
Department of Housing and Community Development

www.dhcd.dc.gov

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Description	FY 2010 Actual	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$85,626,703	\$130,310,500	\$144,318,583	10.7
FTEs	107.2	140.1	146.5	4.6

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

The three strategic investments that DHCD focuses on are maintaining and increasing the supply of quality affordable housing, increasing homeownership opportunities, and revitalizing neighborhoods. DHCD creates and preserves affordable housing in the District by providing low-cost gap financing and other subsidies for residential rehabilitation and construction projects. The agency funds single and multi-family projects as well as both rental and homeownership units. DHCD also finances community facilities and acquires and disposes of vacant and abandoned properties to stabilize neighborhoods and provide new homeownership and economic opportunities. The agency's residential and community services include homeownership assistance programs, housing counseling, storefront façade improvement, and small business technical assistance programs, which are provided by community-based organizations throughout the District. 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. All of these programs and services can be accessed through DHCD's Housing Resource Center located in Ward 8.

The agency's FY 2012 proposed budget is presented in the following tables:

FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table DB0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table DB0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
General Fund						
Local Funds	15,705	22,220	10,538	12,221	1,683	16.0
Special Purpose Revenue Funds	3,622	4,237	8,337	7,798	-540	-6.5
Total for General Fund	19,327	26,457	18,876	20,019	1,143	6.1
Federal Resources						
Federal Grant Funds	36,744	58,729	83,635	79,934	-3,701	-4.4
Total for Federal Resources	36,744	58,729	83,635	79,934	-3,701	-4.4
Private Funds						
Private Donations	0	127	0	0	0	N/A
Total for Private Funds	0	127	0	0	0	N/A
Intra-District Funds						
Intra-District Funds	4,910	315	27,800	44,366	16,566	59.6
Total for Intra-District Funds	4,910	315	27,800	44,366	16,566	59.6
Gross Funds	60,981	85,627	130,311	144,319	14,008	10.7

*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 2012 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Full-Time Equivalents, by Revenue Type

Table DB0-2 contains the proposed FY 2012 FTE level compared to the FY 2011 approved FTE level by revenue type. It also provides FY 2009 and FY 2010 actual data.

Table DB0-2

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change
<u>General Fund</u>						
Local Funds	274	22.9	28.3	30.8	2.5	8.8
Special Purpose Revenue Funds	33.6	14.9	21.9	22.2	0.2	1.1
Total for General Fund	61.0	37.7	50.2	53.0	2.8	5.5
<u>Federal Resources</u>						
Federal Grant Funds	73.4	69.4	60.5	60.9	0.4	0.6
Total for Federal Resources	73.4	69.4	60.5	60.9	0.4	0.6
<u>Intra-District Funds</u>						
Intra-District Funds	0.0	0.0	29.4	32.7	3.3	11.1
Total for Intra-District Funds	0.0	0.0	29.4	32.7	3.3	11.1
Total Proposed FTEs	134.4	107.2	140.1	146.5	6.4	4.6

FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table DB0-3 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table DB0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
11 - Regular Pay - Cont Full Time	6,391	7,723	9,263	10,586	1,324	14.3
12 - Regular Pay - Other	1,126	1,343	1,530	1,157	-373	-24.4
13 - Additional Gross Pay	105	246	176	176	0	0.0
14 - Fringe Benefits - Curr Personnel	1,223	1,743	1,436	1,706	271	18.9
15 - Overtime Pay	9	7	0	0	0	N/A
Subtotal Personal Services (PS)	8,854	11,062	12,403	13,625	1,222	9.8
20 - Supplies and Materials	5	51	244	247	3	1.3
30 - Energy, Comm. and Bldg Rentals	12	17	19	9	-10	-54.5
31 - Telephone, Telegraph, Telegram, Etc	19	121	96	96	0	0.0
32 - Rentals - Land and Structures	1,344	2,982	1,888	1,888	0	0.0
33 - Janitorial Services	1	0	0	0	0	N/A
34 - Security Services	7	6	6	6	0	0.0
35 - Occupancy Fixed Costs	0	15	11	11	0	0.0
40 - Other Services and Charges	353	1,425	2,214	1,576	-637	-28.8
41 - Contractual Services - Other	1,421	1,577	7,486	24,083	16,597	221.7
50 - Subsidies and Transfers	48,966	68,324	105,714	102,548	-3,166	-3.0
70 - Equipment and Equipment Rental	0	46	229	229	0	0.0
Subtotal Nonpersonal Services (NPS)	52,127	74,564	117,907	130,693	12,786	10.8
Gross Funds	60,981	85,627	130,311	144,319	14,008	10.7

*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 (RCSO) - provides funding for programs focused on household level housing needs and neighborhood revitalization. RCSO works through neighborhood-based organizations providing comprehensive housing counseling, small business technical assistance, and façade improvement opportunities. RCSO 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 façade 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 DC 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 or 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 US 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 HUD 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 (RAD) and the Rental Conversion and Sales Division (CASD), 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 2009, additionally 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 (OAH). Although the Commission is an independent quasi-judicial body, it has direct reporting responsibility to DHCD on administrative, management, and budgetary matters.

This division contains the following activity:

- **Rental Housing Commission (RHC)** - hears appeals of rental housing decisions, is supported by HRA and DHCD, and is an independent body.

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 2012 Proposed Budget.

FY 2012 Proposed Operating Budget and FTEs, by Division and Activity

Table DB0-4 contains the proposed FY 2012 budget by division and activity compared to the FY 2011 approved budget. It also provides the FY 2010 actual data.

Table DB0-4

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(1000) Agency Management Program								
(1010) Personnel	92	520	520	0	0.8	0.0	0.0	0.0
(1015) Training and Employee Development	197	244	246	2	0.8	1.0	1.0	0.0
(1020) Contracting and Procurement	54	80	81	1	0.0	1.0	1.0	0.0
(1030) Property Management	3,631	3,621	3,529	-92	3.0	5.2	4.0	-1.2
(1040) Information Technology	547	588	755	167	3.1	3.0	4.0	1.0
(1050) Financial Management	1,098	0	2,090	2,090	0.0	0.0	0.0	0.0
(1055) Risk Management	0	2,673	654	-2,019	0.0	5.0	4.0	-1.0
(1060) Legal	899	1,503	1,505	2	0.8	1.0	1.0	0.0
(1070) Fleet Management	23	12	20	8	0.0	0.0	0.0	0.0
(1080) Communications	688	681	460	-220	5.4	4.5	4.0	-0.5
(1085) Customer Service	103	184	159	-24	3.1	4.0	3.0	-1.0
(1087) Language Access	0	9	9	0	0.0	0.0	0.0	0.0
(1090) Performance Management	1,142	816	3,207	2,391	6.2	9.0	9.0	0.0
Subtotal (1000) Agency Management Program	8,474	10,929	13,234	2,305	23.3	33.7	31.0	-2.7
(100F) Agency Financial Operations								
(110F) Budget Operations	4,450	1,133	284	-849	1.6	2.0	3.0	1.0
(120F) Accounting Operations	310	247	254	7	2.3	3.0	3.0	0.0
(130F) Fiscal Officer	1,154	333	338	5	0.8	3.0	3.0	0.0
Subtotal (100F) Agency Financial Operations	5,914	1,713	875	-838	4.7	8.0	9.0	1.0
(2000) Development Finance Division								
(2010) Affordable Housing Project Financing	25,530	65,215	81,901	16,686	14.7	18.0	22.0	4.0
(2011) DFD Project Financing STM	677	0	0	0	0.0	0.0	0.0	0.0
(2012) DFD Project Financing STM TCAP	8,921	0	0	0	0.0	0.0	0.0	0.0
(2013) DFD Project Financing STM NSP	135	0	0	0	0.0	0.0	0.0	0.0
(2015) Community Facilities Project Financing	0	4,000	4,000	0	0.0	0.0	0.0	0.0
(2020) Tenant Opportunity to Purchase Assistance	0	81	83	2	0.0	1.0	1.0	0.0
Subtotal (2000) Development Finance Division	35,264	69,297	85,984	16,688	14.7	19.0	23.0	4.0

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Table DB0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(3000) Residential and Community Service Division								
(3010) Neighborhood Based Activities	4,194	5,860	6,916	1,056	6.9	8.0	9.0	1.0
(3020) Community Services - Comm Revitalization	0	2,349	1,671	-678	0.0	1.0	1.0	0.0
(3030) Residential Services - HPAP	0	16,453	15,954	-499	0.0	4.2	6.0	1.8
(3040) Residential Services - EAHP	0	893	793	-100	0.0	0.0	0.0	0.0
(3050) Residential Services - Lead Safe Washington	0	2,977	1,427	-1,551	0.0	4.0	3.5	-0.5
(3060) Residential Services - Single Fam Rehab	0	3,163	3,104	-59	0.0	7.0	6.0	-1.0
Subtotal (3000) Residential and Community Service Div	4,194	31,695	29,864	-1,831	6.9	24.2	25.5	1.3
(4000) Emergency Shelter Grant Mngmt Prgm								
(4010) Emergency Shelter Grant Mngmt Prgm	1,386	0	0	0	0.0	0.0	0.0	0.0
(4011) Emergency Shelter Grant Mngmt Prgm Stm	3,924	0	0	0	0.0	0.0	0.0	0.0
No Activity Assigned	3,249	0	0	0	0.0	0.0	0.0	0.0
Subtotal (4000) Emergency Shelter Grant Mngmt Prgm	8,558	0	0	0	0.0	0.0	0.0	0.0
(4100) Property Acquisition and Disposition Div								
(4120) Property Acquisition	561	2,882	4,850	1,968	2.4	1.0	2.0	1.0
(4130) Property Disposition	0	750	952	202	0.0	0.0	2.0	2.0
(4140) Property Management	0	250	250	0	0.0	0.0	0.0	0.0
Subtotal (4100) Property Acquisition and Disposition Div	561	3,882	6,052	2,170	2.4	1.0	4.0	3.0
(4500) Portfolio and Asset Management Division								
(4510) Portfolio and Asset Management	563	390	753	363	5.8	4.2	8.0	3.8
(4520) Tax Credit Allocation	0	192	0	-192	0.0	2.0	0.0	-2.0
Subtotal (4500) Portfolio and Asset Management Division	563	582	753	171	5.8	6.2	8.0	1.8
(6000) Homeownership and Home Rehab Assistance								
(6010) Home Purchase Assistance Program (HPAP)	16,774	0	0	0	6.3	0.0	0.0	0.0
(6011) Home Purchase Assistance Program (EHAP)	125	0	0	0	0.0	0.0	0.0	0.0
(6040) Single Family Residential Rehab	1,266	0	0	0	3.8	0.0	0.0	0.0
No Activity Assigned	127	0	0	0	0.0	0.0	0.0	0.0
Subtotal (6000) Homeownership and Home Rehab Assistance	18,291	0	0	0	10.2	0.0	0.0	0.0
(7000) Program Monitoring Division								
(7010) Contract Compliance	1,227	1,192	1,117	-75	10.8	14.0	12.3	-1.7
(7020) Quality Assurance	277	417	383	-34	2.3	4.0	3.7	-0.3
(7030) Homelessness Prevention Compliance	0	8,076	3,100	-4,975	0.0	2.0	2.0	0.0
Subtotal (7000) Program Monitoring Division	1,504	9,684	4,600	-5,085	13.2	20.0	18.0	-2.0

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Table DB0-4 (Continued)

(dollars in thousands)

Division/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(8000) Rental Housing								
(8010) Rental Accommodations and Conversion	-25	0	0	0	0.0	0.0	0.0	0.0
Subtotal (8000) Rental Housing	-25	0	0	0	0.0	0.0	0.0	0.0
(8100) Housing Regulation Administration								
(8110) Rental Conversion and Sales Division	1,171	949	693	-256	11.0	10.0	7.0	-3.0
(8120) Housing Resource Center	0	103	460	357	0.0	1.0	4.0	3.0
(8140) Rental Accommodations Division	917	921	1,097	176	10.6	13.0	13.0	0.0
Subtotal (8100) Housing Regulation Administration	2,087	1,973	2,249	277	21.6	24.0	24.0	0.0
(9100) Rental Housing Commission								
(9110) Rental Housing Commission	242	556	707	151	4.6	4.0	4.0	0.0
Subtotal (9100) Rental Housing Commission	242	556	707	151	4.6	4.0	4.0	0.0
Total Proposed Operating Budget	85,627	130,311	144,319	14,008	107.2	140.1	146.5	6.4

(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 2012 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Budget Changes

Cost Increases: For FY 2012, DHCD is increasing salary and benefits by \$1,077,747 for adjustments across multiple programs in all funds to absorb the agency's personal services cost increases. This includes adjustments for step increases and 3.9 new FTE positions mandated by law for the Rental Housing Commission. Local funds also increased by \$144,284 from the shift of 2.5 FTEs from Capital to operating funding. The agency has increases across all funds and multiple programs of \$2,364 for supplies and \$318,036 in other services. The Residential and Community Service Division (RCSD) had an \$824,325 increase in subsidies and transfers in Special Purpose Revenue. The Development Finance Division (DFD) had four significant fund increases in support of project delivery in subsidies and transfers in the following funds: Local funds increased by \$407,551; Federal grant funds by \$8,000,000; Special Purpose Revenue by \$1,789,817; and intra-District funds increased by \$16,607,306, from the Housing Production Trust Fund, in contractual services for DFD-related project delivery.

Cost Decreases: The proposed budget includes a decrease of \$149,061 in Special Purpose Revenue to comply with a legislative transfer requirement to the District General Fund. There was a \$1,736,771 Local funds reduction in Residential and Community Services for the HPAP program; and a net decrease of \$8,774 in fixed costs across all funds. The agency had an overall reduction in Federal funds due to the loss of Stimulus funding in FY 2012. The net decrease of \$3,764,000 in Federal funds was the result of a reduction of \$11,764,000, which was offset by an \$8,000,000 increase in a new grant for DFD-related project delivery.

Shift: The proposed budget includes converting Special Purpose Revenue to Local one-time funding for the HPAP program and DHCD United Fund. The conversion shifts \$1,350,974 from HPAP-Repay and \$1,924,586 from the DHCD United Fund. Within the Residential and Community Services Division, \$1,736,771 in Federal Grant funds shifted from Neighborhood Based Activities to Community Services to restore Small Business Development Assistance.

FY 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table DB0-5 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

Table DB0-5

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2011 Approved Budget and FTE		10,538	28.3
Cost Increase: Adjustments to salaries and fringe benefit rates to absorb proportionate share of administrative costs	Agency Management Program	213	0.0
Cost Decrease: Adjustments to salaries and fringe benefits rates	Agency Financial Operations	-4	0.0
Cost Increase: Adjustments to subsidies and transfers for DFD related Project Delivery	Development Finance Division	408	0.0
Cost Decrease: Adjustments to supplies (less than \$500)	Development Finance Division	0	0.0
Cost Decrease: Adjustments to subsidies	Residential and Community Service Division	-940	0.0
Cost Increase: Adjustments to contractual costs	Rental Housing	52	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates to absorb proportionate share of administrative costs	Housing Regulation Administration	173	0.0
Cost Decrease: Adjustments to contractual costs	Housing Regulation Administration	-52	0.0
Cost Increase: Adjustments to supplies (less than \$500)	Housing Regulation Administration	0	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates to absorb proportionate share of administrative costs	Rental Housing Commission	151	0.0
Cost Increase: Adjustments to supplies (less than \$500)	Rental Housing Commission	0	0.0
Shift: FTEs shifted from Capital to Operating funding	Multiple Programs	144	2.5
FY 2012 Initial Adjusted Budget		10,683	30.8
Cost Decrease: Reduction in Small Business Development Assistance	Residential and Community Service Division	-1,737	0.0
Shift: One-time Local funds HPAP-Repay from Special Purpose Revenue	Development Finance Division	1,351	0.0
Shift: One-time funding from DHCD Unified Fund from Special Purpose Revenue	Development Finance Division	1,925	0.0
LOCAL FUNDS: FY 2012 Proposed Budget and FTE		12,221	30.8
FEDERAL GRANT FUNDS: FY 2011 Approved Budget and FTE		83,635	60.5
Cost Decrease: Adjustments to salaries and fringe benefits rate	Agency Management Program	-267	-3.8
Cost Decrease: Adjustments to fixed costs	Agency Management Program	-31	0.0
Cost Increase: Adjustments to other services	Agency Management Program	3	0.0
Cost Decrease: Adjustments to equipment	Agency Management Program	-2	0.0
Cost Increase: Adjustments to salaries and fringe benefits rate	Agency Financial Operations	20	0.1
Cost Increase: Adjustments to salaries and fringe benefits rate	Development Finance Division	78	0.9
Cost Increase: Adjustments to subsidies and transfers for DFD related Project Delivery	Development Finance Division	8,000	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Residential and Community Service Division	359	3.6
Cost Increase: Adjustments to salaries and fringe benefits rates	Property Acquisition and Disposition Division	72	1.3
Cost Increase: Adjustments to salaries and fringe benefits rates	Portfolio and Asset Management Division	37	1.0
Cost Decrease: Adjustments to salaries and fringe benefits rates	Program Monitoring Division	-207	-2.7
FY 2012 Initial Adjusted Budget		91,698	60.9
Cost Decrease: Adjustments based on a decrease in Federal resources	Multiple Programs	-11,764	0.0
Shift: Transfer from Neighborhood Based Activities to Community Services to restore Small Business Development Assistance	Residential and Community Service Division	-1,737	0.0
Shift: Restoration of Small Business Development Assistance in Community Services	Residential and Community Service Division	1,737	0.0
FEDERAL GRANT FUNDS: FY 2012 Proposed Budget and FTE		79,934	60.9

(Continued on next page)

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

	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2011 Approved Budget and FTE		8,337	21.9
Cost Decrease: Adjustments to salaries and fringe benefits rates	Agency Management Program	-137	-1.6
Cost Decrease: Adjustments to fixed costs	Agency Management Program	-2	0.0
Cost Increase: Adjustments to other services	Agency Management Program	2	0.0
Cost Increase: Adjustments to salaries and fringe benefits	Agency Financial Operations	64	0.6
Cost Increase: Adjustments to subsidies and transfers for DFD related Project Delivery	Development Finance Division	1,790	0.0
Cost Decrease: Adjustments to salaries and fringe benefits rates	Residential and Community Service Division	-92	-1.0
Cost Increase: Adjustments to subsidies related to Residential and Community Services	Residential and Community Service Division	824	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Property Acquisition and Disposition Division	67	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Portfolio and Asset Management Division	90	0.2
Cost Increase: Adjustments to salaries and fringe benefits rates to absorb porportionate share of Administrative Costs	Program Monitoring Division	101	1.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Housing Regulation Administration	130	1.0
Cost Increase: Adjustments to subsidies	Housing Regulation Administration	50	0.0
FY 2012 Initial Adjusted Budget		11,222	22.2
Cost Decrease: Comply with legislative requirement to transfer to District General Fund	Development Finance Division	-149	0.0
Shift: Conversion of HPAP-Repay Special Purpose Revenues to one-time Local funding	Development Finance Division	-1,351	0.0
Shift: Conversion of DHCD United Fund Special Purpose Revenues to one-time Local funding	Development Finance Division	-1,925	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2012 Proposed Budget and FTE		7,798	22.2
INTRA-DISTRICT FUNDS: FY 2011 Approved Budget and FTE		27,800	29.4
Cost Increase: Adjustments to Other Services and Charges	Agency Management Program	313	0.0
Cost Decrease: Adjustments to salaries and fringe benefits rates	Agency Management Program	-71	1.8
Cost Increase: Adjustments to supplies	Agency Management Program	2	0.0
Cost Increase: Adjustments to fixed costs	Agency Management Program	24	0.0
Cost Decrease: Adjustments to contractual services	Agency Management Program	-10	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Agency Financial Operations	38	0.4
Cost Increase: Adjustments to salaries and fringe benefits rates	Development Finance Division	340	3.1
Cost Increase: Adjustments to contractual services for DFD-related Project Delivery	Development Finance Division	16,607	0.0
Cost Decrease: Adjustments to subsidies	Development Finance Division	-303	0.0
Cost Decrease: Adjustments to salaries and fringe benefits rates	Residential and Community Service Division	-105	-1.4
Cost Decrease: Adjustments to subsidies	Residential and Community Service Division	-250	0.0
Cost Increase: Adjustments to salaries and fringe benefits rates	Property Acquisition & Disposition Div	11	0.2
Cost Increase: Adjustments to salaries and fringe benefits rates	Portfolio and Asset Management Division	43	0.5
Cost Increase: Adjustments to salaries and fringe benefits rates	Program Monitoring Division	2	-0.3
Cost Decrease: Adjustments to salaries and fringe benefits rates	Housing Regulation Administration	-27	-1.0
Cost Decrease: Adjustments to subsidies	Housing Regulation Administration	-50	0.0
FY 2012 Initial Adjusted Budget		44,366	32.7
INTRA-DISTRICT FUNDS: FY 2012 Proposed Budget and FTE		44,366	32.7
Gross for DB0 - Department of Housing and Community Development		144,319	146.5

(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 2012:

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 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Percentage of orders issued on voluntary agreement petitions within 45 calendar days	Not Available	90%	91.67%	90%	95%	95%
Percentage of orders issued on hardship petitions within 90 calendar days of receipt ¹	Not Available	80%	2.50%	90%	95%	95%
Percentage of condo registration applications processed within 60 calendar days	Not Available	95%	95.45%	98%	98%	98%
Percentage of structural defect warranty claim notices processed within 60 calendar days	Not Available	95%	48.48%	95%	95%	95%
Percentage of complete housing assistance payment requests processed within 30 calendar days	Not Available	95%	33.33%	95%	95%	95%
Number of inclusionary zoning units built	Not Available	Not Available	0	TBD	TBD	TBD
Percentage of lotteries conducted for inclusionary units within 17 calendar days of receiving notice of availability	Not Available	95%	0%	95%	95%	95%
Number of customers who utilize Housing Resource Center	N/A	600	6,568	6,500	6,500	6,500

2. Rental Housing Commission

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

Rental Housing Commission

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Number of appeals disposed	31	33	0	31	32	33
Number of appeals cases > 3 years old	18	18	36	18	14	10
Percentage of cases processed under 6 weeks (from date of commencement)	Not Available	55%	25%	55%	65%	70%
Average amount of time from receipt of case to assignment	12 mo.	10 mo.	3 mo.	3 mo.	3 mo.	3 mo.
Percentage of hearings scheduled within 30 day requirement	100%	100%	50%	100%	100%	100%
Average number of calendar days between receipt of case and final decision ²	101	Not Available	Not Available	91	91	91

3. Development Finance

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 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Percentage of District owners spending >30 percent of income on monthly housing costs ²	37.5%	37.50%	39.20%	35%	35%	35%
Percentage of District renters spending >30 percent of income on housing costs ³	45.5%	47.40%	49.20%	45%	45%	45%
Total affordable housing units funded (new and rehab) ⁴	1,599	900	1,312	900	900	900
Total special needs housing units funded (elderly, disabled, and homeless units)	147	150	441	150	150	150
Total new homeownership units funded	403	80	360	80	80	80
Total First Right Purchase Assistance Program (tenant purchase) units funded – FRP New and Rehab Units	59	100	340	100	100	100
Total affordable housing units rehabilitated	789	250	936	200	200	200
Total affordable housing units preserved (via loan structuring, technical aid, etc.)	N/A	200	503	200	200	200
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	75%	95%	86.00%	100%	100%	100%
Number of New Low-Moderate Income Housing Units Completed per \$100,000 of Public Financial Assistance ⁵	Not Available	Not Available	Not Available	1.4	1.4	1.4
Total affordable housing units funded (new and rehab) that are affordable to households earning 30 percent of the AMI or below	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total affordable housing units funded (new and rehab) that are affordable to households earning between 30 percent and 50 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total affordable housing units funded (new and rehab) that are affordable to households earning between 50 percent and 80 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total affordable housing units funded (new and rehab) that are affordable to households earning above 80 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total new homeownership units funded that are affordable to households earning 30 percent of the AMI or below	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total new homeownership units funded that are affordable to households earning between 30 percent and 50 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total new homeownership units funded that are affordable to households earning between 50 percent and 80 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD
Total new homeownership units funded that are affordable to households earning above 80 percent of the AMI	Not Available	Not Available	Not Available	TBD	TBD	TBD

Note: AMI – Area Medium Income

4. Residential and Community Services

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

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Total affordable housing units funded	1,599	425	422	425	550	700
Total Single Family Rehab units funded	66	65	61	75	80	80
Total Lead Multifamily units funded	273	60	35	65	70	70
Total Residential Rehab Elderly, Disabled, and Homeless units (special needs) funded	147	10	34	15	20	20
Total Home Purchase Assistance Program (HPAP) Elderly, Disabled, and Homeless units (special needs) funded	6	5	11	10	10	10
Number of first-time homebuyers funded by HPAP	320	300	362	400	500	500
Number of District employee homebuyers funded by EHAP	58	80	110	80	90	100
Number of District employee homebuyers funded by NEAHP	0	100	8	25	50	75
Number of Elevated Blood Level cases in the District ⁶	44	30	64	40	35	30
Number of storefront façades improved	32	50	73	40	90	50
Average cost per facade unit funded	Not Available	\$25,000	\$29,333	\$25,000	\$25,000	\$25,000

HPAP: Home Purchase Assistance Program

5. Property Acquisition and Disposition

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

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Number of properties acquired	11	20	37	25	30	30
Number of total properties acquired in targeted neighborhoods (Ivy City/Trinidad, Historic Anacostia, and Washington Highlands)	4	10	12	10	15	20
Number of properties recaptured from developers or transferees	2	8	17	10	10	12
Number of properties for which disposition agreements were executed	49	50	37	55	60	60
Number of housing units rehabilitated through acquisition of abandoned properties	43	45	45	45	55	70
Number of affordable housing units created or rehabilitated through acquisition of abandoned properties	32	35	35	45	60	60
Average Number of years of affordability for units created or rehabilitated through acquisition of abandoned properties	10	10	9	15	20	20
Number of properties investigated that result in rehabilitation by the owner	Not Available	10	4	5	5	5
Average cost per property of acquisitions ⁷	\$190,000	\$190,000	\$57,771	\$190,000	\$190,000	\$190,000

6. Program Monitoring

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

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Total number of grant projects reviewed	Not Available	60	192	95	105	115
Percentage of DHCD environmental reviews ⁸ conducted within 45 calendar days	Not Available	95%	72.80%	80%	90%	95%
Percentage of Fair Housing Reviews completed within stated Division timelines	Not Available	Not Available	100%	98%	98%	98%
Number of Section 3 Businesses Concerns certified	Not Available	Not Available	Not Available	10	12	15
Number of Section 3 Jobs Created	Not Available	Not Available	Not Available	15	20	25
Number of eligible Community Housing Development Organizations certified/recertified by fiscal year-end	Not Available	12	8	8	12	12
Number of required physical inspections and file reviews of units conducted annually for HOME and LIHTC properties	Not Available	1,000	1,200	1,000	1,000	1,000

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

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

Portfolio and Asset Management

Measure	FY 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Percentage of all required financial reviews completed	Not Available	39%	39.63%	50%	75%	85%
Percentage of loans in good standing from previous quarter	83%	87%	89.22%	92%	97%	98%
Percentage increase in number of loans in good standing from previous quarter	3.57%	4.17%	3.8%	4.37%	4.59%	4.83%
Percentage of loans more than 30 calendar days delinquent	2.00%	1.91%	2.91%	1.91%	1.81%	1.72%
Percentage of loans in default	17%	12%	5.59%	12%	8%	3%
Number of loans moved from delinquent to correct status	60	45	52	60	70	80
Percentage of multifamily loans risk rated	Not Available	Not Available	61.25%	50%	60%	70%
Percentage of financial reports collected from existing borrowers ⁹	Not Available	2%	1.30%	2%	3%	4%

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 2009 Actual	FY 2010 Target	FY 2010 Actual	FY 2011 Projection	FY 2012 Projection	FY 2013 Projection
Percentage of subgrantee budget spent on programmatic costs ¹⁰	78%	65%	65%	65%	65%	65%
Percentage of scheduled monitoring reports as defined in agency monitoring plan completed for each grant award ¹¹	100%	100%	100%	100%	100%	100%

Performance Plan Endnotes:

1. The position of Rent Administrator, which had been vacant since 2009, was filled in Q4 of FY 2010. DHCD anticipates that this action will result in the increased ability to meet the FY 2011 projection.
2. New measure for FY 2011, Annual measurement.
3. American Community Survey, annual measurement, 1-year lag time (2009 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 2009, 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 2010 actual costs are lower than projected due to recapture methods available for FY 2010 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% 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 2009. 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.

