

(HF0)

Housing Finance Agency

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Table HF0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$0	\$10,798,000	\$11,740,000	8.7

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 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table HF0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table HF0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
ENTERPRISE AND OTHER										
ENTERPRISE AND OTHER FUNDS	0	10,798	11,740	942	8.7	0.0	0.0	0.0	0.0	N/A
TOTAL FOR ENTERPRISE AND OTHER	0	10,798	11,740	942	8.7	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	0	10,798	11,740	942	8.7	0.0	0.0	0.0	0.0	N/A

*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 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table HF0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table HF0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	0	0	4,984	5,233	249	5.0
14 - FRINGE BENEFITS - CURRENT PERSONNEL	0	0	1,486	1,635	149	10.0
15 - OVERTIME PAY	0	0	20	30	10	50.0
SUBTOTAL PERSONAL SERVICES (PS)	0	0	6,490	6,898	408	6.3
20 - SUPPLIES AND MATERIALS	0	0	100	110	10	10.0
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	0	0	120	135	15	12.5
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	0	0	70	100	30	42.9
33 - JANITORIAL SERVICES	0	0	78	82	4	5.1
34 - SECURITY SERVICES	0	0	10	25	15	150.0
40 - OTHER SERVICES AND CHARGES	0	0	1,200	1,800	600	50.0
41 - CONTRACTUAL SERVICES - OTHER	0	0	2,200	2,400	200	9.1
70 - EQUIPMENT AND EQUIPMENT RENTAL	0	0	170	190	20	11.8
80 - DEBT SERVICE	0	0	360	0	-360	-100.0
SUBTOTAL NONPERSONAL SERVICES (NPS)	0	0	4,308	4,842	534	12.4
GROSS FUNDS	0	0	10,798	11,740	942	8.7

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table HF0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table HF0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) HOUSING FINANCE AGENCY								
(1100) HOUSING FINANCE AGENCY	0	10,798	11,740	942	0.0	0.0	0.0	0.0
SUBTOTAL (1000) HOUSING FINANCE AGENCY	0	10,798	11,740	942	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	0	10,798	11,740	942	0.0	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 2017 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.

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 multifamily 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 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table HF0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table HF0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
ENTERPRISE AND OTHER FUNDS: FY 2016 Approved Budget and FTE		10,798	0.0
Increase: To align resources with operational spending goals	Housing Finance Agency	894	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Housing Finance Agency	408	0.0
Decrease: To align budget with projected debt service payments	Housing Finance Agency	-360	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Agency Budget Submission		11,740	0.0
No Change		0	0.0
ENTERPRISE AND OTHER FUNDS: FY 2017 Mayor’s Proposed Budget		11,740	0.0
GROSS FOR HF0 - HOUSING FINANCE AGENCY		11,740	0.0

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

FY 2017 Proposed Budget Changes

The Housing Finance Agency’s (HFA) proposed FY 2017 gross budget is \$11,740,000, which represents a 8.7 percent increase over its FY 2016 approved gross budget of \$10,798,000. The budget is comprised entirely of Enterprise and Other funds.

Agency Budget Submission

Increase: The HFA's budget reflects a net increase of \$894,000 to support the expanded scope associated with Request for Proposal agreements (RFPs), required by the Disadvantage Small Local Business Department that complies with D.C. Law 20-108; D.C. Official Code 2-218.01 et.seq., to award a percentage of contracts to small businesses. The increase includes \$600,000 in Other Services and Charges, \$265,000 primarily in Contractual Services and, \$29,000 to support the projected increase in Fixed Costs and Supplies and Materials. Additionally, salaries increased by \$408,000, which includes Cost of Living Adjustments (COLA) and Fringe Benefits.

Decrease: The proposed budget includes a decrease of \$360,000 in Debt Service.

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.