



COUNCIL OF THE DISTRICT OF COLUMBIA
THE WILSON BUILDING

Office Of The Secretary

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July 19, 2005

Mr. Jerrily R Kress
Director
District of Columbia Office of Zoning
441 4th Street, N W , Suite 210
Washington, D.C 20001

RECEIVED
D C OFFICE OF ZONING
2005 JUL 25 PM 3 27

Dear Mayor Williams

Enclosed is a copy of Council Resolution 16-218, "Sense of the Council in Support of Mandatory Inclusionary Zoning Resolution of 2005", adopted by the Council during the July 6, 2005 Legislative Meeting

If you have any questions regarding this resolution, please contact Chairman Linda W Cropp on 724-8032

Sincerely,

Phyllis Jones
Secretary of the Council

Enclosure

ZONING COMMISSION
CASE No. 04-33
EXHIBIT No. 36

A RESOLUTION

16-218

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

July 6, 2005

DC OFFICE OF THE
COUNCIL CLERK
2005 JUL 25 PM 3 27

To declare the sense of the Council with respect to the need to amend the zoning regulations to adopt a mandatory inclusionary zoning policy that requires new and rehabilitated residential developments to include housing units affordable to low- and moderate-income residents in exchange for permitting housing developers to obtain additional zoning density as a matter of right.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Sense of the Council in Support of Mandatory Inclusionary Zoning Resolution of 2005".

Sec. 2 The Council finds that:

(1) For almost 30 years, hundreds of cities and counties throughout the United States, including areas neighboring the District, have been using inclusionary zoning to help meet their affordable housing needs and build vibrant, mixed income communities.

(2) Inclusionary zoning is one of many strategies that are currently being examined and adopted to address the critical need to maintain and increase the supply of quality affordable housing in the District.

(3) By adopting an inclusionary zoning policy, the District could:

(A) Increase the supply of affordable housing for low- and middle-income families and workers;

(B) Support the creation of mixed income communities;

(C) Prevent rising prices from driving out low- and moderate-income residents; and

(D) Leverage the expertise and capacity of the private market to develop affordable housing.

(4) For the past several years, the District has been one of the most dynamic real estate markets in the United States. Although rising property values help increase the wealth of District homeowners and generate additional revenue to the District, both of which help fund the District's many social services and other needs and help maintain a balanced budget, rising

property values also present challenges to the District and its residents.

(5) As a result of public and private investments, the District has begun to reverse the decades-long decline in residential population. Its goal now is to gain tens of thousands of new residents during the next decade, while maintaining policies that ensure that existing residents can afford to remain here and that new and renovated housing is affordable across a wide range of income levels.

(6) The District's long-term economic survival requires the adoption of policies that ensure that more of the District's workers, whether in the private or public sector, live in the District and pay income taxes to the District.

(7) The strength of the District, of any thriving jurisdiction, can be found in its diversity; mixed-income neighborhoods are vibrant neighborhoods. To ensure that the District does not become a city comprised of only the very rich and the very poor, it must provide a variety of housing choices for low- and moderate-income households and for working and middle class families, who are an important component of the District's workforce.

(8) In recent years, the District has adopted, or maintained, several strategies to help maintain and increase the supply of affordable housing, for example:

(A) The District requires that new residential developments on land disposed of by the District have a certain percentage set aside for low- and moderate-income households and has funded the Housing Production Trust Fund with a substantial, reliable, and predictable annual stream of revenue to help fund affordable housing construction and renovation.

(B) For homeowners, the Council has reduced the real property tax rate for the first time in 15 years to 92 cents per \$100 valuation, doubled the homestead deduction to \$60,000, and enacted legislation to cap the annual payment of real property taxes to no more than 10%.

(C) For renters, the Council has also reduced the real property tax rate from \$1.54 to 92 cents per \$100 valuation, and the District has continued its longstanding policy in support of rent control and in support of ensuring that tenants have the first opportunity to purchase their apartments when offered for sale.

(D) The Comprehensive Plan requires a developer that has obtained additional commercial office space as a result of a street or alley closing to contribute a certain amount of funds towards the production of low- and moderate-income housing.

(E) In Planned Unit Development zoning cases, upon the recommendation of the Office of Planning, the Zoning Commission requires residential developers that receive bonus density increases to set aside a percentage of the new housing for low- and moderate-income residents.

(9) Inclusionary zoning is a tool to attract new residents and support existing residents by requiring the production of affordable housing in developments throughout the District. However, for these requirements to be effective, developers must be provided sufficient

compensation in the form of density bonuses, zoning variances, and other incentives.

(10) The District faces unique challenges in implementing a successful mandatory inclusionary policy, for the District is primarily a built urban environment with mostly infill development opportunities, which are further constrained by federal height limitations and historic preservation requirements. In addition, many existing stable neighborhoods, even those with Metrorail stops where additional development is permitted under zoning or the Comprehensive Plan, resist increased height and density in their communities.

(11) An inclusionary zoning policy must strike a balance that supports sustained growth within the parameters of the Comprehensive Plan, ensures affordability within developments, includes incentives for development to occur throughout the District, and promotes fairness and predictability.

(12) Many factors make it a critical time to implement a mandatory inclusionary zoning policy in the District, such as the existence of renewed residential investment, an escalating housing market, increasing housing cost burdens on residents and newcomers, increased displacement, and an ambitious Mayoral plan to attract 100,000 new residents. The District can make a major stride toward meeting its twin goals of growth and affordability by committing to one of the most effective tools in the affordable housing toolkit – inclusionary zoning.

Sec. 3. It is the sense of the Council that the Zoning Commission and the Mayor should support timely adoption of a mandatory inclusionary zoning policy that includes the following components:

(1) An inclusionary zoning overlay mapped for those areas of the District where at least a 20% extra zoning density bonus could be appropriately provided and obtained within the parameters of the Comprehensive Plan.

(2) For new and substantially rehabilitated residential developments of 10 or more ownership or rental units within the mapped inclusionary zoning overlay, certain minimum percentages of affordable housing should be required to be set aside for low- and moderate-income residents; in return for which, developers can elect to take a 20% density bonus as a matter of right, in addition to the provision of other developer compensation and cost reduction strategies.

(3) As the District has affordable housing needs across a range of income levels, tiered income targets should be established requiring, for example, that half of the affordable units should be affordable to households at 50% of Area Median Income (“AMI”), and half affordable to households at 80% of AMI.

(4) To make the units affordable to households at 30% of AMI or less, the District of Columbia Housing Authority (“DCHA”) and qualified nonprofits should have the first right to purchase or rent a certain percentage of the inclusionary units. Any of the units not optioned by DCHA or by a nonprofit that are affordable to households at 50% AMI should be prioritized for a separate lottery of Housing Choice Voucher holders on the inclusionary zoning waiting list who

indicate interest in the units. If there are no voucher holders to rent them, the unclaimed portion of the inclusionary zoning units should be distributed to the general applicant pool.

(5) Certain construction requirements should apply. Developers should be required to build inclusionary units within the larger market rate development. Production of affordable and market rate units should proceed simultaneously. Exceptions should be made only when the developer can demonstrate that on-site development would create undue economic hardship, such as, for example, applying inclusionary zoning to a retirement housing community with expensive bundled services, to a development with high condominium fees that cannot be reduced to affordable levels even after non-essential amenity and recreational costs are separated out to attempt to meet the affordability required for targeted income groups, or where compliance would deprive the developer of all economically viable use of the property. When exceptions are granted, the administrative agency should be authorized to require the developer to construct the same number of units either off-site within the same ward or within 2 miles of the development project or to make an in-lieu payment to the Housing Production Trust Fund.

(6) Certain design standards should also apply to inclusionary units. Affordable units should be similar to and compatible with market rate units in outward appearance, number of bedrooms, and location throughout the project; except that the size of affordable units may be reduced to a minimum standard, and interior finishes, appliances, and amenities need not be compatible with market rate units.

(7) The inclusionary zoning program should require long term affordability control periods, in order to build a stock of affordable housing, encourage neighborhood stabilization, and promote economic and racial diversity, which should be balanced with the objective of maintaining the opportunity for families to build wealth through home ownership.

(8) The inclusionary zoning policy that is adopted should be clear about the administration and enforcement of the requirements.

(9) The Mayor should expeditiously prepare and submit to the Council legislation that is necessary to implement and facilitate the inclusionary zoning policy.

Sec 4. The Secretary to the Council shall transmit a copy of this resolution, upon its adoption, to the Mayor, the Zoning Commission, and to the Director of the Office of Planning.

Sec. 5. This resolution shall take effect immediately upon the first date of publication in the District of Columbia Register.



COUNCIL OF THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004
Council Period Sixteen

RECORD OF OFFICIAL COUNCIL VOTE

Docket No. PR16-47 Resolution No. R16-218

Action & Date ADOPTED, 07-06-05

☒ Item on Consent Calendar

☐ ROLL CALL VOTE -Result _____ (_____)

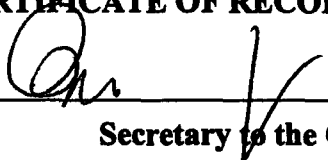
Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB	Councilmember	Aye	Nay	NV	AB
Chmn. Cropp	X				Evans	X				Orange	X			
Ambrose	X				Fenty	X				Patterson	X			
Barry	X				Graham	X				Schwartz	X			
Brown	X				Gray	X								
Catania	X				Mendelson	X								
X - Indicate Vote					AB - Absent					NV - Present, Not Voting				

☒ VOICE VOTE Result APPROVED

Absent ALL PRESENT

Recorded Vote (On Request) _____

CERTIFICATE OF RECORD


Secretary to the Council

July 18, 2005
Date