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:	**November 20, 2026**
SUBJECT:	**Fiscal Impact Statement – Ownership and Wealth-building for our Neighbors (OWN) Amendment Act of 2026**
REFERENCE:	**Bill 26-819, Draft Committee Print as provided to the Office of Revenue Analysis on November 6, 2026**

Conclusion

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The Department of Housing and Community Development (DHCD) requires $500,000 in fiscal year 2027 and $1.1 million over the financial plan period to implement the bill.

Background

The bill requires condominium associations to conduct remaining life, repair, and replacement cost studies, with exemptions for condominium buildings containing two to four units; requires reserve-study disclosures upon resale; and makes changes to the Home Purchase Assistance Program (HPAP) to allow for asynchronous group education sessions.

The Condominium Act (Act)[1] is a set of laws that governs the creation, operation, and management of condominium associations in the District. It outlines the legal framework that developers, boards, and unit owners must follow to maintain compliance. The Act clarifiesownership rights, board responsibilities, budget processes, disclosure obligations, and rules related to the common elements of a property and grants condominium associations (associations) the authority to manage and maintain common elements, enforce rules, and make decisions on behalf of the association, within limits.[2]

[1] Effective March 29, 1977 (D.C. Law 1-89; D.C. Official Code § 42–1901.01 et. seq.).
[2] D.C. Official Code tit. 42, ch. 19, subch. III. (2026).

Under District law[3], associations are responsible[4] for maintaining, repairing, renovating, restoring, and replacing the common elements[5] while each individual unit owner is responsible for maintaining and repairing their own unit. Unit owners must allow reasonable access to their units when needed by other owners, the association, or their agents so they can carry out their responsibilities. Repairs are at the expense of the party responsible for the damage and in instances when condominium instruments make certain unit components or limited common elements the responsibility of individual owners, the association may choose to step in and maintain, repair, or replace them using common funds when failure to do so could harm the common elements, endanger health or safety, or negatively affect the association's finances. The association may charge the cost to all unit owners through common expenses[6], or if only certain units are impacted, charge only the impacted unit owners. In that case, the cost becomes an assessment on those specific units.

Under the bill, if an executive board[7] manages common elements that would, in the aggregate, cost more than $10,000 to replace, they must have an existing reserve study or conduct one. The purpose of the reserve study[8] is to estimate when major shared building components will need repair or replacement, how much those projects will cost, whether current reserve funds are adequate, and what fee increases or funding adjustments may be needed to pay for future capital expenses. If the executive board completed a reserve study on or after January 1, 2023, it must update that study within six years of the date it was completed and continue updating it at least every six years. If the executive board has not completed a reserve study on or after January 1, 2023, it must complete a reserve study by January 1, 2029, and then update it at least every six years. The bill exempts buildings with two to four units from the reserve study requirement, although certain disclosure requirements still apply. The bill specifies that the sale of a condominium unit does not change or accelerate the reserve study deadlines, and disclosure obligations do not eliminate the board's responsibility to complete required studies.

Under District law[9], when a condominium unit is resold by an owner, other than the developer, the seller must obtain certain documents from the unit owners' association and provide them to the buyer no later than the 10th business day after the buyer signs the sales contract. The bill adds that the resale certificate must contain information about the condominium's reserve studies, including:

- A copy of the condominium's most recent reserve study and the date the study was completed.

[3] D.C. Official Code § 42–1903.07.
[4] Except to the extent otherwise provided by the condominium instruments.
[5] All portions of the condominium other than the units.
[6] All lawful expenditures made or incurred by or on behalf of the unit owners' association, together with all lawful assessments for the creation and maintenance of reserves pursuant to the provisions of the condominium instruments.
[7] An executive and administrative entity, by whatever name denominated and, designated in the condominium instruments to act for the unit owners' association in governing the condominium.
[8] The bill defines reserve study to mean a capital budget planning tool used to determine the estimated remaining useful life of, and estimated maintenance, repair or replacement cost of common element components, including but not limited to common element structural components, or other components of the condominium, or other improvements for which the unit owners association is responsible for the repair and replacement, and an analysis of association funding capacity to maintain, repair, and replace such components and recommendations for funding, and all condo fee increases within the past five years or the lifetime of the building, whichever is lesser.
[9] D.C. Official Code § 42-1904.11(a).

- If no reserve study has been completed, a statement clearly indicating that no reserve study exists.
- A statement explaining:
    - Whether a reserve study or reserve study update is required;
    - The deadline for completing the study or update, if one applies;
    - Whether the study or update is overdue as of the date of the resale certificate; and
    - If no study or update is required, the reason why the condominium is exempt from the requirement.

The bill requires each reserve study to be prepared or certified by a qualified and credentialed professional[10]. Annually, the executive board must review whether reserve funding is adequate and adjust the budget or assessments as needed. The bill authorizes the executive board to fund repair and replacement needs using reserves, new assessments, or loans. If a reserve study indicates that reserves are needed, the bill requires the association's annual budget to include: the current amount of reserve funds and the expected contribution to reserves for the upcoming fiscal year; a description of how reserves are estimated and accumulated; and the amount of reserves recommended by the study and the association's current reserve balance.

The Home Purchase Assistance Program is administered by DHCD andprovides interest-free loans and closing cost assistance[11] to qualified applicants in their first-time purchase of a single-family home, condominium, or cooperative unit in the District. The loan amount is based on a combination of factors, including income[12], household size, and the amount of assets that each applicant must commit toward the purchase. The maximum amount of financial assistance provided to eligible households is currently $202,000[13], based upon household income, need, and fund availability. Closing cost assistance is provided separately and is calculated at the lesser of 4 percent of the home purchase price or $4,000. To participate in HPAP, applicants must work through one of the designated Community-Based Organizations (CBOs)[14] that process applications and provide housing counseling.

The bill requires the Mayor to make availablea free, self-paced asynchronous[15] homebuyer education (HBE) that satisfies the HPAP education requirement, but does not replace individualized housing

[10] Licensed by the Board of Professional Engineering; or is currently designated as a reserve specialist by the Community Associations Institute or as a professional reserve analyst by the Association of Professional Reserve Analysts.
[11] The amount of financial assistance provided to households earning up to 110 percent of the Median Family Income is the combined total of gap financing assistance and closing cost assistance.
[12] The income limits are determined based upon the area median income for the Washington, DC metro area, established by the Secretary of the U.S. Department of Housing and Urban Development .
[13] D.C. Official Code § 42–2602.01(a)(2).
[14] A list may be accessed here: https://dhcd.dc.gov/page/homeownership-cbos and here: https://dchfa.org/homeownership/hpap/
[15] The bill defines asynchonous to mean an on-demand instructional delivery method permitting a participant to initiate, pause, resume, and complete coursework at times of the participant's choosing, without mandatory attendance at scheduled sessions.

counseling[16] required under federal rules[17]. The platform must work on mobile devices, automatically save participant progress, and meet accessibility standards. The bill requires the Mayor to set objective completion standards that confirm participants actively engage with and understand the material, with an allowance for unlimited retakes of assessments without penalty. The bill requires the Mayor to annually publish a report detailing:

- The number of participants who used each format of group HBE.
- The median time to complete each format and the noncompletion rates.
- The median wait time from requesting individualized counseling to receiving the first session.
- The rate at which participants in each format receive eligibility determinations and successfully complete a home purchase.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. DHCD requires $500,000 in fiscal year 2027 and $1.1 million over the financial plan period to implement the bill.

DHCD administers the Act primarily through its Rental Conversion and Sale Division by regulating condominium formation and registration of condominium units before a developer may offer units to interested buyers, including overseeing the Structure Defect Warranty Claim Program. The bill requires boards conduct reserve studies, but is silent on enforcement. As such, DHCD does not require any resources to enforce the completion of the studies.

DHCD funds the activities of several CBOs and grantees, which offer housing counseling services and training for potential homeowners, current homeowners, and tenants, with a focus on supporting low-to-moderate income residents and communities. These CBOs conduct outreach, manage application intake, and provide counseling and training to facilitate access to various DHCD programs, including HPAP. HPAP requires recipients to complete a HBE. If a HPAP grant is federally sourced through HOME[18], the CBO must be certified by U.S. Department of Housing and Urban Development (HUD). If an HPAP grant is federally sourced through HOME[19], the CBO must be certified by U.S. Department of Housing and Urban Development (HUD). HUD does not certify HBE courses; instead, HUD certifies housing counselors that generally also provide HBE.

The HOME regulations[20] require that all homebuyers who receive HOME assistance or purchase units developed with HOME funds receive housing counseling. The HUD Office of Housing Counseling established housing counseling certification requirements that apply to all housing counseling

[16] The bill defines individualized housing counseling to mean one-on-one professional guidance delivered by a qualified housing counselor, consisting of client intake, an evaluation of the participant's financial profile and the affordability of the prospective home purchase, preparation of a customized written action plan, and documented reasonable follow-up efforts.
[17] 24 C.F.R. § 92.254(a)(3)(2026).
[18] Cranston-Gonzalez National Affordable Housing Act of 1990, Pub. L. No. 101-625, tit. II, 104 Stat. 4079, 4094 (1990) (codified as amended at 42 U.S.C. § 12721 et seq.).
[19] Cranston-Gonzalez National Affordable Housing Act of 1990, Pub. L. No. 101-625, tit. II, 104 Stat. 4079, 4094 (1990) (codified as amended at 42 U.S.C. § 12721 et seq.).
[20] 24 C.F.R. § 92.254(a)(3)(2026).

funded by or provided in connection with a HUD program.[21] Under the rule, all homebuyers assisted under the HOME program must receive housing counseling that is performed by a housing counselor who has passed the HUD certification exam and is employed by a HUD-approved housing counseling provider. While there is flexibility as to the delivery method, in-person, phone, or internet, housing counseling must be individualized. The bill requires the Mayor to develop a free, self-paced asynchronous HBE that satisfies the HPAP education requirement, but does not replace individualized housing counseling. DHCD has designated 10 CBOs that provide related services under HPAP and eight of those CBOs provide both HUD Housing Counseling and HBE. As CBOs do not currently provide HBE in this format, DHCD requires $500,000 one-time in fiscal year 2027 to develop the online education platform and $200,000 starting in fiscal year 2028 for licensing and maintenance costs for CBOs, at $25,000 per grantee, for a total of $1.1 million over the financial plan period.

[21] Housing Counseling: New Certification Requirements, 81 Fed. Reg. 90,632 (Dec. 14, 2016)..