



COALITION FOR
SMARTER GROWTH

Celebrating 10 Years of Smart Growth!

11/13/2008

Testimony before the DC City Council Committee on
Workforce Development and Government Operations, regarding:

Bill No. 17-0112

The Mixed-Income Housing Amendment Act of 2007
Support with Amendments

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Good afternoon Chairman Schwartz, and thank you for the opportunity to speak. My name is Melissa Bondi, and I serve as the Housing Director for the Coalition for Smarter Growth. The Coalition is a regional non-profit headquartered in Washington, DC that supports communities in accommodating appropriate growth and development while providing more housing and travel choices within the District and our greater metropolitan area.

The Coalition applauds Councilmember Graham for his support of including a guaranteed affordable housing component on all future residential development on public land. Affordable housing remains a critically important need in our community and our economy.

In particular, the proposed legislation:

- Provides accountability for any current or future administration to ensure explicit affordable housing commitments are met on public lands
- Recognizes the critical importance of providing significant affordable housing through any residential development on public land
- Supports creation of more mixed-income communities across DC
- Allows the District and the community to meaningfully realize the benefits of increased public land value

Remarkable increases in land values make it more challenging even for nonprofit developers to produce new affordable housing. On public lands, we have a tremendous opportunity to translate that high value into new affordable homes, helping our community realize direct benefits without needing to expend additional tax dollars to achieve them. With specific amendments, this could be truly landmark legislation.

Any mixed-income legislation should include the following amendments to be successful and equitable across all communities:

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1) Increase the set aside for affordable housing to 30% of total residential units.

The District's public lands are extremely valuable resources – any required community benefits should reflect that full value back to the community. The Council has recognized that public lands provide unique, critical opportunities to help meet the need for affordable housing across the District. The share of affordable housing on these lands should be no less than committed in the Anacostia Waterfront portfolio.

2) Ensure that the affordable housing benefit is achieved by using the land value of the public parcels.

The significant value of the public lands should be the first source of subsidy to achieve the affordable units. The cost of the affordable units should be fully subtracted from the land value before any additional housing subsidies are requested.

As well, the affordable housing units should be a priority among community benefits in residential developments on public lands. Additional site-area criteria can be established to further respond to our many affordable housing needs - for example, those that provide units at the lowest income levels.

3) Change maximum income levels of affordability to:

- o Rental projects:
15% @ 30% of the Area Median Income (\$28,350 for a family of four) and
15% @ 60% AMI (about \$56,700 for a family of four)
- o Ownership projects:
15% @ 60% AMI and
15% @ 80% AMI (about \$75,000 for a family of four)

Rental units are needed most at lower income levels – especially on public lands, where the negotiated land price truly helps buy down the units.

4) Extend the length of affordability of the units to the lifetime of the project.

The community benefits to DC residents should last as long as any development itself when the District uses public assets to subsidize affordable housing production.

The benefits of affordable home ownership, including equity-sharing, can be realized at city-owned neighborhood locations throughout the District. These units can be maintained as affordable to subsequent future low- & moderate-income families. Montgomery County MD has a 99-year affordability standard for its housing units, and even Arlington County and others in VA are regularly achieving 60-year commitments and beyond for affordable units.

We welcome the opportunity to discuss this with you in more detail. Thank you for your consideration and attention to this important issue.