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# Housing Finance Agency

[www.dchfa.org](http://www.dchfa.org)

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Description	FY 2010 Approved	FY 2011 Proposed	% Change from FY 2010
Operating Budget	\$8,894,000	\$9,339,000	5.0

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The Housing Finance Agency (HFA) was established in 1979 as a corporate body with a legal existence separate from the government of the District of Columbia to stimulate and expand homeownership and rental housing opportunities for low-and moderate-income families in the District. HFA issues taxable and tax-exempt mortgage revenue bonds to lower the costs of financing single-family housing and the costs of acquiring, constructing, and rehabilitat-

ing rental housing. In addition, HFA administers the issuance of 4-percent low-income housing tax credits to achieve its affordable housing preservation, rehabilitation, and development objectives on behalf of the Department of Housing and Community Development (DHCD).

The agency's FY 2011 proposed budget is presented in the following tables:

## FY 2011 Proposed Gross Funds Operating Budget, by Revenue Type

Table HF0-1 contains the proposed FY 2011 agency budget compared to the FY 2010 approved budget.

**Table HF0-1**  
(dollars in thousands)

Appropriated Fund	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
<b>General Fund</b>				
Special Purpose Revenue Funds	8,894	9,339	445	5.0
<b>Total for General Fund</b>	<b>8,894</b>	<b>9,339</b>	<b>445</b>	<b>5.0</b>
<b>Gross Funds</b>	<b>8,894</b>	<b>9,339</b>	<b>445</b>	<b>5.0</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 **Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2011 Proposed Operating Budget, by Comptroller Source Group

Table HF0-2 contains the proposed FY 2011 budget at the Comptroller Source Group (object class) level compared to the FY 2010 approved budget.

**Table HF0-2**  
(dollars in thousands)

Comptroller Source Group	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
11 - Regular Pay - Cont Full Time	4,219	4,535	316	7.5
12 - Regular Pay - Other	75	0	-75	-100.0
14 - Fringe Benefits - Curr Personnel	1,026	1,110	84	8.2
15 - Overtime Pay	19	38	19	100.0
<b>Subtotal Personal Services (PS)</b>	<b>5,339</b>	<b>5,683</b>	<b>344</b>	<b>6.4</b>
20 - Supplies and Materials	105	110	5	4.8
30 - Energy, Comm. and Building Rentals	125	131	6	4.8
31 - Telephone, Telegraph, Telegram, Etc.	60	63	3	5.0
33 - Janitorial Services	47	49	2	4.3
34 - Security Services	9	10	1	11.1
40 - Other Services and Charges	870	900	30	3.4
41 - Contractual Services - Other	887	910	23	2.6
70 - Equipment and Equipment Rental	1,270	1,300	30	2.4
80 - Debt Service	182	183	1	0.5
<b>Subtotal Nonpersonal Services</b>	<b>3,555</b>	<b>3,656</b>	<b>101</b>	<b>2.8</b>
<b>Gross Funds</b>	<b>8,894</b>	<b>9,339</b>	<b>445</b>	<b>5.0</b>

\*Percent Change is based on whole dollars.

## Program Description

The Housing Finance Agency is funded through one program in the District's financial system. However, the Housing Finance Agency operates through the following 2 programs:

**Multi-Family Development** - provides tax-exempt, taxable bonds, tax credits, and McKinney Act Savings Loan funds as financial tools that are integral to development of the community's ability to provide affordable, safe and decent housing to low-income and special needs populations. The multi-family mortgage revenue bond and tax credit products serve as vehicles for developers to access low-cost institutional debt and equity tools that enhance return on investment. When combined with 4-percent Low-Income Housing Tax Credits and other subsidies, the HFA's mortgage revenue bond product, which is offered in enhanced structures, provides competitive below-market rate pricing and helps to preserve, rehabilitate or construct affordable and mixed-income housing in Washington.

This program contains the following 2 activities:

- **Technical Assistance** - provides technical assistance on all aspects of underwriting to developers who produce affordable housing, and acts as facilitators with city and federal government agencies to help expedite the permitting process and other approvals. In addition, HFA's staff provides ongoing construction monitoring to ensure construction is successfully completed and properly managed; and
- **Financing Assistance** - provides several financing programs, including the Multi-family Mortgage Revenue Bond Program, Low-Income Housing Tax Credit Program, and McKinney Act Savings Loan Fund. Depending on the project's eligibility, tax-exempt bonds, taxable bonds or low-interest loans can be used for predevelopment activities as well as the acquisition, construction and renovation of multifamily buildings. Financing can be used for the rehabilitation or construction of rental housing, cooperatives, assisted-living facilities, and transitional housing.

**Single Family Development** - provides low-interest mortgages for persons purchasing a home in the District at or below the national and local conventional rates.

This program contains the following 2 activities:

- **Homebuyer Assistance** - provides interest rates as low as 5.25 percent with 1 point. In an effort to assist homebuyers with much-needed down payment and closing costs, the HFA also added an interest rate of 6.27 percent with 2 points, which includes a 3.0 percent assistance grant. The HFA provided over \$43 million to assist 218 homebuyers purchasing homes in the District and increased its pool of participating lenders by 50 percent during fiscal year 2009; and
- **Homeownership Education** - provides regular seminars and community outreach in an effort to empower persons seeking to become homeowners in Washington, D.C. Through the HFA, information is made available to residents on the Single Family Bond products, financing options, the District government's employer assistance program, tax credits, tax abatements, the Home Purchase Assistance program (HPAP), other Programs to help with closing costs, and other incentives for the homebuyer.

## Program Structure Change

The Housing Finance Agency had no program structure change in the FY 2011 Proposed Budget.

## FY 2011 Proposed Operating Budget and FTEs, by Program and Activity

Table HF0-3 contains the proposed FY 2011 budget by program and activity compared to the FY 2010 approved budget.

**Table HF0-3**

(dollars in thousands)

Program/Activity	Dollars in Thousands			Full-Time Equivalents		
	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Approved FY 2010	Proposed FY 2011	Change from FY 2010
<b>(1000) Housing Finance Agency</b>						
(1100) Housing Finance Agency	8,894	9,339	445	0.0	0.0	0.0
<b>Subtotal (1000) Housing Finance Agency</b>	<b>8,894</b>	<b>9,339</b>	<b>445</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>8,894</b>	<b>9,339</b>	<b>445</b>	<b>0.0</b>	<b>0.0</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 programs, please see **Schedule 30-PBB Program Summary By Activity** in the **FY 2011 Operating Appendices** located on the Office of the Chief Financial Officer's website.

### FY 2011 Proposed Budget Changes

A net increase of \$445,000 in Special Purpose Revenue funds due to an increase of \$344,000 in personal services for salary and benefits; an increase of \$5,000 in Supplies; an increase of \$12,000 in fixed cost estimates for multiple commodities; an increase of \$30,000 in Other Services and Charges due to additional services, higher cost and a broader scope in

the services utilized by the agency; an increase of \$23,000 in Contractual Services due to additional software development and automation expenses to automate operations and processes; an increase of \$30,000 in Equipment due to anticipated upgrades to the aging technology utilized by the agency; and an increase of \$1,000 in debt service.

## FY 2010 Approved Budget to FY 2011 Proposed Budget, by Revenue Type

Table HF0-4 itemizes the changes by revenue type between the FY 2010 approved budget and the FY 2011 proposed budget.

**Table HF0-4**

(dollars in thousands)

	PROGRAM	BUDGET	FTE
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2010 Approved Budget and FTE</b>		<b>8,894</b>	<b>0.0</b>
Enhance: Net effect of salary and benefits changes	Housing Finance Agency	344	0.0
Enhance: Increase in Supplies	Housing Finance Agency	5	0.0
Enhance: Increase in fixed cost estimates for multiple commodities	Housing Finance Agency	12	0.0
Enhance: Increase in Other Services and Charges are due to additional services, higher cost and broader scope in the services utilized by the agency	Housing Finance Agency	30	0.0
Enhance: Increase in Contractual Services due to additional software development and automation expenses to automate operations and processes	Housing Finance Agency	23	0.0
Enhance: Increase in Equipment is due to anticipated upgrades to the aging technology utilized by the agency	Housing Finance Agency	30	0.0
Enhance: Increase in debt service	Housing Finance Agency	1	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2011 Proposed Budget and FTE</b>		<b>9,339</b>	<b>0.0</b>
<b>Gross for HF0 - Housing Finance Agency</b>		<b>9,339</b>	<b>0.0</b>

## Agency Performance Plan

The District of Columbia Housing Finance Agency's performance plan has the following objectives for FY 2011:

**Objective 1:** Grow the Homeownership program to reach 20 percent of the market share.

**Objective 2:** Grow the Multifamily Rental Housing program to \$100 - \$150 million worth of tax exempt bond transactions annually.

**Objective 3:** Expand the agency's marketing opportunities and increase the number of partnerships.

## Agency Performance Measures

**Table HF0-5**

Measure	FY 2008 Actual	FY 2009 Target	FY 2009 Actual	FY 2010 Projection	FY 2011 Projection	FY 2012 Projection
Continue to expand the number of participating lenders in the single family mortgage program.	N/A	N/A	18	20	22	25
Provide financing for affordable workforce housing developments.	N/A	N/A	2	5	5	5
Attend/host events/partnership meetings.	N/A	N/A	15	15	15	15

