

# *Our City. Our Home.*



2002 ANNUAL REPORT

*D.C. Housing Finance Agency*



*“The D.C. Housing Finance Agency is making a difference.*

*The agency has made affordable housing available to thousands of District residents. As we continue to revitalize our communities, we will look to the D.C. Housing Finance Agency to work with our public and private sector partners to create innovative approaches to housing so that every resident can afford a place to call home.” — Anthony A. Williams, Mayor*

## *Mission Statement*

The District of Columbia Housing Finance Agency was established in 1979 to stimulate and expand homeownership and rental housing opportunities in Washington, D.C. We accomplish our mission by issuing mortgage revenue bonds that lower the homebuyers' costs of purchasing and rehabilitating homes and the developers' costs of acquiring, constructing and rehabilitating rental housing. We embrace our responsibility with conviction and pledge our best efforts to serve as the city's champion for homeowners and renters and to act as the city's principal catalyst for neighborhood investment.

## *Vision Statement*

We are committed to working cooperatively and closely with our housing partners to create attractive, stable and vibrant neighborhoods.

## *Dedication*

The District of Columbia Housing Finance Agency report for the fiscal year ending September 30, 2002 is respectfully submitted to:

**The Honorable Anthony A. Williams**  
*Mayor, District of Columbia*

**The Honorable Linda W. Cropp**  
*Chair, Council of the District of Columbia*

**The Honorable Harold Brazil**  
*Chair, Committee on Economic Development*

**The Honorable Carol Schwartz** *(At Large)*

**The Honorable David A. Catania** *(At Large)*

**The Honorable Phil Mendelson** *(At Large)*

**The Honorable Jim Graham** *(Ward 1)*

**The Honorable Jack Evans** *(Ward 2)*

**The Honorable Kathleen Patterson** *(Ward 3)*

**The Honorable Adrian Fenty** *(Ward 4)*

**The Honorable Vincent B. Orange, Sr.** *(Ward 5)*

**The Honorable Sharon Ambrose** *(Ward 6)*

**The Honorable Kevin P. Chavous** *(Ward 7)*

**The Honorable Sandra Allen** *(Ward 8)*

# Message from the Chair

We are very proud this past year to have translated our annual report theme, “Our City, Our Home” into reality. In addition to 161 new homeowners, over 1,727 rental units will be available for affordable housing in the nation’s capital, thanks to projects funded in Fiscal Year 2002 (FY 02) by the D.C. Housing Finance Agency (HFA).

The multifamily total includes 176 units of new housing, as well as 1,551 units of renovated housing. Approximately 319 of the new and renovated apartments will be for seniors. The great majority of the apartments, over 1,100, will be for households earning less than 50 percent of the Area Median Income, which for a family of four is less than \$45,750. These are the neighbors to whom we want to afford the opportunity to live in Washington. Further, of the 11 multifamily projects that we funded, five are in the rapidly gentrifying neighborhood of Columbia Heights and others are in neighborhoods that may soon experience steeply rising rents. We pledged in last year’s report to work with the Williams Administration to coordinate our funding in target areas, such as Columbia Heights, and we have done so admirably.

Falling rates for conventional single-family mortgages narrowed the gap between market rate and HFA-offered products. For that reason, we have stressed the blending of HOME funds with bond proceeds to reach lower income people whom conventional mortgage companies fall short of serving. Thus, we have provided 30-year mortgages at interest rates that are less than 4.5%. We also developed initiatives to provide homeownership assistance to teachers and to George Washington University employees.

As our financial records show, we continue to improve our reserves and had one of the best years ever, in terms of net earnings. We added personnel to monitor our increasing portfolio of projects. And, we know that we have the commitment from our excellent staff to continue exercising sound financial management practices.

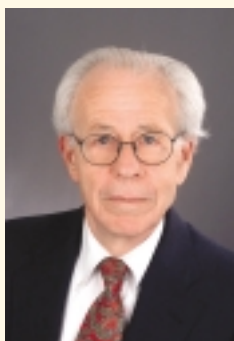
However, our greatest satisfaction comes when we see the enthusiasm of new homeowners and tenants whose homes and apartments are updated, yet remain affordable, and when we visit the neighborhoods transformed by the efforts of the HFA and other city and private housing development partners. We look forward to making it possible for many more people in the year ahead to truly call Washington — “Our City, Our Home.”



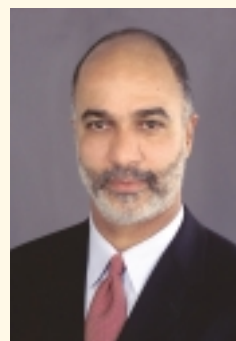
**Rosalyn P. Doggett**  
*Chair*



**Kathleen Miles**  
*Vice Chair*



**Isaac Green**  
*Board Member*



**Michael Wheet**  
*Board Member*

# *Message from the Executive Director*



**Milton J. Bailey**  
*Executive Director*

Our principal focus during FY 02 was developing a living Five Year Business Plan that each year aligns individual, divisional and agency plans and objectives with the affordable housing plans and objectives of the city.

To accomplish these objectives, we instituted organizational reforms that effectively leveraged and strategically directed, along with our housing partners, the investment of public and private funds into blighted communities. This resulted in the HFA financing 1,888 units of affordable new, ownership and rehabilitated housing, funding a \$4 million McKinney Act Loan Program and the launching of several new initiatives, including the Mayor's Teachers Housing Initiative and George Washington University's GW Home Program with Fannie Mae and Riggs Bank.

The HFA is now a proactive participant in the design and implementation of the city's affordable housing agenda. We incorporated the D.C. Housing Authority (DCHA) and the Department of Housing and Community Development (DHCD) projects into our funding objectives as well as incorporated HFA projects within the Office of Planning's strategic investment overlay of citywide housing and economic developments. We have worked well with the city and our housing partners to provide affordable housing in all of our neighborhoods for all of the people of Washington.

To advance our housing agenda during Fiscal Year 2003 (FY 03), the HFA will continue to strengthen its single-family and multifamily financing efforts to achieve targeted development objectives which benefit special needs populations, low-income borrowers, teachers and other homebuyers.

We look forward to enhancing community awareness of HFA programs and activities through multilingual approaches. Through interagency information sharing and cooperation, we intend to work with the Williams Administration to identify additional housing opportunities that benefit the city's multicultural population.

We intend to seek new financing opportunities with public and private organizations. These efforts will provide for more housing affordability and production in Washington. I will also work closely with the Board toward refining our internal capacity and maintaining our strong credit rating within the investment community.

Finally, allow me to publicly acknowledge and thank the many people who have supported the HFA's efforts to contribute to the growth of our city. I thank Mayor Anthony Williams, Deputy Mayor Eric Price, the Council, the HFA's Board, staff and our many stakeholders for their enduring commitment to serving the development needs of Washington — "Our City, Our Home."

A handwritten signature in black ink, appearing to read "Milton J. Bailey". The signature is fluid and cursive, written on a light-colored background.

# Our Partners

“This Council is committed to creating and preserving affordable housing for District residents. In partnership with the Williams administration, the Council has enacted a series of measures that have substantially increased homeownership opportunities for low- and moderate-income families. The D.C. Housing Finance Agency has been a key partner in our strategy to achieve neighborhood and fiscal stability, and we will continue to work together to ensure that Washington is home to more residents of all income levels.”

**Linda Cropp**  
*D.C. Council Chair*



“As chair of the Committee on Economic Development, I am pleased with the working partnership between the Council, Mayor Williams and the HFA. The HFA has a record of success and has become a model for producing low- and mixed-income affordable housing in our nation’s capitol. I am delighted with the way the HFA coordinates its efforts with our public and private sector partners, as this coordinated effort has been critical to increasing both multifamily development and homeownership in our city. I will continue to work with Mayor Williams, the HFA and other partners as we serve the affordable housing needs of our citizens.”

**Harold Brazil**  
*D.C. Councilmember*



“The Williams Administration is proud of the D.C. Housing Finance Agency’s work toward helping us reach our goals of providing more quality, affordable housing for District residents. Since 1999, District agencies helped finance almost 10,000 units of newly constructed and renovated housing. But city agencies aren’t only providing subsidies, we’re also busy creating a business-friendly regulatory environment, coordinating agencies’ investments and working with citizens to revitalize our city’s neighborhoods. We look forward to building on this record of accomplishment in the years to come.”

**Eric Price**  
*Deputy Mayor for Planning and Economic Development*



“The District of Columbia is faced with many challenges to provide new and affordable housing opportunities to District residents. The strong, creative partnership between DHCD and the HFA has proven successful in providing very low interest loans to low-income homebuyers as well as support to profit and nonprofit developers that invest in affordable housing projects in the District’s most vulnerable communities. I am proud of the collaboration between DHCD and the HFA and look forward to building an even stronger bond to enhance DHCD’s ability to provide more decent and affordable housing to the District of Columbia’s low- and moderate-income citizens.”

**Stanley Jackson**  
*Director, Department of Housing and Community Development*



“More than a year ago, the D.C. Housing Authority and the D.C. Housing Finance Agency created a formidable partnership. Results of the partnership have proven to be a win-win situation, which is evident throughout the city. Through the agencies’ combined respective resources, talent and creativity, thousands of homes have been generated. Today, we stand assured that if we continue to combine our experience with new innovative tools, we can fulfill our mutual objective to further enhance affordable housing opportunities in the District of Columbia.”

**Michael Kelly**  
*Executive Director, D.C. Housing Authority*



# FY 2002 Accomplishments

## General

- Launched new HFA website
- Launched new HFA newsletter, *The Financier*

## Financial

- Realized \$3,405,782 in net earnings
- Increased operating reserves from \$10,077,655 to \$11,420,657

## Programmatic: Single-Family Homeownership Programs

- Provided \$19.6 million in low-rate mortgage loans, including down payment and closing cost assistance for 161 families. The average loan amount was \$122,322
- Achieved 4.30% interest rate on \$3.3 million in mortgage funds layered with HOME funds
- Provided homeownership training to over 2,000 prospective homebuyers
- Launched GW Home Program with Fannie Mae and Riggs Bank and provided homeownership workshops at George Washington University

## Programmatic: Multifamily Rental Housing

- Issued \$89.6 in taxable and tax-exempt bond financing for the construction and rehabilitation of 1,491 rental units.
- Funded \$8 million for Edgewood Terrace III
- Funded \$34.7 million for Columbia Heights Village
- Funded \$12.2 million for Jeffrey Gardens
- Funded \$6.3 million for Trenton Park
- Funded \$7 million for Faircliff Plaza East
- Funded \$1.5 million for DCCH Pool-Chapin Street
- Funded \$1.6 million for DCCH Pool-Euclid Street
- Funded \$8.8 million for Golden Rule Plaza
- Funded \$9.2 million for Trinity Towers

## McKinney Act Loans

- Issued \$2.6 million in McKinney Act Loans for the rehabilitation of 236 rental units
- Funded \$2.4 million for George Washington Carver Apartments
- Funded \$275,000 for Randle Highlands Manor ALF

	UNITS	TAX-EXEMPT BONDS	TAXABLE BONDS	LIHTC/DCHFA	CDBG	TOTAL INVESTMENT
SINGLE-FAMILY	161	\$19,693,922	0	0	0	\$19,693,922
MULTIFAMILY	1,491	\$84,840,000	\$4,760,000	\$37,620,810	\$14,478,537	\$141,699,347
MCKINNEY ACT	236	\$2,675,000	0	0	0	\$2,675,000
TOTALS	1,888	\$107,208,922	\$4,760,000	\$37,620,810	\$14,478,537	\$164,068,269

## Legislative Initiatives

- Coordinated the confirmation hearing of Executive Director and two members of the HFA Board of Directors
- Successfully sought the passage of the D.C. Housing Finance Agency Amendment Act of 2002

# FY 2003 Objectives

## General

- Establish an electronic newsletter in Spanish and English
- Publish newsletter in Spanish
- Ensure reappointments of members of the HFA Board of Directors and the appointment of a new Community Member

## Financial

- Earn \$3,267,971 million in net earnings
- Increase operating reserves by \$2,113,794, from \$11,420,657 to \$13,534,451

## Programmatic:

### Single-Family Homeownership Programs

- Issue \$35 million in bonds to provide 298 mortgage loans
- Layer \$3 million in city funds into single-family program to buy down interest rates to 4% and 5% for Mayor Anthony A. Williams' Teacher Housing Initiative
- Originate 90 in-house mortgage loans
- Conduct free weekly walk-in homeownership workshops in Spanish
- Implement foreclosure prevention training program and conduct 135 in-house homebuyer seminars
- Provide counseling for the DCHA's Housing Choice Voucher Program

## Programmatic: Multifamily Rental Housing

- Finance approximately 3,355 rental units at a projected community investment of approximately \$221 million
- Fund \$8.1 million for Henson Ridge: HOPE VI Phase I
- Fund \$30 million for Capital Park Plaza and Twin Towers
- Fund \$6.9 million for East Capital Dwellings: HOPE VI Phase I
- Fund \$8 million for Henson Ridge: HOPE VI Phase II
- Fund \$16.1 million for Fairmont I & II
- Fund \$46 million for Capitol Hill Towers
- Fund \$3.9 million for Saint Paul Senior Living
- Fund \$8.4 million for Congress Park II
- Fund \$3.8 million for JW King Seniors
- Fund \$5 million for Randle Highlands
- Fund \$10.6 million for Trenton Terrace
- Fund \$5.9 million for Elsinore Courtyards
- Fund \$9.2 million for Bowling Green
- Fund \$14.6 million for Village at Chesapeake
- Fund \$45 million for Wingates

## McKinney Act Loans

- Finance approximately 50 housing units at a projected community investment of approximately \$1.2 million
- Fund \$300,000 for 1728 W Street, SE
- Fund \$200,000 for J.W. King Seniors
- Fund \$390,000 for Community of Hope
- Fund \$300,000 for So Others Might Eat







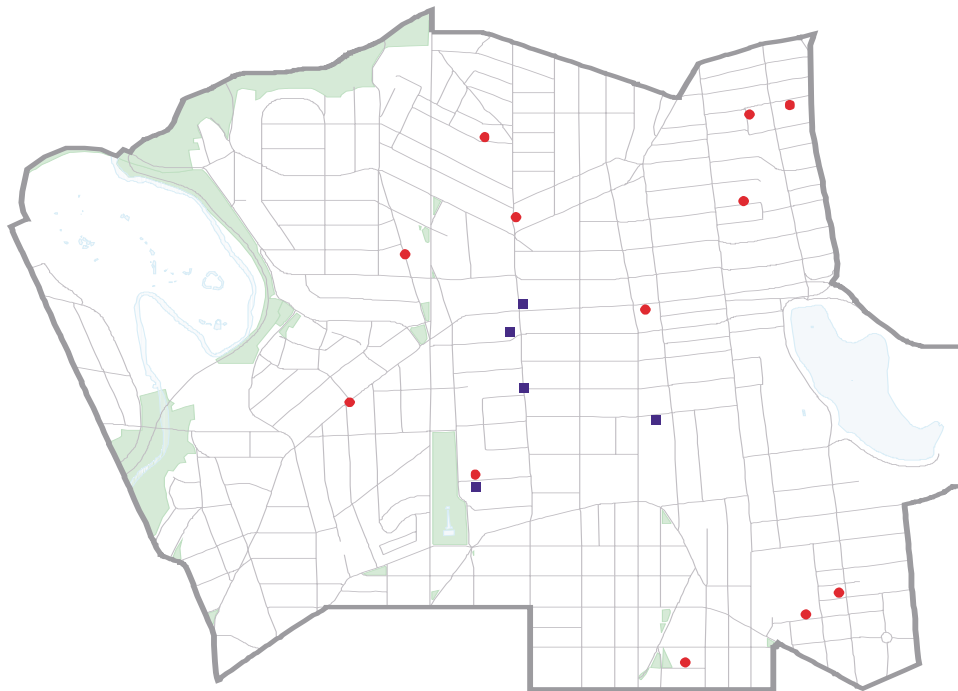
*“Preserving our historic neighborhoods and, at the same time, providing quality affordable housing really adds up to a great city!”*

**Jim Graham**, *Ward One Councilmember*

**Ward One Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
73,364	8,930	28.4%	12	\$1,403,450	640	\$54,110,000	\$31,754,380	\$87,267,830

# Ward One



WARD ONE	KEY
	<ul style="list-style-type: none"> <li><span style="color: red;">●</span> Single-Family</li> <li><span style="color: blue;">■</span> Multifamily</li> </ul>
	* PLOT POINTS ESTIMATED



# Asset Management Group

Since 1979, the HFA has financed over 60 major multifamily developments. The Asset Management Group works closely with the agency's Financial Management Group and the Public Finance Group to ensure revenues from bond sales are properly accounted and HFA-financed housing units remain safe and affordable. The Asset Management Group is responsible for monitoring and managing the agency's single-family bond programs and also the monitoring and servicing the multifamily and McKinney Act Loan portfolios. The Asset Management Group also conducts Section 8 inspections and ensures compliance of the HFA's various loan portfolios. In FY 02, the Asset Management Group began using Housing Development Software or the HDS system, which is the housing industry's most widely used system designed to monitor and track financed projects.

One of the most critical functions of the Asset Management Group is to perform annual physical and unit inspections of HFA-financed multifamily projects. Inspections are a part of each bond agreement and a key component of compliance guidelines. Physical and unit inspections ensure that communal areas in apartment complexes are maintained in decent, safe and sanitary conditions, confirm that systems in each apartment unit are operational and allow the agency to monitor an apartment complex to ensure that agency-funded developments do not fall into disrepair and become public eyesores.

## 14th Street Developments

The economic rebirth of Columbia Heights has increased some rents and property taxes, and some low-income residents have struggled to afford their homes. In FY 02, the HFA formed partnerships with several developers to help renovate and preserve more than 750 affordable housing units in Columbia Heights. The public-private partnerships helped renovate several dilapidated apartment complexes along 14th Street, NW, including the 406-unit Columbia Heights Village that houses many low-income senior and families.



## *Ward One: Section 8 Developments*

Mayor Anthony A. Williams has committed the city's resources to stop the displacement of low-income residents across the city. In keeping with his commitment, the HFA provided more than \$64.7 million in taxable and tax-exempt bond financing to preserve more than 750 Section 8 housing units along 14th Street, NW. Representatives of the HUD D.C. Field Office worked closely with the HFA, property owners and developers to renew the Section 8 contracts. Thanks to the HFA's partners, several Columbia Heights housing complexes underwent much-needed renovations and will remain affordable to low-income Section 8 recipients.

Several housing developments in the Columbia Heights area received financing from the HFA, including:

- \$3.1 million in tax-exempt bond financing for the acquisition and rehabilitation of a 15-unit apartment complex on Chapin Street, NW and a 17-unit apartment complex on Euclid Street, NW,
- \$34.7 million in taxable and tax-exempt bond financing for the acquisition and renovation of the 406-unit Columbia Heights Village,
- \$7 million in tax-exempt bond financing for the acquisition and renovation of Faircliff Plaza East Apartments, which is a 80-unit apartment complex located at 14th and Euclid Streets, NW,
- \$9.2 million in tax-exempt bond financing for the acquisition and renovation of Trinity Towers, which is a 122-unit apartment building located near the new Columbia Heights Metro Station, and
- \$10.7 million in tax-exempt bond financing for the acquisition and renovation of Clifton Terrace, which is 152-unit apartment complex located at 14th and Clifton Streets, NW.



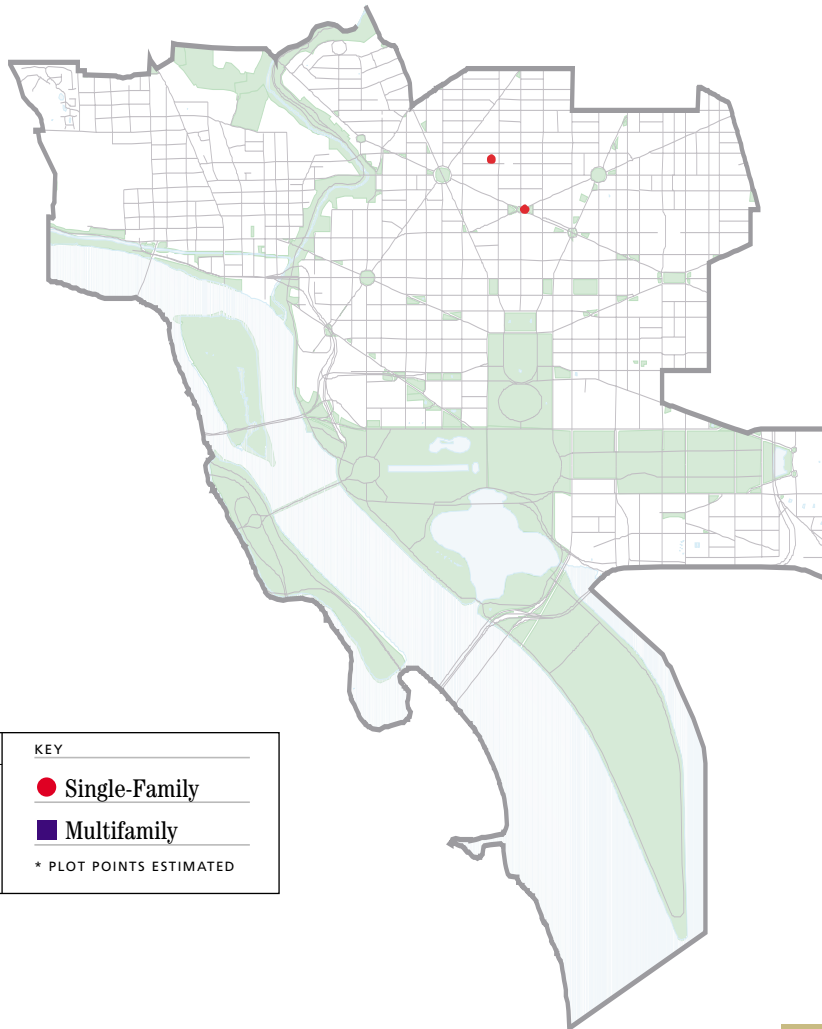
*“Families are the cornerstone of our city. Through our housing policies and our tax policies, the council has created the supportive environment for families who truly want to make D.C. our city, our home. I commend the D.C. Housing Finance Agency on its use of taxable and tax-exempt financing to spur affordable housing development in the city.”*

**Jack Evans**, Ward Two Councilmember

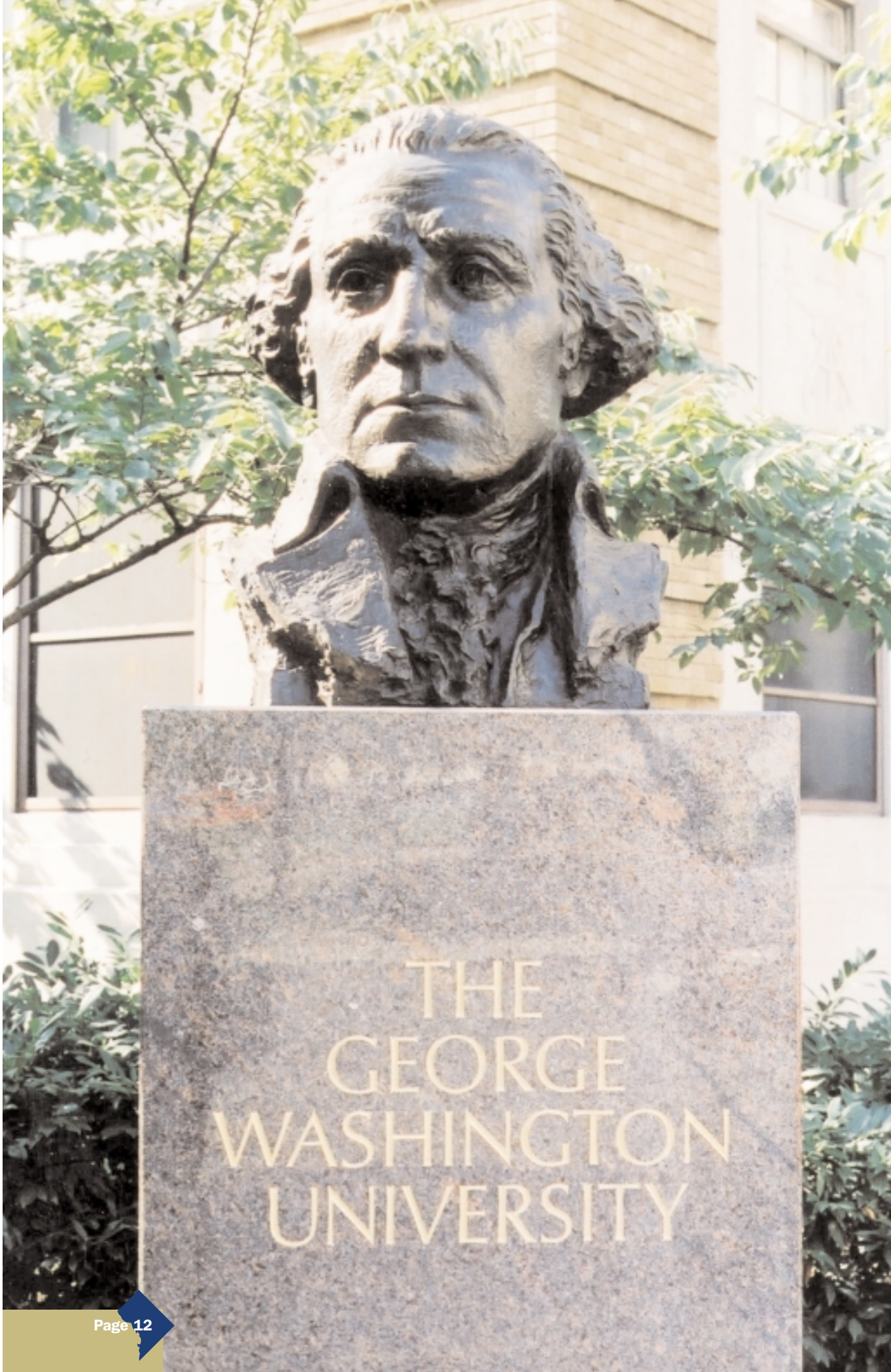
**Ward Two Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
68,869	11,604	32.2%	2	\$214,200	0	0	0	\$214,200

# Ward Two



WARD TWO	KEY
	<ul style="list-style-type: none"> <li><span style="color: red;">●</span> Single-Family</li> <li><span style="color: blue;">■</span> Multifamily</li> </ul> <p>* PLOT POINTS ESTIMATED</p>



# Mortgage Loan Group

The Mortgage Loan Group acts as the agency's in-house mortgage lender for very low-income families and individuals who qualify for low-rate HOME loans. Potential homebuyers are sent to the Mortgage Loan Group after attending free HFA homeownership workshops, working with a Home Resource Center counselor to pre-qualify for a mortgage loan and acquiring a contract to purchase a property. The staff takes a hands-on approach to assisting homebuyers and works on a one-to-one basis to guide applicants from loan origination to the settlement table.

In FY 02, the Mortgage Loan Group provided low-income individuals with mortgage loans at an interest rate of 4.30%, for a total of \$3.3 million in low-interest loans. The low-interest mortgage loan rates offered through the D.C. Bond Program complement the city's Home Purchase Assistance Program and make homeownership attainable for many low-income applicants who would otherwise be unable to purchase homes in the city.

## *GW Home Program*

The HFA and George Washington University teamed with Riggs Bank and Fannie Mae to launch the GW Home Program. The new homeownership program provides financial incentives, including up to \$5,000 for down payment and closing cost assistance, to university faculty and staff who purchase homes in Washington. The program is administered by George Washington University's Department of Human Resources Services. The HFA's Home Resource Center provides onsite homebuying workshops to assist prospective homebuyers through the homeownership process.



## *Capitol Park Plaza and Twin Towers*

In FY 02, the HFA Board of Directors approved the issuance of \$30 million in tax-exempt bonds for the acquisition and rehabilitation of Capitol Park Plaza and Twin Towers. The 648-unit high-rise apartment complex is comprised of three buildings that provide panoramic views of the city and are in great demand because of their close proximity to the U.S. Capitol and other key federal employment centers. The apartment complex was redistricted from Ward 2 to Ward 6.

Capitol Park Plaza and Twin Towers has ample off-street parking, landscaped grounds and a swimming pool, and it is adjacent to newly-constructed townhouses. The rehabilitation of the apartment complex is part of a community redevelopment plan for the area. The developer has elected to set aside 65 percent of the renovated units for households earning at or below 60 percent of the Area Median Income, which is \$52,200 for a family of four.

*“Not only is our nation’s capital a great place to work and teach, but a great place to live. We established the GW Home Program to help faculty and staff looking to buy their first home in the District of Columbia make their dream a reality.”*

— **Stephen Joel Trachtenberg,**  
*President of George Washington University*





*“Own your home, your neighborhood, your city — all good goals for District public policy.”*

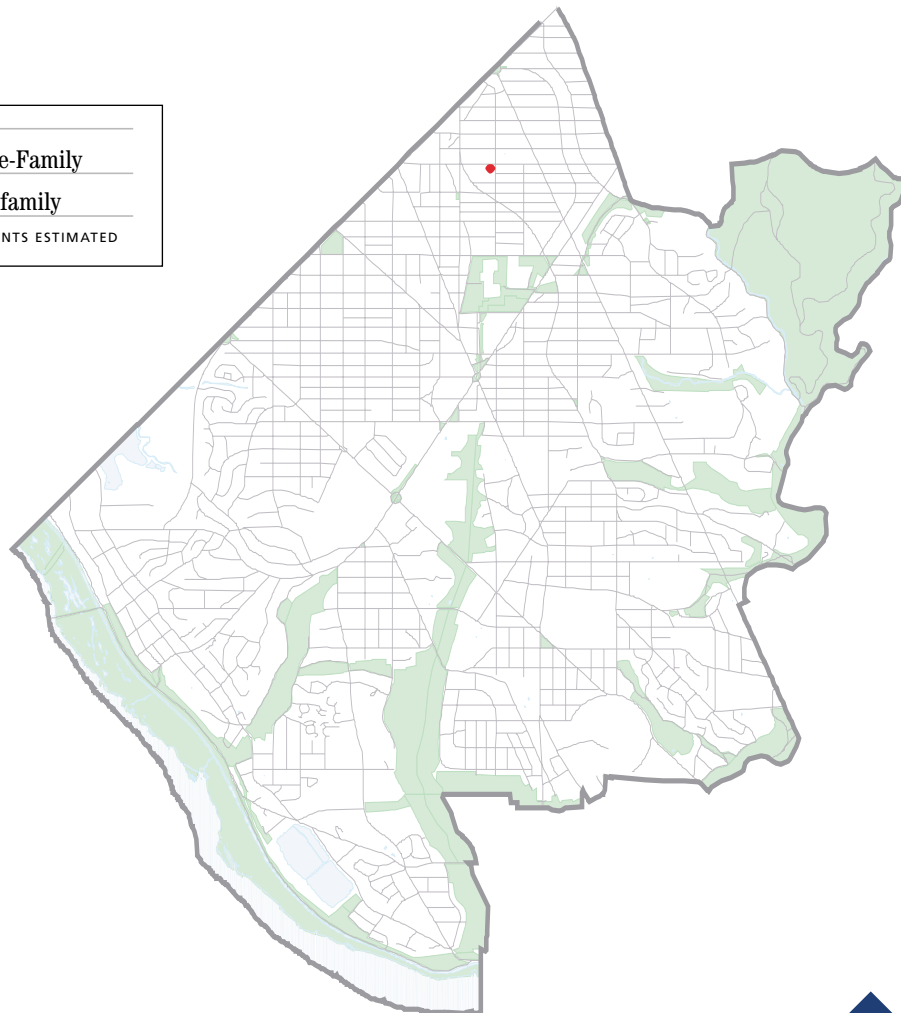
**Kathleen Patterson**, *Ward Three Councilmember*

**Ward Three Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
73,718	18,484	49.4%	1	\$173,650	0	0	0	\$173,650

# Ward Three

WARD THREE	KEY
	● Single-Family
	■ Multifamily
	* PLOT POINTS ESTIMATED





# Home Resource Center

The HFA's Home Resource Center celebrated its third anniversary in April 2002. Approximately 1,000 people came to the agency's celebration and visited vendors displaying homeownership information. Over the years, more and more people are learning about the "one-stop" homebuying information center. In FY 02, over 2,000 people visited the center and attended one of our free workshops, held Wednesdays and Fridays, to learn about the homebuying process. This year, outreach efforts to the city's Spanish-speaking community increased. Fact sheets, flyers and applications in Spanish and articles published in local Spanish newspapers helped spread the word about the HFA's mission and programs.

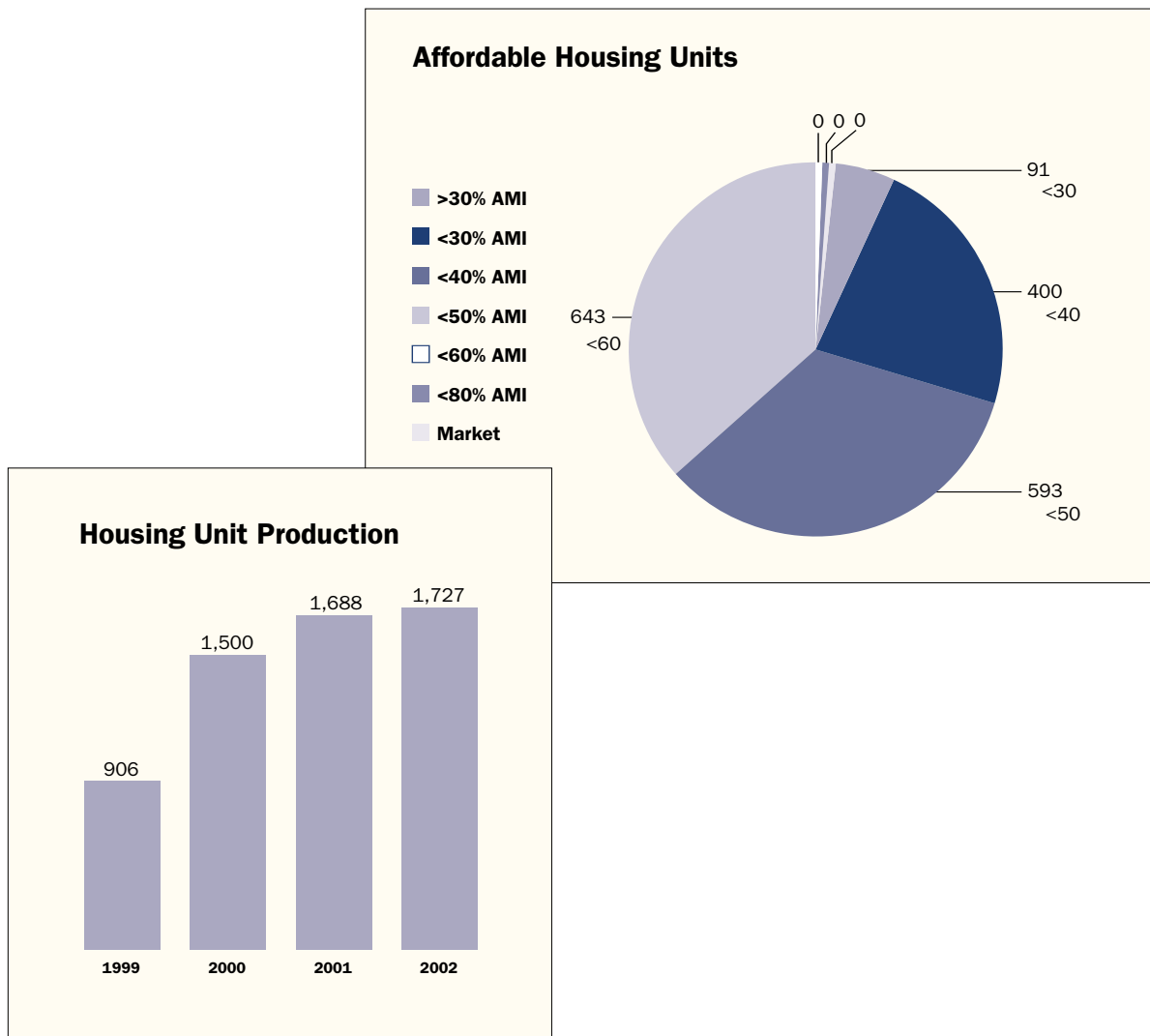
In FY 02, three families were able to retain their homes because of the foreclosure prevention services offered through the Home Resource Center. Staff also played a key role in AARP's Predatory Lending Campaign by conducting workshops and a major role in George Washington University's homeownership program by hosting on-campus workshops for employees.

## *Jose Maravilla and Maria Montana*

Jose Maravilla and Maria Montana, who are originally from El Salvador, purchased a townhouse in Ward 3. Their brick home is over 60 years old, and it was totally refurbished, including restoration of the original hardwood floors, installation of new appliances and replacement of the fixtures in the kitchen and bathrooms. Jose and Maria's three children, Diana, Wendy and Rony, enjoy their spacious bedrooms and the fully finished family room in the basement. Down payment and closing cost assistance from DHCD's Home Purchase Assistance Program and a \$4.30%, 30-year fixed-rate loan from the HFA made it possible for them to purchase a home large enough for their family.

## Multifamily Investments and Charts

Over the last four years, the HFA's production of quality affordable housing units has continued to rise, and quality and affordability remain key components of all HFA-approved housing developments. In FY 02, all HFA-financed housing units were affordable to families earning less than 60 percent of the Area Median Income, which is less than \$52,200 for a family of four. HFA community investments helped meet the city's housing needs, from the preservation of Section 8 housing units and the construction of much-needed low-income senior housing to the issuance of a short-term bridge loan to assist tenants with the purchase of a 176-unit apartment complex.





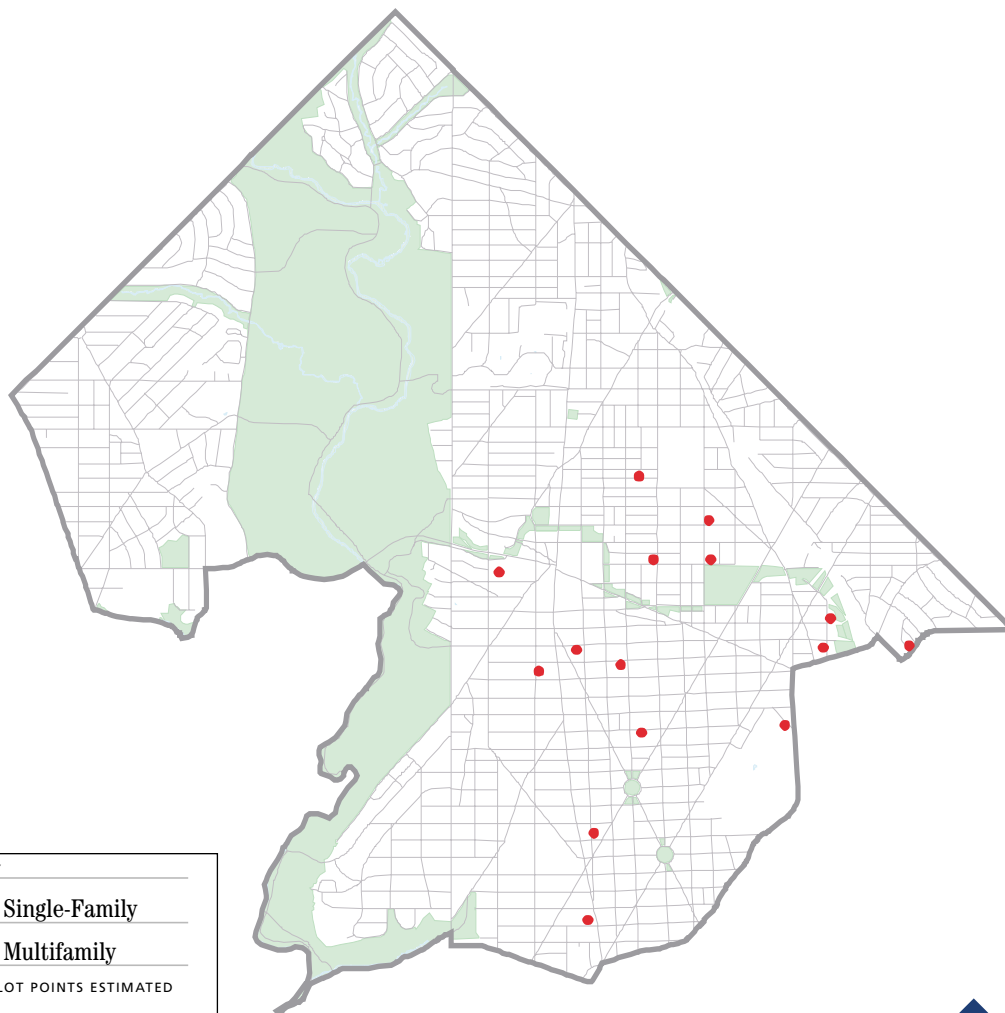
*“I have worked tirelessly to enact measures and modify existing legislation and programs to address the affordable housing crisis directly. I will continue to do so and expect the D.C. Housing Finance Agency to remain a stalwart partner in this effort.”*

**Adrian Fenty**, *Ward Four Councilmember*

**Ward Four Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
74,092	17,838	61.7%	15	\$2,132,693	0	0	0	\$2,132,693

# Ward Four



<p>WARD FOUR</p>	<p>KEY</p> <p>● Single-Family</p> <p>■ Multifamily</p> <p>* PLOT POINTS ESTIMATED</p>
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# Mobile Home Resource Center

Through a partnership with Fannie Mae and GMAC Financing, the HFA unveiled its newest outreach tool: the Mobile Home Resource Center. The Mobile Home Resource Center is a handicapped-accessible bus that is stocked with homebuying information translated into English, Spanish, Vietnamese, Korean and Chinese. Housing counselors drive the Mobile Home Resource Center through neighborhoods and to organizations, churches and schools for events and homeownership workshops.

In FY 02, the Home Resource Center's housing counselors took the bus to numerous community events to provide potential homebuyers with much-needed homeownership information. One of the most successful bus trips was to the 2nd Annual Asian and Pacific Islander Community Fair, which was sponsored by Mayor Anthony A. Williams and the Office on Asian and Pacific Islander Affairs. Over 20 government agencies participated in the daylong event held at the Martin Luther King, Jr. Memorial Library in downtown Washington. The Mobile Home Resource Center was parked in front of the library, and dozens of attendees boarded the bus to receive outreach materials and to speak with housing counselors about homeownership opportunities.

## *Ricardo and Francise Dyson*

Ricardo and Francise Dyson bought their first house this year. They looked at several homes before finding the perfect one on Fifth Street, NW. Their house is spacious enough for their two sons, Michael and Miles, and the backyard is large enough for Francise to garden and the boys to play basketball on their private court. Francise and Ricardo appreciate having a safe place for their sons and friends to play, and the Dysons look forward to using their home to host future holiday events for the entire family.

"We were so excited to finally find a home of our own. My husband and I were born and raised in Washington, and buying a home meant we could finally own a little piece of the city we've called home for so long," Francise said.

## *Aspen Court Apartments*

Built in 1960, Aspen Court Apartments consists of seven buildings. The HFA financed \$4.1 million in Multifamily Mortgage Revenue Bonds for the acquisition and rehabilitation of the 105-unit apartment complex. The complex is located in the Brightwood neighborhood, adjacent to the Walter Reed Medical Complex. All 105 housing units received new kitchen and bath fixtures, windows and electrical upgrades. Six one-bedroom units were added to the original 99 two-bedroom apartments to increase the availability of affordable housing in the apartment complex.



*“Washington’s housing agencies share the mission of ensuring that residents have an ample stock of housing that is affordable to the city’s low-income population. We are working together to ensure low-income individuals are able to stay in their current neighborhoods and still have safe, affordable places to live.”*

— **Milton J. Bailey,**

*Executive Director of D.C. Housing Finance Agency*





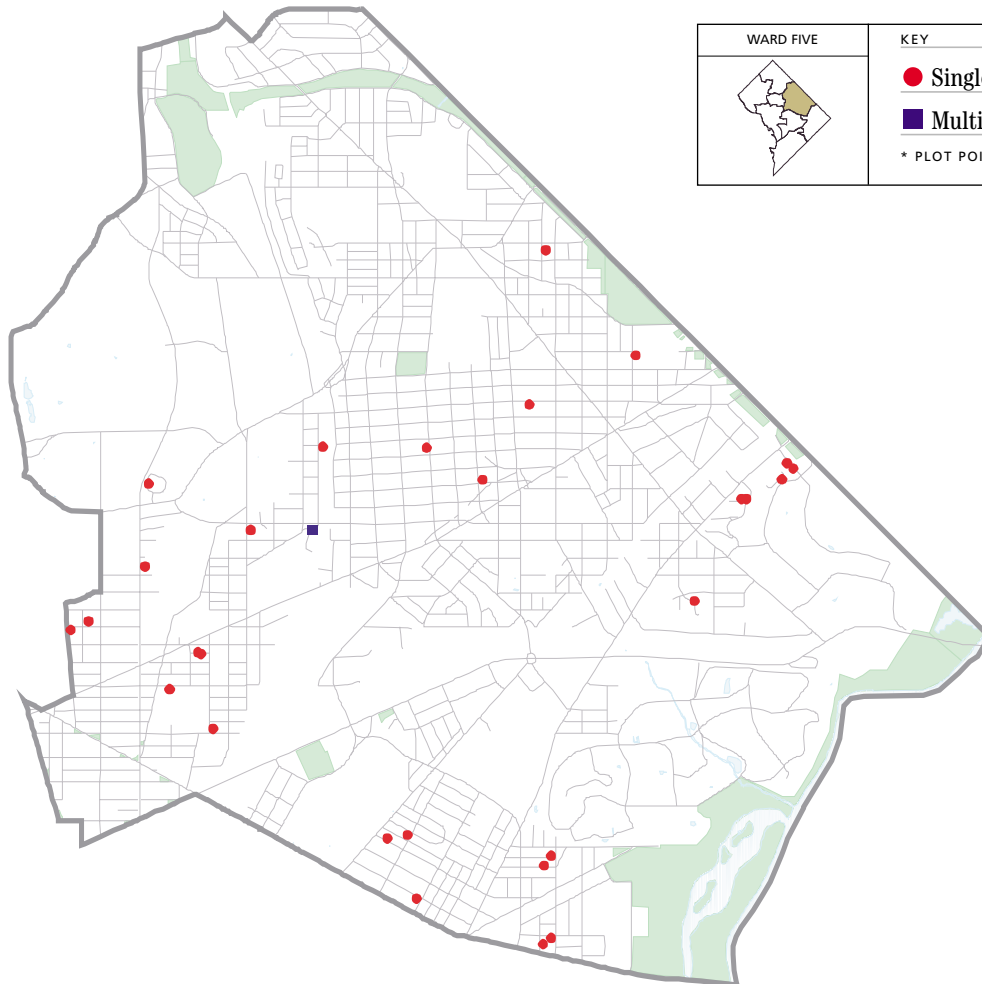
*“Affordable housing and commercial development is critical to maintaining a viable city. The District’s biggest shopping center development in 20 years as well as new mixed-income residential rental development attest to the resurgence of the city. The D.C. Housing Finance Agency is helping to make our city, our home by providing residents an opportunity to purchase a home through low-interest rates, a key to creating affordability as well as stable neighborhoods.”*

**Vincent B. Orange, Sr.,** *Ward Five Councilmember*

**Ward Five Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
72,527	13,785	49.0%	28	\$3,677,354	200	\$8,000,000	\$16,665,252	\$28,342,606

# Ward Five



WARD FIVE	KEY
	● Single-Family
	■ Multifamily
	* PLOT POINTS ESTIMATED



# Home Resource Center Outreach Activities

The Home Resource Center's staff not only holds in-house workshops, but they also travel all over the city bringing the homeownership message to churches, schools and for-profit and nonprofit organizations. In FY 02, staff took the homeownership message directly to residents and held workshops for potential homebuyers associated with Gallaudet University, Georgetown University, Howard University, Florida Avenue Baptist Church, Redemption Ministries, Arnold & Porter Law Firm, D.C. Metro Employees and AARP. Staff also held credit workshops at Hines Junior High School and Sidwell Friends High School to help young adults understand the importance of maintaining good credit and avoiding future credit pitfalls.

Workshops are free, and attendees get the benefits of the HFA's Walk-in Wednesday and Brown Bag Friday workshops without leaving their premises. They can learn about the agency's loan programs and other public and private programs and incentives offered to families and individuals buying homes in Washington.

## *Leegia Arreaga*

Leegia is a teacher working with challenged youth. Leegia and her son, Carlos, searched for nine months to find their home in Ward 5. They faced hard times when they first moved from their native Guatemala, but now with their first home, they feel safe in the United States. "This is my first time buying a home in this country. I know how things work in my country, but I'm learning how things work here. We're learning together," Leegia said.

## *Edgewood Terrace Seniors Development*

Edgewood Terrace Seniors is a high-rise apartment building that was constructed in 1971. The building is located at 4th and Edgewood Streets, NE, adjacent to the Rhode Island Shopping Center. The HFA underwrote \$8 million in tax-exempt bond financing for the acquisition and renovation of the 292-unit building. The units will be totally refurbished with “senior friendly” improvements, such as grab bars, bright lighting, high toilets and low kitchen cabinets. Edgewood Terrace Seniors is the third phase of a four-phase redevelopment plan for the 16-acre Edgewood Terrace complex.



*“Neighborhoods are the cornerstone to a healthy Washington. I am working with my colleagues and the Mayor to ensure that working families — the teachers, nurses and laborers — can afford to live in their city. Increasing homeownership and affordable housing opportunities is vital to our city’s future. I commend the HFA for its work and devotion.”*

— **Councilmember Phil Mendelson, At-Large**



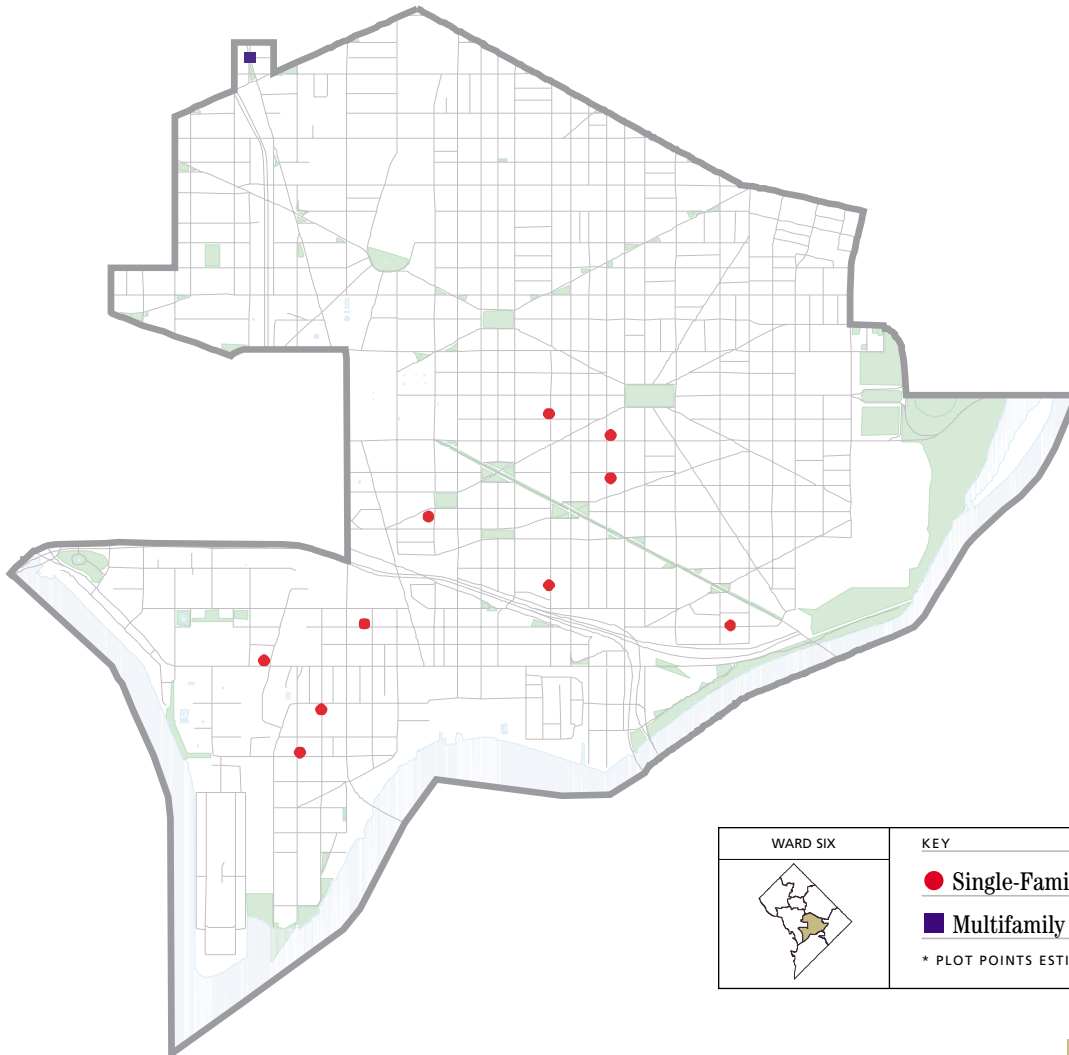
*“It is important to maintain stable communities in the city, and families do that. I find the work of the D.C. Housing Finance Agency in financing and encouraging families to purchase in the city a key element in our housing strategy. We must do more to reclaim blighted properties and turn them into livable homes for families as well as provide targeted incentives for ‘family friendly’ residential development in our underutilized areas.”*

**Sharon Ambrose, Ward Six Councilmember**

**Ward Six Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
68,035	13,151	41.0%	10	\$1,095,081	119	\$8,870,000	\$6,944,036	\$16,909,117

# Ward Six





# Golden Rule Plaza

A 119-unit Affordable Senior Housing Development



Department of Housing and Community Development

**Another Investment In Our Communities**

# MAGGIN

CONSTRUCTION

Sponsored by The Baptist Church of Washington, DC, Inc.  
Developed by:  
Architect: [illegible]  
General Contractor: [illegible]

District of Columbia  
**HOUSING  
FINANCE  
AGENCY**

# Public Finance Group

The HFA enjoyed another record-breaking year in the Public Finance Group, which is charged with financing the production and preservation of affordable housing for District residents. In FY 02, the total development cost of HFA-supported housing developments was \$144.4 million. The agency provided \$92.3 million in tax-exempt, taxable and short-term financing to help rehabilitate and construct 1,727 affordable housing units. This is the third consecutive year of record-breaking production, which can be credited to a strong rental housing market, increased capacity within the agency and the increasingly effective partnerships with DHCD, DCHA, the Office of the Deputy Mayor for Planning and Economic Development, the U.S. Department of Housing and Urban Development and the local development community.

In addition, the agency has benefited from an increase in the availability of tax-exempt bond issuance authority for the District. During FY 02, Mayor Anthony A. Williams and Deputy Mayor Eric W. Price responded to the need for affordable housing by allocating over \$300 million of the city's 2001 and 2002 bond authority to the HFA for its multifamily housing production programs. This allowed the HFA Board of Directors to immediately approve another \$230 million in financing for almost 5,000 units scheduled to close in Fiscal Years 2003 and 2004.

## *Golden Rule Plaza*

The HFA awarded its 2nd Annual Affordable Housing Development Award of Excellence to Golden Rule Plaza, Inc. for its development of Golden Rule Plaza, which is a 119-unit affordable rental housing development for seniors. The HFA provided \$6.3 million in tax-exempt bond financing and \$2.5 million in taxable bond financing for Golden Rule Plaza. The seven-story apartment building will only house seniors at least 62 years old who earn less than 60% of the Area Median Income, which is less than \$36,540 for an individual. Construction began in August 2002 and is slated for completion in July 2003.

## *John Fossom*

John Fossom moved into his new home in The General Scott in May 2002. John purchased a one-bedroom condominium in this tenant-owned building, and he was recently elected president of the condominium association. To finalize his home purchase, John used the agency's HOME Funds and took advantage of the \$5,000 Federal Tax Credit and the tax abatement program offered by the city.

John's new home, located near Dupont Circle is very convenient to shops, restaurants, transportation and his job in the U.S. Senate. Since last spring, other units in his building have sold for substantially more money, so he is pleased with his investment. "I am so happy with my new home and feel like I've made a great choice. I am busy making improvements and enjoying living in my own place," John said.



*"If we want a city with communities where people care about their neighborhoods, we must provide citizens of the District with more homeownership opportunities. Homeownership gives residents a vested interest in their community and encourages people to take an active role in improving the District. Initiatives such as 'HomeStart,' which I spearheaded, and agencies like the D.C. Housing Finance Agency have expanded opportunities for residents to purchase a house and create a home."*

— **Councilmember David Catania**, *At-Large*





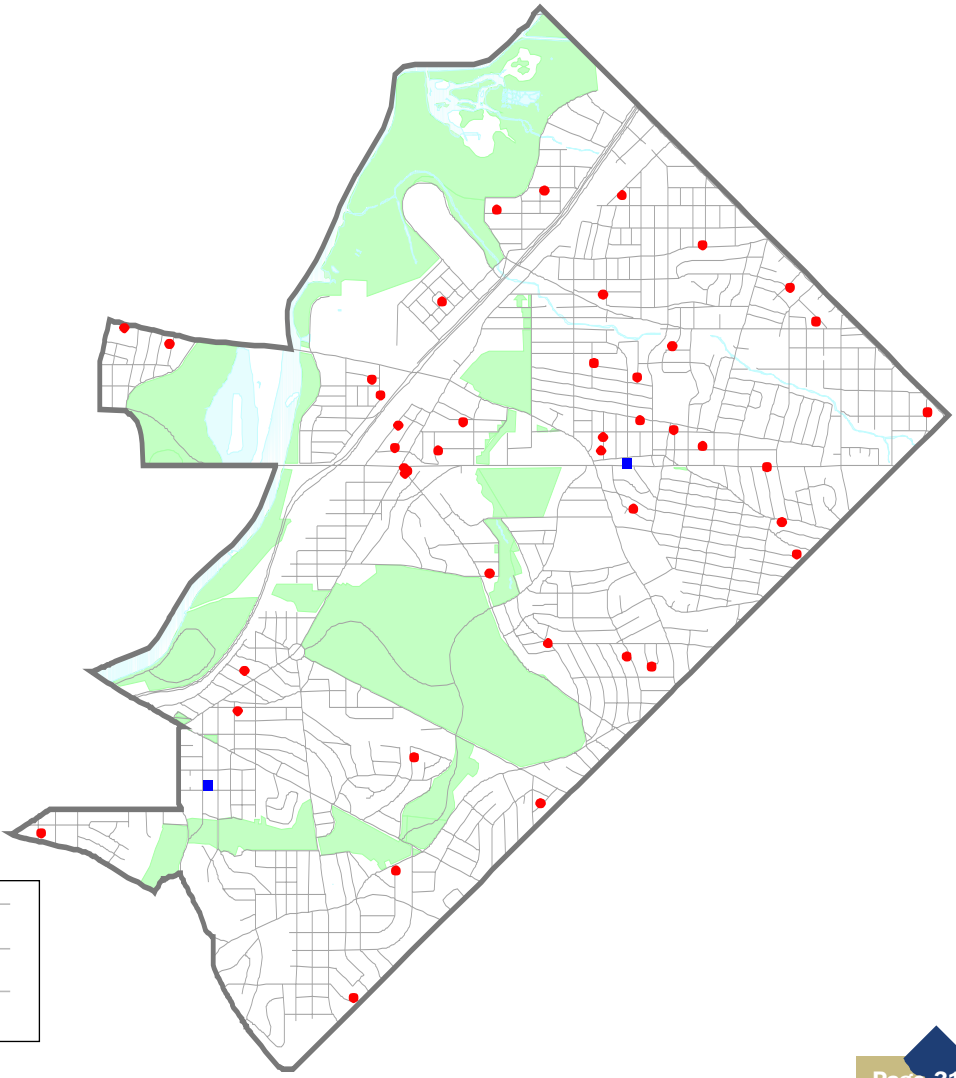
*“It is more important than ever that we define and dedicate funding and choose policy directions that are true to our commitment to affordable housing. I will continue to work to bridge the gap between affordability for Ward Seven residents and increases in neighborhood development. The HFA’s financing commitments to neighborhood development are making a difference in helping families to make our city, our home.”*

**Kevin Chavous, Ward Seven Councilmember**

**Ward Seven Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
70,540	12,064	41.1%	42	\$4,859,191	236	0	\$10,016,238	\$14,875,429

# Ward Seven



	KEY
	● Single-Family
	■ Multifamily
* PLOT POINTS ESTIMATED	



# Board of Directors

The HFA Board of Directors provides guidance and oversight for the agency and ensures the HFA's resources are being used to benefit city residents. The five-member Board of Directors helps establish goals, plans and initiatives as well as approves financing for low- and moderate-income housing developments.

Collectively, the current board members bring over 75 years of single-family and multifamily housing finance experience to the HFA. This knowledge base makes the Board of Directors an invaluable asset and crucial part of the agency's management structure. In FY 02, the HFA Board of Director's commitment to affordable housing was never more visible than when they called a special meeting and diligently worked under tight deadlines to approve a \$2.4 million McKinney Act Loan for George Washington Carver Apartments. Without a quick intervention, the residents would have lost their chance to purchase the apartment complex and may have been displaced.

## George Washington Carver Apartments

After several unsuccessful attempts to receive federal funding and missing several extensions from the seller, residents of George Washington Carver Apartments finally purchased their apartment complex and avoided being displaced. Their two-year effort ended successfully when the HFA and DHCD partnered to save their homes. The HFA provided a bridge loan of \$2.4 million in McKinney Act Loan funds for the acquisition of the 176-unit apartment complex, and DHCD committed to allocating federal funds from its FY 03 budget to repay the HFA loan and provide residents funds for the apartment complex's acquisition and complete rehabilitation. The tenants association will work with DHCD to ensure the current residents are not displaced during the rehabilitation process and rents remain affordable to low-income residents.



## *Huntwood Apartments*

In record-breaking time, the Huntwood Preservation, L.L.C. transformed a dilapidated 50-year-old apartment complex into one of Ward 7's most attractive rental housing complexes. In less than 10 months and thousands of dollars below budget, the 214-unit housing complex received much-needed repairs and upgrades, including new plumbing, heating and electrical systems. In Fiscal Year 2001, the HFA provided \$3 million in Low-Income Housing Tax Credits and \$7.5 million in tax-exempt and taxable bonds for the acquisition and rehabilitation of the apartment complex. Since displacement from rehabilitated housing developments is a major issue East of the River, the developer successfully executed its "in-place relocation" plan, which allowed tenants to remain in the apartment complex during the rehabilitation process.

*"Bringing residents back into our neighborhoods as homeowners is the surest path toward revitalization. New homeowners breathe new life into their neighborhoods, because they have a vested interest in the vitality and safety of their surroundings. That is why the work of the HFA is so critically important."*

— **Councilmember Carol Schwartz**, *At-Large*



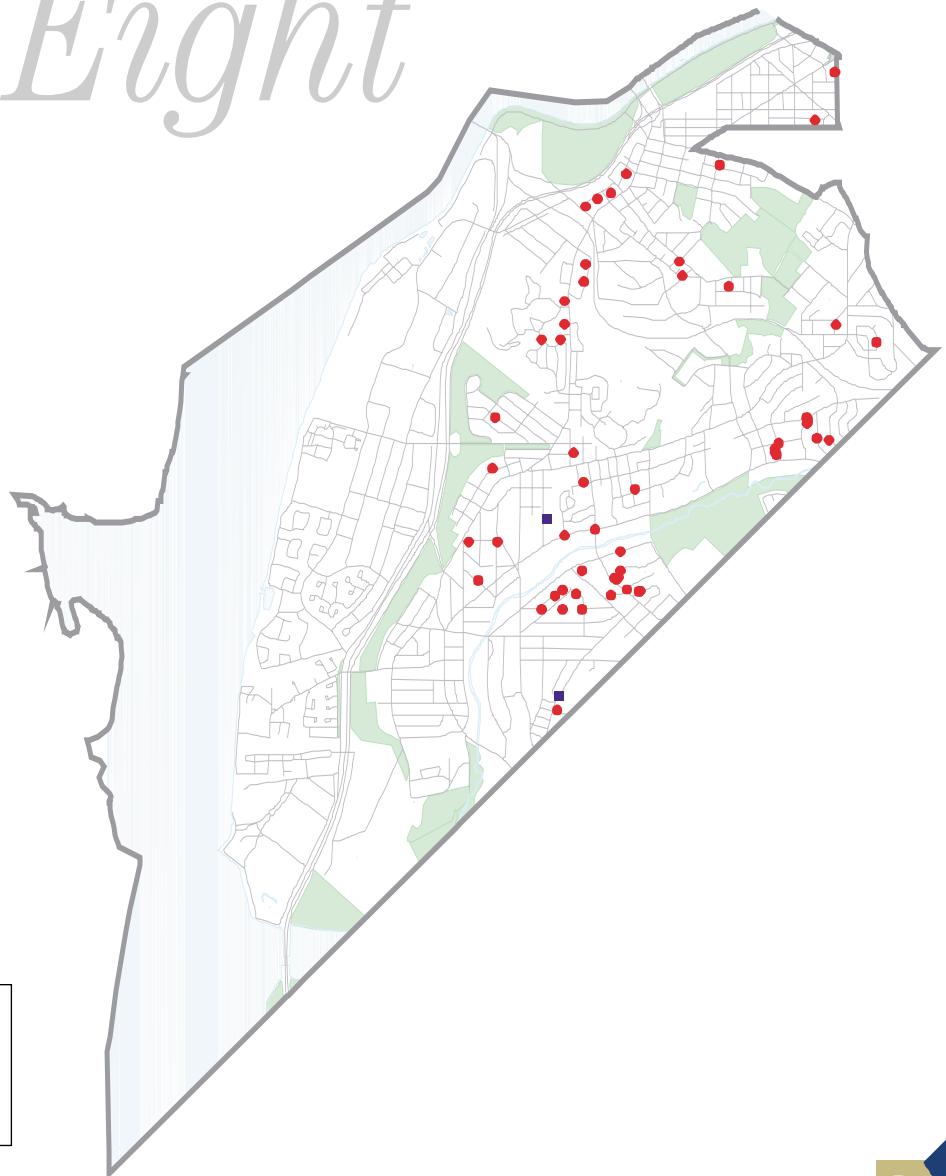
*“I am proud of the progress we have made in Ward Eight in developing affordable housing and homeownership opportunities for our residents. In partnership with the D.C. Housing Finance Agency, I have worked hard to ensure the rents in new developments are affordable, that quality construction takes place and that our residents know what is happening in their community.”*

**Sandra Allen, Ward Eight Councilmember**

**Ward Eight Statistics**

Population	Total Owner-Occupied Units	Home-ownership Rate	Home-ownership Loans	Home-ownership Investment	Multifamily Units	Multifamily Bond Investment	Other Funds Invested	Total Ward Investment
70,914	5,358	21.4%	51	\$6,138,303	532	\$18,620,000	\$13,129,547	\$37,887,850

# Ward Eight



WARD EIGHT	KEY
	● Single-Family
	■ Multifamily
	* PLOT POINTS ESTIMATED



# Partnerships

The HFA works collaboratively with Mayor Anthony A. Williams, Deputy Mayor Eric Price, the Council of the District of Columbia and the city's housing agencies to revitalize neighborhoods and bring more affordable housing options to the city's low- and moderate-income residents. During the Williams Administration, the city government has effectively created public and private partnerships and formulated housing policies, legislation and goals to address the city's affordable housing needs. Over the last five years, these strong government ties have helped construct and rehabilitate more than 10,000 housing units and leverage more than \$1 billion in private sector funds for affordable housing developments across the city.

Washington's housing renaissance has attracted national exposure and made the city's housing stock one of the most sought-after in the country. The HFA works with DHCD and DCHA to pool resources and provide developers with numerous financial incentives, including federal grants and loans, low-interest bond financing and Low-Income Housing Tax Credits. The financial incentives and successful partnerships have allowed developers and government officials to take advantage of the city's rebounding housing market and preserve, rehabilitate and construct housing in many neglected areas starved for development.

## *Henson Ridge*

Henson Ridge, with a total development cost of \$91 million, will create 600 rental and for-sale housing units on a 57-acre site in Ward 8. The housing development is being financed with the assistance of \$33.3 million from DCHA, \$8.2 million in tax-exempt bond financing from the HFA and \$6.4 million from DHCD. Henson Ridge is a HOPE VI development that called for the total demolition of the Frederick Douglass and Stanton Dwellings public housing complex and the construction of a mixed-income housing development with townhouses, apartments and bungalows.



## *Partnerships Developments*

The city's top government housing officials often form partnerships to fund development. These partnerships position the city's housing agencies to become the essential financial foundation needed to bring a housing development from the drawing board to completion. During FY 02, the HFA, DHCD and DCHA partnered and committed resources to finance seven developments, which brought 908 affordable housing units to the market.

DEVELOPMENT	WARD	UNITS	HFA	DHCD	DCHA	OTHER	TOTAL FUNDS INVESTED
DCCH Pool – Chapin Street	1	15	\$2,277,548	\$798,537	0	\$157,562	\$3,233,647
DCCH Pool – Euclid Street	1	17	\$2,671,386	\$650,000	0	\$243,306	\$3,564,692
Trinity Towers	1	122	\$13,481,450	\$4,480,000	0	\$2,745,810	\$20,707,260
Edgewood Terrace (3)	5	200	\$13,825,299	\$3,300,000	\$7,000	\$539,953	\$24,665,252
Golden Rule	6	119	\$12,366,011	\$3,500,000	0	\$2,448,025	\$18,314,036
GW Carver Apartments	7	176	\$2,400,000	\$2,400,000*	0	0	\$2,400,000
Trenton Park	8	259	\$10,193,820	\$1,750,000	0	\$1,830,865	\$13,744,685

\* Repayment of McKinney Act Loan



*HFA Staff*



# *HFA Staff*

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Apichart Buppapong • Solomon Haile • Abiy Tamrat • Joey Tatlonghari

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
District of Columbia Housing Finance Agency

We have audited the accompanying basic financial statements of the District of Columbia Housing Finance Agency ("the Agency"), a component unit of the District of Columbia Government, as of and for the years ended September 30, 2002 and 2001. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of September 30, 2002 and 2001, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Agency adopted the provisions of Governmental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments", Statement No. 37, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus", and Statement No. 38, "Certain Financial Statement Note Disclosures", as of and for the year ended September 30, 2002.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining financial statements on pages 40 through 42 are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 31, 2002, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Washington, D.C.  
December 31, 2002

*Thompson, Cobb, Bazilio & Associates, P.C.*

## Combining Balance Sheet

September 30, 2002

	<i>General Fund</i>	<i>Single-Family Program Fund</i>	<i>Multi-Family Program Fund</i>	<i>DC Building Finance Corporation Fund</i>	<i>Memorandum Totals</i>	
					<i>2002</i>	<i>2001</i>
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$12,800,633	\$ -	\$ -	\$ -	\$12,800,633	\$12,174,326
Restricted cash and cash equivalents	8,390,020	-	-	-	8,390,020	7,843,001
Other receivables	618,101	-	-	-	618,101	542,005
Mortgage and construction loans receivable	253,186	-	-	-	253,186	280,421
Total current assets	<u>22,061,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,061,940</u>	<u>20,839,753</u>
<b>NON-CURRENT ASSETS:</b>						
Restricted assets:						
Cash and cash equivalents	-	7,518	241,285	-	248,803	521,201
Investments held in trust	-	255,362,340	82,032,693	244,209	337,639,242	314,193,116
Mortgage backed securities at fair value	-	249,349,151	68,916,281	-	318,265,432	324,973,672
Mortgage and construction loans receivable	-	6,167,376	325,257,590	-	331,424,966	283,133,491
Rehab financed by tax credits	-	-	8,703,871	-	8,703,871	3,957,993
Loans receivable	-	-	1,493,400	-	1,493,400	1,406,270
McKinney Act funds receivable	1,694,380	-	-	-	1,694,380	2,274,036
Other receivables	206,680	-	8,315,963	68,889	8,591,532	10,256,358
Accrued interest receivables	-	2,277,429	2,305,420	-	4,582,849	6,786,137
Total restricted assets	<u>1,901,060</u>	<u>513,163,814</u>	<u>497,266,503</u>	<u>313,098</u>	<u>1,012,644,475</u>	<u>947,502,274</u>
Capital assets, net of accumulated depreciation	<u>1,004,868</u>	<u>-</u>	<u>-</u>	<u>2,089,350</u>	<u>3,094,218</u>	<u>3,042,021</u>
Other assets:						
Investments	4,998,402	-	-	-	4,998,402	4,224,473
Loans receivable	18,166	-	140,000	-	158,166	163,649
Prepays	154,012	-	-	30,816	184,828	304,704
Due from (to) Other funds	2,712,821	(2,684,066)	(25,546)	(3,209)	-	-
Bond issue costs — net	-	2,753,805	12,838,644	107,212	15,699,661	15,243,097
Total other assets	<u>7,883,401</u>	<u>69,739</u>	<u>12,953,098</u>	<u>134,819</u>	<u>21,041,057</u>	<u>19,935,923</u>
Total non-current assets	<u>10,789,329</u>	<u>513,233,553</u>	<u>510,219,601</u>	<u>2,537,267</u>	<u>1,036,779,750</u>	<u>970,480,218</u>
<b>TOTAL ASSETS</b>	<u><b>\$32,851,269</b></u>	<u><b>\$513,233,553</b></u>	<u><b>\$510,219,601</b></u>	<u><b>\$2,537,267</b></u>	<u><b>\$1,058,841,690</b></u>	<u><b>\$991,319,971</b></u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES:</b>						
Amounts payable and accrued liabilities	\$841,699	\$36,113	\$464,542	\$208,276	\$1,550,630	\$2,777,383
Accrued salary and vacation payable	175,511	-	-	-	175,511	151,772
Deferred revenue	580,822	-	-	-	580,822	657,272
Current portion of bonds payable	-	2,620,000	11,785,000	-	14,405,000	102,820,000
Current portion of Certificates of Participation	-	-	-	100,000	100,000	95,000
Total current liabilities	<u>1,589,032</u>	<u>2,656,113</u>	<u>12,249,542</u>	<u>308,276</u>	<u>16,811,963</u>	<u>106,501,427</u>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:</b>						
Tenant subsidy funds	856,901	-	-	-	856,901	1,350,384
Escrow deposits	1,359,034	-	-	-	1,359,034	1,192,796
Deferred credits	-	6,200,000	38,608,969	-	44,808,969	41,986,485
Deferred revenue	364,545	1,026,233	637,895	112,233	2,140,906	2,813,631
Interest payable	-	5,792,988	5,148,828	35,556	10,977,372	12,430,048
Total current liabilities payable from restricted assets	<u>2,580,480</u>	<u>130,019,221</u>	<u>44,395,692</u>	<u>147,789</u>	<u>60,143,182</u>	<u>59,773,344</u>
<b>NON-CURRENT LIABILITIES:</b>						
Deferred revenue-less current portion	364,546	-	-	-	364,537	729,082
Loans payable	-	250,000	10,762,742	-	11,012,742	3,677,447
Bonds payable-less current portion	-	480,732,340	412,161,965	-	892,894,305	759,179,114
Certificate of Participation-less current portion	-	-	-	1,955,000	1,955,000	2,055,000
Total non-current liabilities	<u>364,546</u>	<u>480,982,340</u>	<u>422,924,707</u>	<u>1,955,000</u>	<u>906,226,584</u>	<u>765,640,643</u>
Total liabilities	<u>4,543,058</u>	<u>496,657,674</u>	<u>479,569,941</u>	<u>2,411,065</u>	<u>983,181,729</u>	<u>931,915,414</u>
<b>NET ASSETS:</b>						
Invested in capital assets—net of related debt	<u>988,943</u>	<u>-</u>	<u>-</u>	<u>34,350</u>	<u>1,023,293</u>	<u>872,796</u>
Restricted for:						
Bond Fund and Risk Share Program	1,089,218	16,575,879	30,649,660	35,556	48,350,313	32,632,888
McKinney Act Fund	5,398,908	-	-	-	5,398,908	4,797,793
Total restricted net assets	<u>6,488,126</u>	<u>16,575,879</u>	<u>30,649,660</u>	<u>35,556</u>	<u>53,749,221</u>	<u>37,430,681</u>
Unrestricted net assets	<u>20,831,142</u>	<u>-</u>	<u>-</u>	<u>56,296</u>	<u>20,887,447</u>	<u>21,101,080</u>
<b>TOTAL NET ASSETS</b>	<u><b>28,308,211</b></u>	<u><b>16,575,879</b></u>	<u><b>30,649,660</b></u>	<u><b>126,202</b></u>	<u><b>75,659,961</b></u>	<u><b>59,404,557</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$32,851,269</b></u>	<u><b>\$513,233,553</b></u>	<u><b>\$510,219,601</b></u>	<u><b>\$2,537,267</b></u>	<u><b>\$1,058,841,690</b></u>	<u><b>\$991,319,971</b></u>

# Combining Statement of Revenue, Expenses and Changes In Net Assets

September 30, 2002

	<i>General Fund</i>	<i>Single-Family Program Fund</i>	<i>Multifamily Program Fund</i>	<i>DC Building Finance Corporation Fund</i>	<i>Memorandum Totals</i>	
					<i>2002</i>	<i>2001</i>
<b>OPERATING REVENUES:</b>						
Mortgage backed security income	\$ -	\$21,523,666	\$7,208,124	\$ -	\$28,731,790	\$32,787,064
Interest on mortgage and construction loans	18,961	605,923	15,974,967	-	16,599,851	15,957,800
HUD Section 8 housing assistance receipts	13,064,801	-	-	-	13,064,801	12,987,275
Service project receipts	6,235,820	-	-	-	6,235,820	5,909,850
McKinney Act revenue	666,439	-	-	-	666,439	822,726
Application and commitment fees	101,486	-	-	-	101,486	85,812
Other	6,731,104	717,123	5,287,450	194,062	12,929,739	13,574,438
Total operating revenues	<u>26,818,611</u>	<u>22,846,712</u>	<u>28,470,541</u>	<u>194,062</u>	<u>78,329,926</u>	<u>82,124,965</u>
<b>OPERATING EXPENSES:</b>						
Operations	1,026,014	332,052	2,857,585	-	4,215,651	3,759,060
Personnel and related costs	3,236,576	-	-	-	3,236,576	2,723,323
Program payments	10,282,457	-	-	-	10,282,457	10,000,095
Housing assistance payments	9,018,164	-	-	-	9,018,164	8,897,030
Depreciation and amortization	170,547	-	-	66,490	237,037	171,377
Bond amortization	-	1,520,759	1,589,338	10,348	3,120,445	910,541
Trustee fees and other expenses	20,020	576,014	2,801,235	1,000	3,398,269	3,824,304
Interest expense	-	24,088,004	15,510,078	109,829	39,707,911	43,625,837
Total operating expenses	<u>23,753,778</u>	<u>26,516,829</u>	<u>22,758,236</u>	<u>187,667</u>	<u>73,216,510</u>	<u>73,911,567</u>
<b>OPERATING INCOME</b>	<u>3,064,833</u>	<u>(3,670,117)</u>	<u>5,712,305</u>	<u>6,395</u>	<u>5,113,416</u>	<u>8,213,398</u>
<b>NON-OPERATING REVENUES</b>						
Investment income	<u>340,949</u>	<u>6,704,494</u>	<u>4,159,525</u>	<u>4,981</u>	<u>11,209,949</u>	<u>17,392,466</u>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>						
	<u>3,405,782</u>	<u>3,034,377</u>	<u>9,871,830</u>	<u>11,376</u>	<u>16,323,365</u>	<u>25,605,864</u>
<b>EXTRAORDINARY ITEM - LOSS ON EXTINGUISHMENT OF DEBT</b>						
	<u>-</u>	<u>-</u>	<u>(67,961)</u>	<u>-</u>	<u>(67,961)</u>	<u>(98,331)</u>
<b>CHANGE IN NET ASSETS</b>	<u>3,405,782</u>	<u>3,034,377</u>	<u>9,803,869</u>	<u>11,376</u>	<u>16,255,404</u>	<u>25,507,533</u>
<b>NET ASSETS, Beginning of Year</b>	<u>24,902,429</u>	<u>13,541,502</u>	<u>20,845,791</u>	<u>114,826</u>	<u>59,404,548</u>	<u>33,897,015</u>
<b>NET ASSETS, End of Year</b>	<u>\$28,308,211</u>	<u>\$16,575,879</u>	<u>\$30,649,660</u>	<u>\$126,202</u>	<u>\$75,659,952</u>	<u>\$59,404,548</u>

	<i>General Fund</i>	<i>Single-Family Program Fund</i>	<i>Multifamily Program Fund</i>	<i>DC Building Finance Corporation Fund</i>	<i>Memorandum Totals</i>	
					<i>2002</i>	<i>2001</i>
<b>Cash Flows from Operating Activities:</b>						
Cash receipts from (and purchases to)						
loans and interest	\$27,235	\$71,585,367	\$(44,040,259)	\$ -	\$27,572,343	\$43,744,782
Other cash receipts	7,620,449	23,055	5,199,708	186,807	13,030,019	11,102,099
Cash payments to vendors	(2,195,826)	-	-	-	(2,195,826)	(1,313,612)
Cash payments to employees	(3,212,838)	-	-	-	(3,212,838)	(2,724,211)
Receipts of federal program income	18,807,835	-	-	-	18,807,835	20,132,278
Payments of federal program	(19,301,318)	-	-	-	(19,301,318)	(18,897,125)
Other cash payments	(10,005)	(905,932)	(5,531,922)	(1,000)	(6,448,859)	(7,151,919)
Net Cash Provided (Used)	<u>1,735,532</u>	<u>70,702,490</u>	<u>(44,372,473)</u>	<u>185,807</u>	<u>28,251,356</u>	<u>44,892,292</u>
<b>Capital and Related Financing Activities:</b>						
Acquisition of fixed assets	(289,233)	-	-	-	(289,233)	(242,988)
Payments of long term debt	-	-	-	(95,000)	(95,000)	(90,000)
Payments of interest and charges	-	-	-	(111,275)	(111,275)	(114,095)
Net Cash Used	<u>(289,233)</u>	<u>-</u>	<u>-</u>	<u>(206,275)</u>	<u>(495,508)</u>	<u>(447,083)</u>
<b>NonCapital Financing:</b>						
Proceeds in rehab financed by tax credits	-	-	(32,420,016)	-	(32,420,016)	(11,549,915)
Proceeds from long term bonds	-	139,114,909	89,659,570	-	228,774,479	210,137,282
Payments of long term debt	-	(152,115,710)	(31,892,657)	-	(184,008,367)	(178,530,000)
Payments of interest and charges	-	(25,179,291)	(16,237,141)	-	(41,416,432)	(45,047,526)
Proceeds of notes/loans payable	-	250,000	7,085,295	-	7,335,295	3,677,447
Net Cash Provided (Used)	<u>-</u>	<u>(37,930,092)</u>	<u>16,195,051</u>	<u>-</u>	<u>(21,735,041)</u>	<u>(21,312,712)</u>
<b>Investing Activities:</b>						
Receipts of interest and dividends	334,718	7,925,653	4,895,752	4,981	13,161,104	14,828,026
Purchase of investments	(6,330,165)	(295,636,932)	(205,411,890)	(193,607)	(507,572,594)	(504,091,339)
Sale of investments	5,722,474	254,508,192	228,851,851	209,084	489,291,611	476,568,846
Net Cash Provided (Used)	<u>(272,973)</u>	<u>(33,203,087)</u>	<u>28,335,713</u>	<u>20,468</u>	<u>(5,119,879)</u>	<u>(12,694,467)</u>
Increase (Decrease) in Cash	1,173,326	(430,689)	158,291	-	900,928	10,438,030
Cash and cash equivalents at October 1	20,017,327	438,207	82,994	-	20,538,528	10,100,498
Cash and cash equivalents at September 30	<u>\$21,190,653</u>	<u>\$7,518</u>	<u>\$241,285</u>	<u>-</u>	<u>\$21,439,456</u>	<u>\$20,538,528</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>						
Operating income (loss)	3,064,833	(3,670,117)	5,712,305	6,395	5,113,416	8,213,407
Extraordinary loss	-	-	67,961	-	(67,961)	(98,331)
Depreciation	170,547	-	-	66,490	237,037	171,458
Miscellaneous nonoperating revenue	-	20,383,076	11,519,985	-	31,903,061	43,350,692
Receivables	579,656	380,355	67,810	-	1,027,821	(1,543,202)
Other current assets	46,436	-	(3,493)	3,438	46,381	(9,540,898)
Loans receivable	5,483	-	(87,130)	-	(81,647)	(76,931)
Payables	1,247,918	2,135	19,032	-	(1,226,751)	572,538
Accrued liabilities	23,738	-	-	-	23,738	(888)
Deferred revenue and credits	440,995	826,689	1,768,050	(345)	2,153,399	269,412
Other current liabilities and changes in mortgage loans	466,248	52,780,352	(63,301,071)	109,829	(10,877,138)	3,575,035
Net Cash Provided (Used)	<u>\$1,735,532</u>	<u>\$70,702,490</u>	<u>\$(44,372,473)</u>	<u>\$185,807</u>	<u>\$28,251,356</u>	<u>\$44,892,292</u>

The HFA's annual report provides detailed information on the financial position, results of operations, and changes in cash flow for the bond programs. The preceding charts are summary highlights of the audited financial statements of the agency. The audited financial statements are a public record and are posted on the HFA's website. The only official and complete version of the audited financial statements is the printed version available in hard copy for physical delivery. Printed versions of the financial statements are available from the agency by contacting Tia Matthews at 202-777-1660 or by email at tmatthews@dchfa.org.





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