

**TESTIMONY OF MERRICK T. MALONE
PRINCIPAL, METROPOLIS DEVELOPMENT CO.LLC.
PRESIDENT OF HARRISON MALONE DEVELOPMENT LLC
ON
ZONING COMMISSION CASE # 04-33 INCLUSIONARY ZONING
July 25, 2005**

GOOD EVENING CHAIRPERSON MITTEN AND MEMBERS OF THE ZONING COMMISSION. I AM MERRICK MALONE A PRINCIPAL IN METROPOLIS DEVELOPMENT COMPANY AND PRESIDENT OF HARRISON MALONE DEVELOPMENT, A MINORITY OWNED DEVELOPMENT COMPANY WHICH CURRENTLY PROVIDING AFFORDABLE HOUSING THROUGH THE CITY'S HOME AGAIN INITIATIVE. I HAVE ALSO SERVED SIMULTANEOUSLY AS THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT AND DIRECTOR OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE DISTRICT OF COLUMBIA FROM 1992 THROUGH 1996 THROUGHOUT MY PRIVATE AND PUBLIC SECTOR CAREER I HAVE BUILT, RENOVATED, FINANCED AND DEVELOPED AND IMPLEMENTED POLICIES TO CREATE MORE AFFORDABLE HOUSING IN THE DISTRICT OF COLUMBIA AND AM A STRONG PROPONENT OF AFFORDABLE HOUSING.

IN THE TIME ALLOTTED I WOULD LIKE TO MAKE THE FOLLOWING POINTS

THE GOAL OF INCREASING AFFORDABLE HOUSING IN THE DISTRICT IS COMPLEX AND REQUIRES A COMPREHENSIVE, INTER RELATED, COORDINATED EFFORT FROM ALL BRANCHES OF GOVT AND PARTICIPATION FROM THE PRIVATE DEVELOPMENT COMMUNITY. YOU ARE BEING ASKED TO ESSENTIALLY CREATE OR MANDATE HOUSING POLICY WITHOUT THE BENEFIT OF THE ANALYSIS, THE INTRACIES AND VAGARIES OF IMPLEMENTATION, THE KNOWLEDGE OF REQUIRED HUMAN AND FINANCIAL RESOURCES TO ADMINISTER SUCH A PROGRAM OR THE POTENTIAL NEGATIVE CONSEQUENCES. DON'T FEEL BAD NONE OF US DO AND THEIRIN LAYS THE PROBLEM NEITHER YOU NOR OP WILL TRULY BE RESPONSIBLE FOR THE ADMINISTERING OF MIZ.

THE IMPOSITION OF MANDATORY INCLUSIONARY ZONING COULD BE HISTORY REPEATING ITSELF WHEN THE COMMISSION IMPOSES A REGULATORY MANDATE IN AN EFFORT TO DIRECT A WORTHY SOCIAL AND ECONOMIC GOAL WHICH ULTIMATELY HAD THE OPPOSITE EFFECT ON THE GOAL AND ONLY SERVED AS A DISINCENTIVE TO THE VERY SEGMENT THE CITY WAS TRYING TO ATTRACT.

YOU REMEMBER THE DOWNTOWN DEVELOPMENT DISTRICT OVERLAY WHICH WAS MANDATED IN THE EARLY 1980'S WITH THE GOAL OF CREATING A VIBRANT DOWNTOWN WITH A MIXTURE OF COMMERCIAL,

**ZONING COMMISSION
District of Columbia**
CASE NO. 04-33
EXHIBIT NO. 01
ZONING COMMISSION
District of Columbia
CASE NO.04-33
EXHIBIT NO.61

RETAIL, AND RESIDENTIAL DEVELOPMENT I AM SURE THAT THE SUCCESS OF THE DDD WOULD BE DEBATED BY IT AUTHORS. HOWEVER THE MARKETPLACE REALITY WAS THAT FOR NEARLY 15 YEARS LITTLE IF ANY DEVELOPMENT WAS ACCOMPLISHED IN THE REAL ESTATE COVERED BY THE OVERLAY INCLUDED PARCELS SUCH AS GALLERY PLACE, AND THE WAX MUSEUM SITE. THE REQUIREMENTS THAT WERE IMPOSED ON DEVELOPERS IN AREAS OF REQUIRED DENSITY FOR RESIDENTIAL DEVELOPMENT AND OTHER BURDENS SERVED AS A DISINCENTIVE TO DEVELOPMENT AND ACCELERATED DETERIORATION THE WEST END OF DOWNTOWN. THE TURN AROUND CAME WHEN MR. POLLIN AND THE CITY AGREED TO DEVELOP THE MCI ARENA AND THIS WAS DONE IN SPITE OF DDD AND NOT AS A RESULT OF THE DDD. THE SUCCESS OF THE DDD OVERLAY COULD BE MEASURED BY THE FACT THAT MANY OF THE PARCELS ARE JUST BEING DEVELOPED (WAX MUSEUM) BECAUSE THE MARKET HAS BECOME ATTRACTIVE TO DEVELOP AND IT STILL REQUIRES GOVERNMENT ASSISTANCE. THE CITY, DEVELOPERS, AND THE COMMUNITY WERE BURDENED WITH A POLICY THAT STIFLED THE VERY DEVELOPMENT IT WAS INTEND TO SPUR.

MIZ MAY WORK IN TIMES OF ESCALATING LAND VALUES, HOWEVER WHEN THERE IS COOLING OFF PERIOD IT WILL ONLY INTENSIFY THE PROBLEM AND FURTHER RESTRICT THE PRODUCTION OF AFFORDABLE UNITS. THIS ISSUE IS MUCH GREATER AND LARGER THAN THE ZONING COMMISSION AND REQUIRES THE INPUT OF MANY INCLUDING THE PROVIDERS OF CAPITAL.

IF THE GOAL IS TO INCREASE AFFORDABLE UNITS, THE CITY SHOULD MAKE IT A PRIORITY IN THE DEVELOPMENT OF ALL OF ITS PROPERTY WHERE IT HAS CONTROL OF THE LAND VALUE

THANK YOU.