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# Housing Finance Agency

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

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

**Note:** Prior year actuals are not reported for the Housing Finance Agency, because the agency does not use the District's financial system for its actual transactions.

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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.

The Housing Financing Agency 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)

Appropriated Fund	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
<b>General Fund</b>				
Special Purpose Revenue Funds	8,735	9,689	954	10.9
<b>Total for General Fund</b>	<b>8,735</b>	<b>9,689</b>	<b>954</b>	<b>10.9</b>
<b>Gross Funds</b>	<b>8,735</b>	<b>9,689</b>	<b>954</b>	<b>10.9</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 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)

Comptroller Source Group	Approved FY 2013	Proposed FY 2014	Change from FY 2013	Percent Change*
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
<b>Subtotal Personal Services (PS)</b>	<b>5,731</b>	<b>6,092</b>	<b>361</b>	<b>6.3</b>
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
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>3,004</b>	<b>3,597</b>	<b>593</b>	<b>19.8</b>
<b>Gross Funds</b>	<b>8,735</b>	<b>9,689</b>	<b>954</b>	<b>10.9</b>

\*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
<b>(1000) Housing Finance Agency</b>						
(1100) Housing Finance Agency	8,735	9,689	954	0.0	0.0	0.0
<b>Subtotal (1000) Housing Finance Agency</b>	<b>8,735</b>	<b>9,689</b>	<b>954</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Proposed Operating Budget</b>	<b>8,735</b>	<b>9,689</b>	<b>954</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 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.

### Mayor's Proposed Budget

The Housing Finance Agency has no changes from the FY 2014 agency budget submission to the FY 2014 Mayor's proposed budget.

### District's Proposed Budget

The Housing Finance Agency has no changes from the FY 2014 Mayor's proposed budget to the FY 2014 District's proposed budget.

## 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
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2013 Approved Budget and FTE</b>		<b>8,735</b>	<b>0.0</b>
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
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Agency Budget Submission</b>		<b>9,689</b>	<b>0.0</b>
No Changes		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2014 Mayor's Proposed Budget</b>		<b>9,689</b>	<b>0.0</b>
No Changes		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2014 District's Proposed Budget</b>		<b>9,689</b>	<b>0.0</b>
<b>Gross for HFO - Housing Finance Agency</b>		<b>9,689</b>	<b>0.0</b>

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

