

SOUTHWEST NEIGHBORHOOD ASSEMBLY

1101 Fourth Street, SW, Suite 110

Washington, DC 20024

www.swdc.org

October 28, 2013



**SOUTHWEST NEIGHBORHOOD ASSEMBLY TESTIMONY ON
ZC Case No. 08-06A ZONING REGULATIONS REVIEW**

District of Columbia Zoning Commissioners:

Access to housing for low- and moderate-income households in Southwest is at crisis levels for current, not to mention prospective residents.

Significant amounts of affordable properties are owned by DC's housing authority, however they've announced plans to redevelop their properties—with only vague guarantees of replacing the affordable units in a reasonable amount of time. Many of Southwest's affordable private rental properties are in various stages of being sold and converted in arrangements that will reduce the future supply of affordable.

At the same time, luxury condominiums developments are coming online, displacing opportunities for affordable housing. Due to the Inclusionary Zoning (IZ) program (IZ), some have affordable housing requirements. However the relative proportion of actual units built is relatively small, and those are at a price point that excludes many current residents. Moreover, many of our affordable units have been larger units well-suited to a range of household types. In a disconcerting break, the newer units promised in the condominiums projects and housing authority property are consistently too small.

As a result, low- and moderate- residents are being displaced, with a disproportionate impact on minority families. The Southwest Neighborhood Assembly, Southwest, DC's elected civic association, is very concerned about the equity and loss of diversity.

We believe it is possible to maintain an equitable, diverse, and inclusive neighborhood. Indeed, we submit, that with escalating property values and a strong regulatory framework to capture this value, the environment couldn't be better. On behalf of Southwest, we applaud your commitment to affordable housing in the District, and submit this testimony to strongly recommend specific changes to the IZ program and the definition of affordability.

The mission of the Inclusionary Zoning program 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).

That written purpose however, is dramatically different than on-the-ground results. We struggle with extensive wait lists for affordable housing. More and more studies show that

DC significantly lags behind on our affordable housing goals. Reports demonstrate the very serious displacement impacts of a very hot housing market, which is driving up rents and taxes at seemingly uncontrollable rates.

Recognizing the lack of affordable housing options for households earning less than \$50,000, we share the concerns of many other non-profit organizations advocating for redefining the affordability requirements to ensure housing opportunities for households who are unable to secure affordable limited equity cooperatives, Section 8 vouchers, project-based Section 8, or public housing.

The zoning rewrite affords an excellent opportunity for the District to fix problems with the current IZ regulations, which 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 Average Median Income (AMI). As mandated by the US Department of Housing and Urban Development, 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 Southwest, 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 District is simply not making a dent in its 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 can amend DC Municipal Regulation 11-2601.1, which defines affordability eligibility for low and moderate income households, and dispose with an unpredictable and unreal AMI metric, replacing it with a metric more solidly based on a percentage of the federal minimum wage ("FMW"). Units must be defined as affordable to someone who makes \$15,080 annually, using the accepted 30% of gross income as the standard measure. This would be the base definition of affordable, and affordability for those who make 120% of the minimum wage or 200% of the minimum wage would be defined as such.

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 doubled: IZ currently requires 8-10% of residential density in a new development, while we "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-annualearnings-> full-time-minimum-wage-worker urge that you 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. These modifications would demonstrate a good-faith effort to address our affordable housing crisis as outlined in the Comprehensive Plan.

As representatives of the Southwest community, 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,

Kael Anderson
President
Southwest Neighborhood Assembly
andkael@gmail.com