

Zoning Commission, case: 20-14
Testimony in opposition
October 1, 2020

Dear Zoning Commissioners,

My name is Coy McKinney, I've been a SW resident since 2010 and I help coordinate the SW Community Garden, and organize with the neighborhood group, SW Action.

This testimony is in opposition to the project planned at 5 M Street SW. I believe the project should be modified to address the needs of the community, and designed in a way that is consistent with the Southwest Neighborhood Plan (SWNP).

As a resident of Southwest since 2010, I've been dismayed at how development has unfolded in the quadrant since my arrival. I am especially frustrated because Southwest is the infamous neighborhood where urban renewal first began, a policy that highlights just how racist and unjust planning and housing development can be. Since urban renewal, subsequent SW residents have tried to prevent such outcomes from occurring again by contributing their voices to the neighborhood's small area plan, the SWNP. The SWNP was organized by the Office of Planning to help guide future development and to allow residents an opportunity to shape how their neighborhood would develop into the future. Within the SWNP, equity, inclusion, justice, and respect for the area's unique architecture and character are clearly captured in the plan's guiding principles 1 and 10. Specifically, the SWNP states:

- "Southwest will remain an exemplary model of equity and inclusion - a welcoming and engaged community that celebrates and retains a mix of races, ages and income levels and enhances well-being for all amidst neighborhood growth and change.
- They [residents] also want new housing developments to offer varied products, especially units sized for families. Development pressures and potential gentrification were specifically considered a threat to the most economically vulnerable residents.
- Southwest's most defining characteristic is its people. Residents overwhelmingly expressed their desire to maintain the economic and racial diversity that makes the community so strong and vibrant."
- Guiding principle #10 states that new development should, "develop a strategy for height, density and open space that enhances,

acknowledges and complements the character of the neighborhood.”

The reason that I oppose this project is because it does not meet the aspirations of the SWNP.

The project’s pittance of affordable and family sized units (three-bedroom or more) does not meet the SWNP’s threshold. The city has been experiencing an affordable housing crisis that has disproportionately impacted Black Washingtonians.

Therefore, to be an exemplary model of equity and inclusion, each project must address this problem in a substantive way. Making a \$300,000+ contribution to the housing production trust fund is not sufficient. Is there any guarantee that the contribution will result in affordable units in SW? When can we expect to see the results of that contribution? There is no answer to these questions. Consequently, this is not a model that promotes equity or inclusion in SW. Additionally, offering 3 out of 300+ units, or 8 out of 600+ units as “affordable” will do very little to address the affordable housing crisis that is decades old now. For these reasons, this project does not satisfy the quotes from the SWNP shared previously.

The applicant may try to use an argument that simply adding to the housing supply will address the affordable housing issue. To an extent, this is correct, however, it does not address the issue in a way that is exemplary or substantive. Essentially, the argument can be simplified to “all units matter” when everyone knows, affordable housing units matter while in a crisis. In some urbanist, developer, and planning circles, there is an unfortunate and inaccurate application of the theory of supply and demand to housing and affordability. The theory goes, the more housing you build, the more the price drops. When you dig into the details and couple your observations with objective facts, it becomes clear that not only is this approach the opposite of justice, it does not actually accomplish the goal it seeks. I am not the first to reveal this discrepancy. In fact, in May 2018, Chairman Hood noted this himself, stating that it “seems like the more housing we get, the more the price goes up.”¹ For a more accurate analysis, consider Exhibit 18. Within the exhibit, you will find the following:

- An article titled, *Apartment Rents on D.C.’s Waterfront rise 6% Even as Area Leads City In New Supply*, describing how rent increased 6% even though the SW area led the city in new supply;

¹ <https://www.youtube.com/watch?v=oTFXDTg8KPg>

- An article entitled, *Why voters haven't been buying the case for building*. The author, Rick Jacobus, writes: "The structure of urban housing markets is better understood as a set of interrelated submarkets that can move somewhat independently than as a single market . . . If housing markets are segmented, then when we build more luxury housing, the price of luxury housing falls (Econ 101). But if each new luxury unit does not correspond to one less household in the next market down (the 'high-cost' submarket), then the prices in the high-cost market will move less noticeably than the luxury prices . . . I think it is clear from this that we can't expect new luxury development to have the same impact on rents at the bottom of the market as it does at the top.

It is no secret that far more market rate units have come online than affordable units. In Chapter 19 of the draft of the new Comprehensive Plan, which covers Southwest and Navy Yard, the Office of Planning finds that "most of the new residential buildings have primarily consisted of market rate one-bedroom units attracting more young professionals."² Additionally, the Housing Equity report released by the Department of Housing and Community Development found that, "Housing production has consisted mostly of small rental units targeted to households earning more than 120% of the MFI."³ While affluent people need houses to live in, justice dictates that those who have been historically underserved should receive priority. "Justice delayed is justice denied." Rather than continue to cater to an already privileged group of people, housing providers should direct their efforts to those who need housing most. Building housing that is over 98% market-rate is an insult to the pursuit of affordable housing.

Although market rate units appear to be racially neutral, due to their costs, they are racially discriminatory. The median household income for Black families is around \$40,000/year; the median household income for White families is around \$140,000/year, thus the impact of adding almost exclusively market rates units to an area, which average over \$2,000/month in rent, is predictable: White people move in, Black people move out. And true to form, this is exactly what the Office of Planning found: between 2000 and 2017, the White population in the area

2

<https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/Chapter%252019%2520Com%2520Plan%2520Updates%2520Opti.pdf>

3

https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/Housing%20Equity%20Report%2010-15-19.pdf?fbclid=IwAR1085sUhbVMG-UirY61xuO3ZdaH_I4bjq_4hORo76jRq1i_wltx86-AnQ

increased from 24-52%, while the Black population decreased from 67-40%, the median income increased 117%, and the median price of homes sold increased 55%. Simply put, majority market rate projects are not examples of equity or inclusion. Therefore, to be an **exemplary** model of equity and inclusion, housing projects require far more truly affordable units.

At what point will we as a society get serious about injustice? During the recent Breonna Taylor and George Floyd protests, companies, individuals, and businesses flooded social media with messages of how they're listening, changing, and re-committing themselves to social justice, especially in how their services affect Black Americans. Well, let's see the proof! Continuing to produce discriminatory housing in the same way as before is not an example of the change we desperately, it's just the continuation of the status-quo. Relying on an unknown amount of market rate units to reduce prices an unknown amount over an unknown amount of time, (also known as trickle-down-housing), is unreliable and the complete opposite of justice.

If we are truly serious about addressing the affordable housing crisis in a way that is rooted in justice and antiracism, we must begin the transition towards treating housing as a right and not a commodity. Creating more housing using shared equity models, such as limited equity cooperatives or community land trusts, or structured similarly to social housing, where one-third of the units are market rate, one third are workforce house, and the remaining third are deeply affordable, are the clear pathways forward. Consider this:

- "In 2018, Grounded Solutions partnered with the Lincoln Institute of Land Policy to examine the efficacy of shared equity homeownership programs like community land trusts. The study, which looked at 4,108 properties across 20 states over three decades, found that foreclosure rates in shared equity homes were astonishingly low: 99 percent of shared equity homeowners avoid foreclosure."⁴

As participants in the production of housing in the city, we should be doing all that we can to promote and prioritize these models of housing. Certainly, some of these issues are broader than the Zoning Commission's reach, however, they still provide an idea of what is possible.

⁴ <https://groundedsolutions.org/shared-equity-housing-numbers>

In conclusion, I strongly encourage the Zoning Commission to require the developer to modify their project so that it includes far more affordable housing, and to meet with community members, not just the Advisory Neighborhood Commissioners, to help design a building that is truly representative of the neighborhood. Furthermore, the developer should also consult with members of the community in regards to their search for retail to occupy the spaces the building will provide.

Thank you for your time and consideration on this matter.