

**Testimony of Scott Bruton, Director of Housing Policy
Coalition for Nonprofit Housing & Economic Development
Zoning Commission
Public Hearing on
CASE NO. 04-33G (Amendments to Chapter 26, Inclusionary Zoning)
Jerrily R. Kress Memorial Hearing Room
441 4th Street, N.W., Suite 220-South
April 14, 2016**

Good evening Commissioner Hood and members of the Zoning Commission. My name is Scott Bruton. I am the Director of Housing Policy for the Coalition for Nonprofit Housing and Economic Development (CNHED). The Coalition's 140 member organizations fund, finance, produce, preserve, and provide affordable housing and neighborhood-based economic development in the District of Columbia and across the full continuum of housing, which includes different kinds of affordable housing and homeownership models.

CNHED believes that Inclusionary Zoning (IZ) is an important component of the continuum of housing, because it creates affordable housing in neighborhoods of opportunity. IZ creates affordable rental and ownership housing throughout the city by requiring affordable units be built into nearly every new residential development. IZ has produced over 600 units, with hundreds more in the pipeline.

CNHED approves of the Office of Planning's (OP) proposal 1B to make all Inclusionary Zoning rental units affordable at 60% AMI and all ownership units affordable at 80% AMI. This change would ensure that IZ is producing affordable rental and ownership units that are aligned better with the District's housing needs.

CNHED supports the OP's proposal to allow developers to build their IZ units offsite within ½ mile without special permission, if they provide 20% more affordable space than what is required onsite. We do not support allowing developers to locate their units any further than ½ mile offsite

CNHED is in favor of eliminating the cap on the number of IZ units that the mayor may purchase in a development. Further, we recommend that the mayor be allowed to rent as well as sell these units, in order to take advantage of the possibility of assigning an operating subsidy to the unit to provide deeper affordability.

CNHED approves of letting developers voluntarily "opt-in" to the IZ program in order to create more affordable housing.

CNHED supports the OP proposal to allow an IZ condo owner to sell their unit to a higher-income household than the unit's income targeting, if the condo fees have risen too high for someone at the target income level to afford. DHCD has developed a formula to determine if a condo's maximum sales price and association fees are unaffordable; we think units should not be sold to households above 100% AMI, unless the fees become unaffordable for that income group as well. We agree with the recommendation that any proceeds beyond the maximum resale price should be deposited in the Housing Production Trust Fund.

CNHED is in favor of letting developers sell an IZ condo to a higher income level only if the unit goes unsold for more than a year.