

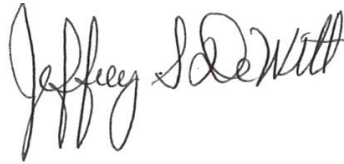
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** July 2, 2018

**SUBJECT:** Fiscal Impact Statement – Rental Housing Commission Independence  
Clarification Amendment Act of 2018

**REFERENCE:** Bill 22-640, Draft Committee Print provided to the Office of Revenue  
Analysis on June 29, 2018

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**Conclusion**

Funds are not sufficient in the fiscal year 2018 budget and fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost \$117,000 in fiscal year 2019 and \$480,000 over the four-year budget and financial plan.

**Background**

The bill clarifies<sup>1</sup> that the Rental Housing Commission (RHC) is an independent agency within the executive branch of District government, and it severs the financial and administrative ties the Commission has with the Department of Housing and Community Development (DHCD). Currently DHCD provides the three-member Commission with two attorneys and a clerk; support for administrative functions (Human Resources, Information Technology (IT), legislative affairs); and non-personnel services (supplies, training, IT equipment, translation services, etc.).

The bill requires the Chief Financial Officer to make an intra-district transfer from DHCD to the RHC within 30 days of the effective date of the legislation. The transfer will include RHC's share of baseline budget funds and full-time equivalent positions that had previously been included in DHCD's budget. DHCD must also transfer to RHC any property that RHC has been using.

The bill also outlines the responsibilities of RHC's three commissioners, including the chair of the Commission.

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<sup>1</sup> By amending the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-1 O; D.C. Official Code § 42-3501.01 et seq.).

The Honorable Phil Mendelson

FIS: Bill 22-640, "Rental Housing Commission Independence Clarification Amendment Act of 2018," Draft Committee Print sent to the Office of Revenue Analysis on June 29, 2018

### Financial Plan Impact

Funds are not sufficient in the fiscal year 2018 budget and fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The bill will cost \$117,000 in fiscal year 2019 and \$480,000 over the four-year budget and financial plan.

The RHC will need a special assistant to cover the administrative functions DHCD provided that cannot be transferred, such as Human Resources, IT, and legislative affairs support. Salary plus benefits for the special assistant will total about \$117,000 in fiscal year 2019 and is expected to grow slightly each year.

Cost of the Rental Housing Commission Independence Clarification Amendment Act of 2018					
	FY 2019	FY 2020	FY 2021	FY 2022	Four-year Total
Special Assistant for RHC	\$117,000	\$119,000	\$121,000	\$123,000	\$480,000

#### Table Notes

- Grade 13/5 special assistant compensation includes 21.6 percent fringe and 1.75 percent annual growth.

In addition to the special assistant and funding in DCHD's budget already allocated to the RHC, RHC will receive from DHCD two attorneys, one clerk, and roughly \$100,000 in non-personnel services funds that are currently part of DHCD's budget. After these transfers and additions occur, DHCD estimates that RHC's total budget in fiscal year 2019 will be between \$1.3 million to \$1.4 million.<sup>2</sup>

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<sup>2</sup> This is the estimate as it currently stands; it is subject to change before the transfer.