



COUNCIL OF THE DISTRICT OF COLUMBIA
THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004

CHRISTINA HENDERSON
Councilmember, At-Large
Chairperson, Committee on Health

Committee Member
Hospital and Health Equity
Judiciary and Public Safety
Transportation and the Environment

Statement of Introduction
Unlocking Housing at Metro Property Tax Exemption Amendment Act of 2023
October 25, 2023

Today, I am introducing the Unlocking Housing at Metro Property Tax Exemption Amendment Act of 2023, along with Councilmembers Brianne K. Nadeau, Vincent C. Gray, and Brooke Pinto. This legislation would accelerate development of much-needed mixed-use residential projects at District Metro stations that currently do not generate any tax revenues and where pursuing transit-oriented development through joint development agreements is currently financially infeasible.

A common feature of thriving urban areas, transit-oriented development (TOD) features compact, high-density, mixed-use areas within walking distance of a central transit stop in a public transportation system. TOD projects maximize residential, business, and leisure space and create more walkable, vibrant, exciting communities. People living in TOD zones in the District drive less, more frequently bike, walk, and use public transportation more, energizing neighborhoods and advancing sustainable transit goals.¹ Since WMATA's inception, District leaders and residents have recognized the potential of integrating transit hubs with housing, retail, and other amenities, and have worked with WMATA to invest in the blocks around Metro stations.

WMATA is a national leader in TOD, having already delivered 55 buildings at 30 stations throughout the region. Since 1975, WMATA has built TOD projects in the District at the Farragut North, Gallery Place/Chinatown, Tenleytown, Columbia Heights, Navy Yard, Rhode Island Avenue, Fort Totten, Georgia Avenue/Petworth, Minnesota Avenue, Metro Center, McPherson Square, Shaw/Howard University, U Street-Cardozo, and Van Ness/UDC stations.² The projects that WMATA advanced at these stations brought in even more private and public investment in the neighborhoods surrounding these Metro stops, attracting new stores, arts and entertainment venues, medical providers, restaurants, and additional businesses that provide essential services, all of which also create new jobs. WMATA's TOD projects throughout the DMV region have yielded 17 million square feet of mixed-used development, generated 5 million new annual Metro trips, and raised \$194 million in new annual state and local taxes.³

¹ [The analysis of transit-oriented development \(TOD\) in Washington, D.C. and Baltimore metropolitan areas, 2014. Arefeh Nasri, Lei Zhan](#)

² [Washington Metropolitan Area Transit Authority 10-Year Strategic Plan for Joint Development](#)

³ *Ibid.*



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WMATA has plans for TODs at additional Metro stations in the District, including at the Anacostia, Congress Heights, Brookland, Deanwood, Fort Totten, and Friendship Heights stations. However, there are challenges to developing these sites, including working around the existing transit facilities and infrastructure such as the rail tracks and traction power sub-stations as well as needs for roadway improvements, utilities relocation, replacing commuter parking, and reconfiguring bus loops. Preliminary feasibility analysis identified that projects at Congress Heights, Deanwood and Brookland could yield from \$1M up to \$14M per site in net property taxes to the District over 30 years after accounting for the upfront infrastructure costs, but may not be feasible in the near-term without any public assistance. At Fort Totten and Friendship Heights initial infrastructure cost estimates exceed the property tax revenues generated by development over 30 years and may require other assistance to support project feasibility. These forecasts impact WMATA's ability to unlock the full potential of its property for housing at these sites. The properties also do not generate any tax revenues for the District as they have no private uses or development, and represent a missed opportunity to invest in residents.

The District's regional neighbors have provided mechanisms to WMATA to reduce cost burdens and achieve higher density at Metro stations. For example, in 2020, the Montgomery County Council passed the More Housing at Metrorail Stations Act, which provides a tax abatement that lowers the cost of developing high-rise buildings, thereby increasing density, allowing WMATA and its partners to produce more market-rate and affordable housing units, and expediting development. The stability of the abatement convinced WMATA and its joint development partners to commit to building even more housing at Metro stations than it otherwise could have.

To realize the transit-oriented development potential at the remaining Metro stations in the District, this bill would waive property taxes for 20 years on qualifying developments at Metro stations. To qualify, WMATA must enter into a joint development agreement that provides that at least half of a development must be housing, and 75% of the project overall must consist of new construction or substantially rehabilitated structures. The exemption would be available beginning on January 1, 2024.

I look forward to working with my Council colleagues and the public to advance this legislation and to build on the District's strong transit-oriented development record for the benefit of current and future residents.

1 Brianne K. Nadeau

2 Councilmember Brianne K. Nadeau

3 Christina Henderson

4 Councilmember Christina Henderson

5 BE R

6 Councilmember Brooke Pinto

7 Vincent C. Gray

8 Councilmember Vincent C. Gray

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11 A BILL
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16 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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20 To amend section 47-1002 of the District of Columbia Official Code to exempt from real
21 property taxation qualifying improvements located on land subject to a Joint
22 Development Agreement with the Washington Metropolitan Transit Authority in the
23 District.
24

25 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
26 act may be cited as the “Unlocking Housing at Metro Property Tax Exemption Amendment Act
27 of 2023”.

28 Sec. 2. Section 47-1002 of the District of Columbia Official Code is amended as follows:

29 (a) Paragraph (32)(B) is amended by striking the phrase “; and” and inserting a semicolon
30 in its place.

31 (b) Paragraph (33) is amended by striking the period and inserting the phrase “; and” in
32 its place.

33 (c) A new paragraph (34) is added to read as follows:

34 “(34)(A) Subject to the provisions of subparagraph (B) of this paragraph, a
35 qualifying development located on land subject to a Joint Development Agreement with the
36 Washington Metropolitan Area Transit Authority (“WMATA”).

37 “(B) The real property tax exemption granted by subparagraph (A) of this
38 paragraph shall apply only:

39 “(i) For 20 consecutive real property tax years beginning on the
40 date that a certificate of occupancy for a qualifying development is issued; and

41 “(ii) To a qualifying development constructed after January 1,
42 2024.

43 “(C) The real property tax exemption granted by subparagraph (A) of this
44 paragraph shall be in addition to, and not in lieu of, any other tax relief or assistance from any
45 other source applicable to the qualifying development.

46 “(D) Nothing in this paragraph shall prevent or restrict WMATA from
47 utilizing any other tax, development, or other economic incentives available to Joint
48 Development Agreement partners or the qualifying development, including other tax,
49 development, or other economic incentives shall set forth in Chapter 38 of this chapter.

50 “(E) Nothing in this paragraph shall be construed to limit WMATA or
51 Joint Development Agreement partners from appealing or contesting a real estate tax assessment
52 of a qualifying development.

53 “(F) For the purposes of this paragraph, the term:

54 “(i) “Joint Development Agreement” means a contract between
55 WMATA and a third party to sell or ground lease WMATA property for a qualifying
56 development; and

57 “(ii) “Qualifying development” means a real property development

58 in which:

59 “(I) Improvements are made to real property subject to a
60 Joint Development Agreement with WMATA in the District;

61 “(II) At least 50% of the improvements include the
62 construction of multifamily apartment buildings; provided, that all multifamily apartment
63 buildings located on the property shall be subject to the requirements of Chapter 10 of Title 11-C
64 of the District of Columbia Municipal Regulations; and

65 “(III) At least 75% of the improvements consist of
66 buildings that are newly constructed or substantially rehabilitated.”.

67 Sec. 3. Fiscal impact statement.

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

71 Sec. 4. Effective date.

72 This act shall take effect following approval by the Mayor (or in the event of veto by the
73 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
74 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
75 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
76 Columbia Register.