

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
1350 Pennsylvania Avenue, NW
Washington, DC 20004

MEMORANDUM

TO: Nyasha Smith, Secretary to the Council

FROM: Phil Mendelson, Chairman

DATE: May 24, 2019

RE: **Notice of intent to move an amendment in the nature of a substitute at the May 28, 2019 Additional Legislative Meeting**

This memorandum serves as notice that I intend to move an amendment in the nature of a substitute (ANS) for Bill 23-208, the “Fiscal Year 2020 Local Budget Act of 2019” at the Additional Legislative Meeting scheduled on Tuesday, May 28, 2019. The ANS makes several revisions and clarifying changes to the legislation, in addition to technical fixes developed in concert with the Council’s Office of the Budget Director, the Office of the General Counsel, the Office of the Chief Financial Officer, and the Executive.

The ANS changes the sweep of a portion of the unrestricted reserves of the Washington Convention and Sports Authority (Events DC). At first reading, the “Fiscal Year 2020 Local Budget Act of 2019” took \$60 million from the unrestricted reserves and distributed them equally to: (1) contribute to the Public Housing Authority's critical need for maintenance to keep (or make) more units available to low income residents; and (2) avoid the Mayor's proposed \$0.80 per room or suite per night tax on hotels. The attached amendment in the nature of a substitute revises this amount downward to \$49 million but maintains the use as adopted at first reading. It is important for members to realize that the Chief Financial Officer disagrees with this action – both at the \$60 and \$49 million levels. However, since first reading I have worked with our General Counsel, the Attorney General, and others to confirm the CFO's interpretation of the law and bond documents governing the Convention Center Authority. The opinion and advice that we have received is contrary to the CFO and Events DC, which is that the Council does have the authority to use some portion of the unrestricted reserves for other appropriations. The most conservative advice is reflected in the ANS. The CFO may continue to dispute this action.

The ANS for Bill 23-208 also includes:

Operating budget changes:

- Restores \$7,500,000 to the Housing Preservation Fund in the Department of Housing and Community Development
- Funds the “Rental Housing Commission Independence Clarification Act of 2018”
- Increases \$49,000,000 in Non-Departmental to be directed from the Washington Convention and Sports Authority (also known as Events DC) to the D.C. Housing

Authority's Public Housing Modernization Fund and the Office of Unified Communications E-911 Fund and be used to repeal the "Emergency and Non-Emergency Number Telephone Calling Systems Funding Amendment Act of 2019"

- Makes other minor, conforming, and technical changes

Capital budget changes:

- \$35,000,000 for Saint Elizabeths Medical Center shifted from FY21 to FY20 to accelerate hospital master site and infrastructure requirements planning, design and construction of an access road for the new shelter, and construction of a public parking garage to serve the Medical Center and the Entertainment and Sports Arena
- \$22,000,000 for replacement of the 801 East Men's Shelter and shift from FY20 to FY19
- \$53,000,000 for Banneker High School modernization/renovation to restore the proposed \$141,783,300 budget and shift \$2,251,536 from FY21 to FY19
- Makes other minor, conforming, and technical changes

Narrative changes:

- Clarifies language in the Commission of Arts and Humanities regarding dedicated taxes
- Restores language inadvertently omitted in the committee print in the Office of Victim Services and Justice Grants outlining the programs receiving funding through the Access to Justice Initiative
- Adds language in the Office of the Deputy Mayor for Education regarding the WIC grant to DC Central Kitchen
- Adds the Parking Meter Pay-by-Phone Transaction Fee Fund in the Department of Transportation, at the request of the Mayor

A copy of the proposed ANS is attached. Please contact Jennifer Budoff, Council Budget Director, at 724-5689 if you have any questions.