


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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: April 24, 2018

SUBJECT: Fiscal Impact Statement – Public Housing Credit Building Pilot Program Act of 2018

REFERENCE: Bill 22-168, Draft Committee Print sent to the Office of Revenue Analysis on April 12, 2018

Conclusion

Funds are not sufficient in the fiscal year 2018 budget and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost approximately \$8,600 in fiscal year 2018, \$104,000 in fiscal year 2019, and \$156,800 over the next five years.

Background

The bill requires the D.C. Housing Authority (DCHA) to create a pilot program in which residents of DCHA properties can opt to have their rent payments reported to consumer credit bureaus. The program will run for 12 months, with a six-month pre-implementation period and a three-month post-implementation assessment period.

DCHA will provide educational materials to residents at properties it selects to participate in the program. The materials will outline the benefits of participation and the rights and responsibilities of participants.

During the program, DCHA will be required to collect data on participation rates and program outcomes. It must report this data to the Council no later than three months after the 12-month pilot program ends.

The Honorable Phil Mendelson

FIS: Bill 22-168, "Public Housing Credit Building Pilot Program Act of 2018," Draft Committee Print sent to the Office of Revenue Analysis on April 12, 2018

Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 budget and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost approximately \$8,600 in fiscal year 2018, \$104,000 in fiscal year 2019, and \$156,800 over the next five years.

To set-up the program, DCHA plans to hire a consultant for \$15,000. The consultant will set up the reporting of rent payments to the credit bureaus and will make sure DCHA has the ability to pull credit reports.

DCHA will also hire an FTE, a case manager, who will conduct outreach to residents and oversee the financial education offered to residents. This person will also collect and report program data. In addition to working during the 12-month pilot program, the case manager will also work pre- and post-implementation.

Additional costs include money to conduct outreach and provide financial education services and the following fees:

- \$150 set-up fee for reporting payments to credit bureaus (one-time);
- \$100 annual fee for reporting payments to credit bureaus;
- \$315 annual fee for technical assistance from the Credit Builders' Alliance; and
- \$400 quarterly fee for pulling credit reports.

The costs we report below assume a pilot program of 50 participants.

Cost of Implementing the Public Housing Credit Building Pilot Program Act of 2017 (FY 2018 - FY 2022)						
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Five-Year Total
Consultant	\$2,500	\$12,500	\$0	\$0	\$0	\$15,000
Case manager (1 FTE)	\$5,972	\$72,881	\$43,237	\$0	\$0	\$122,090
Outreach	\$0	\$10,500	\$0	\$0	\$0	\$10,500
Financial education	\$0	\$7,000	\$0	\$0	\$0	\$7,000
Fees for providing data to credit bureaus and pulling credit reports	\$150	\$1,215	\$800	\$0	\$0	\$2,165
TOTAL	\$8,622	\$104,096	\$44,037	\$0	\$0	\$156,755

Assumptions

- Pre-implementation period runs from August 2018 to January 2019; implementation runs from February 2019 to January 2020; post-implementation runs from February 2020 to April 2020.
- Consultant is hired in August 2018
- Case manager is hired in September 2018
- Credit reports are pulled quarterly during the 12-month duration of the program.