

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: NOV 16 2007

SUBJECT: Fiscal Impact Statement: "Park Morton Redevelopment Initiative Plan Approval Resolution of 2007"

REFERENCE: Draft Resolution – Bill Number Not Available

Conclusion

There is no fiscal impact at this time associated with the provisions of the proposed Park Morton Redevelopment Plan Approval Resolution of 2007 ("Plan"). Any activities related to the Plan and undertaken by District agencies will need to be budgeted and appropriated in future years.

There is \$6.8 million in capital funding available in the FY 2008 –FY 2011 budget and financial plan for use in the implementation of all New Communities Projects during this period. The use of any public funding sources identified in the Park Morton Plan would require separate authorization and appropriation at a future point.

Background

The proposed resolution would approve the Plan for the Park Morton neighborhood as part of the District's New Communities Initiative ("Initiative"), which is a comprehensive partnership to redevelop the physical and human architecture of neighborhoods characterized by violent crime and poverty. The Initiative is designed to use private and public money to develop mixed-income neighborhoods and to protect housing for low-income residents with a one-to-one replacement of existing affordable housing. In addition, the Initiative focuses on strengthening social development by coordinating job training, asset building, counseling, and other human support services.

The Park Morton neighborhood was selected as the fourth Initiative site. The neighborhood is located in Ward 1's Park View community, and is generally bound by Georgia Avenue on the west, Warder Street on the east, Lamont Street on the south and Park Road on the north. The proposed redevelopment includes 160 on-site replacement and homeownership units together with new affordable and market rate units for a total of 477 units; and an additional 15 to 22 of-site replacement units. The total development timeframe spans 9 years beginning in 2008.

Financial Plan Impact

The Plan contains an extensive collection of information, goals, policies, and action steps to guide elected officials, District agencies, residents, businesses, and developers in redeveloping the Park Morton neighborhood. There is \$6.8 million in capital funding available in the FY 2008 – FY 2011 period for use in implementation of all New Communities Projects during the period.

The Plan also identifies several sources of potential public funding for the Park Morton Plan – the Contribution of Public Land¹, Tax Exempt Bonds, Low-Income Housing Tax Credits; Community Development Block Grants, and Housing Production Trust Fund monies – to cover \$116.5 million of the projected total cost of \$157 million. In addition, the Human Capital Funding need identified in the plan is projected to cost \$3.1 million. To make up the projected total "funding gap" of \$43.7 million, the Plan indicates that additional funding could come from sources such as the Federal Community Development Block Grant, the District Low Rent Subsidy Program, and the District Housing Production Trust Fund.

The use of any of the public funding sources identified in the Plan would require separate authorization at a future point. Any activities related to the plan and undertaken by District entities, and any others, will need to be funded with existing resources and/or budgeted in future years. Activities not documented in this fiscal impact statement but related to the plan and undertaken by District agencies will need to be budgeted in future years.

¹ Public land valued by the Office of the Deputy Mayor for Planning and Economic Development at \$10.885 million after discounting for 30 percent affordable housing use (at 30% of AMI). Total proposed 2008 assessed value of properties identified for use in project is \$14.718 million (source: Office of Tax and Revenue).