

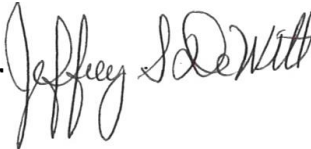
Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: June 26, 2014

SUBJECT: Fiscal Impact Statement – “Disposition of District Land for Affordable Housing Amendment Act of 2013”

REFERENCE: Bill 20-594, as Introduced

Conclusion

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the legislation.

Background

The bill requires that when the District disposes of real estate, which will then be developed as a residential project with 10 or more units, the project will be subject to the following new affordable housing requirements:

- The development must have at least 30 percent affordable¹ units if it is located within a half a mile from a Metro station, a quarter mile from a streetcar, or a quarter mile from a Priority Corridor Metrobus Route; and
- If located outside those areas, the development must have 20 percent affordable housing. The affordable units must remain affordable for the life of the building.

¹ Affordable is defined in the bill for rental developments as those with 25 percent of units having very low income households (consisting of one or more persons with total income less than 30 percent of area median income (AMI)) and 75 percent low income households (consisting of one or more persons with total income between 30 and 50 percent of AMI), all of whom must be paying no more than 30 percent of income for housing costs. Housing costs include rent and utilities. If a unit is owned, 50 percent of units must have low income households and 50 percent must have moderate income households (consisting of one or more persons with total income between 50 and 80 percent of AMI). All must not be paying more than 30 percent of income toward housing costs. Housing costs for owned units include mortgage payments (including interest), property insurance, taxes, fees and utilities.

The Honorable Phil Mendelson

FIS: "Disposition of District Land for Affordable Housing Amendment Act of 2013" Bill 20-594, as Introduced.

The Mayor would be required to take affordable housing requirements into account when establishing the terms and conditions for a given disposition. The Mayor would also be required to establish a formula to determine the purchase price for a subsequent sale of affordable units. The developer could seek a waiver of affordable housing requirements if the Chief Financial Officer certifies that the appraised value of the property is insufficient to support the affordability requirements, or the terms maximize the extent to which affordable housing can be achieved in the development.

Lastly, the bill specifically excludes any disposal of the shelter at 425 2nd Street, NW from the bill's requirements, unless all of the proceeds from the sale are used for construction of new shelter space and affordable housing to serve homeless populations.

Financial Plan Impact

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the legislation. Subjecting developers to these affordable housing requirements would not burden the District's budget.