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 – Shared Housing Agreements and Resolution Effort Pilot Program Amendment Act of 2026**
REFERENCE:	**Bill 26-829, Draft Committee Print as provided to the Office of Revenue Analysis on November 15, 2026**

Conclusion

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill costs $554,000 in fiscal year 2027 and $5.89 million over the financial plan period.

Background

The bill establishes a one-year pilot program in fiscal year 2028 to require mediation between tenants and housing providers for certain eviction cases brought for nonpayment of rent. It establishes a fund to provide District funding to housing providers under certain mediation agreements. The bill also requires grants for legal support.

The Rental Housing Act of 1985[1] provides the statutory framework for the Rental Housing Commission, rent stabilization, tenant protections, and housing administration in the District. The bill amends the law to require the Department of Housing and Community Development (DHCD) to create[2] the Shared Housing Agreements and Resolution Effort (SHARE) Pilot Program to provide an eviction-prevention process that helps resolve rent nonpayment disputes before an initial eviction hearing.

[1] Effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 et seq).
[2] In fiscal year 2028.

The bill requires DHCD to develop an application system for housing providers, submitted by owners or authorized agents, to enroll specific rental properties. The pilot may include up to 5,000 total rental units. When selecting participants, DHCD must ensure that, from the pool of qualified applications, the pilot includes at least one fully affordable property[3], one fully market-rate property[4], and one mixed-income property[5]. The bill requires DHCD to consider each applicant's level of community engagement and whether their properties will help evaluate the pilot across varied property types, tenant groups, and affordability levels. A housing provider participates in the pilot only for the specific properties approved by DHCD and approval of one property does not subject the provider's other properties to the pilot's requirements.

The bill requires DHCD to award a grant to a District-based 501(c)(3) nonprofit[6] to operate the SHARE Pilot Program (Program) by December 1, 2027. To qualify, the organization must be familiar with District housing law; capable of providing mediation services directly or through subcontracted nonprofit mediators; and able to collect and analyze detailed data on case volume per ward, demographics[7], outcomes, arrearages, rent forgiveness, program satisfaction, agreement violations, housing retention[8], repeat participation, and program metrics[9]. All data collected and an evaluation report must be shared with DHCD and the Council.

A housing provider in the Program who seeks to evict a tenant for nonpayment of rent must inform the tenant that the property participates in the Program, provided that:, the amount owed is more than $600[10] but does not exceed $6,000 dollars or three months of rent, and the tenant has not been delinquent on rent for more than five months. In these cases, the bill requires the housing provider to give the tenant a Notice of Diversion Rights (notice) at the same time the housing provider files the eviction[11]. The housing provider must also file the notice with the Program's grantee and include tenant contact information. The bill requires the notice to the tenant to include that the tenant is eligible based on the arrears amount; that the Program offers mediation and potential financial assistance before the initial eviction hearing; and that a program representative will contact the tenant.

The bill requires the grantee contact the tenant within seven days of receipt of the notice to begin intake and mediation toward an agreement. Agreements may include terms such as repayment plans, move-out agreements, lease modifications, repair plans, rent debt forgiveness, financial

[3] The bill defines this as a residential rental property in which all rental units are subject to income or rent restrictions imposed pursuant to federal or District law, a recorded covenant, subsidy agreement, or another binding affordability restriction.
[4] The bill defines this as a residential rental property in which no rental units are subject to the affordability restrictions for fully affordable residential properties, excluding inclusionary zoning units
[5] The bill defines this as a residential rental property containing both rental units subject to the affordability restrictions fully affordable residential properties, excluding inclusionary zoning units; and rental units that are not subject to such restrictions.
[6] As determined by the United States Internal Revenue Service (IRS).
[7] Whether the household receives government subsidy.
[8] At 6 and 12 months.
[9] Number of times the grantee contacted the parties for intake; number of mediation sessions held; assessment of whether parties engaged in good faith; whether one or both parties decided to end mediation.
[10] Pursuant to section 505(a-1)(1) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code §42-3505.01(a-1)(1)).
[11] Pursuant to section 501(a-1) of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code §42-3501.05(a-1)).

assistance, and enforcement and accountability mechanisms. The bill prohibits an agreement that permits the court to evict a tenant without the opportunity to pay the full amount owed, unless the agreement is a move-out agreement. Agreements must be signed by all parties and shared with the Court.

The bill provides for the tenant and housing provider, until the initial eviction hearing, to participate in mediation through the Program and make reasonable efforts to reach an agreement. The bill requires the tenant and housing provider to notify the Court of their participation in the SHARE program at the initial hearing. The bill prohibits a housing provider from delaying starting the SHARE process for eligible tenants in order to avoid the program's requirements. The bill permits a housing provider to withdraw a building from the SHARE program after six months of participation.

The bill establishes the SHARE Program Assistance Fund (SHARE Fund) to be administered by the SHARE pilot grantee and overseen by DHCD. The SHARE Fund may be used to support mediation agreements through supplying limited rental assistance—up to one third of arrears if the housing provider also forgives at least that amount[12]—or by paying moving expenses under a move-out agreement. Tenants are limited to receiving fund assistance once, though they may still participate in mediation without financial aid. Payments to housing providers occur only after all parties sign an agreement, and the Mayor must issue rules for required compliance actions that the housing provider and tenant must complete prior to receiving any disbursements.

The bill requires the Office of Victim Services and Justice Grants (OVSJG) make funding available through the Access to Justice Initiative (ATJ)[13] to support grants to community-based organizations to provide legal representation to tenants in the SHARE program.

By December 1, 2027, DHCD may award grants to community-based organizations to provide housing counseling or same-day legal representation to tenants participating in the SHARE program.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill costs $554,000 in fiscal year 2027 and $5.89 million over the financial plan period.

Shared Housing Agreements and Resolution Effort Pilot Program Amendment Act of 2026 Fiscal Year 2027 – Fiscal Year 2030 (thousands $)					
	FY 2027	**FY 2028**	**FY 2029**	**FY 2030**	**TOTAL**
Department of Housing and Community Development					
Salary[(a)]	$85	$115	$118	$120	$438
Fringe[(b)]	$19	$26	$27	$27	$100
Grant	$450	$600	$0	$0	$1,050
Fund[(c)]	$0	$3,303	$0	$0	$3,303

[12] The amount of assistance provided by the District cannot exceed the lesser of the amount forgiven by the housing provider or $2,000.
[13] Pursuant to D.C. Official Code § 4-1703.01.

Office of Victim Services and Justice Grants					
ATJ	$0	$1,000	$0	$0	$1,000
TOTAL	$554	$5,045	$144	$147	$5,891

Table Notes:

(a) Salary for one Grade 13, Step 5 Career Service (CS) Program Administrator. Assumes annual 2.0 percent growth. Fiscal Year 2027 accounts for nine months of costs.
(b) Fringe rate of 22.6 percent. Assumes annual 2.35 percent growth. Fiscal Year 2027 accounts for nine months of costs.
(c) Assumes 11,481 eviction related filings in fiscal year 2028 and that 35 percent, or 4,004, will be mediated. Assumes 55 percent of those mediations will settle. Assumes 75 percent of those settled mediations, or 1,652, will have some form of financial assistance of no more than $2,000.

SHARE Pilot Program – Mediation

The bill requires DHCD to establish and oversee the Program, administered through a grant agreement with a non-profit, likely a community-based organization (CBO). DHCD does not currently contract with a CBO that has the expertise to perform eviction-related mediation, which requires DHCD to either procure a new CBO or provide funding to an existing CBO to hire qualified staff. Mediation in the District Superior Court is provided by the Multi-Door Dispute Resolution Division (Multi-Door). To serve as a mediator for landlord-tenant disputes, an applicant must have at least six months of mediation experience and have mediated a minimum of 12 cases within the past two years, along with either four years of professional experience, affiliation with an established dispute resolution organization, or appointment as a mediator by a court or government body. Applicants must also complete at least 40 hours of basic mediation training and a supervised apprenticeship. For the Landlord and Tenant Mediation Program specifically, applicants must possess knowledge of and experience with District landlord-tenant laws.

DHCD requires $450,000 in fiscal year 2027 and in fiscal year 2028, a total of $1 million, to fund a grant to cover five mediators, one clerical and administrative support position, and the IT development of a system for housing providers to enroll specific rental properties in the pilot program and to refer payments for processing between the CBO and DHCD. DHCD requires $104,000 in fiscal year 2027 and $538,000 over the financial plan period for a Program Administrator. This position will coordinate with the CBO and relevant staff, participate in subsidy-payment negotiations, and ensure timely disbursements of assistance payments.

ATJ provides grants through the Bar Foundation to support organizations that provide legal assistance in three areas: underserved areas in the District; housing-related matters; and support for a shared legal services interpreter bank. The bill requires the OVSJG to make funding available through ATJ to support grants to community-based organizations to provide legal representation to tenants in the SHARE program. OVSJG requires $1 million in fiscal year 2028 to implement the bill. If mediation cases exceed the assumptions, this amount may then limit funding and operational capacity for legal services in other types of cases, and to those that may not be in this pilot program.

SHARE Pilot Program – Program Assistance Fund

The bill requires SHARE Program Assistance Fund (SHARE Fund) payments that support mediation agreements, including for rental assistance and payments for moving expenses pursuant to move-out agreements. The bill authorizes the SHARE Fund to cover up to one third of arrears, a maximum

of $2,000, if the housing provider agrees to forgive at least that amount. District Superior Court reported that on average from calendar year 2021 to calendar year 2025, there were 9,940 eviction related filings. On average, approximately 14 percent of those filings scheduled mediation and approximately the same amount were mediated. The Court reported a mediation settlement rate of approximately 55 percent. For the purposes of this impact, it is assumed that for each calendar year, approximately nine months of those cases were in one fiscal year and three months were accounted for in the next. As such, on average 11,481 eviction related filings occurred from fiscal year 2022 to fiscal year 2025, and 2,002 were mediated, a mediation rate of 17 percent. Assuming that with the introduction of the SHARE pilot, there will be double the amount of mediated filings for fiscal year 2028, there would now be 4,004 mediated cases. If 55 percent of those cases are settled, then approximately 2,202 would be resolved.

The bill authorizes settlement terms to include repayment plans, move-out agreements, lease modifications, repair plans, rent debt forgiveness, financial assistance, and enforcement and accountability mechanisms. As the bill provides a maximum of $2,000 in relief for rent in arrears, it is assumed that the same maximum would be applicable to moving expenses. An April 2026 independent analysis[14] concluded that the median amount of back rent owed by tenants at the time of an eviction filing between June 2025 and February 2026 was $4,851 and that approximately 75 percent of renters owed less than $9,311. Assuming that 75 percent of the 2,202 settled mediations, or 1,652, would include terms that either provide financial assistance from the SHARE Program Assistance Fund, and that the maximum assistance would be $2,000, the SHARE Fund requires $3.3 million in fiscal year 2028.

[14] Bonnyman, H., Reichman, J., Zainulbhai, S., & Panfil, Y. (2026, April 1). An Update on DC Evictions: June 2025 Through February 2026. Retrieved from New America: https://www.newamerica.org/insights/an-update-on-dc-evictions-june-2025-through-february-2026/