

**Public Hearing on the
Housing Production Omnibus Amendment Act of
2026, Bill 26-597**

**Before the
Committee on Housing
The Honorable Robert C. White, Jr., Chair
Council of the District of Columbia
Thursday, March 30, 10:00 a.m.**



**Comments from the Office of the Chief Financial Officer
Carmen Pigler, Deputy Chief Financial Officer and Treasurer
Kimberly Williams, Deputy Chief Financial Officer and Controller
Beth Spooner Shiflett, Agency Fiscal Officer, Department of Housing and
Community Development, Economic Development and Regulation Cluster**

**Glen Lee, Chief Financial Officer
Office of the Chief Financial Officer
Government of the District of Columbia**

Dear Chair White and Members of the Committee on Housing:

The Office of the Chief Financial Officer (“OCFO”) is pleased to provide comments on Bill 26-579, the “Housing Production Omnibus Amendment Act of 2026” (“Bill”). Below are the comments from the Office of Finance and Treasury (“OFT”), the Office of Financial Operations and Systems (“OFOS”), and the Agency Fiscal Officer for the Department of Housing and Community Development.

The Office of Finance and Treasury, Carmen Pigler, Treasurer

The Bill could give the OCFO an opportunity to eliminate the bank account for the Housing Production Trust Fund (“HPTF”) and replace it with a defined general ledger fund and chart of account segments that will track the accounting for all transactions. Within the general ledger accounting structure, HPTF and/or the Housing Opportunity Fund’s financial activity will be audited as part of the District’s Annual Financial Comprehensive Financial Report (“ACFR”). In addition, OFT would like to work with the Committee on Housing to amend the Bill so the Housing Opportunity Fund is properly incorporated into the District’s pooled cash structure.

The Office of Finance Operations and Systems, Kimberly Williams, Controller

OFOS has a few points of concern regarding the Bill and believes that clarifications are needed for ease of administration and to ensure the Bill can be implemented as intended.

1. Section 132(a) specifies that “all functions, authority, programs, positions, personnel, property, records and unexpended balances . . . of the Housing Production Trust Fund . . .” are transferred to the Housing Opportunity Fund. The effective date for this transfer should be

October 1, 2026. This will make the process the cleanest for the agency staff, the general ledger fund set up, and the reporting in the ACFR.

2. The Bill requires the OCFO to commission an annual audit by an independent Certified Public Accounting (“CPA”) firm. Normally, the Office of the Inspector General contracts with a CPA firm to conduct the annual audit of HPTF. If the Housing Opportunity Fund replaces HPTF, then the OIG could incorporate this audit into the ACFR audit contract as the Housing Opportunity Fund will still be a major special revenue fund for the District.

3. The Bill allows the District of Columbia Retirement Board (“DCRB”) to invest in real property in the District. However, Section 141, Limitation on Investment of Retirement Benefits, of the District of Columbia Retirement Reform Act, approved November 17, 1979 (Public Law 96-122, 93 Stat. 866, 876) (see below), established the DCRB, and put restrictions on DCRB investment in real property in the District, Virginia, and Maryland.

Section 141, Limitation on Investment of Retirement Funds

(a) The assets of the Funds established by this title may not be invested in the following:

(1) Interest-bearing bonds, notes, bills, certificates of indebtedness of the government of the District of Columbia, the government of the Commonwealth of Virginia, or the government of the State of Maryland, or the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such governments.

(2) Obligations fully guaranteed as to the payment of both principal and interest by the government of the District of Columbia, the government of the Commonwealth of Virginia, the government of the State of Maryland, or the government of any political subdivision thereof, or of any entity subject to control by any such government or any combination of any such government.

(3) Real property in the District of Columbia, Virginia, or Maryland.

(4) Loans, mortgages, bonds, notes, bills, or certificates of indebtedness secured, in whole or in part, by real property in the District of Columbia, Virginia, or Maryland.

(emphasis added)

4. Section 104 of the Bill states that the Housing Opportunity Fund will have “5 sub accounts.” To avoid confusion and allow for the proper set up in the DIFS general ledger, this should be changed to state that the Housing Opportunity Fund will include five programs.

5. The Bill states that the Housing Opportunity Fund is made available for use by the Mayor and the District of Columbia Housing Authority (“DCHA”). This is concerning as it could change the relationship the District has with DCHA from a related entity to a component unit. For financial reporting purposes, the District of Columbia government consists of (1) the primary government, (2) five discretely presented component units, and (3) two blended component units. DCHA is considered a related entity because the District is not financially accountable for DCHA’s operations. Source: [2025 ACFR](#). The Government Finance Officers Association provides a test for component units: “[i]n most cases, a component unit meets two criteria, one which can be thought of as a primary factor and the other as a secondary factor. The primary factors are either that (1) the primary government (mayor, governor, legislature) appoints a voting majority of the separate entity’s governing board, referred to as board appointment; or (2) the primary government has substantive authority to make or approve key financial decisions for the separate entity, referred to as fiscal dependence.” Additionally, “[a] financial benefit or burden relationship exists when the primary government (1) can access the separate entity’s resources, (2) is obligated to finance the deficits of the separate entity, (3) is somehow responsible for its debt, or (4) is obligated to make contributions to a defined benefit postemployment benefit plan, if one exists.” Source: [Component Unit Identification, Classification, Disclosure, and Display](#). If DCHA becomes a component unit, the DCHA’s debts and liabilities for its 40 plus housing properties would need to be included in the ACFR as District of Columbia debts and liabilities. Source: [DCHA List of Properties](#). On March 17, 2025,

the Office of the Inspector General issued an Audit Report of DCHA's the Financial Statements for Fiscal Year 2024 prepared by SB & Company LLC. The Inspector General's cover letter states, "[w]e received SBC's report on March 14, 2025. In this report, SBC noted 14 material weaknesses and 6 significant deficiencies relating to the Authority's financial reporting. Due to the significance of these issues, SBC did not express an opinion on the agency's financial statements. SBC also issued 20 recommendations to improve the effectiveness of operational and programmatic internal controls." Source: [LIMS Inspector General Report 26-25](#)

**Agency Fiscal Officer for the Department of Housing and Community Development,
Economic Development and Regulation Cluster, Beth Spooner Shiflett**

Currently, HPTF is a paper agency in addition to being a fund. It would be helpful if the Bill could be clarified by stating that the Housing Opportunity Fund will also be a paper agency as well as a fund or if the Housing Opportunity Fund will be a fund within DHCD or another agency. The term "sub-account" should not be used. Instead, the Housing Opportunity Fund should be established with "programs" within the new fund. The program structure is part of the District's chart of accounts and will allow for the tracking of services by these programs, and the programs will still be part of the Housing Opportunity Fund.

The Bill states that DCHA and the Housing Finance Agency both have roles in the new fund. The Bill should be clarified to state how the existing District of Columbia housing entities share in administering the activities of the Housing Opportunities Fund, assuming that daily program activities remain with the current agency structures.

Subsection 104(b), Fund Organization, states that “[n]o less than 5% of the monies deposited into any sub-account of the Housing Opportunity Fund in a fiscal year, or an equivalent amount appropriated from the General Fund or other sources, shall be used to pay reasonable costs of compliance monitoring and enforcement related to funding awards.” Compliance monitoring and enforcement is much narrower than “administration.” A change to “administration” would make it easier to manage and control the operations of the Housing Opportunity Fund. In addition, if the timing of implementation is not tied to the annual budget process, DHCD would likely run into a large funding deficit as it relies on an administrative allocation from HPTF.

Section 132(a) specifies that all functions of the HPTF will be transferred to the Housing Opportunity Fund. Clarifying language is needed to specify how programs and FTEs, including partial FTEs, currently included in DHCD’s budget and staffing are to be addressed. This language should also be clarified to specifically address loans receivable, repayments, and existing liabilities of the HPTF.

Section 301 of the Bill gives the Mayor the authority to engage in rulemaking. Given the breadth and scope of this new program, it might be preferable to list the agencies that should collaborate on the regulations.

Contact Information

Thank you for the opportunity to comment on the Bill. The OCFO is happy to work with you on the Bill. Please contact Patricia Gracyalny at patricia.gracyalny@dc.gov if you have any questions.