

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

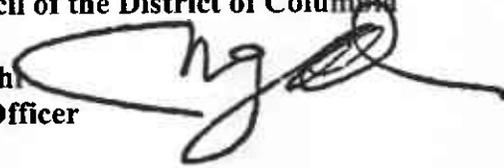


Natwar M. Gandhi
Chief Financial Officer

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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: APR 18 2005

SUBJECT: Fiscal Impact Statement: "Dupont Commons Low Income Housing
Tax Relief Amendment Act of 2005"

REFERENCE: Bill 16-0181

Conclusion

The proposed legislation will be subject to inclusion in an approved budget and financial plan. Funds have not been appropriated and allocated for the purposes of implementing the provisions of the proposed legislation. The proposed legislation would result in unbudgeted reductions in local General Fund revenue of approximately \$100,000 in FY 2005. Unbudgeted revenue reductions may be made as long as the District's budget and financial plan remains in balance.

Background

The proposed legislation would provide tax exemptions for a longer development period for non-profit organizations that: (1) have been denied exemption from D.C. real property taxes, (2) have acquired property to develop more than ten units of housing for affordable or lower-income homeownership, and (3) that subdivide the acquired property into more than ten units. For non-profit organizations meeting these three requirements, the proposed bill would allow two years from the date of the subdivision of the property to develop and transfer it without incurring liability for recordation, transfer and real property taxes. It would also extend the exemption from recordation and transfer taxes for units sold within four years from the date of subdivision.

Financial Plan Impact

The proposed legislation will be subject to inclusion in an approved budget and financial plan. Funds have not been appropriated and allocated for the purposes of implementing the provisions of the proposed legislation. Currently, the proposed legislation would only affect the Dupont Commons project; the extent to which the bill's provisions will be used by other non-profit organizations in the future cannot be predicted. The proposed legislation would result in unbudgeted reductions in local General Fund revenue of approximately \$100,000 in FY 2005. Unbudgeted revenue reductions may be made as long as the District's budget and financial plan remains in balance.