



December 11, 2025

District of Columbia Zoning Commission
441 4th St NW #200
Washington, DC 20001

Testimony- Case 25-13

Members of the Zoning Commission:

I am here today testifying on behalf of Somerset Development Company, a DC-based affordable housing developer located at 5101 Wisconsin Ave NW in Friendship Heights. We are testifying today in support of the proposed map amendments.

Recently, I testified to you all regarding case 23-08A, and explained how Somerset is currently pursuing a new construction all-affordable multifamily apartment project located at 5211-5223 Wisconsin Ave NW, just down the street from our office. The site currently consists of 1- and 2-story buildings with a mix of retail and office uses. We intend to redevelop the property into a 7-story mixed-use building with ground floor retail and affordable housing. The new building will be about 70,000 in gross square footage, with approximately 54,000 square feet of residential area containing 75 apartments, all permanently affordable at 50% of Area Median Income (AMI) or below, with a majority of units being 2- and 3-bedroom apartments for families.

This project is an incredibly unique opportunity to add new permanent affordable housing for families in Ward 3, which has long been a stated goal for the community and for DC government. Building affordable housing in Ward 3 is no easy task. We can say this confidently as one of the only Ward 3-based affordable housing developers. Projects like this require significant subsidies from a variety of sources. In our case, it would require a combination of 4% and 9% federal Low Income Housing Tax Credits, as well as a contribution from the Wesley Seminary project for offsite Inclusionary Zoning that is the current focus of case 23-08A.

There is no magic wand we can wave to make these projects pencil out mathematically on their own. And there is simply not enough strength from market-rate development to cross-subsidize affordable housing at this scale and depth without additional government funding. Without both types of federal tax credits as well as the Wesley Seminary funds, our project will not be possible.

Our project is the best real opportunity to move from talking about affordable housing to actually building it. But it will only be possible under the new proposed MU-8A/WA zone. The MU-8A/WA zone is in line with what the Office of Planning laid out in the Wisconsin Avenue Development

Framework as well as the Future Land Use Map and Generalized Policy Map amended in 2021. We have been working on this project since those amendments passed with the goal of delivering on the promise of creating new affordable housing in Ward 3. We deeply appreciate all the support that we have received so far from the community regarding our project, and if this case goes forward we hope to make it a reality as soon as possible.

I would also like to note for the broader conversation about Inclusionary Zoning that we participated actively in the development of IZ+ in 2021, including providing feedback to the Office of Planning on their financial modeling analysis done at the time to assess the feasibility of the program. When it comes to Inclusionary Zoning, financial modeling is everything. The math has to actually work for the program to function in practice. The reality of financial modeling is that it changes over time, as financial conditions such as rents, construction costs, and interest rates all fluctuate.

Unfortunately, financial conditions have changed drastically since the original IZ+ modeling was done in 2021. At the time we were in the middle of a historic national apartment building boom spurred by low interest rates and high demand. That boom has waned significantly both nationally and here in DC. We are now dealing with the hangover of high interest rates, enormous increases in construction costs, and weakening demand for rental housing as the District's economy softens.

We have done many projects here in the District and in Baltimore that involved using market-rate housing development to cross-subsidize affordable housing. We know this model can work, which is why we generally support the Inclusionary Zoning program. But we also know that this model works well during boom times and struggles during busts.

The only way to resolve the challenge we are currently facing regarding the Inclusionary Zoning program is to base our analysis on empirical data using detailed and updated financial modeling to assess the viability of affordability requirements. Inclusionary Zoning is not meant to be a static tool; it must be updated regularly to match current market conditions in order to be effective. We strongly recommend that the proposed map amendments move forward, but also that the Office of Planning conduct an update of the 2021 IZ+ analysis based on more recent data. We are happy to assist in that effort by providing feedback, similar to what we did with the 2021 analysis.

Thank you for your attention today and I am happy to answer any questions you may have.

Sincerely,



Patrick McAnaney
Development Director, DC
Somerset Development Company