

Good Evening My name is Mindy Moretti and I'm an Advisory Neighborhood Commissioner in Adams Morgan (ANC1C).

Washington, D C derives much of its strength as a city from its diversity and its many thriving, mixed-income neighborhoods.

Adams Morgan has long been one of the most diverse neighborhoods in Washington, D.C. However, that diversity is being threatened on a daily basis as more and more single-family homes and smaller multi-unit buildings are being replaced by hulking projects offering *luxury* lofts and condos starting in the "affordable" low 400's as an example

While the prices offered on the new *luxury* lofts and condos may be affordable to some, they are hardly affordable to the families that have made Adams Morgan the vibrant, diverse community it is today.

As developers and real estate agents capitalize on the neighborhood's diversity as a selling point for their *luxury* units, the very folks who bring diversity to Adams Morgan, be it ethnic, racial or economic, are being driven from the neighborhood by ever-increasing rents and skyrocketing real estate prices that put most property out of reach for low to moderate income families.

ANC1C has taken a strong stance on a variety of housing issues including a resolution-supported request in 2004 for a revision in the Reed-Cooke Overlay to change low and moderate income to very low- and low-income as the price level for affordable units. To date, we have nothing from the Zoning Commission regarding this request

In February 2005, by a vote of 8-0, ANC1C voted to support the inclusionary zoning proposal submitted to the Zoning Commission by the Campaign for Mandatory Inclusionary Zoning.

We believe that mandatory inclusionary zoning is a critical tool for achieving the goals of producing affordable housing, discouraging displacement, creating opportunities for homeownership and maintaining and creating mixed-income communities.

Without quick adoption of the text amendment submitted in Case No. 04-33 by the Campaign for Mandatory Inclusionary Zoning, Adams Morgan, and in fact all of the District of Columbia are threatened with the very real possibility of becoming a city divided between the very rich and the very poor with no room in the middle.

ZONING COMMISSION
District of Columbia

CASE NO. 04-33

EXHIBIT NO. 43

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CASE NO.04-33
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Zoning Case No. 04-33

Text Amendment Inclusionary Zoning Overlay

WHEREAS, ANC 1C finds that the District has become one of the strongest real estate markets in the United States. The escalating housing market is imposing significant housing cost burdens on low- and moderate-income residents and threatening to displace residents from their communities.

WHEREAS, ANC 1C finds that the strength of the District derives from its diversity and that mixed-income neighborhoods are thriving neighborhoods. In order to ensure that the District does not become a city of very rich and very poor communities, housing opportunities for low and moderate income households must exist throughout the city.

WHEREAS ANC 1C finds that given the District's fiscal structural imbalance, the city's long-term fiscal health requires the adoption of policies to ensure that more of the people who work in the District also live in the District and pay income taxes to the District.

WHEREAS, ANC 1C supports the production of new units of affordable housing for low and moderate income residents that will help prevent displacement and provide new opportunities for District workers to reside in the city,

WHEREAS, ANC 1C supports creating homeownership opportunities for low and moderate income tenants and accepts that homeownership promotes residential stability and long-term affordability, and helps residents build wealth,

WHEREAS, ANC 1C contends that the development of affordable housing for low- and moderate-income workers is vital to attracting and retaining businesses to sustain the District's continued economic development,

WHEREAS, ANC 1C finds that 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.

WHEREAS, ANC 1C believes that mandatory inclusionary zoning is a critical tool for achieving the goals of producing affordable housing, discouraging displacement, creating opportunities for homeownership; and maintaining and creating mixed-income communities in the District by leveraging the expertise and capacity of the private market;

WHEREAS, ANC 1C believes a mandatory inclusionary zoning policy is an essential piece of a comprehensive strategy to address the District's shortage of affordable housing.

WHEREAS, the text amendment filed with the Zoning Commission in Case No. 04-33 would establish an Inclusionary Zoning Overlay in the District of Columbia that would meet ANC 1C goals of producing affordable housing for low and moderate income residents and maintaining and creating mixed-income neighborhoods, at little economic cost to the District;

Now Therefore Be It:

RESOLVED, that ANC 1C supports the adoption of the text amendment submitted to the Zoning Commission in Case No 04-33, to establish an Inclusionary Zoning Overlay in the District of Columbia.

RESOLVED, that ANC 1C supports the mapping of an inclusionary zoning overlay for those areas of the District where at least 20% extra zoning density bonus could be appropriately provided and obtained within the parameters of the Comprehensive Plan.

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that shall apply throughout the District whenever a developer requests and is granted permission to build at a greater density than is permitted as of right.

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that applies to new and substantial rehabilitated residential developments of 10 or more ownership or rental units within the mapped inclusionary zoning overlay, with certain minimum percentages of affordable housing should be required to be set aside for low and moderate income residents, and developers can elect to take a 20% density bonus as a matter of right in return

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that establishes tiered income targets, with half of the required affordable units affordable to households at 50% of Area Median Income (AMI), and half affordable to households at 80% of AMI.

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that makes the inclusionary units affordable to households with incomes at 30% of AMI or less by providing that the D.C. Housing Authority (DCHA) and qualified non-profits should have the first right to purchase or rent forty percent of the inclusionary units, and any of the units not optioned by DCHA or nonprofits 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, provided that 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

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that requires developers to build inclusionary units within the larger market rate development and permits exceptions only when the development can demonstrate that on-site development would create undue economic hardship. When exceptions are granted, the developer shall be required to construct the same number of units off-site either within the same ward or within two miles of the development project, or make an in-lieu payment to the Housing Production Trust Fund. A developer also should be able to apply for an exemption from the requirements of the program where compliance would deprive the developer of all economically viable use of the property.

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that requires that affordable units be similar to and compatible with market rate units in outward appearance, number of bedrooms, and location throughout the project, but permits the size of affordable units to be reduced to a minimum standard and does not require that interior finishes, appliances, and amenities be compatible with market rate units.

RESOLVED, that ANC 1C supports the adoption of an inclusionary zoning overlay that requires long-term affordability control periods, in order to build a stock of affordable housing, encourage neighborhood stabilization, and promote economic and racial diversity. This goal should be balanced with the objective of maintaining the opportunity for families to build wealth through homeownership by permitting owners of the affordable units to receive the increase in the total unit value correlating with the Consumer Price Index. In addition, owners shall receive a portion of the equity in the unit at the time that the unit sold following the expiration of the control period.

RESOLVED, that ANC 1C urges the Zoning Commission to schedule a public hearing on Case No. 04-33 as quickly as possible.

RESOLVED, that ANC 1C urges the Zoning Commission to adopt the text amendment submitted in Case No. 04-33 as quickly as possible.

Offered by: Commissioner Bryan Weaver
February 1, 2005

YEA: Roth, Canty, Weaver, Moretti, Miscuk, King, Gibson, and Taylor
NAY: None