

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer
Office of the Chief Financial Officer

DATE: DEC -5 2007

SUBJECT: Fiscal Impact Statement – “Evictions with Dignity Amendment Act of 2007”

REFERENCE: Bill Number 17-61 – Committee Print

Conclusion

Enactment of the proposed resolution itself does not have an impact on the District’s budget, as it is an authorization, but not a requirement, to expend District resources. However, funds are not sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the regulations contemplated by the proposed resolution. The cost to cover the legislated maximum number of recipients would be approximately \$472,000 in FY 2008 and \$1.98 million over the FY 2008 through FY 2011 period.

Background

The proposed legislation would amend the Rental Housing Act of 1985¹ to ensure that tenants evicted under section 501 who are ineligible to receive relocation assistance as set forth in Title VII,² would be entitled, subject to the availability of funds, to receive storage assistance for their personal property at the expense of the District government for no longer than 90 days. Upon a showing of extenuating circumstances, as determined by the Mayor, displaced tenants receiving

¹ Effective July 17, 1985. D.C. Law 6-10; D.C. Official Code § 42-3505.01

² Under Title VII, housing providers who evict tenants under section 501(f), (g), (h), or (i) of the Rental Housing Act in order to perform renovations and alterations, or to rehabilitate or demolish the housing accommodations, or to discontinue its rental housing use, must provide the tenants with relocation assistance. The amount of relocation assistance, pending a Mayoral adjustment of the amount, is either \$150 or \$300 per room, depending on the use of the room.

assistance under the proposed legislation would be eligible to receive additional storage assistance for up to 15 days. No more than 500 tenants per calendar year would be eligible to receive storage assistance under the proposed legislation.³

Under the proposed bill, the term "storage assistance," is defined as "moving a tenant's items out of the rental unit, loading them, and paying for a truck, delivery to a storage facility, unloading at the facility, and paying the storage fees."

The proposed bill would require the Mayor to authorize the facility storing the property to sell or otherwise dispose of it if such property is not retrieved before the expiration of the 90 day period.⁴ The proposed legislation would require the tenant to sign a contract releasing the District of any and all liability due to damage or loss of property. It would also require the Mayor to create an application procedure for the program.

Financial Plan Impact

Enactment of the proposed resolution itself does not have an impact on the District's budget, as it is an authorization, but not a requirement, to expend District resources. However, funds are not sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the regulations contemplated by the proposed resolution. The cost to cover the legislated maximum number of recipients would be approximately \$472,000 in FY 2008 and \$1.98 million over the FY 2008 through FY 2011 period.

The table below displays the unbudgeted costs of the contemplated regulations, including costs associated with moving assistance, storage assistance, and program administration. These calculated costs assume that the maximum legislated number of tenants (500) receive assistance under the proposed resolution each fiscal year.

Any cost savings that may be realized through moving or storage facility contracts negotiated and signed by the Mayor are not considered in this fiscal impact statement.

³ According to the U.S. Marshall's Service, a total of 2,446 evictions took place in CY 2006. It is unclear how many of these evictions were accorded Title VII assistance.

⁴ The Office of the Chief Financial Officer (OCFO) assumes that the storage facility would have to retain the personal property for a total of 105 days—not 90-- if the District government grants the affected tenant additional storage assistance.

Fiscal Impact on the Budget and Financial Plan					
	FY 2008	FY 2009	FY 2010	FY 2011	4 Year Total
Moving Assistance	(\$127,500)	(\$131,963)	(\$136,581)	(\$141,362)	(\$537,405)
Storage Assistance	(\$256,750)	(\$265,736)	(\$275,037)	(\$284,663)	(\$1,082,187)
Administration	(\$87,472)	(\$88,946)	(\$92,025)	(\$95,210)	(\$363,652)
Net Impact	(\$471,722)	(\$486,645)	(\$503,643)	(\$521,235)	(\$1,983,244)

Assumptions

- Out years include 3.5% annual inflation.
- Assumes that the legislated maximum of 500 recipients will receive assistance each FY.
- Moving assistance calculation assumes three movers, \$85 per hour, and three hours per move, or, \$255 per move.
- Storage assistance calculation assumes a storage unit that can accommodate a 1-2 bedroom apartment (10' x 10'), at a rate of \$158 per month for three months. Also assumes that 50% of recipients, or 250, will receive an additional 15 days of assistance, and that the storage facility would agree to prorate their fees to accommodate this.
- Administration cost assumes one FTE at Grade 13 / Step 1 (\$72,010 in FY 2008), plus 18% benefits, \$2,500 for first year NPS costs, and \$1,000 for each out-year in NPS costs.