



May 4, 2022

Zoning Commission of the District of Columbia  
441 4th Street, NW - Suite 210  
Washington, DC 20001

**VIA IZIS**

**Re: Z.C. Case No. 21-18 of Dance Lofts**

Dear Members of the Zoning Commission (the “**Commission**”):

The Office of the Attorney General (“**OAG**”) submits the following comments in support of the application (the “**Application**”) of Dance Loft Ventures, LLC (the “**Applicant**”) for Lots 64, 815, 819, 821, 823, 828, 830, 832, and 833 in Square 2704 with an address of 4608-4618 14<sup>th</sup> Street, N.W. (the “**Site**”) in Z.C. Case No. 21-18 that requests a consolidated Planned Unit Development (“**PUD**”) with a related map amendment from the MU-3A zone to the MU-5A zone and parking relief to construct a new mixed-use building with 110 residential units and three retail spaces (the “**Project**”).

OAG strongly supports the Application because it advances the public interest by creating a significant amount of affordable housing units that are vital to address the affordable housing crisis facing the District as well as the immediate area surrounding the Site by providing:

- **Extra affordable housing** - More than seven times as many affordable housing units than required by the Zoning Regulations (Title 11 of the DCMR, Zoning Regulations of 2016, to which all references herein are made unless otherwise specified) - approximately 66 affordable units instead of the approximately nine affordable units that would be required by Subtitle C § 1003;
- **Deeper affordability levels** - Approximately two-thirds of these affordable housing units (approximately 44) reserved for households with a Median Family Income (“**MFI**”) that is significantly less than the 60% MFI cap imposed by Subtitle C § 1003.7:
  - Half capped at 50% MFI (approximately 22); and
  - Half capped at 30% MFI (approximately 22);
- **Larger family-sized affordable units** – Approximately 24 affordable units with at least three-bedrooms; and
- **Lowering utility costs** – Significant sustainability features, including LEED v.4 Gold design with rooftop solar panels and a net-zero energy target using community solar, that will increase the affordability and livability of these units.

Furthermore, the Project will not displace any residential tenants and will provide up to three retail bays on 14<sup>th</sup> Street, N.W., to which some of the existing commercial tenants may return, as well as retaining the current non-profit arts organization tenant, Dance Loft on 14 (Ex. 2A2, at 1, 13).

The Application’s exceptional affordable housing proffer far exceeds the requirements of the Zoning Regulations and of a matter-of-right project by advancing the District’s stated public policy

goals of creating affordable housing, especially deeply affordable housing. OAG believes that the Application demonstrates that other development projects in the District can provide more affordable housing units at deeper affordability levels than the minimum standards of the Zoning Regulations and hopes that the Commission push future projects to rise to this level. The District’s current affordable housing, displacement, and gentrification crises require more development projects like the Application.

The Zoning Act, and the Zoning Regulations implanted thereunder, requires the Zoning Commission to ensure that an application is not inconsistent with the Comprehensive Plan (Title 10A of the DCMR, the “CP”; D.C. Official Code 6-641.02; Subtitle X § 304.4). As discussed below, OAG asserts that the Application’s affordable housing proffer furthers the CP’s Framework, Housing, and Environment Elements, and most importantly constitutes a “high-priority public benefit” for a PUD application that the CP deems necessary to address the District’s “acute need to preserve and building affordable housing” (CP § 224.9).

### **Affordable housing crisis**

The CP chronicles the dramatic changes to the demography and economic circumstances of the District’s residents necessitating increased affordable housing production:

- Between 2005 and 2017, the loss of less expensive housing coupled with the District’s increasing MFI resulted in the disappearance of almost a third of rental units affordable to households earning less than 50% of the (CP § 206.5);
- These lost units coincided with the dramatic rise in the District’s population – by more than 100,000 between 2010 and 2019<sup>1</sup> – made up of largely of higher-wage households, with 37,600 households earning more than 120% of the MFI moving into the District between 2006 and 2017, while 15,600 households earning less than 80% of the MFI left the District during the same time (CP §§ 206.8, 206.9, 504.1);
- As a result, the District’s inflation-adjusted MFI increased by almost 60% - from \$81,525<sup>2</sup> to \$129,000<sup>3</sup> – between the Commission’s creation of the IZ program in 2006 and 2021, causing a corresponding significant jump in housing costs for an IZ unit over that same time;
- During that same period, the limited wage growth in lower income jobs did not keep up with the growth for higher wage workers; a trend that the updated CP anticipates will continue with many of the jobs projected to be created in the next 10 years being insufficient to afford housing in the District (CP §§ 204.9-10, 500.7c, 500.19, 504.4);
- Simultaneously, housing costs increased significantly, and the District lost almost a third of rental units affordable to households earning less than 50% of the MFI between 2005 and 2017, resulting in more District households that are severely burdened by housing costs (CP §§ 206.2-206.5, 206.8, 504.1, 504.3); and
- This loss of affordable homes “may reinforce racial patterns of settlement in the District and/or create additional market pressure on the housing prices in eastern neighborhoods” (CP §§ 204.15, 206.7, 500.15, 500.19, 500.24). The updated CP notes that this income disparity and

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<sup>1</sup> [Mayor’s Order 2019-36 \(May 10, 2019\)](#).

<sup>2</sup> [Office of Planning Preliminary Report, Z.C. Case No. 04-33 \(IZ\), Ex. 20](#), p. 18.

<sup>3</sup> [DMPED/DHCD IZ Maximum Income, Rent, and Purchase Price Schedule, effective June 25, 2021](#).

loss of affordable housing options has more heavily impacted residents of color who are more heavily represented in the lower income groups, resulting in worsening racial inequality in housing access and affordability, and increased risk of displacement of communities of color (CP §§ 500.5, 500.7c, 500.19, 504.3, 504.7).

### **Need for units at deeper affordability levels**

The CP highlights the importance of preserving and developing housing affordable for extremely low-income, low-income, and workforce households:

- “Affordable renter- and owner-occupied housing production and preservation is central to the idea of growing more inclusively” and is “essential to avoid a deepening of racial and economic divides in the city and must occur city-wide to achieve fair housing objectives.” (CP §§ 206.8, 220.5); and
- “[M]ore deeply affordable housing production and preservation is needed to advance racial equity in housing because of the racial income gap ... an effective allocation of resources is needed for housing preservation and production targeted to very-low- and extremely-low-income households” (CP § 504.7).

The CP therefore calls for 70% of new affordable housing units to be reserved for households earning 60% MFI or less, with more than half of these units reserved for households earning 30% MFI or less (CP §§ 500.25, 504.9, 504.20-504.21).

### **Need for family-sized affordable units**

A District-commissioned 2019 study by the Urban Institute and the Coalition for Nonprofit Housing & Economic Development<sup>4</sup> determined that family-sized affordable units are particularly needed because:

- Three quarters of the District’s family-sized units are in single-family homes, which are often on larger lots and so command higher prices, putting them beyond the reach of most low-income households;
- Three-quarters of the District’s family-sized units are owner-occupied/for sale units that are out of reach for most low-income households;
- Family-sized units produce less rent per square foot than smaller units and so are more expensive to operate; and
- By 2045, the District is anticipated to gain an additional 14,000 - 19,000 additional households needing family-sized units, of which 4,000 - 7,500 households are likely to be earning below 50% of the MFI, with many earning less than 30% of the MFI.

The updated CP confirms the need for three-bedroom-plus units and notes that the lack of affordable family-sized units has contributed to displacement of existing residents, primarily families with children, lower income residents and residents of color (CP §§ 206.2, 500.29-30, 500.33, 505.6).

OAG therefore respectfully recommends that the Commission approve the Application, with two suggested conditions:

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<sup>4</sup> [P. Tatian, L. Hendy, and S. Bruton, \*An Assessment of the Need for Large Units in the District of Columbia\*, June 2019.](#)

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- The order approving the Application include a condition that the affordable housing units proffered as a public benefit must be Inclusionary Units, although they may be Temporarily Exempt Inclusionary Units as defined by Subtitle C §1001.6; and
- The Application’s request for design flexibility from the plans approved by the Commission’s order to allow the number of residential units to fluctuate by plus-or-minus 10% (Ex. 2A2, Appendix A.d) be limited by requiring that the Project, as built, provide:
  - A minimum of 66 affordable units, evenly distributed between the 30%, 50%, and 60% MFI levels even if the number of residential units constructed falls below the proposed 101 residential units; and
  - If the number of residential units constructed exceeds the 101 proposed, that these additional units are distributed according to the Application’s proposed breakdown:
    - 22 percent reserved at the 30% MFI level;
    - 22 percent reserved at the 50% MFI level;
    - 22 percent reserved at the 60% MFI level; and
    - 33 percent market rate.

OAG respectfully requests that the Commission consider these comments in its consideration of the Application.

Respectfully submitted,

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