



**Victory
Housing**

...meeting the housing challenge since 1979

Via facsimile

April 24, 2006

Sharon Schelling
Office of Zoning
Government of the District of Columbia
One Judiciary Square
441 4th St. N.W., Suite 210S
Washington, D.C. 20001

RECEIVED
DC OFFICE OF ZONING
2006 APR 26 AM 10:01

Re: ZC Case No. 04-33
Mandatory Inclusionary Zoning

Dear Ms. Schelling:

Victory Housing is a non-profit housing developer specializing in the development of affordable senior housing. We have reviewed the Notice of Proposed Rulemaking on Mandatory Inclusionary Zoning and submit the following comments for the consideration of the Zoning Commission.

In general, we support the concept that private developers should be required to include affordable units in their projects. Leveraging the abilities and financial capacity of those developers has produced good results in other jurisdictions. However, the proposed rule includes provisions which could, in some instances, work against the goal of providing affordable housing.

Off-site development of affordable units is allowed under the proposed rule only if the applicant has not received any development subsidies from federal or District housing programs and only if the inclusionary units are comparable to the market-rate units being created on-site. In our view, private developers should not be discouraged from seeking public funding for inclusionary units so long as those subsidies are used to provide additional affordable housing. An exception should allow the use of public financing if the developer will use those funds to create more than the minimum number of required inclusionary units and / or to rent or sell those units to applicants with lower minimum incomes than would otherwise be required. The District's Department of Housing and Community Development has ample funds available for the development of affordable housing. Developers should be encouraged to use those funds to exceed the inclusionary zoning requirements.



ZONING COMMISSION
District of Columbia
CASE NO. 04-33
EXHIBIT NO. 205
ZONING COMMISSION
District of Columbia
CASE NO. 04-33
EXHIBIT NO. 205
fax (301) 93-9788

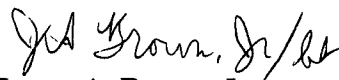
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When developers, under such an exception, are using public funds on off-site projects, the rule should allow them to follow the requirements of the funding programs with respect to unit design. Gross floor area, interior amenities, and mix of unit sizes should follow the rules for the funding program. For example, a developer wishing to meet the inclusionary zoning requirements by developing a senior housing project off-site should be allowed to do so, even though units for seniors typically include only one bedroom. We would also recommend that the inclusionary units created with public funding should be required to comply with the requirements of the funding program with regard to the time period that the units will remain affordable. The provision at 2602.4 stating that inclusionary units should be sold or leased only to eligible households for so long as the inclusionary development exists should not apply to off-site units developed with public funding.

Last, but not least, we would like to see the rule amended to allow private developers to meet their inclusionary zoning obligations by providing land or buildings to non-profit developers for the development of affordable housing, and allowing an exception to the requirement that off-site inclusionary development be constructed concurrently with the market-rate units. Victory Housing has developed five senior housing projects in Maryland using HUD Section 202 funds, and currently has another Section 202 project under construction in the District. These projects are the ultimate in affordable housing: all units must be rented to households with incomes at or below 50% of area median income, operating subsidies are provided by HUD to limit rents to 30% of tenants' incomes, and these restrictions remain in effect for forty years. However, with rising land costs, it is becoming increasingly difficult to locate sites for these projects. Allowing private developers to meet the inclusionary zoning requirements by providing the site for a Section 202 project to a non-profit developer would be a win-win solution to that problem.

Please contact me if there are any questions about these comments. Thank you for your consideration.

Sincerely,



James A. Brown, Jr.

President

(301) 493-5506

jbrown@victoryhousing.org

cc: CNHED
MNCBIA

