

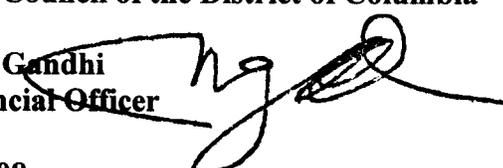
**Government of the District of Columbia
Office of the Chief Financial Officer**



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: May 30, 2008

SUBJECT: Fiscal Impact Statement: "New Communities Northwest One
Disposition Approval Resolution of 2008"

REFERENCE:

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed resolution will result in a reduction of District assets of approximately \$67 million. Since District assets are not part of the District's operating budget and financial plan, the proposed legislation has no net fiscal impact.

Background

The proposed resolution would approve the disposition of nine parcels of District-owned real property located in Lots 894, 895, and 896 in Square 620, lots 246 and 860 in square 621, lots 245, 256, and 846 in square 672, and lot 830 in square 673 (collectively, the "Property") with some restrictions and obligations. The resolution approves a negotiated disposition agreement, which is not yet final.

As stated in the New Communities – Northwest One – Solicitation for Offers for Phase One (released June 2007) and in conjunction with the Northwest One Planning Area Master Plan, the New Communities Initiative involves the District-sponsored redevelopment of neighborhoods with high crime rate and poverty. The solicitation intended to identify one or more Offerors with whom to enter into negotiations for the disposition, either through sale or a ground lease, and development of multiple sites in the Northwest One Planning Area as Phase One of the Northwest One Plan.

The selected development team, One Vision Development Partners, proposes to build the following on the Northwest One Site:

- 435 for-sale residential units
 - Market Rate: 336 units
 - <60% AMI: 40 units
 - <30% AMI 59 units
- 1198 rental residential units
 - Market Rate: 726 units
 - <60% AMI: 171 units
 - <30% AMI 301 units
- 20,000 square feet support services space
- 40,000 square feet retail space
- 200,000 square feet office space
- 1600 parking spaces

The proposed resolution states that the purchase price for the Property shall be at least \$18.9 million. Proceeds from the sale shall be used to subsidize the provision of affordable housing on the Project.

The total 2009 assessed value for the property is \$67,168,090. While the minimum purchase price for the site is \$18,900,000, the net loss of assets to the District will be approximately \$67 million because the sale proceeds will be used to subsidize affordable housing on the project site.

Financial Plan Impact

The resolution authorizes the disposition of real property that will result in a reduction of assets to the District of approximately \$67 million. This legislation does not impact the budget and financial plan because the value of the assets is not included in the operating budget.