

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



July 8, 2021

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

This letter transmits my request for a Council emergency resolution approving the borrowing of \$1,361,500,000 via the issuance of income tax secured bonds or notes or general obligation bonds or notes for capital projects previously approved in the District's Capital Improvement Plan. The proposed resolution, the "Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2021," is enclosed and includes a listing of the projects to which the borrowed funds will be allocated. I have also enclosed the corresponding emergency declaration resolution.

The General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2018-2023 Authorization Act of 2017, D.C. Law 22-80, and any successor acts, and D.C. Official Code § 1-204.90 (together the "Bond Acts") authorize the District to issue bonds or notes to pay for the cost of acquiring and constructing capital projects described therein and to pay costs of issuance.

The bonds or notes to be issued may be sold by competitive or negotiated sale and may be issued on a tax-exempt or taxable basis. The funds used to pay debt service on the borrowing are included in the District's Proposed Fiscal Year 2022 Budget and Financial Plan. The Office of the Attorney General has indicated in writing that this proposed legislation is legally sufficient. A fiscal impact statement is also enclosed.

I am available to discuss any questions you may have regarding this legislation at (202) 727-2476.

Sincerely,


Fitzroy Lee

Enclosures

cc: Nyasha Smith, Secretary to the Council of the District of Columbia



Chairman Phil Mendelson
at the request of the Chief Financial Officer

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to approve the borrowing of funds by the District through the issuance and sale of income tax secured bonds and notes and general obligation bonds and notes in an aggregate principal not to exceed \$1,361,500,000.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That
this resolution may be cited as the "Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Declaration Resolution of 2021".

Sec. 2. Emergency legislation is necessary to ensure that the District can issue bonds in a timely manner and take advantage of favorable market conditions to provide funding for or to reimburse the District for funds already expended on Fiscal Year 2022 capital projects approved and undertaken pursuant to the District's Fiscal Year 2022 Budget and Financial Plan.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2021 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.


Government of the District of Columbia
Office of the Chief Financial Officer



Fitzroy Lee
Interim Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Fitzroy Lee
Interim Chief Financial Officer 

DATE: July 7, 2021

SUBJECT: Fiscal Impact Statement – Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2021

REFERENCE: Draft Resolution provided to the Office of Revenue Analysis on July 1, 2021

Conclusion

Funds are sufficient in the FY 2021 budget and proposed FY 2022 through FY 2025 budget and financial plan to implement the resolution.

Background

The resolution authorizes the District to issue and sell tax-exempt and taxable income tax secured revenue bonds, general obligation bonds, and general obligation bond anticipation notes in the combined amount of approximately \$1.361 billion in fiscal year 2021. The District will use proceeds of the bonds to fund the capital projects outlined in the resolution, as well as the costs and expenses associated with the bond issuance and sales, to the extent allowable under District laws.

The District's proposed fiscal year 2022 through fiscal year 2027 Capital Improvements Plan includes \$4.9 billion in planned borrowing using a combination of general obligation bonds, income tax secured revenue bonds, and short-term bonds¹. The Chief Financial Officer decides to issue various types of bonds depending on market conditions at the time of issuance.

¹ See table CA-3 in the District of Columbia FY 2022– FY 2027 Capital Improvements Plan for a breakdown of capital funding sources. (<https://cfo.dc.gov/page/annual-operating-budget-and-capital-plan>).

The Honorable Phil Mendelson

FIS: "Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2020," Draft resolution provided to the Office of Revenue Analysis on July 1, 2021.

The District of Columbia Home Rule Act² permits proceeds from notes or bonds issued by the District of Columbia to be used for:

- Payment of the cost of acquiring, undertaking, or refinancing capital projects;
- The reimbursing of capital project funding temporarily advanced from the General Fund of the District of Columbia, any enterprise fund, or other fund or account of the District;
- The refunding of outstanding debt, including, but not limited to, any treasury advances and any notes issued pursuant to section 475 of the Home Rule Act; and
- The payment of the costs and expenses of preparation, execution, issuance, sale or delivery of, or security for, the bonds and notes, including the payments of contracts or agreements necessary and appropriate for issuing and delivering the bonds.

Financial Plan Impact

Funds are sufficient in the FY 2021 budget and proposed FY 2022 through FY 2025 budget and financial plan to implement the resolution. The \$1.361 billion additional borrowing authorized by the resolution is consistent with the planned capital expenditures in the District's proposed FY 2021 through FY 2027 Capital Improvements Plan, which includes \$4.9 billion of planned borrowing.

² Approved December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 et seq.).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL

ATTORNEY GENERAL
KARL A. RACINE



Commercial Division
Tax and Finance Section

MEMORANDUM

TO: Carmen Pigler
Deputy Chief Financial Officer and Treasurer
Office of the Chief Financial Officer

THROUGH: David Bradley *DB*
Assistant Deputy Attorney General
Renae Stong RNS
Acting Section Chief

FROM: Andrea R. Littlejohn ^{AL}

DATE: June 30, 2021

SUBJECT: Certification of Legal Sufficiency for Certain Proposed ITSB Resolutions

This responds to your June 17, 2021, request to review for legal sufficiency the attached draft proposed 1) Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Emergency Approval Resolution of 2021 ("Approval Resolution"), and 2) Fiscal Year 2022 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Declaration Resolution of 2021.

If adopted after enactment into law of the Fiscal Year 2022 Local Budget Act of 2021 (Bill 24-275), the proposed Approval Resolution will evidence the District of Columbia Council's approval to issue general obligation bonds and notes and income tax bonds and notes authorized by the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2018-2023 Authorization Act of 2018, effective March 29, 2018 (D.C. Law 22-80), to fund the capital projects listed in Section 2 of the draft proposed Approval Resolution.