

**ADVISORY NEIGHBORHOOD COMMISSION 4D'S TESTIMONY
TO STRENGTHEN INCLUSIONARY ZONING TO PROMOTE
AFFORDABLE HOUSING IN THE DISTRICT OF COLUMBIA**

Z.C. CASE NO. 04-33G

April 14, 2016

Good evening Chairman Hood and all Commissioners of the Zoning Commission. I am Renee Bowser, Vice Chair of Advisory Neighborhood Commission 4D. I appreciate the opportunity to testify on behalf of ANC 4D in support of our Resolution on Inclusionary Zoning. On March 15, 2016, at a duly noticed ANC 4D monthly public meeting, a quorum of 4D Commissioners unanimously passed: "Advisory Neighborhood Commission 4D's Resolution to Strengthen Inclusionary Zoning to Promote Affordable Housing in the District of Columbia." As the March 15, 2016 Resolution states, it supersedes the February 16 Resolution on the same subject. On October 15, 2013, during the course of the zoning rewrite, ANC 4D passed: "Resolution Redefining Affordability to Enable Low Income Residents to Benefit from Inclusionary Zoning" which is already part of the record in the Rewrite case.

The crisis of homelessness and the inability of low and moderate income families to afford to live in the District of Columbia is mounting. During this crisis, many attach the label of "affordable" to their housing initiatives. But affordable for whom? The reality is that a one-bedroom apartment that rents for \$1,100 per month is so unaffordable as to be completely out of reach for most working class families in our City. It is time that we begin to put in place housing solutions that will enable those most squeezed by DC's high cost housing boom to continue to live in all DC neighborhoods. Amending the Inclusionary Zoning Law so that low and moderate income families who are most in need of decent housing they can afford will go a long way from rhetoric to action on the issue of "affordability."

To date, Inclusionary Zoning has produced only 278 units since its inception according to Office of Planning figures. There needs to be drastic improvement in the number of units built. Inclusionary Zoning must begin to help people who are most in need of affordable housing.

As the Zoning Commission is aware, the Department of Housing and Community Development must use the Washington Metropolitan Statistical Area Median Income (AMI), (now called Median Family Income (MFI)) when

determining income eligibility to live in affordable housing projects because DHCD receives federal funding on the projects. CM J. Evans, October 21, 2014 Report on Bill 20-369, the "Truth in Affordability Reporting Act of 2013" ("Report on Bill 20-369") at 2. Councilmember Evans' Report noted that the required use of the metropolitan area wide MFI inflates the income eligibility threshold for affordable housing in the District relative to the median family income of District residents which is much lower than the MFI. Report on Bill 20-369 at 3. The Report concluded that "[t]his inflation broadens access to affordable housing in the District and, in effect, constricts its availability for low-income residents." Id.

Under federal guidelines, housing is affordable for a family when it spends no more than 30% of its income on housing and utilities. 2016 Glossary of HUD Terms/HUD User, U.S. Dept. of Housing and Urban Development, Secretary Julian Castro. Yet 64% of DC families of 4 with incomes at 30% of the Washington Metropolitan MFI or \$32,220 annually in 2013 earnings have a severe rent burden because they spend more than 50% of their income on housing. W. Rivers, March 12, 2015, DC Fiscal Policy Institute; Going, Going, Gone: DC's Vanishing Affordable Housing ("Vanishing Affordable Housing") at 7. Thirty-one percent (31%) of families of 4 with incomes at 50% of the MFI or \$54,000 annually in 2013 earnings were spending more than 50% of their income on housing. Id. (In 2015, 50% of MFI for a family of 4 was \$54,600. The District of Columbia Mandatory Inclusionary Zoning Maximum Household Income Limits.) One in four renters now spends more than 50% of their income on rent and utilities. Vanishing Affordable Housing at 7.

Between 2002 and 2013, there has been a nearly 50% drop in the number of low cost apartment units (renting for less than \$880 per month) from 60,000 to 33,000. Vanishing Affordable Housing at 4. During the same period, the number of moderately priced apartments (between \$800 and \$1000 monthly) has dropped from 28,000 to 20,000. Id. Yet between 2002 and 2013, the number of rental units with a monthly cost of \$1,440 or more grew from 28,000 to 73,000 and currently represents nearly half the rental housing stock. Vanishing Affordable Housing at 6.

Advisory Neighborhood Commission 4D strongly believes that housing solutions should address the crisis with which we are presented in order to help our residents who suffer most in this crisis. The stark housing crisis for families with incomes at and below 30% of the MFI and families whose incomes are between 30% and 50% of the MFI should compel the Zoning Commission to

enact proposals to benefit those households rather than households with incomes at 50% of the MFI and above.

That is why ANC 4D urges the Zoning Commission to understand and take steps to mitigate the crisis facing working class families in DC by: (1) setting aside a minimum of 50% of IZ units for residents with incomes between 0% and 30% and between 30% and 50% of the MFI; (2) requiring developers to provide larger apartments to accommodate families with incomes between 0% and 30% and between 30% and 50% of the MFI; (3) requiring developers to double the percentage of IZ units in developments from the current 8% to 10% to 16% to 20%; (4) maintaining the current height and density bonus for developers; (5) amending IZ to include downtown residential development projects; and (6) requiring lower rent units be built in economically integrated developments near METRO and jobs, thereby eliminating buyouts and relocating affordable units away from the principal development.

ANC 4D thanks the Zoning Commission for the opportunity to present its position and looks forward to having its reality-based approach receive great weight.

Attachment (March 15, 2016 Resolution)

Dated April 14, 2016

Respectfully submitted,
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**ADVISORY NEIGHBORHOOD COMMISSION 4D'S RESOLUTION
TO STRENGTHEN INCLUSIONARY ZONING TO PROMOTE
AFFORDABLE HOUSING IN DISTRICT OF COLUMBIA
Z.C. CASE NO. 04-33G
March 15, 2016**

Whereas, the Inclusionary Zoning (IZ) law which requires developers to provide “affordable units” in new or substantially rehabilitated rental and ownership housing units was enacted in 2006. In return the Inclusionary Zoning law allows developers to build their units higher and wider.

Whereas, all changes to increase affordability for DC residents should apply to both rental units and housing units for sale.

Whereas, developers began providing affordable units under the IZ law in 2011. To date, there are only 278 IZ units already produced under the law.

Whereas, the DC Office of Planning convened stakeholder meetings on amending and strengthening affordability for DC residents under Inclusionary Zoning and excluded Advisory Neighborhood Commissions from the process.

Whereas, IZ does not does not diminish the real affordable housing crisis in the District of Columbia because the law provides for “affordable units” for residents with incomes at 50% and 80% of the Median Family Income (MFI). The 2015 MFI, a federal income level index for the DC metropolitan area (including MD and VA counties), is \$109,200 per year for a family of four. Source: DC Mandatory Inclusionary Zoning Maximum Household Income Limits produced for DC Code §6-1041.01 et seq. and IZ regulations at DCMR Title11, Chapter 26. Half of the households in the metropolitan area make more and half make less than \$109,200 per year. The MFI which includes wealthy counties surrounding DC, including Montgomery, Arlington, and Loudon counties, is much higher than the median income for District residents.

Whereas, according to United States Census Bureau, U.S. Census Quick Facts for DC, the median income for residents of the District of Columbia in 2014 dollars was \$69,235 a year.

Whereas, the number of District residents in poverty grew from 92,000 to 110,000 between 2007 and 2014 while the poverty rate remained around 18%. There has been a growth of people living in poverty with incomes less than \$24,000 a year for a family of four. There are also people living in deep poverty with incomes less than \$12,000 a year for a family of four. September 21, 2015 DCFPI, “While DC Continues to Recover from Recession, Communities of Color Continue to Face Challenges” at 1.

Whereas, currently IZ mostly serves residents with incomes at 80% of MFI which means a single person with income of \$61,152 and a family of two with income of \$69,888 according to 2015 figures. DC Mandatory Inclusionary Zoning Maximum Household Income Limits produced for DC Code §6-1041.01 et seq. and IZ regulations at DCMR Title11, Chapter 26. February 2, 2016 Committee of 100 on the Federal City, "Zoning Commission Needs Help from ANCs on How to Improve Inclusionary Zoning to Make Housing More Affordable" at 1. IZ also serves some residents with income at 50% of AMI or \$43,680 a year for a family of 2 persons.

Whereas, the DC Department of Housing and Community Development defines "affordable housing" as housing which requires the renter to pay no more than 30% of his/her income. Forty nine percent of renters in DC spend more than 30% of their income on housing.

Whereas, the proposal by the Office of Planning to allow IZ to provide housing units to a family of two with income at 60% of the MFI (nearly \$70,000 a year) is inadequate to stem DC's affordable housing crisis. The rent would be \$1,100 a month for a 1-bedroom unit well above the rent that low income families can pay. This proposal fails to serve the half of DC's population with incomes between 0 and 50% of the AMI, particularly families with more than 2-person households.

Whereas, developers are required to build a maximum of 10% affordable units in buildings subject to IZ. This means a developer is required to build a maximum of 5 affordable units in a 50-unit building. And developers get to decide the size of the units. If a building is primarily studios and one-bedroom apartments, it will serve only residents who are eligible to live in apartments of that size. Most units under construction are these smaller units and therefore are not available to families with children.

NOW BE IT RESOLVED THAT ADVISORY NEIGHBORHOOD COMMISSION 4D urges the Zoning Commission to:

- (1) Amend IZ to require that at least 50% of the affordable units for rental housing as well as housing for purchase be built for residents with incomes 30% and below of the MFI and between 30% and 50% of the MFI.
- (2) Amend IZ to require developers to provide larger rental units and housing for purchase to accommodate families with incomes 30% and below of the MFI and between 30% and 50% of the MFI.
- (3) Amend IZ to require developers to double the percentage of affordable units in developments from the current 8% to 10% to 16% to 20%.
- (4) Retain developers' current height and density bonus under current IZ regulations.
- (5) Amend IZ to include downtown residential development projects.
- (6) Amend IZ to require that lower rent units be built in economically integrated developments near METRO and jobs, thereby eliminating buyouts and relocating affordable units away from the principal development.

The Resolution to Strengthen Inclusionary Zoning, considered on March 15, 2016, amends and supersedes the Resolution on the same subject adopted on February 16, 2016. The March 15 Resolution was considered at a duly noticed public meeting of the Commission in the presence of a quorum.

The vote of the Commission was 4 in favor and 0 against the Resolution. The Resolution is Passed. unanimously by quorum

Signed by Nancy E. Roth, ANC 4D Secretary, on March 20, 2016

Signed by Dina Collet, ANC 4D Chair, on April 11, 2016.