DC Zoning Commission
c/o DC Office of Zoning
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Re: THE DC ZONING REWRITE; UPDATING DC'S ZONING REGULATIONS; B: DEFINITIONS

Regarding Chapter 11-26: Inclusionary Zoning, Subtitles 2601 & 2603

To the District of Columbia Zoning Commissioners:

Access to affordable housing in the District is at crisis levels for low- and moderate-income households. The DC Fiscal Policy Institute documented that District of Columbia has lost over half of its low-cost rental units in the past ten years.[1] From 2000 to 2010, the average unsubsidized rent in DC skyrocketed from $735 to $1100. The typical low-income resident spends more than 63 percent of their income on housing. As a result, low- and moderate- residents are being displaced, with a disproportionate impact on the city's black families.

We believe it is possible to develop a city that is equitable, diverse, and inclusive. On behalf of ONE DC, we applaud your commitment to affordable housing through inclusionary zoning in the District, and submit this testimony to strongly recommend specific changes to the Inclusionary Zoning program (IZ) and the definition of affordability.

We understand that the DC Zoning Regulations govern DC's important Inclusionary Zoning program (IZ). The IZ program picked up where rent control ended – to preserve and protect affordable housing options for DC's residents.

ONE DC has a mission to preserve racial and economic equity in the District of Columbia and an aligned priority to promote affordable housing for DC residents who earn less than $50,000 a year. We focus on these income levels because the housing crisis is most acutely felt by those who are typically low-income and long-time residents of color. This mission coincides with written planning policies of the DC government (see Chapters 1 & 5 of the DC Comprehensive Plan, Building an "Inclusive City"; the DC Comprehensive Housing Strategy Taskforce reports of 2006 & 2012; and the DC Department of Housing and Community Development purpose).

Written purpose is, however, dramatically different than on-the-ground results. DC struggles with a massive 70,000-person wait list for affordable housing, while the DC Fiscal Policy Institute estimates that 79,000 units of affordable housing are needed immediately.

[1] Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs. DC Fiscal Policy Institute. May 2012. http://www.dcfpi.org/wp-content/uploads/2012/05/5-7-12-Housing-and-Income-Trends-FINAL.pdf

More and more studies show that DC significantly lags behind on our affordable housing goals. Many reports show the very serious displacement impacts of a very hot housing market, which is driving up rents and taxes at seemingly uncontrollable rates.

For the last five years, ONE DC has advocated for redefining the affordability requirements to ensure housing opportunities for households who are unable to secure Section 8 vouchers or access to public housing. To this end, ONE DC worked with Councilmember Michael Brown in 2009 to draft legislation that would strengthen inclusionary zoning and other affordable housing requirements.

This legislation would have addressed the problems with using Area Median Income (AMI) as the metric for defining affordability in the District. It narrowed the AMI to include DC alone and lowered the percentage of AMI that would fall in the "targeted range" for affordability from 80% to 30% and 50%. Unfortunately, political will was not strong enough to challenge DC's resistance to changing affordable housing mandates. Now, we have another opportunity to make the definition of affordability more accurate by replacing the problematic AMI metric altogether.

We see the zoning rewrite as a great opportunity for you to fix problems with the current IZ regulations, which are a step in the right direction but currently fall short of serving those most in need of affordable housing.

We propose updating the current zoning definitions of affordability that are based on the AMI. As mandated by HUD, the AMI income standard averages DC's incomes with at least two of the wealthiest counties in the nation: Fairfax, VA and Montgomery, MD. The AMI is an unstable measure, as it fluctuates yearly, and because it is based on incomes earned in neighboring jurisdictions, it does not accurately represent DC's particular affordability needs.

For example, when a developer builds a new dwelling in DC that consists largely of studios and one-bedrooms, a single person making more than $60,000 a year can qualify for the so-called "affordable unit" which the developer was required to construct per IZ regulations. A person making $60,000 a year is not on the 70,000-person affordable housing wait list with those making $30,000 or less a year.

This demonstrates that as the IZ regulations are currently configured, the City and Zoning Commission are simply not making a dent in DC's infamous affordability crisis despite best intentions.

We urge the DC Zoning Commission to enact the following recommendations to improve the Inclusionary Zoning program governed by the Zoning Commission's regulations:

1) **Redefine the eligibility for IZ units**

   The Zoning Commission should amend DC Municipal Regulation 11-2601.1, which defines affordability eligibility for inclusionary units designated for low and moderate income households. Specifically, the definition of low- and moderate-income households should no longer be based on the unrealistic metric based on Metropolitan Statistical Area median, or AMI. Rather, low- and moderate-income households should be defined by annual incomes as a percentage of the federal minimum wage ("FMW"). [2]

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2 "The current federal minimum wage is $7.25 per hour. If a minimum wage worker is employed full-time (forty hours per week for 52 weeks), that worker would earn *$15,080 annually.*" http://poverty.ucdavis.edu/faq/what-are-annual-earnings-full-time-minimum-wage-worker

The current federal minimum wage is $7.25 per hour, which comes to $15,080 annually working a full 40-hour work week, and the accepted calculation of rent affordability is based on 30% of gross income as the standard measure. A low-income household must be defined as a household making 0-100% of the federal minimum wage annually. This would be the base definition of affordable for a low-income household, while moderate-income affordability would be defined as 30% of gross income for a family earning an annual income of 101% to 250% of the federal minimum wage.

2) **Require more IZ units to be constructed in new developments**

Currently DCMR 11-2603.1 & 11-2603.2 set the percentages of the square footage of any new development that must be dedicated to IZ units. Given the bonus density granted to the developer and given the aforementioned affordability crisis, the required IZ percentages must be more than doubled. IZ currently requires 8-10% of residential density in a new development. We urge you to amend this to 25% in order for the District to meet its housing goals.

These amendments would demonstrate to the people of DC that the Zoning Commission truly acknowledges the affordability crisis facing low- and moderate-income families. These modifications would demonstrate a good-faith effort to address DC's affordable housing crisis as outlined in the Comprehensive Plan.

As representatives of ONE DC, we urge the Zoning Commission to take this matter seriously as it affects the lives of our members and their families. By updating the Inclusionary Zoning program in the proposed ways, you have an opportunity to create a more equitable city.

Please contact us with any questions.

Sincerely,

Ms Patricia D. Penny 10/16/13

Patricia Penny, Vice President of ONE DC Shared Leadership Team

Lyndi Borne 10/16/13

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