

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

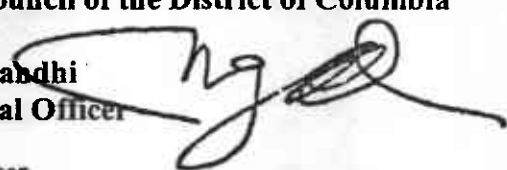
**Natwar M. Gandhi**  
Chief Financial Officer



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**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

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

**DATE:** MAY 24 2005

**SUBJECT:** Fiscal Impact Statement: "Targeted Historic Housing Tax Credit Amendment Act of 2005"

**REFERENCE:** Draft Legislation – Bill Number Not Available

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**Conclusion**

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. The proposed amendments were considered when developing the proposed budget and financial plan.

**Background**

The proposed legislation would amend the "Historic Housing Tax Credit Act of 2002" to:

- (1) modify existing requirements and procedures to target lower income households;
- (2) eliminate the ability to transfer credits to future owners;
- (3) eliminate the requirement that homeowners remain for five years, or else be subject to recapture of the credit;
- (4) authorize loans to lower-income homeowners in the amount of the credit;
- (5) restrict eligibility for the credit to single-family homeowners;
- (6) eliminate the sliding scale that determines the amount of allowable tax credits, and consolidate all eligibility levels to allow a tax credit for 35% of qualified rehabilitation expenditures, and retaining a 15% bonus for the Anacostia Historic District; and

(7) authorize the program for FY 2005 through FY 2010.

**Financial Plan Impact**

Funds are sufficient in the Mayor's and Council's proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation would modify existing requirements and procedures in order to target lower income individuals, but does not change the maximum allowable \$1.25 million of credits that the Mayor may authorize in each fiscal year. Sufficient resources are included in the proposed budget and financial plan to implement, administer, and monitor the proposed legislation.