November 27, 2019

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

To the Board:

I am writing in response to the Public Buildings Reform Board’s (Board) transmittal of its high value property recommendations to OMB on October 31, 2019. I appreciate the Board’s commitment and diligence towards implementing its duties under the Federal Assets Sale and Transfer Act (FASTA), and I look forward to collaborating with the Board to fully implement the statute.

OMB fully supports a strong high value sale list and applauds the Board for identifying a robust set of high value projects for potential sale. However, the Board’s recommendations consisted entirely of a list of the recommended properties by name, location, and custodial agency without the additional information previously requested on October 25, 2019 by OMB. The limited supporting information does not enable OMB to assess the feasibility of selling the properties within FASTA’s required timeframe and does not support our responsibility to ensure the risks to the government posed by the sale of the proposed properties are acceptable to the taxpayer. OMB also requires a financial execution plan that demonstrates that the high value projects identified by the Board can be completed with the Board’s available funds. Without this necessary additional information, including the requested project information and a financial execution plan, OMB remains concerned the resubmitted project list may not be viable. Obtaining this information is important because FASTA requires disapproval of the Board’s proposal, in its entirety, if any of the recommendations are disapproved “in whole or in part.”

For these reasons, I am disapproving the Board’s initial recommendations. I have transmitted to the Congress the reason for this disapproval. The Board now has 30 days to resubmit recommendations to OMB for its approval or disapproval.

In the interest of a successful resubmission, OMB is providing the recommendation guidelines below to help the Board identify a recommendation that is more likely to gain approval. These guidelines are based upon our reading of FASTA’s statutory requirements and OMB’s obligations under the law to ensure responsible stewardship of taxpayer dollars.

Recommendation Guidelines

1) GSA must execute project sales with its own staff or with a broker under contract to GSA. While the Board may remain engaged in the process, FASTA does not provide the Board authority to effectuate property sales.
2) Proceeds cannot be split between the Board and agencies that have proceeds retention authority. FASTA does not provide the Board this authority.

3) All recommendations must be supported by a financial execution plan to provide assurance the sale can be effectuated and to support OMB’s risk assessment. This is necessary due to the Board’s $30 million in available appropriations and the potential complexity and cost of the proposed sales.

4) Conditional sale recommendations (e.g., sales contingent on zoning changes) must be executable within one year to meet FASTA requirements unless the Board recommends to the Director, supported by evidence of financial benefit to the government, that the Director should extend the sale timeframe to two years.

5) FASTA requires the Director of OMB to approve the Board’s recommendations in their entirety. Disapproval of an individual recommendation results in the disapproval of all recommendations.

6) FASTA does not provide the Board authority to pay other agencies to perform certain activities under Section 14.

I look forward to receiving the Board’s next submission and our continued collaboration.

Sincerely,

Russell T. Vought
Acting Director