



Testimony before the Hon. Phil Mendelson, Chair
DC Council Committee of the Whole

RE: Oversight Hearing on Deputy Mayor for Planning and Economic Development and
DC Office of Planning

By Cheryl Cort, Policy Director
March 6, 2015

Good afternoon, my name is Cheryl Cort and I am the policy director of the Coalition for Smarter Growth (CSG). The Coalition for Smarter Growth is the leading organization working locally in the Washington, DC metropolitan region dedicated to making the case for smart growth. Our mission is to promote walkable, inclusive, and transit-oriented communities, and the land use and transportation policies and investments needed to make those communities flourish.

We appreciate that the DC Council and Mayor Bowser have made the affordable housing crisis a top priority. We commend DMPED for listing affordable housing as one of its top 5 priorities. This is a welcome explicit commitment from the office. DC's strong population growth and fiscal position enable it to respond to this crisis with policies and funding to directly address the housing needs of our moderate and low income families. While the city needs a comprehensive approach to addressing its affordable housing challenges, I will focus on a few issues directly under the responsibility of DMPED, OP, and the Zoning Commission.

1. Implementing the strong affordability commitments in the Public Land Disposition Law

We applaud the Council for enacting, and Mayor Bowser for stepping up to implement this important new commitment to making the most of our surplus public land by ensuring a significant share of new housing in any deal will be affordable at low and extremely low income levels. We commend the Mayor for her indication that she will require these strong standards for existing deals that are in process. We look forward to supporting the efforts of DMPED to ensure that public land dispositions and the new law leverage the full potential of city-owned properties to create affordable housing. These properties are an important way to not only provide quality, affordable homes for DC residents, but to offer access to high-amenity, transit-accessible and mixed income communities. Research shows that the wellbeing of low income residents can be substantially improved when moving from a low amenity to high amenity neighborhood.

2. Strengthening Inclusionary Zoning

Today Inclusionary Zoning (IZ) is delivering hundreds of moderately and low priced housing units to the market, following DC's continued strong housing market. DC IZ is a requirement that most matter of right development provides at least 8% affordable units in any residential project 10 or more units. Importantly, the law does not require any public expenditure, other than a small staff to manage the

program. DHCD has made great strides in the last year to administer this program after experiencing many start-up challenges including understaffing and cumbersome regulations. These issues are being addressed and program management has made marked improvements. We have provided additional suggestions to improve administration to DHCD.

Last fall, the Urban Institute released its DMPED-commissioned assessment of DC's IZ program, finding the program to be fundamentally sound. We concur. We also agree with the Urban Institute's view that the IZ program could be improved and has the potential to deliver more housing opportunities to moderate and low income residents. Given that IZ is now being administered by DHCD with a sufficiently staffed office, and revised administrative regulations are due to be finalized, we believe that the time is ripe to examine how we can get more out of our IZ program. Also, given the continued robustness of the city's housing market – among an all-time high in production – revising IZ makes sense as a strong-market tool.

We ask the Council to urge DMPED and the Mayor to support the DC Zoning Commission's desire to revisit its IZ policies to create greater affordability. For more than a year, the Zoning Commission has expressed the desire to assess the program to see how income targeting could be brought down to better serve DC residents. Unfortunately, the previous administration blocked the Office of Planning from supporting the Zoning Commission's efforts.

Like the Zoning Commission, we believe that IZ can do more to address our housing needs, while still encouraging more housing production overall. Currently, about 80% of IZ units in the pipeline are priced at the 80% AMI level, and less than 20% are at the 50% AMI level. The original intention of the Campaign for Inclusionary Zoning which proposed splitting income targeting was to realize half of all IZ units at the 50% AMI level. We also believe that we can bring down income targeting at the top end from 80% to not more than 70% AMI. Further, we suggest that with additional bonus density, we can achieve a larger set aside than the current 8 to 10% set aside. For example, Montgomery County requires 12.5%, and that's without any bonus density.

This January, we worked with a group of social justice, labor, and affordable housing advocates and developers to [submit recommendations](#) and a zoning text amendment to Zoning Commission to make IZ more affordable. We ask that the Zoning Commission be enabled to take up our recommendations with the support of Office of Planning.

We ask the Council to urge DMPED and Mayor Bowser to use this opportunity to make the most of IZ, and allow the Office of Planning to support the Zoning Commission efforts to revise IZ to better achieve the affordable housing goals that Mayor Bowser has made a priority.

Thank you for your consideration.