

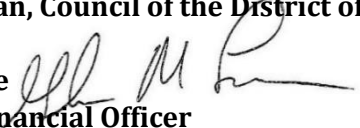
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee 
Chief Financial Officer

DATE: October 14, 2026

SUBJECT: Fiscal Impact Statement – Fair Share Housing Targets Act of 2026

REFERENCE: Bill 26-0556, Draft Committee Print as provided to the Office of
Revenue Analysis on September 28, 2026

Conclusion

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the approval resolution. The bill has a one-time cost of \$500,000 commencing in fiscal year 2027.

Background

The District's Comprehensive Plan (Plan)¹ is a general policy document, the purposes of which include directing both public and private development toward shared goals. In 2021, the District adopted the most recent amendments to the Plan, and a full rewrite commenced in 2025.²

The Plan contains 13 Citywide Elements³ that provide goals, objectives, and policies for land use issues that impact the whole city, and 10 Area Elements,⁴ which provide the same, specific to

¹ D.C. Official Code § 1-306.01.

² District of Columbia Office of Planning. (2026, August 27). *Office of Planning*. Retrieved from Comprehensive Plan: <https://planning.dc.gov/comprehensiveplan>.

³ Land Use; Transportation; Housing; Economic Development; Parks, Recreation, and Open Space; Educational Facilities; Environmental Protection; Infrastructure; Urban Design; Historic Preservation; Community Services and Facilities; Arts and Culture; Implementation.

⁴ Capitol Hill; Central Washington; Far Northeast and Southeast; Far Southeast and Southwest; Lower Anacostia Waterfront and Near Southwest; Mid-City; Near Northwest; Rock Creek East; Rock Creek West; Upper Northeast.

geographic areas of the city. The bill uses the term Planning Area⁵ instead of Area Elements with regard to addressing housing production and affordable housing targets.

The Mayor's Order on Housing⁶ set a goal of producing 36,000 new homes by the year 2025, including 12,000 affordable units. In furtherance of the Mayor's Order, the Office of Planning released the "Housing Equity Report: Creating Goals for Areas of Our City" in October 2019⁷, an analysis of existing affordable housing distribution and specific housing production goals by Planning Area. In 2024, the District met its total housing goal. While the District met its total affordable housing goal in 2026⁸, six of the 10 Planning Areas did not meet their respective 2025 affordable housing targets. The purpose of the bill is to both codify current practices around target-setting and to establish a process for assessing and remedying housing production barriers for any Planning Area that does not meet a housing target, presently or in the future.

The bill requires the Mayor to publish⁹ housing production targets for each Planning Area in the District and send them to the Council. These targets must include:

- The number of new housing units to be produced;
- A specific target for affordable housing¹⁰; and
- A target start date that falls within the same calendar year the targets are transmitted to the Council.

Housing production targets established pursuant to the bill must include specific goals for producing units of various bedroom sizes. The affordable housing target must include specific goals for delivering units at different affordability levels. The bill specifies that these goals are subordinate to the main housing production and affordable housing targets.

Newly covenanted existing units are considered new dedicated affordable units¹¹ that are created through establishing affordability covenants on existing housing units that do not currently have an affordability covenant. The District subsidizes affordable housing primarily through gap financing

⁵ Defined as a geographic area defined in in the Comprehensive Plan for the National Capital, as established by the Comprehensive Plan Amendment Act of 2020 (D.C. Law 24-0020; 68 DCR 10052); or a geographic area defined by a future Comprehensive Plan approved pursuant to the District of Columbia Comprehensive Plan Act of 1984 (D.C. Law 5-76; D.C. Official Code § 1-306.01 et seq.).

⁶ Mayor's Order 2019-036 (May 10, 2019), available at https://planning.dc.gov/sites/default/files/dc/sites/op/page_content/attachments/2019-036%20Housing%20Initiative%20%285.9%29.pdf.

⁷ The report was a collaboration between the Office of Planning (OP) and Department of Housing and Community Development (DHCD) that provides an analysis of current affordable housing distribution and proposes specific targets by 2025. It may be accessed here: <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Housing%20Equity%20Report%2010-15-19.pdf>

⁸ The Raising the Bar for Housing Equity report may be accessed here: https://housing.dc.gov/sites/default/files/dc/sites/housingdc/page_content/attachments/RaisingtheBarforHousing.pdf.

⁹ Within 180 days of the effective date and then every five years.

¹⁰ Must include both newly-produced affordable housing and conversions from market rate units to affordable housing units.

¹¹ Dedicated affordable housing is income- and rent-restricted housing supported or subsidized by local and federal programs for households ranging from extremely low-income earning less than 30 percent of the Median Family Income (MFI) up to households earning less than 80 percent of the MFI.

from the Housing Production Trust Fund (HPTF)¹². The bill requires the housing targets methodology to denote that the addition of new affordable housing covenants to existing units may count toward the affordable housing target, but cannot count toward the housing production target.¹³ Further, the bill restricts existing affordable housing that is preserved through subsidies or other support from contributing towards fulfillment of the affordable housing target.

The bill requires the Mayor maintain a publicly accessible dashboard¹⁴ that tracks progress toward the District's housing targets. The dashboard must show the affordability level and number of bedrooms produced in each Planning Area. The dashboard must also distinguish between affordable housing created through new construction and affordable housing created from existing units. DMPED currently publishes and maintains a dashboard tracking the 36,000 goal.¹⁵

The bill establishes analysis and remedy procedures for Planning Areas that fail to meet required housing production or affordable housing targets, beginning with the goals established by the Mayor in 2019.¹⁶

For each Planning Area that has failed to meet the production or affordable housing targets, the bill requires the Mayor to select either the Office of the Attorney General (OAG) or an independent evaluator to identify impediments to meeting housing and affordable housing targets, and propose remedies. The evaluator must provide a report on its findings to both the Mayor and the Council. The evaluator may also petition¹⁷ the Zoning Commission for zoning amendments related to the Planning Area, submit filings to the Historic Preservation Review Board¹⁸, and participate in relevant proceedings¹⁹. Authority granted to the evaluator commences on the date the report is transmitted to the Council and remains in effect until the target date for the next set of housing targets²⁰. Lastly, the bill authorizes the Mayor to submit Plan amendments to the Planning Area Element, the Future

¹² D.C. Official Code § 42-2802.

¹³ The Inclusionary Zoning program creates mixed income developments by requiring affordable housing units in exchange for bonus density. The Department of Housing and Community Development (DHCD) monitors and enforces Inclusionary Zoning (IZ) and Affordable Dwelling Units (ADUs) throughout the city. IZ requires that a certain percentage of units in a new development or a substantial rehabilitation that expands an existing building set aside affordable units in exchange for bonus density. ADU is an umbrella term applied to homes that are locally restricted for occupancy by households whose income falls within a certain range and are offered at a below-market rate. The IZ covenant may be accessed here: <https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Fillable%20Inclusionary%20Zoning%20Covenant%20%282024-8-26%29%20-%201909%20MLK.pdf>.

¹⁴ Updated at least quarterly.

¹⁶ Applicable to any Planning Area that either misses its targets by the specified date or has not produced enough housing by January 1, 2026, to meet goals outlined in the Mayor's Order 2019-036 and Figure 6 or Appendix 2 of the "Housing Equity Report: Creating Goals for Areas of Our City," published October 2019. report may

¹⁷ Pursuant to Chapters 4, 5, and 13 of Subtitle X of Title 11 of the District of Columbia Municipal Regulations

¹⁸ Pursuant to 10 DCMR § C221[MD(9.1)].

¹⁹ Before the Zoning Commission, the Board of Zoning Adjustment, the Historic Preservation Review Board, or the Council. The evaluator shall be granted party status in such proceedings as applicable, provided that the evaluator's engagement is related to analysis and remedies.

²⁰ Unless the Mayor submits to Council, and the Council approves, a resolution removing the evaluator.

Land Use Map²¹, or other relevant elements of the Plan to address barriers to housing production. These amendments may be submitted at any time.²²

Financial Plan Impact

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the approval resolution. The bill costs \$500,000 in fiscal year 2027 and across the financial plan.

Six of the 10 Planning Areas did not meet their respective 2025 affordable housing target, and the bill establishes analysis and remedy procedures to address these Planning Areas beginning 120 days after enactment. The bill requires the Mayor to select either the OAG or appoint an independent evaluator to identify impediments to meeting housing and affordable housing targets and propose remedies, and submit a report to both the Mayor and Council. The work of the evaluator is expected to include participating in zoning hearings, including with party status. Whether the Mayor selects OAG or an independent evaluator, outside subject matter expertise will be required. The cost for this expertise is \$500,000 in fiscal year 2027 and across the financial plan.

The bill also requires the Mayor to publish housing and affordable housing targets per Planning Area within 180 days of the bill’s enactment and then once every five years. The first new set of targets will be subject to the analysis and remedy provisions of the bill outside of the financial plan and any subsequent costs may be addressed through a future budget proposal. The bill requires the Mayor to maintain a publicly accessible dashboard that tracks progress toward the District’s housing and affordable housing targets. The Mayor can use existing staff to continue to update the current dashboard to report the new housing metrics as required by the bill.

²¹ Available at: <https://planning.dc.gov/page/comprehensive-plan-future-land-use-maps>.

²² Notwithstanding the requirements of section 8 of the District of Columbia Comprehensive Plan Act of 1984 (D.C. Law 5-76; D.C. Official Code § 1-306.04).