

MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Maxine Brown-Roberts, Development Review Specialist
Art Rogers, Housing Preservation Officer (DHCD)
Joel Lawson, Associate Director, Development Review

DATE: December 8, 2025

SUBJECT: OP Supplement Hearing Report - ZC 23-08A for Wesley Theological Seminary of The United Methodist Church Campus Plan, 2025-2035 – Further Processing

At the November 24, 2025, public hearing of ZC 23-08A for Further Processing of the Wesley Theological Seminary of The United Methodist Church Campus Plan, 2025-2035 (Wesley), the Zoning Commission (ZC) requested that the Department of Housing and Community Development (DHCD) through an Office of Planning (OP) supplemental report, provide additional information on:

1. The methodology for calculating the affordable homeownership units generated from the funds provided by Wesley.

Per the Commission's request, OP worked with DCHD and this report summarizes DHCD's efforts to confirm the feasibility of a homeownership program that would support the ability of low-income households to purchase a home in Ward 3.

DHCD analyzed the average sales price and the distribution of prices for home sales in Ward 3 over the past year and based on that analysis determined that a homeownership fund was feasible in meeting the requirements of the Campus Plan including by:

- Delivering a minimum of 22,146 net square feet of affordable housing;
- Meeting the 80% MFI per the Inclusionary Zoning requirements;
- Setting aside the units for the life of the project; and
- Locating units in Ward 3.

Subsequent to the public hearing, Wesley has increased the fund to 10 million dollars (\$10 million). The table below summarizes DHCD's analysis which concluded that the \$10 million fund could support a range of 12 to 85 low-income home buyers totaling between 24,216 and 61,959 square feet of housing depending on the mix of unit types purchased in Ward 3. DHCD also estimated the number of units that would fall within an appropriate price range to ensure program feasibility. For example, approximately 59% of 3-bedroom houses fell within an affordable range of between \$1,000,000 and the average of \$1,429,428. DHCD investigated a random selection of homes below

\$1,000,000 in and excluded them from the potential supply due to needed repairs provided through the listing information. Based on the analysis, DHCD would place a cap on what the total each homebuyer could receive based on the type of units to be purchased.

Table 1 - Analysis of Ward 3 Home Sale Market over the past 12 Months

Unit Type	Average Sales Price	1 st Mortgage Loan	Down Payment	HPAP ¹	Homebuyer Fund	Potential Units	Square Feet Achieved
Condos							
1-Bedroom	\$374,088	\$182,750	\$11,225	\$63,593	\$116,521	85	61,959
2 Bedrooms	\$805,021	\$137,964	\$12,370	\$148,634	\$506,053	19	24,384
Houses							
3-Bedrooms	\$1,429,428	\$383,119	\$18,205	\$202,000	\$826,104	12	24,216

The information on the table includes the following assumptions:

- The average sale price, average square feet, and condo fees are based on one year of sales data from [redfin.com](https://www.redfin.com).
- The 1st mortgage loan is based on maximum housing costs which is equal to 30% of the household income limit inclusive of taxes, insurance, and condo fees, and adjusted for household size by unit at 6% interest over 30 years:
 - Property taxes are based on the 2024-2025 IZ Maximum Income, Rent, and Purchase Price Schedule.
 - Insurance is based on DHCD’s formula used for the 2024-2025 IZ Maximum Income, Rent, and Purchase Price Schedule.
- The Down payment is equal to 5% of the 2024-2025 IZ Maximum Income, Rent, and Purchase Price Schedule.
- The HPAP is equal to 15% of the 2024-2025 IZ Maximum Income, Rent, and Purchase Price Schedule up to a maximum of \$202,000.
- DHCD Homebuyer Fund gap financing equal to average sales price minus 1st Mortgage, Downpayment, and HPAP award.

At [Exhibit 47](#) is also a letter to the Zoning Commission from the Director of DHCD recommending that the funds given by Wesley for affordable housing in Ward 3, be administered through DHCD. This memo provides additional background and analysis, and emphasizes the benefits of providing relief from Subtitle C §1006.10's requirement that affordable units be provided through new construction, if such flexibility can be granted quickly, to maximize both homeownership and cost efficiency.

¹ Home Purchase Assistance Program (HPAP)