



OFFICE OF PLANNING ROUNDTABLE ON WAYS TO ENCOURAGE AFFORDABLE HOUSING

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Testimony of Shelly Repp on behalf of The Committee of 100 on the Federal City

Good afternoon, my name is Shelly Repp, and I am testifying on behalf of the Committee of 100 on the Federal City and its Zoning Subcommittee. My testimony addresses needed changes to the Inclusionary Zoning (IZ) program, specifically the application of IZ to the currently exempt Downtown Zones. Given that Nancy MacWood will also be testifying on behalf of C100 at this Roundtable, albeit on other topics, I plan to take only three minutes.

C100 has long advocated for the Inclusionary Zoning Program to apply to the Downtown Zones where they are currently exempt. It is for this reason that we previously stated that the Office of the Attorney General's proposed text amendment (Case Number 21-23) that is one of the subjects of this Roundtable is consistent with C100's priorities and deserves serious consideration. Given the changes that are occurring downtown, we today emphatically recommend that the Office of Planning (OP) and the Zoning Commission should immediately move forward with this proposal.

We have all seen reports that the office vacancy rate in downtown DC is around 20 percent. We foresee that increasing as existing office leases expire and office tenants move to reduce their space requirements, or even become entirely remote. The pandemic has accelerated the trend to hybrid and remote work. This trend is permanent, and planning and zoning need to adapt. The impact is especially noticeable for Class B and C buildings.

We expect that the changing economics means that office building values are in decline. We assume that DC's Office of Tax and Revenue is already fielding requests to reduce assessments. What this means is that office use may no longer be the best use of downtown space (as Andrew Trueblood previously told the Zoning Commission).

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We assume everyone would like to see a vibrant, livable downtown with a mix of office, retail and residential. We could be seeing movement in that direction. We are already seeing conversions of office space. The former Peace Corps headquarters is a prime precedent. We also assume everyone would like downtown to be diverse. However, without intervention, downtown residential developments will be market rate for the foreseeable future with few if any affordable units.

Inclusionary Zoning is one tool available to remedy this situation, and one that does not require DC to expend its limited resources. Also, applying IZ to downtown not only would help the Mayor achieve her goal of creating 12,000 affordable units by 2025, but would also promote the racial equity goals established by the DC Council, the Zoning Commission and OP.

We have heard others claim an IZ requirement is not appropriate because, since many downtown buildings are already at maximum height, no additional density can be granted in exchange for the IZ requirement. However, everyone should understand that the IZ requirement in the Zoning Regulations is a two-prong requirement. For developments subject to IZ, the Zoning Regulations require that dedicated affordable space be the greater of 8% -10% of residential square footage or 50% to 75% of bonus density achieved (in each case, dependent on construction type). Thus, the existing requirement is not conditioned on the granting of bonus density. In other parts of the City developments are subject to IZ even if no bonus density is requested.

What is needed is for the exempt Downtown Zones to be subject to IZ. OP told the Zoning Commission back in September 2020 that it would submit proposed text amendments later in the fall 2020 to “apply the regular IZ requirements to certain zones that are currently exempt from the program.” To address racial equity goals and enhance the stock of affordable housing, the Zoning Commission should apply IZ to all downtown residential development. Continued delay is inexcusable and unjustified.

For these reasons, C100 firmly believes ending the IZ loophole must be an immediate priority. While we can see how it would be beneficial for the IZ units to include family-sized units in those parts of the Downtown Zones further from the heart of downtown, given the lack of neighborhood school and other family services (e.g. playgrounds), it might be advisable to make family-sized units in the heart of downtown discretionary until such services are available. Further, downtown subareas with a housing component must begin providing affordable housing onsite (rather than off-site) as a means of promoting the economically diverse neighborhoods the District has committed to creating.

The District has tried – and signally failed – to address its affordable housing demands through displacement of existing residents. Tens of thousands of households were forced out of the city over the past 20 years. Yet the demand for affordable housing remains. It is time to seriously meet that demand. It also is time to cease clustering affordable housing east of the Anacostia River – those days are over.

Outside of this priority, we recommend that OP and the Zoning Commission move forward with proposals to expand the regular IZ program by raising the IZ requirements and deepening required Median Family Income. Experience tells us that IZ as currently designed is not influencing the imbalance of market rate units to affordable units. It needs to do more. A quick review shows that other urban cities (e.g., Chicago and Cambridge, Massachusetts) have higher affordable set asides than DC. One suggestion would be to apply the requirements contained in IZ Plus to regular IZ. Further, compliance with IZ should be required for all PUDs.

C100 stands ready to work with OP on these recommendations.

Thank you.

Sincerely,



Kirby Wining, Chair

Committee of 100 on the Federal City