

RE: ZC Case No. 21-18

District of Columbia Zoning Commission
441 4th Street, NW, Suite 200S
Washington, DC 20001

Dear Commissioners,

I am writing today to urge you to support the Dance Loft on 14 and Heleos' plan to deliver affordable housing and permanent nonprofit community arts space along 14th Street NW in DC's Ward 4. LISC is a national community development organization, with a flagship office in DC. Established in 1982, LISC works every day to help create healthy and resilient DC neighborhoods that are good places for low-and moderate-income families to live, work, raise children, and conduct business.

Over our four decades in DC, LISC has financed over 13,000 affordable homes and almost 4 million square feet of commercial, retail, and community space. We are deeply familiar with the financing required to make new affordable housing and community space possible, as well as with the barriers that make it difficult.

During our 40 years in DC, we have seen our city change dramatically, going from a city beset by population loss and disinvestment to one that has become one of the most desirable places to live, with the growth to match. In some very meaningful ways, this change has benefited the residents living in some of the communities where we work: crime has dropped significantly; neighborhood parks, recreation centers, libraries, health clinics, and schools are new, frequently used, and state-of-the-art; commercial corridors are more vibrant.

However, over this same time period, we have witnessed an extreme loss in affordable housing, coupled with increased displacement pressures on many DC residents – particularly Black residents and residents of color, who have disproportionately borne the brunt of our city's inequitable growth. We believe that this type of inequitable change is not inevitable.

Indeed, that is one of the prime reasons why we have worked closely with Dance Loft on 14 and Heleos to support their vision for a redeveloped Dance Loft on 14 that provides affordable housing and permanent community-serving nonprofit arts space. This is exactly the type of project a growing city should be embracing – delivering new affordable homes while preventing the displacement of a long-time neighborhood-based arts nonprofit. As a mission-based lender to the project currently being considered, we are very familiar with the Dance Loft PUD project and have extensively underwritten the project's finances. We are writing to urge the Zoning Commission to approve the Dance Loft project as proposed without further reduction of density or affordable units.

The District is facing an affordable housing crisis that is both a humanitarian crisis as well as a severe obstacle to equitable growth and economic development. This is especially true in Wards 3 and 4 where a history of exclusionary zoning and racist housing practices have compounded these challenges. Through the Comprehensive Plan and its recent amendments, the District has taken steps to address these issues of affordable housing and racial equity. The DC Council and the

Mayor have spoken unequivocally with regard to how the Commission should encourage the greater density required to make affordable housing financeable in those areas identified in the Comprehensive Plan as appropriate for such density.

This specific site is a clear opportunity to fulfill these goals, and we anticipated that additional density when underwriting the project. A 5-story building along a major commercial corridor, scaling back to 4 stories and set back significantly from nearby homes is certainly reasonable in a city such as ours, especially in view of the clear mandates set by DC Government leaders and in view of our affordable housing crisis. In addition, the added density will drive more customers to neighborhood businesses located along this commercial corridor, supporting a more vibrant, engaged commercial node on upper 14th Street.

As you are no doubt aware, financing affordable projects is extraordinarily difficult and, without a critical threshold of density, impossible. We have underwritten this project's financial feasibility and believe any significant reduction in unit count or density would threaten viability due to limited public resources that fill affordable housing financing gaps. Because construction and development costs do not scale linearly, it is not possible for an affordable housing project to simply lose 25-50% of its units and have a corresponding 25-50% reduction in costs. Additionally, an affordable housing project that requires proportionately more subsidy in exchange for fewer affordable homes will fail to compete for limited public resources, and ultimately fail to move forward.

Just as we know the metrics of a project that is ultimately successful, we know the financial barriers to constructing affordable housing. Among those barriers are delays, increased construction costs, and loss of density. In the current inflationary environment and with construction material supply chains disrupted in numerous ways, affordable housing financing is difficult enough. When an affordable housing project does not satisfy the minimum criteria set by DC Government, it does not get built. Affordable housing that is financed through public programs cannot tolerate missed metrics or diluted results. Instead those subsidy dollars go to a different project and an opportunity is lost.

We are confident that the current vision set forth by Dance Loft on 14 and Heleos is one that aligns with DC's zoning, planning, and development goals, as well as the fundamental values the majority of DC residents hold. At its core, it is a vision where all families, regardless of income or race, can find an affordable home, and where community-based nonprofits can have a permanent stake in their neighborhood and continue to provide family-supporting services.

We urge the Commission to support this project without dilution of the already modest proposed density.

Sincerely,



Adam Kent
Deputy Director
Local Initiatives Support Corporation – DC Office