

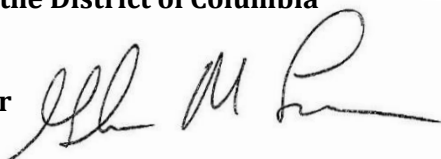
Government of the District of Columbia
Office of the Chief Financial Officer



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 – Harmonious Living Amendment Act of 2024

REFERENCE: Bill 25-750, Draft Committee Print as provided to the Office of Revenue Analysis on November 18, 2024

Conclusion

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill costs \$463,000 in fiscal year 2025 and \$4.66 million over the financial plan to implement.

Background

The bill makes several changes to how the District regulates and mitigates excessive noise in public spaces and residential buildings. Each change is detailed below.

The bill requires the Construction Codes Coordinating Board (CCCB)¹ to publish, by June 30, 2026, a notice of final rulemaking amending the Construction Codes to establish sound level reduction design requirements for any new residential property construction within an activity area² or entertainment area.³ The Department of Buildings (DOB) reviews all construction documents to ensure compliance with building codes established by the CCCB, and also provides administrative support to the CCCB.

¹ The CCCB is an unpaid 13-person board with members appointed by the Mayor to terms of three years. The Department of Buildings provides the CCCB with administrative and staff support.

² Activity areas include any parcel or lot within or with exterior boundaries abutting the following zones as defined in Title 11 of the District of Columbia Municipal Regulations: ARTS-1 through ARTS-4; MU-4 through MU-29; NC-6 through NC-16; and D-1 through D-8.

³ Entertainment areas are any parcel or lot with exterior boundaries within 300 feet of an entertainment venue.

Beginning on January 1, 2026, the owner of residential properties located in an entertainment area or activity area must disclose to the purchaser or tenant that the building is within an entertainment area and the owner expects sounds to be higher than non-entertainment areas. The owner must provide a brief description of any soundproofing measure present in the unit. The disclosure must include a list of entertainment venues within 300 feet of the residential building, including daily hours of operation for each venue. The disclosures must be provided on a disclosure form produced by the Mayor. The Mayor must publish the sound disclosure form by October 1, 2025.

The Mayor must establish a grant program to support the installation of measures mitigating sound transfer between an entertainment venue and an abutting or nearby residential property. Grants are available to both entertainment venues as well as residential property owners. Entertainment venues must demonstrate that the owner is current on all District and federal taxes to be eligible for the grant program. Residential property owners, to be eligible, must show that they:

- Have a household income that is 120 percent or less of the median family income;
- Demonstrate that the owner is current on the last 12 months of mortgage payments;
- Demonstrate that the owner is current on all District and federal taxes; and
- Demonstrate that the dwelling unit or residential property does not meet the proposed sound level reduction design requirements published by the CCCB.

The Mayor must issue rules to establish the maximum grant award amount for property owners and entertainment venues, list expenses that may be covered by the grant, and establish criteria to prioritize grant funding for eligible owners.

The bill requires⁴⁴ the Office of Cable Television, Film, Music, and Entertainment (OCTFME) to provide by January 1, 2026, temporary or mobile acoustical shells to mitigate transmission of sound to nearby buildings for permitted events involving the use of musical instruments or amplified sound in Columbia Heights Civic Plaza and the corner of 14th Street, N.W. and U Street, N.W. OCTFME must also install five digital decibel feedback signs displaying the current decibel level of the surrounding area. Digital decibel feedback signs must be accompanied by a summary of relevant regulations on decibel limits. Locations selected for installation of digital decibel feedback signs must include Columbia Heights Civic Plaza, the corner of 14th Street, N.W. and U Street, N.W., areas with frequent violations of maximum noise levels, and the vicinity of the 600 block of 6th Street, N.W. (Capital One Arena). The bill also provides OCTFME the authority to establish and administer a grant program for performers, businesses, or organizations engaged in the management of public and commercial outdoor spaces, for the purposes of supporting outdoor performances in suitable public spaces.

The bill requires OCTFME to issue a report by January 1, 2026, on outdoor performances in the District and strategies for accommodating performances in public spaces that are in the vicinity of residential or mixed-use areas. The report must include an inventory of public spaces where outdoor performance frequently occurs and locations where it may be encouraged. The report must outline design guidelines and an action plan for accommodating outdoor performances that mitigate excessive sound. The report must list buildings within proximity to common or prospective outdoor performance locations that may be insufficiently soundproofed, provide recommendations to remedy, and review the regulations governing outdoor performances.

⁴⁴ By amending The Office of Cable Television, Film, Music, and Entertainment Amendment Act of 2015, effective October 9, 2002 (D.C. Law 14-193; D.C. Official Code § 34-1252.01 et seq.).

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The bill requires the Office of Unified Communications (OUC) to accept requests via the District's 311 system, beginning on January 1, 2026, regarding noise complaints. The 311 system must provide categories for noise complaints, such as trash truck noise, and route the complaint to appropriate agencies for enforcement. Currently, the DOB, Metropolitan Police Department (MPD), the Department of Licensing and Consumer Protection (DLCP), and the Alcoholic Beverage and Cannabis Administration (ABCA) receive noise complaints independently of 311. DOB primary enforcement activity is to regulate construction-related noise and noise complaints related to fixtures in commercial and residential buildings. MPD currently receives non-emergency phone calls related to noise complaints that occur between 10:00 pm and 7:00 am and investigates these complaints. DLCP currently receives complaints related to trash truck noise via an online complaint form. ABCA receives noise complaints by phone, email, and fax and keeps records regarding noise complaints. Beginning on January 1, 2027, the mayor must submit an annual report to the Council on the number of 311 requests for service received for noise complaints by each agency.

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 costs \$463,000 in fiscal year 2025 and \$4.66 million over the financial plan to implement. The cost impacts for each agency affected by the bill are detailed below.

Construction Codes Coordinating Board and Department of Buildings

The CCCB meets monthly to review and update the Construction Codes for the District. The CCCB can review sound level reduction design requirements of new residential property construction during these meetings. DOB will contract with a subject matter expert to provide the CCCB with technical information to inform the new sound level reduction requirements. The vendor will provide information on soundproofing, product performance, indirect impacts of soundproofing (such as impacts on building ventilation), and impacts on construction costs. The subject matter expert contract will cost \$500,000, split evenly between fiscal years 2025 and 2026.

Additionally, DOB will need to review building plans and inspect each newly constructed residential building in activity and entertainment areas to confirm adherence to new soundproofing standards. To complete this work, DOB must hire three employees starting in fiscal year 2027, including a Plan Reviewer, a Program Support Specialist, and a Building Code Inspector. The salary and fringe cost of these employees is \$374,000 in fiscal year 2027 and \$756,000 over the financial plan. DOB must upgrade its IT systems to integrate 311 noise-compliant requests into its internal customer and inspection workflow systems. The one-time cost of this upgrade is \$150,000 in fiscal year 2026. DOB can develop and publish a sound disclosure form with current resources. To implement the bill, DOB requires \$250,000 in fiscal year 2025 and \$1.48 million over the financial plan.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
DOB - Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Contract	\$250	\$250	\$0	\$0	\$500
Salary ^(a)	\$0	\$0	\$327	\$333	\$660
Fringe ^(b)	\$0	\$0	\$83	\$87	\$170

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IT Upgrade	\$0	\$150	\$0	\$0	\$150
Total	\$250	\$400	\$410	\$420	\$1,480

Table Notes:

- (a) Salary for three Grade 13, Step 5 employees and cost growth of 1.9 percent. Assumes a start date of October 1, 2026, when new soundproofing standards take effect.
- (b) Fringe benefit rate of 24.3 percent and cost growth of 2.35 percent.

Deputy Mayor for Planning and Economic Development Cluster Agency

The bill is silent on the specifics of the design of the sound mitigation grant program, including what agency will carry out the grant program. The likely home of the grant is in one of the agencies under the Deputy Mayor for Planning and Economic Development (DMPED), such as the DOB,⁵ Department of Housing and Community Development, or Department of Small and Local Business Development. Regardless of where the grant program resides, that agency will need to hire one additional Grants Management Specialist to develop and implement the sound mitigation grant program beginning in fiscal year 2026. The salary and fringe costs of this employee is \$112,000 in fiscal year 2026 and \$344,000 over the financial plan. The grant program design will also inform how much will be budgeted for grant awards for entertainment venues and residential properties located in entertainment or activity areas. In lieu of specifics, this fiscal impact statement uses \$500,000 as a placeholder in fiscal years 2027 and 2028 to approximate what will be awarded by a DMPED cluster agency in sound mitigating grants each year. In total, the sound mitigation grant program will cost \$112,000 in fiscal year 2026 and \$1.34 million over the financial plan.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
DMPED Cluster Agency - Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
DMPED Cluster Agency Salary ^(a)	\$0	\$93	\$94	\$96	\$283
DMPED Cluster Agency Fringe ^(b)	\$0	\$20	\$20	\$21	\$61
DMPED Cluster Agency Grant Funding	\$0	\$0	\$500	\$500	\$1,000
Total	\$0	\$112	\$615	\$617	\$1,344

Table Notes:

- (a) Salary for one Grade 12, Step 5, Grants Management Specialist and cost growth of 1.9 percent. Assumes start date of January 1, 2025.
- (b) Fringe benefit rate of 20.7 percent and cost growth of 2.35 percent.

Office of Cable Television, Film, Music, and Entertainment

OCTFME will hire one additional Program Manager to complete the required report and manage event requests. In addition, funding is required for equipment use and maintenance. The salary and fringe benefit cost of this employee is \$113,000 in fiscal year 2025 and \$587,000 over the financial plan. OCTFME will purchase two acoustic shells in the fiscal year 2026 at the cost of \$40,000 and will maintain the shells at the cost of \$4,000 annually. The agency will also need \$28,000 in fiscal year

⁵ DOB does not currently have grant-making authority.

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2026 to purchase and install five digital decibel feedback signs and will maintain the signs at a cost of \$6,000 annually. OCTFME will contract with a subject matter expert to assist the Program Manager with completing the reporting requirements included in the bill at a cost of \$100,000 split over fiscal years 2025 and 2026. The total OCTFME costs to implement the bill are \$163,000 in fiscal year 2025 and \$774,000 over the financial plan.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
OCTFME - Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Salary ^(a)	\$93	\$126	\$129	\$131	\$480
Fringe ^(b)	\$20	\$28	\$29	\$30	\$107
Acoustic Shell Purchase, and Maintenance ^(c)	\$0	\$40	\$4	\$4	\$48
Decibel Monitor Purchase, Install, and Maintenance ^(d)	\$0	\$28	\$6	\$6	\$40
Report Contract ^(e)	\$50	\$50	\$0	\$0	\$100
Total	\$163	\$272	\$168	\$171	\$774

Table Notes:

- (a) Salary for one Grade 14, Step 5, Program Manager and cost growth of 1.9 percent. Assumes start date of January 1, 2025.
- (b) Fringe benefit rate of 21.4 percent and cost growth of 2.35 percent.
- (c) Assumes purchase in fiscal year 2026 at a cost of \$20,000 each.
- (d) Assumes purchase in fiscal year 2026 at a cost of \$500 per monitor and install costs of \$5,000 each.
- (e) Report costs are split between fiscal year 2025 and fiscal year 2026 since the report is due January 1, 2026.

Office of Unified Communications

OUC uses Salesforce⁶ to collect and forward 311 requests to responding agencies. OUC will update Salesforce to create new service request categories for the four agencies that receive noise complaints. This update is estimated to cost \$100,000, split between fiscal years 2025 and 2026. OUC also requires one additional 311 operator for additional call volume. The salary and fringe costs of this employee is \$80,000 in fiscal year 2026 and \$246,000 over the financial plan. In total, OUC requires \$50,000 in fiscal year 2025 and \$346,000 over the financial plan to implement the bill.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
OUC - Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Salary ^(a)	\$0	\$61	\$63	\$64	\$188
Fringe ^(b)	\$0	\$19	\$19	\$20	\$58
IT Update	\$50	\$50	\$0	\$0	\$100
Total	\$50	\$130	\$82	\$84	\$346

⁶ Salesforce is a cloud-based 311 system that allows the agency to manage non-emergency service requests.

Table Notes:

- (a) Salary for one Grade 9, Step 1, 311 Operator and cost growth of 1.9 percent. Assumes start date of October 1, 2025.
- (b) Fringe benefit rate of 29.4 percent and cost growth of 2.35 percent.

Department of Licensing and Consumer Protection

DLCP currently does not field requests from 311 for trash truck noise complaints. DLCP needs to purchase a Salesforce license to access service requests forwarded by OUC. The cost of this license is \$10,000 annually.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
DLCP- Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
IT License	\$0	\$10	\$10	\$10	\$30
Total	\$0	\$10	\$10	\$10	\$30

Alcoholic Beverage and Cannabis Administration

ABCA currently does not field requests from 311. ABCA requires one additional Program Analyst to respond to and track 311 requests in fiscal year 2026. Adding 311 as another point of entry for complaints will likely result in an additional case workload for ABCA investigators. The administration requires one additional Investigator to manage this increase. The salary and fringe cost for these employees is \$212,000 in fiscal year 2026 and \$652,000 over the financial plan. ABCA also needs to purchase a Salesforce license to access service requests forwarded by OUC. The cost of this license is \$10,000 annually. In total, ABCA requires \$222,000 in fiscal year 2025 and \$682,000 over the financial plan to implement the bill.

Bill 25-750 - Harmonious Living Amendment Act of 2024					
ABCA - Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
Salary ^(a)	\$0	\$172	\$176	\$179	\$527
Fringe ^(b)	\$0	\$40	\$42	\$44	\$126
IT License	\$0	\$10	\$10	\$10	\$30
Total	\$0	\$222	\$227	\$233	\$682

Table Notes:

- (a) Salary for two Grade 11, Step 5, employee, and cost growth of 1.9 percent.
- (b) Fringe benefit rate of 22.8 percent and cost growth of 2.35 percent.

Financial Plan Impact Summary

In summary, the total cost to implement the bill is \$463,000 in fiscal year 2025 and \$4.66 million over the financial plan.

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Bill 25-750 - Harmonious Living Amendment Act of 2024					
Total Costs (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
DOB	\$250	\$400	\$410	\$420	\$1,480
DMPED Cluster Agency	\$0	\$112	\$615	\$617	\$1,344
OCTFME	\$163	\$272	\$168	\$171	\$774
OUC	\$50	\$130	\$82	\$84	\$346
DLCP	\$0	\$10	\$10	\$10	\$30
ABCA	\$0	\$222	\$227	\$233	\$682
Total	\$463	\$1,147	\$1,512	\$1,536	\$4,657