

PUBLIC HEARING ON
“Disposition of District Land for Affordable Housing
Amendment Act of 2013”

Before the
Committee on Economic Development
Council of the District of Columbia

The Honorable Muriel Bowser, Chairperson

May 29, 2014, 10:00 a.m.
Room 120, John A. Wilson Building



Testimony of
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Good afternoon, Chairwoman Bowser and Members of the Committee on Economic Development. My name is John Ross, Senior Advisor and Director of Economic Development Finance for the Office of the Chief Financial Officer (OCFO). I am pleased to testify for the Office of the Chief Financial Officer on the Disposition of District Land for Affordable Housing Amendment Act of 2013.

The bill sets forth new requirements for the proposed disposition of District-owned properties that are intended to be used for residential purposes and include 10 or more units. Under the bill, developers of such properties would be required to set aside 20 - 30% of the residential units as affordable housing units, unless the Chief Financial Officer certifies that the value of the property to be disposed of is insufficient to support the affordable housing requirements. Such CFO certification would need to take into account all available local and federal sources of funding for affordable housing. Further, the certification is required to demonstrate that the terms and conditions of the proposed disposition maximize the extent to which the bill's affordable housing requirements can be realized.

If Council decides to adopt the legislation, the OCFO can perform the necessary analysis and deliver the certifications required under the bill. In order to complete our analysis and certifications, the OCFO will request certain information about the property in question and about the proposed residential project. Such information may include the developer's construction cost estimates, financing commitments, and

projected cash flows. Upon enactment of the legislation, the OCFO will inform the Mayor's office of the exact information requirements and publish such requirements on our website.

Current District law regarding Inclusionary Zoning compliance allows developers to apply to build affordable unit requirements in an alternative, off-site location. Council may want to consider clarifying this disposition legislation to specify how the OCFO's analysis should treat any developer production of affordable units in an off-site location.

Finally, to clarify our understanding of the legislation as drafted, the bill would not require the OCFO to analyze any disposition agreements that did not include building residential units. Also, because the legislation only affects proposed land disposition agreements submitted by the Mayor for Council approval, the OCFO would not analyze any developer responses to disposition RFPs (Requests for Proposals) not selected by the Mayor.

Thank you for the opportunity to testify. This concludes my testimony and I am happy to answer any questions you have at this time.