

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: December 1, 2020

SUBJECT: Fiscal Impact Statement – Residential Housing Environmental Safety
Amendment Act of 2020

REFERENCE: Bill 23-132, Committee Print provided to the Office of Revenue
Analysis on November 23, 2020

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$3.9 million in fiscal year 2021 and \$14 million over the four-year financial plan.

Background

The bill requires DCRA to issue a notice of infraction if a residential property has significant indoor mold growth and order the property owner to remediate the mold. If the level of growth exceeds statutory standards, then the violation will be a Class 3 infraction¹. If it is below standards, then the violation will be a class 4 infraction². DCRA must provide notification in writing within ten days of a request, and the property owner has 15 days from the receipt of the decision to file an appeal with the Office of Administrative Hearings. If a residential property owner makes a good faith effort to remediate the mold, then DCRA may extend the timeline for remediation.

The bill requires that DCRA retain records of notices of violation issued, the number of residential property owners that were penalized, the average penalty imposed, the number of residential property owners that received a timeline extension, and the number of property owners that did not remediate by the end of the extension period.

¹ Chapter 32 of Title 16 DCMR (3200.1(c)).

² Chapter 32 of Title 16 DCMR (3200.1(d)).

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FIS: "Residential Housing Environmental Safety Amendment Act of 2020," Bill 23-132, Committee Print as provided to the Office of Revenue Analysis on November 23, 2020.

The bill also lowers the statutory levels for what is considered unacceptable lead exposure.

For tenants that are displaced due to environmental conditions, the bill amends the definition of relocation expenses to include food expenses when a replacement housing does not include a kitchen, and extra costs to travel to work.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$3.9 million in fiscal year 2021 and \$14 million over the four-year financial plan.

DCRA will require six new inspectors and a supervisor to address an estimated 3,000 mold complaints annually (plus re-inspections), as well as five additional support staff for customer service, litigation support, and trend and business analysis. DCRA will also require funding for mold inspection equipment, vehicles for inspectors, and lab assessment testing for the estimated 3,000 inspections and re-inspections. The District Department of the Environment (DDOE) is responsible for issuing mold professional licenses³ and indicates that it will not charge license fees for DCRA inspectors to receive certification.

The Office of Administrative Hearings (OAH) will require an additional judge and two legal assistants to manage appeals associated with an expected increase in mold infractions.

DDOE is responsible for enforcing lead level regulations in residential dwellings⁴, and requires one additional compliance specialist to manage an expected increase in caseload due to the bill's stricter lead thresholds.

Residential Housing Environmental Safety Amendment Act of 2020					
Bill 23-234					
Fiscal Year 2021 – Fiscal Year 2024					
(\$ thousands)					
	FY 2021	FY 2022	FY 2023	FY 2024	Total
DCRA Salaries (12 FTEs)	\$1,195	\$1,195	\$1,195	\$1,195	\$4,778
DCRA Fringe ^(a)	\$296	\$300	\$305	\$309	\$1,212
DCRA Equipment, Vehicles and Mold Lab Testing	\$1,518	\$1,036	\$1,036	\$1,036	\$4,627

³ <https://doee.dc.gov/service/mold-professional-licensing>

⁴ <https://doee.dc.gov/service/lead-and-healthy-housing-compliance-and-enforcement-frequently-asked-questions#General>

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	FY 2021	FY 2022	FY 2023	FY 2024	Total
DCRA Inspector Training	\$59	\$7	\$7	\$7	\$80
Office Space for New Staff^(b)	\$432	\$432	\$432	\$432	\$1,728
TOTAL DCRA	\$3,500	\$2,970	\$2,975	\$2,980	\$12,427
DDOE Salaries (1 FTE)	\$69	\$69	\$69	\$69	\$246
DDOE Fringe^(c)	\$16	\$16	\$16	\$17	\$65
TOTAL DDOE	\$85	\$85	\$85	\$85	\$341
OAH Salaries (3 FTEs)	\$275	\$275	\$275	\$275	\$1,100
OAH Fringe^(d)	\$54	\$54	\$54	\$54	\$219
TOTAL OAH	\$329	\$329	\$330	\$331	\$1,318
GRAND TOTAL	\$3,914	\$3,385	\$3,391	\$3,397	\$14,087

Table Notes

(a) 24.8 percent of salaries.

(b) \$120 per square foot at an estimated 300 square foot per person per new FTE.

(c) 23.2 percent of salaries.

(d) 19.5 percent of salaries.