

District of Columbia Zoning Commission Hearing on Inclusionary Zoning Text
Amendments, 04-33G

April 14, 2016

Testimony of Nancy MacWood, Chair, Committee of 100 on the Federal City

The Committee of 100 on the Federal City appreciates the opportunity to participate in this hearing on proposed text amendments to improve the Inclusionary Zoning program.

We support many of the proposals presented by the Coalition for Smart Growth and others. We also think this is a good opportunity for the Zoning Commission to consider how IZ fits within the context of the District's policy goals to ensure an inclusive city with affordable housing for all. We also urge you to make improvements that are consistent with development policies and that allow the program to target those with the greatest housing needs.

To this end, we support reducing income eligibility levels to **50% of AMI for rental and 70% of AMI for homeownership** housing. We think it's important to put the target beneficiaries into some real world context so that developers and residents understand that 50% of AMI is not that far from the median income for DC residents. It's also important to understand that over 18% of our residents live below the poverty level and that the percentage of DC families living below poverty levels rises to 28% and gets worse for African American families with children. We are not talking about a fringe group; 50% of AMI includes a large proportion of DC residents.

We also strongly urge the Zoning Commission to stop the policy of allowing developers to choose the size of housing units based on the size of units they want to market. We should be developing IZ housing units that address our needs, not marketing strategies. To this end, we urge encouragement of **larger units for families** rather than single occupancy units. We also support increasing the required **percentage of IZ units** in an inclusionary zoning development.

The Committee of 100 has long supported including **downtown** in Inclusionary Zoning requirements, and we agree that a **single set aside** percent of development and removing the two-tier system is a good idea. We also support continuing the **20% bonus density** allowance in exchange for a set aside of IZ units. We aren't persuaded that there is any need to raise it.

In the past 10 years we've lost half of housing units priced below \$750/month. A substantial portion of rent restrictions imposed by the Low Income Housing Tax Credit program have expired and more – many in Adams Morgan, Shaw, and Trinidad - will expire over the next 5 years and building owners may seek to take advantage of high DC rents and condo prices by

converting this housing to market rate housing. We think it's critical that the IZ program create a permanent inventory of housing. The use of the bonus density doesn't expire, and the housing allowed it should not disappear as long as the need is so great.

Resale of for-sale units could permit a reasonable amount of equity to the low income owner, but it's critical that we offer the housing to more than one low income owner. To that end, we support preserving **permanent affordability** and the inventory of for-sale IZ units and continuing the resale of units to eligible residents earning up to 70% of AMI. We also agree that the Mayor and the Housing Authority should be authorized to buy unsold units and maintain them in the IZ program.

The Committee of 100 does not support using the IZ program to increase density in **low density areas**. We've had this discussion during ZRR. There are different impacts and considerations in low density areas than in areas zoned to accommodate larger developments and that result in more units in exchange for 20% bonus density. We urge that **lot occupancy** standards remain to control light and air and neighborhood character and that **lot widths** that have already been reduced for IZ developments be maintained. We also think more study, including potential numbers of units created and simulations to show impacts, should be done before authorizing small and ineligible developments to use bonus densities. The essential change that will produce more IZ units is bringing downtown into the program.

We strongly oppose the notion of moving required IZ units to **off-site locations** without a rigid evaluation of economic hardship. This goes to the heart of the program. The intent of IZ is not only to create quality low income housing quickly. What distinguishes IZ from other federally-funded low income housing programs and the Housing Production Trust Fund programs, is that this DC-based program intentionally seeks to mix income levels in development projects so that all buildings, blocks, and neighborhoods reflect the economic diversity of the city. It also permits lower income residents to live near metro, job centers, services, and other desirable resources, like schools. IZ has not allowed developers to buy out of the requirements or move low income residents to another location away from the desirable attributes of the development, without a showing of economic hardship.

Many of our federally funded programs facilitate housing built or rehabbed primarily for low income earners and many are in areas with fewer services because land costs are less. IZ represents another model that ensures low income residents an opportunity to live in areas where desirable services and opportunities exist. It would very unfortunate if the Zoning Commission was persuaded by developers who want to move low income residents to some other location even if it's to a lower floor or a neighboring building or a few blocks away or somewhere in the same ward. IZ has multiple goals and reducing it to only a housing program would diminish its potential and the original intent, in our view.