


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 28 2006

SUBJECT: Fiscal Impact Statement: "Lincoln Heights/Richardson
Dwellings New Communities Initiative Revitalization 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 Lincoln Heights/Richardson Dwellings New Communities Initiative Revitalization Plan Approval Resolution of 2006 ("Revitalization Plan"). Any activities related to the Revitalization Plan and undertaken by District agencies will need to be budgeted and appropriated in future years.

Background

The proposed resolution would approve the Revitalization Plan for the Lincoln Heights 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 Lincoln Heights community was selected as the second Initiative site. The community is located in the northeastern section of Ward 7 of the District. The Revitalization Plan includes building or replacement of 1,469 residential housing units, the creation of commercial space in the community, a new health care clinic, and the

redevelopment of a community swimming pool. The total development timeframe spans 10 to 15 years.

Financial Plan Impact

The Revitalization 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 Lincoln Heights community. There is \$3 million in capital funding available in the FY 2007 – FY 2010 period for implementation of the Lincoln Heights Revitalization 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 Lincoln Heights Revitalization Plan will receive roughly one-third.

The Plan also identifies several sources of potential public funding for the Revitalization Plan – Tax-Credit Equity, D.C. Capital Programs Budgets, Medical Homes D.C. Capital Budgets – to cover \$365 million of the projected total cost of \$559 million. To make up the projected "funding gap" of \$194 million, the Revitalization Plan indicates that additional funding could come from sources such as Payment in Lieu of Taxes Bonds or the District Housing Production Trust Fund.

The use of any of the public funding sources identified in the Revitalization 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.