

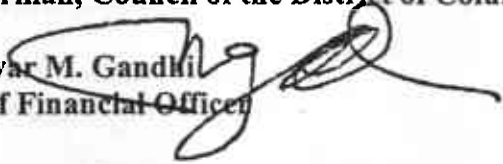
**Government of the District of Columbia
Office of the Chief Financial Officer**

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: JUL -6 2004

SUBJECT: Fiscal Impact Statement: "The Fiscal Year 2004 Consolidated Plan Action Plan Amendment Authorizing the Use of Section 108 Loan Guarantee Funds for the Skyland Community Development Block Grant Section 108 Loan Guarantee Application Resolution of 2004"

REFERENCE: PR 15-0861 As Introduced

Conclusion

Funds are sufficient in the FY 2004 budget and the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. The proposed resolution will not require any additional staff.

Background

The proposed resolution permits the use of Section 108 financing to provide interim financing for the redevelopment of the Skyland shopping center. The District would borrow \$27.9 million and loan up to \$24.9 million to the National Capital Revitalization Corporation (NCRC). The NCRC would repay the loan from proceeds from the sale of the Government Printing Office property and other sources.

Section 108 financing presents risks to the District. The U.S. Department of Housing and Urban Development requires future allocations of Community Development Block Grant funds to be pledged for repayment of the Section 108 loan. In the event that NCRC fails to repay the loan, the District would lose the CDBG funding. To the extent that the Financial Plan includes

expenditures tied to these allocations of CDBG funding, the budget would need to be reduced at that time.

Financial Plan Impact

Funds are sufficient in the FY 2004 budget and the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. The proposed resolution will not require any additional staff.