DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

NOTICE OF FINAL RULEMAKING

The Director of the Department of Housing and Community Development (Department), pursuant to the authority set forth in §5(d) of the Community Development Act of 1975 (December 16, 1975), D.C. Law 1-39 (D.C. Official Code §6-100(4)(c) and (d) (2001 ed.)) and Mayor's Order 76-111, 22 DCR 6367 (May 14, 1976), hereby gives of the adoption of the following amendments to Chapter 28 of Title 14 DCMR (Housing). Chapter 28 of Title 14 DCMR governs the administration and operation of the Single Family Residential Rehabilitation Program (Program). No changes have been made to the text of the proposed rules, as published with the Notice of Proposed Rulemaking in the D.C. Register on September 17, 2004, at 51 DCR 38. These final rules will be effective upon publication of this notice in the D.C. Register.

The purpose of this rulemaking is to amend or delete certain sections of the regulation for the purposes of focusing the Program on core services to the District. With the amendments and deletions, this rulemaking will provide the Program with the authority only to offer direct amortizing and deferred rehabilitation loans, and grants for lead-based paint hazard abatement and accessibility-related modifications, to owner-occupants of 1-4 unit residential buildings who have incomes that meet the guidelines used for Community Development Block Grant, HOME Investment Partnership Program, and Housing Production Trust Fund eligibility. It will remove the authority for the Department to assist owner-investors, to refinance existing debt on assisted buildings, or provide assistance for non-housing code-related repairs. It will increase the maximum grant available for the Handicapped Accessibility Improvement Program from $10,000 to $30,000.

Single Family Residential Rehabilitation Program

Chapter 28 (Single Family Residential Rehabilitation Program) of Title 14 DCMR is amended as follows:

Subsection 2800.1 is amended by striking the phrase "by providing publicly assisted loans in conjunction with loans from local banks and savings and loan associations and, when appropriate, direct government rehabilitation loans".

Section 2801 is amended to read "ELIGIBILITY FOR LOANS AND GRANTS".

Subsection 2801.1 is amended (1) by substituting the phrase "Rehabilitation loans and grants" for the phrase "Leveraged direct rehabilitation loans" and (2) by substituting the phrase "the District of Columbia" for the phrase "Community Development (CD) Areas designated by the Mayor and Council".

Subsection 2801.2 is deleted.

Subsection 2801.2(a) is deleted.

Subsection 2801.2(b) is deleted.

Subsection 2801.4 is amended by striking the phrases "and investor-owned," and "and multi-family".

Subsection 2801.5 is amended to read "Each applicant for an amortized or deferred loan shall meet the following conditions:"

Subsections 2801.6 through 2801.13 are renumbered as subsections 2801.7 through 2801.14, and a new subsection 2801.6 is inserted to read as follows:

"2801.6 Applicants shall be eligible to receive grants as follows:

"(a) For grants of up to $30,000 to pay for modifications to a home to allow accessibility to mobility-impaired occupants, an applicant must provide physician's evidence of need on forms prescribed by the Department.

"(b) For grants to correct lead-based paint hazards, an applicant shall have lead-based paint hazards identified in the home by a certified lead-based paint risk assessor."

Subsection 2801.7 as renumbered is amended by substituting the phase "loan or grant assistance" for the phrase "a rehabilitation loan".

Subsection 2801.9 as renumbered is amended by inserting the phrase "and/or grant" between the words "loan" and "documents".

Subsection 2801.10 as renumbered is amended by inserting the phrase "and/or grant" between the words "loan" and "prior".

Subsection 2801.13 as renumbered is deleted.

Subsection 2801.14 as renumbered is deleted.

Section 2802 is deleted in its entirety.

Subsection 2803.1 is amended by striking the comma after the word "expenses" and the phrase "which shall constitute not less than eighty percent (80%) of the total amount financed by either a leveraged loan or a direct loan".

Subsection 2803.1(a) is amended by inserting a comma after the word "conditions", and the phrase "lead-based paint hazards,".

Subsection 2803.1(c) is deleted.

Subsection 2803.1(d) is amended by inserting a period after the phrase "during construction" and substituting the following for the remaining text:

"This amount shall not exceed two thousand dollars ($2,000) during demolition specifically for lead-based paint hazard abatement, plus two thousand dollars ($2,000) during general rehabilitation, per household. Each amount shall be included in the amount of the loan or grant, as appropriate, provided to the household."

Subsection 2803.2(a) is amended by striking the phrase "of property which exceed twenty percent (20%) of the rehabilitation construction costs".

Subsection 2805.1 is amended by striking the words "leveraged and direct".

Subsection 2805.4 is amended by deleting the phrase "'as-is' value of the property plus the estimated cost of rehabilitation" and inserting the phrase "'as-is' value of the property subject to completion of rehabilitation" in its place.

Subsection 2805.5 is amended by striking the phrase "'as-is' value" and inserting the phrase "'as-is' value of the property subject to completion of rehabilitation" in its place.

Subsection 2805.6 is deleted.

Section 2806 is deleted in its entirety.

Section 2807 is amended to read "LOAN CRITERIA"

Subsection 2807.1 is amended by striking the phrase "of § 2801.12 or § 2801.13" and substituting the phrase "established by the U.S. Department of Housing and Urban Development for the HOME Investment Partnerships Program for the Washington, D.C. Metropolitan Statistical Area" in its place.

Subsection 2807.2 is amended by striking the phrase "For a direct loan,".

Subsection 2807.3 is amended by striking the phrase "For a direct loan,".

Subsection 2807.4 is amended by striking the phrase "For a direct loan,".

Subsection 2807.6 is deleted.

Subsection 2807.7 is deleted.

Section 2808 is deleted in its entirety.

Section 2809 is amended to read "DEFERRED PAYMENT LOANS"

Subsection 2809.1 is amended to read "The maximum deferred payment loan amount shall be the amount, as determined by DHCD based on the underwriting standards set forth in § 2805, which the borrower cannot afford to borrow on an amortizing basis, not to exceed the loan principal limits established in § 2807."

Subsection 2809.1(a) is deleted.

Subsection 2809.1(b) is deleted.

Subsection 2809.2 is deleted.

Subsection 2809.3 is amended by striking the word "direct".

Subsection 2809.4 is amended by striking the word "direct".

Subsection 2809.5 is amended by striking the word "direct".

Subsection 2809.6 is amended by striking the word "direct".

Section 2810 is deleted in its entirety.

Subsection 2811.1 is amended to read "Each owner of a property containing rental units in addition to the owner-occupied unit who receives assistance for repairs benefiting those rental units shall be required to sign a rent regulatory agreement with the Department specifying affordability and relocation benefit requirements affecting those units. The rent regulatory agreement shall be on a form prescribed by the Department."

Subsection 2811.1(a) is deleted.

Subsection 2811.1(b) is deleted.

Subsection 2811.2 is amended by substituting the phrase "§ 2811.1" for the phrase "§ 2811.1".

Section 2812 is amended to read "CONFLICT OF INTEREST OF PUBLIC BODY".

Subsection 2899.1 is amended by deleting the definitions of "low-moderate income" and "moderate income".