



GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



Submitted via IZIS

December 4, 2025

Anthony Hood, Chairman
District of Columbia Zoning Commission
One Judiciary Square
441 4th Street, NW
Washington DC 20001

RE: ZC 23-08A Wesley Theological Seminary Campus Plan Further Processing

Dear Chairman Hood and Members of the Commission,

The Department of Housing and Community Development (DHCD) respectfully requests the Zoning Commission approve Wesley Theological Seminary's (the Applicant) contribution to DHCD of \$10 million toward affordable housing in Ward 3. DHCD believes the proposed increase from \$8 million to \$10 million, or approximately \$333,000 per required unit, is an appropriate contribution. For example, the \$333,000 per unit average significantly exceeds the amount of equity raised by federal Low-Income Housing 9% Tax Credits (LIHTC), which raise an average of approximately \$261,000 per unit.

DHCD is concerned about the timing of the funds should the applicant's project be delayed by more than two to three years. DHCD's assessment of the appropriateness of the contribution assumes the total amount would be received within a time frame of no more than three to four years.

DHCD wishes to highlight several key factors for the Commission's consideration:

- **Efficiency:** Allocating the \$10 million contribution to DHCD eliminates the need for affordable housing developers to apply to multiple entities in order to construct affordable housing in Ward 3. Testimony clearly demonstrated that affordable housing often needs multiple sources of subsidy to be successful. Allocating the funds to DHCD reduces the burden, uncertainty, and associated costs of developers having to apply and wait for approval from multiple funding sources. In addition, DHCD would not charge any fees for use of the special fund.

- Production: DHCD is the primary source for affordable housing gap financing for the District of Columbia. As of the date of this letter, the District is very close to meeting the Mayor's seven-year goal of 12,000 affordable units by 2025. DHCD was a key source of financing for over 6,100 units, or more than half of the 12,000 units delivered since 2019.
- Flexibility: DHCD requests the Commission amend or provide relief from §1006.10's requirement that affordable units be provided through new construction. DHCD has no wish to hold up the process, but if flexibility can be granted quickly, it enables DHCD to maximize both homeownership and cost efficiency. DHCD's preferred approach will ultimately depend on the timing and cadence with which the funds are transferred to DHCD.

DHCD reiterates our commitment to use the funds to:

- Deliver a minimum of 22,146 net square feet of affordable housing;
- At 60% MFI for rental or 80% MFI for homeownership units;
- Set aside for the life of the project;
- Located in Ward 3;
- Selected through a competitive and transparent Notice of Funding Availability (NoFA) for project financing; or by a random lottery of low-income homebuyers approved for DHCD's Homeownership Purchase Assistance Program (HPAP). And,
- Annual reporting to the Zoning Commission within 45 days after the first anniversary of DHCD's receipt of the funds.

DHCD will finalize the approach via a report to the Zoning Commission once the timing and delivery of the funds are certain, and prior to any funds being expended. For example, a one lump sum payment would facilitate a development project, while splitting the funds between the dormitory's construction start and completion would be more suitable for a homeownership fund. A homeownership fund is also dependent on DHCD partnering with first mortgage lenders that have loan products compatible with the deep financial assistance.

Finally, DHCD acknowledges the unique circumstances that necessitated the creation of a fund for affordable housing, including: the case being a campus plan; involving dormitory use not exclusively for the institution; and linked to an immediately adjacent institution's campus and student body. Therefore, DHCD expresses concern that the case should not set a precedent for future cases, especially those that do not match case 23-08's unique circumstances.

As director of DHCD, I want to thank the Commission for the willingness to explore alternative methods of delivering affordable housing in Ward 3. DHCD is committed to working with the Applicant, the Office of Planning, and the Office of Zoning's legal division to implement the necessary steps to use the funds and deliver affordable housing for Ward 3.

Sincerely,



Colleen Green