

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



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: May 23, 2014

SUBJECT: Fiscal Impact Statement – “3825-29 Georgia Ave N.W. Disposition Approval Resolution of 2014”

REFERENCE: Public Resolution 20-629, as Introduced.

Conclusion

Funds are sufficient in the FY 2014 proposed supplemental budget and proposed FY 2015 through FY 2018 budget and financial plan to implement the bill.

Disposition of this property would reduce District real property assets by approximately \$383,474.¹ Since assets are not included in the budget and financial plan, the disposition of the property will have no fiscal impact on the District’s budget and financial plan.

Background

The resolution would authorize the Mayor to dispose of the District-owned property located at 3825-3829 Georgia Avenue, N.W., known for tax and assessment purposes as Lot 818, in Square 3028. The property is approximately 5,757 square feet of land. The Mayor intends to sell the property to Donatelli Development (the “Developer”), a development company based in Bethesda, Maryland. The purchase price of \$1 reflects the additional costs to the Developer of providing subsidized housing units.

¹ A third party appraisal was conducted in April 2013 by an appraiser hired by the Office of the Deputy Mayor for Planning and Economic Development to estimate the market value of the property “as is,” *i.e.* in its present state of condition. The property was appraised at that time at \$383,474. According to OTR’s Real Property Tax Database, the assessed value for Tax Year 2015 is \$324,930.
Source: <https://www.taxpayerservicecenter.com>.

The Honorable Phil Mendelson

FIS: "3825-29 Georgia Ave N.W. Disposition Approval Resolution of 2014" PR20-629, as Introduced.

The property will be redeveloped as a mixed-income housing development with associated parking. The project will include approximately 31 residential units, of which seven will be affordable to low-income families.

The Developer is required to contract with Certified Business Enterprises (CBEs) for at least 35 percent of the contract dollar volume of the project, and the bill requires participation of CBEs in the ongoing operation of the project once constructed. Additionally, the Developer is required to enter into a "First Source Agreement" with the District outlining the Developer's obligations regarding job creation and employment generated as a result of the construction on the property.

Financial Plan Impact

Funds are sufficient in the FY 2014 proposed supplemental budget and proposed FY 2015 through FY 2018 budget and financial plan to implement the bill. Disposition of this property would reduce District real property assets by approximately \$383,474, but because assets are not included in the budget and financial plan, the proposed resolution does not have a fiscal impact on the District's budget and financial plan.