

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** April 14, 2011

**SUBJECT:** Fiscal Impact Statement – “Housing Production Trust Fund Dedicated Tax Appropriations Emergency Approval Act of 2011”

**REFERENCE:** No bill number, draft legislation shared with the OCFO on April 14, 2012

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**Conclusion**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation.

**Background**

The proposed legislation would increase the District’s FY 2011 dedicated tax appropriations for the Department of Housing and Community Development (DHCD) by an additional \$24.16 million to be used in the following way:

- \$8,000,000 for the construction of Pollin Memorial Community;
- \$2,219,066 for the construction of Progression Place under DHCD;
- \$2,000,000 for the rehabilitation of 4300 12<sup>th</sup> Street, S.E.;
- \$2,700,000 for the construction of Trinity Plaza; and
- \$9,240,934 to be transferred to the Deputy Mayor for Planning and Economic Development, for housing initiatives to be determined by the Deputy Mayor.

**Financial Plan Impact**

Funds are sufficient in the FY 2011 budget to implement the provisions of the proposed legislation. The proposed allocations would be paid out of the Housing Production Trust Fund (HPTF), which has sufficient revenue to cover the costs of the proposed legislation.

The Honorable Kwame R. Brown

FIS: "Housing Production Trust Fund Dedicated Tax Appropriations Emergency Approval Act of 2011" draft legislation shared with the OCFO on April 12, 2011

The FY 2011 appropriations to DHCD were based on the revenue certification issued by the Office of the Chief Financial Officer on February 24, 2010, which projected a transfer of \$21.96 million into HPTF from deed transfer and recordation tax collections in FY 2011. The revised revenue estimates issued on February 28, 2011 increased the projected transfer to \$36.88 million. Thus, \$14.92 million in new revenue has been certified for FY 2011 since the original appropriations.

Additionally, the Agency Fiscal Officer has certified that HPTF received \$9.24 million in settlement payments on March 23, 2011.<sup>1</sup> Thus, there is additional \$24.16 million in the HPTF in FY 2011, which is sufficient to cover the cost of the proposed legislation.

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<sup>1</sup> This was a payment from City Center Condominium project in lieu of residential affordable housing requirements under Section 1706.5 of the District's Zoning regulations.