

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



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: October 20, 2014

SUBJECT: Fiscal Impact Statement – Truth in Affordability Reporting Act of 2013

REFERENCE: Bill 20-369, Draft Committee Print shared with the Office of Revenue Analysis on October 16, 2014

Conclusion

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

Background

The bill changes the ways in which publicly subsidized affordable housing developments advertise income eligibility levels for their affordable units. Under the provisions of the bill, affordable housing developments must not only express income eligibility as a share of Area Median Income, as currently is the practice, but also the cash equivalent of this income. For example, under the proposed policy, a project that is deemed affordable at 80 percent of Area Median Income would have to note that the maximum income limit for the affordable units would be \$85,840, which is 80 percent of 2013 Area Median Income levels used by the U.S. Department of Housing and Urban Development (\$107,300).

The bill also requires that the Office of the Chief Financial Officer publish, at least annually, District of Columbia family median income by household size, which will then be used to track and report on affordable housing in the District. Additionally, tax abatement financial analysis¹ for the subsidy of affordable housing must include the calculation of levels of housing affordability in terms of area median income, actual income, and District of Columbia median family income.

¹ D.C. Official Code § 47-4701 *et seq.*

The Honorable Phil Mendelson

FIS: Bill 20-369, "Truth in Affordability Reporting Act of 2013," Draft Committee Print as shared with the Office of Revenue Analysis on October 16, 2014

Financial Plan Impact

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill. The U.S. Census publishes estimates of the District's family median income based on the data collected through the American Communities Survey. The Office of the Chief Financial Officer can publish this data at least annually and use it in the tax abatement financial analysis. Incorporating the family median income by household size in reports on affordable housing should not require additional resources.