Testimony in SUPPORT of Case 08-06A, Subtitle D (Accessory Apartments)
By Ellen M. McCarthy
Chevy Chase DC
Member, Zoning Revisions Task Force

Good evening, I am here to express the strong support by Ward 3 Vision of the proposed updates to the DC zoning code, particularly the proposed changes to the rules for creating accessory apartments (ADU's for short). I am a member of the Steering Committee of Ward 3 Vision, a group of residents who wish to see the future of Ward 3 as even more inclusive, with healthy neighborhoods and lively, attractive streets and retail areas.

ADU's are a long-standing way of accommodating those in search of reasonably-priced housing, and providing extra income for potential homebuyers or those who wish to supplement fixed incomes and age in place. In the 1950's, when the District population topped 800,000, our homes were filled with extended families, boarders, and tenants in English basements, carriage houses and other accessory units. Even now, many low-density, single family neighborhoods like mine have numerous renters in accessory units in basements or in standalone structures in the rear yards, mostly illegally-converted, because of the time and expense of having to go to the Board of Zoning Adjustment to get permission to formally create the units. We have not experienced any of the horrors or adverse effects to our neighborhoods because of these units that you will likely hear tonight from those who oppose ADU's.

There are many reasons Ward 3 Vision supports ADU's:

1. **Creating an Inclusive City.** *As the Comp Plan indicated in 2006, we are a divided city, and we need to find ways to grow an <u>inclusive city</u>.* Given the price of land in places like upper Northwest, the opportunities to build large new affordable apartment buildings are limited, but with ADU's, inclusionary zoning, affordable housing proffers in new PUD's, we can begin to make some progress in allowing those with more moderate incomes to have access to the same public benefits we enjoy: good schools, nice parks and playgrounds, libraries, community centers, etc. It's only one tool, but that's a strong reason to add it to the quiver.
2. **Supporting the Widespread Desire to Age In Place.** *The enormous interest in the "Villages" established in many neighborhoods to support those who wish to age in place, along with virtually poll on the subject, evidences that* older DC residents wish to stay in their homes as long as possible. The ability to create an apartment for additional income, or to accommodate renters who can provide care or household maintenance while still providing privacy for the primary homeowners is an excellent benefit of ADU's.
3. **Accommodate Additional Families without Putting Undue Pressure on Housing Costs.** One very difficult public policy problem we face is how we can provide more reasonably-priced housing options for families, *both those here already and those who will be created by the more than 1000 new young professionals who have been flocking here every month, once they get married, have children and decide a studio or one-bedroom*

apartment will not work. Construction of new, larger units is expensive and new supply has been limited. One policy *that the Office of Planning and the Commission have pursued* is to change the zoning in some areas with larger townhouses to discourage the conversion of those structures to condos, which not only reduces the inventory of larger homes, but creates strong upward price pressures, making it difficult for families to compete with potential condo developers who can pay more. ADU's, because of the requirement that the owner must remain on the premises, accommodate some additional residents, but without the substantially greater pressure that would result from converting an entire building and selling off three or four units. *The easiest way to provide for families is to preserve the family housing we have, with a modest boost to affordability through the ability to create an ADU.*

4. **Support the Housing Market.** *The owners of houses in established neighborhoods like mine in Chevy Chase, Barnaby Woods, Colonial Village, AU Park, Sixteenth Street Heights, Spring Valley, PennBranch, Woodley Park, Hillcrest, etc. have benefitted enormously over the years from appreciation of our properties due to a generally strong residential market, partly due to the size of the baby boomer market.* Many in these neighborhoods have expressed fear that ADU's will devalue the neighborhood. I believe exactly the opposite is true. Few recognize the enormity of the boomer age cohort that many of the present owners are part of, nor do they realize that the Generation X'ers who come after us are a drop in the demographic bucket, and have much more limited wealth accumulation that we had. As a result people in Ward 3 and similar areas should support, not oppose, supporting a policy that permits the younger folks who will want to purchase our homes to have the ability to include rental income in order to qualify for and afford a mortgage. *If no one is there to buy our houses at their appreciated value in a few years, many older residents could be facing an unexpected shortfall in the housing value they expected to help finance their retirement.*
5. **Support the Continued Economic Health of the District and the Region.** *As the attached report, based on research from George Mason University points out:* <u>*Over the next 20 years,* ***the Washington metropolitan area will add over a million net new jobs.*** *At the same time,* ***the region will need 1.8 million workers to replace retirees and others leaving the workforce.***</u> This translates into a need for **700,000 net new housing units**, yet at the current rate of construction, we will fall short by one-quarter, or 150,000 units in that time period. If our employers cannot recruit the talent they need to fill jobs (because those employees cannot find housing they can afford within a reasonable commute), the ability to provide employment for our children, goods and services for our population, and tax revenue to provide for our aging population will be drastically affected as employers move jobs to regions with a ready labor supply and affordable housing. Again, ADU's aren't the sole answer, but they are one tool, along with other policies we hope the Commission will support, including reduced parking minimums in transit-rich areas to reduce the cost of new apartments, and increased density in the areas around transit stations.

We would suggest going further and eliminating the restriction in Section 1606.1 that only one accessory unit be permitted on a property. Particularly if the Commission retains the limitation of no more than 6 persons total in all the structures, and the requirement that the owner must live in one of the structures, then we think that permitting an ADU in an accessory building, in addition to one in the principal structure would be consistent with the public policy objectives I've listed above. It would seem that retaining the provision which requires a special exception for a new construction of residential unit in an accessory building would be sufficient safeguard against adverse impacts on neighboring property. Not only would permitting residential use in a garage, carriage house or pool house further increase the benefits of providing ADU's listed above, but, in many of our alleys, it would provide important "eyes on the street" for improve safety in the alleys. In many instances, there are tall fences across rear yards, which mean that any untoward activity in an alley can go undetected, because the alley is not visible from the neighboring residences. Having an accessory apartments in an accessory building, particularly where there are large and deep lots, would not only not have an adverse impact, but could have a positive effect on alley security.

In summary, there are numerous important public policy reasons to approve the proposed ADU provisions, and indeed, to go beyond them, and we urge the Commission to approve the accessory apartment regs as proposed, and to eliminate the restriction in Section 1606.1,

Thank you for the opportunity to speak tonight.

Greater Greater Washington
The Washington, DC area is great. But it could be greater.

DEVELOPMENT

Washington's economic future depends on more housing

by Lisa Sturtevant and Agnès Artemel • October 17, 2012 10:38 am

This is the second in a 5-part series about how the Washington metropolitan area can provide housing options for its growing workforce. Read part 1.

Is the Washington region building enough housing, or the right types of housing, for the future? At current rates, probably not, and that risks stifling the region's economic vitality.

Over the next 20 years, the Washington metropolitan area will add over a million net new jobs. At the same time, the region will need 1.8 million workers to replace retirees and others leaving the workforce.

These workers will need over 700,000 new housing units by 2030, but even if the pace of construction over the last 20 years continues, the region would only add about ¾ that much. Plus, new workers will (and already do) demand more multi-family housing and housing at lower price points than what exists today or what most builders are constructing.

In 2010, the Washington metropolitan area depended on non-resident workers more than any other metropolitan area in the country. About 230,000 commuters from places like Baltimore, the Eastern Shore, Richmond and West Virginia work in Washington every day. Hundreds of thousands of other workers commute between jurisdictions each morning and evening.

A major source of the region's transportation problems is the inadequate supply of housing within the region. Without enough housing for our future workers, the consequences will be enormous. Home prices and rents will rise, our roadways will become more congested, our transit systems strained to the limit, and employers will depend more and more on non-resident workers.

Housing the workforce is key to the Washington region sustaining its current economic success and achieving its economic growth potential in the future.

The region needs more than 700,000 new housing units by 2030

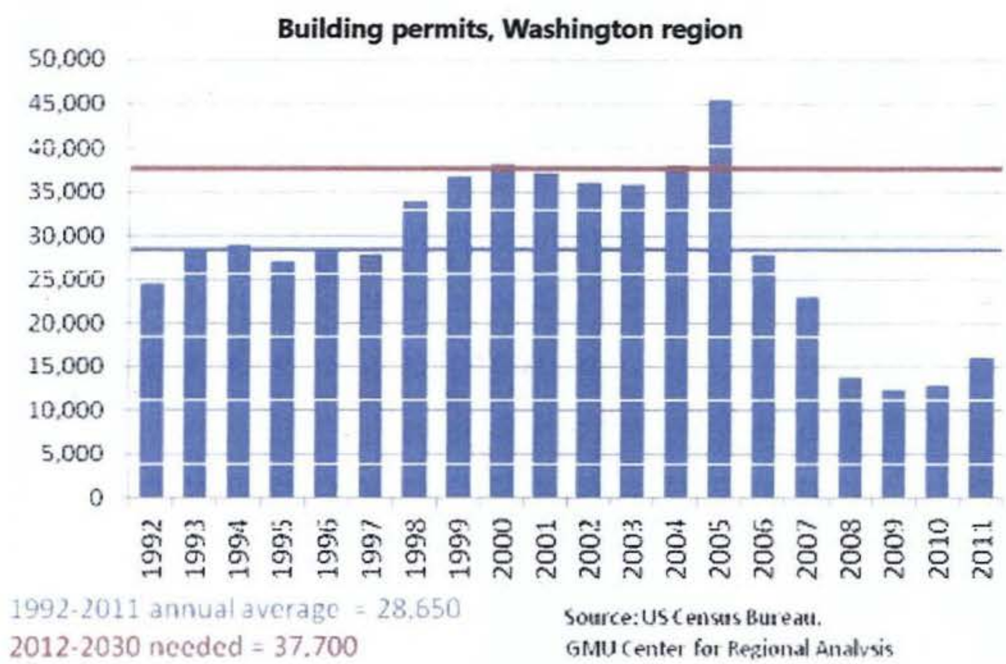
Forecasts from the George Mason University Center for Regional Analysis found that to accommodate future employment growth, the Washington region would need to add 731,457 new housing units between 2010 and 2030, or about **36,500 housing** units each year. The table below shows how many units each jurisdiction needs if it wants to house all of its future workers inside its borders.

Housing demand by jurisdiction, 2010-2030

Jurisdiction	Net New Housing Units	Jurisdiction	Net New Housing Units
District of Columbia	**122,613**	Alexandria	30,922
		Arlington	34,342
Calvert	9,764	Clarke	744
Charles	13,608	Fairfax	110,947
Frederick	27,336	Fauquier	6,870
Montgomery	108,522	Loudoun	98,171
Prince George's	52,382	Prince William	55,065
Suburban Maryland	**211,612**	Spotsylvania	30,375
		Stafford	22,680
		Warren	7,702
		Northern Virginia	**392,817**
		Jefferson Co WV	4,414
		Washington Metro Area	**731,457**

Source: GMU Center for Regional Analysis

Yet, over the past 20 years, the region has only built about **28,000 housing units** each year. During the economic downtown of the last few years, there have been especially low levels of building activity by historic standards.



Future workers will demand different housing from what exists today

The types of units needed in the future will also differ from the region's current stock. The shifting demographics of entry-level workers will create demand for more multi-family and rental units and more moderately-priced housing.

While current housing in the region is about 67% single-family and 33% multi-family, the housing demand forecasts foresee demand that is the reverse of current patterns, 40% single-family and 60% multi-family.

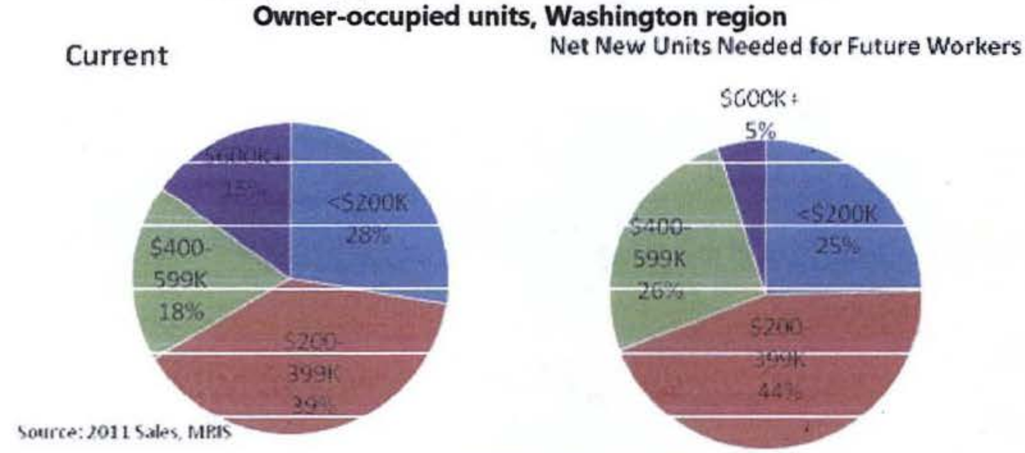
Comparing current and forecasted units
Single-family vs. multi-family

	Current*		Net New Units Needed for Future Workers	
	SF	MF	SF	MF
District of Columbia	39%	61%	8%	92%
Suburban Maryland	70%	30%	40%	60%
Northern Virginia	72%	28%	47%	53%
Washington Region	67%	33%	39%	61%

*Source: 2009 American Community Survey GMU Center for Regional Analysis

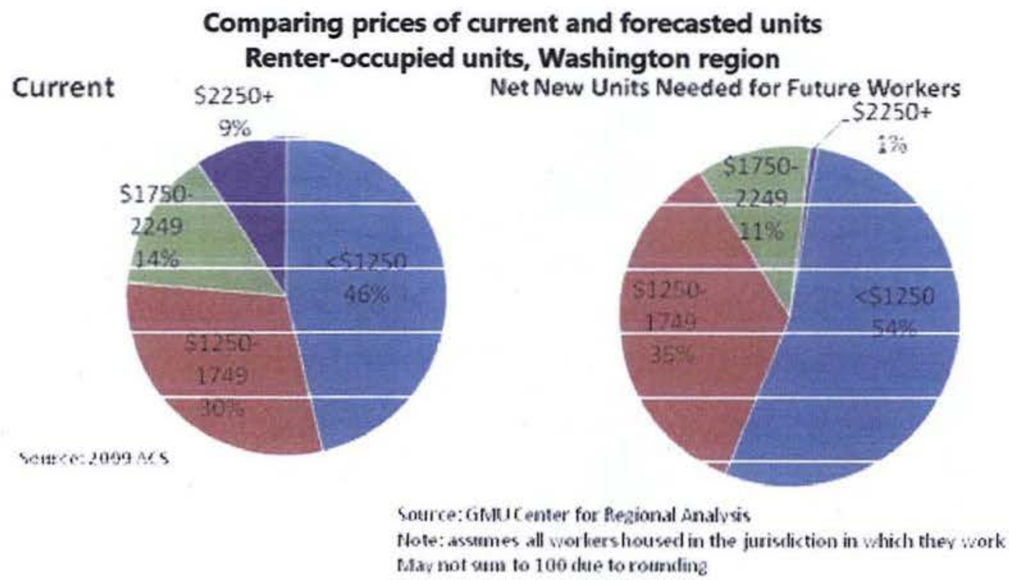
New workers will need relatively lower cost housing. About 55% of the region's new workers will demand owner-occupied housing (about 400,000 owner-occupied housing units). 69% of homeowners will demand housing priced below $400,000 (in 2010 dollars), including a quarter that can only afford homes priced up to $200,000. Current owner-occupied housing is disproportionately higher cost (over $400,000).

Comparing prices of current and forecasted units
Owner-occupied units, Washington region



Source: GMU Center for Regional Analysis
Note: assumes all workers housed in the jurisdiction in which they work
May not sum to 100 due to rounding

On the rental side, the forecasts predict a significant need for rental housing below $1,250 per month for more moderate income households. The luxury segment will only be about 1% of rental housing compared to 9% today.



Most local governments are not planning enough housing for their future workers, and may hinder new housing with regulations on new development. Meanwhile, builders need to recognize the need for more multi-family housing and smaller, more affordable owner and renter homes in the region.

Lisa Sturtevant is Deputy Director of the Center for Regional Analysis at George Mason University. Dr. Sturtevant's primary areas of research include housing, demographics, and economic development. Prior to working at the GMU Center for Regional Analysis, she spent four years as County Demographer in the Arlington County Department of Community Planning, Housing and Development.

Agnès Artemel became interested in revitalizing cities after growing up in France and Germany, where livable and walkable have always been the norm. She is a founder of the Northern Virginia Streetcar Coalition and Alexandrians Delivering smart growth Around Metro (ADAM). Her professional focus is on market and feasibility studies, real estate development approvals, and economic development partnerships. Agnès has a Masters in urban and regional planning.