

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:** October 25, 2016

**SUBJECT:** Fiscal Impact Statement – “Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016”

**REFERENCE:** Bill 21-656, Committee Print provided to the Office of Revenue Analysis on October 21, 2016

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**Conclusion**

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. It will cost \$261,775 in fiscal year 2017 and \$1,079,170 in the four-year financial plan to implement the bill.

**Background**

The Office of the Tenant Advocate (OTA) provides emergency housing and relocation assistance to qualified tenants who have been displaced from their accommodation when a building is closed due to unlivable conditions.

The bill requires landlords to reimburse the District for services provided by OTA, if displacement of the tenant is the result of the landlord’s intentional negligence or failure to act to maintain the dwelling. The District may seek reimbursement for: short term housing costs (such as hotels) for up to 30 days, moving costs, storage of personal property for up to 60 days, rental application fees, security deposits, utility deposits, and first month’s rent.

OTA must provide an invoice to the landlord outlining the costs of providing the emergency services to the tenants. The landlord must either pay or deny liability and request a hearing within 30 days. If the landlord does nothing in 30 days, the landlord will be deemed liable for the full amount of the invoice. If a hearing is requested, the Office of Administrative Hearings (OAH) will determine whether the landlord’s liability has been established by a preponderance of the evidence. The bill authorizes a lien to be placed on all of the landlord’s property for the amount the landlord is determined to be liable for.

The Honorable Phil Mendelson

FIS: "Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016," Bill 21-656, Committee Print provided to the Office of Revenue Analysis on October 21, 2016.

The bill also allows the Chief Tenant Advocate to abate the amount owed by a landlord for reasonable causes.

Lastly, the bill creates a non-lapsing fund called the Emergency Housing and Relocation Assistance Fund, which will collect the fines and penalties paid by landlords under the requirements of this bill. OTA may only spend the revenues to offset the cost of providing emergency housing and relocation assistance.

### **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. It will cost \$261,775 in fiscal year 2017 and \$1,079,170 in the four year financial plan to implement the bill.

It is unknown how many reimbursements OTA will seek from landlords in any given year, or how many appeals will be filed with OAH. However, OTA provided emergency relocation services to 127 households, and over 300 people in fiscal year 2015. Based on this workload, OAH will require an Administrative Law Judge and legal assistant to process the appeals. The cost of this is outlined in the chart below. OTA expects it can manage the other requirements of the bill within existing resources.

<b>Estimated Fiscal Impact of Bill 21-656 "Relocation Expenses Recoupment and Lien Authority Amendment Act of 2016" FY 2017 - FY 2020</b>					
	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>TOTAL</b>
Office of Administrative Hearings Additional Personnel Cost <sup>(1)</sup>	\$261,775	\$266,720	\$272,752	\$277,924	<b>\$1,079,170</b>

<sup>(1)</sup> Assumes one Administrative Law Judge at salary established by the Collective Bargaining Agreement with the Federation of Administrative Law Judges- DC and one legal assistant Grade 11, Step 1.