

Testimony of Lynn Hackney
President
Allyson Capital
Before the District of Columbia Zoning Commission
Honorable Anthony Hood, Chair

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
Thursday, April 14, 2016
6:30 p.m.

Good evening Chairman Hood, members and staff of the District of Columbia Zoning Commission. My name is Lynn Hackney. I am the President of Allyson Capital, a development firm and capital provider based in Washington, DC. I also live in the city and I have been in the real estate development industry for more than 25 years. I am also the President of DCBIA and have participated in the meetings with the Office of Planning (OP) over the last year with other developers and the Coalition for Smarter Growth. I support OP's February 25 report because it is more workable than the Applicant's proposal.

I have a tremendous amount of experience renting and selling Inclusionary Zoning (IZ) units through several projects over the years. The typical project I have worked on has been in the 20 unit to 60 unit range. The impact of IZ on projects of this size has been significant. Of the 5000 number of units I have been involved in since 2001, I estimate that 35 - 40% of them have had BZA adjustments, PUD or had another government subsidy applied to the project in order to make the financials work to get the deal done. Additionally, the typical resident in these IZ units have been in the 80% AMI range, where we see a huge need to house our workforce of teachers, police officers and other middle income residents.

My experience with the need for government subsidy and middle income residents to make IZ units work is noteworthy, but equally as compelling to note are the deals that do not get done because the requirements of IZ often create project financing and/or land value gaps that prevent affordable housing production altogether. We have had 24 meetings already this year with developers that did not move forward because of the limited revenue on the IZ units and ultimately they couldn't make the deals work. Many of these proposed projects were in the historic district and/or had site challenges and configurations limiting the bonus density that could be achieved. The larger projects that go through PUD can typically capture all of the bonus density. However, it's the smaller infill projects that are not moving forward which is a key part of providing more affordable housing in established communities where large new construction sites are not available.

I point out the deals that did not get done not to criticize IZ, but to illustrate how IZ can be improved to increase affordable housing in the District of Columbia if changes to the program are well-considered.

We have an important opportunity tonight to improve IZ to increase affordable housing in the District – at a wider affordability level, including those at the 50% range. I urge the Commission to approve OP's February 25, 2016 proposal.

Thank you for the opportunity to testify. I'm happy to answer any questions.