

HOUSING + ECONOMIC DEVELOPMENT

MODEL RESOLUTION PACKAGE

From Process to Production

Five companion resolutions for introduction by the Council of the District of Columbia, structured to advance together as one production-restoration strategy. The framework is offered with application to other local governments and the greater DMV metro region.

5

RESOLUTIONS

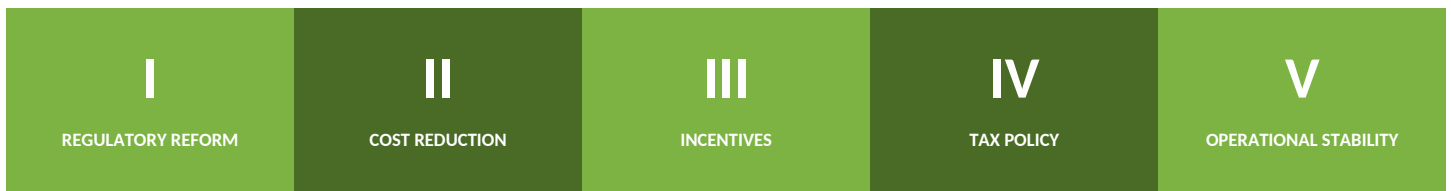
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ACTION ITEMS

30+

IMPLEMENTING AGENCIES

FIVE STRATEGIC LEVERS · *organizing the package*



A Foreword to the DMV

The DMV faces a convergence of housing-affordability and economic-competitiveness challenges that incremental policy adjustment will not resolve in the next decade. Multifamily production has fallen to a fifteen-year low. Office vacancy sits above twenty percent. Affordable housing operators are absorbing more than a billion dollars in arrears. Tax competitiveness is ranked among the worst on the Eastern Seaboard. The region has spent decades cultivating one of the country's most vibrant economies and most consequential housing markets — and the trajectory of the next decade will be set by what we do now.

Maintaining and enhancing that vibrancy will require bold ideas and decisive action, not procedural adjustment. The package in your hands proposes both.

HOW WE GOT HERE

At ULI Washington's Future Forum 2025, the Collaborative Regional Economic Development (CRED) Council introduced five strategic levers — **Regulatory Reform, Cost Reduction, Incentives, Tax Policy, and Operational Stability** — as a framework for restoring housing production and economic competitiveness in the District of Columbia, with implications for the broader DMV region.

WHAT HAPPENS NEXT

This Model Resolution Package is the first detailed expression of that framework. It is also a working draft — released now to begin a transparent, collaborative process to refine the twenty-five proposed actions. Over the coming months we will hold a series of public workshops and one-on-one meetings with elected officials to review, discuss, and refine each action, identifying concerns or risks that must be considered and mitigated for adoption.

At **Future Forum 2026 in November**, we will present findings to industry and community partners. In 2027, our work will turn to building the consensus and coalition required for introduction and implementation.

Other groups across the region are pursuing complementary initiatives, and we will engage with them to share ideas and absorb theirs. Our process aims to be more transparent — open-source in the literal sense, with the reasoning, the evidence, the objections raised, and the consensus built all visible to anyone seeking to understand how a package of this kind gets developed. ULI Washington will publish a series of web articles and additional reference materials throughout 2026 and 2027 to keep the region updated on this initiative.

JOIN THE CONVERSATION

We invite every reader — residents, employers, elected officials, real estate industry leaders, and community organizations across the District, Maryland, and Virginia — to participate in this feedback loop. The ideas in this package are stronger when shaped by the people who will live with their consequences.

To engage, contact ULI Washington at washington@uli.org.

LEVER SUMMARY

Twenty-Five Resolution Actions

Across five interlocking levers, designed to advance together.

LEVER 1 | REGULATORY REFORM *Remove barriers; restore predictability.*

1 Expand By-Right Zoning Everywhere It Makes Economic Sense
Permit 200 units per acre by-right near rail stations and bus corridors, graduated density bonuses for land assemblage, fourplexes replacing single-family zoning, and housing in industrial and institutional zones.

2 Streamline Rezoning and Permitting Processes
End discretionary review, eliminate mandatory hearings for routine projects, cap all review timelines, and apply deemed-approval when agencies miss deadlines across zoning, ANC, HPRB, and BZA.

3 Stop Endless Appeals From Blocking Approved Housing
Limit standing, require particularized harm, impose filing deadlines and appeal bonds, shift fees for frivolous appeals, eliminate automatic stays, and bar duplicative litigation.

4 Fix the Comprehensive Plan
Make the Future Land Use Map advisory, quantify density categories, remove subjective language used in lawsuits, resolve inter-element contradictions, and provide safe harbor for conforming projects.

5 Operationalize the Comp Plan Through Annual Updates
Convert the Comp Plan to annual rolling amendments, then direct the Office of Zoning to initiate a citywide map amendment within 90 days of each adoption to bring zoning into automatic conformance.

LEVER 2 | COST REDUCTION *Bring construction economics back into reach.*

6 Modernize the Building Code to Match Best Practice
Authorize single-stair buildings up to six stories, mass timber, modular construction, wood-frame to seven stories, SROs and shared-bath housing, and architect self-certification on small projects.

7 Cut Permit and Inspection Time in Half
Run all reviews concurrently with binding 90-day caps and auto-approval if missed, hire more inspectors, and authorize third-party private inspections for routine residential approvals.

8 Eliminate Parking Minimums and Authorize Courtyard-Block Development
End minimum parking requirements citywide, authorize higher lot coverage when interior courtyards are provided, and reduce setbacks for assembled parcels to enable European-style perimeter-block buildings.

9 Anchor a Regional Modular Industry and Bulk-Buy Materials
Require modular construction on District-funded large projects, negotiate a tri-jurisdictional modular compact with Maryland and Virginia, and aggregate materials procurement across all District affordable housing.

10 Eliminate Sales Tax on Affordable Housing Construction Materials
Establish a comprehensive sales tax exemption for construction materials, fixtures, and equipment used in affordable housing projects, available as-of-right upon documentation.

LEVER 3 | INCENTIVES *Build capacity to attract investment and jobs.*

11 **Build a District Housing Production Authority With Real Powers**
Create a quasi-independent Production Authority with bonding, eminent domain, land banking, equity-stake authority, and a 30% portfolio target — and expand DCHA's authority for mixed-income redevelopment.

12 **Partner With GSA on Federal Property to Maximize Value**
Replace fire-sale auctions with profit-share dispositions that generate more federal revenue over time, give DC right of first refusal, and prevent market crashes from federal property oversupply.

13 **Consolidate Land Use Administration Into One Department and Court**
Merge Planning, Zoning, and Buildings into a single Department of Land Use, combine the Zoning Commission and BZA into one body, and establish a specialized Housing Court.

14 **Pay for Jobs Delivered: Performance-Only Incentives**
Pay incentives only after employers deliver — scaled to actual jobs created, payroll generated, and capital invested — through a \$500 million fund competing with Virginia for anchor relocations.

15 **Build a District Sovereign Wealth Fund From Public Investment**
Aggregate returns from federal property profit-shares, Production Authority development, equity capture, and joint ventures into a permanent capital base that recycles into new housing production.

LEVER 4 | TAX POLICY *Realign rates to reward productive use.*

16 **Tax Land More Than Buildings to Reward Development**
Phase in split-rate taxation to promote density on underutilized land, 20-year assessment freeze on new construction, continuous vacancy tax graduation to 10% over 5 years followed by automatic property auction.

17 **Unlock Trapped Real Estate Capital Through Reinvestment Relief**
Eliminate DC capital gains tax when proceeds from real estate sales are reinvested in qualifying DC housing production within 12–24 months — directly attacks the office-to-residential conversion stall.

18 **Become a Top-10 Business Environment Through Targeted Tax Reform**
Cut rates immediately for priority growth sectors (AI, life sciences, advanced manufacturing), phase broader cuts on defined schedule, eliminate UBFT & Personal Property Tax, align capital gains federally.

19 **Establish a Standing TIF Authority**
Create District TIF Authority with delegated power to designate districts within Council-approved criteria, issue bonds without project-by-project Council approval, compress designation timelines from 12–24 months to 60–90 days.

20 **Create One Agency to Negotiate Major Investment Deals**
Establish a District Investment Promotion Agency as the single negotiating authority for major investment packages combining incentives, tax reductions, regulatory accommodations, and pay-for-performance terms.

21

Accelerate Eviction and Nonpayment Process to Regional Parity

Restore the protective-order requirement and 90-day initial-hearing deadline stripped from the RENTAL Act, seat two additional Landlord-Tenant magistrates, and target a 120-day median resolution time to match Maryland and Virginia practice.

22

Guarantee Voucher Payment Reliability and DCHA Performance

Codify statutory targets of 90% DCHA public-housing occupancy and 95% voucher utilization, authorize a payment service-level agreement with escrow HAP at lease execution, and permit third-party HQS inspections.

23

Reform Income-Restricted Property Tax Assessment

Direct OTR to assess covenant-restricted properties using the income approach reflecting actual restricted rents rather than market-rate comparable sales, modeled on Maryland Tax-Property Code §8-105 and Virginia Code §58.1-3295.

24

Restructure HPTF as the Housing Opportunity Fund

Move B26-0597 to passage, make the 50% ≤30% AMI carve-out legally binding, require the public loan database mandated by D.C. Code, and couple the Affordable Housing Subsidy account to a multi-year LRSP commitment.

25

Establish a Public Housing-Stability Dashboard

Publish a single monthly dashboard reporting nonpayment case-age, voucher utilization, IZ lease-up times, Housing Opportunity Fund deployments by AMI tier, and DCHFA portfolio distress indicators.

DISTRICT OF COLUMBIA COUNCIL
RESOLUTION I
LEVER 1 · Regulatory Reform

A RESOLUTION to restore predictable, time-bounded land-use approvals in the District of Columbia by expanding by-right zoning along transit corridors and in underutilized zones; by streamlining rezoning and permitting across all reviewing agencies; by limiting standing and imposing decisional shot-clocks and appeal bonds in zoning appeals; by repairing the Comprehensive Plan and Future Land Use Map to remove the litigation hook; and by converting the Comprehensive Plan to an annual rolling amendment cycle with automatic zoning conformance.

Introduced by: _____ Date: _____

WHEREAS — Findings of Fact

WHEREAS, multifamily housing production in the District of Columbia has collapsed to a fifteen-year low, with only 932 rental units beginning construction in calendar year 2024 — a 79 percent year-over-year decline from 4,474 units in 2023 — and only 1,372 multifamily units permitted in 2025 against 7,234 in 2022, per the Washington DC Economic Partnership DC Development Report 2024–2025, the U.S. Census Bureau Building Permits Survey, and the D.C. Policy Center's 2026 paper “Breaking the scarcity-subsidy cycle”; this collapse is a fiscal as well as a housing crisis, because the District cannot sustain its public commitments without restoring private investment to the multifamily sector; and

WHEREAS, the District's planned unit development process is functionally suspended by serial litigation, with the Coalition for Smarter Growth tracker documenting approximately 4,593 homes (including 706 dedicated affordable homes) delayed since 2012 and at least 13 active projects totaling over 3,600 units presently stalled on appeal; the doctrinal driver of this paralysis is the DC Court of Appeals' ruling in *Durant v. District of Columbia Zoning Commission*, 139 A.3d 880 (D.C. 2016), which held that the Future Land Use Map “carries the same legal weight as the Plan document itself” and that density must be judged by a building's “actual physical characteristics,” followed by *Friends of McMillan Park v. DC Zoning Commission*, 149 A.3d 1027 (D.C. 2016), which vacated the 25-acre McMillan PUD on the same doctrine; and

WHEREAS, the 901 Monroe Street PUD in Brookland — the District's first appealed PUD — was approved, vacated, re-approved, and re-vacated three times between 2010 and 2016 before the Court of Appeals refused a fourth remand and vacated the project outright, and companion multi-year delays at the St. Joseph's Seminary townhome PUD and at the Bruce Monroe / Park Morton public housing redevelopment confirm a structural problem rather than isolated bad facts; the underlying problem is that DC zoning appeals are filed for \$100, carry no party-status threshold, and trigger automatic financing freezes of two to three years regardless of merit; and

WHEREAS, the Board of Zoning Adjustment is presently incapable of functioning: as of April 2026, four of five seats are vacant — all three mayoral appointees and the National Capital Planning Commission designee — forcing the Office of Zoning to administratively reschedule numerous mid-March through May 2026 hearings; the Mayor's nominees Paul Goldstein (referred April 21, 2026) and Michelle Pourciau (referred May 5, 2026) await confirmation, and there is no statutory shot-clock under D.C. Code § 6-641.07 requiring action; and

WHEREAS, peer jurisdictions have demonstrated that combining ministerial pathways, party-status limits on appeals, and an affirmative density rule restores housing production at scale: Auckland, New Zealand's 2016 Unitary Plan generated approximately 21,800 additional dwelling consents over 2016–2021 and three-bedroom home rents 26 to 33 percent below the counterfactual six years post-reform (Greenaway-McGrevy & Phillips 2023); New York City's City of Yes for Housing Opportunity, adopted December 5, 2024, drove a 22.8 percent year-over-year increase in permitted homes in its first year of implementation; and California's SB 35 / SB 423 streamlined ministerial pathway approved 21,227 units in 2021–2023 alone, 79 percent of them below market rate; and

WHEREAS, the Mayor and Chairman Mendelson have already conceded the diagnosis by introducing the Zoning Decision Appeals Amendment Act of 2025 (B26-0397) on October 3, 2025, which would limit judicial review to parties with formal party status or with property within 200 feet who participated below; the Council should pass a strengthened version of B26-0397, restore BZA quorum, embed a ministerial by-right pathway for code-conforming projects, and complete the DC 2050 Comprehensive Plan rewrite (Future Land Use Map released March 2026, public comment closed May 17, 2026) with the textual primacy of the Plan restored;

NOW, THEREFORE, BE IT RESOLVED that the Council of the District of Columbia hereby:

1 Expand By-Right Zoning Everywhere It Makes Economic Sense:

the Council shall, within 12 months of adoption of this Resolution, direct the Zoning Commission to amend the Zoning Regulations to permit multifamily residential development of up to 200 dwelling units per acre by right within one-half mile of any WMATA Metrorail station and within one-quarter mile of any Priority Bus Corridor designated by the District Department of Transportation, with the Office of Planning publishing proposed amendments for public comment within 180 days of enactment and the Zoning Commission holding a final action hearing within 270 days. The amendments shall further authorize graduated density bonuses for land-assemblage projects (up to 25 percent additional density for parcels combining two or more lots), shall replace single-family-only zoning with fourplex-by-right zoning across all R-1 and R-2 districts, and shall permit residential development by right in industrial and institutional zones subject to objective compatibility standards. The Department of Buildings shall issue permits for qualifying by-right projects within 90 days of complete application, with projects providing at least 20 percent of units at or below 80 percent of Area Median Income processed within 60 days. The Department of Buildings shall publish a quarterly dashboard reporting by-right project volume, AMI-band production, and median permitting timeline.

2 Streamline Rezoning and Permitting Processes Across All Reviewing Agencies:

the Council shall, within 12 months of adoption of this Resolution, enact a Unified Permit Timeline Act ending discretionary review for code-conforming residential projects and eliminating mandatory public hearings for routine projects across the Zoning Commission, the Office of Zoning, the Historic Preservation Review Board, the Board of Zoning Adjustment, the Department of Buildings, and the Advisory Neighborhood Commissions where ANC consultation is currently dispositive. Each named agency shall be required to act on a complete application within 90 days for projects up to 100 units and within 120 days for projects of 101 units or more, with deemed-approval by operation of law if the agency fails to act within the prescribed period, subject only to a documented life-safety or building-code defect finding. The Office of Planning shall publish, within 180 days of enactment, a unified application portal permitting cross-agency filing, real-time status tracking, and automated shot-clock monitoring across all named agencies. Each agency shall publish monthly performance metrics reporting median and 90th-percentile time-to-action, deemed-approval activations, and the volume of routine versus discretionary cases processed.

3 Stop Endless Appeals From Blocking Approved Housing Projects:

the Council shall enact the Zoning Decision Appeals Amendment Act of 2025 (B26-0397) within 120 days of adoption of this Resolution, with floor amendments establishing the following operational provisions. Standing to bring judicial review of any Zoning Commission, Board of Zoning Adjustment, or Mayor's Agent decision shall be restricted to parties with formal party status in the underlying proceeding and to owners or residents of property within 200 feet who participated in the underlying record, with appellants required to plead particularized harm distinct from generalized neighborhood concerns. Appellants shall be subject to a 30-day filing deadline running from the date the agency decision becomes final, shall post a bond equal to one percent of estimated project hard costs refundable upon a finding of substantial merit, and shall be liable for fee-shifting to the prevailing party in any appeal dismissed for lack of standing or failure to state a particularized harm. Building permits and certificates of occupancy for an appealed project shall remain in effect during the pendency of the appeal unless an appellant secures injunctive relief on the merits, and any second appeal of the same project on substantially the same grounds shall be barred as duplicative litigation. The Office of the Attorney General shall publish quarterly metrics on appeals filed, bonds posted, dispositions, fee-shifting orders, and median time from filing to disposition.

4

Fix the Comprehensive Plan to Remove the Litigation Hook:

the Council shall, within 18 months of adoption of this Resolution, complete the DC 2050 Comprehensive Plan rewrite with the Office of Planning as the implementing agency for amendment drafting, public engagement, and inter-element conflict resolution. The Comprehensive Plan Act amendments shall (a) provide that the Future Land Use Map is advisory rather than dispositive, with the textual elements of the Plan controlling in any conflict; (b) quantify each Future Land Use Map density category by an explicit floor area ratio range and dwelling-units-per-acre range, eliminating subjective “moderate density” language that has been the principal litigation hook in *Durant*, *Friends of McMillan Park*, and successor cases; (c) resolve identified inter-element contradictions between the Land Use, Housing, Transportation, and Environmental Elements through a Council-adopted reconciliation matrix; and (d) provide a statutory safe harbor deeming any project within ± 25 percent of the densest interpretation of overlapping FLUM categories to be conforming as a matter of law. The Office of Planning shall publish a public crosswalk identifying every Comprehensive Plan policy modified or repealed by the rewrite, with the rationale and the expected production effect, no later than 90 days before final action.

5

Operationalize the Comp Plan Through Annual Rolling Amendments and Automatic Rezonings:

the Council shall, within 24 months of adoption of this Resolution, enact an amendment to the Comprehensive Plan Act establishing that the Comprehensive Plan shall be subject to annual rolling amendment with a complete rewrite on a fixed 10-year cycle, replacing the current sporadic and lengthy amendment process. The Office of Planning shall submit a proposed annual amendment package to the Council by March 1 of each year, with Council action required by September 30 of the same year. Within 90 days of the Council's adoption of each annual amendment, the Office of Zoning shall initiate a conforming citywide map amendment to bring the Zoning Regulations into automatic conformance with the amended Plan, with the conforming amendment completed within 180 days of initiation. The Office of Planning shall publish, within each annual amendment cycle, a pipeline report identifying projects affected by the proposed amendments, expected production gains or losses, and a fiscal impact estimate prepared in consultation with the Office of the Chief Financial Officer.

ACCOUNTABILITY

BE IT FURTHER RESOLVED that the Office of Planning, in coordination with the Department of Buildings and the DC Auditor, shall report annually to the Council, beginning in FY 2027, on (a) the volume and disposition of zoning appeals filed at the DC Court of Appeals, (b) Planned Unit Development applications filed and dispositions, (c) the by-right versus PUD project split, and (d) median and 90th-percentile review times for residential projects at each named agency.

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, within 180 days of enactment, conduct a fiscal impact analysis of each measure resolved herein and report findings to the Council, with particular attention to expected effects on the FY 2027–2030 financial plan.

BE IT FURTHER RESOLVED that the by-right zoning expansion, the Unified Permit Timeline Act, the appeal-restriction provisions, and the Comprehensive Plan amendments shall each carry a five-year sunset, with the Council Committee on Housing required to conduct a fiscal and production review no later than the start of the fourth year and to take affirmative action to renew, reform, or sunset each provision.



DISTRICT OF COLUMBIA COUNCIL
RESOLUTION II
LEVER 2 · Cost Reduction

A RESOLUTION to reduce the per-unit cost of housing production in the District of Columbia by modernizing the Construction Codes to authorize single-stair, mass timber, modular, and SRO construction; by cutting permit and inspection time in half through concurrent review and third-party inspection; by eliminating parking minimums and authorizing courtyard-block development; by anchoring a regional modular industry and bulk-buying construction materials; and by exempting affordable-housing construction materials from the sales and use tax.

Introduced by: _____ Date: _____

WHEREAS — Findings of Fact

WHEREAS, the District of Columbia builds affordable housing at among the highest unit costs in the United States — between \$533,000 and \$905,000 per unit per Urban Land Institute Washington research, with recent projects such as The Ethel in Southeast at nearly \$800,000 per unit and certain Jubilee Housing deals exceeding \$1.3 million per unit — and the same Urban Land Institute research finds Arlington County, Virginia delivers comparable affordable units at approximately \$659,000, a roughly 27 percent per-unit savings; and

WHEREAS, mid-rise multifamily costs are inflated by an outdated double-stair requirement that has no demonstrated safety benefit: the February 2025 Pew Charitable Trusts and Center for Building in North America study (Rodnyansky, Horowitz, Clifford, Su, Smith, and Trivedi) examined fire-fatality rates in modern four-to-six-story single-stairway buildings in New York City from 2012–2024 and concluded that such buildings with modern sprinklers and self-closing doors are at least as safe as conventional double-stair construction; the American Planning Association reports that constructing a second staircase for a mid-rise apartment building costs approximately \$200,000, while the Pew report itself documents that the second stairway and connecting corridor consume seven percent of building floor area and six to thirteen percent of total construction costs; and

WHEREAS, parking minimums impose substantial per-unit construction costs: UCLA's Ellen Schwartz, in *No Such Thing as Free Parking: Construction Costs in 17 U.S. Cities (2025)*, finds required parking can add approximately \$50,000 to \$100,000 per unit for apartments, with DC underground spaces priced at \$40,000 per space against a \$73,000 national underground average; the Department of Buildings reports a 12-business-day permitting target against a roughly 60-day actual experience for typical multifamily applications, compounding the parking-mandate cost penalty; and

WHEREAS, peer jurisdictions have demonstrated that ministerial approval and code modernization compress costs and time materially: California's SB 35, as extended by SB 423, streamlined 21,227 units in 2021–2023 alone — 79 percent of them below market rate — and Mercy Housing California's Tahanan project delivered 145 units of permanent supportive housing 30 percent faster than comparable projects at approximately \$377,000 per unit against a \$642,000 median for a 25-project comparison group, a 41 percent per-unit cost reduction (Urban Institute evaluation of the Homes for the Homeless Fund, 2022); Seattle has permitted single-stair buildings up to six stories since 1977 with no measurable safety penalty; and in 2025 alone seven states — Colorado, Montana, Texas, New Hampshire, Maine, Hawaii, and Maryland — enacted single-stair reform legislation; and

WHEREAS, modern construction methods are available to reduce per-unit costs and compress construction schedules: the 2021 International Building Code authorizes mass timber up to 18 stories, and while industry studies report variable cost outcomes (the Boston Society of Architecture and U.S. Forest Service 2024 study found mass timber costs three to four percent more than traditional materials but saves three to four months of construction time), the financing-cost compression from schedule acceleration is substantial; the DMV region collectively constitutes a procurement market large enough to support a regional modular or mass-timber industry; and

WHEREAS, the Council has already created tools — the Housing Opportunity Fund proposed in B26-0597 (Councilmembers Nadeau, Robert White, Lewis George, and Allen, introduced February 18, 2026) and the existing Construction Codes Coordinating Board (D.C. Code § 6-1409.01) — that can be deployed to drive a coordinated cost-reduction agenda; this Council recognizes that capital subsidy without cost discipline becomes a hidden transfer to developer fees (DC project developer fees are permitted up to 15 percent of total project cost) and to legal, financial, and consulting intermediaries rather than to affordable-housing residents;

NOW, THEREFORE, BE IT RESOLVED that the Council of the District of Columbia hereby:

1 Modernize the Building Code to Match Best Practice:

the Council directs the Construction Codes Coordinating Board, in coordination with the Department of Buildings and the Office of the Fire Marshal, to publish proposed amendments to the DC Construction Codes within 12 months of adoption of this Resolution authorizing the following construction methods. Single-stair point-access-block residential buildings shall be permitted up to six stories and a maximum of four dwelling units per floor, conditioned on full NFPA 13 automatic sprinkler coverage, enclosed and pressurized stairways, self-closing fire-rated doors, and fire-rated wall and floor assemblies. Mass-timber construction shall be permitted up to the limits of the 2021 International Building Code (Construction Types IV-A, IV-B, and IV-C), wood-frame construction shall be permitted up to seven stories, single-room-occupancy and shared-bath residential units shall be permitted as authorized typologies, and modular construction shall be permitted through a unified factory-inspection pathway administered by the Department of Buildings. Architects and structural engineers licensed in the District shall be authorized to self-certify code compliance for residential projects up to 12 units, with audit-based DOB oversight rather than transactional plan review. The Construction Codes Coordinating Board shall hold a final action hearing within 18 months of adoption of this Resolution, and the Department of Buildings shall publish a quarterly dashboard reporting permits issued and certificates of occupancy delivered under each authorized method.

2 Cut Permit and Inspection Time in Half:

the Council shall, within 18 months of adoption of this Resolution, direct the Department of Buildings to run all permit reviews concurrently across the Department of Buildings, the Department of Energy and Environment, the District Department of Transportation, DC Water, and the Department of Fire and Emergency Medical Services, with binding 90-day caps on residential permit issuance from complete application submission. Projects providing at least 20 percent of units at or below 80 percent of Area Median Income shall receive priority processing with a 60-day target. Applications not acted upon within the prescribed period shall be deemed approved by operation of law, subject to a 30-day right of appeal limited to documented building-code or life-safety defect. The Council shall, within 12 months of enactment, fund 15 additional Department of Buildings residential plan examiners and 8 additional residential inspectors, and shall authorize third-party private inspection firms licensed and audited by the Department of Buildings to perform routine residential inspections (foundation, framing, mechanical, electrical, plumbing) with DOB retaining final certificate-of-occupancy authority. The Department of Buildings shall publish a quarterly dashboard reporting median and 90th-percentile permitting timelines by project type, deemed-approval activations, and the volume of inspections performed by third parties versus DOB staff.

3 Eliminate Parking Minimums and Authorize Courtyard-Block Development:

the Council shall, within 18 months of adoption of this Resolution, direct the Zoning Commission to amend the Zoning Regulations to eliminate residential off-street parking minimums citywide, with the Office of Planning publishing proposed amendments for public comment within 180 days of enactment and the Zoning Commission holding a final action hearing within 270 days. The amendments shall further authorize higher lot coverage (up to 80 percent of lot area) for projects providing interior courtyards of at least 20 percent of lot area, shall reduce setback requirements for assembled parcels of three or more lots, and shall permit European-style perimeter-block building forms with shared interior open space in lieu of front and rear yard setbacks. The District Department of Transportation shall publish, within 90 days of enactment, the list of high-frequency bus corridors used for transit-overlay determinations and shall update the list annually based on ridership and headway data. The Department of Buildings shall, upon implementation, certify the maximum parking ratio (if any) on each issued permit and shall publish a quarterly dashboard of projects permitted with and without on-site parking.

4

Anchor a Regional Modular Industry and Bulk-Buy Materials:

the Council shall, within 24 months of adoption of this Resolution, direct the Office of the Deputy Mayor for Planning and Economic Development, in coordination with the DC Housing Finance Agency and the DC Housing Authority, to require modular construction on District-funded large affordable-housing projects (defined as projects of 100 units or more receiving Housing Opportunity Fund Production sub-account financing) where modular delivery is technically feasible and cost-competitive. The Deputy Mayor shall negotiate a tri-jurisdictional modular construction compact with the State of Maryland and the Commonwealth of Virginia within 18 months of adoption of this Resolution, providing for shared factory-inspection standards, reciprocal certification, and coordinated procurement schedules. The Deputy Mayor shall further establish a District materials-procurement aggregator authorized to bulk-purchase construction materials (steel, concrete, mass timber, mechanical systems, fixtures) on behalf of all Housing Opportunity Fund-financed projects within 24 months of adoption of this Resolution, with the aggregator delivering documented cost savings of at least 10 percent against arm's-length project-by-project procurement. The Deputy Mayor shall publish an annual report on modular volume delivered, tri-jurisdictional projects executed, and aggregator cost savings achieved.

5

Eliminate Sales Tax on Affordable Housing Construction Materials:

the Council shall, within 24 months of adoption of this Resolution, establish a comprehensive sales-and-use tax exemption for construction materials, fixtures, and equipment incorporated into projects with a recorded affordability covenant of at least 30 years at 60 percent Area Median Income or below for at least 20 percent of units. The exemption shall be available as-of-right (not subject to discretionary approval) upon documentation of (a) the recorded affordability covenant, (b) the project's financing closing documents, and (c) certified contractor invoices identifying materials incorporated into the project. The Office of the Chief Financial Officer shall certify exemption eligibility within 30 days of complete documentation, and the Office of Tax and Revenue shall administer the exemption through a contractor refund mechanism with refunds processed within 60 days of certification. The Office of Tax and Revenue shall publish a quarterly report of exemptions claimed, dollar value, and projects served, and the exemption shall sunset after seven years absent affirmative Council renewal.

ACCOUNTABILITY

BE IT FURTHER RESOLVED that the Department of Buildings, in coordination with the DC Auditor, shall publish an annual cost-per-unit benchmark report beginning in FY 2027 covering (a) all Housing Production Trust Fund and Housing Opportunity Fund-financed projects with permanent certificates of occupancy in the prior fiscal year, (b) developer fee percentages, and (c) median and 90th-percentile permitting timelines, with a stated target ceiling of \$533,000 per unit (excluding land) within five years.

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, within 180 days of enactment, prepare a fiscal impact statement quantifying expected savings against the FY 2027–2030 financial plan and identifying any offsets required to maintain revenue neutrality of the sales-and-use tax exemption.

BE IT FURTHER RESOLVED that the parking-minimum elimination, the single-stair and mass-timber authorizations, the third-party inspection program, and the materials-tax exemption shall each carry a five-year sunset, with mandatory Committee on Housing review and renewal action by no later than the fourth anniversary of effectiveness.



DISTRICT OF COLUMBIA COUNCIL RESOLUTION III

LEVER 3 · Incentives

A RESOLUTION to grow the District's capacity to produce housing and attract investment by establishing a quasi-independent District Housing Production Authority with bonding, eminent domain, and equity-stake powers; by partnering with the General Services Administration on federal property dispositions; by consolidating land-use administration into a single Department of Land Use with a specialized Housing Court; by establishing a \$500 million Performance-Only Deal-Closing Fund; and by creating a District Sovereign Wealth Fund from public investment returns.

Introduced by: _____ Date: _____

WHEREAS — Findings of Fact

WHEREAS, housing-production authority in the District of Columbia is fragmented across at least five separately governed entities — the Department of Housing and Community Development (DHCD), the DC Housing Authority (DCHA), the DC Housing Finance Agency (DCHFA), the Office of the Deputy Mayor for Planning and Economic Development (DMPED), and the Office of Planning (OP) — each with its own pipeline, its own loan terms, its own underwriting standards, and its own reporting cycle; the D.C. Policy Center's April 2026 paper "A city that works" argues that no single entity is accountable for the production outcome, and identifies fragmentation as among the principal drivers of DC's per-unit cost premium and pipeline lag; and

WHEREAS, the District's principal housing-production tool, the Housing Production Trust Fund, has failed its statutory 50 percent deep-affordability carve-out for an entire decade: D.C. Code § 42-2802 requires that 50 percent of HPTF funds in each fiscal year be spent on units affordable at 30 percent Area Median Income or below, but the actual share was 27 percent in FY 2021, 19 percent in FY 2022, and 43 percent in FY 2023 per the Washington Legal Clinic for the Homeless analysis of DHCD HPTF Annual Reports; the DC Inspector General's 2021 audit (OIG Report 20-1-23DB) concluded that over four years DHCD "allocated nearly \$82 million intended for extremely low-income households to higher-income housing instead" and that 88 percent of HPTF projects examined (approximately \$795 million) could not be confirmed as having met statutory affordability requirements; and

WHEREAS, federal property dispositions in the District — including GSA auctions and federal-agency surplus parcels — are not subject to any District right of first refusal, despite the existence of capable purchasing entities (DCHA, DCHFA, DMPED, and prospectively the District Acquisition Account proposed in B26-0597); fire-sale auction structures have historically transferred federal real estate value to private market-rate developers rather than producing recurring federal revenue, and the District has lost strategic parcels to private market-rate development at the worst moment in its post-pandemic fiscal posture; and

WHEREAS, peer jurisdictions have demonstrated that a major-employer incentive deal can be both attractive and disciplined: the Commonwealth of Virginia's Amazon HQ2 package committed up to \$550 million in Major Headquarters Workforce Grants payable only on creation of 25,000 qualifying jobs at average wages of at least \$150,000 (\$22,000 per qualifying job), with no funds disbursed until performance is verified — the first Amazon request was not submitted until April 1, 2023 — together with \$250 million each from the Commonwealth and Virginia Tech for the Virginia Tech Innovation Campus and a \$195 million state transportation package; the Virginia Joint Legislative Audit and Review Commission's Report 597 (November 7, 2024) found that the Commonwealth's Opportunity Fund has generated 113 jobs per \$1 million granted; and

WHEREAS, Good Jobs First and similar non-partisan watchdogs have codified the floor for sound public-incentive deals — mandatory recipient reporting, public online disclosure, state unemployment-insurance verification of jobs and wages, recapture penalties on failure, and zero pre-performance disbursement — none of which is currently uniformly required in the District's existing economic-development toolkit; the District has neither a JLARC-equivalent independent audit body for incentive performance nor a Major Employment and Investment-equivalent legislative approval commission for major deals; and

WHEREAS, the District has no permanent capital base to recycle returns from public investment — federal property profit-shares, Production Authority development gains, equity capture from successful incentive deals, and joint-venture returns — into new housing production, with the Texas Permanent University Fund and the Alaska Permanent Fund demonstrating that sovereign-wealth structures can transform episodic windfalls into perpetual production capital;

NOW, THEREFORE, BE IT RESOLVED that the Council of the District of Columbia hereby:

1 Build a District Housing Production Authority With Real Powers:

the Council shall, within 18 months of adoption of this Resolution, establish a District Housing Production Authority as a quasi-independent District corporation with a board appointed by the Mayor and confirmed by the Council, modeled on the New York City Housing Development Corporation and the Massachusetts MassHousing Finance Agency. The Authority shall hold statutory powers to issue bonds (taxable and tax-exempt) without project-by-project Council approval up to a Council-set annual ceiling, to exercise eminent domain for housing-production purposes subject to Council resolution on each taking, to bank land acquired through purchase or condemnation, and to take equity stakes in projects financed by the Authority. The Authority shall maintain a portfolio target of at least 30 percent of financed units at or below 30 percent Area Median Income measured on a rolling three-fiscal-year basis. The Council shall, in the same legislative package, expand the DC Housing Authority's statutory authority to engage in mixed-income redevelopment of public-housing sites, including the power to enter into ground-lease structures with private and nonprofit partners. The Production Authority shall report to the Council annually beginning in FY 2028 on bonds issued, units produced, AMI-band production, equity-stake returns, and land-bank inventory.

2 Partner With GSA on Federal Property to Maximize Value:

the Council shall, within 18 months of adoption of this Resolution, direct the Office of the Deputy Mayor for Planning and Economic Development, in coordination with the Office of the Attorney General, to negotiate a Memorandum of Understanding with the General Services Administration replacing fire-sale auctions of federal property within the District boundaries with profit-share disposition structures generating recurring federal revenue over time. The Memorandum shall provide the District a right of first refusal on each federal disposition with a mandatory 90-day exclusive negotiation window upon federal notice of intent to dispose, and shall coordinate disposition timing with the DC 2050 Comprehensive Plan to prevent market crashes from federal property oversupply. The Deputy Mayor shall maintain a standing prioritization list of federal parcels of strategic interest, updated quarterly and shared with the General Services Administration, and shall publish an annual report on dispositions completed, District acquisitions executed, and profit-share revenue captured. The District Acquisition Account established under the Housing Opportunity Fund (B26-0597) shall serve as the funding vehicle for District acquisitions under the partnership.

3 Consolidate Land Use Administration Into One Department and Court:

the Council shall, within 36 months of adoption of this Resolution, enact a Land Use Consolidation Act merging the Office of Planning, the Office of Zoning, and the Department of Buildings into a single Department of Land Use, with a Director appointed by the Mayor and confirmed by the Council. The Department of Land Use shall integrate Comprehensive Plan administration, Zoning Regulations administration, and building-permit issuance under one chain of command, with unified intake, unified review schedules, and unified case management. The Council shall, in the same legislative package, merge the Zoning Commission and the Board of Zoning Adjustment into a single Land Use Commission with combined original and appellate jurisdiction, and shall establish a specialized Housing Court within the DC Superior Court with exclusive jurisdiction over zoning appeals, PUD challenges, vacancy-tax enforcement, and Inclusionary Zoning compliance cases. The Land Use Consolidation Act shall include a 24-month implementation runway with detailed transition provisions for personnel, case files, and existing pipeline projects, and shall require the Department of Land Use to report quarterly during the transition period and annually thereafter on consolidation progress.

4

Pay for Jobs Delivered: \$500 Million Performance-Only Deal-Closing Fund:

the Council shall, within 24 months of adoption of this Resolution, establish a \$500 million Deal-Closing Fund administered by the Office of the Deputy Mayor for Planning and Economic Development, capitalized through a combination of general-fund appropriation and bond proceeds, dedicated exclusively to recruiting major-employer relocations to the District. All Deal-Closing Fund disbursements shall be performance-only, with zero pre-performance disbursement, per-job grants triggered only by verified DC Department of Employment Services wage-record matching of jobs created and wages paid, and proportional disbursement scaled to actual jobs created, payroll generated, and capital invested by the recipient. Each Deal-Closing Fund package shall include mandatory recapture provisions for under-performance, public online disclosure of all terms and recipient identities within 30 days of approval, and the absolute floor codified by Good Jobs First and similar non-partisan watchdogs. The Office of the Deputy Mayor for Planning and Economic Development shall publish an annual performance report covering jobs delivered, wages paid, capital invested, recapture actions taken, and the package-level cost per qualifying job created, with the DC Auditor authorized to conduct independent annual audits of Deal-Closing Fund administration.

5

Build a District Sovereign Wealth Fund From Public Investment Returns:

the Council shall, within 36 months of adoption of this Resolution, establish a District Long-Term Capital Reserve as a perpetual fund modeled on the Texas Permanent University Fund and the Alaska Permanent Fund, with a board of trustees appointed by the Mayor and confirmed by the Council. The Reserve shall be capitalized by (a) 25 percent of federal property profit-share revenue captured under the GSA partnership, (b) net development gains from District Housing Production Authority financed projects, (c) equity-stake returns from Deal-Closing Fund recipients, and (d) joint-venture returns from District participation in private development. The Reserve corpus shall be invested under prudent-investor standards established by the Office of the Chief Financial Officer, with distributions limited to a five-year trailing average of investment returns not to exceed five percent of corpus annually, and with all distributions dedicated to housing production and preservation through the Housing Opportunity Fund. The Reserve trustees shall publish an annual report on corpus, investment performance, distributions, and projects financed by distributions, and the Reserve corpus shall be perpetual and non-invadable except by two-thirds Council vote.

ACCOUNTABILITY

BE IT FURTHER RESOLVED that the District Auditor shall, beginning in FY 2027 and annually thereafter, publish an Economic Development Incentive Performance Report reporting jobs per \$1 million of incentive expenditure, average wages of created jobs, capital investment delivered, and clawback actions taken, with a target standard of 100 jobs per \$1 million granted at average wages at or above the District median.

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, within 270 days of enactment, conduct a fiscal impact analysis of each measure resolved herein against the FY 2027–2031 financial plan, with particular attention to the bonding capacity of the Production Authority and the capitalization sources for the Deal-Closing Fund and the Long-Term Capital Reserve.

BE IT FURTHER RESOLVED that the Deal-Closing Fund and the Land Use Consolidation Act shall each carry a seven-year fiscal-impact sunset with mandatory legislative re-authorization required for renewal; the Production Authority, the GSA Partnership, and the Long-Term Capital Reserve shall be perpetual subject to mandatory five-year performance review.

IV

DISTRICT OF COLUMBIA COUNCIL RESOLUTION IV

LEVER 4 · Tax Policy

A RESOLUTION to realign the District's tax structure to reward productive use and restore regional competitiveness — by piloting split-rate land taxation paired with a 20-year assessment freeze on new construction and an escalating vacancy tax; by unlocking trapped real estate capital through reinvestment tax relief; by enacting a phased Top-10 business-environment tax reform; by establishing a standing Tax Increment Financing Authority; and by creating a single District Investment Promotion Agency.

Introduced by: _____ Date: _____

WHEREAS — Findings of Fact

WHEREAS, the District of Columbia ranks 48th out of 51 jurisdictions on the Tax Foundation's 2026 State Tax Competitiveness Index, behind both Maryland (46th) and Virginia (30th), per the 2026 State Tax Competitiveness Index released October 28, 2025; the Chief Financial Officer's February 2025 revenue estimate revised the local-source revenue forecast downward by \$21.6 million for FY 2025 alone and by an average of \$342.1 million annually across FY 2025–2029, “largely due to forecasted sharp declines in employment levels as the Federal government proceeds with reducing its workforce significantly”; and

WHEREAS, Maryland's 2025 tax-increase package — two new high-earner brackets, a 2 percent capital gains surcharge, a 3 percent sales tax on data and digital services, and the county income tax cap increased to 3.3 percent — characterized by the Tax Foundation as among the most aggressive of 2025, has produced a regional moment in which a thoughtful District competitiveness reform package could materially shift business location decisions across the DMV; the District must not mirror Maryland's structural deterioration; and

WHEREAS, per CBRE Washington DC Office Figures Q1 2026, “the market remained in a prolonged correction through Q1 2026, with vacancy at 22.6 percent, up from 14.1 percent at year-end 2019”; the District's office assessment base has contracted by approximately \$7 billion since 2020, with DMPED projecting approximately \$464 million in property-tax revenue losses over three years; the District's Housing in Downtown abatement program and the “Office to Anything” 15-year abatement together cover an estimated 8,400 conversion-eligible units (Yardi Matrix 2025 pipeline data) but conversion economics still rarely pencil without further targeted tax relief; and

WHEREAS, the District presently assesses land and improvements at a single rate, foregoing a well-documented production lever: Pittsburgh operated a split-rate property tax from 1913 to 2001, with a peak land-to-building ratio of 5.77:1, and Oates and Schwab (National Tax Journal Vol. 50, No. 1, March 1997) found that average annual building-permit values in Pittsburgh rose 70.4 percent in the 1980s relative to the 1960s–1970s baseline, while a 14-city Rust Belt comparison group declined 14.4 percent; Pittsburgh repealed the split-rate tax in 2001 in the aftermath of a county-wide assessment crisis rather than because of any defect in the policy, and Altoona's failed 2011–2016 land-only experiment and Detroit's stalled HB 4966–4970 demonstrate that the District should pilot rather than mandate citywide; and

WHEREAS, the District has not adopted Section 1031-equivalent state capital-gains reinvestment relief for in-District real estate, has not modernized its Unincorporated Business Franchise Tax base to exclude pass-through investment income, retains a Personal Property Tax that adds cost to AI, life sciences, and advanced manufacturing capital expenditure, and has TIF program timelines that require Council approval per district designation and run 12 to 24 months — all of which compound the District's competitiveness penalty; and

WHEREAS, the District has no single agency authorized to negotiate the combined incentive, regulatory, and tax-treatment packages required to compete for major investment relocations, with prospective employers required to negotiate separately with DHCD, DMPED, the Office of Tax and Revenue, and the Department of Buildings — a structural disadvantage against Virginia's Economic

Development Partnership and Maryland's Department of Commerce, each of which serves as a single point of contact for major-investment negotiations;

NOW, THEREFORE, BE IT RESOLVED that the Council of the District of Columbia hereby:

1 Tax Land More Than Buildings to Reward Development:

the Council shall, within 24 months of adoption of this Resolution, enact a Split-Rate Land Tax Pilot for an explicit downtown overlay zone designated by the Office of Planning, with the Office of Tax and Revenue as the administering agency. The Pilot shall phase a split-rate property tax from a 3:1 land-to-building ratio in Year 1 to a 5:1 ratio by Year 5, applied as a revenue-neutral rebalancing of the existing combined rate within the overlay. New residential construction within the District shall be eligible for a 20-year assessment freeze at the as-completed value upon receipt of certificate of occupancy, with annual inflation adjustments capped at three percent. The Council shall, in the same legislative package, establish a continuous vacancy tax graduation reaching 10 percent of assessed value over five years for properties continuously vacant beyond Year 2 of vacancy classification, with mandatory referral to public auction for any property continuously vacant beyond Year 5 without active modernization or construction. The Office of Tax and Revenue shall publish quarterly data on split-rate assessment-base composition, permit value within the overlay, assessment-freeze applications, vacancy-tax assessments and collections, and the volume of auction referrals.

2 Unlock Trapped Real Estate Capital Through Reinvestment Relief:

the Council shall, within 18 months of adoption of this Resolution, enact a District Capital Gains Reinvestment Relief provision eliminating the District capital-gains tax on proceeds from the sale of real estate located within the District where the proceeds are reinvested within 12 to 24 months in qualifying District housing production. Qualifying housing production shall be defined as new construction or substantial rehabilitation producing or preserving units at or below 80 percent Area Median Income for at least 30 years, with affordability covenants recorded against title prior to reinvestment-completion certification. The provision is intended directly to attack the office-to-residential conversion stall by enabling office building owners to monetize underperforming assets without immediate capital-gains tax, conditioned on redeployment into housing production. The Office of Tax and Revenue shall administer the program through a contemporaneous Reinvestment Certification filed at the time of the qualifying sale and a Reinvestment Completion Certification filed at the time of the reinvestment closing, with recapture at the full District capital-gains rate on any portion disposed of outside the District before the seven-year deferral expires. The Office of Tax and Revenue shall publish a quarterly report of reinvestment dollars deferred, reinvestment dollars recaptured, and units produced or preserved through reinvestment.

3 Become a Top-10 Business Environment Through Targeted Tax Reform:

the Council shall, within 18 months of adoption of this Resolution, designate artificial intelligence, life sciences, and advanced manufacturing as priority growth sectors and enact immediate rate cuts for those sectors covering corporate franchise tax, Unincorporated Business Franchise Tax, and Personal Property Tax, with the rate-cut depth set by the Office of the Chief Financial Officer at the level identified as revenue-neutral against the FY 2027–2030 financial plan. The Council shall, in the same legislative package, establish a phased broader rate reduction schedule across all sectors triggered by alternative revenue growth (split-rate land tax receipts, vacancy tax collections, Deal-Closing Fund clawback recoveries) with each phase requiring Office of the Chief Financial Officer certification that the trigger has been met. The Council shall enact the eventual repeal of the Unincorporated Business Franchise Tax over five years, the repeal of the Personal Property Tax over five years, and the alignment of the District capital gains treatment with federal treatment effective immediately. The Office of Tax and Revenue shall publish an annual District Tax Competitiveness Report aligned with the Tax Foundation State Tax Competitiveness Index methodology, with a stated five-year target of moving the District from 48th to no worse than 40th.

4

Establish a Standing TIF Authority:

the Council shall, within 18 months of adoption of this Resolution, establish a District Tax Increment Financing Authority as a quasi-independent corporation with a board appointed by the Mayor and confirmed by the Council, holding delegated power to designate TIF districts within Council-approved criteria without project-by-project Council approval. The Council shall, in the enabling legislation, set explicit district-designation criteria (target growth sectors, minimum public investment thresholds, mandatory affordable-housing components, infrastructure deficits) such that the Authority's designation discretion is bounded but operationally fast. The Authority shall hold statutory authority to issue TIF bonds (taxable and tax-exempt) without project-by-project Council approval up to a Council-set annual ceiling, with bond proceeds dedicated to infrastructure and public-realm improvements within designated districts. The Authority shall compress designation timelines from the current 12-to-24-month process to a 60-to-90-day administrative process, with public notice, comment, and a single Authority hearing replacing the current sequential Mayoral-Council-OCFO process. The Authority shall report quarterly to the Council on districts designated, bonds issued, increment captured, and projects financed.

5

Create One Agency to Negotiate Major Investment Deals:

the Council shall, within 24 months of adoption of this Resolution, establish a District Investment Promotion Agency as a single negotiating authority for major-investment packages within the District, with the Director appointed by the Mayor and confirmed by the Council. The Agency shall hold statutory authority to negotiate, on behalf of DMPED, DHCD, the Department of Buildings, the Office of Tax and Revenue, and the District Tax Increment Financing Authority, combined packages including incentives, tax reductions, regulatory accommodations, expedited permitting, and pay-for-performance terms. All packages negotiated by the Agency exceeding \$25 million in District value shall be subject to approval by the District Major Employment and Investment Commission established under Resolution III with the Virginia HQ2 zero-pre-performance discipline (mandatory recipient reporting, public online disclosure, state UI-record verification, recapture penalties, zero pre-performance disbursement). The Agency shall publish an annual report on packages negotiated, terms agreed, jobs delivered, capital invested, and clawback actions taken, with the DC Auditor authorized to audit Agency negotiations and recipient compliance.

ACCOUNTABILITY

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, beginning in FY 2027 and annually thereafter, publish a District Tax Competitiveness Report aligned with the Tax Foundation State Tax Competitiveness Index methodology and benchmarking the District against Maryland and Virginia across all five subindices, with a stated five-year target of moving the District from 48th to no worse than 40th.

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, within 270 days of enactment, score the fiscal impact of each measure resolved herein against the FY 2027–2030 financial plan, with explicit reference to the \$7 billion office-assessment loss since 2020 and the \$464 million projected three-year property-tax-loss baseline.

BE IT FURTHER RESOLVED that the Split-Rate Pilot, the Capital Gains Reinvestment Relief, the growth-sector rate cuts, the TIF Authority, and the Investment Promotion Agency shall each include explicit sunset dates and mandatory legislative review by the Committee on Business and Economic Development no later than the start of the fourth year of effectiveness.



DISTRICT OF COLUMBIA COUNCIL
RESOLUTION V

LEVER 5 · *Operational Stability and Asset Preservation*

A RESOLUTION to preserve the District's existing affordable housing stock by accelerating eviction and nonpayment processes to regional parity; by guaranteeing voucher payment reliability and DCHA performance; by reforming income-restricted property tax assessment; by restructuring the Housing Production Trust Fund as the Housing Opportunity Fund with a legally binding extremely-low-income carve-out and a multi-year Local Rent Supplement Program commitment; and by establishing a public Housing-Stability Dashboard.

Introduced by: _____ Date: _____

WHEREAS — Findings of Fact

WHEREAS, the District's affordable housing stock is in documented financial distress: the Small Multifamily Owners Association's September 16, 2025 report to the Council estimated cumulative landlord arrears exceeding \$1 billion since September 2021; the DC Housing Finance Agency's portfolio is reported to be 41 percent in documented financial distress with arrears averaging \$2,207 per unit — more than double the national average — and rental property foreclosure sales of five-to-50-unit buildings rose from 14 in 2024 to 29 in 2025, with 174 buildings of that size sold under pressure in 2025; the affordable housing nonprofit Enterprise Community Development reported losing \$7 million in 2024 to unpaid rent, up from \$1.3 million in 2021, and announced plans to sell five DC properties totaling over 1,000 units; and

WHEREAS, eviction and nonpayment processes in the District take 12 to 24 months for routine cases in DC Superior Court — compared to four to eight weeks for uncontested cases and six to twelve weeks for contested cases in Maryland, and comparable timelines in Virginia — driven by Civil Division magistrate-judge and clerk capacity gaps and by the Civil Legal Counsel for Indigent Tenants program interacting with a backlogged docket; the Rebalancing Expectations for Neighbors, Tenants, and Landlords (RENTAL) Act enacted in October 2025 and effective January 1, 2026 shortened the pre-filing notice period from 30 to 10 days but the Council stripped mandatory protective-order and 90-day initial-hearing provisions that the Mayor had originally proposed; and

WHEREAS, the DC Housing Authority's three-year Recovery Plan (June 27, 2024) committed to specific operating thresholds — 84 percent public-housing occupancy and 85 percent voucher utilization, with a CY 2025 target of 87 percent public-housing occupancy — but as of October 2024 approximately 2,400 voucher holders remained unplaced (1,100 federal, 1,300 District-issued); the 2022 federal HUD assessment identified 82 violations of federal policy at DCHA, and DCHA's stated 12-business-day Request for Tenancy Approval-to-Housing Assistance Payment target is in practice running 9 to 18 months; and

WHEREAS, the District has not codified an income-approach assessment methodology for income-restricted properties, unlike Maryland (Tax-Property Code § 8-105) and Virginia (Code § 58.1-3295) and California, Texas, Colorado, and Vermont — each of which requires assessors to value covenant-restricted properties on the basis of actual rather than potential rents; this gap means DC affordable housing operators pay property taxes calculated against unrealized market rents on income-capped units, deepening operating losses; and

WHEREAS, the District's principal housing-production tool, the Housing Production Trust Fund, has failed its statutory 50 percent ≤30 percent AMI carve-out for an entire decade per the DC Inspector General's 2021 audit (OIG Report 20-1-23DB); the proposed Housing Opportunity Fund (B26-0597, Councilmembers Nadeau, Robert White, Lewis George, and Allen, introduced February 18, 2026) restructures the HPTF into five sub-accounts but does not make the carve-out legally binding, does not couple the Affordable Housing Subsidy sub-account to the Local Rent Supplement Program through a multi-year commitment, and does not require the public loan database mandated by D.C. Code § 42-2802; and

WHEREAS, the New America Future of Land and Housing Program's April 2026 analysis — together with January Advisors — estimated approximately 12,780 DC eviction filings in 2025 (a 6.8 percent filing rate per renter household) and concluded that

“neither the DC Council nor housing services providers have this data, and the consequences show”; the DC Auditor's November 20, 2024 report Stronger DHCD Oversight Needed for Inclusionary Zoning Program found that DHCD took an average of 13 months to lease an IZ unit against a 102-day target; the Council cannot manage what it cannot measure;

NOW, THEREFORE, BE IT RESOLVED that the Council of the District of Columbia hereby:

1 Accelerate Eviction and Nonpayment Process to Regional Parity:

the Council shall, within 12 months of adoption of this Resolution, enact amendments to the RENTAL Act of 2025 restoring the mandatory protective-order provision originally proposed by the Mayor and the 90-day initial-hearing deadline. In any contested non-payment-of-rent case the tenant shall be required to deposit accruing post-filing rent into a court registry administered by the Clerk of the DC Superior Court, with funds released only upon judgment or written settlement. The initial hearing in any nonpayment case shall be scheduled within 90 days of filing, with continuances limited to good cause shown by motion. The Council shall, in the same legislative package, appropriate funds sufficient to seat two additional Landlord-Tenant Branch magistrate judges and the supporting clerks and case managers required to drive the median time from filing to disposition below 120 days, matching Maryland and Virginia regional practice. The Council shall maintain full funding for the Civil Legal Counsel for Indigent Tenants program at no less than the FY 2026 baseline to preserve due-process parity, and the DC Superior Court shall publish a monthly Landlord-Tenant Branch performance dashboard reporting median and 90th-percentile case-age, hearings held, judgments entered, and continuances granted.

2 Guarantee Voucher Payment Reliability and DCHA Performance:

the Council shall, within 18 months of adoption of this Resolution, enact legislation codifying statutory operating targets for the DC Housing Authority of at least 90 percent public-housing occupancy and at least 95 percent voucher utilization within 24 months of enactment, with quarterly Committee on Housing oversight reporting required. The Council shall authorize DCHA to execute a payment service-level agreement with participating landlords providing for escrow deposit of the first Housing Assistance Payment at lease execution and recurring HAP within 5 business days of each month-end, in lieu of the current Request for Tenancy Approval-to-Housing Assistance Payment delay that runs 9 to 18 months against a 12-business-day target. The Council shall, in the same legislative package, permit DCHA to engage third-party Housing Quality Standards inspectors licensed and audited by DCHA, with inspector capacity sufficient to drive median RFTA-to-HAP time below 30 days. DCHA shall place all currently unplaced voucher holders — approximately 2,400 households as of October 2024, of whom 1,300 hold District-issued vouchers — within 18 months, and shall publish a monthly public dashboard reporting public-housing occupancy, voucher utilization, time-to-placement, and the queue of unplaced voucher holders by voucher type.

3 Reform Income-Restricted Property Tax Assessment:

the Council shall, within 12 months of adoption of this Resolution, direct the Office of Tax and Revenue to assess all income-restricted residential properties in the District using the income-approach methodology, valuing covenant-restricted units on the basis of actual restricted rents documented in the recorded affordability covenant rather than market-rate comparable sales. The methodology shall apply to all properties subject to an affordability covenant of 15 years or longer, including Inclusionary Zoning units, Housing Production Trust Fund-financed projects, Housing Opportunity Fund-financed projects, Low-Income Housing Tax Credit projects, and DCHA mixed-finance projects. The Office of Tax and Revenue shall publish, within 180 days of enactment, administrative procedures including the data sources used to establish restricted rents (the recorded covenant, the DHCD compliance file, and the property owner's certified rent roll), the capitalization-rate methodology, and the appeal procedures available to property owners. Reassessment under the new methodology shall be effective for the first full assessment year following publication of administrative procedures, with all qualifying properties reassessed by that date. The Office of Tax and Revenue shall publish annually the number of properties reassessed under the methodology, the aggregate assessment-value reduction, and the property-tax revenue effect.

4

Restructure HPTF as the Housing Opportunity Fund:

the Council shall, within 12 months of adoption of this Resolution, pass Bill 26-0597, the Housing Production Omnibus Amendment Act of 2026, with floor amendments establishing the following provisions. The 50 percent ≤30 percent AMI carve-out shall be legally binding in the Housing Production sub-account, measured on a rolling three-fiscal-year basis to permit pipeline smoothing, with waiver permitted only upon written Mayor's request and affirmative Council resolution within 30 days. The Department of Housing and Community Development shall publish quarterly the public loan database mandated by D.C. Code § 42-2802, modernized to include all Housing Opportunity Fund sub-account loans, project sponsors and ownership entities, loan terms, scoring records, disbursement schedules, draw status, AMI band served, and post-closing outcome metrics in a machine-readable format with a maximum 30-day lag from quarter-end. The Affordable Housing Subsidy sub-account shall be coupled to the Local Rent Supplement Program through a multi-year statutory commitment funded at a level sufficient to operationally support every newly constructed 30 percent AMI unit financed by the Housing Production and Affordable Housing Subsidy sub-accounts, with the Office of the Chief Financial Officer required to publish annually a coupling-coverage report demonstrating that LRSP allocations cover the operational gap on each financed unit.

5

Establish a Public Housing-Stability Dashboard:

the Council shall, within 12 months of adoption of this Resolution, direct the DC Superior Court, the DC Housing Authority, the Department of Housing and Community Development, the Office of Tax and Revenue, and the DC Housing Finance Agency to jointly publish a single Public Housing-Stability Dashboard reporting monthly on a publicly accessible website, with data updated within 15 days of month-end. The Dashboard shall include, at minimum: (a) Landlord-Tenant Branch nonpayment case-age (median, 90th-percentile, and aged-case queue), (b) DCHA public-housing occupancy, voucher utilization, and time-to-placement against the 12-business-day RFTA-to-HAP target, (c) Inclusionary Zoning unit lease-up times against the 102-day target identified in the DC Auditor's November 20, 2024 report, (d) Housing Opportunity Fund deployments by sub-account and AMI tier, and (e) DC Housing Finance Agency portfolio distress indicators including arrears per unit, foreclosure activity, and properties under workout. The Office of the Chief Technology Officer shall serve as the integrating agency for cross-source data publishing, and the DC Auditor shall conduct an annual data-quality audit beginning in FY 2027.

ACCOUNTABILITY

BE IT FURTHER RESOLVED that the DC Superior Court, the DC Housing Authority, the Department of Housing and Community Development, the Office of Tax and Revenue, the DC Housing Finance Agency, and the DC Auditor shall jointly publish an annual State of Housing Stability Report no later than 120 days after fiscal year end, reporting against each metric on the Housing-Stability Dashboard and identifying corrective action where targets are missed.

BE IT FURTHER RESOLVED that the Office of the Chief Financial Officer shall, within 270 days of enactment, score the fiscal impact of each measure resolved herein against the FY 2027–2030 financial plan, with explicit reference to the over \$1 billion in cumulative arrears since September 2021 and the projected long-run property-tax-base benefit of stabilizing the District's small multifamily stock.

BE IT FURTHER RESOLVED that the RENTAL Act amendments, the DCHA performance targets, the income-approach assessment methodology, the Housing Opportunity Fund LRSP coupling, and the Housing-Stability Dashboard shall each carry a five-year sunset, with Council Committee on Housing review and renewal action required by no later than the fourth anniversary of effectiveness.