

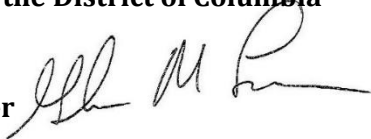
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer 

DATE: November 14, 2022

SUBJECT: Fiscal Impact Statement – Malcolm X Surplus Declaration and
Disposition Approval Act of 2022

REFERENCE: Bill 24-953, Draft Committee Print as provided to the Office of Revenue
Analysis on October 27, 2022

Conclusion

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill.

The bill approves the surplus declaration and disposition of District-owned land under two agreements. The District will dispose of one parcel under a 99-year ground lease for annual rent of one dollar. The District will also provide the developer with a Declaration of No-Build Covenant on an adjacent District-owned property to facilitate the development project, but with no separate compensation.

Background

The bill declares as surplus approximately 46,170 square feet of District-owned property¹ located at 1351 Alabama Avenue, S.E. and adjacent to a District school property. The District determined that the property, which currently contains basketball courts, an outdoor recreation space, and a parking lot, is no longer needed for public purposes.

¹ The property is known for assessment and tax purposes as Square 5914, Lot 9.

The bill also disposes of the property for private development to Congress Park Community Partners, LLC.² The developer plans to construct approximately 180 residential units, a daycare, and retail spaces. Because the developer is benefitting from the disposition of public property, it must comply with the District's affordable housing requirements.³ Congress Park Community Partners, LLC will lease the land under a 99-year ground lease for \$1 annually. In addition, the developer must sign a First Source Agreement⁴ with the District.

The bill also allows the District to provide the developer with a Declaration of No-Build Covenant. The covenant pertains to a ten-foot wide portion of the school property⁵ running along the entirety of the common lot line (separating Lots 9 and 10) from Alabama Avenue, S.E. to Savannah Street, S.E. The covenant prohibits the District from building anything in the ten-foot zone greater than thirty-two feet in height above the common lot line. This covenant is to facilitate the development of the residential housing, daycare facility, and retail spaces located on the adjacent parcel.

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. There are no costs associated with the surplus property declaration or the disposition agreements.

The District and Congress Park Community Partners, LLC must close on the ground lease transaction within two years of the bill's effective date. The developer will pay the District \$1 annually under a 99-year ground lease.

² Congress Park Community Partners is a joint venture among Banneker Communities LLC, District Development Group, Congress Heights Community Development Corporation, JLDC, LLC, Excel LLC, and Malcolm X Community Partners.

³ An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801(b-3)).

⁴ First Source Employment Agreement Act of 1984, effective June 29, 1985 (D.C. Law 5-93; D.C. Official Code § 2-219.03).

⁵ The property is known for assessment and tax purposes as Square 5914, Lot 10.