

April 24, 2006

BY HAND

D C Zoning Commission
Attn Ms Sharon Schellin
Suite 210
441 4th Street, N W
Washington D C 20001

Re Case No 04-33 – Inclusionary Zoning
Comments on the Notice of Proposed Rulemaking

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Dear Members of the Commission

The Akridge Companies (Akridge) hereby respond to the Zoning Commission's notice of proposed rulemaking concerning the Inclusionary Zoning text amendment. Akridge has developed both residential and commercial projects in the District. Akridge has followed the IZ text amendments and is concerned about the effect that the proposed regulations will have on what is a softening housing market in the city. Akridge is familiar with comments being submitted by the DCBIA and on behalf of other development interests and is generally in agreement with the thrust of those positions.

Akridge emphasizes the following two points

1. Set-aside requirements (§2603) – As proposed, the regulations require that either 50% or 75% of any bonus density provided be devoted to inclusionary units, depending upon the zone district and the type of construction. Our analysis of residential development is consistent with the analyses submitted to the Commission by other developers during the course of the hearing. We believe that requiring half of any increase in density to be provided as inclusionary units is not economically viable. We strongly urge that the Commission change the requirement to a ratio of either 2:1 or 3:1, market to inclusionary.
2. Exemption for planned unit developments (PUDs) – Akridge has been involved in PUDs which provided significant benefits to the District. Akridge's office building at 12th and I Street, N W, was the first project to link commercial development with affordable housing elsewhere in the city. The Commission and the District government have used the PUD process to review and approve projects like that, projects which have had multiple and substantial benefits for the city. The Zoning Regulations already list amenities and benefits which an applicant may provide as part of the balancing against the development incentives and flexibility which may be

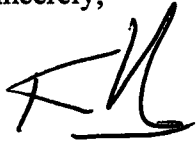
ZONING COMMISSION
District of Columbia

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requested Housing and affordable housing are identified in the Regulations and our I Street project and many others have included housing and affordable housing components

Inherent in the case-by-case review and approval of PUDs is the concept that each application is different and that the balancing that the Commission undertakes must consider the whole scope of a project. In the last several years, the OP has required developers seeking an increase in residential density to allocate a portion of that increase to affordable units. The OP has established fifteen percent as the base from which it has started discussions with applicants, but the range has gone up and down based on a variety of factors, including the size of the project, the nature of the housing, the target income range of the housing and the extent and nature of other benefits and amenities provided. Akridge agrees with that approach and we believe that the Commission should exempt PUDs from the mandatory inclusionary zoning formula and allow the continued consideration and balancing of all amenities and benefits of a PUD.

Sincerely,



Thomas W. Wilbur
Senior Vice President

cc District of Columbia City Council