

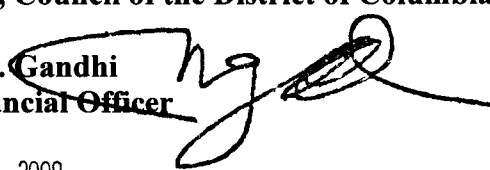
**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



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:** SEP 26 2008

**SUBJECT:** Fiscal Impact Statement: "Neighborhood Investment Act Spending Plan for FY 2009 Approval Resolution of 2008"

**REFERENCE:** Proposed Resolution - No Bill Number Available

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**Conclusion**

Funds are sufficient in the Neighborhood Investment Fund ("NIF") the proposed FY 2009 spending plan.

**Background**

The proposed resolution would approve the Mayor's spending plan to implement the Neighborhood Investment Act of 2004<sup>1</sup> ("Act") for fiscal year 2009, as required by Section 2(c) and (e) of the Act.

Section 2(a) of the Act created the Neighborhood Investment Fund ("NIF"), a non-lapsing, revolving fund outside of the General Fund of the District of Columbia. As required by the Act, and subject to appropriations, an amount equal to 15 percent of the personal property tax is required to be deposited into the NIF annually, not to exceed \$10 million. As part of the annual budget, the Act requires the Mayor to submit to Council a request for an appropriation for expenditures from the NIF. The proposed resolution would approve programmatic and administrative costs to be funded from the NIF in FY 2009 as indicated below:

- NIF Target Area Project Grants -- \$3.9 million;

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<sup>1</sup> Effective March 30, 2004. D.C. Law 15-131; D.C. Official Code § 6-1071(c) and (e)

- NIF Government Projects -- \$2.79 million;
- Predevelopment and Project Grant Fund -- \$3.0 million;
- Land Acquisition and Predevelopment Loan Fund -- \$2.0 million;
- General Administration -- \$300,000;
- Contracts -- \$400,000;
- Prior Year Grants -- \$3.98 million;
- Target Area Investment Plan Implementation -- \$624,100

Total -- \$16,998,200

As per Section 4 of the proposed bill, projects funded with NIF Target Area Project Grants would be selected through a competitive process administered by the Office of the Deputy Mayor for Planning and Economic Development (DMPED).

### **Financial Plan Impact**

Funds are sufficient in the NIF in FY 2009 to implement the proposed FY 2009 spending plan.

The NIF fund balance at year-end FY 2008 (\$6,998,200), together with a \$10 million transfer to the NIF from personal property tax collections,<sup>2</sup> is estimated to be sufficient to implement the proposed \$16,998,200 spending plan.

Other government resources required to implement the proposed resolution, such as any expenditure pressures placed on DMPED, would have to be absorbed with existing agency resources. Federal and District anti-deficiency laws<sup>3</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

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<sup>2</sup> See proposed FY 2009 budget and financial plan, Table 4-19

<sup>3</sup> 31 USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).