

  
Councilmember Muriel Bowser

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend, on a temporary basis, Chapter 46 of Title 47 of the District of Columbia Official Code to provide a limited real property tax abatement and tax relief to the Spring Place development project, described as Lots 1 and 803 in Square 3186 and Lots 52 and 822 in Square 3185, in the Takoma Park neighborhood of Ward 4.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

That this act may be cited as the “Spring Place Real Property Limited Tax Abatement Assistance Temporary Act of 2013”.

Sec. 2. Chapter 46 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended by adding a new section designation to read as follows:

“§ 47-46\_\_. Spring Place development project.”

(b) A new section 47-46\_\_ is added to read as follows:

“§ 47-46\_\_. Spring Place development project.

“(a) The real property described as Lots 1 and 803, Square 3186 and Lots 52 and 822, Square 3185, or any successor lot or lots (“Property”), shall be exempt from the tax imposed by Chapter 8 of this title as follows:

1                   “(1) Beginning with the month following the month during which a  
2 conveyance of ownership to Takoma Spring Place LP (“Owner”) for the purpose of  
3 development is recorded, real property tax shall be abated during the time and to the  
4 extent that the Property is being developed for use as residential housing, including  
5 affordable housing, as provided in this section. The abatement set forth in paragraph (1)  
6 of this subsection shall end on whichever occurs sooner:

7                   “(A) The last day of the real property tax half year during  
8 which the final certificate of occupancy authorizing residential use of the Property is  
9 issued; or

10                   “(B) The last day of the 24<sup>th</sup> month following the month during  
11 which the Property was conveyed to the Owner for development purposes; provided, that  
12 this period may be extended by the Mayor for an additional 6 months (“construction  
13 period”).

14                   “(2) Beginning with the half tax year immediately following the  
15 construction period, real property tax shall be abated in the amount of \$220,000 or the  
16 amount of property taxes owed based upon the assessed property value at the beginning  
17 of the construction period, whichever is less, for each real property tax year, the amount  
18 to be divided equally between each half tax year installment payment; provided, that the  
19 Owner shall diligently and expeditiously take all reasonable actions necessary to obtain  
20 the final certificate of occupancy for the Property.

21                   “(b) The Property shall become ineligible for the tax abatement provided in  
22 subsection (a)(2) of this section when whichever occurs first:

23                   “(1) The date the real property is operating with no fewer than 120 units or

1 80% of residential units in the project, whichever is greater, of affordable housing for  
2 residents making 60% or less of the then-current Area Median Income (AMI); or

3 “(2) Whichever occurs later:

4 “(A) Forty years after the issuance of the final certificate of  
5 occupancy authorizing residential use of the Property; or

6 “(B) The term of the senior indebtedness secured by the  
7 Property and benefiting a governmental entity as provided in paragraph (1) of this  
8 subsection, as the term may be extended, revised, amended, or refinanced. The  
9 abatement shall terminate at the end of the half tax year during which the Property  
10 becomes ineligible for the abatement.

11 “(c) The real property tax abatement provided in subsection (a) of this section  
12 shall run with Lots 1 and 803, Square 3186 and Lots 52 and 822, Square 3185 or  
13 successor lot or lots) and shall apply to any subsequent owner or assignee or successor in  
14 interest of the Owner.

15 “(d) As long as the Property is entitled to the real property tax abatement  
16 described herein, the transfer or conveyance of the Property, whether by deed, economic  
17 interest, consolidation, ground lease, or otherwise, shall be exempt from the tax imposed  
18 by the District of Columbia Deed Recordation Tax Act, approved March 2, 1962 (76 Stat.  
19 11; D.C. Official Code § 42-1101 *et seq.*), and shall be exempt from the tax imposed by  
20 Chapter 9 of Title 47.

21 “(e) To receive the abatement provided in subsection (a) of this section, the  
22 Owner of the Property shall certify to the Office of Tax and Revenue (OTR), at the time  
23 and in the manner specified by OTR, that the requirements for the abatement have been

1 met and shall provide other information as OTR deems appropriate to administer the  
2 abatement. The Owner shall advise OTR, in the manner and at the time specified by  
3 OTR, if the Property, or any portion thereof, ceases to qualify for the abatement provided  
4 in subsection (a) of this section.

5 “(f) The Owner shall file the reports required by section 47-1007.”.

6 Sec. 3. Fiscal impact statement.

7 The Council adopts the fiscal impact statement of the Chief Financial Officer as  
8 the fiscal impact statement required by section 602(c)(3) of the District of Columbia  
9 Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-  
10 206.02(c)(3)).

11 Sec. 4. Applicability.

12 This act shall apply upon the inclusion of its fiscal effect in an approved budget  
13 and financial plan, as certified by the Chief Financial Officer to the Budget Director of  
14 the Council in a certification published by the Council in the District of Columbia  
15 Register.

16 Sec.5. Effective date.

17 (a) This act shall take effect following approval by the Mayor (or in the event of  
18 a veto by the Mayor, action by the Council to override the veto), a 30-day period of  
19 Congressional review as provided in section 602(c)(1) of the District of Columbia Home  
20 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-  
21 206.02(c)(1)), and publication in the District of Columbia Register.

22 (b) This act shall expire after 225 days of its having taken effect.