

November 13, 2020

## ZC Case 20-02: Comments by the Committee of 100 on the Office of Planning's Proposed Text Amendment to Subtitles C, F, G, I, K, and X Expanded Inclusionary Zoning

Thank you for the opportunity to comment on the proposal to create a new program - Expanded Inclusionary Zoning or IZ Plus. The new program would build on Regular IZ to create higher set-aside requirements for certain zoning applications with map amendments. The Committee of 100 (C100) shares with the Zoning Commission the goal of creating more affordable units. C100 has consistently advocated for more affordable housing within the City.

Inclusionary Zoning is one element within the City's affordable housing toolbox. We all should recognize, however, that the actual production of affordable units under the IZ Program has been meager. The District's regular IZ program produced 196 units in FY 2019, 1 just a drop in the bucket considering the need. A significant issue has been the structure of the program. For example, downtown (where over 6000 units have been built) is exempt. The mismatch between the number of residents who have registered to participate in the program and the number of available IZ units underscores the point. The FY 2019 Annual Report states that, as of September 30, 2018, 8362 registered households were seeking an Inclusionary Zoning unit. Further, the fact that many participants, particularly those purchasing units, receive additional subsidies means that the IZ program, standing alone, doesn't help many who need more affordable housing. In our view, other tools in the toolbox, including public housing programs, as well as expanded rent control, should be relied on to meet the need for more affordable housing.

It is no accident that the proposal has surfaced as the DC Council is about to consider proposed changes to the Comprehensive Plus, including changes in the Future Land Use Map which would set the stage for significant City-wide up-zoning. The proposed amendments to the Comprehensive Plan constitute an attempt to accelerate the development the City has experienced over the last decade. But do we need more development, especially when it comes, as it frequently does, with disruption of existing neighborhoods and displacement of current residents, including those who currently live in housing they can afford?

Thousands of market-rate units have been constructed over the last decade, but the share available for participants in the Inclusionary Zoning Program has been insignificant. The Mayor says the City needs 36,000 more housing units over the next five years, and that 12,000 of these units should be affordable. But do we need 24,000 market rate units at a time when the growth of the City's population is slowing, and may in fact have reversed? Interestingly, the Office of Planning's Public Hearing Report for Case 20-02 indicates that much of the recently delivered projects have been slow to lease up and stand largely

<sup>&</sup>lt;sup>1</sup> FY 2019 Inclusionary Zoning Annual Report submitted by the Department of Housing and Community Development and Mayor Bowser, p. 5. The Report also indicates that the IZ program produced 198 units in FY 2018, 192 units in FY2017, and 191 units in FY 2016. The City was experiencing a development boom throughout this period, but the IZ production was minimal.

vacant.<sup>3</sup> With reduced demand for the housing that has been built, new development will not proceed at a pace that will contribute meaningfully to the trickle of IZ units produced during the boom.

How can even 200 IZ units built yearly make a dent in the affordable housing shortage? There is a yawning gap between the housing that has been produced and the kind of affordable housing that the District's substantial underhoused population needs and wants. All the tinkering around the edges of IZ will not change that fact. The Commission should consider whether the Expanded IZ Program will achieve its stated purpose and constitutes good public policy.

We also encourage the Commission to consider the impact overdevelopment, which the Expanded IZ program would encourage, will have on established neighborhoods, including the possibility that long time, less affluent residents will be displaced.

The Mayor and the Zoning Commission should be wary of becoming tools of developers. Expanded IZ comes into play when the developer requests a map amendment that would allow more density. The added density is a subsidy benefit to the developer. The Zoning Commission should ask whether the City and its residents will share commensurately in the benefit. In this regard, the economic analysis of the proposal is key. A flood of map amendment requests will likely ensue if the Council approves OP's myriad recommended FLUM changes that would enable denser matter-of-right development. While we appreciate the interest in addressing this issue through Expanded IZ affordable housing, for the reasons described above, we're skeptical that what OP is proposing constitutes an even trade of high-value density for high-value City benefit.

The Office of Planning's Public Hearing Report indicates that during two online public forums they received feedback from two organizations. The Report also indicates that OP had a private session with DCBIA, developers and their legal representatives. Otherwise, and as of the date of this submission, the public record for this case is thin. To us, the lack of robust public discussion argues for soliciting more comments. The Commission might wish to hear from accredited housing counseling services that screen applicants for IZ units and guide them through the eligibility process. The 11<sup>th</sup> hour changes to Expanded IZ filed by the Office of Planning on November 13, 2020 underscore the need for further review. While we haven't had a chance to digest these changes, they would appear to water down the affordable housing benefit.

Should the Commission decide to proceed with consideration of the proposal, C100 offers the following comments:

- The proposal currently specifically excludes map amendments in connection with a PUD. This could mean that the inclusionary zoning production in a PUD case could be less than would result from Enhanced IZ. While we understand that there may be other public benefits in a PUD, we think the PUD applicant should have the burden of proof to show that those benefits outweigh any lesser IZ commitment.
- We do not understand why certain zones are excluded from Expanded IZ's higher IZ requirements.
- The Zoning Commission should be required to carefully weigh the impact any application for Enhanced IZ/map amendment will have on the neighborhood, including expected displacement and impact on adjacent lower density properties.
- The Office of Planning originally proposed a reduction in the higher set-aside requirement for Expanded IZ if 50 percent of the IZ units have three or more bedrooms. However, in the Public Hearing Report, OP backs off some from this proposal, suggesting that there may not be sufficient demand for family-sized units and that this feature of the proposal should be tested on

<sup>&</sup>lt;sup>3</sup> Office of Planning's Public Hearing Report for Case 20-02, p. 5-6.

- a trial basis. 4 C100 believes that families are those most in need of affordable housing and that the provisions encouraging family-sized units should be strengthened, not weakened.
- C100 supports increasing the Inclusionary Zoning set aside for developments that do not use Type I construction.

Finally, C100 believes that, given the ineffectiveness of the Regular IZ in achieving its expected goals, the entire Inclusionary Zoning program is in need of review. Given the pendency of the Enhanced IZ proposal, this would seem to be a good time to undertake such a review.

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Chair, The Committee of 100 on the federal City

<sup>&</sup>lt;sup>4</sup> Id., pp. 6-7.