

ZC Case No. 25-13
Text & Map Amendments to Create New Wisconsin Avenue Mixed Use Zones

Testimony of Christopher Vaden in Support

I have lived a couple blocks east of the Friendship Heights Metro station for the last 30 years. I frequent many of the businesses in Friendship Heights, although I have watched in dismay as many stores, large and small, have closed in recent years. I also go to church in Tenleytown, and patronize many of the businesses along Tenleytown's Wisconsin Avenue corridor.

I strongly support the Office of Planning's proposal to create new mixed use zones along Wisconsin Avenue in Friendship Heights and Tenleytown, and urge the Commission to approve it.

The D.C. metropolitan region needs a lot more housing. With demand far outstripping supply, those at the bottom of the income scale are forced out into the cold, literally and figuratively. Many more households are burdened by excessive housing costs.

For decades our region has been pushing too much of our new housing construction out to Centreville, Gaithersburg, Lorton, and beyond. The result is traffic-choked highways, hellish commutes for thousands of people, and excessive contributions to both local air pollution and climate change. It's unsustainable. As so many cities around the country are realizing, the most significant step we can take to begin addressing these problems is to greatly increase transit-oriented development. The Comprehensive Plan recognizes this too (Policies LU-1.4.1, LU-1.4.3, LU-1.4.6, H-1.1.4; Action LU-1-4-B). The best places we can put substantially more housing are places that are an easy commute from job centers downtown and in edge cities like Bethesda.

OP's proposed rezoning of the Wisconsin Avenue corridor is a big step in the right direction. Authorizing denser residential construction over and within a quarter mile of Red Line Metro stations, and along high-frequency bus lines, while not the only place where we need infill housing, is an absolutely necessary step towards more housing abundance. The Commission should approve the height and density limits in OP's proposed new mixed use zones in order to enable more housing, including more dedicated affordable housing, to be built here.

I also agree with OP that there should be no WMATA exemption from IZ+ requirements. WMATA owns the two biggest opportunity sites in Friendship Heights: the former Lord & Taylor site, at over 273,000 square feet, and the current Western Bus Garage, which exceeds 164,000 square feet. Exempting these sites from IZ+ would be a massive reduction in the potential for dedicated affordable housing in the neighborhood.

I'd also like to address some of the arguments I've heard in opposition to OP's rezoning proposal.

IZ+ Requirements.

Some advocacy groups oppose OP's rezoning proposal because OP does not propose to increase the percentage of the affordable housing set-aside under the Inclusionary Zoning Plus (IZ+) program, or lower the household income levels under the program to make IZ+ apartments affordable to families earning in the range of 30-50% of the area median income. I completely agree that the Wisconsin Avenue corridor needs more racial and economic diversity, and that we need to find a way to provide more housing in these neighborhoods that's affordable for low and very low income Washingtonians. But I fear that mandating larger private subsidies through the IZ+ program will prove to be a poison pill.

Deeply affordable housing requires public subsidies, whether in the form of tax abatements, federal low income housing tax credits, Housing Production Trust Fund grants or loans, or use of public land. The IZ program mandates private subsidies, which impose either increased rents on market-rate tenants or reduced revenue for developers (or both). If these mandates were to grow too large, rents would increase beyond a competitive level, and prospective tenants would look for lower rents elsewhere. Alternatively, increased set-asides would reduce a housing project's future revenue stream, thereby reducing the project's return on investment and its attractiveness to investors and lenders whose capital is necessary to fund construction. If you impose too big a mandate, potential lenders and investors will see better returns elsewhere, and won't fund the project. If the project doesn't get built, we lose both the market-rate units and the affordable units that would have accompanied them.

We can learn from the experience of other cities. Portland, Oregon, adopted an inclusionary zoning program in 2017 that required developers of multifamily housing projects with 20 or more units to set aside either 20% of the residential space for households earning no more than 80% of the AMI, or 10% of the units for households earning 60% AMI. Multifamily housing starts [promptly cratered](#). Developers shifted their focus to projects of fewer than 20 units, or outside the area covered by the inclusionary zoning requirement. It was not until 2024, when Portland increased tax abatements to (in effect) "pay for" the affordable housing set-aside, that new construction of multifamily housing began to recover.¹

A [2024 study](#) published by the Turner Center for Housing Innovation at U.C. Berkeley modeled inclusionary zoning's impact on housing production in Los Angeles, and concluded that "Changing the IZ level entails significant tradeoffs between [below market-rate] and market-rate production. As the IZ requirement rises, there are diminishing returns to [below market-rate] production and accelerating losses to overall housing production. Beyond a certain level, higher

¹ For an explanation why imposing increased IZ to "capture the value" of upzoning is both self-defeating and regressive, see [this article](#) by Dan Bertolet of the Sightline Institute.

IZ requirements produce less [below market-rate] and less market-rate housing.” The author cautioned that, “The fact that poorly calibrated IZ policies could lead to reduced housing production and higher rents and housing prices — or both — should prompt caution about increasing IZ requirements to meet [below market-rate] production targets.”

Deeply affordable housing is important, but unfunded inclusionary zoning is the wrong tool to get it, especially if it sacrifices housing abundance. After all, if housing is in short supply, those of us in the middle and upper income strata will find housing; those least able to afford it will be forced out. An IZ program that reduces overall housing abundance is counterproductive. (Indeed, the IZ program ought to be more responsive to market conditions than it already is.) The burden should be on those who advocate for increasing the IZ+ requirements to demonstrate that it won’t backfire. I implore the Commission not to let the perfect be the enemy of the good.

Matter of right construction.

Some opponents of OP’s rezoning proposal have taken issue with the fact that, after adoption of new zoning, landowners will be able to develop their properties as a matter of right, without project-by-project review. I believe these criticisms are misguided and detrimental to the goal of getting more housing actually built in our neighborhood.

First, developers can build as a matter of right *now*, albeit subject to much more restrictive height and density limits. It’s not clear to me what principle would support removing that right just because the limits have been raised.

Second, there have been ample opportunities for public participation over a number of years – first with development of the Comprehensive Plan revisions, and then with preparation of the Wisconsin Avenue Development Framework, both of which included multiple opportunities for the public to comment. And now this proceeding before the Commission allows further opportunities for ANC’s and members of the public to address neighborhood character, building height, density, setbacks and step-backs, streetscape character, and other design criteria in the current round of written and oral testimony, and again in further public comments after the Commission issues a proposed rule. Opportunities for public input have been ample.

Third, once building heights, density, and certain design parameters have been limited by the proposed map and text amendments, requiring project-by-project review adds a further veto point that can only undermine the public interest in getting more housing from the drawing board to reality. I see no reason – beyond their own sense of entitlement – why community members should be entitled to weigh in on the aesthetic choices made by private property owners.

People who are unhappy with the outcome of a public process often criticize the adequacy of the process, convinced that with a little more process – one more bite at the apple – their views might prevail. But project-by-project review has real costs. Over in Spring Valley, construction finally [began this year](#) on the Modera Lady Bird, a mixed use project replacing a long-shuttered Superfresh grocery store – more than five years after this Commission [voted to](#)

[approve](#) a PUD. [Meritless litigation](#) delayed construction of the project's 234 housing units by four years before appeals were exhausted.

In early 2019, the BZA [approved a special exception](#) and several zoning variances to allow Sunrise Senior Living to build 86 continuing care senior units on the property of the Wisconsin Avenue Baptist Church at Tenley Circle. The D.C. Court of Appeals [rejected](#) a neighborhood group's lawsuit in April 2023, but the delay appears to have killed the project even though the litigation was wholly unsuccessful.

One project that did get built was the Residences at Mazza, replacing the old Mazza Gallerie directly over the Friendship Heights Metro station. The developer chose to build a matter-of-right project under the old zoning limits, electing not to seek a PUD or pursue the upzoning contemplated by the Future Land Use Map (FLUM). By building to MU-7B limits rather than the now-proposed MU-10, the developer sacrificed a significant number of housing units -- and affordable housing units -- that could otherwise have been built. It's not hard to surmise that the cost and risk of delay of a PUD or upzoning process played a role in the developer's choice.

The costs of increased IZ mandates and risks of uncertainty and delay from additional project design reviews would come on top of economic pressures that have already brought multifamily housing construction to a crawl city-wide. In Friendship Heights and Tenleytown alone, multiple housing construction projects are at a standstill despite being fully approved by the Commission or the BZA:

- In 2018, the Commission [approved a PUD](#) for 41 housing units at the former site of the Dancing Crab restaurant in Tenleytown. Although that building was demolished, construction has not yet begun. Earlier this year the Commission extended the deadline to commence construction to March 2027, but the site has [reportedly](#) been listed for sale.
- Also in 2018, the Commission [approved a PUD](#) for Urban Investment Partners to convert an office building at 4620 Wisconsin Avenue, N.W., into 146 housing units. Although construction began, the developer [defaulted on a loan](#), and further construction has been at a standstill for many months.
- In March 2022, the BZA [approved](#) a special exception necessary to replace the former Fox 5 studio at 5151 Wisconsin Avenue, N.W., with 210 units of housing. Nearly four years later, neither demolition nor construction has begun.
- In early 2023, the Commission [approved a modified PUD](#) to reconstruct the Friendship Center retail building at 5333 Wisconsin Avenue in Friendship Heights into 310 apartment units. The project was initially delayed by a neighbor's lawsuit, but that has [been settled](#). Still, construction has not yet commenced nearly three years later.

Conclusion

At a time when the economics of multifamily housing construction are precarious, the Commission should not add further obstacles in the form of increased IZ+ mandates or additional project-level review. The Office of Planning's proposed map and text amendments for the Wisconsin Avenue corridor in Friendship Heights and Tenleytown should be approved.

Respectfully submitted,

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