

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

2001 Edition

2009 Summer
Supp.

West Group
Publisher

To amend Chapter 8 of Title 47 of the District of Columbia Official Code to provide for a residential tax abatement program for new multi-family residential development in the NoMA area of Wards 5 and 6.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “NoMA Residential Development Tax Abatement Act of 2009”.

Sec. 2. Chapter 8 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Subchapter II of Chapter 8 is amended by adding new section designations to read as follows:

“47-859.01 Tax abatements for new residential developments — Definitions.

“47-859.02. Tax abatements for new residential developments — Requirements for all tax abatements for new residential developments.

“47-859.03. Tax abatements for new residential developments — Tax abatement for all new housing developments in NoMA.

“47-859.04. Tax abatements for new residential developments — Abatement cap.

“47-859.05. Tax abatements for new residential developments — Rules.”.

(b) New sections 47-859.01 through 47-859.05 are added to read as follows:

“§ 47-859.01. Tax abatements for new residential developments in NoMA — Definitions.

“For the purposes of §§ 47-859.01 through 47-859.05, the term:

“(1) “Eligible Area” means those portions of Wards 5 and 6 which comprise the geographic area defined by a line that starts at the center of the street at the intersection of Massachusetts Avenue, N.E., and 1st Street, N.E.; continuing north along the center line of 1st Street, N.E., to the center line of H Street, N.E.; continuing east along the center line of H Street, N.E., to the center line of 2nd Street, N.E.; continuing north along the center line of 2nd Street, N.E., to the center line of K Street, N.E.; continuing east along the center line of K Street, N.E., to the center line of 3rd Street, N.E.; continuing north along the center line of 3rd

New
§ 47-859.01

Street, N.E. (and including Lot 0058, Square 0774), to the center line of M Street, N.E.; continuing east along the center line of M Street, N.E., to 4th Street, N.E.; continuing along the center line of 4th Street, N.E., to the center line of Florida Avenue, N.E.; continuing northwest along the center line of Florida Avenue, N.E., until it crosses the WMATA rail line; continuing northeast along the boundary of the WMATA rail line until it crosses R Street, N.E.; continuing west along the center line of R Street, N.E., to Eckington Place, N.E.; continuing south along the center line of Eckington Place, N.E., to the center line of Q Street, N.E.; continuing west along the center line of Q Street, N.E. (and including Lots 0043, 0063, and 0070, Square 3519), to the center line of North Capitol Street (but excluding Lots 0104 through 0114, 0118 through 0133, and 0807, Square 3516,); continuing south along the center line of North Capitol Street to the center line of Eye Street, N.W.; continuing west along the center line of Eye Street, N.W., to the center line of New Jersey Avenue, N.W.; continuing southeast along the center line of New Jersey Avenue, N.W., to the center line of Massachusetts Avenue, N.W., continuing southeast along Massachusetts Avenue, N.W., to the center line of 1st Street, N.E. (the starting point).

“(2) “Eligible Real Property” means real property that:

“(A) Is located in an Eligible Area;

“(B) Is classified, in whole or in part, as Class 1 or Class 2 property under § 47-813(c-6);

“(C) Is improved by a new structure or by a previously uninhabitable structure which undergoes substantial renovation for residential use; and

“(D) Has 10 or more units devoted to residential use.

“§ 47-859.02. Tax abatements for new residential developments — Requirements for tax abatements for new residential developments.

New
§ 47-859.02

“(a) Subject to paragraph (1) of this subsection and subsections (b) and (c) of this section, and to the tax abatement limits imposed by § 47-859.04, the Mayor shall approve a tax abatement under § 47-859.03 for an Eligible Real Property if:

“(1) The owner, or his designee or assignee, receives:

“(A) A final building permit for the mechanical, electrical, plumbing, and heating, ventilation, and air conditioning systems for the building’s superstructure; or

“(B) A letter from both the building architect and the Mayor certifying that the 1st level of concrete has been laid and the building has received a building permit for both the building’s sheeting, shoring, and excavation work and the building’s foundation to grade structural work;

“(2) The owner, or his designee or assignee, requests a certification letter from the Mayor stating that the Eligible Real Property and project are approved for the tax abatement in a stated amount;

“(3) The Mayor transmits to the owner, or his designee or assignee, the certification letter requested under paragraph (2) of this subsection; and

“(4) The building permit for the project’s superstructure is received after January 1, 2008.

“(b) A tax abatement shall not be allowed under § 47-859.03:

“(1) Unless the owner, or his designee or assignee, satisfies subsections (a)(1) and (2) of this section on or before December 31, 2012;

“(2) Unless the 1st level of concrete for the project has been laid either before or within 6 months after the date the certification letter is transmitted by the Mayor under subsection (a)(3) of this section, if certification was requested based upon subsection (a)(1)(A) of this section;

“(3) If the project has not received a certificate of occupancy within 36 months after the date the certification letter is transmitted by the Mayor under subsection (a)(3) of this section; provided, that the Mayor may extend the 36-month period for up to 6 months if the building’s construction has reached grade, as certified by the project architect and the Mayor;

“(4) If the improvement of the Eligible Real Property is financed in any part under subchapter IX of Chapter 12 of Title 2;

“(5) If the Eligible Real Property receives relief under § 42-3508.02; or

“(6) If the Eligible Real Property was owned by the District of Columbia, or one of its instrumentalities, as of January 1, 2008.

“(c) The number of residential dwelling units that may be approved under § 47-859.03 for the tax abatement under § 47-859.04 shall be limited to 3,000 units in the aggregate. The Mayor shall keep a record of the number of residential dwelling units that are approved under § 47-859.03 and § 47-859.04.

“(d)(1) The Mayor shall, as nearly as practicable, review requests for certification in the order in which they were received and shall complete review of such requests for certification within 45 days after receipt.

“(2) A copy of all certification letters transmitted by the Mayor pursuant to subsection (a)(3) of this section shall be sent to the Office of Tax and Revenue.

“§ 47-859.03. Tax abatements for new residential developments — Tax abatement for all new housing projects in NoMA.

New
§ 47-859.03

“For all Eligible Real Properties certified under § 47-859.02, there shall be allowed as an abatement of the real property tax imposed by § 47-811 an amount computed as follows: \$1.50 per residential FAR square foot, multiplied by the building’s total residential FAR square footage as certified by the project architect and the Mayor; provided, that:

“(1) The tax abatement shall expire at the end of the 10th tax year after the tax year in which a certificate of occupancy is issued for the Eligible Real Property.

“(2) If, during a tax year for which the tax abatement is approved, the Eligible Real Property for which the abatement was granted contains fewer than 10 dwelling units, the tax abatement shall not be allowed.

“§ 47-859.04. Tax abatements for new residential developments — Abatement caps.

New
§ 47-859.04

“The Mayor may approve an amount not to exceed \$5 million annually in tax abatements under §§ 47-859.03, not to exceed \$50 million in the aggregate.

“§ 47-859.05. Tax abatements for new residential developments — Rules.

New
§ 47-859.05

“The Mayor shall promulgate rules to implement §§ 47-859.01 through 47-859.04 within 180 days after the effective date of this section.”.

Sec. 3. Applicability.

This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan.

Sec. 4. Fiscal impact statement.

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

Sec. 5. Effective date.

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

Chairman
Council of the District of Columbia

Mayor
District of Columbia