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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To establish a first right of purchase for the District to acquire property not eligible for tenant opportunity to purchase, for the purposes of increasing the supply of housing and affordable housing, facilitating office-to-residential conversions, expanding food access, and meeting public facility planning goals; to establish the acquisition of property for housing as an authorized municipal use for the purposes of eminent domain; to require the Mayor to maximize the residential zoning capacity of all acquired public parcels; and to establish the land purchase partnership program for the purposes of assisting tenant purchase or to facilitate the production or preservation of affordable housing.

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36 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
37 act may be cited as the “Prioritizing Public Land Purchase Amendment Act of 2023”.

38 Sec. 2. District right of first offer.

39 (a) The provisions of this section shall apply only to the sale of real estate located in the
40 District of Columbia that are not eligible for tenant opportunity to purchase as defined in §42-
41 3404.01 *et seq*, whether by sale, exchange, installment land contract, lease with an option to
42 purchase, or any other option to purchase.

43 (b) Before the owner of a property may list any property for sale with a broker or other
44 agent, otherwise offer it for sale or other transfer to a third party, or discuss or negotiate the
45 terms of a transfer with a third Party, the owner shall provide the Mayor with a notice of intent to
46 sell or transfer. The Mayor shall have the exclusive right to submit an offer of purchase within 5
47 business days of the Mayor’s receipt of an intent to sell or transfer.

48 (c) A notice of intent to sell or transfer shall include the purchase price and other terms of
49 sale that the owner intends to list with the property.

50 (d) Within the right of first offer period provided under (b), the Mayor may:

51 (1) Accept the offer price presented by the owner; or,

52 (2) Present a counteroffer based on the appraised fair market value of the
53 property.

54 (e) A property owner, upon receipt of an offer or counteroffer from the Mayor pursuant to
55 this section, shall have 30 days to accept or reject the offer.

56 (f) The provisions of this section shall not apply to any of the following:

57 (1) Transfers pursuant to court order, including, but not limited to, transfers
58 ordered by a probate court in administration of an estate, transfers pursuant to a writ of

59 execution, transfers by any foreclosure sale, transfers by a trustee in bankruptcy, transfers by
60 eminent domain, and transfers resulting from a decree for specific performance;

61 (2) Transfers to a mortgagee by a mortgagor or successor in interest who is in
62 default, or transfers to a beneficiary of a deed of trust by a trustor or successor in interest who is
63 in default;

64 (3) Transfers by a sale under a power of sale or any foreclosure sale under a
65 decree of foreclosure after default in an obligation secured by a mortgage or deed of trust or
66 secured by any other instrument containing a power of sale, or transfers by a mortgagee or a
67 beneficiary under a deed of trust who has acquired the real property at a sale conducted pursuant
68 to a power of sale under a mortgage or deed of trust or a sale pursuant to a decree of foreclosure
69 or has acquired the real property by a deed in lieu of foreclosure;

70 (4) Transfers by a nonoccupant fiduciary in the course of the administration of a
71 decedent's estate, guardianship, conservatorship, or trust;

72 (5) Transfers from one cotenant to one or more other co-tenants;

73 (6) Transfers made to the transferor's spouse, domestic partner, parent,
74 grandparent, child, grandchild or sibling or any combination of the foregoing;

75 (7) Transfers between spouses or domestic partners resulting from a judgment of
76 divorce or a judgment of separate maintenance or from a property settlement agreement
77 incidental to such a judgment;

78 (8) Transfers or exchanges to or from any governmental entity; and

79 (9) Transfers made by a person of newly constructed residential property that has
80 not been inhabited.

81 (g) For the purposes of this section, the term “domestic partner” shall have the same
82 meaning as provided in § 32-701(3).

83 (h) The Mayor may pursue acquisition of property according to this section in order to
84 fulfill the following purposes:

85 (1) Increasing the supply of housing and affordable housing, prioritizing high-
86 need areas as defined in § 47-860(g)(6);

87 (2) Facilitating office-to-residential conversions;

88 (3) Ensuring adequate food access to residents of the District;

89 (4) Meeting facility planning goals outlined by the Comprehensive Plan and by
90 District agencies, including parks and recreation facilities, schools, public libraries, and meeting
91 the District’s needs for Production Distribution and Repair land; and

92 (5) Improvement of vacant and blighted properties.

93 (i) Deeds for purchases authorized by this section shall be exempt from the recordation
94 tax on deeds as outlined in The District of Columbia Real Estate Deed Recordation Tax Act,
95 approved March 2, 1962 (76 Stat. 11; D.C. Official Code § 42-1101 et seq.).

96 (j) All property acquired by the District pursuant to this section shall be subject to the
97 requirements of An Act Authorizing the sale of certain real estate in the District of Columbia no
98 longer required for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code
99 §10-801 et seq.).

100 (k) All property acquired by the District pursuant to this section may be developed or
101 improved pursuant to the Green New Deal for Housing Amendment Act of 2023, approved ____.

102

103 Sec. 3. Council approval of District acquisitions.

104 (a) If the Mayor seeks to execute a final agreement of purchase of a property pursuant to
105 Section 2, the Mayor shall submit to Council a proposed resolution that contains the following:

106 (1) An appraisal report of the value of the property prepared by an independent
107 licensed appraiser;

108 (2) An explanation of the difference, if any, between the appraised value
109 (determined pursuant to paragraph (1) of this subsection) and the purchase price to be
110 paid;

111 (3) Survey documents of the property; and

112 (4) Justification for acquisition, in accordance with section 2, subsection (d).

113 (b) A proposed resolution

114 Sec. 4. Condemnation authority for housing.

115 Section 16-1311 of the District of Columbia Official Code is amended as follows:

116 (a) Designate the existing text as subsection (a).

117 (b) A new subsection (b) is added to read as follows:

118 “(b) Housing development in high-need areas, and the redress of historically
119 discriminatory housing and land use policies and practices, shall be considered authorized
120 municipal uses for the purposes of subsection (a), provided, that the property in question does
121 not contain occupied housing units.”

122 (c) Subsections (a) and (b) of Section 7 of the District of Columbia Redevelopment Act
123 of 1945 (D.C. Official Code § 6-1005) are repealed.

124

125 Sec. 5. Maximizing zoned residential capacity of public lands.

126 (a) Within one year of acquisition of a new property into the portfolio of public lands
127 pursuant to Sections 2 and 4, the Mayor shall submit to the Zoning Commission an application
128 for a map amendment pursuant to 11 DCMR § Z305.

129 (b) The proposed zone district shall have a Floor-Area Ratio at or near the upper end of
130 the residential floor-area ratio range of that property's Future Land Use Map designation, as
131 defined in the 10 DCMR § A200.

132 (c) Properties that, upon acquisition, are zoned at or near the upper end of the residential
133 floor-area ratio range of that property's Future Land Use Map designation shall be exempt from
134 the requirements of this Section.

135 Sec. 6. Land Purchase Partnership Program.

136 (a) There is hereby authorized the Land Purchase Partnership Program ("Program").

137 (b) Under the Program, the Mayor may acquire land on which privately-owned rental,
138 ownership, or cooperative housing is located, or on which privately-owned rental, ownership, or
139 cooperative housing is to be constructed, for the purposes of assisting a tenant purchase pursuant
140 to the Tenant Opportunity to Purchase Act of 1980, effective September 10, 1980 (D.C. Law 3-
141 86; D.C. Official Code § 42-3404.01 *et seq.*), or to facilitate the production or preservation of
142 affordable housing.

143 (c) The Mayor may thereafter enter into a ground lease of the land to the owner or
144 developer of the rental or homeownership housing, subject to subsection (d) of this section.

145 (1) As a condition of any ground lease of land entered into under this section, the
146 Mayor shall require that the owner of the land file a covenant in the land records of the District
147 requiring that during the term of the ground lease at least 50% of the housing units on the land
148 shall be affordable to households earning 80% of the median family income or less.

149 (2) A lease entered into under this section for the purposes of assistant tenant
150 purchase shall have a term of no less than fifty (50) years.

151 (3) A lease entered into under this section shall not be subject to An Act
152 Authorizing the sale of certain real estate in the District of Columbia no longer required
153 for public purposes, approved August 5, 1939 (53 Stat. 1211; D.C. Official Code § 10-
154 801 et seq.)

155 (e) The Mayor may impose fees related to the administration of the Program, including
156 fees for application to, and participation in, the Program.

157 Sec. 7. Rules.

158 (a) The Mayor, pursuant to Title I of the District of Columbia Administrative Procedure
159 Act, approved October 21, 1968 (82 Stat. 1204; D.C. Official Code § 2-501 *et seq.*), may issue
160 rules to implement the provisions of this act.

161 Sec. 8. Fiscal impact statement.

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

165 Sec. 9. Effective date.

166 This act shall take effect following approval by the Mayor (or in the event of veto by the
167 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
168 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
169 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
170 Columbia Register.