
Housing Finance Agency

www.dchfa.org

Telephone: 202-777-1600

Description	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$9,661,513	\$10,798,000	11.8

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 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table HF0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget.

Table HF0-1
(dollars in thousands)

Appropriated Fund	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
Enterprise and Other				
Enterprise and Other Funds	9,662	10,798	1,136	11.8
Total for Enterprise and Other	9,662	10,798	1,136	11.8
Gross Funds	9,662	10,798	1,136	11.8

*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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table HF0-2 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget.

Table HF0-2
(dollars in thousands)

Comptroller Source Group	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	5,285	4,984	-301	-5.7
14 - Fringe Benefits - Current Personnel	1,077	1,486	409	38.0
15 - Overtime Pay	30	20	-10	-33.3
Subtotal Personal Services (PS)	6,392	6,490	98	1.5
20 - Supplies and Materials	100	100	0	0.0
30 - Energy, Communication, and Building Rentals	135	120	-15	-11.1
31 - Telephone, Telegraph, Telegram, Etc.	69	70	1	1.4
33 - Janitorial Services	76	78	2	2.8
34 - Security Services	20	10	-10	-50.0
40 - Other Services and Charges	1,000	1,200	200	20.0
41 - Contractual Services - Other	1,400	2,200	800	57.1
70 - Equipment and Equipment Rental	190	170	-20	-10.5
80 - Debt Service	279	360	81	28.8
Subtotal Nonpersonal Services (NPS)	3,269	4,308	1,039	31.8
Gross Funds	9,662	10,798	1,136	11.8

*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.

Home Saver 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 2016 proposed budget.

FY 2016 Proposed Operating Budget and FTEs, by Program and Activity

Table HF0-3 contains the proposed FY 2016 budget by program and activity compared to the FY 2015 approved budget.

Table HF0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(1000) Housing Finance Agency						
(1100) Housing Finance Agency	9,662	10,798	1,136	0.0	0.0	0.0
Subtotal (1000) Housing Finance Agency	9,662	10,798	1,136	0.0	0.0	0.0
Total Proposed Operating Budget	9,662	10,798	1,136	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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Budget Changes

The Housing Finance Agency's (HFA) proposed FY 2016 gross budget is \$10,798,000, which represents a 11.8 percent increase over its FY 2015 approved gross budget of \$9,661,513. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

Increase: The proposed budget includes an increase of \$800,000 in Contractual Services to support new accounting and portfolio administration software systems. Additionally, Local funds increased by \$280,600, this includes increases of \$200,000 in Other Services and Charges to support the costs associated with expanded financing activities and \$80,600 in Debt Service to reflect the actual cost of additional borrowing to support operations. Lastly, the increase of \$97,787 in personal services will cover Fringe Benefits and support the higher cost of non-District government staff.

Decrease: The proposed budget includes decreases of \$20,000 to the Equipment and Equipment Rental budget; and \$21,900 in Fixed Costs due to decreased projections for Energy and Security costs.

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 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table HF0-4 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table HF0-4
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2015 Approved Budget and FTE		9,662	0.0
Increase: To adjust the Contractual Services budget	Housing Finance Agency	800	0.0
Increase: To align resources with operational goals	Housing Finance Agency	281	0.0
Increase: To adjust personal services	Housing Finance Agency	98	0.0
Decrease: To align funding with nonpersonal services costs	Housing Finance Agency	-20	0.0
Decrease: To align Fixed Costs with proposed estimates	Housing Finance Agency	-22	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Agency Budget Submission		10,798	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 Mayor's Proposed Budget		10,798	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2016 District's Proposed Budget		10,798	0.0
Gross for HF0 - Housing Finance Agency		10,798	0.0

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