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April 13, 2016

Anthony Hood
Chairman
District of Columbia Zoning Commission
441 4th Street, NW, Suite 210
Washington, D.C. 20001

Dear Chairman Hood:

The Community Preservation and Development Corporation (CPDC) respectfully submits this letter in support of the modifications to the Inclusionary Zoning (IZ) Program in the District of Columbia, Case No. 04-33G recommended by the Campaign for Inclusionary Zoning.

Established in 1989, Community Preservation and Development Corporation (CPDC) is a premier non-profit real estate developer focused on the acquisition, redevelopment, and operation of affordable housing communities for low- and moderate-income individuals and families. Since its inception, CPDC has redeveloped nearly 6,000 unit of affordable housing in the Mid-Atlantic region. Today, the organization owns and operates over 5,000 residential apartments serving more than 10,000 residents. More than 2,600 of those apartments are located in the District of Columbia.

During these past 26 years that we have been operating in the District of Columbia, CPDC has seen great transformative change in the neighborhoods where we operate. For example, we own and operate nearly 800 apartments at Edgewood Commons located at 4th and Edgewood Streets, NE. Over 20 years ago this was a failed development once known for its open air drug markets and crime. It is now a thriving mixed income campus meeting the needs of residents at various income levels serving 30% AMI, 60% AMI, and 80% AMI households. The surrounding Edgewood community is characterized by rapid development and gentrification. According to the Washington DC Economic Partnership 2016 Neighborhood Profile Report, there are nearly 4,000 residential units and 426,000 square feet of retail space being planned or developed in the Northeast Rhode Island Avenue corridor.

ZONING COMMISSION
District of Columbia

CASE NO. 04-33G
EXHIBIT NO. 176

*Investing in the future of communities
to grow and thrive*

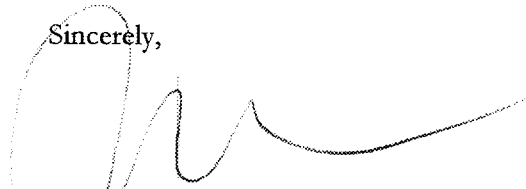
ZONING COMMISSION
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Inclusionary Zoning is a tool designed to provide affordable housing in neighborhoods of opportunity, allowing the District to affirmatively further fair housing without the need for financial subsidies. However, targeting households at 80% of AMI does not necessarily reach the households who are least likely to be served in the existing market. The current market rate rents in the one mile radius surrounding the Rhode Island Avenue metro station are lower than the 80% AMI restricted rents in all cases (see table 1 below). While the new construction in the neighborhood will drive these market rents higher, there are housing options for moderate income households. However, the market does not serve lower income households.

An Inclusionary Zoning policy setting aside units at 60% of AMI for renter households would better ensure that the District's communities of opportunity are affordable to households that are otherwise being priced out of these neighborhoods. CPDC urges the Zoning Commission to adopt this change as recommended by the Campaign for Inclusionary Zoning.

Sincerely,



J. Michael Pitchford
President and CEO

Table 1: Market rents in the 1 mile radius from the Rhode Island Avenue Metro Station as compared to 80% AMI and 60% AMI maximum rents.

	market survey rents	5-year average	80% AMI rent limit	market rent as % of 80 rent limit	60% AMI rent limit	market rent as % of 60 rent limit
Studio	1,097.00	1,106.00	1,530.00	72%	1,147.00	96%
1 bedroom	1,469.00	1,426.00	1,748.00	84%	1,311.00	112%
2 bedroom	1,826.00	1,787.00	1,966.00	93%	1,474.00	124%
3+ bedroom	1,857.00	1,924.00	2,184.00	85%	1,638.00	113%

(Market rents cited from costar.com. Restricted rent levels from novogradac.com and do not take into account utility allowances)