
Housing Finance Agency

www.dchfa.org

Telephone: 202-777-1600

| Description | FY 2013 Approved | FY 2014 Proposed | % Change from FY 2013 |
|------------------|---------------------|---------------------|-----------------------------|
| Operating Budget | \$8,734,900 | \$9,689,000 | 10.9 |

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 of acquiring, constructing, and rehabilitating 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 2014 proposed budget is presented in the following tables:

FY 2014 Proposed Gross Funds Operating Budget, by Revenue Type

Table HF0-1 contains the proposed FY 2014 agency budget compared to the FY 2013 approved budget.

Table HF0-1
(dollars in thousands)

| | Approved FY 2013 | Proposed FY 2014 | Change from FY 2013 | Percent Change* |
|-------------------------------|---------------------|---------------------|---------------------------|--------------------|
| Appropriated Fund | | | | |
| General Fund | | | | |
| Special Purpose Revenue Funds | 8,735 | 9,689 | 954 | 10.9 |
| Total for General Fund | 8,735 | 9,689 | 954 | 10.9 |
| Gross Funds | 8,735 | 9,689 | 954 | 10.9 |

*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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Operating Budget, by Comptroller Source Group

Table HF0-2 contains the proposed FY 2014 budget at the Comptroller Source Group (object class) level compared to the FY 2013 approved budget.

Table HF0-2
(dollars in thousands)

| | Approved FY 2013 | Proposed FY 2014 | Change from FY 2013 | Percent Change* |
|--|---------------------|---------------------|---------------------------|--------------------|
| Comptroller Source Group | | | | |
| 11 - Regular Pay - Continuing Full-Time | 4,699 | 5,034 | 335 | 7.1 |
| 14 - Fringe Benefits - Current Personnel | 1,000 | 1,026 | 26 | 2.6 |
| 15 - Overtime Pay | 32 | 32 | 0 | 0.0 |
| Subtotal Personal Services (PS) | 5,731 | 6,092 | 361 | 6.3 |
| 20 - Supplies and Materials | 110 | 100 | -10 | -9.1 |
| 30 - Energy, Comm. and Building Rentals | 140 | 130 | -10 | -7.1 |
| 31 - Telephone, Telegraph, Telegram, Etc. | 68 | 66 | -1 | -1.9 |
| 33 - Janitorial Services | 56 | 76 | 20 | 35.3 |
| 34 - Security Services | 18 | 20 | 2 | 11.1 |
| 40 - Other Services and Charges | 1,170 | 1,700 | 530 | 45.3 |
| 41 - Contractual Services - Other | 1,018 | 1,020 | 2 | 0.2 |
| 70 - Equipment and Equipment Rental | 185 | 190 | 5 | 2.9 |
| 80 - Debt Service | 240 | 295 | 55 | 23.1 |
| Subtotal Nonpersonal Services (NPS) | 3,004 | 3,597 | 593 | 19.8 |
| Gross Funds | 8,735 | 9,689 | 954 | 10.9 |

*Percent change is based on whole dollars.

Program Description

Although the Housing Finance Agency appears as a single entity in the District's financial system, it operates through the following 3 programs:

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

This program contains the following 2 activities:

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

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

This program contains the following 2 activities:

- **Homebuyer Assistance** – provides 30-year fixed rate mortgages and assistance with down payment and closing costs, as funds are available; and
- **Homeownership Education** – provides regular seminars and community outreach in an effort to empower persons seeking to become homeowners in the District. Through the HFA, information is made available to residents on the Single Family Bond products, financing options, the District government's employer assistance program, tax credits, tax abatements, the Home Purchase Assistance Program (HPAP), other programs to help with closing costs, and other incentives for homebuyers.

HomeSaver Program – This is a U.S. Treasury Hardest Hit Fund Initiative, which is federally funded and provides forgivable mortgage loans to homeowners of the District of Columbia who are at risk of foreclosure and who have experienced involuntary job loss.

Program Structure Change

The Housing Finance Agency has no program structure changes in the FY 2014 proposed budget.

FY 2014 Proposed Operating Budget and FTEs, by Program and Activity

Table HF0-3 contains the proposed FY 2014 budget by program and activity compared to the FY 2013 approved budget.

Table HF0-3

(dollars in thousands)

| Program/Activity | Dollars in Thousands | | | Full-Time Equivalents | | |
|---|----------------------|---------------------|---------------------------|-----------------------|---------------------|---------------------------|
| | Approved FY 2013 | Proposed FY 2014 | Change from FY 2013 | Approved FY 2013 | Proposed FY 2014 | Change from FY 2013 |
| (1000) Housing Finance Agency | | | | | | |
| (1100) Housing Finance Agency | 8,735 | 9,689 | 954 | 0.0 | 0.0 | 0.0 |
| Subtotal (1000) Housing Finance Agency | 8,735 | 9,689 | 954 | 0.0 | 0.0 | 0.0 |
| Total Proposed Operating Budget | 8,735 | 9,689 | 954 | 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 2014 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2014 Proposed Budget Changes

The Housing Finance Agency's proposed FY 2014 gross budget is \$9,689,000, which represents a 10.9 percent increase over its FY 2013 approved gross budget of \$8,734,900. The budget is comprised entirely of Special Purpose Revenue funds.

Agency Budget Submission

Increase: The proposed budget includes increases of \$530,000 in Other Services and Charges to hedge against non-performing assets from projected expansion in financing activities; \$360,650 in personal services to cover Fringe Benefits and support the higher cost of non-District government staff increases; \$55,000 in Debt Service to support additional borrowing cost for operations and building renovation; \$20,000 in janitorial services to support anticipated increase for maintenance of agency headquarters; \$9,500 net increase in Security, Equipment and Equipment Rental, and Contractual Services – Other categories, to support increased costs associated with the daily activities of the agency.

Decrease: The proposed budget includes a decrease of \$21,250 due to a reduction in Fixed Cost projections across multiple commodities.

FY 2013 Approved Budget to FY 2014 Proposed Budget, by Revenue Type

Table HF0-4 itemizes the changes by revenue type between the FY 2013 approved budget and the FY 2014 proposed budget.

Table HF0-4

(dollars in thousands)

| | PROGRAM | BUDGET | FTE |
|---|------------------------|--------------|------------|
| SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Approved Budget and FTE | | 8,735 | 0.0 |
| Increase: To support increased costs in Other Services and Charges | Housing Finance Agency | 530 | 0.0 |
| Increase: To cover costs for non-District government staff increases | Housing Finance Agency | 361 | 0.0 |
| Increase: To support increased debt service cost | Housing Finance Agency | 55 | 0.0 |
| Increase: To cover increased cost of janitorial services for building maintenance | Housing Finance Agency | 20 | 0.0 |
| Increase: To cover increased costs associated with daily operations | Housing Finance Agency | 10 | 0.0 |
| Decrease: To reflect a reduction in cost across multiple commodities | Housing Finance Agency | -21 | 0.0 |
| SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Agency Budget Submission | | 9,689 | 0.0 |
| No Changes | | 0 | 0.0 |
| SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Mayor's Proposed Budget | | 9,689 | 0.0 |
| Gross for HF0 - Housing Finance Agency | | 9,689 | 0.0 |

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

