

CHAIRMAN MENDELSON

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MURIEL BOWSER
MAYOR

January 13, 2021

The Honorable Phil Mendelson, Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

I am vetoing Bill 23-91, the "Department of Buildings Establishment Act of 2020."

This bill would abolish the existing Department of Consumer and Regulatory Affairs and establish two separate, unintegrated, and more costly agencies in its place: a Department of Buildings and a Department of Licensing and Consumer Protection. Additionally, the bill designates the positions of Chief Building Official, Strategic Enforcement Administrator, and the Zoning Administrator as positions to be appointed by the Mayor with the advice and consent of Council.

Because the bill slows the steady progress being made by the agency, wastes a significant amount of taxpayer dollars to duplicate personnel and infrastructure already in place, and a portion of the bill oversteps the Council's authority under the Home Rule Act, I am vetoing this bill.

The genesis of this bill, which was introduced two years ago, was dissatisfaction with the operations of the Department of Consumer and Regulatory Affairs. However, the Department of Consumer and Regulatory Affairs has made significant progress over the past several years in improving processes and operations. These successes have been recognized by business organizations including the DC Chamber of Commerce, DC Building Industry Association, and the Restaurant Association of Metropolitan Washington; numerous residents and ANC commissioners, and other stakeholders, but are too often unrecognized by the Council. Most notably the agency has improved responsiveness by revamping its customer service model; enhanced transparency and accountability through new agency dashboards that hold them accountable for their performance; and worked to change internal employee culture by bringing in an experienced firm to provide training sessions and career counseling in order to increase the agency's overall performance. The agency has also digitized many of its services and functions to save customers from having to visit the agency's physical offices, has significantly sped up many of the agency's core functions, such as permit and license issuance, and has launched an

innovative Resident Inspector Program that has dramatically increased the number and speed of inspections. While this is not an exhaustive list of the improvements within the agency, it is a snapshot of how the Executive has heard the concerns of residents and worked strategically and energetically to improve the agency.

Moreover, the bill will stymie ongoing improvements that are being made and may even result in the regression of improvements that are already in place. By passing this legislation, the Council will shift the agency's attention from providing quality service to District residents and businesses and instead to having to focus enormous amounts of energy on planning for and implementing an agency split. Then, the two new agencies will necessarily spend several years becoming fully functional, which will undoubtedly keep them from devoting their full energy and attention to solving the issues that we all want to see further progress on.

If the legislation would truly result in a better system for District residents and business, perhaps this multiyear period where progress would be stalled or reversed would be worthwhile. But the bill will not provide these benefits. Instead, it splits the current agency into two, a reshuffling that will force residents and businesses to have to navigate additional layers of bureaucracy, without providing any resources or improvements aimed at the issues the Council says it wants to improve. For example, an entrepreneur seeking to open a restaurant already has to work with at least three separate agencies (DCRA, DC Health, and the Alcoholic Beverage Regulation Administration) before opening. Splitting DCRA will make this process even more cumbersome by forcing the entrepreneur to work with one agency for permitting and to obtain a certificate of occupancy, and with another agency to get properly licensed. In addition, having one agency facilitates critical internal coordination that benefits residents, such as ensuring rental properties pass an inspection before they are issued a Basic Business License or have one renewed, and using information collected on the business licensing side to more quickly issue construction and housing related notices of infraction.

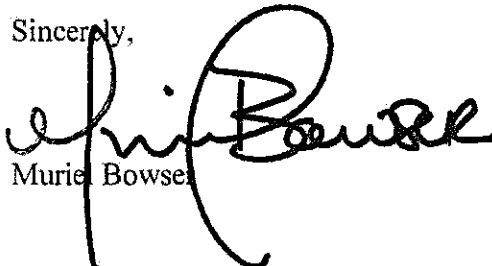
Moreover, this bill has taken no account of how systems in the Department of Consumer and Regulatory Affairs currently operate and does nothing other than transfer positions to a new agency. The bill will create additional bureaucracy that the bill itself purports to eliminate, such as having two directors, two general counsels and staff, multiplying the agency fiscal officers, and two personnel and communications teams.

Additionally, I would be remiss if I did not address the fiscal impact of this bill, at a time when District resources are already scarce and we are having to make hard choices about our spending. This bill will cost \$11.7 million beginning in fiscal year 2022 and \$33.1 million over the four-year financial plan. Simply put, the District does not have the financial resources to fund this bill at this time and shifting any funds from already financially strapped programs will result in significant consequences to those programs.

Finally, it is important to note that the Council does not have authority under the Home Rule Act to approve or disapprove the Mayor's or an agency's hiring of positions such as a Chief Building Official, Strategic Enforcement Administrator, or Zoning Administrator. If the bill were to be funded and implemented, these positions would need to be filled directly by the Executive Branch, without review by the Council, in order for the hirings to be carried out in a manner fully consistent with the Home Rule Act.

For the reasons described above, I am vetoing Bill 23-91.

Sincerely,



Murie Bowser