

## Cochran, Patricia (DCOZ)

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**From:** Jad Donohoe <JadD@donohoe.com>  
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**To:** DCOZ - ZC Submissions (DCOZ)  
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December 11, 2025

Testimony of James “Jad” Donohoe, on behalf of The Donohoe Companies, Inc., affected landowner, developer, and builder, on Case No. 25-13

Thank you Chair and Commissioners. This effort is going to be an important driver to help Rock Creek West (RCW) deliver new housing and new affordable housing – if it is done right. The ZC should acknowledge the likely need for government financing tools to support IZ+ projects and make IZ+ feasible. Otherwise, projects will be under-built or not built at all.

RCW has the least amount of Affordable Housing. DC’s 2019 Housing Equity Report called for RCW to provide the most new (and newly covenanted) affordable units. DC set the highest affordable goal for RCW. Since DC set that goal, what’s changed in the last 6 years? Housing production has progressed around the city – but almost none in RCW.

Of all the planning areas, RCW has produced not just the least affordable units as a % of its 2019 Housing Equity Report goal, but also the least affordable units total. RCW produced the least affordable units because, in great part, it produced the least market-rate housing.

Why? It’s hard to produce housing anywhere in DC. But it is hardest in upper NW, because of its higher zoning, legal and financial barriers. This proposal lessens the zoning barrier, but it builds an even higher financial barrier. That’s because putting an unfunded mandate of up to 20% IZ against new projects could have the effect of further discouraging housing - the very thing people say they want. We don’t need to solve that here today, but it is important to acknowledge that there either needs to be relief on the required percentage, or a government role in making these developments feasible – a support like TIF, or the Housing In Downtown abatement program.

Office of Planning did an IZ+ feasibility study in 2020-2021, and that study said that up to 20% IZ worked without subsidy. And maybe it did, for that once-in-a-generation moment of low rates, strong land values, and lower construction costs. But you cannot make policy around a once-in-a-generation moment. Five years ago, construction costs were 40% lower than they are now, and land costs were 50% higher than they are now.

There's been talk about value capture through upzoning. Essentially, it's a density bonus in return for providing more affordable housing. But when land values are down 50% on a per buildable square foot basis, the thing you are offering as a bonus is less valuable. Likewise, construction costs are up some 40%, so the thing you're telling builders to construct costs more. Now, the thing you're offering is worth less, and the thing you want in return costs more. The equation is the same, but all the inputs have changed, and the answer comes back negative, so no new housing is built.

We have a project called 5151 Wisconsin. It has an 11% affordability requirement. We paid for the land, paid for the design, paid for the building permit, paid for the building permit extension, and paid for the building permit extension again. It hasn't been able to start.

We have another project, 4201 Garrison, that you all voted on in July and September. It has a 33% affordability requirement. But it might get started first because it has the support of a DC real estate tax abatement program called HANTA. DC financing tools can help make the ideas in this case a reality.

We all need to acknowledge that IZ+ is not going to produce the housing and the affordable housing that we all want, unless the requirements are revised downward, or DC provides financing tools to make it happen.

-James "Jad" Donohoe