


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



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: March 20, 2018

SUBJECT: Fiscal Impact Statement – Historic Anacostia Vacant Properties Surplus Declaration and Disposition Approval Act of 2018

REFERENCE: Bill 22-612, Draft Committee Print sent to the Office of Revenue Analysis on March 13, 2018

Conclusion

Funds are sufficient in fiscal year 2018 and the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill.

The bill authorizes the disposition of four District properties. The disposition will reduce District assets by approximately \$700,000, but assets are not included in the budget and financial plan and their loss is not a fiscal impact.

Background

The bill declares as surplus property and approves the disposition¹ of four vacant, historic residential buildings² located at 1220 Maple View Place, SE; 1648 U Street, SE; 1518 W Street, SE; and 1326 Valley Place, SE. It authorizes the District to transfer the properties to L'Enfant Trust, which will renovate the buildings as workforce housing, in accordance with historic preservation standards. The Trust is required to subcontract 35% of the project budget to Certified Business Enterprises. Further, the Trust must sell the renovated properties to individuals whose income qualifies them for workforce housing³ and who will reside at the property for a minimum of five years.

¹ Notwithstanding An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801 et seq.).

² Known for tax assessment purposes as Lot 811 in Square 5800, Lot 884 in Square 5765, Lot 814 in Square 5779, and Lot 849 in Square 5799.

³ Household total income must not exceed 120% of Area Median Income.

The Honorable Phil Mendelson

FIS: Bill 22-612, "Historic Anacostia Vacant Properties Surplus Declaration and Disposition Approval Act of 2018," Draft Committee Print sent to the Office of Revenue Analysis on March 13, 2018

The Trust has five years to receive certificates of occupancy on the properties or ownership reverts back to the District. The bill declares the District shall not collect real property taxes on the properties before a buyer purchases the property from the Trust.

Financial Plan Impact

Funds are sufficient in fiscal year 2018 and the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. The Trust has received the properties from the District free of charge and will be able to keep proceeds from sale of the renovated properties.

The disposition will reduce District assets by approximately \$700,000. Assets are not included in the budget and financial plan and their loss is not a fiscal impact.

As a nonprofit entity developing the properties for workforce housing, the Trust would already qualify for a real property tax abatement under current law.⁴ There is no fiscal impact to the bill's real property tax provision.

⁴ D.C. Official Code § 47-3505(d).