



# Safeguarding Tomorrow RLF Program - District of Columbia Intended Use Plan

*Safeguarding Tomorrow Through Ongoing Risk Mitigation Revolving Loan Fund  
(Safeguarding Tomorrow RLF) Program – Intended Use Plan*

May 2023



**FEMA**

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# 1. Introduction

The United States Federal Emergency Management Agency (FEMA) provides capitalization grants for revolving loan funds which may be used to provide loans to finance various types of hazard mitigation projects to reduce risks from natural hazards and disasters. Through the Safeguarding Tomorrow through Ongoing Risk Mitigation Revolving Loan Fund (Safeguarding Tomorrow RLF) program, eligible entities will use these capitalization grants to establish a revolving loan fund (also referred to as an entity loan fund) from which they will provide direct loans to local governments for projects and activities that mitigate the impacts of drought, intense heat, severe storms (including hurricanes, tornadoes, wind storms, cyclones, and severe winter storms), wildfires, floods, earthquakes, and other natural hazards. As borrowers repay their financings, repayments of principal and any interest are recycled back into the entity loan fund and are used to finance new projects as the funds “revolve” over time.

**This District of Columbia Safeguarding Tomorrow RLF Intended Use Plan (IUP) outlines the priorities and procedures governing the District’s FY2024 Resilient Housing for All loan fund.** This document defines the roles and responsibilities of partnering agencies, sets program requirements and loan terms, and identifies priority resilience projects.

The Resilient Housing for All Loan Fund is designed to award loans to eligible affordable housing developers to complete substantial rehabilitation projects that enhance resilience. Funding resilience projects at affordable housing developments will meet several District goals, including reducing hazard risk for the most vulnerable populations, and preventing future gentrification and displacement of these residents. Much of the District's risk lies in the housing stock, and it is challenging to obtain funding to mitigate this risk. Low interest loans will lower the cost of building affordable housing, which has been one of the most challenging aspects of providing affordable housing in the District. This IUP provides the required guidance to manage this program, ensuring loans are made available for projects that greatly improve the resilience of the District’s affordable housing.

This IUP has been adapted from the template provided by FEMA to fit the Resilient Housing for All loan fund and the unique set of partnerships that make this program possible in the District. The plan meets all requirements of the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act and the Safeguarding Tomorrow RLF Notice of Funding Opportunity (NOFO).



## 2. Meet the Team

The following sections introduce the District agencies and organizations that will play a role in the Resilient Housing for All fund. The specific roles and responsibilities of each entity are outlined in Section 5 of this Intended Use Plan.

### 2.1 Homeland Security and Emergency Management Agency

The District Homeland Security and Emergency Management Agency (HSEMA) is designated as the city’s primary agency responsible for hazard mitigation. HSEMA’s mission is to ensure District agencies, businesses, and residents are prepared to prevent, protect against, respond to, mitigate, and recover from all threats and hazards, including both natural and manmade incidents. HSEMA takes a holistic approach to achieving these goals, with broad engagement from government, nongovernmental organizations (NGOs), businesses, neighborhoods, families, and individuals.

HSEMA’s Hazard Mitigation Program (within the Resilience Bureau) and the Grants Bureau work together to secure and manage funding for hazard mitigation projects. The mission of the Hazard Mitigation Program is to protect the District with an all-hazards approach by providing and coordinating resources, expertise, leadership, and advocacy. The Grants Bureau is responsible for the financial management of all Federal grants for hazard mitigation projects. This partnership has allowed HSEMA to secure and manage over \$100 million in Federal awards from FEMA’s Hazard Mitigation Assistance programs.

HSEMA’s Hazard Mitigation Program is responsible for the District Hazard Mitigation Plan. The current plan was approved and adopted in 2018, and the Program is currently in the process of updating the plan, which will be approved by FEMA before the end of 2023. This plan is the primary source of natural hazard data for the District and contains capabilities and mitigation actions for all District agencies. The plan covers all District agencies, including those that will partner to administer the Resilient Housing for All fund, as well as District organizations that are separate legal entities, such as the DC Green Bank.

### 2.2 Department of Housing and Community Development

The Department of Housing and Community Development (DHCD) creates and preserves opportunities for affordable housing and economic development with an emphasis on revitalizing underserved communities in the District. DHCD is the key administering agency for affordable housing and community development programs. The Resilient Housing for All program will work closely with DHCD in identifying projects for eligible use through the Consolidated RFP process and management of the project priority list which will be largely determined by the selection criteria discussed in Section 5.4 of this document.

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

DHCD focuses on three strategic objectives:

- Producing and preserving the supply of quality affordable housing
- Increasing homeownership opportunities
- Revitalizing neighborhoods, promoting community development, and providing economic opportunities

DHCD has a wide range of processes in place for project monitoring and requirement for financial reporting, which apply to the HPTF. Through these existing processes and requirements, DHCD will provide oversight and monitoring of projects and ensure all financial reporting and audit requirements are met throughout the funding and implementation of projects.

## **2.3 Housing Production Trust Fund**

The Housing Production Trust Fund (HPTF) is the major tool used to produce and preserve affordable housing in the District of Columbia. It is a special revenue fund administered by the Department of Housing and Community Development's (DHCD) Development and Finance Division (DFD) that provides gap financing for affordable low- and moderate-income households. The HPTF is an existing permanent, revolving fund organized and administered to facilitate the creation of affordable housing and related activities for District residents, through the provision of financial assistance to eligible nonprofit and for-profit developers. As a part of the development of the HPTF, the HPTF Advisory Board (Board) was established by the Council of the District of Columbia, under the Housing Production Trust Fund Act of 1988, effective on June 8, 1990 (DC Law 8-133; D.C. Official Code section 42-2802.01), as amended. The purpose of the Board is to advise the Mayor on the development, financing, and operation of the HPTF and other matters related to the production of housing for low- to moderate-income households.

The District must complete two annual plans before funds are received: The Annual Action Plan (AAP) and the Housing Trust Fund (HTF) Allocation Plan. The AAP specifies project and program information about how the funds are intended to be used to meet the District's priorities. The HTF Allocation Plan establishes allocation priorities and guidelines for the use of HTF funds. An entity may combine the financial administration of the entity loan fund with the financial administration of any other revolving fund established by the entity. Funding for the Resilient Housing for All program information will be identified annually via the HTF Allocation Plan. The HTF has been established through the District Department of Housing and Community Development (DHCD) and is a separate entity and a special revenue fund administered by DHCD's Development and Finance Division that provides financing for affordable housing projects.

## 2.4 District of Columbia Green Bank

The District of Columbia Green Bank (DCGB) provides access to capital, growing the clean economy to develop a more equitable, resilient, and sustainable DC. DC Green Bank leverages public purpose funding to attract private capital to:

- Create jobs and spur economic growth
- Meet the District’s sustainability and resilience goals
- Reduce carbon emissions and install clean energy systems
- Reduce residents’ utility costs
- Improve infrastructure resilience

The Mayor and City Council created DC Green Bank in 2018 with the District of Columbia Green Finance Authority Establishment Act. With the clear goal of accelerating the clean energy transition, DC Green Bank aims to mobilize private investment to provide gap financing, remove up-front costs, and maximize the impact of public investments in carbon neutrality, climate resiliency, and inclusive economic growth. DC Green Bank facilitates a more equitable green transition where all DC residents are recipients of the benefits of a cleaner and vibrant city.

The DC Green Bank is a separate legal existence within the District government (please see D.C. Law 22-155. Green Finance Authority Establishment Act of 2018. | D.C. Law Library ([dccouncil.gov](http://dccouncil.gov)) for more information). As a separate legal entity, the DC Green Bank is eligible as a loan recipient under the Safeguarding Tomorrow RLF program.



# 3. Resilient Housing for All Revolving Loan Fund

## 3.1 Resilient Housing for All Overview

The District intends to use Safeguarding Tomorrow RLF funds to establish the Resilient Housing for All RLF through which projects that align with the Safeguarding Tomorrow RLF eligible activities and the District’s resiliency goals will be funded. **The Resilient Housing for All RLF will provide low-interest loans to support hazard mitigation projects at affordable housing developments.** These projects may include building or site improvements and will improve the resilience of disadvantaged communities across the District. The following sections describe the specific goals of the Resilient Housing for All RLF Program, how these goals align with the intended use of the Safeguarding Tomorrow RLF Program, and how Safeguarding Tomorrow RLF funds will play an integral role in the implementation of hazard mitigation projects that will increase community resilience across the District of Columbia. For the remainder of this Intended Use Plan, the Resilient Housing for All RLF will be used to denote the District-specific allocation of the Safeguarding Tomorrow RLF funding.

### 3.1.1 Project Locations

Much of the District’s risk lies in the housing stock. It is critical for the District to protect housing against the impacts of natural hazards, in particular housing in underserved areas of the city. Residents with the fewest resources are often the most at risk of being impacted by natural hazard events. To benefit residents disproportionately impacted by natural hazards, the Resilient Housing for All RLF will provide funding for mitigation projects at affordable housing developments.

These resilience projects will protect the District’s most vulnerable residents while also working towards several of the District’s goals for affordable housing. The District is focused on preserving the existing supply of affordable housing, expanding the affordable housing stock, and furthering the development of affordable housing services to DC residents. Improving the resilience of affordable housing properties will prevent future gentrification and displacement of residents. The Resilient Housing for All program funds will facilitate the sustainable development or rehabilitation of affordable housing units that will increase the stock of permanent supportive housing, housing for families, housing restricted to households who earn less than 50% of the area median income, housing for older adults, persons with disabilities, mentally ill, victims of domestic violence, persons with HIV/AIDS, and other underrepresented groups. By supporting resilience projects at affordable housing developments, the Resilient Housing for All RLF program will both protect vulnerable residents and ensure the longevity of developments in the face of changing climate conditions.

### 3.1.2. Project Types

According to the District Hazard Mitigation Plan, flooding and extreme heat pose the greatest risk to DC residents. As detailed above, residents of affordable housing developments are particularly vulnerable to the impacts of these natural hazards. There are a variety of mitigation actions that can be implemented to protect residents from these impacts, including both structural and site improvements. Many of these projects also promote sustainability goals, such as improving energy efficiency of the housing developments. In 2021 the District published the [Resilient Design Guidelines](#), which are a practical guide for incorporating resilience into construction projects. These Guidelines provide a variety of structural and site improvement projects that may be supported by the Resilient Housing for All RLF. Figure 1 lists the project types described in the Resilient Design Guidelines.

RESILIENT DESIGN STRATEGIES MATRIX			
#	BUILDING STRATEGIES	#	SITE/LANDSCAPE STRATEGIES
<b>DESIGN FOR FLOODING</b>		<b>DESIGN FOR FLOODING</b>	
1	Avoid Development in Flood Hazard Areas	25	Implement Project Setbacks
2	Keep Occupied Spaces Above the Sea Level Rise Adjusted Flood Elevation	26	Minimize Channelization of Stormwater
3	Integrate Exterior Dry Floodproofing Techniques	27	Design for Stormwater Infiltration
4	Improve Drainage Control and Prevent Intrusion into Buildings	28	Incorporate Green Infrastructure
5	Use Wettable Systems/Finishes At and Below the Lowest Occupiable Floor	29	Install Permeable Pavement
6	Provide Rainscreen Detail for Siding/Cladding	30	Protect Critical Assets with Barriers
7	Reinforce Building Corners and Exteriors	31	Plan for Controlled Flooding
8	Specify a Resilient Elevator	<b>SPECIAL CONSIDERATIONS FOR WATERFRONT AREAS</b>	
9	Protect Mechanical and Electrical Equipment from Flooding	32	Increase Setbacks From Waterfront
10	Install Sewer Backflow Preventers	33	Design Waterfront Areas for Inundation
11	Consider a Vegetative (Green) Roof	34	Incorporate Living Shorelines
<b>DESIGN FOR EXTREME HEAT</b>		35	Protect Floating Docks and Marina Assets
12	Building Form and Envelope	36	Design Waterfront Boating Access to Accommodate Change
13	Continuous Air Barrier	<b>DESIGN FOR EXTREME HEAT</b>	
14	Design for Increased Termites	37	Provide Vegetative Shading
15	Disease Carrying Insects	38	Install Drought-Tolerant Landscaping
16	Mechanical Systems of The Future	39	Use Reflective Materials in Paved Patios, Parking Lots, and Sidewalks
17	Vegetated Facade	40	Provide Shaded Outdoor Gathering Spaces
18	Cool or Reflective Roofs		
<b>DESIGN FOR POWER OUTAGES</b>			
19	Achieve Passive Survivability		
20	Design for Natural Daylighting		
21	Provide Backup Power with Islanding Capability		
22	Wire Building so that Critical Loads Are on Separate Circuits		
23	Target 100% Building Electrification		
24	Install Solar Electric System		

**Figure 1. District of Columbia Resilient Design Guidelines – Resilient Design Strategies Matrix**

The District is expected to experience larger, more frequent storm events due to climate change and effective stormwater management practices can protect the immediate structure from flood events and benefit the greater community. Therefore, **the first year of the Resilient Housing for All program will focus on financing stormwater management projects at affordable housing development projects.** Flood risk management techniques decrease the risk of loss of property, the cost of insurance, and federal disaster payments. In addition, there are social and other health benefits to providing residents with affordable, resilient housing opportunities in the District.

The project types financed through the Resilient Housing for All RLF will be expanded in upcoming years as the program develops. DHCD will work in conjunction with HSEMA to ensure that the project categories and funded projects are closely aligned with the goals and intended use of Safeguarding Tomorrow RLF funding.

## 3.2 Resilient Housing for All Goals

### 3.2.1. Increase Resilience and Reduce Risk at Affordable Housing Developments

The Resilient Housing for All RLF program will promote resilience and adaptation in light of current and future natural hazard risks, including those posed by climate change. The program aligns with the 2020-2024 Department of Homeland Security Strategic Plan Goal 5: Strengthen Preparedness and Resilience. Specifically, Objective 5.1: Build a National Culture of Preparedness has several sub-objectives that this program supports. The Resilient Housing for All RLF program serves primarily to bolster Sub-Objective 5.1.1: Incentivize investments that reduce risk and increase pre-disaster mitigation. By focusing on increasing resilience and reducing harm to affordable housing, this program will help members of underserved communities who might be at heightened risk from natural hazards, including those associated with climate change.

The primary goal of the Resilient Housing for All program is to finance hazard mitigation portions of affordable housing projects to reduce the impacts of natural hazards on affordable housing developments. This includes:

- Reducing future damage and loss associated with flooding, severe storms, and other natural hazards
- Reducing risks to vulnerable residents from the impacts of flooding, severe storms, and extreme heat
- Positively impacting underserved communities who might be at heightened risk due to climate change.
- Promote energy-efficiency/community resilience across the city's affordable housing stock and low and moderate-income communities (sustainability to provide decent affordable housing).

### 3.2.2. Economic Resilience

Accessible affordable housing aligns with the broader goals of the District to make homelessness a rare, brief, and non-recurring experience. It creates permanent supportive housing unity that increases economic opportunities and reduces poverty. DHCD's mission is to create affordable housing in higher opportunity neighborhoods in all Wards that racially, ethnically, and economically diversifies neighborhoods and increases overall economic security of households. By providing low-interest loans and lowering overall costs, the Resilient Housing for All program will address the most challenging aspects of creating affordable housing in the District. Funds from the Housing Production Trust Fund and subsequently the Resilient Housing for All Program will distribute funding in a manner that supports fair and resilient housing that advances economic integration at the neighborhood level. Specifically, through the implementation of stormwater management infrastructure at affordable housing locations, the risks of physical and contents damages are reduced thus creating another level of economic security for residents.

### 3.2.3. Advance Equity and Support Disadvantaged Communities

One of the primary goals of the Safeguarding Tomorrow RLF is to reach local governments most in need of financing assistance, including low-income geographic areas and underserved communities. Although the Safeguarding Tomorrow RLF program is not currently included in the Justice40 Initiative, FEMA has included an equity-specific performance measure to align with Executive Order (EO) 14008: Tackling the Climate Crisis at Home and Abroad. FEMA will measure the percentage of loan funds distributed in low-income geographic areas and/or underserved communities. A goal of the Safeguarding Tomorrow RLF program is that 40 percent of the overall benefits generated by the entity loan funds flow to underserved communities. This aligns with the District's goals, and as a result **100% of Resilient Housing for All funds will reach disadvantaged residents.**

The District's Office of Planning and Department of Housing and Community Development collaborated to produce the Housing Equity Report. The report provides an analysis of current affordable housing distribution and proposes specific targets to achieve Mayor Bowser's goal of building 36,000 new homes, including 12,000 homes affordable to low-income residents, by 2025. The Resilient Housing for All RLF would directly support the development of these housing units.

Through ongoing engagement in the Consolidated RFP process, projects will be identified that are located in areas with the greatest need, namely Wards 7, 8, then 6, and 5. Studies have shown that that residents in the aforementioned areas are most susceptible to flooding, the urban heat island effect, and other extreme weather events due to both socioeconomic status and location. Through the DHCD consolidated RFP process, the median family income of residents along with other metrics is considered which will ensure that the Resilient Housing for All loan funds will invest in projects across the Districts affordable housing stock and low-income communities. The Resilient Housing for All program funding will be directly administered to development projects that support hazard mitigation projects and activities for homeowners most in need and prioritize overall community resilience. In addition, there will be a focus on the value of hazard mitigation projects beyond

protection of physical assets but also how these investments will result in whole-community resilience. Through these prioritization processes, the Resilient Housing for All program will also support the goals of the District’s Office of Racial Equity.

### **3.2.4. Partnerships**

The loan fund will require close collaboration and partnership with several entities: the District of Columbia Homeland Security and Emergency Management Agency (HSEMA), the Housing Production Trust Fund (HPTF), the DC Green Bank, and the Department of Housing and Community Development (DHCD). In addition, each lead agency independently has a wealth of strong partnerships that aim to create an interconnected network of support that benefits the District as a whole. These partnerships expand and focus on how to better meet affordable housing and community and economic development needs and goals of stakeholders, target populations, and community partners. The roles and responsibilities for each of these partnering agencies is described further in subsequent sections of the IUP.

### **3.2.5. Connection to Other Plans and Goals**

The projects funded through the Resilient Housing for All revolving loan program will contribute towards the goals of several District planning efforts, including the District Hazard Mitigation Plan (DHMP), Climate Ready DC, Resilient DC, and Housing Framework for Equity and Growth.

The DHMP is the culmination of a multi-agency effort to mitigate hazards in the District that aims to establish a base for thorough identification of hazards, risk analysis, efficient hazard management, and the implementation of hazard reduction and avoidance measures. The Resilient Housing for All program aligns with the DHMP’s effort to support community resilience through minimization and eliminating human suffering and property loss associated with natural hazards. According to the DHMP, the most common natural hazards to impact DC residents are flooding (riverine, coastal, and interior) and extreme heat. Protecting residents from the impacts of these hazards is a shared goal throughout District agencies, plans, and programs. The District also prioritizes considering equity when evaluating vulnerability to natural hazards. Resilient Housing for All will ensure residents living in affordable housing buildings will be adequately protected from flooding and extreme heat.

In 2016, the District Department of Energy & Environment developed the Climate Ready DC report which recognizes the need to prepare and adapt for future climate change. The Resilient Housing for All RLF will directly benefit two of the four sectors outlined in the Climate Ready DC report: Buildings & Development and Neighborhoods & Communities.

The goals of the Resilient Housing for All RLF closely align with the 2019 Resilient DC framework for inclusive growth, climate action, a ‘Smarter’ DC, and ensuring the health and safety of all Washingtonians. Through investing in innovative structural and site improvement projects at affordable housing developments, the Resilient Housing for All program will make strides towards accomplishing the District’s ambitious resiliency goals.

Through the Housing Framework for Equity and Growth, the DHCD has examined the wide range of factors and policies that affect housing production and affordability and are well equipped to move toward improving the affordability and equity of housing for all residents in the District. In addition, DHCD has a 5-year consolidation plan that outlines housing goals within the district from FY 2022 – 2026. The District of Columbia uses HUD’s Performance outcome Measurement System which aims to achieve the following objectives: Provide decent housing, establish, and maintain a suitable living environment, and create economic opportunities. These objectives are then paired with three performance outcome activities, the most applicable being sustainability whereby project activity is aimed at improving communities or neighborhood, increasing their livability by providing benefit to persons of low and moderate-income, through activities or services that sustain communities or neighborhoods. A goal of DHCD is also to promote energy-efficiency and community resilience across the city’s affordable housing stock and low and moderate-income communities which will be apparent through the projects selected in the consolidate RFP process.

### **3.2.6. Long-Term Entity Goals**

The long-term goal of the Resilient Housing for All program is for the funds to continue to revolve and finance more projects with the intention to reach more affordable housing units over time. While the FY23 funds will be focused on mitigation projects specifically aimed at reducing flood risk in the District, projects that address other hazards such as extreme heat, power loss, and the effects of severe storms may receive funding from the Resilient Housing for All program in the future. Examples of projects include structural floodproofing, elevating machinery and equipment, and building upgrades to exceed DC Construction Codes requirements (i.e., energy efficiency improvements). Other long-term eligible uses could also extend to zoning and land-use planning, building code adoption and enforcement, and administrative and technical assistance.



# 4. Stakeholder and Public Engagement

## 4.1 Stakeholder Engagement

The District has longstanding partnerships that have facilitated the acquisition and management of Federal funding for many years. These relationships and processes demonstrate that the District has the capacity to receive funding from the Safeguarding Tomorrow Revolving Loan Fund, as well as the knowledge and capability to manage the funding effectively once received. The established partnerships and processes will be leveraged at each step in the movement of funds from FEMA to individual mitigation projects, ensuring that funds are managed efficiently at each step. This Intended Use Plan is structured around this existing programmatic infrastructure to ensure effective administration of the Resilient Housing for All Program.

HSEMA's Hazard Mitigation Program advances hazard mitigation and resilience through engagement with other District agencies. The Program builds new datasets that capture the risk of natural hazard events and the vulnerability of residents and shares this data widely across District agencies and with residents through the ReadyDC website. Through stakeholder outreach, the Hazard Mitigation Program ensures residents' views of hazards, and their mitigation needs are reflected in the District's hazard data. HSEMA relies on Federal funding and on partnerships with other District agencies to implement mitigation projects. The Hazard Mitigation Program facilitates access to Federal funding through outreach and technical assistance, programmatic support, and project development.

The Hazard Mitigation Program provides technical assistance and outreach support to other District agencies to help them understand how natural hazard risk impacts their assets, plans, and programs. This assistance helps agencies identify effective mitigation actions and advance the planning for these projects to be ready for implementation. Technical assistance may include meeting to review available hazard mitigation resources, completing a risk assessment on a specific site, or conducting a benefit-cost analysis to determine the feasibility and effectiveness of a given project. Outreach support may include sharing insights gained from previous public engagement, organizing meetings to bring together many District stakeholders, or developing an outreach strategy to gain public feedback on a proposed project. It is through this engagement that the Hazard Mitigation Program has well-established relationships with implementing agencies and is able to effectively build a pipeline of projects for funding. This has created long-term success in the implementation of projects that buy down risk and protect residents and critical infrastructure from natural hazards.

HSEMA has a strong working relationship with the District Historic Preservation Office (SHPO). The relationship between FEMA, HSEMA, and the SHPO is established and governed by the 2019 Programmatic Agreement. This document outlines the responsibilities of each party as well as the process for effectively integrating historic preservation compliance considerations into the delivery of FEMA assistance. For each project requiring construction, HSEMA will conduct a desktop review of

the project site to demonstrate that the mitigation solution minimizes harm to the environment and historic resources. HSEMA will send this documentation to the SHPO for review and concurrence ahead of FEMA's approval of the grant application. Letters from the SHPO documenting concurrence or conditions for implementation will be included in the application package to FEMA. This well-established process will be leveraged to ensure all projected funded by this revolving loan fund will meet the environmental and historic preservation requirements of both SHPO and FEMA.

HSEMA and the Department of Energy and Environment (DOEE) have long history of partnering on resiliency efforts in the District. DOEE has provided invaluable insight through discussions of similar programs at their agency and how to best structure these programs in the District. In addition, HSEMA will work closely with stormwater experts and program staff at DOEE to apply the Stormwater Retention Credit Trading Program to stormwater management components of the Resilience Housing for All projects.

HSEMA has as leveraged these strong partnerships and existing processes by collaborating across multiple agencies in the District in the development of this Intended Use Plan. DHCD and DC Green Bank, have been and will be integral members in the creation and longevity of the Resilient Housing for All Loan Fund through their various roles from project selection to loan disbursement. These complex processes and transfer of funds will be managed through open lines of communication and a mutual understanding of the procedures between these three agencies.

## 4.2 Public Engagement

According to the Safeguarding Tomorrow RLF NOFO, applicants must “provide a project proposal list, prior to submitting an application, that results from a public notice of no less than six weeks in length, inviting hazard mitigation project proposals from local governments, as required by 42 U.S.C. § 5135(b)(1)(A). To meet this requirement, the HSEMA created a [Resilient Housing for All website](#) with information about the Safeguarding Tomorrow RLF program, how the District plans to use the funds, and a link to a survey where interested parties could submit information about potential projects. This information, including the survey, was posted on March 3, 2023. Documentation of this date of publication is provided in Appendix X. Similarly, applicants must “provide an Intended Use Plan that has been published by the applicant for review and comment prior to submitting an application, as required by 42 U.S.C. § 5135(g). HSEMA published this draft Intended Use Plan to the same [Resilient Housing for All website](#) for public review and comment.

While the public was provided the opportunity to submit projects for consideration, the District determined that given the purpose of the Resilient Housing for All RLF, the best way to collect projects was to utilize the existing pipeline of projects being considered through the DHCD Consolidated RFP process. DHCD collects applications from affordable housing developers for a variety of projects through the Consolidated RFP process, including projects with resilience elements. By utilizing this existing process, the District is able to reach the ideal loan candidates through previously established processes. The Consolidated RFP and the steps taken to collect projects for the project prioritization list are described in detail in Section 5 of this IUP.

# 5. Grants and Loan Administration, Reporting, and Monitoring

## 5.1. Overview

Due to the unique status of the District with regard to this funding source as both a state and local entity, the District has put in place a unique process for distribution, programmatic oversight, financial administration, and project development. This not only increases visibility of the Safeguarding Tomorrow RLF funds across multiple agencies but allows for a higher level of accountability by ensuring interagency communication and collaboration.

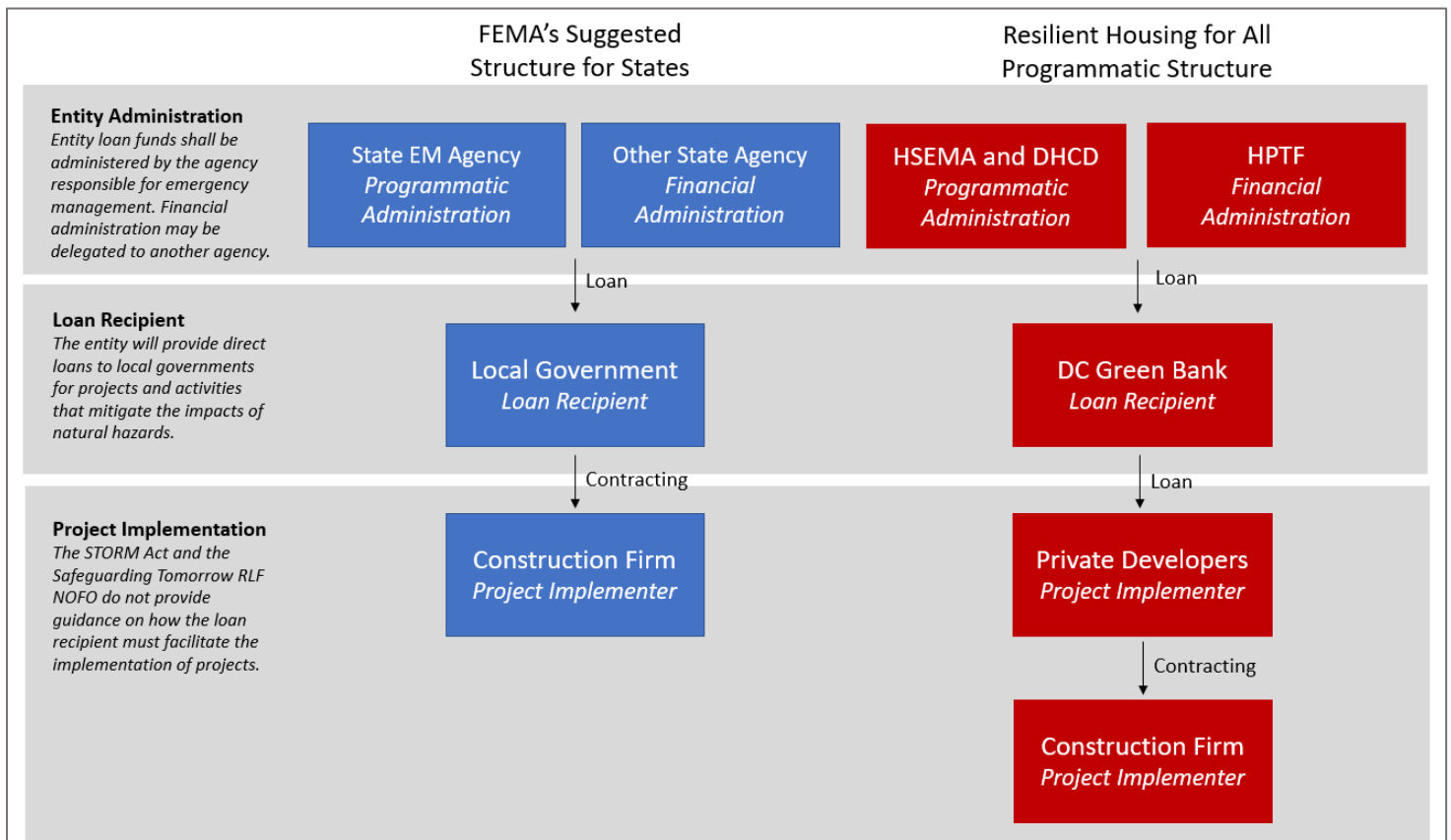
Under the suggested structure of the program by FEMA, a capitalization grant will be issued to the State Agency who will then provide loans to Local Government entities to fund the identified mitigation projects. These projects will likely be completed through the use of procured contractors to fulfill the need of the scopes of work and closeout. The District will apply a similar applicant-subapplicant strategy but will issue the funding through various agencies, each with a different role. The flowchart (Figure 2) below and the following subsections will describe in greater detail each role the District agencies and partners will serve in the distribution of the Safeguarding Tomorrow Revolving Loan Funds.

Since the release of the FY22 Safeguarding Tomorrow RFL Notice of Funding Opportunity (NOFO), the District maintained regular communication with FEMA to ensure the structure of the Resilient Housing for All program meets all requirements of the STORM Act. The District met with FEMA STORM program staff and Office of Chief Counsel staff, who confirmed that the following program set up meet requirements and will enable the District to access the Safeguarding Tomorrow RLF funding. As a result, the proposed entity loan fund setup is as follows:

- HSEMA and DHCD will partner to administer the entity loan fund, but will delegate financial administration to the Housing Production Trust Fund
  - HSEMA will lead project selection, communication with FEMA, quarterly reporting, and the transfer of funds from FEMA to HPTF. HSEMA will support project monitoring and environmental and historic preservation review by FEMA.
  - DHCD will support the identification of projects through their existing Consolidated RFP process and will serve as the lead for monitoring project completion, ensuring the funds are used as required by the loans, and environmental and historic preservation review by FEMA.
  - HPTF will establish the fund, contribute cost share, and receive the capitalization grant from FEMA. HPTF will distribute the funds through a loan to the DC Green Bank.

- A loan will be issued from the Housing Production Trust Fund to the District of Columbia Green Bank
- The DC Green Bank will offer loans to private housing developers that have been selected by HSEMA and DHCD for the implementation of hazard mitigation projects at affordable housing developments.

This structure is depicted in Figure 2 below, showing how it compares to the traditional state structure and how it meets the requirements of the STORM Act.



**Figure 2. Overview of the Resilient Housing for All Programmatic Structure Compared to FEMA's Suggested Structure for States**

## 5.2. Entity Administration – Homeland Security and Emergency Management Agency

The entity loan fund must be managed by the applicant entity's agency responsible for emergency management. To this effect, the District of Columbia Homeland Security and Emergency Management Agency (HSEMA) leads, plans, and coordinates the District's homeland security and emergency management efforts to prevent, protect against, respond to, mitigate, and recover from all threats and hazards. HSEMA will be responsible for the programmatic management and oversight

of the Safeguarding Tomorrow Revolving Loan Fund. HSEMA will lead all coordination with FEMA, and will ensure that as funds revolve, the funding will continue to support resilience projects in the District, rather than emergency operations or other projects. HSEMA will also be responsible for all programmatic reporting requirements in accordance with 42 U.S.C. § 5135(h)(2) and FEMA best practices including, but not limited to, publication of information, quarterly progress reports, closeout reporting, and administrative closeout. The Resilient Housing for All program will use monitoring and oversight controls in line with existing HSEMA processes for grant management. These processes will involve communication with the loan applicants, recipients, and partners throughout many phases of the project, application evaluation, reporting, and programmatic oversight.

### **5.2.1 Fund Transfer**

HSEMA's Hazard Mitigation Program and the Grants Bureau work together to secure and manage funding for hazard mitigation projects. The Grants Bureau holds the primary financial responsibility, while the Hazard Mitigation Program acts as an extension of support for FEMA fund management. This well-established relationship has allowed HSEMA to secure and manage over \$100 million in Federal awards from FEMA's Hazard Mitigation Assistance programs, and will be leveraged to facilitate the transfer of funding from FEMA to the Housing Production Trust Fund.

Once an award is received from FEMA, the project is set up in HSEMA's SharePoint system, which is the central repository for reporting and document management. HSEMA develops a Memorandum of Understanding for the subrecipient, which is signed by all parties and uploaded into SharePoint. A Budget Establishment Form is then completed, and the funds are transferred to the subrecipient. This process has been executed successfully for many federal awards and will be utilized to transfer the funds to the Housing Production Trust Fund, which is the entity responsible for the financial administration of the Resilient Housing for All RLF. A Memorandum of Understanding will be established between HSEMA and the Housing Production Trust Fund to enable to transfer of Safeguarding Tomorrow RLF funds from FEMA to the HPTF.

### **5.2.2 Project Selection and Oversight**

HSEMA, as the entity responsible for administration of the Resilient Housing for All RLF, will provide oversight over project selection and implementation to ensure projects meet the requirements of the Safeguarding Tomorrow RLF. Specifically, HSEMA will ensure projects meet the resiliency objectives of the program and will effectively mitigate the risk of natural hazards. HSEMA will work with DHCD to select projects for the Project Priority List (this process is described in full in Section 6). For the first year of this program, HSEMA and DCHD selected stormwater management projects, which will reduce the risk of flooding at affordable housing developments. HSEMA will also partner with DHCD and the DC Green Bank to support the monitoring of projects, which will ensure the hazard mitigation objectives are met throughout project implementation. DCHC is the lead agency for project monitoring, so this process is described in more detail in Section 5.5.2. By leading the project selection and supporting project monitoring, HSEMA will ensure that the RLF funds will be allocated toward projects that promote equity objectives and meet baseline requirements, including that the

projects on the Resilient Housing for All RLF PPL are in line with the DHMP, other District hazard mitigation efforts, and Safeguarding Tomorrow RLF objectives.

### **5.2.3 Environmental and Historic Preservation Compliance**

HSEMA has a well-established process for gaining environmental and historic preservation approval for all federal-funded projects. Any project receiving federal funds must meet the requirements of the National Environmental Policy Act (NEPA) including associated federal, state and local environmental laws and policies. A complete application containing a detailed scope of work, maps, and photos is required for FEMA’s environmental and historic preservation review. In addition to preparing these packages for FEMA, HSEMA sends all materials to the District Historic Preservation Office (SHPO) for review and approval.

The relationship between FEMA, HSEMA, and the SHPO is established and governed by the 2019 Programmatic Agreement. This document outlines the responsibilities of each party as well as the process for effectively integrating historic preservation compliance considerations into the delivery of FEMA assistance. For each project requiring construction, HSEMA will conduct a desktop review of the project site to demonstrate that the mitigation solution minimizes harm to the environment and historic resources. HSEMA will send this documentation to the SHPO for review and concurrence ahead of FEMA’s approval of the grant application. Letters from the SHPO documenting concurrence or conditions for implementation will be included in the application package to FEMA. This well-established process will be leveraged to ensure all projected funded by this revolving loan fund will meet the environmental and historic preservation requirements of both SHPO and FEMA.

DHCD also has a well-established process for facilitating SHPO review of projects before financially supporting housing projects. DHCD’s Office of Program Monitoring (OPM) facilitates communication with SHPO, including the provision of required documentation for each project under review. OPM creates an Environmental Review Record (ERR) for locally and federally funded projects as required by 24 CFR Part 58. The ERR is based on HUD’s guidelines and instructions for complying with the National Environmental Policy Act of 1969. OPM provides clearance for a project to proceed following the review of the project activity, project summary, and other supporting documents. While DHCD is responsible for the ERR, the SHPO must agree with OPM’s determination regarding historical impact, as they are the federally designated office that must concur with OPM’s decision. Federally funded projects may also require a more extensive review by SHPO in compliance with Section 106 of the National Historic Preservation Act of 1966 if the proposed actions affect historic buildings.

As both HSEMA and DHCD have established relationships for facilitating SHPO review of projects, the two entities will work together to collect required documentation and submit to SHPO. Once SHPO concurrence is received, HSEMA will lead the provision of concurrence documentation to FEMA. FEMA has noted that additional information on the requirements for EHP review will be provided at a later date. HSEMA will be the entity responsible for communicating with FEMA and ensuring all mitigation projects meet the requirements.



### 5.2.4 Reporting and Record Keeping

HSEMA, as the administering agency, commits to entering project and benefits data into the FEMA Non-Disaster Grants system (ND Grants) and financial data in Payment and Reporting System (PARS) to support the evaluation of the Resilient Housing for All RLF program. Among other parameters, FEMA will use the data from the audits and reporting to evaluate how the entity loan funds:

- Efficiently administer the fund
- Provide project benefits to local communities
- Promote equity

HSEMA will enter project benefits data into ND Grants by the end of the quarter in which the capitalization grant is received. After the period of performance, we will enter required project benefits data into FEMA's ND Grants by the end of the fiscal year for this Intended Use Plan.

HSEMA will support the recipients and its partners with maintaining records of work, schedule, and expenditures, as well as submitting regular progress and other information in the form of quarterly reports. Quarterly reports will be submitted following each quarter's end and document progress, issues and resolutions, any contract modifications, and other project status items per project. Through the management of over \$100 million in FEMA HMA awards, HSEMA has extensive experience with the development and submission of quarterly reports to FEMA. HSEMA is familiar with the information needed to satisfy these requirements and has the systems in place to ensure the on-time submission of complete quarterly reports. HSEMA's Hazard Mitigation Program and Grants Bureau will hold the primary responsibility for ensuring timely delivery of programmatic reporting requirements.

HSEMA will collect and maintain all forms and other required information. All project files developed and maintained throughout the loan process will be monitored to ensure complete compliance with the identified project type and funding source, and to fulfill potential audits. HSEMA will use a secure project management database and hard copy project files in accordance with applicable District regulations. HSEMA is familiar with federal and state requirements for documentation during the implementation of hazard mitigation programs. Correspondence, recipient forms, contracts, quarterly reports, and requests for documentation records, as well as any file manager notes will be kept in an orderly and professional manner.

## 5.3 Financial Administration - Housing Production Trust Fund

Financial administration of the Resilient Housing for All RLF will be conducted by the Housing Production Trust Fund (HPTF). As described in Section 2, the HPTF is an existing locally funded revolving loan fund that was created to finance the production and preservation of affordable housing. The HPTF is statutorily established as a permanent revolving loan fund with dedicated funding through real property transfer and deed recordation taxes (see [the District Code](#) for more information). The Mayor and Council have regularly funded the HPTF with additional funds beyond

the statutorily required amounts, with funding of at least \$100 million annually for 9 consecutive years.

### **5.3.1 Financial Status of the Resilient Housing for All RLF**

As the capitalization grant for the Resilient Housing for All RLF has yet to be received, this section will focus on the financial status of the Housing Production Trust Fund. After the first year of the Resilient Housing for All RLF, this section of the Intended Use Plan will be updated to reflect the current financial status of the Resilient Housing for All RLF.

The financial status of the HPTF is documented each year in annual audit reports. The most recent audit was completed for the fiscal year from October 1, 2020, through September 30, 2021. This audit report [is available publicly online](#) and includes information for both this and the previous fiscal year. Specifically, the report includes financial information on all assets, liabilities, and deferred inflows, as well as revenues, expenditure, and changes in fund balances. At the end of the fiscal year, the HPTF had a restricted fund balance of \$266,439,580. For more details and financial highlights, please see the online report.

### **5.3.2 Establishing the Resilient Housing for All RLF**

As described in Section 5.2.1, HSEMA will facilitate the transfer of the Safeguarding Tomorrow RLF capitalization grant from FEMA to the HPTF. The HPTF will establish one separate financial account for the capitalization grant. This account will house all funds related to the program, including capitalization funds, principal repayments, interest repayments, and any interest earned on the account balance.

Once the Resilient Housing for All RLF has been established, the funding (capitalization grant and local share) will be loaned to the DC Green Bank. The DC Green Bank is eligible to receive loans as a ‘local government’ entity under the Safeguarding Tomorrow RLF Program. A loan agreement will be established between the HPTF and DC Green Bank, which will outline all terms for the loan’s use and repayment. The loan terms and management are described in section 5.4.

The District’s goals for fund management include ensuring Resilient Housing for All RLF funds are administered efficiently, managed effectively, and maintained in perpetuity. The District will consider various metrics as measurements of entity fund health including the efficiency of loan distribution, effective program management, staffing capacity and resources, and loan repayment. The loan fund plans to disburse the full amount as loan to the DC Green Bank, with a utilization rate of 100%, during the fiscal year.

### **5.3.3 Cost Share**

According to the Safeguarding Tomorrow RLF NOFO, entities must contribute not less than 10 percent of the capitalization grant to the entity loan fund. The most recent HPTF fund balance was reported to be \$266,439,580, per the FY1 Audit Report. This demonstrates that there is more than

sufficient funding in the HPTF to contribute the required 10 percent local cost share, allowing the transfer of the capitalization grant from FEMA to the HPTF.

For the first year of the Resilient Housing for All RLF, the District will contribute 28% or \$6,069,441.00 local share to the loan to the DC Green Bank. This amount was determined based on the Priority Project List, and the specific cost estimates for each hazard mitigation project. Projects with only a preliminary cost estimate will be funded through the local share, ensuring that increases in these cost estimates will only increase the amount of local share contributed by the District. More information on the Priority Project List is included in Section 6.

In addition to the local cost share for hazard mitigation projects, the HPTF will co-invest on all projects being funded by the Resilient Housing for All program by providing loans for the wider projects (non-hazard mitigation elements). Average HPTF loans represent 20% or more of the capital provided to create these affordable housing projects. While these loans are separate from the Resilient Housing for All funding, they represent a larger local investment in affordable housing projects in the District.

### 5.3.4 Financial Reporting Requirements

The District will ensure compliance with all Federal requirements per 42 U.S.C. § 5135. The HPTF is governed by an existing regulatory structure defined by DHCD. DHCD provides an annual [RFP Compliance and Monitoring Reference Guide](#), which outlines the relationship between DHCD and those who receive agency funds, including the HPTF. The Guide defines all requirements that apply to the HPTF, including applicable District and Federal rules and regulations. The Guide also describes DHCD's standards and processes for funded projects and details what DHCD expects from applicants and their project teams during each project phase.

#### Financial Statements

Throughout the loan term, the HPTF must submit the following documents to DHCD annually (for the given fiscal year):

1. Final audited financial statements (subject to the Generally Accepted Accounting Principles)
2. Final federal tax return
3. Evidence of commercial property insurance with DHCD added as an Additional Interest, Loss Payee.
4. Evidence of liability insurance with DHCD added as a Certificate Holder; send to the address above
5. Copy of operating reserve account statements (if applicable)
6. Proof of payment of real estate property taxes
7. Current business license
8. Reconciliation of DHCD-funded expenditures
9. Project operating statements
10. An Office of Management and Budget (OMB) Circular A-133 audit or other applicable audit requirements outlined in 2 CFR Chapter 1, Chapter II, Part 200 et al. This document is due by the 120th day after the close of the Applicant's/Grantee's fiscal year.

## Reporting Requirements

The HPTF must provide DHCD with all information needed to meet District and federal reporting requirements. It may include, but is not limited to, information on household size, age, income, sex, and race or ethnicity of all occupants living in housing units funded by DHCD loans and grants.

## General Monitoring Requirements

Throughout the loan, the HPTF must be prepared for and facilitate project monitoring by DHCD. They agree to:

- Facilitate monitoring by creating, storing, and maintaining all project records in accordance with DHCD’s requirements
- Permit desk monitoring, site visits, and audits
- Permit inspections of project records as DHCD deems necessary to ensure the upkeep and operation of the project in compliance with District and Federal laws

## Audit Requirements

The HPTF is subject to annual audit requirements. Audits will be conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issues by the Comptroller General of the United States. Those standards require that audits are planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. HPTF will utilize the services of an outside Certified Public Accounting firm to conduct an independent audit to ensure financial integrity for the Annual and Biennial Audits. Ensuring transparency and accountability, all audit reports are posted publicly on the DHCD website.

The District will meet all Federal requirements per *42 United States Code Section 5135(h)(2)*:

A participating entity shall publish and periodically update information about all projects receiving funding from the entity loan fund of such entity, including—

- (A) the location of the project;
- (B) the type and amount of assistance provided from the entity loan fund;
- (C) the expected funding schedule; and
- (D) the anticipated date of completion of the project.

These requirements will be met through existing reporting processes. The [Code of the District of Columbia § 42-2802](#) establishes the Housing Production Trust Fund and outlines specific reporting and publication requirements for the Fund. The projects funded through the Resilient Housing for All RLF will be subject to these requirements.

The Code requires that DHDC:

- File with the Chairperson of the Council committee with oversight jurisdiction over the Department of Housing and Community Development quarterly reports on activities and expenditures, which shall include a list of the Fund loan repayments due and paid during the reporting period and identify all developers who are not in compliance with loan agreement terms.
- Create and maintain a publicly available database of all Fund loans, which shall include loan agreements with the name of the developer, date of the award, loan amount, interest rate, number of affordable housing units created with the loan, income levels served by the housing units, period of time units shall remain affordable, and status of the developer's compliance with the loan agreement.

The publicly available database of all Fund loans is maintained on the DHCD website. All required publication of information regarding projects funded by the Resilient Housing for All program will occur through existing processes on this website. Publication of project information will continue beyond the period of performance of the capitalization grant.

## **5.4 Loan Recipient – District of Columbia Green Bank**

The District of Columbia Green Bank (DCGB) will serve as the primary loan recipient of the Safeguarding Tomorrow RLF. The RLF will lend funds to DCGB at an interest rate of 0%. DCGB will then lend these funds directly to affordable housing project developers to fund resilience and mitigation measures that have been identified as per the process outlined in section 5.

As a separate legal entity, the DCGB qualifies as a 'local government.' per the Stafford Act, Sect. 102(8) the Safeguarding Tomorrow RLF program defines a local government as the following:

(8) Local Government - The term "local government" means – (A) a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government; (B) an Indian tribe or authorized tribal organization, or Alaska Native village or organization, that is not an Indian tribal government as defined in paragraph (6); and (C) a rural community, unincorporated town or village, or other public entity, for which an application for assistance is made by a State or political subdivision of a State.

As the eligible entity, the HSEMA is able to interpret what they consider a local government. Under the District's authority and per the Stafford Act, HSEMA confirms that the DCGB is eligible to receive loans as a local government. The DC Green Bank will serve as the primary loan recipient and will delegate funding to private developers for the purposes of the Safeguarding Tomorrow RLF. Eligible loan recipients include only those projects on the prioritization list, selected for funding by HSEMA and DHCD in direct accordance with the District's priorities. This will ensure the District will maintain

complete oversight of the funds and allow for increased visibility in the decision-making of the funding uses and allocations.

### **5.4.1 Loan Management Information**

The DC Green Bank will establish a separate account for the deposit of any Resilient Housing for All loan funds. It will be independent of other accounts and account records. The DC Green Bank will maintain complete and accurate records and documentation of all costs incurred under the loan, according to the loan agreement set with the HPTF. Documents will be organized in a way that identifies cost categories in a project's itemized budget.

### **5.4.2 Criteria and Method for Loan Distribution**

HSEMA and DHCD will provide the priority project list, which determines the eligible projects for loans under the Resilient Housing for All program. The criteria for selection are described in detail in section 6. The timing for each loan is depended on the project status, and the review by DHCD. Information on the expected start date of construction is included in the Priority Project List.

### **5.4.3 Financial Terms of Loans**

Once the Resilient Housing for All RLF has been established, the funding (capitalization grant and local share) will be loaned to the DC Green Bank. A loan agreement will be established between the HPTF and DC Green Bank, which will outline all terms for the loan's use and repayment.

Standard loan terms for these facilities from DC Green Bank are as follows:

- Interest rate: 1.0%
- Loan term: 18 years (3 years for construction of improvements and 15 years for repayment)
- Amortization: Interest only repayment during the construction period and repayment based upon a 35-year amortization schedule for the remainder of the loan term, with the remaining loan balance due at the end of the 15-year period.
- The loan amount, loan term, and amortization of the loans from the RLF to DCGB will generally mirror the terms given to the projects. Repayment to DCGB will come from the operations of the affordable housing multifamily projects, which DCGB will then use to repay the RLF. The funds will revolve at the DCGB level until all have been repaid, then the DCGB will repay the loan to the HPTF.

All loans will benefit underserved residents, as the resilience and mitigation measures will be going into affordable housing projects which will benefit low-income tenants. Therefore, there will not be a different set of loan terms for disadvantaged and non-disadvantaged recipients.



## 5.5 Project Oversight – Department of Housing and Community Development

### 5.5.1 Project Vetting and Selection

DHCD will play a critical role in the vetting of projects to ensure those being funded meet DHCD’s extensive criteria. Proposed projects are collected through the consolidated RFP process, which is described in detail in Section 6. DCHD is responsible for reviewing proposed projects and issuing Letters of Commitment (LOC) for those that are selected. The LOC will contain a series of conditions the private developer must meet before closing. These could be updates of documents already submitted: an updated appraisal, Phase I Environmental Study, or Certificate of Good Standing. The LOC may have any outstanding items from the OPM compliance review. The following conditions must also be met before loan closing; these conditions are in addition to those in the Prioritization Methodology:

- **Non-Procurement Debarment (Vendor Eligibility List Verification)** - The District compiles a list of “debarred” organizations that are ineligible to do business with the city. DHCD checks the list before closing on a loan.
- **Tax Verification** - The developer must submit tax verifications from DOES and the D.C. Office of Tax and Revenue (OTR). These show that their affiliates, contractors, and subcontractors comply with the District’s license and tax requirements. They also must submit proof of compliance with federal tax requirements to be eligible for loan funds.
- **Current on District Obligations and Good Standing Certification** - The developer must provide DHCD with satisfactory evidence indicating that it is in good standing with its obligations to the District. They must do the same for their affiliate management and ownership companies.
- **Permits and Plans and Specifications** - The developer must obtain and deliver to DHCD copies of all building, occupancy, and similar permits required by District and Federal law. This includes Section 105A of Title 12A of the D.C. Municipal Regulations as applicable to the development and occupancy of the project/property described in the Commitment. The Applicant will provide DHCD with a copy of the permit, set of plans, and specifications for the project stamped and dated by the Department of Consumer and Regulatory Affairs (DCRA).
- **Current Land Survey and Legal Description** - The developer shall submit to DHCD a current land survey and legal description of the property by a land surveyor registered in the District. This survey must clearly designate all improvements, encroachments, easements, rights-of-way, roads, alleys and ways, rivers, creeks, streams, paths, setbacks, and other matters revealed by the inspection survey. It also must identify any portion of the property that may be covered by water.

- **Insurance** - The developer must obtain and maintain the following insurance coverage for each project:
  - Liability insurance, including general, auto, professional errors and omissions for contractors and architects, environmental, and umbrella liability policies
  - Worker’s compensation
  - All-risk property and builder’s risk policies in accordance with the limits and standards determined by the DC Office of Risk Management (ORM)

The Applicant will secure, keep, and cover the cost of these insurances while their DHCD loan is outstanding.

- **Drug-Free Workplace Certification** - The developer will sign a certification, committing to comply with The Drug-Free Workplace Act of 1988, 41 U.S.C. 701 et seq.; 24 C.F.R part 21.
- **Conflict of Interest Statements** - The Applicant must comply with Federal and District laws regarding conflict of interest. They will also provide DHCD with a copy of their conflict-of-interest policies and procedures within 14 days of loan initiation.

### 5.5.2 Project Monitoring

Project monitoring will occur in two phases – phase 1 will be to monitor to ensure the resiliency measures will be put in place as agreed, and phase 2 will be financial monitoring for repayment of the loan facilities.

#### Phase 1 – Construction of Resiliency Improvements

The construction of resiliency improvements will be completed as part of a larger affordable housing development project. Project monitoring requirements will be defined in the loan agreement. The scope of work will be approved by HSEMA as administrator prior to the beginning of construction. During the construction of improvements, there will be monthly inspections by an engineer to ensure the entire project is completed as agreed. A monthly report will be prepared by an engineer that will include site photos and an analysis of the work completed to date. The report will be directly sent to both DCGB and HSEMA from the engineer. Upon completion of the required resilience improvements, HSEMA will complete a final site visit to ensure the improvements were completed as agreed.

#### Phase 2 - Financial Monitoring

Financial reporting requirements from the As the RLF loan recipient, DCGB will prepare a compiled quarterly report for the HPTF on the payment status for each project. This report will contain the following information as of quarter end:

- Project Name
- Project Address
- Committed Loan Amount
- Current Unpaid Principal Balance
- Last Payment Date

# 6 Project Selection Process

According to the Safeguarding Tomorrow RLF NOFO, applicants are required to submit a list of project proposals that comprises local hazard mitigation projects per 42 United States Code Section 5135(b)(1)(A). These lists should be prioritized to identify how the entity will use the capitalization grant funds. HSEMA and DHCD partnered to establish a project priority list (PPL) from a current list of project proposals that were submitted through the DHCD Consolidated RFP Process.

Projects on the PPL meet the Safeguarding Tomorrow RLF objectives of financing hazard mitigation projects to reduce risks from natural hazards and disasters and will therefore be eligible for the Resilient Housing for All RLF funds. The DC Green Bank will administer loans to eligible projects in this pipeline because these projects are centered around the shared goal of equitable distribution of financing to reach low-income geographic areas and underserved communities most in need of financing assistance.

## 6.2 Prioritization Methodology

Each year, DHCD releases a Consolidated Request for Proposal for Affordable Housing (RFP) in conjunction with the DC Housing Authority (DCHA), the DC Department of Behavioral Health (DBH), the DC Department of Human Services (DHS), the DC Department of Health (DOH), the DC Department of Energy and Environment (DOEE), and the DC Housing Finance Agency (DCHFA), to facilitate the funding of affordable housing projects in the District.

The RFP seeks impactful proposals to produce and preserve affordable housing units with an emphasis on:

- Households earning 30 percent of the Median Family Income (MFI) or below, including Permanent Supportive Housing (PSH) for individuals and families who were once homeless and continue to be at imminent risk of homelessness.
- Projects that are in areas of the city with a deficit of affordable housing.
- Projects that are ready to quickly proceed to closing and construction.
- Projects that produce or preserve units that are not currently subject to an affordability covenant (i.e., net new units)

DHCD has a detailed review and selection process to determine which applicants will receive funding. DHCD's Development Finance Division (DFD) completes the threshold eligibility review, evaluates projects against the scoring criteria, and issues selection letters. In addition, DHCD's Office of Program Monitoring (OPM) conducts a compliance review of projects chosen by DFD.

### Threshold Eligibility Review

Applicants are reviewed against a combination of Threshold Eligibility Requirements and Evaluation Criteria. Successful Consolidated RFP candidates must submit documentation that fully demonstrates their compliance with the Threshold Eligibility Requirements that include Project

Criteria, Financial Criteria, Applicant Criteria, Reports and Plans, and Compliance Criteria. The only eligible funding requests are for either affordable housing production or preservation project types. Production is defined as financing for new construction projects or projects that rehabilitate vacant buildings that produce units reserved for households earning between 0-30 percent of MFI or 31-50 percent of MFI. Preservation is financing for the acquisition and rehabilitation of existing, occupied housing with at least five (5) permanent housing units, where affordability will be preserved for existing low-income tenants at any income level no greater than 80 percent of MFI.

All projects that meet the Threshold Eligibility Requirements will be competitively evaluated in 5 areas: Project Readiness and Past Performance, Inclusive and Equitable Housing, Place-Based Priorities, Maximizing the impact of DHCD Resources, and Innovative and Community Oriented Features or Programming. The projects with the highest score across these categories will be prioritized for financing support.

### **Compliance Review**

DHCD's Office of Program Monitoring (OPM) conducts a compliance review of projects selected to receive financial support. OPM reviews documents submitted by a project's development team once a project passes the Consolidated RFP threshold review. This compliance review covers the following subject areas: A. Funding Source Eligibility B. Environmental Requirements C. Historic Preservation D. The Fair Housing Act E. Program and Project Accessibility F. Section 3 of the Housing and Urban Development Act of 1968 G. External Agency Compliance Requirements (First Source, Affirmative Action, SBE) H. Labor Standards (Davis Bacon, CWHSSA) I. Relocation (if applicable).

### **Tie-Breaking Procedure**

In the event of a tie in the selection process, projects with the fewest negative points will be placed higher on the Resilient Housing for All PPL and will then default to the *Place Based Priorities* scoring section specifically. In these instances, HSEMA will also have input and would consider projects that go above and beyond resilience regulatory requirements as a factor in prioritization.

## **6.3 2023 Project Prioritization List**

DHCD completed this evaluation of projects submitted through the 2021 Consolidated RFP process. HSEMA and DCHD reviewed the list of selected projects to determine which included resilience elements and would therefore be candidates for low-interest loans through the Resilient Housing for All RLF. These hazard mitigation projects were isolated from the larger projects to ensure the only elements to be funded through the Resilient Housing for All RLF are related to hazard mitigation. For the first year of this program, HSEMA and DCHD focused on stormwater management projects, which will reduce the risk of flooding at affordable housing developments. This list of projects is the Project Priority List (PPL) submitted with this Intended Use Plan as part of the application to FEMA for the Safeguarding Tomorrow RLF.

By building upon the existing Consolidated RFP and evaluation processes, the District ensures that the RLF funds will be allocated toward projects that promote equity objectives and meet baseline

requirements, including that the projects on the Resilient Housing for All RLF PPL are in line with the DHMP, other District hazard mitigation efforts, and Safeguarding Tomorrow RLF objectives.