COUNCIL OF THE DISTRICT OF COLUMBIA
MEMORANDUM

To: Chairman Phil Mendelson
From: Councilmember Anita Bonds
Date: July 27, 2020
Subject: Notice of Intent to Move Amendment at the July 28, 2020 Legislative Meeting

I intend to move the following amendments at the July 28, 2020 Legislative Meeting:

- Bonds Amendment #1 to B23-760, the Fiscal Year 2021 Budget Support Act of 2020

This measure would amend the Title II Subtitle T by striking the requirement that the Mayor must approve spending from capital project DHA00C. It would require that the Mayor and the Council concurrently receive notice of the Housing Authority’s proposed spending plans for projects. It would also change the threshold at which the District of Columbia Housing Authority would be required to set aside a percentage of the contract dollar volume for Certified Business Enterprises from $100,000 to $2,000,000, would change the amount of contract dollar volume to be set aside for Certified Business Enterprises from 50% to 35%, and would change the CBE dollar volume allocated to small business enterprises from 50% to 35%.
AN AMENDMENT

# 1

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DATE: July 28, 2020

OFFERED BY: Councilmember Anita Bonds

TO: B23-760, the Fiscal Year 2021 Budget Support Act of 2020

VERSION:

___ Introduced
___ Committee Report
___ Committee Print
___ First Reading
X Engrossed
___ Enrolled
___ Amendment
___ Amendment in Nature of Substitute

Amendment:

Title II, Subtitle T, Section 2192 is amended as follows:

(1) (page 93, line 1993) Subsection (a) is amended by striking the phrase “and thereafter approved by the Mayor. Each proposed spending plan shall also be submitted by the Authority to the Council for its information” and inserting the phrase “, to the Council, and to the chairperson of the Council committee with oversight of the District of Columbia Housing Authority.” in its place.

(2) (page 94, line 2007) Subsection (c) is amended as follows:
(A) Strike the phrase “$100,000” and insert the phrase “$250,000” in its place.

(B) Strike the phrase “50%” and insert the phrase “35%” in its place.

(C) Strike the phrase “50%” and insert the phrase “35%” in its place.

**Fiscal Impact:**

This amendment has no fiscal impact.

**Rationale:**

During the FY 2017 budget oversight process the Committee on Housing and Neighborhood Revitalization recommended and the Council adopted legislation creating a Public Housing Rehabilitation and Maintenance Fund (R&M Fund) for the purpose of funding urgent rehabilitation and maintenance projects at District public housing properties. The fund was housed in the Housing Authority subsidy. The Mayor’s Proposed FY 2021 budget eliminated this funding source and proposed to replace it with a “Public Housing and Structural Transformation” program housed in the office of the Deputy Mayor for Planning and Economic Development.

The program was proposed due to the desire of the Executive Branch to exercise additional oversight over Housing Authority expenditures. The Committee of Housing and Neighborhood Revitalization expressed in its Budget Report its concern that the addition of bureaucratic oversight measures would impede the Agency’s ability to meet its capital needs in a timely manner.

Instead, the Committee of the Whole opted to create a capital line item in the Housing Authority subsidy of $50 million for the purpose of funding public housing rehabilitation and maintenance. Subtitle T of the Budget Support Act stipulates that the Housing Authority must submit a proposed spending plan to the Mayor and receive the Mayor’s approval before accessing any funds in the capital budget.

After conferring with the City Administrator, the Committee concluded that the requirement that the Authority receive Mayoral approval every time DCHA obligates any amount of their capital funds is severe and inconsistent with the current manner of executive oversight policy governing contract approval for the Housing Authority and other District agencies. This amendment removes the mandate that the Authority receive the Mayor’s approval before accessing funds in capital project DHA00C and requires that the Mayor and the Council concurrently receive notice of the Housing Authority’s proposed spending plans for projects. All entities would therefore operate with full transparency and without facing additional barriers to effective operation that the current language in Subtitle T would require.

Additionally, the requirement that DCHA meet the goal of contracting at least 50% of the certified business enterprise (CBE) dollar volume with certified small business enterprises is more restrictive than the requirements that District agencies face under current law. All
construction contracts for government-assisted projects in excess of $250,000 include the requirements that at least 35% of the dollar volume of the contract shall be subcontracted to small business enterprises (SBEs) or, if there are insufficient qualified small business enterprises to completely fulfill this requirement, then the subcontracting requirement may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises (see DC Code § 2–218.46.).

However, as an independent agency, DCHA is not required to conform to these requirements. Despite its exemption from these requirement, DCHA does set internal goals to contract with CBEs and SBEs at a higher rate than required of other agencies. DCHA Resolution 20-05 authorized the Executive Director to implement the goal of procuring and contracting 50% of the dollar volume of District-funded services to DC CBEs and of those CBE firms, 50% must be recognized as SBEs.
FISCAL IMPACT STATEMENT

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

FROM: Jennifer Budoff, Budget Director

DATE: July 27, 2020

SHORT TITLE: B23-0760, the “Fiscal Year 2021 Budget Support Act of 2020”

TYPE: Amendment #1

REQUESTED BY: Councilmember Anita Bonds

Conclusion
This amendment will not have an adverse impact on the District’s budget and financial plan because the costs associated with implementing this legislation are included in the FY21 Budget and Financial Plan.

Background
This measure would amend the Title II Subtitle T: Expenditures from the Public Housing and Structural Transformation Capital Account Act of 2020 by increasing the requirement that the Mayor must approve spending from capital project DHA00C from $100,000 to $250,000. It would also reduce the threshold at which the DC Housing Authority would be required to set aside a percentage of the contract dollar volume for certified business enterprises (CBEs) from 50% to 35%.
MEMORANDUM

TO: Councilmember Anita Bonds
FROM: Nicole L. Streeter, General Counsel
DATE: July 28, 2020
RE: Legal Sufficiency Determination for Amendment #1 to B23-760, the Fiscal Year 2021 Budget Support Act of 2020

The amendment is legally and technically sufficient for Council consideration.

This measure would amend Title II.T, the Expenditures from the Public Housing and Structural Transformation Capital Account Act of 2020 by striking the requirement that the Mayor must approve any spending from project DHA00C and requiring that the Chairperson of the committee with oversight over the District of Columbia Housing Authority receive notice of planned expenditures along with the Mayor and the Council. The measure would also change the threshold at which the District of Columbia Housing Authority would be required to set aside a percentage of the contract dollar volume for Certified Business Enterprises from $100,000 to $250,000 and would change the amount of contract dollar volume to be set aside for Certified Business Enterprises from 50% to 35%.

I am available if you have questions.