



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

January 26, 2022

Public Buildings Reform Board  
1800 F Street, NW  
Washington, DC 20405

To the Board:

I am writing in response to your transmittal of your Round 1 submission to the Office of Management and Budget (OMB) on December 27, 2021. I appreciate the PBRB's efforts to advance implementation of the Federal Assets Sale and Transfer Act of 2016 (FASTA). I also appreciate the PBRB's ongoing engagement with OMB and the General Services Administration (GSA).

The purpose of FASTA implementation is to reduce the costs of Federal real estate and to return value to the taxpayers. OMB wholeheartedly supports these goals. We have encouraged the PBRB to recommend properties where financial and other data indicate that their disposal would be successful in achieving the statutory purposes. As our agencies have discussed over the last year, the PBRB should evaluate its prospective recommendations against three key criteria: financial planning, stakeholder consultation, and schedule. As we explained in a December 1, 2021 letter to the PBRB, these criteria are central to OMB's decision whether to approve the PBRB's submission.

OMB has reviewed the PBRB's submission and concluded the submission does not adequately address the key criteria for the following reasons:

Financial Planning. The PBRB recommendations lack sufficient information on project implementation costs and depend on outyear budget requests to support implementation. As described in the December letter, an integrated financial plan for each recommended project should show how all the associated costs will be executed within the PBRB's currently available resources. Consistent with the PBRB approach under the High Value Round, the plan should include funding of all necessary relocations. In addition to the balance currently available in the Fund, GSA has recently deposited proceeds from the sale of High Value Round properties; these proceeds are subject to Congressional appropriation. The PBRB should identify all relevant costs and make specific recommendations for how to utilize Fund resources to support costs necessary for implementation. Before OMB can approve of the use of FASTA authorities to dispose of particular properties, we need more information regarding why those authorities, and not GSA's Title 40 process, are the appropriate means for effecting the disposal.

Stakeholder Consultation. For several of the identified properties, the PBRB has not provided sufficient information regarding its stakeholder outreach for OMB to assess the

position of members of Congress, affected Tribal governments, the general public, and the agencies occupying facilities. It also appears that the PBRB has not met with tenant agencies affected by the action; it has met only with the custodial agency. Further, the PBRB has not provided any evidence that it conducted any virtual public meetings with interested local community stakeholders. Even for properties already scheduled for disposal under Title 40, the PBRB should have consulted with these stakeholders prior to recommending their diversion to the FASTA process.

Schedule. Two of the proposed properties are at risk of not meeting schedule requirements due to environmental compliance responsibilities.

It also appears additional coordination between GSA and the PBRB may be needed, particularly regarding whether the individual and integrated financial plans will result in successful execution. As we noted in the December letter, GSA and the PBRB should agree prior to the recommendations being submitted to OMB because GSA is the Government's disposal agent. The PBRB proposes multiple project dispositions that leverage GSA's Title 40 disposal authorities, including negotiated sale and public benefit conveyance provisions, but GSA has raised implementation concerns with several of these dispositions.

The project implementation issues outlined above prevent OMB from fully assessing the risk return profile for each recommended property. To that end, we are unable to conclude that the risks to the Government posed by the disposition of the proposed properties are acceptable to the taxpayer.

I am therefore disapproving the PBRB's initial submission of its Round 1 recommendation. I have transmitted to the Congress the reason for this disapproval. The Board now has 30 days to resubmit its recommendation to OMB. OMB recommends that the PBRB coordinate closely with GSA prior to resubmission to determine whether the recommendations propose appropriate implementation authorities and are executable within available resource and schedule constraints.

Sincerely,



Shalanda D. Young  
Acting Director

Attachments  
Final Letter to FASTA Board 12.1.21