



Testimony before the Hon. Anita Bonds, Chair
DC Council Committee on Housing and Community Development

RE: FY16 Budget Oversight Hearing for the Department of Housing and Community Development

By Cheryl Cort, Policy Director
April 20, 2015

Good morning, 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, D.C. 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 want to commend the Mayor and Director Polly Donaldson for bringing a clear, bold and strategic vision to address our city's deepening affordable housing crisis. Consistent with this vision, we commend the Mayor's budget priorities which propose a record investment in affordable housing. We ask the Council to support these budget proposals. Specifically, we ask the council support the Mayor's proposed funding levels for the Housing Production Trust Fund at \$100 million, Local Rent Supplement Program, and the Permanent Supportive Housing Program. We also commend the leadership of the Mayor and Director Donaldson for launching a preservation strike force.

Sustain Support for the Inclusionary Zoning Program

We note that the budget includes additional staffing for the Inclusionary Zoning – or IZ -- Program. We support this increased commitment to address the rapidly growing pipeline and to rectify previous understaffing that contributed to many startup problems for the program. Adequate staffing is essential to ensuring that this program works and achieves its goals. The staffing cost is essentially the only government cost associated with producing hundreds, and eventually thousands of affordable housing units throughout the city.

DHCD has made great strides in the last year to administer this program more effectively after experiencing many start-up challenges. IZ administration will be further improved by finalizing the proposed administrative regulations that have been in draft for far too long.

In light of the experience we have gained from the IZ program, and the persistent severity of housing need nearly a decade after the program was first crafted, we also ask this committee to work with the Mayor and DHCD to support strengthening IZ at the Zoning Commission. One way to do this is to pass the Council resolution asking the Mayor and Zoning Commission to revisit IZ policies in order to produce more units at the lower end of the income range. Currently, about 80% of all IZ units are at the 80% AMI level, and less than 20% are at the 50% AMI level. For more than a year, the Zoning Commission has expressed the desire assess the program to examine how income targeting could be

refocused to better serve DC residents. Unfortunately, the previous administration blocked the Office of Planning from supporting the Zoning Commission's efforts. To overcome this stalling, this January we joined with a group of affordable housing supporters to [submit recommendations](#) to Zoning Commission to make IZ more affordable.

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

Establish permanent affordability as the priority for public investments in housing

Last, we ask that the Committee consider ways to create a more comprehensive policy to preserve and leverage public investments in affordable housing by establishing a preference for permanent affordability. Given the limited capacity of the District's budget to address all the housing needs of our residents, we need to do more with what we are committing. The city's investment in affordable housing should be a lasting one. In the case of city assistance for creating affordable homeownership units, we recommend using shared equity models of homeownership that enable owners of affordable homes to benefit from building equity, while also maintaining the affordable pricing of the units for subsequent homeowners. This approach allows the city to help many more residents become homeowners over the long term.

Thank you for your consideration.