

ENROLLED ORIGINAL

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification  
District of  
Columbia  
Official Code*

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To amend the National Capital Revitalization Corporation Act of 1998 to establish the RLA Revitalization Corporation as an instrumentality of the District and a subsidiary of the National Capital Revitalization Corporation, to transfer the functions, duties, powers, and assets of the District of Columbia Redevelopment Land Agency and its Board of Directors, and the functions, duties, and powers performed by the Department of Housing and Community Development and its Director on behalf of the Redevelopment Land Agency and its Board of Directors, to the RLA Revitalization Corporation, to provide for the distribution of income and liabilities between the RLA Revitalization Corporation and the Department of Housing and Community Development, and to amend the District of Columbia Redevelopment Act of 1945 to strike references to the District of Columbia Redevelopment Land Agency.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "RLA Revitalization Corporation Amendment Act of 2002".

Sec. 2. The National Capital Revitalization Corporation Act, effective September 11, 1998 (D.C. Law 12-144; D.C. Official Code § 2-1219.01 *et seq.*), is amended as follows:

(a) The existing text is designated as "TITLE I. NATIONAL CAPITAL REVITALIZATION CORPORATION".

(b) Section 30 (D.C. Official Code § 2-1219.29) is amended as follows:

(1) Subsection (a) is repealed.

(2) Subsection (b) is amended as follows:

(A) Paragraph (1) is amended by striking the phrase "as of the date provided in paragraph (2) of this subsection" and inserting the phrase "on a date to be determined by the Board" in its place.

(B) Paragraph (2) is repealed.

(3)(A) Subsection (d) is repealed.

(B) Subparagraph (A) of this paragraph shall apply as of September 11, 1998.

Amend  
§ 2-1219.29

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(c) A new Title II is added to read as follows:

**"TITLE II. RLA REVITALIZATION CORPORATION**

**"Sec. 30a. Establishment of the RLA Revitalization Corporation; board of directors and management; powers .**

New  
§ 2-1219.31

"(a) The RLA Revitalization Corporation is hereby established as an instrumentality of the District and as a subsidiary of the National Capital Revitalization Corporation.

"(b) The RLA Revitalization Corporation shall:

"(1) Have the same Board of Directors as the National Capital Revitalization Corporation; provided, that if a member of the Board of Directors of the National Capital Revitalization Corporation does not maintain his or her primary residence in the District of Columbia, the member shall be a non-voting member of the Board of Directors of the RLA Revitalization Corporation;

"(2) Have the same president and chief executive officer as the National Capital Revitalization Corporation;

"(3) Be subject to, and have the powers authorized by, the provisions of sections 3(c), 4(a), (g), (h), (i), (j), 5, 6, 7, 8, 10, 11, 12, 14(b), 16, 18, and 27 of the National Capital Revitalization Corporation Act of 1998, effective September 11, 1998 (D.C. Law 12-144; D.C. Official Code §§ 2-1219.02(c), 2-1219.03(a), (g), (h), (i), (j), 2-1219.04, 2-1219.05, 2-1219.06, 2-1219.07, 2-1219.09, 2-1219.10, 2-1219.11, 2-1219.13(b), 2-1219.15, 2-1219.17, and 2-1219.26) in the same manner and to the same extent as the National Capital Revitalization Corporation; and

"(4) Be subject to the same Council oversight and review as the National Capital Revitalization Corporation.

**"Sec. 30b. Transfer of functions, duties, and powers of the Redevelopment Land Agency to the RLA Revitalization Corporation.**

New  
§ 2-1219.32

"(a) All functions, duties, and powers of the District of Columbia Redevelopment Land Agency and its Board of Directors, established by section 4 of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; D.C. Official Code § 6-301.03), and all functions, duties, and powers performed on behalf of the Redevelopment Land Agency by the Department of Housing and Community Development and by the Director of the Department of Housing and Community Development are hereby transferred to the RLA Revitalization Corporation.

"(b) The RLA Revitalization Corporation may carry out any function, duty, or power of the Redevelopment Land Agency transferred to the RLA Revitalization Corporation.

**"Sec. 30c. Transfer of assets of the Redevelopment Land Agency to the RLA Revitalization Corporation.**

New  
§ 2-1219.33

"(a) All real estate and other real property interests of the Redevelopment Land Agency, including real estate and other real property interests which are not properly titled, and all

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records and other tangible and intangible personal property, including all causes of action and defenses, are hereby transferred to the RLA Revitalization Corporation.

"(b) The RLA Revitalization Corporation shall be a permitted assignee of all real estate and other real property interests of the Redevelopment Land Agency.

"Sec. 30d. Distribution of income between the RLA Revitalization Corporation and the Department of Housing and Community Development.

New  
§ 2-1219.34

"(a) Program income generated by a lease or non-long-term ground lease on a Redevelopment Land Agency property shall be split equally between the RLA Revitalization Corporation and the Department of Housing and Community Development, after deducting and crediting to the RLA Revitalization Corporation the following:

"(1) The incidental operating costs of the RLA Revitalization Corporation related to the Redevelopment Land Agency property that generates the program income, to the extent the costs are eligible expenditures under the federal Community Development Block Grant regulations;

"(2) The administrative costs of the RLA Revitalization Corporation related to the Redevelopment Land Agency property that generates the program income, to the extent the expenses are eligible expenditures under the federal Community Development Block Grant regulations; and

"(3) Any other expenses which are eligible expenditures under federal Community Development Block Grant regulations.

"(b) Program income generated by the disposition, through sale, long-term ground lease, or any other method of disposition, of a Redevelopment Land Agency property shall be divided as follows:

"(1) Sixty percent of the net disposition proceeds shall go to the RLA Revitalization Corporation; and

"(2) Forty percent of the net disposition proceeds shall go to the Department of Housing and Community Development.

"(c) For the purposes of this section, the term:

"(1) "Incidental operating costs" means the costs incurred in operating and maintaining a property, including real estate taxes, insurance policies, water and sewer fees, utility fees, the costs of maintenance and repairs, and the costs of on-site property managers. The term "incidental operating costs" does not include administrative or overhead costs.

"(2) "Net distribution proceeds" means the total proceeds received in the disposition of Redevelopment Land Agency property less the transaction costs incurred by the RLA Revitalization Corporation as a result of the disposition. For the purposes of this paragraph, the transaction costs of the RLA Revitalization Corporation shall include costs associated with appraisal and title work, environmental assessments, real estate advisors, staffing costs, and attorneys, to the extent the transaction costs are eligible expenditures under federal Community Development Block Grant regulations.

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"Sec. 30e. Transfer of good faith deposits and lease deposits.

New  
§ 2-1219.35

"(a)(1) All segregated and identifiable good faith deposits made by a developer or purchaser of a Redevelopment Land Agency property before January 16, 2002, shall be transferred to the RLA Revitalization Corporation.

(2) If a good faith deposit made by a developer or purchaser of a Redevelopment Land Agency property before January 16, 2002, is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the deposit is to be applied as a closing adjustment in a sale or ground lease transaction, then payment of 60% of the good faith deposit, including interest accrued on the good faith deposit, shall be the responsibility of the Mayor or an agency or funding source designated by the Mayor.

"(3) If a good faith deposit made by a developer or purchaser of a Redevelopment Land Agency property before January 16, 2002, is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the deposit must be returned to a developer before the disposition of the property, then payment of 100% of the deposit shall be the responsibility of the Mayor or an agency or funding source designated by the Mayor.

"(b)(1) All segregated and identifiable lease deposits made by a lessee, developer, or purchaser of a Redevelopment Land Agency property before January 16, 2002, shall be transferred to the RLA Revitalization Corporation.

"(2) If a lease deposit made by a lessee, developer, or purchaser of a Redevelopment Land Agency property is not transferred to the RLA Revitalization Corporation under paragraph (1) of this subsection and the lease deposit is to be refunded to a lessee, it shall be the responsibility of the Mayor, or an agency or funding source designated by the Mayor, to provide 100% of the funds for payment of the deposit, including any interest accrued on the deposit.

"Sec. 30f. Responsibility for liabilities.

New  
§ 2-1219.36

"(a) If a Redevelopment Land Agency property that was obtained through the use of eminent domain is the subject of litigation or a claim with regard to the amount due to the former owner of the property and the litigation or claim of the former owner is successful and an additional amount must be paid to the former owner, the amount shall be deducted from the disposition proceeds related to the asset prior to splitting the net disposition proceeds under section 30d. If the amount must be paid to the former owner prior to the disposition of the asset, the Mayor, or an agency or funding source designated by the Mayor, shall, subject to appropriation, provide the amount to the RLA Revitalization Corporation for payment to the former owner.

"(b) The RLA Revitalization Corporation shall not be responsible for:

(1) Any liability of the Redevelopment Land Agency that arose or arises out of unauthorized activities of the Redevelopment Land Agency or the Department of Housing and Community Development, including commingling of Redevelopment Land Agency funds with

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Department of Housing and Community Development funds or District of Columbia funds, insurable risks prior to January 16, 2002, or violations of the federal Community Development Block Grant regulations or other applicable regulatory guidelines, which took place before January 16, 2002.

"(2) Any amount due to the United States Department of Housing and Urban Development prior to January 16, 2002, that has not been paid by the Redevelopment Land Agency or the Department of Housing and Community Development.

"(c) The Mayor, or an agency or funding source designated by the Mayor, shall, subject to appropriation, be responsible for all claims, losses, damages, expenses, penalties, costs, or liabilities, including attorneys' fees and disbursements, related to insurable risks prior to January 16, 2002, and any costs that arise out of prior unauthorized activities of the Redevelopment Land Agency or the Department of Housing and Community Development, including commingling of Redevelopment Land Agency funds with the Department of Housing and Community Development or District of Columbia funds or violations of the Community Development Block Grant regulations or other applicable regulatory guidelines.

"(d) The Mayor, or an agency or funding source designated by the Mayor, shall, subject to appropriation, be responsible for the costs of all environmental liabilities and environmental expenses related to the Revitalization Land Agency assets, including costs related to ongoing obligations as a result of past violations or to the need for remediation or clean-up; provided, that the RLA Revitalization Corporation shall use all reasonable efforts to include the costs of environmental remediation in the purchase price of the asset or to sell the asset in its "as is" condition.

"(e) If a liability listed in subsection (b), (c), or (d) of this section is discharged by the RLA Revitalization Corporation, the Mayor, or an agency or funding source designated by the Mayor, shall, subject to appropriation, be responsible for reimbursement of the costs of the liability to the RLA Revitalization Corporation.

"Sec. 30g. Reasonable efforts by the Department of Housing and Community Development.

New  
§ 2-1219.37

The Department of Housing and Community Development shall exercise all reasonable, authorized, and lawful authority to satisfy the financial obligations that may arise under this act, including attempting to obtain the necessary appropriations and the reprogramming of available funds.

"Sec. 30h. RLA Revitalization Corporation and Department of Housing and Community Development budget submissions.

New  
§ 2-1219.38

"(a) RLA Revitalization Corporation shall annually submit to the Mayor for Council approval, the budget of the RLA Revitalization Corporation for its next fiscal year, which has been approved by its Board of Directors, for inclusion in the annual budget that the Mayor is required to submit to the Council pursuant to section 442 of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 798; D.C. Official Code § 1-204.42) ("Home Rule

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Act"). The RLA Revitalization Corporation shall provide the Department of Housing and Community Development a reasonable opportunity to review the budget of the RLA Revitalization Corporation for conformity with federal Community Development Block Grant regulations before submitting the budget to the Mayor under this subsection.

"(b) The Mayor shall include the RLA Revitalization Corporation's share of program income under section 30d as a segregated line item in the budget of the Department of Housing and Community Development that the Mayor is required to submit to the Council pursuant to section 442 of the Home Rule Act. If any of the RLA Revitalization Corporation's share of program income is not used by the RLA Revitalization Corporation in a fiscal year, the Mayor shall include the unused income as a segregated line item in the budget, for the next fiscal year, of the Department of Housing and Community Development, that the Mayor is required to submit to the Council pursuant to section 442 of the Home Rule Act."

Sec. 3. The District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 790; D.C. Official Code § 6-301.01 *et seq.*), is amended as follows:

(1) Section 3(1) (D.C. Official Code § 6-301.02(1)) is amended by striking the phrase "District of Columbia Redevelopment Land Agency established by section 4" and inserting the phrase "the RLA Revitalization Corporation established by section 30a of the RLA Revitalization Corporation Amendment Act of 2002" in its place.

**Amend  
§ 6-301.02**

(2) Section 4 (D.C. Official Code § 6-301.03) is repealed.

**Repeal  
§ 6-301.02**

Sec. 4. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia