

Chapter 5

Real Estate Services and Housing Trends

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Real Estate Services

The Department of Real Estate Services (DRES), formerly known as the Office of Property Management (OPM), plays a major role in District government operations. DRES's mission is to support the District government and its residents through strategic and real estate management, construction and facilities management. DRES's primary responsibilities are managed by the following divisions: Office of the Director, Construction, Facilities Management, Portfolio Management and Protective Services.

Office of the Director

The Office of the Director is responsible for setting policy and for planning, managing and coordinating the programs and activities of all DRES components. The Director provides overall leadership to DRES activities in all matters. Although each division within DRES has a separate focus, the Director plays an active role in shaping the agency's agenda and outlook. With a unique and critical perspective on the mission of the entire agency, the Director is responsible for providing leadership and for identifying needs and opportunities.

Program offices in the Office of the Director are responsible for stimulating specific areas throughout DRES and for planning and supporting all divisions. Current program areas include energy initiatives, industrial space management, homeless shelter management, performance management, resource allocation, communication, customer service and legislative analysis.

Construction Division

The Construction Division is responsible for vertical construction in the District on behalf of many agencies including, but not limited to, the Department of Corrections, Department of Human Services and the Metropolitan Police Department. As a part of the construction process, DRES implements and oversees the capital budget, the construction of new facilities and the rehabilitation of existing properties. The Construction Division works to achieve success by delivering projects on time and on budget.

The Department of Real Estate Services is not responsible for construction related to Public Schools, Public Libraries, the Department of Parks and Recreation and Fire and Emergency Medical Services.

Completed and ongoing projects include the following:

- Consolidated Forensic Laboratory
- Presidential Inaugural Stand
- Eastern Market
- Metropolitan Police Department Evidence Warehouse
- Animal Shelter

- Department of Employment Services Headquarters
- Southwest Waterfront project

Facilities Division

The Facilities Division provides Class A facilities management services for District government properties. This division manages the day-to-day operations of over 300 District buildings including One Judiciary Square, the Reeves Center, the Daly Building and the Wilson Building. In addition to office space, DRES provides facilities services for Eastern Market, District homeless shelters and over 1.3 million square feet of vacant properties.

As part of day-to-day operations, the Facilities Division provides the following services:

- building management
- maintenance services
- engineering
- janitorial and landscaping
- postal services
- various repairs and non-structural improvements

Portfolio Division

The Portfolio Division provides real estate services on behalf of the District government. These services include the acquisition and disposition of property, lease administration and agency relocations. One of the major agency initiatives headed by the Portfolio Division is reducing the District's leased space portfolio by approximately thirteen percent (13%) from 3.7 million square feet to 3.2 million square feet. In addition, the Portfolio Division is responsible for implementing District office space standards. This includes bullpen layouts as well as space maximization initiatives.

To enhance transparency, DRES has compiled an online property inventory, by square and lot, of all properties either owned or controlled by the District government. Please visit the site at <http://dcatlas.dcgis.dc.gov/DRES/dcproperties.aspx>.

Protective Services Division

The Protective Services Division (PSD) is responsible for managing and providing security and law enforcement at District-owned and leased properties. PSD is responsible for ensuring the safety of District employees, residents and visitors to government facilities through patrol operations, contract security guard management and electronic access control/security systems. PSD is also tasked with responding to crimes in progress and taking reports involving crimes or incidents that have occurred within their jurisdiction.

Vacant Properties and Slivers Not Suitable for Government Use

Vacant properties are District-owned facilities or land not currently occupied or developable. A number of these properties are not suitable for District government use because they do not meet space requirements, are too far from public transportation or are more suited for commercial use and economic revitalization. Slivers, small pieces of land adjacent to privately owned property, are too small to develop on their own and are costly to maintain while providing little to no value to the District. There are currently 1,302,927 square feet of vacant properties and 25,752 in land feet of slivers in the District’s inventory. Consideration is being given to streamline the District’s land ownership by offering the slivers, at nominal cost, to adjoining property owners.

Vacant Properties Inventory

DRES is collaborating with the Department of Consumer & Regulatory Affairs on a task force to address vacant properties throughout the city. DRES developed an initial master inventory of vacant properties owned by the District and managed by DRES in January 2008 and is conducting a review of the 1,302,927 square feet of vacant properties and 25,752 in land feet of slivers through site visits. DRES will determine the most effective use of the vacant properties as required by legislation, including transfer to other agencies for government use, sale to adjacent property owners if appropriate and transfer to the Deputy Mayor for Planning & Economic Development for development.

Table 5.1. Vacant Property Inventory by Ward, Use, and Land Area (sq. ft.)

Ward	1	2	3	4	5	6	7	8
Vacant Undevelopable		14,840	31,640	10,030	132,800	3,256		3,204
Vacant to be Government Center						31,134	267,622	53,195
Vacant Developable Lot	14,496	5,265	171,631	7,459	169,718	285,747	47,427	53,463

To enhance transparency, DRES has compiled an online property inventory, by square and lot, of all properties either owned or controlled by the District government. Please visit the site at <http://dcatlas.dcgis.dc.gov/DRES/dcproperties.aspx>.

Repurposing Closed Schools

In 2008, a number of public schools were closed and added to DRES’s portfolio. A number of schools will be repurposed for agency relocation. Already, the Bowen School, which is approximately 72,000 square feet, has been renovated to serve as the new Metropolitan Police Department First District Headquarters.

In 2010, the Merritt School will be readied to house 15,000 square feet of space for Department of Youth Rehabilitation Services, and 20,000 square feet each for the Child and Family Services Agency and Department of Employment Services—all for programs that focus on youth services. These governmental services will be complemented by a youth-focused non-profit organization, Life Pieces to Masterpieces, which is moving into 5,000 square feet of space.

The Department of Public Work's Parking Enforcement Management Administration and Keeley's Gym, a community organization, will move into 57,000 square feet and 5,000 square feet, respectively, at Meyer School. The project is currently in design with a project timeline to be determined.

DRES and the Deputy Mayors for Education and Planning and Economic Development are exploring other uses for the remaining schools in accordance with the requirements of the Landrieu Act. School buildings not required for District agency use have been offered for reuse by public charter schools. Excess schools not leased to charter schools will be offered through the Deputy Mayor for Planning and Economic Development for other types of reuse.

Profile of Industrial Space

Industrial space describes all warehouses where agencies store equipment, files and supplies; parking lots; vehicle repair facilities; salt domes and production, distribution and repair (PDR) facilities.¹

In FY 2008, DRES, assisted by the Office of the Chief Technology Officer (OCTO) and the Office of Contracts and Procurement, began a campaign to clean up duplicative and over-filled District-owned and leased warehouse space. DRES has reduced file storage and obsolete furniture and scrap materials for several agencies, and OCTO has begun digitizing essential government documents. Former dumping sites have been cleaned up on the St. Elizabeths campus and at DC Village. Two leased warehouses, totaling 17,600 square feet, were emptied and vacated, saving the District approximately \$144,350 annually.

The District currently occupies 1,643,710 square feet of industrial space. 333,396 square feet is leased and 1,31,0314 square feet is owned.² In 2008, DRES consolidated the contents of warehouses located at 4110 Kansas Avenue, NW (6,545 square feet) and 1515-1525 Half Street, SW (25,778 square feet) and ended outdated leases with the owners.

In FY 2009, the Board of Elections & Ethics vacated 3335 V Street, NE and moved its warehouse operations to the former Public Schools warehouse at 3535 V Street, NE, saving the District more than \$150,000 in lease costs. Additionally, the Department of Motor Vehicles' cache of driver's manuals will be moved to one of the free-standing buildings adjacent to the warehouse at 2200 Adams Place, NE. Finally, excess fleet vehicle disposition, which previously operated on a separate lot at the southern end of DC Village, will be relocated to the Department of Public Works' Impound Lot and combined with ongoing disposition activities currently conducted by the Department of Parks & Recreation. This will free up additional land for industrial use.

DRES continues to clear existing industrial space of non-essential materials to improve and optimize owned space. DRES will consistently pursue the co-location of similar industrial operations, move agency warehouse functions from leased to owned space and look to build a citywide warehouse as soon as it is feasible.

¹ For purposes of this report, DRES has relied on historic information concerning square footage. Most often that information does not specify whether the square footage data provided is gross building area or rentable square feet.

² This number includes measures of land feet and gross building area.

District-owned industrial space within the city limits is approaching a 100 percent utilization rate. Acquisition of additional space is challenging, because of limited industrial-zoned space in the city, and costly. DRES currently meets warehousing and other industrial land requirements at, among other locations, DC Village, 2200 Adams Place, NE and the DC General Hospital campus.

Table 5.2. Reflects All Owned and Leased Industrial Properties

Department	Address	SF	Status
Board of Elections & Ethics	3335 V St NE	25,491	leased
Contracting and Procurement	2200 Adams Pl NE	19,920	owned
Corrections	1900 Massachusetts Ave SE	1,275	owned
Fire & Emergency Medical Services	3170-3180 V St NE	33,320	leased
Fire & Emergency Medical Services	1338 Park Rd NW	6,792	owned
Fire & Emergency Medical Services	915 Gallatin St NW	9,010	owned
		49,122	
Health	5601 East Capitol St SE	1,054	owned
Health	1328 W St., SE	255	owned
Health	2 DC Village Lane SW	6,911	owned
Health	3330 V St NE	50,000	leased
		58,220	
Motor Vehicles	1001 Half St SW	350,000	owned
Parks & Recreation	1325 S St NW	34,425	owned
Police Department	3515 & 3521 V St	42,470	leased
Police Department	2235 Shannon Pl	98,093	leased
Police Department	2250 Railroad Ave SE	15,819	leased
		156,382	
Property Management	2200 Adams Pl NE	71,080	owned
Property Management	1900 Massachusetts Ave. SE	10,268	owned
Property Management	2 DC Village Lane SW	31,246	owned
Property Management	3390 V St NE	13,345	owned
Property Management	2700 Martin Luther King Jr. Ave SE	2,125	owned
		128,064	
Public Schools	3535 V St NE	68,203	leased

(Cont...)

Public Schools	2200 Adams Pl NE (1, 2, 3rd floors)	205,400	owned
Public Works	1827 West Virginia Ave., NE	10,115	owned
Public Works	5000 Overlook Ave SW	187	owned
Public Works	4902 Bates Rd NE	4,080	owned
Public Works	1125 O St SE	5,084	owned
Public Works	900 New Jersey Ave SE	5,084	owned
Public Works	2860 South Capitol St SE	3,137	owned
Public Works	5001 Shepherd Parkway SW	6,620	owned
Public Works	1241 W St SE	7,248	owned
Public Works	2750 South Capitol St SW	7,800	owned
Public Works	200 Bryant St NW	56,100	owned
Public Works	4901-T Bates RD NE	31,926	owned
Public Works	1725 15 th St NE	35,100	owned
Public Works	201 Bryant St NW	19,635	owned
Public Works	3200 Benning Rd NE	76,348	owned
Public Works	1833-35 West Virginia Ave NE	78,550	owned
Public Works	100 42 nd St. NE	0	owned
Public Works	2115 5 th St. NE	0	owned
Public Works	2455 Alabama Ave. SE	2,270	owned
Public Works	5101 Georgia Ave. NW	0	owned
Public Works	3220 Idaho Ave. NW	1,250	owned
Public Works	1620 V St NW	0	owned
Public Works	500 Water St SW	0	owned
Public Works	2700 South Capitol St SE	3,893	owned
Public Works	3212 Georgia Ave NW	374	owned
Public Works	1801 Minnesota Ave SE	748	owned
Public Works	1241 W St NE	7,225	owned
		362,774	
Transportation	280 McMillan Dr NW	3,100	owned

(Cont...)

Transportation	350 McMillan Dr NW	5,000	owned
Transportation	1735 15th St. NE	83,640	owned
Transportation	1338-1340 G St. SE	36,746	owned
Transportation	3512 Whitehurst Freeway NW	3400	owned
Transportation	100 Potomac Ave SE	5,585	owned
Transportation	3800 Fort Dr NW	11,628	owned
Transportation	401 Farragut St NE	12,750	owned
Transportation	1241 W St, NE	14,875	owned
Transportation	1241 W St NE	1,700	owned
Transportation	1403 W St NE	6,010	owned
		184,434	
Total Leased Industrial Space		333,396	
Total Owned Industrial Space		1,310,314	
Total Industrial Space		1,643,710	

Major Industrial Projects

Production, Distribution and Repair (PDR) Facilities

DRES developed a draft PDR facilities plan in October 2007. The plan analyzed the current state of PDR facilities in all District agencies and developed short-, medium-, and long-term recommendations for each facility. The report also included “Master Plans” for a few key industrial areas in the District, including DC Village, West Virginia Avenue, NE facilities, W Street, NE facilities and Farragut Street, NE facilities

The PDR report has served as a foundation for DRES’s initiatives concerning industrial space. Some recommendations have been implemented, including consolidating the Department of Parks & Recreation’s warehouses to 1325 S Street, NW. Others are planned or in progress, such as moving the Department of Public Works’ Solid Waste Education and Enforcement Program and Solid Waste Management to 2800 New York Avenue, NE. Finally, other recommended moves are planned to different locations.

DC Village Land Use, DC Village Lane SW

Approximately 70 percent of DC Village is used by a variety of agencies and federal and District organizations, including the Metropolitan Police Department (training facilities and impound lot), Fire & Emergency Medical Services (training facilities), Architect of the Capitol, Potomac Job Corps and the Department of Public Works (impound lot).

About 20 percent of the land is set aside for the new Washington Metro Transit Authority and DC Public Schools bus garages. These garages replaced Washington Metro Transit Authority's bus garage near Nationals Ballpark and DC Public Schools' facility at the Washington Canal Park site.

Warehouse Management & Centralization

In February 2008, DRES developed a draft plan to centralize warehouse operations and materials and create efficiencies in the District's space and storage use. The initial focus has included eliminating surplus materials, reducing duplicate supplies and exiting leases for newly cleared space that is no longer required. Upon completion of the warehouse cleanout, DRES will analyze all remaining inventory holdings and determine if any additional space consolidation is warranted.

DRES will use the analysis of existing space to develop new warehousing requirements for a citywide warehouse, which would include common storage of frequently used commodities, an agency distribution service for just-in-time delivery and the implementation of an inventory control and tracking system. Additionally, DRES plans to make improvements to existing owned warehouse building infrastructure, including HVAC, windows and lighting.

Finally, DRES is developing plans for a new state-of-the-art Metropolitan Police Department Property and Evidence Warehouse to be located at DC Village (image at right). The new facility will include a warehouse and an administrative section encompassing offices, evidence processing areas and specialty storage vaults for narcotics, valuables and refrigerated evidence.



District Facilities Plan

The Department of Real Estate Services (DRES) plans to regularly reconsider and update priorities that guide space utilization and location of government services. The following nine priorities are currently used by DRES in decision-making for new leases, agency relocations, space acquisition and capital investments:

1. Maximize use of District-owned space
2. Transition from leased to owned space
3. Improve utilization of warehouse and industrial space

4. Repurpose surplus schools
5. Respond in a timely manner to expiring leases
6. Transition to modern and efficient space use, including employing appropriate standards for space utilization
7. Develop government centers and other owned facilities
8. Undertake preventive maintenance and budget for capital repairs and replacement
9. Use innovative techniques to “green” District properties.

Significantly, DRES must blend agency operational priorities with District-wide strategic real estate priorities in making occupancy decisions with agencies. To improve agency space utilization and overall reduction of leased space, DRES has implemented a space programming initiative. To that end, DRES incorporated space planning in projects funded with landlord-tenant improvement allowance funds and school repurposing projects. Further, DRES hired three firms to program agencies relocating due to expiring leases or other reasons.

Programming was completed or started in FY 2008-2009 for the following agencies: Department of Disability Services; Child & Family Services Agency; Office of Planning; Department of Insurance, Securities & Banking; Department of the Environment; Department of Health; Department of Mental Health; Alcohol & Beverage Regulation Administration; Metropolitan Police Department’s Special Operations Division; Department of Public Works Parking Enforcement Management Administration; Department of Employment Services (Skyland One-Stop Career Center); Department of Human Services (2850 and 64 New York Avenue, NE locations); Office of Tax & Revenue’s Recorder of Deeds administration; Office of the Chief Financial Officer; Office of the State Superintendent of Education; Department of Consumer & Regulatory Affairs; Office of the Attorney General; Office of Administrative Hearings; Department of Housing & Community Development and Department of Youth Rehabilitation Services.

Programming for the following agencies is scheduled to begin in FY 2009: District Department of Transportation; DC Public Schools; Office of the Chief Technology Officer; Office of Contracting & Procurement; Metropolitan Police Department; Department of Healthcare Finance and Department of Human Services (remaining locations).

Space Programming

Starting in FY 2008, DRES is acquiring program information for all agencies facing near-term changes in the status of their leased or owned space. In order to develop this information, DRES engaged several local architecture firms. Each of these firms is working with agency clients to understand their operational needs and staffing. This baseline information, applied using new workspace guidelines, will enable DRES to place agencies in appropriate, highly-functional owned and leased space and assure sound stewardship of District resources (refer to Section III, Fiscal Year 2008 Baseline).

New Space Standards

The nature and size of the District's real estate holdings must be considered when managing costs and facilities associated with serving the residents of the District. The management of costs and facilities should also address proper space standards. As technologies and business processes continuously change, workplace standards must change too.

Space standards improve the efficiency of government facilities and minimize costs. These standards typically include guidelines for space allocation, workspace design, furniture performance specifications, technology requirements and building performance standards. The standards help assure that the District has a "green" and efficient work environment.

DRES, together with the Office of the Chief Technology Officer and other agencies, is actively working on developing guidelines for 21st century high performance workplaces. These guidelines will serve a critical role in helping agencies achieve their strategic and business goals. District workplaces in the future will incorporate flexible spaces for learning and collaboration, will facilitate greater functional mobility for District staff, and will incorporate appropriate private spaces for confidential meetings. Facilities based on these standards will reinforce a sense of modernity and professionalism. Employees of District agencies will understand that the District values the creativity and energy of its staff. Residents and other customers entering these bold new spaces will understand the District's commitment to providing high quality services in an efficient manner.

District Government Office Space

The Department of Real Estate Services (DRES) manages 4,457,140 square feet of office space to house DC agencies. A very small portion of this space (well under one percent) is made available to retailers and other entities. 2,440,901 square feet is leased and 2,016,239 square feet is owned. The tables below list the District's leased and owned office space.

Table 5.3. Office Space as of YE FY 2008

Department	Address	SF	Status
Administrative Hearings	441 4th St NW	40,000	owned
Aging	441 4th St NW	12,369	owned
Asian & Pacific Islander Affairs	441 4th St NW	2,400	owned
Attorney General	1100 15th St NW	14,308	leased
Attorney General	441 4th St NW	163,202	owned
Auditor	717 14th St NW	8,538	leased
Board Of Elections & Ethics	441 4th St NW	18,031	owned
Campaign Finance & Ethics	2000 14th St NW	9,211	owned
Chief Financial Officer	1275 K St NW	36,703	leased
Chief Financial Officer	810 First St NE	39,423	leased
Chief Financial Officer	825 N Capitol NE	188,455	leased
Chief Financial Officer	441 4th St NW	46,933	owned
		274,811	
Chief Medical Examiner	2000 14th St NW	6,020	owned
Chief Technology Officer	1100 15th ST NW	28,616	leased
Chief Technology Officer	2000 14th St NW	942	owned
Chief Technology Officer	441 4th St NW	71,005	owned
Chief Technology Officer	222 Massachusetts Ave NW	5,625	owned
		106,188	
Child & Family Services	702 H St NW	12,327	leased
Child & Family Services	955 L'Enfant Plaza	23,886	leased
Child & Family Services	400 6th St SW	128,723	leased
		164,936	

(Cont...)

City Administrator	441 4th St NW	9,582	owned
Civilian Complaint Review Board	1400 I ST NW	10,591	leased
Commission On Arts & Humanities	1371 Harvard St NW	700	leased
Commission On Arts & Humanities	1371 Harvard St NW	6,403	leased
Community Affairs	441 4th St NW	800	owned
Consumer & Regulatory Affairs	941 N Capitol St NE	122,246	leased
Contract Appeals Board	717 14th St NW	5,752	leased
Contracting & Procurement	441 4th St NW	44,340	owned
Corrections	300 Indiana Ave NW	4,180	owned
Criminal Justice Coordinating Council	441 4th St NW	3,594	owned
D.C. Public Schools	825 N Capitol St NE	136,907	leased
DC Council	2100 Martin Luther King Jr. Ave SE (CM Barry space)	1,000	leased
DC Lottery & Charitable Games	2101 Martin Luther King Jr. Ave SE	65,660	leased
DC Lottery & Charitable Games	2000 14th St NW	2,580	owned
Disability Rights	441 4th St NW	2,760	owned
Disability Services	1125 15th ST NW	110,443	leased
Disability Services	810 First St NE	61,099	leased
		174,302	
Economic Development	2025 M St NW -Former NCRC Office	24,784	leased
Employee Appeals	717 14th St NW	11,046	leased
Employment Services	609 H St NE	102,466	leased
Employment Services	64 New York Ave NE	105,000	leased
Environment	51 N St NE	26,202	leased
Environment	2000 14th St NW	14,342	owned
Executive Office of the Mayor	441 4th St NW	18,634	owned
Executive Office of the Mayor	2000 14th St NW	1,136	owned
Finance & Resource Management	441 4th St NW	13,769	owned
Fire & Emergency Medical Services	441 4th St NW	5,000	owned

(Cont...)

Fire & Emergency Medical Services	1923 Vermont Ave NW	17,678	owned
Health	2000 14th St NW	1,844	owned
Health	300 Indiana Ave NW	15,468	owned
Health	717 14th St NW	21,616	leased
Health	825 N Capitol St NE	149,255	leased
Health	2100 Martin Luther King Jr. Ave SE	19,361	leased
Health	1300 First St NE	53,281	leased
Health	64 NY Avenue	47,360	leased
Health	2100 Martin Luther King Jr. Ave SE	1,250	leased
Health	825 N Capitol	22,027	leased
		331,462	
Homeland Security & Emergency Management	2720 Martin Luther King Jr. Ave SE	32,763	owned
Housing & Community Development	941 N. Capitol St NE	7,228	leased
Housing & Community Development	1800 Martin Luther King Jr. Ave SE	55,737	leased
Housing & Community Development	801 N. Capitol NE	58,768	leased
		121,733	
Human Resources	441 4th St NW	60,481	owned
Human Rights	441 4th St NW	8,825	owned
Human Services	64 New York Ave NE -- Basement	3,200	leased
Human Services	2850 New York Ave NE	24,422	leased
Human Services	717 14th St NW	32,357	leased
Human Services	64 New York Ave NE	52,900	leased
Human Services	2100 Martin Luther King Jr. Ave SE	47,439	leased
Human Services	645 H St NE Bldg 2	83,990	leased
Human Services	51 N St NE	42,515	leased
Human Services	3720 Martin Luther King Jr. Ave SE	3,213	leased
Human Services	425 O St NW	47,700	owned
		337,736	

(Cont...)

Inspector General	717 14th St NW	33,211	leased
Insurance, Securities, & Banking	1400 L St NW	8,113	leased
Insurance, Securities, & Banking	810 First St NE	34,928	leased
Latino Affairs	2000 14th St NW	5,682	owned
Mental Health	1250 U St NW	34,400	leased
Mental Health	64 New York Ave NE	67,900	leased
Mental Health	300 Indiana Ave NW	4,511	owned
		106,811	
Motion Picture & Television	441 4th St NW	1,883	owned
Motor Vehicles	301 C St NW	59,206	owned
Motor Vehicles	3214 Pennsylvania Ave	5,611	owned
Motor Vehicles	95 M St SW	38,311	owned
Multi-Tenanted ³	1350 Penn Ave NW	278,150	owned
Office Of Administrative Hearings	825 N Capitol St NE	4,415	leased
Office Of The Peoples Counsel	1133 15th St NW	17,551	leased
Office Of The Secretary	441 4th St NW	5,225	owned
Parks & Recreation	3149 16th St NW	13,600	owned
Planning	825-941 N Capitol St NE	3,848	leased
Planning	801 N Capitol NE	22,883	leased
Police Department	51 N St NE	13,553	leased
Police Department	1215 3rd St NE	22,830	leased
Police Department	2 DC Village Lane SW	10,000	owned
Police Department	6 DC Village Lane SW	28,694	owned
Police Department	300 Indiana Ave NW	381,747	owned
Police Department	4665-69 Blue Plains Dr SW	112,283	owned
		569,107	

³ Per agency square footage is being updated for the Wilson Building.

Cont...)

Property Management	2000 14th St NW	66,436	owned
Property Management	300 Indiana Ave NW	101,884	owned
Real Property Assessment & Appeals	441 4th St NW	3,963	owned
Risk Management	441 4th St NW	11,045	owned
Sentencing & Criminal Code Revision	441 4th St NW	2,141	owned
Serve DC (Former Office Of Veterans Affairs)	441 4th St NW	2,042	owned
Serve DC (Former Office Of Veterans Affairs)	441 4th St NW	4,600	owned
Small & Local Business Development	441 4th St NW	5,222	owned
State Superintendent Of Education	717 14th St NW	25,310	leased
State Superintendent of Education	441 4th St NW	15,746	owned
State Superintendent of Education	1150 5th St SE	25,000	owned
		66,056	
Taxicab Commission	2041 Martin Luther King Jr. Ave SE	4,649	leased
Tenant Advocates	941 N Capitol St NE	2,000	leased
Transportation	2217 14th St NW	16,500	leased
Transportation	64 New York Ave NE	30,000	leased
Transportation	64 New York Ave NE -- BASEMENT	37,682	leased
Transportation	64 New York Ave, NE Basement	4,500	leased
Transportation	2000 14th St NW	83,076	owned
		171,758	
Youth Rehabilitation Services	2101 Martin Luther King Jr. Ave SE	1,400	leased
Youth Rehabilitation Services	450 H St NW	24,030	leased
Zoning	441 4th St NW	14,166	owned
Total Leased Office Space		2,440,901	
Total Owned Office Space		2,016,239	
Total Office Space		4,457,140	

Major Office Projects

New Department of Employment Services Headquarters 4158 Minnesota Avenue, NE

DRES is building a new headquarters for the Department of Employment Services in the Ward 7 community at the intersection of Minnesota Avenue and Benning Road, east of the Anacostia River. This project features 225,000 square feet of office space, first floor retail space and 1.5 levels of underground parking. The LEED Silver project is scheduled for completion in 2010. It is being built immediately in front of the four-story Washington Metropolitan Area Transit Authority (WMATA) parking garage.

Status: Currently under construction. Anticipated completion December 2010.



Southwest Waterfront M and 4th Streets, SW

The Southwest Waterfront project will create 535,000 square feet of leased space for District agencies. In 2006, the District negotiated an agreement with Waterfront Associates LLC to enter into a 15-year lease beginning in 2010. The Office of Planning, Office of Tenant Advocates, Office of the Chief Financial Officer, Department of Consumer & Regulatory Affairs and the District Department of Transportation's Public Space Administration will relocate to the Southwest Waterfront. Most tenants will be relocating from 941 North Capitol Street, NE. This new project will improve upon the "one-stop" concept developed for resident and business needs that was first implemented at the Department of Consumer & Regulatory Affairs' location at 941 North Capitol Street, NE.

Status: Currently under construction. Anticipated completion March 2010.



Greening the District's Facilities

DRES is committed to sustainable environmental practices in its building operations, real estate management and capital construction activities.

Green Buildings

The adoption of the DC Green Building Act of 2006, puts the District at the forefront of municipalities in the United States using the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ as a tool to address climate change. The District is one of only a handful of municipalities in the country that require the private sector to construct green buildings. The Green Building Act sets very specific guidelines for the work of DRES. This legislation impacts DRES in many ways:

LEED Guidelines for Project Managers

The Green Buildings Act of 2006 requires all DRES construction projects over 10,000 square feet to achieve LEED Silver certification or higher. To ensure compliance, DRES drafted a handbook for architects, builders and government officials outlining how to manage and observe the District's groundbreaking green building requirements. *The LEED Certification Guidebook for Projects in the District of Columbia* contains specific direction on how to meet LEED requirements and manage design and construction to achieve the highest possible LEED certification. The principles are being followed in two major District projects already, the Consolidated Forensic Laboratory and the Department of Employment Services headquarters.

New Construction

New non-residential construction with a minimum of 10,000 square feet of gross floor area must be designed to achieve 75 points on the Energy Star Target Finder and be benchmarked annually using Energy Star Portfolio Manager. Within two (2) years of receipt of certificate of occupancy, buildings must be verified as having fulfilled or exceeded the LEED-NC 2.2 Silver standard.

Renovation

Property substantially improved with a minimum of 10,000 square feet of gross floor area must be benchmarked annually using Energy Star Portfolio Manager. Within two (2) years of receipt of certificate of occupancy, buildings must be verified as having fulfilled or exceeded the LEED-CS 2.0 Silver standard.

Leased Properties

The Office of Property Management Establishment Act of 1998 has been amended to include priority consideration for the District government's facility needs to buildings fulfilling or exceeding the LEED-NC 2.2 Silver standard or the LEED-CS 2.0 Silver standard.

District Government Green Roofs

Mayor Fenty has expressed great interest in transforming Washington, DC into a sustainable city for the 21st century. Green roofs were one of many sustainable practices the Fenty Administration highlighted as part of the “100 Days and Beyond” plan.

A green roof is partially or completely covered with vegetation and soil, or a growing medium, planted over a waterproofing membrane. Green roofs support the City’s vision for restoring the Anacostia by reducing stormwater runoff. During heavy rains, storm water runoff can overburden the sanitary sewer system and lead to raw sewage overflows to the river. Green roofs absorb rainwater, preventing it from entering the wastewater system. In addition, green roofs perform an insulating function which reduces the energy demand of buildings and thus reduces our greenhouse gas emissions.

Table 5.4. DRES Green Roof Retrofit Projects

Location	Square Footage	Type	A/E	Installer	\$ per square foot (actual or estimate)
The Frank D. Reeves Center 2000 14th Street, NW	4,000	Extensive Pre-planted modular system	Architrave Architects	DC Greenworks	\$20.00
One Judiciary Square 441 4th Street, NW	8,000	Extensive Planted on roof deck	Bell Architects	DC Greenworks	\$20.00

Energy Management

The Department of Real Estate Services (DRES) administers the District’s water, electric, natural gas, fuel, oil and steam invoices, and promotes energy conservation measures to help improve building performance.

ENERGY STAR Portfolio Manager

ENERGY STAR is best known as a label for products that meet US Environmental Protection Agency (EPA) energy efficiency guidelines. However, ENERGY STAR also helps identify and rank superior energy performance in commercial and industrial buildings throughout the country. In 2007, DRES joined hundreds of organizations using EPA’s ENERGY STAR Portfolio Manager, an interactive web-based energy management application. When fully implemented, the ENERGY STAR Portfolio Manager will help track and improve energy efficiency across DRES-managed buildings. EPA’s Portfolio Manager rates buildings on a scale from 1 to 100, benchmarks them against others and identifies energy conservation measures to improve performance. Portfolio Manager will generate for each building a Statement of Energy Performance. DRES will use this data to support leasing, building sales, appraisals, insurance and energy and other service contracts.

Once a baseline is established, Portfolio Manager is used to manage energy performance, establish energy consumption reduction goals and reduce carbon

dioxide (CO₂) emissions.

The ranking and analysis is based on a national survey conducted by the Department of Energy's Energy Information Administration. This national survey, known as the Commercial Building Energy Consumption Survey (CBECS), gathers data on building characteristics and energy use from thousands of buildings across the United States. A rating of 50 indicates that the building, from an energy consumption standpoint, performs better than 50 percent of all similar buildings nationwide, while a rating of 75 indicates that the building performs better than 75 percent of all similar buildings nationwide.

Recycling Program

The District of Columbia Solid Waste and Multi-Material Recycling Act of 1988 requires all owners and occupants of commercial property, including government, to separate for collection all recyclable materials from the solid waste stream.

The District Government is required to adhere to a recovery target for recyclable materials of 45 percent of the total solid waste stream by December 31, 2007. Recyclable materials collected as part of the District employee recycling program include mixed paper, commingled bottles and cans and cardboard. In addition, the District's Office of Contracting and Procurement (OCP) has instituted programs to collect used toner cartridges and excess and surplus government property. All District employees or contract workers are required to abide by the Act and all related policies.

The District employee recycling program focuses on the separation or segregation of recyclables from trash or contaminants at the source. Desk top or desk side containers emptied into central collection centers throughout the office space are used to maximize participation. Each District agency is responsible for providing desk side and hallway receptacles for use by their employees and visitors.

Stormwater Management

Low Impact Development Projects

Low Impact Development (LID) involves innovative stormwater management practices designed to mimic a site's predevelopment hydrology cycle in order to help infiltrate, filter, store, evaporate and detain runoff close to its source. LID techniques are not only applicable to open space, but also rooftops, streetscapes, parking lots, sidewalks and medians. Cost-effective techniques available to DRES and other District agencies include bioretention ponds, dry wells, infiltration trenches, vegetated swales, cisterns, filter strips, sand filters and others. LID techniques use various land planning and design practices to conserve and protect natural resource systems and reduce infrastructure costs to mitigate potential environmental impacts.

Homeless Shelters

The Department of Real Estate Services (DRES) works collaboratively with the Department of Human Services (DHS) to provide maintenance improvements and capital renovations for all District shelters. The District shelter program serves men, women and families with emergency and transitional shelter during the hypothermia (winter and summer) seasons. In addition to repairs and renovations, DRES provides real estate services to DHS for housing acquisitions and dispositions. To help maintain the security of the District's shelters and protect their populations, the Protective Services Division (PSD) responds to emergency calls and conducts routine building checks.

Housing Trends

Affordable Housing Outcomes

The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing, promote economic development and revitalize underserved communities in the District of Columbia.

To achieve the Department's mission, DHCD focuses on three strategic areas: 1) preserving and increasing the supply of affordable housing through new construction and rehabilitation; 2) increasing homeownership opportunities; and 3) revitalizing neighborhoods, promoting community development and providing economic opportunities. To help meet the housing needs of the city's low- to moderate-income residents, DHCD operates programs for individuals, developers and community groups. DHCD also ensures the preservation and maintenance of affordable rental housing by regulating building sales and conversions, administering the Rental Housing Act of 2006 and enforcing the Tenant Opportunity to Purchase Act (TOPA). Since the last Indices publication, DHCD has achieved the following results:

Table 5.5. DHCD Key Performance Indicator Outcomes

Key Performance Indicators	FY 2006	FY 2007	FY 2008	Total
Total affordable housing units funded	3,124	2,773	3,138	9,035
Total special needs housing units funded	134	196	373	703
Total new ownership units and households funded	1,033	1,247	1,212	3,492
Number of first-time homebuyers funded by the Home Purchase Assistance Program (HPAP)	278	513	508	1,299
Total First Right Purchase Assistance Program (Tenant Purchase) units funded	173	149	292	614
Total affordable housing units rehabilitated	1,839	1,369	1,990	5,198
Number of loans or grants by the Single Family Rehab Program	86	125	142	535
Percentage of affordable housing units completed or in development that are highly sustainable and meet the Green Communities criteria	N/A	N/A	56%	56%
Number of technical assistance services provided to small businesses	1,205	3,292	3,106	7,603
Number of storefront façades improved	31	25	45	

Source: D.C. Department of Housing and Community Development

Home Purchase Assistance Program

DHCD's most widely-known program is the Home Purchase Assistance Program (HPAP). HPAP has been a critical component in making homeownership accessible to many District residents during the program's more than 30-year history. HPAP provides financial assistance in the form of interest-free loans to qualified District residents to meet down payment and closing costs in the purchase of single-family houses, condominiums or cooperative apartments. The amount of the loan is based on a combination of factors including the applicant's household income, household size and the amount of assets the applicant is able to commit towards the purchase price.

Since FY 2000, over 3,200 District residents have received HPAP loans. As median home prices in the District more than doubled in the four years from 2001-2004, it became increasingly more difficult for the HPAP program to assist low-to-moderate income first-time homebuyers to successfully close the gap. In FY 2004, DHCD increased the maximum HPAP assistance level for very low income homebuyers (households with incomes less than 50 percent of the area median income) from \$20,000 to \$30,000. But by FY 2005, it was clear that this increase was insufficient to match the dramatic increase in home prices.

In FY 2006, DHCD submitted changes to the structure of the HPAP program, which directly tied assistance levels to the true market cost of residential real estate, reduced the minimum household contribution towards the purchase for most borrowers and further eased the terms of borrowing. These changes helped to place homeownership within reach of many low- and moderate-income first-time homebuyers. As a result of these changes, the rate of homeownership in FY 2007 and FY 2008 increased by over 50 percent compared to previous years.

Table 5.6. Number of Households with Home Purchase Assistance Loans by Ward

Fiscal Year	1976-1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	1976-2008
Ward 1	1,060	22	31	31	14	3	17	30	69	66	1,343
Ward 2	584	5	10	9	15	13	4	15	21	8	684
Ward 3	222	5	3	2	5	1	0	3	11	11	263
Ward 4	275	56	52	21	20	25	20	64	30	43	606
Ward 5	11,347	63	79	54	35	28	8	29	58	59	1,760
Ward 6	1,012	36	39	29	21	10	14	5	29	47	1,242
Ward 7	1,878	107	129	124	104	120	74	64	162	154	2,916
Ward 8	1,051	80	117	127	53	31	57	68	133	120	1,837
Total	7,429	374	460	397	267	231	194	278	513	508	10,651

Source: D.C. Department of Housing and Community Development

Single-Family Residential Rehabilitation Program

The Single Family Residential Rehabilitation Program is a source of low-cost financing for the rehabilitation of single-family homeowner-occupied housing located in the District. Eligible improvements include repairs to correct building code violations, remove threats to occupant health and safety and reduce lead-based paint hazards.

The program provides low- or no-interest, amortized or deferred loans or grant funds (depending on the financial circumstances of the borrower and the amount and type of rehabilitation required). Through the middle of FY 2005, the maximum loan amount to finance general rehabilitation repair costs was \$50,000 per project, but DHCD increased this maximum to \$75,000 during the year to reflect an increase in construction costs. There is no maximum on the grant amount provided to abate lead-based paint hazards; DHCD will provide the necessary funding to make the home lead safe.

To meet special needs, up to \$10,000 of assistance is automatically deferred for senior citizens (under the Senior Citizens Home Repair and Improvement

Program, now a part of the Single Family Residential Rehabilitation Program), and the first \$30,000 of assistance for handicapped accessibility improvements is provided as a grant through the Handicapped Accessibility Improvement Program. In addition, at the end of FY 2005, the Single Family Residential Rehabilitation Program began offering grants of up to \$5,000 for the replacement of the privately-owned portion of homes' lead water service lines, in conjunction with the D.C. Water and Sewer Authority's replacement of the publicly-owned portion of the service lines.

Under the Single Family Residential Rehabilitation Program, DHCD develops the scopes of work to make all necessary repairs. The participating household identifies its own licensed and certified contractors to carry out the work, subject to DHCD approval of the contractor's bid. DHCD inspects the work to ensure that the contractor performed it according to the agreed-upon specifications.

Multi-Family Housing Programs

The Department funds several programs that preserve affordable multi-family housing units, both for rental and homeownership opportunities.

Tenant Purchase Programs

DHCD has two programs that assist tenants who wish to exercise their right of first refusal to purchase their building if the owner has plans to sell. The First Right Purchase Assistance Program offers low-cost loans to low-to-moderate income persons and tenant groups in the District who are threatened with displacement because of the sale of their building. The Tenant Purchase Technical Assistance Program provides technical assistance to households in tenant organizations that are beginning the process of apartment conversion to ownership. DHCD provides services including: counseling and technical assistance on first right to purchase, seed loans, "earnest money" deposit loans and acquisition loans to tenant organizations. Following conversion, the program also offers management assistance.

Multi-Family Housing Rehabilitation

DHCD provides low-cost gap financing for the rehabilitation of residential properties with at least five units. The objective of this program is to stimulate and leverage private investment to keep multi-family housing affordable for lower-income residents. The program applies for both rental and homeownership units.

New Construction Assistance

DHCD provides assistance for a variety of construction and site development activities that support affordable housing or community facilities. The agency's financing is used to leverage private investment in the development of new units. New development can be for rental or home ownership.

Neighborhood-Based Activities

Through its Neighborhood-Based Activity programs, DHCD strategically invests funds through housing development and community-based non-profit organizations to support affordable housing preservation and create economic opportunity for low-to-moderate income residents. A review of the Neighborhood-Based Activities follows below.

Comprehensive Housing Counseling

Comprehensive housing counseling services assist tenants and homeowners in acquiring and maintaining safe, decent and affordable housing. Counseling providers conduct significant outreach and education activities in their specific communities regarding affordable housing (including information about non-governmental housing programs) for low- and moderate-income persons. The services provided may include reviewing various DHCD housing assistance programs and individualized counseling to provide information on preventing eviction, avoiding mortgage default, improving credit, home/budget management, renter-education and home buying.

Storefront Façade Development

DHCD partners with qualified local nonprofit organizations to provide matching grants to small business and commercial property owners to make improvements to individual storefronts within a specified target area. Storefront development enhances the image and overall economic viability of neighborhood business districts by improving the function and appearance of individual building façades. In turn, the improvements spur new private investment in commercial properties in the same and adjacent commercial districts.

In FY 2004, DHCD made several significant changes to the storefront façade program, which served to: increase the level of DHCD assistance, while reducing the matching funds requirement for business owners; increase the assistance for allowable project delivery costs of the project sponsor; and provide more realistic timelines. These changes have enabled community development sponsors to focus efforts on particular commercial corridors more successfully, thereby creating greater physical impact and strengthening the businesses in those neighborhoods.

Commercial Corridor and Small Business Development

Commercial Corridor and Small Business Development services are provided in neighborhoods that have experienced economic decline. Funded projects help to support and strengthen existing businesses; broaden the mix of retail stores, restaurants and services; provide technical assistance for small businesses; and provide greater access to capital for small neighborhood-based businesses.

Commercial Corridor activities are tailored to address issues for specific commercial areas. Funded activities may include outreach to and organization of the business community; coordinated marketing, promotion and merchandising strategies; market analysis; “Clean and Safe” campaigns and the establishment of Business Improvement Districts.

Small business development focuses on a wide range of support services suited to the needs of individual businesses in specific areas. These services include financial planning and management; computer and technology training; business plan preparation; loan referrals; loan application assistance; accounting and record keeping; advertising and marketing; inventory control; and security.

Operating Grants for Community Housing Development Organizations

DHCD provides a portion of its HOME entitlement grant from HUD to fund certified Community Housing Development Organizations (CHDOs) and their projects. Investments in CHDOs under this program are for the purpose of creating decent and affordable housing in the District through pre-development activities and some project delivery costs for affordable housing development projects.

Operating grants for CHDOs grew out of an effort to support non-profit developers, initiated through a partnership with the Washington DC Community Development Support Collaborative in FY 2003. Since that time, this overall effort has provided assistance for pre-development and project delivery costs to CHDOs that enabled the addition of more than 300 units of affordable housing in the District.

Crime Prevention

In FY 2005, DHCD made funding available for this high-impact initiative that will enhance existing neighborhood crime reduction efforts in designated “Hot Spot” locations. Eligible initiatives include youth-based activities that promote community safety and specialized community policing training for residents and businesses. These efforts are coordinated with the Neighborhood Services Program, Ward-specific Neighborhood Services Coordinators (NSCs) and the Metropolitan Police Department.

Affordable Housing Preservation

Non-profit organizations provide early intervention with tenants who reside in properties for which federal housing subsidies are due to expire. Training, tenant awareness, organizational development assistance and other assistance is provided.

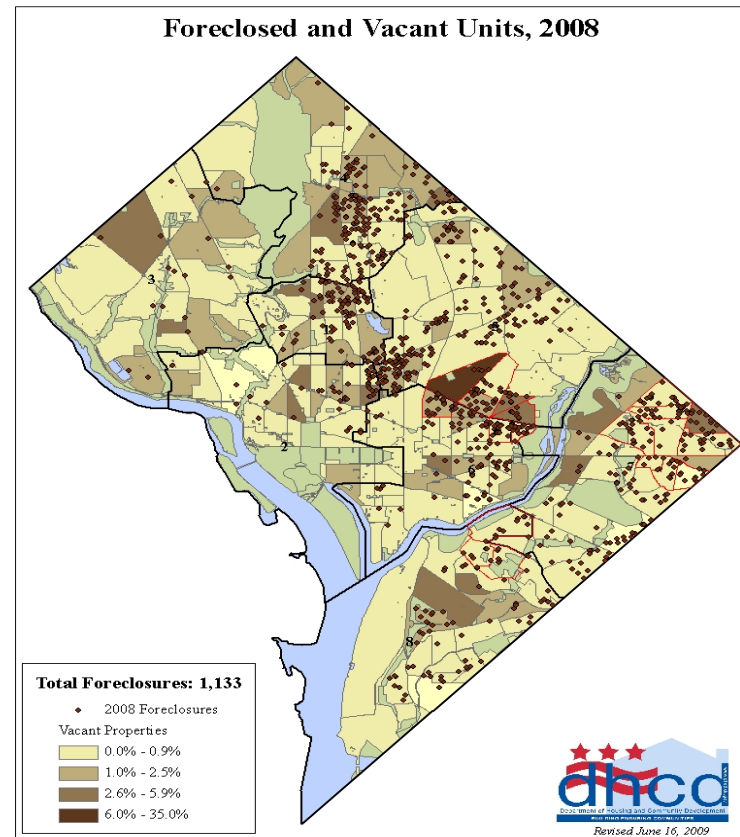
Housing Foreclosures

Unlike many cities, the District of Columbia as a whole was spared an early entry into the foreclosure crisis through a strong housing market that allowed struggling households to sell before having to foreclose and kept prices high enough that homeowners could earn enough on the sale to repay the bank. Households were impacted by the economic decline, but they had more options than households in less robust housing and employment markets nationwide. Anchored by the Federal government's relatively stable employment base and the recent change in administration that brought new residents to the region, the District appeared to remain solvent amidst a challenging national picture.

However, this strong economy masked a growing problem in the District. Through 2007, when subprime mortgages began to reset and low and moderate income families began to be overwhelmed by ballooning payments, they had options to sell in the market when they received a notice of foreclosure. Beginning in late 2007, as the housing market slowed and unemployment rose, many households were no longer able to sell and ran out of options. What followed were monthly declines in home sales prices, rapid increases in the number of days homes stayed on the market and a subsequent decline in the absorption rate. As a result, between 2006 and 2008, foreclosures rose by 660.4 percent, increasing from 149 in 2006 to 1,133 in 2008. Meanwhile, foreclosure starts similarly increased dramatically, from 1,186 for all of 2006 to 3,194 in 2008.⁴

Beyond the individual impacts of foreclosures, such as individual credit loss and reduction of equity wealth, the District stands to lose the strong gains made during the economic boom of the last ten years. The housing boom during those years had a tremendous impact on urban areas across the country. Like many cities, the District reversed decades of population decline and grew into an

Figure 5.1.



⁴ Washington, DC Recorder of Deeds. <http://www.washington.dc.us.landata.com/%5C#> Accessed June 11, 2009.

increasingly desirable place to live. Neighborhoods that were once abandoned with little or no economic activity became places where people wanted to buy and invest. These gains were leveraged to construct HOPE VI projects such as Henson Ridge and Arthur Capper. Unfortunately, community development takes time, and when the housing boom ended and prices began to fall, many of the District’s historically underserved communities were still struggling to overcome the long term effects of disinvestment, vacancy and abandonment.

The District’s real estate market did not decline as early as other markets nationwide or even within the Washington Metropolitan region. However, between 2007 and 2008, the market for housing declined rapidly as the number of days on the market and month supply increased and home sales prices and volume decreased. Before the market decline, households with subprime mortgages or households that lost jobs had greater opportunity to sell the unit before the actual foreclosure sale, but as the market declined between 2007 and 2008, more families faced foreclosure.

Citywide, the number of home sales fell by 26.2 percent between 2007 and 2008 for single-family homes and 32.1 percent for condominium units. Meanwhile, Wards 5, 7 and 8 have seen more dramatic declines with volume drops of 43.8 percent, 43.8 percent and 64.4 percent, respectively, for condominiums, and 40.6 percent, 45.9 percent and 48.8 percent, respectively, for single-family homes. Home sales prices declined by 0.5 percent citywide, but declines in Wards 5, 7 and 8 were 17.9 percent, 9.7 percent and 12.8 percent, respectively. Table 5.7 illustrates the change in home sales prices⁵.

Table 5.7. Median Sales Price 2008 \$ thousands

	2007	2008	% Change
Citywide	502	500	-0.5
Ward 1	607	555	-8.6
Ward 2	934	1030	10.3
Ward 3	922	875	-5.1
Ward 4	504	451	-10.4
Ward 5	415	341	-17.9
Ward 6	545	508	-6.9
Ward 7	282	255	-9.7
Ward 8	296	258	-12.8

Source: Urban Institute, Office of Tax and Revenue

In addition to the home sales price changes, the month supply for housing rose dramatically between 2007 and 2009. With these rising month supplies and the challenge of existing neighborhood instability, it is unlikely that some District communities will find a balanced market within the next three years.

According to anecdotal evidence from the Department’s community-based organization partners and consistent with national data, trends in foreclosure in the District are changing. In the first wave of foreclosures that began in 2006 and continued into 2007, when foreclosures rose from 149 citywide to 491, ARM resets

⁵ Tatian, Peter. *DC Housing Policy Forum Presentation*. May 5, 2009. DC Housing Finance Agency.

were the primary reason for foreclosure notices. Over the past year, however, there has been a rise in job loss as a reason for foreclosure such that now it is the primary reason households face foreclosure. A contributing factor to the relatively low rate during the early period of foreclosures was that the market for housing in the District remained strong in almost all neighborhoods. Families who received a foreclosure notice had more options and could sell a home before being foreclosed upon.

While Federal employment continues to grow and absorb losses in private high skilled jobs, households holding service sector or other low-skilled jobs have been highly impacted by the recession. This has translated into job losses and reduction in tips, overtime and other payments that households have depended on during the economic boom times to fill gaps. In addition, the recession has also caused a reduction in the City government workforce that has impacted a number of working-class households. The District’s unemployment rate ranged from a low of 2.5 percent in March 2009 in Ward 3 to a high of 23.8 percent in Ward 8. These numbers have changed from a low in 2008 of 1.6 percent in Ward 3 and a high of 16.4 percent in Ward 8⁶. Comparatively, these District communities are faring worse than their Maryland and Virginia neighbors. In March of 2009, the Washington MSA unemployment rate was 6.5 percent, with Northern Virginia⁷, Prince George’s County, and Montgomery County experiencing rates of 5.1, 6.7 and 4.9 percent, respectively⁸.

Ward	2008	2009
1	5.3	8.2
2	3	4.7
3	1.6	2.5
4	5	7.7
5	8.4	12.7
6	6.1	9.3
7	10.8	16.1
8	16.4	23.8

Source: DC Department of Employment Services

While the cost-burden for many higher-income community members is low, more than 50 percent of households who earn less than 50 percent of AMI in 2000 reported cost burdens, with rent costing more than 30 percent of income in more than half of the census tracts. The percentage of households earning less than 80 percent of AMI reporting cost burdens ranged from a low of 18.2 percent to a high of 89.1 percent. Those earning between 80 and 120 percent of AMI experienced little or no cost burden in the targeted geography.

⁶ DC Department of Employment Services, <http://www.does.dc.gov/does/cwp/view,a,1233,q,538023.asp>. Accessed May 26, 2009.

⁷ Virginia Employment Commission: <http://www.vec.virginia.gov/pdf/newpres1.pdf>, Accessed June 25, 2009

⁸ Maryland Department of Labor, Licensing and Regulation: <http://www.dllr.state.md.us/lmi/laus/>. Accessed June 25, 2009.

The Department has focused its efforts in order to curb the existing foreclosure crisis in the District. The Department has acquired or disposed of 147 properties in the last two years; provided \$48 million to move 921 households into homeownership; financed the acquisition of 1,200 units of affordable housing; and financed the rehabilitation and construction of an additional 4,441 units of affordable housing. Aside from the actual programmatic infrastructure already in place, the Department has the following external partnerships and policies in place to address the challenges posed by the current housing crisis:

- An existing network of housing counselors, trained foreclosure counselors and banks to assist households purchasing in DC
- A firm commitment to green development through the Department's three-year use of the Green Communities Criteria for all DHCD funded projects
- An existing curriculum of activities for homeownership, including weekly homeownership sessions at community-based organizations and sister agencies
- An interagency alliance on foreclosure convened by DHCD to ensure that all relevant District agencies are aware of current trends and can work together to develop appropriate outreach
- DHCD funding for six community-based organizations with HUD-certified foreclosure counselors to work with District borrowers and conduct outreach to let them know about available resources
- DHCD is working with the Urban Institute to develop and analyze data that will help the City determine appropriate interventions in targeted geographic areas of the District
- DHCD has partnered with NeighborWorks America to participate in the Hope Now Alliance and the Hope Hotline which allows troubled homeowners to receive confidential counseling with a HUD certified counselor
- In partnership with the Office of the Tenant Advocate, DHCD has provided outreach on tenant rights in the case of foreclosure. Specifically, information is posted on the DHCD Web site and DCHousingSearch.org. It has shared this information with its partners in the national banks serving the District.
- DHCD has received a grant from Fannie Mae for foreclosure mitigation and prevention work, with which to implement community-based foreclosure clinics. In addition, in partnership with the Housing Finance Agency, the Housing Authority and the Greater Washington Urban League, and supported by Fannie Mae, DHCD hosted the DC Homeownership Expo and Foreclosure Prevention Clinic on June 20 at the Washington Convention Center. The event featured seminars on homeownership, community resources and foreclosure prevention.

The Department will connect these expanded existing programs with current initiatives in the Office of the Deputy Mayor for Planning and Economic Development, Office of Planning, Department of Consumer and Regulatory Affairs and the District Department of the Environment. The end goal is to provide direct investment and avoid further decline in home sales prices and vacancy in the City's communities.

Funding Sources

All Funding Sources

To accomplish its mission, DHCD strategically invests resources according to the following objectives:

- Enhance the production of quality affordable housing and homeownership opportunities
- Preserve quality affordable housing and homeownership opportunities
- Increase economic opportunities for low and moderate income residents

DHCD uses three different sources of funds: federal, locally-appropriated and other funding. The federal share of funds consists largely of Community Development Block Grant (CDBG) and Home Investments Partnerships (HOME) Program funding. The District receives two other entitlement grants, the Emergency Shelter Grant (ESG) and the Housing Opportunities for Persons with HIV/AIDS (HOPWA) grant. In addition to entitlement grants, DHCD received two competitive HUD grants for FYs 2004-2007 for lead hazard control and reduction.

The non-federal share of DHCD's funding includes locally appropriated funds, special purpose revenue or O-Type funds and dedicated tax revenues. Locally - appropriated funds are used primarily to fund agency overhead and certain activities that are not eligible under federal sources. Special purpose revenue funds, or O-Type funding, includes repayments on loans or revenues from the sale of properties. As dedicated tax revenues, the Housing Production Trust Fund is one of DHCD's major funding sources and it is indicated separately in the chart below.

Table 5.9. Funding Sources: FY 2006-2008			
	FY 2006	FY 2007	FY 2008
Source	Expenditures	Expenditures	Expenditures
Local (Appropriated)	\$1,797,355	\$1,772,973	\$3,361,603
Federal	\$100,557,197	\$80,805,051	\$69,095,947
"O" Type/Other	\$49,588,286	\$5,095,273	\$16,024,661
Housing Production Trust Fund	\$42,226,489	\$69,897,766	\$113,241,823
Total	\$194,169,327	\$157,571,063	\$201,724,034
Source: Office of the Chief Financial Officer			

Major Funding Sources

The Department's major funding sources are local funds, federal grants and special purpose O-Type funds in the form of Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds, and dedicated tax revenues from the Housing Production Trust Fund (HPTF). Both CDBG and HOME are Federal funding sources allocated to the Department from the US Department of Housing and Urban Development (HUD). The HPTF is funded by deed recordation and transfer taxes generated by home sales in the District.

Since the last Indices publication, the Department has invested the following resources in support of its mission.

Table 5.10. Major Funding Sources: FY 2006-2008			
	FY 2006	FY 2007	FY 2008
Funding Source	Expenditure	Expenditure	Expenditure
CDBG	\$91,122,749	\$73,886,931	\$48,118,569
HOME Program	\$5,319,276	\$4,309,932	\$14,262,590
Housing Production Trust Fund	\$42,226,489	\$69,897,766	\$113,241,823
Totals	\$138,668,514	\$148,094,629	\$175,622,982
Source: Office of the Chief Financial Officer			