

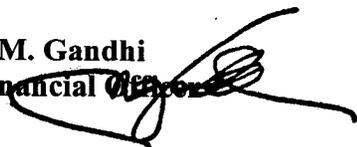
**Government of the District of Columbia
Office of the Chief Financial Officer**



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 14 2008

SUBJECT: Fiscal Impact Statement: "4427 Hayes Street, N.E. Disposition
Approval Resolution of 2008"

REFERENCE: Draft Resolution – Bill Number Not Available

Conclusion

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed disposition of a District parcel would reduce District assets by approximately \$1.8 million. However, the value of assets is not included in the District's budget and financial plan.

Background

The proposed legislation would authorize the Mayor to dispose of District-owned property at 4427 Hayes Street, N.E. The land would be sold to real estate developer Blue Skye Development, LLC (Developer) for the purpose of building affordable residential units at the site.

The tax assessed value of the property for FY 2009 is \$1,802,160. The property would be sold by the District to the Developer for fair market value minus the cost of the public benefits to the community provided by the Developer, which include affordable units. To date, the fair market value of the property has not been set by the District and the Developer. In addition, the value of the public benefits, including the affordable units to be built at the site, has not been set. The cost of constructing the affordable units is likely to be more than the value of the land, which would mean no payment for the land would occur. The legislation could have a positive fiscal

impact if the negotiated purchase price paid by the developer for the property exceeds the cost of the affordable units.

Financial Plan Impact

Funds are sufficient in the FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed disposition of a District parcel would reduce District assets by approximately \$1.8 million. However, the value of assets is not included in the District's budget and financial plan.