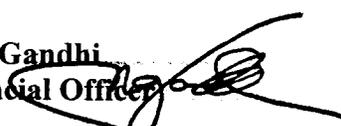


**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

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

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: December 8, 2008

SUBJECT: Fiscal Impact Statement: "Housing Wait List Elimination Act of 2008"

REFERENCE: Bill 17-851, Committee Print dated November 17, 2008

Conclusion

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would require the Mayor to develop and submit to Council for approval within 90 days of the effective date of the proposed bill a comprehensive plan to eliminate the District of Columbia Housing Authority's (DCHA) current waiting list of individuals seeking housing choice vouchers and placement in public housing by January 1, 2011. The proposed bill enumerates the required components of the plan.

Financial Plan Impact

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the provisions of the proposed legislation.

The Department of Housing and Community Development (DHCD) and DCHA could absorb implementing the provisions of the proposed bill with existing resources. DCHA and DHCD have informed the Office of the Chief Financial Officer that they have already been working in collaboration on a plan to eliminate the waiting list and that the plan is near completion. The completion of the plan would satisfy the requirements of the legislation.¹

¹ Preliminary estimates by DCHA and DHCD show that the cost of providing a rent supplement to the 25,144 households currently on the waiting list would cost the District \$440,020,000 annually, assuming that the waiting list

is closed, and that the number of households remains static. Although DCHA has about 8,000 public housing units, only about 400 become available annually. DCHA has 10,500 housing vouchers, of which about 500 turn over annually. According to DCHA and DHCD, the waiting list adds about 4,570 new applicants per year, meaning that turnover meets about 20 percent of the annual demand. Two percent of the households on DCHA's waiting list earn more than 30 percent of area median income and currently 10,247 of those on the waiting list are self-certified as homeless. While DHCD currently has a pipeline of 9,244 units, only 1,094 are affordable to households at or below 30 percent of area median income. Therefore, nearly all of the households who move into units subsidized through DHCD would require a rent supplement to afford the unit. Given that the average rent supplement is \$15,700, the estimated annual appropriation required would be \$440,020,000.