



OFFICE OF COUNCILMEMBER ROBERT C. WHITE, JR
CHAIR, COMMITTEE ON HOUSING
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW, SUITE 107
WASHINGTON, DC 20004

July 6, 2023

The Honorable Muriel Bowser
Mayor
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Mayor Bowser, City Administrator Donahue, and Director Green:

As Chair of the Council of the District of Columbia Committee on Housing, I am writing in response to the recent announcement that the District has exhausted its Home Purchase Assistance Program (HPAP) funding through the rest of Fiscal Year 2023.

HPAP is designed to provide low-interest loans to qualified households with very low, low, and moderate incomes to assist with purchasing their first homes. The program has provided opportunities to hundreds of District residents who otherwise would not have had a chance at homeownership in the District.

On June 26, 2023, DHCD sent a letter to the roughly 700 HPAP applicants notifying them that HPAP funding had run out and only applicants with ratified sales contracts and confirmed closing dates could receive the funds – the rest would have to wait until October 1, 2023.¹ The abrupt announcement shocked many HPAP applicants and participating lenders. Over the past two weeks, Council offices and the Committee on Housing have received calls and emails from prospective buyers and lenders confused about who is impacted and what to do. The Committee on Housing heard from one resident who planned to use HPAP to move out of their current unit

¹ DHCD also posted a notice on their website. See <https://dhcd.dc.gov/service/home-purchase-assistance-program>.

while a second resident was simultaneously using HPAP to move into that unit. The seller was rightfully concerned that an impact on either of their HPAP loans would cause them to unexpectedly lose their ownership opportunities; and, as we know with homeownership transactions, the market moves quickly.

The lack of timely communication on these changes has caused additional stress and harm for residents who acted in reliance on a reasonable expectation of funding and took on significant expenses, like inspections and other costs, that they may now lose as a result of having to wait until October for additional funding, if they are able to obtain it then. Additionally, lenders received insufficient notice to advise their clients they would not be able to move forward with the purchases in a timely manner.

To begin to address these concerns, I request the following:

By Friday, July 14, 2023:

1. Issue a second formal correspondence to all Notice of Eligibility recipients to whom the first letter was sent, the two HPAP administrators (DC Housing Finance Agency (DCHFA) and Greater Washington Urban League (GWUL)), and lenders the Executive knows currently have HPAP clients, and share a copy of the letter with office, with detailed instructions for residents and lenders to confirm the availability of funding and explaining any alternative funding or support services for impacted residents.
2. Identify whether additional sources of funding, including contingency funds, exist to cover the financial costs for residents who have acted in reliance upon Notices of Eligibility by investing in an inspection and other costs.
3. Provide targeted housing counseling to residents negatively impacted by the exhaustion of HPAP funds that includes individualized assessments of alternative options that can serve as a replacement for the HPAP funds.²
4. Provide to the Council answers to the following:
 - a. Number of residents that currently have Notices of Eligibility for HPAP;
 - b. Number of residents with Notices of Eligibility that will have to wait until October to utilize HPAP;
 - c. Amount of money it would take to cover all residents who currently have Notices of Eligibility;
 - d. Whether DHCD is still issuing Notices of Eligibility for HPAP applicants after making the announcement that HPAP funds are now exhausted.

² Like with HPAP, applying to funding sources can take months and may still leave people stuck without targeted assistance to navigate the processes timely.

By Tuesday, August 15, 2023, provide to the Council:

1. A plan for how the administration will avoid this type of abrupt announcement in the upcoming fiscal year, including:
 - a. Anticipated projections of HPAP demand and HPAP spending over the course of Fiscal Year 2024 based on the funding allocation during Fiscal Year 2023³;
 - b. Providing earlier notice of the use of all available funds sufficient to avoid additional harm or unnecessary costs; and
 - c. Providing the Council and the public monthly reporting on HPAP funding spent to provide better predictability for prospective buyers.
2. A plan for reserving HPAP dollars for the residents at Grandview Condominiums who will be receiving a second round of HPAP due to their uninhabitable Talbert Street homes.
3. A plan for setting up, advertising, and implementing the grant program the Council required in District law that “provides qualifying applicants up to \$25,000 for repairs on a home purchased with Program financial assistance,” and an explanation of how those funds interact with the general HPAP budget.⁴

As the Council has heard additional concerns about the administration of HPAP, we look forward to ongoing discussions about improving other aspects of the program.

Thank you for your timely response to the above requests.

Sincerely,

Robert C. White, Jr.
Councilmember, At-Large
Chair, Committee on Housing

³ The Council is aware of the annual audit requirements under DC Code § 42–2605. This request is distinct from what is currently in the law.

⁴ See DC Code § 42–2602.01(d)(1), which required the Mayor to establish the grant program no later than April 1, 2023. That has not yet occurred.