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Chairman Phil Mendelson

A PROPOSED RESOLUTION

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To declare the existence of an emergency due to congressional review, with respect to the need to extend the Mayor’s authority to declare a public health emergency; to amend the Coronavirus Support Amendment Act of 2021 to provide for a moratorium on utility disconnections for qualified customers, and on evictions for customers qualifying for rental assistance; and to amend the Not-for-Profit Hospital Corporation Establishment Amendment Act of 2011 to change the composition and duties of the Fiscal Management Board.

RESOLVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Coronavirus Public Health Extension Emergency Declaration Resolution of 2021.”

Sec. 2. (a) On March 11, 2020, the Mayor of the District of Columbia issued Mayor’s Order 2020-45, 2020-46, declaring a public emergency and a public health emergency in the District due to the imminent threat to the health, safety, and welfare of District residents posed by the spread of COVID-19. Additional orders have since been issued. It is clear that to protect public health the Mayor must continue the public health emergency for the foreseeable future. However, certain provisions of the Coronavirus Support Temporary Amendment Act of 2020 (D.C. Law 23-130) and associated legislation, which is currently controlling, should be amended in light of the ongoing pandemic response.

(b) The Mayor’s current authority to maintain the public health emergency expires on May 20, 2021. To continue to limit the spread of COVID-19, and provide for consumer protections included in past coronavirus support legislation, it is necessary to extend the Mayor’s authority until July 25, 2021.

(c) In April 2021, the District launched the federally funded STAY DC program which provides funding for past due and future tenants who meet federal eligibility and income requirements. That program also pays regulated utility providers past due arrearages for renters.

(d) Utility customers entering into authorized payment plans are currently not subject to service disconnection. However, some customers have not entered into payment plans. Under current law adopted at the outset of the pandemic, there is also a blanket disconnection moratorium without regard to whether a customer has been financially impacted by COVID-19. Arrearages for utilities have been rising throughout the pandemic which is creating consumer debt with District residents who are not paying for whatever reason. It is necessary that the blanket disconnection moratorium, which is in effect during the public health emergency, be modified to only apply to those who are receiving utility assistance from the District or enrolled in a public assistance program.

(e)(1) The COVID-19 pandemic has resulted in tens of thousands of people losing jobs or getting their hours cut, significantly reducing pay. As a result, the latest data from the Census Bureau’s Household Pulse Survey suggests that anywhere from 16,000 to 22,000 renter-occupied households in the District are not current on their rent. Approximately 60% of those households made less than $50,000 prior to the pandemic.

(2) The District of Columbia received $350 million through the Consolidated Appropriations Act of 2021 (Pub. L. 116-260) to provide rental and utility assistance to households that are at risk of housing instability or homeless, or have experienced a reduction in income due to the COVD-19 pandemic, incurred significant costs because of the pandemic, or experienced other financial hardship directly or indirectly due to the pandemic and have a household income of 80% AMI or less.

(3) To avoid a predicted “tsunami” of eviction filings for non-payment of rent, it is necessary to amend Title 16 to require landlords apply for rental assistance before they can file a complaint seeking relief for non-payment of rent with D.C. Superior Court. It is also necessary to provide tenants with protections should landlords not pursue rental assistance in good faith, not provide necessary notices to the tenant, or should the tenant face obstacles completing an application for rental assistance beyond their control.

(f)(1) From the time it acquired United Medical Center (UMC) at a foreclosure sale in July 2010 through Fiscal Year 2017, the District provided an annual operating subsidy to the hospital of no more than $15 million to balance the hospital’s budget, but in recent years that has increased. On May 11, 2021, the Mayor requested, and the Chief Financial Officer approved a contingency cash reserve draw of $25 million to increase UMC’s Fiscal Year 2021 subsidy, triggering a financial control board to address UMC’s finances resulting from adoption of the Not-for-Profit Hospital Corporation Fiscal Oversight and Transition Planning Amendment Act of 2019.

(2) Due to the pandemic, the financials at the Not-for-Profit Hospital Corporation have come under strain as patient counts have plummeted. UMC has seen a 15% decline in emergency department volume, from 3,766 in March 2020 to 3,199 in March 2021, and its daily average patient census, from 121 in March 2020 to 103 in March 2021. However, UMC has seen an increase in staffing levels from 793 full-time employees in March 2020 to 845 full-time employees in March 2021. Additionally, the total operating revenue is lower than budget by 19% ($2.1 million) for the month ending March 31, 2021 to date (MTD) and 15% ($10.2 million) for the fiscal year 2021 to date (YTD), while total operating expenses are higher than budget by 14% ($1.6 million) MTD and 9% ($5.9 million) YTD.

(3) In order to stabilize the finances of UMC and begin preparation for its eventual closure, a Fiscal Management Board is warranted to ensure that the operating subsidy necessary to maintain essential hospital operations is reasonable and does not unduly burden the District’s budget. Further, additional management expertise will balance the health needs of the community with the identification of services that need to be phased out until the new hospital at St. Elizabeth’s is able to open.

(4) It is necessary to amend the District’s operating subsidy for Fiscal Year 2021 to $40 million in order for UMC to meet existing payroll and other existing obligations, and thereafter receive an annual subsidy of no more than $22 million. The Fiscal Management Board, as amended by the underlying bill, will act as a fiduciary agent to ensure UMC operates within its statutory limits.

(e) A technical conforming repeal of a provision in the code is necessary and was inadvertently omitted when Law 22-35 was funded in the Fiscal Year 2021 budget and financial plan and should be corrected prior to the end of the public health emergency.

Sec. 3. The Council of the District of Columbia determines that the circumstances in section 2 constitute emergency circumstances, making it necessary that the Coronavirus Public Health Extension Emergency Amendment Act of 2021 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.