### **AGENDA**

ANC 6A Economic Development & Zoning Committee Wednesday October 28th, 7-9:00 PM Sherwood Recreation Center (640 10<sup>th</sup> St, NE) 2<sup>nd</sup> Floor Community Room

/:00 pm	Call to order
7:01	<b>Community Comments</b>
7:05	Ongoing Status Reports - None
7:05	Old Business - None

- 7:05 **New Business** 
  - 1. 1242 H St. NE BZA #17968. (Area Variance) pursuant to 11 DCMR § 3103.2, for a variance from the non-residential floor area ratio requirements under subsection 1321.2, and a variance from ground floor level ceiling height requirements under subsection 1324.12, to allow the construction of a new commercial (retail/office) building in the HS (H Street Housing Sub-District Overlay)/C-2-A District, at premises 1242 H Street, N.E. (Square 1003, Lot 22). The BZA case was delayed until Dec to allow the developer time to consult with the community. (35 min)
  - 2. DC recently changed its property tax system to charge Class III rates (10% of assessment) for "blighted properties" rather than vacant properties. The committee will discuss this how this change will impact ANC 6As efforts to get vacant properties reoccupied. (45 min)
  - 3. Potential Historic District Designation for H Street NE. Discuss next steps now that the survey of buildings on H Street is complete. (30 min)

### 8:55 Additional Community Comment (time permitting)

Everyone is welcome! Call Drew Ronneberg with questions at 202 431-4305.

Visit our website at <a href="http://www.anc6a.org/">http://www.anc6a.org/</a> Sign up for automated meeting reminders and community listserv at <a href="http://groups.yahoo.com/group/anc-6a/">http://groups.yahoo.com/group/anc-6a/</a>

### GOVERNMENT OF THE DISTRICT OF COLUMBIA Board of Zoning Adjustment



JUL 08 2009

### APPLICATION NUMBER 17968 TO WHOM IT MAY CONCERN:

Notice is hereby given that the Board of Zoning Adjustment will hold a public hearing in Suite 220 South, 441 4<sup>th</sup> Street, N.W., Washington, D.C., 20001 on Tuesday, October 6, 2009, on the following application:

Application of I.S. Enterprises, Inc., pursuant to 11 DCMR § 3103.2, for a variance from the non-residential floor area ratio requirements under subsection 1321.2, and a variance from ground floor level ceiling height requirements under subsection 1324.12, to allow the construction of a new commercial (retail/office) building in the HS (H Street Housing Sub-District Overlay)/C-2-A District, at premises 1242 H Street, N.E. (Square 1003, Lot 22).

At the public hearing, all interested persons will be given an opportunity to express their views. However, in lieu of appearing at the hearing you may also submit written views about this case. All written views should be sent to the address below, and must be received by the Board before the hearing on the case is concluded. Individuals and organizations wishing party status in any case before the Board must request that status in writing not less than fourteen (14) days prior to the date set for the public hearing on the particular application. The request for party status must contain all the information required by 11 DCMR § 3106.2. This application is located within the boundaries of Advisory Neighborhood Commission 6A. This application will be heard between 10:00 a.m. and 12:00 p.m.

If you have any questions about this application, you may call the Office of Zoning on (202) 727-6311, or visit the office at 441 4<sup>th</sup> Street, N.W., Suite 210 South, Washington, D.C. 20001. Please refer to the application number when you write or call about this case.

BOARD OF ZONING ADJUSTMENT District of Columbia

CASE NO. 17968

EXHIBIT NO. 19

SINCERELY,

RICHARD S. NERO, JR.

**Acting Director Office of Zoning** 

### GOVERNMENT OF THE DISTRICT OF COLUMBIA Board of Zoning Adjustment



JUL 08 2009

Chairperson Advisory Neighborhood Commission 6A P.O. Box 75115 Washington, D.C. 20013

Re: BZA Application No. 17968

### Dear Chairperson:

This is to advise you that a public hearing has been scheduled by the Board of Zoning Adjustment to consider the following application that is located within the boundaries of your ANC area:

Application of I.S. Enterprises, Inc., pursuant to 11 DCMR § 3103.2, for a variance from the non-residential floor area ratio requirements under subsection 1321.2, and a variance from ground floor level ceiling height requirements under subsection 1324.12, to allow the construction of a new commercial (retail/office) building in the HS (H Street Housing Sub-District Overlay)/C-2-A District, at premises 1242 H Street, N.E. (Square 1003, Lot 22).

The hearing will be held on Tuesday, October 6, 2009, in Suite 220, 441 4<sup>th</sup> Street, N.W., Washington, D.C. 20001. This application will be heard between 10:00 a.m. and 12:00 p.m.

You are advised that 11 DCMR Section 3115.1 sets out certain requirements related to reports of ANCs, and specifically that Section 3115 requires that the written report of the ANC be filed with the Board at least seven days in advance of the hearing. A copy of Section 3115 is enclosed for your convenience. Information on the procedures which will govern consideration of these cases are also available from the Office of Zoning, in Suite 200-S, 441 4<sup>th</sup> Street, N.W. Washington, D.C. 20001. The telephone number for the Office of Zoning is (202) 727-6311.

If you wish to forward comments in writing directly to the Board, such comments should be addressed to the Board of Zoning Adjustment at 441 4<sup>th</sup> Street, N.W., Suite 210 South, Washington, D.C. 20001.

441 4th Street, N.W., Suite 200/210-S, Washington, D.C. 20001

Facsimile: (202) 727-6072

BOARD OF ZONING ADJUSTMENT

Web Site: www.dcoz.dc.gov

Telephone: (202) 727-6311

District of Columbia

CASE NO. 17968

Wilfredo Pesante, Esq. <sup>1,2</sup> Nicole E. Mackin, Esq. <sup>1</sup> YoungJae Chung, <sup>6</sup> Jose Guerrero, Jr., Esq. <sup>1,3</sup> Rachel Hammer, Esq. <sup>8</sup> Melanie Murray Mfume, Esq. <sup>5</sup> Florence Y. Pettiquoi, Esq. <sup>5</sup> Bobbie U. Vardan, Esq. <sup>7</sup> Larisa Woodward, <sup>4</sup>

Of Counsel Roy J. Bucholtz, Esq. 1,8

Bar Admissions: 1-DC; 2-NY; 3-TX; 4-Lithuania; 5-MD; 6-VA Pending; 7-WV; 8-VA





Wilfredo Pesante, Esq. Direct Dial: 1-703-626-1753 Email: wpesante@pesmaclaw.com

5 May 2009

Via Hand Delivery

Board of Zoning Adjustment Suite 200-S **District of Columbia Office of Zoning** 441 4<sup>th</sup> Street, N.W. Washington, DC 20001

Re:

Request for Area Variance re: 1242 H Street, N.E. Washington, DC 20002

Our Client: 1242 H Partnership LLC

Dear Sirs:

I.S. Enterprises, Inc., a 100% minority-owned, DC Corporation located on H Street N.E., is seeking an area variance for the above referenced property.

Please find attached Forms 135, 120, and accompanying schedules and plats as required by D.C. Code § 5-424. As noted in our application, the exceptional narrowness and shallowness of the property create an exceptional and undue hardship upon the owner if the owner is required to comply with the regulations adopted under D.C. Code § 6-641.01, et. seq. This undue hardship can be substantially relieved by granting the attached request for variance.

Moreover, this would permit the owner to construct an environmentally friendly building compatible with and complementary of the neighborhood and the environment. We look forward to hearing back from you at your earliest convenience.

Best regards,

PESANTE & MACKIN LLP

Wilfredo Pesante, Esq

General Counsel I.S. Enterprises, Inc.

cc: I. Rodríguez; G. Murray

1328 H Street, N.E. Washington, D.C. 20002

Phone: 202-396-1490 Fax: 419-710-6814 www.PesMacLaw.com BOARD OF ZONING ADJUSTMENT District of Columbia,

CASE NO. 17968

EXHIBIT NO.



### BEFORE THE BOARD OF ZONING ADJUSTMENT OF THE DISTRICT OF COLUMBIA

### APPLICATION

Before completing this form, please review the instructions on the reverse side. Print or type all information unless otherwise indicated.

Pursuant to Sections §3103.2 - Use Variance, §3103.2 - Area Variance and/or §3104.1 - Special Exception of Title 11 DCMR-

Pursuant to Sections §3103.2 - Us Zoning Regulat	se Variance, tions an appl	§3103.2 - Area \ ication is hereb	y made, the de	tails of which are as follows:	
Add(ess(es)	Square	Lot No(s).	Zoning Districts	Relief Being Sought Area Variance - Use Variance Special Exception	Section No(s)
1242 H. ST. N.E.	1003	22	C-1-A/HS-1	A Apor Variance	1321.2,1324,12
			ВС	ARD OF ZONING ADJUSTMEN District of Columbia	<b>1</b> 23
			C/	SENO. 17968	progenities
				HIBIT NO.	es: 41.4
Present use(s) of Property:	Vace	. ^	<u>.</u>		
Proposed use(s) of Property:	Comm	reial S	pare	lephone No: 702 38	8.5780
Gwner of Property: / Co	nge IV	musia	117: 17		0002
Address of Owner: 1200	> # · ST	; (),E.'			
Written paregraph specifically s	tating the "w			/ /	
Hearing Notice: We o	re Al	<u>eking a</u>	- yaria	1	m 1321.2
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Estimated Sconstruction cost	,000	Sin	gle-Member Di		
I/We certify that the above informat fictitious name or address and/or k					Any person(s) using a f D.C. Law and subject
	to a fine of no		0 or 180 days in il Code \$ 22-240:		
Date: 5-12-0		Signal		100g7 M-	all
application on the behalf of the C notice of application.	owner, a letter	signed by the Co	me, gamerianny	ed agent. In the event an authoris the agent to act on his/her sehal	ted age it files an f shall accompany the
To be	notified of	hearing and d	ecision (Own	er or Authorized Agent*):	
Name: IS E	nterp	MSE5	ITAL	LO RODRIGI	JEZ, Prus
Address: 1324	H. 57	, N.E.		).L. 20002	JEZ, Prus
Phone No.: 2023886	2 /		52 <b>5</b> 549		OSR@ISENTE
ANY APPLICATION THAT IS	S NOT COM	LETED IN ACC	ORDANCE WI	TH THE INSTRUCTIONS ON T	HE BACK OF THIS

(Revised 05/01/08)			,	7010
			Case No/	1768
== ZONI	NG SELF-C	ERTIFICATIO	ON FORM	* *
Project Address(es)	Square	Loi(s)	Zone District(s)	ANC(s)(Single Member
1242 H STREET, NE.	1003	22	C-2-A / HS-A	6A01
The undersigned agent hereby certifies t	CERT	IFICATION		
The undersigned agent hereby certifies t	this matte	coning relief is requer or pursuant to:	ired from the Board o	f Zoning Adjustment in
	ise Variance	93103.2 - Area	Variance 6	3104.1-Special Exception
Pursuant to Subsections		1321.2 , 1324.:		A 1 1 2 1 Obecies Exception
Pursuant to 11 DCMR §3113.2, the undersig	ned agent certifies			
(2) the agent is currently in good standing	aw or architecture i	n the District of Colu	mbia;	
		a cacchion applied if	a me reasons stated in	the application
I DE UNGERSigned agent and owner cales all a services	- 05 - 17 - 64			
JUICE SUMMISSICATIVE determination broad come	de esta de la companya della companya de la companya de la companya della company	. and alloce hinder! a	ny policina bermit, centr	Cale of occupancy or
Adjustment (BZA) does not constitute a Board fi determination.	inding that the relief	sought is the relief req	rovar or the application builded to obtain such per	by the Board of Zoning Tit, certification, or
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The undersigned agent and owner further ackno letermination for which the requested zoning rel hat additional or different zoning relief is require	awieage that any per lief is a prerequisite i	son aggrieved by the i may appeal that permi	ssuance of any permit, o	ertificate, or
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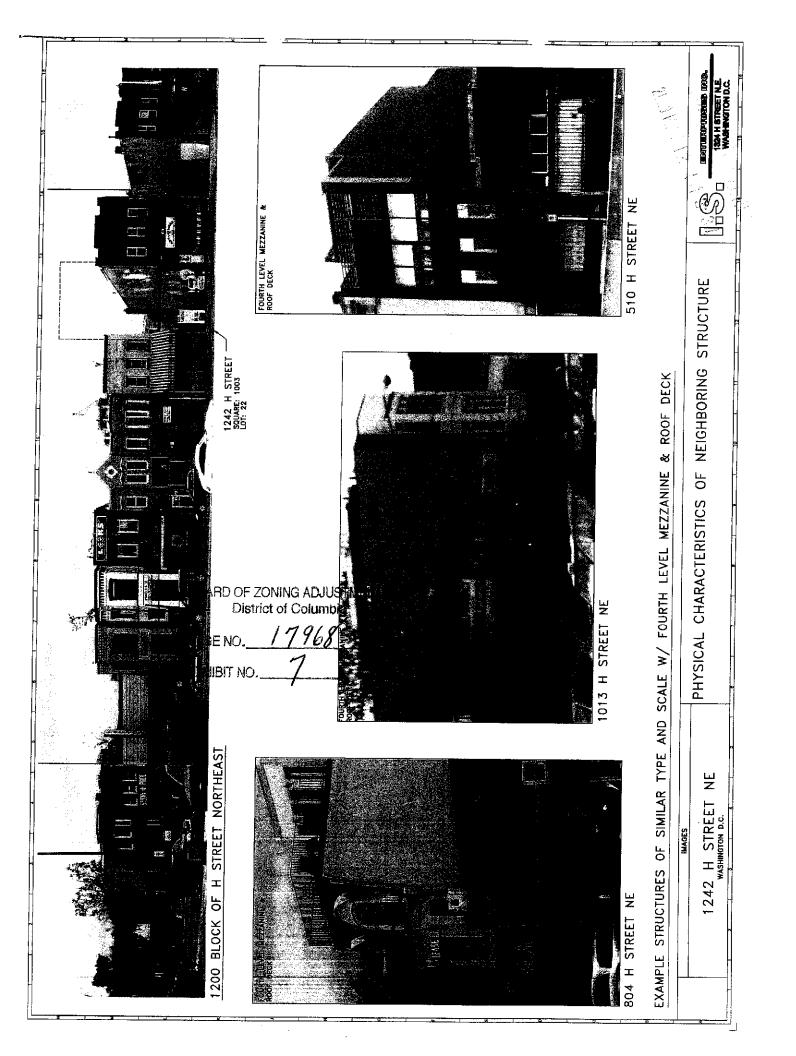
441 4th Street, N.W. Ste. 200-S, Washington, D.C. 20001
(202) 727-6311 \* (202) 727-6072 fax \* www.dcoz.dc.gov \* dcoz@dc.gov

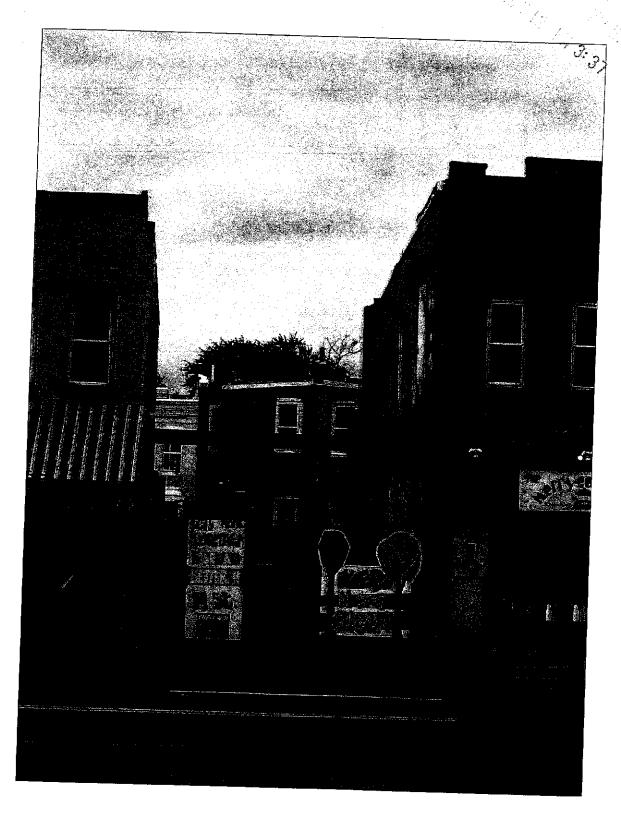
### INSTRUCTIONS

Any request for self-certification that is not completed in accordance with the following instructions shall not be accepted.

- All self-certification applications shall be made on Form 135. All certification forms must be <u>completely</u> filled out (front **and** back) and be typewritten or printed legibly. All information shall be furnished by the applicant. If additional space is necessary, use separate sheets of paper to complete this form.
- Complete one self-certification form for each application filed. Present this form with the Form 120 Application to the Office of Zoning, 441 4<sup>th</sup> Street, N.W., Suite 200-S, Washington, D.C. 20001. ς;

ITEM	EXISTING CONDITIONS	MINIMUM REQUIRED	MAXIMUM ALLOWED	PROVIDED BY PROPOSED	VARIANCE Deviation/Percent
Lot Area (sq. ft.)	1260	N/A	A/N	1260	N/A
Lot Width (ft. to the tenth)	17.5'	N/A	N/A	17.5	Z Z
Lot Occupancy (building area/lot area)	(VACANT LOT)	N/A	100%	%62	N/N
Floor Area Ratio (FAR) (floor area/lot area)	0	N/A	1.0	3.0	2.0
Parking Spaces (number)	0	•	N/A	•	N/A
Loading Berths (number and size in ft.)	0	0	0	0	N/A
Front Yard (ff. to the tenth)	0	N/A	A/N	N/A	N/A:
Rear Yard (ft. to the tenth)	0	15.0'	N/A	15.0'	ΝΑΝ
Side Yard (ft. to the tenth)	0	0	0	0	A/X
Court, Open (width by depth in ft.)	0	0	0	0	Z A/Z
Court, Closed (width by depth in ft.)	0	0	0	0	N/A
Height (ft. to the tenth)	0	N/A	50.0'	41.8	N/A





1242 H STREET NE - SQUARE: 1003 / LOT: 22

РНОТО

1242 H STREET NE WASHINGTON D.C.

PHYSICAL CHARACTERISTICS OF PROPOSED LOT



1524 H STREET N.E.

1324 H Street N.E. Washington D.C.

www.isenterprises.net tel. 202.497.9497

Applicant:

1242 H Partnership LLC.

Representative(s):

Italo Rodriguez (I.S. Enterprises Inc.), Wilfredo Pesante Esq. (PESANTE & MACKIN LLP)

Date;

April 1, 2009

Project Address:

1242 H Street, NE

Square 1003, Lot 22

Zoning Amendment:

H Street Neighborhood Commercial Overlay District

Arts Sub District (HS-A)

Variance Sought:

Area Variance to increase FAR by 2.0

Height Variance to lower first floor ceiling height by three foot six inches (3ft-6in.).

### FORM 120 – Applicants Burden of Proof for Variance Applications

### **Existing Use:**

The existing property is currently vacant and has not been occupied for many years. Previous uses and or occupancy have not been substantiated through public record.

### Intended Use:

The Applicant proposes the following uses:

Ground Level:

Professional Retail Services - i.e. Insurance Agency, Financial Services (by Tenant #2)

Second Level:

Professional Offices (by Tenant #1 / Owner) Professional Offices (by Tenant #1 / Owner) Professional Offices (by Tenant #1 / Owner)

Third Level: Fourth Level:

The Applicant is proposing to have two separate occupancies for the new structure. The First Level will be occupied by one Commercial Tenant, while the remaining floors will be occupied by the Owner as Professional Office space. The nature of the Commercial Tenant will more than likely be professional retail services such as investment, and or insurance brokerage firms, but the option of incorporating an "art" themed retail use has NOT been taken off the table. The nature of the Professional Office use is a ten-person real estate investment firm that is owned by the Applicant. Both uses will be small-scale business that will have limited street and noise impact on the neighborhood. Though the structure allows for more tenants, the two-tenant occupancy will increase street life through the creation of a permanent establishment of Commercial and Professional use, while maintaining relative quietness during normal and extended business hours.

BOARD OF ZONING ADJUSTMENT
District of Columbia

CASE NO.

EXHIBIT NO.

1324 H Street N.E. Washington D.C. www.isenterprises.net tel, 202,497,9497

Applicant:

1242 H Partnership LLC.

Representative:

Italo Rodriguez (I.S. Enterprises Inc.), Wilfredo Pesante Esq. (PESANTE & MACKIN LLP)

Date:

April 1, 2009

Project Address:

1242 H Street, NE

Square 1003, Lot 22

Zoning Amendment:

H Street Neighborhood Commercial Overlay District

Arts Sub District (HS-A)

Variance Sought.

Area Variance to increase FAR by 2.0

Height Variance to lower first floor ceiling height by three foot six inches (3ft-6in.).

### FORM 121 - Applicants Burden of Proof for Variance Applications

### Section 1321: HS Overlay Housing Sub-District (HS-A)

1321.2 The floor to area ratio for new construction in the HS-H Sub-District may not exceed 1.0 FAR for non-residential uses, except as provided in 1321.3

### Section 1324: Design Requirements

1324.12 The ground floor level of each building or addition shall have a uniform minimum clear floor to ceiling height of fourteen feet (14ft.).

### Subsection 3102.2 Proofs:

1. The physical characteristic of the property:

A. Make it difficult for the owner to use the property in compliance with the Zoning Regulations (Area Variance) – i.e. shape and size of the property, unusual topographic or slope, soil conditions, etc.

The existing property dimensions are 15'-2" wide (clear interior dimension) by 72'-0" long with a total gross floor area of 1,260 SF. It is long but narrow space, with limited direct sunlight access from the front and back windows.

The zoning amendment for the '1320 H Street NE Neighborhood Commercial Overlay District Housing Sub-District' allows for a total FAR of 2.5 on the property if the use is RESIDENTIAL above the ground floor. This allows for a three-story structure, with multi-tenant residential units on 2<sup>nd</sup> and 3<sup>rd</sup> floors. However, there are inherent practical difficulties involved in a multi-tenant structure in a structure of such narrow width and length.

In order to locate multi-tenant residential units on the 2<sup>nd</sup> and 3<sup>rd</sup> floors, 2 entries are required from the street: one for the Commercial tenant on the ground level, and the other for the Residential tenants on 2<sup>nd</sup> and 3<sup>rd</sup> floors. Difficulties arise in achieving a practical usable dimension because multi-tenant buildings require a 2-hour rated corridor at the stair, thus taking up valuable floor plate area as circulation (please see attached Exhibit 3102.2-A: Plan Sketches).

The mandated floor-to-ceiling height of 14' exacerbates the limited useable floor area available for tenant use. Current building codes as adopted by District of Columbia require that any stairway to a level above 12' must have a landing platform no less than 6' in length. This, coupled with the length needed to provide the appropriate vertical circulation creates an elongated corridor that takes up additional valuable floor area for circulation (please see attached Exhibit 3102.2-A: Plan Sketches).

This circulation alone will take up approximately 315 SF (39% of total GSF). What remains for usable space is a very narrow and long section of the floor area. This area, which constitutes approximately a third of the floor plate, has limited usability, and therefore, poses a practical hardship on the owner by limiting build-out configuration sizes.

Based on these facts, the applicant is seeking an Area Variance of 2.0 FAR to allow a single tenant commercial use on 2<sup>no</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> floor(s) thereby removing the need for a rated corridor at the stair. In addition the applicant is also seeking a height variance of 3'-6" to allow a lower ceiling height thereby eliminating the need for an elongated stair well with platform. The combined floor areas of floors 2, 3, and 4, which total 2742 SF, are more suitable for a single commercial use rather than a multi-family residential use. The preferred "ARTS" themed use has not proposed due to the unique narrowness of the space. The inherent narrowness poses a practical hardship in providing ample circulation space for small to medium scaled convention. Currently, the zoning amendment limits the 2.5 FAR to only residential use; therefore, the applicant is seeking an area variance of 2.0 to allow for a commercial use on the property.

BOARD OF ZONING ADJUSTMENT

District of Columbia

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I.S. ENTERPRISES INC - GENERAL CONTRACTORS

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## Subsection 3102.2 Proofs - continued:

Granting the application will not be of substantial detriment to the public good - ie. Traffic, noise, lighting etc.

1200 block of H Street. This structure will establish a new dynamic on the 1200 block of H Street by softly introducing a roof terrace and recessed mezzanine level to the roof lines of the surrounding structures. The total FAR requested for the project is 3.0 (1.0 byright, 2.0 sought through Area Variance). The maximum FAR for a C-2-A district is 2.5 for residential use. The project is exceeding that FAR limit by .5 FAR with its 4th level mezzanine and roof deck. The proposed mezzanine is set back from the street facade by The neighboring buildings on the same street block to H Street are currently one to two-stories. The height limit for the C-2-A zone s 50'-0", and the proposed addition will be 8'-4"below the limit. The proposed structure will contribute to the of permanency on the 13-8" and does not propose a substantial visual impact from the streetscape.

detrimental to the surrounding residential neighbors. In fact the close proximity of such professional services will be a compliment to who is also the owner. Under current zoning regulations, business and retail use is allowed in the C-2-A district. The business is a neighborhood constituency will promote commercial street use and pedestrian activity, which is in line with the goals of the NC H Street Strategic Development Plan. The Second, Third and Fourth Floors will be business office use occupied by a single tenant professional real estate development firm, with a total of no more than 10 employees. The amount of business traffic will not be he neighborhood character. The office will be occupied during business hours, and will not create undue noise or traffic during The Ground Floor Professional Retail use is consistent with the existing retail use along H Street. Its unique service to the evening hours due to the quiet nature of the businesses.

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rehicles, such as Fed Ex, UPS, will make limited stops at the property. Therefore, the overall traffic pattern along H Street and the The total number of employees for the Office will be 10. Most office employees will be using mass transit, walking, or biking as means of commuting. One parking space will be provided in the rear Alley to comply with parking requirements under section 2101.1 of the DC Zoning Regulations. In addition a bike rack will be provided to promote non-automobile traffic. Commercial surrounding streets will not be adversely affected.

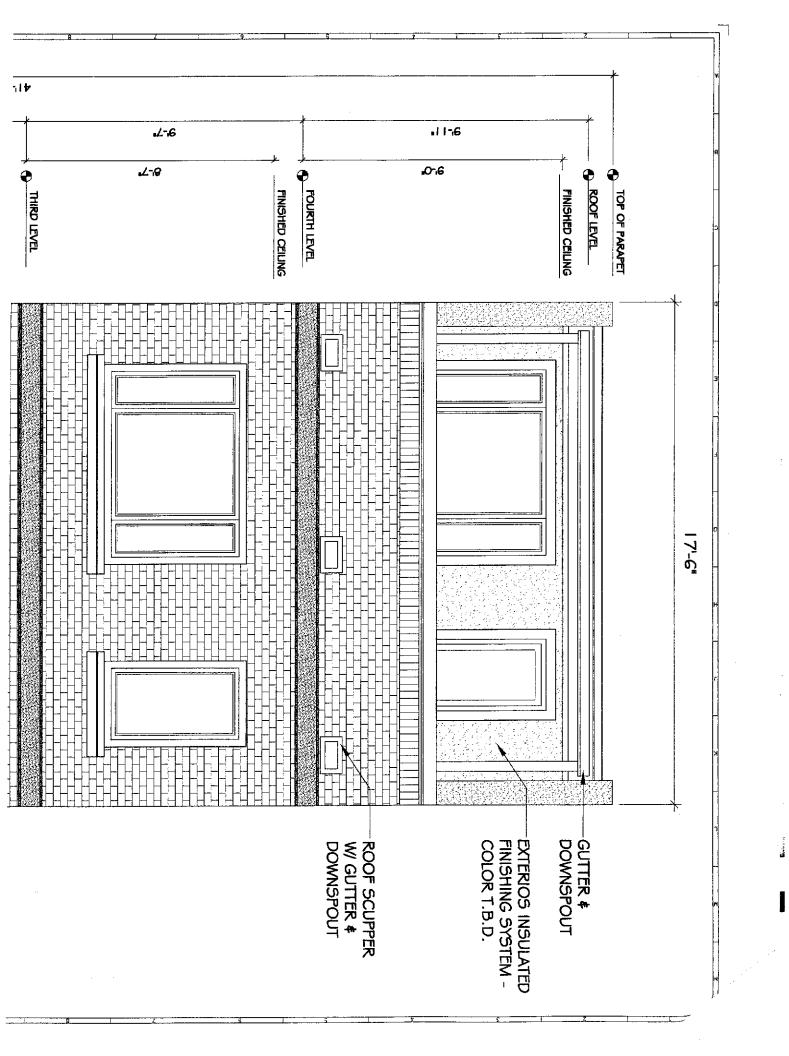
### Appearance

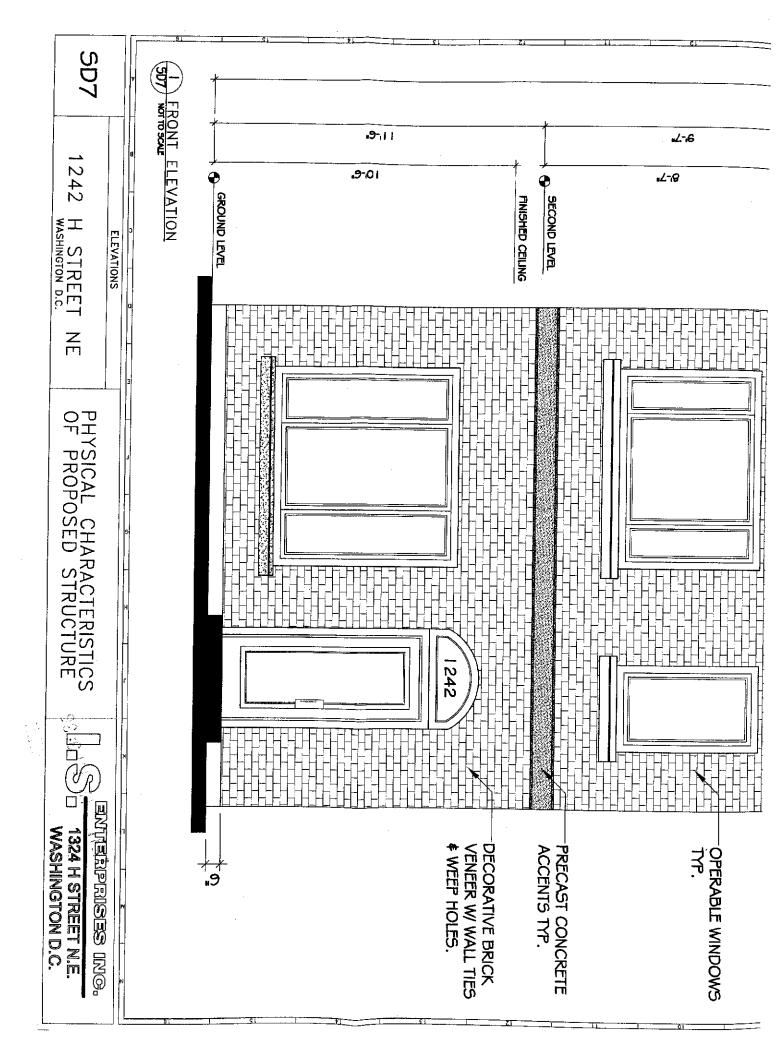
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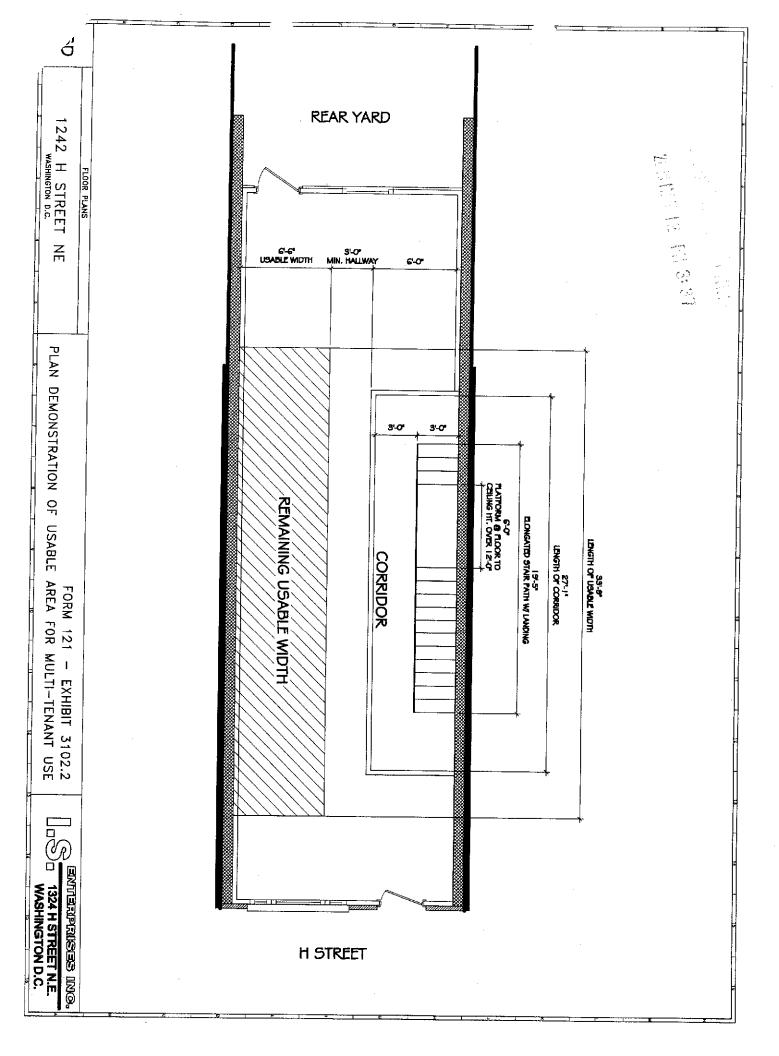
façade. Overall, because of this projects small-scale and unique narrowness the appearance of the 3<sup>rd</sup> and 4<sup>th</sup> level will not be any new facade will be designed to conform to the standards mandated in the H Street NE Neighborhood Commercial Overlay District The 4th level mezzanine and roof deck will be visible from the street and is designed so that its permanency will help to The Ground Floor retail front will comprise mostly of glass storefront to promote the commercial retail presence on H Street. The define the future of H Street as a sophisticated urban corridor. The  $4^{\rm th}$  level mezzanine will be set back 13'-8" feet from the street Arts Sub-District. All floor levels will have clear glass, with operable windows to maintain the rhythm and confext of adjacent different had the use been residential instead of office. puildings,

# Granting the application will not be inconsistent with the general intent and purpose of the Zoning Regulations and Map.

The goal of the plan to create Urban Living condition along H Street will not be compromised by the proposed project. Ground Floor already existing on both sides of H Street. Accessory parking is kept in the rear Alley. The office use on the 2<sup>nd</sup> 3<sup>rd</sup> and 4<sup>th</sup> floors Professional Retail will promote a strong, sophisticated street presence, and will continue the line of retail commercial businesses







### SUBTITLE H. REAL PROPERTY TAX REFORM

Sec. 7100. Short title.

This subtitle may be cited as the "Real Property Tax Reform Classification Emergency Amendment Act of 2009".

Sec. 7101. Section 12(7) of An Act To provide for the abatement of nuisances in the District of Columbia by the Commissioners of said District, and for other purposes, effective April 27, 2001 (D.C. Law 13-281; D.C. Official Code § 42-3131.12(7)), is amended by striking the phrase "holes, breaks," and inserting the phrase "holes, graffiti, breaks," in its place.

Sec. 7102. Section 47-813 of the District of Columbia Official Code is amended by adding a new subsection (c-8) to read as follows:

"(c-8)(1) For tax year 2010 and thereafter, the following classes of taxable real property are established:

- (A) Class 1 Property;
- (B) Class 2 Property; and
- "(C) Class 3 Property;

"(2)(A) Except as otherwise provided in this paragraph, Class 1 Property shall be comprised of residential real property that is occupied, improved, and used exclusively for nontransient residential dwelling purposes; provided, that the improved and nontransient real property shall not be classified as Class 1 Property if it appears on the list compiled under § 42-3131.16.

"(B) Unimproved real property benefitting from an exemption under subsection (c-6)(2)(C) of this section on December 27, 2006, shall continue to benefit from the exemption and be classified as Class 1 Property for the duration permitted under that subsection; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006, and subject to the time restriction and exclusion set forth in subparagraph (E)(ii)(II) of this paragraph.

"(C) Real property used as a parking lot shall be classified as Class 1 Property if it appertains to improved Class 1 Property and if each approval required from the District government for use as a parking lot has been obtained.

"(D) Unimproved real property that abuts Class 1 Property shall be classified as Class 1 Property if the real property and the Class 1 Property have common ownership.

"(E)(i) Unimproved, residential real property shall be classified as Class 1 Property if:

"(I) The real property is actively offered for sale or

### **ENROLLED ORIGINAL**

rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year; provided, that a real property that has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;

"(II) A building permit to construct at least one nontransient dwelling unit has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;

"(III) The zoning regulations adopted by the Zoning

Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right;

"(IV) The unimproved air rights lot appertains to

improved Class 1 Property;

"(V) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission of Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or

"(VI) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.

"(ii)(I) Classification of unimproved real property as Class 1 Property pursuant to sub-subparagraph (i)(I), (II), (III), or (IV) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.

"(II) Notwithstanding sub-sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefitted from an exemption under sub-subparagraph (i) of this subparagraph or under subsection (c-6)(2)(C) or (c-6)(2)(E) of this section, other than under sub-subparagraph (i)(V) or (VI) of this subparagraph or a similar provision of subsection (c-6)(2)(C), for 3 or more tax years shall no longer be classified as Class 1 Property beginning in tax year 2008.

"(III) For purposes of this sub-subparagraph, ownership shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.

"(F) Unimproved real property that is connected from Class 1 Property.

"(F) Unimproved real property that is separated from Class 1 Property by a public alley less than 30 feet wide shall be classified as Class 1 Property if:

### ENROLLED ORIGINAL

- "(i) The real property is less than 1,000 square feet;
- "(ii) The zoning regulations adopted by the Zoning of Columbia do not allow the building of any structure on

Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right; and

"(iii) The real property and the Class 1 Property separated by the alley from the real property have common ownership.

"(3)(A) Except as otherwise provided in this paragraph, Class 2 Property shall be comprised of all real property which is not Class 1 or Class 3 Property.

"(B) Unimproved real property benefitting from an exemption under subsection (c-6)(3)(C) of this section on December 27, 2006, shall continue to benefit from the exemption and be classified as Class 2 Property for the duration permitted under subsection (c-6)(3)(c) of this section; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006, and subject to the time restriction and exclusion set forth in subparagraph (E)(ii)(II) of this paragraph.

"(C) Real property used as a parking lot shall be classified as Class 2 Property if each approval required from the District government for use as a parking lot has been obtained.

"(D) Unimproved real property which abuts Class 2 Property shall be classified as Class 2 Property if the real property and the Class 2 Property have common ownership.

"(E)(i) Unimproved, commercial real property shall be classified as Class 2 Property if:

"(I) The real property is actively offered for sale or rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year; provided, that a real property which has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;

"(II) A building permit to construct an improvement or a parking lot has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;

"(III) The unimproved air rights lot appertains to

improved Class 2 Property; or

"(IV) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission of Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National

Capital Planning Commission; or

"(V) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.

"(ii)(I) Classification of unimproved real property as Class 2 Property pursuant to sub-subparagraph (i)(I), (II), or (III) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.

"(II) Notwithstanding sub-sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefitted from an exemption under sub-subparagraph (i) of this subparagraph or under sub-subparagraph or under sub-subparagraph (i)(IV) or (V) of this subparagraph or under a similar provision of subsection (c-6)(3)(C) of this section, for 3 or more tax years shall no longer be classified as Class 2 Property beginning in tax year 2008.

"(III) For the purposes of this sub-subparagraph, ownership shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.

"(F) Unimproved real property which is separated from Class 2 Property by a public alley less than 30 feet wide shall be classified as Class 2 Property if:

"(i) The real property is less than 1,000 square feet;

"(ii) The zoning regulations adopted by the Zoning

Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right; and

"(iii) The real property and the Class 2 Property separated by the alley from the real property have common ownership.

'(G) Class 2 Property shall include, as of September 30 of the preceding tax year, the unimproved real property that is within the Northeast No. 1/Eckington Yards Special Treatment Area and the Buzzard Point/Near Southeast Development Opportunity Area, as designated on the current District of Columbia Generalized Land Use Map that is part of the Comprehensive Plan; provided, that the real property is zoned for commercial development and the real property owner is engaged in predevelopment activities as supported by written documentation. For the purpose of this subparagraph, the term "predevelopment activities" means completion of one of the following:

"(i) Preparation of subdivision or large tract review

applications;

"(ii) Preparation or application for District of Columbia

permits or authorizations to proceed with development;

"(iii) Participation in special planning or transportation studies prepared in conjunction with the District of Columbia; or

"(iv) Completion of environmental assessment or mitigation studies prepared in conjunction with the District of Columbia.

"(4) Class 3 Property shall be comprised of all improved real property that is classified as blighted property in accordance with subparagraph (A) of this paragraph.

"(A) For the purposes of this section, blighted Property shall be comprised of all improved vacant real property determined by the Mayor or the Board of Condemnation of Insanitary Buildings to be unsafe, insanitary, or which is otherwise determined to threaten the public health, safety, or general welfare of the community. The following may be considered in determining whether a property is blighted:

"(i) Failure to comply with the following vacant building

maintenance standards:

"(I) Doors, windows, areaways, and other openings are weather-tight and secured against entry by birds, vermin, and trespassers, and missing or broken doors, windows, and other openings are covered;

"(II) The exterior walls are free of holes, breaks, graffiti, and loose or rotting materials, and exposed metal and wood surfaces are protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint; or

"(III) All balconies, porches, canopies, marquees, signs, metal awnings, stairways, accessory and appurtenant structures, and similar features are safe and sound, and exposed metal and wood surfaces are protected from the elements by application of weather-coating materials, such as paint; or.

"(ii) The structure is boarded up.

"(B) The Department of Consumer and Regulatory Affairs shall regularly transmit a list of the real properties that are blighted property to the Office of Tax and Revenue.

"(C) To determine whether a real property is blighted, the Office of Tax and Revenue may request the Department of Consumer and Regulatory Affairs to inspect the real property to determine whether the real property is correctly included on the list compiled under subparagraph (B) of this paragraph.".

### SUBTITLE I. TAX COMPLIANCE

Sec. 7110. Short title.

This subtitle may be cited as the "Tax Compliance Second Emergency Act of 2009".

- (c-7)(1) For tax year 2007 and thereafter, the following classes of taxable real property are established:
  - (A) Class 1 Property;
  - (B) Class 2 Property; and
  - (C) Class 3 Property.
- (2)(A) Except as otherwise provided in this paragraph, Class 1 Property shall be comprised of residential real property that is improved and used exclusively for nontransient residential dwelling purposes; provided, that the improved and nontransient real property shall not be classified as Class 1 Property if it appears on the list compiled under § 42-3131.16.
- (B) Unimproved real property benefiting from an exemption under subsection (c-6)(2)(C) of this section on December 27, 2006 shall continue to benefit from the exemption and be classified as Class 1 Property for the duration permitted under that subsection; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in subparagraph (E)(ii)(II) of this paragraph.
- (C) Real property used as a parking lot shall be classified as Class 1 Property if it appertains to improved Class 1 Property and if each approval required from the District government for use as a parking lot has been obtained.
- (D) Unimproved real property which abuts Class 1 Property shall be classified as Class 1 Property if the real property and the Class 1 Property have common ownership.
- (E)(i) Unimproved, residential real property shall be classified as Class 1 Property if:
- (I) The real property is actively offered for sale or rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year; provided, that a real property which has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;
- (II) A building permit to construct at least one nontransient dwelling unit has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;

- (III) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right;
  - (IV) The unimproved air rights lot appertains to improved Class 1 Property;
- (V) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or
- (VI) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.
- (ii)(I) Classification of unimproved real property as Class 1 Property pursuant to sub-subparagraph (i)(I), (II), (III), or (IV) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.
- (II) Notwithstanding sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefited from an exemption under sub-subparagraph (i) of this subparagraph or under subsection (c-6)(2)(C) or (c-6) (2)(E) of this section, other than under sub-subparagraph (i)(V) or (VI) of this subparagraph or a similar provision of subsection (c-6)(2)(C), for 3 or more tax years shall no longer be classified as Class 1 Property beginning in tax year 2008.
- (III) For purposes of this sub-subparagraph, ownership shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.
- (F) Unimproved real property which is separated from Class 1 Property by a public alley less than 30 feet wide shall be classified as Class 1 Property if:
  - (i) The real property is less than 1,000 square feet;
- (ii) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right; and
- (iii) The real property and the Class 1 Property separated by the alley from the real property have common ownership.

- (3)(A) Except as otherwise provided in this paragraph, Class 2 Property shall be comprised of improved commercial real property; provided, that such improved real property shall not be classified as Class 2 Property if it appears on the list compiled under § 42-3131.16.
- (B) Unimproved real property benefiting from an exemption under subsection (c-6)(3)(C) of this section on December 27, 2006 shall continue to benefit from the exemption and be classified as Class 2 Property for the duration permitted under subsection (c-6)(3)(c) of this section; provided, that the exemption shall not be valid after September 30, 2007; provided further, that the unimproved real property may qualify for an exemption in effect after December 28, 2006 and subject to the time restriction and exclusion set forth in subparagraph (E)(ii)(II) of this paragraph.
- (C) Real property used as a parking lot shall be classified as Class 2 Property if each approval required from the District government for use as a parking lot has been obtained.
- (D) Unimproved real property which abuts Class 2 Property shall be classified as Class 2 Property if the real property and the Class 2 Property have common ownership.
- (E)(i) Unimproved, commercial real property shall be classified as Class 2 Property if:
- (I) The real property is actively offered for sale or rental at a reasonable market price as of September 30 of the preceding tax year or as of March 31 of the current tax year, provided, that a real property which has been offered for sale for more than 8 months shall be presumed not to be offered for sale at a reasonable market price, and a rental offered for rental for more than 90 days shall be presumed not to be offered for rental at a reasonable market price;
- (II) A building permit to construct an improvement or a parking lot has been issued and construction is actively pursued as of September 30 of the preceding tax year or as of March 31 of the current tax year;
- (III) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right;
  - (IV) The unimproved air rights lot appertains to improved Class 2 Property; or
- (V) For a period not to exceed 12 months, the real property is the subject of a pending application for a necessary approval for development before the Board of Zoning Adjustment, the Zoning Commission for the District of Columbia, the Commission on Fine Arts, the Historic Preservation Review Board, the Mayor's Agent for Historic Preservation, the Department of Public Works, or the National Capital Planning Commission; or

- (VI) For a period not to exceed 12 months, the real property is encumbered by a deed of trust that was recorded during the 12 months preceding the current tax year.
- (ii)(I) Classification of unimproved real property as Class 2 Property pursuant to sub-subparagraph (i)(I), (II), or (III) of this subparagraph shall not exceed 3 tax years under the same, substantially similar, or related ownership.
- (II) Notwithstanding sub-sub-subparagraph (I) of this sub-subparagraph, unimproved real property under the same, substantially similar, or related ownership that qualified for and benefited from an exemption under sub-subparagraph (i) of this subparagraph or under subsection (c-6)(3)(C) of this section, other than under sub-subparagraph (i)(IV) or (V) of this subparagraph or under a similar provision of subsection (c-6)(3)(C) of this section, for 3 or more tax years shall no longer be classified as Class 2 Property beginning in tax year 2008.
- (III) For purposes of this sub-subparagraph, ownership shall be related if a deduction for a loss from the sale or exchange of properties between taxpayers would be disallowed under section 267 of the Internal Revenue Code of 1986, approved August 16, 1954 (68A Stat. 78; 26 U.S.C. § 267); provided, that the exclusion under section 267(a)(1) for a loss in a distribution in a complete liquidation shall not apply.
- (F) Unimproved real property which is separated from Class 2 Property by a public alley less than 30 feet wide shall be classified as Class 2 Property if:
  - (i) The real property is less than 1,000 square feet;
- (ii) The zoning regulations adopted by the Zoning Commission for the District of Columbia do not allow the building of any structure on the real property as a matter of right; and
- (iii) The real property and the Class 2 Property separated by the alley from the real property have common ownership.
- (G) Class 2 Property shall include, as of September 30 of the preceding tax year, the unimproved real property that is within the Northeast No. 1/Eckington Yards Special Treatment Area and the Buzzard Point/Near Southeast Development Opportunity Area, as designated on the current District of Columbia Generalized Land Use Map that is part of the Comprehensive Plan; provided, that the real property is zoned for commercial development and the real property owner is engaged in predevelopment activities as supported by written documentation. For the purpose of this subparagraph, the term "predevelopment activities" means completion of one of the following:
  - (i) Preparation of subdivision or large tract review applications;

- (ii) Preparation or application for District of Columbia permits or authorizations to proceed with development;
- (iii) Participation in special planning or transportation studies prepared in conjunction with the District of Columbia; or
- (iv) Completion of environmental assessment or mitigation studies prepared in conjunction with the District of Columbia.
- (4) Class 3 Property shall be comprised of all real property which cannot be classified as Class 1 Property or Class 2 Property.