

PUBLIC HEARING ON

**Bill 17-731 “St. Martins Apartments Tax Exemption Amendment Act of
2008”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia
Councilmember Jack Evans, Chairman**

**July 2, 2008
10:00 AM
John A. Wilson Building, Room 120**



**Testimony of
John Ross
Senior Advisor to the Chief Financial Officer
For Economic Development Finance**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Good morning Chairman Evans and members of the Committee on Finance and Revenue. I am John Ross, Senior Advisor to the Chief Financial Officer for Economic Development Finance. I am pleased to testify today on behalf of the CFO on Bill 17-731, the “St. Martins Apartments Tax Exemption Amendment Act of 2008.”

The “St. Martins Apartments Tax Exemption Amendment Act” provides for tax exemptions for the St. Martins Apartments development project located in Square 3531, lots 114 and 115. The proposed legislation would exempt the St. Martins Apartments property from all taxes during the time the property is operated as an affordable rental housing project and would also exempt the project from sales taxes on construction materials used in the development of the project. The bill does not outline the justification for the exemptions.

The development is a joint partnership with Department of Housing and Community Development, the District of Columbia Housing Authority, Catholic Charities, and St. Martins Church. It will consist of 178 affordable housing units and is scheduled to begin construction in August 2008, with final build-out completed in August 2010.

The proposed legislation has no fiscal impact but is projected to result in forgone revenues to the District of approximately \$838,000 in FY 2008 through FY 2012. This represents the amount of tax revenue the OCFO would have estimated and the District would have collected in FY 2008 through FY 2012 if the tax exemptions were not granted.

We are currently working on the Fiscal Impact Statement for this bill.

Thank you for the opportunity to testify. I will be pleased to answer any questions you may have.