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# Department of Housing and Community Development

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

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Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$101,096,878	\$144,318,583	\$125,842,249	-12.8
FTEs	107.6	146.5	146.5	0.0

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The mission of the Department of Housing and Community Development (DHCD) is to create and preserve opportunities for affordable housing and economic development, and revitalize underserved communities in the District of Columbia.

## Summary of Services

DHCD's fundamental activities consist of financial operations, 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: (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 city-wide to implement residential and community services that include homeownership assistance programs, housing counseling services, storefront façade 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 <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 2013 proposed budget is presented in the following tables:

## FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table DB0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

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

<b>Appropriated Fund</b>	<b>Actual FY 2010</b>	<b>Actual FY 2011</b>	<b>Approved FY 2012</b>	<b>Proposed FY 2013</b>	<b>Change from FY 2012</b>	<b>Percent Change*</b>
<b>General Fund</b>						
Local Funds	22,220	10,772	12,221	12,591	370	3.0
Special Purpose Revenue Funds	4,237	6,610	7,798	6,500	-1,298	-16.6
<b>Total for General Fund</b>	<b>26,457</b>	<b>17,382</b>	<b>20,019</b>	<b>19,091</b>	<b>-928</b>	<b>-4.6</b>
<b>Federal Resources</b>						
Federal Grant Funds	58,729	60,087	79,934	38,147	-41,786	-52.3
<b>Total for Federal Resources</b>	<b>58,729</b>	<b>60,087</b>	<b>79,934</b>	<b>38,147</b>	<b>-41,786</b>	<b>-52.3</b>
<b>Private Funds</b>						
Private Donations	127	79	0	0	0	N/A
<b>Total for Private Funds</b>	<b>127</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>
<b>Intra-District Funds</b>						
Intra-District Funds	315	23,549	44,366	68,604	24,238	54.6
<b>Total for Intra-District Funds</b>	<b>315</b>	<b>23,549</b>	<b>44,366</b>	<b>68,604</b>	<b>24,238</b>	<b>54.6</b>
<b>Gross Funds</b>	<b>85,627</b>	<b>101,097</b>	<b>144,319</b>	<b>125,842</b>	<b>-18,476</b>	<b>-12.8</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 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

## **FY 2013 Proposed Full-Time Equivalents, by Revenue Type**

Table DB0-2 contains the proposed FY 2013 FTE level compared to the FY 2012 approved FTE level by revenue type. It also provides FY 2010 and FY 2011 actual data.

**Table DB0-2**

<b>Appropriated Fund</b>	<b>Actual FY 2010</b>	<b>Actual FY 2011</b>	<b>Approved FY 2012</b>	<b>Proposed FY 2013</b>	<b>Change from FY 2012</b>	<b>Percent Change</b>
<b><u>General Fund</u></b>						
Local Funds	22.9	31.8	30.8	30.7	-0.1	-0.4
Special Purpose Revenue Funds	14.9	18.2	22.2	33.6	11.5	51.9
<b>Total for General Fund</b>	<b>37.7</b>	<b>49.9</b>	<b>53.0</b>	<b>64.3</b>	<b>11.4</b>	<b>21.5</b>
<b><u>Federal Resources</u></b>						
Federal Grant Funds	69.4	39.7	60.9	35.6	-25.3	-41.6
<b>Total for Federal Resources</b>	<b>69.4</b>	<b>39.7</b>	<b>60.9</b>	<b>35.6</b>	<b>-25.3</b>	<b>-41.6</b>
<b><u>Intra-District Funds</u></b>						
Intra-District Funds	0.0	18.0	32.7	46.6	13.9	42.6
<b>Total for Intra-District Funds</b>	<b>0.0</b>	<b>18.0</b>	<b>32.7</b>	<b>46.6</b>	<b>13.9</b>	<b>42.6</b>
<b>Total Proposed FTEs</b>	<b>107.2</b>	<b>107.6</b>	<b>146.5</b>	<b>146.5</b>	<b>0.0</b>	<b>0.0</b>

## FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

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

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
11 - Regular Pay - Continuing Full Time	7,723	7,470	10,586	10,108	-478	-4.5
12 - Regular Pay - Other	1,343	1,229	1,157	1,588	431	37.3
13 - Additional Gross Pay	246	193	176	176	0	0.0
14 - Fringe Benefits - Current Personnel	1,743	1,996	1,706	1,857	151	8.8
15 - Overtime Pay	7	3	0	0	0	N/A
<b>Subtotal Personal Services (PS)</b>	<b>11,062</b>	<b>10,891</b>	<b>13,625</b>	<b>13,729</b>	<b>104</b>	<b>0.8</b>
20 - Supplies and Materials	51	81	247	244	-4	-1.4
30 - Energy, Comm. and Building Rentals	17	25	9	58	50	575.3
31 - Telephone, Telegraph, Telegram, Etc.	121	81	96	119	22	22.8
32 - Rentals - Land and Structures	2,982	1,337	1,888	1,973	85	4.5
34 - Security Services	6	6	6	33	26	415.9
35 - Occupancy Fixed Costs	15	6	11	50	39	337.3
40 - Other Services and Charges	1,425	1,006	1,576	1,867	291	18.5
41 - Contractual Services - Other	1,577	4,890	24,083	22,626	-1,457	-6.1
50 - Subsidies and Transfers	68,324	82,714	102,548	84,920	-17,628	-17.2
70 - Equipment and Equipment Rental	46	58	229	224	-5	-2.2
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>74,564</b>	<b>90,206</b>	<b>130,693</b>	<b>112,113</b>	<b>-18,580</b>	<b>-14.2</b>
<b>Gross Funds</b>	<b>85,627</b>	<b>101,097</b>	<b>144,319</b>	<b>125,842</b>	<b>-18,476</b>	<b>-12.8</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 multi-family housing production goals.

This division contains the following 3 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;
- **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; and
- **Tenant Opportunity to Purchase Assistance** – provides organizational and development assistance to tenant organizations expressing interest in purchasing their buildings after receiving a Right-of-First Refusal notice; education and below-market-cost management services to tenant organizations that have purchased their buildings; and financial assistance in the form of seed money, earnest money deposits, and acquisition loans to low-to-moderate income tenant organizations wishing to purchase their buildings after receiving the Right-of-First Refusal notice. Additional services provided in the technical assistance program include housing counseling services, contract management, and monitoring.

**Residential and Community Services Division (RCSD)** – provides funding for programs focused on household level housing needs and neighborhood revitalization. RCSD works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance, and façade improvement opportunities. RCSD 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 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 eligible District homeowners 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 in support of various DHCD programs;
- **Community Services - Commercial Revitalization** – provides grants to neighborhood-based organizations for technical assistance to small businesses and 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 homebuyers 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 multi-family 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 multi-family 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 to 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.

This division contains the following 2 activities:

- **Portfolio and Asset Management** – monitors the status and ensures the performance of all loans in the department’s portfolio; and
- **Tax Credit Allocation** – manages the allocation of the District’s share of Low Income Housing Tax Credits (LIHTC) issued by the U.S. Treasury Department in accordance to the Internal Revenue Code, Section 42, and the District’s Qualified Allocation Plan (QAP).

**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 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 LIHTC programs remain in compliance with federal and local program requirements throughout the duration of the projects period of affordability.

This division contains the following 3 activities:

- **Contract Compliance** – provides oversight and monitoring services of DHCD projects to ensure the department's use of project funds fully complies with federal Department of Housing and Urban Development and District regulations;
- **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; and
- **Homelessness Prevention Compliance** – monitors programs aimed at preventing individuals and families from becoming homeless to ensure compliance with Federal rules and regulations.

**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 3 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;
- **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; and
- **Housing Resource Center (HRC)** – provides rental housing services to landlords and tenants and, starting in FY 2010, provides information to the public on all of the department's services for first-time homebuyers, 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.

**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 division-based budgeting agencies.

**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 division-based budgeting.

### **Division Structure Change**

The Department of Housing and Community Development has no division structure changes in the FY 2013 proposed budget.

## FY 2013 Proposed Operating Budget and FTEs, by Division and Activity

Table DB0-4 contains the proposed FY 2013 budget by division and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

**Table DB0-4**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
<b>(1000) Agency Management Program</b>								
(1010) Personnel	196	520	554	33	0.0	0.0	0.2	0.2
(1015) Training and Employee Development	221	246	246	0	0.8	1.0	1.0	0.0
(1020) Contracting and Procurement	0	81	0	-81	0.8	1.0	0.0	-1.0
(1030) Property Management	2,451	3,529	3,586	57	4.3	4.0	2.0	-2.0
(1040) Information Technology	514	755	759	4	2.4	4.0	4.0	0.0
(1050) Financial Management	0	2,090	2,257	167	0.0	0.0	0.0	0.0
(1055) Risk Management	1,039	654	0	-654	3.5	4.0	0.0	-4.0
(1060) Legal	973	1,505	1,467	-38	0.8	1.0	1.0	0.0
(1070) Fleet Management	18	20	20	0	0.0	0.0	0.0	0.0
(1080) Communications	569	460	599	138	3.4	4.0	5.0	1.0
(1085) Customer Service	81	159	83	-76	3.2	3.0	1.8	-1.2
(1087) Language Access	4	9	9	0	0.0	0.0	0.0	0.0
(1090) Performance Management	903	3,207	1,342	-1,865	6.3	9.0	11.0	2.0
<b>Subtotal (1000) Agency Management Program</b>	<b>6,968</b>	<b>13,234</b>	<b>10,919</b>	<b>-2,315</b>	<b>25.6</b>	<b>31.0</b>	<b>26.0</b>	<b>-5.0</b>
<b>(100F) Agency Financial Operations</b>								
((100F) Agency Financial Operations								
(110F) Budget Operations	143	284	218	-66	1.6	3.0	2.1	-0.9
(120F) Accounting Operations	134	254	257	3	2.3	3.0	3.0	0.0
(130F) Fiscal Officer	192	338	474	136	2.3	3.0	3.9	0.9
<b>Subtotal (100F) Agency Financial Operations</b>	<b>469</b>	<b>875</b>	<b>948</b>	<b>73</b>	<b>6.3</b>	<b>9.0</b>	<b>9.0</b>	<b>0.0</b>
<b>(2000) Development Finance Division</b>								
(2010) Affordable Housing Project Financing	51,946	81,901	77,405	-4,496	11.6	22.0	20.5	-1.5
(2015) Community Facilities Project Financing	1,953	4,000	1,727	-2,273	0.0	0.0	0.0	0.0
(2020) Tenant Opportunity to Purchase Assistance	74	83	86	3	0.6	1.0	1.0	0.0
<b>Subtotal (2000) Development Finance Division</b>	<b>53,973</b>	<b>85,984</b>	<b>79,219</b>	<b>-6,766</b>	<b>12.3</b>	<b>23.0</b>	<b>21.5</b>	<b>-1.5</b>

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**Table DB0-4 (Continued)**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
<b>(3000) Residential and Community Service Division</b>								
((3010) Neighborhood Based Activities	5,711	6,916	5,379	-1,537	5.4	9.0	8.0	-1.0
(3020) Community Services - Comm Revitalization	2,081	1,671	1,795	124	0.7	1.0	0.0	-1.0
(3030) Residential Services - HPAP	16,512	15,954	13,390	-2,564	3.5	6.0	6.0	0.0
(3040) Residential Services - EAHP	334	793	793	0	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washington	2,081	1,427	2,008	581	2.4	3.5	6.0	2.5
(3060) Residential Services - Single Fam Rehab	2,688	3,104	3,084	-20	4.3	6.0	8.0	2.0
<b>Subtotal (3000) Residential and Community Service Division</b>	<b>29,408</b>	<b>29,864</b>	<b>26,449</b>	<b>-3,415</b>	<b>16.4</b>	<b>25.5</b>	<b>28.0</b>	<b>2.5</b>
<b>(4000) Emergency Shelter Grant Management Program</b>								
(4010) Emergency Shelter Grant Management Program	630	0	0	0	0.0	0.0	0.0	0.0
(4011) Emergency Shelter Grant Management Program Stm	892	0	0	0	0.0	0.0	0.0	0.0
No Activity Assigned	1,276	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (4000) Emergency Shelter Grant Management Program</b>	<b>2,798</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(4100) Property Acquisition and Disposition Division</b>								
(4120) Property Acquisition	2,400	4,850	1,943	-2,907	0.8	2.0	9.0	7.0
(4130) Property Disposition	120	952	750	-202	0.0	2.0	0.0	-2.0
(4140) Property Management	227	250	255	5	0.0	0.0	0.0	0.0
<b>Subtotal (4100) Property Acquisition and Disposition Division</b>	<b>2,746</b>	<b>6,052</b>	<b>2,947</b>	<b>-3,104</b>	<b>0.8</b>	<b>4.0</b>	<b>9.0</b>	<b>5.0</b>
<b>(4500) Portfolio and Asset Management Division</b>								
(4510) Portfolio and Asset Management	523	753	551	-202	3.5	8.0	6.0	-2.0
(4520) Tax Credit Allocation	105	0	113	113	1.7	0.0	1.0	1.0
<b>Subtotal (4500) Portfolio and Asset Management Division</b>	<b>627</b>	<b>753</b>	<b>664</b>	<b>-89</b>	<b>5.2</b>	<b>8.0</b>	<b>7.0</b>	<b>-1.0</b>
<b>(6000) Homeownership and Home Rehab Assistance</b>								
(6010) Home Purchase Assistance Program (HPAP)	207	0	0	0	0.0	0.0	0.0	0.0
(6040) Single Family Residential Rehab	8	0	0	0	0.0	0.0	0.0	0.0
No Activity Assigned	79	0	0	0	0.0	0.0	0.0	0.0
<b>Subtotal (6000) Homeownership and Home Rehab Assistance</b>	<b>295</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>(7000) Program Monitoring Division</b>								
(7010) Contract Compliance	784	1,117	1,320	204	9.0	12.3	14.0	1.7
(7020) Quality Assurance	118	383	210	-173	2.6	3.7	2.0	-1.7
(7030) Homelessness Prevention Compliance	257	3,100	81	-3,019	1.3	2.0	1.0	-1.0
<b>Subtotal (7000) Program Monitoring Division</b>	<b>1,158</b>	<b>4,600</b>	<b>1,612</b>	<b>-2,988</b>	<b>12.9</b>	<b>18.0</b>	<b>17.0</b>	<b>-1.0</b>

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**Table DB0-4 (Continued)**

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
<b>(8100) Housing Regulation Administration</b>								
(8110) Rental Conversion and Sales Division	1,257	693	1,087	395	10.2	7.0	11.0	4.0
(8120) Housing Resource Center	60	460	76	-383	0.8	4.0	0.0	-4.0
(8140) Rental Accommodations Division	1,097	1,097	1,135	38	12.7	13.0	13.0	0.0
<b>Subtotal (8100) Housing Regulation Administration</b>	<b>2,414</b>	<b>2,249</b>	<b>2,299</b>	<b>49</b>	<b>23.7</b>	<b>24.0</b>	<b>24.0</b>	<b>0.0</b>
<b>(9100) Rental Housing Commission</b>								
(9110) Rental Housing Commission	240	707	785	78	4.5	4.0	5.0	1.0
<b>Subtotal (9100) Rental Housing Commission</b>	<b>240</b>	<b>707</b>	<b>785</b>	<b>78</b>	<b>4.5</b>	<b>4.0</b>	<b>5.0</b>	<b>1.0</b>
<b>Total Proposed Operating Budget</b>	<b>101,097</b>	<b>144,319</b>	<b>125,842</b>	<b>-18,476</b>	<b>107.6</b>	<b>146.5</b>	<b>146.5</b>	<b>0.0</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 Program Summary by Activity** in the FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

## **FY 2013 Proposed Budget Changes**

The Department of Housing and Community Development's (DHCD) proposed FY 2013 gross budget is \$125,842,249, which represents a 12.8 percent decrease from its FY 2012 approved gross budget of \$144,318,583. The budget is comprised of \$12,591,210 in Local funds, \$38,147,287 in Federal Grant funds, \$6,500,000 in Special Purpose Revenue funds, and \$68,603,751 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 2012 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 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 2013 CSFL budget is \$9,000,836, which represents a \$3,220,915, or 26.4 percent, decrease from the FY 2012 approved Local funds budget of \$12,221,301. The primary reason for the reduction was the removal of one-time funding of \$3,275,560 for the HPAP-Repay program and the DHCD United Fund.

### **Initial Adjusted Budget**

**Cost Increase:** DHCD increased Local funds for Subsidies and Transfers by \$20,817. Federal Grant funds increased \$153,954 in total fixed costs, which includes Telecom, Energy, Security, Building Rental and Maintenance. Special Purpose Revenue (SPR) funds increased by \$1,029,131 for adjustments to salaries, steps, Fringe Benefits, and 11.5 full-time equivalent (FTE) positions; \$162,028 in Other Services and Charges; \$29,315 in total fixed costs for Telecom, Energy, Security, Building Rental and Maintenance; \$11,037 in Supplies and Materials; and \$4,296 in Equipment. Intra-District funds increased by \$3,552,823 in Subsidies and Transfers; \$1,275,402 for adjustments to salaries, steps, Fringe Benefits, and 13.9 FTEs; \$156,606 in Other Services and Charges; \$91,177 in Contractual Services; \$38,771 in total fixed costs for Telecom, Energy, Security, Building Rental and Maintenance; \$5,518 in Supplies; and \$1,585 in Equipment.

**Cost Decrease:** DHCD reduced Local funds for salaries, steps, and Fringe Benefits by \$11,556; Contractual Services by \$8,616; and Other Services by \$645, to offset the increase in Subsidies and Transfers. In FY 2013, the overall Federal Grants funds budget decreased from FY 2012 because of the expiration of six grants and reduced funding in the remaining five ongoing grants. The reductions in Federal Grant funds include \$39,143,905 in Subsidies and Transfers, \$2,264,466 in personal services and 25.3 FTEs, \$465,052 in Contractual Services, \$32,787 in Other Services and Charges, \$21,766 in Supplies and Materials, and \$12,463 in Equipment. SPR was reduced by \$1,947,911 in Subsidies and Transfers and by \$1,085,661 in Contractual Services to align the budget with projected resources.

### **Additionally Adjusted Budget**

**Technical Adjustments:** Adjustment of Fringe Benefits to restore the District Government contribution for employee health insurance from 72 percent, implemented in the FY 2011 budget, to 75 percent in FY 2013, resulting in an increase of \$7,862 in Local funds, \$8,256 in Federal Grant funds, \$7,339 in Special Purpose Revenue funds, and \$7,159 in Intra-District funds.

**Additional Adjustments:** Federal Grant funds were reduced by \$8,256, and Special Purpose Revenue funds were reduced by \$7,339 to offset the cost of the health insurance contribution.

### **Policy Initiatives**

**Cost Increase:** Local funds were increased in Subsidies and Transfers by \$2,512,000 of one-time funds for the Home Purchase Assistance Program (HPAP), \$650,000 for the Local funds match portion of the Lead Safe Federal Grant, and \$410,512 for the Small Business Technical Assistance Program. Also, a \$10,000 Local fund adjustment was made to salary and Fringe Benefits in the Housing Regulation Administration division. An increase of \$500,000 was made in Special Purpose Revenue to Subsidies and Transfers to the Low/Moderate Income Home Loan program. In addition, Intra-District revenue increased by \$19,108,963 in Subsidies and Transfers for Housing Production Trust Fund (HPTF) related project delivery through the Development Finance Division.

## FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

**Table DB0-5**

(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2012 Approved Budget and FTE</b>		<b>12,221</b>	<b>30.8</b>
Removal of One-Time Funding	Development Finance Community Service Division	-3,276	0.0
Fringe Benefit Rate Adjustment	Multiple Programs	23	0.0
Consumer Price Index	Multiple Programs	20	0.0
Personal Services Growth Factor	Multiple Programs	12	0.0
<b>FY 2013 Current Services Funding Level Budget (CSFL)</b>		<b>9,001</b>	<b>30.8</b>
Cost Increase: Adjustments to Subsidies and Transfers	Multiple Programs	21	0.0
Cost Decrease: Adjustments to salary, steps, and Fringe Benefits	Multiple Programs	-12	-0.1
Cost Decrease: Adjustments to Contractual Services	Multiple Programs	-9	0.0
Cost Decrease: Adjustments to Other Services	Multiple Programs	-1	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>9,001</b>	<b>30.7</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	8	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>9,009</b>	<b>30.7</b>
<b>FY 2013 Policy Initiatives</b>			
Cost Increase: Adjustment in Subsidies and Transfers to the Home Purchase Assistance Program (HPAP) (One-Time)	Residential and Community Service Division	2,512	0.0
Cost Increase: Local fund match for the Lead Safe Federal Grant	Residential and Community Service Division	650	0.0
Cost Increase: Adjustment in Subsidies and Transfers to the Small Business Business Technical Assistance program	Residential and Community Service Division	411	0.0
Cost Increase: Adjustment to salary and Fringe Benefits	Housing Regulation Administration	10	0.0
<b>LOCAL FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>12,591</b>	<b>30.7</b>
<b>FEDERAL GRANT FUNDS: FY 2012 Approved Budget and FTE</b>		<b>79,934</b>	<b>60.9</b>
Cost Increase: Adjustments to fixed costs	Agency Management Program	154	0.0
Cost Decrease: Adjustments to Subsidies and Transfers	Multiple Programs	-39,144	0.0
Cost Decrease: Adjustments to salary, steps, and Fringe Benefits	Multiple Programs	-2,264	-25.3
Cost Decrease: Adjustments to Contractual Services	Multiple Programs	-465	0.0
Cost Decrease: Adjustments to Other Services and Charges	Agency Management Program	-33	0.0
Cost Decrease: Adjustments to Supplies and Materials	Agency Management	-22	0.0
Cost Decrease: Adjustments to Equipment	Agency Management Program	-12	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>38,147</b>	<b>35.6</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	8	0.0
Additional Adjustments: Adjustment to offset the health insurance contribution	Multiple Programs	-8	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>38,147</b>	<b>35.6</b>
<b>FEDERAL GRANT FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>38,147</b>	<b>35.6</b>

(Continued on next page)

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

	<b>PROGRAM</b>	<b>BUDGET</b>	<b>FTE</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Approved Budget and FTE</b>		<b>7,798</b>	<b>22.2</b>
Cost Increase: Adjustments to salary, steps, and Fringe Benefits	Multiple Programs	1,029	11.5
Cost Increase: Adjustments to Other Services and Charges	Agency Management Program	162	0.0
Cost Increase: Adjustments to fixed costs	Agency Management Program	29	0.0
Cost Increase: Adjustments to Supplies and Materials	Agency Management Program	11	0.0
Cost Increase: Adjustments to Equipment	Agency Management Program	4	0.0
Cost Decrease: Adjustment in Subsidies and Transfers to align with projected resources	Multiple Programs	-1,948	0.0
Cost Increase: Adjustments to Contractual Services to align with projected resources	Multiple Programs	-1,086	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>6,000</b>	<b>33.6</b>
Additional Adjustments: Adjustment to Subsidies and Transfers to offset the health insurance contribution	Multiple Programs	-7	0.0
Technical Adjustment: Health insurance contribution	Multiple Programs	7	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>6,000</b>	<b>33.6</b>
<b>FY 2013 Policy Initiatives</b>			
Cost Increase: Adjustment to low income home loan program	Residential and Community Service Division	500	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>6,500</b>	<b>33.6</b>
<b>INTRA-DISTRICT FUNDS: FY 2012 Approved Budget and FTE</b>		<b>44,366</b>	<b>32.7</b>
Cost Increase: Adjustments to Subsidies and Transfers	Multiple Programs	3,553	0.0
Cost Increase: Adjustments to salary, steps, and Fringe Benefits	Multiple Programs	1,275	13.9
Cost Increase: Adjustments to Other Services and Charges	Agency Management Program	157	0.0
Cost Increase: Adjustments to Contractual Services	Agency Management Program	91	0.0
Cost Increase: Adjustments to fixed costs	Agency Management Program	39	0.0
Cost Increase: Adjustments to Supplies and Materials	Agency Management Program	6	0.0
Cost Increase: Adjustments to Equipment	Agency Management Program	2	0.0
<b>FY 2013 Initial Adjusted Budget</b>		<b>49,488</b>	<b>46.6</b>
Technical Adjustment: Health insurance contribution	Multiple Programs	7	0.0
<b>FY 2013 Additionally Adjusted Budget</b>		<b>49,495</b>	<b>46.6</b>
<b>FY 2013 Policy Initiatives</b>			
Cost Increase: Adjustments to Subsidies and Transfers related to HPTF project delivery	Development Finance Division	19,109	0.0
<b>INTRA-DISTRICT FUNDS: FY 2013 Proposed Budget and FTE</b>		<b>68,604</b>	<b>46.6</b>
<b>Gross for DB0 - Department of Housing and Community Development</b>		<b>125,842</b>	<b>146.5</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 2013:

### 1. 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.

## Housing Regulation Administration

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of orders issued on voluntary agreement petitions within 45 calendar days	91.67%	90%	100%	90%	95%	Not Available
Percentage of orders issued on hardship petitions within 90 calendar days of receipt	2.50%	90%	75%	90%	95%	Not Available
Percentage of condo registration applications processed within 60 calendar days	95.45%	98%	91.96%	98%	98%	Not Available
Percentage of structural defect warranty claim notices processed within 60 calendar days	48.48%	95%	35.42%	95%	95%	Not Available
Percentage of complete housing assistance payment requests processed within 30 calendar days	33.33%	95%	0.00%	95%	95%	Not Available
Number of inclusionary zoning units built	0	TBD	0	TBD	TBD	Not Available
Percentage of lotteries conducted for inclusionary units within 17 calendar days of receiving notice of availability	0	95%	100%	95%	95%	Not Available

### 2. Rental Housing Commission

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

## Rental Housing Commission

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of appeals disposed	1	31	19	32	33	Not Available
Number of appeals cases > 3 years old	36	18	71	12	10	Not Available
Percentage of cases processed under 6 weeks (from date of commencement)	25%	55%	52%	55%	60%	Not Available
Average amount of time from receipt of case to assignment	3mo	15mo	5mo	4mo	Not Available	Not Available
Percentage of hearings scheduled within 30 day requirement	50%	100%	100%	100%	Not Available	Not Available
Average number of calendar days between receipt of case and final decision	Not Available	91	376	91	91	Not Available

### 3. Development Finance Division

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.

## Development Finance

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of District owners spending >30 percent of income on monthly housing costs <sup>6</sup>	39.20%	35%	Annual Measurement	35%	35%	Not Available
Percentage of District renters spending >30 percent of income on housing costs <sup>6</sup>	49.20%	45%	Annual Measurement	45%	45%	Not Available
Total affordable housing units funded (new and rehab) <sup>7</sup>	1,312	900	846	900	900	Not Available
Total special needs housing units funded (elderly, disabled, and homeless units)	441	150	251	150	150	Not Available
Total new homeownership units funded	360	80	223	80	80	Not Available
Total First Right Purchase Assistance Program (tenant purchase) units funded – FRP New and Rehab Units	340	100	241	100	100	Not Available
Total affordable housing units rehabilitated	936	200	300	200	200	Not Available
Total affordable housing units preserved (via loan structuring, technical aid, etc.)	503	200	122	200	200	Not Available
Percentage of affordable housing units competitively evaluated and advancing to underwriting in the respective FY, that are highly sustainable and meet the Green Communities criteria	86%	100%	Annual Measurement	100%	100%	Not Available

Note: AMI – Area Medium Income

#### 4. Residential and Community Services Division

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.

### Residential and Community Services Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Total affordable housing units funded	442	425	506	550	700	Not Available
Total Single Family Rehab units funded	61	75	124	80	80	Not Available
Total Lead Multifamily units funded	35	65	137	70	70	Not Available
Total Residential Rehab Elderly, Disabled, and Homeless units (special needs) funded	34	15	73	20	20	Not Available
Total Home Purchase Assistance Program (HPAP) Elderly, Disabled, and Homeless units (special needs) funded	11	10	7	10	10	Not Available
Number of first-time homebuyers funded by HPAP	362	400	223	500	500	Not Available
Number of District employee homebuyers funded by EHAP	110	80	75	90	100	Not Available
Number of District employee homebuyers funded by NEAHP	8	25	20	50	75	Not Available
Number of Elevated Blood Level cases in the District <sup>8</sup>	64	40	43	35	30	Not Available
Number of storefront façades improved	73	40	46	90	50	Not Available
Average cost per façade unit funded	\$29,333	\$25,000	\$25,000	\$25,000	\$25,000	Not Available

HPAP: Home Purchase Assistance Program

#### 5. 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.

## Property Acquisition and Disposition Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Number of properties acquired	37	25	11	25	25	Not Available
Number of total properties acquired in targeted neighborhoods (Ivy City/Trinidad, Historic Anacostia, and Washington Highlands)	12	0	3	12	15	Not Available
Number of properties recaptured from developers or transferees	17	10	0	0	0	Not Available
Number of properties for which disposition agreements were executed	37	30	28	35	35	Not Available
Number of housing units rehabilitated through acquisition of abandoned properties	45	45	53	45	45	Not Available
Number of affordable housing units created or rehabilitated through acquisition of abandoned properties	35	45	31	45	45	Not Available
Average number of years of affordability for units created or rehabilitated through acquisition of abandoned properties	9	15	12	15	15	Not Available
Number of properties investigated that result in rehabilitation by the owner	4	5	0	5	5	Not Available
Targeted Average cost per property of acquisitions <sup>9</sup>	\$57,771	\$190,000	\$38,095	\$100,000	\$100,000	Not Available

### 6. Program Monitoring Division

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

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

**Objective 3:** Revitalize neighborhoods, promote community development and provide economic opportunities.

## Program Monitoring Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Total number of grant projects reviewed	192	95	201	105	115	Not Available
Percentage of DHCD environmental reviews <sup>10</sup> conducted within 45 calendar days	72.80%	80%	87.10%	90%	95%	Not Available
Percentage of Fair Housing Reviews completed within stated Division timelines	100%	98%	100%	98%	98%	Not Available
Percentage of Section 3 Business Concerns Certified	Not Available	10	14	12	15	Not Available
Number of Section 3 Jobs Created	Not Available	15	38	20	25	Not Available
Percentage of eligible Community Housing Development Organizations certified/recertified by fiscal year-end	8	8	5	12	12	Not Available
Percentage of required physical inspections and file reviews of units conducted annually for HOME and LIHTC properties	1,200	1,000	1,032	1,000	1,000	Not Available

HOME: An investment partnership program with the U.S. Department of Housing and Urban Development designed to create affordable housing for low-income households.

LIHTC: Low Income Housing tax Credit.

## 7. Portfolio and Asset Management Division

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

### Portfolio and Asset Management Division

Measure	FY 2010 Actual	FY 2011 Target	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of all required financial reviews completed	39.63%	50%	12.36%	75%	85%	Not Available
Percentage of loans in good standing from previous quarter	89.22%	92%	94.45%	97%	98%	Not Available
Percentage increase in number of loans in good standing from previous quarter	3.80%	4.59%	94.28%	4.59%	4.83%	Not Available
Percentage of loans more than 30 calendar days delinquent	2.91%	1.91%	2.76%	1.81%	1.72%	Not Available
Percentage of loans in default	5.59%	12%	4.24%	8%	3%	Not Available
Number of loans moved from delinquent to correct status	52	60	62	70	80	Not Available
Percentage of multi-family loans risk rated	61.25%	50%	32.14%	60%	70%	Not Available
Percentage of financial reports collected from existing borrowers <sup>11</sup>	1.30%	2%	7.79%	3%	4%	Not Available

## 8. 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.

### Office of the Director

Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 Projection	FY 2013 Projection	FY 2014 Projection
Percentage of sub-grantee budget spent on programmatic costs <sup>12</sup>	88%	Annual Measurement	65%	65%	Not Available
Percentage of scheduled monitoring reports as defined in agency monitoring plan completed for each grant award	100%	100%	100%	100%	Not Available

**Performance Plan Endnotes:**

1. The position of Rent Administrator, which had been vacant since 2010, was filled in Q4 of FY 2011. DHCD anticipates that this action will result in the increased ability to meet the FY 2012 projection.
2. New measure for FY 2012, Annual measurement.
3. American Community Survey, annual measurement, 1-year lag time (2010 release date is (9/28/10).
4. DHCD funds a unit of affordable housing when a project has completed all application and underwriting processes and its funding has been obligated in SOAR (System of Accounting and Reporting).
5. Annual Industry Standard Measure for Jurisdictions with over 100,000 residents collected by the International City/County Management Association (ICMA). For FY 2010, the mean is 7.5 and the median is 2.0.
6. Industry Standard – collected by the U.S. Centers for Disease Control and Prevention in conjunction with DDOE. The current national average is approximately 1 percent.
7. FY 2011 actual costs are lower than projected due to recapture methods available for FY 2011 actual properties recaptured. Costs are expected to increase in alignment with projections due to costs associated with more complex recaptures.
8. 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.
9. PAMD collects this data in order to monitor the status of existing loans and to ensure compliance with loan covenants.
10. The Wise Giving Alliance of the Better Business Bureau identifies 65 percent to be an industry standard for this measure <http://www.bbb.org/us/Charity-Standards/>. This metric measures all subgrantees' programmatic costs as a percentage of their overall costs.
11. This monitoring function was transferred to PMD in FY 2010. Pursuant to Section 11.4 of the Grants Manual and Source Book, all District agencies must complete monitoring reports. All District agencies should be in compliance with this standard. The standard is 100 percent.