

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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Philip H. Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** September 14, 2012

**SUBJECT:** Fiscal Impact Statement – “Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption Clarification Emergency Act of 2012”

**REFERENCE:** Draft legislation, shared with the Office of Revenue Analysis on September 13, 2012

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**Conclusion**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the provisions of the legislation.

**Background**

The proposed legislation amends the D. C. Official Code<sup>1</sup> to clarify that the real property tax exemption, which is authorized under current law but only partially funded<sup>2</sup>, would remain in effect if the properties are transferred from Allen Chapel African Methodist Episcopal Church (“Allen Chapel”) to Alabama Ave. Affordable Housing L.P. (“Partnership”), as long as the properties are used for the affordable housing project described in the legislation.

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<sup>1</sup> D.C. Official Code § 47-4641.

<sup>2</sup> D.C. Law 18-288, “Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption and Equitable Real Property Tax Relief Act of 2010,” became effective, subject-to-appropriations, on March 8, 2011. A portion of the Act was funded in the FY 2010 Budget Support Act; specifically, an amount of \$474,049 was included in the FY 2010 budget to cover the cost of the exemption for the period of January 1, 2006 through September 20, 2010. See: FY 2010 Proposed Budget and Financial Plan, Volume 1, page 4-21 (updated: September 28, 2009)

[http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2010\\_9\\_29/volume\\_1\\_-\\_executive\\_summary\\_web.pdf](http://cfo.dc.gov/cfo/frames.asp?doc=/cfo/lib/cfo/budget/2010_9_29/volume_1_-_executive_summary_web.pdf). Starting FY 2011, no funding is allocated for the authorized exemption.

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FIS: "Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption Clarification Emergency Act of 2012," draft legislation, shared with the Office of Revenue Analysis on September 13, 2012

Finally, the proposed legislation clarifies that Lot 218 in Square 5730 is covered under the real property tax exemption, as Lots 38, 923, and 924 were consolidated to create Lot 218.

Temporary legislation to make this clarification was enacted on April 27, 2011 and expired on January 27, 2012.<sup>3</sup> This bill will reinstitute the clarification on an emergency basis.

### **Financial Plan Impact**

Funds are sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the proposed legislation. The legislation is a technical amendment clarifying that the exemption is intended to remain in effect when the property is transferred to the Partnership, as well as the assignment of a new lot number to Lots 38, 923, and 924 in Square 5730. These modifications would have no impact on the District's budget and financial plan.

It is important to note that the underlying law that authorizes the exemption, D.C. Law 18-288, "Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption and Equitable Real Property Tax Relief Act of 2010," is only partially funded. Therefore, exemptions that could be transferred under this bill are still contingent on the full funding of D.C. Law 18-288.

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<sup>3</sup> Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption Clarification Temporary Act of 2011, effective June 16, 2011 (D.C. Law 19-12; D.C. Official Code § 47-4641).