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Just Economics

Testimony by Rick Rybeck, Ward 1 Resident

Before the D.C. Zoning Commission

RE: ZC No. 08-06A,

Subtitle C (Parking & Inclusionary Zoning)

November 19, 2013

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Testimony regarding ZC No. 08-06A – Subtitle C – Parking & Inclusionary Zoning

By Rick Rybeck, 1669 Columbia Rd., NW, #116, Washington, DC 20009

November 19, 2013

My name is Rick Rybeck. I am the director of Just Economics, LLC, a firm that advises communities about creating economic incentives for job creation, affordable housing, transportation efficiencies and sustainable economic development. Prior to that, I worked for 12 years as the Deputy Associate Director for Transportation Policy and Planning at DDOT. Prior to that I worked for 10 years as a legislative assistant to the Honorable Hilda Mason, an at-large member of the Council of the District of Columbia.

I wish to lend my support to the proposed zoning update in general, and to the provisions related to inclusionary zoning and reduced parking requirements in particular.

INCLUSIONARY ZONING

I commend the Zoning Commission for creating the Inclusionary Zoning program. The program has had some challenges both in terms of administrative issues and in terms of the economic recession. But these challenges are being addressed. Also, according to officials from the Department of Housing and Community Development, some of the first units built under this program are now being delivered and there are about one thousand units in the pipeline.

Inclusionary Zoning is built on a sound policy framework. The foundation of that framework is that public subsidies are used to create permanently affordable rental or homeownership housing opportunities in both condo building & single family homes using a "shared equity" approach. Shared equity allows wealth creation for individual homeowners while sustaining affordability for subsequent owners of the same home.

This shared equity model has been the basis for successful programs around the country, with years of experience in providing long-term affordable homeownership. On October 31st, the Metropolitan Washington Council of Governments hosted a workshop on shared-equity homeownership to facilitate increased utilization of this approach to affordable housing.

As you know, real estate prices have reached or exceeded their pre-recession levels and are heading up. As DC real estate continues to rise in price, there is a danger that people of low and even moderate incomes will be priced out. Inclusionary Zoning units can help establish a stock of affordable housing that will remain affordable into the future. Thank you again for establishing this national best practice affordable housing program in DC.

PARKING REQUIREMENTS

The automobile is an amazing invention that greatly enhances personal mobility. However, autos require an enormous amount of space, both when they are in motion and when they are parked. This, in turn, led to the creation of laws that excluded pedestrians from the streets and that required dedicated parking. Requirements for parking at employment, retail, entertainment and residential developments provide each car with multiple dedicated parking spaces even though only one can be utilized at any given time. Based on parking minimum regulations, it would appear that we are more concerned with preventing homelessness for cars than for people.

While "mobility" is an important capability, cities thrive based not on "mobility" but on "accessibility." In other words, access to multiple destinations within short distances of one another is an important key attribute of cities that makes them valuable places to be. "Location, location, location" are the three attributes that give real estate its value, and a parcel's <u>proximity</u> to desirable places to live, work, shop, learn and play is a key factor in determining the location-value of land. This is why land in the center of a city is typically more valuable than land at the periphery.

Parking requires a significant amount of space. This reduces the proximity of urban destinations and activities and thereby reduces the "accessibility" features that make urban areas attractive and valuable. A typical parking space is only 144 to 200 square feet, but when you add the requirement for aisles, this requirement balloons to 300 to 350 square feet per space. That's about half the size of some efficiency units.

Outside space devoted to parking is space that cannot be utilized for green space -- exacerbating the heat island affect and problems associated with storm water runoff. (Parking lots are part of the reason that we are now building multi-billion dollar tunnels to absorb the surge of storm water runoff from impervious surfaces.) Both inside and outside space devoted to parking is space that cannot be utilized for residential or commercial activities. In areas where there are high demands for residential and commercial space such as the District, urban parking requirements deprive some people from living, working or shopping in prime locations and push development into outlying areas.

Costs for surface parking may approach $5000 per space depending on land costs. Above-ground structured parking in US cities have construction costs that range between $15,000 and $20,000 per space. Nation-wide, construction costs increase to $18,000 to $30,000 per space for underground parking. In DC, however, we regularly hear costs of $40,000, $50,000 and greater per underground space.

We tend to focus on construction costs, but neglect ongoing operating and maintenance costs. Operating and maintenance costs associated with parking include:

Management and supplies
Security
Utilities
Insurance
Routine Maintenance
Structural Maintenance
Snow removal
Equipment maintenance

According to the Victoria Transport Institute, these costs can approach$300 per space per year (and close to $500 if a cashier is involved).

In terms of residential costs, the Victoria Transport Institute estimates that parking requirements increase the cost of housing by between 12.5% and 25% depending on how many spaces are required per unit and upon whether the parking is provided on a surface lot or in a garage. Also, the impact of parking requirements is greater as a percentage of total housing costs for apartment units than for single-family homes.

When parking spaces are required, their costs are included in the cost of residential units and in the costs of goods and services sold at that location. In many instances, some of these costs are paid by households or customers who do not own or use cars. Thus walkers, cyclists and transit users end up subsidizing the driving of others. This is very regressive, promotes environmental degradation and engenders traffic congestion that is counter-productive for the District's economy.

In the more intensely developed areas of the District – and particularly near transit services – the percentage of households owning cars declines. This is particularly true for younger households that are already burdened with college debt.

Of course, even households located next to a Metrorail station will occasionally need access to a car. Taxis, car-sharing and rental car services can typically meet the demand for occasional auto use much more economically than car ownership – and without requiring any set-aside for parking.

The District is experiencing a great influx of new residents. It is important that we encourage these residents to avoid car ownership if possible. When off-street parking is available and bundled with a housing unit, the cost of housing is inflated, depriving some households with more modest income from the opportunity of living in the District. Additionally, housing that comes with a parking space encourages the owners to have their own car. This reduces transit utilization and exacerbates traffic congestion that stifles economic activities.

I encourage the Zoning Commission to avoid setting parking minimums or to set them as low as possible.

Thank you.