
COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT

MICHAEL BROWN, CHAIRPERSON
FISCAL YEAR 2012 COMMITTEE BUDGET REPORT



TO: Members of the Council of the District of Columbia

FROM: Councilmember Michael Brown
Chairperson, Committee on Housing and Workforce Development

DATE: May 12, 2011

SUBJECT: Report and Recommendations of the Committee on Housing and Workforce Development on the Fiscal Year 2012 Budget for Agencies Under Its Purview

The Committee on Housing and Workforce Development (Committee), having conducted hearings and received testimony on the Mayor's proposed operating and capital budgets for Fiscal Year 2012 (FY12) for the agencies under its purview, reports its recommendations for review and consideration by the Committee of the Whole. The Committee also comments on several sections in the Fiscal Year 2012 Budget Support Act of 2011, as proposed by the Mayor.

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I. SUMMARY OF COMMITTEE BUDGET RECOMMENDATIONS

1. Department of Housing and Community Development - DBO

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of DHCD's FY 2012 gross operating budget of \$144,318,888, with reflected changes contained in the Mayor's errata letter, with the following change:

- 1) DHCD shall use \$1,736,771 of eligible Community Development Block Grant funding to offset the corresponding reduction in local funds within activity (3020) Community Services, to restore the Small Business Technical Assistance Program.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

The Committee recommends approval of DHCD's capital budget authority request for FY12-FY17 of \$23.093 million.

c. Fiscal Year 2012 Policy Recommendations

1. The Committee recommends that the Housing Provider Ombudsman position be renamed the Housing Provider Advocate. Some confusion has arisen from the use of the word ombudsman as it relates to the responsibilities of the Housing Provider Ombudsman. An ombudsman is most commonly someone who investigates complaints by private persons against the government and performs an oversight function. The Housing Provider Advocate position is much broader as it was created in part to have someone that would serve as a resource for small housing providers who find the prospect of navigating their way through the myriad of rental housing laws daunting and costly.

2. Fiscal Year 2012 Performance Measure Recommendations

For FY 2012, the Committee recommends the following additions to the DHCD Development Finance FY 2012 performance objectives:

- Total affordable housing units funded (new and rehab) that are affordable to households earning 30% of the AMI or below
- Total affordable housing units funded (new and rehab) that are affordable to households earning between 30% and 50% of the AMI
- Total affordable housing units funded (new and rehab) that are affordable to households earning between 50% and 80% of the AMI
- Total affordable housing units funded (new and rehab) that are affordable to households earning above 80% of the AMI

- Total new homeownership units funded that are affordable to households earning 30% of the AMI or below
- Total new homeownership units funded that are affordable to households earning between 30% and 50% of the AMI
- Total new homeownership units funded that are affordable to households earning between 50% and 80% of the AMI
- Total new homeownership units funded that are affordable to households earning above 80% of the AMI

Additional Budget Needs Not Funded in the Committee’s Recommendations

1. The Committee is unable to identify the funds necessary to provide additional resources for the Housing Provider Ombudsman/Housing Provider Advocate for Fiscal Year 2012. While we are unable to do so this budget cycle, the Committee strongly encourages and expects the Executive to identify funding in the Fiscal Year 2013 budget to create an Office of the Housing Provider Advocate within the Department of Housing and Community Development. Specifically, the Executive should fund at least 3 FTE positions. The additional FTEs will assist the Housing Provider Advocate in the performance his or her many duties, including but not limited to:

- (1) Providing education and outreach to small housing providers and the community about laws, rules, and other policy matters involving rental housing;
- (2) Advising housing providers in filing petitions, complaints and responding to complaints;
- (3) Advising housing providers at conciliation meetings;
- (4) Represent housing providers, as its discretion, and as it determines to be in the public interest in Federal or District or administrative proceedings.

2. The Committee directs that the \$9,240,934 in FY 2011 funding recently deposited in the Housing Production Trust Fund (HPTF) that was slated to transferred to the Deputy Mayor For Planning and Economic Development, remain in the HPTF to be used on pending projects currently in the DHCD development pipeline.

Housing Production Trust Fund – UZO

The Committee recommends approval of the proposed Housing Production Trust Fund FY 2012 operating budget of \$65,181,000.

Housing Production Trust Fund Subsidy - HPO

The committee recommends approval of the proposed Housing Production Trust Fund Subsidy FY 2012 operating budget of \$32,301,500

2. District of Columbia Housing Authority Subsidy-HY

Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approving the District of Columbia Housing Authority FY 2012 proposed local funds subsidy of \$22,000,000.

Fiscal Year 2012 Capital Budget Recommendations

DCHA does not receive any direct capital appropriations in the budget. DCHA regularly partners with DHCD for District support on redevelopment activities.

3. Housing Finance Agency-HF

Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the proposed FY 2012 operating budget of \$8,884,000 for the DC Housing Finance Agency. This operating budget is comprised entirely of Other or Special Purpose Revenue funding. The Committee supports HFA's budget and commends the agency on its strong efforts to maintain and create housing opportunities in the District for low-income and moderate income households.

Fiscal Year 2012 Capital Budget Recommendations

The HFA does not receive capital funds from the District of Columbia.

4. Department of Employment Services-CFO

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the proposed Department of Employment Services FY 2012 operating budget of \$126,071,129 with the following change:

- 1) A decrease of \$555,000 in local funds within activity (4820) Summer Youth Employment Program, of these funds a \$555,000 transfer to activity (4810) Year Round Youth Program.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

The Committee recommends approval of the proposed Department of Employment Services capital budget for FY 2012, which consists of a request for \$18,000,000 in budget authority for the UI Modernization Project.

c. Fiscal Year 2012 Policy Recommendations

1. Fiscal Year 2012 Performance Measure Recommendations

For FY 2012, the Committee recommends the following additions to the DOES Workforce Development FY 2012 performance objectives:

- Number of year round youth employment participants referred to year round employment
- Number of year round youth employment participants completing a year-long employment program
- Number of project empowerment participants placed in subsidized employment
- Number of project empowerment participants placed in unsubsidized employment
- Number of project empowerment participants who transitioned from subsidized employment to unsubsidized employment
- Percentage of adult participants who have completed a workforce development training program and have successfully been placed in a job related to the training within three months of completion.
- Percentage of adult participants who have completed a workforce development training program, have successfully been placed in a job related to the training, and have retained that job for six months.
- Percentage of adult participants who have completed a workforce development training program, have successfully been placed in a job related to the training, and have retained that job for 12 months.
- Percentage of adult participants who have completed a workforce development training program and have successfully been placed in a job related to the training that pays a wage equal to or higher than the District Living Wage rate.

5. Office of Ex-Offender Affairs

Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the Office of Ex-Offender Affairs FY 2012 budget of \$264,000.

Fiscal Year 2012 Capital Budget Recommendations

There is no capital funds request for the Office on Ex-Offender Affairs for FY 2012.

II. AGENCY FISCAL YEAR 2012 BUDGET RECOMMENDATIONS

A. INTRODUCTION

The Committee presents its recommendations for the District of Columbia's Fiscal Year 2012 budget. The Committee on Housing and Workforce Development is responsible for matters related to development, maintenance, preservation, and regulation of the housing stock, including rental housing; and neighborhood development, improvement, stabilization, and urban affairs; workforce development issues; employment and manpower development; and ex-offender affairs.

The following agencies come within the purview of the Committee on Housing and Workforce Development: Department of Housing and Community Development or any successor agency, District of Columbia Housing Authority, Housing Finance Agency, Housing Production Trust Fund Board, Rental Housing Commission, Department of Employment Services, Apprenticeship Council and Office on Ex-Offender Affairs.

On April 1, 2011, Mayor Vincent Gray submitted to the Council of the District of Columbia a proposed operating budget and financial plan for the upcoming fiscal year. The Committee held budget hearings to review the proposed budgets for the agencies under its purview, as follows:

April 12, 2011	Office on Ex-Offender Affairs
April 21, 2011	Department of Employment Services
May 3, 2011	Housing Finance Agency Department of Housing and Community Development District of Columbia Housing Authority

B. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Funding by Source

The following analysis will consider all operating funding sources available to DHCD. Listed in the first table below are the aggregate amounts of local funds, federal funds and O-type funds. Separate more detailed tables show the funding by source for federal funds, O-type funds and the Housing Production Trust Fund.

The chart below sets forth the Mayor's proposed FY 2012 budget for the Department of Housing and Community Development, by revenue source, and the Committee's recommended FY 2012 budget for the Department.

Department of Housing and Community Development
 Agency Operating Budget FY 2009 to FY 2012
 (Dollars in Thousands)

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	15,705	22,220	10,538	12,221	0	12,221	16.0%
Dedicated Taxes	0	0	0	0	0	0	0.0%
Special Purpose	3,622	4,237	8,337	7,798	0	7,798	-6.5%
Federal Funds	36,744	58,729	83,635	79,934	0	79,934	-4.4%
Private Grant Funds	0	127	0	0	0	0	0.00%
Intra-District	4,910	315	27,800	44,366	0	44,366	59.6%
GROSS FUNDS	60,981	85,627	130,311	144,319	0	12,221	10.8%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	27.4	22.9	28.3	30.8	0.0	30.8	8.8
Dedicated Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Special Purpose	33.6	14.9	21.9	22.2	0.0	22.2	1.1%
Federal Funds	73.4	69.4	60.5	60.9	0.0	60.9	0.6%
Private Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	0.0	0.0	0.0	32.7	0.0	32.7	11.1%
GROSS FUNDS	134.4	107.2	140.1	146.5	0.0	146.5	4.6%

Background: Department of Housing and Community Development

The Department of Housing and Community Development (“DHCD”) was established by Reorganization Plan No. 3 of 1975, effective July 3, 1975 (21 DCR 2793). Pursuant to the reorganization plan, the purpose of the agency is “to formulate, develop and recommend housing and community development policy, plans and programs, and to accomplish the promotion, coordination and execution of policy, plans and programs, and the administration of laws, pertaining to housing and community development.”

The specific authorities of the DHCD are as follows: (1) provide the Mayor information and advice on matters pertaining to public and private housing and community development plans, programs, and activities in the District of Columbia; (2) identify the District’s housing and community development needs, formulate and recommend housing and community development policy, and accomplish the planning, promotion, coordination, and execution of plans, projects, and activities to meet the needs; (3) develop annual and longer-term housing and community development priorities, goals, and objectives for the District; (4) evaluate the effectiveness and efficiency with which housing and community development programs, projects, and activities meet specified goals and objectives; and, (5) promote the preservation and improvement of residential neighborhoods, the development of underdeveloped or inappropriately developed land, and the provision of supportive community services and economic opportunities in or near residential areas.¹ The mission of the DHCD is to be a catalyst in neighborhood revitalization by strategically leveraging public funds with private and non-profit partners for low-to-moderate income D.C. residents. The department promotes the preservation, rehabilitation and development of housing, increases home ownership, and supports community and commercial initiatives. The Department also maintains an inventory of properties throughout the District, which the Department either utilizes for community development purposes or maintains for future disposition.

The Department is headed by a Director, appointed by the Mayor with the advice and consent of the Council. The Department operates a large number of statutory and non-statutory programs, including the Development Finance Division Project Financing, Home Purchase Assistance Program, Employer Assisted Housing Program, Single Family Residential Rehabilitation Program, and the Housing Production Trust Fund. DHCD also creates and implements the Consolidated Plan for the District of Columbia, which serves as a strategic

¹ The original functions of the Department have been altered by statute and further reorganization plans. See RLA Revitalization Corporation Act of 2002 (transferring the functions, duties, and assets of the Revitalization Land Agency performed or controlled by the Department to the RLA Revitalization Corporation); Reorganization Plan No. 1 of 1982 (transferring “all functions associated with the administration and enforcement of the District of Columbia building and zoning codes from the Department of Housing and Community Development to the Department of Licenses, Investigations and Inspections”); Reorganization Plan No. 1 of 1983 (transferring various functions from the Department to the Department of Consumer and Regulatory Affairs, including functions related to condominium and cooperative conversion and sales and functions related to historic preservation); Reorganization Plan No. 1 of 1987 (transferring from DHCD to the Department of Public and Assisted Housing, the predecessor of the Housing Authority, the functions of the National Capital Housing Authority, including functions relating to the acquisition, development, and production of new public housing units and functions related to the operations and administration of the subsidized housing programs established pursuant to Section 8 of the United States Housing Act of 1937); Reorganization Plan No. 3 of 1993 (transferring the Weatherization Assistance Program from the Department to the D.C. Energy Office under the Department of Public Works).

planning effort and as an application for several federal entitlement programs, including the Community Development Block Grant Program and the HOME Investment Partnerships Program.

1. Fiscal Year 2012 Budget Request

FY 2012 Operating Budget

The Mayor’s proposed FY 2012 DHCD gross operating budget of \$144,318,888, is an increase of \$14,008,388 million or 10.8 % from the FY 2011 approved budget of \$130,310,500. The number of authorized full time equivalent employees (“FTEs”) supported by the proposed FY 2012 budget is 146.5, which is an increase of 6.4 FTEs.

An analysis of DHCD’s FY 2012 proposed budget is best informed by beginning with an examination of the agency’s operating budget for the past several fiscal years.

It is also worth noting that historically, another major DHCD funding source has been the Housing Production Trust Fund. Traditionally this fund was included as a part of DHCD’s operating budget. Beginning in FY 2007 budget authority for all expenditures from this fund was transferred to a separate account. Beginning in FY 2011 funds from the Housing Production Trust Fund (UZO) were shifted through intra-District transfer and counted in DHCD’s gross operating budget.

DHCD’s Special Purpose funding, by source, is as follows:
(Dollars in Thousands)

SPECIAL PURPOSE REVENUE FUNDING, BY SOURCE			
Source	Mayor’s FY 2012 Proposed	Committee Recommendation FY 2012	Variance between FY 12 Proposed and Committee Recommendation
HPAP-Repay	1,721	1,721	0
Unified Fund	6,076	6,076	0
Total	7,798	7,798	0

DHCD's Federal funding, by source, is as follows:

FEDERAL FUNDING, BY SOURCE			
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(Dollars in Thousands)

Source	Mayor's FY 2012 Proposed	Committee Recommendation FY 2012	Variance between FY 12 Proposed and Committee Recommendation
CDBG	35,058	35,058	0
CDBG - R	400	400	0
HOME	17,343	17,343	0
Community Challenge Planning Grant	2,200	2,200	0
Homelessness Prevention & Rapid Rehousing	3,000	3,000	0
Grants in lieu of Tax Credits-Sec 602	8,000	8,000	0
LEAD Stim – Recovery Act	300	300	0
Neighborhood Stabilization Program	250	250	0
Neighborhood Stabilization Program 2	7,759	7,759	0
Neighborhood Stabilization Program 3	5,000	5,000	0
Tax Credit Assistance Program	400	400	0
Total	79,934	79,934	0

Federal funds comprise \$79.9 million of the total FY 2012 DHCD gross budget. This is a decrease of \$3.7 million in federal funding from the approved FY 2011 amount. The largest of the federal funding sources, the Community Development Block Grant program (“CDBG”), contributes \$35.4 million to the budget, and the Home Investment Partnership program (“HOME”) contributes \$17.6 million for the financing of affordable housing and community development.

The non-federal share/general fund of DHCD's FY 2012 total proposed gross budget

includes \$12.2 million in locally appropriated funds, which represents an increase of \$1.7 million from FY 2011. Special Purpose revenue funds total \$7.8 million which represents a \$540,000 decrease from the FY 2011 approved budget.

Local appropriated funds primarily contribute to agency overhead activities that are not eligible for federal grant expenditures, while Other Funds such as the loan repayments are recycled into the Home Purchase Assistance Programs and the Unified Fund for acquisition, disposition and affordable housing activities.

FY 2012 Capital Budget

The Mayor’s FY 2012 proposal, and the Committee’s recommendations, for capital funding for the Department of Housing and Community Development, by funding source, expenditure type, and project is set forth in the chart below.

**FY 2012 CAPITAL BUDGET —
BY FUNDING SOURCE, EXPENDITURE TYPE, AND PROJECT**

(Dollars in Thousands)

Mayor's Proposed Fiscal Year 2012-2017 Capital Budget, By Project										
Owner Agency	Project No	Project Title	Impl Agency	FY 2012	FT 2013	FY 2014	FY 2015	FY 2016	FY 2017	6-yr Total
DB0 - DEPT. OF HOUSING AND COMM. DEVELOPMENT	04002C	PROPERTY ACQUISITION & DISPOSITION	DB0	0.00	0.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00
DB0 - DEPT. OF HOUSING AND COMM. DEVELOPMENT Total				0.00	0.00	0.00	0.00	2,000,000.00	0.00	2,000,000.00

Proposed Capital Budget Summary

DHCD is not seeking any new capital appropriations for FY 2012, department plans to spend from prior year allocations through the Property Acquisition & Disposition Division. The agency’s budget authority request for FY 2012 is \$23.093 million.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of DHCD’s FY 2012 gross operating budget of \$144,318,888, with reflected changes contained in the Mayor’s errata letter, with the following change:

1. DHCD shall use \$1,736,771 of eligible Community Development Block Grant funding to offset the corresponding reduction in local funds within activity (3020) Community Services, to restore the Small Business Technical Assistance program.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

The Committee recommends approval of DHCD's capital budget authority request for FY 2012-FY 2017 of \$23.093 million.

c. Fiscal Year 2012 Policy Recommendations

1. The Committee recommends that the Housing Provider Ombudsman position be renamed the Housing Provider Advocate. Some confusion has arisen from the use of the word ombudsman as it relates to the responsibilities of the Housing Provider Ombudsman. An ombudsman is most commonly someone who investigates complaints by private persons against the government and performs an oversight function. The Housing Provider Advocate position is much broader as it was created in part to have someone that would serve as a resource for small housing providers who find the prospect of navigating their way through the myriad of rental housing laws daunting and costly.

2. Fiscal Year 2012 Performance Measure Recommendations

For FY 2012, the Committee recommends the following additions to the DHCD Development Finance FY 2012 performance objectives:

- Total affordable housing units funded (new and rehab) that are affordable to households earning 30% of the AMI or below;
- Total affordable housing units funded (new and rehab) that are affordable to households earning between 30% and 50% of the AMI ;
- Total affordable housing units funded (new and rehab) that are affordable to households earning between 50% and 80% of the AMI;
- Total affordable housing units funded (new and rehab) that are affordable to households earning above 80% of the AMI ;
- Total new homeownership units funded that are affordable to households earning 30% of the AMI or below;
- Total new homeownership units funded that are affordable to households earning between 30% and 50% of the AMI;
- Total new homeownership units funded that are affordable to households earning between 50% and 80% of the AMI; and
- Total new homeownership units funded that are affordable to households earning above 80% of the AMI.

Additional Budget Needs Not Funded in the Committee's Recommendations

1. The Committee is unable to identify the funds necessary to provide additional resources for the Housing Provider Ombudsman/Housing Provider Advocate for Fiscal Year 2011. While we are unable to do so this budget cycle, the Committee strongly encourages and expects the Executive to identify funding in the Fiscal Year 2012 budget to create an Office of the Housing Provider Advocate within the Department of Housing and Community Development. Specifically, the Executive should fund at least 3 FTE positions. The additional

FTEs will assist the Housing Provider Advocate in the performance his or her many duties, including but not limited to:

- (1) Providing education and outreach to small housing providers and the community about laws, rules, and other policy matters involving rental housing;
- (2) Advising housing providers in filing petitions, complaints and responding to complaints;
- (3) Advising housing providers at conciliation meetings; and
- (4) Represent housing providers, as its discretion, and as it determines to be in the public interest in Federal or District or administrative proceedings.

2. The Committee directs that the \$9,240,934 in FY 2011 funding recently deposited in the Housing Production Trust Fund (HPTF) that was slated to transferred to the Deputy Mayor For Planning and Economic Development, remain in the HPTF to be used on pending projects currently in the DHCD development pipeline.

C. HOUSING PRODUCTION TRUST FUND (UZ)

FY 2012 Housing Production Trust Fund-HPTF Operating Budget

The Mayor's proposed FY 2012 operating budget is \$65,181,000 and 0 FTEs. This is an increase of \$38,388,306.

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	0	0	0	0	0	0	n/a
Dedicated Taxes	45,832	51,329	26,793	65,181	0	65,181	143.3
Special Purpose	0	0	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0	0	0.0%
Private Funds	0	0	0	0	0	0	0.0%
Intra-District	0	0	0	0	0	0	0.0%
GROSS FUNDS	45,832	51,329	26,793	65,181	0	65,181	143.3
Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY10 Approved to FY11 Committee
Local Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Dedicated Taxes	6.2	14.5	0.0	0.0	0.0	0.0	0.0%
Special Purpose	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Private Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Proposed FTEs	6.2	14.5	0.0	0.0	0.0	0.0	0.0%

D. HOUSING PRODUCTION TRUST FUND SUBSIDY (HP)

FY 2012 Housing Production Trust Fund Subsidy

The Mayor's proposed FY 2012 operating budget is \$32,301,500. This is an increase of \$17,917,725.

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY10 Approved to FY11 Committee
Local Funds	0	0	0	0	0	0	n/a
Dedicated Taxes	28,244	13,039	14,384	32,302	0	32,302	126.4%
Special Purpose	0	0	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0	0	0.0%
Private Funds	0	0	0	0	0	0	0.0%
Intra-District	0	0	0	0	0	0	0.0%
GROSS FUNDS	28,244	13,039	14,384	32,302	0	32,302	126.4%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY10 Approved to FY11 Committee
Local Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Dedicated Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Special Purpose	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Private Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Proposed FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0%

Background: Housing Production Trust Fund and Housing Production Trust Fund Subsidy

In FY 2001, a one-time initial funding allocation of \$25 million was designated for the HPTF. In FY 2002, the Housing Act earmarked 15% of the deed transfer and recordation tax for the HPTF in order to establish a continuous revenue stream. In FY 2007, budget authority for all expenditures from the Housing Production Trust Fund (HPTF), which was previously within the DHCD gross funds annual budget, was transferred to a separate fund. Although the administration and all final decision-making related to the HPTF remains the responsibility of DHCD, the fund is distinct and separate from DHCD's operating budget. Beginning in FY 2011 funds from the Housing Production Trust Fund (UZO) will be shifted through intra-District transfer and counted in DHCD's gross operating budget.

Pursuant to HPTF enabling legislation, DHCD oversees the fund and established spending plans to use across a variety of housing programs administered by the Department. The Housing Act currently provides that funds from the HPTF be equally distributed to promote both affordable rental housing and homeownership opportunities. Forty percent of the funds must be used to support projects targeted to service households at 50% or less of the area median income and forty percent of the funds must be used to support projects targeted to service households at 30% or less of the area median income.

E. HOUSING AUTHORITY SUBSIDY (HY)

District of Columbia Housing Authority

Agency Operating Subsidy FY 2009 to FY 2012

(Dollars in Thousands)

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	30,983	25,103	22,823	4,000	0	4,000	-82.5%
Dedicated Taxes	0	0	0	0	0	0	0.0%
Special Purpose	0	0	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0	0	0.0%
Private Funds	0	0	0	0	0	0	0.0%
Intra-District	0	0	0	18,000	0	18,000	0.0%
GROSS FUNDS	30,983	25,103	22,823	22,000	0	22,000	-3.6%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Total Proposed FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0%

Background: District of Columbia Housing Authority

The District of Columbia Housing Authority (DCHA) is dedicated to enhancing the quality of life in the District of Columbia by providing and effectively managing affordable, subsidized housing, which is diverse, well-maintained, and aesthetically pleasing for those whose circumstances prevent them from competing in the general marketplace. DCHA seeks to achieve the highest and best use of that housing for people of low to moderate income through the promotion of economic development and self-sufficiency opportunities and the facilitation of other supportive services.

Public Housing has been owned and operated in the District of Columbia by various entities since 1934. DCHA is an independent separate legal instrument of the District government. Prior to FY 2006 the agency received no local District dollars. DCHA's budget was derived completely from federal grants.

In recent years, the District of Columbia Housing Authority has been directly affected by federal budget cutbacks. Continued reductions in federal public housing operating subsidies have jeopardized DCHA's ability to support its operations. Further, DCHA is facing deficits in its Housing Choice Voucher Program due to a substantial federal policy shift in the Department of Housing and Urban Development's (HUD) allocation of voucher funding.

The District created the Housing Authority Subsidy to mitigate the impact of these reductions on the level of services the authority provides.

FY 2012 Operating Subsidy Budget

The Mayor’s FY 2012 proposed local funds subsidy for DCHA is \$22,000,000. This figure represents a decrease of \$823,000 from the FY 2011 approved local subsidy of \$22,822,884.

An analysis of DCHA’s FY 2012 budget centers on the Housing Authority Subsidy. In FY 2011 DCHA had a total consolidated budget of \$289,856,838, from various federal sources, including Low Rent Operating Funds, Capital Funds, Housing Assistance Payments, and District funds. The only direct appropriation DCHA currently receives from the District is the Housing Authority Subsidy.

DCHA’S FY 2011 Sources and Uses

Sources

Low Rent Program	\$73,360,216
Housing Choice Program	161,565,251
Capital Fund Program	2,00,000
Local Government Program	25,737,257
Revenue – Other	37,288,927

Total Operating Revenues	\$299,951,651
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Uses

Administration	\$50,137,443
Tenant Services	1,927,034
Utilities	23,204,093
Maintenance	26,026,353
Security	7,555,804
General	5,700,606

Housing Assistance Payments	175,305,505
Total Operating Expenses	\$289,856,838

DCHA's FY 2009 - FY 2011 local subsidy and the Mayor's FY 2012 proposed local subsidy request along with Committee proposals are reflected and itemized in the following chart.

Housing Authority Subsidy

	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Comm. Var.	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Office of Public Safety	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$0	\$4,000,000	0
Housing Assistance Payments -500 families	\$7,084,000	\$7,084,000	\$7,084,000	\$7,084,000	\$0	\$7,084,000	0
Admin. Support -500 families	\$616,000	\$616,000	\$378,884	\$378,884	\$0	\$378,884	0.0
Local Rent Supplement Program	\$17,816,000	\$12,330,760	\$10,330,760	\$9,507,760	\$0	\$9,507,760	-7.9
Admin. Local Rent Supplement Program	\$1,467,000	\$1,072,240	\$1,029,240	\$1,029,240	\$0	\$1,029,240	0.0
Total	\$30,983,000	\$25,103,000	\$22,823,000	\$22,000,000	\$0	\$22,000,000	-3.6%

Local Funds Recommendation

Office of Public Safety

DCHA's Public Safety Force is a vital component of not only the city's public safety network, but also DCHA's property management function. In each fiscal year since FY 2007, due to significant reductions in federal funding, the District has provided \$4,000,000 in operating funds to sustain DCHA's public safety office. These monies are used to support the 60 FTE's the Office of Public Safety employs. **The Committee recommends a continuation of this funding in the important interest of public safety.**

Office of Public Safety FTE's

	Positions	Number of FTE's
	Sr. Police Officer	8
	Lieutenant	3
	Police Officer	10
	Sergeant	2
	Special Police Officer	34
	Chief	1
	Deputy Chief	1
	Police Investigator	1
Total		60

Housing Assistance Payments

Since FY 2006 approximately \$7,000,000 of the local subsidy each year has been used to provide housing assistance payments on behalf of approximately 500 families that were originally on the federal Housing Choice Voucher Program waiting list for years. Federal cutbacks put these families in jeopardy of never being housed under the voucher program so the City established local funding for these households to receive vouchers in the District.

The Committee supports the continuation of these payments.

	<u>FY 2011 Approved</u>	<u>Mayor's FY 2012 Proposed</u>	<u>Committee's FY 2012 Proposed</u>	Variance	Percent Growth FY11 Approved to FY12 Committee
Housing Assistance Payments -500 families	\$7,084,000	\$7,084,000	\$7,084,000	\$0	0.0%
Admin. Support -500 families	\$378,884	\$378,884	\$378,884	\$0	0.0%
Total	\$7,462,884	\$7,462,884	\$7,462,884	\$0	0.0%

Local Rent Supplement Program (LRSP)

The Local Rent Supplement Program (LRSP) was established to provide housing assistance to extremely low-income District residents, including those who are homeless and those in need of supportive services, such as elderly individuals or those with disabilities. It was intended to complement the Housing Choice Voucher Program (HCVP), which is funded by the federal government and administered by DCHA. Similar to the Housing Choice Voucher Program, the LRSP is designed so that households contribute thirty percent (30%) of their adjusted annual income toward the cost for housing.

The LRSP is divided into three basic components, a tenant-based portion, a project-based portion, and a sponsor-based portion. The tenant-based portion provides voucher subsidies

directly to families from DCHA’s waiting list. The project-based program consists of housing assistance allocated by contract to units in a particular building owned, operated or leased by a private or non-profit housing provider. The sponsor-based program is housing assistance allocated by contract to a particular private or non-profit housing provider who owns, leases or operates housing units. Housing providers in many cases also provide supportive services to target populations. The LRSP has thus been utilized as itemized on the chart below.

The LRSP has thus been utilized as itemized on the chart below.

	<u>FY 2011</u> Approved	<u>Mayor’s</u> <u>FY 2012</u> Proposed	<u>Committee’s</u> <u>FY 2012</u> Proposed	Variance	Percent Growth FY11 Approved to FY12 Committee
Local Rent Supplement Program	\$10,330,760	\$9,507,760	\$9,507,760	\$0	0.0%
Admin. Local Rent Supplement Program	\$1,029,240	\$1,029,240	\$1,029,240	\$0	0.0%
Total	\$11,360,000	\$10,537,000	\$10,537,000	\$0	-7.2%

The FY 2009 approved budget provided \$19,292,000 in funding for the LRSP which is considered full funding for this activity. Beginning in FY 2010 and going forward each proposed budget represented a large decrease in this critical funding, forcing DHCA to use existing reserves to make the budget whole. The approved budget for the FY 2008 included an \$800,000 increase. This increase was in anticipation of 3% inflationary costs in the private rental market. The FY 2009 budget incorporated neither this modest cost of living increase nor an increase in funding to serve more at risk households. It is the Committee’s opinion that the District is in a housing crisis, consequently keeping the status quo falls woefully short of what is necessary to address the crisis in a way that will truly make a difference to those who desperately need affordable housing.

The Mayor’s FY 2012 proposal for the Housing Authority Subsidy continues the funding scenario that started in FY 2010. For FY 2012 the proposal represents an even deeper cut from what would be considered “full funding” to keep the program at FY 2009 levels, without adjusting for increases in the cost of living. The proposed FY 2012 proposal represents a \$6.923 million decrease compared to FY 2009 levels and an \$823,000 decrease from FY 2011. As in FY 2011 the funding cut in the subsidy is proposed to be offset by DCHA using unspent carryover balances from previous years to cover this budget gap. In FY 2012 DCHA will exhaust its remaining reserves of \$13.06 million and may actually run a \$3.6 million deficit for the program. This will remove the ability of DHCA to move forward with making any new project based awards in FY 2012 and it leaves no resources to backfill unfunded inflationary increases. In addition this proposed budget mandates that DCHA not award any new local vouchers going forward and allow expiring local vouchers to remain unfilled.

According to DCHA, following their recent recertification/reapplication efforts, the number of unduplicated District households that have applied to one or more housing assistance programs and have been placed on the waiting list stands at the staggering number of more than 38,000 households. “Households” may be defined as individuals or heads of families. This means that the number of individuals waiting for housing assistance may be somewhere closer to 60,000.

The Local Rent Supplement Program was intended to fulfill one of the recommendations of the Comprehensive Housing Strategy Task Force by providing housing assistance to approximately 1,000 previously un-served District households per year. In order to do so, both continuing funding to sustain the current programming and at least \$15,000,000 in new funding must be budgeted annually. The proposed subsidy for FY 2012 marks another year where no progress will be made. In reality we are somewhere in the neighborhood of \$60,000,000 and 4,000 families behind the goals of the Comprehensive Housing Strategy Task Force.

It is important to note here that under the current level of funding the DCHA is only able to provide continued funding for approximately 650 local vouchers under the tenant based portion of the LRSP, no new vouchers will be created and the waiting list will not shrink. DCHA will not be able to offer any funding opportunities under the project/sponsor based portion of the program in FY 2012. The program for the first time will actually begin to contract. Affordable housing producers have lauded the program as an effective tool that allowed them to marry operating dollars with bricks and mortar funding typically derived from DHCD. These awards also allow the providers to leverage more private dollars to increase the amount of units they ultimately bring online and the amount and level of supportive services attached to those units.

The Committee notes that reducing the local DCHA subsidy amount and allowing the program to shrink, is not compatible with eliminating the waiting list or producing more subsidized affordable housing units. Cutting the funding goes directly against any and all efforts to preserve and produce affordable housing. The Committee recommends increasing the subsidy to a level that will truly have a dramatic impact on the housing crisis in the District.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approving the District of Columbia Housing Authority FY 2012 proposed local funds subsidy of \$22,000,000.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

DCHA does not receive any direct capital appropriations in the budget. DCHA regularly partners with DHCD for District support on redevelopment activities.

F. HOUSING FINANCE AGENCY (HF)

FY 2012 Operating Budget

For FY 2012 HFA is proposing a gross operating budget of \$8,884,000. The proposed budget is a decrease of \$455,000, or -4.9%, under the FY 2011 approved budget of \$9,339,000. This budget supports no full time equivalent employee levels (“FTEs”) because HFA employees do not come under the District’s merit personnel system. Although not categorized as FTEs, the HFA operating budget supports 45 funded positions.

DC Housing Finance Agency
 Agency Operating Budget FY 2010 to FY 2012
 (Dollars in Thousands)

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type		FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds		0	0	0	0	0	0.0%
Dedicated Taxes		0	0	0	0	0	0.0%
Special Purpose		8,894	9,339	8,884	0	8,884	-4.9%
Federal Funds		0	0	0	0	0	0.0%
Private Funds		0	0	0	0	0	0.0%
Intra-District		0	0	0	0	0	0.0%
GROSS FUNDS		8,894	9,339	8,884	0	8,884	-4.9%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY10 Approved to FY11 Committee
Total FTEs	0.0¹	0.0	0.0	0.0	0.0	0.0	0.0%

Background: DC Housing Finance Agency

The District of Columbia Housing Finance Agency (“HFA”) was established in 1979 by the District of Columbia Housing Finance Agency Act² to assist in the production of housing for low and moderate income families in the District of Columbia. The HFA accomplishes its mission primarily by issuing tax-exempt mortgage revenue bonds, which lower the cost of financing single family home purchases and the cost of developing multi-unit rental housing.

¹ As an independent instrumentality of the District, the HFA is not subject to FTE authorization.

² D.C. Law 2-135; D.C. Official Code § 42-2701.01 et seq.

The Housing Finance Agency is an independent instrumentality of the government of the District of Columbia and is governed by a Board of Directors.

The HFA does not receive District funding to support its programs or operations. The HFA supports its operations and lending programs through a variety of revenue streams, including issuance of tax-exempt mortgage revenue bonds, earned income, fees, and grants. Because of this, and pursuant to sections 446 and 490(g)(3) of the Home Rule Act, the budget of the Housing Finance Agency is not subject to congressional authorization. The budget of the Agency, however, is subject to Council review and inclusion in the Budget Book.

2. COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the proposed FY 2012 operating budget of \$8,884,000 for the DC Housing Finance Agency. This operating budget is comprised entirely of Other or Special Purpose Revenue funding. The Committee supports HFA's budget and commends the agency on its strong efforts to maintain and create housing opportunities in the District for low-income and moderate income households.

b. FY 2012 Capital Budget

The HFA does not receive capital funds from the District of Columbia.

G. DEPARTMENT OF EMPLOYMENT SERVICES

FY 2012 Operating Budget

The Mayor's proposed FY 2012 operating budget is \$126,071,129 and 617.8 FTEs. This is an increase of \$4,382,566 from the FY 2011 approved budget.

Department of Employment Services
 Agency Operating Budget FY 2009 to FY 2012
 (Dollars in Thousands)

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY10 Approved to FY11 Committee
Local Funds	68,652	50,980	38,159	40,654	0	40,654	6.5%
Dedicated Taxes	0	0	0	0	0	0	0.0%
Special Purpose	28,287	27,903	36,246	29,981	0	29,981	-17.3%
Federal Funds	27,874	37,845	45,911	54,052	0	54,052	17.7%
Private Funds	0	0	80	0	0	0	0.00%
Intra-District	39	4,421	1,293	1,293	0	1,305	0.9%
GROSS FUNDS	124,853	121,149	121,689	126,071	0	126,071	3.6%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	89.5	79.3	64.6	80.8	0.0	80.8	25.0%
Dedicated Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Special Purpose	168.9	167.8	186.4	157.5	0.0	157.5	-15.5%
Federal Funds	213.0	218.4	361.6	378.3	0.0	378.3	25.0%
Private Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	2.3	0.0	1.3	1.3	0.0	1.3	0.0%
GROSS FUNDS	473.8	465.5	613.9	617.8	0.0	617.8	0.6%

Background: Department of Employment Services

The Department of Employment Services (DOES) fosters and promotes the welfare of job seekers and wage earners by improving their working conditions, advancing opportunities for employment, helping employers find workers, and tracking changes in employment and other national economic measurements impacting the District of Columbia.

The Department of Employment Services provides District residents with job and life-skills training. It provides training through a combination of federal and local funding. In addition, the District of Columbia employs thousands of District youth through the Summer Youth Employment Program (SYEP). DOES' other primary responsibility is to provide employment-related services for unemployed or underemployed persons, and it provides worker protection and dispute resolution services for workers and employers.

The stated objectives for DOES are to: (1) Foster the development of a prepared workforce by providing comprehensive workforce development services and offering access to user-friendly business, labor market, and training information; (2) Provide more efficient, effective, and convenient unemployment compensation services to claimants receiving unemployment compensation benefits; (3) Provide a more efficient, effective, and improved system to prevent workers from being exposed to unsafe working environments and from falling beneath an unacceptable income level at times of unemployment due to injury/illness; and (4) Develop/transform to an organizational culture dedicated to meeting the customer/community's expectations and needs while meeting the agency's various statutory program mandates.

Federal funding, by source, is as follows:
(Dollars in Thousands)

FEDERAL FUNDING BY SOURCE			
Source	Mayor's FY 2012 Proposed	Committee Recommendation FY 2012	Variance between FY 10 Proposed and Committee Recommendation
Ces/Lmi	153	153	0
Laus/Lmi	123	123	0
Oes/Lmi	321	321	0
Es-202 Report	322	322	0
Mass Layoff Statistics	65	65	0
Alien Labor Certification	230	230	0
Work Opportunities Tax Credit	101	101	0
Local Veteran's Employment Assistance	426	426	0
Disabled Veteran's Opportunity Program	481	481	0
Employment Services Program	4,290	4,290	0
Extended Unemployment Compensation	925	925	0
Unemployment Compensation Fund	3,934	3,934	
Unemployment Insurance	15,529	15,529	-8.6
One Stop-Lmi Grant	44	44	0
One Stop Lmi	326	326	
One Stop Lmi Program	100	100	
OSHA	538	538	0
SCSEP	673	673	0
Reed Act Grant	2,015	2,015	0
WIA Adult Program	4,685	4,685	0
Dislocated Program Rapid Response	3,737	3,737	0
WIA Dislocated Worker Program	751	751	0
WIA Dislocated	250	250	0

Program			
UI Modernization Stimulus	11,000	11,000	0
WIA Youth-Out of School	230	230	0
WIA Youth Program	3,074	3,074	0
Total	54,052	54,052	0

FY 2012 Capital Budget

Owner Agency	Project No	Project Title	Impl Agency	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	6-yr Total
CF0 - DEPARTMENT OF EMPLOYMENT SERVICES	UIM02C	UI MODERNIZATION PROJECT-FEDERAL	CF0	0.00	0.00	12,000,000.00	6,000,000.00	0.00	0.00	18,000,000.00
CF0 - DEPARTMENT OF EMPLOYMENT SERVICES Total				0.00	0.00	12,000,000.00	6,000,000.00	0.00	0.00	18,000,000.00

DOES is requesting budget authority in the amount of \$18,000,000 for UIMO2, the Unemployment Modernization Project. The project is focused on developing and deploying a fully integrated electronic Unemployment Benefits and Tax system. All systems within Unemployment Insurance will be integrated including the Document Imaging System and ACD/IVR system. The project is currently in the development of a scope of work phase. Budget authority is for the full estimated funding cost is being requested in FY although the six year plan shows that actual expenditures will not occur until FY 2014 and FY 2015.

COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the proposed Department of Employment Services FY 2012 operating budget of \$126,071,129 with the following change:

1. A decrease of \$555,000 in local funds within activity (4820) Summer Youth Employment Program, of these funds a \$555,000 transfer to activity (4810) Year Round Youth Program.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

There Committee recommends approval of the proposed Department of Employment Services capital budget for FY 2012-2017, which consists of a request for \$18,000,000 in budget authority for the UI Modernization Project.

c. Fiscal Year 2012 Policy Recommendations

1. Fiscal Year 2012 Performance Measure Recommendations

For FY 2012, the Committee recommends the following additions to the DOES Workforce Development FY 2012 performance objectives:

- Number of year round youth employment participants referred to year round employment;
- Number of year round youth employment participants completing a year-long employment program;
- Number of project empowerment participants placed in subsidized employment;
- Number of project empowerment participants placed in unsubsidized employment;
- Number of project empowerment participants who transitioned from subsidized employment to unsubsidized employment;
- Percentage of adult participants who have completed a workforce development training program and have successfully been placed in a job related to the training within three months of completion;
- Percentage of adult participants who have completed a workforce development training program, have successfully been placed in a job related to the training, and have retained that job for six months;
- Percentage of adult participants who have completed a workforce development training program, have successfully been placed in a job related to the training, and have retained that job for 12 months; and
- Percentage of adult participants who have completed a workforce development training program and have successfully been placed in a job related to the training that pays a wage equal to or higher than the District Living Wage rate.

H. OFFICE OF EX-OFFENDER AFFAIRS

Office of Ex-Offender Affairs
 Agency Operating Budget FY 2009 to FY 2012
 (Dollars in Thousands)

Fiscal Year 2012 Operating Budget, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	183	582	247	264	0	264	17.0%
Dedicated Taxes	0	0	0	0	0	0	0.0%
Special Purpose	0	0	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0	0	0.0%
Private Funds	0	0	0	0	0	0	0.0%
Intra-District	0	0	0	0	0	0	%
GROSS FUNDS	183	582	247	264	0	264	17.0%

Fiscal Year 2012 Full-Time Equivalents, By Revenue Type							
Fund Type	FY 2009 Actual	FY 2010 Actual	FY 2011 Approved	FY 2012 Mayor	Committee Variance	FY 2012 Committee	Percent Growth FY11 Approved to FY12 Committee
Local Funds	1.9	2.7	3.0	2.0	0.0	2.0	0.0%
Dedicated Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Special Purpose	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Private Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Intra-District	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
GROSS FUNDS	0.0	1.9	2.0	2.0	0.0	2.0	0.0%

Background: Office of Ex-Offender Affairs

The Office of Ex-Offender Affairs (OEOA) in past years was a component of the Office of Community Affairs, which has an overall mission to meet the needs of the residents of the District of Columbia, and to engage the District's diverse communities in civic life. The entire Office of Community Affairs will move into the Executive Office of the Mayor for FY 2012.

The mission of the Office of Ex-Offender Affairs is to advocate, empower and improve the overall quality of life of incarcerated and previously incarcerated District residents and their families by providing services, resources and useful information that supports successful reintegration with family and community. This is a very important and difficult function. The stated objectives of the office far ranging and targeted to the needs for this community:

- **OBJECTIVE 1:** Serve as the primary point of contact for incarcerated and previously incarcerated residents returning to the District of Columbia (D.C. Jail, Federal Bureau of Prisons, half-way houses, supervised and un-supervised) and to provide services and linkages to service providers in the critical reentry areas of: employment, education and training, health, mental health and housing.
- **OBJECTIVE 2:** Expand reentry service options in order to meet the high volume of returning District residents seeking assistance.
- **OBJECTIVE 3:** Improve and enhance reentry support services in the non-profit sector by providing technical assistance and information on local and national best practices and evidenced-based practices to community and faith-based organizations supporting returning residents.
- **OBJECTIVE 4:** Create a network of affordable housing providers who are receptive to housing returning residents in lieu of credit rating (or lack thereof) and criminal record.
- **OBJECTIVE 5:** Develop Reentry Service Provider Network:

There are approximately 3,500 residents returning from the Federal Bureau of Prisons annually. Another 19,000-20,000 residents cycle in and out of the D.C. Jail annually. The Office is in dire need of more resources to meet the needs of this community.

COMMITTEE RECOMMENDATIONS

a. Fiscal Year 2012 Operating Budget Recommendations

The Committee recommends approval of the Office of Ex-Offender Affairs FY 2012 budget of \$264,000.

b. Fiscal Year 2012-2017 Capital Budget Recommendations

There is no capital funds request for the Office of Ex-Offender Affairs for FY 2012.

III. FISCAL YEAR 2012 BUDGET REQUEST ACT APPROPRIATION LANGUAGE RECOMMENDATIONS

Title III, Economic Development and Regulation, Paragraph (7), Page 9, is amended by adding the following phrase at the end:

“provided further, that \$1,024,437, shall be transferred to the Office of Administrative Hearings for hearing appeals related to unemployment insurance benefits;”

Committee Reasoning:

The responsibility for disposing of unemployment compensation appeals hearings lies with the Office of Administrative Hearings (initial claims originate within the Department of Employment Services). The necessary funding to support this activity must be made available to OAH through and intra-district transfer.

IV. FISCAL YEAR 2012 BUDGET SUPPORT ACT RECOMMENDATIONS

A. RECOMMENDATIONS ON BUDGET SUPPORT ACT SUBTITLES PROPOSED BY THE MAYOR

On April 1, 2011, Chairman Brown introduced, at the request of the Mayor, Bill 19-203, the Fiscal Year 2012 Budget Support Act of 2011. Several subtitles within Bill 19-203 were referred to the Committee on Housing and Workforce Development:

- a. Title II, Subtitle A. Rental Unit Fee Clarification
- b. Title II, Subtitle D. Rent Supplement Prioritization and Funding

I. SUBTITLES REFERRED TO THE COMMITTEE

a. Title II, Subtitle A. Rental Unit Fee Clarification

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to clarify that each housing provider required to register under the relevant chapter, including those otherwise exempt from rental control and registration pursuant to the Rental Housing Act of 1985, shall pay a fee of \$21.50 for each rental unit in a housing accommodation registered by the housing provider. The fee shall be paid annually to the District government at the time the housing provider applies for a basic business license or a renewal of the basic business license; or in the case of a housing accommodation for which no basic business license is required, at the time and in the manner the Commission may determine.

Committee Reasoning:

The subtitle clarifies when the required fees must be paid by the housing providers who are subject to this provision.

Legislative Recommendations for the Committee of the Whole:

The Committee recommends that Title II, Subtitle A, the Rental Unit Fee Clarification be adopted in the following format which corrects various technical and drafting errors:

SUBTITLE A. RENTAL UNIT FEE CLARIFICATION

Sec. 201. Short title.

This subtitle may be cited as the “Housing Business License Rental Unit Fee Clarification Amendment Act of 2011”.

Sec. 202. Section 401(a) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3504.01(a)) is amended as follows:

- (a) Strike the phrase “a business license” and insert the phrase “a basic business license” in its place.
- (b) Strike the phrase “the license” and insert the phrase “the basic business license” in its place.
- (c) Strike the phrase “no license” and insert the phrase “no basic business license” in its place.
- (d) Strike the last sentence and insert the sentence “The fees shall be deposited in the fund established pursuant to section 1(b) of An Act to provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, approved April 14, 1906 (34 Stat. 114; D.C. Official Code § 42-3131.01(b)).” in its place.

b. Title II, Subtitle D. Rent Supplement Prioritization and Funding

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to amend the District of Columbia Housing Authority Act of 1999, to provide that there shall be no new vouchers issued under the Local Rent Supplement Program tenant-based program or District of Columbia Local program as existing voucher holders leave the program through attrition; provide that the DC Housing Authority shall fill no less than 175 units in new or existing Local Rent Supplement Program project or sponsor-based units with Housing First program participants referred to their programs by the Department of Human Services; and to transfer an amount not the exceed \$18 million of the funds deposited into the Housing Production Trust Fund to the Rental Assistance Support and Local Rent

Supplement Fund, for existing project-based, sponsor-based assistance, and tenant-based assistance, under the Rent Supplement Program.

Committee Reasoning:

This subtitle includes radical policy shifts related to funding and the scope of the Local Rent Supplement Program (LRSP) that ultimately shrink the LRSP and create a devastating ripple effect in nearly all of the District's affordable housing programs. The Committee maintains that shifting \$18,000,000 from the Housing Production Trust Fund to cover the continuing costs of the LRSP, forcing 175 housing first families onto project and sponsor based providers and prohibiting any new local housing vouchers from being issued, sounds an alarm that the very future of the LRSP is in grave jeopardy. The Committee has taken other steps in its budget recommendations to do its best to mitigate these negative effects. The Committee is acutely aware of the difficult budget reality facing the District. It is for that reason the Committee is willing to consider some of the proposed changes as short budget fixes, with the intention of opening broad and transparent public discussion about the proposed policy changes.

Legislative Recommendations for the Committee of the Whole:

The Committee recommends that Title II, D. the Rent Supplement Prioritization and Funding be adopted as follows:

SUBTITLE D. RENT SUPPLEMENT PRIORITIZATION AND FUNDING

Sec. 231. Short title.

This subtitle may be cited as the "Rent Supplement Prioritization and Funding Act of 2011".

Sec. 232. The District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-226) is amended as follows:

(a) A new section (e) is added to read as follows:

“(e) The Authority shall fill no less than 175 units in new or existing Rent Supplement Program project or sponsor-based units with Housing First program participants. The District of Columbia Housing Authority shall mandate that providers of project- or sponsor-based housing under the local rent supplement program must create a preference and house families and individuals referred to their programs by the Department of Human Services.”

Sec. 233. Section 3(b) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2802(b)), is amended by adding a new paragraph 12 to read as follows:

“(12)(A) For Fiscal Year 2012, the Mayor may transfer an amount not to exceed \$18 million of the funds deposited into the Fund as of September 30, 2011, to the Rental Assistance Support and Rent Supplement Fund, as established in section 26a of the District of Columbia Housing Authority Act of 1999, effective May 9, 2000 (D.C. Law 13-105; D.C. Official Code § 6-226) (“Authority Act”), towards existing project-based and sponsor-based voucher assistance, as described in section 26b of the Authority Act, tenant-based assistance, as described in section 26c of the Authority Act, and capital-based assistance, as described in section 26d of the Authority Act, awarded under the Rent Supplement Program.

“(B) None of the funds transferred to the Rental Assistance Support and Rent Supplement Fund pursuant to subparagraph (A) of this paragraph shall be used for administrative fees.”

B. RECOMMENDATIONS FOR NEW BUDGET SUPPORT ACT SUBTITLES

The Committee on Housing and Workforce Development recommends the following new subtitles to be added to the “Fiscal Year 2012 Budget Support Act of 2011” to the Committee of the Whole:

- 1) Housing Production Trust Fund Enhancement Act of 2011
- 2) Affordable Housing Annual Reporting Amendment Act of 2011
- 3) Comprehensive Housing Strategy Amendment Act of 2011
- 4) Summer Youth Employment Compensation Amendment Act of 2011

1) Housing Production Trust Fund Enhancement Act of 2011

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to direct a one-time payment consisting of a minimum of the first \$10,000,000 of newly certified Fiscal Year 2012 revenue that exceeds the annual

revenue estimates incorporated in the approved Fiscal Year 2012 budget and financial plan to the Housing Production Trust Fund.

Committee Reasoning:

The budget challenges facing the city saw many proposed cuts to housing and safety net programs. One of the largest cuts came in the form of a transfer of \$18,000,000 from the Housing Production Trust Fund (HPTF) to the DC Housing Authority to backfill a corresponding cut to the Local Rent Supplement Program. The HPTF is the main funding source for affordable housing development financing provided by the Department of Housing and Community Development. The funding stream for the HPTF is 15% of the deed recordation and transfer taxes. The sustained economic downturn has left the HPTF depleted, DHCD has been unable to release a general affordable housing RFP since 2008. There are currently 30 projects in DHCD's project pipeline waiting to be funded. Even with this infusion, the development pipeline will still be oversubscribed but this action will allow many projects to be cleared from the pipeline. **The Committee recommends adoption of this proposed subtitle.**

Section-by-Section Analysis:

Sec. 1. Short Title

Sec. 2. Directs \$10,000,000 in newly certified Fiscal Year 2012 revenue to be deposited into the Housing Production Trust Fund.

Legislative Recommendations for the Committee of the Whole:

Long Title: To direct that the first \$10,000,000 of newly certified Fiscal Year 2012 revenue be deposited into the Housing Production Trust Fund.

Subtitle X. Housing Production Trust Fund Enhancement Act of 2011

Sec. XX01. Short Title

This subtitle may be cited as the "Housing Production Trust Fund Enhancement Act of 2011".

Sec. XX02. If the Chief Financial Officer of the District of Columbia certifies, through a revised quarterly revenue estimate for fiscal year 2012, that local funds exceed the annual revenue estimates incorporated in the approved Fiscal Year 2012 budget and financial plan, a minimum of the first \$10,000,000 shall be deposited in the Housing Production Trust Fund.

2) Affordable Housing Annual Reporting Amendment Act of 2011

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to amend the Housing Production Trust Fund Act of 1988 to change the submission date to the Council of the required annual Housing Production Trust Fund Report, to allow the Department of Housing and Community Development adequate time to receive certified year end expenditures related to its functions to include in the report.

Committee Reasoning:

The Committee wishes to receive data on actual spending related to the affordable housing activities funded by DHCD. The annual Housing Production Trust Fund Report is currently required to be submitted to the Council 60 days after the close of each fiscal year. The report is routinely delayed because the 4th quarter numbers and the certified annual audited expenditures are not released until February of each year. Tying the submission to a date certain, after the release of the CAFR and on or near the same date as the release of the budget, makes more sense than the close of the fiscal year. The new submission date will give DHCD adequate time to prepare and submit certified financial information that is vital the Council's budget deliberations. **The Committee recommends adoption of this proposed subtitle.**

Section-by-Section Analysis:

Sec. 1. Short Title

Sec. 2. Changes the annual submission date of the annual Housing Production Trust Fund Report to April 1st.

Legislative Recommendations for the Committee of the Whole:

Long Title: to amend the Housing Production Trust Fund Act of 1988 to change the submission date of the annual report to the Council,

Subtitle X. Affordable Housing Annual Reporting Amendment Act of 2011

Sec. XX01. Short title.

This subtitle may be cited as the “Affordable Housing Annual Reporting Amendment Act of 2011”.

Sec. XX02. Section 4a of the Housing Production Trust Fund Act of 1988, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-2803.01) is amended by striking the phrase “Within 60 days after the end” and inserting the phrase “No later than April 1st” in its place.

3) Comprehensive Housing Strategy Amendment Act of 2011

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to amend the Comprehensive Housing Strategy Act of 2003 is to direct the Mayor to submit to the Council for approval a Comprehensive housing Strategy.

Committee Reasoning:

The Comprehensive Housing Strategy Act of 2003 currently directs the Mayor to appoint a task force to update the Comprehensive Housing Strategy no later than five years after the Task Force presents a Comprehensive Housing Strategy to the Council. This report was presented the Council in 2006. The original report provided a wealth of information and many valuable policy suggestions, including the framework for the Local Rent Supplement Program. One area lacking in the enabling legislation was the lack of a provision providing for the adoption of a Comprehensive Housing Strategy to serve as a guide for the District's affordable housing policy. Despite repeated calls by the Council during the previous administration, the Executive has never adopted a Comprehensive Housing Strategy. In light of the many proposed cuts and radical policy changes included in the FY12 proposed budget to housing and safety net programs, now is the time to put in place this framework to guide our future actions and maximize the effect of our current offerings. One of the largest cuts came in the form of a transfer of \$18,000,000 from the Housing Production Trust Fund (HPTF) to the DC Housing Authority to backfill a corresponding cut to the Local Rent Supplement Program. The HPTF is the main funding source for affordable housing development financing provided by the Department of Housing and Community Development. As it stands, this cut will be carried forth into the out years in order to satisfy the requirements of the financial plan. This will have a devastating ripple effect over all the District's affordable housing funding activities. It has already created uncertainty among affordable housing developers related to long term planning of projects. It is this type of situation that makes updating and adopting a Comprehensive Housing Strategy and urgent necessity. **The Committee recommends adoption of this proposed subtitle.**

Section-by-Section Analysis:

Sec. 1. Short Title

Sec. 2. Amends the Comprehensive Housing Strategy Act of 2003 to direct the Mayor to submit to the Council for approval a comprehensive housing strategy.

Legislative Recommendations for the Committee of the Whole:

Long Title: to direct the Mayor to submit to the Council for approval a Comprehensive housing Strategy,

Subtitle X. Comprehensive Housing Strategy Amendment Act of 2011

Sec. XX01. Short Title

This subtitle may be cited as the "Comprehensive Housing Strategy Amendment Act of 2011".

Sec. XX02. Section 6 of the Comprehensive Housing Strategy Act of 2003, effective March 10, 2004, (D.C. Law 15-73; DC Official Code § 6-1045) is amended by adding a new subsection "(c)" that reads:

“(c)(1) No later than 120 days after the effective date of this act, the Mayor shall submit to the Council for approval a Comprehensive Housing Strategy of the District of Columbia.

(2) The Mayor shall consider the updated recommendations of the Task Force required by subsection (b) of this section and address the criteria set forth in Section 3(c) of this act when formulating the Comprehensive Strategy.

(3) The Mayor shall include budgetary analysis demonstrating how the Comprehensive Housing Strategy will impact the current and future financial plans, this shall include, but not limited to, analysis of the long term plan and impact on the District’s overall affordable housing programs of the annual use of \$18,000,000 from the Housing Production Trust Fund to support the Local Rent Supplement Program.

4) Summer Youth Employment Compensation Amendment Act of 2011

Purpose, Effect, and Impact on Existing Law:

The purpose of this subtitle is to amend the Youth Employment Act of 1979 to provide that Summer Youth Employment Program participants between the ages of 14-15 shall be paid a rate of \$5.25 an hour while participants between the ages of 16-21 will be paid a rate equal to the federal minimum wage.

Committee Reasoning:

This change will accomplish two goals. The first continues the effort already underway to make the Summer Youth Employment Program experience more like that of the working world that awaits our young people. The FY 2011 program is already slated to provide a more basic experience to the younger group of participants that will encompass basic job skills training and other general work readiness activities while the older youth will receive traditional job placements. This approach was put in place to recognize the need to make the program more value added as opposed simply occupying time. The pay differential will instill in our youth a more realistic expectation of what they will face entering the workforce for the first time. At the same time they will have a built in goal for advancement and an incentive to continue to participate in the program as they get older. The second portion of this change would direct the associated cost savings to the Year Round Youth program to mitigate current federal cuts and an additional federal cut expected to hit the program latter this year. **The Committee recommends adoption of this proposed subtitle.**

Section-by-Section Analysis:

Sec. 1. Short Title

Sec. 2. Amends the Youth Employment Act of 1979 to provide that Summer Youth Employment Program participants between the ages of 14-15 shall be paid a rate of \$5.25 an hour while participants between the ages of 16-21 will be paid a rate equal to the federal minimum wage.

Legislative Recommendations for the Committee of the Whole:

Long Title: to amend the Youth Employment Act of 1979 to provide that Summer Youth Employment Program participants between the ages of 14-15 shall be paid a rate of \$5.25 an hour while participants between the ages of 16-21 shall be paid a rate equal to the federal minimum wage,

Subtitle X. Summer Youth Employment Compensation

Sec. XX01. Short title.

This subtitle may be cited as the "Summer Youth Employment Compensation Amendment Act of 2011".

Sec. XX02. Section 2(a)(1) of the Youth Employment Act of 1979, effective January 5, 1980 (D.C. Law 3-46; D.C. Official Code § 32-241(a)(1)), is amended as follows:

Paragraph (1) is amended by striking the phrase “, at a rate equal to the federal minimum wage established by section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. § 206)” and inserting the phrase “Youth between the ages of 14-15 shall be compensated at the rate of \$5.25 an hour. Youth between the ages of 16-21 shall be compensated at a rate equal to the federal minimum wage rate established by section 6 of the Fair Labor Standards Act of 1938, approved June 25, 1938 (52 Stat. 1062; 29 U.S.C. § 206).”

V. COMMITTEE ACTION AND VOTE

On Thursday, May 12, 2011 in the Council Chambers (Room 500) of the John A. Wilson Building the Committee met to consider and vote on the Mayor's FY 2012 Budget Request for the agencies under its jurisdiction, the provisions of the FY 2012 Budget Support Act of 2011 referred to the Committee for comment, and the Committee's report. Chairperson Michael Brown determined the presence of a quorum consisting of himself and Councilmembers Graham, Mendelson, Thomas.

Fiscal Year 2012 Budget Request Act Recommendations

Members in favor: M. Brown, Graham, Mendelson, Thomas
Members opposed: None
Members voting present: None
Members absent: None

Fiscal Year 2012 Budget Support Act Recommendations

Members in favor: M. Brown, Graham, Mendelson, Thomas
Members opposed: None
Members voting present: None
Members absent: None

Fiscal Year 2012 Budget Report

Members in favor: M. Brown, Graham, Mendelson, Thomas
Members opposed: None
Members voting present: None
Members absent: None

VI. ATTACHMENTS

- A. April 12, 2011 Fiscal Year 2012 Budget Oversight Hearing Witness List and Testimony
 - 1. Office of Ex-Offender Affairs-Witness List
 - 2. Office of Ex-Offender Affairs-Executive Testimony
- B. April 21, 2011 Fiscal Year 2012 Budget Oversight Hearing Witness List and Testimony
 - 1. DOES-Witness List
 - 2. DOES-Executive Testimony
- C. May 3, 2011 Fiscal Year 2012 Budget Oversight Hearing Witness List and Testimony
 - 1. HFA-Witness List
 - 2. HFA-Executive Testimony
 - 3. DHCD-Witness List
 - 4. DHCD-Executive Testimony
 - 5. DCHA-Witness List
 - 6. DCHA-Executive Testimony

**Council of the District of Columbia
Committee on Housing and Workforce Development
Budget Oversight Hearing Witness List**

John A. Wilson Building 1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

Witness List

**COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
MICHAEL BROWN, CHAIRPERSON**

Fiscal Year 2012 Budget Oversight Hearing:

Office on Ex-Offender Affairs

**April 12, 2011-12:00 p.m.
John A. Wilson Building, Council Chamber-Room 500
1350 Pennsylvania Ave., N.W.
Washington, D.C. 20004**

- I. Public Witnesses
 - 1. Michael Sindram

- II. Government Witnesses
 - 1. Charles Thornton, Acting Executive Director, Office on Ex-Offender Affairs

Testimony of Charles B. Thornton, Director
Office of Ex-Offender Affairs
Before the Council of the District of Columbia
Committee on Housing and Workforce Development
Agency Budget Oversight Hearing
On the
Office of Ex -Offender Affairs
April 12, 2011

Good Morning Chairman Brown and Fellow Committee Members:

I am testifying before you today as the Director Designee of the Office of Ex-Offender Affairs (OEOA). As you are aware this office was created by Congress as part of the 1997 Revitalization Act and the subsequent closing of the Lorton Correctional Facility along with the transfer of District of Columbia Code violators into Bureau of Prison facilities (BOP) across the United States. Along with the OEOA, the OEOA Board of Directors and the Correction Information Council (CIC) were also established. This office and these Committees were established to ensure successful offender reentry, promote family reunification, and ensure BOP accountability towards rehabilitation of DC Code violator.

I am testifying before you today with a vision that includes service delivery to the more than 2,000 annual releases; increased discharge planning for Central Detention Facility (CDF) releases and Central Treatment Facility releases (CTF); treatment on demand for non-violent drug offenders; and an increase in services for hard-to-employ residents on probation and parole.

This vision stems from my successful reentry back into society after close to ten years of incarceration. The vision is rooted in the idea that having gone through the journey, the opportunity is ever present to create a scalable and effective model program that utilizes best practices, public and private collaborations, the faith community and many other community stake holders. All of these entities will be coordinated by the OEOA.

Since our last appearance before this body and building upon the work we began from day one and collaboration with our close community partners, we have been able to collaboratively began the process of designing and implementing a comprehensive reentry model that uses risk and need assessments to link our returning citizens to much needed services at each of the various stages of reentry, with the appropriate community service provider. In the coming Quarter, we anticipate having the capacity to provide a continuum of services as well as maintain close contact with both the program participants and service(s) providers to ensure successful service delivery and performance measurement tracking.

OEOA has initiated effective partnerships with local sister Municipal agencies and community based service providers to assist ex-offenders with issues surrounding substance abuse, homelessness, mental and physical health, unemployment, educational challenges, and family instability. One of the highlights of this approach has been our collaboration with the

Office of Public Education Facilities Modernization. In this capacity, we have been entrusted with the task of identifying qualified construction workers, both skilled and unskilled and journey tradesman for work on several upcoming school modernization projects beginning in Wards 7 and 8, and ultimately encompassing the entire city.

We have begun the arduous process of building a consumer "step" data base. This will allow us to quantify our services provision and track progress on a continuum. We anticipate this initiative being one of the most challenging we will undertake. We all recognize the importance of tracking consumers and in our case, this is ever more so given the often-transitory nature of our target population.

In closing, I would like to state that nothing could be timelier than to hold a budget hearing on OEOA. OEOA is currently weighing offers to partner with a community provider in the submission of a grant application in order to provide wider opportunities to our menu of services.

For example, I envision a program of skill specific trades offerings, which would allow us to offer a cadre of services that would replenish the Department of Employment Services' now defunct Transition Employment program, i.e., Project Empowerment.

Thank you for the opportunity to appear before you today and I look forward to any questions at this time.

Charles B. Thornton

**Council of the District of Columbia
Committee on Housing and Workforce Development
Budget Oversight Hearing - Witness List**

John A. Wilson Building 1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

Revised Witness List

**COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
MICHAEL BROWN, CHAIRPERSON**

Budget Oversight Hearing

Department of Employment Services

**Thursday, April 21, 2011 - 9:00 a.m.
John A. Wilson Building, Council Chamber, Room 120
1350 Pennsylvania Ave., N.W.
Washington, DC 20004**

Public Witnesses

Panel 1

1. Nathan Price, Chairman, DC Professionals Taxi Cab Drivers, Inc.
2. Jay Cooper, Policy Director, DC Campaign to Prevent Teen Pregnancy
3. Marina Streznewski, Coordinator, DC Jobs Council
4. Annette C Carroll, Resident
5. Debby Shore, Executive Director, of Sasha Bruce Youthwork

Panel 2

1. Elissa Silverman, DC Fiscal Policy Institute
2. Delese Harvey, Director, DC Metro Area Family Economic Security Programs and Advocacy
3. Celine Fejeran – Policy Analyst, DCAYC
4. Nicole Hanrahan – Chief Strategy Officer, LAYC
5. Tsehaye Habteselasie -- Senior Employment Development Specialist, Covenant House Washington

Panel 3

1. Barbara Kahlow, Board Member & Secretary, Dress for Success DC
2. Megan Goffney, Executive Director, Dress for Success DC
3. Jacqueline Byrd, Professional Women's Group member, Dress for Success DC
4. Rhonda Willingham, Founder & President, MenzFit

Panel 4

1. Anthony Metts, OneDC
2. Debra Edwards, OneDC
3. Janice Underwood, OneDC
4. Dewayne Brown, OneDC
5. Tammy Winslow, OneDC

Panel 5

1. Wayne Davis, Resident
2. Gable Barner, J & G Consultants
3. Gary Johnson Bey, CEO/ President, Project Focus, LLC
4. Michael Sindram, Disabled Veteran

Panel 6

1. Camille McKenzie, Columbia Heights-Shaw Family Support Collaborative
2. Patrick Joseph Tayman, Resident

Government Witness

1. Lisa Mallory, Interim Director, Department of Employment Services

DEPARTMENT OF EMPLOYMENT SERVICES

Proposed FY 2012 Budget Hearing



Testimony of Lisa María Mallory
Interim Director
Department of Employment Services

Vincent C. Gray
Mayor

COMMITTEE ON HOUSING & WORKFORCE DEVELOPMENT
Honorable Councilmember Michael A. Brown, Chairperson

April 21, 2011

9:00 am

Room 120
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004-3003

Proposed FY 2012 Budget Hearing
Committee on Housing & Workforce Development

Good morning Chairperson Brown and members of the Committee on Housing & Workforce Development. My name is Lisa Mallory, and I am the Interim Director of the Department of Employment Services (DOES).

I am pleased to be here today to testify on the FY 2012 Budget on behalf of DOES. Allow me to introduce Cyril Byron, the Associate Chief Financial Officer of the Economic Development and Regulation Cluster of the Office of the Chief Financial Officer and Curtis Lewis, our new Agency Fiscal Officer in the Office of the Chief Financial Officer. Both of these gentlemen have budget responsibility over DOES.

For those of you who don't know me, I was a federal government employee for over 20 years and led the District Government's Center for Innovation and Reform in 2004. I have been charged with leading large scale government transformations under former Vice President Al Gore, including reinventing the disability adjudication program at the Social Security Administration, and I am recognized as an expert in the areas of adult learning, human capital, stakeholder engagement, performance measurement, and domestic policy. At DOES, our focus will be on achieving business results, as well as employee and customer satisfaction, which I have done successfully at the federal, state, and local levels of government.

As this Committee and those who have testified today and in the past know, this agency has seen a lot of change over the years. The Mayor has stated that he wants to see a dramatic transformation of DOES to ensure we connect District residents to jobs during these critical economic times.

While there have been recent changes in leadership at the Department of Employment Services, we are continuing to move forward with the transformation. The work of DOES is vital to the economic health of the District of Columbia and fits perfectly with Mayor Gray's One City theme. In fact, it is one of his top four priorities.

Before we go much further, recognition must be afforded to the employees of the Department of Employment Services. And it almost goes without saying, without them and their dedication and commitment to the people we serve, there is no way any one of us could claim any measure of success. These hard-working employees are, for example, ensuring that residents get vital unemployment benefits, preparing people for jobs, running the programs that move people with barriers to employment into sustainable jobs, and supporting the agency through several major recent facility moves while doing their day-to-day work. I want to publicly

recognize and thank all the DOES employees for their efforts. There is a lot of hard work to come. United, as one DOES, however, we will accomplish our mission. I look forward to continuing to be a member of the DOES team as we move forward with the important work of transformation as One DOES – One City.

Improving Service While Ensuring Cost Savings

As many workforce development stakeholders are aware, both the federal Continuing Resolution and next year's Workforce Investment Act funds are subject to rescissions. We will begin to see the impact to DOES's adult, dislocated worker, and youth funds this year – in July, August, and September. It is expected that there will be a .02% cut to these federal funds in Program Year 2011 and a reduction in the state set-aside funds from 15% to 5%.

Despite these continuing local and federal budget pressures, I am pleased to report that DOES's FY 2012 proposed local budget reflects Mayor Gray's strong commitment to adult training and to developing a strategic workforce development system. Local investment in adult training will increase, for the first time in recent memory, by \$2.6 million in FY 2012. We are fully committed to using these additional resources judiciously.

In addition, DOES received federal stimulus funding to modernize the city's out-dated, unemployment compensation legacy computer system. This modernization is a multi-year project which will use federal stimulus funds first, before using precious local capital budget dollars in the out-years.

As part of the transformation of the agency, DOES continues to review all programs and develop enhanced operating procedures to ensure that our efforts are well aligned with the Mayor's vision and goals. Our 2012 budget will focus on ensuring that city-wide resources are leveraged to develop a strengthened strategic workforce development system that results in full employment for District residents.

Transformation includes rethinking the way we serve our customers. DOES will strengthen our partnerships with the other District Agencies such as the Office of the State Superintendent of Education, the Department of Corrections, the Office of Disability Rights, the Department of Human Services, the Department of Youth and Rehabilitative Services, the Office of Ex-Offender Affairs, the Community College of the District of Columbia – and our many workforce partners, to ensure graduates of our training programs are not only trained in high demand fields but also provided with coaching and other supportive services once they secure unsubsidized employment.

Transformation also means innovation. While the unemployment rate is showing the first signs of economic recovery, we know that full recovery is slow. And DC's unemployment rate is declining at a much slower pace than the national jobless rate, as well as that of other local jurisdictions. But we know that people – some with barriers to employment, and some without barriers, are still looking for work. Many have been looking since this recession started in 2008. For those with a criminal background, the job opportunities are even more limited. To

creatively address this difficult challenge, DOES will, for example, partner with District agencies and CBOs to provide access to entrepreneurial training programs and financial literacy skills. We already have interest in such a program from the Department of Small, Local and Disadvantaged Businesses and the DC Chamber of Commerce.

Through our research on best practices and benchmarking, we also discovered that the District of Columbia pays, in some instances, twice as much as our neighboring jurisdictions for the same training from the same providers. To that end, we have reduced by 50% the ceiling on individual training accounts thereby allowing us to double the number of customers we can serve.

Transformation means sticking to our core programs – but making them better. In this regard, we have already begun to transform the city’s Career Centers. DOES opened three new DC Works! Career Centers in the last few months, moving them from out-dated buildings in poor condition to new, state-of-the-art government-owned facilities. These relocations are near metro stations and in neighborhoods where our services are needed the most. I encourage you to visit a Career Center near you. We’ve changed the way the Centers look, significantly invested in new technology, and we’ve also fostered new relationships with District agencies and Community-based organizations so customers can access a full complement of much needed services.

Strategic Workforce Development

Developing a skilled workforce is vital to our city’s economic recovery, and the Mayor is committed to this short- and long-term goal. Increased investment in adult job training is even more critical now. I look forward to working with other DC agencies, including the Deputy Mayor for Planning & Economic Development, the Office of the State Superintendent for Education, the Deputy Mayor for Education, the University of the District of Columbia/Community College of the District of Columbia, and the Department of Disability Services – to name a few, and our many stakeholders to create and execute a sustainable, strategic workforce development program for the city.

The Department of Employment Services has experienced some significant challenges over the years, but I must tell you – we are now on the path to success. I am encouraged daily by the energy of the employees of the agency, and as Interim Director, I not only want to stabilize the agency in the short term, I also plan to work with staff at all levels to improve service to job seekers, employers, and stakeholders while ensuring that every federal and local dollar we receive is spent wisely.

On behalf of the DOES employees, I can tell you that we look forward to carrying out Mayor Gray’s vision and continuing to serve the residents of the District of Columbia.

Thank you again for this opportunity to testify. I look forward to answering your questions.

**Council of the District of Columbia
Committee on Housing and Workforce Development
Budget Oversight Hearing -Witness List**

John A. Wilson Building 1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

**Revised Witness List
COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
MICHAEL BROWN, CHAIRMAN**

Fiscal Year 2012 Budget Oversight Hearing:

DC Housing Finance Agency

**Tuesday, May 2, 2011-2:00 p.m.
John A. Wilson Building, Room 412
1350 Pennsylvania Ave., N.W.
Washington, D.C. 20004**

Public Witnesses

1. John R. McDermott, Founder/Advocacy Director, People for Fairness Coalition
2. Robert Warren, Outreach Director, People for Fairness Coalition
3. Anthony Davis, Assistant Director, People for Fairness Coalition
4. Judy Diaz, Executive Director-Neighbors Consejo

Agency Witness

1. Harry D. Sewell, Executive Director- DC Housing Finance Agency



Testimony of
Harry D. Sewell, Executive Director and CEO
District of Columbia Housing Finance Agency
Before
The Council of the District of Columbia
Committee on Housing and Workforce Development, the Honorable Michael A. Brown, Chair
FY 12 Budget Oversight Hearing
Tuesday, May 3, 2011 at 2 PM
Council Chambers, Room 412
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Washington, D.C. 20004

Good afternoon, Chairman Michael A. Brown and Members of the Committee on Housing and Workforce Development. I am Harry D. Sewell, Executive Director and CEO of the D.C Housing Finance Agency. On behalf of the Board of Directors and our staff, thank you for this opportunity to testify at this FY12 Budget Oversight Hearing for the Agency. Before I begin my remarks about the Housing Finance Agency's proposed budget, I wanted to discuss how the District's economic conditions have affected and continue to impact the Agency's business plan. In addition, I'll discuss how

the anticipated changes at the Federal level may impact the future of affordable housing finance in the District.

As you know, Washington, D.C. was not immune to the effects of the market collapse and real estate downturn in calendar years 2008 and 2009. Home values decreased, sales declined and there was a precipitous drop in multifamily starts. These effects, however, were not as severe as in other parts of the country and with the advent of the New Issue Bond Program, the District's multifamily market came back to life in 2010. Conditions have improved in the single family market as well. No matter what the national or local economic conditions, our focus remains the same: *to capitalize on our ability to execute multifamily transactions while seeking to grow our market share of the single family mortgage business in D.C.*

There are several large “transformative” projects either planned or underway in the District and we plan to be one of the funding sources to help implement the residential components of these projects. As an example, we are already involved in The Yards, having financed The Foundry Lofts, a 170 unit mixed-income apartment building and the first residential building at this 42 acre site. We are exploring how we can bring our multifamily financing expertise to the smaller 20 to 50 unit building types that are prevalent in the District but for whom stand alone bond issues are not the most efficient. On the single family side, we are actively seeking to partner with developers, employers, realtors and lenders who could use our mortgage product(s). We are also working with the District's Department of Housing and Community Development (DHCD) looking for ways to better couple our mortgage product(s) with HPAP, the city's down payment assistance program. We have also launched a citywide foreclosure prevention program in partnership with DOES, the Department of Employment Services. The aforementioned strategies give us several different avenues to continue our growth in the single family market.

The largest single unknown for us and HFAs nationally is the outcome of GSE reform and what role the government will have in the mortgage market either through Fannie Mae and Freddie Mac or some successor entities. We will continue to monitor reform efforts, along with federal

budget priorities, to see what impact they will have on our industry and make adjustments to our business plan accordingly.

As you know, the Housing Finance Agency is a corporate instrumentality with a legal existence separate from the Government of the District of Columbia. The Housing Finance Agency is entirely self supporting and none of the Agency's proposed budget funds will be derived from District Government revenues or utilize any District FTEs. The proposed budget for FY 12 is \$8,884,000 and is slightly lower than the Agency's approved FY 11 budget and will enable us to carry out our business plan objectives.

In conclusion, as we look towards the future, the Housing Finance Agency continues to seek new sources of low cost capital to use as gap financing for multifamily rental developments that request the Agency's tax exempt bonds and to support our single family mortgage program. In addition, we are examining the changes at the Federal level, including the modifications to Mortgage Backed Securities (MBS) market, HUD's goal of balancing rental and homeownership funding sources and the "wind down" of Fannie Mae and Freddie Mac. Finally, we will continue to strengthen our partnerships with our sister agencies, the Department of Housing and Community Development and the D.C. Housing Authority, to expand affordable housing opportunities across the District.

Mr. Chairman, this concludes my testimony and I welcome your questions at this time.

Council of the District of Columbia
Committee on Housing and Workforce Development
Budget Oversight Hearing -Witness List

John A. Wilson Building 1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

Revised Witness List
COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
MICHAEL BROWN, CHAIRPERSON

Fiscal Year 2012 Budget Oversight Hearing:

Department of Housing and Community Development

Tuesday, May 3, 2011-3:00 p.m.
John A. Wilson Building, Room 412
1350 Pennsylvania Ave., N.W.
Washington, D.C. 20004

Public Witnesses

Panel I

1. Jenny Reed, Policy Analyst, DC Fiscal Policy Institute
2. Bob Pohlman, Executive Director, Coalition for Nonprofit Housing and Economic Development
3. Danielle Burs, Policy Officer, CNHED
4. David Bowers, Enterprise Community Partners, Inc.

Panel II

1. Monica Warren-Jones, Director of Relationship Management, Enterprise Community Partners, Inc.
2. Blanche McLeod, Resident
3. Peg Hacskeylo, Executive Director, District Alliance for Safe Housing, Inc. (DASH)
4. Polly Donaldson, Executive Director, THC Affordable Housing, Inc.

Panel III

1. Craig Pascal, BB &T
2. Angela Franco, Greater Washington Hispanic Chamber of Commerce
3. Nicola Whiteman, AOBA
4. Tom Borger, Chairman, Borger Management

Panel IV

1. Nathan Saunders, President, Washington Teachers' Union
2. Christopher Gamblin, LEDC
3. Nancy Liebermann, President, Cornerstone, Inc.

4. Marilyn Kresky-Wolff, Executive Director
Open Arms Housing, Inc.
5. Open Arms Housing Resident

Panel V

1. Elbert Pair, 1035 48th St NE
2. Randy Green, 1417 N St NW
3. Faye Herbert, 930 Randolph St NW
4. Juanita McKenzie, 930 Randolph St NW

Panel VI

1. Manny Hidalgo, Executive Director, Latino Economic Development Corporation
2. Farah Fosse, Latino Economic Development Corp
3. Jose Antonio Gonzales, Resident
4. Denis Moroni, Brothers Restaurant
5. Senait Abebaw, Fasika's

Panel VII

1. Shiv Newaldass, Advocacy Coordinator, Manna, Inc.
2. Reverend Jim Dickerson, Founder, Manna, Inc.
3. Jamey Burden, Director of Housing Programs, Community of Hope, Inc.
4. Timothy A. Flanagan, Executive Director, Washington Area Community Investment Fund

Panel VIII

1. John R. McDermott, Founder/Advocacy Director
2. Robert Warren, Outreach Director
3. Anthony Davis, Assistant Director
4. Judy Diaz, Executive Director-Neighbors Consejo.

Panel IX

1. Kay Pierson, Executive Director, Partners for Green Creations
2. Mr. O.B. Black, Resident
3. Michael Sindram, Resident

Panel X

5. John R. McDermott, Founder/Advocacy Director, People for Fairness Coalition
6. Robert Warren, Outreach Director, People for Fairness Coalition
7. Anthony Davis, Assistant Director, People for Fairness Coalition
8. Judy Diaz, Executive Director-Neighbors Consejo

Agency Witness

1. John Hall, Acting Director, Department of Housing and Community Development

GOVERNMENT OF THE DISTRICT OF COLUMBIA



DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

TESTIMONY OF
JOHN E. HALL
ACTING DIRECTOR

BILL 19-202, "FISCAL YEAR 2012 BUDGET REQUEST ACT OF 2011"

Committee on Housing and Workforce Development
The Honorable Michael A. Brown, Chairman
Council of the District of Columbia

Tuesday, May 3, 2011

John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good afternoon Committee Chairman Brown and members of the Committee on Housing and Workforce Development. I am John E. Hall, Acting Director for the Department of Housing and Community Development (DHCD), and I am here to testify in support of Mayor Vincent C. Gray's Fiscal Year (FY) 2012 proposed operating budget for DHCD. I am joined by Robert L. Trent, Chief Administrative Officer; Andree Chan-Mann, Agency Fiscal Officer; and Christopher Earley, Development Finance Division Manager.

I. ORGANIZATION/PROGRAMS

As you may know, DHCD's mission is to create and preserve opportunities for affordable housing and economic development and to revitalize underserved communities in the District of Columbia.

DHCD focuses on three strategic objectives: (1) preserving and increasing the supply of quality affordable housing; (2) increasing homeownership opportunities; and (3) revitalizing neighborhoods by promoting community development and providing economic opportunities.

II. FY 2012 BUDGET REQUEST

DHCD joins the Mayor in requesting approval of the proposed operating budget for FY 2012. DHCD's FY 2012 budget, as presented in the budget book, is \$156 million. However, due to an adjustment in overall Federal resources, DHCD's adjusted budget for FY 2012 is \$144.3 million, which is a 10.8 percent increase over the approved FY 2011 budget of \$130.3 million (as reflected in Table 1). Because DHCD has spent Federal stimulus funding, which DHCD received under the American Recovery and Reinvestment Act of 2009, or ARRA, more quickly

than anticipated, the budget adjustment for FY 2012 is necessary. The revised numbers will be included in the Mayor’s forthcoming errata letter.

The increase in DHCD’s overall FY 2012 budget is due to an increase in revenue projections for the Housing Production Trust Fund and additional Federal funding. DHCD’s Full Time Equivalent (FTE) positions will increase to 146.5 for FY 2012, up from 140.1 in FY 2011. The increase in FTE’s can be attributed to the addition of 2.4 FTEs that are being shifted from capital to local funding. In addition, 4 FTEs have been added to support two new Federal grants that DHCD was awarded in FY 2011. This is an adjustment from what is presented in the budget book, and this change is included in the forthcoming errata letter as well.

During this budget cycle, DHCD is also adjusting salary and benefits across multiple programs so that administrative costs are appropriately absorbed across funding sources.

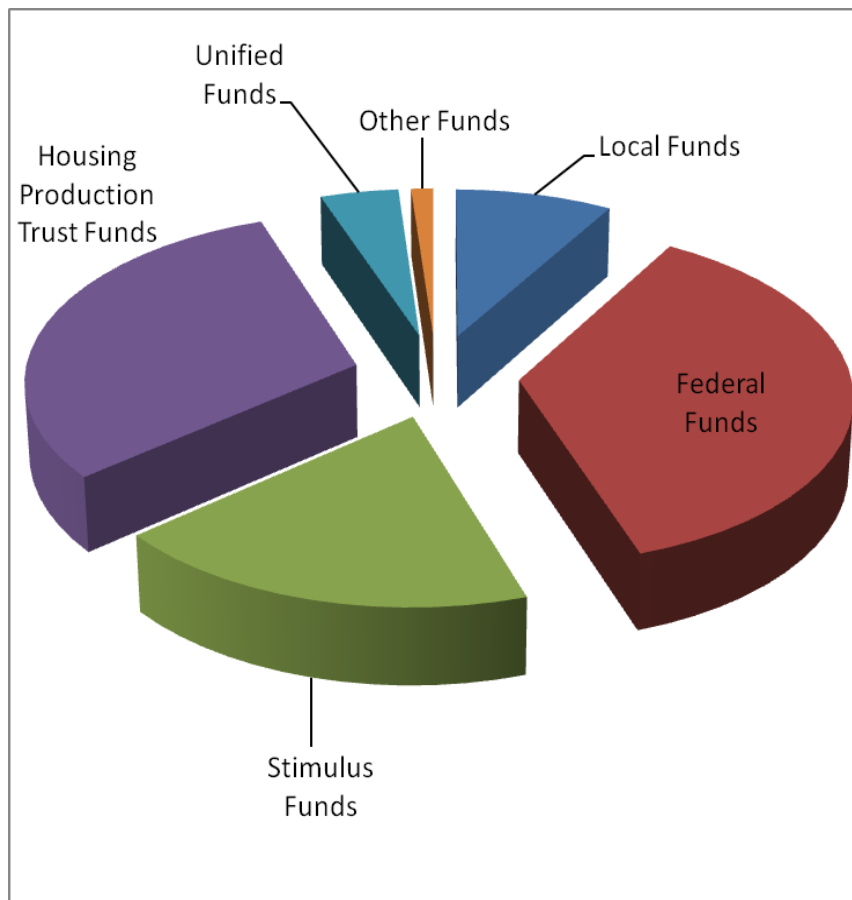
Table 1: FY 2012 Budget Request Overview (adjusted DB0)

Appropriated Fund	Approved FY 2011	Proposed FY 2012	Change From FY 2011	Percent Change*
<u>General Fund</u>				
<i>Local Funds</i>	10,538	12,221	1,683	16.0
<i>Special Purpose Revenue Funds</i>	8,337	7,798	-540	-6.5
Total for General Fund	18,876	20,019	1,143	6.1
<u>Federal Resources</u>				
<i>Federal Grant Funds</i>	83,635	79,934	-3,701	-4.4
Total for Federal Resources	83,635	79,934	-3,701	-4.4
<u>Intra-District Funds</u>				
<i>Intra-District Funds</i>	27,800	44,366	16,566	59.6
Total for Intra-District Funds	27,800	44,366	16,566	59.6

Gross Funds	130,311	144,319	14,008	10.8
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From an operation standpoint (as reflected in Table 2), DHCD’s budget is comprised of several revenue sources: local, Federal entitlement, Federal stimulus, Housing Production Trust Fund and Unified Fund. Thirty-seven percent (37%) of DHCD’s budget is from Federal entitlement grants, and 30.7 percent is from the Housing Production Trust Fund. Nineteen percent (19%) of the budget for FY 2012 is Federal stimulus funding, which is a temporary funding source. As mentioned earlier, stimulus funding, also referred to as ARRA funding, is part of President Obama’s recovery package. We anticipate spending most available stimulus funding in FY 2012, and a limited amount of this funding will be available after next fiscal year.

Table 2: Budget Make-Up



Local Funds	\$12.2 million	8.5%
Federal Funds (Entitlement)	\$52.6 million	36.5%
Federal Funds (Stimulus)	\$27.3 million	18.9%
HPTF	\$44.1 million	30.7%
Unified Funds	\$6.1 million	4.2%
Other Funds	\$1.7 million	1.2%
TOTAL	\$144.3 million	100%

Use of Proposed Budget

The majority of DHCD’s proposed budget request will be used to support seven (7) program areas: Development Finance, Residential and Community Services, Property Acquisition and Disposition, Portfolio and Asset Management, Program Monitoring, the Housing Regulation Administration, and the Rental Housing Commission. These programs comprise 92% of the budget. The remaining 8 percent is used for Agency Management and Agency Financial Operations. (NOTE: An overview of the budget request by program is reflected in Table 3.)

Table 3: FY 2012 Budget Request Overview by Program/Division

Program Area	FY 2012 Budget Request - DB0
Development Finance Division	\$85,984,000
Residential and Community Services Division	\$29,865,000
Property Acquisition and Disposition Division	\$6,052,000
Portfolio and Asset Management Division	\$753,000
Program Monitoring Division	\$4,600,000
Housing Regulation Administration	\$2,255,000
Rental Housing Commission	\$707,000
Agency Management	\$13,234,000
Agency Financial Operations	\$875,000
<i>Total</i>	<i>\$144,319,000</i>

III. “RISING TO THE CHALLENGE”

Next, I will discuss how the Department will continue to rise to the challenge of fulfilling our mission in a challenging economic environment, and how we will work to help reach the District's overall goals.

The Agency plans to focus on four key priorities in Fiscal Year 2012:

1. Increasing the homeownership rate in the District by providing new homeownership opportunities,
2. Transforming target areas through concentrated investments,
3. Revitalizing underserved communities by preserving affordable housing, and
4. Strengthening job creation.

a. Homeownership Opportunities

DHCD is committed to increasing the homeownership rate in the District by providing new homeownership opportunities. To this end, DHCD has expanded its homebuyer assistance programs to help provide residents with additional opportunities for homeownership. Our efforts are anchored by the *Home Purchase Assistance Program (HPAP)*, which provides up to \$44,000 in assistance as a second trust. Second, we fund the *Employer Assisted Housing Program*, which provides up to \$11,500 to DC Government Employees who are first-time homebuyers in the District. Third, the *Negotiated Employee Affordable Home Purchase Program* provides up to \$26,500 to eligible union employees. The fourth program, the *Home Purchase Rehabilitation Pilot*

Program, allows HPAP buyers to purchase homes that require limited repairs. Lastly, we have a temporary *HPAP Enhancement* program that increases the assistance levels up to \$77,000 if buyers purchase in high-priority neighborhoods in Wards 5, 7 and 8.

b. Transforming Target Areas

DHCD is also concentrating efforts in targeted areas to bring forth change. The Department is in the midst of a major demonstration project in Ward 5's Ivy City neighborhood. The project will result in the creation and rehabilitation of 58 units of single family and condominium housing. Of those, 52 units will be affordable for low and moderate income households, and 6 units will be market rate. DHCD anticipates that the entire project, which has the potential to double the homeownership rate in Ivy City, will be complete in spring 2012.

DHCD is also working to revitalize Historic Anacostia in Ward 8, and we have several redevelopment activities underway. We have purchased several properties along Good Hope Road and Martin Luther King, Jr. Avenue, SE, and we are working with the community to determine possible uses for these sites. DHCD was also awarded \$3 million under the Community Challenge Planning Grant, which we will use to leverage major city and Federal investments in this and surrounding areas, specifically by enhancing interagency coordination and community engagement – leading to the development of more livable, accessible, mixed-income neighborhoods. We plan to use a portion of stimulus funds from the third round of the Neighborhood Stabilization Program to address urban blight in this area of Ward 8 as well.

c. Affordable Rental Housing

We will continue to meet our mission by supporting affordable rental housing for District residents. One such example is Park Vista in Ward 8, which preserves 82 units of affordable housing. In addition, we recently closed Victory Square in Ward 7, which will create 98 rental housing units for senior citizens. We also closed on the E&G Cooperative Pool project, which preserves the long-term affordability of 134 rental units in five buildings located in Wards 1, 6 and 7. In FY 2012, we plan to use available funding to create or preserve 900 units of affordable housing.

In addition, the District's Inclusionary Zoning (IZ) Program, which mandates the creation of affordable housing in many of the new and expanding developments, will also increase opportunities for affordable rental housing and support mixed-income neighborhoods. We expect the first Inclusionary Zoning units to be available this Fiscal Year, which will be a large part of our strategy to increase the supply of affordable housing units in FY 2012.

d. Job Creation

Lastly, DHCD will support job creation, one of the Mayor's key goals, through both our efforts to assist small businesses and our development financing investments. Our storefront façade improvement program helps small businesses by improving their appearance, thereby allowing them to compete in rapidly-changing commercial corridors. We completed 73 storefront façades in FY 2010, up from 32 in FY 2009. Small businesses can receive technical

assistance from the Department as well, and this can be another tool that will help smaller businesses sustain.

DHCD also supports small businesses and job creation through monitoring of its sub-recipients and their contractors for Federal Section 3 compliance. Section 3 requires that recipients of DHCD funding provide employment, training, and contracting opportunities for low-income District residents.

Lastly, we will continue to create construction-related jobs through the affordable housing projects we fund. For example, 140 construction jobs were created or retained with the Brookland Artspace project in Ward 5, which provides 39 units of affordable live/work housing for artists and their families. In addition, Jasper 29T, which is a 98-unit project, created or retained 194 construction jobs in Ward 8. We will continue to leverage our momentum moving forward. One such instance is the E & G Cooperative Pool project, which will create 265 construction-related jobs in Wards 1, 6 and 7.

IV. CONCLUSION

Before closing, I'd like to point out a few resources available to District residents. The DHCD Housing Resource Center, located at 1800 Martin Luther King, Jr. Avenue in Anacostia, is a one-stop-shop for information on DHCD programs and services. I encourage everyone to visit the Resource Center to learn more about housing opportunities in the District. We also have DCHousingSearch.org, which is an online affordable housing locator that allows residents to enter search

criteria that will help them find housing to meet their specific need.

DCHousingSearch.org can also be accessed at the DHCD Housing Resource Center.

I also want to mention that the 3rd Annual DC Housing Expo and Foreclosure Clinic will be held on Saturday, June 4, from 10 a.m. – 3 p.m. at the Washington Convention Center. Residents can attend workshops, receive free credit reports, and talk to government agencies, lenders and others involved in housing. Information about this event and all DHCD programs can be found at dhcd.dc.gov.

In conclusion, DHCD continues to work diligently to meet its mission of creating and preserving opportunities for affordable housing and economic development, and to revitalize underserved communities in the District of Columbia. We will continue to rise to the challenge and address present day dilemmas, while working to advance our mission and support the Mayor's vision for "One City."

Committee Chairman Brown, this concludes my testimony. The staff and I are available to answer questions. Thank you.

**Council of the District of Columbia
Committee on Housing and Workforce Development
Performance Oversight Hearing Witness List**

John A. Wilson Building 1350 Pennsylvania Avenue, N.W. Washington, D.C. 20004

**Revised Witness List
COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
MICHAEL BROWN, CHAIRMAN**

Fiscal Year 2012 Budget Oversight Hearing:

DC Housing Authority

**Tuesday, May 3, 2011-6:00 p.m.
John A. Wilson Building, Council Chamber, Room 412
1350 Pennsylvania Ave., N.W.
Washington, D.C. 20004**

Public Witnesses

Panel I

1. John R. McDermott, Founder/Advocacy Director, People for Fairness Coalition
2. Robert Warren, Outreach Director, People for Fairness Coalition
3. Anthony Davis, Assistant Director, People for Fairness Coalition
4. Judy Diaz, Executive Director-Neighbors Consejo

Panel II

1. Robert Pohlman, Executive Director, Coalition for Nonprofit Housing and Economic Development
2. Polly Donaldson, Executive Director, Transitional Housing Corporation
3. Rebecca Lindhurst, Housing Practice Supervisor, Bread for the City Legal Clinic
4. Vilma Beverly, Resident
5. Michael Sindram, Resident

Panel III

1. Peg Hacskeylo, Executive Director, District Alliance for Safe Housing, Inc. (DASH)
2. Jenny Reed, Policy Analyst, DC Fiscal Policy Institute
3. Marilyn Kresky-Wolff, Executive Director
Open Arms Housing, Inc.
4. Open Arms Housing Resident

Agency Witness

Adrienne Todman, Executive Director, DC Housing Authority

**TESTIMONY OF
ADRIANNE TODMAN
EXECUTIVE DIRECTOR
DISTRICT OF COLUMBIA HOUSING AUTHORITY
Before
THE COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE ON HOUSING AND WORKFORCE DEVELOPMENT
CHAIRMAN MICHAEL BROWN
May 3, 2011**



Good evening, Chairman Brown and the members of the Committee on Housing and Workforce Development. My name is Adrienne Todman and I am the Executive Director of the District of Columbia Housing Authority. I am pleased to be here today to discuss the proposed D.C. Government local subsidy to DCHA, and to update the Committee on federal budgetary issues that impact DCHA.

First, I would like to thank the Mayor and the City Administrator for proposing a subsidy that supports the mission of the housing authority, sustains the existing housing of 1,500 low-income District of Columbia families, and supports the creation of 274 affordable units during FY 2011 and an additional 140 during FY 2012 for extremely low income households. This subsidy request will also help the housing authority maintain its public safety program that is designed to support our public housing management operations and complement the efforts of the Metropolitan Police Department (MPD). Additionally I thank you, Chairman Brown, and this Committee, for your commitment to affordable housing and low and moderate income families who need a home.

The proposed FY 2012 DCHA subsidy totals \$22 million. Four million (\$ 4 million) of these funds will support public safety efforts in and around our public housing communities. This public safety initiative began in the late 1990's with the goal of improving DCHA's ability to be an effective landlord and to assist in the reduction of crime in these neighborhoods. Today, this office remains a vital component of our management operations. Over five years ago, due to reductions in federal funding, this Council agreed to provide needed operating funds to support this important work. The \$4 million allocation provides half of the funding needed for this office. This is the same amount DCHA received last year, and we are grateful for these funds.

The remaining \$18 million included in the funding request will support both the ongoing rental assistance of 1,500 low-income families and individuals living in the District of Columbia as well as the 400 new units of housing for extremely low income households. Of the 1,500 currently housed, 1,100 are families served in the Local Rent Supplement Program. Each of these households have incomes that are at or below 30%

of AMI, or \$31,050 for a family of four. The Local Rent Supplement Program is divided into three components: Tenant-Based, Project-Based, and Sponsor-Based. The Tenant-Based Program operates much like the federal voucher program. The Project and Sponsor-Based Programs support the production of new low-income hard units by supplementing their operational costs. The subsidy is tied to the units or sponsor, rather than the household, and we support these units once they are built or rehabbed. During FY2012, the Rent Supplement and locally assisted housing programs will support approximately 2,000 units in total. The projected expenditures on these units total \$31 million. It is proposed that the gap in funding between the FY12 allocation and our projected expenditures be covered by both fund balance from prior fiscal years' program allocations and cost reductions through the gradual attrition of the tenant-based component.

DCHA owns and operates 8,000 units of public housing and administers over 11,000 Housing Choice Vouchers. We receive funding for these programs from the US Department of Housing and Urban Development, and this year I am discouraged by the level of federal funding for our public housing communities. Recently, the Congress approved HUD's FY 2011 appropriations which reduced operating subsidy support for public housing nationally by approximately 3% based on what we received last year. For DCHA, this is approximately a \$4 million reduction in operating revenue. These funds support DCHA's core mission as a landlord and impacts our current fiscal year. I am working with staff now on a revised midyear budget to absorb the impact of this reduction and we are cautiously planning for what may come in FY 2012 because additional reductions have been proposed by the Administration.

Furthermore, the public housing Capital Fund, which is used for major modernization investments, was also reduced by approximately 20%. DCHA has used these funds for the modernization work underway throughout the city right now. The HOPE VI and Choice Neighborhood programs, which both seek to revitalize distressed public housing sites, were reduced as well. The HOPE VI Program appropriation is \$100 million, down 50% from \$200 million last year, and HUD will have discretion to use up to \$65 million of the \$100 million for the new Choice Neighborhoods Program.

The preservation of public housing is not only a DCHA goal, but a national goal. In fact, Harvard's Joint Center for Housing Studies released "America's Rental Housing" report last week which highlighted the challenges in the rental housing market nationwide. The report stated that, nationally, new construction mostly serves the upper end of the rental market; that low income renters are particularly likely to be severely cost burdened because of the growing shortage of affordable housing across the country; and that growth in the number of housing vouchers has stagnated since middle 2000's. The Center pointed out the growing need for affordable rental housing and raises concerns about the reduction in funding for housing programs. Despite these challenges, HUD has introduced initiatives to help preserve low-income housing. One example is the Transforming Rental Assistance proposal. This initiative will seek to streamline the project-based Section 8 program and create a predictable funding stream for public housing developments that will also allow housing authorities to leverage capital improvement funds. HUD is finalizing the details of this program which is of great interest to us given the potential of bringing more funds to the District of Columbia.

That concludes my testimony. My staff and I look forward to working with the Council during this budget season. We are prepared to answer any questions you may have, and we remain committed to being responsible partners in the provision of affordable housing.