

Zoning Commission's Notice of Proposed Rulemaking
To be published in the DC Register on March 10, 2006

A summary of ZC Proposal includes the following:

1. Mandatory Inclusionary Zoning Policy

This guarantees that the policy will be applied fairly and predictably, providing adequate compensation to the developer while leveraging their expertise in housing production. This ensures that every development in the growth areas of the District will have housing that is affordable to a range of incomes. Based on national experience, without the mandatory quality very little affordable housing would be created, especially in high-priced neighborhoods.

The regional Area Median Income (AMI) as applied in this policy includes targeted incomes of up to 50% of Area Median Income (currently \$44,650 for a family of four) and up to 80% of Area Median Income (currently \$71,450 for a family of four). As a comparison, DC's Median Income is \$53,700 for a family of four.

2. Applies to Development of Rental and For Sale Development - high-rise and low-rise.

The Zoning Commission has applied separate requirements for low-rise development and high-rise in terms of income targets and the number of inclusionary units. Nevertheless, at a minimum, 8% to 10% of each new apartment/condo building will be set aside for affordable housing.

3. 99-year affordability control period

Since the affordable housing crisis is not going away, the 99-year control period enables IZ to create a stock of long-term affordable housing. The experience of other communities demonstrates that shorter terms can do little to meet the long-term need for affordable housing.

In the addition, the Campaign for Mandatory Inclusionary Zoning would like to see:

1. A mixture of low and moderate income units in high-rise developments;

The Zoning Commission chose to only reserve affordable units for moderate-income families (80% AMI) in high-rise buildings. Therefore, only garden-style, low-rise buildings will reach low-income families (50% AMI) by applying the Campaign's suggested split of ½ the affordable units at 80% AMI and ½ at 50% AMI. Unless low-income families are included in high-rise development, half of D.C.'s working families will not have the choice to live in the most desirable neighborhoods.

2. PUDs (Planned Unit Development) included in this program so as to increase the production of affordable units;

The Zoning Commission is considering excluding PUD's from the IZ policy. This decision could result in up to half as many affordable units being produced in the District. Moreover, we want consistent application of the affordability requirement. Otherwise, the exclusion of PUDs could result in developers using this as a loophole for not having to provide affordable units as proscribed under this policy, thereby overwhelming the ZC with PUD applications. A PUD is a planning tool which allows a developer greater flexibility in site planning and building design, they are primarily used near Metro stops and along main bus corridors.

3. No restriction on the rental/lease of "for sale" units under this program.

The Campaign for Mandatory IZ proposed a process by which the Mayor (or his designee-DC Housing Authority) could purchase a number of affordable units and subsequently rent out these units at rates affordable to lower income households and families with special needs. The Zoning Commission supports the idea of DCHA purchasing units. However, in condominiums, the Zoning Commission is requiring that these units be resold and not rented. Investors normally rent out market rate condominiums. Therefore, the IZ units should not have special restrictions.

4. Developers should be permitted to provide minimum sized units.

As part of the Zoning Commission's desire to make the affordable units compatible with the market units, one of the requirements is that the unit sizes be identical, or at least not vary by more than five percent. Especially in those cases in which very upscale and large condos are being provided, this can have both a negative financial impact on the developer and compromise program goals in several ways. An affordable unit can be provided in far less than 3,000 square feet; in fact, three two bedroom units could be created from this space to provide a larger number of affordable units. In addition, to the extent that condo fees are based on square footage rather than constrained sales prices, this added fee could eliminate the requirement to provide the units since the homes will be too costly for the income levels being served.

Campaign for Mandatory Inclusionary Zoning

For more information: Tel. (202) 244-1105

Website address: www.DCIZ.org

e-mail: swade@washingtonregion.net