

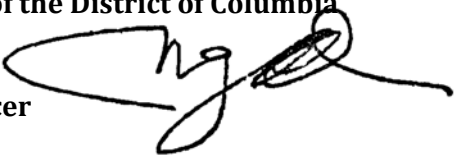
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: May 24, 2012

SUBJECT: Fiscal Impact Statement – “Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption Clarification Act of 2011”

REFERENCE: B19-162, As Introduced

Conclusion

Funds are sufficient in the FY 2012 budget and 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 Code¹ to clarify that the real property tax exemption, which is authorized under current law but only partially funded², 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.

¹ D.C. Official Code § 47-4641.

² 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. Starting FY 2011, no funding is allocated for the authorized exemption.

The Honorable Kwame R. Brown

FIS: B19-162, "Allen Chapel A.M.E. Senior Residential Rental Project Property Tax Exemption Clarification Act of 2011," as Introduced

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 recently expired on January 27, 2012. This bill will make the clarification permanent law.³

Financial Plan Impact

Funds are sufficient in the FY 2012 budget and 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. So exemptions that could be transferred under this bill are still contingent on the full funding of D.C. Law 18-288.

³ 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).