

Department of Housing and Community Development

www.dhcd.dc.gov

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Table DB0-1

Description	FY 2019 Actual	FY 2020 Actual	FY 2021 Approved	FY 2022 Approved	% Change from FY 2021
OPERATING BUDGET	\$212,509,993	\$87,804,069	\$84,310,284	\$150,231,601	78.2
FTEs	154.0	148.4	169.0	170.2	0.7
CAPITAL BUDGET	\$0	\$0	\$0	\$0	N/A
FTEs	0.0	0.0	0.0	0.0	N/A

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, and administration of regulations. 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 2022 approved budget is presented in the following tables:

FY 2022 Approved Gross Funds Operating Budget and FTEs, by Revenue Type

Table DB0-2 contains the approved FY 2022 budget by revenue type compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 actual data.

Table DB0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands						Full-Time Equivalents					
	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	% Change*	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	% Change
GENERAL FUND												
Local Funds	30,696	29,053	19,287	33,447	14,160	73.4	67.8	58.4	63.9	56.6	-7.3	-11.4
Special Purpose Revenue Funds	-30	2,184	4,590	6,100	1,510	32.9	0.0	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	30,666	31,238	23,877	39,547	15,670	65.6	67.8	58.4	63.9	56.6	-7.3	-11.4
FEDERAL RESOURCES												
Federal Payments	0	0	0	48,158	48,158	N/A	0.0	0.0	0.0	0.0	0.0	N/A
Federal Grant Funds	33,686	40,012	38,045	47,527	9,481	24.9	25.0	28.1	31.2	34.0	2.8	8.8
TOTAL FOR FEDERAL RESOURCES	33,686	40,012	38,045	95,684	57,639	151.5	25.0	28.1	31.2	34.0	2.8	8.8
INTRA-DISTRICT FUNDS												
Intra-District Funds	148,158	16,554	22,387	15,000	-7,387	-33.0	61.1	61.9	73.9	79.6	5.7	7.8
TOTAL FOR INTRA-DISTRICT FUNDS	148,158	16,554	22,387	15,000	-7,387	-33.0	61.1	61.9	73.9	79.6	5.7	7.8
GROSS FUNDS	212,510	87,804	84,310	150,232	65,921	78.2	154.0	148.4	169.0	170.2	1.2	0.7

*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 2022 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2022 Approved Operating Budget, by Comptroller Source Group

Table DB0-3 contains the approved FY 2022 budget at the Comptroller Source Group (object class) level compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 actual expenditures.

Table DB0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Percentage Change*
11 - Regular Pay - Continuing Full Time	15,601	15,374	17,293	16,888	-404	-2.3
12 - Regular Pay - Other	421	194	132	614	482	366.1
13 - Additional Gross Pay	144	154	132	132	0	0.0
14 - Fringe Benefits - Current Personnel	3,476	3,460	3,500	3,763	264	7.5
15 - Overtime Pay	8	2	8	8	0	0.0
SUBTOTAL PERSONAL SERVICES (PS)	19,650	19,184	21,064	21,405	342	1.6

Table DB0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Percentage Change*
20 - Supplies and Materials	88	26	115	45	-70	-60.7
30 - Energy, Communication and Building Rentals	29	2	13	61	49	379.9
31 - Telecommunications	176	167	171	179	8	4.4
32 - Rentals - Land and Structures	2,463	2,483	2,902	3,778	875	30.2
34 - Security Services	73	58	87	96	8	9.5
35 - Occupancy Fixed Costs	27	57	108	8	-100	-92.9
40 - Other Services and Charges	1,245	740	1,959	1,777	-182	-9.3
41 - Contractual Services - Other	8,782	7,219	11,653	41,508	29,855	256.2
50 - Subsidies and Transfers	179,714	57,656	37,954	78,149	40,195	105.9
70 - Equipment and Equipment Rental	264	211	3,283	225	-3,058	-93.2
80 - Debt Service	0	0	5,000	3,000	-2,000	-40.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	192,860	68,620	63,247	128,826	65,580	103.7
GROSS FUNDS	212,510	87,804	84,310	150,232	65,921	78.2

*Percent change is based on whole dollars.

FY 2022 Approved Operating Budget and FTEs, by Division/Program and Activity

Table DB0-4 contains the approved FY 2022 budget by division/program and activity compared to the FY 2021 approved budget. It also provides FY 2019 and FY 2020 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 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021
(1000) AGENCY MANAGEMENT										
(1010) Personnel	321	275	1,407	412	-995	2.8	1.8	2.0	2.0	0.0
(1015) Training and Employee Dev	364	235	522	316	-206	0.9	0.9	1.0	1.0	0.0
(1030) Property Management	4,106	3,503	5,287	5,156	-131	5.6	5.4	6.0	7.0	1.0
(1040) Information Technology	1,139	1,156	4,225	1,201	-3,024	5.6	4.5	6.0	6.0	0.0
(1050) Financial Management	4	165	25	58	33	0.0	0.0	0.0	0.0	0.0
(1060) Legal	1,903	1,971	2,160	2,257	97	13.0	12.3	14.0	14.5	0.5
(1080) Communications	987	765	947	1,173	226	5.6	4.5	3.0	5.0	2.0
(1087) Language Access	3	1	5	5	0	0.0	0.0	0.0	0.0	0.0
(1090) Performance Management	1,957	1,773	1,969	2,137	168	12.3	11.4	13.0	13.2	0.2
No Activity Assigned	-3,200	0	0	0	0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (1000) AGENCY MANAGEMENT	7,584	9,843	16,545	12,714	-3,831	45.7	41.0	45.0	48.8	3.8
(100F) AGENCY FINANCIAL OPERATIONS										
(110F) Budget Operations	518	557	516	526	10	6.3	3.5	4.0	4.0	0.0
(120F) Accounting Operations	883	952	924	956	32	4.3	7.0	8.0	8.0	0.0
(130F) Fiscal Officer	214	233	230	236	6	0.9	0.9	1.0	1.0	0.0
SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS	1,616	1,742	1,670	1,718	48	11.4	11.4	13.0	13.0	0.0

Table DB0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalent				
	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021
(2000) DEVELOPMENT FINANCE DIVISION										
(2010) Affordable Housing Project Financing	130,514	13,526	10,142	24,261	14,119	14.0	16.4	19.0	18.5	-0.5
(2015) Comm Facilities Proj Financing	4,853	461	0	0	0	0.0	0.0	0.0	0.0	0.0
(2020) Tenant Opportunity to Purchase Assist	4,748	0	0	0	0	0.0	0.0	0.0	0.0	0.0
(2025) Preservation Financing	9,228	10,659	1,963	19,302	17,339	0.9	1.8	4.0	4.0	0.0
(2030) Real Estate Acquisition and Dev	0	0	5,000	3,000	-2,000	0.0	0.0	0.0	0.0	0.0
(2035) Accessory Dwelling Units	0	0	0	1,500	1,500	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (2000) DEVELOPMENT FINANCE DIVISION	149,343	24,647	17,105	48,062	30,957	14.9	18.2	23.0	22.5	-0.5
(3000) RESIDENTIAL AND COMMUNITY SERVICE DIV										
(3010) Neighborhood-Based Activities	7,584	9,094	7,370	7,845	475	8.1	6.9	6.0	7.0	1.0
(3015) Small Business Technical Assistance	2,972	4,215	2,800	2,800	0	0.0	0.0	0.0	0.0	0.0
(3020) Community Services - Comm Revitalization	1,767	1,176	0	2,245	2,245	0.0	0.0	0.0	0.0	0.0
(3030) Residential Services - HPAP	19,098	18,199	19,335	18,835	-500	4.0	4.8	7.0	5.0	-2.0
(3035) Residential Services - NEAHP	244	208	0	0	0	0.0	0.0	0.0	0.0	0.0
(3040) Residential Services - EAHP	4,359	4,266	1,000	5,000	4,000	0.0	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washing	770	0	0	0	0	4.6	0.0	0.0	0.0	0.0
(3060) Residential Services - Single Family Rehab	1,926	1,230	1,355	994	-361	6.9	8.7	12.0	10.0	-2.0
SUBTOTAL (3000) RESIDENTIAL AND COMMUNITY SERVICE DIV	38,721	38,388	31,860	37,718	5,858	23.5	20.4	25.0	22.0	-3.0
(4100) PROPERTY ACQUISITION AND DISPOSITION DIV										
(4110) Property Acquisition and Disposition	0	919	2,317	7,076	4,759	0.0	6.8	8.0	8.0	0.0
(4120) Property Acquisition	856	0	0	31,000	31,000	6.3	0.0	0.0	0.0	0.0
(4130) Property Disposition	3,636	0	0	0	0	0.0	0.0	0.0	0.0	0.0
(4140) Property Management	100	0	0	0	0	0.0	0.0	0.0	0.0	0.0
(4150) Vacant and Blighted Program	226	0	0	0	0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (4100) PROPERTY ACQUISITION AND DISPOSITION DIV	4,819	919	2,317	38,076	35,759	6.3	6.8	8.0	8.0	0.0
(4500) PORTFOLIO AND ASSET MANAGEMENT DIVISION										
(4510) Portfolio and Asset Management	5,591	8,246	8,908	5,990	-2,918	14.9	15.8	18.0	18.0	0.0
SUBTOTAL (4500) PORTFOLIO AND ASSET MANAGEMENT DIVISION	5,591	8,246	8,908	5,990	-2,918	14.9	15.8	18.0	18.0	0.0
(7000) PROGRAM MONITORING DIVISION										
(7010) Contract Compliance	997	743	880	830	-50	6.3	6.1	7.0	7.0	0.0
(7020) Quality Assurance	595	844	2,384	2,230	-154	5.0	6.1	6.0	6.0	0.0
SUBTOTAL (7000) PROGRAM MONITORING DIVISION	1,593	1,587	3,264	3,060	-204	11.3	12.2	13.0	13.0	0.0

Table DB0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021	Actual FY 2019	Actual FY 2020	Approved FY 2021	Approved FY 2022	Change from FY 2021
(8100) HOUSING REGULATION ADMINISTRATION										
(8110) Rental Conversion and Sales Division	824	720	859	897	38	5.6	6.4	7.0	7.0	0.0
(8120) Housing Resource Center	1	0	5	5	0	0.0	0.0	0.0	0.0	0.0
(8130) Inclusionary Zoning Program	593	617	657	790	133	6.5	7.1	6.0	7.0	1.0
(8140) Rental Accommodations Division	935	1,100	1,119	1,200	82	8.3	9.1	11.0	11.0	0.0
SUBTOTAL (8100) HOUSING REGULATION ADMINISTRATION	2,352	2,438	2,641	2,893	253	20.4	22.6	24.0	25.0	1.0
(9100) RENTAL HOUSING COMMISSION										
(9110) Rental Housing Commission	893	-1	0	0	0	5.6	0.0	0.0	0.0	0.0
SUBTOTAL (9100) RENTAL HOUSING COMMISSION	893	-1	0	0	0	5.6	0.0	0.0	0.0	0.0
(9960) YR END CLOSE										
(9961) Yr End Close	-1	-4	0	0	0	0.0	0.0	0.0	0.0	0.0
SUBTOTAL (9960) YR END CLOSE	-1	-4	0	0	0	0.0	0.0	0.0	0.0	0.0
TOTAL APPROVED OPERATING BUDGET	212,510	87,804	84,310	150,232	65,921	154.0	148.4	169.0	170.2	1.2

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

Note: For more detailed information regarding the approved funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2022 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 8 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 4 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;
- **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;

- **Real Estate Acquisition and Development**– provides funding for required debt service payments to the U.S. Department of Housing and Urban Development (HUD) for development loans taken out under the Section 108 program. The District borrows funds under this program, which are then loaned again to developers of affordable housing for specific projects. The District is obligated to budget these debt service payments separately in order to secure the HUD loan, but will ultimately recover the funds in the form of loan repayments from project developers; and
- **Accessory Dwelling Units** –provides incentives to homeowners in targeted areas to convert a portion of their existing property or build a stand-alone accessory dwelling unit, such as a garage or basement apartment, to increase the total number of affordable housing units available in these areas.

Residential and Community Services Division (RCS D) – provides funding for programs focused on household-level housing needs and neighborhood revitalization. RCS D works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance, and facade improvement opportunities. RCS D administers the agency’s Affordable Housing Initiative through its Community and Residential Services activities, including the District’s Home Purchase Assistance Program and Employer Assisted Housing Program, 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;
- **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; 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 activity:

- **Property Acquisition and Disposition** – 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.

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 that the department’s use of project funds fully complies with 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 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 adjustment procedures, processing landlord and tenant petitions, providing conciliation services, and acting as a repository for notices to vacate and all rental property records.

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 2022 approved budget.

FY 2021 Approved Budget to FY 2022 Approved Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2021 approved budget and the FY 2022 approved budget. For a more comprehensive explanation of changes, please see the FY 2022 Approved Budget Changes section, which follows the table.

Table DB0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2021 Approved Budget and FTE		19,287	63.9
Removal of One-Time Costs	Multiple Programs	-4,582	0.0
LOCAL FUNDS: FY 2022 Recurring Budget		14,705	63.9
Increase: To align Fixed Costs with proposed estimates	Agency Management	1,441	0.0
Decrease: To recognize savings from a reduction in FTE(s)	Multiple Programs	-634	-8.5
Decrease: To realize savings in nonpersonal services	Multiple Programs	-1,689	0.0
Enhance: ARPA – Federal funding for Local Revenue Replacement to support Build Block Programming	Property Acquisition and Disposition Div	5,000	0.0
Enhance: ARPA – Federal funding for Local Revenue Replacement to support EAHP for District Employees	Residential and Community Service Div	4,000	0.0
Enhance: ARPA – Federal funding for Local Revenue Replacement to support the Community Land Trust Grant	Development Finance Division	2,000	0.0
Enhance: To support the Affordable Dwelling Unit program (one-time)	Development Finance Division	1,500	0.0
LOCAL FUNDS: FY 2022 Mayor’s Proposed Budget		26,323	55.4
Enhance: ARPA – Federal funding for Local Revenue Replacement to support the GAIN Act	Development Finance Division	5,000	0.0
Enhance: To support the Reentry Housing and Services Pilot Act of 2021	Development Finance Division	1,400	0.0
Enhance: To support home ownership in Wards 7 and 8 (one-time)	Residential and Community Service Div	500	0.0
Enhance: To support the Reentry Housing and Services Pilot Act of 2021 (one-time)	Multiple Programs	174	1.2
Enhance: To support a grant for a Tenant Opportunity to Purchase Act study (one-time)	Development Finance Division	50	0.0
LOCAL FUNDS: FY 2022 District’s Approved Budget		33,447	56.6
FEDERAL PAYMENTS: FY 2021 Approved Budget and FTE		0	0.0
Enhance: ARPA – Municipal funding to support Affordable Housing Acquisition	Property Acquisition and Disposition Div	31,000	0.0
Enhance: ARPA - State funding to support Housing Preservation Fund	Development Finance Division	17,158	0.0
FEDERAL PAYMENTS: FY 2022 Mayor’s Proposed Budget		48,158	0.0
No Change		0	0.0
FEDERAL PAYMENTS: FY 2022 District’s Approved Budget		48,158	0.0

Table DB0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
FEDERAL GRANT FUNDS: FY 2021 Approved Budget and FTE		38,045	31.2
Increase: To align budget with projected grant awards	Multiple Programs	8,254	0.0
Increase: To align Fixed Costs with proposed estimates	Agency Management	992	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	236	2.8
FEDERAL GRANT FUNDS: FY 2022 Mayor's Proposed Budget		47,527	34.0
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2022 District's Approved Budget		47,527	34.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2021 Approved Budget and FTE		4,590	0.0
Increase: To align budget with projected revenues	Multiple Programs	1,510	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 Mayor's Proposed Budget		6,100	0.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2022 District's Approved Budget		6,100	0.0
INTRA-DISTRICT FUNDS: FY 2021 Approved Budget and FTE		22,387	73.9
Increase: To align personal services and Fringe Benefits with projected costs	Multiple Programs	566	5.7
Decrease: To align budget with projected revenues	Multiple Programs	-7,954	0.0
INTRA-DISTRICT FUNDS: FY 2022 Mayor's Proposed Budget		15,000	79.6
Enhance: To align resources with operational spending goals	Development Finance Division	200	0.0
Reduce: To align resources with operational spending goals	Portfolio and Asset Management Division	-200	0.0
INTRA-DISTRICT FUNDS: FY 2022 District's Approved Budget		15,000	79.6
GROSS FOR DB0 - DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT		150,232	170.2

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

FY 2022 Approved Operating Budget Changes

Table DB0-6 contains the approved FY 2022 budget by fund compared to the FY 2021 approved budget.

Table DB0-6

Appropriated Fund	FY 2021 Approved	FY 2022 Approved	% Change from FY 2021
Local Funds	\$19,287,364	\$33,447,132	73.4
Federal Payments	\$0	\$48,157,624	N/A
Federal Grant Funds	\$38,045,465	\$47,526,845	24.9
Special Purpose Revenue Funds	\$4,590,022	\$6,100,000	32.9
Intra-District Funds	\$22,387,433	\$15,000,000	-33.0
GROSS FUNDS	\$84,310,284	\$150,231,601	78.2

Recurring Budget

The FY 2022 budget for DHCD includes a reduction of \$4,581,904 across multiple divisions to account for the removal of one-time funding appropriated in FY 2021. The adjustment was comprised of \$2,074,000 to support the Housing Preservation fund, \$1,400,000 to support Contractual Services, \$1,000,000 to support Rent, and \$107,904 to support the Reverse Mortgage Insurance and Tax Payment (ReMIT) program.

Mayor's Proposed Budget

Increase: DHCD's proposed Local funds budget includes a net increase of \$1,441,396 in the Agency Management division to align the Fixed Cost budget with the Department of General Services (DGS) estimates.

The proposed Federal Grants budget includes a net increase of \$8,253,693 across multiple divisions to align the budget with projected grant awards. The agency further projects a net increase of \$991,867 across multiple divisions, primarily in Rent costs, based on estimates from DGS. Additionally, the personal services budget increased by \$235,819 and 2.75 Full-Time Equivalents (FTE) across multiple divisions to align the budget with projected salary and Fringe Benefits costs.

In Special Purpose Revenue funds, the proposed budget includes a net increase of \$1,509,987 across multiple divisions to align the nonpersonal services budget with anticipated revenues.

In Intra-District funds, the budget proposal reflects an increase of \$566,375 and 5.7 FTEs across multiple divisions to align the budget with projected salary, step, and Fringe Benefits costs, as well as other personal service adjustments.

Decrease: DHCD's proposed Local funds budget reflects a net reduction of \$634,490 and 8.5 FTEs across multiple divisions to recognize savings from personal services adjustments. Additionally, a net decrease of \$1,689,235 is proposed to realize cost savings in nonpersonal services, primarily in the Residential and Community Services division.

The proposed Intra-District funds budget includes a net decrease of \$7,953,808 across multiple divisions to reflect projected revenues for administrative costs associated with the Housing Production Trust Fund.

Enhance: DHCD's proposed Local funds budget includes \$11,000,000 in ARPA - Federal funding for Local Revenue Replacement, of which \$5,000,000 will support the Building Blocks DC program, \$4,000,000 will expand additional Homeownership and Housing programs for District employees, and \$2,000,000 will support the Douglas Community Land Trust grant. This increase in spending is supported by Coronavirus Relief funds from the American Rescue Plan Act. Lastly, the proposed Local funds budget includes a one-time enhancement of \$1,500,000 within the Development Finance Division to support the Affordable Dwelling Unit program for low- and moderate-income District residents.

In Federal Payment funds, the proposed budget includes enhancements for \$31,000,000 of ARPA – Municipal funding to fund acquisition and redevelopment of large-scale properties for affordable transitional housing for qualified residents awaiting permanent housing; and \$17,157,624 of ARPA – State funding to provide development funding resources to the Housing Preservation Fund, including a \$5 million set-aside for tenants exercising their Tenant Opportunity to Purchase Assistance (TOPA) rights and forming limited equity cooperatives. These increases in spending are supported by Coronavirus Relief funds from the American Rescue Plan Act.

District's Approved Budget

Enhance: DHCD's approved Local funds budget reflects an increase of \$5,000,000 of ARPA – Federal funding for Local Revenue Replacement to support the Generating Affordability in Neighborhoods (GAIN) Act in the Development and Finance division. This increase in spending is supported by Coronavirus Relief funds from the American Rescue Plan Act. Also in the Development Finance division, a Local funds increase of \$1,400,000 will support the Reentry Housing and Services Pilot Act of 2021. The approved Local funds budget includes a one-time increase of \$500,000 in the Residential and Community Service division to develop an outreach and capacity building program to promote home ownership focused on residents in Wards 7 and 8. Additionally, the approved Local funds budget includes one-time increases of \$174,000 and 1.2 FTEs to further support the Reentry Housing and Services Pilot Act of 2021 and \$50,000 to support a grant for a TOPA study.

In Intra-District funds, the approved budget includes an increase of \$200,000 in the Development and Finance division to align the budget with planned spending.

Reduce: In Intra-District funds, the approved budget is reduced by \$200,000 in the Portfolio and Asset Management division to align the budget with operational spending.

Agency Performance Plan

Please note: To comply with the Rental Housing Commission Independence Clarification Act of 2018, the Rental Housing Commission division was moved to a stand alone agency – the Rental Housing Commission agency.

The Department of Housing and Community Development (DHCD) has the following strategic objectives for FY 2022:

Strategic Objectives

Strategic Objectives describe what the agency will do, at a high level, to achieve its mission. These are action-based sentences that define what an agency does for its customers, whether the customers are residents or other District agencies, and how that improves the District.

Objectives

1. Increase New Affordable Housing Opportunities.
2. Preserve Existing Affordable Housing Stock.
3. Promote community development activities.
4. Create and maintain a highly efficient, transparent, and responsive District government.

ACTIVITIES

Activities include the work that happens on a daily basis to help achieve the Strategic Objectives. Activity names come from the budget line items. This is further divided into “daily services” (ex. sanitation disposal), and long-term “key projects” that are high profile, one-time and span several years, (ex. redevelopment of Walter Reed Army Medical Center). Many agencies will mostly have daily services, whereas some agencies that have more of their budget come from capital funding will have several key projects.

1. Increase New Affordable Housing Opportunities. (3 Activities)

Activity Title	Activity Description	Type of Activity
Inclusionary Zoning	Inclusionary Zoning requires that a certain percentage of units in a new development or a substantial rehabilitation that expands an existing building set aside affordable units in exchange for a bonus density. The Housing Regulation Administration Division at DHCD administers the Inclusionary Zoning program, including developer compliance, holding lotteries for District residents to occupy units, and general program policy development.	Daily Service
Down Payment Assistance	The Home Purchase Assistance (HPAP) program, Employer Assisted Housing Program (EAHP) and the Negotiated Employer Assisted Housing Program (NEAHP) provides interest-free loans and closing cost assistance to qualified applicants to purchase single family houses, condominiums, or cooperative units. The loan amount is based on a combination of factors, including; income, household size, and the amount of assets that each applicant must commit towards a property’s purchase.	Daily Service

1. Increase New Affordable Housing Opportunities. (3 Activities)

Activity Title	Activity Description	Type of Activity
Affordable Housing Project Financing	DHCD's Development Finance Division (DFD) provides funding for the development of rental, homeownership and community facility projects that serve DC 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 affordable housing production and preservation goals.	Daily Service

2. Preserve Existing Affordable Housing Stock. (3 Activities)

Activity Title	Activity Description	Type of Activity
Small Properties Program	Small Properties Program	Daily Service
Rental Conversion and Sales	The Rental Conversion and Sale Division at DHCD administers the Rental Housing Conversion and Sale Act of 1980 and the Condominium Act of 1976. Through the Conversion Act, District tenants have the opportunity to purchase rights, tenant first rights of refusal, receipt of offer of sale notices, notices of transfer and the conversion of property to cooperatives or condominiums. The Condominium Act regulates condominium formation and registration of condominium units before a developer may offer units to interested buyers, including administration of the Structure Defect Warranty Claim Program.	Daily Service
Home Rehab Assistance	Single Family Residential Rehabilitation (SFRRP) administers loans and/or grants for home repairs to alleviate DC building code violations and assists homeowners in repairing physical threats to health and safety, and modify and/or eliminate barriers to accessibility for persons with mobility or other physical impairments. SFRRP helps households finance minor home repairs that will; address building code violations, repair roofs, remove threats to health and safety, and modify and/or eliminate barriers to accessibility for persons with mobility or other physical impairments.	Daily Service

3. Promote community development activities. (8 Activities)

Activity Title	Activity Description	Type of Activity
Program Monitoring	<p>The Office of Program Monitoring (OPM) conducts oversight and reviews of DHCD projects and funding recipients. Its core functions include contract compliance, quality assurance to ensure compliance with federal and local regulations, and affordability covenant compliance to ensure project maintains compliance throughout the duration of the projects period of affordability.</p> <p>OPM staff performs project reviews of environmental standards, Davis Bacon, relocation, fair housing and Section 3 as each project relates to these programs. Project compliance takes the form of annual report reviews and on-site visits to properties where file reviews and physical inspections occur. As the monitoring entity for the Internal Revenue Service (IRS) on the Low Income Housing Tax Credits (LIHTC) Program and HUD on the HOME, Community Development Block Grant (CDBG) and ESG Programs, DHCD reports directly to them on issues of non-compliance.</p>	Daily Service
Implementation of DOPA (District Opportunity to Purchase Act)	Implementation of DOPA (District Opportunity to Purchase Act)	Daily Service
Rental Accommodations Division	<p>The 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 Accommodation Division (RAD) and the Rental Conversion and Sales Division (CASD), and manages the DHCD Housing Resource Center.</p> <p>The Rental Housing Commission is charged with the responsibility of enforcing the Rental Housing Act of 1985 through statutory functions. Although the Commission is an independent quasi-judicial body, it has direct reporting responsibility to DHCD on administrative, management and budgetary matters.</p>	Daily Service

3. Promote community development activities. (8 Activities)

Activity Title	Activity Description	Type of Activity
Foster Small Business Development	Grantee organizations provide technical assistance, support and training to small and retail businesses focusing on neglected commercial corridors in low and moderate income areas in the District of Columbia. The program does not provide grants, loans, or direct subsidies to businesses. The neighborhood areas where grantees currently operate include, but are not limited to: Anacostia, Congress Heights, Columbia Heights, Adams Morgan, Mount Pleasant, Georgia Avenue, Petworth, Rhode Island Avenue NE, and Deanwood/Marshall Heights. Grantee organizations are also involved in business attraction and retention. Assistance provided includes micro-loan packaging, business planning, entrepreneurial training, one-on-one business technical assistance, tax preparation assistance, accounting assistance, or legal assistance. Grantee organizations also provide collective business support activities, such as the formation of business alliances, business corridor promotion, mass marketing, volume discount efforts, and collective space management. Through these organizations, DHCD is also heavily involved in neighborhood revitalization efforts in these areas, including major commercial project planning and interagency business development coordination.	Daily Service
Portfolio and Asset Management	The Portfolio and Asset Management Division (PMD) manages the allocation of Low Income Housing Tax Credits (LIHTC) and provides portfolio management oversight to outstanding loans in the division. 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.	Daily Service
Housing Resource Center	The DHCD Housing Resource Center is open Monday through Friday from 8:30 am – 3:30 pm for residents to obtain information about affordable housing options, attend events, and use computers to access DCHousingSearch.org, a free listing service that provides easy access to information about housing opportunities within the District of Columbia.	Daily Service
Housing Counseling	Residential and Community Services works through Community Based Organizations (CBO) to provide comprehensive housing counseling services and other community economic development activities.	Daily Service

3. Promote community development activities. (8 Activities)

Activity Title	Activity Description	Type of Activity
Maintain DHCD's property portfolio	The 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 properties into productive use. PADD 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; and it 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.	Daily Service

KEY PERFORMANCE INDICATORS

Key Performance Indicators measure how well an agency is achieving its Strategic Objectives. They are outcome-oriented and should be used to answer the question, “What does the agency need to measure to determine success?”

1. Increase New Affordable Housing Opportunities. (10 Measures)

Measure	New Measure/ Benchmark Year	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Met HPTF Statutory Requirements - 30 percent AMI	No	12%	40%	18.8%	40%	40%
Met HPTF Statutory Requirements - 50 percent AMI	No	76.5%	40%	62.7%	40%	40%
Met HPTF Statutory Requirements - 80 percent AMI	No	11.8%	20%	18.3%	20%	20%
Number of Homebuyer Purchase Assistance Program (HPAP) loans	No	351	325	376	325	325
Number of affordable homeownership units produced or preserved	No	12	30	39	30	30
Number of total new construction affordable rental housing units funded	No	682	500	447	525	525
Percent of HPAP loans that close within 60 days after final lender package is received.	No	New in 2020	New in 2020	100%	80%	80%
Percent of development finance projects closed within 12 months of selection	No	36%	50%	22%	50%	50%
Percent of loans at least one year old in good standing	No	90.5%	85%	94%	85%	85%
Percentage of IZ lottery notifications sent to households within 7 days after receipt of confirmation from owner of satisfactory registration on dchousingsearch.org	No	100%	100%	100%	100%	100%

2. Preserve Existing Affordable Housing Stock. (11 Measures)

Measure	New Measure/ Benchmark Year	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Average number of calendar days for compliance review	No	25.25	45	28	45	45
Number of Residential Rehabilitation Program (SFRRP) projects completed this FY that started construction within 6 months after SFRRP received final compliance approval.	No	New in 2020	New in 2020	14	30	30
Number of affordable rental housing units preserved (rehabbed)	No	532	780	782	780	780
Number of affordable single-family homeownership units rehabbed from Single Family Rehab/Lead Safe Programs	No	26	135	20	135	135
Number of affordable units preserved and/or rehabilitated through the program	No	New in 2020	New in 2020	12	75	75
Number of small buildings awarded funding to abate code violations	No	New in 2020	New in 2020	1	5	5
Percent of Single Family Rehabilitation/Lead Safe Washington projects that start construction within 6 months after DHCD receives compliance approval.	No	61.5%	65%	32.8%	65%	65%
Percent of conversion applications reviewed and processed within 30 days to better inform preservation initiatives and policy.	No	New in 2020	New in 2020	100%	100%	100%
Percent of hardship petitions processed within 90 calendar days	No	100%	100%	75%	100%	100%
Percent of required audited financial statements collected for multi-family projects	No	New in 2020	New in 2020	95%	90%	90%
Percent of risk ratings completed for multi-family projects	No	New in 2020	New in 2020	96%	90%	90%

3. Promote community development activities. (8 Measures)

Measure	New Measure/ Benchmark Year	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Median Number of Months Property is in DHCD's portfolio	No	40	40	38	40	40
Number of Section 3 Jobs Created	No	35	25	133	25	25
Number of developers selected for DHCD DOPA pre-qualified developers pool	No	New in 2020	New in 2020	0	20	20
Number of properties awarded to pre-qualified developers (DOPA)	No	New in 2020	New in 2020	0	5	5
Number of properties developed by DHCD (Turn-Key)	No	5	5	3	10	10
Number of storefront facades improved	No	41	30	17	30	30
Percent of Storefront Facade projects that are completed within 10-24 weeks after Notice to Proceed.	No	65%	75%	20%	75%	75%

3. Promote community development activities. (8 Measures)

Measure	New Measure/ Benchmark Year	FY 2019 Actual	FY 2020 Target	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Percent of Tenant Opportunity Purchase Assistance (TOPA) notices received listed in a published online report on DHCD's website within two weeks	No	100%	100%	100%	100%	100%

WORKLOAD MEASURES

Workload Measures, also called inputs or outputs, quantify an activity, effort or process that is necessary to make progress towards the Strategic Objectives. They help answer the question; "How much are we doing?"

1. Small Properties Program

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of affordable units repaired through the Small Building Program	No	New in 2020	New in 2020	12
Number of applications processed for funding	No	New in 2020	New in 2020	1
Number of applications received per grant cycle	No	New in 2020	New in 2020	5

2. Program Monitoring

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of compliance reviews completed	No	106	112	155
Number of Davis Bacon inspections	No	139	140	30

3. Implementation of DOPA (District Opportunity to Purchase Act)

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of DOPA properties reviewed for DOPA eligibility	No	New in 2020	New in 2020	52
Number of properties DHCD expresses interest in pursuing DOPA rights	No	New in 2020	New in 2020	0
Number of units pursued through the District Opportunity to Purchase Act	No	New in 2020	New in 2020	0

4. Rental Accommodations Division

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of customers utilizing the Housing Resources Resource Center	No	5475	6304	2235
Number of hardship petitions received	No	2	3	8
Number of outreach sessions conducted	No	New in 2020	New in 2020	0

5. Foster Small Business Development

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of small business technical assistance sessions	No	11,963	6873	5570

6. Rental Conversion and Sales

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of TOPA notices processed	No	1620	1420	1788

7. Portfolio and Asset Management

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of loans serviced by a third-party vendor	No	32,067	33,079	34,103
Number of multi-family site inspections conducted for physical condition	No	New in 2020	New in 2020	22
Number of required Asset Management site visits completed	No	New in 2020	New in 2020	8
Number of submitted financial reviews	No	1121	338	364

8. Housing Counseling

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of housing counseling sessions given	No	36,255	34,324	16,500

9. Maintain DHCD's property portfolio

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of properties acquired	No	2	0	0
Number of total properties disposed	No	18	20	5

10. Inclusionary Zoning

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of IZ units available for occupancy	No	134	252	336

11. Down Payment Assistance

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of Employer Assisted Housing Program (EAHP) completed applications received by Administrators	No	New in 2020	New in 2020	238
Number of Home Purchase Assistance Program (HPAP) completed applications received by Administrators	No	904	1305	687

12. Affordable Housing Project Financing

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of affordable housing projects closed	No	28	18	23
Number of affordable units preserved through the Housing Preservation Fund	No	New in 2020	New in 2020	63
Number of financial applications submitted	No	64	71	37
Number of total affordable housing units preserved through TOPA acquisition assistance program	No	393	22	0

13. Home Rehab Assistance

Measure	New Measure/ Benchmark Year	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual
Number of Single Family Residential Rehabilitation Program (SFRRP) projects completed	No	New in 2020	New in 2020	20
Number of Single Family Rehab applications received	No	99	132	75

Performance Plan Endnotes:

*For more information about the structure and components of FY 2022 draft performance plans, please see the FY 2022 Approved Budget and Financial Plan, Volume 1, Appendix E.

**Key performance indicators that are new may not have historical data and may only have FY 2022 targets.

***To view the final versions of agency FY 2022 performance plans when they become available in December 2021, see the OCA website at <https://oca.dc.gov/>.