

District of Columbia takes on key equitable development tool: inclusionary zoning



The Harper, 1919 14th St NW by U Street Metro station; 11 IZ units
(photo by author)

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& DC Campaign for Mandatory
Inclusionary Zoning

Thorny Issues session, Friday, Jan. 30, 2015
New Partners for Smart Growth

Coalition for Smarter Growth

New Strength of D.C.'s Housing Market

Population & Households: 1990 to 2011

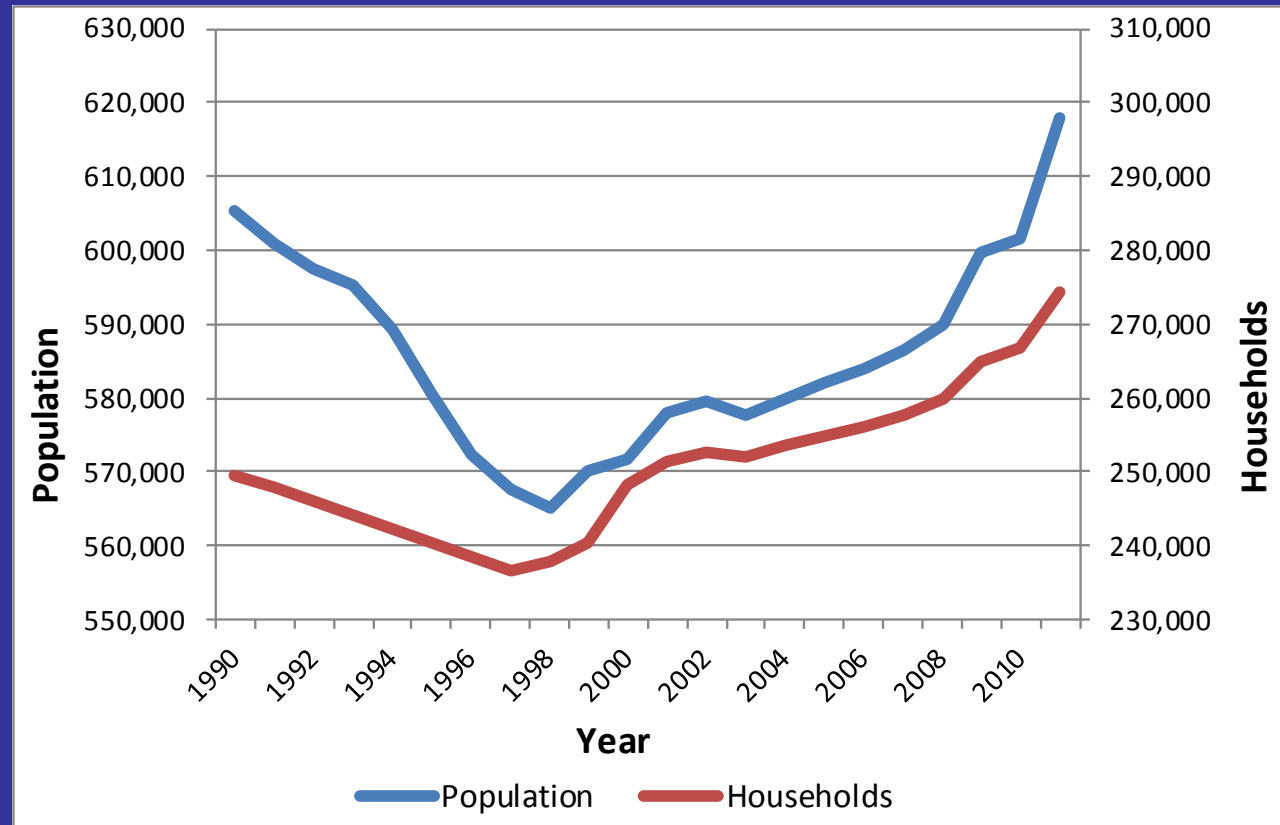
First population gain in 50 years

Since 2000, population grew by over 70,000

Today, housing prices & production are higher than pre-recession peak

D.C.'s low cost rental housing stock shrunk by half since 2000

1 in 5 DC households pay more than half income in housing, a 40% increase from 2000



Source: US Census Bureau, DC Office of Planning.

2013 population estimate : 646,449

Affordable units declining sharply

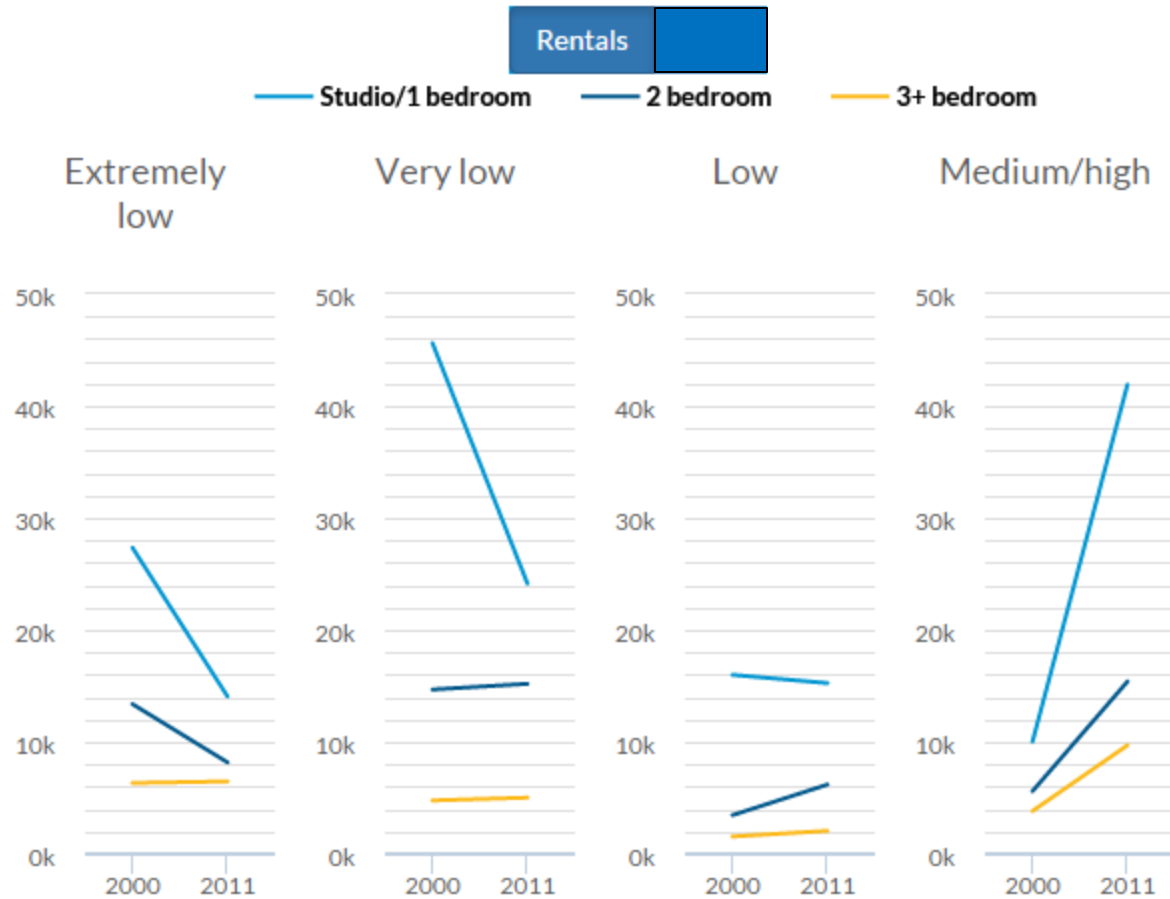
2005-2012

Rental market growth: 12,500+

\$800/month rentals fell by half

While \$1000/month rentals nearly doubled

Number of Affordable Units by Income Level



Sources: US Census 2000 and American Community Survey 2011 microdata (obtained from IPUMS-USA) tabulated by NeighborhoodInfo DC

Source: Urban Institute, "Washington, DC: Our Changing City." Housing" 2014

Policy Context for Inclusionary Zoning

Public Funds

2002 Housing Act dedicates funds to Housing Production Trust Fund, FY14: \$40 million, \$100 million promised
7,500 units produced since 2002

2007 Local Rent Supplement

Public Lands

2004 Anacostia Waterfront Corporation
2014 Public Lands Act:
30%/20% at 30%, 50% & 80% AMI

Private Lands

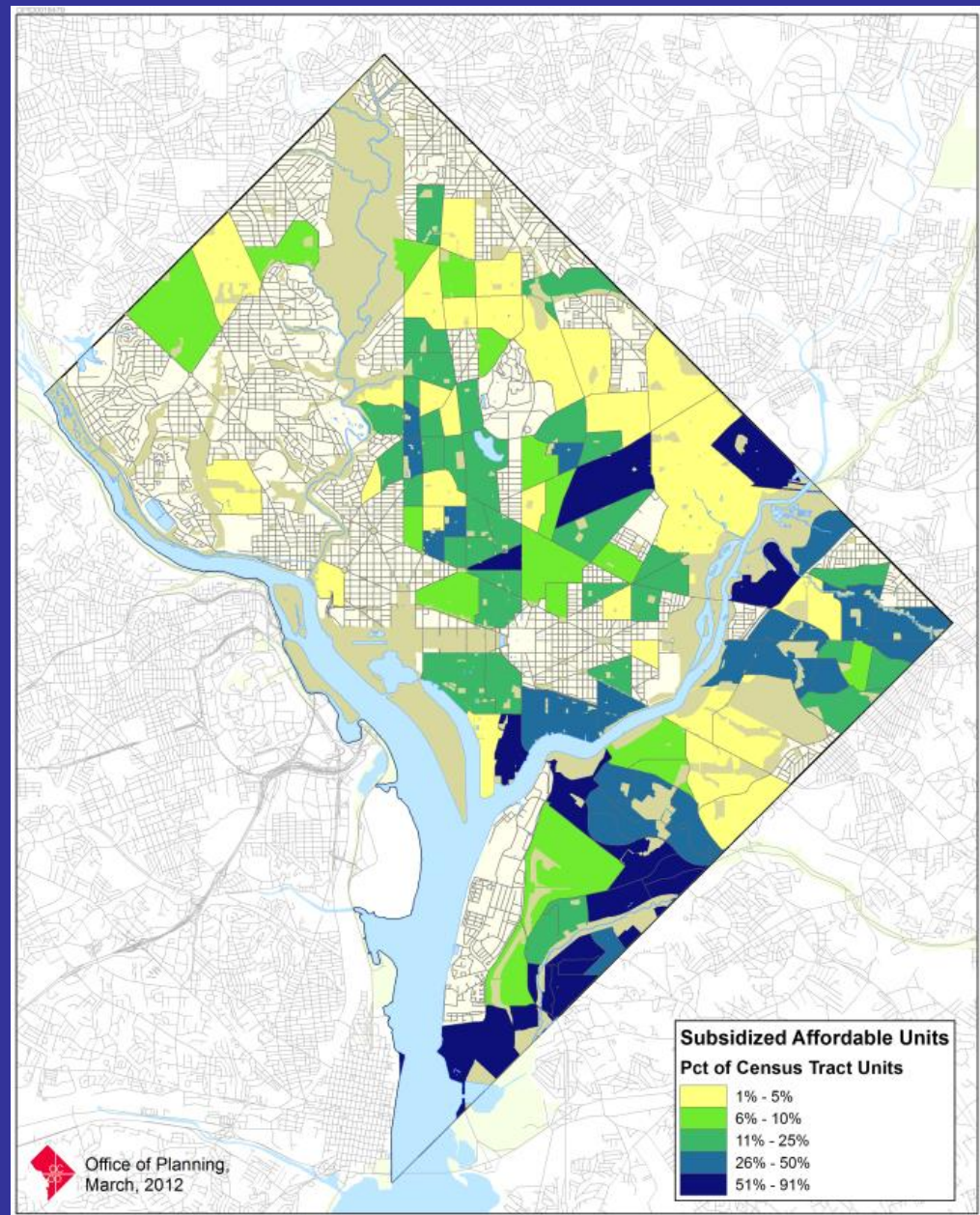
2006 (policy), 2009 (implementation)
Inclusionary Zoning



Board of Capital Manor Cooperative, 1400 Block of U Street, NW – 3 blocks from the U Street Metro station. (photo by author)

Geography of affordable housing

Subsidized housing is concentrated in lower income, eastern parts of city



Campaign for Mandatory Inclusionary Zoning (CMIZ), 2003

Partners from justice, labor, housing, legal, services, environmental groups

Key members: ACORN, D.C. Affordable Housing Alliance (AHA), AFL-CIO, Center for Community Change, DC Jobs with Justice, Jews United for Justice, PolicyLink, + 50 groups

Campaign Elements

- Policy, Legal, Financial
- Grassroots mobilization
- Public outreach
- Media
- Political



DC Zoning Commission hearing (photo by author)

DC's Inclusionary Zoning Program

- Mandatory, covers most development, except downtown, some historic districts
- Set aside: 8% or 10%
- Income targeting:
 - 10% split between 50% & 80% AMI for low rise or 75% of bonus density
 - 8% all at 80% AMI for high rise or 50% of bonus
- Compensation: 20% density bonus
- Term: Life of development
- Limits off-site alternatives & fee in lieu to ensure mixed income housing
- Threshold: 10 units or more projects

DC IZ Timeline

- 2002: Housing Act 2002
- 2003: D.C. Office of Planning Task Force on Voluntary Process; Campaign for Mandatory Inclusionary Zoning (CMIZ) launched
- 2006: Inclusionary Zoning adopted by Zoning Commission & City Council
- 2007-2009: Executive regulations delayed until August 2009
- 2010: DC housing market rebounds but thousands of pipeline units grandfathered
- 2011: First 2 IZ units on market, city unprepared, unsold, lawsuit
- 2013: IZ Annual Report shows 30 IZ units, 2 at 50% AMI
- 2014: 100+ IZ units in market; advocates call for lower income targeting; Mayor Gray administration resists strengthening
- 2015: Mayor Muriel Bowser takes office

Results to date

Rough start – Mayor Fenty’s 2 year delay of regulations, grandfathering, FHA foreclosure conflict, lawsuit, poor administration, understaffing

100 units on market, 1000s in pipeline

33 leased, 4 sold

80%+ of IZ units are at 80% AMI (\$78,000/year for 3 & above DC’s median household income)

Less than 20% at 50% AMI (under \$50,000/year for 3)

DC housing market production continues to be at all time high – IZ appears to have little or no effect on production



Under construction: 5333 Connecticut Ave. NW in affluent Chevy Chase by Cafritz. 19 IZ units: 10 at 50% AMI, 9 at 80% AMI, Source: <http://5333connave.com/>

Lessons from the campaign

Build a broad coalition for constituencies & skills

Find a few good developer friends

Build a strong policy off of best practices principles

Know your politicians and decision-makers



The Drake, 1355 17th St NW, Dupont Circle, 17 IZ units (photo by author)

Lessons from implementation

Beware of executive rulemaking delay

Be prepared to administer program

Finding the right income targeting – too high vs too low

Carefully consider program flexibility – too tight vs. to loose

Get a nickel for every time someone says IZ is not the panacea



2221 14th St, NW,, 30 unit building with 4 IZ units under construction near the U Street Metro station (photo by author)

Sustainability over time

Keep officials informed

Ongoing challenges: conflict over long term affordable homeownership; condo fees; stewardship

Adequate government staffing now in place

Implementation regulations revisions should smooth administration, ease compliance

Stabilized administration allows for advocates to press for policy revisions – esp. lower income targeting

Strong market tool – DC's housing market continued strength means can do more



Ava H Street, 318 I Street, NE, 14 IZ units (photo by author)

Thanks!

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SB Urban's 90-91 Blagden Alley proposal; 11 IZ units in a project planned near the Mt. Vernon Sq./7th St/Convention Center Metro station. (source: SB Urban)

2006 Campaign for Mandatory Inclusionary Zoning Steering Committee

Cheryl Cort, Washington Regional Network for Livable Communities (now Coalition for Smarter Growth)

Tonya Love, Metropolitan Washington Council, AFL-CIO

Pocahontas Outlaw, DC ACORN

Nina Dastur, Center for Community Change

Avi Rosenblit, Jews United for Justice

Tad Baldwin, retired housing finance expert and developer; Ward 3 Smart Growth Coalition/Ward 3 Vision

Mackenzie Baris, DC Jobs with Justice

Janet Brown, DC Affordable Housing Alliance

Elinor Hart, DC Affordable Housing Alliance

Jim Campbell, Somerset Development

Radhika Fox, PolicyLink