



value innovation sustainability

April 14, 2016

Chairperson Hood
DC Zoning Commission
441 4th Street, NW
Suite 210S
Washington, DC 20001

Re: ZC 04-33G Inclusionary Zoning Amendments

Dear Chairperson Hood and Members of the Board:

I am an architect and own a small local real estate development company that builds in the six to 60 unit range. I have built, or am currently in the process of developing, 16 for-sale Inclusionary Zoning Units. One of our projects was the first to provide a 50% AMI for-sale unit in the District under the Inclusionary Zoning Program.

I would like to highlight the impact the current regulations have on small infill projects, ones you may not typically see here at the Zoning Commission. These are generally by-right projects, located throughout the entire City and are a staple to the continued and organic growth of our neighborhoods.

Of the hundreds of potential development projects we have evaluated over the past few years, approximately 70% were not economically viable specifically because of the current Inclusionary Zoning requirements.

There are several reasons for this impact, primarily because small buildings are much more sensitive to the regulations. Small buildings:

- are much less efficient than larger ones, leading these projects to provide typically greater than the minimum IZ square footage required. While it may seem insignificant, the difference between 10% and 11.4% of the building square footage provided as affordable actually makes a difference on whether a project moves forward or not.
- rarely achieve the full bonus density used to offset the additional costs and lost revenue. Small projects are typically in infill conditions, on narrow sites, and have historic preservation considerations. In each of our last four projects, maximum bonus density was not achievable.

ZONING COMMISSION
District of Columbia
CASE NO. 04-33G
EXHIBIT NO. 207
~~ZONING COMMISSION~~
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Community development

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Putting an even greater burden on these small projects, where the current effects of the Inclusionary Zoning Program already make many projects non-starters, would further reduce the number of small viable projects, especially in the for-sale segment. This Program can be improved, but we must make modifications that only make a positive difference, not ones that will further impede the success of small residential projects.

I therefore request you reject the Applicant's proposal and support OP's February 2016 Recommendations, specifically Proposal 1A.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant Epstein". The signature is fluid and cursive, with a prominent initial "G" and "E".

Grant Epstein
President
Community Three Development