

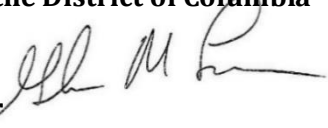
Government of the District of Columbia  
Office of the Chief Financial Officer



**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:** November 25, 2024

**SUBJECT:** Fiscal Impact Statement – Public Life and Activity Zones Amendment Act of 2024

**REFERENCE:** Bill 25-577, Draft Committee Print as provided to the Office of Revenue Analysis on November 22, 2024

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**Conclusion**

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation will cost \$282,000 in fiscal year 2025 and \$3.8 million over the four-year financial plan period.

**Background**

The bill creates a Public Life and Activity Zones Program (Program) within the District Department of Transportation (DDOT) to designate corridors that should be closed to vehicular traffic and issue grants to support the Program. The Program should identify three corridors, including one in Ward 5, Ward 7, or Ward 8,<sup>1</sup> that should be closed to vehicle traffic for 24 cumulative hours each week. Each corridor should be no less than one-eighth of a mile long, contiguously. DDOT should issue a report proposing the locations of three corridors that are suitable for closure and the rationale for selection. Prior to issuing the report, the Program should consult members of the public<sup>2</sup> for feedback on the proposed corridors. The report should address any notable safety concerns identified by DDOT or the Homeland Security and Emergency Management Agency (HSEMA); make

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<sup>1</sup> The selected corridor from Ward 5, 7, or 8 should be one that suffers from high levels of traffic violence, air pollution, lack of access to public spaces, and low rates of physical activity.

<sup>2</sup> The Program should engage with residents, business owners, Advisory Neighborhood Commissions, Business Improvement Districts, Community Improvements Districts, Main Streets, and other relevant entities.

recommendations for traffic infrastructure improvements; and include plans for ensuring access to public transportation and emergency services, anticipated resource and staffing needs, impacts on parking availability, a summary of public feedback, and the feasibility of permanently closing the corridors. The Program should publish the report on DDOT's website by December 31, 2025, provide a method for public feedback on the report, and hold at least one public meeting on the report.

By March 31, 2026, the Program should select one of the three corridors contained in the report to begin weekly 24-hour closures to vehicle traffic on October 1, 2026. By October 1, 2027, DDOT should include in its Multimodal Long-Range Transportation Plan<sup>3</sup> the plans to close the other two studied corridors.

The bill authorizes the Program to issue up to \$2.5 million in grants to support the Program beginning on March 31, 2026. The Program can issue grants to businesses and other entities that will promote the use of the closed corridor. The bill allows entities to use the grant funds to expand streateries, install public art, facilitate deliveries, construct venues for public events, and to reimburse any related permit fees related to construction within the corridor. The Program should also implement the report's recommendations for new or enhanced infrastructure improvements.

The bill makes several changes around block parties or other temporary street closures, including preauthorizing blocks for events. The bill expands DDOT's ability to offer block party permit applications online and in person rather than just in person and through DDOT's permit system. The bill allows a block party permit applicant to gain approval from all Advisory Neighborhood Commissions abutting the roadway to be closed. Currently, an applicant must gain approval from 51 percent of the residents, owners, and businesses abutting the street to be closed;<sup>4</sup> an option that still remains. The bill creates a pathway for a resident to apply for a block party preauthorization for their block, which will allow them to subsequently apply for an expedited block party permit. A block party preauthorization application should include any residents who can submit an expedited block party application for the approved block and a description of how the residents will use the closed roadway. The bill establishes that a preauthorized block approved within the first year after the bill's effective date is valid for six months or until the end of the calendar year, whichever occurs first, and a preauthorized block approved after one year is valid for one calendar year.<sup>5</sup> The bill establishes what an authorized resident must include in their expedited block party permit application and how they must notice the closure for a preauthorized block. Authorized residents may also apply for an expedited street play permit for a weekend, District of Columbia holiday, October 31<sup>st</sup>, or a scheduled District of Columbia Public Schools' day off. The bill clarifies that DDOT should refer block party and preauthorization applications, but not expedited permit applications, to other District agencies<sup>6</sup> for comments. The bill establishes the timeframes DDOT must adhere to when evaluating a block party, block preauthorization, or expedited block party permit application<sup>7</sup> and under what conditions the Program should approve or deny applications.

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<sup>3</sup> <https://movedc-dcgis.hub.arcgis.com/>

<sup>4</sup> The bill allows an applicant to exclude vacant properties from the 51 percent determination.

<sup>5</sup> The bill authorizes DDOT to rescind preauthorization for good cause.

<sup>6</sup> Other agencies include HSEMA, the Metropolitan Police Department, Fire and Emergency Management Services, and the Washington Metropolitan Area Transit Authority.

<sup>7</sup> DDOT should approve block party permits, expedited permits, and preauthorization applications in 10, 3, and 20 days, respectively.

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The bill ensures that expedited block party permits and block party preauthorization applications are not subject to the District's clean hands laws.<sup>8</sup> Currently, traditional block party applicants are exempt from clean hands.

The bill prohibits DDOT from using automobile delay<sup>9</sup> as the sole metric of analysis for the planning, design, and construction of transportation projects; the selection of an approved concept or design for a street improvement project; or the assessment of transportation impacts from new development projects. Alternatively, the bill requires DDOT to develop multimodal metrics to consider, pedestrians and ADA compliance, bicycles and micromobility devices, transit, freight operations and curbside management, and traffic calming and speed management.

The bill expands the existing Safe at Home grant program for income-eligible residents with disabilities or over the age of sixty, which helps alter their homes to allow them to stay or age in place.<sup>10</sup> The bill allows grant recipients to use funds to improve the accessibility of an off-street parking space.

In 2020, the Council approved<sup>11</sup> the Autonomous Vehicle Testing Program (AV Program) at DDOT to allow permitted companies to test autonomous vehicles on District roadways. Entities are required to provide DDOT with prescribed information and have sixty days to apply for a testing permit once the AV Program is established. DDOT proposed rules for the AV Program in 2022,<sup>12</sup> but those are currently being revised.

The bill sets parameters for a person or entity seeking to operate an autonomous vehicle in the District prior to DDOT finalizing the rules and issuing permits. To operate in the District prior to receiving a permit, a person or entity must agree to have a test operator physically present in the vehicle, comply with local and federal regulations and laws, and provide DDOT with ten business days' notice<sup>13</sup> before operating in the District. The bill repeals the previous guidance for testing vehicles prior to testing permit availability. The bill also clarifies that any person or entity testing autonomous vehicles is subject to civil penalties for violating laws or rules related to autonomous vehicle operations. The bill also increases the reporting frequency required of autonomous vehicle testing entities from semi-annually to quarterly.

Most of the changes to the AV Program are currently in effect under temporary legislation.<sup>14</sup>

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<sup>8</sup> D.C. Official Code § 47-2861 et seq.

<sup>9</sup> The bill indicates that automobile delay is measured by vehicle level of service, vehicular throughput, or traffic congestion.

<sup>10</sup> D.C. Official Code § 7-551.01.

<sup>11</sup> Autonomous Vehicle Testing Program Amendment Act of 2020, effective December 23, 2020 (D.C. Law 23-156; D.C. Official Code § 50-2351 et seq.).

<sup>12</sup> Chapter 18, Autonomous Vehicles, proposed January 28, 2022 (69 DCR 743).

<sup>13</sup> This notice must include the number of autonomous vehicles, the vehicle details, operator training and license information, geographic testing locations, and the time period for testing in the District.

<sup>14</sup> Autonomous Vehicle Testing Permit Requirement Temporary Amendment Act of 2024, effective June 1, 2024 (D.C. Law 25-168; 71 DCR 6999).

## **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation will cost \$282,000 in fiscal year 2025 and \$3.8 million over the four-year financial plan period.

The bill establishes the Program to study and authorize the weekly closure of three corridors in the District for 24-hours, with the first corridor closing beginning in fiscal year 2027. The Program will have to issue a report on the selected corridors by December 31, 2025. DDOT requires a staffer to manage the Program both during the development of the report and throughout the Program's operations. The staffer will cost \$111,000 in fiscal year 2025 and \$460,000 over the four-year financial plan period. The Program will require the support of other DDOT staffers, which will be absorbed within DDOT's current resources. DDOT will need MPD and temporary infrastructure to ensure vehicles are prohibited from entering the closed street. These needs will cost \$231,000 annually for one corridor beginning in fiscal year 2027. Closing the streets will also reduce parking meter revenues by approximately \$161,000 annually starting in fiscal year 2027. The bill also allows DDOT to issue up to \$2.5 million in grants to support the Program starting on March 31, 2026. DDOT will likely issue \$1.5 million in fiscal year 2026 as businesses and residents prepare for the street closures and \$500,000 in fiscal year 2027 after the closures begin and additional needs are identified. The total anticipated cost of the Program is \$111,000 in fiscal year 2025 and \$3.7 million over the four-year financial plan period.

The bill amends the processes around gaining approval for a block party permit. It also allows residents to seek block party preauthorization from DDOT, which would allow them to obtain expedited block party permits within the preauthorization window. DDOT will need to update its permitting system to account of the bill's changes to existing block party permit applications and establish new processes for block party preauthorization and expedited permit applications. These updates will cost \$60,000 in fiscal year 2025. DDOT also requires a new program analyst to support preauthorization reviews and ensure expedited permits are issued within three days. This staffer will cost \$111,000 in fiscal year 2025 and \$460,000 over the four-year financial plan period. The total cost of the block party provisions is \$171,000 in fiscal year 2025 and \$520,000 over the four-year financial plan period.

DDOT is planning to use multi-modal metrics to evaluate transportation projects and can absorb any costs associated with these provisions within the agency's existing budgeted resources.

The Department of Aging and Community Living manages the Safe at Home grant program. The bill makes changes to off-street parking infrastructure to accommodate a homeowner's ability to stay in their home as an eligible grant activity. Expanding eligible uses of the grant program does not have a cost, but may reduce grants for other purposes.

DDOT is implementing the bill's AV Program provisions and can continue to do so on a permanent basis within the agency's existing budgeted resources.

The chart on the following page summarizes the bill's implementation costs.

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<b>Public Life and Activity Zones Amendment Act of 2024 Implementation Costs Fiscal Year 2025 – Fiscal Year 2028 (\$ thousands)</b>					
	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>Total</b>
<b>Public Life and Activity Zones</b>					
<b>Personnel</b>	\$111	\$114	\$116	\$119	\$460
<b>Lost Meter Revenue</b>	\$0	\$0	\$161	\$161	\$322
<b>Street Closure Needs</b>	\$0	\$0	\$231	\$231	\$462
<b>Grant Funds</b>	\$0	\$1,500	\$500	\$0	\$2,500
<b>Total Program Costs</b>	<b>\$111</b>	<b>\$1,864</b>	<b>\$1,258</b>	<b>\$511</b>	<b>\$3,744</b>
<b>Block Party Permits</b>					
<b>Staff</b>	\$111	\$114	\$116	\$119	\$460
<b>Permit System Updates</b>	\$60	\$0	\$0	\$0	\$60
<b>Total Block Party Permit Costs</b>	<b>\$171</b>	<b>\$114</b>	<b>\$116</b>	<b>\$119</b>	<b>\$520</b>
<b>TOTAL IMPLEMENTATION COSTS</b>	<b>\$282</b>	<b>\$1,728</b>	<b>\$1,124</b>	<b>\$630</b>	<b>\$3,764</b>