

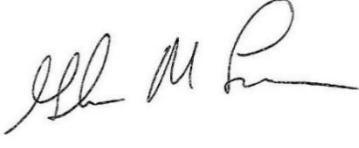
Government of the District of Columbia
Office of the Chief Financial Officer



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: **December 12, 2025**

SUBJECT: **Fiscal Impact Statement – LIHTC Rent Stabilization Exemption
Clarification Amendment Act of 2025**

REFERENCE: **Bill 26-429, Draft Committee Print as provided to the Office of Revenue
Analysis on November 24, 2025**

Conclusion

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill.

Background

The bill makes permanent a temporary¹ (and emergency²) law that exempts housing providers from the District's rent stabilization requirements for properties that receive Low-Income Housing Tax Credits³ (LIHTC).

Since 1985, rental units receiving federal or District subsidies have been exempted from rent stabilization requirements⁴, and the exemption has long been interpreted to include LIHTC. However,

¹ LIHTC Rent Stabilization Exemption Clarification Temporary Amendment Act of 2025, projected law date January 17, 2026, (D.C. Act 26-189, 72 DCR 012864).

² LIHTC Rent Stabilization Exemption Clarification Emergency Amendment Act of 2025, expires January 21, 2026 (D.C. Act 26-167;).

³ Low-Income Housing Tax Credit Fund Act of 2004, effective April 8, 2005 (D.C. Law 15-299; D.C. Official Code § 42-2853.01.)

⁴ The Rental Housing Act of 1985, as amended, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.01 et seq.)

The Honorable Phil Mendelson

FIS: Bill 26-429, "LIHTC Rent Stabilization Exemption Clarification Amendment Act of 2025," Draft Committee Print as provided to the Office of Revenue Analysis on November 24, 2025.

a recent court ruling⁵ overturned this interpretation, drawing a distinction between direct subsidies and indirect subsidies like LIHTC. The bill clarifies that units in LIHTC-supported buildings are exempt from the requirements.

Financial Plan Impact

Funds are sufficient in the fiscal year 2026 through fiscal year 2029 budget and financial plan to implement the bill. The change provides a technical clarification to a long-understood exemption and does not have a fiscal impact.

⁵ Milestone v. Daniels (2024-LTB-7847), Superior Court of the District of Columbia.