

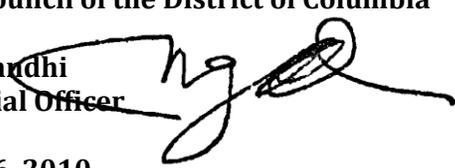
Government of the District of Columbia
Office of the Chief Financial Officer



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: November 16, 2010

SUBJECT: Revised Fiscal Impact Statement – “Parcel 39 Disposition Approval Resolution of 2010”

REFERENCE: Draft Legislation shared with OCFO on November 8, 2010

This revised fiscal impact statement is based on draft legislation shared with the OCFO on November 8, 2010, and replaces the fiscal impact statement issued by the OCFO on February 26, 2010.

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed resolution. The proposed disposition of this property would reduce District real property assets by approximately \$930,792.¹ Since assets are not included in the budget and financial plan, the disposition of the property will have no direct fiscal impact on the District’s budget and financial plan.

Background

The proposed resolution would authorize the Mayor to sell the District-owned property located at southwest intersection of 8th and T Streets N.W, legally known as Lot 60 in Square 394. The property is approximately 5,055 square feet of land. It is currently being used as parking. The Mayor intends to sell the property to T & 8th Streets, LLC, (“Developer”) a District of Columbia limited liability company, formed as a joint venture with the Columbia Company, Paramount Development, LLC, and Blue Sky Housing, LLC.

¹ FY 2011 Proposed Tax Assessed Value according to OTR’s Real Property Tax Database, accessed November 10, 2010 (<https://www.taxpayerservicecenter.com>). A third party appraisal was conducted by an appraiser hired by the Office of the Deputy Mayor for Planning and Economic Development to estimate the Fair Market Value of the property in its “As Is” *i.e.* present state of condition. The property was appraised at \$590,000.

The Honorable Vincent C. Gray

REVISED FIS: DRAFT "Parcel 39 Disposition Approval Resolution of 2010" shared with OCFO on November 8, 2010

The property will be redeveloped as affordable housing that will include 5 residential units and 2 parking spaces. Four of the residential units must be priced as affordable for households at 80 percent and below of Area Median Income. According to the Office of the Deputy Mayor for Planning and Economic Development, the purchaser will pay a negotiated sale price of \$1 for the property, which is based on the fair market value of the property less the value of the public benefits provided by the purchaser.

The Developer is required to enter into an agreement with the Mayor to contract with Certified Business Enterprises (CBE) for at least 35 percent of the contract dollar volume of the project, and to require at least 20 percent equity and 20 percent development participation of CBEs. Additionally, the Developer is required to enter into a "First Source Agreement" with the District requiring it to hire certain levels of District residents for job openings related to the construction of the property.

Financial Plan Impact

Funds are sufficient in the proposed FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed resolution. The proposed disposition would result in a reduction of District real property assets of approximately \$930,792. This disposition would reduce the value of the total assets held by the District, but because assets are not included in the budget and financial plan, the proposed resolution does not have a direct fiscal impact on the District's budget and financial plan.