

1 GOVERNMENT OF THE DISTRICT OF COLUMBIA

2 Zoning Commission

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9 Public Hearing

10 Case No. 04-33G [Amendments to Chapter 26,
11 Inclusionary Zoning.]

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14
15 6:35 p.m. to 10:29 p.m.

16 Thursday, April 14, 2016

17
18 Jerrily R. Kress Memorial Hearing Room

19 441 4th Street, N.W., Suite 220 South

20 Washington, D.C. 20001

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4 ROBERT MILLER, Commissioner

5 MICHAEL TURNBULL, Commissioner

6

7 Office of Zoning:

8 SHARON SCHELLIN, Secretary

9

10 Office of Planning:

11 JOEL LAWSON

12

13 DDOT:

14 JONATHAN ROGERS

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1 P R O C E E D I N G S

2 CHAIRPERSON HOOD: Good evening, ladies and
3 gentlemen. This is the public hearing of the Zoning
4 Commission for the District of Columbia. Today's
5 date is April the 14th, 2016.

6 My name is Anthony Hood. Joining me this
7 evening are Vice Chair Cohen, Commissioner Miller,
8 and Commissioner Turnbull. We're also joined by the
9 Office of Zoning staff, Ms. Sharon Schellin, as well
10 as the Office of Planning staff, Mr. Lawson and Mr.
11 Rogers. I just couldn't see him. I know Mr. Rogers.

12 This proceeding is being recorded by a court
13 reporter and is also webcast live. Accordingly, we
14 must ask you to refrain from any disruptive noises or
15 actions in the hearing room. Notice of today's
16 hearing was published in the D.C. Register and copies
17 of that announcement are available to my left on the
18 wall near the door.

19 The hearing will be conducted in accordance
20 with provisions of 11-DCMR-3021 as follows. We are
21 reconvening in Zoning Commission Case 04-33G, so we
22 will be starting with organizations and individuals
23 testimony. All persons appearing before the
24 Commission are to fill out two witness cards. Again,
25 upon coming forward to speak to the Commission please

1 give both cards to the reporter to my right before
2 taking a seat at the table.

3 When presenting information to the Commission
4 please turn on and speak into the microphone, first
5 identifying yourself and your home address. When you
6 are finished speaking please turn your microphone off
7 so that your microphone is no longer picking up sound
8 or background noise.

9 The staff will be available throughout the
10 hearing to discuss procedural questions. Please turn
11 off all beepers and cell phones or electronic devices
12 so not to disrupt these proceedings. Again, we are
13 reconvening in Zoning Commission Case No. 04-33G. At
14 this time the Commission will consider any
15 preliminary matters. Does the staff have any
16 preliminary matters?

17 MS. COHEN: No, sir.

18 CHAIRPERSON HOOD: Okay. According to the
19 list that I have here, we have about 80 people, and
20 if I calculated it right it runs us to about 12:30.
21 So what we're going to do is we're going to think in
22 advance and we're going to have some planning.
23 Office of Planning, you're not the only ones do
24 planning. We plan too. So, that's a joke. So what
25 we're going to try to do is make sure we don't waste

1 anyone's time. I'm going to try to get through the
2 list that I have as quickly as possible, but we want
3 to set a second date. Just in case we're going to do
4 an evaluation at 8:00 and see where it is. So at
5 8:00 we're going to know how far we can go in this
6 list, mathematically from who is on the list now,
7 it's impossible for us to finish this this evening.
8 So we want to let everyone know in advance. But
9 stick around until we do an assessment at 8:00. Ms.
10 Schellin, do we have the date that we've decided on?
11 If you could give us that?

12 MS. SCHELLIN: Yes. It will be Thursday,
13 April 28th.

14 CHAIRPERSON HOOD: Okay. So Thursday, April
15 28th, we're going to reconvene. If everyone shows
16 up, the list I have here, we will have to do that.
17 But meanwhile, let's not belabor it. Let's get right
18 into this list. I'm going to call the list that I
19 have here. Commissioner Tom Quinn, come forward.
20 And I'm just going to go right down the list whether
21 you're a proponent or opponent. Elinor Hart, League
22 of Women Voters in the District of Columbia. Tad
23 Baldwin, Emily Dorfman, Nancy MacWood, Kristin Purdy,
24 Leslie Steen, Montrella Cowan. Oh, Montrella Cowan.
25 If I misspell it. Okay. Kathryn Hamer, Claire

1 Jaffe. Okay. Do we have eight?

2 Mr. Quinn, you can have a seat because I'm
3 going to go ahead and I'm going actually call on you
4 first. Yeah, but let me see if I have eight. Or did
5 I call too many? Okay. Joe Kakesh, Joe Kakesh, Paul
6 Tummonds, Hanaleah Hoberman. I need one more person.
7 Meredith Fascett, Nealon DeVore, Brock Jacobi, Donald
8 Williams, Dr. Sidney Fowler. Okay. This is going
9 pretty quick. Okay. Let me begin with you,
10 Commissioner Quinn, and then we'll go back to the
11 lady sitting to your right.

12 MR. QUINN: Thank you. Good evening,
13 commissioners. My name is Tom Quinn. I'm a advisory
14 neighborhood commission representing single-member
15 district 3E-04, and I am testifying tonight on behalf
16 of ANC 3E.

17 This is not in my remarks, but our ANC did
18 consider this at a properly noticed public meeting
19 and unanimously supported the changes in inclusionary
20 zoning. Our resolution is reflected in this
21 testimony.

22 I want to thank you for the opportunity to
23 testify tonight on this important issue. I would
24 also like to than the Coalition for Smarter Growth
25 for initiating this process, and the many other

1 groups and individuals that have been involved so
2 far.

3 As you well know, housing costs are high in
4 many places in the district and low and moderate
5 income households are increasingly priced out of
6 housing. This is especially true within the
7 boundaries of our ANC and surrounding areas. Aside
8 from ADUs the roles for which we supported reforming,
9 IZ is one of the few avenues to increasing equity and
10 diversity in our neighborhood. Over the next few
11 years we expect more than 500 new housing units to be
12 built within our ANC boundaries, potentially yielding
13 a significant quantity of affordable housing through
14 IZ. Our interest in IZ and IZ reform is thus strong.

15 IZ units were intended to be affordable to
16 both moderate, 80 percent of median family income,
17 and low income households, 50 percent MFI. Yet in
18 practice less than 20 percent of IZ units produced to
19 date are affordable at 50 percent. IZ has for the
20 most part, therefore, not served low income
21 households.

22 By contrast we understand that 80 percent MFI
23 units are so close to market rents in many places in
24 D.C., especially for small units, it is hard to rent
25 them, presumably because many eligible tenants do not

1 view the slight difference between subsidized and
2 market rents as justifying the administrative burden
3 of participating in the IZ lottery.

4 In its July 3rd, 2015 setdown report in this
5 matter the Office of Planning recommended as one
6 option, that IZ rules be revised to require all IZ
7 rental units to serve 60 percent MFI households and
8 all IZ sale units to serve 80 percent MFI households.
9 OP states that its preliminary economic analysis
10 demonstrates that these revisions are economically
11 feasible for developers.

12 We believe that requiring all rental IZ units
13 to be offered at 60 percent MFI would constitute a
14 net improvement over the current system. An even
15 lower threshold might be implementable without
16 materially decreasing the overall housing supply in
17 D.C. However, and it is vital that the Zoning
18 Commission develop a full evidentiary record to
19 determine whether such a lower threshold makes sense.

20 We have, for instance, heard from a developer
21 that some of the assumptions OP employed in its
22 analysis are arguably too conservative. This is not
23 something we have the technical wherewithal to
24 evaluate. But again, given the high stakes we urge
25 the Commission to scrutinize OP's analysis and any

1 other analysis with the utmost care.

2 I would like to turn now to a few other
3 issues. First, we do not believe it is equitable or
4 sound public policy to set different MFI thresholds
5 for the same density bonus levels for IZ rental units
6 versus IZ sale units. Moreover, doing so would
7 create a nonmarket incentive to developers to shift
8 production of overall housing units from rentals to
9 ownership units with unpredictable results for
10 general welfare.

11 Second, we believe that all buildings subject
12 to IZ requirements should be subject to a minimum of
13 10 percent rather than 10 percent in some instances
14 and eight percent in others. Unless the Zoning
15 Commission finds upon careful reexamination that
16 there continues to be a compelling factual and policy
17 justification for the current system.

18 Third, we are concerned that the recent trend
19 and development to favor small unit size may render
20 IZ an unsuitable means to address the affordable
21 housing needs of families. And we believe the Zoning
22 Commission shall address this problem in the instant
23 proceedings if possible.

24 Finally, we are told that no developer to
25 date has sought relief from IZ requirements in an

1 individual case. If so, or even if only a handful of
2 developers have sought relief, it is independent
3 evidence that current IZ requirements are too low.

4 To recap, ANC 3E respectfully urges the
5 Zoning Commission to set the threshold for all IZ
6 units offered, whether through rental or sale, to no
7 more than 60 percent MFI. Zoning Commission should,
8 on the basis of a full evidentiary record and
9 independent analysis, set the actual threshold to the
10 lowest MFI level that would not materially decrease
11 overall housing supply.

12 We likewise urge the Zoning Commission to
13 require that all buildings subject to IZ requirements
14 produce at least 10 percent affordable units.

15 Finally, we urge the Zoning Commission to
16 require that a significant portion of affordable
17 units provided pursuant to IZ requirements are large
18 enough to be occupied by families.

19 Thank you again for the opportunity to
20 testify before you tonight.

21 CHAIRPERSON HOOD: Okay. Thank you,
22 Commissioner. Now we go to the young lady sitting to
23 your right.

24 MS. HART: Good evening, Commissioners. My
25 name is Elinor Hart. I'm testifying on behalf of the

1 League of Women Voters of the District of Columbia.
2 The league wants to thank the Commission for creating
3 our Inclusionary Zoning program and for deciding that
4 the inclusionary units will be affordable for the
5 life of the development.

6 The League has been disappointed, however, in
7 the way the program has worked out. We see
8 inclusionary zoning as a way to make housing
9 affordable to people who otherwise would not be able
10 to live in it. And that, we don't think, has really
11 happened, especially in the rental units. We were
12 very pleased to support the coalition for smarter
13 growth in its effort to make what we say is making
14 inclusionary units more affordable. We thought the
15 initial recommendation of the Planning Commission was
16 a good one, and we think it's easy if you just say
17 all rental units will be affordable to people at 60
18 percent of the median family income.

19 My testimony was original prepared for
20 January 28th. That is the way the League felt on
21 January 28th. That's the way the League felt on
22 March the 3rd. And in spite of the sort of recent
23 proposal by the Office of Planning about which the
24 League is not at all enthusiastic, it is still the
25 League's position today. The League urges you to

1 make all rental units affordable to people at 60
2 percent of the area family median income, and to do
3 it just as quickly as you can. We have a huge
4 affordable housing crisis in this city, as you know.

5 I think I have a few more minutes so I want
6 to mention a couple other things. I do remember the
7 reason that the hearing was postponed from the 28th
8 was that you, Chairman Hood, wanted to hear from
9 ANCs. And I have been visited at least six ANCs and
10 have been in touch with two others. And I can tell
11 you there is -- I haven't met one ANC commissioner
12 who thought that Inclusionary Zoning units were as
13 affordable as they needed to be. I think the ANCs
14 have spoken and I think their message is loud and
15 clear that Inclusionary Zoning needs to be more
16 affordable.

17 I also just want to say briefly that I have
18 worked on this issue since 2004, and there are many
19 other affordable housing advocates who have done the
20 same. And it will be sort of heartbreak if all this
21 effort has been undertaken by the Office of Planning
22 on these many hearings you've had, and we don't have
23 -- we have a situation where inclusionary units are
24 really not doing the job that we think they were
25 intended to do.

1 So, and let me just say, I recognize that how
2 much effort the Zoning Commission has put into
3 Inclusionary Zoning. And I think for the sake of
4 your effort as well it's very important that you make
5 sure that inclusionary units, rental units, are
6 affordable. Thank you very much.

7 CHAIRPERSON HOOD: Thank you. Next.

8 MR. BALDWIN: Good evening, Chairman Hood and
9 members of the Planning Commission. My name is Tad
10 Baldwin. I've lived in Ward 3 for the past 45 years,
11 where it's desired that a mix of housing types at a
12 variety of costs be created throughout the city and
13 encourage more of our existing and new low and
14 moderate income citizens to make housing choices and
15 locations convenient to their jobs and desired
16 services.

17 I've worked in housing, finance, and
18 development for my career and was fortunate to put my
19 skills to work with the Technical Committee of the
20 Campaign for Mandatory Inclusionary Zoning beginning
21 more than a decade ago, along with Elinor and others
22 here tonight. We're still appreciative of the warm
23 support of IZ by the Zoning Commission at that time,
24 both the mixed income component or the basic program,
25 and a willingness to make the units permanently

1 affordable are key elements of your decisions.

2 Now that just under 1,000 units have been
3 produced by the program or in the pipelines, a good
4 time to adjust the program to make it more effective
5 in reaching its goals. As innovative programs and
6 government requirements and incentives, private
7 sector production, and the ultimate consumers,
8 continual adjustments will be needed over the years
9 to come.

10 The two basic points that I'd like to make
11 this evening are, one, the need to increase the basic
12 effectiveness by the program by having the rental
13 units also serve households below 60 percent of MFI.
14 And your continuing support for both the city and
15 qualified nonprofits to purchase and rent sale IZ
16 units to persons in households at lower income
17 levels.

18 Impact of keeping all the rental units at 60
19 percent MFI, open the program more widely to
20 households most in need. Specifically, a household
21 of two would have a maximum income of \$52,400,
22 compared to 69,009 at the 80 percent level. When I
23 ran the numbers for the newly proposed program back
24 in 2005, the benefits of the bonus units created were
25 able to carry whatever developer affordability gap is

1 created. Based on my extensive numbers analysis the
2 final recommendation of our coalition centered on 65
3 percent AMI at the level by which rental and sale
4 programs were feasible. Desiring to reach down to 50
5 percent AMI we subtracted 15 percent to reach that
6 level for half the IZ units. We thought it was half.
7 It ended up being 17 percent so far, and 50 percent
8 at the 80 percent level.

9 And we have evidence now to show that the 80
10 percent AMI is too high for rentals. Second point
11 is, this ability for the city and nonprofits to
12 purchase these units. This concept allows for
13 entities to serve a greater variety of low income
14 households in special needs population, often using
15 external subsidies.

16 A letter to the Commission from the Executive
17 Director of Housing in Limner (phonetic), Montgomery
18 County, speaks to the 40/40 IZ units. His
19 organization utilizes for people in mental health
20 recovery. When the Montgomery County had very short
21 price controls in early years, the program in the
22 '70s.

23 I guess I'm through. Thank you very much for
24 the opportunity to testify.

25 CHAIRPERSON HOOD: Okay. Thank you. Next.

1 MS. MacWOOD: Good evening, Chairman Hood,
2 Members of the Commission. I'm Nancy MacWood
3 representing the Committee of 100 on the Federal
4 City.

5 We appreciate the opportunity to participate
6 in this hearing on proposed text amendments to
7 improve the Inclusionary Zoning program. We support
8 many of the proposals presented by the Coalition for
9 Smart Growth, and others. We urge you to make
10 improvements that are consistent with development
11 policies and that allow the program to target those
12 with the greatest housing needs.

13 To this end we support reducing income
14 eligibility levels to 50 percent of AMI. I'm old
15 school so I'm going to use AMI. For rental, and 70
16 percent of AMI for homeownership housing. We think
17 it's important to put the target beneficiaries in to
18 some real world context. Eighteen percent of our
19 residents live below the poverty level, and 28
20 percent of families live below poverty levels. The
21 percentage of African/American families living below
22 poverty is even higher.

23 Fifty percent of AMI in fact includes a large
24 portion of D.C. residents. We also strongly urge the
25 Zoning Commission to stop the policy of allowing

1 developers to choose the size of housing units based
2 on the size of units they want to market. To this
3 end we urge encouragement of larger units for
4 families rather than single occupancy units. We also
5 support increasing the required percentage of IZ
6 units in an Inclusionary Zoning development.

7 The Committee of 100 has long supported
8 including downtown and Inclusionary Zoning
9 requirements. And we agree that a single set aside
10 percent of development and removing the two-tier
11 system is a good idea. We also support continuing
12 the 20 percent bonus density allowance in exchange
13 for set aside of IZ units.

14 We think it's critical that the IZ program
15 create a permanent inventory of housing. To that end
16 we support preserving permanent affordability and the
17 inventory of for sale IZ units and continuing the
18 resale of units to eligible residents earning up to
19 70 percent of AMI.

20 We also agree that the Mayor and the Housing
21 Authority should be authorized to buy unsold units
22 and maintain them in the IZ program.

23 The Committee of 100 does not support using
24 the IZ program to increase density in low density
25 areas. We've had this discussion during ZRR. We

1 urge that lot occupancy standards remain to control
2 light and air and neighborhood character, and that
3 lot widths that have already been reduced for IZ
4 developments be maintained.

5 We also think more study should be done
6 before authorizing small and ineligible developments
7 to use bonus densities. The essential change that
8 will produce more IZ units is bringing downtown into
9 the program.

10 We strongly oppose the notion of moving
11 required IZ units to off-site locations without a
12 rigid evaluation of economic hardship. This goes to
13 the heart of the program. IZ intentionally seeks to
14 mix income levels in development projects so that all
15 buildings, blocks, and neighborhoods reflect the
16 economic diversity of the city. It also permits
17 lower income residents to live near Metro, job
18 centers, services, and other desirable resources like
19 schools. Many of our federally funded programs
20 facilitate housing built or rehabbed, primarily for
21 low income earners in areas with fewer services
22 because land costs are less. IZ represents another
23 model that ensures low income residents and
24 opportunity to live in areas where desirable services
25 and opportunities exist. And that original intent,

1 we believe, should be preserved. Thank you.

2 CHAIRPERSON HOOD: Thank you. Next.

3 MS. STEEN: Good evening, Chairman and
4 Commissioners. Thank you. I'm Leslie Steen. I live
5 in the Van Ness Neighborhood of Ward 3. I've lived
6 in the District since 1975. I'm the former Housing
7 Chief for Mayor Fenty and have been a developer for
8 the better part of 40 years. I'm here tonight
9 because Inclusionary Zoning is extremely cost-
10 effective means of producing affordable housing, and
11 the one tool the District has to enable low income
12 families to live in neighborhoods of high
13 opportunity.

14 For all our other affordable housing programs
15 have issues that stand in the way of creating
16 affordable housing in high cost amenity rich
17 neighborhoods. This is an important consideration.

18 As policy makers have come to understand the
19 fact that our housing programs geographically
20 concentrate low income households and economically
21 segregate the city, it's become clear that other
22 solutions must be found. I commend the Zoning
23 Commission, OP, DHCD for all the work that they've
24 done in creating and administering this, and I think
25 it's time that we can take another look at it and

1 move it forward to bring it to its fuller potential.

2 I'd like to address two factors, the
3 economics of IZ to pay for changes in targeting
4 incomes, and the need for affordable housing where it
5 is most severe; meeting the need where it's most
6 severe.

7 OP's original proposal, Option 1B, would
8 require all IZ units to serve 60 percent of AMI. I
9 support that option as a reasonable compromise. OP's
10 proposal to ease the housing cost burden by
11 administratively reducing rents to 28 percent of MFI
12 is a good concept but it could take 15 or more years
13 to reach 60 percent of MFI. That's too long.

14 By the time we reduce the incomes down we
15 will have built much of our higher density downtown
16 areas. OP's economic analysis shows that the program
17 can afford to serve 60 percent of AMI. MFI. A great
18 deal of housing will be built in the next 15 years
19 and we can't lose the time.

20 OP's economic analysis revealed that some of
21 the zones in some zones our current bonus densities
22 increase benefits to developers beyond the cost of IZ
23 units. It leaves value on the table which in turn
24 could have the impact of increasing land value. We
25 need to use that value now, and under current rules

1 it shows -- the analysis shows a reduction in the
2 requirement to serve 80 percent to 60 percent, does
3 not overly burden land value. In low density zones a
4 set aside of -- changing the set aside from 10 to 8
5 percent would actually lessen the burden. Thank you
6 very much.

7 CHAIRPERSON HOOD: Okay. Thank you. Next.

8 MS. JAFFE: Dear Chairman Hood, Members of
9 the Zoning Commission, my name is Claire Jaffe. I
10 grew up in D.C., went to D.C. public schools, left
11 the city for college and moved back here because I
12 care about this city and my community.

13 I love living here and I'm happy about new
14 economic growth, but I want to make sure that
15 everyone who wants to can have a similar opportunity
16 to live here and take advantage of positive changes
17 in the city.

18 I am here today to voice my support for
19 making Inclusionary Zoning more affordable so that
20 low income people and families can have better
21 housing choices and greater geographic mobility
22 throughout the District of Columbia.

23 As a native Washingtonian I've watched the
24 city change dramatically over my lifetime. I grew up
25 in upper northwest, moved across the park to 16th

1 Street in Middle School, and moved to U Street after
2 high school. With each move I watched as rents got
3 higher and longtime residents that we grew close to
4 were forced to leave.

5 Now as a young person in the city I am
6 increasingly worried about the shrinking stock of
7 affordable housing, especially in neighborhoods that
8 have access to good public schools. I was lucky
9 enough to grow up in bounds for Delan Wilson
10 (phonetic) and live within bus or walking distance of
11 my afterschool job. These opportunities propelled me
12 to college and future success.

13 Low income D.C. residents and families are
14 the people that are most in need of living close to
15 jobs, amenities, and quality schools in order to
16 provide the greatest opportunity for success.

17 I comment the Zoning Commission for creating
18 Inclusionary Zoning, a nationally known affordable
19 housing policy. Now it is time to revisit our IZ
20 program so that we are making the most of it. Right
21 now IZ is not creating units that provide the level
22 of affordability to really help lower income
23 residents. I ask the Zoning Commission specifically,
24 to make all rental IZ units affordable to people
25 earning no more than 60 percent MFI as 80 percent MFI

1 is clearly too high and is not currently serving the
2 people most in need. Enable the City or qualified
3 nonprofits to purchase IZ units and then rent units
4 to people at lower incomes. Keep IZ's current
5 standards that make all affordable units permanently
6 affordable, and keep using IZ to build mixed income
7 buildings and neighborhoods.

8 Building on its strengths and changing its
9 shortcomings, IZ can make a much larger contribution
10 to serve housing challenges faced by our city. Thank
11 you for your concern for making the most of
12 Inclusionary Zoning and making D.C. a welcoming place
13 to moderate and low income people. I appreciate the
14 opportunity to testify.

15 CHAIRPERSON HOOD: Okay. Thank you. Next.

16 MR. FOWLER: Good evening, Chairperson Hood
17 and Commissioners. I'm Sid Fowler, and I'm the
18 senior pastor at First Congregational United Church
19 of Christ in the downtown area. And I'm testifying
20 in favor of proposals to make Inclusionary Zoning
21 more inclusive.

22 For 150 years our church has been
23 historically engaged with people who are on the
24 margins, from being a service provider, a spiritual
25 home, and a full participant in other communal and

1 service programs such as Thrive D.C. and Pathways to
2 Housing. Currently we seek vital ways that our new
3 multi-use building on the corner of 10th and G can be
4 a place that continues to be a place of service and
5 hope for downtown. Yet, we are increasingly
6 concerned on that corner as luxury housing dominates
7 the neighborhood that we have become familiar with
8 and enjoy who our neighbors are there.

9 We're concerned about for neighbors such as
10 those at the Wa Luck House in Chinatown, who may face
11 potential loss of their subsidized housing and
12 dispersion from the communities that they have loved
13 and lived in for years. The fundamental questions
14 that we keep asking are asking the question of who
15 really is our neighbor, and what is the true nature
16 of a vital community, and how do we care for one
17 another as neighbors.

18 With the tripling of the boulderings (sic) of
19 downtown approved by the Zoning Commission and the
20 exemption of IZ requirements for new properties, we
21 have become especially concerned. Will it be
22 possible for so many of those who are vital to our
23 downtown community, our diverse and wonderful
24 neighbors, to maintain and find housing there? Yet
25 there is a real possibility for including those

1 neighbors as well. By requiring IZ and the areas now
2 added to the downtown, the Zoning Commission can
3 define neighbor in a way that reflects the highest
4 aspirations of our city as a place guided by equity
5 and justice.

6 First Church wishes for and supports at
7 minimum, further exploration about broadening and
8 revising IZ requirements by one, increasing the
9 proportion of qualifying households that are low to
10 moderate income, by lowering the top tier income
11 threshold set at 50 percent AMI. Two, increasing the
12 number of IZ units produced for substantially lower
13 to middle income levels. Three, capping the amount
14 that occupants of IZ units, excuse me, must pay at 25
15 percent of their income.

16 We strongly encourage developers to provide
17 larger, as several people have said, larger IZ units
18 for family housing. We love the number of families
19 that are coming to our church that are part of the
20 area that we haven't ever seen in the downtown here,
21 but they come from all kinds of economic brackets.
22 We know that larger units are needed for families,
23 just not efficiencies.

24 And also by requiring that all new or
25 substantially renovated residential or mixed use with

1 residential buildings in the downtown area provide IZ
2 units. We urge the Zoning Commission to even more
3 fully, because I know you do it, enter into that
4 moral reflection about who is our neighbor and
5 discerning the future, and determining what the Chair
6 of the Council, Phil Mendelson, said last time we
7 gathered when he called for balance at a time such as
8 this.

9 In the midst of prosperity and possibility,
10 how do we serve those vulnerable to displacement and
11 serve and share in the blessings of this time? We
12 believe the Zoning Commission and a more inclusive
13 inclusionary zoning are both critical factors in
14 building such a future and a better D.C.

15 We want to thank you so much for this moment,
16 the opportunity of this moment, and this chance to
17 testify. Thank you very much.

18 CHAIRPERSON HOOD: Okay. Thank you. Next.

19 MR. TUMMONDS: Good evening, Mr. Chairman,
20 Members of the Commission. For the record I am Paul
21 Tummonds, the law firm of Goulston and Storrs. First
22 I'd like to note the substantive comments that our
23 firm filed in the record of this case back on March
24 2nd. This evening I will address our concurrence
25 with the analysis provided in OP's report from

1 February 25th, 2016, regarding the inconsistencies of
2 the applicant's proposal with the Comprehensive Plan.

3 OP's February 25th report noted in its review
4 of the Comprehensive Plan that quote, "It found that
5 there is very limited opportunity to increase bonus
6 density to help balance the impact on project
7 revenues from deeper affordability. This is due to
8 the inability to offer additional height in almost
9 any zone without running into potential conflicts
10 with the Comprehensive Plan."

11 "This is very important as the Inclusionary
12 Zoning program has always been intended to create a
13 series of incentives through both bonus density and
14 height to help the development community achieve
15 additional housing, and also help to achieve the
16 District's goals of providing additional affordable
17 housing."

18 As will be noted by testimony from the
19 development community this evening, the deeper
20 affordability levels proposed in this application
21 without the possibility of additional height and
22 density may ultimately result in the reduction of the
23 amount of new housing created.

24 As this commission is well aware, consistency
25 with the Comprehensive Plan's future land use map is

1 an issue of primary importance in all PUD and zoning
2 map amendment applications. These same issues of
3 consistency with the future land use map need to be
4 considered in the zoning text amendment applicant.

5 You may remember that last year the Zoning
6 Commission noted the problems that the initially
7 proposed redevelopment of the Brooklyn Manor project
8 had with the Comp Plan's future land use map
9 designation. In that instance the applicant was
10 required to reduce the height and density of the
11 proposed buildings in that first stage PUD
12 application, which ultimately reduced the total
13 amount of housing provided and the total amount of
14 affordable housing provided in that project.

15 You encourage the applicant to work with the
16 Office of Planning on creating proper amendments to
17 the future land use map through the Comp Plan
18 amendment process to allow for additional height and
19 density along Rhode Island Avenue. We believe that
20 the applicant in this case should also be required to
21 recognize that the existing future land use map
22 designations for areas in which additional height and
23 density are proposed, are not achievable at this
24 time.

25 They should also be encouraged to seek

1 changes to the Comp Plan amendment process to allow
2 for greater height and density in those areas. It is
3 only through these types of changes to the Comp Plan
4 and the changes proposed to the IZ regulations in
5 this application that will allow economically
6 feasible development to occur.

7 Thank you for your time and attention to my
8 testimony this evening.

9 CHAIRPERSON HOOD: Okay. We want to thank
10 this panel. Let's see if we have any questions or
11 comments, Vice Chair Cohen?

12 MS. COHEN: Thank you, Mr. Chairman. I have
13 a question for Mr. Baldwin. You have been engaged a
14 long time with IZ so you have done a number of
15 analysis of numbers. Is that correct? Do you have
16 those numbers that you can share with us? Did you
17 update them for this recent revision to the
18 inclusionary zoning?

19 MR. BALDWIN: No, I honestly did not. I do
20 have the numbers from before but I don't think they
21 were highly looked at by others, other than our
22 committee anyway. And I spent months on them at that
23 time.

24 MS. COHEN: Are you willing to share them
25 now? I mean, they're out of date. But at least I

1 could see how other people are viewing this. I
2 actually have worked with numbers in my life, and
3 that's -- there's a moral argument of course, but
4 there's an economic argument where the pushback comes
5 from a development community about, you know, will
6 they continue to build housing.

7 So if you could submit that for the record
8 I'd appreciate that.

9 MR. BALDWIN: Be very glad to.

10 MS. COHEN: Okay. And, Ms. Steen, I know of
11 your years in affordable housing, very aware of them.
12 You have developed affordable housing and you did
13 submit testimony that I noticed had numbers. Have
14 you done analysis which would show that the gap that
15 is created by developing the affordability at a 50 or
16 a 60 percent can be offset by the bonus density and
17 cross-subsidy? Have you done that analysis?

18 MS. STEEN: With a group effort we used the
19 OP model that was developed. There were working
20 groups and a great discussion about assumptions that
21 were going into that model. And there was general
22 agreement with the assumptions. I'd say the
23 assumptions were on the conservative side, but the OP
24 model does demonstrate what is going on. And if OP
25 had done the same kind of apples to apples analysis

1 that they did for Option 1A, they did it for 1A, they
2 did not do it for 1B, including the parking, the new
3 ZRR I believe it's called, parking. Including it
4 into the model I think you'll find that the impacts
5 are very favorable to lowering the income targeting.

6 And so I'd say that using that model that
7 many people have worked with should be expanded to
8 look at the 1B option. And the 1B option that is
9 modified with a slight different set aside from 10 to
10 8 on the low density zones. And taking into account
11 the parking as well. And I think you will see the
12 impact of the land is within the margin that they
13 have considered to be acceptable; which I consider to
14 be very, very conservative.

15 MS. COHEN: I recall reading that from when I
16 first started reading the record. So thank you for
17 emphasizing that.

18 Mr. Timmonds (sic), one of the things I was
19 very surprised, there -- I mean, people may -- you
20 mentioned developers are going to testify tonight.
21 But the record doesn't contain anything from the
22 development community, so I'm pretty surprised. And
23 can you tell me, is it just going to be tonight that
24 we're going to hear about it, their analysis? And
25 I'm talking about numbers. Okay? I'm not talking

1 about --

2 MR. TUMMONDS: Sure. Absolutely. Yeah, the
3 numbers -- and I think what you'll hear also is that
4 the development community, DCBIA, they spent a lot of
5 time working with Mr. Rogers, working in the Task
6 Force, I think to help inform OP with what they
7 believe are workable numbers. And I think in large
8 part that's why you have the OP report that came out
9 on February 25th. So I think what you'll hear from
10 DCBIA, what you'll hear from the development
11 communities, we're supportive of the OP report from
12 February 25th. But also, you will get numbers
13 tonight.

14 MS. COHEN: Okay. Ms. McMahon (sic), did the
15 Committee of 100 do any economic analysis that they
16 could share with the Commission?

17 MS. MacWOOD: No. No, we did not, Ms. Cohen.

18 MS. COHEN: Okay. Thank you, everybody.

19 CHAIRPERSON HOOD: Any other questions or
20 comments up here? Commissioner Turnbull.

21 MR. TURNBULL: Yeah, I just had one for Ms.
22 MacWood. You were talking about -- part of your
23 testimony you were talking about some planned unit
24 developments, PUDs that barely make -- it sounds like
25 they barely make or satisfy the requirements for a

1 PUD. Small and ineligible developments is I think
2 what you would refer to them as. Are you concerned
3 more about the impact upon a small dense development
4 rather than just getting the additional housing per
5 se?

6 MS. MacWOOD: There was a proposal from the
7 Office of Planning. I don't know whether it's still
8 a viable proposal or not at one point, that they
9 remarked in the report that a developer had come to
10 them and asked if, even though they weren't eligible
11 because they weren't building a development with a
12 minimum of 10 units, if they could participate in the
13 Inclusionary Zoning because they wanted to avail
14 themselves of the bonus density.

15 And so the Office of Planning, using that
16 example, suggested in the report that the Zoning
17 Commission look at that as something that you might
18 want to consider including. So we responded to that
19 by saying that we think there are many problems with
20 trying to expand IZ to very low density areas. One,
21 we don't think you're going to get very much housing
22 out of it. We think the proposal of including
23 downtown is certainly a much more productive
24 approach. But we also think that when you start to
25 go into low density areas you begin to challenge --

1 be challenged with issues like the character of the
2 neighborhood, the Comprehensive Plan, the Height Act,
3 there are other issues that become involved and it's
4 is much more straight forward when you're looking at
5 the higher density zones.

6 MR. TURNBULL: Okay. Thank you.

7 CHAIRPERSON HOOD: Okay. Commissioner
8 Miller.

9 MR. MILLER: Thank you, Mr. Chairman. Thank
10 each of you for your thoughtful testimony.

11 Ms. Steen, did you have a position on
12 lowering the income level for homeownership under the
13 Inclusionary Zoning program, or you're just
14 supporting the Option 1B as a compromise?

15 MS. STEEN: 1B is a compromise for the rental
16 housing. The homeownership, I don't know that I am
17 prepared to say that it should be changed at this
18 time. I think there are legitimate questions.

19 MR. MILLER: Mr. Tummonds, you've represented
20 developers in cases before us where sometimes the
21 developers have proffered higher amounts of
22 inclusionary units than the program currently
23 requires. You've done that from some time from the
24 outset?

25 MR. TUMMONDS: Yes.

1 MR. MILLER: Sometimes you've done it after
2 you've heard comments up on the dais that we'd like
3 you to think about doing, we'd like the developer to
4 think about doing it. And clearly there was enough
5 value in the project that it was able to support the
6 lower numbers at the 50 percent level for example,
7 where 80 percent was all that was required. You
8 don't think that these projects in many cases can
9 support a lower income level?

10 MR. TUMMONDS: I think the PUD projects can,
11 and they do. I think a lot of what we see here is it
12 will be -- it's the 25, 30 unit project. Project
13 that BZA doesn't see, Zoning Commission doesn't see.
14 You know, I think those are the impacts to look at.
15 You know. Does that work? And I think that you'll
16 hear testimony tonight from the development community
17 saying like, that's tough. When you have the 300
18 unit, 400 unit, 90-foot tall apartment building, they
19 have the ability to compensate for that additional
20 lower levels of AMI. It's the smaller projects that
21 don't.

22 MR. MILLER: Thank you. Thank you each of
23 you for your testimony.

24 CHAIRPERSON HOOD: Okay. I want to thank
25 this panel. We greatly appreciate your testimony and

1 taking time to come down and help us with this
2 decision, Inclusionary Zoning.

3 Let's go to Meredith Fascett. Hopefully I
4 pronounced it correctly. If I mispronounced it you
5 can correct me when you come up. John Healy, Helen
6 Douglas, Donna Rosen, Hanaleah Hoberman, Trafis
7 Ballie, Madea Benjamin, Yoav Migid, or Magid. Magid.
8 Debra Frazier, Emily Dorfman, Chris Plano, Jorge
9 Andres Soto, Peter Hartmann, Commissioner Gwen Bole,
10 Renee Bowser, Commissioner Bowser. I saw her. Larry
11 Hargrove. Did I skip one? Okay. Monica Warren.

12 Okay. Let's see if I -- do I have eight? I
13 think I need one more. Or do I have enough?

14 [Discussion off the record.]

15 CHAIRPERSON HOOD: Okay. Whose name did I
16 call that didn't make it to the table? No, okay. I
17 mean, I'm talking about who is here. Okay. I called
18 two names. Can you all sit in the front row so I
19 won't mess up and not call you back up.

20 If I forget the next -- you two just come on
21 up, even if I don't call your name just come on up
22 and I'll know I have to have six more. Okay. I
23 called --

24 MS. SCHELLIN: [Speaking off mic.]

25 CHAIRPERSON HOOD: Okay. Could you sit in

1 the front row somewhere? And you three just come on
2 up when this panel finishes, because I'm trying to
3 move it along so we can be home by 2:00. Okay.

4 All right. Let's start to my left. You may
5 begin.

6 MS. FASCETT: Thank you, Mr. Chairman and
7 Members of the Commission for the opportunity to
8 testify tonight. My name is Meredith Fascett. I'm
9 an ANC Commissioner in ANC 6D which includes Navy
10 Yard, Southwest, and Buzzard Point. I'm giving these
11 comments tonight on behalf of ANC 6D.

12 My written comments are longer than five
13 minutes so I will paraphrase for them tonight.

14 ANC 6D strongly supports Option 1B. The ANC
15 views the change that all rental IZ units be priced
16 to be affordable for households earning 60 percent of
17 MFI as a game changer for the District. We view the
18 change and the proposed increase in MFI target for IZ
19 for sale units as appropriate because it targets for
20 sale units to households who can more easily qualify
21 mortgages. And the ANC is supportive of the
22 differences in affordability targets by building
23 tenure as outlined in 1B.

24 I want to expand on my first statement
25 regarding the proposed change in the rental unit

1 target to 60 percent of AMI. Rental units represent
2 81 percent of IZ units. By getting the rental unit
3 target affordability right the District can optimize
4 the benefits of our IZ program. Changing the rental
5 target affordability to 60 percent of MFI aligns IZ
6 targets to where our gaps between supply and demand
7 grow more significant. It aligns the IZ rental units
8 with the incomes of the majority of households who
9 are seeing assistance. It is more households who are
10 severely cost burdened.

11 And it aligns IZ with a broadly known and
12 critically important policy priority that a
13 stakeholder group of developers, nonprofits, law
14 firms, district agencies, developed in 2012 that
15 stated we want the lion's share of new funds financed
16 housing for those earning 60 percent of AMI.

17 The ANC believes that Option 1B is the
18 superior policy choice of 1A. 1B's impact on land
19 values is similar to 1A. And 1B's financial value to
20 District residents on a pathway to the middle class
21 is much more substantial than 1A.

22 We also believe that 1A misses the
23 opportunity to align the IZ program with the
24 District's affordable housing goals. 1A generates
25 too few units at 50 percent of AMI. It creates

1 rental units overwhelmingly at 80 percent of MFI,
2 even though those units don't serve the greatest need
3 low-income households and are priced very closely to
4 market rates.

5 In the previous hearing we heard from
6 district agencies who made the arguments around the
7 continuum housing program policies and a crowding out
8 affect. The ANC did not find those arguments
9 compelling and we have provided additional detail in
10 the document. So I wanted to take a step back and
11 talk about more broadly, what are we trying to
12 achieve as a city and as a neighborhood, and as an
13 ANC. Helping our low income residents find a pathway
14 to the middle class is a priority for 6D. We are
15 committed to bringing resources, programming, and
16 jobs to the neighborhood for this residence. I spent
17 the past three years trying to create a neighborhood
18 school that serves all children and gives them the
19 education they need. I edit people's resumes, I
20 match them with mentors. I routinely circulate job
21 leads. We're not messing around in 6D. We want to
22 create a pathway to the middle class.

23 And we have success stories. One of my
24 constituents is a young woman who has grown up in
25 public housing, graduated from D.C. public schools,

1 is working part-time in an aftercare program, and
2 attends community college. She wants to be an early
3 child education teacher. Great. But when she's
4 ready to move out on her own, where is she going to
5 live? An IZ unit at 60 percent of AMI would be
6 fantastic. An IZ rental unit at 80 of MFI is out of
7 reach.

8 Another constituent, a young man, early 20s,
9 grew up in Ward 8. His mom moved mountains to get
10 him a good education. He lives in public housing.
11 He did of course work at AU. He's studying to be a
12 UX designer in the IT field. When he lands a job,
13 his dream job, an IZ unit at 60 percent of MFI would
14 permanently set him on the path to the middle class.

15 These young adults are part of our
16 community's fabric. D.C. is their home, but it is
17 unclear if D.C. can be their future. Affordable
18 housing is the lynch pin. We do not want a future
19 where the District becomes a place where only people
20 at the lowest incomes who have subsidies, and those
21 with the highest incomes can afford to live.

22 We want residency that really is an
23 achievable pathway to the middle class, and we want
24 to support them. ANC 6D urges you to implement
25 Option 1B. You will be making the District's IZ into

1 the powerful and effective program that we all
2 envisioned, and you will be changing the future for
3 hundreds of District households. Thank you.

4 CHAIRPERSON HOOD: Okay. Thank you. Next.

5 MR. PLANO: Thank you for the opportunity to
6 speak today. I'm here in support of the proposal to
7 strengthen Inclusionary Zoning by making IZ units
8 more affordable at 60 percent MFI. This is my time
9 speaking before the Zoning Commission.

10 MS. COHEN: Can you identify yourself?

11 MR. PLANO: Oh, I'm sorry. My name is Chris
12 Plano. I'm a resident of the Eastern Market
13 Neighborhood.

14 This is my first time speaking before the
15 Zoning Commission, but affordable housing is
16 something I care very deeply about. I'm not sure
17 when my interest in equity and social justice began
18 but it led me to write a paper that was later
19 published. The paper highlights the need for
20 improved public transit, supermarket access, and job
21 opportunities in Baltimore for low income
22 individuals.

23 This is mainly an issue of location. Areas
24 with supermarkets and transit access to jobs are
25 desirable so rents are high. And high rents prevent

1 low income families from accessing those amenities.
2 My wife and I live in the Eastern Market, which is a
3 great neighborhood as many of you know. Anything you
4 might need or want is within walking distance, and
5 anything else is a quick Metro or bus ride away.
6 Both of us have college degrees, and with two incomes
7 we can live in a great neighborhood. But I want that
8 opportunity for others as well.

9 Unfortunately it's not possible for many
10 people in our city considering our booming housing
11 market. However, such a booming market also provides
12 the opportunity to strengthen IZ because the market
13 can support increased affordability requirements. We
14 all know that Metro stations attract development.
15 Sorry. I have to find my place again.

16 We all know that Metro stations attract
17 development. Right now there is a large mixed use
18 building under construction across the street from
19 the Eastern Market Metro Station on the old Hines
20 School property. All this new construction happens
21 around Metro stations because people want to live
22 near transit. While it might seem cliché, WMATA's
23 slogan, "Metro opens doors," is actually pretty
24 accurate. Their service enables access to shopping,
25 jobs, and school.

1 Of course the issue is that high demand for
2 housing near transit means high rent, and this leaves
3 lower income individuals and families out of luck.
4 With so much new housing and neighborhoods that offer
5 so much, we have an opportunity to support families
6 who truly need it. I'd like to commend the
7 Commission for requiring all IZ units to be
8 permanently affordable, but we can do more.
9 Restricting IZ units to 80 percent MFI is just not
10 fulfilling the area's need for affordable housing. I
11 urge the Zoning Commission to require all IZ units be
12 affordable at 60 percent MFI. This will go a long
13 way to enabling all members of our community to live
14 in places where they can thrive. Thank you so much.

15 CHAIRPERSON HOOD: Okay. Thank you. Next.

16 MS. HOBERMAN: Okay. Good evening Chairman
17 Hood and Members of the Zoning Commission. My name
18 is Hanaleah Hoberman. I live in Park View in Ward 1.
19 I'm here as a concerned D.C. resident, a direct
20 service provider, and a volunteer with Jews United
21 for Justice to urge you to make Inclusionary Zoning
22 more affordable.

23 I'm deeply concerned that we're not doing
24 enough to address our city's growing affordability
25 problem. As a social service provider who works with

1 families fleeing domestic violence I've seen how the
2 high cost of housing in D.C. exacerbates and
3 perpetuates domestic violence. When I think about
4 the connection between housing and domestic violence
5 and victimization, I think about one of my clients.
6 We'll call her Christabel. Christabel is a mother of
7 three and she works as a health aid in a nursing
8 home. For the last 10 years the father of her
9 children, Mark, has been physically abusive towards
10 her in a highly violent escalating pattern of abuse
11 categorized as having a high risk for fatality.

12 Christabel wants to leave him. In the last
13 year she's fled to our shelter three times, but with
14 so few options to find permanent affordable housing,
15 she returns to her apartment every time in a place
16 where he can find her. And when the money for rent
17 is short and all her options are exhausted, she lets
18 him back in.

19 She returns to Mark again and again, not for
20 love but for rent money. I work with survivors in a
21 wide income range from middle income to low income
22 residents. When abuse starts a survivor has to look
23 for housing on a single income. They have few
24 options to find safe affordable housing in their
25 price range.

1 While many middle income young professionals
2 find affordable housing through group living
3 situations with other young people, young parents
4 rarely have this option available to them. Although
5 there are many crisis shelters and some transitional
6 housing programs in the city, these options are
7 temporary and many survivors end up moving back in
8 with their abusers or moving into the same
9 neighborhood as their abusers when they're unable to
10 find long-term affordable housing in a safe area.

11 Survivors need the flexibility in their
12 housing that Inclusionary Zoning can provide. In
13 order to help survivors move to safety it's important
14 that D.C. commit to programs that create affordable
15 housing throughout the city, not just in a few
16 neighborhoods that may be unsafe if a survivor is
17 trying to flee.

18 I commend the Zoning Commission for creating
19 inclusionary zoning. It's a policy that holds great
20 promise. I am, however, disappointed that it's
21 providing so few truly affordable homes.

22 As you know, IZ is creating most units
23 affordable at 80 percent AMI level, and few at the 50
24 percent AMI level. For my clients many of whom are
25 single mothers living on single incomes, these 80

1 percent AMI units are far too expensive and do not
2 help. Apartments priced at 50 and 60 percent of AMI
3 can help survivors as they reestablish their lives.
4 I urge you to ensure that IZ meets housing
5 opportunities for those who need it most by adopting
6 Option 1B, a proposal which was originally put forth
7 by the Office of Planning.

8 Additionally I want to urge the Zoning
9 Commission to clarify that the option provided for
10 the Mayor or her designee to buy IZ units, should
11 allow these units to be rented to clients -- I'm
12 sorry. In programs serving lower income households.
13 Thank you.

14 CHAIRPERSON HOOD: Okay. Thank you. Next.

15 MS. ROSEN: My name is Donna Rosen. I have
16 lived in Washington, D.C. since 1977 and resided in a
17 home in the Friendship Heights neighborhood for 34
18 years. I am here as a concerned D.C. resident and an
19 affordable housing professional to urge you to make
20 Inclusionary Zoning more affordable because we need
21 to use every opportunity to create and preserve more
22 affordable housing.

23 I'm deeply concerned about affordable
24 housing, both as a resident of the city and as
25 someone who has spent her entire professional career

1 of over 40 years working in the field of affordable
2 housing finance, locally and on a national level. I
3 think they are not doing enough to address our city's
4 rapidly growing affordability problem. Because D.C.
5 has become a very desirable place to live, housing
6 prices have priced people out with modest incomes out
7 of the market. The number of moderate and low income
8 housing units has decreased significantly due to
9 conversion of moderate housing to upscale dwellings
10 and the demolition of large numbers of low income
11 housing units in the city. Longtime residents are
12 being pushed out of the city and low wage workers are
13 unable to live in the city close to their jobs.

14 I commend the District of Columbia Zoning
15 Commission for creating inclusionary zoning which is
16 a national best practice for affordable housing
17 policy. We have several years of experience
18 implementing inclusionary zoning and therefore we can
19 now celebrate the successes and look at ways to make
20 IZ more effective in addressing the city's affordable
21 housing needs. Most of the units created by the
22 current IZ policy are at the 80 percent of MFI level.
23 It's critical that we enable IZ to serve people with
24 moderate and low incomes, which is clearly less than
25 \$70,000 for a two-person household.

1 Why is 80 percent MFI too high? First, three
2 fourths of the waiting list for IZ units are people
3 with incomes below 60 percent MFI. Rent prices to
4 serve 80 percent AMI households are too close to
5 market rates. And few 80 percent MFI households face
6 the severe burdens, cost burdens that lower income
7 households paying more than half of their income
8 face.

9 I urge the Zoning Commission to take steps to
10 ensure that IZ create housing opportunities for those
11 who need it most. Specifically act now to make all
12 rental IZ units affordable to people earning no more
13 than 60 percent MFI level. An analysis has shown
14 that this would not have a negative impact on housing
15 production in the city or on land values.

16 I ask you to build on the strengths of IZ and
17 increase its effectiveness by ensuring IZ creates
18 truly affordable housing at the 60 percent MFI level.
19 IZ can make a much larger contribution to the severe
20 housing challenges faced by our city. We need to
21 ensure that we are using this powerful tool to its
22 full potential. I appreciate the opportunity to
23 testify.

24 CHAIRPERSON HOOD: Thank you very much. And
25 I think what we need to do is, if you're testifying

1 you might not want to have your paper up against the
2 mic because it gives some background. And also, if
3 you're not speaking, you want to turn your mic off.
4 Okay? All right. Next.

5 MR. HEALY: Good evening, Commissioners. My
6 name is John Healy. I'm a 28 year Ward 3 voter,
7 taxpayer, and homeowner. We are engaged, along with
8 other residents across Ward 3, in advocating for
9 stronger leadership and better results from D.C.'s
10 government agencies and commissions to make dramatic
11 progress, both in creating more affordable housing
12 and on ending homelessness throughout the city as
13 they are different points on the same continuum as
14 noted by DHCD director, Polly Donaldson, at your
15 March 3rd, IZ hearing.

16 Thank you to the Commission for holding this
17 hearing so that we may speak up in support of the
18 necessary changes that must be made to the
19 inclusionary zoning program, as there is a
20 mushrooming shortage of low and moderate income
21 housing, and rents continue to rise to astronomical
22 levels across the city.

23 In contrary to one of the goals the IZ
24 program to date has mostly benefitted residents who
25 are able to easily afford market rate housing. As

1 the D.C. Council and the Mayor have both noted, the
2 lack of affordable housing is a rapidly skyrocketing
3 crisis that is now spiraling out of control adversely
4 affecting seniors, middle and low income families,
5 the teachers of our children, the lives of our first
6 responders, the wait staff and chefs who may have
7 even prepared and served your dinner tonight. The
8 reality is that no everyone who lives in D.C. is a
9 rich real estate developer, or an uber rich
10 professional who can readily absorb D.C.'s sky high
11 housing costs.

12 We support the intent of the IZ program to
13 provide affordable housing in market rate
14 developments in exchange for development bonuses, and
15 further support the following sorely needed
16 amendments to the program regulations and urge the
17 Zoning Commission to one, adopt an increase in the
18 percent of new development set aside for affordable
19 units from eight to 10 percent, to 15 percent, or the
20 greater of 15 percent, or 75 percent of bonus
21 density.

22 Two, adopt a maximum income eligibility of 50
23 percent of AMI for rental units, not 60, and 70
24 percent for homeownership units, not 80 percent.

25 My networks throughout the D.C. development

1 community confirm that setting this AMI level will in
2 fact not drive them away, and that to say that it
3 would is an unfounded urban legend that the Office of
4 Planning likes to perpetuate. The developers will
5 not walk away from the high profit margins that
6 development in D.C. readily provides from D.C.'s
7 white-hot residential development market.

8 Three, include downtown residential
9 development in the IZ program requirements.

10 Four, as previously noted by Vice Chair Cohen
11 at the March 3rd hearing, provide for multi-bedroom
12 IZ units, even if the development's market rate units
13 are not designed for families.

14 Five, as noted by Commissioner Turnbull at
15 the March 3rd hearing, expand the Mayor's authority
16 to purchase unsold IZ units so that she can purchase.
17 Thank you.

18 CHAIRPERSON HOOD: Thank you. Again, we do
19 have everyone's testimony and we will follow it and
20 finish reading the rest. You may begin.

21 MS. FRAZIER: Hello, there. I am Debra
22 Frazier. As you have stated we have we have my
23 testimony in hand. The highlights that I wanted to
24 share with you today are these.

25 A long-term D.C. resident, second generation

1 D.C. resident, raised in a two-parent family. Raised
2 my two children. They are both in college working on
3 their master's degrees. In terms of the market
4 values, what they will be able to afford, they will
5 not be able to afford to live in the District of
6 Columbia and be able to buy or purchase housing where
7 they are.

8 I know for you all that we live right now on
9 the ground. We live right now in the Arthur
10 Capper/Carrollsborg, Capitol Quarters Development,
11 which was a victim of Hope 6. Now we're living well
12 together, but I note that in that community there are
13 homeowners and ACC units.

14 The AC -- and we're inspired by living in a
15 mixed income community. But those residents who are
16 ACC subsidized housing, when they get better jobs
17 that may take them to 40,000 or 50,000, they will not
18 be able to live next door to their neighbor in a
19 better development to their neighbor because they
20 won't be able to afford it. That's wrong and it's
21 unconscionable.

22 Now, I do support the 60 percent, Option B
23 piece, and I support it with reservations if this is
24 the best we can do right now, because the average
25 income of D.C. residents, D.C., is like 30, \$35,000 a

1 year. We are working towards getting -- organizers I
2 think are working towards getting the AMI from area
3 median income to a D.C. median income, which would be
4 more reasonable for the people who live here.

5 We have -- dare I say I want to redefine AMI,
6 average D.C. income, and say that with a cautionary
7 tale. Down here on the ground I have lots of
8 degrees, fell into some drama, and am not on
9 disability and now I'm a supporter of public housing.
10 I know lots of people who have done well and done
11 better, earned more income. They're not able to
12 afford to live in D.C. It is wrong and
13 unconscionable that people born and raised in D.C.
14 cannot afford to live in D.C. That is so wrong.

15 I bring to everybody's attention the fact
16 that maybe five, six, eight years ago, the incomes of
17 rents went so high in Ward 8 that people moved and
18 residents of Ward 8 moved across the line in such
19 volume that they created a new congressional district
20 in P.G. County. Wrong, wrong, wrong.

21 So I support it with reservations. Let's
22 have a city who, according to the Mayor, people who
23 are born and raised in D.C. should be able to afford
24 to live in D.C. Support this 60 percent with
25 reservations strongly.

1 CHAIRPERSON HOOD: Okay. Thank you. Next.

2 MS. WARREN-JONES: Well, thank you. Good
3 evening, Chairman Hood. My name is Monica Warren-
4 Jones. Excuse me.

5 I'm testifying today in my capacity as the
6 Director of Capital Solutions per the Washington,
7 D.C. Office of Enterprise Community Partners. We are
8 a national financing intermediary that provides
9 financing and expertise for creating homes and
10 facilities to benefit low and moderate income people.

11 And just as an aside, not even in my remarks.
12 I really want to just say thank you to my fellow
13 panelists because just, the testimony is compelling
14 and I appreciate being here with this group of folks.
15 I don't know them, but I think I know them in spirit.

16 So in my experience in real estate finance
17 and development, we support both non-profit and for-
18 profit partners by providing them with strategic
19 solutions for using our capital. We provide grants,
20 debt equity, and new market tax credits for
21 development and preservation of sustainable housing
22 and community facilities.

23 And we've been doing this since 1982. We
24 provided more than \$18 billion to preserve more than
25 340,000 homes across the country. And here, in the

1 District of Columbia, at least \$400 million in
2 capital have been provided to preserve or produce
3 about 10,000 affordable rental and homeownership
4 units in Washington, D.C. So this market really is
5 our market.

6 And today we are committed to providing an
7 opportunity to 1 million families by 2020, through
8 quality affordable housing and for us, housing is not
9 just about affordability but it's really housing
10 that's connected to good schools, jobs, transit, and
11 healthcare.

12 So I'm here this evening to express support
13 for the Campaign for Inclusionary Zoning, and my
14 testimony is really going to focus on three areas.

15 One, IZ's role in reducing the concentration
16 of poverty and increasing access to opportunity for
17 residents, especially at the lower income levels.

18 Two, why setting these IZ rental units at 60
19 percent AMI, which is the Office of Planning's Option
20 B, a better response to the current and future needs
21 of District residents.

22 And three, how this is really stretching the
23 market responsibly with the current incentives. The
24 economic cost of rental development at 60 percent AMI
25 versus 80 percent AMI, is relatively close in either

1 direction. And since demand is so much stronger at
2 the lower income levels, that's where we should
3 really lean in and have more impact.

4 Inclusionary Zoning is an important national
5 best practices which has already been mentioned by my
6 fellow testifiers because it integrates housing
7 affordability at the neighborhood level. IZ is
8 designed to reduce the concentration of poverty,
9 which is critical to improving quality of life for
10 all residents.

11 And I want to also say too that IZ is not the
12 -- it's not the panacea. It should be really seen as
13 one of several tools. But in that of itself, we want
14 to make sure that tool is as strong and is as
15 responsive as possible. So I know developers say, we
16 can't do it all. No, we're not asking you to do it
17 all, but we do feel like the tool needs to be
18 strengthened.

19 More than 750 IZ units have been produced or
20 are currently in the pipeline, so IZ continues to be
21 an important productive program as part of the
22 District's overall portfolio of housing tools.

23 We have some experience to demonstrate who
24 has benefitted from the program. I won't bore you
25 because you do have the charts, because I want to

1 make sure that I stay on task with my testimony. But
2 we do support the current recommendation to change
3 the current approach, both by expanding the zones
4 where IZ applies and by changing the income targeting
5 to split by tenure, rental versus ownership.

6 So if we truly are serious about using
7 housing affordability tools to decrease the
8 concentration of poverty in the District, we must aim
9 for better income targeting than the program does
10 today.

11 As I'll discuss in a moment, the households
12 below 80 percent AMI experience the most severe
13 housing cost burden and projected demand. The good
14 news is that for those district residents who live in
15 the units IZ also creates access to amenities and
16 infrastructure in higher cost neighborhoods.
17 Neighborhoods, that would otherwise be inaccessible.
18 So that includes schools, transportation, jobs, and
19 healthcare options.

20 And while, you know, we hear that over --
21 there is a seriously exponential effect of those
22 benefits being attributed to folks at the lower
23 income scale. So it's important because the data
24 from the Office of Planning and the other regional
25 publics show that, you know, all the data suggests

1 the greatest demand is at those household incomes
2 that are below 80 percent AMI.

3 My second point is that setting these IZ
4 units at 60 percent of the AMI responds better to the
5 demand. The campaigns analysis shows -- sorry.
6 Shows that the share of the households with severe
7 cost burden is really more than three times at the
8 60 --

9 CHAIRPERSON HOOD: Could you give us your
10 closing thoughts, please?

11 MS. WARREN-JONES: Sure. Closing thoughts is
12 that my last -- I just want to bring up my last point
13 very, very, very quickly here is that this is
14 going -- this change will stretch the market
15 responsibly. And as the District creates value for
16 the land owners and the development partners, the
17 public should realize its fair share of these
18 benefits.

19 So we really appreciate the amount of thought
20 and effort that has gone into this review process.

21 CHAIRPERSON HOOD: Thank you. Thank you very
22 much.

23 MS. WARREN-JONES: Thank you.

24 CHAIRPERSON HOOD: I'm going to have to cut
25 you off.

1 MS. WARREN-JONES: Thank you.

2 CHAIRPERSON HOOD: Next.

3 MS. BOWSER: Good evening, Chairman Hood and
4 all the commissioners of the Zoning Commission, my
5 name is Renee Bowser. I'm Vice Chair of Advisory
6 Neighborhood Commission 4D and I appreciate the
7 opportunity to testify on behalf of ANC 4D in support
8 of our resolution on Inclusionary Zoning titled,
9 Advisory Neighborhood Commission 4D's Resolution to
10 Strengthen Inclusionary Zoning to Promote Affordable
11 Housing in the District of Columbia.

12 The crisis of homelessness and the inability
13 of low and moderate income families to afford to live
14 in the District of Columbia is mounting. Public
15 housing is being torn down, not upgraded and
16 preserved. The existing housing under rent control
17 has been allowed to deteriorate.

18 In my single-member district I have
19 complained for years about the Park View Apartments,
20 Rufa Stanzel Building, to DCRA, to DPW, and former
21 attorney General Nichols started to -- a receivership
22 to get them to fix up the building. But nothing has
23 happened.

24 The old Hebrew Home that the District has
25 said for years is going to be affordable housing,

1 1125 Spring Street in Ward 4 that's been about almost
2 10 years or more, they've said that, nothing has
3 happened.

4 And so we have an affordable housing crisis.
5 But many people attach the label of affordable to
6 their housing initiatives, but affordable for whom?
7 The reality is that a one-bedroom apartment that
8 rents for \$1,100 a month is so unaffordable as to be
9 completely out of reach of most working class
10 families here in the District of Columbia.

11 And so it's time we begin to put in place
12 housing solutions that will enable those most
13 squeezed by D.C.'s high cost housing boom to continue
14 to live in D.C. neighborhoods. So amending the
15 Inclusionary Zoning laws so that low and moderate
16 income families who are most in need of decent
17 housing, they can afford will go a long way from the
18 rhetoric to action on the issue of affordability.

19 Thus far, there have only been, according to
20 Office of Planning figures, only 278 affordable
21 units. And so we really have to do more. As the
22 Zoning Commission is aware we use the median family
23 income when determining income edibility because of
24 federal funding. And in a 2014 report even Council
25 Member Evans noted that the required use of the

1 Metropolitan wide, what is now MFI, inflates the
2 income eligibility threshold for affordable housing
3 in the District relative to the median income of
4 District residents which is much lower than the MFI.

5 The report concluded, this inflation broadens
6 access to affordable housing in the District and in
7 effect constricts its availability for low income
8 residents. And under federal guidelines, housing is
9 affordable for a family to spend no more than 30
10 percent of its income on housing and utilities.

11 But the D.C. Fiscal Policy Institute has
12 found that 64 percent of D.C. families afford with
13 incomes of 30 percent of what is now MFI, \$32,220
14 annually in 2013, spend more than 50 percent of their
15 income on housing.

16 And for people at 50 percent of MFI, the D.C.
17 Fiscal Policy Institute found that 31 percent of
18 those families with incomes at 50 percent spend --
19 excuse me, at 40 percent of the MFI spend 50 percent
20 of their income on housing.

21 And between 2002 and 2013 there's been nearly
22 a 50 percent drop in the number of low cost apartment
23 units renting for less than \$880 per month. From
24 60,000 units down to 33,000. And this is in the
25 vanishing affordable housing report from the D.C.

1 Fiscal Policy Institute.

2 During the same period the number of
3 moderately priced apartments between 800 and 1,000 a
4 month has dropped from 28,000 to 20,000. Yet between
5 2002 and 2013 the number of rental units with the
6 monthly cost of \$1,440 or more grew from 28,000 to
7 73,000 and currently represents half of the rental
8 housing stock.

9 So ANC 4D strongly believes that housing
10 solutions should address the crisis with which we are
11 presented in order to help our residents who suffer
12 most in this crisis. The stark housing crisis for
13 families at incomes at or below 30 percent of MFI and
14 families with incomes between 30 percent and 50
15 percent of MFI should compel the Zoning Commission to
16 enact proposal to benefit these households rather
17 than households with 50 percent and above.

18 That is why ANC 4D urges the Zoning
19 Commission to at least set aside 50 percent of the IZ
20 units for residents -- was that five minutes or we
21 just get three minutes?

22 CHAIRPERSON HOOD: Actually, that was five
23 minutes.

24 MS. BOWSER: Oh, it was five minutes. Okay.

25 CHAIRPERSON HOOD: Give us your closing

1 thought please.

2 MS. BOWSER: Well, we're just asking for --
3 my closing statement is that we need half of the IZ
4 units to be set aside for people below 50 percent of
5 the AMI. They should be integrated throughout the
6 city. There should not be an exclusive -- a
7 broadening exclusive zone for downtown. And we
8 should not allow the developers to put off -- put the
9 affordable housing units elsewhere, but they should
10 have all the amenities, be near the Metro and all
11 that, so they can have the best and better their
12 situation.

13 CHAIRPERSON HOOD: Commissioner Bowser, we
14 have your testimony.

15 MS. BOWSER: Thank you.

16 CHAIRPERSON HOOD: Let me say this, in all
17 fairness, you know, most people didn't go over. The
18 last couple did and the reason we're pushing this is
19 because I want to make sure we hear from everyone
20 tonight. As many as possible, because I think if we
21 don't, honestly speaking, in all fairness, this will
22 be I think your fourth time coming back. Most of
23 you, fourth time coming back. So we want to make
24 sure we hear from the public. You notice I haven't
25 asked any questions? I'm doing that for a reason. I

1 have some but I will get mine on the back end with
2 Office of Planning or whomever.

3 But I want to hear from the public. That's
4 just my opinion. But I want us also to be
5 considerate of each other. Okay? So when you hear
6 the buzzer, if we can just cut it off. Especially
7 those who have written testimony. Okay? Is that a
8 deal, everybody? Thank you for working with us.

9 Let's see if we have any comments. Hold
10 tight. We may have some questions for you. Any
11 questions up here?

12 MS. COHEN: Yes.

13 CHAIRPERSON HOOD: Vice Chair Cohen.

14 MS. COHEN: I just want to -- Ms. Warren-
15 Jones, you obviously are engaged in financial
16 analysis. Did you take a look at the numbers that
17 were proposed by the Office of Planning,
18 specifically, or your staff?

19 MS. WARREN-JONES: Our staff did and I looked
20 at them very briefly.

21 MS. COHEN: And then is it -- since I don't
22 think we got your testimony, we have David Bowers'
23 testimony, but can you give us a copy of your
24 testimony because I presume you're talking towards
25 those numbers?

1 MS. WARREN-JONES: Yes, so I'll leave a copy.

2 MS. COHEN: That will be great. Thank you.

3 Ms. Rosen, just for the record, you mention
4 you've been involved with housing for over 40 years
5 and I just want to say as a houser I'm familiar with
6 your public and private work in affordable housing.
7 So -- and in market rate housing.

8 But you mention in your testimony that -- oh,
9 where is it? Something about an analysis has been
10 shown. Which analysis are you referring to?

11 MS. ROSEN: I think it's the --

12 MS. COHEN: You need to put your mic on.

13 MS. ROSEN: I think it's the analysis done by
14 the Coalition.

15 MS. COHEN: Thank you. And I just want to
16 mention, Ms. Bowser, thank you for your testimony.
17 It's very comprehensive, complete, can't argue with
18 your facts. But the elephant in the room, aside from
19 IZ, is the need for subsidies to get down to the
20 lower income people to be able to afford any of the
21 costs related with developing housing. So I just
22 want to mention that to you that IZ is only one of
23 many tools and what we really need is massive amounts
24 of money for subsidies to help very low income
25 people. So you and I can have a conversation after

1 this is all over.

2 CHAIRPERSON HOOD: Any other comments or
3 questions? Commissioner Miller?

4 MR. MILLER: I have no questions, Mr.
5 Chairman. I just wanted to express my appreciation
6 for each of the residents' very thoughtful and
7 passionate advocacy. Thank you.

8 CHAIRPERSON HOOD: Anybody else?

9 Ms. Bowser, I would also say that I
10 appreciate your comment at the bottom of page 2 of
11 your testimony. While I may not be exactly in line I
12 think that's the focus where we're trying to get
13 regardless of the subsidies and everything. I would
14 agree with that statement and I really appreciate
15 your testimony. I appreciate everyone's testimony
16 and time for coming down. So thank you very much.

17 MR. TURNBULL: Mr. Chair, I just had one
18 question for --

19 CHAIRPERSON HOOD: Yes.

20 MR. TURNBULL: -- Ms. Warren-Jones. Do you
21 get involved with on the ground floor with people
22 with housing? Or do you mainly come in when there is
23 an issue after the fact with their housing?

24 MS. WARREN-JONES: We are --

25 CHAIRPERSON HOOD: You want to turn your

1 microphone on, Ms. Warren?

2 MS. WARREN-JONES: No, we are a financing
3 intermediary. And there are times when we have to
4 intervene in a crisis situation, a crisis housing
5 situation where there may need to be some emergency
6 retrofits. But our primary role, we do policy but we
7 provide financing to developers both for and --

8 MR. TURNBULL: So you're in at the ground
9 floor. You're at the --

10 MS. WARREN-JONES: Correct.

11 MR. TURNBULL: -- initial stages?

12 MS. WARREN-JONES: In the initial stages in
13 terms of the kinds of financing we're providing.

14 MR. TURNBULL: Okay. All right. Thank you.

15 CHAIRPERSON HOOD: Okay. Thank you all very
16 much. We appreciate your testimony.

17 Now I had a group that I called some names
18 that I had the overflow, so if you all could come
19 forward? I think it was only three or four. Okay.
20 It was three, I believe.

21 Okay. Let me pick up where I have here.
22 Scott Burton, Marian Siegel. But I see Ronald Clark,
23 Housing Counseling Services. Susan Kimmel, Ward 3
24 Vision. Ms. Anne Sellin. I see you in the front
25 row. And Mr. Binder -- Bender. I think they've

1 already -- Tom Quinn has spoken for them. Sarah
2 Novick. Anita Hairston. Rose Oliphant. Did Debra
3 Frazier, you already -- okay. I got you. I got you
4 again. Okay. Am I on the same sheet? No, okay.

5 How many do we have up here?

6 MS. SCHELLIN: [Speaking off mic.]

7 CHAIRPERSON HOOD: I think we're right --
8 we're there. Okay. Great. Okay, let's start to --
9 oh, you're going to take that seat? Okay. Let's
10 start to my right then, while she's doing that and
11 we'll begin with you, sir.

12 MR. CLARKTON: Good evening. My name is
13 Ronald Clarkton, and I am testifying on behalf of
14 Housing Counseling Services, also known as HCS.

15 HCS is a nonprofit agency founded in 1972.
16 We provide training, counseling, and technical
17 assistance to tenants, home buyers, homeowners, and
18 the homeless. Our goal is to assist our clients to
19 prevent homelessness and access enduring, safe, and
20 affordable homes by developing the skills necessary
21 for success.

22 As a program director at HCS for 10 years I
23 have extensive experience directly serving low and
24 moderate income D.C. residents. Among other duties I
25 manage HCS's IZ training and certification program.

1 I have worked at HCS through the changing economy and
2 have seen and participated in the resulting programs
3 designed to react to these changes.

4 We work hard at HCS to assist our clients in
5 adjusting to the increasing cost of housing, avoiding
6 displacement, understanding market realities, and to
7 access information and skills to improve their
8 chances of retaining good and affordable housing in
9 D.C.

10 I'm here tonight to offer insight based upon
11 our experience working directly with low and moderate
12 income residents about how you might consider making
13 appropriate changes to the IZ program to better
14 address the housing needs of D.C. residents.

15 As part of the work we do on behalf of the
16 D.C. Department of Housing and Community Development
17 HCS conducts IZ orientations, completes
18 certifications of income, affordability, and housing
19 size for IZ home buyers, and conducts mandated
20 training for IZ rental and homeowner participants.
21 In these roles we have frequent contact with people
22 who seek to participate in the IZ program.

23 If you ever doubted the tremendous demand for
24 affordable housing I encourage you to attend an IZ
25 orientation. HCS holds weekly IZ orientations

1 throughout the city in spaces that accommodate
2 between 30 and 50 people. Each of our weekly IZ
3 orientations is fully booked in advance and many
4 people come in on a walk-in basis. And keep in mind
5 that we are not the only organization conducting IZ
6 orientations. The majority of participants at our IZ
7 orientations report income below 60 percent AMI. The
8 significant interest and the high number of lottery
9 registrants for those below 60 percent AMI is, we
10 believe, a result of the severe housing despair felt
11 by this population. Not because of any lack of
12 marketing to those of higher income.

13 This is the population that has no viable
14 housing alternative in the private housing market and
15 they therefore take every step possible to seek a
16 solution to remain in their home town.

17 The Office of Planning report states, on
18 pages 12 through 13 of the technical appendixes, that
19 only 18 percent of all IZ registrants are eligible
20 for 80 percent AMI units. But 78 percent of all IZ
21 units are targeted at the 80 percent AMI level.

22 Conversely, most registered households earn
23 between 31 and 60 percent AMI. This is consistent
24 with our experience. Most people who come to HCS
25 seeking help to find a home that they can afford are

1 in this income range, because for them the options
2 are so few.

3 While the Office of Planning's report
4 indicates that one community based organization
5 believes that the reason that there are few
6 participants at the 80 percent IZ level is due to the
7 need for marketing, this is not what we are seeing.
8 While in general we recognize that more marketing of
9 any program or service can usually increase demand,
10 we believe that with respect to housing and the IZ
11 program in particular, it would be most effective to
12 tailor the program to the income levels of the
13 households in greatest need and with the highest
14 interest. And looking at our client base, that would
15 be households below 60 percent AMI.

16 At every orientation we are asked the
17 questions pertinent to anybody seeking affordable
18 housing, how much is the housing? Where is it? What
19 are my chances of getting it? How quickly can I get
20 a home? Is there a maximum income? What about a
21 minimum income? How many bedrooms are there? Can I
22 use my voucher? When is the next lottery? Does the
23 program do anything with respect to condo fees? Can
24 I sell for what I want?

25 As you can see there is a large learning

1 curve when it comes to the IZ program, and the more
2 information we provide the more questions arise.
3 Most participants leave discouraged when they learn
4 about the cost of the IZ units and the criteria for
5 selection. But for others it leads to hope and
6 additional one on one counseling to prepare for the
7 opportunity.

8 Serving the entire housing continuum, HCS
9 sees the greatest need for affordable housing among
10 those earning below 60 percent AMI and supports
11 efforts to move the rental IZ program towards meeting
12 this persistent need, and setting the rental income
13 limit at this level. HCS is able to assist our
14 clients who are above 60 percent AMI to find safe and
15 affordable housing within their affordability levels
16 outside of IZ. While we help these households to
17 adjust their expectations this population has good
18 choices available without limiting their search to
19 IZ.

20 The reality is that for those between 60 and
21 80 percent AMI, many of whom are upwardly mobile and
22 have expectations of increasing income, IZ
23 requirements that force them to leave their unit
24 negatively impact their interest in the program.
25 Thank you.

1 CHAIRPERSON HOOD: Thank you. Next. And
2 thank you for your closing thought when you heard the
3 bell. Thank you.

4 MR. CLARKTON: You're welcome.

5 MR. HARGROVE: Chairman Hood and Members of
6 the Commission, I'm Larry Hargrove testifying for the
7 Kalorama Citizen's Association. KCA's written
8 submission detail our support for a number of
9 proposals that are before you that are aimed at
10 increasing the number of inclusionary units,
11 directing more of them to low income residents, and
12 otherwise enhancing the effectiveness of the IZ
13 program.

14 Tonight, however, I want to focus on two
15 proposals that are before you that are only
16 tangentially related to the principle issues in this
17 case.

18 The first of these proposals, I propose it
19 was a question raised by Commissioner Turnbull
20 earlier this evening, has to do with OP's proposal to
21 eliminate the basic requirement that an IZ
22 development have 10 dwelling units which applies
23 almost to all projects at the present time. This
24 would be done by allowing a developer to obtain the
25 available floor area and height bonuses by simply

1 voluntarily agreeing that a project for quote, "any
2 semi-attached, attached, or multifamily residential
3 development," unquote, will comply with IZ
4 requirements and provide at least one IZ unit.

5 This arrangement would obviously be a radical
6 change in the character, scope, and impact of the
7 inclusionary zoning program, from one that deals with
8 fair sized or larger multi-dwelling buildings, where
9 some economies of scale are achievable, to one that
10 explicitly targets individual row houses and other
11 small residential buildings, and penetrates deep into
12 residential mixed use neighborhoods.

13 It would be ready made for row house pop-up
14 or pop-back developers as a device for circumventing
15 existing height and floor area limits by simply
16 tucking one IZ unit into an intrusively oversized
17 building that might be crammed with seven or eight
18 market rate units. This would be, in our view, the
19 most inefficient possible way for the City to promote
20 the objectives of the IZ program.

21 The community would get one IZ unit per pop-
22 up project, which the developer would be incentivized
23 to keep no larger than necessary to just meet the
24 eight, or 10, or 12 percent set aside requirement.
25 This one small unit would be achieved at a greatly

1 disproportionate cost in terms of the impact on the
2 values of neighborhood, character, and integrity that
3 the Comprehensive Plan mandates be protected.

4 The heaviest impact would apparently be in R-
5 5-B, C-2-A, and C-2-B district. A typical three-
6 story row house in these areas can be expected to
7 qualify for an IZ bonus payoff of the equivalent of
8 at least one additional floor's worth of gross floor
9 area. And this would be applied to a building which
10 more often than not is so far below the existing
11 height and floor area limits as to already permit an
12 additional floor's worth of expansion, which is a big
13 part of what has generated the row house pop-up
14 problem to begin with.

15 This proposal for a major change in the
16 nature of the IZ program was put forward with only a
17 few lines of explanation and no projection of its
18 impact across the city, and we strongly urge you to
19 reject it.

20 The second proposal comes from OP also. In
21 an effort to increase the residential floor space for
22 which the required set aside is calculated, OP
23 proposes that cellar space, that the permit would
24 allow to be included in a dwelling unit, hence forth
25 be allowed to be included in the total residential

1 floor area on the basis of which the required minimum
2 set aside is calculated.

3 We support this proposal, which seems
4 obviously appropriate. But only on the condition
5 that such space is also included in the calculation
6 of the total gross floor area of the project. We do
7 so because it is clear to us that the Zoning
8 Administrator should not have been allowing
9 residential floor areas in cellars in the first
10 place, since allowing habitable rooms to be located
11 in cellars is in plain contravention of the
12 definition of habitable room in Section 199.1.

13 But if this use is never the less allowed in
14 a project, then it is also entirely appropriate that
15 the cellar residential space be included along with
16 all other residential space in the calculation of the
17 project's total gross floor area. Rather than
18 omitting it on the basis of the definition of gross
19 floor area, and thus giving the pop-up developer a
20 floor's worth of additional FAR, which is another
21 principle source of the pop-up problem in row house
22 areas.

23 I thank you very much for your attention.

24 CHAIRPERSON HOOD: Thank you. Next.

25 MR. HARTMANN: Good evening, Chairman Hood

1 and Members of the Zoning Commission. My name is
2 Peter Hartmann and I was born in D.C. in 1992,
3 graduated from DCPS, and have lived here for almost
4 all of my 24 years. I live in Ward 4 in the Tacoma
5 neighborhood currently.

6 As a lifelong District resident, an employee
7 of my family's small local business, Open Studio D.C.
8 Art Studios, and a volunteer for Jews United for
9 Justice's Affordable Housing Campaign, I support
10 Option 1B for D.C. residents who have been displaced
11 or are at high risk of being displaced.

12 In the last 10 years I've watched as the
13 City's architectural and cultural landscape changes
14 drastically. As it gains many new unaffordable
15 luxury condos it loses so many long-time residents
16 and cherished cultural institutions that once made up
17 D.C.

18 In a booming real estate market like this
19 private land owners alone cannot be relied on to
20 provide affordable housing. It is up to you, the
21 Zoning Commission, to make inclusionary zoning units
22 available to households at the 60 percent MFI level
23 in order to slow down the rate of displacement of
24 D.C. residents. Which, I might add, is a modest
25 compromise.

1 This is crucial in order to maintain some
2 small part of the character and sole of D.C. So many
3 native Washingtonians have either been relocated or
4 displaced to so-called Ward 9 in P.G. County to make
5 room for newcomers. I'm very concerned about what
6 our city will become when we lose almost all of the
7 people who know and love it so deeply.

8 We need you, the Zoning Commission, to be
9 champions of a housing policy that will allow
10 longtime residents to stay in the District. A
11 housing policy that allows us to continue celebrating
12 and building upon the rich and unique cultural
13 history of the District, and not one which continues
14 to erase and displace the communities and culture of
15 long time, mostly black, District residents.

16 To me a city is the collective culture and
17 progress of the people who are from here and who have
18 been here for generations. And much of what, who,
19 and was D.C. has been pushed out. The kind of city
20 where people of all levels of income can live
21 together affordably will continue to disappear if you
22 do not act. Thank you so much for your time.

23 CHAIRPERSON HOOD: Thank you. Next.

24 MS. KIMMEL: Good evening, Chairman Hood and
25 Members of the Zoning Commission. My name is Susan

1 Kimmel. I live in Tenlytown, adjacent to the Metro
2 stop, and love the urban amenities of D.C.

3 I am here tonight as the Chair of the Ward 3
4 Vision Steering Committee to urge you to make
5 Inclusionary Zoning more affordable because we need
6 to adjust the current regulations of the city's IZ
7 policy to target an unmet need and fill an increasing
8 demand for housing by those whose incomes are in the
9 60 to 80 percent of median family income.

10 The success of Inclusionary Zoning comes from
11 integrating below-market units into new development.
12 It puts affordable housing in every neighborhood in
13 the city. By mixing affordable units with market
14 priced housing it brings vitality throughout the
15 city.

16 I want to point out that Ward 3 Vision has on
17 two previous occasions, testified in favor of
18 Inclusionary Zoning, and we are thrilled that now two
19 projects in Ward 3 are nearing completion that will
20 deliver a significant number of IZ units.

21 Although D.C. has many federal and local
22 housing programs and allocated more funding for
23 affordable housing, the supply has not been well
24 matched to the demand as the statistics in the report
25 prepared by the Office of Planning show, there are

1 unfilled units for those whose incomes are above the
2 80 percent bracket of the MFI, but a huge deficit in
3 the number of units completed, under construction, or
4 in the pipeline for those in the 60 to 80 percent
5 MFI.

6 The number of units for this bracket that are
7 at the conceptual stage of development is negligible.
8 Perhaps fewer than 100 units in the total goal of
9 10,000 units by 2020.

10 The problem of lack of affordable housing is
11 only escalating as there are more and more seniors on
12 fixed income and more and more Millennials on
13 starting salaries moving to D.C. Close to home I
14 want to point out that my 30-year old son, after
15 graduating from culinary school and getting a job as
16 a chef in D.C. at a very fine place, could not afford
17 an apartment of his own and had to move back home
18 with mom.

19 But don't forget also that there are many
20 long-term residents of D.C. who have remained within
21 the city despite growing pressures to move to the
22 less expensive suburbs where commuting can both be
23 costly, time consuming, and increase traffic and
24 pollution problems. The city should make every
25 effort to retain its middle class citizens who have

1 felt the pressure of gamification but have managed to
2 stay deeply ingrained in the fabric of the city.

3 So affordability housing does have a link to
4 transit oriented development. And what's more, smart
5 growth pays off. In OP's report it indicates that
6 for each of the five zones that have reduced parking
7 minimums, the ZRR has produced a cost savings of
8 between 12.5 and 17.9 percent. Now is the time to
9 capitalize on these savings by factoring them into
10 either having more affordable units, or lowering
11 rents to the 28 or 29 percent of income.

12 One problem that was pointed out about OP's
13 Option 1A is that it splits the number of required IZ
14 units between the 50 percent MFI and the 80 percent
15 bracket. That creates competition between the other
16 housing programs which serve the lowest income
17 households, such as Section 8 vouchers or public
18 housing, and overbuilds for the higher income. It's
19 almost like the middle child who never gets the
20 attention she deserves, the 60 to 80 percent MFI are
21 left out. They're not poor enough to qualify for
22 Section 8 and not wealthy enough to qualify for
23 higher rents.

24 As we know, D.C. is going through a housing
25 boom and OP's report shows that lowering the MFI will

1 not discourage the construction of new market rate
2 units, even with a five percent reduction in land
3 value due to IZ. So the amendments proposed by
4 Option 1B will enable more low income people to
5 remain in the city and live here with dignity.

6 I ask that the Zoning Commission implement
7 some other provisions of IZ which have worked well.
8 First, allow the city or other qualified nonprofits
9 to purchase IZ units and provide additional subsidy
10 to renters.

11 Two, keep all affordable units permanently
12 affordable.

13 Three, allow IZ units to be built off site,
14 but no more than a half mile away and create
15 incentives to build on site, such as requiring more
16 units than what have been required if built on site.

17 And four, when revising the Comp Plan allow
18 bonuses for both density and height for additional IZ
19 units. Is that five minutes?

20 CHAIRPERSON HOOD: Five minutes goes by real
21 fast.

22 MS. KIMMEL: Well, thank you for your time.
23 I have other comments in my report.

24 CHAIRPERSON HOOD: We have your report.
25 Thank you.

1 MS. KIMMEL: Thank you.

2 CHAIRPERSON HOOD: Next.

3 MS. SELLIN: My name is Anne Sellin.

4 CHAIRPERSON HOOD: Is your microphone on, Ms.
5 Sellin?

6 MS. SELLIN: It's turned on.

7 CHAIRPERSON HOOD: It should light up. There
8 we go.

9 MS. SELLIN: Oh, I thought it was. Sorry.

10 This would be a drastic change to the DuPont
11 Circle area. For one unit of Inclusionary Zoning the
12 production of an apartment, a developer would be
13 permitted to increase by 20 percent as FAR and
14 buildings with fewer than 10 residential units.
15 Meaning a building could be enlarged an extra floor
16 above the approved zoning height.

17 Because many of our row buildings do not rise
18 to their permitted zoning heights we would likely
19 experience a scourge of two to three-story high pop-
20 ups. These plagued R-4 zone neighborhoods, and you
21 wisely put a stop to it. Please do not permit these
22 bonuses to endanger buildings in row house
23 neighborhoods. Bonus expansions awarded to smaller
24 and smaller parcels amount to effective obliteration
25 of zoning as we know it.

1 Now, the city has failed miserably in
2 enforcing housing use in mixed use zones, up until
3 now. For instance, in my neighborhood of DuPont
4 Circle, most two and three -- third floors, which are
5 mandated to accommodate tenants, are simply not used
6 for housing as is required by the zoning law. And
7 this is true on 14th Street between S and Mass
8 Avenue, which is C-2-B, as well as buildings on U
9 Street between 16th and 14th Street. We have two
10 upper floors that are simply not used for zoning.
11 But that's mandated now.

12 We have made many complaints to the city to
13 enforce, and we have seen no action from the city in
14 30 years. The planning office should survey areas
15 that are not used as required in these mixed use
16 areas for housing because they are ripe opportunities
17 for moderate income housing.

18 There is a serious possibility of structural
19 harm to historic buildings that could result in this.
20 This is attested to by the structural damage and
21 sometimes collapse of adjacent row houses in R-4
22 zones, such as the case in Bloomingdale where a pop-
23 up addition led to the collapse of an adjacent house
24 wall.

25 Neighbors to pop-ups have experienced these

1 assaults to their houses. Row houses comprise some
2 90 percent of the buildings in DuPont Circle, and the
3 majority of those buildings are 100 years old or
4 more. In the area within the L'Enfant City, which
5 includes DuPont Circle, a new row house was permitted
6 to drive its joists into an already standing adjacent
7 wall without building its own vertical wall. This is
8 in the old days, in the 1890s, and up until now, I
9 think it's still allowed.

10 The south wall of my own house is actually my
11 neighbor's wall, with a mere one brick thickness
12 between the two houses. These buildings were not
13 designed to bear extra stories. Building permits are
14 too often issued with little regard for structural
15 safety.

16 Last month there were hours of discussion by
17 the Commission about the IZ regulations, but there
18 was no mention of the actual effects on neighborhoods
19 affected.

20 And I just want to go on to say that IZ,
21 because 28 percent of D.C. families live below
22 poverty levels, we must make family units mandatory
23 in any IZ --

24 CHAIRPERSON HOOD: Okay.

25 MS. SINGLETON: -- project. And --

1 CHAIRPERSON HOOD: Thank you, Ms. Sellin.
2 Thank you. Next.

3 MR. BURTON: Good evening, Chairperson Hood
4 and Members of the Zoning Commission. My name is
5 Scott Burton. I am the Director of Housing Policy
6 for the Coalition for Nonprofit Housing and Economic
7 Development.

8 The Coalition's 140 member organizations
9 fund, finance, produce, preserve, and provide
10 affordable housing in neighborhood based economic
11 development in the District of Columbia. And across
12 the full continuum of housing, which include
13 different kinds of affordable housing and
14 homeownership models. CNHED believes that
15 Inclusionary Zoning is an important component of the
16 continuum of housing because it creates affordable
17 housing in neighborhoods of opportunity.

18 IZ creates affordable rental and ownership
19 housing throughout the city by requiring affordable
20 units be built into nearly every new residential
21 development. IZ has produced over -- sorry, over 600
22 units with hundreds more in the pipeline. CNHED
23 approves of the Office of Planning's proposal 1B to
24 make all Inclusionary Zoning rental units affordable
25 at 60 percent MFI, and all ownership units affordable

1 at 80 percent MFI. This change would ensure that IZ
2 is producing affordable rental and ownership units
3 that are aligned better with the District's housing
4 needs.

5 CNHED supports OP's proposal to allow
6 developers to build their IZ units off-site within
7 one half mile without special permission if they
8 provide 20 percent more affordable space than what is
9 required on site. We do not support allowing
10 developers to locate their units any further than one
11 half mile off site.

12 CNHED is in favor of eliminating the cap on
13 the number of IZ units that the Mayor may purchase in
14 a development. Further, we recommend that the Mayor
15 be allowed to rent as well as sell these units in
16 order to take advantage of the possibility of
17 assigning an operating subsidy to the unit to provide
18 deeper affordability.

19 CNHED approves letting developers voluntarily
20 opt in to the IZ program in order to create more
21 affordable housing. CNHED also supports the OP
22 proposal to allow an IZ condo owner to sell their
23 unit to a higher income household that the unit's
24 income targeting if the condo fees have risen too
25 high for someone at the target income level to

1 afford. DHCD has developed a formula to determine if
2 a condo's maximum sale price and association fees are
3 unaffordable. We think units should not be sold to
4 households above 100 percent MFI unless the fees
5 become unaffordable for that income group as well.

6 We agree with the recommendation that any
7 proceeds beyond the maximum resale price should be
8 deposited in the Housing Production Trust Fund.

9 CNHED is in favor of letting developers sell an IZ
10 condo to a higher income level, only if the unit goes
11 unsold for more than one year.

12 CNHED opposes OP's proposal to allow
13 developers to provide 20 percent fewer IZ condos
14 priced at 60 percent MFI, instead of providing IZ
15 condos priced at 80 percent MFI. CNHED opposes this
16 change because the problematic issue of escalating
17 unaffordable condo fees and special assessments would
18 be especially burdensome to lower income buyers.

19 Further, the reduction in the number of IZ
20 units in buildings would make their owners an even
21 smaller and less influential minority group in the
22 governance of the condo.

23 Thank you for the opportunity to testify.

24 CHAIRPERSON HOOD: Okay. Thank you. Next.

25 MS. OLIPHANT: Good afternoon. My name is

1 Rose Oliphant and I just want to thank you for the
2 opportunity.

3 I am a long line of resident of the District
4 of Columbia. I live in -- I used to live on Arthur
5 Capper/Carrollsborg. It's gone now. It's called The
6 Townhouse. And my children was raised there. I've
7 been here, in that area, for 30 years. I am asking
8 and pleading with you all about this, this raising of
9 this zoning. And I just been here so long and been
10 struggling so long. I want to read off of my -- not
11 off my paper.

12 I've been struggling so long as a resident, a
13 foster mother, and a mother, and fighting a long-term
14 cancer, breast cancer. And when I started in that
15 neighborhood, our new neighborhood, it was wonderful.
16 It was a wonderful beautiful neighborhood. But a lot
17 of us can't afford it.

18 When I came back I was going to purchase.
19 They told me I couldn't purchase because I couldn't
20 make -- I wasn't making enough money.

21 So now that I am a cancer patient I'm kind of
22 glad I didn't purchase because now I'm back on a
23 minimal income working with the seniors and taking
24 care of my grandbaby.

25 So now I'm just asking that with 30 years of

1 us living in low income public housing, we need to
2 not to tear down and not build back because our
3 children, even going to college and coming back home,
4 the jobs are not there. They are still not making
5 enough money to be able to afford public -- I mean,
6 housing in the District of Columbia. So with my
7 statement I gave you all, my child that is working,
8 he's not -- he's college. He's not going to be able
9 to afford to live here. And he came back home, just
10 like the young lady said, her son came back home. My
11 son came back home too because he can't afford it.
12 You know.

13 He went to school for -- to computer and he
14 came back. He said, mom, I can't afford it. You
15 know, so I'm just asking and pleading with the Board
16 to please understand that we as longtime residents
17 that's been here, and we still need somebody to cook
18 our food, cut our grass, trim our trees, you know,
19 and make our neighborhoods look presentable. You
20 know. So I'm just asking please, think about it
21 please. Thank you.

22 CHAIRPERSON HOOD: Thank you. Next.

23 MS. NOVICK: Good evening, and thank you
24 Chairman Hood and Members of the Zoning Commission
25 for the opportunity to testify tonight.

1 My name is Sarah Novick and I am a community
2 organizer with Jews United for Justice, also known as
3 JUFJ, a D.C. based grassroots organization that
4 represents thousands of people in the local Jewish
5 community who are working to improve life for all of
6 our city's residents.

7 I'm here tonight to advocate for the Office
8 of Planning's Option 1B, to urge you to make
9 Inclusionary Zoning truly inclusionary by ensuring
10 that IZ created apartments are accessible to people
11 on the lower end of the income spectrum who are
12 currently priced out of the IZ market.

13 Jewish tradition teaches that each person is
14 made b'tzelem elohim, made in the image of God.
15 Every human being has value and worth and should be
16 treated with loving kindness, respect, and dignity.
17 If we were to truly treat one another as though we
18 were made in God's image, we in this city would not
19 allow thousands of families to live on mile long
20 waiting lists for housing they can afford.

21 As Jews, we at JUFJ believe that housing is a
22 human right. Each person deserves a safe, stable,
23 and secure home; a home that provides the foundation
24 for each of us to live a full and dignified life.

25 JUFJ is proud to be part of the Coalition

1 that won the original Inclusionary Zoning program,
2 and we commend the Zoning Commission for its
3 implementation of this affordable housing best
4 practice. With a few minor changes to the IZ program
5 more truly affordable homes can be developed without
6 harming housing production. Now that the program has
7 been implemented for several years and we see D.C.'s
8 affordable housing crisis continue to worsen we urge
9 the Zoning Commission to make all IZ rental units
10 affordable to people earning no more than 60 percent
11 of the MFI, or about \$52,000 for a two-person
12 household.

13 As you know the large majority, 77 percent of
14 the rental units that exist, are only affordable to
15 people with an income at 80 percent MFI, or about
16 \$70,000 for a two-person household. Based on what
17 many of you said at the March 3rd hearing, you know
18 there is a clear market for units for people who earn
19 incomes at the 60 percent level.

20 Those district residents have been knocking
21 on your doors, asking for access to IZ units for a
22 long time. Now is the time to revisit the policy
23 before IZ produces more apartments that aren't
24 actually affordable, to the highest demand and need
25 of people in the market.

1 As you think about this change in the IZ
2 program it may be easy to get caught up in the
3 dollars and sense. We urge you to instead consider
4 the individual people and families who live in the
5 District, who need homes, who need access to
6 inclusionary zoning apartments, and many others like
7 us who want to see our friends and neighbors have
8 equal opportunities to thrive.

9 Thank you for the opportunity to testify.

10 CHAIRPERSON HOOD: Okay. Thank you all very
11 much for your testimony. Hold tight. Let's see if
12 we have any comments or questions.

13 MS. COHEN: I thank all of you for your
14 testimony. But Mr. Clarkton, my question is to you.
15 There were a number of problems with the IZ program
16 and homeownership. Did you confront them and how did
17 you manage to work these issues through if you did?

18 MR. CLARKTON: Yes, there were a lot of
19 problems, especially in the beginning stages as the
20 District government was ramping up its program and as
21 we as CBO, Communication Based Organizations, were
22 also ramping up and learning about the program as
23 well.

24 Some of the challenges that we confronted
25 initially were getting clear guidelines in terms of

1 what income -- how income would be qualified, how
2 people would verify their incomes. We were able to
3 do that in a very efficient manner. And then also in
4 making sure that the population was educated about
5 the program, because there were initially a lot of
6 people signing up who had no clue. They just heard,
7 lottery, and though they were getting a free house.

8 And so we had to educate people about the
9 program and make sure that once they were selected
10 that they were indeed eligible. Or at least had
11 thought seriously about eligibility, because the
12 initial truncheon of people came through and may had
13 poor credit scores and things of that sort and didn't
14 realize that the program was still a market based
15 program and that you were dealing with market rate
16 housing, having to go to lenders for home buyers,
17 still having to get approval, some things like that.

18 And so that was the biggest hurdle. It was
19 just getting people educated, getting people
20 prepared, and that continues to this day.

21 MS. COHEN: But I assume since you've been
22 around since 1972 you have experience with the first-
23 time homebuyer programs of the District's bond. You
24 know, bond. So, wasn't that helpful in developing
25 the criteria for IZ in any way?

1 MR. CLARKTON: I'm assuming you're talking
2 about the HPAP program.

3 MS. COHEN: I'm sorry. Yes.

4 MR. CLARKTON: Okay. That helps in terms of
5 down payment assistance for people in getting people
6 started in that regard. And income certification was
7 handled differently as directed through the D.C.
8 Department of Housing and Community Development. And
9 so we established different guidelines in
10 conjunction, you know, and working together with them
11 as a team, and those guidelines go through a process
12 of -- went through, initially, a process of vetting
13 to make sure that they were meeting the goals of the
14 program. And so, there was some initial uncertainty
15 in terms of how that would be handled, but we
16 eventually settled on a process and there was an
17 application process and a certification process that
18 would be equitable across the board and used
19 consistently.

20 MS. COHEN: Life isn't easy, is it? Thank
21 you.

22 CHAIRPERSON HOOD: Any other comments or
23 questions, Mr. Turnbull?

24 MR. TURNBULL: Yeah, I just had one. Mr.
25 Hargrove, I just want to clarify though, Kalorama is

1 in support for the most part of OP's 1B position,
2 other than you're worried about the R-5-B and pop-ups
3 and pop-backs with any increase in density.

4 MR. HARGROVE: [Speaking off mic.]

5 CHAIRPERSON HOOD: You want to turn your mic
6 on, Mr. Hargrove.

7 MR. HARGROVE: I'm checking the record. I'd
8 hesitate to characterize it as in support of 1B. I
9 think we're supportive of a lot of what is 1B, but we
10 have picked and chosen --

11 MR. TURNBULL: Chose.

12 MR. HARGROVE: -- among all the proposals.

13 MR. TURNBULL: Yeah.

14 MR. HARGROVE: And are supporting some from
15 the proponent in this case.

16 MR. TURNBULL: Right. Okay. Thank you.

17 CHAIRPERSON HOOD: Any other questions,
18 Commissioner Miller?

19 MR. MILLER: Thank you, Mr. Chairman and
20 thank each of you for your testimony. Mr. Hartmann,
21 I noted that your written testimony said you'd been
22 in the District all of your 23 years, but your verbal
23 testimony said 24. I'm assume that's because --

24 MR. HARTMANN: I'm actually 23 years old for
25 the record. I just wanted to note that I live in

1 Ward 4 and I just was nervous and read the wrong
2 number.

3 MR. MILLER: Okay. Okay.

4 MR. HARTMANN: I'm 23 years old.

5 MR. MILLER: I thought you were making a
6 comment about how long this case has taken to get to
7 this point.

8 MR. HARTMANN: I am year old right now.

9 MR. MILLER: Okay. Because it has taken a
10 long time. This case was filed in January of last
11 year.

12 MR. HARTMANN: I was here for all three.

13 MR. MILLER: Yeah. And it wasn't set down
14 until July, and we were supposed to have a hearing in
15 November. Didn't have it until this year, the first
16 one.

17 So, just, I thought that's what you were
18 commenting on, but thank you for your testimony.

19 CHAIRPERSON HOOD: And the Chairman's goal is
20 to try to finish tonight. So if everybody could help
21 me, I would appreciate it.

22 Okay. Let's move on with the list here.
23 Musaab Ali. And I want to thank this panel. We
24 appreciate your testimony.

25 Musaab Ali, Irma M. Mendoza, Jocelyn Bynum,

1 Liz -- okay. Ms. Schellin, I'm going to need some
2 help now.

3 MS. SCHELLIN: [Speaking off mic.]

4 CHAIRPERSON HOOD: Rep? But, Liz DCBIA.
5 Rebarus. Okay. Nicole Mann, Nick Burger. I didn't
6 see -- okay. Chris Otten, Robin Diener, Sara Green,
7 Emily Schondelmyer, Joyce Robinson. Okay. Sheila
8 Carson-Carr, Karen Settles, Ellen McCarthy, Lisa
9 Mallory, Brad Fennell.

10 MS. SCHELLIN: I saw Ellen.

11 CHAIRPERSON HOOD: Yes, I saw Ms. McCarthy.
12 Britt Snider. Yeah, Buwa Binitie, Binitie. I knew
13 Buwa, I just never knew his last name. Grant
14 Epstein, Richard Ward. Am I calling too many people?
15 Let me slow down.

16 How many other people in the audience who
17 would like to testify tonight? If you could just
18 raise your hand? Okay. Now it is 8:36. I believe
19 we can finish. What everybody think? You all think
20 we going to work together, we can finish, right?

21 Okay. Great. So we can cancel whatever
22 other night that was we had. Do I have eight? Or
23 can I get one more? I think I can get one more.
24 Where am I? One more. Kim Hoover. Kim Hoover, are
25 you here? Okay. Come forward.

1 Okay. We're going to begin with Ms. Mallory
2 to my left. Or right.

3 MS. MALLORY: Good evening, Chairperson and
4 Members of the Zoning Commission and staff. I'm Lisa
5 Mallory, CEO of the District of Columbia Building
6 Industry Association.

7 The purpose of my testimony is to discuss the
8 results of a collaborative effort to address the
9 state of affordable housing and the critical role
10 Inclusionary Zoning plays in providing housing for
11 residents across income lines. For the following
12 reasons DCBIA supports the recommendations detailed
13 in the Office of Planning's request -- report, issued
14 on February 25th, 2016.

15 DCBIA represents over 450 organizations with
16 thousands of professionals in all aspects of real
17 estate development. We have been a part of the IZ
18 process since its inception and the debate about it
19 for many years prior. We are dedicated to
20 identifying and executing affordable housing
21 strategies that produce housing at all affordability
22 levels.

23 More recently DCBIA has worked in task forces
24 with working groups with the Department of Housing
25 and Community Development, the Office of Planning,

1 the Department of Consumer and Regulatory Affairs,
2 and affordable housing advocates, including the
3 Coalition for Smarter Growth. To evaluate the IZ
4 program and identify best practices.

5 This evening you will hear why OP's
6 recommendations are the District's best option as we
7 seek to address what many have described as an
8 affordable housing crisis. You will hear why the
9 applicant's petition, despite its good intentions,
10 will likely have a negative impact on a housing tool
11 that remains in its infancy.

12 With respect to the current housing market,
13 DCBIA is concerned that the applicant's petition may
14 delay development projects and further hamper our
15 ability to meet the District's housing demand. As a
16 result the shortage of supply could lead to an
17 increase in housing costs for all current and
18 prospective residents. While the petitions propose
19 bonus density as seen as an incentive to encourage
20 the development of IZ units, OP raises the critical
21 issue that it may conflict with the existing
22 Comprehensive Plan. Developers would not be able to
23 take advantage of the density until the Comprehensive
24 Plan had amended, and that's an issue that may take
25 more than a year to be addressed.

1 Equally important such increases also do not
2 take into effect other soft costs developers are
3 faced with in order to meet existing IZ requirements,
4 including the additional personal guarantee of
5 repayment that financiers require before approving
6 the financing of the entire project. It is evident
7 from current data that many developers are not taking
8 advantage of the existing bonus density due to the
9 current IZ requirements.

10 Increases in minimum IZ percentages and
11 reductions and targeted households would only further
12 burden a developer and outweigh any benefits of a
13 bonus density under the proposal by the applicant.
14 We also recommend that implementation of any change
15 to IZ requirements should be delayed so as not to
16 affect the current market and projects under review.

17 To conclude DCBIA is a staunch advocate for
18 creating more affordable housing and developing
19 District residents, and helping District residents
20 with achieving their dream of homeownership. With
21 such a strong housing market in the District at this
22 time we would like to continue to work with the
23 Zoning Commission, the Office of Planning, as well as
24 other stakeholders to help determine additional
25 measures that will ensure developers build affordable

1 rental units and homes without inhibiting the
2 District's economic vitality. DCBIA also cautions
3 that it's only because of the considerable optimism
4 in the current housing market that IZ and other
5 affordable housing regulations are not currently a
6 detriment to the production of housing. Unless IZ is
7 greatly improved from a standpoint of development and
8 construction risks and costs. Once the current
9 optimism cools off, and it's only a matter of time,
10 the current IZ program will become more problematic
11 because we'll add a disproportionately larger burden
12 on the economics of housing production.

13 By making IZ a more workable and financially
14 feasible program DCBIA's members can continue to
15 expand the District's tax base, even as demand slows.
16 If the Zoning Commission must move forward with
17 changes to the District's IZ program, DCBIA
18 reiterates its support for OP's recommendations.

19 DCBIA thanks you for convening today's
20 hearings and I'm available to answer questions.
21 Thank you.

22 CHAIRPERSON HOOD: Okay. Thank you. Next.

23 MR. BURGER: Good evening, and thank you for
24 the opportunity to present ANC 6B's testimony tonight
25 on the proposed changes to D.C.'s Inclusionary Zoning

1 program. My name is Nick Burger. I'm the Vice Chair
2 of ANC 6B and the Chair of our Planning and Zoning
3 Committee.

4 ANC 6B strongly supports the broad intent of
5 the IZ amendments proposed by the Coalition for
6 Smarter Growth to strengthen the District's
7 commitment to housing affordability. We also
8 recognize that IZ is only one of multiple tools that
9 the District should employ. In general ANC 6B also
10 supports the specific changes proposed by the
11 Coalition for Smarter Growth.

12 While we acknowledge the expertise of the
13 Coalition for Smarter Growth, the Zoning Commission
14 and its advisory parties, including the Office of
15 Planning, we offer the following recommendations to
16 the Zoning Commission as it assesses the proposed
17 amendments.

18 I will note that our ANC considered this
19 matter in December of 2015, so some of these
20 recommendations may not reflect the most recent
21 discussions or developments on the proposed
22 amendments.

23 First, we strongly support increasing the
24 amount IZ housing and depending the level of
25 affordability below the current 80 percent MFI. We

1 support offering increased bonus density to
2 developers in return for providing more IZ housing.
3 We support modifying the lot occupancy restrictions
4 in the far controlled zones and relaxing lot width
5 restrictions in the R-4. We support OP's proposed,
6 quote, "Voluntary compliance program," which could
7 increase total IZ housing.

8 However, we do not support OP's
9 recommendation number 4 for occupancy and
10 administrative flexibilities proposed in OP's July
11 3rd, 2015 memo. While we appreciate the motivation
12 behind this mechanism, OP's proposal risks setting up
13 perversion centers for developers to allow units to
14 remain unoccupied. Given IZ is still a relatively
15 new program we believe the City and developers should
16 attempt to find other ways to fill vacant IZ units at
17 the mandated MFI levels and prices, such as allowing
18 the city to acquire vacant units and provide them to
19 low income households. For example, through OP
20 recommendation number 5.

21 We also do not support OP's recommendation
22 number 6 for offsite flexibility without further
23 study and scrutiny to ensure this mechanism would
24 achieve the level and form of neighborhood diversity
25 envisioned by IZ. We are concerned that this

1 proposal could lead to a clustering of low income
2 housing and/or reduce the chance that relatively
3 higher and lower income neighbors will live in close
4 proximity to one another.

5 We appreciate the Coalition for Smarter
6 Growth's initiative to strengthen IZ, a program ANC
7 6B views as important, and a positive tool in a
8 broader tool kit to address housing affordability.
9 We encourage the Zoning Commission to take advantage
10 of this opportunity to be ambitious in improving this
11 relatively new but promising program.

12 CHAIRPERSON HOOD: Thank you. Next.

13 MR. SNIDER: Good evening, Chairman Hood and
14 members of the Zoning Commission. thank you for the
15 opportunity to testify. My name is Britt Snider.
16 I'm a principal at the JBG companies, and I'm here
17 tonight to support the recommendations contained in
18 Option 1A in the Office of Planning's February 2016
19 memorandum regarding the proposed Inclusionary Zoning
20 amendments.

21 JBG has participated in the current
22 Inclusionary Zoning program at several of our D.C.
23 projects. In our experience the relationship between
24 bonus density and affordable housing in the current
25 IZ regulations has worked effectively to deliver

1 units for moderate income families throughout the
2 District.

3 All that being said, the proposed
4 modifications introduced by the applicant are
5 worrisome for the continued production of all
6 housing, including affordable housing. In fact the
7 proposed changes by the applicant would reduce land
8 value significantly. By our measure, approximately
9 10 percent or more depending on the submarket.

10 With such a reduction in land value many
11 projects would become financially unviable, leading
12 to the unintended consequence of actually reducing
13 the production of new housing, including IZ units.
14 This is especially the case in neighborhoods that
15 have relatively lower land values and also have some
16 of the largest proposed deliveries of affordable
17 units.

18 We have recently built projects that are
19 leasing up and/or stabilized that are now complying
20 with the existing inclusionary zoning program. If
21 the IZ MFI requirement were changed from 80 percent
22 to 60 percent, those projects would have taken a
23 financial hit that may have altered our company's
24 decision to either move forward with the project
25 and/or alter the development program. That is to

1 say, more commercial uses instead of residential.

2 Excuse me. For example, one of our recently
3 developed matter of right projects, Atlantic Plumbing
4 and Shaw, would have seen land value reductions of
5 approximately 10 percent and we likely either would
6 have not have proceeded or would have delayed the
7 project, losing or delaying 34 IZ units.

8 Our projects in more transitioning
9 neighborhoods like Fort Totten would have seen land
10 values well over 10 percent; reductions to well over
11 10 percent.

12 The applicant also made the assumption that
13 parking reductions allowed under the Zoning
14 Regulations rewrite would make up for the majority of
15 the change to land value. That is in fact not the
16 case. Even under the approved ZRR parking
17 regulations we would build the same amount of parking
18 at the project in Shaw that I mentioned if designed
19 today to meet market demand. We do not believe that
20 change in zoning regulations alone will reduce market
21 demands for parking, and thus an argument that
22 suggests land value increases from such a change
23 should not be taken into consideration.

24 JBG supports the IZ program because of its
25 success in delivering IZ units to families that need

1 them. We also support a comprehensive look at
2 strengthening the IZ program, but only in conjunction
3 with efforts that would mitigate impacts to land
4 values. Piece meal changes will negatively impact
5 land values and hamper the production of new housing
6 supply. We believe the way to positively impact the
7 amount of affordable housing is to build enough
8 housing to meet market demand, and as part of that
9 effort deliver IZ units. Reducing land values will
10 only exacerbate the affordable housing issues in the
11 District. Thank you.

12 CHAIRPERSON HOOD: Thank you. Next.

13 MS. HOOVER: Good evening, Chairman Hood and
14 Members of the Commission. For the record, I am
15 Kimberly Hoover, Principal of the development firm,
16 Red Multifamily. My testimony addresses the chilling
17 effect of Inclusionary Zoning on smaller developments
18 of residential property in the District of Columbia.

19 A case in point, the loss of 27 to 30
20 residential units to commercial use due to the
21 financial impact of IZ. Shortly after the
22 implementation of IZ statutory and regulatory
23 requirements, my firm put a property under contract
24 in the SP zone. We planned for a 100 percent
25 residential development utilizing bonus density of

1 45,000 square feet. We developed plans for 42 to 45
2 residential units. However, after exhaustive
3 analysis of the IZ implications, reprogramming, and
4 value engineering we were unable to make the
5 economics of a relatively small project work.

6 With the lower economies of scale available
7 to a smaller project the impact of building units at
8 below cost is devastating. We almost abandoned the
9 effort but a single program emerged as financial
10 feasible. We created a mixed use project with 15
11 residential units and a little less than 16,000
12 square feet of office space.

13 The District lost as many as 30 residential
14 units. Multiplying this effect across the city and
15 hundreds of smaller projects which tend to be more
16 affordable in any event, one can extrapolate a
17 significant constraint on the development of more
18 moderately priced homes due to the structure of the
19 IZ program.

20 Thank you for your time and attention to my
21 testimony this evening.

22 CHAIRPERSON HOOD: Okay. Thank you. Next.

23 MS. MCCARTHY: Good evening, Mr. Chair and
24 Members of the Commission. My name is Ellen
25 McCarthy. I'm a faculty member at Georgetown's Urban

1 and Regional Planning Program and a planning and
2 zoning consultant and former or current board member
3 of a number of affordable housing organizations.

4 Tonight I wanted to focus solely on the
5 offsite provisions. A critical distinction of
6 Inclusionary Zoning is that it creates housing in
7 mixed income neighborhoods. Sadly, too many city
8 affordable housing programs in the past, in the name
9 of wanting to buy the cheapest land possible to get
10 the maximum number of units, ended up concentrating
11 poverty, often in neighborhoods with poor schools,
12 limited quality retail, inadequate parks, playing
13 fields, recreation, and limited access to employment.

14 I'm very concerned about the importance of
15 working to create mixed income communities. In
16 teaching a class at Georgetown on affordable housing
17 I reviewed numerous research reports about the
18 importance of families escaping high poverty
19 neighborhoods. You've probably seen in the New York
20 Times and others, the most prominent work by Raj
21 Chedy (Phonetic) which showed that the earliest that
22 a child can escape a high poverty neighborhood, the
23 highest his or her chances are of earning more money
24 and having a better life outcome.

25 Research by a number of other analysts at

1 the Urban Institute and other places, looking at the
2 Moving to Opportunity programs and Gutro (phonetic),
3 identified the benefits of being in mixed income
4 neighborhoods, but didn't find any in being in mixed
5 income buildings or mixed income hallways.

6 So my experience at OP has shown a number of
7 situations where it would make more sense to
8 construct IZ units off site. So I support, at a
9 minimum, the notion of making it relatively simple by
10 administrative action to build affordable units off
11 site with the condition that the offsite construction
12 be at a minimum of 20 percent increase and be
13 constructed within a half mile.

14 But I would urge the Commission to accept
15 this now, but to explore going further. There may be
16 other yard sticks more nuanced than the half mile
17 radius, including neighborhoods with less than 10
18 percent poverty, for example, within maybe a greater
19 distance.

20 With the District's problems of preserving
21 current affordable units when their contracts expire,
22 perhaps preserving 30 percent MFI units could be an
23 acceptable off site. Perhaps creating accessory
24 dwelling units in low poverty neighborhoods. Perhaps
25 working cooperatively with the City to partner in

1 creating affordable units in conjunction with the
2 creation of new or substantially renovated public
3 facilities, such as libraries, police, and fire
4 stations could be an acceptable alternative.

5 As we said when OP first proposed the IZ
6 program, it's only one arrow in the quiver to create
7 desperately needed affordable housing. But it's the
8 only one with as great a possibility to create mixed
9 income neighborhoods. Whatever we can do to leverage
10 the creation of more, and more affordable units,
11 should be done. Thank you.

12 CHAIRPERSON HOOD: Thank you. Next.

13 MR. FENNELL: Good evening, Chairperson Hood,
14 Members of the Zoning Commission and staff. My name
15 is Brad Fennell and I'm a Senior Vice President at
16 W.C. Smith where I have worked for nearly 30 years,
17 and a native Washingtonian.

18 As co-chair of the DCBIA Policy Committee,
19 I've been engaged in the working group with OP and
20 the applicant, and I'm pleased to offer my testimony.

21 As you may know, W.C. Smith is a D.C. based
22 company that builds and renovates a range of housing
23 types. In the past four years we have delivered more
24 than 1,000 new units of housing, 400 of which offer
25 affordability restrictions. This includes two mixed

1 income communities, to M Street and Sheridan Station.
2 We support efforts to create more affordable housing
3 in D.C. and we believe that the private sector is an
4 important partner in that effort. However, we were
5 concerned that the proposed changes to the
6 Inclusionary Zoning regulations reduce project
7 revenue without providing additional density off-
8 setting operating burden.

9 Lowering the target income lowers rents and
10 the lost revenue creates financing gap that will make
11 some projects unworkable. This will reduce housing
12 production, which will in turn constrain the supply
13 of housing and lead to rent increases.

14 We believe that OP's February 25th proposal
15 is a more sensible approach and urge the Commission
16 to consider following the following eight points.
17 One, without support for new density the applicant's
18 proposal may impact development costs in such a way
19 that projects will not move forward. The financial
20 model going from 80 to 60 percent AMI on a typical
21 100 unit project creates a financing gap of nearly
22 1.6 million, a substantial adjustment to either land
23 -- the cost of land or the cost of the proposed
24 development.

25 The negative effect of -- two, the negative

1 effect of regulations that reduce revenue, thereby
2 creating the financing gap are often not visible.
3 Projects that get scrapped don't come to the Zoning
4 Commission or even make the business journal. They
5 die at the negotiating table.

6 Three, some projects will be changed to
7 commercial use rather than residential. Others may
8 be downsized or value engineered.

9 Four, development is cyclical and the market
10 is very active right now. But we know that there
11 will be slow periods. A downturn would amplify the
12 negative effect on project costs and/or land values.
13 Five, D.C. needs middle income housing. Current IZ
14 serves households earning up to 80 percent of AMI and
15 is one of the only city programs that target people
16 who earn between 60 and 80 percent AMI.

17 Six, at its core, affordable housing is about
18 supply. Rents rise because there's not enough
19 housing for all the people who want it. Between 2009
20 and 2014 D.C. gained 67,000 new residents but only
21 17,000 housing units. The long-term solution is to
22 increase housing supply.

23 Seven, to do this we need to revise the Comp
24 Plan to create opportunities to increase density, to
25 add additional housing units.

1 And eight, finally, the implementation of any
2 change to the zoning -- to the IZ requirements should
3 be delayed so that it does not affect the current
4 market and projects under review.

5 Thank you for the opportunity to testify and
6 I hope that you'll support the recommendations of the
7 February 25th OP report.

8 CHAIRPERSON HOOD: Thank you. Next.

9 MR. BINITIE: Good evening, Chairman Hood and
10 Members of the Zoning Commission. I am Buwa Binitie,
11 Managing Principal with DantesPartners, and one of
12 very few handful for-profit firms that is dedicated
13 to producing and preserving affordable housing, over
14 1,000 units to date.

15 I am here tonight to present comments on
16 proposed amendment to the IZ regulations. In general
17 I support the recommendations, including the Office
18 of Planning's report dated February 25th. Having
19 dedicated the last 10 years of my professional career
20 to developing affordable housing in the District, I
21 have used just about every affordable housing tool in
22 the tool box conceived to date.

23 One thing that remains constant in all my
24 dealings is that there is always a compensating
25 factor, both on the federal and local levels to

1 balance a difference in cost, and/or income.
2 Examples of such tools, as you know, are low income
3 housing tax credits, housing production fund, and
4 rental income subsidy also known as project based
5 vouchers. We can all agree that these tools were
6 created to make up difference for restricting rents a
7 landlord can charge with the goal of increasing
8 production of affordable housing.

9 So my critical objection to the applicant's
10 proposal not only has to do with the fact that there
11 is zero compensating factor, either from bonus
12 density or another dedicated source, there is also a
13 grave miscalculation that all neighborhoods in the
14 District are treated equally and can absorb the loss
15 of income equally.

16 As someone who has developed in all wards of
17 the District, but three, it's not prudent,
18 mathematically, to assume that neighborhoods east of
19 the river are generating the same rents at
20 neighborhoods west of the river. However, one thing
21 remains constant, the cost to build is the same
22 wherever you are.

23 Moving forward on the applicant's proposal
24 would mean that a market rate unit east of the river
25 can shoulder the same cost burden as say, a deal in

1 Logan Circle. This is one of the major flaws why the
2 Zoning Commission cannot adopt the applicant's
3 proposal because it does not adhere to the original
4 intent of why IZ was created, which is introducing
5 bonus density to cover the cost of producing
6 affordable housing. You simply cannot ignore the
7 basic principles of real estate finance, which the
8 February 25th version, as negotiated with OP, with
9 the Office of Planning, takes into consideration.
10 Without density and/or cost offsets we simply can't
11 expect market forces to pay for affordable housing.

12 Thank you for the opportunity to testify this
13 evening. This concludes my testimony.

14 CHAIRPERSON HOOD: Thank you. Next.

15 MR. EPSTEIN: Good evening, Chairman Hood and
16 Members of the Zoning Commission. I am Grant
17 Epstein, President of Community Three Development,
18 and I'm here tonight to support the recommendations
19 contained in the Office of Planning's February 2016
20 memorandum regarding the proposed Inclusionary Zoning
21 amendments.

22 I'm an architect and own a small real estate
23 development company that builds in the six to 60 unit
24 range. I have built or I am currently in the process
25 of developing 16 for sale Inclusionary Zoning units.

1 One of our projects was the first to provide a 50
2 percent AMI for sale unit in the District under this
3 program.

4 I'd like to highlight the impact the current
5 regulations have on small in-fill projects, ones that
6 you may typically not see here at the Zoning
7 Commission. These are generally by right projects
8 located throughout the entire city and are a staple
9 to the continued and organic growth of our
10 neighborhoods.

11 Of the hundreds of potential development
12 projects, we have evaluated over the past few years,
13 approximately 70 percent were not economically viable
14 specifically because of the current Inclusionary
15 Zoning requirements. There are several reasons for
16 this impact, primarily because small buildings are
17 much more sensitive to the regulations. Small
18 buildings are much less efficient than larger ones,
19 leading these projects to provide typically greater
20 than the minimum IZ square footage required.

21 While it may seem insignificant, the
22 difference between 10 percent and 11.4 percent of the
23 building's square footage provided as affordable,
24 actually makes a difference on whether a project goes
25 forward or not. Small buildings also rarely achieve

1 the full bonus density used to offset the additional
2 costs and lost revenue. Small projects are typically
3 in in-fill conditions on narrow -- conditions on
4 narrow sites and have historic preservation
5 considerations.

6 In each of our last four projects maximum
7 bonus density was not achievable. Putting an even
8 greater burden on these small projects where the
9 current effects of the Inclusionary Zoning program
10 already make many projects nonstarters would further
11 reduce the number of small viable projects,
12 especially in the for sale segment. This program can
13 be improved but we must make modifications that only
14 make a positive difference, not ones that will
15 further impede the success of small residential
16 projects.

17 I therefore request you reject the
18 applicant's proposal and support the Office of
19 Planning's February 2016 recommendations,
20 specifically proposal 1A. Thank you.

21 CHAIRPERSON HOOD: Okay. We want to thank you
22 all for your testimony, see if we have any comments
23 or questions. Vice Chair Cohen.

24 MS. COHEN: Yeah, to try to make this simple
25 I'm going to ask each developer to provide evidence

1 of their experience. I have one pro forma and you
2 have many.

3 I think that the Office of Planning did not
4 make a compelling case to support your positions so
5 you need to bolster that case with your examples. I
6 do believe that there are certain parts of the city
7 that can support greater affordability and larger
8 units. But I think you have to make that case. I'm
9 not going to make it for you.

10 You've heard the testimony today from many
11 many people about the need, and now we need evidence.
12 And I'm putting you in the hot seat to provide it.
13 You have experience and you could cross out the names
14 of your projects, but I want to see greater numbers,
15 greater economic analysis. I want to see how much it
16 has cost you per unit to achieve certain
17 affordability over the period of time that's
18 required, which is perpetuity. That's costing you
19 and we have to understand that cost. I can't just
20 take the word of one pro forma. It just doesn't make
21 me comfortable.

22 The other thing I want to do is just ask
23 again very quickly, DCBIA, Ms. Mallory, in your
24 testimony you mentioned something about soft costs to
25 the developers. As far as I'm aware every developer

1 gives personal guarantees to banks for construction
2 loans, so I don't know what point you're trying to
3 bring up by stating that the soft cost is making --
4 is a negative impact on development. To me it just
5 doesn't ring true.

6 MS. MALLORY: I have several examples here
7 today. I mean, Buwa can speak to soft costs in some
8 of his projects. We have many examples that we can
9 provide to you.

10 In addition to that we also did run numbers
11 on our projects and provided all of this in our
12 negotiations with OP, so we can provide those to you
13 as well.

14 MS. COHEN: I think that would be extremely
15 helpful because I really am not buying a lot of the
16 argument that's being made by OP.

17 CHAIRPERSON HOOD: Any other questions or
18 comments? Commissioner Miller.

19 MR. MILLER: Thank you, Mr. Chairman. And
20 thank each of you for your testimony.

21 Ms. McCarthy, did you have any comment on the
22 applicant's proposal, which is essentially OP's
23 Option 1B proposal at the time of setdown in July?

24 MS. MCCARTHY: I was always the policy
25 person. I relied on Mr. Rogers for the numbers, so I

1 have not done an independent analysis of the
2 calculations on the various proposals.

3 MR. MILLER: Okay. I think what the Vice
4 Chair has asked for would be helpful to see actual
5 numbers as to how projects would become viable, at
6 what level of development in terms of number of units
7 being produced. You talked about the small
8 developments and we had testimony from Mr. Tummonds
9 earlier that indicated that a lot of the PUDs that
10 the Zoning Commission sees probably could absorb this
11 1B proposal. So I think it would be more helpful if
12 the development community -- well, let me say this;
13 I'm appreciative that DCBIA and the larger
14 development community, 10 years after Inclusionary
15 Zoning was enacted, supports the existing
16 Inclusionary Zoning program. It took a long time and
17 it took a proposal that would lower the income
18 targeting for you to support the existing
19 Inclusionary Zoning program on the record, but you
20 got there.

21 So I appreciate that. But it's also clear
22 that what happened between July and February, the two
23 OP reports, is that you were very effective and I
24 congratulate you on your effectiveness in being able
25 to convince OP to back away from their original

1 suggestion to lower income targets and I think it's
2 unfortunate though. But I think it would be helpful
3 if you could -- I mean, you're very consistent. The
4 arguments you're making today were the very same
5 arguments made at the time that this Zoning
6 Commission or the earlier Zoning Commission, and with
7 -- at the time they were enacting the original
8 Inclusionary Zoning program. Same arguments that
9 were made before the council when the council adopted
10 it's sense of the council resolution urging the
11 commission to proceed with the mandatory Inclusionary
12 Zoning program.

13 So but I think it would be helpful if you
14 provide information that would show why the projects
15 are not -- what projects at what level won't be
16 financially feasible, and which might be in the
17 current market and future markets. The applicant
18 acknowledged that land values, I think they said in
19 seven of 10 markets would retain the value.

20 I'd like to see a comment that really
21 addressed, both from OP and by the development
22 community, addressed the financial arguments that the
23 Fiscal Policy Institute and the Coalition made,
24 because I thought they were very compelling
25 arguments. And we see projects down here all the

1 time, and they are PUDs. They're not the matter of
2 right, or they're not the smaller projects. But we
3 see projects down here all the time where the
4 development community has offered, has proffered
5 deeper affordability levels and increased amounts of
6 IZ units because they want to get our support and
7 they want to get it fast.

8 And I just think that there's a disconnect
9 between what the development community argues before
10 us in zoning cases and what you're saying here today.
11 And so I just need more evidence of what you're
12 saying. So that's my only comment. I don't know if
13 you're going to want to respond because I think
14 you've gotten OP to be where you want them to be, but
15 I think it would be helpful if you worked with the
16 Zoning Commission on getting to a place which you
17 might be able to live with, because you might get
18 something that you definitely won't be able to live
19 with.

20 If somebody wants to comment I have spoken a
21 long time. I apologize for the delay. I didn't
22 cause all the months and months and months of delay
23 getting to this point but --

24 CHAIRPERSON HOOD: We're on good time. We've
25 got --

1 MR. MILLER: But it was like --

2 CHAIRPERSON HOOD: We've got two and a half
3 more hours.

4 MR. MILLER: Okay. If anybody wants to
5 respond because I did kind of lay some things out
6 there and if somebody wants to -- anybody wants to
7 respond you're certainly welcome to.

8 MR. BINITIE: We are more than happy to work
9 with the Zoning Commission. I think it would be good
10 to just sort of, as opposed to presenting the
11 numbers, find an opportunity to actually truly walk
12 you through the mathematics of the grave impact
13 associated with going about if we were to move in
14 this direction so that you can see for yourself.

15 I think from everything you've said today,
16 yes, we come to the Zoning Commission for a PUD
17 because there is a compensating factor associated
18 with providing affordability units, which is larger
19 density, which is no different than me going to DHCD
20 or any other -- or Housing Authority, for monies to
21 make up the difference and costs associated with
22 providing units at a much deeper level.

23 So everyone in this industry recognizes that
24 there is a compensating factor. However, in my
25 example and in the example that Grant has provided,

1 for the units and transactions that you don't see,
2 how can we still go about going a deeper level of
3 affordability without any compensating factor? So
4 it's pure mathematics which I think other than just
5 presenting to you it would be great if we just came
6 into the room with a spreadsheet and just sort of
7 showed you that the cost is constant across the
8 board. However, this is what happens with a
9 reduction in rental units; reduction of rents if we
10 go from one level to another level.

11 MR. FENNELL: I just would add on that I
12 think when you look at the two different levels, if
13 you've got the zone variance where you're talking
14 about half at 80 and half at 50, you're at 65 and
15 you're asking us to go to 60, that's a different
16 analysis than saying moving all from 80 down to 60,
17 which is a much more severe impact. But I agree with
18 Buwa. I think that, you know, we can come in. OP
19 put a financial model together. I think we had a lot
20 of comments about the way in which they made
21 assumptions that fed into that model. But the
22 underlying result is, is that it's very difficult to
23 create a one-size-fits-all sort of magic bullet that
24 is going to explain it all. I think you have to look
25 at it on a case by case basis and understand the

1 relative impacts that we're speaking to because it is
2 on that macro level that we're concerned that it's
3 going to have a chilling effect on the production of
4 units across the board.

5 MR. MILLER: I appreciate the examples that
6 have been provided in your testimony and if you want
7 to provide spreadsheets and other examples that might
8 be helpful. I don't know if we would be able to have
9 a walk-through type of session, the way we operate up
10 here. But maybe we will. But if you want to submit
11 something in writing that would be helpful.

12 CHAIRPERSON HOOD: Commissioner Miller, we
13 need to try to figure out. I would like to have that
14 walkthrough. We need to figure out how to --

15 MS. MALLORY: [Speaking off mic.]

16 CHAIRPERSON HOOD: Ms. Mallory, you need your
17 mic on.

18 MR. MILLER: You need your mic on.

19 MS. MALLORY: -- the Office of Planning for
20 over a year, so we have presented pro forma in
21 numbers to them. So we have that readily available.
22 We can certainly walk you through it. I think it
23 would speak -- you know, you can ask questions, we
24 can go through the detailed analysis as opposed to
25 presenting something in paper. I think this would be

1 more useful. We can do that in short order. We've
2 been working on it, as I said, for over a year.

3 CHAIRPERSON HOOD: Well, let me try to frame
4 it. I would like to have that walkthrough, but I
5 also want to make sure -- and I don't want to turn
6 this into a contested case about this, this is our
7 rule making. But I also want to make sure that we
8 afford the petitioner the opportunity to have any
9 responses. So we'll figure that out, but Mr.
10 Binitie, I like to call you Buwa, but I'll call you
11 Mr. Binitie.

12 How do you pronounce your last name? I want
13 to make sure I pronounce it correctly.

14 MR. BINITIE: It is right, Binitie. That's
15 it.

16 CHAIRPERSON HOOD: Binitie. Okay. Then I'm
17 right. I think I saw you nodding your head. I agree
18 with the Vice Chair and Commissioner Miller because I
19 was here on that Commission and he spoke about when
20 we did IZ and when all development was going to stop.
21 And my experience, or what I see is going 100 miles
22 an hour faster. When everybody told us this was
23 going to stop we asked the Office of Planning some
24 years ago, look, if this is going to hold up
25 development in the city let's go back and see what

1 the model is in Montgomery County, because they were
2 the experts.

3 But I saw something totally different happen.
4 So you know, if we can go through that, walk through
5 that exercise, let's see the realistics, what's
6 realistic, what's doable, how we make it happen, how
7 we can get there because I too want to get there, and
8 I think what the Vice Chair asked for would
9 definitely help this commission out. So, and I saw
10 you shaking your head so I know you'll be
11 participating in that.

12 MR. FENNELL: Yeah, I just would add as a
13 precursor, I think, that one of the fundamental
14 differences between the original and where we are
15 today is, today the ask is to reach deeper. But the
16 fix really is in that ZRR parking analysis. And when
17 you look at the cost savings that are produced by
18 going to a one to three parking, aha, you've saved
19 enough money and you now can produce the units. And
20 I don't know that collectively we would agree that
21 that works across all neighborhoods.

22 I also think it's a density question.

23 CHAIRPERSON HOOD: Okay.

24 MR. FENNELL: We're not sold on the fact that
25 every project is getting the allotment of density

1 that the 20 percent permits. And so I think we can
2 go through, you know, those explanations with you and
3 happy to have the applicant, you know, part of the
4 dialog. That's exactly what we did with OP. I don't
5 know that we reached any definitive conclusion or
6 handshake, but we certainly did have robust dialog
7 and discussion about each party's perspective on the
8 financial impact and --

9 CHAIRPERSON HOOD: Okay. I think that would
10 be helpful to at least -- again, this Commission and
11 our Vice Chair asked for that.

12 But Mr. Binitie, let me ask you this, you
13 mentioned as someone who has developed in all wards
14 of the District but three, help me understand that.
15 And I think I know why, but I need to know from those
16 who develop.

17 MR. BINITIE: Sure. One, site and land in 3
18 is extremely expensive. It's just a very difficult
19 market to break into. I think there are a handful of
20 affordable housing, 100 percent affordable housing in
21 3 because it makes more sense to develop market rate
22 projects in 3 because you will garner those rents at
23 a very high rate.

24 And for us, we've tried to acquire properties
25 and you know, we've encountered numerous challenges

1 as to why we are unable to develop in 3, which we can
2 talk at a later date. But we are hopeful and
3 hopefully we'll make it happen. But it's a very
4 expensive place to buy land. Very expensive place.

5 CHAIRPERSON HOOD: Okay. But let me just say
6 this, I do want to do the walkthrough and I want to
7 make sure we're fair to the petitioner. I'm not sure
8 how we're going to arrange that. I'm going to leave
9 that up to the director and Ms. Schellin, and our
10 legal counsel to find out, make sure we stay within
11 our legal limits and the rulemaking because you know
12 Hood doesn't mind doing what's outside the scope but
13 we've got to make sure that -- I think that would be
14 beneficial to us. And that's just -- I don't know
15 where everybody else -- Mr. Turnbull, then I'll come
16 to you.

17 MR. TURNBULL: Well, Mr. Chair, I wasn't
18 going to say anything because I know we're trying to
19 get people getting through all this tonight. But
20 Commissioner Miller the one said, well, that some of
21 the development team had gotten OP where they wanted.
22 Well, they don't have the Zoning Commission where you
23 want them yet. And, because here's my issue. I keep
24 hearing about production of units, production of
25 units, production of units. We need to get with the

1 production of units. We solve housing, we're going
2 to get production of units, production of units.

3 But it's market rate production of units,
4 with maybe some 80 percent AMI production of units,
5 which is not solving the housing crisis that we have
6 in this city, which is the people that can't do that.
7 And you're going to throw out a couple of token units
8 and say, well, that's how we're going to do it.

9 But we're displacing people. We're taking
10 them out of these old neighborhoods and we're putting
11 up these expensive units and you're saying, well,
12 that's production of units and we're creating
13 housing. You need to do a new per forma. And I'm
14 putting the onus on you to come up with a new pro
15 forma on how to get IZ into the works that works for
16 everybody. Not just high end units. We need to
17 go -- you need a new pro forma. You need to step out
18 of the box, work with OP, and come up with some ideas
19 that are creative. We're not going back to market
20 rate, 80 percent anymore. We're going forward. You
21 need to go forward. The city needs to solve a
22 crisis.

23 And production of units at market rate is not
24 the solution. You need to step back and think of a
25 new pro forma. You need to come up with something

1 new. That's the agenda that you've got to have going
2 forward. That's what this city needs. And I don't
3 know how else to say it. I know you're going to come
4 back and say, oh, we can't afford it. We can't
5 afford it. The city can't afford it. The city can't
6 afford to have people, you know, without affordable
7 housing.

8 MR. FENNELL: I think actually it's just a
9 question of density. I mean, I think that the
10 tradeoff of putting the affordable units into the
11 market rate building is, I think everybody up here
12 has opined to that. That is the future and the
13 reality and it's great for the city and we're
14 supportive of that. We're supportive of affordable
15 housing.

16 But it does come down to the economics of how
17 you make that work in a seamless way.

18 MR. TURNBULL: Well, what I'm concerned about
19 is that OP's 1A doesn't do anything for us right now.
20 I mean, it doesn't go beyond much more where we are
21 right now. So what is that? I mean, to me that's a
22 nonstarter. You've got to come up with something
23 other than -- you've got to work with OP and come up
24 with something better. If you don't like 1B, we
25 don't like 1A. A lot of people don't like 1A. So

1 what's in between. I think that's the new pro forma
2 you've got to come up with.

3 MR. FENNELL: We actually did proffer that
4 during our back and forth negotiations. We'll be
5 happy to come back in and show you those results of
6 those numbers and walk you through it.

7 MS. COHEN: And the cost to the project over
8 the long term.

9 I was surprised -- not surprised. Pleased
10 that when Chairman Mendelson testified he talked
11 about tax abatement. And I'd like to know if you're
12 using tax abatement, how easy is it to utilize in
13 this city, because that might be an opportunity to
14 offset in some instances, some of the cost.

15 So I know that that's how a number of cities
16 use their abatement to offset higher, you know, costs
17 in construction management.

18 MR. BINITIE: So we did talk about that
19 during our sessions with everyone in the room. And
20 the concern was that the Zoning Commission moving
21 forward with a revised IZ plan without the council
22 also on board, because your jurisdiction only is
23 limited to zoning. So without again that
24 compensating factor it becomes very difficult to
25 adopt a new program and put that in place.

1 So if we are locked up with the council and
2 introducing abatement to move this program forward,
3 absolutely we have a mechanism to --

4 MS. COHEN: So that's a part of the analysis
5 that I think you should be doing as well, I know it
6 doesn't exist, you know, just easily, that you
7 probably have to apply and go through a number of
8 hoops.

9 MR. BINITIE: Correct.

10 MS. COHEN: With the CFO. He has to do an
11 analysis case by case. However, that is how New York
12 City has its production program. It's called 421A.
13 And other cities, I think San Francisco has it as
14 well. So let's kind of deal with that issue now so
15 that we can make this a viable tool.

16 The other thing I just want to tell all of
17 you is that we, the Zoning Commission, owes it to the
18 population of the District of Columbia to be
19 objective. And again, you heard what the opinion is
20 to date, based on what we have available, is that
21 we're not comfortable with 1A, because we feel that
22 you know -- and we know you were involved. We know
23 the Coalition might have been involved with the
24 negotiations. But it doesn't -- DMPED is very much
25 an economic development engine and a lot of people

1 have some issues with their proposal.

2 MR. BINITIE: So the one of the things that I
3 just want to leave everyone with, I am delivering 100
4 percent at 60 percent senior building right now in
5 Brooklyn, and we are five times oversubscribed. Our
6 phone rings every day.

7 However, the District contributed to the tune
8 of almost \$100,000 a unit to make that transaction
9 happen.

10 MS. COHEN: That is the elephant in the room.

11 MR. BINITIE: Correct. So --

12 MS. COHEN: That we must talk about.

13 MR. BINITIE: Correct. So, again, it's not
14 to say that people are opposed. I clearly am not
15 opposed to providing affordable buildings because
16 this is what I do. However, I have another tool by
17 which I could rest on to help make up that difference
18 in cost.

19 So what has happened in the past years is we
20 have a tool called a bonus density that has helped
21 make up that difference in cost. So if we go a level
22 deeper and we're not doing anything else that you
23 have jurisdiction over, not the city council and not
24 DHCD, but the Zoning Commission, based on your powers
25 what do you have available to help make up that

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1 difference in cost?

2 MS. COHEN: I hear what you're saying, but
3 it's our problem. It's not just the Zoning
4 Commission. It's not just DCBIA and its developer
5 members. It's not just OP and the policy makers.
6 It's our problem and we must solve it. And if it
7 takes -- we have a lot of people on the city council
8 that do support affordable housing. They just don't
9 know how to get there, and it's our obligation to
10 make sure they understand how to get there, because
11 they're going to have to take action. And they're
12 going to have to take budget action.

13 CHAIRPERSON HOOD: Why don't we do this? Why
14 don't that walkthrough, if you all can just provide
15 that? And I know you said it would be better to walk
16 us through it. I think that's where we're going to
17 get. But for the time being if you can provide it to
18 the record, and then we may convene once the
19 Commission talks. We may convene. And again, the
20 petitioner, we're not going to leave the petitioner
21 out. We're not going to have another full-blown
22 hearing. But we may have questions to ask as we go
23 along and then we'll have that dialog. And then we
24 also want to give the petitioner an opportunity.
25 That's the way I'm envisioning it now.

1 But if you all could provide that walkthrough
2 to the record. And if you do that for us first, and
3 then we may convene. And I'll leave that again up to
4 staff and the Director of the Office of Zoning to try
5 to pull that together for if the Commission feels
6 that we need to do that. I actually feel already we
7 need to do that, but I want to make sure that we're
8 following the correct procedures and steps.

9 Any other questions or comments up here? You
10 want -- Commission?

11 MR. BURGER: Yeah, if I could. I just want
12 to make a quick comment, that there is sort of a
13 discussion in this, a subdiscussion in this
14 discussion about what's being offered for these
15 increased density -- or the affordability reductions,
16 and that the only thing sort of on the table is the
17 ZRR parking minimums.

18 And I wanted to point out that that statement
19 makes the implicit argument that the existing IZ
20 program, both the bonus density as well as the
21 affordability levels, are balanced as they should be.
22 And my interpretation of the applicant's argument is
23 that there's room in the current program, you know,
24 to pull down the affordability and still make the
25 whole thing work.

1 And so I just -- and I know that's been the
2 subject of a lot of this discussion and the OP
3 analysis, but I just, I felt it was important to kind
4 of reiterate that point that I don't think it's
5 appropriate just to assume sort of from the get-go
6 that the current program is sort of where it needs to
7 be because there may be space in the current program
8 helped out by the ZRR parking minimums that could
9 still make this all work. So I'm just cautioning you
10 not to operate under that assumption. Not that you
11 are but that's kind of the implicit assumption being
12 made by a lot of the folks at this table.

13 CHAIRPERSON HOOD: Thank you very much. Any
14 other questions up here? We appreciate the time and
15 the panel. We appreciate this discussion.

16 I don't know, I think I over -- Travis
17 Ballie. Did I skip past him earlier? Okay. Lynn
18 Hackney, Sean Cahill, Commissioner Patrick Kennedy,
19 Robb Hudson, Norman Glasgow, Jeff Gelman, Richard
20 Lake, Christopher Leinberger. I think I've called
21 eight. Or did I call more than eight? I think I
22 called more than eight. Or did I?

23 MS. COHEN: I think you did.

24 CHAIRPERSON HOOD: Yeah, I called more than
25 eight. Somebody could sit in the front row. The

1 last name I called, if you don't mind, and you'll
2 come right up the next time.

3 Okay. We're going to start to my left this
4 time because I understand you've been waiting a
5 while.

6 MR. BALLIE: It's fine. It's been a very
7 interesting discussion.

8 Dear Chairman Hood and Members of the Zoning
9 Commission, my name is Travis Ballie. I'm a proud
10 10-year long resident of the region, a graduate of
11 American University. I am a new resident of Ward 7,
12 a registered D.C. voter. I stayed in the D.C. region
13 because I thought it would be more affordable to
14 start out life here than in my hometown of New York
15 City.

16 I support proposed option 1B because this
17 form of inclusionary zoning is an important tool in
18 maintaining what I like best about D.C. values,
19 diversity, livability, and progress towards equity.

20 I'm going to be very real with you. This
21 meeting struck me initially as a little boring. But
22 I've never testified at such a local level. But what
23 brought me here today is because these very values
24 that I cherish so dearly, diversity, livability, and
25 equity, I realized that they're all at stake here

1 tonight. When I realized this, I rearranged my
2 schedule to make it my number one priority tonight to
3 be here with you.

4 I support proposed Option 1B, which as you
5 know would set all Inclusionary Zoning renting units
6 affordable at or below 60 percent of medium family
7 value.

8 Look Inclusionary Zoning, it is a national
9 best practice for affordable housing policy and it
10 really, in my opinion, it provides a clear rebuke to
11 critics who always shout down the reality of
12 government policy being able to be a positive tool to
13 correct market failures. What we need is a program
14 recalibrated to address the biggest problem facing
15 many American cities today, urban affordability.

16 Long story short, the problems are growing
17 way faster in our city than the solutions we know
18 work. Let's be clear, the city made it through its
19 toughest decades in the 20th century because long-
20 time residents, including many residents of color and
21 their descendants, stayed in their communities and
22 maintained the social fabric that in the absence of
23 that social fabric communities are forever destroyed.
24 We need to keep current program standards and make
25 all affordable units permanently affordable because

1 long-time residents and also newer residents
2 struggling to afford here, deserve it.

3 As a first generation American, and the first
4 in my family to go to college, I actually credit
5 being able to live in a mixed income diverse
6 community to my success and why I have the privilege
7 of being here in front of you today.

8 We should understand what it looks like to
9 concentrate affordable housing just in areas that
10 lack the benefits of nearby amenities and
11 transportation options. Lack of opportunity, lack of
12 cultural exchange, and lost community history and
13 legacy. Inclusionary Zoning was created to
14 strengthen our local communities and the concept has
15 been proven. Now in my closing sentence we need to
16 grow what works to make a larger contribution to
17 alleviate the severe housing challenges facing our
18 city. Thank you.

19 MS. COHEN: Next.

20 MS. HACKNEY: Good evening, Chairman Hood,
21 members and staff of the District of Columbia Zoning
22 Commission. My name is Lynn Hackney. I am the
23 president of Allison Capitol, a development firm and
24 capitol provider based in D.C. I've also lived in
25 the city and been in the real estate development

1 industry for more than 25 years. I am also the
2 President of DCBIA and have participated in the
3 meetings with the Office of Planning over the last
4 year with other developers and the Coalition for
5 Smarter Growth.

6 I support OP's February 25th report because
7 it's more workable than the applicant's proposal. I
8 have a tremendous amount of experience long time been
9 selling Inclusionary Zoning units through several
10 projects over the years. The typical project I've
11 worked on has been in the 20 to 60-unit range. The
12 impact of IZ on projects of this size has been
13 significant.

14 Of the 5,000 number of units I've been
15 involved in since 2001, I estimate that 35 to 40
16 percent of them have had BZA adjustments, PUD, or had
17 other government subsidy applied to the project in
18 order to make the financials work to get the deal
19 done.

20 Additionally, the typical resident in these
21 IZ units have been in the 80 percent AMI range where
22 we see a huge need to house our workforce of
23 teachers, police officers, and other middle income
24 residents.

25 My experience with the need for government

1 subsidy and middle income residents to make IZ units
2 work is noteworthy. But equally as compelling to
3 note are the deals that do not get done because the
4 requirement of IZ often creates project financing
5 and/or land value gaps that prevent affordable
6 housing production all together.

7 We have, as a company, had 24 meetings
8 already this year with developers that did not move
9 forward because of the limited revenue on the IZ
10 units, and ultimately they couldn't make the deals
11 work. Many of these proposed projects were in a
12 historic district and/or had sight challenges and
13 configurations limiting the bonus density that could
14 be achieved. The larger projects that go through PUD
15 can typically capture all of the bonus density.
16 However, it is the smaller in-fill projects that are
17 not moving forward which is a key part of providing
18 more affordable housing and establish communities
19 where large new construction sites are not available.

20 I point out the deals that did not get done,
21 not to criticize IZ, but to illustrate how IZ can be
22 approved to increase affordable housing in the
23 District of Columbia if changes to the program are
24 well considered. We have an important opportunity to
25 night to improve IZ to increase affordable housing in

1 the District at a wider affordability level,
2 including those at the 50 percent range.

3 I urge the Commission to approve OP's
4 February 25th, 2016 proposal. Thank you for the
5 opportunity to testify. I'm happy to answer any
6 questions.

7 MS. COHEN: Thank you. Next, please.

8 MR. CAHILL: Good evening, Chairman Hood and
9 members and staff of the District of Columbia Zoning
10 Commission. I'm Sean Cahill. I'm a Senior Vice
11 President of Property Group Partners. I was born and
12 raised here in Washington, D.C. and I've spent over
13 31 years as a developer in the District of Columbia.
14 I am also the immediate past president of DCBIA and
15 I'm here representing property group partners to show
16 support for the recommendations of the Office of
17 Planning's February 25th report.

18 As you have heard tonight the private sector
19 supports affordable housing programs in the District
20 and we are an essential partner in producing
21 affordable units. PGP is a fully integrated real
22 estate company. Our major project, Capital Crossing,
23 is one of D.C.'s largest private sector developments.
24 It will transform seven acres of land -- actually
25 it's air becoming land, over I-395 to become five

1 mixed use office buildings covering 2.2 million
2 square feet.

3 The amenable fact we are faced with as we
4 attempt to improve the city's Inclusionary Zoning
5 program is that the cost to build continues to
6 increase. So in order to create affordable housing
7 all over the city as the IZ program is intended, the
8 project financing and/or land value gap that exists
9 in the applicant's proposal must be mitigated to
10 avoid making projects unworkable or negatively impact
11 affordable housing production.

12 The applicant's proposals lowers AMI to 60
13 percent, creating approximately a \$1.6 million
14 financing gap on a typical 100-unit development.
15 This will require significant and continued District
16 subsidies or support to avoid shelving the projects.

17 While the market is very active right now
18 there will be slow periods and a downturn in the
19 market that will only increase the negative effect on
20 project cost and land values. The city also needs
21 both large and small development projects, without a
22 focus on finding ways to address financing gaps
23 inherent in the Inclusionary Zoning requirements,
24 many projects will not be executed because they
25 cannot get financed. Some of the projects may be

1 changed to commercial rather than residential
2 projects. Others will be downsized.

3 We know that the Mayor is focused on creating
4 pathways to the middle class and D.C. needs middle
5 income housing. IZ that serves households earning 80
6 percent of AMI is the only city program that targets
7 these people, like teachers, firefighters, and police
8 officers.

9 Through the import of many developers OP and
10 the applicant worked over the last year to create a
11 more viable proposal. PGP believes that the February
12 25th proposal from the District -- from the D.C.
13 Office of Planning is the more practical approach and
14 we urge the Commission to support that proposal. We
15 also agree with the recommendation to delay
16 implementation of any changes so as not to negatively
17 affect the current market and projects under review.

18 At its core, affordable housing is about
19 supply. Rents rise because there is not enough
20 housing for all of the people who want it and with
21 over \$1,000 new residents continuing to move to the
22 D.C. each month, the long term solution is to
23 increase the housing supply. We look forward to
24 working with the Office of Planning to revise the
25 Comprehensive Plan in order to increase density, add

1 more housing units, and we hope that that the Zoning
2 Commission will support the recommendations of the
3 February 25th OP report. Thank you.

4 CHAIRPERSON HOOD: Okay. Thank you. Ms.
5 Hackney, I do have your testimony. I was out of the
6 room. I will read your testimony. I just want you
7 to know that.

8 Okay. Next.

9 MS. HACKNEY: Thank you.

10 MR. GELMAN: Thank you. Good evening,
11 Commissioners. I am Jeff Gelman, a partner at the
12 law firm of Saul Ewing. I have been practicing
13 affordable housing law in Washington for the past 30
14 years, representing well in excess of 100 for profit
15 and nonprofit affordable housing developers. I thank
16 you for the opportunity to testify this evening.

17 Based upon my experience I urge the
18 Commission not to lower the area median income levels
19 of Inclusionary Zoning, because to do so would
20 actually hinder the city's objectives of providing
21 affordable housing for D.C. residents who need
22 assistance for the following reasons.

23 First, to do so would be contrary to Mayor
24 Bowser's initiative for building pathways to the
25 middle class, and to provide workforce housing for

1 the city's firemen, police, teachers, and others in
2 the workforce.

3 Second, there are indisputably lower income
4 residents in the 60 to 80 percent area median
5 category in Washington who are in serious need of
6 housing assistance.

7 Third, the statistics do not reveal the
8 truth. It is not true that older Class B and Class C
9 apartment buildings to rent control and other
10 programs are meeting the needs of these other lower
11 income families. Insufficient federal and local
12 housing policies and programs have forced families in
13 the 60 to 80 percent category to move away from D.C.
14 or to accept less than adequate housing.

15 Fourth, there are no remaining federal
16 housing programs that target families in the 60 to 80
17 percent AMI category. Based on congressional budget
18 office data through 2014, the federal government
19 provides approximately \$51 billion a year for housing
20 assistance. Seventy-five percent of which go to the
21 30 percent or less AMI category, the balance to 50
22 percent AMI category. Zero in the 60 to 80 percent.

23 Fifth, there are very few district funds that
24 target 60 to 80 percent AMI level. Only 20 percent
25 of the Housing Production Trust Fund is required by

1 statute to target incomes in the 51 to 80 percent
2 AMI, but that allows the district to limit the 20
3 percent to 60 percent AMI, which it does.

4 The most productive affordable housing
5 program in the nation and in the District is the low
6 income housing tax credit which targets less than 60
7 percent AMI. Ironically, advocates for the change
8 now just in 2012, were writing, and I quote, "As the
9 District seeks to keep more working families in the
10 city, D.C. should focus assistance below 80 percent
11 AMI so that typical working D.C. families can be
12 helped. With limited housing aid available it needs
13 to be used more wisely to help struggling D.C.
14 working families find a home they can afford."
15 Written by Cheryl Cort in 2012 in a D.C. Fiscal
16 Policy publication. The full quote is set out in a
17 footnote so there's no question of paraphrasing.

18 In conclusion, a housing policy that does not
19 provide a continuum of housing assistance through the
20 80 percent AMI levels undermines the Mayor's
21 initiatives and fails the residence of this city by
22 making the city more and more a city of the rich and
23 the poor, without assistance for lower income working
24 families in the 60 to 80 percent category.

25 Studies have shown that housing subsidies,

1 particularly for the very low income and extremely
2 low income, serve as a disincentive of those families
3 to seek improved employment opportunities at higher
4 income levels per the Congressional Budget Office,
5 September 2015 report, and common sense tells us that
6 is because there's not a continuum, housing
7 assistance because when somebody is in the 50
8 percent, 30 percent, whatever, 60 percent, when
9 they're offered a pay raise, a better position, a
10 higher hourly rate, they have to choose between
11 losing their subsidized housing at the level, or
12 taking the job and fending for themselves in the
13 market place.

14 So it's very important that the District
15 preserve the last remaining program that serves the
16 60 to 80 percent category of residents.

17 Thank you for the opportunity to provide this
18 testimony this evening.

19 CHAIRPERSON HOOD: Thank you. Next.

20 MR. HUDSON: Good evening Chairman Hood and
21 Commissioners. My name is Robb Hudson. I am the
22 Public and Government Affairs Advocate for ANC 1B.
23 I'm also Commissioner for ANC 1B-11. I bring
24 greetings from the other commissioners of ANC 1B.

25 On February 4th we passed a resolution in

1 support of Option 1B to adopt -- urging you to adopt
2 the proposed revision of IZ targeting to require that
3 all rental units be affordable at the 60 percent
4 median family income level, and all for sale units be
5 affordable at the 80 percent median family level to
6 ensure that our residents in ANC 1B and those in the
7 rest of the District will continue to create
8 affordable homes for D.C. residents who otherwise are
9 unable to live here, or are paying too much for their
10 income and housing costs.

11 And also, we urge you to include a reasonable
12 grandfathering timeline for any project that's
13 ongoing. That's the only thing that I really want to
14 read tonight. I just want to talk to you about my
15 district.

16 My district begins at the 930 Club. It's at
17 9th and V, and it goes north and east. It goes
18 north, up Sherman -- or pardon me. Yeah, it goes
19 north, up Sherman Avenue, crosses over at Euclid,
20 kind of zig-zags back around Howard University and
21 goes all the way over to 2nd Street and back down W.

22 We have an artery that goes through ANC 1B-11
23 called Georgia Avenue and it literally splits my
24 district into high density/low density, high
25 income/low income.

1 As was mentioned earlier, Atlantic Plumbing
2 is in my district, A and C. We also have two PUDs
3 that are going into my district, 965 Florida Avenue,
4 which will bring 30 percent -- 106 units of permanent
5 affordable housing at 50 percent and 30 percent AMI.
6 And it's desperately needed.

7 We have another PUD going in a little bit
8 north of that to Sherman Avenue development. I call
9 it Berry Place. I believe it's called something
10 different here. I'll probably see you at many more
11 hearings about all of these and more that are coming.
12 We're blooming in ANC 1B and we have a lot of market
13 rate units.

14 What I hear from the people on the other side
15 of Georgia Avenue is, can I move there. On all of
16 these developments. And I have to tell them no, that
17 the affordable housing is not there for you yet. We
18 need more affordable housing in 1B. We need to be
19 able to bring the residents across Georgia Avenue in
20 my district, to let them live on the other side of
21 Georgia Avenue. We want our neighbors to be
22 inclusive in our neighborhoods. We want them to be
23 able to shop at the great stores that JBG has
24 brought, and Shaw, and north of Shaw into Pleasant
25 Plains, and all the development that's going there.

1 The by-right development, the lots that Howard
2 University is going to hopefully develop in their 10-
3 year plan, in their comp plan. We'll need this type
4 of relief for their teachers.

5 There's agreement that they have with the PUD
6 up at Berry and Sherman Avenue where they're going to
7 set aside some of their units for their teachers
8 because their teachers can't afford to live here.
9 They can't afford to live near the District. That's
10 why they continue to have all the street-level
11 parking to be able to bring in their professors.

12 We need Option 1B and we need more affordable
13 housing in the District. Thank you for your time.

14 CHAIRPERSON HOOD: Thank you. Next.

15 MR. GLASGOW: Mr. Chairman, Members of the
16 Commission, for the record my name is Norman M.
17 Glasgow Jr. at the law firm of Holland and Knight.

18 I wanted to first talk about the tax
19 abatements because I've done a lot of tax abatement
20 work with the City Council, and I represented the
21 NoMa Bid when they got their \$50 million tax
22 abatement. Before that tax abatement we had zero
23 residential units in NoMa. After that tax abatement
24 went in we had, first it was 3,000 and then I needed
25 to go back to the council and we got it bumped up to,

1 I think it was about 3,300 because we had a couple of
2 projects that were in the pipeline. And the tax
3 abatement was critical to get that residential in
4 there.

5 I also worked on the one that was prior to
6 that, which was in Veterans Square, and in that area
7 of downtown, in the downtown development district,
8 there wasn't any housing. We went on until that tax
9 abatement occurred. And I've worked on numerous
10 individual tax abatements on different projects that
11 did different things, like getting a grocery store
12 into Constitution Square in NoMa. Getting the
13 grocery store, the Giant Grocery store on H Street
14 Northeast.

15 So those were all different types of things
16 where tax abatements can be very targeted. Did one
17 for JPI years ago over in Pennsylvania and Potomac
18 Avenue where the Harris Teeter is over there. So tax
19 abatement is extremely important tool in conjunction
20 with other tools if you want to target and get some
21 things done where -- because it is very difficult.
22 We wouldn't be having this hearing here if it was
23 easy to do affordable housing.

24 If it was easy people would just do it and it
25 would just come naturally. We need to have enough

1 incentives to make that work so that people can do it
2 willingly.

3 I know when, Commissioner Miller, when we did
4 the alley closing we changed during the alley
5 closings. That was right after we had won that court
6 case where the City couldn't charge the alley
7 closings.

8 Then Sherman Clark came up and said, well,
9 will you not appeal if I take and give you incentives
10 and work it out so you make money, so everybody gets
11 more. There's affordable housing component, and it
12 was made very advantageous to the development
13 community. We never took the thing to court. We
14 worked it out with the development community. We had
15 all the affordable housing providers in a room.
16 Chairman Clark told me to work with all of them. I
17 ended up representing most of them, Mana Jubilee, H
18 Street CDC, Columbia Heights, Marshall Heights, and
19 we got things worked out.

20 So there is a way to get it done. It's not
21 easy and it's more than just zoning, because if you
22 want to flip it just on the zoning context we did do
23 that at first with the downtown to housing priority
24 areas. And for the first 10 years there was no
25 housing provided.

1 We came back to the Zoning Commission,
2 everybody came back, Office of Planning, everybody
3 and just said, this isn't working. There were a
4 number of things that came together that allowed it
5 to work. One, there was -- we had the far limitation
6 taken off for housing in the housing priority area.
7 Then there was a tax abatement occurred, the Mount
8 Vernon Square tax abatement, housing rents came up,
9 housing values came up so they were more equal to
10 commercial rental values. And when all of that came
11 together then we started getting the downtown
12 housing.

13 But it's just not a tool if it's too heavy
14 handed on one way and it becomes out of balance. You
15 can stop the development that's going on. So zoning
16 is a tool, tax abatements are a tool. There can be
17 other tools that we can think of to try to get the
18 type of subsidies that you all need. But I don't
19 think it's just the zoning part, and I don't think
20 that they can be allowed to just go in a vacuum
21 because it's hard to turn that light switch back on
22 if it does go off.

23 That concludes my testimony.

24 CHAIRPERSON HOOD: Thank you. Next.

25 MR. LAKE: Good evening, Chairman Hood and

1 Members of the Zoning Commission. My name is Richard
2 Lake, a principal with Roadside Development. We
3 specialize in the development and redevelopment of
4 impactful properties that leverage the vertical
5 integration of meaningful retail with residential.
6 Thank you for the opportunity to testify tonight
7 regarding a very important discussion on the proposed
8 changes to the District's Inclusionary Zoning
9 Regulations.

10 The quantity and quality of the housing stock
11 for all incomes is critically important to the growth
12 and continued improvements of our city, especially
13 preserving and growing the amount of housing from
14 moderate and lower income households. I believe it
15 is a measure of not only the authentic fabric of our
16 community but the very soul of our city.

17 Our city has undergone significant
18 revitalization in recent years, however the resulting
19 benefits have been focused in select areas of the
20 city, often excluding those neighbors with the
21 greatest needs for economic activity. At Roadside we
22 believe that the quantity and quality of the
23 neighborhood's housing stock is the foundation for
24 continued growth and improvement in those
25 communities. This specifically includes the

1 preservation expansion of housing for moderate and
2 lower income households.

3 As you have or will hear in the testimony
4 from my colleagues in the building industry, the
5 proposal put forth by the Coalition of Smarter Growth
6 will have an adverse impact on the development
7 economics for new residential projects. This will
8 not only result in the diminished land values, but
9 will also increase housing costs for all residents as
10 demand will outpace the production of new supply.

11 I'm here tonight to specifically discuss why
12 the CSG proposal will have unintended consequences
13 and extend beyond housing affordability. By
14 constraining the production of new housing at all
15 income levels, the proposed changes will lead to
16 viability of much needed retail and services
17 throughout the city. Local businesses thrive in
18 neighborhoods where they have support from a high
19 concentration of residents. In other words,
20 increased housing density directly translates into
21 more customers who patronize local shops,
22 restaurants, and service providers. These businesses
23 are a vital component of neighborhood development as
24 they provide much needed jobs, improve access to
25 higher quality goods and services, and contribute to

1 the overall quality of life for residents. Without
2 residential growth these businesses and economic
3 benefits are lost.

4 In addition to impeding economic development
5 the proposed changes to IZ will have a significant
6 negative impact on the fiscal health of the city.
7 Taxes collected from retail or restaurant sales,
8 payroll and real estate assessments will be reduced,
9 leaving the District with less revenue to tackle many
10 of the other needs of its residents. The
11 beneficiaries of the proposed policies will be our
12 neighboring jurisdictions.

13 D.C. developments are already competing with
14 Bethesda, Silver Spring, Arlington, Alexandria, and
15 Fairfax County in attracting residents and retail
16 tenants. As the District becomes an increasingly
17 expensive place to live and conduct business, these
18 close-in communities will continue to add density and
19 offer the city experience at lower costs. Providing
20 quality affordable housing is critical to our city's
21 future. Doing so without negatively impacting the
22 economic activity so desperately needed in our
23 neighborhoods is of equal importance. Housing
24 policies that constrain new supply and increased
25 rents will drive more residents and businesses to

1 compete in jurisdiction, taking with them a sizable
2 share of the District tax base.

3 For the reasons stated above I support OP's
4 Option 1A, recommending changes are balanced and
5 thoughtful. Thank you for your time.

6 CHAIRPERSON HOOD: Thank you. Next.

7 MR. KENNEDY: Thank you very much, Chairman
8 Hood and Members of the Commission. My name is
9 Patrick Kennedy. I'm the Chairman of Advisory
10 Neighborhood Commission 2A, which represents the
11 Foggy Bottom and West End communities of Ward 2. And
12 in particular I'd like to say it's nice to be here
13 for a non GW related thing. So in that sense.

14 I'm going to try to keep my remarks brief for
15 a number of reasons. First of all, our resolution is
16 in the record. And secondly I think a lot of the
17 folks on this panel and as well as the previous
18 panels have really testified to the crux of the
19 issues here.

20 But I would point out, like my colleague from
21 ANC 1B, about the practical impact of affordable
22 housing regulations on our community. As you might
23 know the Foggy Bottom and West End communities are
24 some of the most expensive in the city. Very unique
25 in the sense that the University exercises a certain

1 amount of demand pressure on housing, specifically
2 short-term housing for students.

3 So as a consequence you have seen rents and
4 even more permanent housing costs probably get out of
5 whack with the supply and demand that you would
6 expect to see in adjoining communities. But since
7 I've joined the Commission and this is my fourth year
8 on the ANC, we've had two, I think, predominant
9 examples under Inclusionary Zoning or its related
10 provisions in our neighborhood, and we have seen
11 community reaction very different depending on the
12 proposal.

13 The first of which that I participated in was
14 an 80 percent AMI that was proffered by GW as part of
15 a development at Square 75. They proposed to
16 rehabilitate and redevelop, I believe, a total of
17 five townhouse units on F Street at 80 percent of
18 AMI.

19 The second of the two, and this was a
20 longstanding project that far preceded me, was the
21 west-end fire station project at 23rd and M. When
22 that proposal first came out in 2007, the proffer was
23 60 percent of AMI and it would be totally absorbed by
24 the developer.

25 Unfortunately, because of changing market

1 conditions and ultimately the changing whims of
2 council on that proposal, it did require a public
3 subsidy. But that was a significant infusion of
4 affordable housing units in our community.

5 The problem that we have is, when you set
6 aside units for 80 percent of AMI in our community,
7 there is not much difference between that and market
8 rate housing. And in fact, some of the developers in
9 our community have had a difficult time getting those
10 units off their books for precisely that reason.
11 They are not, practically speaking, affordable at
12 that level. They're not marketable.

13 We need units that are going to
14 demographically make our neighborhood more accessible
15 to a wider range of people. And for the people that
16 live in our community and who are transitioning out
17 of rental housing or perhaps student housing that are
18 on the approach to having a wife and kids, we have
19 rebounding public schools. We want families in our
20 communities. We want larger unit sizes, but we want
21 a variety of units sizes. And we want them to really
22 address the affordability issue that is, I think,
23 paramount for our community.

24 And I respect that there is considerations
25 here aside from a moral quandary of addressing the

1 city's affordable housing difficulties, and I respect
2 the economic concerns that have been laid out by many
3 of the people on this panel as well as previous ones.
4 But I believe that Option 1B as proffered by the
5 Coalition gets us far closer. Certainly in the
6 context of my community, to achieving the goal of
7 more affordable housing, more sustained residency
8 from folks who can afford to stay in the District of
9 Columbia, stay in urban neighborhoods like Foggy
10 Bottom, and contribute to our community.

11 We want less transiency and more permanent
12 housing. But it has to be affordable housing to
13 work. And I would encourage the Zoning Commission to
14 consider that as they move forward on this text
15 amendment. But thank you very much. I do appreciate
16 your time.

17 CHAIRPERSON HOOD: Okay. I want to thank you
18 all for your testimony; see if we have any questions
19 or comments. Vice Chair Cohen.

20 MS. COHEN: Thank you, Mr. Chairman. Again,
21 I challenge each of you to provide us with deeper
22 information and data to support the position that
23 you're advocating. We do have some that it was sort
24 of scrubbed. I think we really need the raw data.

25 And I think a lot of it, you know, has to do

1 with as you say, the land values. And different
2 neighborhoods have -- the denser the neighborhood the
3 greater the opportunity, I believe, of providing
4 deeper subsidies. So I think a lot of those nuances
5 have not been brought out and I urge you to do that
6 so we can make an informed decision. So that's my
7 challenge to all of you.

8 Mr. Glasgow, I have a question for you. With
9 regard to the tax abatement and the success that
10 appears to be helping the housing development, and
11 supply is an important part of addressing at least,
12 the affordability issue I think in this city,
13 although right now everything is out of reach for
14 many people. It's still very difficult to do that.
15 I mean, it sounds like it's taken you years of your
16 career to --

17 MR. GLASGOW: It is very challenging because
18 the way the OCFO is and how the budget is set up, you
19 need to get that in effect, funded in the budget.
20 They act as if it's -- even though it's a tax
21 abatement and we've done it for in the future, so
22 it's no loss of dollars, it is treated as if it is an
23 expense of the District Government. It is stacked
24 against having that work well.

25 We finally have gotten legislation that I

1 have been pushed on for years that there needs to be
2 from the OCFO, not only is it, well, what is the
3 cost, but what is the benefit.

4 MS. COHEN: Uh-huh. Yeah.

5 MR. GLASGOW: Because we would get hit on
6 these things for tax abatement as if it was a charge
7 for property. We had the school, we had the property
8 that Boys Town had. That was tax exempt. And we
9 were hit with a cost to the District's budget to get
10 that tax abatement. It was outrageous. And when the
11 hearing came up and they just said, well, we -- and
12 the Council Chairman of the Finance Committee asked
13 him, Council Member Evans said, "Well, how do you
14 attribute a cost to that?"

15 And they just said, "Well, that's how we do
16 it." And that was it because of the authority that
17 they had.

18 So we got it in the budget and it's not easy.

19 MS. COHEN: So stadium bonding, though,
20 doesn't go against our budget. Is that correct?

21 MR. GLASGOW: It's a different situation
22 because this is a tax abatement as opposed to a bond,
23 which I thought was better because it doesn't go
24 against the bond cap.

25 MS. COHEN: Thank you for your insights and

1 my education. Thank you.

2 CHAIRPERSON HOOD: Okay. Any other comments
3 or questions up here?

4 Okay. Commission Miller.

5 MR. MILLER: Sorry. Just thank you. Thank
6 you, Mr. Chairman. And just quickly.

7 Maybe Mr. Cahill or someone else. Can you or
8 one or the other representatives of the development
9 community respond to the argument that 80 percent
10 AMI, the Area Median Income, which includes two of
11 the richest counties in the country, Fairfax and
12 Montgomery, that 80 percent of AMI for District
13 residents isn't meeting the need?

14 And you said that 80 percent AMI would -- is
15 addressing workforce housing in the District and you
16 mentioned the teachers and the fire fighters and the
17 -- but it's just my impression that the starting
18 salaries of teachers and police and firefighters are
19 not at the 80 percent AMI level. But maybe you can
20 correct me on that.

21 MR. CAHILL: Well, I'll start this and let my
22 colleagues add in. But it's usually on the workforce
23 housing, it's usually a two-person income that would
24 make that 80 percent. So that's how I believe that
25 would work.

1 MR. GELMAN: Yeah. If I could add, the fact
2 that there may be some natural affordability in a
3 community doesn't mean an 80 percent per income or
4 less person, or 60 percent income person. It's
5 actually living in that community. When landlords
6 underwrite the credit worthiness of renters and they
7 have a whole array to select from, they're going to
8 select the one that's making the most money and has
9 the strongest credit and so forth. Just like rent
10 control which is not need based. Fifty percent of
11 rent control is serving people that probably don't
12 need assistance at all; highly inefficient.

13 So sure, there are a lot of communities and
14 some developers do have a problem in certain
15 neighborhoods with the 80 percent because it is
16 competition out there. And so somebody that's at the
17 80 percent level that can really strain and struggle
18 to rent or buy down the street without any other
19 restrictions on them, you know, if they're buying,
20 you know. So yes, I mean, they don't have as great a
21 need as somebody in the 60, or 50, or 30. But there
22 is still a need and we have experienced over the last
23 15 years, a complete federal abandonment of that
24 income class, as well as local government.

25 And over the last 15 years the federal

1 government has barely increased housing assistance
2 one percent a year. So I'm just advocating a
3 complete path out of poverty that a family does not
4 have to choose between their housing and a promotion,
5 a better job, a degree that gets them a better job.
6 That there is not a disincentive because there is a
7 ceiling within our housing policy.

8 MR. MILLER: Thank you.

9 CHAIRPERSON HOOD: Okay. Thank you very
10 much. Any other questions? Not seeing any, we
11 appreciate your testimony. Thank you all.

12 Okay. Let's go with Mike Skena, Carlos
13 Jimenez, Elizabeth Vogel, Sam Bell, Aliza Wasserman,
14 and Terra Weirich. Is there anyone else who would
15 like to testify? Okay. We will end with this panel.

16 Okay. We're going to start to my left. You
17 may begin.

18 MR. SKENA: Good evening, and thank you to
19 Chairman Hood and Members of the Zoning Commission
20 for the opportunity to testify. My name is Michael
21 Skena, Vice President of Development at MRP Realty,
22 and a D.C. resident.

23 At MRP our leadership team has worked
24 together in the Midatlantic region in various
25 capacities over the last 25 years. We've been

1 actively involved in the entitlement, development,
2 and construction of over 9,000 residential units in
3 the region, including 1,400 units over the past three
4 years. We have another 4,000 units in our
5 residential pipeline.

6 Because of that experience MPR is a strident
7 supporter of affordable housing as in order for a
8 city and region to grow and thrive economically it
9 must provide housing that is accessible to all income
10 levels. A housing affordability crisis typically
11 arises when the demand for housing in a specific area
12 outstrips its supply, thereby increasing housing
13 prices. We've all been witness to the externality of
14 higher housing prices resulting from D.C.'s continued
15 attractiveness to businesses, consumers, and
16 residents.

17 MRP is a strong believer that an increase in
18 supply, that is constructing more units, is the best
19 tool in the affordable housing toolbox to meet a
20 housing shortage and lower housing prices.

21 We also agree that Inclusionary Zoning, when
22 implemented correctly, is another crucial tool in
23 that toolbox, one that preserves affordable housing
24 across the entire city, not just in areas that
25 experience less demand than others.

1 In its prior implementation you and the D.C.
2 council successfully balance the mandate of
3 affordability with the economic compensation of
4 increased density without arresting development
5 despite an increase in building costs because of the
6 IZ regulation.

7 What the applicant has proposed is additional
8 regulation, lowering the AMI to 60 percent across the
9 entire district without a significant offset in cost
10 or increase in usable density. That is in the
11 applicant's proposal there is only a stick and no
12 carrot.

13 Understanding that every project is unique
14 and the impact of IZ is not linear, we examine the
15 financial models of our two most recent projects in
16 the District, elevation at the corner of New York and
17 Florida Avenue, and Dock 79 on Potomac Avenue just
18 south of the ball park, and compare the impact that
19 the applicant's proposal would have had on each.

20 Both of these projects are large for-rent
21 projects in growing neighborhoods. And I think
22 that's important to note.

23 In each instance, lowing the AMI from 60 --
24 to 60 percent from 80 percent would have required an
25 additional usable density bonus in order to achieve

1 the same yield on cost and rates of return, assuming
2 again that that density could be successfully
3 utilized. A reduction in either metric would have
4 resulted in those projects not being capitalized and
5 financed. If the applicant's proposed changes have a
6 similar effect on other projects in the District wide
7 pipeline, the consequences would be a dramatic
8 reduction in the number of developments moving
9 forward, particularly in the short and medium term
10 when land prices are sticky and land sellers are
11 reluctant to adjust.

12 We urge the Zoning Commission to carefully
13 consider the impact that the applicant's proposed
14 changes to IZ would have on the overall housing
15 supply by increasing regulation without a real
16 commensurate offset, the District risks, reducing the
17 development of new housing units which will have a
18 permanent impact on the supply of housing in this
19 city, and lead to continued pressure on housing
20 prices. Thank you.

21 CHAIRPERSON HOOD: Okay. Thank you. Next.

22 MR. JIMENEZ: Good evening, Mr. Chairman,
23 Members of the Commission. Thank you for having me.
24 My name is Carlos Jimenez, the Executive Director at
25 the Metropolitan Washington Council, AFL CIO. I

1 would like to take a minute that I've heard a lot of
2 talk about density issues, unintended consequences,
3 and soft costs. And from our perspective this is
4 mostly a moral issue with real consequences and real
5 costs for D.C.'s working families.

6 The AFL CIO takes great pride in being able
7 to call ourselves a partner in the effort to create
8 IZ from the very beginning in the early 2000s. We
9 are grateful that the Zoning Commission created this
10 affordable housing tool. We are now eager and ready
11 to see it meet its full potential. The work of
12 making our great city even greater and one where
13 every single working person has a fair shot at
14 opportunity, requires the right tools for the job.
15 Given that the IZ program is now ramping up, it is
16 time to ensure that this program is meeting the
17 intention. And more importantly, meeting the needs
18 of D.C.'s working families, many of which are being
19 priced out of the city.

20 If IZ is an important affordable housing
21 program, the question is, for whom? To date, D.C.'s
22 IZ program has mostly served households earning 80
23 percent of AMI. Put bluntly, this is simply too high
24 to address the acute needs of our members and D.C.'s
25 hard working families.

1 To make IZ work, we strongly support Office
2 of Planning Option 1B, all rental IZ units at 60
3 percent area median income and all for sale IZ units
4 at 80 percent AMI. Frankly, we'd like to see IZ
5 reach even deeper levels of affordability. But we
6 can support this compromise as a solid improvement
7 that meets a genuine need. We believe that Option 1B
8 is a reasonable compromise that can offer solely
9 needed help to D.C. residents who are being priced
10 out of their communities while also being feasible
11 for the development industry.

12 We recognize that Mayor Bowser has made major
13 commitments to creating and preserving affordable
14 housing. We commend her and her administration for
15 that. But the need is so much greater than these
16 efforts. For the Zoning Commission to leave IZ
17 largely the way it is tarnishes the overall effort to
18 make the most of every opportunity and tool to help
19 D.C.'s struggling working families find homes they
20 can afford. We must use every opportunity we have to
21 address the City's affordable housing crisis.
22 Revising IZ to serve all renter households earning at
23 most, 60 percent AMI, is the best use of IZ's
24 potential. To do less would be a great waste that
25 affects the lives of thousands of working families

1 who are being pushed out of the city.

2 Thank you for your consideration.

3 CHAIRPERSON HOOD: Thank you. Next.

4 MS. WEIRICH: Good evening, Chairman Hood and
5 Members of the Commission. My name is Terra Weirich.
6 I live in Adams Morgan. I am a Vice President of
7 Investments for CIM Group who was a longtime owner
8 and investor here in the District on large scale
9 projects. Thank you for this opportunity.

10 While not directly at the heart of the issues
11 that everyone else has been talking about tonight,
12 I'd like to address a specific change that I think
13 has happened unintentionally in ZRR which impacts
14 rent controlled buildings. As you're aware, under
15 the existing IZ regulations, in addition to an
16 existing building that's greater than 50 percent of
17 its density triggers IZ requirements, and in the past
18 we've gone to the Zoning Administrator and received a
19 determination that's attached in the package of
20 materials that I provided to you. It's dated July
21 14th.

22 And it says that the IZ requirement only
23 applies to the addition, not the existing building
24 that's being added on to. But ZRR changes this
25 determination by requiring IZ on both the existing

1 structure and the addition. But the impact on
2 already rent controlled buildings is that you have
3 dueling regulatory schemes for setting rents in that
4 existing building. You have both rent control and
5 IZ. So, we're concerned that this will
6 disincentivize and prevent owners of these pre-1980
7 residential buildings from expanding and providing
8 additional housing, both market rate and residential.
9 And I think this also disproportionately affects
10 older neighborhoods like Adams Morgan, where I live.

11 So first by requiring IZ for the entire
12 project, the existing building would be subject to
13 clashing regulatory rules, simply put, the rents are
14 set differently under IZ and rent control. It's also
15 not going to be possible to impose IZ on existing
16 rent controlled leases. Nor is it possible or
17 desirable to evict tenants to free up units to comply
18 with IZ in the rent controlled buildings.

19 Second, the IZ regulations have requirements
20 that would make it impossible to comply with a rent
21 controlled existing residential building. For
22 example, under IZ, units must be disbursed evenly
23 throughout the overall project. But in this scenario
24 they can only practically be provided in the addition
25 because of the restraints on the rent controlled

1 units. Thus, they end up clustered in the new
2 building which is in violation of IZ.

3 Finally, you know, these requirements
4 disincentivize owners of rent controlled buildings
5 who want to provide additional housing in the
6 District. Because of this conflict, you know, owners
7 may choose not to expand their buildings at all and
8 this discourages the supply of much needed housing,
9 especially affordable units. This doesn't serve the
10 District's policy toward housing or affordable
11 housing at all.

12 Exempting rent controlled buildings from this
13 new regulation doesn't harm the District's policy for
14 expanding affordable housing. Rent control is
15 designed to retain affordable housing. In fact,
16 rents charged in these buildings are often less than
17 rents required under IZ. Also because rent
18 controlled buildings tend to be older they often have
19 larger family sized units which furthers an objective
20 this Commission has explicitly favored for affordable
21 housing.

22 Our intent is not to question the overall
23 wisdom of applying IZ regulations to the entire
24 building when expansion occurs, but we're looking to
25 specifically exclude rent control buildings from this

1 double regulation through rent control and IZ. So we
2 request that the Commission adopt an exception to
3 Section C1001.4 of ZRR so that when a building
4 subject to rent control is expanded by 50 percent or
5 more, IZ will only apply to the addition and not the
6 entire project.

7 Also included in my package is the letter
8 from Eric Rome whose name you might know, he's one of
9 the preeminent attorneys who works for tenant issues
10 in the District for decades and he also believes that
11 rent controlled buildings should be excluded, and
12 that's in the best interest of tenants. Thank you.

13 CHAIRPERSON HOOD: Okay. Thank you. Next.

14 MS. VOGEL: Good evening Chairman Hood and
15 Members of the Zoning Commission. My name is
16 Elizabeth Vogel and I live in Ward 2, specifically in
17 the Logan Circle Neighborhood.

18 I'm here this evening as a concerned D.C.
19 resident and a volunteer with Jews United for
20 Justice. I urge you to make inclusionary zoning more
21 affordable. We need to make sure we are taking every
22 opportunity to ensure that D.C. is an affordable city
23 and that affordable housing exists throughout all of
24 our neighborhoods.

25 I want to tell you a little bit about myself

1 so you know exactly who the Office of Planning's
2 Option 1B could be assisting directly. I graduated
3 from Georgetown Law School in the spring of 2015.
4 While many of my friends graduated and took jobs at
5 law firms where they made six figures, I knew that
6 wasn't for me. I went to law school with the
7 intention of using my legal skills to serve
8 historically underserved communities.

9 So upon graduation I excitedly accepted a
10 position at a D.C. nonprofit that provides free legal
11 services to low income D.C. residents. I love my
12 job, but it comes with a sacrifice. When I started
13 working there earlier this fall I was making \$43,500
14 a year. I just got a raise. I now make \$45,500 a
15 year, but this still leaves me just under 60 percent
16 of the AMI.

17 My salary makes it challenging for me to
18 afford to live in D.C., a place I have called home
19 for the last three and a half years, and also the
20 community I want to serve. Furthermore, since my
21 rent is such a large percentage of my income this
22 makes it challenging to save money each month. Since
23 my employer does not offer a 401K I should be putting
24 money into my savings every month, but the high cost
25 of living in D.C. forces me to prioritize my current

1 needs rather than my future ones.

2 While Logan Circle is not the most affordable
3 D.C. neighborhood I made the choice to live there for
4 several reasons. First of all, I'm aware of the
5 gentrification happening across D.C. I did not want
6 to move into an up and coming neighborhood knowing
7 that my presence there would mean that I was pushing
8 out longer term residents.

9 Second, I choose not to own a car for cost
10 saving reasons which means that I prefer to live in a
11 neighborhood where amenities like a grocery store and
12 the Metro are in walking distance.

13 When I tell people I pay \$1,469 a month for a
14 studio apartment, they remark that what I pay is less
15 than what they current see advertised. This rent,
16 however, is more than half of my monthly take home
17 pay. It does not feel like a good deal when I look
18 at my bank statements.

19 I'm here tonight because I want to urge you
20 to provide affordable housing for people like me;
21 people who are committed to serving the D.C.
22 community and also want to be able to afford to live
23 here. Residents of D.C. should not feel like they
24 have to choose between a job and public service, or
25 affording to live in the community they serve.

1 Simply put, Option 1B makes sense. It's a good
2 compromise. Developers can afford to do it. It's an
3 obvious solution to help ensure that D.C. remains an
4 affordable place to live. Thank you.

5 CHAIRPERSON HOOD: Thank you. Next.

6 MS. WASSERMAN: Good evening, Chairman Hood,
7 Members of the Commission and Members of the Public.
8 My name is Eliza Wasserman. I'm a resident of Ward 2
9 and I am a volunteer with Jews United for Justice.
10 Thank you for the opportunity to speak before you
11 this evening.

12 I moved to the District about a year ago for
13 a new job and the search for rental housing is
14 frequently on my mind as I had to quickly find a
15 place to rent before my job started and I have been
16 continuing to search for the right place to live
17 throughout the past year.

18 It is critical that the City adopts
19 Inclusionary Zoning Option 1B. this is a major step
20 forward for sustainable solutions to affordable
21 housing. As somebody who made \$60,000 in 2015, which
22 is about 80 percent of AMI for a single person, I
23 appreciate the inclusion of IZ units at that level,
24 given the incredibly high rental costs I see all
25 around the District.

1 However, the reality is that I have a stable
2 income and for me and for those at my income level,
3 it is possible to spend less than 30 percent of my
4 income on housing through the regular rental market.
5 Therefore, I would not expect the scarce resources
6 and limited tools the City has to offer affordable
7 housing to deserving District residents, to be used
8 for those of us at 80 percent of AMI. Even though it
9 is difficult for me to find something that I perceive
10 as affordable in the District, spending less than 30
11 percent of income on rent is much less feasible for
12 households at or under 60 percent of AMI.

13 These individuals and families should have
14 access to as many affordable housing units as
15 possible. Since I've moved here from another wealthy
16 northeast city I have been struck by how frequently I
17 see many many people moving around this city who seem
18 to have access to endless amounts of disposable
19 income. It is important to me that we make sure that
20 those are not the only people who can afford to live
21 in the District. Sixty percent of AMI is still above
22 the federal poverty line, yet it is almost impossible
23 to live in the District at that income level without
24 housing supports or subsidies. Even if I can afford
25 housing, I will not want to remain here if it is not

1 an affordable place to live for people at all ranges
2 of income.

3 In my work and public health policy we look
4 also at the health impacts of development decisions
5 in the city I used to live in, in addition to
6 economic impacts. When we look at the health impact
7 of inequities resulting from unstable housing,
8 throughout the country there is a clear disparity and
9 a number of health outcomes as a result of unstable
10 and unsafe housing. Just one example is that women
11 who experience unstable housing have a greater
12 likelihood of giving birth to low birth weight
13 babies, which is a marker for infant mortality. And
14 residents at lower incomes are much more likely to
15 face such unstable housing or displacement.

16 These disparities are serious and given
17 D.C.'s long struggles with high and inequitable rates
18 of infant mortality, I urge you to consider the
19 health impacts as well of these housing policies on
20 our city's families. Therefore, I strongly request
21 that you ensure that the IZ is adopted as in Option
22 1B.

23 CHAIRPERSON HOOD: Thank you. Next.

24 MR. BELL: Thank you. And I think I'm last.
25 Hopefully also shortest. And thanks, everyone, for

1 staying so long and for hearing everyone out.

2 Two observations before I read from my
3 testimony. One is, it just seems the most obvious
4 thing in the world that folks who come here and talk
5 about unintended consequences, and I hope you all
6 take that seriously, but I think there is a
7 credibility issue and I would be interested to go
8 back and look at when you guys were doing
9 Inclusionary Zoning the first time around, whether
10 the same dire warnings about supply and all those
11 were said by the same people or similar people, and
12 whether those came to fruition. So that's one thing.

13 The second thing is, I know, you know, it's
14 human nature to want compromise and totally hear
15 that. On the other hand, this is an independent
16 commission and I hope that -- well, as a D.C.
17 resident I would just want you to know that the most
18 important thing to me is not necessarily that all the
19 actors agree with whatever you come up with, but that
20 you do what you feel like is the right decision.

21 So my name is Sam Bell. I've been in D.C.
22 for 11 years. My wife and I are homeowners in
23 Northwest. I'm also a volunteer with JUFJ. I'm here
24 to ask you to move forward with 1B.

25 And I'm here because -- and my wife is 38

1 weeks pregnant and I'm leaving her at home because I
2 really am passionate about living in a city that's
3 inclusive. I know cities are dynamic places. I know
4 there will always be people coming and people going,
5 and what I'm really interested in is the mix. Is
6 D.C. livable for people in a range of professions?
7 And I don't think the trends are good. It seems less
8 and less feasible for working class people to live in
9 D.C., and especially its growing neighborhoods.

10 I was really concerned last year to see a
11 Washington Post poll that found that for the first
12 time in 2015, the majority of residents making less
13 than \$50,000 and a majority of black residents in
14 D.C. say that the redevelopment is mainly bad for
15 people like them. Mainly bad for people like them.

16 And I'd like my leaders to be actively
17 working to reverse this trend. Although I wish it
18 went further, I think 1B is an important first step
19 in addressing what I consider to be an existential
20 issue for the City. And again, I really appreciate
21 you all hearing us out and considering this matter.
22 Thank you.

23 CHAIRPERSON HOOD: Okay. Thank you all very
24 much. We appreciate this panel's testimony, as we
25 have all of them. Vice Chair Cohen.

1 MS. COHEN: Thank you, Mr. Chairman. I have
2 a question for Mr. Jimenez. Since you work for the
3 AFL CIO you probably have a list of occupations and
4 the income of these occupations. Can you share that
5 with the Commission, please?

6 MR. JIMENEZ: I would be glad to share that
7 with the Commission.

8 MS. COHEN: Thank you, because I think that
9 will also help us in understanding again, a deeper
10 level of what we're dealing with.

11 And then, Ms. Weirich, because I think I was
12 very pleased with adding IZ inclusion to existing
13 buildings, not realizing rent control, if a unit
14 becomes vacant does it remain rent control, and who
15 is eligible to receive that unit?

16 MS. WEIRICH: It's not income, and it does
17 remain rent controlled. Every unit in the building
18 is rent controlled in a rent controlled building.
19 And what happens is there are restrictions on how
20 much the rent can be increased on someone who stays
21 in the unit year after year. And if someone moves
22 out of a unit then there's another formula for how
23 much the rent can be increased to. So it really
24 varies from unit to unit based on the history. I
25 believe, and I am not an expert, but I believe that

1 it's a 30 percent increase, but no more than 10
2 percent over the highest comparable rent. It's very
3 technical, so it varies.

4 MS. COHEN: But it is required to place
5 eligible income person, or is it --

6 MS. WEIRICH: There are no income
7 requirements associated with it.

8 MS. COHEN: See, I have a problem with that.

9 MS. WEIRICH: I would say in large part it
10 serves a lot of the seniors living in the District
11 who have been here for many, many years and have you
12 know, small increases to their rents as a result of
13 that, and serves an important need in that respect.

14 MS. COHEN: However, if I lucked out and
15 found a unit and actually, since I make less than 80
16 percent of median income, would I be eligible for a
17 rent controlled unit? I shouldn't be.

18 MS. WEIRICH: It would be -- you might. It
19 would all depend on what was available at the time.
20 Everyone is eligible to live in a rent controlled
21 building.

22 MS. COHEN: Okay. I think that's where my
23 thinking was. Not so much rent control, just the
24 need to have more units that are affordability to at
25 least 80 percent and below. Okay. Thank you.

1 CHAIRPERSON HOOD: Any other comments or
2 questions? Mr. Turnbull.

3 MR. TURNBULL: Yeah. Thank you, Mr. Chair.
4 I think Ms. Weirich, I think Ms. Steingasser was
5 taking some notes. I think OP will look into the
6 question that you brought up. It's a good question.

7 MS. WEIRICH: Thank you.

8 MR. TURNBULL: So I think it's something
9 we'll need to have looked at, and maybe we need to
10 make a slight change.

11 And Mr. Bell, your time is coming. Your wife
12 may be home tonight, but your time is coming. Your
13 time is coming. In fact, right now, I know now my
14 wife even says, she looks at me and she says, you've
15 got that diaper face look. She says, you know, it's
16 like it's one of things that after you've changed
17 diapers you get over it, but there's that look that
18 you sort of develop when you do it the first couple
19 of times. And so you've got a lot to look forward
20 to.

21 MR. BELL: Thank you. That sounds exciting.
22 I appreciate it.

23 [Laughter.]

24 CHAIRPERSON HOOD: Okay, Mr. Jimenez, let me
25 ask AFL CIO, did they vote on your testimony or you

1 just -- are you representing yourself or you're
2 representing the AFL CIO?

3 MR. JIMENEZ: I represent the AFL CIO.

4 CHAIRPERSON HOOD: Okay. Did all the unions
5 vote on it? Did you all vote on it or you just came
6 down to --

7 MR. JIMENEZ: Acquired an endorsement for me
8 to take a position in support of affordable housing.

9 CHAIRPERSON HOOD: Okay. You have a new
10 president, right?

11 MR. JIMENEZ: That is correct.

12 CHAIRPERSON HOOD: Okay. All right. Good.
13 All right. Any other questions up here? All right.

14 I think that's it. The record is closed,
15 other than the things that we've asked for and
16 depending upon what our responses are with that
17 walkthrough. And we'll leave it at that. We don't
18 need any other comments.

19 If you do send it I'm going to ask Ms.
20 Schellin, if you can return it.

21 MS. SCHELLIN: Yes.

22 CHAIRPERSON HOOD: Other than the things that
23 we asked for. We may get something back from the
24 petitioner. We've asked the development community to
25 give us a walkthrough. We may reconvene and do

1 something. I don't know. We'll see what comes into
2 the record. And also what you asked for. Yeah.
3 Yeah. I got it covered, what you asked for.

4 MS. COHEN: But I was hoping OP would also
5 respond to some of the comments that we've received
6 as well as in comment regarding the tax abatement. I
7 would really be interested in their analysis of that.

8 CHAIRPERSON HOOD: Okay. And also to what
9 Mr. Turnbull mentioned to us as well. Ms. Schellin.

10 MS. SCHELLIN: Thank you. Chairman Hood, I
11 was going to set a deadline for those submissions so
12 that people didn't have forever to make those
13 submissions, of two weeks. If we could do that? And
14 then --

15 CHAIRPERSON HOOD: Two weeks. I don't know
16 if that's -- is that enough time? Well, most of them
17 will have -- two weeks to DCBIA, is that enough --
18 okay, that's enough time.

19 MS. SCHELLIN: Okay. And then OP. How much
20 time would OP like to have? Another two weeks after
21 that to make their submission, their response?

22 CHAIRPERSON HOOD: Yeah, we do --

23 MS. SCHELLIN: Another two weeks. Okay. So
24 then that would put it, the people who were -- some
25 of those people have left so if you know who they

1 were and they were asked to submit something, we will
2 have a record of it, so if they were not we will be
3 returning it. So if you know who they were, if you'd
4 pass the word to them, they have until 3:00 p.m. on
5 the 28th of April, and then OP would have until 3:00
6 p.m. on the 12th of May to make their submission.

7 And then Chairman Hood, I know that
8 Commissioner Turnbull is out on the 23rd, so we could
9 bring this up at our June 13th meeting.

10 MR. MILLER: I would want the deadline there,
11 or time table in there for the petitioner. You
12 mentioned that.

13 MS. SCHELLIN: So they would also have until
14 May 12th.

15 CHAIRPERSON HOOD: Yeah, they would have
16 opportunities at some point. Yeah. Yeah.

17 MS. SCHELLIN: They would also have until May
18 12th, 3:00 p.m., to respond.

19 CHAIRPERSON HOOD: Right. And that's it.

20 MS. SCHELLIN: That's it.

21 CHAIRPERSON HOOD: Everything. Okay.

22 MS. SCHELLIN: And then we'll put it on for
23 June 13th.

24 CHAIRPERSON HOOD: Okay. All right. That's
25 the schedule right now.

1 MS. SCHELLIN: Right.

2 CHAIRPERSON HOOD: Subject to change. And
3 everything is subject to change around here.

4 MS. SCHELLIN: And if the Commission feels
5 the need in between, that way it allows time to have
6 a walkthrough if need be.

7 CHAIRPERSON HOOD: Okay, because we
8 definitely want to make sure we finish this vote --

9 MS. SCHELLIN: Correct.

10 CHAIRPERSON HOOD: -- by July. Okay? All
11 right. Anything else?

12 MS. SCHELLIN: No, sir.

13 CHAIRPERSON HOOD: All right. I want to
14 thank everyone for their participation tonight and
15 also for letting me interrupt you. But as you see,
16 we got out of here in a reasonable time. So with
17 that, this hearing is adjourned.

18 [Hearing adjourned at 10:29 p.m.]

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