

The Disposition of District Land for Affordable Housing Amendment Act of 2013

Council Bill 20-594 was introduced by Councilmember Kenyan McDuffie. It uses public land dispositions, which offer a significant source of new housing production, to better leverage & expand affordable housing opportunities.

WHAT DOES THIS BILL DO?

Application

The requirements would apply whenever a private residential development occurs on public land that the District has disposed of.

Affordable Housing Set-Asides

Require a percentage of housing units to be permanently affordable:

- 30% for developments in areas with transit access—within ½ mile of a Metro station, or ¼ mile of a major bus route or streetcar line.
- 20% for developments in all other areas.

Affordability

Ensures households will pay no more than 30% of their gross income on housing, including rent or mortgage payments, utilities, and condo fees.

Subsidy

Subsidize affordable units by disposing of public land for less than its appraised value. The Mayor may waive the affordable housing requirements if the District's Chief Financial Officer certifies that the land subsidy is insufficient, taking into account all available sources of public support, and that the development realizes affordable housing to maximum extent.

WHY DO WE NEED THIS BILL?

Very low- and low-income households face the greatest housing challenges in the District. In 2010, 51,150 (one in five) D.C. households spent more than half their income on housing.¹ This “severe housing burden” leaves little income left for basic necessities. Nine out of 10 D.C. rental households with a severe housing burden earn less than 50 percent of the area median income (AMI)² (\$48,300 a year for a family of three). The District has a variety of tools to assist these households, but limited resources to meet the need. Public land dispositions, which offer a significant source of new housing production, could be better leveraged to expand affordable housing opportunities for these households.

WHO DOES THIS BILL HELP?

Renters: One will be affordable to very low-income households (incomes up to 30% AMI, or \$29,000 for a family of three). Three quarters will be affordable to low-income households (incomes between 30-50% AMI, or between \$29,000 and \$48,300 for a family of three).

Homeowners: Half will be affordable to low-income households and half will be affordable to moderate-income households (incomes between 50-80% AMI or between \$48,300 and \$78,200 for a family of three).

BENEFITS OF THE BILL

Requiring affordable housing on public land will allow the District to use an off-budget asset— public land—to maximize affordable housing production. Such a tool is particularly important given the District's limited ability to incur debt. It will also help preserve mixed-income, inclusive neighborhoods.

¹ Jenny Reed. “Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs.” DC Fiscal Policy Institute, May 2012.

² Ibid.