

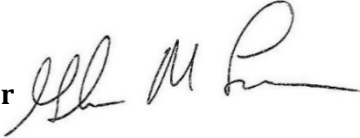
Government of the District of Columbia
Office of the Chief Financial Officer



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: May 30, 2023

SUBJECT: Fiscal Impact Statement - The Volunteers of America, Inc. National Service Center Relocation Tax Exemption Amendment Act of 2023

REFERENCE: Bill 25-188, Draft Committee Print as provided to the Office of Revenue Analysis on May 10, 2023

Conclusion

Funds are sufficient in the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill. The bill's proposed tax abatement would start October 1, 2027. Thus, the bill has no impact on the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan.

Background

The Volunteers of America, Inc. National Service Center Relocation Tax Exemption Amendment Act of 2023 provides an exemption from real property taxes for certain commercial office space in a mixed-use building currently planned for construction at 100 Potomac Avenue SW.¹

The exemption applies to the portion of the building that will be used as the Volunteers of America (VOA) Inc., national headquarters. To receive the exemption, VOA, a human services organization, must develop 111 affordable senior housing units at the site, provide wrap-around social services and supports to those residents, and participate in the District's Marion Barry Summer Youth Employment Program (or another similar program). Construction of the mixed-use building must

¹ Known for tax and assessment purposes as Lot 0027 in Square 0665.

The Honorable Phil Mendelson

FIS: Bill 25-188, "The Volunteers of America, Inc. National Service Center Relocation Tax Exemption Amendment Act of 2023," Draft Committee Print as provided to the Office of Revenue Analysis on May 10, 2023

also meet the District's First Source² requirements and small business contracting requirements for government-assisted construction projects³.

If those terms are met, real property taxes on the portion of the property used by VOA as its national headquarters will be abated for 10 years, starting October 1, 2027.

Financial Plan Impact

Funds are sufficient in the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan to implement the bill.

The bill's proposed tax abatement would start October 1, 2027. Thus, the bill has no impact on the fiscal year 2023 budget and proposed fiscal year 2024 through fiscal year 2027 budget and financial plan. Beginning outside the financial plan, the bill is expected to reduce real property tax revenues by \$369,000 per year.

² First Source requirements, as outlined in DC Official Code § 2-219.01 et seq., require that certain projects receiving District funding prioritize hiring unemployed District residents and include in project applications an employment plan designed to meet other personnel criteria in the law.

³ Pursuant to DC Official Code § 2-218.46 et seq.