

# Department of Housing and Community Development

[www.dhcd.dc.gov](http://www.dhcd.dc.gov)

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Description	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$96,150,222	\$196,865,670	\$285,210,440	44.9
FTEs	136.4	159.0	170.0	6.9

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 facades 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](http://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 2016 proposed budget is presented in the following tables:

## FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table DB0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

**Table DB0-1**  
(dollars in thousands)

<b>Appropriated Fund</b>	<b>Actual FY 2013</b>	<b>Actual FY 2014</b>	<b>Approved FY 2015</b>	<b>Proposed FY 2016</b>	<b>Change from FY 2015</b>	<b>Percent Change*</b>
<b><u>General Fund</u></b>						
Local Funds	11,514	11,569	15,125	12,619	-2,506	-16.6
Special Purpose Revenue Funds	3,596	3,106	6,500	2,046	-4,454	-68.5
<b>Total for General Fund</b>	<b>15,110</b>	<b>14,675</b>	<b>21,625</b>	<b>14,666</b>	<b>-6,959</b>	<b>-32.2</b>
<b><u>Federal Resources</u></b>						
Federal Grant Funds	42,243	27,881	41,354	47,057	5,702	13.8
<b>Total for Federal Resources</b>	<b>42,243</b>	<b>27,881</b>	<b>41,354</b>	<b>47,057</b>	<b>5,702</b>	<b>13.8</b>
<b><u>Intra-District Funds</u></b>						
Intra-District Funds	38,767	53,594	133,886	223,488	89,602	66.9
<b>Total for Intra-District Funds</b>	<b>38,767</b>	<b>53,594</b>	<b>133,886</b>	<b>223,488</b>	<b>89,602</b>	<b>66.9</b>
<b>Gross Funds</b>	<b>96,120</b>	<b>96,150</b>	<b>196,866</b>	<b>285,210</b>	<b>88,345</b>	<b>44.9</b>

\*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 Full-Time Equivalents, by Revenue Type**

Table DB0-2 contains the proposed FY 2016 FTE level compared to the FY 2015 approved FTE level by revenue type. It also provides FY 2013 and FY 2014 actual data.

**Table DB0-2**

<b>Appropriated Fund</b>	<b>Actual FY 2013</b>	<b>Actual FY 2014</b>	<b>Approved FY 2015</b>	<b>Proposed FY 2016</b>	<b>Change from FY 2015</b>	<b>Percent Change</b>
<b><u>General Fund</u></b>						
Local Funds	36.5	35.2	35.0	47.0	12.0	34.3
Special Purpose Revenue Funds	26.7	26.1	16.0	0.0	-16.0	-100.0
<b>Total for General Fund</b>	<b>63.2</b>	<b>61.3</b>	<b>51.0</b>	<b>47.0</b>	<b>-4.0</b>	<b>-7.8</b>
<b><u>Federal Resources</u></b>						
Federal Grant Funds	42.5	43.3	77.5	48.0	-29.5	-38.1
<b>Total for Federal Resources</b>	<b>42.5</b>	<b>43.3</b>	<b>77.5</b>	<b>48.0</b>	<b>-29.5</b>	<b>-38.1</b>
<b><u>Intra-District Funds</u></b>						
Intra-District Funds	24.0	31.8	30.5	75.0	44.5	145.9
<b>Total for Intra-District Funds</b>	<b>24.0</b>	<b>31.8</b>	<b>30.5</b>	<b>75.0</b>	<b>44.5</b>	<b>145.9</b>
<b>Total Proposed FTEs</b>	<b>129.7</b>	<b>136.4</b>	<b>159.0</b>	<b>170.0</b>	<b>11.0</b>	<b>6.9</b>

## FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

**Table DB0-3**  
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	9,387	10,463	12,720	14,171	1,451	11.4
12 - Regular Pay - Other	942	262	559	967	408	72.9
13 - Additional Gross Pay	158	28	176	176	0	0.0
14 - Fringe Benefits - Current Personnel	2,017	2,226	2,377	3,209	832	35.0
15 - Overtime Pay	9	60	0	0	0	N/A
<b>Subtotal Personal Services (PS)</b>	<b>12,513</b>	<b>13,039</b>	<b>15,832</b>	<b>18,522</b>	<b>2,690</b>	<b>17.0</b>
20 - Supplies and Materials	137	122	299	304	5	1.7
30 - Energy, Communication and Building Rentals	32	25	11	23	12	116.9
31 - Telephone, Telegraph, Telegram, Etc.	96	268	103	133	30	29.0
32 - Rentals - Land and Structures	1,973	2,018	2,238	2,264	26	1.2
34 - Security Services	30	131	0	9	9	N/A
35 - Occupancy Fixed Costs	39	97	74	46	-28	-37.5
40 - Other Services and Charges	828	1,632	7,531	7,624	93	1.2
41 - Contractual Services - Other	16,564	5,539	22,126	77,566	55,440	250.6
50 - Subsidies and Transfers	63,759	73,104	139,823	170,121	30,299	21.7
70 - Equipment and Equipment Rental	149	176	830	597	-232	-28.0
80 - Debt Service	0	0	8,000	8,000	0	0.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>83,607</b>	<b>83,111</b>	<b>181,034</b>	<b>266,688</b>	<b>85,654</b>	<b>47.3</b>
<b>Gross Funds</b>	<b>96,120</b>	<b>96,150</b>	<b>196,866</b>	<b>285,210</b>	<b>88,345</b>	<b>44.9</b>

\*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 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 7 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;
- **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, or tax sale foreclosure; and (3) dispose of properties in the PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods.

This division contains the following 3 activities:

- **Property Acquisition** – acquires vacant, abandoned, and deteriorated properties through negotiated friendly sale, eminent domain, donation, or tax sale foreclosure when owners are unwilling or unable to maintain their properties;
- **Property Disposition** – disposes of properties in the PADD inventory by selling the properties to individuals or developers to be rehabilitated into high quality affordable and market-rate single-family and/or multifamily for-sale housing in District neighborhoods; and
- **Property Management** – provides funding for the maintenance of properties in PADD’s inventory until they can be disposed of to create affordable housing units.

**Portfolio and Asset Management Division (PAMD)** – provides portfolio management and oversight 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 the department's use of project funds fully complies with the Department of Housing and Urban Development (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 (RAD) and the Rental Conversion and Sales Division (CASD) 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 new 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 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. 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 2016 proposed budget.

## FY 2016 Proposed Operating Budget and FTEs, by Division and Activity

Table DB0-4 contains the proposed FY 2016 budget by division and activity compared to the FY 2015 approved budget. It also provides the FY 2014 actual data.

**Table DB0-4**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
<b>(1000) Agency Management</b>								
(1010) Personnel	956	0	2,121	2,121	0.0	0.0	3.0	3.0
(1015) Training and Employee Development	58	1,641	467	-1,174	0.0	0.0	1.0	1.0
(1030) Property Management	3,294	4,451	4,852	402	5.3	4.0	4.0	0.0
(1040) Information Technology	573	1,402	1,422	20	2.6	4.0	6.0	2.0
(1050) Financial Management	730	1,900	3,189	1,289	0.0	0.0	0.0	0.0
(1060) Legal	1,354	1,458	1,777	320	0.9	1.0	14.0	13.0
(1070) Fleet Management	0	329	0	-329	0.0	0.0	0.0	0.0
(1080) Communications	118	823	1,451	628	0.9	1.0	5.0	4.0
(1085) Customer Service	184	40	120	80	4.3	1.0	3.0	2.0
(1087) Language Access	6	9	6	-3	0.0	0.0	0.0	0.0
(1090) Performance Management	2,490	2,510	2,330	-180	13.8	22.0	16.0	-6.0
<b>Subtotal (1000) Agency Management</b>	<b>9,765</b>	<b>14,562</b>	<b>17,735</b>	<b>3,173</b>	<b>27.7</b>	<b>33.0</b>	<b>52.0</b>	<b>19.0</b>
<b>(100F) Agency Financial Operations</b>								
(110F) Budget Operations	356	561	723	162	3.4	5.0	6.0	1.0
(120F) Accounting Operations	332	269	679	410	4.3	3.0	6.0	3.0
(130F) Fiscal Officer	269	816	625	-191	2.6	3.0	1.0	-2.0
<b>Subtotal (100F) Agency Financial Operations</b>	<b>957</b>	<b>1,646</b>	<b>2,027</b>	<b>381</b>	<b>10.3</b>	<b>11.0</b>	<b>13.0</b>	<b>2.0</b>
<b>(2000) Development Finance</b>								
(2010) Affordable Housing Project Financing	54,695	131,232	223,329	92,097	16.7	21.0	19.0	-2.0
(2015) Community Facilities Project Financing	0	1,727	3,445	1,718	0.0	0.0	0.0	0.0
<b>Subtotal (2000) Development Finance</b>	<b>54,695</b>	<b>132,959</b>	<b>226,774</b>	<b>93,815</b>	<b>16.7</b>	<b>21.0</b>	<b>19.0</b>	<b>-2.0</b>
<b>(3000) Residential and Community Services</b>								
(3010) Neighborhood Based Activities	5,622	6,917	5,628	-1,290	6.5	7.0	10.0	3.0
(3015) Small Business Technical Assistance	0	0	3,000	3,000	0.0	0.0	0.0	0.0
(3020) Community Services - Comm Revitalization	1,620	2,390	2,594	204	0.8	0.0	0.0	0.0
(3030) Residential Services - HPAP	9,828	12,222	9,665	-2,557	5.0	5.0	5.0	0.0
(3035) Residential Services - NEAHP	764	0	0	0	0.0	0.0	0.0	0.0
(3040) Residential Services - EAHP	482	482	960	478	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washington	2,074	1,708	1,338	-370	4.4	6.0	6.5	0.5
(3060) Residential Services - Single Family Rehabilitation	785	8,071	1,802	-6,269	6.1	8.0	4.5	-3.5
<b>Subtotal (3000) Residential and Community Service</b>	<b>21,174</b>	<b>31,789</b>	<b>24,987</b>	<b>-6,803</b>	<b>22.9</b>	<b>26.0</b>	<b>26.0</b>	<b>0.0</b>

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**Table DB0-4 (Continued)**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
<b>(4100) Property Acquisition and Disposition</b>								
(4120) Property Acquisition	2,390	6,179	4,396	-1,783	7.2	8.0	8.0	0.0
(4130) Property Disposition	0	537	300	-237	0.0	0.0	0.0	0.0
(4140) Property Management	0	255	34	-221	0.0	0.0	0.0	0.0
<b>Subtotal (4100) Property Acquisition and Disposition</b>	<b>2,390</b>	<b>6,970</b>	<b>4,730</b>	<b>-2,241</b>	<b>7.2</b>	<b>8.0</b>	<b>8.0</b>	<b>0.0</b>
<b>(4500) Portfolio and Asset Management</b>								
(4510) Portfolio and Asset Management	2,577	2,576	4,107	1,531	5.6	6.0	12.0	6.0
(4520) Tax Credit Allocation	120	0	0	0	0.8	0.0	0.0	0.0
<b>Subtotal (4500) Portfolio and Asset Management</b>	<b>2,697</b>	<b>2,576</b>	<b>4,107</b>	<b>1,531</b>	<b>6.4</b>	<b>6.0</b>	<b>12.0</b>	<b>6.0</b>
<b>(7000) Program Monitoring</b>								
(7010) Contract Compliance	1,427	2,431	996	-1,435	12.4	17.0	6.0	-11.0
(7020) Quality Assurance	82	414	746	331	0.8	4.0	7.0	3.0
(7030) Homelessness Prevention Compliance	88	95	0	-95	0.8	1.0	0.0	-1.0
<b>Subtotal (7000) Program Monitoring</b>	<b>1,597</b>	<b>2,940</b>	<b>1,741</b>	<b>-1,199</b>	<b>14.0</b>	<b>22.0</b>	<b>13.0</b>	<b>-9.0</b>
<b>(8100) Housing Regulation Administration</b>								
(8110) Rental Conversion and Sales	1,144	915	670	-246	13.7	10.0	6.0	-4.0
(8120) Housing Resource Center	75	78	1	-77	0.0	0.0	0.0	0.0
(8130) Inclusionary Zoning Program	0	536	632	97	0.0	5.0	7.0	2.0
(8140) Rental Accommodations	1,025	1,040	803	-237	12.8	12.0	8.0	-4.0
<b>Subtotal (8100) Housing Regulation Administration</b>	<b>2,244</b>	<b>2,569</b>	<b>2,106</b>	<b>-463</b>	<b>26.4</b>	<b>27.0</b>	<b>21.0</b>	<b>-6.0</b>
<b>(9100) Rental Housing Commission</b>								
(9110) Rental Housing Commission	631	853	1,003	149	4.8	5.0	6.0	1.0
<b>Subtotal (9100) Rental Housing Commission</b>	<b>631</b>	<b>853</b>	<b>1,003</b>	<b>149</b>	<b>4.8</b>	<b>5.0</b>	<b>6.0</b>	<b>1.0</b>
<b>Total Proposed Operating Budget</b>	<b>96,150</b>	<b>196,866</b>	<b>285,210</b>	<b>88,345</b>	<b>136.4</b>	<b>159.0</b>	<b>170.0</b>	<b>11.0</b>

(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 Division 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 Department of Housing and Community Development's (DHCD) proposed FY 2016 gross budget is \$285,210,440, which represents a 44.9 percent increase over its FY 2015 approved gross budget of \$196,865,670. The budget is comprised of \$12,619,395 in Local funds, \$47,056,722 in Federal Grant funds, \$2,046,439 in Special Purpose Revenue funds, and \$223,487,884 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 2015 approved budget across multiple divisions, and it estimates how much it would cost an agency to continue its current divisions and operations into the following fiscal year. The FY 2016 CSFL adjustments to the FY 2015 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 2016 CSFL budget is \$14,564,167, which represents a \$560,925, or 3.7 percent, decrease from the FY 2015 approved Local funds budget of \$15,125,092.

### **CSFL Assumptions**

The FY 2016 CSFL calculated for DHCD included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$700,000 to account for the removal of one-time funding appropriated in FY 2015 for the Residential and Community Services division to support the Home Purchase Assistance Program (HPAP). Additionally, adjustments were made for a net increase of \$127,149 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements implemented in FY 2015, and an increase of \$32,842 in nonpersonal services based on the Consumer Price Index factor of 2.2 percent.

DHCD's CSFL funding for Other Adjustments reflects an adjustment made for a decrease of \$20,916 to account for proper funding of compensation and classification reforms within the Workforce Investments fund for Compensation Groups 1 and 2.

### **Agency Budget Submission**

**Increase:** DHCD's Local funds budget increased by \$1,447,957 in the personal services budget. This adjustment supports an additional 14.0 Full-Time Equivalent (FTE) positions as well as projected salary step and Fringe Benefit costs across all divisions. The additional FTEs are attorneys transferred from the Office of the Attorney General. Additionally, the proposed Local funds budget in Local funds reflects an increase of \$540,366, primarily in the Agency Management division, which is comprised of \$511,568 for the planned three-year refresh of computer equipment and \$28,798 for office supplies.

In Federal Grant funds, DHCD proposes an increase of \$8,829,537 to realign the budget for programmatic needs, primarily in the Development Finance division for the Community Development Block Grant (CDBG), which provides funding for affordable housing opportunities and counseling assistance offered by community-based organizations. Total funding for Fixed Costs reflects a net increase of \$2,004 for Telecommunications, Rentals, Security Services, and Maintenance.

DHCD's Special Purpose Revenue (SPR) funds budget proposes an increase of \$503,976 primarily in the Property Acquisition and Disposition division, to support acquisition, maintenance and stabilization of District-owned residential properties previously funded through Capital funding resources.

The proposed budget for Intra-District funds reflects an increase of \$25,991,000 primarily in the Development Finance Division. This adjustment is related to new multi-family affordable housing projects currently in the advanced stages of underwriting. Additionally, Intra-District funds include an increase of \$7,991,028 in Contractual Services based on revised projected revenue estimates for deed recordation and deed transfers from the Housing Production Trust Fund (HPTF). Finally, there is an increase of \$118,574 in total Fixed Costs for Telephone, Rentals, Security Services, and Maintenance.

**Decrease:** The Local funds budget proposes a decrease of \$165,594 in Contractual Services due to a change in program needs across multiple divisions. DHCD's Local funds budget is also decreased by \$1,822,729, primarily in Subsidies and Transfers in the Residential and Community Services division (RCSD). This adjustment is based on the transfer of services supported by this funding to the HPTF in FY 2016.

In Federal Grant funds, DHCD's budget proposes a decrease of \$989,458 in Contractual Services due to a change in program needs.

The proposed SPR budget includes a reduction of \$70,900 based on the FY 2016 Fixed Costs estimates. Other adjustments in SPR funds are due to the agency's projections for a decrease in revenue from the DHCD Unified Fund in FY 2016. In view of this, the agency proposes a decrease of \$3,501,503 to align the budget with the expected revenue. This reduction is primarily in the Agency Management and Property Acquisition and Disposition divisions.

**Shift/Increase:** Various adjustments in funding are due as projected salary step and Fringe Benefit costs across all divisions as well as realigning positions to meet programmatic needs to better leverage the available funding sources within the agency. As a result, DHCD has shifted the staffing of various positions from Federal Grant and SPR funding to Intra-District funding from the HPTF. These adjustments account for DHCD's proposal to increase the personal services budget in Intra-District funds by \$5,440,613 and 44.5 FTEs based on reclassification of positions. The corresponding shifts of funding are reflected in a Federal Grant funds reduction of \$2,139,660 for personal services including a reduction of 29.5 FTEs being reallocated to Intra-District funds, and a reduction of \$1,385,134 and 16.0 FTEs in the SPR funds personal services budget.

### **Mayor's Proposed Budget**

**Enhance:** The proposed Intra-District funds budget includes an increase of \$50,179,389 in the Development Finance division to reflect an adjustment to administrative and project delivery costs. These funds provide financial assistance to non-profit and for-profit developers that support the rehabilitation and acquisition of affordable housing for rental or homeownership in the District of Columbia.

**Reduce:** DHCD's proposed Local funds budget includes decreases of \$145,641 for the Information Technology refresh of personal computers and a decrease of \$1,019,491 in funding from the Home Purchase Assistance Program (HPAP) for loans, property acquisition, and commercial revitalization in the Property Acquisition and Disposition, and Residential and Community Service divisions.

**Transfer-Out/Reduce:** The Local funds budget for the Agency Management division was reduced by \$704,235, which is comprised of a transfer of \$104,235 in salaries and Fringe Benefits for 1.0 FTE from DHCD to the Office of Contracting and Procurement (OCP) to support the Procurement Practices Reform Act and a decrease of \$600,000 from projected salary lapse savings.

### **District's Proposed Budget**

**Reduce:** The Department of Housing and Community Development's Local funds budget decreased by \$75,405 for salary and Fringe Benefits from the elimination of 1.0 FTE in the Housing Regulation Administration division. Additionally, the Intra-District transfers from the Housing Production Trust Fund to the Development Finance division were decreased by \$119,000.

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

Table DB0-5 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

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

DESCRIPTION	DIVISION	BUDGET	FTE
<b>LOCAL FUNDS: FY 2015 Approved Budget and FTE</b>		<b>15,125</b>	<b>35.0</b>
Removal of One-Time Funding	Multiple Programs	-700	0.0
Other CSFL Adjustments	Multiple Programs	139	0.0
<b>LOCAL FUNDS: FY 2016 Current Services Funding Level (CSFL) Budget</b>		<b>14,564</b>	<b>35.0</b>
Increase: To adjust personal services	Multiple Programs	1,448	14.0
Increase: To align funding with nonpersonal services costs	Multiple Programs	540	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-166	0.0
Decrease: To reallocate funding within agency (across fund types)	Multiple Programs	-1,823	0.0
<b>LOCAL FUNDS: FY 2016 Agency Budget Submission</b>		<b>14,564</b>	<b>49.0</b>
Reduce: Adjustment to IT computer refresh funding	Agency Management	-146	0.0
Reduce: To reallocate funding within agency	Residential and Community Service	-1,019	0.0
Transfer-Out/Reduce: Position transferring to Office of Contracts and Procurement and salary lapse savings	Agency Management	-704	-1.0
<b>LOCAL FUNDS: FY 2016 Mayor's Proposed Budget</b>		<b>12,695</b>	<b>48.0</b>
Reduce: To recognize savings from a reduction of 1.0 FTE	Housing Regulation Administration	-75	-1.0
<b>LOCAL FUNDS: FY 2016 District's Proposed Budget</b>		<b>12,619</b>	<b>47.0</b>
<b>FEDERAL GRANT FUNDS: FY 2015 Approved Budget and FTE</b>		<b>41,354</b>	<b>77.5</b>
Increase: To align budget with projected grant awards	Multiple Programs	8,830	0.0
Increase: To align Fixed Costs with proposed estimates	Multiple Programs	2	0.0
Decrease: To adjust the Contractual Services budget	Multiple Programs	-989	0.0
Shift: To adjust personal services	Multiple Programs	-2,140	-29.5
<b>FEDERAL GRANT FUNDS: FY 2016 Agency Budget Submission</b>		<b>47,057</b>	<b>48.0</b>
No Change		0	0.0
<b>FEDERAL GRANT FUNDS: FY 2016 Mayor's Proposed Budget</b>		<b>47,057</b>	<b>48.0</b>
No Change		0	0.0
<b>FEDERAL GRANT FUNDS: FY 2016 District's Proposed Budget</b>		<b>47,057</b>	<b>48.0</b>

(Continued on next page)

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

DESCRIPTION	DIVISION	BUDGET	FTE
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Approved Budget and FTE</b>		<b>6,500</b>	<b>16.0</b>
Increase: To align funding with nonpersonal services costs	Multiple Programs	504	0.0
Decrease: To align Fixed Costs with proposed estimates	Agency Management	-71	0.0
Decrease: To align budget with projected revenues	Multiple Programs	-3,502	0.0
Shift: To recognize savings from a reduction in FTEs	Multiple Programs	-1,385	-16.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Agency Budget Submission</b>		<b>2,046</b>	<b>0.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Mayor's Proposed Budget</b>		<b>2,046</b>	<b>0.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2016 District's Proposed Budget</b>		<b>2,046</b>	<b>0.0</b>
<b>INTRA-DISTRICT FUNDS: FY 2015 Approved Budget and FTE</b>		<b>133,886</b>	<b>30.5</b>
Increase: To align funding with nonpersonal services costs	Multiple Programs	25,991	0.0
Increase: To adjust the Contractual Services budget	Multiple Programs	7,991	0.0
Increase: To align Fixed Costs with proposed estimates	Agency Management	119	0.0
Shift: To adjust personal services	Multiple Programs	5,441	44.5
<b>INTRA-DISTRICT FUNDS: FY 2016 Agency Budget Submission</b>		<b>173,427</b>	<b>75.0</b>
Enhance: Funding to enhance affordable housing initiatives	Development Finance	50,179	0.0
<b>INTRA-DISTRICT FUNDS: FY 2016 Mayor's Proposed Budget</b>		<b>223,607</b>	<b>75.0</b>
Reduce: Adjustment of transfers from the HPTF	Development Finance	-119	0.0
<b>INTRA-DISTRICT FUNDS: FY 2016 District's Proposed Budget</b>		<b>223,488</b>	<b>75.0</b>
<b>Gross for DB0 - Department of Housing and Community Development</b>		<b>285,210</b>	<b>170.0</b>

(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 2016:

### 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.

**Objective 4:** Oversee the implementation of agencywide priorities.

### 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.

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## KEY PERFORMANCE INDICATORS

### Development Finance Division

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of affordable housing units funded (new and rehab)	379	1,300	1,124	2,410	1,900	2,000
Number of special needs housing units funded (elderly, disabled, and homeless units)	95	300	237	452	400	450
Number of new homeownership units funded	7	100	35	197	200	230
Number of First Right Purchase (FRP) Assistance Program (tenant purchase) units funded – FRP New and Rehab Units	22	100	237	197	190	200
Total affordable housing units rehabilitated	212	500	472	1005	1000	1100
Percent of new affordable housing units within an area with a WalkScore of 70 or higher	Not Available	80%	88.8%	80%	80%	80%
Percent of affordable housing units competitively evaluated and advancing to underwriting in the respective FY 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 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Percent of orders issued on voluntary agreement petitions within 45 days	100%	90%	58%	90%	90%	90%
Percent of initial orders issued on hardship petitions within 30 days of receipt <sup>1</sup>	Not Available	Not Available	Not Available	95%	95%	95%
Percent of final orders issued in 90 days without Office of Administrative Hearings (OAH) hearing <sup>2</sup>	Not Available	Not Available	Not Available	95%	95%	95%
Percent of hardship petitions transferred to OAH within 70 days <sup>3</sup>	Not Available	Not Available	Not Available	95%	95%	95%
Percent of condo registration applications processed within 60 days	95.8%	98%	90.8%	95%	95%	95%
Percent of structural defect warranty claim notices processed within 45 days	83.3%	95%	75%	95%	95%	95%
Percent of Inclusionary Zoning (IZ) lotteries conducted within 17 calendar days of receiving notice of availability	100%	95%	100%	95%	95%	95%
Percent of notifications provided to IZ owners within seven days after lottery is held <sup>4</sup>	Not Available	Not Available	Not Available	90%	95%	95%

## Office of Program Monitoring

**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

#### Office of Program Monitoring

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of compliance reviews completed <sup>5</sup>	Not Available	Not Available	Not Available	120	132	145
Average number of days for compliance review <sup>6</sup>	Not Available	Not Available	Not Available	50	45	45
Percent of DHCD environmental reviews <sup>7</sup> conducted within 45 days	93.5%	95%	98.9%	95%	95%	95%
Percent of Fair Housing Reviews completed within stated timelines	100%	98%	100%	98%	98%	98%
Number of Fair Housing site inspections conducted <sup>8</sup>	Not Available	Not Available	Not Available	30	35	40
Number of Section 3 Business concerns certified	10	15	17	15	15	15
Number of Section 3 U.S. Department of Housing and Urban Development (HUD) program jobs created	29	25	23	25	25	25
Number of Community Housing Development Organizations (CHDO) certified/recertified	6	6	5	6	6	6
Number of required physical inspections and file reviews of units conducted annually	1,473	1,000	1,144	1,300	1,500	1,700
Number of Davis-Bacon Act eligible inspections <sup>9</sup>	Not Available	Not Available	Not Available	58	65	70
Number of Davis-Bacon Act deficiencies noted <sup>10</sup>	Not Available	Not Available	Not Available	65	80	65
Number of Davis-Bacon Act site visits <sup>11</sup>	Not Available	Not Available	Not Available	165	175	180

## Portfolio and Asset Management Division

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

### KEY PERFORMANCE INDICATORS

#### Portfolio and Asset Management Division

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Percent of all required financial reviews completed	32.8%	50%	55.7%	50%	50%	50%
Percent of loans in good standing from previous quarter	92.7%	92%	91.3%	92%	92%	92%
Percent of loans more than 30 calendar days delinquent	1.6%	1.9%	2.2%	1.9%	1.9%	1.9%
Percent of loans in default	7.3%	12%	8.9%	12%	12%	12%
Number of loans moved from delinquent to correct status	41	60	67	60	60	60
Percent of multi-family properties risk rated	11.1%	50%	0% <sup>12</sup>	50%	50%	50%
Percent of DC Preservation Network meetings attended	Not Available	80%	100%	80%	80%	80%
Percent of Tenant Opportunity to Purchase Act (TOPA)/Co-op Multifamily properties in non-compliance for financial reporting reviews <sup>13</sup>	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 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of properties acquired	0	3	10	15	14	13
Number of total properties acquired in targeting commercial corridors <sup>14</sup>	Not Available	Not Available	Not Available	5	6	7
Number of properties recaptured from developers or transferees	0	5	3	4	3	3
Number of properties for which disposition agreements were executed	2	3	0 <sup>15</sup>	40	25	15
Number of properties disposed of via solicitation for offer <sup>16</sup>	Not Available	Not Available	Not Available	2	36	19
Number of Turn-Key units created <sup>17</sup>	Not Available	Not Available	Not Available	12	10	11
Number of affordable housing units created through acquisition of abandoned properties	0	2	21	19	20	21
Targeted average cost per property of acquisitions	\$0	\$300,000	\$241,000	\$80,000	\$75,000	\$70,000

## Rental Housing Commission

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

### KEY PERFORMANCE INDICATORS

#### Rental Housing Commission

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of appeals disposed	35	33	25	10	10	10
Number of appeals cases greater than three years old	16	10	12	6	6	6
Percent of certified cases assigned to Commissioner within 14 calendar days <sup>18</sup>	Not Available	Not Available	Not Available	90%	90%	90%
Percent of hearings scheduled within 30 day requirement	100%	75%	75%	95%	95%	95%
Average percent of calendar days between hearing of new case and final decision <sup>19</sup>	Not Available	Not Available	Not Available	90%	90%	90%

## Residential and Community Services Division

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

**Objective 2:** Increase home ownership opportunities.

### KEY PERFORMANCE INDICATORS

#### Residential and Community Services Division

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of affordable housing units funded	335	425	275	385	435	435
Number of Single Family Rehab units funded	42	75	37	50	50	50
Number of units funded by Home-buyer Programs	269	260	145	230	260	260
Number of Lead Safe Washington units funded	24	80	15	40	60	60
Number of Healthy Homes units funded <sup>20</sup>	Not Available	Not Available	Not Available	65	65	65
Number of Residential Rehab Special Needs units funded	15	15	16	15	15	15
Number of Home Purchase Assistance Program (HPAP) Special Needs units funded	2	10	8	10	10	10
Number of first-time homebuyers funded by HPAP	238	240	187	210	240	240
Number of District employee homebuyers funded by Employer Assisted Housing Program (EHAP)	104	80	89	80	80	80
Number of District employee homebuyers funded by Negotiated Employee Assistance Home Purchase Program (NEAHP)	33	35	35	25	25	25
Number of District homebuyers funded by HUD 203(k) loans <sup>21</sup>	Not Available	Not Available	Not Available	20	20	20
Number of storefront facades improved	26	40	35	40	40	40
Number of Small Business Technical Assistance sessions	1,907	1,500	1,250	1,500	1,500	1,500
Number of Housing Counseling sessions	19,951	15,000	14,084	15,000	15,000	15,000

**Performance Plan Endnotes:**

<sup>1</sup>New KPI for FY 2015.

<sup>2</sup>Ibid.

<sup>3</sup>Ibid.

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

<sup>6</sup>Ibid.

<sup>7</sup>Office of Personnel Management (OPM) staff complete a HUD-approved checklist after it independently reviews all of the environmental information collected for each site. Additionally, in accordance with the National Environmental Protection Act (NEPA), OPM has provided public notice and reviewed the environmental effects of proposed housing related activities throughout the District and concluded that a broad range of activities will not have an adverse impact on the environment.

<sup>8</sup>New KPI for FY 2015.

<sup>9</sup>Ibid.

<sup>10</sup>Ibid.

<sup>11</sup>Ibid.

<sup>12</sup>In FY 2014, there were no multi-family loans risk rated.

<sup>13</sup>New KPI for FY 2015.

<sup>14</sup>Ibid.

<sup>15</sup>In FY 2014 there were no dispositions agreements signed for Property Acquisition and Disposition Division (PADD) properties; there were solicitations released for 63 properties at the end of FY 2014 that will be developed starting in FY 2015.

<sup>16</sup>New KPI for FY 2015.

<sup>17</sup>Ibid.

<sup>18</sup>Ibid.

<sup>19</sup>Ibid.

<sup>20</sup>Ibid.

<sup>21</sup>Ibid.