

AN AMENDMENT
BILL 20-482, "FISCAL YEAR 2014 BUDGET SUPPORT TECHNICAL CLARIFICATION ACT OF 2014"
(FINAL COMMITTEE PRINT)
FEBRUARY 4, 2014

AMENDMENT (1): Section 9, Page 7, Lines 4-19:

Section 9 is amended to read as follows:

"Sec. 9. Section 203(e) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2812.03(e)), is amended to read as follows:

“(e) After May 1, 2013, all new bonds or notes for the New Communities Initiative shall be issued, secured, and paid pursuant to Subchapter II-D of Chapter 3 of Title 47 of the District of Columbia Official Code; provided, that the new bonds or notes issued for the New Communities Initiative shall be:

“(1) Subject to Council approval by resolution submitted by the Mayor that includes the specific information required in DC Official Code §42-2812.03(d)(1) through (7);

“(2) Issued from time to time as separate and independent income tax secured revenue bonds issued pursuant to the Income Tax Secured Bond Authorization Act of 2008 and not as a part of an income tax secured revenue bond issued for Capital Projects (other than for the New Communities Initiative), as “Capital Projects” are defined in D.C. Official Code §47-340.26(9), or any other purposes; and

“(3) notwithstanding the provisions of this section, refunding bonds and notes payable from and secured by the Allocated Fund may be issued to refund bonds issued under this subchapter if such refunded bonds and notes were issued prior to May 1, 2013.”.”.

AMENDMENT (2): Section 10; Page 7, Lines 15-19:

Section 10 is amended to read as follows:

"Sec. 10. Subchapter II-D of Chapter 3 of Title 47 of the District of Columbia Official Code is amended as follows:

“(a) Section 47-340.26 is amended by adding a new paragraph (16A) to read as follows:

“(16A) “New Communities Initiative Projects” means the projects approved in accordance with section 203(e) of the Housing Production Trust Fund Act of 1988, effective March 16, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2812.03(e).

“(b) Section 47-340.26(9) is amended by striking the phrase “purposes,” and inserting the phrase “purposes, and New Communities Initiative Projects,” in its place.

1 “(c) Section 47-340.26(17) is amended by striking the phrase “District, but” and inserting
2 the phrase “District, excluding debt from the District’s Deed Tax Revenue Bonds issued before
3 May 1, 2013, but” in its place.

4 “(d) Section 47-340.28(a) is amended by striking the phrase “costs of Capital Projects”
5 and inserting the phrase “costs of Capital Projects and the New Communities Initiative Projects”
6 in its place.

7 “(e) Section 47-340.28(b-1) is amended by striking the phrase “the capital projects” and
8 inserting the phrase “the capital projects and the New Communities Initiative Projects” in its
9 place.

10 “(f) Section 47-340.28(d) is amended by striking the phrase “series of the bonds, less any
11 capitalized interest accrued interest and costs of issuance” and inserting the phrase “series of the
12 bonds for the Capital Projects, less any capitalized interest accrued interest and costs of issuance,
13 Subject to applicable law, the District shall maintain a new communities initiative project fund
14 separate and apart from other fund of the District into which it will deposit the proceeds of any
15 series of the bonds for the New Communities Initiative Projects, less any capitalized interest,
16 accrued interest and costs of issuance”

17 “(g) Section 47-340.29(a)(11) is amended by striking the phrase “and this subchapter”
18 and inserting the phrase “, this subchapter, or the Housing Production Trust Fund Act of 1988,
19 effective March 6, 1989 (D.C. Law 7-202; D.C. Official Code § 42-2801 *et seq.*)” in its place.”.”.

RATIONALE:

This amendment represents conforming changes needed to implement a policy change approved by the Council and the Mayor, and certified by the Office of the Chief Financial Officer (OCFO), as part of the Fiscal Year 2014 Budget and Financial Plan – namely, to switch the funding source for bonds for New Communities projects from the Housing Production Trust Fund (HPTF) to Income Tax Secured Bonds (ITSBs). The primary purpose of this shift was to free up the funds in the HPTF for other programs, while retaining the ability of the District to finance the New Communities Initiative through bond issuances. After the Fiscal Year 2014 budget was adopted, counsel at the OCFO identified certain conforming changes, set forth in this amendment, that needed to be made to implement the issuance of ITSBS for such projects.

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



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer

DATE: February 4, 2014

SUBJECT: Fiscal Impact Statement – Housing Production Trust Fund
Securitization Amendment Act of 2013

REFERENCE: Draft bill shared with ORA on January 30, 2014

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Background

The bill amends the Housing Production Trust Fund Act of 1988, the Fiscal Year 2014 Budget Support Act Technical Clarifications Act of 2013 (Technical Clarifications Act), and the Income Tax Secured Bond Authorization Act of 2008 to provide the necessary legal authorization for the income tax secured revenue bonds (ITSBs) to be issued for qualified New Communities Initiative projects. Pursuant to the bill, bonds issued after May 1, 2013 for the qualified New Communities Initiative projects will be secured by and paid from the income tax revenues, not the Housing Production Trust Fund, as the Council and the Mayor intended.

Financial Plan Impact

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill. The debt service estimates for the budget and financial plan period already take into consideration the expanded use of ITSBS.