
GOVERNMENT OF THE DISTRICT OF COLUMBIA



DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

TESTIMONY OF
MICHAEL P. KELLY
ACTING DIRECTOR

**PR19-0821, "DIRECTOR OF THE DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT MICHAEL KELLY CONFIRMATION RESOLUTION OF 2012"**

Committee on Economic Development and Housing
The Honorable Michael A. Brown, Chairman
Council of the District of Columbia

Wednesday, October 10, 2012

John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good afternoon Committee Chairman Brown and members of the Committee on Economic Development and Housing. I am Michael P. Kelly, Acting Director for the Department of Housing and Community Development (DHCD).

I am honored to be appointed by Mayor Vincent C. Gray to lead the Department of Housing and Community Development at this important time. I am truly excited to return to and to once again serve the citizens of the District of Columbia. I look forward to working with Deputy Mayor Victor Hoskins and with my agency colleagues, particularly Harry Sewell at the Housing Finance Agency and Adrienne Todman at the DC Housing Authority to achieve the Mayor's affordable housing goals as outlined in his One City Action Plan.

It is a pleasure to once again work with the Council under the leadership of Chairman Phil Mendelson and a special treat to report to this fine committee headed by committee Chairman Brown who has long been a champion for the preservation and development of affordable housing.

For the past 30 years, I have worked to increase affordable housing and support community development. For the majority of my career I have directed housing agencies in major metropolitan areas that serve low- to moderate-income households by providing access to quality affordable housing. My new role is an opportunity to use my background and experiences in working with an extremely committed and professional staff to continue to develop and retain affordable housing options for District residents.

The mission of the Department of Housing and Community Development is to create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia. This goal falls in line with a core belief that regardless of ward or neighborhood, every resident should have an opportunity to live in a safe, healthy and sustainable community and be able to contribute to a city that celebrates its diversity. I believe our mission places DHCD at the forefront of fulfilling the vision of the District of Columbia truly becoming an inclusive city.

I would like to take this opportunity to share with members of the committee more details about my background and several valuable experiences that helped define my purpose in serving others. I would also like to share my plan for DHCD and how it can leverage every available resource to better serve District residents.

I have been blessed to have had the opportunity to acquire certain skill sets that uniquely prepare me for this assignment. I am a licensed architect and member of the American Institute of Architects, a certified urban planner and member of the American Planning Association and a LEED Green Associate of the US Green Building Council. This training has taught me the importance of striving for Social Justice through the built environment. I am also a credentialed educator and have taught at UC Berkeley, Tulane, Howard, Princeton and for the last two years at the Wagner School for Public Policy at NYU. Through teaching, I have come to appreciate the value of communication, inquiry and innovation.

I began my career in the private sector working as an architect at the Bechtel Power Corporation. I then did Community Design work for a non-profit organization in the low income neighborhoods of Oakland, California and from that experience realized my professional calling was in neighborhood development and affordable housing. I began my public service at the San Francisco Housing Authority where I was appointed by then Mayor Diane Feinstein to manage that agency. I then served as a Troubled Agency Recovery Specialist by the Department of Housing and Urban Development. That assignment led me to New Orleans where I was appointed Executive Director of the Housing Authority of New Orleans by Mayor Marc Morial.

Prior to my recent return to the District I served as administrative receiver and executive director for the Philadelphia Housing Authority where I was responsible for day-to-day operations of the nation's fourth largest housing authority. Some of the significant accomplishments during my time there include signing new collective bargaining agreements with the building trades and administrative unions and conducting operational assessments and preparing corrective action plans for the major agency functions such as finance, procurement, contracts, and audit and compliance.

I initially served in Philadelphia on an interim basis at the request of Department of Housing and Urban Development Secretary Shaun Donovan and with the concurrence of New York City Mayor Michael Bloomberg. During this five-month interim period I also held the position of general manager at the New York City Housing Authority.

As general manager for the New York City Housing Authority my responsibilities were to manage operations for the nation's largest housing authority with more than 178,000 public housing units, more than 100,000 Section 8 vouchers, approximately 11,000 employees and an annual operating budget of over \$3.4 billion. Several notable achievements during my tenure in New York City include executing a mixed-financed modernization plan to rehabilitate 21,000 units; utilizing more than \$423 million in Recovery Act funds to modernize elevators, roofs, heating and plumbing systems while implementing green and sustainable initiatives; and establishing a Safety and Security Task Force to develop strategies to address public safety concerns.

Prior to serving in New York City, most committee members may recall my role as executive director here at the District of Columbia Housing Authority. I was honored to serve as the agency's first director after judicial receivership. For almost a decade, I had the opportunity through the DCHA and its Board of Commissioner's to build better neighborhoods, help families succeed and to establish the agency as a solid partner to do business with. There are a number of wonderful accomplishments that occurred during my tenure, but they would not have happened without the efforts of the dedicated staff, the supportive community based organizations, the mission driven non-profit and for profit development community and the enlightened leadership of the city administration and you, the Council.

I would now like to take this opportunity to share my vision and plans for a more effective and efficient Department of Housing and Community Development.

I believe that the philosophical underpinnings of our agency moving forward are “fostering respect through understanding” and “operating with transparency and accountability.”

In visualizing the importance of our collective mission, all the DHCD stakeholders-- staff, non profits, developers, city leaders, and residents--need to recognize the importance that each of us bring to the cause, and understand our roles, our strengths and our weaknesses, and pledge to work respectfully and cooperatively.

As an agent of the federal and local tax payer, we have a responsibility to conduct our business in a manner that is intolerant of waste, fraud and abuse and that complies with systems and procedures that manage and store data in an efficient and open manner.

DHCD helps District residents build a firm foundation through affordable housing that provides the basis for schools, businesses and other community stakeholders in creating neighborhoods that are safe and healthy. Since my arrival in July, DHCD has made available 145 units of affordable housing and has 82 units under construction. Last month, DHCD recommended to Mayor Vincent C. Gray several proposals that could create and preserve another 700 units of affordable housing for District residents in the near future.

To carry out this objective, DHCD relies on funding sources from local and federal governments. It is no secret that funding allocations for fiscal year 2013 from the U.S. Department of Housing and Urban Development have been reduced considerably due to spending cuts enacted by Congress. The question becomes, “how does DHCD continue to fulfill its mission when the demand for affordable housing far outweighs the resources available to increase the supply?”

DHCD must recast itself as an organization that values innovation and education. A reduction in resources should not suggest that efforts to increase the supply of affordable housing, to provide opportunities for economic development and to revive underserved neighborhoods will be reduced. Instead, these challenges will require imaginative and thoughtful leaders within DHCD and among our numerous stakeholders to create solutions that will continue to support the holistic needs of District residents.

Over the years, there has been some uncertainty about the role DHCD serves in support of District residents and in collaboration with its partners. For example, many residents are unaware of the services available to them through our Residential Community Services Division. During the fall, DHCD will begin promoting the services it has available to District residents by becoming more engaged with users of social media platforms and by creating multimedia promotional campaigns that will highlight the experiences of people who have benefited from these services.

By the beginning of the year, DHCD will also provide a series of workshops for housing developers to become familiar with our expectations regarding their ability to fulfill our request for proposals.

To continue to enable DHCD to fulfill its mission, we also plan to make internal agency adjustments including creating an operational guide with enhanced policies and procedures, maximizing the use of data management systems to improve workflow, and improving our payment and reconciliation process to shorten the timeline that reimbursements are paid and spending benchmarks are reported. While current staff members have dedicated themselves to sharing their institutional and industry knowledge with each other, I also encourage them to seek out additional training opportunities that could expand their skill sets.

Mr. Chairman and Members of the Economic Development and Housing Committee, thank you for allowing me to share my thoughts on how we can further invest and promote the development and preservation of affordable housing and how we can work to make our communities healthier in this, the greatest city, in the greatest nation in the world.

I have submitted my testimony to this committee in writing as well as material that further describes our programs with more specific plans to improve the agency. I am available to answer questions that the committee may have. Thank you.