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

RE: ZC Case No. 21-18

Dear Commissioners,

I am writing to you today as the Chief Lending Officer and one of the members of the Executive Management team at City First Bank in support of the Dance Loft on 14th project and Heleos' plan to develop and deliver affordable housing and a nonprofit community arts space on 14th Street in the NW corridor of Ward 4.

City First Bank, National Association, headquartered in the District of Columbia is the largest Black-led Minority Depository Institution in the nation with over \$1 billion in total assets as of 4/11/2022. City First Bank is also a Community Development Financial Institution, a certified B Corp, and a member of the Global Alliance for Banking on Values (GABV).

Our founding purpose was to provide access to capital to fight the disinvestment and discrimination in urban minority and low-income communities by providing capital to borrowers and developers like Dance Loft Ventures, LLC and Heleos.

We are a nationally chartered bank that focuses on low and moderate income (LMI) neighborhoods in the District of Columbia, Baltimore and their surrounding suburban communities in ways that are efficient and profitable, that increase access to credit and capital for individuals and institutions located therein, and that improve the economic health of these communities."

We channel capital into communities that need it most by financing small businesses and non-profits that create jobs, affordable housing, and community facilities.

City First Bank is part of the collective solution to systemic racism and through our decades of financing has demonstrated the power of long-term commitments to these communities when investments are made.

In the past 26 years, we have deployed billions of dollars in capital and financed over 8400 affordable housing units in the District of Columbia to close the racial wealth gap in the District which is the largest in the country. The average Caucasian household has a net worth of \$284,000 in

ZONING COMMISSION
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contrast to the average African American household having a net worth of \$3,500. Housing is the key to reducing intergenerational poverty and increasing economic mobility.

The District is facing a humanitarian crisis. It is increasingly unaffordable which means low-income families are struggling. More than half of DC's lowest-income renters are cost-burdened, spending more than 30% of their income on rent.

Capital investments like the Dance Loft on 14th are needed to build, preserve, and rehabilitate homes that are affordable for the lowest income families. These dollars can address other challenges as well, like revitalizing distressed communities and providing housing options for low-income families in tight or gentrifying markets like the District of Columbia.

City First Bank believes in helping to create communities, where all community members have access to economic and educational opportunities, as well as affordable housing.

Access to affordable housing has wide ranging, positive impacts. When families have stable, decent, and accessible homes that they can afford, they are better able to maintain employment, perform better in school, and achieve improved health and well-being. Evidence shows that access to stable, affordable housing in communities of opportunity has broad, positive impacts. It can lead to better health and education outcomes and higher lifetime earnings, especially for children.

The lack of affordable housing is widely seen as one of the three main challenges holding back the region's economy. Traffic gridlock and a shortage of qualified workers are the other two.

Failure to address the challenges of housing affordability could ultimately undermine the region's future economic growth and prosperity. Housing challenges can undermine worker productivity, increase the difficulty businesses face in attracting and retaining employees, and discourage businesses from locating in the region.

As economic development and gentrification in the District grows, long-time residents and those with low incomes increasingly struggle with the city's high and rising housing costs. The disappearance of affordable housing in DC, particularly for larger families, puts enormous stress on family budgets and leaves many at risk of eviction and homelessness. This stress is disproportionately felt by Black and Brown residents. In addition, about 90 percent of people in public housing much of which is in poor condition and 85 percent of individuals experiencing homelessness in the District are Black and Brown. Adequate affordable housing is a racial justice issue and city leaders should make and encourage the investments necessary to reduce housing costs and ensure that homelessness is brief, rare, and nonrecurring.

As a mission-based lender on the project currently being considered, I urge the Zoning Commission to approve the Dance Loft project as proposed without further reduction of density or affordable units.



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Just as we know the metrics of a project that is ultimately successful, we know the financial barriers to constructing affordable housing. Among these barriers are delays, increased construction costs, and loss of density. The playbook for defeating affordable housing, is unfortunately well known. Opponents seek to drag out the process for as long as possible, increase the cost of construction with superfluous requests, and starve the project of units. In our experience, neighbors who oppose affordable housing are usually well-meaning and “not opposed to affordable housing” but are rarely disappointed when it is defeated since they often confuse affordable housing with public housing.

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 of the mission driven lenders and subsidy providers, it does not get built. Affordable housing that is financed through public programs cannot tolerate missed metrics. Instead, those subsidy dollars go to a different project and an opportunity is lost.

This is especially true in Wards 3 and 4 where a history of exclusionary zoning and worse has compounded these challenges. The District has taken concrete steps, by developing a Comprehensive Plan to address the issues of affordable housing and racial equity. But the task remains incomplete. The Council in adopting the amendments and the mayor in setting forth robust affordable housing goals have spoken unequivocally about 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 has been identified as such, and the additional density was considered when underwriting the project.

A 5-story building along a major commercial corridor, scaling back to 4 story rowhomes and set back significantly from those homes is certainly reasonable in a city such as ours, especially in view of the clear mandates of the Council and Mayor and the housing crisis.

We need projects like this in all Wards. The community benefits and amenities here are extraordinary. We urge support for this project without dilution of the already modest proposed density.

Sincerely,

Sonja Sanders Wells

Chief Lending Officer
City First Bank