



District of Columbia

# Resilient Housing for All Revolving Loan Fund - Intended Use Plan

April 26, 2024

District of Columbia Resilient Housing for All  
Revolving Loan Fund – Intended Use Plan

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April 26, 2024



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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.

In the District of Columbia, the Safeguarding Tomorrow RLF funds will be received, managed, and distributed through the District’s entity loan fund, the Resilient Housing for All Revolving Loan Fund. **This Intended Use Plan (IUP) outlines the priorities and procedures governing the District’s FY2025 Resilient Housing for All RLF.** 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 RLF is designed to award loans to eligible affordable housing developers to complete substantial rehabilitation or site improvement 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 District’s affordable housing resilience.

This IUP has been adapted from the template provided by FEMA to fit the Resilient Housing for All RLF 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. Resilient Housing for All Revolving Loan Fund

### 2.1 Resilient Housing for All RLF 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, 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 IUP, the Resilient Housing for All RLF will be used to denote the District-specific allocation of the Safeguarding Tomorrow RLF funding.

#### 2.1.1 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 for residents. Improving the resilience of affordable housing properties will also help prevent the displacement of residents in the face of rising housing costs and gentrification. The Resilient Housing for All RLF will support the protection of affordable housing units including permanent supportive housing, housing for families, housing restricted to households who earn less than 50 percent of the area median income, housing for older adults, persons with disabilities, 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.

#### 2.1.2 Project Types

According to the District's State 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.

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

<b>RESILIENT DESIGN STRATEGIES MATRIX</b>			
#	<b>BUILDING STRATEGIES</b>	#	<b>SITE/LANDSCAPE STRATEGIES</b>
<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		

The District is expected to experience larger, more frequent storm events and extended periods of exposure to natural phenomenon due to climate change over the coming decades. To ensure the Resilient Housing for All RLF focuses on supporting the reduction of these impacts, all projects financed through this fund will be in direct alignment with the State Hazard Mitigation Plan (SHMP). This includes but is not limited to projects that consider areas at risk of natural hazards such as flooding, extreme heat, earthquakes, droughts, and severe storms, as well as considers projects that offer significant innovation and resilience to major economic sectors and critical national infrastructure.

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

## 2.2 Resilient Housing for All RLF Goals

### 2.2.1 Increase Resilience and Reduce Risk at Affordable Housing Developments

The Resilient Housing for All RLF program will promote resilience and adaptation to current and future natural hazard risks, including those intensified by climate change. The program aligns with the 2020-2024 Department of Homeland Security Strategic Plan Goal 5: Strengthen Preparedness and Resilience. Specifically, the Resilient Housing for All RLF supports 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 RLF is to finance hazard mitigation portions of affordable housing projects to reduce the impacts of natural hazards on affordable housing developments. This includes:

- Reducing damage to identified Repetitive Loss (RL) and Severe Repetitive Loss (SRL) properties, if applicable.
- Reducing future damage and loss associated with flooding, extreme heat, severe storms, and other natural hazards.
- Reducing risks to vulnerable residents from the impacts of flooding, severe storms, extreme heat, and other natural hazards.
- 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).

### 2.2.2 Economic Resilience

Accessible affordable housing aligns with the District's goal to make homelessness a rare, brief, and non-recurring experience. It creates permanent supportive housing units that increase economic opportunities and reduce poverty. The District aims to create affordable housing in all Wards that racially, ethnically, and economically diversify neighborhoods and increase the overall economic security of households. By providing low-interest loans and lowering overall costs, the Resilient Housing for All RLF will help to address the most challenging aspects of creating affordable housing in the District. The Resilient Housing for All RLF will distribute funding in a manner that supports fair and resilient housing that advances economic integration at the neighborhood level. Through the implementation of stormwater management infrastructure at affordable housing locations, the risks of flood damage to residents' belongings are reduced, thus creating another layer of economic security for residents.

### 2.2.3 Advance Equity and Support Disadvantaged Communities

One of the primary goals of the Safeguarding Tomorrow RLF is to reach those most in need of financing assistance, including low-income geographic areas and underserved communities. FEMA has included an equity-specific performance measure to align with Executive Order 14008: Tackling the Climate Crisis at Home and Abroad and aims to ensure that approximately 40 percent of the overall benefits generated by the entity loan



funds distributed flow to underserved communities and/or in low-income geographic areas. This aligns with the District's goals, including those of the Office of Racial Equity. By targeting projects at affordable housing developments, **100 percent of Resilient Housing for All RLF projects will improve resilience for historically underserved populations in DC.**

The District's Office of Planning and Department of Housing and Community Development (DHCD) 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 will directly support the development of these housing units by ensuring they are resilient to flooding, the urban heat island effect, and other extreme weather events. The Resilient Housing for All RLF will invest in projects across the District's affordable housing stock that support hazard mitigation projects. In addition, there will be a focus on the value of hazard mitigation projects beyond the protection of physical assets, to how these investments will result in whole-community resilience and equity in the District's housing options.

### 2.2.4 Partnerships

The Resilient Housing for all RLF will require close collaboration and partnership among several District entities, each of which is described in detail in Section 3. 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. In addition to the four primary partner agencies, additional agencies have been engaged during the development of this IUP. Stakeholder engagement is described in Section 4.3. The partnerships making up this program 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 of each partnering agency are described further in Section 4.

### 2.2.5 Connection to Other Plans and Goals

The projects funded through the Resilient Housing for All RLF will contribute towards the goals of several District planning efforts, including the District's State Hazard Mitigation Plan (SHMP), Climate Ready DC, Resilient DC, and Housing Framework for Equity and Growth.

The SHMP is the culmination of a multi-agency effort to mitigate hazards in the District and aims to establish a base for the thorough identification of hazards, risk analysis, efficient hazard management, and the implementation of hazard reduction and avoidance measures. The Resilient Housing for All RLF aligns with the SHMP's effort to support community resilience through the minimization of human suffering and property loss associated with natural hazards. According to the SHMP, 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 RLF will ensure residents living in affordable housing buildings will be adequately protected from flooding and extreme heat.

In 2016, the District Department of Energy and Environment (DOEE) 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 mitigation projects at affordable housing developments, the Resilient Housing for All RLF will make strides toward accomplishing the District’s ambitious resiliency goals.

Through the Housing Framework for Equity and Growth, DHCD has examined the wide range of factors and policies that affect housing production and affordability. In addition, DHCD has a 5-year consolidated plan that outlines housing goals within the district from FY2022 through FY2026. The District uses the US Department of Housing and Urban Development’s (HUD) Performance Measurement System, which aims to achieve the following objectives: provide decent housing, establish and maintain a suitable living environment, and create economic opportunities. The sustainability performance outcome activity includes improving and increasing the livability of communities and neighborhoods by providing benefits to low- and moderate-income households. A goal of DHCD is also to promote energy-efficiency and community resilience across the city’s affordable housing stock. The Resilient Housing for All RLF will fund projects that meet the goals outlined in the Housing Framework for Equity and Growth and DHCD’s 5-year plan.

### 2.2.6 Long-Term Entity Goals

The long-term goal of the Resilient Housing for All RLF is for the funds to continue to revolve and finance more projects with the intention to reach more affordable housing units over time. It is the goal of the FY25 funds and future funding to focus more broadly on resilience within the District aiming at all risk hazards including flood, extreme heat, severe storm events, power loss, and other climate impacts. Examples of projects include structural floodproofing, elevating machinery and equipment, installation of structures and planting of trees to provide shade and building upgrades to exceed DC Construction Codes requirements (i.e., energy efficiency improvements).



### 3. Meet the Team

The following sections introduce the District agencies that will play a role in the Resilient Housing for All RLF. The specific roles and responsibilities of each entity are outlined in Section 4.2 of this IUP. This IUP has been developed in partnership with all agencies described below.

#### 3.1 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, 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 reduce long-term risk from natural hazards by increasing our ability to adapt to changing conditions and to take action to collaborate innovative solutions with the focus on the whole community. 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's State Hazard Mitigation Plan. The current plan was approved and adopted in 2018, and the Program recently underwent the process of updating the plan, which was approved by FEMA near 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 RLF, as well as District organizations that are separate legal entities, including those described in subsequent sections.

#### 3.2 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. DHCD manages a Consolidated Request for Proposals (RFP) process to collect proposals for projects that support affordable housing in the District. The Consolidated RFP process is described in detail in Section 5.1.1 of this IUP. 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 and requirements in place for evaluating projects for funding, conducting project monitoring, and collecting information for financial reporting. These requirements apply to all programs and funding mechanisms that facilitate projects at affordable housing developments, including the Housing



Production Trust Fund (HPTF). Through these existing processes and requirements, DHCD provides oversight and monitoring of projects and ensures all financial reporting and audit requirements are met throughout the funding and implementation of projects.

### 3.3 Housing Production Trust Fund

The HPTF is the major local tool used to produce and preserve affordable housing in the District of Columbia. It is a special revenue fund administered by the 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 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 HPFT Advisory 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. DHCD provides oversight and selects projects to be funded by the HPTF through the Consolidated RFP process. As a separate entity, the HPTF is eligible to receive grants and loans and distribute funds to meet the goals of the HPTF.

### 3.4 District of Columbia Green Bank

The District of Columbia Green Finance Authority (“DC Green Bank”) provides access to capital, growing the clean economy to develop a more equitable, resilient, and sustainable DC. The 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 more vibrant city.

The DC Green Bank is an instrumentality of the District government, with a separate legal existence within the District government (please see [D.C. Law 22-155. Green Finance Authority Establishment Act of 2018](#) for more information). The DC Green Bank is authorized to receive loans under [the Code of the District of Columbia Section 8-173.22](#):

- (16) Subject to the requirements of § 8-173.41, § 1-329.01, and § 1-204.46b, to apply for, and to receive, contributions, gifts, grants, subsidies, real and personal property, labor, services, or other things of value from any source



As a separate legal entity with the authority to receive loans, the DC Green Bank is eligible as a loan recipient for the Safeguarding Tomorrow RLF program, per the requirements of the STORM Act.

## 4. Agency Partnership Structure

### 4.1 Overview

When considering how to set up a structure to receive, manage, and distribute Safeguarding Tomorrow RLF funding in the District, the District government's role in playing both traditional 'state' and 'local' functions must be considered. The District was originally established as a body corporate for municipal purposes ([Code of the District of Columbia Section § 1-102](#)) but has many responsibilities and functions of a state government, which are established widely throughout the Code of the District of Columbia. As the District government provides both state and local government functions, and there are no typical local government entities within the District, HSEMA, and partner agencies have developed a unique process for establishing the Resilient Housing for All RLF. The programmatic administration, distribution of funds, financial administration, and project monitoring will be completed through a partnership of four District agencies to both meet the requirements of the STORM Act and to effectively manage the program in the District. 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 (

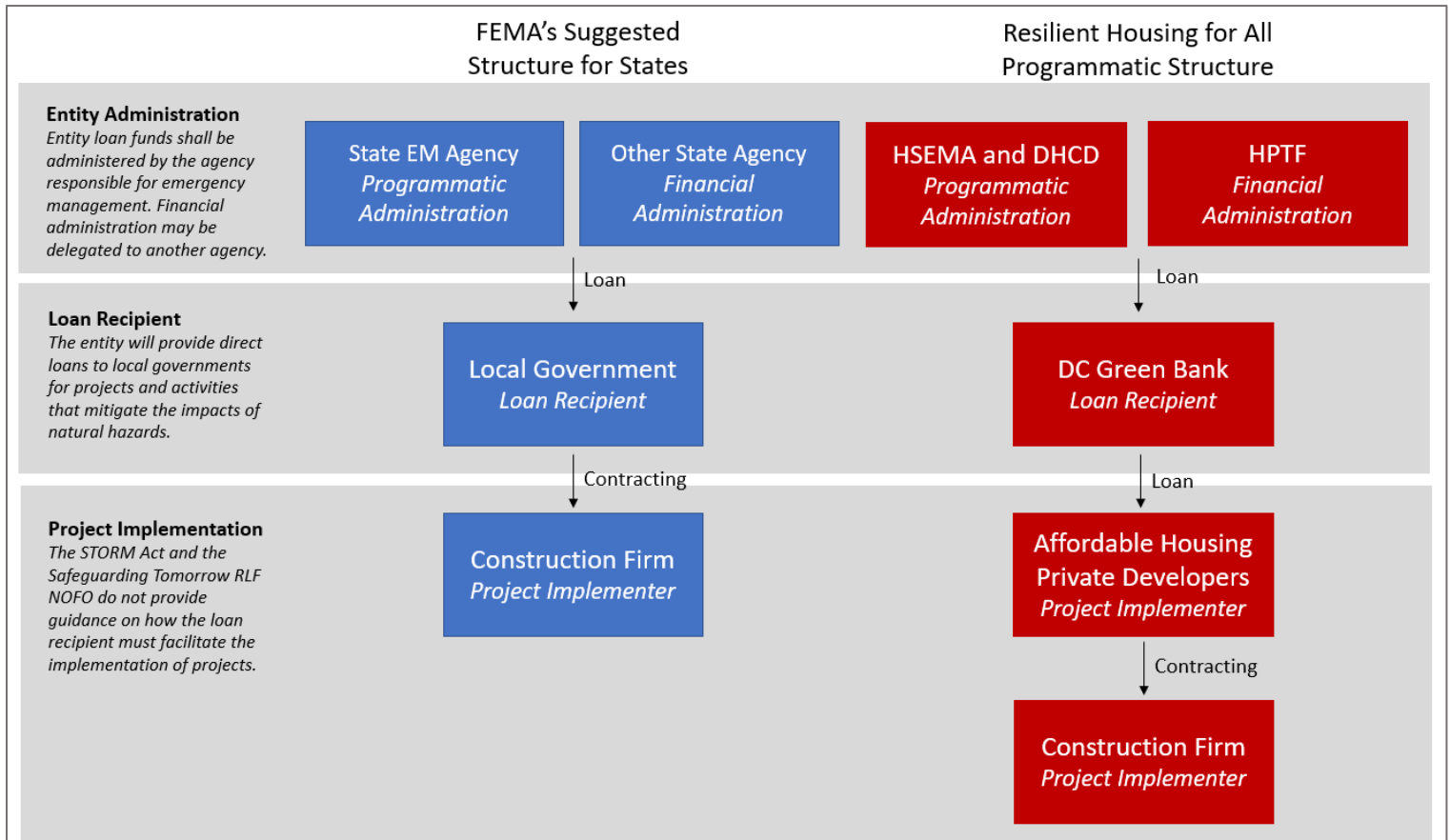
Figure 2) below and the following subsections will describe in greater detail each role the District agencies and partners will serve throughout the administration of the Resilient Housing for All RLF.

Since the release of the initial Safeguarding Tomorrow RFL NOFO, the District maintained regular communication with FEMA to ensure the structure of the Resilient Housing for All RLF meets all requirements of the STORM Act. The District met with FEMA STORM program staff and Office of Chief Counsel staff to discuss the best structure to enable the District to access the Safeguarding Tomorrow RLF funding. As a result of these discussions, 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 HPTF
  - 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 partner with DHCD to support 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 and ensuring the funds are used as required by the loans. DHCD will also support environmental and historic preservation review by FEMA.
  - HPTF will receive and hold the capitalization grant from FEMA, demonstrate cost-sharing funds, and distribute the funds through a loan to the DC Green Bank.

- The DC Green Bank will receive the loan from the HPTF, then 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.
- Repayment to DC Green Bank will come from the operations of the affordable housing multifamily projects, which DC Green Bank will then use to repay the RLF. 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 RLF Programmatic Structure Compared to FEMA’s Suggested Structure for States**



This structure was developed by all partner agencies to meet the specific requirements of the STORM Act. Further details on how each aspect of the Resilient Housing for All RLF structure meets the requirements of the STORM Act and the Safeguarding Tomorrow RLF NOFO are included in Table 1 below.

**Table 1. Resilient Housing for All RLF and STORM Act Requirements**

STORM Act Requirements	Resilient Housing for All RLF Structure	Additional Comments
<p><b>Entity Administration</b></p> <p>Entity loan funds shall be administered by the agency responsible for emergency management. Financial administration may be delegated to another agency.</p> <p>A participating entity may combine the financial administration of the entity loan fund with the financial administration of any other revolving fund if the Administrator determines that (a) the capitalization grant, entity share, repayments of loans, and interest earned are accounted for separately; and (b) the authority to establish assistance priorities and carry out oversight activities remains in the control of the entity agency responsible for emergency management</p>	<p>HSEMA and DHCD will partner to administer the entity loan fund. Financial administration will be delegated to the HPTF.</p>	<p>HSEMA, as the entity responsible for emergency management, is eligible to administer the entity loan fund.</p> <p>The HPTF, as a special revenue fund administered by DHCD, is able to receive and manage the capitalization grant from FEMA and distribute it as a loan. While it is not a RLF, it meets the intent of the STORM Act requirement that all funds will be accounted for separately and HSEMA will retain control over the selection of projects to receive loans and project oversight.</p>
<p><b>Loan Recipient</b></p> <p>The entity will provide direct loans to local governments for projects and activities that mitigate the impacts of natural hazards.</p>	<p>HPTF will distribute the funds through a loan to the DC Green Bank</p>	<p>The District government provides both state and local government functions, and there are no typical ‘local government’ entities within the District. As a separate legal entity, the DC Green Bank qualifies as a ‘local government.’ per the Stafford Act, Sect. 102(8). As the eligible entity, 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 DC Green Bank is eligible to receive loans as a local government.</p>
<p><b>Project Implementation</b></p> <p>The STORM Act and the Safeguarding Tomorrow RLF NOFO do not provide guidance on how the loan recipient must facilitate the implementation of projects.</p>	<p>The DC Green Bank will provide loans to private housing developers that have been selected by HSEMA and DHCD for the implementation of hazard mitigation projects at affordable housing developments.</p>	<p>In other states, projects will likely be completed through the use of procured contractors to fulfill the need of the scopes of work and closeout. The only difference between this approach and the Resilient Housing for All RLF approach is that loans will first go to affordable housing developers who will contract</p>





	with private firms for project implementation.
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The roles of each agency within the Resilient Housing for All RLF are described in further detail below.

## 4.2 Agency Roles

### 4.2.1 Homeland Security and Emergency Management Agency

The entity loan fund must be managed by the applicant entity’s agency responsible for emergency management. 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 RLF 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.

### 4.2.2 Department of Housing and Community Development

DHCD will partner with HSEMA to administer the entity loan fund. As the agency responsible for creating and preserving opportunities for affordable housing, DHCD has many existing processes and programs in place to identify projects to improve affordable housing, provide funding to implement these projects, and monitor projects through their completion. Of particular note, DHCD manages a Consolidated RFP process to collect proposals for projects that support affordable housing in the District. As the primary goal of the Resilient Housing for All RLF is to finance hazard mitigation portions of affordable housing projects to reduce the impacts of natural hazards on affordable housing developments, DHCD’s existing processes must be leveraged to ensure this goal is met in the most efficient manner. In addition to supporting the identification of projects through their existing Consolidated RFP process, DHCD will serve as the lead for monitoring project completion and ensuring the funds are used as required by the loans. DHCD will also support environmental and historic preservation review by FEMA in partnership with HSEMA.

### 4.2.3 Housing Production Trust Fund

Financial administration of the Resilient Housing for All RLF will be conducted by the 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.

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, 2022, through September 30, 2023. This audit report 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.

#### 4.2.4 District of Columbia Green Bank

The DC Green Bank will serve as the loan recipient from the HPTF. DC Green Bank 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 5.1.

As an instrumentality of the District government, the DC Green Bank 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, 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 DC Green Bank 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 affordable housing developers for the purposes of the Safeguarding Tomorrow RLF. Eligible loan recipients include only those projects on the Project 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. 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.

### 4.3 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 IUP is structured around this existing programmatic infrastructure to ensure effective administration of the Resilient Housing for All RLF.

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 developed 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 Programmatic Agreement outlines the responsibilities of each party as well as the process for effectively integrating historic preservation compliance considerations into the delivery of FEMA assistance. Per this guidance, HSEMA has successfully facilitated SHPO review of many FEMA-funded hazard mitigation projects. This well-established process will be leveraged to ensure all Resilient Housing for All projects will meet the environmental and historic preservation requirements of both SHPO and FEMA.

HSEMA and DOEE have a long history of partnering on resiliency efforts in the District. DOEE has provided invaluable insight to this IUP through discussions of similar programs at their agency and how to best structure these programs in the District. DOEE is currently setting up a similar program for the Department of Energy's Energy Efficiency Revolving Loan Fund Capitalization Grant Program. There are several differences between this program and the Safeguarding Tomorrow RLF that make the Energy Efficiency RLF program easier to implement in the District, including that the Energy Efficiency RLF loans can be given to other state entities, while Safeguarding Tomorrow RLF loans must be given to a local government entity. Despite these differences, engagement with DOEE has been highly beneficial to understanding the role of revolving loan fund programs in the District. HSEMA will continue to work with DOEE to look for opportunities to leverage additional federal and local resources, including advancing different types of resilience projects on similar properties. Towards this end, 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 RLF projects.

HSEMA has leveraged these strong partnerships and existing processes by collaborating across multiple agencies in the District during the development of this IUP. DHCD and DC Green Bank have been and will be integral members in the creation and longevity of the Resilient Housing for All RLF through their various roles from project selection to loan disbursement. The Resilient Housing for All RLF will be managed through open lines of communication and a collective drive to align programs in a way that advances the implementation of resilience projects for affordable housing.



## 4.4 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, 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 11, 2024. Similarly, applicants must “provide an IUP 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 IUP to the same [Resilient Housing for All website](#) for public review and comment on May 4, 2023. Documentation of these publications is provided in Appendix A.

In addition to providing the public with the opportunity to submit projects for consideration, the District also collected projects by utilizing 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 process and the steps taken to collect projects for the project prioritization list are described in detail in Section 5.1.



## 5. Funding Process

### 5.1 Project Selection

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.

#### 5.1.1 DHCD Consolidated RFP and Evaluation Methodology

Each year, DHCD releases a Consolidated Request for Proposal for Affordable Housing (Consolidated 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), DOEE, HSEMA, 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 DFD completes the threshold eligibility review, evaluates projects against the scoring criteria, and issues selection letters. In addition, DHCD's 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 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 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.

### 5.1.2 Project Vetting and Selection

Once proposed projects are collected through the consolidated RFP process, DHCD is responsible for vetting the submitted projects to ensure those being funded meet the extensive requirements for funding. DHCD will issue 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 (e.g., 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 DC 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.

Additionally, DHCD will rely on the existing requirements outlined in Form 202 of the consolidated RFP process to ensure adequate separation between affordable housing and resilience with disbursed loans. The requirements contained in this form stipulate that the loans can only be utilized for eligible uses, thereby ensuring that the funds are not misallocated or used for purposes other than intended. Moreover, DHCD has a specific source-based allocation system for construction funds, where the disbursement is tracked on a line-by-line basis, ensuring that the loans are used in accordance with the designated source of funding. By adhering to these provisions, the Resilient Housing for All team will ensure that there is sufficient separation between affordable housing and resilience aspects in their loan disbursement process.

### 5.1.3 2024 Project Prioritization List

HSEMA, as the entity responsible for administration of the Resilient Housing for All RLF, will provide oversight over project selection 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. To select projects, HSEMA worked with DHCD to identify projects from the previously vetted list of DHCD projects that would be eligible for loans under the Resilient Housing for All RLF.

DHCD completed their evaluation of projects submitted through the Consolidated RFP process. HSEMA and DCHD then 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 PPL submitted with this IUP 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 SHMP, other District hazard mitigation efforts, and Safeguarding Tomorrow RLF objectives.

### 5.1.4 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. For FEMA-funded projects, a complete application containing a detailed scope of work, maps, and photos is required for FEMA’s environmental and historic preservation (EHP) review. 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 conducts a desktop review of the project site to demonstrate that the mitigation solution minimizes harm to the environment and historic resources. HSEMA sends 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 are included in the application package to 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 and submit required documentation for EHP review of Resilient Housing for All RLF projects. The two processes will be streamlined and coordinated to ensure there is no duplication of efforts. FEMA has noted that additional information on the requirements for EHP review will be provided at a later date. Once this additional information has been provided, HSEMA and DHCD will work together to finalize the exact process for facilitating EHP review. HSEMA will be the entity responsible for communicating with FEMA and ensuring all mitigation projects meet the requirements.

## 5.2 Entity Fund Set Up

### 5.2.1 Fund Transfer from FEMA to HPTF

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 HPTF.

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 (MOU) 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 HPTF, which is the entity responsible for the financial administration of the Resilient Housing for All RLF. A MOU will be established between HSEMA and the HPTF to enable to transfer of Safeguarding Tomorrow RLF funds from FEMA to the HPTF.

Once the MOU is established, the funds will be transferred to the HPTF, where the funds will be deposited into a financial account. 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.

### 5.2.2 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 \$381,864,551 in FY23 year-end uncommitted funds. 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.

The District will contribute 10 percent local share to projects funded by the RLF. 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 RLF by providing loans for the wider projects (non-hazard mitigation elements). On average these HPTF loans represent 20 percent or more of the capital provided to create these affordable housing projects. While these loans are separate from the Resilient Housing for All RLF, they represent a larger local investment in affordable housing projects in the District. This amount was determined based on the PPL, and the specific cost estimates for each hazard mitigation project. Projects on the PPL are in different phases of cost estimation; some projects have final cost estimates in place, while others have only preliminary estimates.

### 5.2.3 HPTF 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 funded projects 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
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 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 funded projects 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 funded projects 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 HPTF 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 DHCD:

- 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 RLF will occur through existing processes on this website. Publication of project information will continue beyond the period of performance of the capitalization grant.

### 5.3 Loan to the District of Columbia Green Bank

Once the Resilient Housing for All RLF has been established, HPTF will loan funds to the DC Green Bank. As described in previous sections, 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. Loan terms will include the following:

- The loan will be made at an interest rate of not more than 1 percent
  - The loan from HPTF to DCGB will be at an interest rate of 0.0 percent
- Loan repayment will commence not later than 1 year after the completion of all projects
  - The repayment period from DCGB to HPTF will begin during this time period. However, no actual principal repayments will be due until loan maturity, subject to the loan agreement.
- The loan will be fully amortized not later than 20 years after the date all projects are completed
  - All principal will be fully repaid by DCGB to HPTF within this time frame.
- The Green Bank must establish a dedicated source of revenue for repayment

- Repayment to DC Green Bank will come from the operations of the affordable housing multifamily projects, which DC Green Bank will then use to repay the RLF.
- The entity loan fund will be credited with all loan repayments, including principal and interest.
  - Only principal repayments from the loan to DCGB from HPTF will be credited to the loan fund. The loan to DCGB is at 0 percent interest, so there will be no interest payments.

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 a loan to the DC Green Bank, with a utilization rate of 100 percent, during the first fiscal year of the program.

The DC Green Bank will establish a separate account for the deposit of any funds from the Resilient Housing for All RLF. It will be independent of other accounts and account records. DC Green Bank’s loan administration and monitoring processes are in-line with industry accepted standards. Since its founding in 2018, DC Green Bank’s loan portfolio has performed as expected with no losses to date.

## 5.4 Loans from the DC Green Bank to Affordable Housing Developers

Once the funds are received from the HPTF, the DC Green Bank will provide loans to individual affordable housing developers for the implementation of hazard mitigation projects. HSEMA and DHCD will provide the PPL to the DC Green Bank, which determines the eligible projects for loans under the Resilient Housing for All RLF. The timing for each loan is dependent on the project status and the review by DHCD. Information on the expected start date of construction is included in the PPL (Appendix B).

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

- Interest rate: 1.0 percent
- 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 DC Green Bank will generally mirror the terms given to the projects. Repayment to DC Green Bank will come from the operations of the affordable housing multifamily projects, which DC Green Bank will then use to repay the RLF. The funds will revolve at the DC Green Bank level until all have been repaid, then the DC Green Bank 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.

## 5.5 Project Monitoring and Reporting

The District will take a multi-agency approach to project monitoring and reporting, with partnership between HSEMA, DHCD, and the DC Green Bank. DHCD is the lead agency for project monitoring, while DC Green Bank will support obtaining information on each project. HSEMA will be responsible for ensuring 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 SHMP, other District hazard mitigation efforts, and Safeguarding Tomorrow RLF objectives. HSEMA will also be responsible for communication and reporting to FEMA.

### 5.5.1 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. DHCD will lead project monitoring through existing processes, with support from DC Green Bank.

#### **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 between the DC Green Bank and the loan recipient. The scope of work will be approved by HSEMA as administrator prior to the beginning of construction. According to DHCD’s existing monitoring processes, 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 DC Green Bank and HSEMA from the engineer.

#### **Phase 2 - Financial Monitoring**

As the RLF loan recipient, DC Green Bank 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

DHCD, as the lead for project monitoring, will have access to all project financial information. HPTF is required to provide quarterly financial reports to DHCD, as described in Section 5.2.3. DHCD will compile information from projects, DC Green Bank, and HPTF quarterly and provide all required information to HSEMA for the purposes of quarterly reporting to FEMA.

### 5.5.2 Reporting to FEMA

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, and 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, HSEMA will enter required project benefits data into FEMA’s ND Grants by the end of the fiscal year for this IUP.



HSEMA will support partner agencies 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 will document progress, issues and resolutions, any modifications, and other project status items. 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 FEMA's 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.



# Appendix A. Documentation of Public Posting

# Appendix B. Project Prioritization List