
Housing Production Trust Fund Subsidy

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| Description | FY 2011 Actual | FY 2012 Approved | FY 2013 Proposed | % Change from FY 2012 |
|------------------|-------------------|---------------------|---------------------|-----------------------------|
| Operating Budget | \$34,018,225 | \$35,109,412 | \$15,000,000 | -57.3 |

The subsidy account previously reflected the total Dedicated Taxes (General Fund) transfer to the Housing Production Trust Fund (HPTF) to fulfill its operational obligations during a budgetary year. Beginning in FY 2013, this transfer is no longer budgeted in the General Fund, but Local funds are transferred to the HPTF in the FY 2013 budget.

The HPTF, which is administered by the District of Columbia's Department of Housing and Community Development (DHCD), is a legally separate entity for which the elected officials of the District of Columbia are financially accountable. Details of the HPTF's operating budget are provided in the Enterprise and Other Funds section of the budget document.

In FY 2007, a subsidy account for this entity was created to show the annual transfer of dedicated deed recodation and deed transfer taxes from the District's General Fund to the HPTF. In total, 15 percent of these tax revenues are dedicated to the HPTF. This 15 percent share was budgeted in two agencies. First, the amount required for debt service on borrowing for New Communities projects was budgeted in the Repayment of Revenue Bonds agency, in the Financing and Other appropriation title. Second, the remaining amount of the 15 percent share was budgeted in the HPTF Subsidy agency, to be transferred to the HPTF. Starting in FY 2013, these funds will be deposited directly into the HPTF, thus there is no transfer of Dedicated Taxes through the General Fund. However, in the FY 2013 budget, there is a Local funds transfer to the HPTF.

The agency's FY 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table HP0-1 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 HP0-1
(dollars in thousands)

| Appropriated Fund | Actual FY 2010 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Percent Change* |
|-------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------------|--------------------|
| General Fund | | | | | | |
| Local Funds | 0 | 0 | 0 | 15,000 | 15,000 | N/A |
| Dedicated Taxes | 13,039 | 34,018 | 35,109 | 0 | -35,109 | -100.0 |
| Total for General Fund | 13,039 | 34,018 | 35,109 | 15,000 | -20,109 | -57.3 |
| Gross Funds | 13,039 | 34,018 | 35,109 | 15,000 | -20,109 | -57.3 |

*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 Operating Budget, by Comptroller Source Group

Table HP0-2 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 HP0-2
(dollars in thousands)

| Comptroller Source Group | Actual FY 2010 | Actual FY 2011 | Approved FY 2012 | Proposed FY 2013 | Change from FY 2012 | Percent Change* |
|--|-------------------|-------------------|---------------------|---------------------|---------------------------|--------------------|
| 50 - Subsidies and Transfers | 13,039 | 34,018 | 35,109 | 15,000 | -20,109 | -57.3 |
| Subtotal Nonpersonal Services (NPS) | 13,039 | 34,018 | 35,109 | 15,000 | -20,109 | -57.3 |
| Gross Funds | 13,039 | 34,018 | 35,109 | 15,000 | -20,109 | -57.3 |

*Percent change is based on whole dollars.

Program Description

The Housing Production Trust Fund Subsidy operates through the following program:

Housing Production Trust Fund (Subsidy) – provides funds to fulfill operational obligations for the Housing Production Trust Fund.

Program Structure Change

The Housing Production Trust Fund Subsidy has no program structure changes in the FY 2013 Proposed Budget.

FY 2013 Proposed Operating Budget and FTEs, by Program and Activity

Table HP0-3 contains the proposed FY 2013 budget by program and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table HP0-3

(dollars in thousands)

| Program/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 |
| (1000) Housing Production Trust Fund (Subsidy) | | | | | | | | |
| (1100) Housing Production Trust Fund (Subsidy) | 34,018 | 35,109 | 15,000 | -20,109 | 0.0 | 0.0 | 0.0 | 0.0 |
| Subtotal (1000) Housing Production Trust Fund (Subsidy) | 34,018 | 35,109 | 15,000 | -20,109 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proposed Operating Budget | 34,018 | 35,109 | 15,000 | -20,109 | 0.0 | 0.0 | 0.0 | 0.0 |

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

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see Schedule 30-PBB Program Summary by Activity in the FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The proposed FY 2013 gross budget for Housing Production Trust Fund Subsidy is \$15,000,000, which represents a 57.3 percent decrease from its FY 2012 approved gross budget of \$35,109,412. The budget is comprised entirely of Local funds.

Initial Adjusted Budget

Eliminate: In keeping with recent Government Accounting Standards Board (GASB) guidance regarding the treatment of certain types of transfers, the FY 2013 budget proposal of the District reflects appropriate changes in budgeting methodology for the Housing Production Trust Fund Subsidy. The taxes collected for the Housing Production Trust Fund (portions of the Deed Recordation and Deed Transfer Taxes) will no longer be budgeted in the General Fund. Those revenues will be directly deposited into the Housing Production Trust Fund, within the Enterprise and Other appropriation title. The portion allocated to Repayment of Revenue Bonds will still be budgeted in the General Fund. For these reasons, the proposed budget reflects a reduction of \$35,109,412 in Dedicated Taxes.

Policy Initiative

Cost Increase: The proposed budget includes a one-time increase of \$15,000,000 in Local funds to reflect net proceeds from the sale of a building in the NoMa (North of Massachusetts Avenue) neighborhood within the District.

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

Table HP0-4 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table HP0-4

(dollars in thousands)

| | PROGRAM | BUDGET | FTE |
|--|---|---------------|------------|
| LOCAL FUNDS: FY 2012 Approved Budget and FTE | | 0 | 0.0 |
| FY 2013 Policy Initiative | | | |
| Cost Increase: To reflect net proceeds from the sale of a building in the NoMa (North of Massachusetts Avenue) neighborhood (One-Time) | Housing Production Trust Fund (Subsidy) | 15,000 | 0.0 |
| LOCAL FUND: FY 2013 Proposed Budget and FTE | | 15,000 | 0.0 |
| DEDICATED TAXES: FY 2012 Approved Budget and FTE | | 35,109 | 0.0 |
| Eliminate: Reduction to comply with GASB guidance | Housing Production Trust Fund (Subsidy) | -35,109 | 0.0 |
| FY 2013 Initial Adjusted Budget | | 0 | 0.0 |
| DEDICATED TAXES: FY 2013 Proposed Budget and FTE | | 0 | 0.0 |
| Gross for HP0 - Housing Production Trust Fund Subsidy | | 15,000 | 0.0 |

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