
Department of Housing and Community Development

www.dhcd.dc.gov

Telephone: 202-442-7200

Description	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	% Change from FY 2013
Operating Budget	\$77,689,402	\$125,842,249	\$207,703,383	65.1
FTEs	131.2	146.5	159.0	8.5

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

Summary of Services

DHCD's fundamental activities consist of financial operations, 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 façade 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 District's Historic Anacostia neighborhood in Ward 8.

The agency's FY 2014 proposed budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table DB0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table DB0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
General Fund						
Local Funds	10,772	8,153	12,591	11,054	-1,537	-12.2
Special Purpose Revenue Funds	6,610	6,058	6,500	9,621	3,121	48.0
Total for General Fund	17,382	14,212	19,091	20,674	1,583	8.3
Federal Resources						
Federal Grant Funds	60,087	41,652	38,147	40,821	2,674	7.0
Total for Federal Resources	60,087	41,652	38,147	40,821	2,674	7.0
Private Funds						
Private Donations	79	18	0	0	0	N/A
Total for Private Funds	79	18	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	23,549	21,807	68,604	146,208	77,604	113.1
Total for Intra-District Funds	23,549	21,807	68,604	146,208	77,604	113.1
Gross Funds	101,097	77,689	125,842	207,703	81,861	65.1

*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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Full-Time Equivalents, by Revenue Type

Table DB0-2 contains the proposed FY 2014 FTE level compared to the FY 2013 approved FTE level by revenue type. It also provides FY 2011 and FY 2012 actual data.

Table DB0-2

Appropriated Fund	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change
<u>General Fund</u>						
Local Funds	31.8	32.5	30.7	36.8	6.2	20.1
Special Purpose Revenue Funds	18.2	25.3	33.6	32.8	-0.8	-2.4
Total for General Fund	49.9	57.8	64.3	69.7	5.4	8.3
<u>Federal Resources</u>						
Federal Grant Funds	39.7	45.4	35.6	54.0	18.5	52.0
Total for Federal Resources	39.7	45.4	35.6	54.0	18.5	52.0
<u>Intra-District Funds</u>						
Intra-District Funds	18.0	28.0	46.6	35.2	-11.4	-24.4
Total for Intra-District Funds	18.0	28.0	46.6	35.2	-11.4	-24.4
Total Proposed FTEs	1076	131.2	146.5	159.0	12.5	8.5

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to the FY 2013 approved budget. It also provides FY 2011 and FY 2012 actual expenditures.

Table DB0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2011	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
11 - Regular Pay - Continuing Full Time	7,470	9,250	10,108	11,962	1,854	18.3
12 - Regular Pay - Other	1,229	1,244	1,588	605	-983	-61.9
13 - Additional Gross Pay	193	231	176	176	0	0.0
14 - Fringe Benefits - Current Personnel	1,996	2,068	1,857	2,060	202	10.9
15 - Overtime Pay	3	5	0	0	0	N/A
Subtotal Personal Services (PS)	10,891	12,798	13,729	14,802	1,073	7.8
20 - Supplies and Materials	81	89	244	299	55	22.6
30 - Energy, Comm. and Building Rentals	25	5	58	32	-26	-44.3
31 - Telephone, Telegraph, Telegram, Etc.	81	121	119	124	6	5.0
32 - Rentals - Land and Structures	1,337	1,788	1,973	2,018	45	2.3
34 - Security Services	6	6	33	131	98	301.0
35 - Occupancy Fixed Costs	6	0	50	126	76	151.1
40 - Other Services and Charges	1,006	548	1,867	6,431	4,564	244.4
41 - Contractual Services - Other	4,890	10,714	22,626	26,051	3,425	15.1
50 - Subsidies and Transfers	82,714	51,319	84,920	157,460	72,541	85.4
70 - Equipment and Equipment Rental	58	301	224	229	5	2.2
Subtotal Nonpersonal Services (NPS)	90,206	64,892	112,113	192,901	80,788	72.1
Gross Funds	101,097	77,689	125,842	207,703	81,861	65.1

*Percent change is based on whole dollars.

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 2 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. 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; and
- **Community Facilities Project Financing** – provides funding through a competitive Request for Proposal (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.

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 façade improvement opportunities. RCSD administers the District's Home Purchase Assistance Program and Employee 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 residencies in order to preserve homeownership in the District.

This division contains the following 6 activities:

- **Community Services – Housing Counseling (Neighborhood Based Activities)** – provides funding for counseling services to tenants, potential homeowners, and current homeowners in support of various DHCD programs;
- **Community Services – Commercial Revitalization** – provides grants to neighborhood-based organizations for technical assistance to small businesses and storefront façade 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 homebuyers 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 and/or abandoned residential properties into homeownership opportunities or 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, 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 3 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; and
- **Property Management** – provides funding for the maintenance of properties in PADD’s inventory until they can be disposed of to create affordable housing units.

Portfolio and Asset Management Division (PAMD) – provides portfolio management and oversight to 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.

This division contains the following 2 activities:

- **Portfolio and Asset Management** – monitors the status and ensures the performance of all loans in the Department’s portfolio; and
- **Tax Credit Allocation** – manages the allocation of the District’s share of Low Income Housing Tax Credits (LIHTC) issued by the U.S. Treasury Department in accordance to the Internal Revenue Code, Section 42, and the District’s Qualified Allocation Plan (QAP).

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 3 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;
- **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; and
- **Homelessness Prevention Compliance** – monitors programs aimed at preventing individuals and families from becoming homeless to ensure compliance with federal rules and regulations.

Housing Regulation Administration (HRA) – administers residential housing regulations relating to condominium and cooperative conversions, rent adjustment procedures, licensing, and other related matters. It is composed of two divisions: the Rental Accommodations Division (RAD) and the Rental Conversion and Sales Division (CASD), and manages the DHCD Housing Resource Center.

This division contains the following 3 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;
- **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; and
- **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 homebuyers, developers of affordable housing projects, and low-income homeowners. The Housing Resource Center also includes the Office of the Tenant Advocate, access to the Affordable Housing Locator, and an office of University Legal Services for on-site housing counseling.

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) issue, amend and rescind regulations that are promulgated for enforcement of the Act; (2) 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) decide appeals brought to the Commission from the Rent Administrator and the Office of Administrative Hearings (OAH). 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 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Division and Activity

Table DB0-4 contains the proposed FY 2014 budget by division and activity compared to the FY 2013 approved budget. It also provides the FY 2012 actual data.

Table DB0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(1000) Agency Management								
(1010) Personnel	450	554	1,784	1,231	0.0	0.2	0.0	-0.2
(1015) Training and Employee Development	96	246	117	-129	0.9	1.0	0.0	-1.0
(1020) Contracting and Procurement	0	0	0	0	0.9	0.0	0.0	0.0
(1030) Property Management	2,519	3,586	4,008	422	3.6	2.0	6.0	4.0
(1040) Information Technology	811	759	717	-42	3.7	4.0	3.0	-1.0
(1050) Financial Management	950	2,257	6,297	4,041	0.0	0.0	0.0	0.0
(1055) Risk Management	45	0	0	0	3.5	0.0	0.0	0.0
(1060) Legal	1,289	1,467	1,447	-20	0.9	1.0	1.0	0.0
(1070) Fleet Management	19	20	20	1	0.0	0.0	0.0	0.0
(1080) Communications	77	599	164	-435	3.4	5.0	1.0	-4.0
(1085) Customer Service	148	83	263	180	2.7	1.8	5.0	3.2
(1087) Language Access	0	9	9	0	0.0	0.0	0.0	0.0
(1090) Performance Management	1,828	1,342	1,820	478	7.8	11.0	16.0	5.0
Subtotal (1000) Agency Management	8,235	10,919	16,646	5,726	27.4	26.0	32.0	6.0
(100F) Agency Financial Operations								
(110F) Budget Operations	339	218	389	171	2.6	2.1	4.0	1.9
(120F) Accounting Operations	331	257	456	199	2.7	3.0	5.0	2.0
(130F) Fiscal Officer	292	474	858	385	2.7	3.9	3.0	-0.9
Subtotal (100F) Agency Financial Operations	963	948	1,703	755	8.0	9.0	12.0	3.0
(2000) Development Finance Division								
(2010) Affordable Housing Project Financing	37,778	77,405	134,859	57,454	17.4	20.5	20.0	-0.5
(2015) Community Facilities Project Financing	3,720	1,727	1,727	0	0.0	0.0	0.0	0.0
(2020) Tenant Opportunity to Purchase Assistance	81	86	0	-86	0.8	1.0	0.0	-1.0
Subtotal (2000) Development Finance Division	41,579	79,219	136,586	57,368	18.1	21.5	20.0	-1.5
(3000) Residential and Community Service Division								
(3010) Neighborhood Based Activities	4,446	5,379	5,387	8	6.8	8.0	8.0	0.0
(3020) Community Services - Community Revitalization	217	1,795	2,003	208	0.7	0.0	1.0	1.0
(3030) Residential Services - HPAP	8,484	13,390	12,747	-643	5.9	6.0	6.0	0.0
(3040) Residential Services - EAHP	771	793	482	-311	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washington	882	2,008	9,628	7,620	2.9	6.0	5.0	-1.0
(3060) Residential Services - Single Family Rehabilitation	2,524	3,084	9,994	6,910	5.0	8.0	7.0	-1.0
Subtotal (3000) Residential and Community Service Div.	17,324	26,449	40,240	13,791	21.3	28.0	27.0	-1.0

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Table DB0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Actual FY 2012	Approved FY 2013	Proposed FY 2014	Change from FY 2013
(4100) Property Acquisition and Disposition Division								
(4120) Property Acquisition	1,634	1,943	2,641	698	1.7	9.0	9.0	0.0
(4130) Property Disposition	1,262	750	549	-201	2.2	0.0	0.0	0.0
(4140) Property Management	90	255	255	0	0.0	0.0	0.0	0.0
Subtotal (4100) Property Acquisition and Disposition Division	2,986	2,947	3,445	498	3.9	9.0	9.0	0.0
(4500) Portfolio and Asset Management Division								
(4510) Portfolio and Asset Management	531	551	2,077	1,526	8.6	6.0	7.0	1.0
(4520) Tax Credit Allocation	33	113	120	7	0.0	1.0	1.0	0.0
Subtotal (4500) Portfolio and Asset Management Division	564	664	2,197	1,533	8.6	7.0	8.0	1.0
(6000) Homeownership and Home Rehab Assistance								
No Activity Assigned	18	0	0	0	0.0	0.0	0.0	0.0
Subtotal (6000) Homeownership and Home Rehab Assistance	18	0	0	0	0.0	0.0	0.0	0.0
(7000) Program Monitoring Division								
(7010) Contract Compliance	1,067	1,320	3,420	2,100	9.6	14.0	15.0	1.0
(7020) Quality Assurance	177	210	102	-108	2.9	2.0	1.0	-1.0
(7030) Homelessness Prevention Compliance	2,409	81	88	7	1.9	1.0	1.0	0.0
Subtotal (7000) Program Monitoring Division	3,653	1,612	3,611	1,999	14.4	17.0	17.0	0.0
(8100) Housing Regulation Administration								
(8110) Rental Conversion and Sales Division	722	1,087	1,257	170	7.3	11.0	15.0	4.0
(8120) Housing Resource Center	98	76	76	0	4.0	0.0	0.0	0.0
(8140) Rental Accommodations Division	975	1,135	1,140	5	13.9	13.0	14.0	1.0
Subtotal (8100) Housing Regulation Administration	1,794	2,299	2,474	175	25.2	24.0	29.0	5.0
(9100) Rental Housing Commission								
(9110) Rental Housing Commission	573	785	802	17	4.2	5.0	5.0	0.0
Subtotal (9100) Rental Housing Commission	573	785	802	17	4.2	5.0	5.0	0.0
(9960) Year End Close								
(9961) Year End Close	2	0	0	0	0.0	0.0	0.0	0.0
Subtotal (9960) Year End Close	2	0	0	0	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	77,689	125,842	207,703	81,861	131.2	146.5	159.0	12.5

(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 divisions, please see Schedule 30-PBB Program Summary by Activity in the FY 2014 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Budget Changes

The Department of Housing and Community Development's (DHCD) proposed FY 2014 gross budget is \$207,703,383, which represents a 65.1 percent increase over its FY 2013 approved gross budget of \$125,842,249. The budget is comprised of \$11,053,937 in Local funds, \$40,821,254 in Federal Grant funds, \$9,620,551 in Special Purpose Revenue funds, and \$146,207,641 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 2013 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2014 CSFL budget and not necessarily changes made to the FY 2013 Local funds budget. The FY 2014 CSFL adjustments to the FY 2013 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 2014 CSFL budget is \$10,118,937, which represents a decrease of \$2,472,273, or 19.6 percent, from the FY 2013 approved Local funds budget of \$12,591,210.

Major CSFL Cost Drivers

The FY 2014 CSFL calculated for DHCD included the removal of \$2,512,000 in one-time funding, which was used for funding the Home Purchase Assistance Program (HPAP) in FY 2013.

The FY 2014 CSFL calculated for DHCD included an adjustment entry that is not described in detail on table 5. This adjustment was made for an increase of \$15,318 in personal services to account for the Fringe Benefit growth rate adjustment of 4.2 percent year-over-year growth, and \$24,408 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent. During the development of the CSFL, some adjustments such as these were categorized as "other adjustments".

Agency Budget Submission

Increase: DHCD proposes an increase in Local funds in personal services of \$531,691 for salary, steps, Fringe Benefits, and 6.2 additional FTEs. This increase is due primarily to the 25 percent local match requirement for the increase in federal grants for the Community Development Block Grant (CDBG) and Home Program Related Activities (HOME) grants. The agency increased Local funds Other Services and Charges by \$935 for Information Technology (IT) maintenance.

In Federal Grant funds, the budget proposal includes an increase of \$610,544 for the estimated carryover of unexpended FY 2013 funds from the Community Development Block Grant, Home Program Related Activities, Neighborhood Stabilization Program (NSP), and Lead Hazard Reduction (LEAD) grants. The budget proposal for personal services increased by \$290,578 for salary, steps, and Fringe Benefits, and to support 6.3 additional FTEs. Total Fixed Costs increased by \$80,911 for Telephone, Rentals, Maintenance, and Security Services. Contractual Services increased by \$70,000, which is supported by the LEAD grant. Subsidies and Transfers increased by \$25,683 to cover higher fleet services costs.

DHCD's proposed Special Purpose Revenue (SPR) funds budget projects additional revenue resources from the DHCD Unified Fund and the Home Purchase Assistance Program (HPAP) – Repay fund. The agency plans to use the projected revenue to support increases in the budget for Contractual Services – Other by \$2,328,694, which is primarily related to Technical Assistance Transition services; Other Services and Charges by \$695,447, mainly for auditing; Supplies by \$55,000; fixed costs by \$30,438, primarily for Security Services and Rentals; and Equipment by \$5,000 for anticipated maintenance for newly purchased equipment.

In Intra-District funds, the agency's budget proposal increased Contractual Services by \$1,026,000 in project delivery, primarily for contract compliance; \$87,644 for the estimated Fixed Costs assessments for

administrative costs from advances from the Housing Production Trust Fund (HPTF), primarily for Telecommunications, Security, Building Rentals, and Maintenance; and \$34,677 for higher costs projected for fleet services.

Decrease: DHCD's budget proposal reduced Local funds by \$532,626 in Subsidies and Transfers in the Residential and Community Service division to offset the increases in personal services. In Intra-District funds, Subsidies and Transfers were reduced by \$128,236 due to the anticipation of a slight decrease in new projects for FY 2014.

Shift: Due to a change in the allocation of the proportional share of administrative costs by fund for federal grants, DHCD proposes an increase in Federal Grant funds budget in personal services by \$1,401,123 and 12.2 FTEs from the reclassification of funds from SPR and Intra-District funding. There was an SPR reduction of \$114,579 in personal services including a reduction of 0.8 FTE being reallocated to Federal Grant funds. In Intra-District funds, personal services were reduced by \$1,286,544 and 11.4 FTEs.

Mayor's Proposed Budget

Cost-of-Living Adjustment: This agency received a proposed cost-of-living adjustment (COLA) in both Local and non-Local funds. This adjustment includes \$195,127 in Federal Grant funds and \$120,551 in Special Purpose Revenue funds, and Intra-District funds may be impacted. For more information about the Local funds portion of the COLA, please see the Workforce Investments chapter contained in Volume 3 (Agency Budget Chapters – Part II) of the FY 2014 Proposed Budget and Financial Plan.

Increase: Local funds were increased by \$1,000,000 for the \$100 million Affordable Housing Initiative in Subsidies and Transfers for the Home Purchase Assistance Program (HPAP). Intra-District funds were also increased by \$37,870,349 for the Memorandum of Understanding (MOU) with the Housing Production Trust Fund (HPTF).

District's Proposed Budget

Increase: The budget includes an increase of \$40,000,000 in Intra-District funds from the Housing Production Trust Fund, which reflects the revised amount of fund balance projected to be available in FY 2014 from the FY 2013 portion of the Affordable Housing Initiative.

Decrease: In Local funds, the budget includes a reduction of \$65,000 to reflect one-time adjustment of personal services in FY 2014 based on projected salary lapse savings.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table DB0-5

(dollars in thousands)

	DIVISION	BUDGET	FTE
LOCAL FUNDS: FY 2013 Approved Budget and FTE		12,591	30.7
Removal of One-Time Funding	Multiple Programs	-2,512	0.0
Other CSFL Adjustments	Multiple Programs	40	0.0
LOCAL FUNDS: FY 2014 Current Services Funding Level Budget (CSFL)		10,119	30.7
Increase: Salary, steps, Fringe Benefits, and additional FTEs	Multiple Programs	532	6.2
Increase: IT maintenance	Agency Management	1	0.0
Decrease: Subsidies and Transfers	Residential and Community Service Division	-533	0.0
LOCAL FUNDS: FY 2014 Agency Budget Submission		10,119	36.8
Increase: \$100M Affordable Housing Initiative - Adjustment to the Home Purchase Assistance Program (HPAP)	Residential and Community Service Division	1,000	0.0
LOCAL FUNDS: FY 2014 Mayor's Proposed Budget		11,119	36.8
Decrease: Personal services to reflect one-time salary lapse savings	Housing Regulation Administration	-65	0.0
LOCAL FUNDS: FY 2014 District's Proposed Budget		11,054	36.8
FEDERAL GRANT FUNDS: FY 2013 Approved Budget and FTE		38,147	35.6
Increase: Carryover of unexpended FY 2013 grant funds	Multiple Programs	611	0.0
Increase: Salary, steps, Fringe Benefits, and FTEs	Multiple Programs	291	6.3
Increase: Fixed cost growth primarily in Security Services and Occupancy	Agency Management	81	0.0
Increase: LEAD federal grant award	Multiple Programs	70	0.0
Increase: Estimated cost growth for fleet services	Multiple Programs	26	0.0
Shift: Salaries and Fringe Benefits for the proportionate share of administrative costs allocated to federal grants	Agency Management	1,401	12.2
FEDERAL GRANT FUNDS: FY 2014 Agency Budget Submission		40,626	54.0
Cost-of-Living Adjustment: FY 2014 proposed adjustment	Multiple Programs	195	0.0
FEDERAL GRANT FUNDS: FY 2014 Mayor's Proposed Budget		40,821	54.0
No Changes		0	0.0
FEDERAL GRANT FUNDS: FY 2014 District's Proposed Budget		40,821	54.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Approved Budget and FTE		6,500	33.6
Increase: Contractual Services - Other to align with projected resources	Multiple Programs	2,329	0.0
Increase: Other Services and Charges to align with projected resources	Multiple Programs	695	0.0
Increase: Supplies and Materials to align with projected resources	Multiple Programs	55	0.0
Increase: Fixed costs primarily in Security Services and Rentals	Agency Management	30	0.0
Increase: Equipment maintenance contracts	Agency Financial Operations	5	0.0
Shift: Transfer of FTEs to federal funding	Multiple Programs	-115	-0.8

(Continued on next page)

Table DB0-5 (continued)
(dollars in thousands)

	DIVISION	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Agency Budget Submission		9,500	32.8
Cost-of-Living Adjustment: FY 2014 proposed adjustment	Multiple Programs	121	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Mayor's Proposed Budget		9,621	32.8
No Changes		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 District's Proposed Budget		9,621	32.8
INTRA-DISTRICT FUNDS: FY 2013 Approved Budget and FTE		68,604	46.6
Increase: Estimated carryover of FY 2013 funds	Multiple Programs	1,026	0.0
Increase: Fixed costs primarily in Security Services and Occupancy related to the HPTF administration	Agency Management	88	0.0
Increase: Estimated growth for fleet services costs	Multiple Programs	35	0.0
Decrease: Reduction in new projects	Multiple Programs	-128	0.0
Shift: Transfer of FTEs to federal funding	Multiple Programs	-1,287	-11.4
INTRA-DISTRICT FUNDS: FY 2014 Agency Budget Submission		68,337	35.2
Increase: Adjustment for the MOU with the HTPF for project delivery	Multiple Programs	37,870	0.0
INTRA-DISTRICT FUNDS: FY 2014 Mayor's Proposed Budget		106,208	35.2
Increase: For the revised amount of fund balance projected to be available in FY 2014 from the FY 2013 portion of the Affordable Housing Initiative	Development Finance Division	40,000	0.0
INTRA-DISTRICT FUNDS: FY 2014 District's Proposed Budget		146,208	35.2
Gross for DB0 - Department of Housing and Community Development		207,703	159.0

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

Agency Performance Plan

The agency's performance plan has the following objectives for FY 2014:

Housing Regulation Administration

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS

Housing Regulation Administration

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percentage of orders issued on voluntary agreement petitions within 45 calendar days	100%	90%	100%	90%	90%	Not Available
Percentage of orders issued on hardship petitions within 90 calendar days of receipt ¹	75%	90%	100%	90%	90%	Not Available
Percentage of condo registration applications processed within 60 calendar days	92%	98%	94.1%	98%	98%	Not Available
Percentage of structural defect warranty claim notices processed within 60 calendar days	35.4%	95%	29.2%	95%	95%	Not Available
Percentage of complete housing assistance payment requests processed within 30 calendar days	0%	95%	0%	95%	95%	Not Available
Number of inclusionary zoning units built	0	TBD	2	TBD	TBD	Not Available
Percentage of lotteries conducted for inclusionary units within 17 calendar days of receiving notice of availability	0%	95%	0%	95%	95%	Not Available

Rental Housing Commission

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

KEY PERFORMANCE INDICATORS

Rental Housing Commission²

Measure	FY 2011 Actual	FY 2012 ³ Target	FY 2012 Actual	FY 2013 ⁴ Projection	FY 2014 ⁴ Projection	FY 2015 Projection
Number of appeals disposed	19	31	40	32	33	Not Available
Number of appeals cases > 3 years old	71	18	75	12	10	Not Available
Percentage of cases processed under 6 weeks (from date of commencement)	46.3%	55%	35%	55%	60%	Not Available
Average amount of time from receipt of case to assignment (months)	15	3	11	5	4	Not Available
Percentage of hearings scheduled within the 30-day requirement	75%	100%	100%	100%	100%	Not Available
Average number of calendar days between receipt of case and final decision	376	20	9	20	20	Not Available

Development Finance Division

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Increase Homeownership Opportunities.

Objective 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS**Development Finance Division**

Measure	FY 2011 Actual	FY 2012 Target	FY 2013 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total affordable housing units funded (new and rehab) ²	846	900	686	900	900	Not Available
Total special needs housing units funded (elderly, disabled, and homeless units)	251	150	169	150	150	Not Available
Total new homeownership units funded	223	80	223	80	80	Not Available
Total First Right Purchase Assistance Program (tenant purchase) units funded – FRP New and Rehab Units	241	100	36	100	100	Not Available
Total affordable housing units rehabilitated	300	200	286	200	200	Not Available
Total affordable housing units preserved (via loan structuring, technical aid, etc.)	122	200	0	200	200	Not Available
Percentage of affordable housing units competitively evaluated and advancing to underwriting in the respective fiscal year, that are highly sustainable and meet the Green Communities criteria	86%	100%	100%	100%	100%	Not Available

Residential and Community Services Division

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Increase Homeownership Opportunities.

Objective 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS

Residential and Community Services Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total affordable housing units funded	506	425	266	425	425	Not Available
Total Single Family Rehab units funded	124	75	31	75	75	Not Available
Total Lead Multifamily units funded	137	60	41	60	60	Not Available
Total Residential Rehab Elderly, Disabled, and Homeless units (special needs) funded	73	15	16	15	15	Not Available
Total Home Purchase Assistance Program (HPAP) Elderly, Disabled, and Homeless units (special needs) funded	7	10	6	10	10	Not Available
Number of first-time homebuyers funded by HPAP	223	260	179	260	260	Not Available
Number of District employee homebuyers funded by EHAP	75	80	55	80	80	Not Available
Number of District employee homebuyers funded by NEAHP	20	25	17	25	25	Not Available
Number of Elevated Blood Level cases in the District ⁶	43	30	31	30	30	Not Available
Number of storefront façades improved	46	40	6	40	40	Not Available
Average cost per façade unit funded	\$25,000	25,000	\$18,667	\$25,000	\$25,000	Not Available

Property Acquisition and Disposition Division

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS

Property Acquisition and Disposition Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of properties acquired	11	15	6	15	15	Not Available
Number of total properties acquired in targeted neighborhoods (Ivy City/Trinidad, Historic Anacostia, and Washington Highlands)	3	10	3	10	10	Not Available
Number of properties recaptured from developers or transferees	0	10	0	10	10	Not Available
Number of properties for which disposition agreements were executed	28	55	32	55	55	Not Available
Number of housing units rehabilitated through acquisition of abandoned properties	53	45	46	45	45	Not Available
Number of affordable housing units created or rehabilitated through acquisition of abandoned properties	31	45	20	45	45	Not Available
Average number of years of affordability for units created or rehabilitated through acquisition of abandoned properties	12	15	15	15	15	Not Available
Number of properties investigated that result in rehabilitation by the owner	0	5	0	5	5	Not Available
Targeted Average cost per property of acquisitions ⁷	\$38,095	\$190,000	\$230,683	\$190,000	\$190,000	Not Available

Program Monitoring Division

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Increase Homeownership Opportunities.

Objective 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS

Program Monitoring Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Total number of grant projects reviewed	201	95	88	105	115	Not Available
Percentage of DHCD environmental reviews conducted within 45 calendar days ⁸	88.5%	80%	74%	90%	95%	Not Available
Percentage of Fair Housing Reviews completed within stated Division timelines	100%	98%	100%	98%	98%	Not Available
Number of Section 3 Business Concerns Certified	14	10	18	12	15	Not Available
Number of Section 3 Jobs Created	38	15	23	20	25	Not Available
Number of eligible Community Housing Development Organizations certified/recertified by fiscal year-end	5	6	5	6	6	Not Available
Number of required physical inspections and file reviews of units conducted annually for HOME and LIHTC properties	1,032	1,000	1,393	1,000	1,000	Not Available

Portfolio and Asset Management Division

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

KEY PERFORMANCE INDICATORS

Portfolio and Asset Management Division

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Number of loans in portfolio	6,758	7,015	7,067	7,015	7,015	Not Available
Percentage of all required financial reviews completed	49.4%	50%	40.7%	50%	50%	Not Available
Percentage of loans in good standing from previous quarter	94.5%	92%	93.1%	92%	92%	Not Available
Percentage increase in number of loans in good standing from previous quarter	5.1%	1.6%	0.4%	1.6%	1.6%	Not Available
Percentage of loans more than 30 calendar days delinquent	2.8%	1.9%	3.2%	1.9%	1.9%	Not Available
Percentage of loans in default	4.2%	12%	6.9%	12%	12%	Not Available
Number of loans moved from delinquent to correct status	62	60	20	60	60	Not Available
Percentage of multi-family loans risk rated	32.1%	50%	8.6%	50%	50%	Not Available
Percentage of financial reports collected from existing borrowers ⁹	2.6%	2.5%	2.4%	2.5%	2.5%	Not Available

Office of the Director

Objective 1: Preserve and Increase the Supply of Quality Affordable Housing.

Objective 2: Increase Homeownership Opportunities.

Objective 3: Revitalize Neighborhoods, Promote Community Development and Provide Economic Opportunities.

KEY PERFORMANCE INDICATORS

Office of the Director

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percentage of sub-grantee budget spent on programmatic costs ¹⁰	65%	80%	13.2%	80%	80%	Not Available
Percentage of scheduled monitoring reports as defined in agency monitoring plan completed for each grant award ¹¹	100%	100%	TBD	100%	100%	Not Available

Performance Plan Endnotes:

- ¹ An Acting Rent Administrator was installed in June 7, 2010, and is awaiting nomination.
- ² The Rental Housing Commission Quorum Temporary Amendment Act of 2010 amended, on a temporary basis, the Rental Housing Act of 1985 to reduce the quorum requirement of the Rental Housing Commission to one member. The temporary act was extended until August 8, 2011. The Rental Housing Commission had a quorum of one from January 31, 2011 until August 7, 2011. The RHC had no quorum from January 31, 2010 to January 30, 2011. As of August 8, 2011, the RHC has a quorum of 3.
- ³ Assuming one of three Commissioners and a contact representative.
- ⁴ Assuming three Commissioners and supporting attorneys, law clerks and a contact representative.
- ⁵ DHCD funds a unit of affordable housing when a project has completed all application and underwriting processes and its funding has been obligated in SOAR (System of Accounting and Reporting).
- ⁶ Industry Standard – collected by the U.S. CDC in conjunction with DDOE. The current national average is approximately 1 percent.
- ⁷ FY 2010 YTD costs are lower than projected due to recapture methods available for FY 2010 YTD properties recaptured. Costs are expected to increase in alignment with projections due to costs associated with more complex recaptures.
- ⁸ OPM staff complete a HUD-approved checklist after it independently reviews all of the environmental information collected for each site. Additionally, in accordance with the National Environmental Protection Act (NEPA), OPM has provided public notice and reviewed the environmental effects of proposed housing-related activities throughout the District and concluded that a broad range of activities will not have an adverse impact on the environment.
- ⁹ PAMD collects this data in order to monitor the status of existing loans and to ensure compliance with loan covenants.
- ¹⁰ The Wise Giving Alliance of the Better Business Bureau identifies 65 percent to be an industry standard for this measure <http://www.bbb.org/us/Charity-Standards/>. This metric measures all sub-grantees' programmatic costs as a percentage of their overall costs.
- ¹¹ This monitoring function was transferred to PMD in FY 2009. Pursuant to 11.4 of the Grants Manual and Source Book, all District agencies must complete monitoring reports. All District agencies should be in compliance with this standard. The standard is 100 percent.