



The DC Zone That Led a Development Wave in 2021

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While the DC area continues to transition to a new pandemic-era status quo, the time has come once again for UrbanTurf to reflect on the state of real estate over the past year.

This week, we refresh our collective memory with a 2021 Year-in-Review series.

Last year, a [zoning application](#) to expand the affordable unit-mandating Inclusionary Zoning (IZ) program in DC spurred debate around whether IZ should be required on Downtown-zoned sites. In January, a representative from the Office of Planning testified that "part III" of expanding IZ requirements citywide would be specific to these D- zones.

In the meantime, some developers took this year as an opportunity to get ahead of that requirement.



A 759-unit development approved this year in the D-5 zone. [Click to enlarge.](#)

This year, building permits were filed for two developments on D-zone sites at Florida Avenue and North Capitol Street NE that would deliver a total of 560 market-rate units. A couple of blocks away on New York Avenue NE, a [zoning application](#) for a 557-unit market-rate development was filed in January and approved in May.

Across the street, a zoning application for 116 market-rate units was [filed](#) in April and approved in September, and less than a block away at the McDonald's site, a two-phase development with 759 market-rate units was similarly [proposed](#) in April and approved in October. In NoMa, a 275-unit development [received financing](#) in October, and another 500-unit development has building permits pending two blocks away on First Street NE.

In total, over 3,000 new units of market-rate housing were proposed on D-5 -zoned sites in the city this year, and none of those developments will produce anything more than a monetary contribution to the Housing Production Trust Fund.

ZONING COMMISSION
District of Columbia
CASE NO.21-20
EXHIBIT NO.14A



Rendering of proposed development at South Capitol Street and I-695. Click to enlarge.

The Office of the Attorney General (OAG) seems to have taken note of this new wave, [filing](#) a zoning text amendment (ZTA) earlier this month to mandate IZ in D- zones. This amendment requests an emergency ruling to apply IZ requirements to all exempt D- zones and also apply this requirement to currently-pending developments. According to the ZTA submission, this could create 110 affordable units among those pending projects.

No zoning hearing has been proposed for this ZTA yet, however, and some developments that need zoning relief are still moving through the process — including a 520-unit, market-rate development at I-695 and South Capitol Street that was [proposed](#) over the summer. This project received final zoning approval days after OAG filed for emergency action.

It should also be noted that the developer for a project [proposed](#) last year on a prominent D-5 -zoned corner in Southwest conceded to offer 19 non-IZ affordable units (out of a total of 615) after persistent pressure from the local ANC. For some developments, however, many of which are completely by-right and aren't required to engage with the ANC, the community, or any zoning boards, it may be too little, too late.

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