

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to amend Title 47 of the DC Official Code to provide for more timely classification changes for commercial properties that are to be put to residential use; to provide for an application process to make classification changes; to provide for appeal rights if such application is denied; and to provide for a claw back in the event the real property is not timely put to residential use.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Residential Building Permit Classification Emergency Declaration Resolution of 2026”.

Sec. 2. (a) On March 4, 2025, the Council approved the “Residential Building Permit Classification Emergency Amendment Act of 2025” (D.C. Act 26-33)(“emergency act”) in response to a policy enacted by the Office of Tax and Revenue on October 1, 2024 whereby developers converting a commercial property to a residential property could not benefit from a change in classification from Class 2 to Class 1 until construction was “100 complete” and the building was “in actual use.”

(b) The emergency act clarified that developers may have commercial-to-residential reclassified after a building permit has been issued to construct a new improvement or

33 substantially rehabilitate an existing improvement. The emergency act became applicable on
34 April 1, 2025 and expired on June 19, 2025.

35 (c) The Council approved identical temporary legislation on April 1, 2025 (D.C. Law 26-
36 15). The temporary legislation became law on June 27, 2025 and expired on January 28, 2026.
37 As such, there is a need to approve additional emergency legislation with an applicability date of
38 January 28, 2026 to ensure that there is no gap in the law.

39 Sec. 3. The Council determines that the circumstances enumerated in section 2 constitute
40 emergency circumstances making it necessary that the Residential Building Permit Classification
41 Emergency Amendment Act of 2026 be adopted after a single reading.

42 Sec. 4. This resolution shall take effect immediately.