

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:** September 19, 2016

**SUBJECT:** Fiscal Impact Statement – Home Purchase Assistance Program Working  
Capital Emergency Amendment Act of 2016 (and the temporary  
version of the bill)

**REFERENCE:** Draft emergency and temporary bills sent to the Office of Revenue  
Analysis on September 14, 2016

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**Conclusion**

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bills.

**Background**

The bills allow<sup>1</sup> the administrator of the Home Purchase Assistance Program (HPAP) to request at the beginning of each fiscal year up to \$2 million in local funds from the Department of Housing and Community Development (DHCD), which oversees HPAP. DHCD would then have 30 days to transmit the money to the administrator. The administrator uses funding from DHCD to give loans and closing cost assistance to first-time homebuyers with low to moderate incomes.

Currently the administrator of the program gives loans and other financial assistance to homebuyers and then later is reimbursed by DHCD. This legislation would allow the administrator to get up to \$2 million in local money up front, before the administrator has given loans or other money to homebuyers.

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<sup>1</sup> By amending Section 4 of The Home Purchase Assistance Fund Act of 1978, effective September 12, 1978 (D.C. Law 2-103; D.C. Official Code § 42-2603).

The Honorable Phil Mendelson

FIS: "Home Purchase Assistance Program Working Capital Emergency Amendment Act of 2016" (and the temporary version of the bill), Draft bills sent to the Office of Revenue Analysis on September 14, 2016

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bills.

The bills will not impact DHCD's budget since they will only shift the timing of when DHCD transmits money to the HPAP administrator. From FY 2014 to FY 2016, DHCD had budgeted more than \$3 million a year in local funds for HPAP, and in FY 2017 DHCD has \$2.8 million in local funds budgeted for HPAP (the program also receives federal funding, which will total \$11.2 million in FY 2017). Giving up to \$2 million of this money to the administrator at the beginning of the fiscal year rather than throughout the year will not impact the budget.

The local budget of HPAP fluctuates from year to year and depends on how much money the Mayor and Council appropriate to the program. If at some point local funding for HPAP were to drop below \$2 million, and the administrator requested more local money than was in the budget, DHCD would have to deny the administrator's request. Under this legislation DHCD would also have to continue its practice of asking the administrator to remit to DHCD any HPAP money it does not spend.