 4750, 4760 C St SE	7	61	0	0	61	40 years	
2008	The Marshall Consulting Group, LLC	-	Multifamily	Acquisition and renovation	$268,000	$343,000	Rental	4212 Foote St NE	7	6	0	6	0	40 years	
9/30/2008	CAS 4000 Kansas LLC	-	Multifamily	Acquisition	$2,817,415	$3,574,804	Rental	4000 Kansas Ave NW	4	19	0	0	19	40 years	Project received a 2009 loan for rehab and construction.
7/30/2008	Longfellow Arms NWDC Limited Partnership	-	Multifamily	Acquisition, construction and rehabilitation	$3,854,000	$3,854,000	Rental	506 Longfellow St NW	4	30	0	0	30	40 years	
8/7/2008	Peaceoholics, Inc.	-	Multifamily	Pre-development	$5,000,000	$5,078,370	Rental	1300 Congress St SE, 1271 - 1275 Meigs Pl NE, 1424 L Street SE, 1322 45th Place NE, 400 Oklahoma Ave NE, 523 - 525 Mellon St SE	5, 6, 7, 8	35	35	0	0	40 years	Project received a 2009 loan for acquisition and development.
4/28/2008	The Pleasant Park Cooperative, Inc.	-	Multifamily	Acquisition and rehabilitation	$4,710,265	$4,710,265	Rental	multiple, see Notes	7	60	0	0	60	40 years	6220-6242 Banks Pl NE, 6221-6243 Clay St NE, 6220-6242 Clay St NE, 221-243 63rd St NE, 301-323 63rd St NE
8/6/2008	Quest Cooperative, Inc.	-	Multifamily	Rehabilitation and refinancing	$2,135,303	$4,009,542	Rental	1428 Euclid St NW	1	23	0	0	23	40 years	Given the large overrage, it is likely we are missing an agreement or modification.
5/29/2008	Sankofa Cooperative Association, Inc.	-	Multifamily	Acquisition	$5,194,061	$5,194,061	Rental	1430 Belmont St NW	1	48	0	0	48	40 years	
4/5/2006	Affordable Housing Opportunities, Inc.	-	Multifamily	Acquisition	$1,177,500	$1,177,500	Rental	2125 18th St SE	8	30	30	0	0	40 years	Single Room Occupancy Project for formerly homeless single adults and others with special needs

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
5/13/2008	Affordable Housing Opportunities, Inc.	-	Multifamily	Acquisition and rehabilitation	$1,981,713	$1,981,713	Rental	1876 4th St NE	5	93	0	0	93	40 years	
9/16/2008	St. Martin's Apartments, LP	-	Multifamily	Pre-development and construction	$9,512,000	$9,962,116	Rental	T Street and Summit Place, NE (building numbers not provided)	5	178	50	68	10	Not Provided	Incomplete information on breakdown of units by AMI
7/25/2008	Stanton View Development, LLC	-	Multifamily	Construction	$4,000,000	$4,455,000	Owner	Lots 90 - 100, 102 - 121 (Square 5877)	8	31	2	5	24	15 years	
12/30/2014	Stanton View Development, LLC	Gainesville Court	Multifamily	Acquisition and development	$800,000	$800,000	Owner	Lots 62 - 80 Gainesville St SE (Square 5830)	8	12	0	0	12	15 years	
8/20/2008	TCB Fairlawn/ Marshall Housing Limited Partnership	-	Multifamily	Construction and rehabilitation	$7,000,000	$7,115,125	Rental	5020 Call Place NE, 5024 Call Pl SE, 5028 Call Pl SE, 5027 C Street SE, 2701 R Street SE, 2700 - 2702 Q St SE, 2701 - 2703 Q St SE, 2834 Q St SE	7	98	40	0	58	40 years	Project received a 2009 loan for rehabilitation and construction.
7/31/2008	Wheeler Terrace Development LP	-	Multifamily	Acquisition	$5,769,863	$5,769,863	Rental	1201, 1209, 1217,1225, 1233, 1241 Valley Ave SE, 3901 13th St SE	8	116	0	0	116	40 years	
9/25/2008	Woodley House, Inc.	Woodley House	Multifamily	Rehabilitation	$1,016,750	$1,109,319	Rental	2711 - 2713, 2731 Connecticut Ave NW, 7426 13th St NW	3, 4	31	31	0	0	40 years	Units to provide housing for the mentally ill
4/3/2008	Zagami House LLC	Zagami House	Multifamily	Construction and rehabilitation	$1,000,000	$1,000,000	Rental	1701 19th St SE	8	13	-	-	-	Not Provided	Includes one staff occupied unit
8/4/2009	Manna, Inc.	-	Multifamily	Refinancing	$600,000	$600,000	Owner	1029 Perry St NE	5	16	0	0	16	15 years	
3/6/2013	Manna, Inc.	-	Multifamily	Rehabilitation and financing	$1,525,000	$1,525,000	Owner	1700 - 1720 W St SE	8	24	0	10	14	15 years	4 units shall be handicapped accessible units
9/1/2010	1320 Mississippi Avenue, LLC	-	Multifamily	Construction and rehabilitation	$4,026,684	$4,026,684	Rental	1320 Mississippi Ave SE	8	19	19	0	0	40 years	
5/30/2009	3910 Georgia Avenue Associates Limited Partnership 1-A	Georgia Commons	Multifamily	Predevelopment	$3,755,000	$3,755,000	Not Provided	3910 Georgia Ave NW	4	119	-	-	-	Not provided	
3/31/2009	Hacienda Cooperative, Inc.	Hacienda Cooperative	Multifamily	Acquisition and rehabilitation	$1,419,219	$1,419,219	Rental/ Owner	100 - 110 58th St SE	7	65	0	0	65	40 years	
6/30/2009	OpenDoor Housing Fund	-	Multifamily	Foreclosure Settling	$800,000	$768,398	Not Provided	1350 - 1354 Jasper Pl SE, 1814 - 1816 29th St SE, 1708 - 1710 T St SE	8	98	-	-	-	40 years	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
1/9/2009	Hyacinth's Place, LLC	-	Multifamily	Rehabilitation	$1,753,652	$3,318,412	Rental	1060 - 1062 Bladensburg Rd NE, 1058 Bladensburg Rd NE	5	15	15	0	0	40 years	Units to be developed as single room occupancy rental housing for homeless, mentally ill women. Given the large overrage, it is likely we are missing an agreement or modification.
7/13/2010	Supportive Housing Opportunities LLC	-	Multifamily	Acquisition and rehabilitation	$11,503,000	$11,503,000	Rental	1667 Good Hope Rd SE, 730 - 736 Chesapeake St SE, 2810 - 2872 Texas Ave SE, 350 50th St SE, 3828 - 3830 South Capitol St SE	8	240	240	0	0	40 years	1 unit reserved for elderly
4/14/2010	Webster Gardens, LP	-	Multifamily	Acquisition and redevelopment	$4,000,000	$6,749,686	Rental	124, 126, 128, 130 Webster St NW	4	52	16	0	36	40 years	Given the large overrage, it is likely we are missing an agreement or modification.
7/25/2011	1417 N Street Northwest DC Tenants Association/ 1417 N Street NW Cooperative Association	-	Multifamily	Acquisition	$4,217,536	$995,858	Rental	1417 N St NW	2	84	0	0	84	40 years	Project received a 2015 loan.
9/13/2011	Dix Street Gateway Redevelopment Partners, LLC	-	Multifamily	Predevelopment	$3,354,410	$3,581,278	Rental	323 62nd St NE	7	39	0	0	39	40 years	Project received a 2014 loan for construction. For the first 2 years, the units are for 50% AMI, after that point, vacant unit rents can be increased to 60% AMI.
3/10/2011	E&G DC CO-OP Owner, LLC	-	Multifamily	Acquisition	$12,392,122	$5,236,396	Rental	multiple, see Notes	1,7, 6	134	0	0	134	40 years	1430 Belmont St NW, 2501-2505 N St SE, 2922 Sherman Ave NW, 3121 Mt Pleasant St NW, 115 16th St NE
2/10/2011	Parkside Senior L.P.	-	Multifamily	Construction	$3,667,887	$3,667,887	Rental	600 Barnes St NE	7	97	35	0	62	40 years	Units are reserved for families headed by Seniors
8/4/2011	Pollin Memorial Community Development, LLC	-	Multifamily	Demolition, Construction, and Permanent financing	$2,940,900	$2,940,510	Owner	Hayes St and Anacostia Ave NE	7	41	0	1	40	30 years	
8/4/2011	Pollin Memorial Community Development, LLC	-	Multifamily	Construction and Permanent financing	$2,227,600	$2,227,990	Owner	Hayes St and Anacostia Ave NE	7	19	0	7	12	30 years	
2/13/2013	W Street SE 38-42-43, LLC	-	Multifamily	Financing	$1,498,500	$1,498,500	Rental	1751 - 1759 W St SE	8	15	1	3	11	40 years	
3/29/2012	Sierra Cooperative Inc.	-	Multifamily	Construction	$1,070,741	$1,502,001	Owner	307 S St NE	5	20	5	9	6	40 years	
2/17/2012	Octavia Kelsey	-	Single	Lead based paint hazard	$24,229	$24,229	Owner	515 Oglethorpe St NW	4	1	-	-	-	Not Provided	
6/20/2012	Broadcast Residential Partners, LLC	-	Multifamily	Construction	$270,000	$2,700,000	Rental	1825 7th St NW	1	51	0	0	51	40 years	
6/11/2012	CVE II, LLC	-	Multifamily	Construction	$640,000	$609,084	Rental	1609 21st Pl SE	8	13	0	4	9	40 years	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
7/31/2013	Habitat for Humanity of Washington, D.C., Inc.	-	Multifamily	Rehab	$1,505,900	$1,505,900	Owner	1825, 1827, 1829, 1837, 1839, 1841, 1843, 1845, 1860, 1862, 1864 Central Pl NE	5	11	0	0	11	15 years	Project received 1 loan and 1 grant in 2013.
2/14/2013	Habitat for Humanity of Washington, D.C., Inc.	-	Multifamily	Construction	$489,040	$457,190	Owner	multiple, see Notes	5	4	0	2	2	15 years	1955 Capitol Ave NE, 1830 Providence St NE, 1825 Corcoran St NE
2/15/2013	Isatu Kareem	-	Single	Repair Work	$12,775	$8,555	Owner	5313 Illinois Ave NW	4	1	-	-	-	Not provided	
8/1/2013	Veronica McCree	-	Single	Rehab Activities	$30,470	$26,489	Owner	765 Princeton Pl NW	1	1	0	0	1	Not Provided	
11/8/2013	Miriam Gephardt	-	Single	Rehab Activities	$29,564	$24,759	Owner	2211 Kearney St NE	5	1	0	0	1	Not Provided	
4/27/2016	Cheryl Spann	-	Single	Rehab Activities	$72,052	$46,867	Owner	3613 22nd St NE	5	1	0	0	1	Not Provided	
11/27/2013	Iona Williams	-	Single	Repair Work	$13,690	$2,000	Owner	29 Todd Pl NE	5	1	-	-	-	Not Provided	
10/1/2014	Savannah Park Housing Limited Partnership	-	Multifamily	Rehab	$1,365,000	$1,363,685	Rental	1443 Savannah St SE	8	64	0	0	64	40 years	
4/23/2013	Scattered Site II LLC	-	Multifamily	Acquisition	$4,780,000	$4,780,000	Rental	multiple, see Notes	8, 6	68	68	0	0	40 years	523-525 Mellon St SE, 216 New York Ave NW, 1151 New Jersey Ave NW
7/22/2014	Veronica McKinney	-	Single	Single family rehab	$29,006	$12,372	Owner	4345 G St SE	7	1	-	-	-	Not Provided	
2014	Beulah Community Improvement Corporation	-	Unknown	Purchase and sale	$1,300,000	$1,289,000	Not Provided	5820 Dix St NE	7	-	-	-	-	Not provided	
10/28/2014	Carl Greenwood	-	Single	Repair Work	$46,200	$45,780	Owner	4329 3rd St NW	4	1	-	-	-	Not Provided	
11/5/2014	Chester Speight	-	Single	Repair Work	$7,216	$7,216	Owner	3033 N St SE	7	1	-	-	-	Not Provided	
9/1/2014	Vesta D.C. III, LLC	The Gregory	Multifamily	Acquisition, development and rehabilitation	$2,650,000	$2,650,000	Rental	822 - 852 Barnaby St SE	8	124	0	50	74	40 years	
7/28/2014	Takoma Spring Place L.P.	Metro Village Apartments	Multifamily	Acquisition, pre-development and construction	$7,990,000	$7,990,000	Rental	7051 Spring Pl NW	4	120	0	0	120	40 years	
9/12/2014	RiverEast At Anacostia, LLC	-	Multifamily	Acquisition, Construction and Development	$6,310,788	$3,764,313	Rental	1260 - 1272 Talbert St SE	8	46	0	0	46	40 years	
12/24/2014	Parkway Overlook LP	Parkway Overlook Apartments	Multifamily	Predevelopment	$750,000	$737,261	Rental	multiple, see Notes	8	222	0	0	222	40 years	2700-2714, 2830-2832, 2835-2841 Robinson Pl SE, 2825-2827 Jasper St SE
6/18/2014	Hampstead Brightwood Partners, L.P.	Concord Apartments, Vizcaya Apartments, Valencia Apartments	Multifamily	Rehabilitation	$10,813,334	$10,813,334	Rental	5807 - 5825 14th St NW	4	123	0	0	123	40 years	
12/23/2014	CI GD Parkside 7, LLC	Grove Apartments	Multifamily	Acquisition and Construction	$11,052,173	$10,396,510	Rental	600 Kenilworth Terrace NE	7	186	10	176	0	40 years	
1/26/2015	Channel Square Housing, LLC	-	Multifamily	Acquisition	$7,400,000	$7,400,000	Rental	325 P St SW	6	147	0	0	147	40 years	
7/23/2014	5741 Colorado Cooperative, LCA	-	Multifamily	Acquisition	$2,522,546	$2,522,546	Rental	5741 Colorado Ave NW	4	28	0	0	28	40 years	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
10/21/2014	2321 4th Street LLC	-	Multifamily	Acquisition, Development and Construction	$6,806,239	$6,642,928	Rental	2313 - 2321 4th St NE	5	116	20	0	96	40 years	10 of the 30% AMI units shall be permanent supportive housing units for persons who are homeless, formerly homeless or at risk of becoming homeless
6/13/2014	2228 MLK, LLC	-	Multifamily	Development and Rehabilitation	$911,670	$911,670	Rental	2226 - 2252 Martin Luther King Jr Ave SE	8	114	0	0	114	40 years	
9/30/2014	1919 Calvert Street LLC	-	Multifamily	Acquisition and Rehabilitation	$1,400,000	$1,400,000	Rental	1919 Calvert St NW	1	14	0	13	1	40 years	Units are single room occupancy "SRO" units
7/22/2014	30th Street Crescent, LLC	Crescent Townhomes	Multifamily	Construction and rehabilitation	$900,000	$899,999	Owner	Not Provided	-	5	0	0	5	15 years	
8/28/2014	Jeffrey Herrell	-	Single	Rehab Activities	$47,742	$13,645	Owner	1317 Valley Pl SE	8	1	0	0	1	Not Provided	Homeowner received a roofing grant in 2015.
11/4/2013	Doris Wood	-	Single	Rehab Activities	$34,462	$13,800	Owner	712 Farragut St NW	4	1	0	0	1	Not Provided	Homeowner received 2 grants in 2013.
9/4/2014	Rita Hardy	-	Single	Rehab Activities	$53,973	$35,945	Owner	2623 11th St NW	1	1	0	0	1	Not Provided	Homeowner received 2 grants in 2014.
8/13/2014	Kimberly Washington	-	Single	Rehab Activities	$56,801	$32,250	Owner	528 Shepard St NW	4	1	0	0	1	Not Provided	Homeowner received 2 grants in 2014.
7/29/2014	Raymond and Elmer Meadows	-	Single	Rehab Activities	$19,512	$29,834	Owner	111 15th St SE	6	1	0	0	1	Not Provided	
10/29/2014	Hope and a Home, Inc.	-	Multifamily	Repair Work	$2,510,502	$2,546,539	Rental	multiple, see Notes	1	4	4	0	0	40 Years	1428 Chapin St NW, 3003 11th St NW, 1236 Columbia Rd NW, 3548 10th St NW, 3541-43 10th St NW
2/18/2014	Carlos and Concepcion Campos	-	Single	Rehab Activities	$24,716	$24,324	Owner	5332 Illinois Ave NW	4	1	0	0	1	Not Provided	
5/21/2014	Levi Verner	-	Single	Rehab Activities	$38,546	$34,914	Owner	5321 1st St NW	4	1	-	-	-	Not Provided	
5/22/2014	Lowana F. Coles	-	Single	Rehab Activities	$20,926	$16,982	Owner	1425 Trinidad Ave NE	5	1	0	0	1	Not Provided	
5/30/2014	Merlyn Raiford	-	Single	Rehab Activities	$53,192	$30,673	Owner	5004 Eastern Ave NE	5	1	0	0	1	Not Provided	
7/31/2014	Shirley Brown	-	Single	Rehab Activities	$34,140	$44,337	Owner	1921 Hamlin St NE	5	1	0	0	1	Not Provided	
9/4/2014	Kim Wallace	-	Single	Rehab Activities	$55,486	$38,840	Owner	1406 Newton St NE	5	1	0	0	1	Not Provided	
5/14/2014	Angela Preston-Weaver	-	Single	Rehab Activities	$21,857	$21,753	Owner	1431 Kearney St NE	5	1	0	0	1	Not Provided	
7/28/2014	4800 NHB, LP	48 Nannie Helen Burroughs	Multifamily	Soft Cost	$250,000	$250,000	Rental	4800 Nannie Helen Burroughs Ave NE	7	70	23	0	47	Not Provided	
10/22/2014	Helen Green Lee	-	Single	Repair Work	$8,569	$7,790	Owner	504 Columbia Rd NW	1	1	-	-	-	Not Provided	
8/28/2014	Diana Gray	-	Single	Repair Work	$10,816	$14,658	Owner	1342 Park Wood Pl NW	1	1	-	-	-	Not Provided	OCFO/DHCD provided documentation to show approval of change order to $14,658
12/10/2014	Georgia Avenue Redevelopment LP	-	Multifamily	Acquisition	$6,750,000	$6,750,000	Rental	7611 - 7701 Georgia Ave NW	4	81	0	0	81	40 years	
10/29/2014	Judith Paige	-	Single	Repair Work	$7,629	$7,629	Owner	1409 5th St NW	6	1	-	-	-	Not Provided	
8/28/2014	Lillie Griffin	-	Single	Roof Repair Work; Handicapped Accessibility Improvement Program	$34,729	$20,925	Owner	3141 Apple Rd NE	5	1	-	-	-	Not Provided	
9/10/2014	Barbara Kemp	-	Single	Repair Work	$20,303	$18,882	Owner	3845 Halley Terrace SE	8	1	-	-	-	Not Provided	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
8/28/2015	Linda Page	-	Single	Repair Work	$9,170	$9,170	Owner	2003 Franklin St NE	5	1	-	-	-	Not Provided	
8/25/2015	Margareta Roberts	-	Single	Repair Work	$30,819	$30,819	Owner	211 Tuckerman St NW	4	1	0	0	1	Not Provided	
4/21/2015	Janice Wise-Diggs	-	Single	Repair Work	$52,276	$9,380	Owner	1203 Orren St NE	5	1	-	-	-	Not Provided	
9/15/2015	Arlyne Pinto	-	Single	Repair Work	$10,629	$10,629	Owner	1273 Delafield Pl NE	5	1	-	-	-	Not Provided	
3/19/2015	Margie Izlar	-	Single	Repair Work, Rehab Activities	$52,742	$52,742	Owner	1410 G St SE	6	1	-	-	-	Not Provided	Homeowner had multiple agreements in 2015.
6/3/2015	Amy McKelvin	-	Single	Repair Work	$13,431	$13,431	Owner	1624 Trinidad Ave NE	5	1	-	-	-	Not Provided	
4/7/2015	Natalie Washington	-	Single	Repair Work	$6,661	$6,055	Owner	4440 Ord St NE	7	1	-	-	-	Not Provided	
9/2/2015	Jean Hunt	-	Single	Repair Work	$15,070	$13,700	Owner	5403 Chillum Pl NE	5	1	-	-	-	Not Provided	Homeowner had multiple agreements in 2015.
1/7/2015	Earl Vincent	-	Single	Repair Work	$8,958	$8,958	Owner	5311 Jay St NE	7	1	-	-	-	Not Provided	
8/19/2015	Brenda Black	-	Single	Repair Work	$14,630	$13,300	Owner	4232 Lane Pl NE	7	1	-	-	-	Not Provided	
3/12/2015	Curlie Williams	-	Single	Repair Work, Removal of Architectural and Material Barriers, Relocation	$46,157	$42,870	Owner	2019 3rd St NE	5	1	-	-	-	Not Provided	Homeowner had multiple agreements in 2015.
4/21/2015	6925 Georgia Ave LLC	-	Multifamily	Development of mixed housing	$2,600,000	$2,597,530	Rental	6925 Georgia Ave NW	4	-	-	-	-	Not Provided	
9/30/2015	Atlantic Gardens Redevelopment Limited Partnership	-	Multifamily	Financing	$4,100,000	$3,035,235	Rental	multiple, see Notes	8	108	-	-	-	40 years	4009 and 4011 3rd St SE, 4202-4208 4th St SE, 4212-4218 4th St SE, 4222-4228 4th St SE
6/10/2015	Sarah Gillis	-	Single	Repair Work	$10,716	$9,716	Owner	2230 Chester St SE	8	1	-	-	-	Not Provided	
9/30/2015	Atlantic Terrace Limited Partnership	-	Multifamily	Refinancing	$6,500,000	$4,979,752	Rental	4301 - 4329 3rd St SE	8	195	0	-	0	40 years	
6/16/2015	Cornerstone Community DC Inc.	-	Multifamily	Acquisition and Rehab	$435,410	$355,824	Rental	4800 Arkansas Ave NW	4	7	5	2	0	40 years	To provide housing for homeless men who are HIV positive. The two 50% AMI units are reserved for residential staff.
9/30/2015	Homes for Hope, Inc.	-	Multifamily	Financing	$109,000	$107,682	Rental	3009 G St SE	7	6	6	0	0	50 years	Units are single occupancy units reserved for households with a member who is HIV positive
7/14/2006	Kara House Cooperative, Inc.	-	Multifamily	Rehab and predevelopment	$2,645,964	$2,438,858	Rental	1498 Spring Pl NW	1	10	0	0	10	40 years	Rehab loan (2015)
8/27/2015	Kenyon House Family Cooperative, Inc.	Kenyon House	Multifamily	Rehab	$1,603,139	$1,584,271	Rental	3119 Georgia Ave NW	1	8	0	4	4	40 years	
12/8/2015	Erica Rice	-	Single	Repairs and Renovation	$108,000	$32,400	Owner	1626 G St SE	6	1	0	0	1	Not Provided	
7/22/2015	Sandra and Gary Thomas	-	Single	Repairs and Renovation	$36,102	$34,953	Owner	5402 Illinois Ave NW	4	1	0	0	1	Not Provided	
9/30/2014	Carlos and Stephanie Rich	-	Single	Repairs and Renovation	$38,738	$33,685	Owner	509 48th Pl NE	7	1	0	0	1	Not Provided	
5/11/2015	Shirley Thorne	-	Single	Removal of Architectural and Material Barriers	$23,430	$21,730	Owner	3308 12th St SE	8	1	-	-	-	Not Provided	
4/28/2015	Juan Duncan	-	Single	Repair Work	$10,508	$10,203	Owner	3314 Oxon Run Rd SE	8	1	-	-	-	Not Provided	

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
1/7/2015	Maya Angelou Cooperative, Inc.	-	Multifamily	Pay-off bridge loan and predevelopment	$780,000	$777,897	Owner	5100 Bass Pl SE	8	9	0	0	9	40 years	
7/7/2015	NSV-Miriam's House LLC	-	Multifamily	Rehab	$743,464	$743,464	Rental	1300 Florida Ave NW	1	25	25	0	0	40 years	Units are single room occupancy "SRO" units
9/2/2015	RAP, Inc. (Regional Addiction Prevention, Inc.)	-	Multifamily	Construction	$1,913,006	$1,913,006	Rental	1959 4th St NE	5	38	0	0	38	40	Project is a community based residential facility
9/30/2015	Benning Residential LLC	-	Multifamily	Acquisition	$17,947,789	$1,851,545	Rental	4414 - 4430 Benning Rd NE	7	178	162	16	0	40 years	
2014	Transitional Housing Corporation (THC)	Delta Commons	Multifamily	Construction, Rehab	$600,000	$600,000	Rental	5010 Southern Ave SE, 5066 Benning Rd SE, 5078 Benning Rd SE	7	12	12	0	0	25 years	Units reserved for DBH consumers
3/31/2015	Transitional Housing Corporation, Inc. (THC)	Partner Arms 1	Multifamily	Rehab	$715,297	$841,297	Owner	935 Kennedy St NW	4	14	14	0	0	40 years	Units are for permanent supportive housing
7/1/2015	Square 50 Affordable Housing LLC	-	Multifamily	Construction	$4,319,463	$2,799,012	Rental	1211 23rd St NW	2	55	3	0	52	40 years	
4/23/2015	Helen Reid	-	Single	Repair Work	$29,569	$25,062	Owner	5208 Jay St NE	7	1	-	-	-	Not Provided	Homeowner had multiple agreements in 2015.
2/20/2015	Josephine Wilson	-	Single	Rehab Activities	$39,969	$39,969	Owner	1348 Oak St NW	1	1	-	-	-	Not Provided	
7/9/2015	Patricia Joseph	-	Single	Repair Work	$10,479	$9,726	Owner	1132 C St NE	6	1	-	-	-	Not Provided	
1/26/2015	Luther Kennedy	-	Single	Rehab Activities	$36,198	$31,775	Owner	2628 4th St NE	5	1	-	-	-	Not Provided	
4/2/2015	Erin Brown	-	Single	Repair Work	$14,521	$13,201	Owner	5803 2nd St NE	4	1	-	-	-	Not Provided	
4/15/2015	Sheila Williams	-	Single	Repair Work	$14,571	$13,246	Owner	4045 Martin Luther King Jr Ave SW	8	1	-	-	-	Not Provided	
7/8/2013	Anna Sansbury	-	Single	Repair Work	$32,467	$30,804	Owner	314 Taylor St NW	4	1	-	-	-	Not Provided	Homeowner also had agreement in 2015.
9/24/2015	Ezell Sheffield	-	Single	Repair Work	$55,152	$49,671	Owner	339 17th Pl NE	6	1	-	-	-	Not Provided	Homeowner had two agreements in 2015.
9/16/2016	Wade Road Investor LLC	-	Multifamily	Acquisition and Development	$6,413,410	$6,413,410	Rental	2704 Wade Rd SE	8	93	0	93	0	40 years	
10/15/2015	Tanya Pace	-	Single	Repair Work	$16,335	$17,785	Owner	3328 Clay St NE	7	1	-	-	-	Not Provided	DHCD/OCFO provided documentation to show that the contract price was increased to $17,785
6/16/2016	Alvin & Carol Sharples	-	Single	Repair Work	$34,891	$4,729	Owner	1331 Hemlock St NW	4	1	-	-	-	Not Provided	
4/12/2016	James & Sandra Bateman	-	Single	Removal of Architectural and Material Barriers	$23,373	$21,280	Owner	1386 Morris Rd SE	8	1	-	-	-	Not Provided	
5/18/2016	Rosslyn Casey	-	Single	Rehab Activities	$40,419	$39,986	Owner	5618 8th St NW	4	1	0	0	1	Not Provided	
9/8/2016	Barbara Williams	-	Single	Repair Work	$14,845	$14,590	Owner	5341 East Capitol St SE	7	1	-	-	-	Not Provided	
8/17/2016	Sally White	-	Single	Repair Work	$15,266	$2,000	Owner	517 K St NE	6	1	-	-	-	Not Provided	
7/28/2016	Helen Williams	-	Single	Repair Work	$13,310	$12,875	Owner	410 Peabody St NW	4	1	-	-	-	Not Provided	
6/23/2016	Warren & Thelma Lawson	-	Single	Repair Work	$15,904	$15,000	Owner	818 Alabama Ave SE	8	1	-	-	-	Not Provided	
5/13/2016	Marian White	-	Single	Rehab Activities	$48,730	$44,300	Owner	3124 19th St NW	1	1	0	0	1	Not Provided	Homeowner had two agreements in 2016.
9/8/2016	Irene Moore	-	Single	Repair Work	$14,971	$14,160	Owner	4621 North Capitol St NE	5	1	-	-	-	Not Provided	
10/28/2015	Remeca Mashack	-	Single	Rehab Activities	$47,205	$44,095	Owner	2212 16th St SE	8	1	0	0	1	Not Provided	Homeowner also had an agreement in 2016.
10/22/2015	Annie Hunter Henry	-	Single	Rehab Activities	$59,996	$27,131	Owner	748 Fairmont St NW	1	1	0	0	1	Not Provided	Homeowner also had an agreement in 2016.

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
10/16/2015	Yohanes Meshesha & Mahlet Gizaw	-	Single	Rehab Activities	$20,965	$19,940	Owner	5068 10th St NE	5	1	0	0	1	Not Provided	
10/28/2015	James Salt & Jennifer Hojaiban	-	Single	Rehab Activities	$36,632	$31,854	Owner	4104 New Hampshire Ave NW	4	1	0	0	1	Not Provided	
3/8/2016	Adrian Smith	-	Single	Rehab Activities	$39,957	$36,324	Owner	3307 Loud Pl SE	7	1	0	0	1	Not Provided	
2/4/2016	Taseeta Samuel	-	Single	Rehab Activities	$28,492	$28,755	Owner	1121 46th St NE	7	1	0	0	1	Not Provided	
10/21/2015	Elena Velasquez & Blanca Alvarez	-	Single	Rehab Activities	$47,754	$42,819	Owner	323 Upshur St NW	4	1	0	0	1	Not Provided	
2/2/2016	Tracy Suber	-	Single	Repair Work	$14,713	$13,375	Owner	48 R St NE	5	1	-	-	-	Not Provided	
3/15/2016	Joyce Brooks	-	Single	Repair Work	$11,534	$11,534	Owner	507 24th St NW	7	1	-	-	-	Not Provided	
7/22/2016	Veronica Addison & Marian Davis	-	Single	Rehab Activities	$70,379	$66,981	Owner	149 U St NW	5	1	0	0	1	Not Provided	
8/3/2016	Racquel Jefferson	-	Single	Rehab Activities	$38,461	$24,292	Owner	2231 Mount View Pl SE	8	1	0	0	1	Not Provided	
2/9/2016	Shirley Jackson and Raymond Jackson	-	Single	Rehab Activities	$52,463	$47,685	Owner	769 Upsal St SE	8	1	0	0	1	Not Provided	
10/10/2015	Evelyn Wilson	-	Single	Rehab Activities	$55,435	$50,720	Owner	441 Park Rd NW	1	1	0	0	1	Not Provided	
2/9/2016	Barlee Cooperative Association, Inc.	909 Longfellow Street	Multifamily	Pre-development	$3,667,522	$3,319,888	Rental	909 Longfellow Street NW	4	37	0	25	12	40 years	
1/29/2016	The Luzon Cooperative @ 6323, Inc.	Luzon Apartments	Multifamily	Acquisition and Crital Repair	$5,146,754	$4,938,708	Rental	6323 Luzon Ave NW	4	43	2	13	28	40 years	
2016	The Langdon Apartments Affordable Company, LLC	-	Multifamily	Construction	$3,290,000	$696,353	Rental	2613 - 2615 Bladensburg Rd NE	5	33	5	0	28	40 years	The 5 units reserved for 30% AMI are designated as permanent supportive housing and will serve DBH consumers.
2016	4000 Benning Road LLC	-	Multifamily	Acquisition	$7,173,603	$4,412,075	Rental	4000 - 3962 Benning Rd NE	7	71	18	53	0	40 years	18 units are reserved as permanent supportive housing for DBH consumers.
7/20/2016	Hampstead Jefferson Partners L.P.	Hampstead Apartments	Multifamily	Acquisition	$5,030,000	$5,030,000	Rental	Not Provided	4	45	0	0	45	40 years	
3/31/2016	Plaza West LLC	-	Multifamily	Acquisition, development, and construction	$18,420,000	$3,150,812	Rental	1035 4th St NW, 307 K St NW	6	223	11	132	80	40 years	50 units reserved for "Grandfamilies" with household income of 30-40% AMI. 11 units reserved for permanent supportive housing for DBH consumers.
9/1/2016	Athena LLC	-	Multifamily	Acquire and Renovate	$2,743,673	$2,487,484	Rental	1370 - 1372 Ft Stevens Dr NW, 734 Longfellow St NW	4	60	-	-	-	40 years	
4/14/2016	Beatrice Dent	-	Single	Handicapped Accessibility Improvement	$28,165	$34,915	Owner	6202 5th St NW	4	1	-	-	-	Not Provided	
6/16/2016	Ula Scott	-	Single	Repair Work	$13,164	$11,967	Owner	5108 8th St NW	4	1	-	-	-	Not Provided	
9/16/2016	Beacon Center Housing LLC	-	Multifamily	Acquisition and Development	$17,216,186	$6,614,211	Rental	6100 - 6210 Georgia Ave NW	4	99	0	0	99	40 years	
Totals					**$591,337,860**	**$529,405,320**				**9,725**	**1,428**	**906**	**5,823**		
		D.C. Code stipulates that 40 percent of HPTF funds disbursed annually are to assist households with income up to 30 percent AMI (extremely low income), 40 percent are to assist households with income between 31-50 percent AMI (very low income), and 20 percent are to assist households with income between 51-80 percent AMI (low income). While detailed unit AMI information was not provided for many of the projects, it is still helpful to compare how much was spent to create units for each income level (as outlined in the loan/grant agreements) with how much should have been spent per the legal requirements.									**40%**	**40%**	**20%**		

Award(s) Date	Borrower Name	Project Name	Single or Multifamily Project	Award(s) Purpose	Award Amount(s)	Total Expenditures per SOAR	Property type	Address	Ward	# Affordable Units	0-30% AMI	31-50% AMI	51-80% AMI	Period of Affordability	Notes, if applicable
		ODCA's calculation of the percentage disbursed for each AMI category based on the total units stipulated in the HPTF agreements for FY 2001-2016:									**19%**	**12%**	**69%**		

Notes Blanks represent information that was not detailed in the agreements provided.
Not included are the non-HPTF units and projects that received HPTF funds.
The award date reflects the earliest agreement and additional agreements are described in the notes.

Appendix G
Examples of Inconsistencies/Errors in the FY 2015 HPTF Annual Report

The FY 2015 HPTF Annual Report lists total loan repayments as $3.9 million in two places and as $0 in two places:

Overall Fund Activities

The Fiscal Year 2015 opening balance (October 1, 2014) of the HPTF was $173,863,000. In FY2015, the Fund recorded the following:

- revenues from deed and recordation taxes of $60,598,000;
- loan repayments and other revenues of $3,946,000; and

STATEMENTS OF REVENUES AND EXPENDITURES

October 1, 2014 - September 30, 2015

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY2015
REVENUE					
Revenue from Recordation and Deed Taxes	19,753,869	12,503,489	12,926,300	15,414,342	60,598,000
Loan Repayment	0	607,277	1,050,147	2,288,576	3,946,000
Other Income	0	0	0	0	0
Miscellaneous Interest	0	0	0	0	0
Total Revenue	**19,753,869**	**13,110,766**	**13,976,447**	**17,702,918**	**64,544,000**

FY2015 QUARTERLY ACTIVITIES

Quarter	Starting Balance	Recordation Tax	Other Income	Loan Repayments	Transfers from Mayor's Office	Disbursements	Ending Balance
Oct-Dec 2014	173,863,000	19,753,869	607,277	0			194,224,146
Jan-Mar 2015	194,224,146	12,503,489	1,050,147	0		0	207,777,782
Apr-Jun 2015	207,777,782	12,926,300	2,288,576	0		0	222,992,658
Jul-Sep 2015	222,992,658	15,414,342	0	0	20,099,000	(73,010,000)	185,496,000

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES

FYs 2015 and 2014

REVENUE	FY2015	FY2014	Variance	% Variance
Revenue from Recordation and Deed Taxes	60,598,000	45,963,276	14,634,724	32%
Interest Income (HPTF, SAFI and Other Revenues)	3,946,000	10,640,724	(6,694,724)	-63%
Total Revenue	**64,544,000**	**56,604,000**		
EXPENDITURES	(49,646,729)	(48,449,124)	(1,197,605)	-2%
Project Expenditures	(21,957,368)	(12,988,876)	(8,968,492)	-69%
Administrative Expenses	(1,405,903)	0	(1,405,903)	N/A
Total Expenditures	**(73,010,000)**	**(61,438,000)**	**(11,572,000)**	**-19%**
Excess/Deficiency Revenue over Expenditure	(8,466,000)	(4,834,000)	(13,300,000)	
OTHER FINANCING SOURCES (Uses)				
New Communities Bond Debt Payment	0	(6,664,889)	6,664,889	N/A
Loan Repayments	0	2,032,000	2,032,000	N/A
Workforce Housing Land Trust Refund				

Also, some prior year values are inconsistent in different places in the FY 2015 report:

FY2008-2015

	FY2009	FY2010	FY2011	FY2012	FY2013	FY 2014	FY 2015	Total
Beginning Fund Balance	**83,303,189**	**44,966,000**	**56,246,618**	**73,436,000**	**74,379,000**	**139,731,000**	**173,863,000**	**24,399,835**
Revenue								
Recordation Taxes	28,244,398	30,158,108	45,159,630	42,736,220	53,218,889	45,963,276	60,598,000	559,072,684
Interest Earnings	475,998	2,439,523	491,810		5,761,000			29,838,363
Loan Repayments	2,985,000	1,771,470	2,860,741	1,850,000	2,032,000	10,640,724	3,946,000	39,052,774
Allocation authorized by FY2008 Appropriation Emergency Act	-	-	-	-	66931000	38,966,000	20,099,000	155,996,000
Workforce Housing Land Trust Grant Refund	-	-	-	4,080,726	-	-	-	4,080,726
Other Revenues		1,056,007	9,240,934	3,898,274	0		0	15,345,215
Total Revenues	**31,705,396**	**35,425,108**	**57,753,115**	**52,565,220**	**127,942,889**	**95,570,000**	**84,643,000**	**803,385,762**

HISTORICAL OVERVIEW: ANNUAL SUMMARY TABLE, FY2001- FY2015

Fiscal Year	Starting Balance	Recordation Tax and Misc. Income	Interest Income	Loan Repayments	Expenditures	Adjustments	Ending Balance
2001	-	24,399,835	749,183	-	(3,200,000)	-	21,949,018
2002	21,949,018	-	449,165	3,248,263	(1,750,000)	-	23,896,446
2003	23,896,446	5,000,000	258,536	1,935,000	(5,550,659)	-	25,539,323
2004	25,539,323	50,517,380	222,638	150,000	(10,404,801)	-	66,024,540
2005	66,024,540	50,546,395	1,877,058	1,000,000	(32,280,346)	-	87,167,647
2006	87,167,647	47,609,793	5,186,931	1,519,979	(42,226,289)	-	99,258,061
2007	99,258,061	58,731,215	7,934,161	2,567,558	(70,594,802)	2,064,808	99,961,001
2008	99,961,001	40,589,380	3,992,360	3,696,039	(94,935,590)	30,000,000 *	83,303,190
2009	83,303,190	28,244,398	475,998	2,985,000	(48,109,727)	(21,932,859)	44,966,000
2010	44,966,000	30,158,108	3,495,530	1,771,470	(24,144,490)	-	56,246,618
2011	56,246,618	45,159,630	491,810	12,101,675	(29,953,662)	(10,610,071)	73,436,000
2012	73,436,000	42,736,220	7,979,000	1,850,000	(51,622,220)		**74,379,000**
2013	74,379,000	53,218,889	5,761,000	2,032,000	(62,590,889)	66,931,000 **	139,731,000
2014	139,731,000	45,963,276	10,640,724		(61,438,000)	38,966,000 **	173,863,000
2015	173,863,000	60,598,000	0	3,946,000	(73,010,000)	20,099,000 **	185,496,000