

Department of Housing and Community Development

www.dhcd.dc.gov

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Description	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	\$96,119,937	\$207,703,383	\$196,865,670	-5.2
FTEs	129.7	159.0	159.0	0.0

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 facade 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 2015 proposed budget is presented in the following tables:

FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table DB0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

Table DB0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
General Fund						
Local Funds	8,153	11,514	11,054	15,125	4,071	36.8
Special Purpose Revenue Funds	6,058	3,596	9,621	6,500	-3,121	-32.4
Total for General Fund	14,212	15,110	20,674	21,625	951	4.6
Federal Resources						
Federal Grant Funds	41,652	42,243	40,821	41,354	533	1.3
Total for Federal Resources	41,652	42,243	40,821	41,354	533	1.3
Private Funds						
Private Donations	18	0	0	0	0	N/A
Total for Private Funds	18	0	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	21,807	38,767	146,208	133,886	-12,321	-8.4
Total for Intra-District Funds	21,807	38,767	146,208	133,886	-12,321	-8.4
Gross Funds	77,689	96,120	207,703	196,866	-10,838	-5.2

*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 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2015 Proposed Full-Time Equivalents, by Revenue Type

Table DB0-2 contains the proposed FY 2015 FTE level compared to the FY 2014 approved FTE level by revenue type. It also provides FY 2012 and FY 2013 actual data.

Table DB0-2

Appropriated Fund	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change
<u>General Funds</u>						
Local Funds	32.5	36.5	36.8	35.0	-1.8	-5.0
Special Purpose Revenue Funds	25.3	26.7	32.8	16.0	-16.8	-51.3
Total for General Fund	57.8	63.2	69.7	51.0	-18.7	-26.8
<u>Federal Resources</u>						
Federal Grant Funds	45.4	42.5	54.0	77.5	23.4	43.4
Total for Federal Resources	45.4	42.5	54.0	77.5	23.4	43.4
<u>Intra-District Funds</u>						
Intra-District Funds	28.0	24.0	35.2	30.5	-4.8	-13.5
Total for Intra-District Funds	28.0	24.0	35.2	30.5	-4.8	-13.5
Total Proposed FTEs	131.2	129.7	159.0	159.0	0.0	0.0

FY 2015 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to the FY 2014 approved budget. It also provides FY 2012 and FY 2013 actual expenditures.

Table DB0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2012	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	9,250	9,387	11,962	12,720	758	6.3
12 - Regular Pay - Other	1,244	942	605	559	-46	-7.5
13 - Additional Gross Pay	231	158	176	176	0	0.0
14 - Fringe Benefits - Current Personnel	2,068	2,017	2,060	2,377	317	15.4
15 - Overtime Pay	5	9	0	0	0	N/A
Subtotal Personal Services (PS)	12,798	12,513	14,802	15,832	1,030	7.0
20 - Supplies and Materials	89	137	299	299	0	0.0
30 - Energy, Comm. and Building Rentals	5	32	32	11	-22	-67.2
31 - Telephone, Telegraph, Telegram, Etc.	121	96	124	103	-22	-17.3
32 - Rentals - Land and Structures	1,788	1,973	2,018	2,238	220	10.9
34 - Security Services	6	30	131	0	-131	-100.0
35 - Occupancy Fixed Costs	0	39	126	74	-52	-41.1
40 - Other Services and Charges	548	828	6,431	7,531	1,100	17.1
41 - Contractual Services - Other	10,714	16,564	26,051	22,126	-3,925	-15.1
50 - Subsidies and Transfers	51,319	63,759	157,460	139,823	-17,637	-11.2
70 - Equipment and Equipment Rental	301	149	229	830	601	262.9
80 - Debt Service	0	0	0	8,000	8,000	N/A
Subtotal Nonpersonal Services (NPS)	64,892	83,607	192,901	181,034	-11,867	-6.2
Gross Funds	77,689	96,120	207,703	196,866	-10,838	-5.2

*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. 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; 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 (RCSA) – provides funding for programs focused on household level housing needs and neighborhood revitalization. RCSA works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance and facade improvement opportunities. RCSA 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 residences 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; and for 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 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 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, abandoned and deteriorated properties through negotiated friendly sale, eminent domain, donation, for 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 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 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 includes the Rental Accommodation Division (RAD) and the Rental Conversion and Sales Division (CASD) and manages the DHCD Housing Resource Center, including the Office of the Tenant Advocate.

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 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;
- **Inclusionary Zoning/Affordable Dwelling Units (IZ/ADU)** – is established as a new activity in 2015 to separate DHCD current resources budgeted in CASD to provide subject matter focus in the administration of the District's new Inclusionary Zoning (IZ) 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 (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 2015 proposed budget.

FY 2015 Proposed Operating Budget and FTEs, by Division and Activity

Table DB0-4 contains the proposed FY 2015 budget by division and activity compared to the FY 2014 approved budget. It also provides the FY 2013 actual data.

Table DB0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(1000) Agency Management								
(1010) Personnel	228	1,784	0	-1,784	0.3	0.0	0.0	0.0
(1015) Training and Employee Development	199	117	1,641	1,524	0.9	0.0	0.0	0.0
(1030) Property Management	2,620	4,008	4,451	442	1.9	6.0	4.0	-2.0
(1040) Information Technology	681	717	1,402	685	3.8	3.0	4.0	1.0
(1050) Financial Management	1,562	6,297	1,900	-4,397	0.0	0.0	0.0	0.0
(1060) Legal	1,328	1,447	1,458	11	0.9	1.0	1.0	0.0
(1070) Fleet Management	25	20	329	309	0.0	0.0	0.0	0.0
(1080) Communications	312	164	823	659	4.6	1.0	1.0	0.0
(1085) Customer Service	129	263	40	-223	1.6	5.0	1.0	-4.0
(1087) Language Access	1	9	9	0	0.0	0.0	0.0	0.0
(1090) Performance Management	1,447	1,820	2,510	690	10.1	16.0	22.0	6.0
Subtotal (1000) Agency Management	8,532	16,646	14,562	-2,084	24.1	32.0	33.0	1.0
(100F) Agency Financial Operations								
(110F) Budget Operations	270	389	561	172	2.0	4.0	5.0	1.0
(120F) Accounting Operations	266	456	269	-187	2.8	5.0	3.0	-2.0
(130F) Fiscal Officer	471	858	816	-42	3.6	3.0	3.0	0.0
Subtotal (100F) Agency Financial Operations	1,008	1,703	1,646	-57	8.4	12.0	11.0	-1.0
(2000) Development Finance Division								
(2010) Affordable Housing Project Financing	54,841	134,859	131,232	-3,627	16.4	20.0	21.0	1.0
(2013) DFD Project Financing STM NSP	374	0	0	0	0.0	0.0	0.0	0.0
(2015) Community Facilities Project Financing	1,598	1,727	1,727	0	0.0	0.0	0.0	0.0
(2020) Tenant Opportunity to Purchase Assist	45	0	0	0	0.8	0.0	0.0	0.0
Subtotal (2000) Development Finance Division	56,858	136,586	132,959	-3,627	17.2	20.0	21.0	1.0
(3000) Residential and Community Services Division								
(3010) Community Services - Housing Counseling	4,400	5,387	6,917	1,530	8.5	8.0	7.0	-1.0
(3020) Community Services - Commercial Revitalization	2,100	2,003	2,390	387	0.0	1.0	0.0	-1.0
(3030) Residential Services - HPAP	13,335	12,747	12,222	-525	6.0	6.0	5.0	-1.0
(3040) Residential Services - EAHP	6	482	482	0	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washington	1,007	9,628	1,708	-7,920	3.1	5.0	6.0	1.0
(3060) Residential Services - Single Family Rehabilitation	3,054	9,994	8,071	-1,923	5.3	7.0	8.0	1.0
Subtotal (3000) Residential and Community Services Division	23,902	40,240	31,789	-8,451	22.9	27.0	26.0	-1.0

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Table DB0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Actual FY 2013	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(4100) Property Acquisition and Disposition Division								
(4120) Property Acquisition	884	2,641	6,179	3,538	7.2	9.0	8.0	-1.0
(4130) Property Disposition	502	549	537	-13	0.0	0.0	0.0	0.0
(4140) Property Management	24	255	255	0	0.0	0.0	0.0	0.0
Subtotal (4100) Property Acquisition and Disposition Division	1,410	3,445	6,970	3,525	7.2	9.0	8.0	-1.0
(4500) Portfolio and Asset Management Division								
(4510) Portfolio and Asset Management	433	2,077	2,576	499	4.8	7.0	6.0	-1.0
(4520) Tax Credit Allocation	135	120	0	-120	0.8	1.0	0.0	-1.0
Subtotal (4500) Portfolio and Asset Management Division	568	2,197	2,576	379	5.6	8.0	6.0	-2.0
(7000) Program Monitoring Division								
(7010) Contract Compliance	922	3,420	2,431	-990	11.5	15.0	17.0	2.0
(7020) Quality Assurance	397	102	414	312	1.6	1.0	4.0	3.0
(7030) Homelessness Prevention Compliance	16	88	95	7	0.8	1.0	1.0	0.0
Subtotal (7000) Program Monitoring Division	1,335	3,611	2,940	-670	14.0	17.0	22.0	5.0
(8100) Housing Regulation Administration								
(8110) Rental Conversion and Sales Division	861	1,257	915	-342	11.7	15.0	10.0	-5.0
(8120) Housing Resource Center	31	76	78	2	0.0	0.0	0.0	0.0
(8130) Inclusionary Zoning/Affordable Dwelling Units	0	0	536	536	0.0	0.0	5.0	5.0
(8140) Rental Accommodations Division	956	1,140	1,040	-100	12.9	14.0	12.0	-2.0
Subtotal (8100) Housing Regulation Administration	1,848	2,474	2,569	95	24.6	29.0	27.0	-2.0
(9100) Rental Housing Commission								
(9110) Rental Housing Commission	589	802	853	51	6.0	5.0	5.0	0.0
Subtotal (9100) Rental Housing Commission	589	802	853	51	6.0	5.0	5.0	0.0
No Activity Assigned	70	0	0	0	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	96,120	207,703	196,866	-10,838	129.7	159.0	159.0	0.0

(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 divisions, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2015 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2015 Proposed Budget Changes

The Department of Housing and Community Development's (DHCD) proposed FY 2015 gross budget is \$196,865,670, which represents a 5.2 percent decrease from its FY 2014 approved gross budget of \$207,703,383. The budget is comprised of \$15,125,092 in Local funds, \$41,354,299 in Federal Grants funds, \$6,500,000 in Special Purpose Revenue funds, and \$133,886,279 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 2014 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 FY 2015 CSFL adjustments to the FY 2014 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 2015 CSFL budget is \$11,400,092, which represents a \$346,156, or 3.1 percent, increase over the FY 2014 approved Local funds budget of \$11,053,937.

CSFL Assumptions

The FY 2015 CSFL calculated for DHCD included adjustment entries that are not described in detail on table 5. These adjustments were made for increases of \$256,725 in personal services to account for Fringe Benefit costs based on trend and comparative analyses and the impact of cost-of-living adjustments implemented in FY 2013, and \$24,431 in nonpersonal services based on the Consumer Price Index factor of 2.4 percent. Additionally, DHCD's CSFL funding reflects an increase of \$65,000 to account for the removal of a one-time salary lapse in FY 2014.

Agency Budget Submission

Increase: DHCD's Local funds budget increased by \$3,648, primarily in the Agency Management division, for the Local fund portion for the services of subject matter experts that provide technical assistance on audit methods and process improvements for the Home Purchase Assistance Program (HPAP). Additionally, the budget in Local funds reflects an increase of \$1,207, primarily in the Agency Management division, to cover projected Fringe Benefits costs.

In Federal Grant funds, DHCD proposes an increase of \$2,353,729 to the personal services budget. This adjustment supports 23.4 additional Full-Time Equivalent (FTE) positions added for compliance and project delivery related to the Community Development Block Grant (CDBG) and the Home Program Related Activities (HOME) grant. The additional funding also covers projected salary steps and Fringe Benefits costs for the new and existing FTEs. In nonpersonal services, the Federal Grant funds budget includes an increase of \$100,898 in the Agency Management division. This change is primarily related to the federal funding portion of the Housing Production Trust Fund (HPTF) bond maintenance fees for financing services related to debt service.

In Special Purpose Revenue (SPR) funds, DHCD proposes a budget increase of \$891,720 primarily in the Agency Management division. This increase is comprised of \$504,936 related to the SPR portion for the services of subject matter experts that provides technical assistance on audit methods and process improvements for the HPAP, and \$386,784 related to the SPR portion of the HPTF bond maintenance fees for financing services related to debt service. Additionally, in the SPR funds budget for the Agency Management division, the agency projects an increase of \$30,411 to cover costs related the FY 2015 Fixed Costs estimates primarily for Rentals – Land and Structures.

The budget for Intra-District funds increased by \$8,116,000 primarily in the Development Finance division. This change is related to the Intra-District portion of the annual HPTF bond maintenance fees. DHCD's Intra-District fund's budget also increased by \$470,114 to reflect projected changes in salary steps

and Fringe Benefits costs. Other adjustments in Intra-District funds include increases of \$281,084, primarily in the Portfolio Management division, for the services of subject matter experts for technical assistance on audit methods and process improvements for HPAP.

Decrease: The Local funds budget for personal services reflects a decrease of \$1,127 in salaries with a reduction of 1.8 FTEs. The savings associated with the reduction of these FTEs offset the increases for salary steps and Fringe Benefits costs. DHCD's Local funds budget is also decreased by \$3,917 in nonpersonal services to offset projected changes in salary steps and Fringe Benefits costs.

In Federal Grant funds, DHCD's budget reflects a decrease of \$18,994 in the Agency Management division for projected Fixed Costs related to utilities, telecommunication, security services, and occupancy. DHCD also proposes a decrease of \$1,902,588 in Contractual Services due to a change in program needs and to offset the increase of funding related to the 23.4 FTEs for the Community Development Block Grant project delivery.

The SPR fund budget for personal services reflects a decrease of \$1,758,618 to account for the reduction of 16.8 FTEs across multiple divisions. The savings associated with the reduction of these FTEs offset the increases in salary steps and Fringe Benefits costs. Furthermore, the budget in SPR funds includes a decrease of \$2,284,064 in Contractual Services and Subsidies and Transfers primarily in Agency Management. This adjustment is due to lower revenue projections for the sale of properties by the Property Acquisition and Disposition division.

In Intra-District funds, the budget reflects a decrease of \$17,053 for projected Fixed Costs related to Utilities, Security, and Occupancy in the Agency Management division. Other adjustments in Intra-District funds include reductions of \$357,245 and 4.8 FTEs in personal services across multiple divisions, \$4,129,504 in Contractual Services, and \$25,423,866 in Subsidies and Transfers. These reductions reflect the expected FY 2015 funding level for the Affordable Housing Initiative Memorandum of Understanding (MOU) with the Housing Production Trust Fund (HPTF).

Technical Adjustment: The Department of Housing and Community Development's budget proposal reflects an increase of \$2,425,000 in Local funds in the Property Acquisition and Disposition division for projects previously funded with Capital funds.

Mayor's Proposed Budget

Enhance: Local funds increased by \$1,500,000 in Subsidies and Transfers in the Residential and Community Services division, which is comprised of \$1,000,000 for the Home Purchase Assistance Program (HPAP) and \$500,000 for commercial revitalization façade improvements for Ward 8. Additionally, Local funds increased by \$300,000 to create an East End Homeownership Campaign for Wards 7 and 8.

District's Proposed Budget

Enhance: The Local funds budget includes an increase of \$700,000 in one-time funding, along with an additional \$300,000 for the Residential and Community Services division to support the Housing Purchase Assistance Program (HPAP), which provides down payment and cost assistance to low and moderate income District residents so that they may become first time homebuyers in the District of Columbia.

The Intra-District funds budget increased by \$13,038,768 from the Housing Production Trust Fund (HPTF) in the Development Finance division for Affordable Housing Project Financing, which is comprised of \$8,738,768 to provide affordable housing for very low income persons with serious and persistent mental or emotional illness or those at risk of developing such illness; \$4,100,000 to support the development of affordable housing for senior citizens, age 65-years and older; and \$200,000 for the development of a pilot project that would study how best to develop affordable housing and wrap-around services for the District's Lesbian, Gay, Bi-sexual and Transgender (LGBT) seniors, age 65-years and older. In addition, Intra-District

funds increased by \$1,500,000 in the Property Acquisition and Distribution division to acquire vacant, abandoned, and deteriorated properties for rehabilitation into high quality affordable housing.

Reduce: The Local funds budget for the Property Acquisition and Disposition division was reduced by \$1,500,000.

The Intra-District transfers from the HPTF to the Residential and Community Services division were decreased by \$5,800,000 in the Lead Safe Washington program in order to support enhancements in the Residential and Community Services division for seniors, age 65-years and older.

FY 2014 Approved Budget to FY 2015 Proposed Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

Table DB0-5
(dollars in thousands)

DESCRIPTION	DIVISION	BUDGET	FTE
LOCAL FUNDS: FY 2014 Approved Budget and FTE		11,054	36.8
Other CSFL Adjustments	Multiple Programs	346	0.0
LOCAL FUNDS: FY 2015 Current Services Funding Level Budget (CSFL)		11,400	36.8
Increase: To align funding with nonpersonal services costs	Multiple Programs	4	0.0
Increase: To align Fringe Benefits budget with projected costs	Multiple Programs	1	0.0
Decrease: To offset projected increases in personal services	Multiple Programs	-1	-1.8
Decrease: To align funding with nonpersonal services costs	Multiple Programs	-4	0.0
Technical Adjustment: Moving project previously funded with capital to operating	Property Acquisition and Disposition Division	2,425	0.0
LOCAL FUNDS: FY 2015 Agency Budget Submission		13,825	35.0
Enhance: Additional funding for HPAP and commercial revitalization facade improvements for Ward 8	Residential and Community Service Division	1,500	0.0
Enhance: Create an East End Homeownership Campaign for Wards 7 and 8	Residential and Community Service Division	300	0.0
LOCAL FUNDS: FY 2015 Mayor’s Proposed Budget		15,625	35.0
Enhance: To support the Housing Purchase Assistance Program (one-time)	Residential and Community Service Division	700	0.0
Enhance: To support HPAP activities	Residential and Community Service Division	300	0.0
Reduce: Property Acquisition	Property Acquisition and Disposition Division	-1,500	0.0
LOCAL FUNDS: FY 2015 District’s Proposed Budget		15,125	35.0

(Continued on next page)

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

DESCRIPTION	DIVISION	BUDGET	FTE
FEDERAL GRANT FUNDS: FY 2014 Approved Budget and FTE		40,821	54.0
Increase: To support additional FTEs	Multiple Programs	2,354	23.4
Increase: To align funding with nonpersonal services costs	Agency Management	101	0.0
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-19	0.0
Decrease: To align budget with projected grant awards	Multiple Programs	-1,903	0.0
FEDERAL GRANT FUNDS: FY 2015 Agency Budget Submission		41,354	77.5
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2015 Mayor's Proposed Budget		41,354	77.5
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2015 District's Proposed Budget		41,354	77.5
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE		9,621	32.8
Increase: To align funding with nonpersonal services costs	Multiple Programs	892	0.0
Increase: To align Fixed Costs with proposed estimates	Agency Management	30	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-1,759	-16.8
Decrease: To adjust Contractual Services budget	Multiple Programs	-2,284	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Agency Budget Submission		6,500	16.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Mayor's Proposed Budget		6,500	16.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 District's Proposed Budget		6,500	16.0
INTRA-DISTRICT FUNDS: FY 2014 Approved Budget and FTE		146,208	35.2
Increase: Reallocation of Annual Bond Maintenance Fee	Multiple Programs	8,116	0.0
Increase: To adjust personal services	Multiple Programs	470	0.0
Increase: To align resources with operational goals	Multiple Programs	281	0.0
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-17	0.0
Decrease: To recognize savings from a reduction in FTEs	Multiple Programs	-357	-4.8
Decrease: To adjust Contractual Services budget	Multiple Programs	-4,130	0.0
Decrease: To align budget with projected revenues	Multiple Programs	-25,424	0.0
INTRA-DISTRICT FUNDS: FY 2015 Agency Budget Submission		125,148	30.5
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2015 Mayor's Proposed Budget		125,148	30.5
Enhance: To support Affordable Housing Project Financing for seniors and those with mental or emotional illness	Development Finance Division	13,039	0.0
Enhance: To align funding with nonpersonal services costs	Property Acquisition and Disposition Division	1,500	0.0
Reduce: Lead Safe program	Residential and Community Service Division	-5,800	0.0
INTRA-DISTRICT FUNDS: FY 2015 District's Proposed Budget		133,886	30.5
Gross for DB0 - Department of Housing and Community Development		196,866	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 2015:

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.

Development Finance 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

Development Finance Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total affordable housing units funded (new and rehab)	879	900	857	1,300	1,300	1,300
Total special needs housing units funded (elderly, disabled, and homeless units)	223	150	262	300	300	300
Total new homeownership units funded	223	80	24	100	100	100
Total First Right Purchase Assistance program (tenant purchase) units funded – FRP New and Rehab Units	36	100	50	100	100	100
Total affordable housing units rehabilitated	459	200	482	500	500	500
Total affordable housing units preserved (via loan structuring, technical aid, etc.)	280	200	0	40	40	40
Percent of new affordable housing units within an area with a Walk Score of 50 or higher ¹	Not Available	Not Available	Not Available	TBD	TBD	TBD
Percent 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	100%	100%	100%	100%	100%	100%

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 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Percent of orders issued on voluntary agreement petitions within 45 calendar days	100%	90%	100%	90%	90%	90%
Percent of orders issued on hardship petitions within 90 calendar days of receipt	100%	90%	100%	90%	90%	90%
Percent of condo registration applications processed within 60 calendar days	92.1%	98%	95.7%	99%	99%	99%
Percent of structural defect warranty claim notices processed within 60 calendar days	29.2%	95%	83.3%	98%	98%	98%
Percent of complete housing assistance payment requests processed within 30 calendar days	0%	95%	100%	95%	95%	95%
Number of inclusionary zoning units built ²	2	TBD	6	12	12	12
Percent of lotteries conducted for inclusionary units within 17 calendar days of receiving notice of availability	0%	95%	100%	95%	95%	95%

Office of Program Monitoring

Objective 1: Preserve and increase the supply of quality affordable housing.

Objective 2: Increase home ownership opportunities.

Objective 3: Revitalize neighborhoods, promote community development, and provide economic opportunities.

KEY PERFORMANCE INDICATORS

Office of Program Monitoring

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total number of grant projects reviewed	105	95	100	115	115	115
Percent of DHCD environmental reviews conducted within 45 calendar days	79.9%	80%	93.5%	95%	95%	95%
Percent of Fair Housing Reviews completed within stated division timelines	100%	98%	100%	98%	98%	98%
Number of Section 3 Business Concerns Certified	20	10	10	15	15	15
Number of Section 3 Jobs Created	37	15	29	25	25	25
Number of eligible Community Housing Development Organizations certified / recertified by fiscal year-end	6	6	6	6	6	6
Number of required physical inspections and file reviews of units conducted annually for HOME and LIHTC properties	1,757	1,000	1,473	1,000	1,000	1,000

Portfolio and Asset Management Division

Objective 1: Preserve and increase the supply of quality affordable housing.

Objective 2: Increase home ownership opportunities.

KEY PERFORMANCE INDICATORS

Portfolio and Asset Management Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Number of loans in portfolio	6,758	7,015	7,378	7,015	7,015	7,015
Percent of all required financial reviews completed	49.4%	50%	32.8%	50%	50%	50%
Percent of loans in good standing from previous quarter	94.5%	92%	92.7%	92%	92%	92%
Percent increase in number of loans in good standing from previous quarter	5.1%	1.6%	0.8%	1.5%	1.5%	1.5%
Percent of loans more than 30 calendar days delinquent	2.7%	1.9%	1.9%	1.9%	1.9%	1.9%
Percent of loans in default	4.2%	12%	7.3%	12%	12%	12%
Number of loans moved from delinquent to correct status	62	60	41	60	60	60
Percent of multifamily loans risk rated	32.1%	50%	5.6%	50%	50%	50%
Percent of financial reports collected from existing borrowers	2.6%	2.5%	3.9%	2.5%	2.5%	2.5%
Percent of DC Preservation Network meetings attended ³	Not Available	Not Available	Not Available	80%	80%	80%

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 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Number of properties acquired ⁴	6	15	0	3	0	0
Number of total properties acquired in targeted neighborhoods (Ivy City/Trinidad, Historic Anacostia, and Washington Highlands)	3	10	0	3	0	0
Number of properties recaptured from developers or transferees	0	10	0	5	10	10
Number of properties for which disposition agreements were executed	33	55	2	3	55	55
Number of housing units rehabilitated through acquisition of abandoned properties	51	45	0	2	45	45
Number of affordable housing units created or rehabilitated through acquisition of abandoned properties	24	45	0	2	45	45
Average number of years of affordability for units created or rehabilitated through acquisition of abandoned properties	15	15	15	10	15	15
Number of properties investigated that result in rehabilitation by the owner	2	5	6	0	0	0
Targeted average cost per property of acquisitions	\$173,012	\$190,000	Not Available	\$300,000	0	0

Rental Housing Commission

Objective 1: Preserve and increase the supply of quality affordable housing.

KEY PERFORMANCE INDICATORS

Rental Housing Commission

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Number of appeals disposed	54	32	35	33	10	18
Number of appeals cases >3 years old	26	12	23	10	6	6
Percent of cases processed under 6 weeks (from date of commencement)	35%	55%	6%	60%	70%	80%
Average amount of time from receipt of case to assignment ⁵	9	5	2	4	2	2
Percent of hearings scheduled within 30-day requirement	100%	100%	100%	100%	100%	100%
Average number of calendar days between receipt of case and final decision	21	20	140	20	20	20

Residential and Community Services Division

Objective 1: Preserve and increase the supply of quality affordable housing.

Objective 2: Increase home ownership opportunities.

Objective 3: Revitalize neighborhoods, promote community development, and provide economic opportunities.

KEY PERFORMANCE INDICATORS

Residential and Community Services Division

Measure	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Projection	FY 2015 Projection	FY 2016 Projection
Total affordable housing units funded	338	425	304	425	425	425
Total Single Family Rehabilitation units funded	49	75	42	75	75	75
Total Lead Multifamily units funded	42	60	24	80	85	85
Total Residential Rehabilitation Elderly, Disabled, and Homeless units (special needs) funded	21	15	15	15	15	15
Total HPAP Elderly, Disabled, and Homeless units (special needs) funded	8	10	2	10	10	10
Number of first-time home buyers funded by HPAP	225	260	238	240	260	260
Number of District employee home buyers funded by EHAP	76	80	104	80	80	80
Number of District employee home buyers funded by NEAHP	19	25	33	35	50	50
Number of Elevated Blood Level cases in the District ⁶	48	30	183	TBD	TBD	TBD
Number of storefront facades improved	12	40	11	40	40	40

Performance Plan Endnotes:

- ¹ This is a new Key Performance Indicator based on the Sustainable DC report and recommendations. At the time this plan was drafted, there was no decision on what the Walk Score would be for this metric. DHCD will adjust the Performance Plan as this number becomes available.
- ² Number of inclusionary units built goals are still being compiled due to the number of agencies that are co-coordinating in the creation of these units. The Office of the Deputy Mayor for Planning and Economic Development is producing a database that tracks all these units; DHCD will update the numbers when DMPED completes this database.
- ³ This is a new metric that will be tracked in FY 2014.
- ⁴ In FY 2013, DHCD imposed a moratorium on property acquisition in an attempt to focus on the disposition of properties in PADD's inventory and create a more strategic acquisition plan. DHCD will update future goals as they are developed.
- ⁵ In months.
- ⁶ In 2013, the United States Environmental Protection Agency changed the way that elevated blood level is recorded. DHCD is awaiting proper guidance on what new goals should be based on.