



GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT



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September 7, 2016

The Honorable Anthony J. Hood
Chairman, Zoning Commission
D.C. Office of Zoning
441 4th Street, N.W., Suite 200S
Washington, D.C. 20001

Dear Chairman Hood:

The Department of Housing and Community Development (DHCD) applauds the Zoning Commission's (Commission) recent review of the Inclusionary Zoning Program and the Commission's commitment to expanding affordable housing in the District of Columbia.

DHCD was pleased to testify, along with Brian Kenner, Deputy Mayor for Planning and Economic Development (DMPED) and Eric Shaw, Director, Office of Planning on March 3, 2016. During the joint testimony, we emphasized Mayor Bowser's strong commitment to affordable housing and how the Bowser Administration has been moving quickly on many fronts to expand the tools needed to address the affordable housing demands in our city.

Mayor Bowser recognizes that over 38% of all households spend more than 30% of their income on housing costs; that rents and house prices continue to increase across the city; that nearly 7,500 residents are homeless; and that DC has lost thousands of subsidized units in recent years. Mayor Bowser is committed to preserving, producing and protecting affordable housing so that every resident in the District can afford a place to call home. The Bowser Administration has already committed \$200 million in the Housing Production Trust Fund (HPTF). Since January 2015, the Administration has yielded over 4,500 affordable housing units while over 4,700 units of affordable housing are in the pipeline, which will house over 10,000 District residents.

While we are proud of the progress that is being made and the accomplishments thus far, we recognize that we can still make improvements to ensure that programs adjust to market demands and conditions. Mayor Bowser recognizes the importance of improving the Inclusionary Zoning program and to ensuring that the program is a highly efficient and effectively run program.

As you may recall, during my testimony (copy enclosed) on March 3, 2016, I shared how DHCD is taking significant steps to improve the program's overall administration and I shared some upcoming programmatic improvements. In addition, DHCD stated its support of maintaining the 50%/80% Area Median Income (AMI) split because it was consistent with the Inclusionary Zoning Implementation Act of 2006. Further, I advised that changing income targets would create a more complicated path to implementation. In light of the actions taken by the Zoning Commission on July

20, 2016, the Zoning Commission requested DHCD provide it with a timeline of the necessary steps to implement the desired modifications to the Inclusionary Zoning Program.

Over the past month, District agencies have evaluated whether legislative action is necessary to execute the IZ changes recommended by the Zoning Commission. Based on this research, we have concluded that statutory amendments to the Inclusionary Zoning Implementation Act of 2006 will be necessary. The administration will continue to review the steps for amendment and to initiate the drafting process in coordination with the Office of the Attorney General (OAG). We anticipate the amendments to the IZ Act to be proposed to the DC Council no later than January 2017. Simultaneously, while the Council is amending the underlying law, DHCD will commence the drafting of the regulations and administrative instructions for the Inclusionary Zoning Program, to reduce the implementation time.

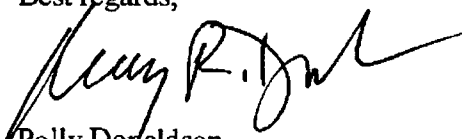
Thus, the starting point for DHCD's formal implementation schedule is the date when the amendments to the underlying law have been passed by the Council and approved by the U.S. Congress and are legally effective (hereafter the "effective date"). Subsequent to the effective date, DHCD expects implementation to proceed as follows:

- Revise and publish the draft administrative regulations (Title 14 DCMR Chapter 22) for the Inclusionary Zoning Program in the DC Register within 60 days of the effective date;
- Accept comments on the revised and published draft administrative regulations for the Inclusionary Zoning Program 30-60 days from publication date in *DC Register*;
- Publish a revised price schedule in the *DC Register* simultaneously with the publication of the final administrative regulations;
- Revise DHCD Administrative Instructions within 30-60 days of the effective date; and
- Implement a revised administrative process for the Inclusionary Zoning Program within 90 days of the effective date.

Following this timeline, DHCD expects to be able to implement the changes made by the Zoning Commission in 90-120 days of the effective date of the amendments to the Inclusionary Zoning Implementation Act of 2006.

In closing, the Bowser Administration is committed to delivering an Inclusionary Zoning Program that matches available housing opportunities with interested, eligible households. We look forward to working with our partner agencies to ensure that the Inclusionary Zoning Program fits neatly into the continuum of housing opportunities so that all families who want to live in the District of Columbia can do so. Thank you for the opportunity to provide this letter to the Zoning Commission.

Best regards,



Polly Donaldson
Director

Enclosure

cc: Brian Kenner, Deputy Mayor for Planning and Economic Development
Eric Shaw, Director, Office of Planning