

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



Glen Lee
Chief Financial Officer

MEMORANDUM

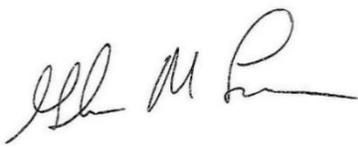
TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Glen Lee
Chief Financial Officer

DATE: March 12, 2026

SUBJECT: Fiscal Impact Statement –2607 Connecticut Avenue NW and 4111
Kansas Avenue NW Timeline Extension and Tax Forgiveness Act of
2026

REFERENCE: Bill 26-125, Draft Committee Print as provided to the Office of Revenue
Analysis on March 3, 2026



Conclusion

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill has a one-time total cost of \$1.269 million in fiscal year 2026; \$506,627 of this cost has been included in the fiscal year 2026 budget.

Background

Nonprofit Workforce Housing Properties are provided an exemption from real property taxation and deed recordation tax provided they meet all the requirements outlined in D.C. Official Code § 47-1005.03. This includes, pursuant to D.C. Official Code § 47-1005(b), an annual certification that at least 50% of units are occupied by tenants whose income does not exceed 80% of median income and the remaining 50% are occupied by tenants whose income does not exceed 120% of median income. The bill provides the owner¹ of the rental housing located at 2607 Connecticut Avenue NW² with a period of 60 months to meet the tenant certification provisions of subsection(b). Tax exemption requirements for Nonprofit Workforce Housing Properties in effect when the Property

¹ 2607 Connecticut Ave LLC, which is an entity controlled by SOME, Inc.

² Known for tax and assessment purposes as Lot 151 in Square 2204

The Honorable Phil Mendelson

FIS: "2607 Connecticut Avenue NW and 4111 Kansas Avenue NW Timeline Extension and Tax Forgiveness Act of 2026," Bill 26-125, Draft Committee Print as provided to the Office of Revenue Analysis on March 3, 2026

was purchased required qualification within 12 months of acquisition³. The bill further specifies that real property and deed recordation taxes, and penalties and interest thereon, owed by the owner be forgiven, and any amounts paid be refunded (up to an amount not to exceed \$506,627), so long as the property qualifies for the tax exemptions by September 30, 2026.

The bill would also allow an additional apartment building owned by SOME, Inc and located at 4111 Kansas Avenue, NW⁴, 48-months from its May 31, 2022 acquisition date to apply for the Nonprofit Workforce Housing Properties exemption. The bill would forgive and refund all real property and deed recordation taxes, and penalties and interest thereon, on the Kansas Avenue property until May 21, 2026, regardless of whether the Nonprofit Workforce Housing Properties exemption is granted.

The Office of the Chief Financial Officer prepared a Tax Abatement Financial Analysis for the [2607 Connecticut Ave NW](#) property and the [4111 Kansas Ave NW](#) property.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The bill has a one-time total cost of \$1.269 million in fiscal year 2026; \$506,627 of this cost has been included in the fiscal year 2026 budget.

The bill provides retroactive property and deed recordation tax relief, including penalty and interest forgiveness, for two apartment buildings, going back to the date of their acquisition by SOME. The Fiscal Year 2026 budget includes funding for the Office of Tax and Revenue to refund \$506,627 of property tax and recordation taxes paid on the 2607 Connecticut Ave NW property during fiscal year 2022 through fiscal year 2025 that would be refunded or forgiven under the bill.

The budget and financial plan do not include any funding to forgive or refund real property and deed recordation taxes, penalties or interest paid or owed on the 4111 Kansas Avenue NW property since its 2022 acquisition date by SOME. The cost of the bill as it pertains to the Kansas Avenue property is \$762,000 in fiscal year 2026 only.

³ The Fiscal Year 2026 Budget Support Act of 2025 (Subtitle VII-K, Nonprofit Workforce Housing Properties Tax Exemption Amendment Act of 2025) amended the exemption so that properties may initially qualify for the Workforce Housing Exemption even after 12 months have elapsed since property acquisition, however the exemption would not be retroactive and would begin from the date of qualification.

⁴ Known for tax and assessment purposes as Lots 2001 through 2045 in Square 2910