
Housing Finance Agency

www.dchfa.org

Telephone: 202-777-1600

Description	FY 2014 Approved	FY 2015 Proposed	% Change from FY 2014
Operating Budget	\$9,689,000	\$9,661,513	-0.3

Note: Prior year actuals are not reported for the Housing Finance Agency, because the agency does not use the District's financial system for its actual transactions.

The Housing Finance Agency (HFA) was established in 1979 as a corporate body with a legal existence separate from the Government of the District of Columbia to stimulate and expand homeownership and rental housing opportunities for low-and moderate-income families in the District.

The Housing Financing Agency issues taxable and tax-exempt mortgage revenue bonds to lower the costs of financing single-family housing and of acquiring, constructing, and rehabilitating rental housing. In addition, HFA administers the issuance of four percent low-income housing tax credits to achieve its affordable housing preservation, rehabilitation, and development objectives on behalf of the Department of Housing and Community Development (DHCD).

The agency's FY 2015 proposed budget is presented in the following tables:

FY 2015 Proposed Gross Funds Operating Budget, by Revenue Type

Table HF0-1 contains the proposed FY 2015 agency budget compared to the FY 2014 approved budget.

Table HF0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
General Fund				
Special Purpose Revenue Funds	9,689	0	-9,689	-100.0
Total for General Fund	9,689	0	-9,689	-100.0
Enterprise and Other				
Enterprise and Other Funds	0	9,662	9,662	N/A
Total for Enterprise and Other	0	9,662	9,662	N/A
Gross Funds	9,689	9,662	-27	-0.3

*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 Operating Budget, by Comptroller Source Group

Table HF0-2 contains the proposed FY 2015 budget at the Comptroller Source Group (object class) level compared to the FY 2014 approved budget.

Table HF0-2
(dollars in thousands)

Comptroller Source Group	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Percent Change*
11 - Regular Pay - Continuing Full Time	5,034	5,285	252	5.0
14 - Fringe Benefits - Current Personnel	1,026	1,077	51	5.0
15 - Overtime Pay	32	30	-2	-7.4
Subtotal Personal Services (PS)	6,092	6,392	301	4.9
20 - Supplies and Materials	100	100	0	0.0
30 - Energy, Communication and Building Rentals	130	135	5	3.8
31 - Telephone, Telegraph, Telegram, Etc.	66	69	3	4.2
33 - Janitorial Services	76	76	0	0.0
34 - Security Services	20	20	0	0.0
40 - Other Services and Charges	1,700	1,000	-700	-41.2
41 - Contractual Services - Other	1,020	1,400	380	37.3
70 - Equipment and Equipment Rental	190	190	0	0.0
80 - Debt Service	295	279	-16	-5.4
Subtotal Nonpersonal Services (NPS)	3,597	3,269	-328	-9.1
Gross Funds	9,689	9,662	-27	-0.3

*Percent change is based on whole dollars.

Program Description

Although the Housing Finance Agency appears as a single entity in the District's financial system, it operates through the following 3 programs:

Multi-Family Development – provides tax-exempt and taxable bonds, tax credits, and McKinney Act Savings Loan funds as financial tools that are integral to development of the community's ability to provide affordable, safe and decent housing to low-income and special needs populations. The multi-family mortgage revenue bond and tax credit products serve as vehicles for developers to access low-cost institutional debt and equity tools that enhance return on investment. When combined with 4 percent Low-Income Housing Tax Credits and other subsidies, the HFA's mortgage revenue bond product, which is offered in enhanced structures, provides competitive, below-market rate pricing and helps to preserve, rehabilitate, or construct affordable and mixed-income housing in the District.

This program contains the following 2 activities:

- **Technical Assistance** – provides technical assistance on all aspects of underwriting to developers who produce affordable housing, and acts as facilitators with city and federal government agencies to help expedite the permitting process and other approvals. In addition, HFA's staff provides ongoing construction monitoring to ensure construction is successfully completed and properly managed; and
- **Financing Assistance** – provides several financing programs, including the Multi-family Mortgage Revenue Bond Program, Low-Income Housing Tax Credit Program, and McKinney Act Savings Loan Fund. Depending on a project's eligibility, tax-exempt bonds, taxable bonds or low-interest loans can be used for pre-development activities, as well as the acquisition, construction and renovation of multi-family buildings. Financing can be used for the rehabilitation or construction of rental housing, cooperatives, assisted-living facilities, and transitional housing.

Single Family Development – provides low-interest mortgages for persons purchasing a home in the District at or below the national and local conventional rates.

This program contains the following 2 activities:

- **Homebuyer Assistance** – provides 30-year fixed rate mortgages and assistance with down payment and closing costs, as funds are available; and
- **Homeownership Education** – provides regular seminars and community outreach in an effort to empower persons seeking to become homeowners in the District. Through the HFA, information is made available to residents on the Single Family Bond products, financing options, the District government's employer assistance program, tax credits, tax abatements, the Home Purchase Assistance Program (HPAP), other programs to help with closing costs, and other incentives for homebuyers.

HomeSaver Program – is a U.S. Treasury Hardest Hit Fund Initiative, which is federally funded and provides forgivable mortgage loans to homeowners of the District of Columbia who are at risk of foreclosure and who have experienced involuntary job loss.

Program Structure Change

The Housing Finance Agency has no program structure changes in the FY 2015 proposed budget.

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

Table HF0-3 contains the proposed FY 2015 budget by program and activity compared to the FY 2014 approved budget.

Table HF0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2014	Proposed FY 2015	Change from FY 2014	Approved FY 2014	Proposed FY 2015	Change from FY 2014
(1000) Housing Finance Agency						
(1100) Housing Finance Agency	9,689	9,662	-27	0.0	0.0	0.0
Subtotal (1000) Housing Finance Agency	9,689	9,662	-27	0.0	0.0	0.0
Total Proposed Operating Budget	9,689	9,662	-27	0.0	0.0	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 programs, 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 Housing Finance Agency's (HF0) proposed FY 2015 gross budget is \$9,661,513, which represents a less than one percent decrease from its FY 2014 approved gross budget of \$9,689,000. The budget is comprised entirely of Enterprise and Other funds.

Note: For FY 2015, a new appropriated fund, Enterprise and Other funds, was created to replace the appropriated fund associated with the General Fund. In tables that categorized changes by fund, the budget associated with the original appropriated fund, Special Purpose Revenue is reflected as decrease. As the budget shifts from the General Fund to the new Enterprise and Other appropriated fund, the budget is shown as a corresponding increase.

Agency Budget Submission

Shift: The budget shows a shift from Special Purpose Revenue to Enterprise and Other funds, a decrease of \$9,689,000 offset by an increase of \$9,661,513. Included in the shift, the proposed budget includes increases of \$380,000 in Contractual Services to support the deployment of new accounting and portfolio administration software systems; \$300,562 in personal services to cover Fringe Benefits and support the higher cost of non-District government staff increases; and \$7,750 in Fixed Costs to support increased projections for two commodities, Telephone and Energy.

The proposed budget also includes decreases of \$15,800 in Debt Service to reflect the actual cost of additional borrowing to support operations and \$700,000 in Other Services and Charges because the agency is anticipating less exposure to losses and lower carrying costs in its financing activities.

Mayor's Proposed Budget

No Change: The Housing Finance Agency's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

District's Proposed Budget

No Change: The Housing Finance Agency's budget proposal reflects no change from the Mayor's proposed budget to the District's proposed budget.

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

Table HF0-4 itemizes the changes by revenue type between the FY 2014 approved budget and the FY 2015 proposed budget.

Table HF0-4
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Approved Budget and FTE		9,689	0.0
Shift: To reallocate funding within agency (across fund types)	Housing Finance Agency	-9,689	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Agency Budget Submission		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2014 Approved Budget and FTE		0	0.0
Shift: To reallocate funding within agency (across fund types)	Housing Finance Agency	9,662	0.0
ENTERPRISE AND OTHER FUNDS: FY 2015 Agency Budget Submission		9,662	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2015 Mayor's Proposed Budget		9,662	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2015 District's Proposed Budget		9,662	0.0
Gross for HF0 - Housing Finance Agency		9,662	0.0

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