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Councilmember LaRuby May



Councilmember David Grosso


Councilmember Charles Allen


Councilmember Vincent B. Orange, Sr.


Councilmember Elissa Silverman


Councilmember Anita Bonds


Councilmember Mary M. Cheh


Councilmember Brianne K. Nadeau

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To increase the maximum amount of the District's Homeowner and Renter Property Schedule H Tax Credit that may be claimed by residents living in a designated displacement risk zone; and to establish a Displacement Prevention Assistance Fund to increase the capacity of law school clinics and other nonprofit service providers to assist tenants and homeowners within a displacement risk zone.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Displacement Prevention Amendment Act of 2016".

TITLE I. SCHEDULE H EXPANSION TO AVOID DISPLACEMENT.

Sec. 101. Expansion of available Schedule H income tax credit for residents impacted by development at the St. Elizabeths site.

45 Section 47-1806.06 of the D.C. Official Code is amended by adding a new paragraph
46 (3A) to read as follows:

47 “(3A) For taxable years beginning after December 31, 2018, for residents whose
48 principal place of residence is located within census tract 73.04, census tract 74.04, census tract
49 98.04, or census tract 104 the following shall apply:

50
51 (i) The total allowable credit may exceed the credit allowed in paragraph
52 (1) of this subsection but may not exceed twice the credit allowed in paragraph (1) of this
53 subsection; and

54 (ii) Rent paid constituting property taxes on a claimant’s principal place of
55 residence for the taxable year is deemed, for the purposes of paragraph (1) of this subsection, to
56 be 30% of rent.”.

57 TITLE II. GRANTMAKING AUTHORITY TO AVOID DISPLACEMENT.

58 Sec. 201. Establishment of Displacement Prevention Assistance Fund.

59 (a) There is established a Displacement Prevention Assistance Fund (“Assistance Fund”
60 to provide subgrants to law school clinics and other not-for-profit service providers to enhance
61 their capacity to provide tenants and homeowners in a designated economic development
62 displacement risk zone (“Displacement Risk Zone”) with appropriate assistance to prevent
63 displacement and enforce housing codes and other tenant protections. Activities eligible for
64 grants include:

65 (1) Civil legal services to help residents of a Displacement Risk Zone avoid
66 eviction, improve housing conditions, avoid termination of housing subsidies, exercise rights

67 under the Tenant Opportunity to Purchase Act, and otherwise secure their rights to safe,
68 affordable housing and to avoid displacement.

69 (2) Assistance organizing tenant associations, negotiating with landlords and
70 developers, or otherwise helping renters in a Displacement Risk Zone to protect their rights,
71 purchase their apartment buildings, improve housing conditions, preserve affordable housing,
72 and avoid displacement.

73 (3) Foreclosure-prevention assistance for low-income homeowners and programs
74 to make homeownership accessible to low-income tenants who reside in a Displacement Risk
75 Zone.

76 (b)(1) For the purposes of this Title, a Displacement Risk Zone shall be an area
77 designated by law as high-risk for displacement of low-income residents due to expected
78 property value and housing price increases related to nearby economic development projects.

79 (2) The first Displacement Risk Zone shall be the St. Elizabeths and Congress Heights
80 Displacement Risk Zone, comprised of census tract 73.04, census tract 74.04, census tract 98.04,
81 and census tract 104.

82 (c) The Mayor shall make a grant to a single nonprofit grant-managing entity of which at
83 least 95% shall be used to make subgrants to non-profit legal service providers. The remaining
84 5% shall be utilized for administrative expenses and evaluation of the Assistance Fund.

85 (d) Subgrants shall be awarded, subject to the availability of funding, as follows:

86 (1) All subgrants shall be awarded on a competitive basis;

87 (2) Program-development subgrants are limited to a maximum of 3 years and
88 contingent on first-year grant outcomes, unless otherwise specified in the grant;

89 (3) The subgrant funds shall be targeted exclusively to serve District of Columbia
90 residents in a Displacement Risk Zone;

91 (5) Independent review panels shall be used as part of the subgrant selection
92 process; and

93

94 (e) The Assistance Fund shall be administered pursuant to the requirements set forth in
95 section 1094 and section 1095 of the Grant Administration Act of 2013, passed on 2nd reading
96 on June 26, 2013 (Enrolled version of Bill 20-199).

97 Sec. 202. Required information before approval.

98 (a) To be eligible to receive a subgrant from the grant-managing entity pursuant to
99 section 201, a subgrantee shall submit the following required documentation to the grant-
100 managing entity as well as any additional information required by the grant-managing entity:

101 (1) Internal Revenue Service certification that the organization is tax-exempt
102 under section 501(c)(3) of the Internal Revenue Code of 1986, approved August 16, 1954 (68A
103 Stat. 163; 26 U.S.C. § 501(c)(3));

104 (2) A recent financial statement, not more than one year old, prepared by a
105 certified accountant that shows that the organization is in good financial standing and which
106 delineates its:

107 (i) Existing assets and liabilities;

108 (ii) Pending lawsuits, if any;

109 (iii) Pending and final judgments, if any; and

110 (3) Internal Revenue Service Form 990 covering the organization's most recently
111 completed fiscal year;

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(4) A notarized statement from the subgrantee certifying that:

(A) The organization is current on District and federal taxes;

(B) The grant-managing entity is authorized to verify the organization's tax status with the Office of Tax and Revenue and the Office of Tax and Revenue is authorized to release this information to the grant-managing entity;

(C) The District and the grant-managing entity shall have access to the financial, administrative, and operational records, including specific consent for the grant-managing entity to access its books, accounts, records, findings, and documents related to the subgrant; and

(D) The subgrantee is registered with the Department of Consumer and Regulatory Affairs; and

(5) A comprehensive program statement that includes a detailed:

(A) Scope of work; and

(B) Budget that describes how the subgrant funds shall be spent.

Sec. 203. Reporting Requirements.

(a) Beginning January 2, 2018, the grant-managing entity shall submit an annual report to the Mayor and the Council of all District funds allocated, which includes:

- (1) Detailed subgrantee data;
- (2) Performance measures and performance outcomes under each subgrant;
- (3) The specific services provided under each subgrant;
- (4) The entity providing the services, if one other than the subgrantee;
- (5) The time period of delivery of the services;
- (6) The type of service provided;

135 (7) The actual amount paid for the services; and

136 (8) The amount of other expenditures under the subgrant, if any.

137 TITLE III. APPLICABILITY; FISCAL IMPACT; EFFECTIVE DATE.

138 Sec. 301. Applicability.

139 (a) This Act shall apply upon the inclusion of its fiscal effect in an approved budget and
140 financial plan.

141 (b) The Chief Financial Officer shall certify the date of the inclusion of the fiscal effect in
142 an approved budget and financial plan, and provide notice to the Budget Director of the Council
143 of the certification.

144 (c)(l) The Budget Director shall cause the notice of the certification to be published in the
145 District of Columbia Register.

146 (2) The date of publication of the notice of the certification shall not affect the
147 applicability of the sections.

148 Sec. 302. Fiscal impact statement.

149 The Council adopts the fiscal impact statement in the committee report as the fiscal
150 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
151 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

152 Sec. 303. Effective date.

153 This act shall take effect following approval by the Mayor (or in the event of veto by the
154 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
155 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
156 24, 1973 (87 Stat. 813: D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
157 Columbia Register.