


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: August 5, 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 August 4, 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 \$1.499 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>).

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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 August 4, 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 \$1.499 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.).