



Good evening Chairman Hood and members of the Zoning Commission. I am Buwa Binitie Managing Principal with Dantes Partners and one of a very few handful for-profit firms that is dedicated to producing and preserving affordable housing – over 1,000 units to date. I am here tonight to present comments on the proposed amendment to the IZ regulations. In general, I support the recommendations included in the Office of Planning's report dated, February 25.

Having dedicated the last 10 years of my professional career to developing affordable housing in the District, I have used just about every affordable housing tool in the toolbox conceived to date. One thing that remains constant in all my dealings is that there is always a compensating factor both on the federal and local levels to balance the difference in cost and/or income. Examples of such tools, as you know, are Low Income Housing Tax Credits, Housing Production Trust Fund and rental income subsidy also known as project-based vouchers. We can all agree that these tools were created to make up the difference for restricting rents a landlord can charge with the goal of increasing the production of affordable housing production.

So my critical objection to the applicant's proposal not only has to do with the fact that there is zero compensating factor either from bonus density or another dedicated source, there is also a grave miscalculation that all neighborhoods in the District are treated equally and can absorb the loss of income equally.

As someone who has developed in all wards of the District but 3, it's not prudent mathematically to assume that neighborhoods East of the River are generating the same rent as neighborhoods West of the River. However, one thing remains constant – the cost to build is the same wherever you build.

Moving forward on the applicant's proposal would mean that the "market rate" units East of the River can shoulder the same cost burden as say a deal in Logan Circle. This is one of the major flaws why the Zoning Commission cannot adopt the applicant's proposal – because it does not adhere to the original intent of why IZ was created – introducing bonus density to cover the cost of producing affordable housing.

You simply cannot ignore the basic principles of real estate finance, which the Feb. 25<sup>th</sup> version as negotiated with Office of Planning takes into consideration. Without density and/or cost offsets we simply can't expect market forces to pay for affordable housing.

Thank you for the opportunity to testify this evening. This concludes my testimony.

701 Lamont Street, NW, Suite 11, Washington, DC 20010  
Office: 202.588.0622 | Mobile: 202.375.1998 | Fax: 202.354.5371

DANTESPARTNERS.COM

ZONING COMMISSION  
District of Columbia  
CASE NO. 04-336  
EXHIBIT NO. 208  
ZONING COMMISSION  
District of Columbia  
CASE NO. 04-336  
EXHIBIT NO. 208