

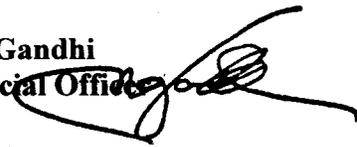
**Government of the District of Columbia
Office of the Chief Financial Officer**



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 15, 2009

SUBJECT: Fiscal Impact Statement: "New Communities Northwest One – Site 2
Disposition Approval Resolution of 2009"

REFERENCE: Draft Resolution - No Bill Number

Conclusion

Funds are sufficient in the FY 2009 and the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed resolution. The proposed disposition of a District property would result in a reduction of District real property assets of \$17,559,800. However, District assets are not included in the budget and financial plan so the disposition of this property would not have a fiscal impact.

Background

The proposed resolution authorizes the Mayor to dispose of District-owned property located at Lots 256 and 846 within Square 672. The Mayor intends to dispose of the property to One Vision Development Partners, LLC for the purpose of redeveloping the property as affordable housing and retail space for retailers that are local or are certified business enterprises.

According to the executed Term Sheet¹, the developer will pay a negotiated sale price of \$1 for the property, based on the fair market value of the property less the value of the public benefits provided by the purchaser, including the affordable housing and retail requirements. Additionally, the District currently intends to provide \$9,079,000 in public financial support for the project in order to achieve the affordable housing objectives of the New Communities

¹ Executed Term Sheet between the District of Columbia and One Vision Development Partners, LLC dated 3/31/2009.

Initiative.² No appraisal of the property to be disposed of has yet been completed. The FY 2010 tax assessed value of the property is \$17,559,800³.

Square 672	FY 2010 Tax Assessed Value
Lot 256	\$3,657,250
Lot 846	\$13,902,550
TOTAL	\$17,559,800

Fiscal Impact

Funds are sufficient in the FY 2009 budget and proposed FY 2010 through FY 2013 financial plan to implement the proposed resolution. The proposed resolution would approve the disposition of real property currently owned by the District. The FY 2010 assessed value of the real property is \$17,559,800. If the District disposes of the property for less than the fair market value, there would be a negative impact on the total assets held by the District. However, since assets are not included in the District's budget and financial plan, a reduction in the value of District assets would have no direct fiscal impact on the District's budget and financial plan.

² Executed Term Sheet between the District of Columbia and One Vision Development Partners, LLC dated 3/31/2009.

³ Source: Office of Tax and Revenue's Property Tax Assessment Database.