

Israel Senior Residences Tax Exemption Tax Exemption Act of 2012

Before the Committee on Finance and Revenue

The Honorable Jack Evans, Chairman

**November 14, 2012, 11:00 AM
Room 120, John A. Wilson Building**



**Testimony of
Bazil Facchina
Assistant General Counsel
Office of Tax and Revenue**

**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 Bazil Facchina, Assistant General Counsel, for the Office of Tax and Revenue. I am pleased to present testimony on Bill 19-800, the “Israel Senior Residences Tax Exemption Act of 2012.”

In general, the Bill would add a new section to the District of Columbia Tax Code exempting Lot 60 in Square 3848 from real property taxation for 30 years, beginning with the half tax year following commencement of site preparation, provided that construction begins and ends within specified time periods and at least half of the units in the development are affordable units. The Bill would also exempt the project from certain permit fees.

This property, which is currently vacant, is owned by Israel Manor, Inc., a non-profit corporation. A housing development for low-income seniors is to be constructed on the site by Israel Senior Residences LLC.

As a general matter, residential property of this nature, even if it is owned by a non-profit entity, can qualify for a real property tax exemption only if it is receiving assistance under certain federal housing programs. If this project will not be receiving assistance under any of these programs, the only way that the

property can be relieved of the obligation to pay real property tax is by the enactment of this Bill.

Moreover, the Tax Abatement Financial Analysis prepared by the Office of the Chief Financial Officer concludes that enactment of this Bill is necessary if the District would like the proposed affordable apartments for seniors to be constructed on this site. This finding is based on information submitted by the property owner.

I have appended to my testimony a suggested technical change to the Bill.

Thank you, Chairman Evans, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.

Attachment

- Page 2, line 23: insert “LLC” after “Israel Senior Residences”.