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 22, 2026**
SUBJECT:	**Fiscal Impact Statement – Understanding the Cost of Housing Regulations Act of 2026**
REFERENCE:	**Bill 26-822, Draft Committee Print as provided to the Office of Revenue Analysis on November 12, 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 has a one-time cost of $300,000 in fiscal year 2027.

Background

The bill requires the Mayor to procure an independent study to identify specific laws, regulations, administrative requirements, processes, or other governmental requirements that materially contribute to housing development costs or permitting delays in the District, including identifying the approximate additional cost or delay associated with each requirement. The study should include a comparison of the District against regional peers in Maryland (including Montgomery and Prince George's Counties); Northern Virginia (including Alexandria and Arlington and Fairfax Counties); and national high-cost peer jurisdictions. The study should identify whether a cost or delay is: unique to the District; materially greater in the District than in peer jurisdictions; and supported by a demonstrated public benefit sufficient to justify the identified cost or delay and whether the public benefit could be achieved through alternative approaches.

The study should consider and provide measures of key time and cost components of housing development, including:

- total development cost per housing unit;
- soft and financing costs per housing unit;
- mean, median and range of review timelines by agency and approval type, including permitting, zoning relief, historic preservation review, and appeals;
- regulatory and development fees;
- property taxes incurred during construction;
- District-specific compliance costs

Finally, the study should make recommendations on how to modify or alter the identified laws, regulations, administrative requirements, processes, or other governmental requirements contributing to housing development costs and delays.

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 has a one-time cost of $300,000 in fiscal year 2027.

The Deputy Mayor for Planning and Economic Development requires an estimated $300,000 to procure the study. The study is expected to include a review of over 100 laws, rules or administrative processes required of housing developers, across 20 agencies. Additionally, the study must research and compare similar requirements in ten or more jurisdictions and measure the costs of each requirement.