

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



Glen Lee
Chief Financial Officer

July 9, 2024

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 \$2,410,577,362 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 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024," 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 2023-2028 Authorization Act of 2023, effective June 14, 2023 (D.C. Law 25-9), 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 are intended to be issued on a tax-exempt or taxable basis. The funds that would be used to pay debt service on the borrowing are included in the District's Fiscal Year 2025 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.

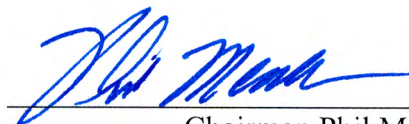
Sincerely,

A handwritten signature in blue ink, appearing to read "Glen Lee".

Glen 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

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A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To approve, the borrowing of funds by the District through the issuance and sale of income tax secured revenue bonds, notes or other obligations and general obligation bonds, notes or other obligations in an aggregate principal amount not to exceed \$2,410,577,362, and to approve the execution and delivery of documents connected to the issuance, sale and delivery of the bonds or notes.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this resolution may be cited as the "Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024".

Sec. 2.(a) Pursuant to and in accordance with D.C. Official Code § 47-335.01, the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 1999 -2004 Authorization Act of 1999, effective July 29, 1999 (D.C. Law 13-22; D.C. Official Code § 1-204.61, note); the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2002 -2007 Authorization Act of 2002, effective March 25, 2003 (D.C. Law 14-214; D.C. Official Code § 1-204.61, note); the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2007-2012 Authorization Act of 2006, effective March 6, 2007 (D.C. Law 16-212; D.C. Official Code § 1-204.61, note), the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2013-2018 Authorization Act of 2012, effective March 19, 2013 (D.C. Law 19-231), the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2018-2023 Authorization Act of 2017, effective March 29, 2018 (D.C. Law 22-80), and any successor acts thereto, (the "Bond Acts"), the General Obligation Bonds and Bond Anticipation Notes for Fiscal Years 2023-2028 Authorization Act of 2023, effective June 13, 2023 (D.C. Law 25-9) and Subchapter II-D of the District of Columbia Official Code (§ 47-340.26 *et seq.*) ("Income Tax Bond Act"), the Council approves the issuance and sale of:

(i) Income tax secured revenue bonds and general obligation bonds in an aggregate principal amount not to exceed, when aggregated with the principal amount of any bond anticipation notes pursuant to subsection 2(a)(ii), \$2,410,577,362, to fund the following capital projects, as that term is defined in the Income Tax Bond Act or the Bond Acts, plus all costs and

1 expenses authorized by the Income Tax Bond Act or the Bond Acts, including, but not limited to,
 2 reimbursing amounts temporarily advanced from the General Fund of the District of Columbia,
 3 any enterprise fund or other fund or account of the District, and all costs and expenses of issuing
 4 and delivering the bonds, including, but not limited to, underwriting, rating agency fees, legal
 5 fees, accounting fees, financial advisory fees, bond insurance and other credit enhancements,
 6 liquidity enhancements, printing costs and expenses, capitalized interest, establishment of debt
 7 service or other reserve funds related to the bonds, the payment of costs of contracts described in
 8 the Income Tax Bond Act or the Bond Acts, and the payments of other debt program-related
 9 costs as provided in the related agreements:

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Project Category	Total Borrowing Plan \$
Building Systems Assessments and Improvements	\$17,825,460
Correctional Facilities	28,500,000
Environmental	35,659
Equipment	44,360,501
Fire/EMS Stations	10,825,000
Fleet	135,015,991
General Support Facilities	137,009,219
Housing	50,774,439
Information Technology	89,421,888
Local and Regional Transportation	387,715,914
Parks	30,901,423
Police Stations	30,000,000
Public Health Facilities	22,500,000
Pools	43,171,914
Public Libraries	15,435,600
Recreation Centers	211,106,659
Redevelopment Infrastructure	400,430,134
School Facilities	525,534,847
Supportive Housing	37,498,000
University Facilities	31,500,000
WMATA CIP Contribution	159,864,714
Youth Rehabilitation Facilities	1,150,000

Total	\$2,410,577,362
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1 (ii) Income tax secured federally tax-exempt and taxable bond anticipation notes (or
2 other obligations) or general obligation secured federally tax-exempt and taxable bond
3 anticipation notes (or other obligations) in an aggregate principal amount that when combined
4 with amounts issued pursuant to subsection 2(a)(i) shall not exceed \$2,410,577,362, to fund the
5 initial costs of capital projects, as those projects are, from time to time, included in the District's
6 annual Budget and Financial Plan and defined in the Income Tax Bond Act or the Bond Acts,
7 plus all costs and expenses authorized by the Income Tax Bond Act or the Bond Acts, including,
8 but not limited to, reimbursing amounts temporarily advanced from the General Fund of the
9 District of Columbia, any enterprise fund or other fund or account of the District and all costs
10 and expenses of issuing and delivering the commercial paper, including, but not limited to,
11 underwriting, rating agency fees, legal fees, accounting fees, financial advisory fees, bond
12 insurance and other credit enhancements, liquidity enhancements, printing costs and expenses,
13 capitalized interest, establishment of debt service or other reserve funds related to the
14 commercial paper, the payment of costs of contracts described in the Income Tax Bond Act or
15 the Bond Acts, and the payments of other debt program-related costs as provided in the related
16 agreements.

17 (b) The capital projects referenced in subsections (a)(i) and (a)(ii) of this section have
18 been authorized pursuant to section 446 of the District of Columbia Home Rule Act, approved
19 December 24, 1973 (Pub. L. No. 93-198; 87 Stat. 801; D.C. Official Code § 1-204.46); the
20 Continuing Appropriations Act, 2014, approved October 17, 2013 (Pub. L. No. 113-46; 127 Stat
21 558); the Consolidated Appropriations Act, 2014, approved January 17, 2014 (Pub. L. No. 113-
22 76; 128 Stat 5); the Continuing Appropriations Resolution, 2015, approved September 19, 2014
23 (Pub. L. No. 113-164; 128 Stat 1867); Joint Resolution Making further continuing appropriations
24 for fiscal year 2015, and for other purposes, approved December 12, 2014 (Pub. L. No. 113-202;
25 128 Stat. 2069); Joint Resolution Making further continuing appropriations for fiscal year 2015,
26 and for other purposes, approved December 13, 2014 (Pub. L. No. 113-203, 128 Stat. 2070); the
27 Consolidated and Further Continuing Appropriations Act, 2015, approved December 16, 2014
28 (Pub. L. No. 113-235; 128 Stat. 2130); the Continuing Appropriations Act, 2016, approved
29 September 30, 2015 (Pub. L. No. 114-53; 129 Stat. 502); the Further Continuing Appropriations
30 Act, 2016, approved December 11, 2015 (Pub. L. No. 114-96; 129 Stat. 2193); the Joint
31 Resolution Making further continuing appropriations for fiscal year 2016, and for other purposes,
32 approved December 16, 2015 (Pub. L. No. 114-100; 129 Stat. 2202); the Consolidated
33 Appropriations Act, 2016, approved December 18, 2015 (Pub. L. No. 114-113; 129 Stat. 2242);
34 the Fiscal Year 2017 Local Budget Act of 2016, effective July 29, 2016 (D.C. Law 21-142); the
35 Continuing Appropriations Act, 2017, as amended, approved September 29, 2016 (Pub. L. No.
36 114-223; 130 Stat. 857); the Consolidated Appropriations Act, 2017, approved May 5, 2017
37 (Pub. L. No. 115-31; 131 Stat. 135); the Fiscal Year 2018 Local Budget Act of 2017, effective
38 August 29, 2017 (D.C. Law 22-16); the Continuing Appropriations Act, 2018, as amended,
39 approved September 8, 2017 (Pub. L. No. 115-56; 131 Stat. 1129); the Consolidated
40 Appropriations Act, 2018, approved March 23, 2018 (Pub. L. No. 115-141; 132 Stat. 348); the
41 Fiscal Year 2019 Local Budget Act of 2018, effective August 29, 2018 (D.C. Law 22-158), the
42 Consolidated Appropriations Act, 2019, approved February 15, 2019 (Pub. L. No. 116-6; 133
43 Stat. 13), the Fiscal Year 2020 Local Budget Act of 2019, introduced March 20, 2019 (D.C. Bill
44 23-208) effective August 31, 2019 (D.C. Law 23-11), the Consolidated Appropriations Act,

1 2020, approved December 20, 2019 (Pub. L. No. 116-93; 133 Stat. 2317), the Fiscal Year 2021
2 Local Budget Act of 2020, effective October 20, 2020 (D.C. Law 23-136), the Consolidated
3 Appropriations Act, 2021, approved December 27, 2020 (Pub. L. No. 116-260; 134 Stat. 1182),
4 the Fiscal Year 2022 Local Budget Act of 2021, effective November 3, 2021 (D.C. Law 24-43),
5 the Fiscal Year 2022 Local Budget Act of 2021, effective November 3, 2021 (D.C. Law 24-43),
6 the Consolidated Appropriations Act, 2022, approved March 15, 2022 (Pub. L. No. 117-103; 136
7 Stat. 49), the Fiscal Year 2023 Local Budget Act of 2022, effective September 9, 2022(D.C. Law
8 24-166), the Consolidated Appropriations Act, 2023, approved December 29, 2022 (Pub. L. No.
9 117-328; 136 Stat. 4459), the Fiscal Year 2024 Local Budget Act of 2023, effective August 29,
10 2023 (D.C. Law 25-47), Further Consolidated Appropriations Act, 2024, approved March 23,
11 2024 (Pub. L. No. 118-47; 138 Stat. 460), the Fiscal Year 2025 Local Budget Act of 2024,
12 introduced April 3, 2024 (D.C. Bill 25-785), and are capital projects for which the District of
13 Columbia is authorized to incur indebtedness under the Bond Acts and the Income Tax Bond
14 Act.

15
16 (c) The Chief Financial Officer is further authorized to determine whether income tax
17 secured revenue bonds, general obligation bonds, or bond anticipation notes or other notes or
18 obligations authorized by the Income Tax Bond Act or the Bond Acts, will be issued to finance
19 or refinance the capital projects described in subsection (a) of this section. If notes or other
20 temporary obligations are issued to finance the capital projects described in subsection (a) of this
21 section, the Chief Financial Officer shall determine when and whether income tax secured
22 revenue bonds or general obligation bonds will be issued to refund or refinance the outstanding
23 notes in accordance with the Income Tax Bond Act, the Bond Acts and other applicable laws.
24

25 Sec. 3. If the funds allocated to any agency pursuant to this resolution exceed the amount
26 required by that agency to complete any authorized capital project listed in section 2 for that
27 agency, the excess funds shall be made available to finance other capital projects approved by a
28 prior or subsequent Council bond issuance resolution or act.
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30 Sec. 4. Pursuant to sections 7 and 8 of the Bond Acts, section 2 of the Income Tax Bond
31 Act, and other applicable law, the Council approves the execution and delivery by the Mayor, or
32 the Chief Financial Officer, on behalf of the District, of any agreement, document, contract and
33 instrument (including any amendment of or supplement to any such agreement, document,
34 contract, or instrument) in connection with the issuance, sale and delivery of District of
35 Columbia general obligation bonds or notes or income tax secured revenue bonds or notes
36 pursuant to the Bond Acts or the Income Tax Bond Act.
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38 Sec. 5. The Secretary to the Council shall submit a copy of this resolution, upon its
39 adoption, to the Mayor.
40

41 Sec. 6. The Council adopts the fiscal impact statement as required by section 602(c)(3)
42 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C.
43 Official Code § 1-206.02(c)(3)).
44

45 Sec. 7. This resolution shall take effect immediately.

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



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee
Chief Financial Officer

DATE: July 1, 2024

SUBJECT: Fiscal Impact Statement – Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024

REFERENCE: Draft Resolution provided to the Office of Revenue Analysis on June 27, 2024

A handwritten signature in black ink, appearing to read "Glen Lee".

Conclusion

Funds are sufficient in the fiscal year 2025 budget and the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill.

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 \$2.41 billion in fiscal year 2025. 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 2025 through fiscal year 2030 Capital Improvements Plan includes \$8.2 billion in planned borrowing using a combination of general obligation bonds, income tax secured revenue bonds, and short-term obligations.¹ 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 2025 – FY 2030 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 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024," Draft Resolution as provided to the Office of Revenue Analysis on June 27, 2024.

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 fiscal year 2025 budget and the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The \$2.1 billion additional borrowing authorized by the resolution is consistent with the planned capital expenditures in the District's proposed fiscal year 2025 through fiscal year 2030 Capital Improvements Plan, which includes \$8.2 billion of planned borrowing of the bond types authorized by the resolution.

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**



**Commercial Division
Tax & Finance Section**

MEMORANDUM

TO: Glen Lee
Chief Financial Officer

FROM: Patrick Allen
Senior Assistant Attorney General
Commercial Division

DATE: June 27, 2024

SUBJECT: Legal Sufficiency Certificate

This is to certify that the Office of the Attorney General has reviewed the Fiscal Year 2025 Income Tax Secured Revenue Bond, General Obligation Bond and General Obligation and Income Tax Secured Bond Anticipation Note Issuance Authorization Emergency Approval Resolution of 2024 and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at (202) 724-7754.

Patrick Allen

Patrick Allen
Senior Assistant Attorney General