

A RESOLUTION

**Proposed
Resolution
20-429**

**See Emergency
D.C. Act 20-178
20 DCStat 2433**

To declare the existence of an emergency, due to Congressional review, with respect to the need to exempt from taxation certain property owned or leased by YMCA of Metropolitan Washington or YMCA Community Investment Initiative, nonprofit organizations.

**YMCA
Community
Investment
Initiative Real
Property Tax
Exemption
Congressional
Review
Emergency
Declaration
Resolution of
2013**

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “YMCA Community Investment Initiative Real Property Tax Exemption Congressional Review Emergency Declaration Resolution of 2013”.

Sec. 2. (a) Young Men’s Christian Association of Metropolitan Washington (“YMCA”), a tax-exempt 501(c)(3) organization, is the tenant under a long-term lease (“Lease”) with the YMCA Community Investment Initiative (“YMCA CII”) Anthony Bowen YMCA located at 1325 W Street, N.W., described as Lot 2010, Square 234 in Ward 1.

(b) YMCA closed on permanent financing for the new Anthony Bowen YMCA through the New Markets Tax Credit (“NMTC”) program, administered by the U.S. Treasury Department.

(c) The NMTC program requires that the borrower must own the property being financed. For this reason, YMCA has formed a subsidiary, YMCA Community Investment Initiative, to be the borrower. At closing on the NMTC financing, YMCA will assign its interest in the Lease to the YMCA subsidiary, which will immediately sublease the property to YMCA.

(d) YMCA is currently exempt from District of Columbia real property, possessory interest, recordation, and transfer taxes with respect to the YMCA subsidiary. However, the YMCA subsidiary is not.

(e) Without real property, possessory interest, transfer, and recordation tax exemptions for the YMCA subsidiary, the YMCA would be forced to incur enormous, unanticipated taxes in connection with the NMTC loan transition.

(f) D.C. Official Code § 47-1024 expressly states that “[a]ll property belonging to the Young Men’s Christian Association of the District of Columbia, used and occupied by that Association, shall, so long as the same is so owned and occupied, be exempt from taxation, national and municipal...”.

(g) The financing transaction, for the purposes of utilizing federal credits, is wholly consistent with the intent of that statute.

(h) YMCA will not profit from the NMTC structure described above. The only reason for this structure is because it is required under the NMTC program.

(i) YMCA currently owns the YMCA subsidiary property and thus is exempt from real property, possessory interest, recordation, and transfer taxes with respect to the YMCA subsidiary property.

(j) After the NMTC financing closes, YMCA will continue to own the YMCA subsidiary and will operate the Anthony Bowen YMCA facility to carry out its charitable activities in the U Street/Cardozo/Shaw neighborhoods and beyond.

(k) The transaction is revenue neutral to the District as the property will continue to be owned, used, and controlled by YMCA, which would ordinarily benefit from the provisions of District of Columbia Official Code § 47-1024.

(l) Emergency legislation relating to this issue expired on August 26, 2013, and temporary legislation to be approved by Congress is not projected to take effect until October 21, 2013, resulting in the law.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the YMCA Community Investment Initiative Real Property Tax Exemption Congressional Review Emergency Act of 2013 be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.