

Homes for an Inclusive City

**A Comprehensive Housing Strategy
for Washington, D.C.**

OPPORTUNITIES FOR NEW HOMES, NEW NEIGHBORHOODS, AND NEW COMMUNITIES

Despite the District's current housing crisis, the city contains land that offers tremendous opportunities to alleviate housing shortages and make homes affordable

Space is available to develop up to 40,000 new homes for people of all income levels.

to a wide range of citizens.

Large tracts of land and numerous scattered lots are available for development, and on some of these sites development has already begun. If developed, these sites could produce from between 38,000 to 40,000

new homes. Significantly, most of these homes will be built in new neighborhoods that allow people of all income levels to enjoy the advantages of living in Washington.

ANACOSTIA WATERFRONT INITIATIVE

The largest area available for potential development and the one likely to have the greatest impact on the future growth of the city lies on both sides of the Anacostia River and on the east bank of the Washington Channel. The Anacostia Waterfront Initiative (AWI), a collaborative effort of the District, the federal government, and citizens is planning to transform approximately 2,800 acres of land into vibrant new waterfront districts containing new homes, offices, commercial facilities, cultural institutions and parklands. To date, the AWI has carried out the most extensive planning for four major sites, Southwest Waterfront, the Near Southeast, Poplar Point, and Reservation 13/Hill East. These four major sites alone have a combined capacity for 7,000 to 9,000 new dwellings (excluding the redevelopment of the Capper/Carroll public housing project), not to mention 16 million square feet of non-residential development and 100 acres of new parks.

The AWI has also identified sites for potential development at Buzzard Point (near the mouth of the Anacostia River) and at the gateways and bridges crossing the river. Also included in the AWI development area is the South Capitol Street Gateway and Corridor, which the National Capital Planning Commission has proposed become a grand boulevard of housing, stores,

cultural institutions, and the city's proposed new major league baseball stadium on a site near the Anacostia River.

The Anacostia Waterfront Corporation, established in 2004 by the District government to guide development in the AWI territory, has begun issuing grants and requests for proposals for projects.⁵⁶

ADDITIONAL LARGE SITES FOR DEVELOPING HOUSING

Other large tracts that hold great potential for housing development include the campus of the historic St. Elizabeths Hospital, which all told covers about 340 acres



Capital View Townhomes

⁵⁶Comprehensive Plan Team to Comprehensive Plan Revision Citizens Task Force, "Summary of Current DC Planning Initiatives," Memorandum, April 1, 2005; (Anacostia Waterfront Corporation) <http://www.anacostiawaterfront.net/news.html>.

southeast of the Anacostia River in Ward 8. The District is drafting a plan to develop the eastern side of the campus to include perhaps 1,000 new dwelling units plus new office, retail and rehabilitated institutional space. The federal government owns the western portion of the campus where it has decided to locate various elements of the Department of Homeland Security, starting with a new headquarters for the Coast Guard.

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The North of Massachusetts Avenue (NOMA) Planning Initiative is focused on promoting high density housing along North Capitol Street and in the New York Avenue Metro station area. Similarly, the site of the defunct **McMillan Reservoir**

Sand Filtration plant, a 25-acre parcel in Ward 5 along North Capital Street, was the subject of an unsolicited proposal in 2004 to develop 1,100 units of town homes and mid-rise condominiums, along with retail, community, and cultural facilities.

The large tracts in the District, except for the AWI sites, encompass many hundreds of acres of land that could hold from 3,000 to 5,000 units of new housing.⁵⁷

SMALL PARCELS WITH LARGE POTENTIAL

The District has a rich source of residential real estate in its many small vacant and underutilized land parcels. An analysis by the District's Comprehensive Plan Task Force of the city's land use database revealed about 590 acres of vacant land, approximately 440 acres of which is residentially zoned. If developed according to its current zoning, these parcels could yield approximately 11,000 dwelling units. In addition, as of 2005 there were still about 2,000 vacant buildings in Washington, and many of these have multiple dwellings. Renovation of the existing empty units or replacement of such buildings with new homes will increase the amount of housing stock in active use.⁵⁸

Since its inception in 2002 the city's Home Again Initiative has aided the process of transforming abandoned or vacant properties into homes, many of them affordable low-income households. The program encourages property owners to rehabilitate their abandoned properties and, if they don't, acquires them and bundles and sells groups of the properties to for-profit and non-profit developers.⁵⁹

In addition to vacant lots, the District of Columbia Office of Planning has identified more than 500 "underutilized"



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⁵⁷Comprehensive Plan Team, "Summary of Current DC Planning Initiatives," 4-5.

⁵⁸Comprehensive Plan Task Force, "Land Capacity in the District of Columbia," Memorandum, February 24, 2005.

⁵⁹The program is described at <http://dcbiz.dc.gov/dmped/cwp/view.a,1366,q,572708.asp>.



small parcels. Taken together, these lots cover about 345 acres. They are mostly scattered along the city's most principal commercial corridors—including New York Avenue, Georgia Avenue, and Rhode Island Avenue—with only a few located east of the river. Despite their small size and dispersed locations, however, they present a significant opportunity for development. In addition to holding a capacity for millions of square feet of new commercial and industrial floor space, these parcels have the potential for about 7,200 new dwelling units, providing homes to approximately 15,600 people.⁶⁰

THE NEW COMMUNITIES INITIATIVE

The District has also begun the New Communities Initiative, a dramatic effort to reclaim neighborhoods troubled by concentrations of violent crime and poverty. It resembles HOPE VI, except that it is a city rather than a federal government program. Like the HOPE VI projects, the goal of the New Communities effort is the creation of healthy mixed-income communities with integrated public facilities and services that offer families better housing, employment, and educational opportunities. A fundamental principle of the program is to replace every unit of affordable housing demolished with a new unit of affordable housing.

The funding for the New Communities Initiative will come from four sources: the private market and the philanthropic community; federally-subsidized funds,

such as tax-exempt bonds and Low Income Housing Tax Credits; federal entitlement programs such as the Community Development Block Grant; and the Housing Production Trust Fund.

The District contemplates the development of about five New Communities in the next six years, which will produce thousands of new housing units, two-thirds of which will be affordable.⁶¹

In November 2005 Mayor Williams announced the first of the New Communities projects when he proposed the city spend \$558 million to rebuild a 28-acre site, in Northwest Washington in the vicinity of New Jersey and New York Avenues and North Capitol and K Streets, occupied by a half-dozen federally subsidized apartment buildings and housing complexes. The best known of these is the Sursum Corda housing cooperative, originally developed for low-income residents by a group of nuns in the late 1960s but which later deteriorated into a dangerous zone of drug trafficking, prostitution, and shootings. Recently a private developer negotiated a deal with the residents of the project to redevelop the property, a redevelopment which will be a key part of the New Communities Initiative.

To prevent the displacement of the poor residents in this rapidly gentrifying area, the mayor proposed to replace Sursum Corda and neighboring complexes with 1,698 units of new housing. The plan is to set aside and subsidize 520 units for families who are currently residents of the neighborhood, set the price of 591 units at workforce housing rates affordable to teachers, police officers and other middle-income buyers, and offer the remaining units at market rates that would help subsidize the project. In addition, the redevelopment plan calls for constructing a public school, a health clinic, and a branch library to replace the current dilapidated structures, and build a new recreation center with a swimming pool, a new playground and dozens of storefronts for neighborhood shops.⁶²

If the plan to revive the area around Sursum Corda goes well, the city hopes to expand it to several other sites, possibly starting with east-of-the-river developments at Barry Farm and Lincoln Heights. Because these complexes are city-owned, the administration believes they will cost much less than this first initiative. Most importantly, the redevelopment of five sites under current consideration for the New Communities Initiative will produce a gain of an estimated 4,000 to 5,000 new homes, with 1,000 units projected for Sursum Corda alone.⁶³

⁶⁰Comprehensive Plan Task Force, "Calculating Land Capacity on 'Underutilized Parcels,'" Memorandum, March 30, 2005.

⁶¹Office of the Deputy Mayor for Planning and Economic Development web site, <http://dcbiz.dc.gov/dmped/cwp/view,a.1366,q.598573.asp>.

⁶²Lori Montgomery, "Mayor Plans \$558 Million For Affordable Housing," *Washington Post*, November 16, 2005.

A Comprehensive Housing Strategy for Washington, D.C.

RECOMMENDATIONS

Recommendation 1: The District of Columbia should adopt a plan to implement its “Vision for Growing an Inclusive City” by increasing residential development and preservation throughout the city.

The Comprehensive Housing Strategy Task Force endorses the mayor’s goal of increasing the population by 100,000. This can be achieved through a combination of retaining current residents and attracting and retaining new residents. As recently as 1970, the population of the District of Columbia was 756,000, but by 2000 net out-migration, especially of moderate-

To increase D.C.’s population by 100,000 people in 14 years, the city needs to capture only one-tenth of the region’s projected growth.

income families with children, reduced the population to 572,000. We believe that raising the city’s population to 672,000 by 2020 is an ambitious but achievable objective. Washington, D.C., is at the core of a rapidly growing and thriving region that is slated to increase in size by one million people by 2020. In order for the city to reach its goal, it need only capture one-tenth of the

region’s projected growth. This target seems eminently reachable, especially given that a significant number of people are moving back to the central city both here and in other strong-market cities. And the task force believes that implementing the recommendations in this report will result in the retention of more current residents who would otherwise move out.

Increasing the population will make the District of Columbia more prosperous. It will add to the number



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of jobs available to Washingtonians. It will enhance the tax base so that more revenue is available to improve public services. Growth will also make neighborhood businesses more profitable by increasing the numbers of customers. Adding diverse types of housing units will expand the housing choices for existing residents and offer more opportunities for affordable housing throughout the city.

1.1 The District should increase the net supply of housing by at least 55,000 units by 2020 to reduce upward pressure on housing prices and rents and accommodate a growing population.



Wheeler Creek

The District must increase the stock of assisted and market-rate housing by working collaboratively with developers, builders, non-profits, and financial institutions. This will have a direct impact on the physical and social fabric of the city. Residential use represents the vast majority of land use in the city and drives the development of related uses, such as retail, recreation, and civic amenities. The manner in which we add to the stock of housing will affect the overall growth of the city and the character, design, and quality of its neighborhoods. It will also improve the District’s fiscal health, support regional “smart growth” goals, sustain local small businesses and retailers, and

55,000 additional units of housing will be required to accommodate 100,000 new residents by 2020.

restore vibrant communities in areas that are now struggling to succeed.



Potomac Gardens

Based upon an analysis provided by the Urban Institute with the support of the Fannie Mae Foundation, the task force estimates that a net increase of 55,000 units will be needed to house a population of 672,000 (100,000 more than the population in 2000). This estimate assumes that

To achieve 55,000 units of new housing, D.C. government must quickly develop proposed new neighborhoods around the city.

average household size, which dropped in recent decades, will stabilize at 2.12 persons per household and is based on a decrease in the rate of out-migration by families with children. If household size continues to drop, a larger net increase in units would be needed to house the growth in population. The task force recommendations are designed to encourage families with children to reside in the city, thereby strengthening schools and neighborhoods.

To succeed in increasing the housing stock by 55,000 units, the District of Columbia government must move quickly to develop proposed “new neighborhoods” along the Anacostia Waterfront and on other large publicly and privately owned sites. According to the Office of Planning’s most recent estimates, 12,000 units of new housing could be developed on large sites that are largely or entirely publicly owned such as the Southwest Waterfront, the McMillan Reservoir, Public Reservation 13, the St. Elizabeth’s East Campus and Poplar Point. The potential for as many as 20,000 more units has been identified on vacant and underutilized sites, primarily downtown, near Metrorail stations and along major corridors across the city.

1.2 *The location of new production envisioned by the task force should support a balanced growth policy, which will allow increases in population density.*

Achieving the goal of 55,000 new assisted and market-rate residential units by 2020 will necessitate more development and increased population density in many neighborhoods. This goal, consistent with “A Vision for Growing an Inclusive City,” requires that growth be concentrated along major corridors, in other areas appropriate for transit-oriented development, as well as in the city’s proposed “new neighborhoods” and “new communities.”

The largest opportunity for development lies in the eastern half of the city, which has lost the most population. In the past, the majority of market-rate residential development and development in general has been concentrated in the western half of the city.

The largest development opportunity exists where the most people have left – the eastern half of the city.

As a result, Washington has experienced imbalanced economic and physical growth. Poverty, unemployment, and low educational attainment remain concentrated in the eastern half of the city. Looking towards the future, the city government should make sure its policy and planning decisions address this imbalance. Specific tools for increasing balanced development:

- Modifying current zoning to allow development of affordable and mixed income housing, especially on public parcels that are currently abandoned or under utilized.
- Lifting or modifying zoning restrictions that limit development of accessory apartments, granny flats, Single Room Occupancy, and cohousing facilities.
- Rezoning commercially zoned land to residential, particularly along long commercial “strips” with high vacancy rates



Barry Farm



Wheeler Creek

and patterns of disinvestment.

- Offering density bonuses for affordable housing that would increase capacity without large-scale rezoning.
- Granting density bonuses at transit stops, which will not only increase the number of residential units but also promote the use of public transportation.
- Permitting increased density along major corridors where there is opportunity for mixed-use development and where such development would strengthen and provide economic opportunity for adjacent neighborhoods.

1.3 Both assisted and market-rate housing produced in the District of Columbia should adhere to high architectural and urban design standards, providing housing with amenities and access to transportation for all neighborhood residents.

New housing should entail high architectural and urban-design standards, as well as access to public transportation.

Agencies involved in the city's housing delivery system should focus not only on the amount of assisted housing produced and preserved, but the quality of the living environment that is created. The measure of quality should include high-grade construction materials, provision of open space, recreational amenities,

safe access to public transportation, environmentally sustainable or green building practices, neighborhood schools, neighborhood retail options, and respect for neighborhood history and context.

Recommendation 2: The District should accelerate its efforts to preserve and increase high-quality affordable housing for both owners and renters.

The District of Columbia is losing affordable housing rapidly as rising housing prices and rents put housing out of reach of low and moderate-income households. The DC Fiscal Policy Institute recently estimated that rising rents alone caused a loss of 7,500 units with rent levels under \$500 a month between 2000 and 2004. Over the same period, the number of homes valued at or below \$150,000 decreased by 9,400. The District should channel part of the new revenues created by the strong housing market into a variety of programs that will both preserve the affordability of existing housing units and add new units to the stock that District families and individuals of low- to moderate-incomes can afford. These investments offer the opportunity to deconcentrate poverty and create mixed-income neighborhoods. In high-income neighborhoods, preserving existing affordable units is especially important given the relatively high cost of producing new affordable units.

D.C. should provide more high-quality affordable housing for renters and owners to sustain growth.