

Richard Lake
Roadside Development
IZ Testimony
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Good evening Chairman Hood and members of the Zoning Commission. My name is Richard Lake, a principal with Roadside Development. We specialize in the development and redevelopment of impactful properties that leverage the vertical integration of meaningful retail with residential. Thank you for the opportunity to testify tonight regarding a very important discussion on the proposed changes to the District's Inclusionary Zoning regulations. The quantity and quality of the housing stock for all incomes is critically important to the growth and continued improvements of our City. Especially, preserving and growing the amount of housing for moderate and lower income households. I believe it is a measure of not only the authentic fabric of our community, but the very soul of our City.

Our city has undergone significant revitalization in recent years, however, the resulting benefits have been focused in select areas of the city, often excluding those neighborhoods with the greatest need for economic activity. At Roadside, we believe that the quantity and quality of a neighborhood's housing stock is the foundation for continued growth and improvement in those communities. This specifically includes the preservation and expansion of housing for moderate and lower income households.

As you have or will hear in the testimony from my colleagues in the building industry, the proposal put forward by the Coalition for Smarter Growth will have an adverse impact on the development economics for new residential projects. This will not only result in diminished land values, but it will also increase housing costs for all residents as demand will outpace the production of new supply.

I'm here tonight to specifically discuss why the CSG proposal will have unintended consequences that extend beyond housing affordability. By constraining the production of new housing at all income levels, the proposed changes will limit the viability of much needed retail and services throughout the city. Local businesses thrive in neighborhoods where they have support from a high concentration of residents. In other words, increased housing density directly translates into more customers who patronize local shops, restaurants and service providers. These businesses are a vital component of neighborhood development, as they provide, much needed jobs, improve access to higher quality goods and services, and contribute to the overall quality of life for residents. Without residential growth these businesses and economic benefits are lost.

In addition to impeding economic development, the proposed changes to IZ will have a significant negative impact on the fiscal health of the City. Taxes collected from retail and restaurant sales, payroll, and real estate assessments will be reduced, leaving the District with less revenue to tackle many of the other needs of its residents. The beneficiaries of the proposed policies will be our neighboring jurisdictions. DC developments are already competing with Bethesda, Silver Spring, Arlington, Alexandria, and Fairfax County in attracting residents and retail tenants. As the District becomes an increasingly expensive place to live and conduct business, these close-in communities will continue to add density and offer the "City" experience at lower costs.

Providing quality affordable housing is critical to our City's future. Doing so without negatively impacting the economic activity so desperately needed in our neighborhoods is of equal importance. Housing policies that constrain new supply and increase rents will drive more residents and businesses to competing jurisdictions, taking with them a sizable share of the District tax base.

For the reasons stated above, I support OP's "Option 1A" recommended changes which are balanced and thoughtful. Thank you for your time.

ZONING COMMISSION
District of Columbia
CASE NO. 04-33G
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EXHIBIT NO. 215
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