

**Testimony of Kimberly Hoover  
RED Multifamily Development  
Zoning Commission Case No. 04-33G**

Good evening Chairman Hood and members of the Commission. For the record, I am Kimberly Hoover, principal of the development firm RED Multifamily. My testimony addresses the chilling effect of Inclusionary Zoning on development of residential property in the District of Columbia.

**A Case in Point: the loss of 27-30 residential units to commercial use due to the financial impact of IZ**

Shortly after the implementation of IZ statutory and regulatory requirements, my firm put a property under contract in the SP zone. We planned for a 100% residential development, utilizing bonus density, of 45,000 square feet. We developed plans for 42-45 residential units. However, after exhaustive analysis of the IZ implications, re-programming and value engineering, we were unable to make the economics of a relatively small project work. With the lower economies of scale available to a smaller project, the impact of building units at below cost is devastating. We almost abandoned the effort, but a single program emerged as financially feasible. We created a mixed use project with 15 residential units and a little less than 16,000 square feet of office space. The District lost as many as 30 residential units. Multiplying this affect across the city in hundreds of smaller projects, which tend to be more affordable in any event, one can extrapolate a significant constraint on the development of more moderately priced homes due to the structure of the IZ program.

**Conclusion**

Thank you for your time and attention to my testimony this evening.