WARD 7 ECONOMIC DEVELOPMENT ADVISORY COMMITTEE STATEMENT TO THE ZONING COMMISSION FOR ZC CASE NO. 20-02

November 15, 2020

This statement is submitted on behalf of the Ward 7 Economic Development Advisory Council ("EDAC"), which was established in January 2018 by Councilmember Vincent C. Gray. Comprised of professionals with significant experience, demonstrated leadership and skill in development, urban planning, and business, the aim of the EDAC is to provide the foundational vision work, overall strategy and planning to bring long-awaited economic development to Ward 7.

The other members of the Ward 7 EDAC are:

Warren C. Williams, Jr., The Warrenton Group

Sandy Wilkes, The Wilkes Company

Pedro Alfonso, Dynamic Concepts

William B. "Bill" Alsup, III, Hines

David Alvaranga, Liberty Tax

Tom Brown, CIVITAS Commercial Real Estate Services

Thomas Gallagher, E&G Group

Jair K. Lynch, Jair Lynch Real Estate Partners

Jodie W. McLean, EDENS

W. Christopher Smith, WC Smith Company

Robin Zeigler, Cedar Realty Trust, Inc.

The EDAC applauds the Office of Planning for its steadfast commitment to addressing the need for more affordable housing in the District. However, in this instance, we oppose IZ Plus for rezoning applications in areas <u>south and east of the Anacostia River</u> because these areas suffer from having, over generations, a disproportionate share of the District's affordable housing.

These areas fall within the Far Southeast & Southwest and the Far Northeast & Southeast Planning Areas of the Housing Equity Report prepared by OP and DHCD. For each of these Planning Areas, the affordable housing pipeline is substantially greater than the affordable housing production goals:

- In the Far Southeast & Southwest Planning Area, the goal is 1,120 affordable units, and there are 1,450 affordable units in the pipeline; a surplus of 330 units.
- In the Far Northeast & Southeast Planning Area, the goal is 490 affordable units, and there are 1,290 affordable units in the pipeline, a surplus of 800 units.
- Overall, there are 1,130 affordable units more in the pipeline that the goal for these areas, which is a surplus of 70%.

The concentration of affordable housing in these areas of the District is the result of long-term discriminatory housing policies and laws and systemic racial inequality. Also, contributing to the surplus is the fact that several newer developments approved in these areas are 100% affordable.

- Deanwood PUD approved in 2015 was 100% affordable. 150 dwelling units and the unit mix ranges from studios to four bedrooms; 50 of which are replacement units for Lincoln Heights and Richardson Dwellings.
- Progressive National Baptist Convention approved in 2017; 100 units, all of which are affordable and 35 of which are replacement units for Lincoln Heights and Richardson Dwellings.
- Strand Theater approved in 2018; 86 units, 100% affordable, 28 replacement units and a mix of one and two bedrooms.
- Deanwood Town Center approved in 2018; of the 183 units, only 18 are market rate units and 63 are replacement units for Lincoln Heights and Richardson Dwellings. The unit mix ranges from one to five bedrooms.

In addition to the surplus of affordable housing, IZ Plus should not apply to these Planning Areas because doing so is contrary to efforts to spur economic development and growth in this part of the District. The proposed Future Land Use Map thoughtfully includes several amendments to a number of underutilized and blighted sites along Ward 7's primary corridors and at its major intersections. The land use amendments were intended to promote a mix of uses that would increase the housing supply, including the number of market rate and middle income units, as well as enhance opportunities for higher quality retail and neighborhood services for the residents of Ward 7.

In order to implement the FLUM amendments, many of the subject parcels would need to be rezoned, which conceivably would trigger IZ Plus. Given the market realities, practically speaking, IZ Plus would disincentivize developers to pursue mixed income, market rate and middle income housing in areas south and east of the Anacostia. Instead developers would continue to limit the type of development in these areas to fully or highly subsidized projects or continue to forego investment altogether. Instead of mandating more affordable units, the Ward 7 EDAC encourages the Office of Planning and the Zoning Commission to consider other approaches for new development in this part of the District that further the policies and objectives of the Comprehensive Plan including, but not limited to, the support for or the provision of retail and commercial uses.

The setdown report for IZ Plus notes the importance of affordable housing throughout the city. It is with that important objective in mind, that the Ward 7 EDAC offers these comments against having IZ Plus apply to rezoning applications in these areas South and East of the Anacostia River. To have it apply, would only further concentrate affordable housing in these areas of the District instead of affording them the same opportunities for economic development enjoyed by emerging neighborhoods in other areas of the District.

The Ward 7 EDAC requests that: (i) IZ continue as it is presently or (ii) the IZ Plus concept be refined to take the foregoing factors into consideration.