

## Understanding DCHA's Immediate Needs. . .

### *Explanation of the \$343M*

- The \$343 million figure was *a snapshot provided to the U.S. Department of Housing and Urban Development (HUD) in late 2018.*
- It was a *first perspective of the funding needed in FY2019* to engage in a task-by-task repair and maintenance of all issues uncovered through environmental assessments (including lead risk assessments and visual unit inspections) *to meet immediate needs for the units.*
- The amount *would have only mitigated the environmental hazards for one-year for the 2,610 extremely urgent units in the short-term*, including meeting regulatory requirements related to addressing lead issues within a year.
  - This approach *would not have fixed the systemic infrastructure issues* with the properties or ensured 20-year viability of the agency's public housing portfolio.
  - The immediate needs related to the *lead risk assessments requiring the housing authority to act by the end of the year are being addressed.*
- The *other conditions found at the extremely urgent properties are included in DCHA's funding need calculations.*

---

### **\$1.3 Billion vs. \$2.2 Billion**

FAMILY · HOMES · NEIGHBORHOODS

#### **\$1.3 Billion**

- Represents *a snapshot of capital needs for the entire DCHA portfolio* in 2018 dollars.
  - The \$1.3 Billion estimate *did not include cost-escalation* over an estimated 17-year rehabilitation and/or redevelopment program.
- The \$1.3 Billion *estimate represents the "hard-costs" of construction, but not the "total development cost,"* which includes soft costs for rehab or redevelopment projects (design, legal, etc.).

#### **\$2.2 Billion**

- Represents *an estimate of real rehab and redevelopment costs* based-upon historical data of prior DCHA and other Housing Authority rehab and redevelopment deals.
- Includes *cost-escalation on the \$1.3 billion hard-cost number* for a 17-year rehab and redevelopment program.
  - *Includes soft-costs.*

## District of Columbia Housing Authority



## Portfolio Stabilization Need *...by the numbers*

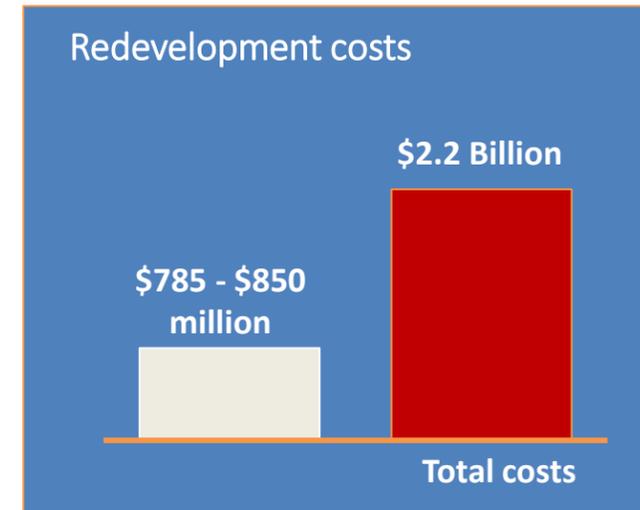
# Our Values

The Stabilization of DCHA's Public Housing Stock is essential to allow the Authority to Fulfill its Mission to its Residents

- 1 Ensuring residents live in **safe, clean and affordable housing**
- 2 Ensuring to the maximum extent possible the **dignity and quality of life of every DCHA resident and guaranteeing resident and participant rights**
- 3 Providing good stewardship of available funds to **maximize affordable housing opportunities for the most vulnerable**
- 4 Serving as many households as possible, especially those at **30% area median income (AMI) or below**
- 5 Preserving **long-term affordability** of housing in the District through a **sustainable and transformed DCHA**

# The Full Need

To place DCHA's housing stock in good repair with 20-year viability, DCHA will need a 17-year development program worth approximately \$2.2 Billion



**\$45 M - \$50 M per year for 17 years**

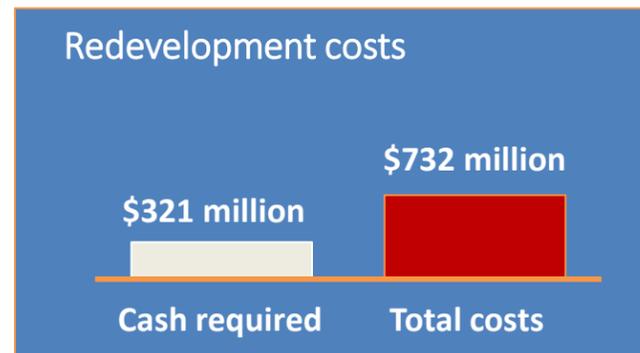
- Address the capital needs of all 41 properties (to 20-year viability), *including units needing extremely urgent action*. In order to address these properties, *resident relocation would be required* at most of the sites in order to provide residents with safe housing and to allow the work to take place.
- This is *non-DCHA money* and represents the portion of the \$2.2 Billion the DCHA would not be able to raise through its own means.

# The Most-Urgent Properties

This number represents the amount of money required to address the capital needs for the 2,610 extremely urgent units DCHA's portfolio

**\$30 M - \$35 M per year for 10 years**

- Address the capital needs of 2,610 units (to 20-year viability), *including units needing extremely urgent action*.
- Interim controls for all health-risks must be in-place on all 2,610 units* before the end of this year. These controls must be monitored and maintained for the entire duration of time that residents remain in the units prior to major rehab or redevelopment.
- This may require *resident relocation* to provide residents with safe housing if the interim controls can not be maintained.



- The \$30 - \$35 M is *non-DCHA money*, and represents the portion of the total costs that the DCHA would not be able to raise through its own means.

# Getting Started

Tackling a problem of this magnitude requires that we start somewhere. Below are two ideas which, taken together, can get the process started

## Step 1 -

**\$25 M over the first 2-years of Stabilization (\$12.5 M / year)**

- Address the capital and environmental needs of **190-200 units** (to 20-year viability), by undertaking major rehabilitation and abatement of existing environmental hazards at one or two of the DCHA's 14 most-urgent sites.
  - In order to rehabilitate these properties, *resident relocation would be required at these sites and other sites among the 14 extremely-urgent properties* in order to provide residents with safe housing.

## Step 2 -

**\$10 M- \$15 M per year for 10 years**

- Address the capital and environmental needs of **570-850 units** (to 20-year viability), by using the \$10 M - \$15 M annual allocation to float up to a \$115 M ten-year bond to undertake major rehabilitation and abatement of existing environmental hazards at two or three of the DCHA's 14 most-urgent sites.
  - In order to rehabilitate these properties, *resident relocation would be required at these sites and other sites among the 14 extremely-urgent properties* in order to provide residents with safe housing.