

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



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Mary M. Cheh
Acting Chair, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: June 12, 2012

SUBJECT: Fiscal Impact Statement – “8th Street Plaza Condominium Association, Inc. Clarification Act of 2011”

REFERENCE: Bill Number 19-634 – As Introduced

Conclusion

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the bill. Implementation of the bill would have a one-time cost of approximately \$33,000 in FY 2013.

Background

8th Street Plaza Condominiums, located in Square 5956 and 5956W, on 8th Street SE were substantially redeveloped and rehabilitated in 2004 and 2005. The developer, Charles Jenkins, sold the condominium units, but left behind many structural issues and legal documents that were erroneous. For example, one condominium building has documents showing it contains 16 units, but the building only has 15 units. The deeds reflected this extra unit and real property tax liability has accrued to this unit since 2006.

The Office of the Attorney General filed and was granted an injunction against Jenkins under consumer protection laws to keep Jenkins from doing business in the District. The court ruled against Jenkins and required he pay for the problems he left. However, Jenkins filed for bankruptcy and left no money with the condominium association for warranty claims.

This bill would allow the condominium association and the condominium owners to file corrected deeds with the Recorders of Deeds without having to pay fees, file corrected condominium plats with the Office of the Surveyor without having to pay fees, and would forgive the real property taxes associated with the erroneous documents.

Financial Plan Impact

Funds are not sufficient in the FY 2013 through FY 2016 budget and financial plan to implement the provisions of the bill. The bill would cost approximately \$33,000 in FY 2013 to implement.

The condominium association will file the corrected deeds condominium plats with the appropriate District agencies to reflect the correct lots in Square 5956 and 5956 and the actual date of construction. Allowing the condominium association to file these documents at no cost will create a loss of revenue of approximately \$1,500.

The Office of Tax and Revenue will remove the lot representing the condominium unit that never existed (Square 5956W, Lot 2040) and its real property tax liability of \$14,500 will be forgiven. The condominium lots will absorb several lots from alley or street closings¹ as common elements (Square 5956W, Lot 801 and Square 5956, Lots 817 and 818) and the real property tax liability of \$17,000 will be forgiven.

Estimated Fiscal Impact of B19-634, 8th Street Plaza Condominium Association, Inc. Clarification Act	
Deed Recordation and Condo Plat Fees	\$1,500
Real Property Tax Liability	\$31,500
Total	\$33,000

¹ D.C. Law 17-60, 54 DCR 10721, effective December 11, 2007.