

Fiscal Policy Institute

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September 8, 2005

To District of Columbia Zoning Commission
From Ed Lazere, Executive Director
Re Mandatory Inclusionary Zoning Proposed Text Amendment (Case #04-33)

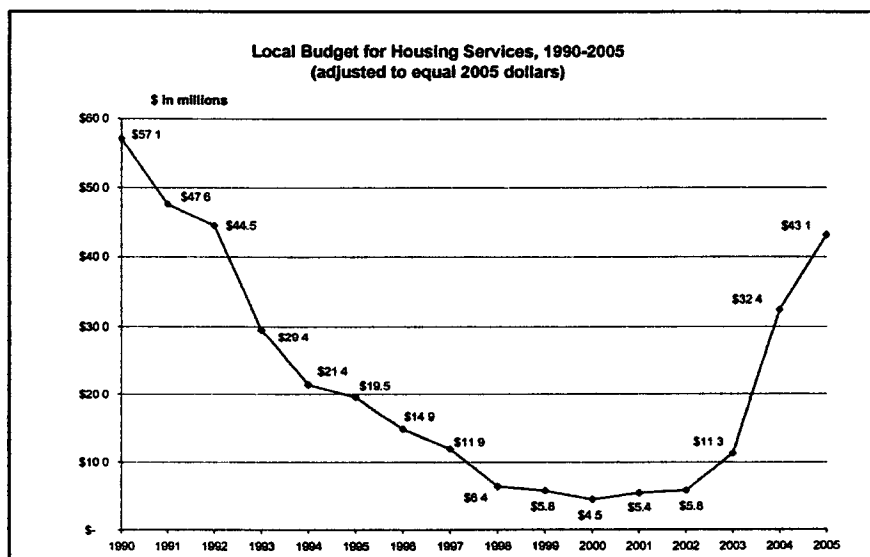
I am writing to comment on the impact of mandatory inclusionary zoning policy and to put that impact into the context of existing local affordable housing programs. As discussed below, it appears that a mandatory IZ program would represent a substantial enhancement to DC's local housing programs.

It has been estimated that such a program would result in the development of about 300 affordable housing units every year. According to working documents used by the Comprehensive Housing Strategy Task Force this year, units of similar affordability would require a public subsidy of \$50,000 to \$75,000 each if they were developed under other means. This means that an IZ program would produce housing each year that is equivalent to \$15 million to \$22.5 million in local housing funds.

This represents a substantial resource. It would make IZ effectively the second-largest locally funded affordable housing program in the District of Columbia. The District's Housing Production Trust Fund will be funded at roughly \$54 million in FY 2006. Other local funding for the Housing of Department of Housing and Community Development is just \$2 million. The IZ policy thus is equivalent to a 26 percent to 39 percent expansion of local housing programs.

It also is worth noting that current local funding for affordable housing, including the Housing Production Trust Fund, is \$56 million in FY 2006. This is roughly the same as local housing funding in 1990, when adjusted for inflation to equal today's dollars. Local housing funding nearly disappeared in the 1990s and has only recently been restored.

Nevertheless, DC's affordable housing shortfall has worsened substantially since 1990, which suggests that local funding would need to be higher than in 1990 to address affordable housing needs. For this reason, the addition of a mandatory inclusionary zoning policy could play an important role in the District. The fact that an IZ program results in additional affordable housing units without using public funds and without consuming additional land makes it an even more valuable policy.



Zoning Commission
District of Columbia

An Affiliate of the Center on Budget and Policy Priorities
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04-33

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ZONING COMMISSION
District of Columbia
CASE NO.04-33
EXHIBIT NO.154



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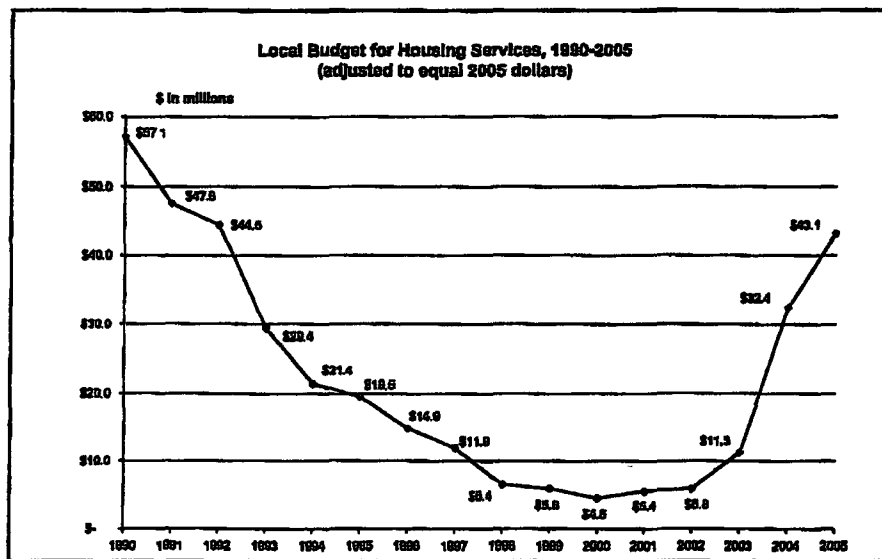
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<http://www.dcfpi.org>

DATE: 9-08-05

TO: Jerry Kress
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SUBJECT: Case 04-33

NO. OF PAGES: 2
(including cover)

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I also emailed this to DC02