

Department of Housing and Community Development

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Table DB0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$128,706,892	\$285,210,440	\$170,707,908	-40.1
FTEs	151.8	170.0	171.0	0.6

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

Summary of Services

DHCD’s fundamental activities consist of financial operations, program delivery, administration of regulations, and support of the independent Rental Housing Commission. The specific strategic objectives that DHCD focuses on to stimulate economic development and spur the dream of home ownership in underserved communities are (1) preserve and increase the supply of quality affordable housing throughout the District, (2) increase homeownership opportunities to residents of low and moderate income households, and (3) revitalize District neighborhoods by promoting community development that embraces economic opportunities for local businesses. DHCD creates and preserves affordable housing by providing low-cost gap financing and subsidies for single-family residential rehabilitation and multi-family construction projects to garner affordable rental and homeownership opportunities throughout the city. DHCD also leverages its appropriated local and federal funding to help finance community facilities, acquire property, and administer disposition activities for vacant and abandoned properties to help stabilize District neighborhoods and provide new local opportunities. DHCD partners with community-based organizations citywide to implement residential and community services that include homeownership assistance programs, housing counseling services, storefront facades improvement initiatives, and small business technical assistance services. In addition, DHCD administers the rental housing regulations that govern condominium and cooperative conversions, rent control, inclusionary zoning, and affordable dwelling unit programs. The Affordable Housing Locator is also a service of DHCD and is available online at dchousingsearch.org. All of these programs and services can be accessed through DHCD’s Housing Resource Center located in the historic Anacostia neighborhood in Ward 8.

The agency’s FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table DB0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table DB0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	10,472	12,619	11,986	-634	-5.0	31.3	47.0	55.5	8.5	18.1
SPECIAL PURPOSE REVENUE FUNDS	3,050	2,046	3,790	1,744	85.2	13.4	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	13,521	14,666	15,776	1,110	7.6	44.7	47.0	55.5	8.5	18.1
FEDERAL RESOURCES										
FEDERAL GRANT FUNDS	29,048	47,057	53,754	6,697	14.2	77.2	48.0	35.5	-12.5	-26.1
TOTAL FOR FEDERAL RESOURCES	29,048	47,057	53,754	6,697	14.2	77.2	48.0	35.5	-12.5	-26.1
INTRA-DISTRICT FUNDS										
INTRA-DISTRICT FUNDS	86,138	223,488	101,178	-122,310	-54.7	29.9	75.0	80.0	5.0	6.7
TOTAL FOR INTRA-DISTRICT FUNDS	86,138	223,488	101,178	-122,310	-54.7	29.9	75.0	80.0	5.0	6.7
GROSS FUNDS	128,707	285,210	170,708	-114,503	-40.1	151.8	170.0	171.0	1.0	0.6

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table DB0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	10,463	12,644	14,171	15,309	1,138	8.0
12 - REGULAR PAY - OTHER	262	703	967	995	28	2.9
13 - ADDITIONAL GROSS PAY	28	286	176	176	0	0.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	2,226	2,658	3,209	3,652	443	13.8
15 - OVERTIME PAY	60	210	0	0	0	N/A
SUBTOTAL PERSONAL SERVICES (PS)	13,039	16,501	18,522	20,131	1,609	8.7

Table DB0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
20 - SUPPLIES AND MATERIALS	122	249	304	226	-77	-25.5
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	25	3	23	14	-9	-38.0
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	268	194	133	166	33	24.9
32 - RENTALS - LAND AND STRUCTURES	2,018	2,238	2,264	2,156	-108	-4.8
34 - SECURITY SERVICES	131	0	9	80	71	779.3
35 - OCCUPANCY FIXED COSTS	97	0	46	2	-45	-96.1
40 - OTHER SERVICES AND CHARGES	1,632	4,752	7,624	1,199	-6,425	-84.3
41 - CONTRACTUAL SERVICES - OTHER	5,539	3,939	77,566	12,209	-65,357	-84.3
50 - SUBSIDIES AND TRANSFERS	73,104	92,547	170,121	134,286	-35,836	-21.1
70 - EQUIPMENT AND EQUIPMENT RENTAL	176	447	597	238	-359	-60.1
80 - DEBT SERVICE	0	7,837	8,000	0	-8,000	-100.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	83,111	112,206	266,688	150,577	-116,111	-43.5
GROSS FUNDS	96,150	128,707	285,210	170,708	-114,503	-40.1

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table DB0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table DB0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) AGENCY MANAGEMENT								
(1010) PERSONNEL	215	2,121	384	-1,737	0.0	3.0	3.0	0.0
(1015) TRAINING AND EMPLOYEE DEVELOPMENT	1,091	467	747	280	0.0	1.0	1.0	0.0
(1020) CONTRACTING AND PROCUREMENT	30	0	0	0	0.0	0.0	0.0	0.0
(1030) PROPERTY MANAGEMENT	4,381	4,852	3,451	-1,402	3.7	4.0	4.0	0.0
(1040) INFORMATION TECHNOLOGY	946	1,422	1,248	-174	3.8	6.0	6.0	0.0
(1050) FINANCIAL MANAGEMENT	1,485	3,189	1,689	-1,500	0.0	0.0	0.0	0.0
(1060) LEGAL	2,159	1,777	1,859	82	0.9	14.0	14.0	0.0
(1070) FLEET MANAGEMENT	255	0	39	39	0.0	0.0	0.0	0.0
(1080) COMMUNICATIONS	743	1,451	1,485	35	0.9	5.0	6.0	1.0
(1085) CUSTOMER SERVICE	171	120	118	-2	0.9	3.0	2.0	-1.0
(1087) LANGUAGE ACCESS	0	6	25	19	0.0	0.0	0.0	0.0
(1090) PERFORMANCE MANAGEMENT	2,067	2,330	2,393	63	20.6	16.0	16.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	13,545	17,735	13,438	-4,297	30.9	52.0	52.0	0.0

Table DB0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(100F) AGENCY FINANCIAL OPERATIONS								
(110F) BUDGET OPERATIONS	594	723	790	67	4.9	6.0	6.0	0.0
(120F) ACCOUNTING OPERATIONS	432	679	679	0	2.9	6.0	6.0	0.0
(130F) FISCAL OFFICER	250	625	358	-268	2.9	1.0	1.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,276	2,027	1,826	-201	10.8	13.0	13.0	0.0
(2000) DEVELOPMENT FINANCE DIVISION								
(2010) AFFORDABLE HOUSING PROJECT FINANCING	83,168	223,329	92,545	-130,785	20.9	19.0	18.0	-1.0
(2015) COMMUNITY FACILITIES PROJECT FINANCING	460	3,445	3,545	100	0.0	0.0	0.0	0.0
(2025) PRESERVATION FINANCING	0	0	10,000	10,000	0.0	0.0	0.0	0.0
SUBTOTAL (2000) DEVELOPMENT FINANCE DIVISION	83,629	226,774	106,090	-120,685	20.9	19.0	18.0	-1.0
(3000) RESIDENTIAL AND COMMUNITY SERVICE DIV								
(3010) NEIGHBORHOOD-BASED ACTIVITIES	6,708	5,628	8,604	2,976	7.0	10.0	10.0	0.0
(3015) SMALL BUSINESS TECHNICAL ASSISTANCE	0	3,000	3,000	0	0.0	0.0	0.0	0.0
(3020) COMMUNITY SERVICES - COMM REVITALIZATION	1,983	2,594	3,000	406	0.0	0.0	0.0	0.0
(3030) RESIDENTIAL SERVICES - HPAP	8,654	9,665	16,022	6,357	4.6	5.0	4.0	-1.0
(3035) RESIDENTIAL SERVICES - NEAHP	202	0	0	0	0.0	0.0	0.0	0.0
(3040) RESIDENTIAL SERVICES - EAHP	82	960	100	-860	0.0	0.0	0.0	0.0
(3050) RESIDENTIAL SERVICES - LEAD SAFE WASHING	1,616	1,338	1,504	166	5.9	6.5	6.0	-0.5
(3060) RESIDENTIAL SERVICES - SINGLE FAM REHAB	1,262	1,802	1,990	187	8.0	4.5	6.0	1.5
SUBTOTAL (3000) RESIDENTIAL AND COMMUNITY SERVICE DIV	20,506	24,987	34,219	9,233	25.5	26.0	26.0	0.0
(4100) PROPERTY ACQUISITION AND DISPOSITION DIV								
(4120) PROPERTY ACQUISITION	2,715	4,396	956	-3,440	8.0	8.0	8.0	0.0
(4130) PROPERTY DISPOSITION	230	300	1,815	1,515	0.0	0.0	0.0	0.0
(4140) PROPERTY MANAGEMENT	0	34	281	247	0.0	0.0	0.0	0.0
(4150) VACANT AND BLIGHTED PROGRAM	0	0	3,386	3,386	0.0	0.0	0.0	0.0
SUBTOTAL (4100) PROPERTY ACQUISITION AND DISPOSITION DIV	2,945	4,730	6,438	1,708	8.0	8.0	8.0	0.0
(4500) PORTFOLIO AND ASSET MANAGEMENT DIVISION								
(4510) PORTFOLIO AND ASSET MANAGEMENT	2,558	4,107	3,227	-881	6.0	12.0	11.0	-1.0
(4520) TAX CREDIT ALLOCATION	32	0	0	0	0.0	0.0	0.0	0.0
SUBTOTAL (4500) PORTFOLIO AND ASSET MANAGEMENT DIVISION	2,590	4,107	3,227	-881	6.0	12.0	11.0	-1.0

Table DB0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(7000) PROGRAM MONITORING DIVISION								
(7010) CONTRACT COMPLIANCE	1,051	996	1,247	251	16.9	6.0	7.0	1.0
(7020) QUALITY ASSURANCE	401	746	808	62	4.0	7.0	7.0	0.0
(7030) HOMELESSNESS PREVENTION COMPLIANCE	24	0	0	0	1.0	0.0	0.0	0.0
SUBTOTAL (7000) PROGRAM MONITORING DIVISION	1,475	1,741	2,055	314	21.9	13.0	14.0	1.0
(8100) HOUSING REGULATION ADMINISTRATION								
(8110) RENTAL CONVERSION AND SALES DIVISION	476	670	828	158	8.7	6.0	7.0	1.0
(8120) HOUSING RESOURCE CENTER	9	1	1	0	0.0	0.0	0.0	0.0
(8130) INCLUSIONARY ZONING PROGRAM	475	632	672	40	4.3	7.0	7.0	0.0
(8140) RENTAL ACCOMMODATIONS DIVISION	873	803	875	73	10.4	8.0	9.0	1.0
SUBTOTAL (8100) HOUSING REGULATION ADMINISTRATION	1,834	2,106	2,377	271	23.4	21.0	23.0	2.0
(9100) RENTAL HOUSING COMMISSION								
(9110) RENTAL HOUSING COMMISSION	907	1,003	1,038	36	4.5	6.0	6.0	0.0
SUBTOTAL (9100) RENTAL HOUSING COMMISSION	907	1,003	1,038	36	4.5	6.0	6.0	0.0
TOTAL PROPOSED OPERATING BUDGET	128,707	285,210	170,708	-114,503	151.8	170.0	171.0	1.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

Division Description

The Department of Housing and Community Development operates through the following 9 divisions:

Development Finance Division (DFD) – provides funding for the development of rental, homeownership, and community facility developments that serve District of Columbia neighborhoods. As both the creation and preservation of affordable housing units are important to DHCD, DFD plays a prominent role in helping the agency achieve its annual multifamily housing production goals.

This division contains the following 3 activities:

- **Affordable Housing Project Financing** – provides funding through a competitive Request for Proposal (RFP) funding process that targets communities and types of development needed to revitalize neighborhoods. The bulk of the funds come from Intra-District funding from the Housing Production Trust Fund. This activity also provides development financing and regulatory oversight to nonprofit and for-profit developers so that they can develop properties as affordable ownership

and rental units. This activity includes the preparation of Notice of Funding Availability and RFP documents, management of the application and selection process, project management meetings, construction overviews, underwriting, architectural reviews, monitoring reports, funding request presentations, loan closings, and project monitoring services;

- **Community Facilities Project Financing** – provides funding through a competitive RFP funding process for development financing and regulatory oversight to nonprofit and for-profit developers so that they can develop properties as neighborhood community/commercial facilities. This activity includes the preparation of Notice of Funding Availability and RFP documents, management of the application and selection process, project management meetings, construction overviews, underwriting, architectural reviews, monitoring reports, funding request presentations, loan closings, and project monitoring services; and
- **Preservation Project Financing** – allocates funds toward preserving affordable housing units for residents with low to moderate-income across the District. These units were previously subsidized through federal housing programs and as the subsidies expire, homeowners will be able to maintain affordability in their communities.

Residential and Community Services Division (RCSD) – provides funding for programs focused on household level housing needs and neighborhood revitalization. RCSD works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance, and facade improvement opportunities. RCSD administers the agency’s Affordable Housing Initiative through its Community and Residential Services activities, which include the District’s Home Purchase Assistance Program and Employer Assisted Housing Programs, which provide financial assistance for low and moderate-income households and District government employees for the purpose of first-time home purchase. The division also provides rehabilitation resources, including grants for lead hazard remediation to eligible units and loans as well as grants to income-qualified owner-occupant District residences in order to preserve homeownership in the District.

This division contains the following 7 activities:

- **Community Services - Housing Counseling (Neighborhood Based Activities)** – provides funding for counseling services to tenants, potential homeowners, and current homeowners;
- **Community Services - Small Business Technical Assistance** – provides technical assistance to small businesses in support of various DHCD programs;
- **Community Services - Commercial Revitalization** – provides grants to neighborhood-based organizations for storefront facade improvements in commercial corridors;
- **Residential Services - Home Purchase Assistance Program (HPAP)** – provides down payment and closing cost assistance to low and moderate income District residents so that they can become first-time home-buyers in the District of Columbia;
- **Residential Services - Employer Assisted Housing Program (EAHP)** – provides down payment and closing cost assistance to qualified District of Columbia government employees;
- **Residential Services - Lead Safe Washington** – provides funding to reduce lead-based paint hazards in eligible single- and multi-family dwellings; and
- **Residential Services - Single Family Rehabilitation** – helps households finance up to \$75,000 in loans for home repairs that will address District housing code violations, such as repairing walls and floors; replacing windows; and repairing plumbing, electrical, and heating systems.

Property Acquisition and Disposition Division (PADD) – stabilizes neighborhoods by decreasing the number of vacant and abandoned residential properties in the District and transforming vacant, blighted and/or abandoned residential properties into homeownership opportunities for District of Columbia residents at all income levels. PADD has three main functions: (1) encourage property owners to rehabilitate and/or occupy their vacant and abandoned residential property; (2) acquire vacant, blighted, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure; and (3) dispose of properties in the PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods.

This division contains the following 4 activities:

- **Property Acquisition** – acquires vacant, abandoned, and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure when owners are unwilling or unable to maintain their properties;
- **Property Disposition** – disposes of properties in the PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods;
- **Property Management** – provides funding for the maintenance of properties in PADD’s inventory until they can be disposed of to create affordable housing units; and
- **Vacant and Blighted** – acquires vacant, blighted, abandoned, and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure when owners are unwilling or unable to maintain their properties.

Portfolio and Asset Management Division (PAMD) – provides portfolio management and oversight of outstanding loans to DHCD and manages the allocation of Low Income Housing Tax Credits (LIHTC). Established in FY 2008, the division monitors the status of existing loans to ensure compliance with loan covenants and collections of loans that are due and conducts the reviews of the risks and relationships of potential borrowers to protect the department’s assets.

Program Monitoring Division (PMD) – conducts oversight and reviews of DHCD projects and funding recipients. Its core functions include the following types of oversight: (1) contract compliance – completing various federally required compliance reviews as part of the underwriting and project development process; (2) quality assurance – monitoring the compliance of DHCD funded sub-recipients with federal HOME Investments Partnership Program (HOME) and Community Development Block Grant Program (CDBG) funding requirements; and (3) compliance monitoring – ensuring projects developed by DHCD through the Housing Production Trust Fund (HPTF), CDBG, HOME and Low Income Housing Tax Credit (LIHTC) programs remain in compliance with federal and local program requirements throughout the duration of the project’s period of affordability.

This division contains the following 2 activities:

- **Contract Compliance** – provides oversight and monitoring services of DHCD projects to ensure the department's use of project funds fully complies with the Department of Housing and Urban Development (HUD) and District regulations; and
- **Quality Assurance** – provides program review and performance evaluation to DHCD and contractors so that they can operate in full compliance with regulations in the most effective and efficient manner possible.

Housing Regulation Administration (HRA) – administers residential housing regulations relating to condominium and cooperative conversions, rent adjustment procedures, licensing, and other related matters. It includes the Rental Accommodation Division and the Rental Conversion and Sales Division and manages the DHCD Housing Resource Center.

This division contains the following 4 activities:

- **Rental Conversion and Sales Division (CASD)** – administers the District’s tenant opportunity to purchase program, regulates the conversion of property to condominiums and cooperatives, registers condominium and cooperative projects, and administers the structural defect warranty claim program;

- **Housing Resource Center (HRC)** – provides rental housing services to landlords and tenants as well as information to the public on all of the department’s services for first-time home-buyers, developers of affordable housing projects, and low-income homeowners. The Housing Resource Center also includes access to the Affordable Housing Locator and an office of University Legal Services for on-site housing counseling;
- **Inclusionary Zoning/Affordable Dwelling Units (IZ/ADU)** – provides subject matter focus in the administration of the District's new Inclusionary Zoning and Affordable Dwelling Unit programs; and
- **Rental Accommodations Division (RAD)** – administers the District’s rent stabilization program, including registering and licensing rental housing, administering rent adjustments procedures, processing landlord and tenant petitions, providing conciliation services, and acting as a repository for notices to vacate and all rental property records.

Rental Housing Commission (RHC) – enforces the Rental Housing Act of 1985, as amended. The commission has three statutory functions in order to preserve and increase the supply of quality affordable housing in the District: (1) to issue, amend, and rescind regulations that are promulgated for enforcement of the Act; (2) to certify and publish the annual adjustment of general applicability to rents and/or rent ceilings, which adjustment is based upon annual changes (if any) in the Consumer Price Index for the applicable region in which the District of Columbia is located; and (3) to decide appeals brought to the commission from the Rent Administrator and the Office of Administrative Hearings. Although the commission is an independent quasi-judicial body, it has direct reporting responsibility to DHCD on administrative, management, and budgetary matters.

Agency Management – provides for administrative support and the required tools to achieve operational and programmatic results. This division is standard for all agencies using performance-based budgeting.

Agency Financial Operations – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This division is standard for all agencies using performance-based budgeting.

Division Structure Change

The Department of Housing and Community Development has no division structure changes in the FY 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table DB0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		12,619	47.0
Other CSFL Adjustments	Multiple Programs	227	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		12,846	47.0
Increase: To support additional FTEs	Multiple Programs	1,112	8.5
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	395	0.0
Increase: To align the Fringe Benefits budget with projected costs	Multiple Programs	282	0.0
Decrease: To align resources with operational spending goals	Multiple Programs	-2,304	0.0

Table DB0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2017 Agency Budget Submission		12,332	55.5
Reduce/Shift: To reflect the movement of HPTF expenditures and the adjustment to HPAP funding	Residential And Community Service Div	-347	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		11,986	55.5
FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE		47,057	48.0
Increase: To align budget with projected grant awards	Multiple Programs	7,085	0.0
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	863	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-1,251	-12.5
FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission		53,754	35.5
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget		53,754	35.5
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE		2,046	0.0
Increase: To align budget with projected revenues	Multiple Programs	3,101	0.0
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-354	0.0
Decrease: To adjust the Contractual Services budget	Property Acquisition And Disposition Div	-1,003	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission		3,790	0.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget		3,790	0.0
INTRA-DISTRICT FUNDS: FY 2016 Approved Budget and FTE		223,488	75.0
Increase: To support additional FTEs	Multiple Programs	1,309	5.0
Decrease: To align Fixed Costs with proposed estimates	Multiple Programs	-962	0.0
Decrease: To align budget with scheduled debt service payments	Multiple Programs	-8,000	0.0
Decrease: To align budget with projected revenues	Multiple Programs	-47,170	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-67,487	0.0
INTRA-DISTRICT FUNDS: FY 2017 Agency Budget Submission		101,178	80.0
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2017 Mayor's Proposed Budget		101,178	80.0
GROSS FOR DB0 - DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT		170,708	171.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

FY 2017 Proposed Budget Changes

The Department of Housing and Community Development's (DHCD) proposed FY 2017 gross budget is \$170,707,908, which represents a 40.1 percent decrease from its FY 2016 approved gross budget of \$285,210,440. The budget is comprised of \$11,985,805 in Local funds, \$53,753,868 in Federal Grant funds, \$3,790,306 in Special Purpose Revenue funds, and \$101,177,929 in Intra-District funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple divisions, and it estimates how much it would cost an agency to continue its current divisions and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter.

Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

DHCD's FY 2017 CSFL budget is \$12,846,306, which represents a \$226,911, or 1.8 percent, increase over the FY 2016 approved Local funds budget of \$12,619,395.

CSFL Assumptions

The FY 2017 CSFL calculated for DHCD included adjustment entries that are not described in detail on table 5. These adjustments were made for increases of \$155,681 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements, and an increase of \$31,281 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent.

CSFL funding for DHCD also includes an increase of \$39,949 for the Fixed Costs Inflation Factor, to account for adjustment to reflect fixed costs estimates for Fleet services.

Agency Budget Submission

In accordance with the Administration's commitment to producing, preserving, and protecting affordable housing across the District, and the goal to end homelessness in the District, the Department of Housing and Community Development (DHCD) has commenced work to revitalize the District through the Small Business Assistance program. Additionally, the agency has implemented a performance-based budgeting strategy to better reflect its programmatic activities and to keep up with the growth of economic development in the District. As part of this initiative, DHCD realigned its budget as follows:

Increase: In Local funds, DHCD's proposed budget reflects a net personal services increase of \$1,112,350 and 8.5 Full-Time Equivalent (FTE) positions across multiple divisions, to align budget with the agency's operational spending needs. In nonpersonal services, the proposed budget includes a net increase of \$395,495 in Fixed Costs due to projected increases in the estimates for Rent and Security Services. Lastly, the proposed budget for Fringe Benefits is increased by \$282,422 to support the increase in FTEs across multiple divisions.

In Federal Grant funds, the proposed budget reflects a net increase of \$7,084,904 in nonpersonal services and a net increase of \$862,845 in Fixed Costs across multiple divisions to align budget with projected grant awards. The increase in Fixed Costs consists of increases in Telecommunication, Rent, and Security Services, offset by decreases in Occupancy and Energy-related costs.

The proposed Special Purpose Revenue funds budget reflects a net increase of \$3,100,876 to align the budget with projected revenue. This increase is comprised of \$2,677,076 in Contractual Services in the Property Acquisition and Disposition division, \$283,800 in Other Services and Charges across multiple divisions, and \$120,000 in Equipment and \$20,000 in Supplies in the Agency Management division. In Intra-District funds, the proposed budget reflects an increase of \$1,309,066 to support 5.0 additional FTEs in multiple divisions. Additionally, personal service adjustments include the reallocation of certain positions across several divisions, primarily from the Agency Financial Operations to the Agency Management division.

Decrease: The proposed Local funds budget includes a net reduction of \$2,304,119 to align the budget with operational spending goals across multiple divisions and to partially support the proposed personal services increases. This adjustment consists of decreases of \$1,111,935 in Subsidies and Transfers, \$728,441 in Contractual Services, \$355,370 in Equipment, \$76,464 in Other Services and Charges, and \$31,909 in Supplies.

In Federal Grant funds, the proposed budget reflects a net personal services decrease of \$1,250,604, to recognize savings from the reduction of 12.5 FTEs and to align budget with projected grant awards across the agency's divisions.

In Special Purpose Revenue funds, the budget proposal includes a net reduction of \$353,648 in Fixed Costs in the Agency Management division to align budget with proposed estimates for Fixed Costs. This adjustment includes reductions to Energy, Telecommunication, Rental and Occupancy Fixed Costs. Additionally, Contractual Services was reduced by \$1,003,361 in the Property Acquisition and Disposition division to align budget with projected revenues.

In Intra-District funds, to align the proposed budget with projected revenues, adjustments were made across the agency's divisions for a net decrease of \$961,878 in Fixed Costs, primarily for Rentals - Land and Structure costs. Additional reductions include decreases of \$8,000,000 to align the budget with scheduled debt service payments, a net decrease of \$47,170,032 primarily in Subsidies and Transfers and Other Services and Charges, and \$67,487,112, in Contractual Services related to the Affordable Housing program. The reduction in Intra-District funding reflects the agency's strategy to exclude the HPTF fund balance amount from its FY 2017 budget submission. These funds are available until expended, and DHCD may increase its Intra-District funds budget at any time during the year to utilize existing fund balance to support housing initiatives.

Mayor's Proposed Budget

Reduce/Shift: In Local funds, the proposed budget includes a net reduction of \$346,649 in the Residential and Community Services division. This change includes the shifting of expenditures totaling \$246,649 from the General Fund to the Housing Production Trust Fund and a shift of \$100,000 in the Home Purchase Assistance Program (HPAP) to reflect the realignment of the agency's Local funds resources while ensuring the continued support of HPAP services with existing Federal Grant funds.