


COUNCIL OF THE DISTRICT OF COLUMBIA  
**COMMITTEE ON GOVERNMENT OPERATIONS AND FACILITIES**

ROBERT C. WHITE, JR., CHAIR

**MEMORANDUM**

**TO:** Members of the Council of the District of Columbia  
**FROM:** Councilmember Robert C. White, Jr.,  
Chair, Committee on Government Operations and Facilities   
**DATE:** November 19, 2021  
**RE:** Report on PR24-0223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021”

The Committee on Government Operations and Facilities, to which PR24-0223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021” was referred, reports favorably thereon and recommends its approval by the Council of the District of Columbia.

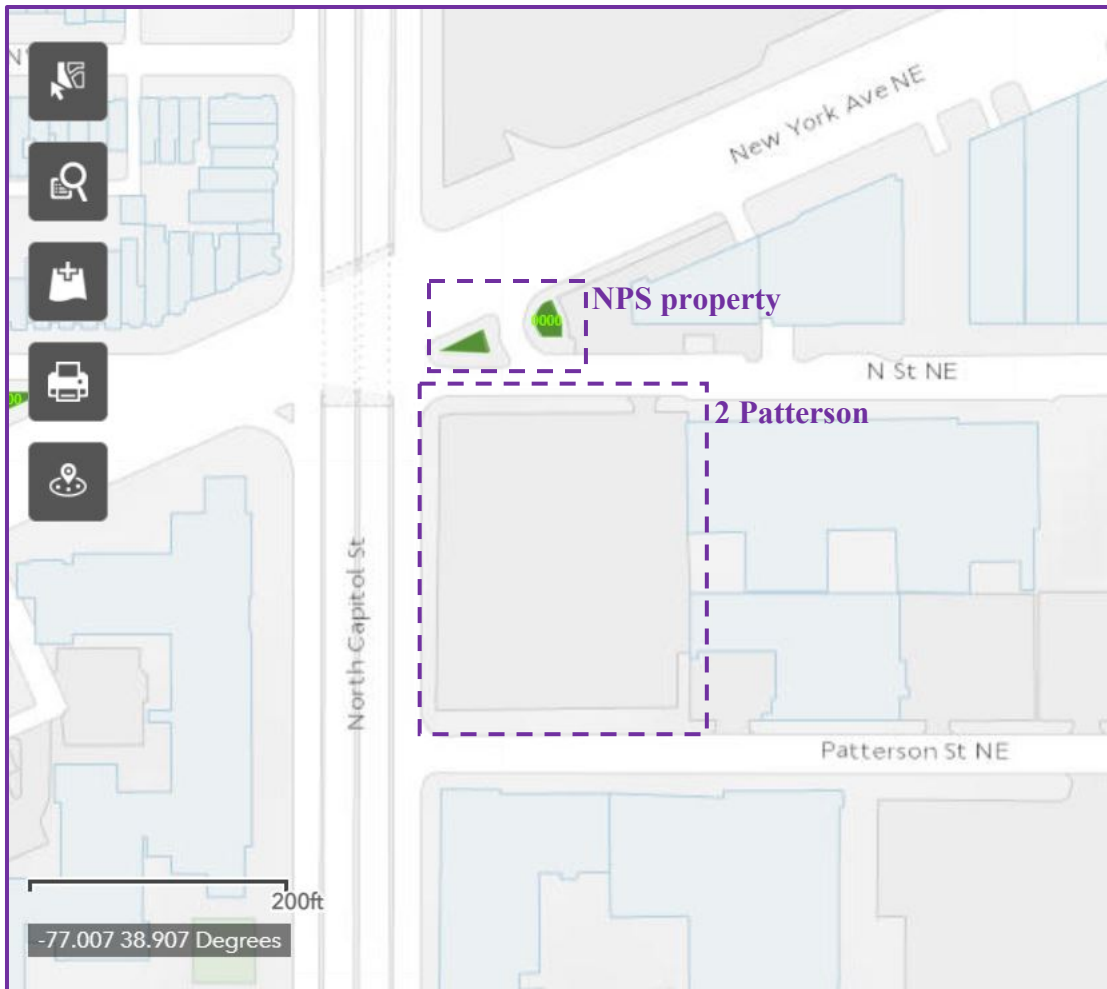
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**BACKGROUND AND NEED**

The executive wishes for private developers to convert a District-owned parking lot in NoMa into a mixed-use development with affordable housing. For that to happen, the Council will need to adopt PR24-0223.

Along the east side of North Capital Street, between Patterson Street N.E. and N Street N.E., is a District-owned property of 42,252 square feet, or 0.97 acre (“2 Patterson”). As shown in the map detail below, the northwest corner of 2 Patterson lies just a few yards from where New York Avenue crosses over North Capital. Between 2 Patterson and New York Avenue lie N Street, a lane for turning vehicles, and 2 small pedestrian islands under the control of the National Park Service (NPS). The lot is just on the Ward 6 side of the boundary with Ward 5 that runs along New York Avenue (though Ward redistricting is currently underway and could theoretically affect this boundary).



As of the date of this report, 2 Patterson is a simple parking lot. Although the surrounding neighborhood has seen massive increases in housing stock and other development in recent years, the District has so far intentionally avoided building anything at 2 Patterson. The reason for the hold relates to another new development just south of 2 Patterson, known as Northwest One. In 2008, the District required the residents of the 211 subsidized housing units then known as Temple Courts to move out. The idea was that the deteriorating homes at Temple Courts would be replaced with new affordable housing, and that the displaced community would be first in line to move back in. According to a 2005 draft plan, Temple Courts was one of several troubled complexes whose residents would receive replacement housing by 2013; others included Golden Rule (similarly eventually demolished) and Sursum Corda.<sup>2</sup> 2 Patterson was set aside as a potential site of replacement housing for former Temple Courts residents.

Tragically, the District government failed to follow through on offering replacement housing to the Temple Courts community on any reasonable timeframe. To date, only 137 replacement affordable housing units have become available to former Temple Courts residents:

<sup>1</sup> <https://dcgis.maps.arcgis.com/apps/webappviewer/index.html?id=31cb84a467df4fa4a1515cd2134a0eb3>

<sup>2</sup> See <https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/NorthwestOneFinal.pdf> at 40.

30 in fall 2011, at a building known as SeVerna; 59 in fall 2014, at a building known as 2M; and 48 in winter 2014, at a building known as SeVerna on K.

After repeated setbacks, the District was finally able to reach a deal with private developers to create a replacement project and satisfy the remaining Temple Courts replacement housing need. That project is known as Northwest One, and it is under construction on the old Temple Courts site. According to projections that the Office of the Deputy Mayor for Planning and Economic Development (DMPED) provided to the Committee, completing Northwest One will bring the total number of Temple Courts replacement affordable housing units to approximately 348. Phase 1, currently under construction, will reportedly make 65 units available in summer 2022. Phase 2 will add 72 more, and finally bring the total number of replacement units above the original 211,<sup>3</sup> in winter 2024—16 years after the elimination of Temple Courts. Phase 3, scheduled for spring 2026, will add around 74 more.

By 2017, DMPED determined that these plans for the initial phases of Northwest One would finally allow the District to satisfy our Temple Courts replacement housing obligations. This meant that 2 Patterson would not be necessary for that purpose. So, the executive set about exploring other ways to use 2 Patterson.

Whenever the Mayor wants to dispose of District-owned land, including through a long-term lease, she must complete an elaborate procedure. The rules are codified at D.C. Official Code § 10-801, and trace back to a 1939 congressional enactment called An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes (the “Act”). Among other things, the Mayor must conduct a public hearing to determine whether the land is required for a District government function, such as a library or municipal office building. If not, the Mayor submits to the Council a proposed resolution declaring the property “surplus.” An analysis supporting the Mayor’s conclusion that the property is surplus must accompany the resolution.

The executive must also hold a separate public hearing to gather input on any proposed transfer of control to a non-governmental entity, known as a “disposition” of the property. After settling on a disposition plan, the Mayor submits to the Council another proposed resolution to approve and authorize the disposition. Similar to the surplus resolution, the disposition resolution is accompanied by supporting materials including an executed term sheet containing the proposed substantive business terms between the District and the intended recipient of the property. The Council must adopt each resolution within a timeframe set forth in the Act, or the transfer is not allowed.

In practice, the surplus resolution and disposition resolution are often submitted to the Council together and considered in tandem. Such is the case for 2 Patterson. The Mayor submitted the surplus resolution at issue in this report and the corresponding disposition resolution attached

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<sup>3</sup> A full breakdown of current and projected Temple Courts replacement affordable units by type and location is included in the hearing record, as part of DMPED’s response to the Committee’s post-hearing follow-up questions. DMPED was unable to specify Temple Courts’ original unit mix (that is, how many of the 211 units were studios, 1-bedroom homes, and so on), so the total number of units is not a perfect proxy for how well the replacement housing will serve the community’s need.

to the same cover letter.

## **PURPOSE AND EFFECT**

On May 6, 2021, Chairman Phil Mendelson introduced PR24-0223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021,” at the request of the Mayor. The Chairman referred PR24-0223 to the Committee on Government Operations and Facilities on May 18, 2021.

PR24-0223 would ratify the Mayor’s surplus determination regarding 2 Patterson. It describes how the executive satisfied the Act’s public surplus hearing requirement, by holding a hearing at a public library a few blocks from 2 Patterson on April 28, 2017. The attachments to the Mayor’s surplus analysis include an email notice from DMPED to members of Advisory Neighborhood Commissions 6C (which encompasses 2 Patterson) and 6E (which is on the other side of North Capital), sent a month before the 2017 surplus hearing. A transcript of the hearing is also attached to the surplus analysis, and it indicates that a single member of the public attended the hearing, and offered a general appreciation for DMPED’s work. The ANCs do not appear to have engaged in the process at the disposition stage (though the materials accompanying PR24-0222 indicate that after the District decided to bring in a private developer, ANC 6C provided extensive comments to DMPED to guide the selection process and the design of the space).

The Mayor’s surplus analysis situates 2 Patterson in the NoMa neighborhood,<sup>4</sup> and describes that neighborhood’s recent boom in development as part of a transformation from industrial to mixed commercial and high-density residential uses. In support of its conclusion that 2 Patterson does not need to become a District government facility, the surplus analysis describes how the neighborhood is currently served by a public high school, charter schools, a recreation center, a public playground, and a public library, and how a District agency (the Department of Energy and Environment) has its headquarters nearby. The analysis concludes that the “highest and best use” for 2 Patterson is a mixed-use residential redevelopment with retail businesses on the ground floor.

PR24-0223 does not expressly pertain to any particular disposition, but under the Act its adoption is a necessary precondition for the disposition contemplated in PR24-0222, the “2 Patterson Disposition Approval Resolution of 2021.” As detailed in that resolution and its accompanying materials, the executive intends to lease 2 Patterson to a set of entities including private real estate developers and a community nonprofit: Monument Realty LLC, Morningstar Community Development LLC, The May Firm PLLC, and THC Affordable Housing, Inc., also known as Housing Up (together, the “Developers”). Under the proposed lease agreement, the Developers would create 580 housing units, including 325 units designated affordable—that is, units that are reserved for families making certain percentages below the area median income (AMI) and rented out at rates designed to avoid rent-burdening such families. In addition, most of the remaining units would be reserved for households making up to 120% AMI, sometimes referred to as “workforce housing.”

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<sup>4</sup> The boundaries of neighborhoods can be difficult to pin down, but the analysis states that NoMa is bounded by North Capital Street to the west and New York Avenue to the north, which would place 2 Patterson in the very corner.

A proposed distribution of units by size and income limit is included in the materials accompanying PR24-0222 and reproduced below. Although the draft lease agreement between the District and the Developers suggests that the unit mix is subject to revision prior to closing, representatives of the Developers confirmed to the Committee that they are committed to including no fewer than the numbers of units below in their 2 Patterson development.

***Proposed Affordable and Workforce Housing Unit Mix at 2 Patterson***

<b>Configuration</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>80% AMI</b>	<b>120% AMI</b>
Studio	17	50	47	79
1-Bedroom	16	68	50	114
2-Bedroom	6	11	13	24
3-Bedroom	6	16	15	0
4-Bedroom	3	2	5	0
Total	48	147	130	217

A firm that DMPED hired to appraise 2 Patterson determined that it is worth approximately \$17.5 million. However, DMPED plans to lease the property out for 99 years at a nominal rent of \$1 per year, as an incentive for the Developers to offer additional affordable units (beyond the 30% that the Act requires whenever District-owned property is disposed of for private development). The portion of N Street that runs along the north edge of 2 Patterson would be closed to traffic and converted into a small civic plaza, open to the public and connected to the “N Street Meander” of retail-adjacent pedestrian space to the east.

The Committee held a public hearing on October 14, 2021. Representatives of DMPED and the Developers presented details of the proposed development and answered questions from Committee Chair White.<sup>5</sup> A summary of their testimony is included in a later section of this report. The record for the hearing closed at the close of business on October 28, 2021, and the Committee filed the record for the hearing with the Office of the Secretary on November 2, 2021. The record includes DMPED’s responses to written follow-up questions that the Committee sent to DMPED after the hearing.

Based on the Mayor’s submission package and the hearing record, and with awareness of the record regarding PR24-0222, the Committee concurs with the Mayor that 2 Patterson is not required for District government purposes. The fact that 2 Patterson was held in stasis as potential replacement housing for Temple Courts for so many years is a testament to the deeply regrettable process by which an existing low-income community was compelled to scatter, and offered under-baked, as-yet-unfulfilled assurances of a new, more habitable space in return. However, Northwest One is finally poised to offer former Temple Courts residents new affordable housing and continuing to hold 2 Patterson in reserve now would not do anything to improve that process.

The Committee also supports the executive’s decision to ensure that 2 Patterson becomes

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<sup>5</sup> A few days before the hearing, Committee staff notified ANC leaders and relevant single-member district Commissioners not only from ANCs 6C and 6E, but also from the ANC in Ward 5 across New York Avenue from 2 Patterson, ANC 5E.

a housing complex with substantial numbers of affordable units. Going forward, the Committee encourages the executive to explore methods for improving public engagement in the surplus determination process.<sup>6</sup> The low turnout at the April 2017 surplus hearing was in this case compounded by the long lead time between that hearing and the executive settling on a particular disposition plan, because the intervening 4½ years have seen an influx of numerous new residents who might have views on the need for District government services. On the whole, however, the benefits of this proposed surplus resolution (and the proposed disposition that it would facilitate) justify advancing it.

### **CHRONOLOGY OF ACTION**

May 6, 2021	PR24-0223 introduced by Chairman Phil Mendelson at the request of the Mayor
May 14, 2021	Notice of Intent to Act on PR24-0223 published in the DC Register
May 18, 2021	Referred to the Committee on Government Operations and Facilities
June 2, 2021	Notice of Public Hearing filed in the Office of the Secretary
June 11, 2021	Notice of Public Hearing published in the DC Register
September 9, 2021	Revised Notice of Public Hearing filed in the Office of the Secretary
September 17, 2021	Revised Notice of Public Hearing published in the DC Register
October 14, 2021	Public Hearing on PR24-0223
November 18, 2021	Notice of Mark-Up filed in the Office of the Secretary
November 19, 2021	Mark-Up of PR24-0223

### **POSITION OF THE EXECUTIVE**

PR24-0223 was introduced at the request of the Mayor.

### **RECOMMENDATIONS OF ADVISORY NEIGHBORHOOD COMMISSIONS**

The Committee has received no recommendations from Advisory Neighborhood Commissions regarding PR24-0223. As noted in earlier sections of this report, ANC 6C provided comments to DMPED regarding their preferences for any redevelopment at 2 Patterson during multiple stages of the developer solicitation and selection process, and DMPED and the selected Developers reportedly took that input into account when crafting the proposed disposition at issue

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<sup>6</sup> The disposition process, in contrast, appears to have involved greater community input. The Developers' hearing testimony, discussed in a later section of this report, detailed sustained contact with nearby community leaders.

in PR24-0222.

### **SUMMARY OF WITNESS TESTIMONY**

On October 14, 2021, the Committee on Government Operations and Facilities held a public hearing on PR24-0223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021”. A video recording of the public hearing is available online at [oct.dc.gov](https://oct.dc.gov). The hearing record remained open until the close of business on October 28, 2021. A representative of the Developers provided testimony at the hearing; two other representatives of the Developers attended so that they might help answer any questions, but did not provide separate testimony. The public witness’s testimony and that of the executive are summarized below:

#### *Josh Olsen, Executive Vice President, Monument Realty LLC*

Mr. Olsen presented a short slide deck, a copy of which is included in the hearing record. He emphasized the distinctive permanent benefits of the proposed development, including a large volume of affordable housing units designated for a range of incomes; 4,500 square feet of ground-floor-accessible “community-serving space”; the civic plaza park along N Street; and providing more visual interest at a major urban intersection compared to the current parking lot. He also described how the Developers, including District-based CBEs, would keep project resources local and create job opportunities for DC residents at the construction phase.

According to Mr. Olsen, DMPED facilitated deep community engagement on the proposed disposition even prior to soliciting proposals, and once the Developers were selected, LaRuby May of The May Group led outreach to faith leaders and other community stakeholders.

#### *Patrick Pendleton Smith, Development Manager, Office of the Deputy Mayor for Planning and Economic Development*

Mr. Smith described the 2 Patterson lot and its relation to the NoMa neighborhood. He then described DMPED’s process for soliciting public input on its surplus determination pursuant to the Act. His presentation included a list of “community-focused elements” that DMPED included in its solicitation for developers, including the need to maximize affordable housing and local employment, as well as a description of subsequent disposition-related actions pursuant to the Act. His testimony emphasized the over \$56,000 in tax revenue over 30 years, 779 temporary jobs, and 149 permanent jobs (including 41 permanent jobs for District residents) that the redevelopment is expected to create.<sup>7</sup>

The Chair asked Mr. Smith about whether the proliferation of tent encampments in NoMa and nearby neighborhoods might point to a need for government services at 2 Patterson. Mr. Smith emphasized that the 48 deeply affordable housing units planned for the site should help people experiencing homelessness find housing more readily. The Chair also asked for details about DMPED’s plans to restore affordable housing for former Temple Courts residents, as those plans

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<sup>7</sup> In response to questioning from the Chair and in written follow-up materials, DMPED confirmed that the job estimates included in the materials accompanying PR24-0222 were prepared by an external consultant, which did not supply DMPED with many details on the nature of or income levels expected from these jobs.

had informed DMPED’s determination that 2 Patterson was no longer needed for replacement housing. DMPED ultimately supplied those details in written follow-up responses, which are included in the hearing record and which confirm that substantial numbers of replacement units are planned for the coming years. Mr. Smith also confirmed his belief that the distribution of affordability levels planned for the 2 Patterson redevelopment represents the best deal that DMPED could expect to get out of a disposition of this kind.

### **IMPACT ON EXISTING LAW**

PR24-0223 would not have an impact on existing law.

### **FISCAL IMPACT**

The Office of the Chief Financial Officer issued a Fiscal Impact Statement on April 30, 2021, prior to introduction of the resolution, and determined that funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the proposed resolution.

### **RACIAL EQUITY IMPACT**

The racial equity impact analysis (REIA) prepared by the Council Office on Racial Equity (CORE), attached to this report, concluded that PR24-0223 maintains the status quo of racial inequity in the District of Columbia. Of particular interest is CORE’s discussion about the dramatic racial disparity in income distributions between Black- and White-led households in the District. CORE points out that in practice, a race-neutral affordable housing designation program like the one in the Act or the one that the Developers plan to build upon may still not result in units deeply affordable enough to adequately make homes available for Black residents. The Committee agrees that greater quantities of more deeply affordable housing must remain a high policy priority going forward.

The Committee also notes with appreciation CORE’s thoughtful discussion of the need for a holistic reevaluation of the District’s processes for public property surplus determinations. As this case demonstrates, the Act’s public hearing requirements do not guarantee meaningful participation by interested members of the public at the surplus consideration stage. CORE further suggests that “it is difficult to justify public land ever being deemed unnecessary for public use.” The Committee intends to engage in further discussions with subject matter experts and community members on options to meet affordable housing priorities while maximizing the use of public lands, with or without a surplus or disposition.

The Committee notes that in recent years, the Council has taken initial steps to improve and analyze the District’s economic development programs. Recent budgets have set additional targeted resources aside for ANCs so that they will have the tools to analyze and respond more meaningfully to major proposals that come before them—and so that they will be better able to negotiate for affordable housing and other community benefits. In addition, since the passage of the Economic Development Return on Investment Accountability Amendment Act of 2018, the Council has required the Mayor to include analyses of subsidized redevelopment projects and their benefits to the District as part of her annual budget submission. The Committee believes these



reports will be a useful tool to evaluate the District’s economic development programs and to further discussions with community advocates, CORE, the executive, and housing justice experts on these vital questions.

### **SECTION-BY-SECTION ANALYSIS**

- Section 1***      Contains the short title of the legislation.
- Section 2***      Finds that the District owns 2 Patterson, that 2 Patterson is no longer required for public purposes, and that the District satisfied the Act’s public hearing requirements.
- Section 3***      States the Council’s determination, pursuant to the Act, that 2 Patterson is no longer required for public purposes.
- Section 4***      Adopts the fiscal impact statement in this report.
- Section 5***      Requires transmission of a copy of the resolution to the Mayor upon adoption.
- Section 4***      Provides that the resolution shall take effect immediately.

### **SUMMARY OF COMMITTEE MARK-UP**

On November 19, 2021, the Committee on Government Operations and Facilities held a Committee Meeting to consider PR24-0223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021.” Chairperson Robert C. White, Jr., recognized the presence of a quorum consisting of himself and Councilmembers Brooke Pinto and Christina Henderson. The Chair then provided the following statement:

Today we’re considering proposed resolution 24-223, the “2 Patterson Surplus Declaration and Approval Resolution of 2021”. DC Code 10-801 established a process by which the executive can dispose of District-owned real property. The process involves administrative hearings and a written analysis, first to make sure that the District government doesn’t need the property for its own use, and then to determine what private use is in the District’s best interest. The resolution before us is one of a pair of resolutions from the Mayor that must both pass the Council before she can lease out a property in NoMa for mixed-use redevelopment. The Committee on Business and Economic Development has already marked up the corresponding disposition resolution.

As detailed in the committee report, 2 Patterson Street, N.E., is currently a parking lot but is zoned for high-density mixed use. It was kept undeveloped because we as a government thought we might need to use it as replacement housing for former residents of Temple Courts, a subsidized housing community that we bulldozed 13 years ago and then failed to replace on a reasonable timeframe.

The Temple Courts replacement process remains a stain on our recent history, but DMPED tells us that the new units going up on the site now known as Northwest One will finally allow us to fulfill the District's promise.

Last month we held a hearing attended by DMPED and the developers who will build the new building should these resolutions pass. I'm excited by the prospect of 325 units earmarked for households making certain percentages below the District's median family income. Most of the remaining 255 units would be capped at 20% above the median family income. However, the Council Office on Racial Equity has raised some really interesting points about how useful these units will be for reducing inequity. CORE points out that the median household income for Black households in the District is less than one third of that of White households. This means that the total number of Black residents who could potentially live in most of these new so-called affordable units at 2 Patterson without becoming rent-burdened is much lower than it initially appears. I also want to acknowledge CORE's concerns about the surplus and disposition process as a whole. 10-801 is an old pre-home-rule statute, and just treating it like a checklist rather than finding ways to spark meaningful community engagement means that we miss opportunities to build more accountability. I think we're due for a careful review of 10-801, and I would greatly appreciate hearing from colleagues on this Committee, as well as colleagues on the Committee on Business and Economic Development, in the coming months with any ideas you and your networks may have.

The cost-benefit analysis of these big private developments on public land is always tricky. The acre in NoMa that we're talking about today is worth over \$17 million, and we're going to let the developers lease it for a century for \$99 in exchange for the affordable housing they intend to build. Could we use this valuable resource to create even more stability for long-standing communities at risk of displacement? We asked a number of questions on this point during our hearing, and DMPED believes the answer is no, and based on what we heard from them, for right now I am prepared to defer to their expertise. But it's important that we keep asking these questions to ensure that we are getting a return on the District's investment that advances our overall housing development goals. We also have to continue to develop more robust, independent analyses of these deals. That's precisely why I wrote, passed, and funded the Economic Development Return on Investment Accountability Amendment Act, which has begun to result in useful reports. It's also why in the last budget we provided funding for our ANCs to hire professional support for their negotiations with developers. As the REIA mentions, there's more we can do here and I stand ready to partner with folks to see how we can improve this process going forward. For today, I am moving this legislation forward because this proposed surplus and disposition appear on balance to be positive for the neighborhood and a better outcome in terms of affordability than many of the projects we've seen in the city.

Upon the conclusion of the Chair's opening statement, he opened the floor for discussion.

After discussion, the Chair moved the proposed committee print and report, with leave for staff to make technical and conforming amendments.

***Dissenting, Separate, and Individual Views of Committee Members***

No dissenting, separate, or individual views of Committee Members were provided.

***Amendments or Other Motions***

No amendments or other motions were proposed.

***Vote on the Measure and Report***

YES: Councilmembers Robert C. White, Jr., Brooke Pinto, and Christina Henderson

NO: None

PRESENT: None

**LIST OF ATTACHMENTS**

- (1) Introduced Measure and Memorandum of Referral
- (2) Racial Equity Impact Assessment
- (3) Fiscal Impact Statement
- (4) Legal Sufficiency Determination
- (5) Committee Print

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**ATTACHMENT 1**

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**MURIEL BOWSER**  
**MAYOR**

May 6, 2021

The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Suite 504  
Washington, DC 20004

Dear Chairman Mendelson:

Enclosed for consideration by the Council are proposed resolutions entitled the "2 Patterson Surplus Declaration and Approval Resolution of 2021" and the "2 Patterson Disposition Approval Resolution of 2021".

These proposed resolutions will declare District owned real property located at 2 Patterson Street NE, Washington, D.C., and known for taxation and assessment purposes as Lot 0245 in Square 0672 (Property), as no longer required for public purposes and approve its disposition pursuant to D.C. Official Code § 10-801.

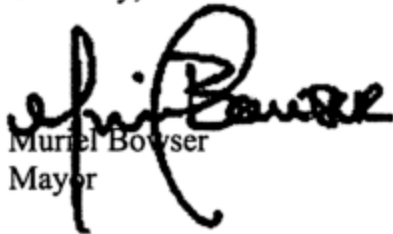
The proposed development will transform this site in Ward 6 into a mixed-use development of residential over retail and commercial space. The development is set to provide an outdoor space that will be available to residents and the public alike.

Following a community engagement process to obtain public input for the future use of the Property, the Deputy Mayor for Planning and Economic Development ("DMPED") completed a competitive solicitation process to select a development team. Upon review of the received proposals, and in consideration of the requested criteria from the community and ANC 6C, DMPED selected the development team of Monument Realty LLC, Morningstar Community Development LLC, The May Firm PLLC, and THC Affordable Housing, Inc. (Developer).

Approval of the proposed resolutions will declare surplus and allow for the disposition of the Property to the Developer to create a mixed used development. The proposal will deliver a high-rise building with approximately 580 residential units ranging from studios to three- and four-bedrooms. The redevelopment of the Property will provide residential housing, communal spaces to enhance the atmosphere and sense of community for its residents, and will be a major step forward in the District's redevelopment.


As always, I am available to discuss any questions you may have regarding these proposed resolutions. If you have any questions, please contact Erika Satterlee, Legislative Director for the Deputy Mayor for Planning and Economic Development, at 202-727-1983. I look forward to prompt and favorable consideration of these resolutions.

Sincerely,



Muriel Bowser  
Mayor

Enclosures

  
Chairman Phil Mendelson  
at the request of the Mayor

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7 A PROPOSED RESOLUTION  
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11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA  
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15 To declare and approve as surplus the District-owned real property located at 2 Patterson  
16 Street, N.E., and known for taxation and assessment purposes as Lot 0245 in  
17 Square 0672.  
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19 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that  
20 this resolution may be cited as the “2 Patterson Surplus Declaration and Approval  
21 Resolution of 2021”.

22 Sec. 2. Findings.

23 (a) The District of Columbia is the owner of the real property located at 2  
24 Patterson Street, N.E., and known for taxation and assessment purposes as Lot 0245 in  
25 Square 0672 (the “Property”). The Property consists of approximately 42,252 square feet  
26 of land.

27 (b) The Property does not have any necessary use by the District and is no  
28 longer required for public purposes. The most pragmatic solution for activating this site is  
29 to declare the Property surplus and dispose of the Property for development.

30 (c) The District has satisfied the public hearing requirements of section 1(a-  
31 1)(4) of An Act Authorizing the sale of certain real estate in the District of Columbia no  
32 longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C.

33 Official Code § 10-801(a-1)(4)) by holding a public hearing on April 28, 2017, at  
34 Northwest One Library located at 155 L Street, N.W., regarding the finding that the  
35 Property is no longer required for public purposes.

36 Sec. 3. Pursuant to D.C. Official Code § 10-801(a-1), the Council determines that  
37 the Property is no longer required for public purposes.

38 Sec. 4. Fiscal impact statement.

39 The Council adopts the fiscal impact statement in the committee report as the  
40 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home  
41 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02  
42 (c)(3)).

43 Sec. 5. Transmittal of resolution.

44 The Secretary to the Council shall transmit a copy of this resolution, upon its  
45 adoption, to the Mayor.

46 Sec. 6. Effective date.

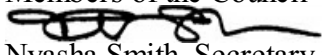
47 This resolution shall take effect immediately.



**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**1350 Pennsylvania Avenue, N.W.**  
**Washington D.C. 20004**

Memorandum

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To : Members of the Council  
From :  Nyasha Smith, Secretary to the Council  
Date : Tuesday, June 29, 2021  
Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Thursday, May 06, 2021. Copies are available in Room 10, the Legislative Services Division.

TITLE: "2 Patterson Surplus Declaration and Approval Resolution of 2021", PR24-0223

INTRODUCED BY: Chairman Mendelson, at the request of Mayor

The Chairman is referring this legislation to the Committee on Government Operations and Facilities. This resolution will be deemed disapproved on Thursday, December 02, 2021 without Council action.

Attachment  
cc: General Counsel  
Budget Director  
Legislative Services

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**ATTACHMENT 2**

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**PROPOSED RESOLUTION 24-0223**  
**RACIAL EQUITY IMPACT ASSESSMENT**  
**2 PATTERSON SURPLUS DECLARATION AND**  
**APPROVAL RESOLUTION OF 2021**

**TO:** The Honorable Phil Mendelson, Chairman, Council of the District of Columbia  
**FROM:** Brian McClure, Director, Council Office of Racial Equity  
**DATE:** November 18, 2021 

**COMMITTEE**

Committee on Government Operations and Facilities

**BILL SUMMARY**

Proposed Resolution 24-0223 declares the District owned property located at 2 Patterson Street, NE, Washington, DC, no longer needed for public purposes.

**CONCLUSION**

PR24-0223 maintains the status quo of racial inequity in the District of Columbia.

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**Content Warning:** The document you are about to read is a Racial Equity Impact Assessment, a careful and organized examination of how PR 24-0223 will affect different racial and ethnic groups in the District of Columbia. We hope that this assessment sparks a conversation that is brave, empathetic, thoughtful, and open-minded.

The content will touch on displacement, rent burdens, broken promises, and structural racism, which may trigger a strong emotional response. We encourage you to use this knowledge in the way that is most helpful to you.

**BACKGROUND**

- **Currently, the District Government owns the vacant property located at 2 Patterson Street, NE, in Ward 6.**
- **The resolution would declare the property located at 2 Patterson as surplus, which means it is no longer required for public purposes.**
- **MMMC 2 Patterson JV LLC would develop a mixed use project on the site, including retail, a pocket park, and residential units.<sup>1</sup>**

Proposed Resolution 24-0223 (PR-24-0223) declares the property located at 2 Patterson Street, NE as “surplus property.”<sup>2</sup> This means that the property, which is currently a vacant parking lot, is no longer required for public purposes. Relatedly, on November 8, 2021, the Council’s Committee on Business and

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<sup>1</sup> The Council Office of Racial Equity aims to center accessibility in our writing. While the REIA’s approach towards accessibility is not exhaustive, you may find that we intentionally examine patterns such as spelling out statistics and interrogating the use of hyphenations in our writing habits.

<sup>2</sup> [PR24-0223](#), the 2 Patterson Surplus Declaration and Approval Resolution of 2021.

Economic Development approved PR24-0222, the 2 Patterson Disposition Approval Resolution of 2021.<sup>3</sup> That resolution allows the Mayor to “dispose” of the 2 Patterson property through entering into a new ninety nine year ground lease with developer MMMC 2 Patterson JV LLC.<sup>4</sup> Throughout the ninety nine year lease, the developer will pay one dollar a year in rent.<sup>5</sup>

On April 18, 2017, the Mayor hosted a surplus hearing (a hearing to determine if the property is needed for public use). A disposition hearing (which provides the public an opportunity to discuss how the property can be used) was held on November 18, 2018. Based on these hearings, the Mayor determined that the property was no longer needed for public use.<sup>6</sup>

## The Project at 2 Patterson

The 2 Patterson property is located in the North of Massachusetts Avenue community (NoMa) of Ward 6.

Notably, the NoMa neighborhood has undergone sizable demographic changes and intense displacement over the last decade. For instance, the population of the planning area was more than sixty percent Black in 2000 and was only twenty nine percent Black in 2015.<sup>7</sup> During that same period, the area’s white population doubled from twenty five percent in 2000 to fifty two percent in 2015.

Still, significant growth is anticipated for this area. Projections estimate that the area’s population will increase from ten thousand households in 2017 to over twenty three thousand households by 2045.<sup>8</sup> Much of NoMa’s growth is expected through new high density housing, through developments such as 2 Patterson and Northwest One.<sup>9</sup>

If approved, the project would create a mixed use development of residential, retail, and commercial space. Importantly, DC Law requires thirty percent of residential units developed on the property be restricted at rents affordable to thirty percent and fifty percent of the affordable median income (AMI).<sup>10</sup> The law refers to AMI, however, this analysis will primarily use median family income (MFI), which the District now primarily uses to calculate income restrictions.<sup>11</sup>

In addition, the land disposition and development agreement (LDDA) between the District and the developer includes a covenant throughout the duration of the ninety nine year ground lease. The covenant requires the developer to at least maintain the same quality and number of affordable units it provides on day one through the life of the project.

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<sup>3</sup> [PR24-0222](#), the 2 Patterson Disposition Approval Resolution of 2021.

<sup>4</sup> The developer is a joint venture (meaning a single entity composed of multiple organizations) including Monument Realty LLC, Morningstar Community Development LLC, the May Firm, and the THC Affordable Housing, Inc.

<sup>5</sup> A ground lease is an agreement that allows a tenant (in this case the developer) to develop property during the period of a lease.

<sup>6</sup> For background on the surplus resolution, see [PR24-0223](#), the 2 Patterson Surplus Declaration and Approval Resolution of 2021.

<sup>7</sup> See Section 1603.3 of the [Comprehensive Plan Central Washington Area Element](#), Page 8 of 51.

<sup>8</sup> *Ibid.*, see Section 1601.

<sup>9</sup> *Ibid.*, see Section 1618.7. Northwest One includes several public housing developments including the Sursum Corda Cooperative, Tyler House, Sibley Plaza, and Golden Rule Center. The [Northwest One redevelopment plan](#) was launched in 2005, which would have created 1,700 housing units including the one for one replacement of five hundred and twenty deeply subsidized units. In the fall of 2020, the first phase of Northwest One [finally broke ground](#).

<sup>10</sup> See [DC Official Code § 10-801](#). Authorization; description of property; submission and approval of resolution; reacquisition rights; notice.

<sup>11</sup> The Department of Housing and Urban Development calculates AMI on an annual basis. More recently, DC takes a more regional approach and calculates MFI based on the Washington Metropolitan region to calculate income limits.

According to the Mayor, the project would create five hundred and eighty residential units, eighteen thousand square feet of retail, and community space, including a pocket park.<sup>12</sup> According to the Deputy Mayor for Planning and Economic Development (DMPED), fifty six percent of units will be affordable at or below eighty percent MFI.<sup>13</sup>

The breakdown of the affordable units is provided below in Figure 1:

**FIGURE 1**

UNIT SIZE	NUMBER OF UNITS				
	30% MFI	50% MFI	80% MFI	120% MFI	TOTAL
<b>STUDIO</b>	17	50	47	79	193
<b>1 BEDROOM</b>	16	68	50	114	248
<b>2 BEDROOM</b>	6	11	13	24	54
<b>3 BEDROOM</b>	6	16	15	0	37
<b>4 BEDROOM</b>	3	2	5	0	10
<b>TOTAL</b>	48	147	130	217	542

### The District’s Affordable Housing Crisis

In the District, there is an immediate and urgent need for affordable housing. According to HAND, a nonprofit focused on developing equitable communities, “despite [the District’s] minimum wage being \$15—it would take 88 work hours per week to afford a two bedroom rental.”<sup>14</sup> HAND also notes that roughly forty one percent of renter households in the District are housing cost burdened (meaning that they pay thirty percent or more of income on housing related expenses).

According to HUD, affordable housing is housing that allows persons to pay less than thirty percent of their household income. The standard of “30% of income on rent” is often used as a measure of housing affordability, despite the fact that the 70% of income “left over” varies widely between families with high incomes compared to families with lower incomes. Using the same standard for all income levels ignores how much money would remain for other critical expenses, such as childcare, food, household necessities, healthcare, and transportation.<sup>15</sup> Consider this in a racial equity context: Black households in the District are overrepresented in low-income brackets.<sup>16</sup>

<sup>12</sup> See [testimony of Patrick Pendleton Smith](#), Development Manager Office of the Deputy Mayor for Planning and Economic Development, provided on October 14, 2021 before the Committee on Business and Economic Development.

<sup>13</sup> Page 212 of the LDDA defines MFI as “the median family income for a household of four persons in the ‘Washington Metropolitan Statistical Area’ as periodically published by the Department of Housing and Urban Development (HUD), and adjusted for household size without regard to any adjustments made by HUD for the purposes of the programs it administers.”

<sup>14</sup> HAND, [Housing Indicator Tool: A Dashboard for Measuring Progress Towards Meeting Regional Housing Needs](#).

<sup>15</sup> [The Rent Eats First: Rental Housing Unaffordability in the US](#), Whitney Airgood-Obyrcki, Alexander Hermann, Sophia Wedeen, Joint Center for Housing Studies of Harvard University, January 2021.

<sup>16</sup> [DC Racial Equity Profile](#), D.C. Policy Center and Council Office of Racial Equity.

Concerningly, Black and brown District residents are more likely to rent than own housing and are rent burdened at alarmingly higher rates than white residents are.<sup>17</sup> In fact, fifty eight percent of Hispanic households in DC are rent burdened (higher than any other group) and fifty three percent of Black households in DC are rent burdened (Figure 2). In contrast, about thirty four percent of white District households are rent burdened.<sup>18</sup> This means that the District’s Black and brown residents experience higher levels of rent burden, increasing the likelihood of displacement.

Unfortunately, the median gross rent in the District only continues to rise,<sup>19</sup> exacerbating an affordability crisis. This crisis disproportionately affects the District’s lowest income residents, the majority of whom are Black and brown.

Between 2006 and 2017, rents in the District grew 3.4%, while MFI grew only 1.8%.<sup>20</sup> The disparity between rising rents and minimum growth in incomes is partly responsible for Black and brown residents being priced out of the District.

**FIGURE 2 Black and Hispanic households have the highest rates of rent burden in the District.**

RACE AND ETHNICITY	SHARE OF HOUSEHOLDS SEVERELY RENT BURDENED* These households pay more than 50% of their income on housing.	SHARE OF HOUSEHOLDS MODERATELY RENT BURDENED These households pay 30-50% of their income on housing.	TOTAL SHARE OF DC HOUSEHOLDS WITH RENT BURDEN
WHITE	17.3%	17.2%	34.5%
ASIAN/OTHER	19%	26.4%	45.4%
BLACK	34.9%	18.3%	53.2%
HISPANIC**	38.6%	19.5%	58.1%

\*Households with zero or negative incomes are counted as severely burdened, while households paying no cash rent are counted as without burden.

\*\*In this chart, Hispanic households may be of any race. Black, Asian/Other, and white households are non-Hispanic. Unfortunately, these tabulations did not make specific data available about Pacific Islanders or Indigenous populations.

## Outcomes of Unaffordable Rent

The lack of affordable housing in the District disproportionately harms Black residents, Indigenous residents, and other residents of color. Although not an exhaustive list, the lack of affordable housing can lead to displacement, residential instability (meaning a resident has moved at least once in the last five years due to housing costs and will likely need to move again within three years), evictions, homelessness, and impacts on residents’ physical and mental health.<sup>21</sup>

## Progress Towards the District’s Affordable Housing Goals

The District plays a critical role in building and preserving affordable housing stock targeted to Black residents and other residents of color in dire need of safe, accessible, and affordable housing. The Mayor set a goal to create thirty six thousand new homes by 2025. Importantly, the Mayor has set specific goals to meet the needs of residents across income levels (lowest, low, low middle, and middle). Specifically, of the

<sup>17</sup> Joint Center for Housing Studies of Harvard University, “[Renter Cost Burdens by Race and Ethnicity](#).”

<sup>18</sup> See [Section 500.5](#) of the Comprehensive Plan Housing Element.

<sup>19</sup> HAND, [Housing Indicator Tool](#).

<sup>20</sup> See [Section 500.18](#) of the Housing Element.

<sup>21</sup> [2021 Demographics](#), DC Health Matters; [DC Housing Survey Insights](#), Office of the Deputy Mayor for Planning and Economic Development and The Lab @ DC, 2018; and [Forced Relocation and Residential Instability among Urban Renters](#), Matthew Desmond, Carl Gershenson, Barbara Kiviat, Social Service Review, June 2015.

thirty six thousand units, twelve thousand units are to be affordable to residents earning up to eighty percent of DC’s MFI. According to the Mayor, accomplishing this goal requires the District to “sustain a high rate of housing production...through 2025.”<sup>22</sup>

The Mayor aims to sustain high rates of housing production through a number of tools including inclusionary zoning (and inclusionary zoning plus), the Housing Production Trust Fund, vouchers, public housing, and mixed use developments to name a few.

To date, the District has produced 16,605 total units (which is 46 percent of the 36,000 goal). Importantly, the Mayor’s secondary goal is to create 12,000 units that are affordable to low income residents earning less than 80 percent MFI (\$103,200 for a household of four). To date, the District has created a little over 3,000 affordable units (which is 25 percent of the 12,000 goal).<sup>23 24</sup>

While the District is far behind on its overall goals, it did make significant progress in 2019 by building over 760 units for low income residents (between 30 and 50 percent MFI).

## **RACIAL EQUITY IMPACTS**

- **PR24-0223 will increase the District’s affordable housing stock.**
- **The number of units set aside for residents under 30 percent MFI (forty eight) and residents at or below 50 percent MFI (147) are a smaller percentage than those set aside for higher income earners.**
- **The majority of “affordable units” are set aside for those at 80 percent MFI (130 units) and 120 percent MFI (217 units).**

Adding to the District’s affordable housing stock and ensuring availability across income groups helps to fill an urgent need. Further, ensuring affordability across income levels is likely to create opportunities for working class and middle income Black and brown residents that may technically have higher incomes but are still less likely to have accumulated wealth and are also likely to experience other effects of structural and institutional racism.<sup>25</sup>

However, the biggest benefit of approving this surplus (and the associated disposition) is its commitment to create new affordable housing units.<sup>26</sup> According to DMPED, the District has produced only 298 affordable units (or less than 30 percent of its goal) in the entire Central Washington Area.<sup>27</sup> This figure includes 137 affordable units created to replace housing units that were demolished at Temple Courts. These 137 units are spread out across several buildings within the planning area to include the Severna, 2M, and the Severna at K.<sup>28</sup>

<sup>22</sup> See section 502.2 of the Housing Element of the Comp Plan

<sup>23</sup> [DMPED Economic Intelligence Dashboard](#), “Counting the District’s Housing Production” The unit counts represent housing production from January 2019 through September 2021.

<sup>24</sup> In the Central Washington Area, where the project is located, of 2,130 total units produced, two hundred and ninety eight are affordable units.

<sup>25</sup> Doni Crawford and Kamolika Das, “[Black Workers Matter: How the District’s History of Exploitation and Discrimination Continues to Harm Black Workers](#),” DC Fiscal Policy Institute: January 28, 2020.

<sup>26</sup> There are other potential benefits, such as small business participation requirements, environmental considerations, and employment considerations.

<sup>27</sup> [DMPED Economic Intelligence Dashboard](#).

<sup>28</sup> Jenny Gathright, “[More Than a Decade Later, Some Former DC Public Housing Residents Worry if They’ll Ever Return](#).” WAMU, April 8, 2019.

Because affordability requirements are based on income and not race, it is difficult to definitively pinpoint with accuracy who might be the primary recipients of available affordable units at 2 Patterson without making certain assumptions. Although we could make assumptions that would link race to income, we acknowledge that those assumptions could be challenged. For example, given that the average income for a Black household in the District falls is \$46,201, one might assume that Black families are more likely to secure a unit at 2 Patterson that costs below 40 percent MFI. However, a white graduate student or staffer on Capitol Hill may also fall within this income bracket and would therefore be eligible for the same unit.<sup>29</sup>

The MFI for a family of four living in the District is \$116,100 for a household of three. In the District, the median income for a Black family of three is \$46,201 while the average income for a white family of three is \$143,150. This means that the median Black family of three falls closer to 40 percent MFI. As noted above, most units set aside by this project, however, are for residents at or above 50 percent MFI.

Future surplus and dispositions require more intentional and strategic planning<sup>30</sup> to ensure the District is:

- 1) meeting the need of Black and brown residents, many of which are disproportionately represented in the extremely low and low income category;
- 2) proactively protecting vulnerable residents from being displaced as rapid development in NoMa and in the surrounding communities continues; and
- 3) intentionally ensuring the maximum benefit of Black residents—especially those of lower incomes—in the future developments of District owned land.

**Positively, the commitment to build three hundred and twenty five affordable units moves the District closer towards meeting urgent affordable housing goals.** Construction of these units inches the District closer to its goal of building twelve thousand new affordable units.

Adding these deeply affordable units is particularly important considering the location and strategic placement of affordable housing across the District. In the immediate area, between the Temple Courts and Golden Rule Apartments, at least two hundred and fifty affordable units have already been demolished. This demolition displaced mostly Black and brown low and extremely low income residents.<sup>31</sup> As noted above, to date, just 137 units in the Central Washington Area where NoMa is located, have been replaced (since they were demolished in 2005).

Further, the DC Housing Authority plans to demolish or gut ten public housing complexes and remove about twenty five percent of its portfolio from Federal ownership over the next eighteen years.<sup>32</sup> The 325 affordable units in this project represent 48 units available at thirty percent MFI or below and 147 units available at fifty percent MFI or below. For greater context, the income for thirty percent below MFI for a family of four is \$38,700; and the income for a family of four earning below fifty percent MFI is \$64,500.<sup>33</sup>

**Positively, the creation of 325 affordable units in NoMa spreads the location of affordable units across the District.** A 2015 District based housing needs assessment conducted by the Urban Institute for the

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<sup>29</sup> The [average salary](#) for a Congressional Aide ranges between \$20,000 to \$50,000 a year.

<sup>30</sup> CORE understands there are existing limitations in the law of what is permissible and does not violate anti discrimination laws.

<sup>31</sup> Northwest One, [Request for Proposals](#), page 8. Also see Paul Duggan, “[DC public housing residents are angry they will now be forced to move for redevelopment](#),” Washington Post, June 8, 2017.

<sup>32</sup> Testimony of Beth Mellen, Supervising Attorney, Housing Law Unit, Legal Aid Society of the District of Columbia, Public Roundtable regarding the “District’s Opportunity to Purchase Act,” April 21, 2021; also see Jenny Gathright, “[Why Redevelopment of the DC Housing Authority Headquarters Is A Big Deal](#)”, WAMU, January 17, 2020.

<sup>33</sup> Libby Solomon, “[Affordable Housing Eligibility is Based on Median Income—and the 2021 Numbers Are Out for DC.](#)” Greater Greater Washington, July 14, 2021.



District suggested that more affordable housing is needed District wide, especially in high cost areas and for those households earning less than 30 percent of the MFI. Currently, the majority of very low income residents are being displaced and concentrated in Wards 7 and 8.<sup>34</sup> If these patterns continue, they will reinforce the presence and problems of racially segregated neighborhoods and exacerbate the already highly racialized pockets of concentrated poverty in the District.

**Positively, approval of this project will locate affordable housing near transit and other important amenities such as libraries, schools, recreation centers, and retail.** 2 Patterson is close to the NoMa Gallaudet University Metro rail station and therefore provides immediate access to the Red Line—a gateway to jobs and other household supports. Building affordable housing near Metro rail stations furthers important goals of the Comp Plan such as providing affordable housing and access to employment and other important amenities for low income households, many of which are likely to be Black and brown residents.

**Notably, the majority of affordable units will be studios and one bedrooms.**

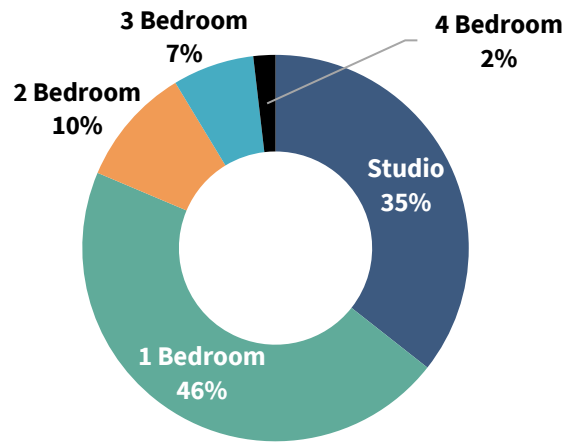
If passed, the project will create 47 three and four bedrooms below eighty percent MFI. In the District, many Black families and other families of color that fall below eighty percent MFI are looking for affordable housing units large enough to accommodate their families.

A 2019 report found that there is an uneven supply of large housing units across all wards of the District, and only one in four large housing units are for rent. In addition, “the supply of [large] rental housing affordable for households making less than 30% and 50% of AMI falls far short of the need.”<sup>34</sup>

Given the racial inequities in homeownership rates, income distribution, and that families of color are more likely to live in multigenerational households,<sup>35</sup> we see an increased need—but fewer options for communities of color—for large, affordable housing units.

**Concerningly, most planned units at 2 Patterson do not further the goals of the Comprehensive Plan to build deeply affordable units for extremely low and very low income residents.**<sup>35</sup> Instead, the majority of “affordable units” (347) are set aside for those earning between 80 percent and 120 percent AMI. In Fiscal Year 2020, the District failed to meet any of its affordable housing goals across all income levels, including for lowest and low income residents.<sup>36</sup> This is not to dismiss the importance of creating affordable housing for those between 80 percent and 120 percent MFI. It is only to underscore how far the District must go to meet its affordable housing goals, especially for residents that are extremely low and very low income.

**SIZES OF AFFORDABLE UNITS**



**FIGURE 3** Most of 2 Patterson’s affordable units are studio and one bedroom (81%).

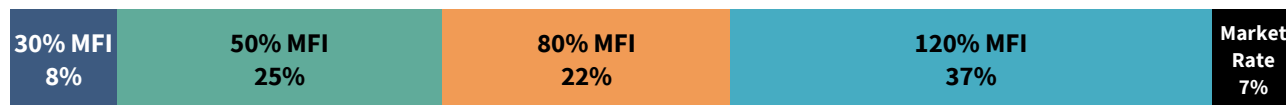
<sup>34</sup> See 500.25 of the Comprehensive Plan Housing Element.

<sup>35</sup> Planning for 2 Patterson began before the final passage of the Comp Plan, which passed in 2021.

<sup>36</sup> Hand, [Housing Indicator Tool](#).

**FIGURE 4** Only one third of all units are available to households earning 50% MFI or less.

### AFFORDABILITY OF ALL UNITS



**Concerningly, the definition of “affordable” is race neutral and ignores large differences in Median Family Income across racial groups.** The disposition resolution (PR24-0222) references MFI for all residents in the Washington Metropolitan region, which includes areas in Virginia and Maryland.<sup>37</sup> This definition is race neutral—but MFI and structural affordability challenges across racial groups are dramatically different.

For example, the median income of Black families in the District is approximately fifty to sixty percent of the regional MFI, not at one hundred percent MFI (where it would be in a racially equitable society). Because the development proposes to build the majority of “affordable units” between 80 percent and 120 percent, MFI and because that income range does not represent the incomes of most Black families in the District, the project’s affordable housing goals likely do not meet the need of many of the District’s Black residents.

Plainly, the MFI of Black District households is \$46,201,<sup>38</sup> or approximately fifty percent of MFI for a household of one. Regardless of household size, a median Black household in the District could not afford the majority of units this project defines as affordable.<sup>39</sup>

White earners in the District have the highest median family income of all races in the District. We are highlighting the differences for Black families in this REIA, but Indigenous families and families of other races also face similar challenges.

<sup>37</sup> See page 212 of the LDDA which defines MFI as “the median family income for a household of four persons in the “Washington Metropolitan Statistical Area” as periodically published by the Department of Housing and Urban Development, and adjusted for household size without regard to any adjustments made by HUD for the purposes of the programs it administers.

<sup>38</sup> [DC Health Matters](#), Demographic Data

<sup>39</sup> Libby Solomon, “[Affordable Housing Eligibility is Based on Median Income—and the 2021 Numbers Are Out for DC.](#)” Greater Greater Washington, July 14, 2021.

**FIGURE 5** The MFI for Black District families is \$46,201. This means that 50% of Black families in the District can afford the apartments highlighted in blue below, representing 18% of the affordable units.

	Household Size	30% MFI	50% MFI	80% MFI	120% MFI
<b>Studio</b>	1	17	50	47	79
<b>1 Bedroom</b>	2	16	68	50	114
<b>2 Bedroom</b>	3	6	11	13	24
<b>3 Bedroom</b>	4	6	16	15	no units
<b>4 Bedroom</b>	5	3	2	5	no units

**FIGURE 6** The MFI for white District families is \$143,150. This means that 50% of white families in the District can afford the apartments highlighted in green below, representing 100% of the affordable units.

	Household Size	30% MFI	50% MFI	80% MFI	120% MFI
<b>Studio</b>	1	17	50	47	79
<b>1 Bedroom</b>	2	16	68	50	114
<b>2 Bedroom</b>	3	6	11	13	24
<b>3 Bedroom</b>	4	6	16	15	no units
<b>4 Bedroom</b>	5	3	2	5	no units

**Concerningly, original plans to develop the site and provide substantially more affordable housing were disregarded.** According to testimony provided by the Executive, “DMPED originally reserved the Property for the development of replacement housing—if needed—under the Northwest One Redevelopment Plan.”<sup>40</sup> The disposition analysis provided by the Executive goes on to state that the Temple Courts project is providing all the necessary replacement housing and therefore, the property at 2 Patterson was released.<sup>41</sup> To date, redevelopment of housing initiatives such as Temple Courts and Sursum Corda have displaced thousands of residents, been delayed for nearly two decades, and have failed to deliver on

<sup>40</sup> The [Northwest One redevelopment plan](#) was launched in 2005, which would have created 1,700 housing units including the one for one replacement of five hundred and twenty deeply subsidized units. In the Fall of 2020, the first phase of Northwest One [finally broke ground](#).

<sup>41</sup> [“Disposition Analysis in Support of Disposition of Real Property”](#).

the promise of protecting five hundred twenty units of deeply subsidized housing and to also create six hundred new affordable units.<sup>42</sup>

CORE also believes that while it is true that this development may help the District achieve its short term housing goals by providing three hundred twenty five “affordable units,” it is also true that approving this project as proposed, represents fewer affordable housing units than was previously envisioned in the past. Further, the fact that less than two hundred units were created nearly fifteen years later to replace those demolished units at Temple Courts and Golden Rule is deeply troubling. As such, more intentionality should have been given to amplify the voices of those residents. This could have occurred through mailing personalized letters to invite former residents to have their voices heard and to share their experiences; organizing listening sessions of former Temple Courts and Golden Rule residents; or even identifying creative ways to share the hearing notices directly with affected residents.

**Concerningly, the surplus and disposition process does not actively seek to increase the participation of those most affected by structural racism and maintains the status quo of racial inequity.** Between the two hearings, twelve community voices were heard, maximum. Granted, DMPED followed the law and even had additional input from stakeholders during the pre solicitation meeting, this level of community engagement represents a floor not a ceiling.

## **FURTHER CONSIDERATIONS**

**The community input process did not explore innovative ways to actively engage and amplify the voices of those most impacted by structural racism.** The community input process for surplus and dispositions can mirror the goals of the Comp Plan to promote community involvement by identifying and removing barriers to participation, creating new avenues of access and transparency, and utilizing a variety of means to secure community input.<sup>43 44</sup>

**Closer scrutiny of the surplus and disposition analyses provided by the Mayor is urgently needed.** In the provided surplus and disposition analyses, many responses are vague and incomplete. The responses are unchecked and are taken as fact.

For example, the disposition analysis provided to Council states, “This scenario will allow the District to provide more affordable housing units as well as create more job opportunities for the community.”<sup>45</sup> However, the First Source Agreement does not require the developer to hire from the NoMa community.

Further, many of the responses to the First Source Employment Plan raise questions. For example, what does it mean that project management staff will be transferred from other projects and “New hires, if any” will be made by the developer’s general contractor?<sup>46</sup> Although DMPED reported a certain number of construction and permanent jobs *will* be created, a closer reading of the Employment Plan raises concerns about that number.

**The District lacks a thorough and critical analysis method for reviewing the possible uses of public land.** In both surplus and disposition resolutions, there is language that reads, “The Property does not have any necessary use by the District and is no longer required for public purposes.”<sup>47</sup> Given the deep and

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<sup>42</sup> See Northwest One Redevelopment Plan

<sup>43</sup> See Section 2506.4 of the [Comprehensive Plan Implementation Element](#).

<sup>44</sup> The MITRE corporation has developed [a number of tools](#) that is helping Government think differently about how to approach community engagement.

<sup>45</sup> See [PR24-0223](#), the 2 Patterson Surplus Declaration and Approval Resolution of 2021.

<sup>46</sup> See [First Source Agreement Employment Plan](#), page 34.

<sup>47</sup> See Committee Prints for PR24-0222 and PR24-0223.

pervasive racial inequities in homeownership, rent burden, , employment, and distribution of resources among other outcomes, it is difficult to justify public land ever being deemed unnecessary for public use. Instead, the District could prioritize ways to creatively maximize public land to address existing racial inequities.

**The project does not provide residents with an opportunity to purchase.** As it stands, the 2 Patterson project is purely rental and therefore does not offer residents within the lowest income brackets the ability to own their units. In DC, white residents are more likely to own their homes than Black residents are.<sup>48</sup> This disparity means that Black residents are less likely to generate wealth through homeownership. District land dispositions ought to include innovative, long term models such as coops and community land trusts to address the current racial disparity in homeownership rates.<sup>49</sup>

## **ASSESSMENT LIMITATIONS**

Alongside the analysis provided above, the Council Office of Racial Equity encourages readers to keep the following limitations in mind:

**Assessing legislation’s potential racial equity impacts is a rigorous, analytical, and uncertain undertaking.** Assessing policy for racial equity is a rigorous and organized exercise but also one with constraints. It is impossible for anyone to predict the future, implementation does not always match the intent of the law, critical data may be unavailable, and today’s circumstances may change tomorrow. Our assessment is our most educated and critical hypothesis of the bill’s racial equity impacts.

**This assessment intends to inform the public, Councilmembers, and Council staff about the legislation through a racial equity lens.** As a reminder, a REIA is not binding. Regardless of the Council Office of Racial Equity’s final assessment, the legislation can still pass.

**This assessment aims to be accurate and useful, but omissions may exist.** Given the density of racial equity issues, it is unlikely that we will raise *all* relevant racial equity issues present in a bill. In addition, an omission from our assessment should not: 1) be interpreted as a provision having no racial equity impact or 2) invalidate another party’s racial equity concern.

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<sup>48</sup> Urban Institute, “[The Color of Wealth in the Nation’s Capital](#)”, November 1, 2016.

<sup>49</sup> Kaela Roeder, “[Community-controlled affordable housing model could address gentrification in Southwest Washington](#)”, Street Sense Media: August 18, 2021; [SW DC Action and Douglass Community Land Trust](#).

## APPENDIX: MFI BY RACE

Based on the proposed MFI levels, Black District families who earn in the lower half of the income range would be able to afford 18 percent of affordable units at 2 Patterson, while white District families who earn in the lower half of the income range would still be able to afford 100 percent of affordable units.

White District residents have the highest median family income of all races in the District. We are highlighting the differences for Black families in this REIA, but Indigenous families and families of other races also face similar challenges.

# 18%

**Black District families who earn in the lower half of the income range can afford 18% of the affordable units at 2 Patterson.**

# 100%

**White District families who earn in the lower half of the income range can afford 100% of the affordable units at 2 Patterson.**

The MFI for Black District families is \$46,201. This means that 50% of Black families in the District can afford the apartments highlighted in blue below, representing 18% of the affordable units.<sup>50</sup>

	Household Size	30% MFI	50% MFI	80% MFI	120% MFI
<b>Studio</b>	1	\$27,100	45,150	\$72,250	\$108,350
<b>1 Bedroom</b>	2	\$30,950	\$51,600	\$82,550	\$123,850
<b>2 Bedroom</b>	3	\$34,850	\$58,050	\$92,900	\$139,300
<b>3 Bedroom</b>	4	\$38,700	\$64,500	\$103,200	no units
<b>4 Bedroom</b>	5	\$42,550	\$70,950	\$113,500	no units

The MFI for white District families is \$143,150. This means that 50% of white families in the District can afford the apartments highlighted in green below, representing 100% of the affordable units.<sup>51</sup>

	Household Size	30% MFI	50% MFI	80% MFI	120% MFI
<b>Studio</b>	1	\$27,100	\$45,150	\$72,250	\$108,350
<b>1 Bedroom</b>	2	\$30,950	\$51,600	\$82,550	\$123,850
<b>2 Bedroom</b>	3	\$34,850	\$58,050	\$92,900	\$139,300
<b>3 Bedroom</b>	4	\$38,700	\$64,500	\$103,200	no units
<b>4 Bedroom</b>	5	\$42,550	\$70,950	\$113,500	no units

<sup>50</sup> DC Department of Housing and Community Development, [Inclusionary Zoning Program 2021 Maximum Income, Rent and Purchase Price Schedule](#), Effective as of June 25, 2021

<sup>51</sup> Ibid.



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**ATTACHMENT 3**

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



**Fitzroy Lee**  
Interim Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Fitzroy Lee  
Interim Chief Financial Officer

**DATE:** April 30, 2021

**SUBJECT:** Fiscal Impact Statement - 2 Patterson Surplus Declaration and Approval Resolution of 2021

**REFERENCE:** Draft Approval Resolution as provided to the Office of Revenue Analysis on April 5, 2021

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**Conclusion**

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the proposed resolution.

**Background**

The proposed resolution declares as surplus property District-owned land located at 2 Patterson Street, N.E.<sup>1</sup> The property is approximately 42,252 square feet of vacant land that is currently used as a surface parking lot operated by a private vendor. The District determined that the land is no longer needed for public purposes.

The Mayor will dispose of the property to MMMC 2 Patterson JV LLC<sup>2</sup> by the concurrently introduced 2 Patterson Disposition Approval Resolution of 2021.

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<sup>1</sup> Known for assessment and tax purposes as Square 672, Lot 245.

<sup>2</sup> MMMC 2 Patterson JV LLC is a joint venture among entities affiliated with Monument Realty LLC, Morningstar Community Development LLC, The May Firm PLLC, and THC Affordable Housing, Inc.

The Honorable Phil Mendelson

FIS: "2 Patterson Surplus Declaration and Approval Resolution of 2021," Draft Approval Resolution as provided to the Office of Revenue Analysis on April 5, 2021

**Financial Plan Impact**

Funds are sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the proposed resolution. There are no costs associated with the surplus property declaration.

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**ATTACHMENT 4**

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**OFFICE OF THE GENERAL COUNSEL**

Council of the District of Columbia  
1350 Pennsylvania Avenue NW, Suite 4  
Washington, DC 20004  
(202) 724-8026

**MEMORANDUM**

**TO: Councilmember Robert C. White**

**FROM: Nicole L. Streeter, General Counsel *NLS***

**DATE: November 19, 2021**

**RE: Legal sufficiency determination for Proposed  
Resolution 24-223, the 2 Patterson Surplus Declaration  
and Approval Resolution of 2021**

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This measure is legally and technically sufficient for Council consideration.

Section 1 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-801), authorizes the Mayor to transmit a proposed resolution to the Council to declare real property no longer required for public purposes.

Proposed Resolution 24-223 would declare an approximately 42,252 square foot parcel of District-owned property located at 2 Patterson Street, N.E. known for tax and assessment purposes as Lot 0245 in Square 0672 ("Property"), to be no longer required for public purposes.

The Property does not have any necessary use by the District and is no longer required for public purposes. A public hearing on the surplus declaration was held by the Mayor on April 28, 2017.

I am available if you have any questions.

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**ATTACHMENT 5**

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8 **A PROPOSED RESOLUTION**  
9  
10 \_\_\_\_\_

11 **IN THE COUNCIL OF THE DISTRICT OF COLUMBIA**  
12  
13 \_\_\_\_\_

14 To declare and approve as surplus the District-owned real property located at 2 Patterson Street,  
15 N.E., and known for real property taxation and assessment purposes as Lot 0245 in  
16 Square 0672.

17  
18 **BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this**  
19 **act may be cited as the “2 Patterson Surplus Declaration and Approval Resolution of 2021”.**

20 **Sec. 2. Findings.**

21 (a) The District of Columbia is the owner of the real property located at 2  
22 Patterson Street, N.E., and known for taxation and assessment purposes as Lot 0245 in Square  
23 0672 (the “Property”). The Property consists of approximately 42,252 square feet of land.

24 (b) The Property does not have any necessary use by the District and is no longer  
25 required for public purposes. The most pragmatic solution for activating this site is to declare the  
26 Property surplus and dispose of the Property for development.

27 (c) The District has satisfied the public hearing requirements of section 1(a-1)(4)  
28 of An Act Authorizing the sale of certain real estate in the District of Columbia no longer  
29 required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-  
30 801(a-1)(4)) (the “Act”) by holding a public hearing on April 28, 2017, at Northwest One  
31 Library located at 155 L Street, N.W., regarding the finding that the Property is no longer  
32 required for public purposes.

33           Sec. 3. Pursuant to section 1(a-1) of the Act, the Council determines that the Property is  
34 no longer required for public purposes.

35           Sec. 4. Fiscal impact statement.

36           The Council adopts the fiscal impact statement in the committee report as the fiscal  
37 impact statement required by section 4a of the General Legislative Procedures Act of 1975,  
38 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

39           Sec. 5. Transmittal of resolution.

40           The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to  
41 the Mayor.

42           Sec. 6. Effective date.

43           This resolution shall take effect immediately.