



District of Columbia Housing Authority

1133 North Capitol Street, NE Washington, DC 20002-7599

(202) 535-1000

Tyrone Garrett, Executive Director

Q&As*

Second Round RAD Resident Meeting

Judiciary House – Wednesday, August 12, 2020

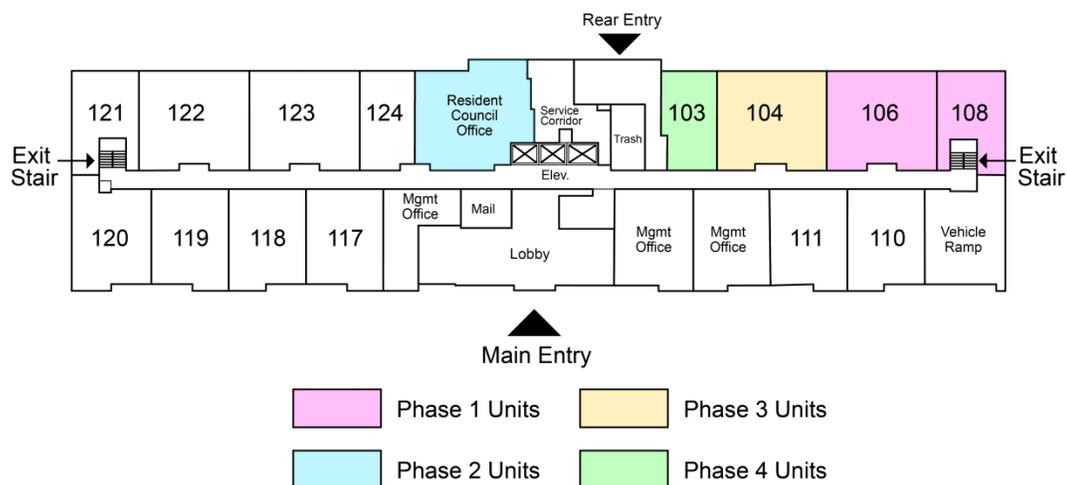
**Questions and Answers have been paraphrased and summarized*

2PM MEETING

1. Q: [Ms. B]: What phase is my apartment in?

A: [Alex Morris, DCHA]: If you live on the ground floor of Judiciary House and you live in apartment 106 or 108, you are in Phase 1 and have already been contacted by DCHA’s mobility team. If you live in apartment 104, you are in Phase 3, and if you are in Apartment 103 you are in Phase 4. If you are in Phases 3 or 4, you should expect to receive an outreach from the Mobility Team within one year of today. If your apartment number is not in any of these phases, then your work would be taking place after DCHA converts the property through the RAD program and your relocation would occur more than a year from now.

Ground Floor Plan





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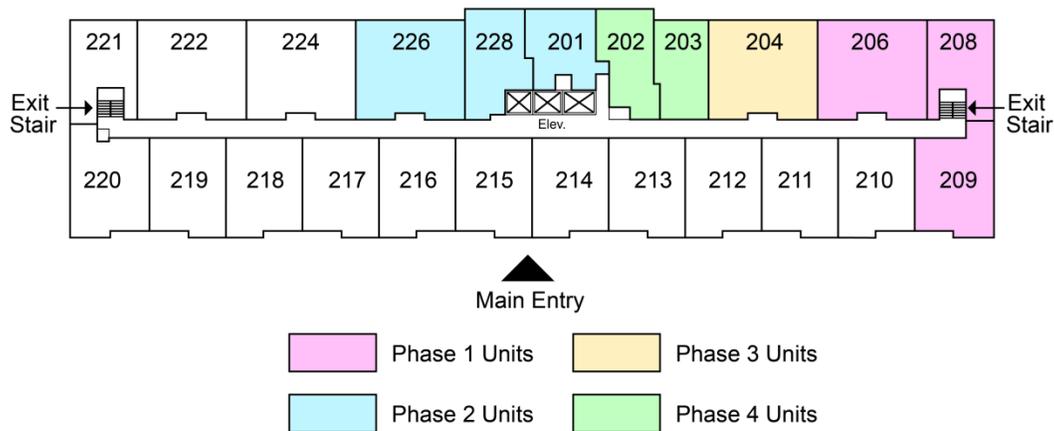
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If you live on the second floor of Judiciary House and you live in apartment 206, 208 or 209 you are in Phase 1, and have already been contacted by DCHA's mobility team. If you live in apartment 226, 228 or 201 you are in Phase 2. If you are in apartment 202 or 203 you are in Phase 3, and if you are in Apartment 204 you are in Phase 4. If you live in Phase 2, you should expect an outreach from the DCHA Mobility Team approximately 6 months from today.

If you are in Phases 3 or 4, you should expect to receive an outreach from the Mobility Team within one year of today.

If your apartment number is not in any of these phases, then your work would be taking place after DCHA converts the property through the RAD program and your relocation would occur more than a year from now.

Second Floor Plan





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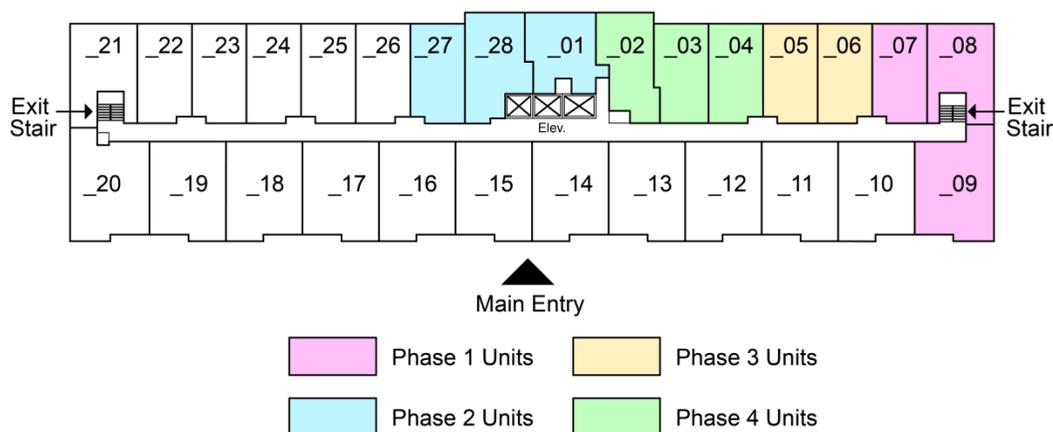
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For floors 3 through 10, if your apartment number ends in '07, '08, or '09, you are in Phase 1 and have already been contacted by DCHA's Mobility Team. If your unit number ends in '27, '28, or '01 you are in Phase 2, if your unit ends in '05 and '06 you are in Phase 3, and if you are in a unit that ends in '02, '03, or '04 you will be in Phase 4. If you live in Phase 2, you should expect an outreach from the DCHA Mobility Team approximately 6 months from today. If you are in Phases 3 or 4, you should expect to receive an outreach from the Mobility Team within one year of today. If your apartment number is not in any of these phases, then your work would be taking place after DCHA converts the property through the RAD program and your relocation would occur more than a year from now.

Typical Upper Floor Plan



2. **Q: [Ms. M]: If HUD does not approve the RAD conversion, how would DCHA go forward? Have you reached out to any private investors yet?**

A: [Alex Morris, DCHA]: If HUD does not approve the RAD conversion, which we have no reason to believe they wouldn't, we would continue to operate as Public Housing and work with the District to seek funds to continue the phased renovations of the building. Regarding reaching out to private investors, we have not had any preliminary conversations with potential investors as of this time. We will update residents as we proceed with the RAD conversion process.

3. **Q: [Ms. C]: I live on the seventh floor. I heard they were nailing balcony doors closed. When will the 7th floor be done? [Expressed concern with the balcony doors being sealed while balcony construction is taking place.] Also, if HUD does not approve the RAD conversion, will the balconies still be finished?**



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A: [Alex Morris, DCHA]: We are doing the balconies vertically not horizontally, starting from the west side of the building and working our way east. The contractor took the metal railings off of balconies because they had to do the repairs. We are securing the doors to the balconies during the construction because it is not safe to access the balconies while they are under construction. DCHA already has the funds for the balcony repairs and we will finish that project regardless of the RAD conversion. We are all working to ensure that you and your fellow residents will be safe. All of the balcony repairs will take place over the course of the next year. If you send a question to Mr. Poles we can provide you with an approximate date of start and finish of your particular balcony.

Q: [Ms. C]: [Personal question regarding rent credit.]

A: [Anthony Poles, DCHA]: [Mr. Poles is addressing this issue offline with resident.]

Q: [Ms. E]: I have Dish, and it is on the railing now, if they take it down, where will it be while you're redoing the balconies? [Also expressed concern with DCHA sealing the balcony doors during construction.]

A: [Katrina Jeter, DCHA]: Transferring the dish will cost approximately \$200 dollars, so we will need you to contact your service provider, and they will remove the dish independently and we will work with you regarding the transfer costs. Dish may no longer be permitted on the balcony, but we will reimburse if that is the case. However, before we can address that, you have to contact Dish, determine the cost and schedule the removal of the dish.

4. Q: [Mr. R]: Will stage 3 &4 come later with RAD funding? To reiterate, the renovations of the units in white are way later down the line until you secure outside funding through RAD conversion?

A: [Alex Morris, DCHA]: Right now we have enough funding for about 108 apartments. As of right now, Phase 3 and Phase 4 are part of the renovations covered by the District funds. However, the units in white will likely be renovated post RAD conversion down the line.

5. Q: [Ms. B]: Just confirming, the units with no color-code are District-funded repairs, right? And will these be complete before the RAD phase 1 work?

A: [Alex Morris, DCHA]: The units WITH color code on the meeting materials [see pages 13-15 of PowerPoint presentation] are the phases that are funded with District funds currently. These are Phases 1 through Phase 4. The units WITHOUT color coding



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[aka the units in white referred to in the previous question] will be renovated after the RAD conversion. District-funded units [with color code] will all likely be completed BEFORE the RAD conversion is completed.

6. Q: [Ms. T]: [Asked personal question regarding rent envelopes]

A: [Anthony Poles, DCHA]: [Mr. Poles is addressing this with the resident offline].

7. Q: [Ms. T]: When you all are due through the process of remodeling, will we still work with the same people at 1133 or will there be changes?

A: [Andrea Powell, DCHA]: While we must account for some workplace changes over time, we expect everything will be very similar. Additionally, we anticipate that Judiciary House will continue to be managed by DCHA.

6PM MEETING

1. Q: [Ms. C]: When you all talked about getting other means of money to complete the renovations, have you already reached out to these financial institutions?

A: [Alex Morris, DCHA]: We have not reached out to any financial institutions regarding Judiciary House yet, typically how this goes is we apply for the Commitment for Housing Assistance Payment (“CHAP”) with HUD first because once we get the CHAP approval we can go to banks and other lenders with that commitment which, in turn, allows them to unlock funding. We are a little ways away from that kind of outreach, but we have successfully done this kind of outreach for other projects. We are currently engaging in this process for our RAD MELVO (Montana Terrace, Elvans Road, Lincoln Road, Villager and Ontario Road) properties and it is going very well, and we have gotten commitment of funding for that project. Construction on RAD MELVO will begin next year after the RAD conversion

2. Q: [Ms. C]: I was set back by the number of the units that you all calculated for Judiciary House. Are there a number of vacant units?

A: [Alex Morris, DCHA]: Yes, there are quite a few vacant units in Judiciary House and we are using those units to transfer residents out of Phase 1 currently, so there is a place for everyone to live within the building during the renovations. DCHA Property Management and Operations (PMO) did a rehab of 30 units to allow Phase 1 individuals to move into these units during the renovations. As we get to your unit, wherever you fall within the renovation phases, you may get a call from Ms. Katrina Jeter to move to one of those temporary units. They have brand-new kitchens, flooring and bathrooms but are not



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completely renovated to the same level as the units we will be renovating as part of the full building rehab. However, they will be good for the six months you may live in one while your original unit is being renovated.

- 3. Q: [Ms. C]: You have allocated funds for the balconies, roof and garage. What about the windows and the HVAC? These are areas of concern. Will you be replacing windows in the whole building?**

A: [Alex Morris, DCHA]: Yes, all windows, including patio doors, are being replaced. All outside windows and doors are being replaced, not just in the Phase 1, 2, 3, and 4 units. Likewise, all heat and air conditioning throughout the entire building are going to be replaced. DCHA is currently working with the Contractor on a schedule for the replacement of the heat and air-conditioning units in the apartments. We will provide an update to residents once we have a final schedule.

- 4. Q: [Mr. M]: [Asked personal question regarding wanting to transfer to a different unit layout].**

A: [Anthony Poles, DCHA]: [Mr. Poles is addressing this question with the resident offline.]

- 5. Q: [Mr. W]: I understand when you convert to Section 8 there is an exception for residents who pay floor or ceiling rent. What exactly will this transition look like for someone who pays ceiling rent?**

A: [Andrea Powell, DCHA]: When we convert to RAD, your new rent calculation will be based upon 30% of your adjusted gross income. This new rent level will be phased in over time (typically over five years). We would have to go over your exact numbers with a DCHA staff member who aids in recertifying. Project-Based Section 8 requires everyone to pay 30%. However, this wouldn't occur until the actual conversion occurs which is quite a ways down the line. We worked with residents at Colorado Columbia who were in this position as well.

- 6. Q: [Ms. C]: Will utilities still be included when the building transitions to Section 8?**

A: [Alex Morris, DCHA]: In our current conversion at Montana, utilities will still be covered by DCHA. We anticipate that this will also be the case with Judiciary House, meaning there will not be an additional utility bill for electric, gas or water for tenants to pay when the property converts to RAD.



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7. Q: [Ms. J]: What fiscal year and annual funding assistance is DC Housing currently operating from for Judiciary House Dwelling?

A: [Alex Morris, DCHA]: The Council of the District of Columbia provided around \$25 million at end of fiscal year 2019, and another \$15 million from the Repair and Maintenance Fund in 2020. We are spending almost half of that money (nearly \$20 million) to do the current repairs at Judiciary House and to complete the first four phases of unit renovations. The Council of the District of Columbia voted this year for an additional \$50 million allocation to DCHA for fiscal year 2021. While some of this money will go towards work at Judiciary House, we are still determining how this money will be allocated within our Public Housing portfolio. **[Additional Clarification:** In addition, DCHA also currently receives Public Housing ACC operating assistance from HUD.]

One of the major benefits of converting the property to Project-Based Section 8 is that we can see more stable funding **[Additional Clarification:** For operation of the building under the RAD Project-Based contract.

8. Q: [Ms. J]: What private sources does DCHA wish to seek for Judiciary House?

A: [Andrea Powell, DCHA]: As we apply to HUD and are awarded the CHAP, we will start exploring various funding sources, and we will look at all of the ways we can apply for these different types of funding. We will have other meetings with residents in the future as we know more.

9. Q: [Ms. J]: Who currently owns Judiciary House?

A: [Alex Morris, DCHA]: DCHA.

10. Q: [Ms. J]: If DCHA is borrowing funds will they [the outside investors] own or have partial ownership of Judiciary house?

A: [Alex Morris, DCHA]: Is your question, can we lose control of the building? The answer is that it is highly unlikely. There is always a risk in investing private money, but the tradeoff is without having the ability to leverage private money we won't be able to get DCHA Public Housing back into a state of good repair.

[Further Clarification: Additionally, one of the protections from HUD under the RAD program requirements is that the RAD conversion provides that there is control by a public entity or a non-profit entity. DCHA (through an entity) plans to be general partner



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for purposes establishing control. In addition, DCHA plans to continue to manage the property day to day.]

11. Q: [Ms. J]: Is there a cap % on partnership on borrowing or funds you can receive.

A: [Alex Morris, DCHA]: We don't have an answer to that right now, but at this point in time we are looking to create a sole entity transaction for Judiciary House. **[Further Clarification:** The lender and investor will evaluate the appropriate amount that can be lent based on the income, expenses and other factors of the property and at that time we will have more information on the structure.]

12. Q: [Ms. J]: What Judiciary House [projects] from the July 27, 2016 five-year consolidated funds have been completed....what has been completed from the funds that were allocated in 2016.

A: [Alex Morris, DCHA]: Since 2016, DCHA has completed the following capital replacement work at Judiciary House:

- Roof Replacement (2020)
- Garage Structural Repairs (2020)
- LED Lighting and Water Savings Measures (2019-20)
- Elevator Modernization (2019)
- Common Space and Corridor Improvements (2019)
- Replace Building Fire Alarm System (2017)
- Replace Building Chiller (air-conditioning) (2017)

These completed projects total over \$3.5 million. As stated above, we are planning millions more in capital improvements with 2019/2020/2021 District dollars in advance of the RAD conversion.

13. Q: [Ms. J]: As of Sept 4th, 2019, what renovation or completions were done from the \$2.2 billion in federal funds that were received by DCHA? What was completed with the 5 year funds received in 2016, and where are these funds going? I understand you have other properties, but if DCHA has received this funding in the past, how is it that it is 2020 and we are only just beginning phase one of the renovation?

A: [Alex Morris, DCHA]: DCHA never received \$2.2 billion. While we assessed our portfolio as needing about \$2.2 billion, no one (Federal, District or Private) has given us \$2.2 billion or anything close to this amount. The Council of the District of Columbia allocated \$25 million and another \$15 million to DCHA in 2019/2020 to help us start the



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work on some of these properties. This money has been helpful, and it has taken us longer than we anticipated to get started on these needed repairs, but so far we have completed the Judiciary House roof, the garage repairs are well-underway, the balcony repairs have started, and we are starting unit work. One of the reasons we delayed unit work was due to COVID-19. We put this on hold for several months because we did not want to put residents at risk. Due to this concern, we focused on work that could be done outside of the units (like the roof, garage and balconies). Now that we have figured out the protocols, we plan to start the work on the inside of the building very soon.

14. Q: [Ms. J]: For clarification, DCHA did not receive \$2.2 billion in funding?

A: [Alex Morris, DCHA]: DCHA did NOT receive \$2.2 billion in government funding; we only received two payments, the \$25 million and \$15 million from District government which came in October 2019 and January 2020, respectively.

15. Q: [Ms. J]: Of that money, does DCHA still have leftover funds that you are using while applying for RAD?

A: [Alex Morris, DCHA]: DCHA is in the process of spending nearly \$20 million on Judiciary House, so we can put the building in a better physical condition. The RAD conversion will allow us to complete renovations on the remaining units that are not currently funded with District funds and then put us on long-term stable footing with ongoing operating subsidy.

16. Q: [Ms. J]: Who is responsible for paying borrowed funds back? How will you pay this back?

A: [Alex Morris, DCHA]: District funds are not required to be repaid. The District's funds are grants. Any funds we borrow in the future as part of the RAD conversion will be paid back to the investors by DCHA as part of the project. Prior to entering into a loan or tax-credit transaction, DCHA will have to demonstrate to the lenders and to HUD that it has a financing plan that is feasible and that it will be able to pay the funds back.

17. Q: [Ms. J]: In review of this Colorado Columbia example, for clarification, it said that the property was converted from Public Housing to RAD Project-Based Section 8, and after the completion of the RAD conversion, they had no additional funds, so the question is why would you retry a conversion from Public Housing to RAD to allow investors to accumulate more money to fix up the property when you're going to run out of money for ongoing redevelopment or repairs and still owe money to developers? Why would you open the door for DCHA to open up the property to investors just to seek improvement?



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A: [Andrea Powell, DCHA]: Colorado Columbia was previously renovated prior to the RAD conversion, but the RAD conversion allows us to afford the upkeep and operating costs of the property as time goes on. The reason as to why we would use RAD for other properties currently within the Public Housing portfolio is because we don't have sufficient funding from HUD, and RAD allows for a more stable source of funding. We believe it is our mission to provide safe and sanitary housing; and our intention is to utilize RAD to secure funding to ensure this mission. RAD conversion has many benefits, such as no rescreening, stable funding source, and allows for major renovations to the building and units.

To clarify your point about "no additional funds" for Colorado and Columbia, we didn't need to seek additional funds at the time of conversion because we spent HUD capital funds for the initial renovation for Colorado Columbia. We wanted to convert from Section 9 Public Housing to Project-Based Section 8 to gain access more stable funding long-term in the future. We are doing a version of this now with Judiciary House: we are using district funds to do the initial renovations, but because these funds are not enough, we need to convert to RAD in order to access the money to finish the renovation as well as ensure money will be available in the future to continue to upkeep and renovate the property.

18. Q: [Ms. J]: Is Judiciary House considered a historical property?

A: [Alex Morris, DCHA]: No, after review by the DC Historic Preservation Office ("HPO"), Judiciary House was not deemed to be a historic property.

19. Q: [Ms. J]: What funding is Judiciary House currently receiving?

A: [Alex Morris, DCHA]: Currently, Judiciary House is a Section 9 Public Housing building, so we receive both "ACC" operating assistance and capital fund dollars from HUD [DCHA is a part of the Moving To Work ("MTW") initiative, so we can use those dollars for MTW projects], and we have money from the Council of the District of Columbia for renovations. As we mentioned previously, nearly half of the funds we received from the District from last year are currently being used for the repairs to Judiciary House. **[Further Clarification:** In addition, DCHA also receives ACC (Public Housing) operating assistance from HUD.]

20. Q: [Ms. J]: How do you determine how much money is allocated to each property?

A: [Alex Morris, DCHA]: DCHA looked at our extremely urgent properties and identified four properties where we could spend money and make significant headway on addressing our long-term capital needs. These properties are Judiciary House, LeDroit,



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Kelly Miller and the Langston Additions. The goal with allocating money to these four properties is to do deep comprehensive rehabilitations of these four buildings with the money that the DC Council was willing to provide. Unfortunately, when we looked more deeply at all of the needs at Judiciary House, we found that there is more work needed at Judiciary House than the current District funds can address. Therefore, we will need outside investors to fund the complete renovations to Judiciary House. This is why we are pursuing private financing to fund the balance of the required improvements as part of our Judiciary House RAD conversion.

21. Q: [Ms. J]: Have the planning team considered Community Development Block Grants as opposed to loans?

A: [Alex Morris, DCHA]: Community Development Block Grants (“CDBG”) are issued to cities [and counties], not to Housing Authorities. DCHA could only receive CDBG by requesting it from the District government.

22. Q: [Ms. J]: Can Judiciary House residents be included [those who wish to be included] in future planning? We have been limited due to COVID, but can we create a team who can speak on our behalf to keep us in the loop before you go ahead and submit the RAD?

A: [LaShawn Douglas, DCHA]: Regarding the resident engagement, I will work with you and determine the best way to move forward with this, we will make sure to get other residents involved as well.

23. Q: [Ms. J]: I understand you still have money available from last year’s capital funds.

A: [Alex Morris, DCHA]: No, we do not have anything left over from the 2019 capital funds. The remaining money from the 2019 Capital Fund has already been accounted for, and must be spread across the whole portfolio of Public Housing properties. This remaining money is needed to cover the costs of replacement of building systems and components at other DCHA public housing properties. This money will not cover the remaining cost of the Judiciary House project.

24. Q: [Ms. J]: [Asked a personal question about leaks in unit.]

A: [Anthony Poles, DCHA]: [Mr. Poles is addressing this concern with the resident offline.]



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25. Q: [Ms. J]: [Voiced concern about the removal of a trashcan along the sidewalk. Also expressed concern that because the sewage lines run into the building, pests are able to enter the property.]

A: [Alex Morris, DCHA]: DCHA will look into these issues with property management to see if the area around the outgoing sanitary sewer pipe needs to be sealed, and whether or not we can get the trash can reinstalled.