


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: June 4, 2018

SUBJECT: Fiscal Impact Statement – Redevelopment of the Center Leg Freeway
(Interstate 395) Amendment Act of 2018

REFERENCE: Bill 22-632, Draft Committee Print as shared with the Office of Revenue
Analysis on May 31, 2018

Conclusion

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

Background

The District authorized the disposition of District-owned land and air rights abutting and over Interstate 395¹ for the private development of a mixed-use project.² A condition of the development agreement with the Deputy Mayor for Planning and Economic Development was for the developer, Louis Dreyfus Property Group, LLC, to include at least 50 affordable housing units in the residential portion of the project. The bill amends the affordable housing plans and requires the developer to build 100 affordable housing units at an off-site property located at 1530 First Street, S.W.³ or a comparable property. These units must be rented or sold to households earning at or below 30 percent and 50 percent of the area median income.⁴ The developer must begin construction on these 100 units within five years of the Planned Unit Development (PUD) approval.

¹ The area is bounded by Massachusetts Avenue, N.W., 2nd Street, N.W., E Street, N.W., and 3rd Street, N.W.

² Redevelopment of the Center Leg Freeway (Interstate 395) Act of 2010, effective October 10, 2010 (D.C. Law 18-257).

³ This privately-owned land is known for tax assessment purposes as Square 656, Lot 53.

⁴ The original 50 planned units were required to be affordable to households earning at or below 80 percent of the area median income.

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FIS: Bill 22-632, "Redevelopment of the Center Leg Freeway (Interstate 395) Amendment Act of 2018," Draft Committee Print as shared with the Office of Revenue Analysis on May 31, 2018

The bill also requires the developer to build the original 50 affordable housing units on the main project site if, at some point in the future, non-residential development is converted to residential uses.

Financial Plan Impact

Funds are sufficient in the fiscal year 2018 budget and the proposed fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. There are no costs associated with requiring the developer to build 100 affordable units and allowing those to be built off-site at 1530 First Street, S.W. or a comparable property. There are also no costs associated with requiring the original 50 affordable housing units to be built on the original development site if non-residential properties are converted to residential uses in the future.