

**PUBLIC HEARING**

**ON**

**BILL 20-690 “N Street Village, Inc. Tax and  
TOPA Exemption Amendment Act of 2014”**

**Before the  
Committee on Finance and Revenue  
Council of the District of Columbia**

**The Honorable Jack Evans, Chairman**

**October 16, 2014, 10:00 a.m.  
John A. Wilson Building, Room 412**



**Testimony of  
John P. Ross**

**Senior Advisor and Director of Economic Development Finance  
Office of the Chief Financial Officer**

**Jeffrey S. Dewitt  
Chief Financial Officer  
Government of the District of Columbia**

Good morning, Chairman Evans and Members of the Committee on Finance and Revenue. My name is John Ross, Senior Advisor and Director of Economic Development Finance for the Office of the Chief Financial Officer (OCFO). I am pleased to testify for the Office of the Chief Financial Officer on the N Street Village, Inc. Tax and TOPA Exemption Amendment Act of 2014.

The proposed legislation would grant an exemption of real property and transfer and recordation taxes to the owners of N Street Village so long as the property is used for affordable housing, for supportive services for tenants of affordable housing or other low income people, and is owned or controlled by N Street Village, Luther Place Memorial Church, or by an organization controlled by one of those entities.

The property is currently tax exempt but would become partially taxable as it completes a proposed series of transfers of property and leasehold interests, including a transfer of ownership from N Street Village to Luther Place Memorial Church. The property is ultimately expected to become tax-exempt once again after it receives a Low-Income Housing Tax Credit (LIHTC) allocation in 2015. The legislation is intended to ensure the property remains tax-exempt as it moves from one tax-exempt status to another. Therefore, the CFO's tax abatement analysis pertains only to the taxes expected to be owed beginning with the first transfer and until the 2015 receipt and certification of new LIHTCs.

Without the exemption, the property owners would be expected to pay approximately \$139,000 in real property taxes and approximately \$237,000 for a one-time recordation tax, for a total of \$376,000.

N Street Village provided EDF their financial statements, which incorporated the financial statements of the subject property. N Street Village also provided the sources and uses for the planned property renovation to be partially financed with LIHTC.

Based on the OCFO's analysis, N Street Village does have sufficient reserves to meet its fiscal needs and pay real property tax payments during the period that it is likely to be taxable, but it does not have sufficient funding sources to pay the recordation tax that will be required when the property is transferred to the Luther Place Memorial Church.

Thank you for the opportunity to testify. This concludes my testimony and I am happy to answer any questions you have at this time.