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**The District of Columbia Zoning Commission
Public Hearing on Case No. 04-33: Text Amendments to Require the Provision of
Affordable Housing—Inclusionary Zoning**

**Testimony of Gary M. Peterson, Chair of the Capitol Hill Restoration Society
Zoning Committee
July 25, 2005**

I am Gary Peterson, Chair of the Capitol Hill Restoration Society (CHRS) Zoning Committee. Thank you for the opportunity to comment on inclusionary zoning. It is my understanding that this hearing will focus on the merits of the proposed mandatory programs and will defer for later hearings the locations where inclusionary zoning will apply.

CHRS believes that, if carefully developed, inclusionary zoning will provide for affordable housing units in residential and mixed-use developments. We have reservations that this plan is not effective and is too cumbersome to implement. CHRS concurs in the goal of making available adequate, affordable housing and supports the concept of diversity in housing. At the same time we urge cautious study of the proposals lest the rule of "unintended consequences" sneaks in. Below you will find our concerns.

1 Is there a need for another program to provide affordable housing?

It is clear from the Office of Planning's (OP) preliminary report (pp 18 and 19) that the District has done a very good job of supporting affordable housing projects. In the past six years some 17,647 affordable units have been provided or are underway in DC without inclusionary zoning (approximately 2,600 units per year for 6 5 years) Montgomery County, Maryland, which has had mandatory inclusionary zoning since 1979 had seen only 11,000 units come on line (approximately 440 per year for the past 25 years). Indeed OP estimates that if inclusionary zoning had been in force for the past five years it would have yielded only 758 units or 150 units per year.

All of this data calls into question the incremental value that would be added to the District's already productive affordable housing project. Are the costs of the additional zoning regulations, DC laws, lawyers, planners and additional bureaucracy less than the value of the additional units achieved? Inclusionary zoning will not solve the affordable housing problem and will only add a small number of affordable units annually to the number of units already produced by other programs. Indeed a much simpler zoning solution would be to require that 50% of the density bonus in PUD applications be dedicated to affordable housing as an amenity. This has the advantage in that the developer can choose whether or not to apply for a PUD and then be required to supply the affordable housing. This also quantifies what an amenity is in a truly measurable way.

On a related point, within the next two years we will have two interrelated opportunities to develop housing policy in a more thoughtful and planned way—One is through the

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ongoing revision of the comprehensive plan and the second, is the planned revision of the zoning code that the City Council recently appropriated money for. Deferring any decision on inclusionary zoning at this time is a prudent use of resources.

2 R-4 neighborhoods will be ruined

There is a great concern that inclusionary zoning will cause the destruction of our R-4 row house neighborhoods. The OP report of July 15 shows the need to reduce the minimum lot size in R-4 from 1,800 square feet to 1,500 square feet and the lot width from 18 feet to 15 feet. A corresponding change in lot occupancy is also probably needed, as the footprint of the building with the smaller lot would only be 900 square feet. Our concern is that R-4 properties would be bought and demolished in order to achieve the bonus density. The April 29 OP report notes that this would change the character of R-4 neighborhoods (see p. 38). We've been assured by OP staff that the economics are such that this would not happen. If applying inclusionary zoning to R-4 properties is not economic, then R-4 should be excluded from consideration. We believe that other city programs can be implemented or expanded to provide for more diversity in housing in R-4 neighborhoods and we would support such a plan.

3 What the program should include

The program should be mandatory, there should be one affordable unit for every bonus unit and no relief should be provided unless the BZA determines that compliance would deny an owner of any economically viable use of his property. Allowing units to be provided off site or a buyout contribution to a fund is contrary to the purposes of inclusionary zoning which is to integrate differing incomes into a project. Off site units would in effect create low and moderate income ghettos and the Zoning Commission and BZA would be well advised to stay out of determining the amount of money to pay into a buyout fund.

The unit types should reflect the range of units in the project and there should be no difference in the unit sizes. The units should be reasonably distributed throughout the project and if parking is provided to the market rate units it should also be provided to the affordable units. There is no rational argument for treating purchasers of affordable units any differently than the market.

4 The focus on developer profit is misplaced

Most of the attachments to the July 15 OP report are calculations demonstrating developer profit that would be achieved using various density scenarios. In real life the developer would use calculations to determine what price he could pay for the land to realize the desired profit. The prudent developer will not buy the land unless it is close to the desired price. The impact of inclusionary zoning is not on the developer, but on the price of land. The focus of the study should be whether inclusionary zoning will affect the price of land.

In summary, I would like to stress that CHRS is especially concerned about the impact of inclusionary zoning on R-4 neighborhoods. We note that OP has consulted with developers and housing advocate groups. Unfortunately neighborhood groups and ANC's have not been included in the development of this proposal. We believe that consultation with these groups is essential before the Zoning Commission goes further. The OP proposal in no way reflects views of these important bodies.