

**Government of the District of Columbia
Department of Housing and Community Development**



**Department of Housing and Community Development Unified Fund
Fiscal Year 2009 Annual Report**

About the Unified Fund

The Fiscal Year 2009 Annual Report for the Department of Housing and Community Development Unified Fund (Unified Fund) marks the conclusion of the Unified Fund's first year of providing the Department of Housing and Community Development (DHCD) with critical resources to support the agency's mission to create and preserve opportunities for affordable housing and economic development, and revitalize underserved communities in the District of Columbia.

The Unified Fund was authorized under the Fiscal Year 2009 Budget Support Act of 2008, DC Law 17-0219. The Fund is so named because it combines several distinct special purpose revenue funds previously available to DHCD into a single fund giving the Department more flexibility in matching resources to need as housing market conditions change in the Nation's Capital. The revenue sources include:

- Lease and loan payments and other proceeds under the Land Acquisitions for Housing Development Opportunities (LAHDO) and other DHCD programs;
- Repayments and other proceeds from the Rehabilitation Repayment account;
- Low Income Housing Tax Credit fee collections;
- Proceeds from the sale of vacant properties by DHCD's Property Acquisition and Disposition Division (PADD); and
- Other DHCD programs created by regulation at the discretion of the Director.

The Unified Fund is a non-lapsing special purpose revenue fund available to DHCD for the following purposes:

- Provide financial assistance to low and moderate income residents of the District;
- Enable low and moderate income residents to purchase decent, safe, and sanitary homes with the District for the purpose of obtaining safe and affordable housing;
- Enable low and moderate income residents to make a down payment toward the purchase of a home within the District;

- Enable low and moderate income residents to make a share payment or other payment to a housing cooperative or condo association to secure occupancy rights to a home within the District as his or her principal place of residence;
- Provide financial assistance to developers to acquire vacant land or land improved with buildings resulting in the rehabilitation of existing residential and commercial structures, conversion of existing structures to residential use, or construction of new residential or mixed use structures on vacant land;
- Provide funds for the design and installation or renovation of site improvements to be located on the property to be developed or rehabilitated as housing;
- Provide funds for private for-profit and not-for-profit developers to facilitate the development of affordable housing;
- Provide local fund support for assorted property maintenance facilities;
- Provide funds for DHCD to reclaim those properties that have received notice of foreclosure in cases where DHCD has subordinated liens;
- Provide affordable financing to correct basic housing defects and ensure long-term livability;
- Encourage property owners to rehabilitate and occupy their abandoned and deteriorated residential property;
- Acquire, dispose of, and rehabilitate vacant and deteriorated properties when owners fail to maintain them;
- Facilitate the development of affordable housing; and
- Any other purposes at the discretion of the Director, in furtherance of DHCD's mission.

No more than twenty percent of the funds deposited into the Unified Fund may be used for administrative costs.

Legislative Reporting Requirement

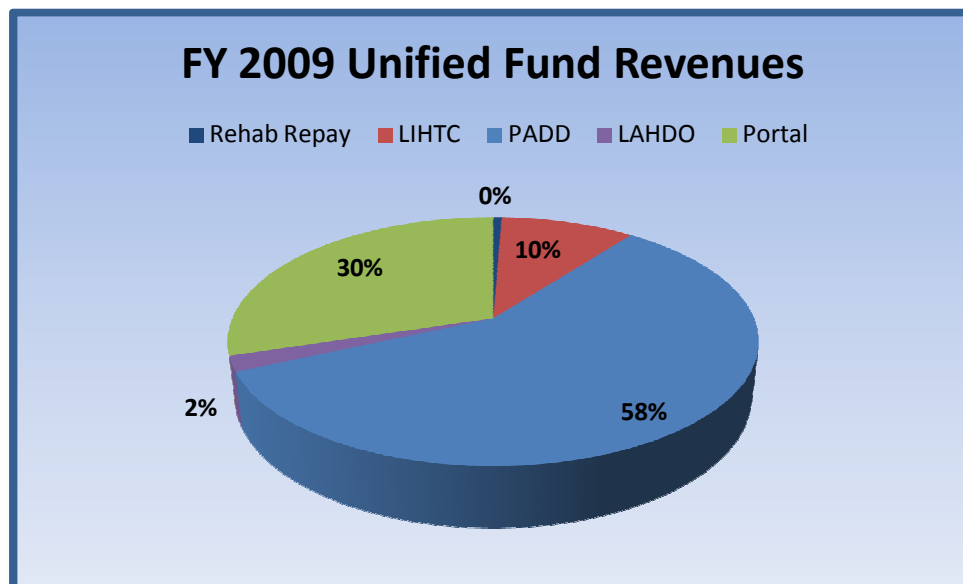
DHCD is required to submit to the Council of the District of Columbia an annual report that describes all programs, activities, and projects undertaken by the Department using funds allocated from the Unified Fund.

FY 2009 Revenues

A total of \$6.6 million¹ in revenues were deposited into the Unified Fund in FY 2009 as shown in the following table:

Fund	Source	Amount
603	LAHDO	\$ 130,744.46
605	Rehab Repay	\$ 40,404.66
607	LIHTC	\$ 640,802.40
623	PADD	\$ 3,800,832.90
1980	Portal Sites	\$ 1,954,972.91
Total		\$ 6,567,757.33

A majority of the revenues (58%) were made up of proceeds from the disposition of vacant properties by DHCD's Property Acquisition and Disposition Division (PADD). In FY 2009, PADD collected \$3.8 million from the sale of 24 properties through its first-ever auction. PADD also collected \$59,375 in default proceeds from seven of the auctioned properties. PADD's success in FY 2009 is largely responsible for the Unified Fund taking in more revenue than originally projected by the OCFO, which established the Fund's budget authority at \$2,569,357. The second largest source of Unified Fund revenues in FY 2009 was almost \$2 million derived from lease income on previously disposed properties. Several smaller streams of revenues comprised the remaining 12% of the sources as seen in the following chart:



¹ The financial information in this report was supplied to DHCD by the Office of the Chief Financial Officer.

FY 2009 Expenditures

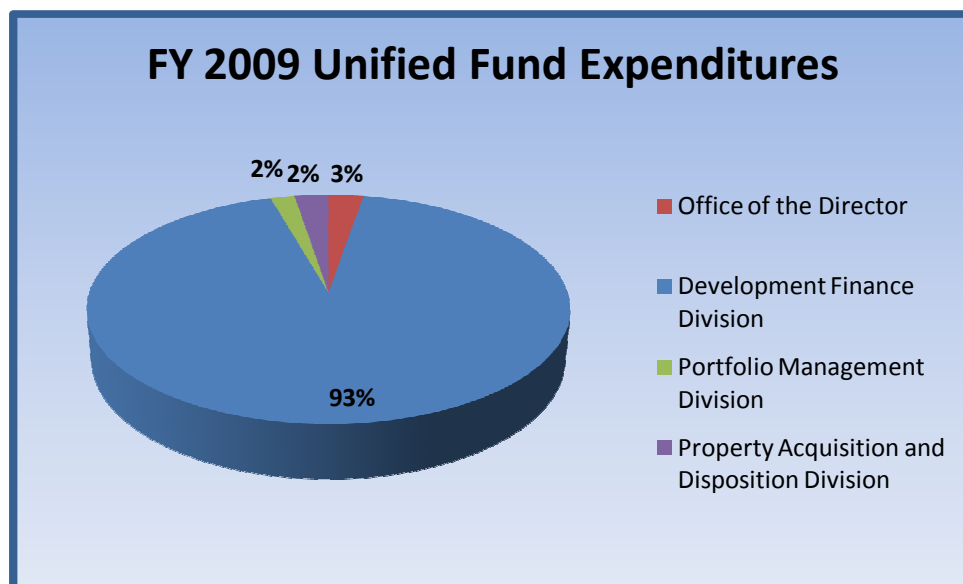
In FY 2009, the Unified Fund supported its share of personnel costs across DHCD's divisions that created, implemented or performed monitoring and asset management services for the programs and projects that benefitted from Unified Fund dollars. This included staff in the Director's Office, Development Finance Division, Program Monitoring Division, Portfolio Management Division, Property Acquisition and Disposition Division and the Residential and Community Services Division, as well as the OAG staff that provide legal support to these programs and projects.

Personnel costs of \$684,045 were split among these divisions as shown in the following table:

Division	Amount
Office of the Director	\$ 50,968
Development Finance Division	\$ 38,684
Program Monitoring Division	\$ 89,378
Portfolio Management Division	\$ 359,024
Property Acquisition and Disposition Division	\$ 145,893
Residential and Community Services Division	\$ 97
Total	\$ 684,045

Combined with the Unified Fund's portion of fleet costs in the amount of \$10,706, 11% of the funds deposited into the Unified Fund in FY09 were used for administrative costs.

A total of \$483,083 was spent on non-personnel costs by several DHCD divisions on the eligible programs and projects as shown in the following chart:



A full 93% of DHCD's non-personnel costs in FY 2009 were spent by the Development Finance Division (DFD) on two affordable housing projects, which together will preserve 59 homeownership units and another 30 rental units of affordable housing. Additionally, the Director's Office and DFD used resources from the Unified Fund in FY 2009 to develop the Green ER (Energy Retrofit) partnership with the District

Department of the Environment (DDOE) to provide low-to-moderate income families with funding to make their homes more energy efficient. The program will be launched with DDOE in FY 2010 by DHCD's Residential and Community Services Division. A combined total of \$1,167,128 in expenditures was made from the Unified Fund in FY 2009, leaving a fund balance of \$6,043,372 as shown in the following table:

FY 2009 Unified Fund Balance	
Opening Balance:	\$642,743
Total Revenues:	\$6,567,757
Total Expenditures:	(\$1,167,128)
Ending Balance:	\$6,043,372

DHCD spent almost half of the Unified Fund's FY 2009 budget authority of \$2,569,357 with the remainder encumbered on two PADD requisitions for the Department's new Turnkey Development program, which will debut in FY 2010.

Conclusion

With the support of the Mayor and Council, DHCD leveraged the Unified Fund in FY 2009 to support several important programs and projects. For example, DHCD directed \$266,392 in Unified funds toward the Northwest Church Family Network project in Ward 6 to refinance the rehabilitation of 30 affordable rental units for special needs residents in FY 2009. Additionally, DHCD combined \$94,615 in Unified funds with resources from the Housing Production Trust Fund to refinance the tenant first opportunity to purchase acquisition of the Hacienda Cooperative in Ward 7, which preserved 59 affordable homeownership units. Finally, the successful sales of 24 vacant properties in FY 2009 brought in higher than projected revenues that will give DHCD greater resources for meeting its mission in FY 2010. DHCD's FY 2010 Unified Fund spending plan already makes use of the entire projected balance.



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