MEMORANDUM

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

FROM: Fitzroy Lee  
Acting Chief Financial Officer

DATE: March 30, 2022


REFERENCE: Bill 24-579, Committee Print as provided to the Office of Revenue Analysis on March 28, 2022

Conclusion

Funds are not sufficient in the fiscal year 2022 budget or proposed fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost $57,000 in fiscal year 2022 and $79,000 over the fiscal year 2022 through fiscal year 2026 budget and financial plan.

Background

The bill provides real property tax exemptions for multiple residential properties at 900 55th Street N.E.\(^1\), and 2327 through 2341 Skyland Terrace, S.E.\(^2\) which are owned by Habitat for Humanity ("Habitat"). The exemptions are contingent on Habitat constructing 25 single family affordable homes on the properties and selling to qualifying residents. The exemption is valid retroactive to January 1, 2018 and ends when the properties are sold, but no later than June 31, 2025.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2022 budget or proposed fiscal year 2023 through fiscal year 2026 budget and financial plan to implement the bill. The bill will cost $57,000 in fiscal year 2022 and $79,000 over the fiscal year 2022 through fiscal year 2026 budget and financial plan.

\(^1\) For tax and assessment purposes known as Square 5204, Lot 0022.
2022 and $79,000 over the fiscal year 2022 through fiscal year 2026 budget and financial plan. This includes the cost of forgiven taxes as well as reduced future revenues from the exemption.

<table>
<thead>
<tr>
<th></th>
<th>FY 2022 (a)</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property Tax</td>
<td>$57</td>
<td>$16</td>
<td>$4</td>
<td>$2</td>
<td>$0</td>
<td>$79</td>
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</tbody>
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Table Notes:
(a) Includes penalties and interest on prior year tax liabilities.