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ANC 6D

Near Southeast/Southwest
Advisory Neighborhood Commission 6D

February 9, 2016

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Anthony J. Hood, Chairman
Zoning Commission
441 4th Street, NW, Suite 210S
Washington, DC 20001

OFFICERS

Chairperson
Andy Litsky
Vice Chairperson
Rachel Reilly Carroll
Secretary
Stacy Cloyd
Treasurer
Meredith Fascett

VIA E-MAIL: zcsubmissions@dc.gov

RE: Zoning Commission Case No. 04-33G

Dear Chairman Hood:

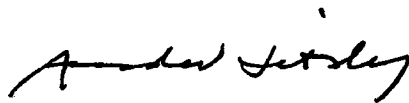
At a regularly scheduled and properly noticed public meeting on February 8, 2016 with a quorum being present, a quorum being 4 Commissioners, Advisory Neighborhood Commission (ANC) 6D voted 6-0-0 for the motion to authorize ANC 6D07 Commissioner Meredith Fascett to represent ANC 6D regarding Zoning Commission Case No. 04-33G.

COMMISSIONERS

SMD 1 *Marjorie Lightman*
SMD 2 *Stacy Cloyd*
SMD 3 *Rachel Reilly Carroll*
SMD 4 *Andy Litsky*
SMD 5 *Roger Moffatt*
SMD 6 *Rhonda Hamilton*
SMD 7 *Meredith Fascett*

Should you have any questions, please let me know.

Sincerely,



Andy Litsky
Chairman, ANC 6D
Near Southeast/Southwest

ZONING COMMISSION
District of Columbia
CASE NO. 04-33G
EXHIBIT NO. 193
ZONING COMMISSION
District of Columbia
CASE NO.04-33G
EXHIBIT NO.193

**Testimony of ANC 6D before the
Zoning Commission for the District of Columbia
ZC Case No. 04-336, Inclusionary Zoning Amendment
April 14, 2016**

Thank you, Mr. Chairman and Members of the Commission for the opportunity to testify this evening. My name is Meredith Fascett. I am an ANC Commissioner in ANC 6D, which includes Navy Yard, Southwest, and Buzzard Point. I am giving these comments tonight on behalf of ANC 6D.

ANC 6D strongly supports Option 1B as presented in the ZC 04-33G Inclusionary Zoning Amendments Report, dated July 3, 2015 by the District Office of Planning (“OP”).

First, the ANC views the requirement proposed in Option 1B that all rental Inclusionary Zoning (“IZ”) units to be priced to be affordable for households earning 60 percent of median family income (“MFI”) as a game-changer in the District’s ability to create a continuum of affordable housing and create pathways to the middle class.

Second, the ANC views the change proposed in Option 1B to increase the target MFI for all IZ for sale units from 50 percent to 80 percent as appropriate because it “targets for sale units to households who can more easily qualify for mortgages,” does not prevent homeownership at lower income households through the District’s purchaser subsidies,^{vi} and acknowledges that it is challenging to find eligible, credit worthy potential home buyers at the 50 percent of MFI level.ⁱⁱ

Third, the ANC is supportive of the differences in affordability targets by building tenure as proposed in Option 1B. As described by OP, “rental and ownership housing stock tend to serve different types of households and different income ranges.”^{iiiiv} Option 1B “aligns the target households more closely to the affordability gaps in the District’s supply by varying them based on the tenure of the building.”^v

I’d now like to expand upon my first statement that the change to IZ rental unit affordability targets proposed in Option 1B can be a vital tool in the creation of a continuum of affordable housing and pathways to the middle class. Rental units represent 81 percent of IZ units.^{vi} By getting the rental unit target affordability ‘right,’ the District can optimize the benefits of our IZ program.

Changing the rental unit target affordability to 60 percent of MFI as proposed in Option 1B:

- 1) Aligns IZ targets to where the gaps between supply and demand grow more significant (at 60 percent of MFI)^{vii viii}
- 2) Aligns the affordability of IZ rental units with the incomes of the majority of households who are seeking assistance through the IZ program^{ix x}
- 3) Assists more households who are severely cost-burdened (24 percent of households at 40 percent to 60 percent of MFI are severely cost-burdened. In comparison, only nine percent of renters at 60 percent to 80 percent of MFI are severely cost burdened.^{xi})

- 4) Aligns IZ with a broadly known and critically important policy priority. In 2012, a task force representing developers, non-profits, District agencies, law firms and foundations developed the District's Comprehensive Housing Strategy "Bridges to Opportunity" which states: "We urge our leaders to immediately commit new local funds to implement this comprehensive housing strategy. We recommend that the lion's share of the new funds finance housing for those earning 60 percent of the Area Median Income (AMI) and below."^{xii}

The ANC believes that Option 1B is a superior policy choice over Option 1A.

Option 1B's impact on land values is similar to Option 1A. (OP states that "1B had similar impacts to rental development as 1A, [and 1B] had positive impacts for ownership projects."^{xiii})

And, Option 1B's financial value to District residents on a pathway to the middle class is much more substantial than Option 1A's.

The ANC believes that Option 1A misses the opportunity to align the IZ program with the District's affordable housing goals.

Option 1A generates too few units at 50 percent of MFI. (Only 36 percent of future IZ units would be affordable at 50 percent of MFI under Option 1A.^{xiv}) And Option 1A creates rental units at 80 percent of MFI rather than at 60 percent of MFI even though rental units at 80 percent of MFI 1) do not serve lower income households, 2) are "priced very close to available rental market supply especially for small units", which most IZ units are,^{xv} and 3) require a new marketing effort to even find enough eligible, interested households.^{xvii}

The Continuum of Housing Programs & The Crowding Out Effect

At the March 3rd hearing, District agencies testified that IZ is one of the few affordable housing tools for households at 80 percent of MFI and thus the income targets for IZ should not be lowered to 60 percent of MFI as doing so would limit the options for assistance to households at 80 percent of MFI.

The ANC does not find this argument compelling. Households at 80 percent of MFI have options. As OP notes, "two thirds of surveyed IZ households who turned down IZ units set aside at the 80 percent MFI level responded that the units were too expensive"^{xviii}, indicating that they are able to find cheaper units outside of the IZ program. Furthermore, Option 1B creates a pathway to homeownership for households at 80 percent of MFI by raising the income targets from 50 percent to 80 percent of MFI for IZ for sale units.

Also at the March 3rd hearing, District agencies testified that more expensive IZ rental units (at 80 percent of MFI) should be built to prevent 80 percent of MFI households from "crowding out" 60 percent of MFI households from the existing pool of naturally affordable units. The ANC believes this argument is backwards. Instead, we should be creating IZ rental units targeted at 60 percent of MFI in

order to generate a set of units for which households at 60 percent of MFI don't have to compete with households at 80 percent of MFI. The IZ intervention should be targeted at our largest market failure, our supply/demand mismatch, which is for families at 60 percent of MFI, not at 80 percent of MFI.

Affordable Housing & Pathways to the Middle Class in ANC 6D

I want to take a step back and speak more broadly about what we are trying to achieve as a city, as a neighborhood, and as an ANC.

Helping our low income residents find pathways to the middle class is a priority for ANC 6D. We are committed to bringing resources, programming, and jobs to the neighborhood for these residents. For example, in my SMD, I've spent the past three years trying to make sure that our new neighborhood elementary school will provide a quality, inclusive education for all neighborhood kids across all incomes. I've worked with residents on the resumes and matched them with mentors. I routinely circulate job leads to my public housing constituents.

And, ANC 6D has success stories.

One of my constituents is a young woman who has grown up in public housing, graduated from DC public schools, and is working part-time at an aftercare program while attending community college. She dreams of being an early childhood education teacher. Great! But, when she's ready to move out on her own, where will she be able to live without being severely cost-burdened? How do we keep her on a pathway to the middle class? An IZ rental unit at 60 percent of MFI would be fantastic. An IZ rental unit at 80 percent of MFI is out of reach.

I want to highlight another constituent, a young man in his early twenties. He grew up in Ward 8. His mom moved mountains to get him a good DCPS education. He currently lives in public housing with his mom and his disabled aunt. He did coursework at AU and is about to graduate from a very good IT training program. When he lands his dream job as an entry level UX designer, where is going to live? An IZ rental unit at 60 percent of MFI would help permanently set him on the pathway to the middle class.

These two young adults are part of the community's fabric. DC is their home. Can DC be their future? Affordable housing is the linchpin.

We don't want a future where the "District will become a place where only those at the lowest incomes (who have subsidies) and those at the highest incomes can afford to live."^{xix}

We want the city to continue to be an affordable home for "a wide variety of residents with varying skills, occupations and incomes."^{xx}

We want residents to see that there really is an achievable pathway to the middle class. And we want to support them on this path.

We want diverse communities with strong social bonds. It's very difficult to bridge the gap and build community across very low income and wealthy residents without a cohort of moderate income households in between.

Inclusionary zoning is envisioned as a tool to provide “modest levels of long-term affordable housing in high cost neighborhoods” and to “help further vibrant neighborhoods of diverse household incomes.”^{xxi}

ANC 6D urges you to implement Option 1B. By supporting Option 1B, you will be making the District's IZ into the powerful and effective program that we all envisioned. And you will be changing the future for hundreds of District households.

Thank you.

Meredith Fascett

ANC Commissioner – 6D

ⁱ ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.4

ⁱⁱ ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.15

ⁱⁱⁱ ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.15

^{iv} ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.14

^v ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.17

^{vi} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.10

^{vii} ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.4

^{viii} ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.14

^{ix} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.12

^x Figure 13, ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning

^{xi} DCFPI analysis of 2013-2014 American Community Survey microdata

^{xii} Bridges to Opportunity, A New Housing Strategy for DC, 2012, p.7

^{xiii} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.19

^{xiv} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.16

^{xv} ZC 04-33G Inclusionary Zoning Amendments Report, July 3, 2015, p.14

^{xvi} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.10

^{xvii} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.13

^{xviii} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.7

^{xix} Bridges to Opportunity, A New Housing Strategy for DC, 2012, p.13

^{xx} Bridges to Opportunity, A New Housing Strategy for DC, 2012, p.13

^{xxi} ZC 04-33g Inclusionary Zoning Amendments Technical Appendices, District of Columbia, Office of Planning, p.4