


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



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer 

DATE: December 15, 2023

SUBJECT: Fiscal Impact Statement – Housing Subsidy Contract Stabilization
Amendment Act of 2023

REFERENCE: Bill 25-282, Draft Committee Print as provided to the Office of Revenue
Analysis on December 6, 2023

Conclusion

Funds are sufficient in the fiscal year 2024 through fiscal year 2028 budget and financial plan to implement the bill.

Background

The bill exempts the renewal of project-based, long-term subsidy contracts with housing providers from the competitive bidding process, and extends the maximum length allowed for an initial subsidy contract from 15 to 20 years.

The District's Local Rent Supplement Program (LRSP), managed by the District of Columbia Housing Authority (DCHA) assists low-income residents¹ with obtaining housing using rental subsidies. The program provides two types of subsidies: direct subsidies to the renter, and project-based subsidies given to the housing provider. For project-based subsidies, the District competitively bids for long term subsidy contracts with housing providers known as an Agreement to Enter into a Long Term Subsidy Contract (ALTSC), for a maximum period of 15 years.

As the program began in 2006, some of the early contracts are coming up for renewal. Under current law, renewals would need to be competitively rebid. As the contracts are tied to privately owned

¹ The program assists residents with incomes of up to thirty percent of area median income.

The Honorable Phil Mendelson

FIS: Bill 24-401, "Housing Subsidy Contract Stabilization Amendment Act of 2023," Draft Committee Print as provided to the Office of Revenue Analysis on December 6, 2023

buildings, if a contract were to be awarded to a different provider, subsidies in the currently contracted space would no longer be provided.

The bill exempts renewals of ALTSCs from the competitive bidding process and extends the maximum length of a new ALTSC from 15 to 20 years. New ALTSCs will continue to be awarded under the current process.

Financial Plan Impact

Funds are sufficient in the fiscal year 2024 through fiscal year 2028 budget and financial plan to implement the bill. DCHA is an independent agency and the changes do not impact the District's budget and financial plan. Additionally, exempting ALTSC renewals from the competitive bidding process and extending the maximum length of initial contracts does not impact the current finances of DCHA.