

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: NOV -4- 2006

SUBJECT: Fiscal Impact Statement: "Barry Farm/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006"

REFERENCE: Draft Resolution – Bill Number Not Available

Conclusion

There is no fiscal impact at this time associated with the provisions of the proposed Barry Park/Park Chester/Wade Road Redevelopment Plan Approval Resolution of 2006 ("Plan"). Any activities related to the Plan and undertaken by District agencies will need to be budgeted and appropriated in future years.

Background

The proposed resolution would approve the Plan for the Barry Farm/Park Chester/Wade Road community as part of the District's New Communities Initiative ("Initiative"), which is a comprehensive partnership to redevelop the physical and human architecture of neighborhoods characterized by violent crime and poverty. The Initiative is designed to use private and public money to develop mixed-income neighborhoods and to protect housing for low-income residents with a one-to-one replacement of existing affordable housing. In addition, the Initiative focuses on strengthening social development by coordinating job training, asset building, counseling, and other human support services.

The Barry Farm/Park Chester/Wade Road community was selected as the third Initiative site. The community is located in Anacostia in Ward 8 of the District. The Plan for the Barry Farm/Park Chester/Wade Road community includes the one-to-one replacement of 432 existing public housing residences, 222 existing low-income units, an additional 737 workforce and market-rate housing units, and the creation of commercial space in the

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community. The total development timeframe spans 11 years, from 2007 through 2018, with construction of new units to begin in 2008.

Financial Plan Impact

The Plan contains an extensive collection of information, goals, policies, and action steps to guide elected officials, District agencies, residents, businesses, and developers in redeveloping the Barry Farms/Park Chester/Wade Road community. There is \$1 million in capital funding available in the FY 2007 – FY 2010 period for implementation of the Barry Farms Plan. In addition, Subtitle II-D of the FY 2007 Budget Support Act allocates \$4 million in "New Communities human capital" funding and \$1.8 million in "New Communities planning and economic development" funding, of which the Barry Farms Plan will receive roughly one-third.

The Plan also identifies several sources of potential public funding for the Plan – Tax Increment Financing, Payment in Lieu of Taxes Bonds, Low-Income Housing Tax Credits, Green Communities Initiative, and New Markets Tax Credits to cover \$380 million of the projected total cost of \$508 million. To make up the projected "funding gap" of \$128 million, the Plan indicates that additional funding could come from sources such as the Federal Community Development Block Grant or the District Housing Production Trust Fund.

The use of any of the public funding sources identified in the Plan would require separate authorization at a future point. Any activities related to the plan and undertaken by District entities, and any others, will need to be funded with existing resources and/or budgeted in future years. Activities not documented in this fiscal impact statement but related to the plan and undertaken by District agencies will need to be budgeted in future years.