

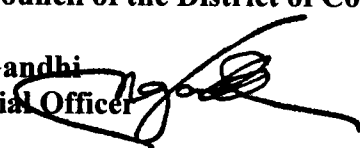
**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: July 15, 2008

SUBJECT: Fiscal Impact Statement: "Section 8 Preservation Act of 2008"

REFERENCE: Bill Number 17-441, Committee Print¹

Conclusion

Funds are sufficient in the FY 2008 budget and the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. No additional staff or resources would be required to implement the proposed legislation.

Background

The proposed legislation would amend multiple sections of the D.C. Official Code to require that an owner of a multi-unit residential building ("Owner") who cancels a contract with the U.S. Department of Housing and Urban Development (HUD) would become subject to the District's Tenant Opportunity to Purchase Act (TOPA) requirements. Specifically, if an Owner under contract with HUD to provide project-based assistance through a Federally-assisted housing program chose to opt out of a Federal subsidy to provide affordable housing, that action would trigger the TOPA requirements that normally occur when a property owner proposes to sell or convert a multi-unit building.² Under TOPA requirements, an Owner must offer tenants the right to purchase a property that the Owner proposes to sell or convert to condominiums.

¹ Dated June 27, 2008, Received in ORA July 1, 2008

² The legislation would amend D.C. Official Code § 42-3401.03 to include in the definition of "Federally-assisted housing program" sections of the following: Section 8 of the U.S. Housing Act of 1937, Section 23 of the U.S. Housing Act of 1937, Section 101 of the HUD Act of 1965, Section 202 of the Housing Act of 1959, Section 811 of the National Housing Act (1990), a mortgage or below market interest rate mortgage insured or held by the Secretary under section 236 of the National Housing Act (1934), a use agreement under the Flexible Subsidy

Financial Plan Impact

Funds are sufficient in the FY 2008 budget and the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed legislation would add an event that would trigger TOPA requirements and would require the District Department of Housing and Community Development (DHCD) to monitor these transactions. Because DHCD already monitors TOPA related transactions, it is unlikely that the addition of a new category of "triggering" actions would require additional resources. In addition, the proposed legislation would not require the District to spend money on tenants' purchase of building that left a Federally-assisted housing program.