

The DC Fiscal Policy Institute blog <u>www.dcfpi.org</u>

October 26, 2015

## DC Should Seize the Opportunity to Strengthen Inclusionary Zoning To Create Affordable Housing for More Low-Income Residents

By Claire Zippel

The District has a program that creates affordable housing in new market-rate developments, but the program could be doing more. Fortunately, the Zoning Commission will soon consider changes to the Inclusionary Zoning program (IZ) so that it can produce more low-cost housing and at prices affordable to more DC households. A public hearing before the Zoning Commission is scheduled for November 19<sup>th</sup>. The Commission should take assertive steps to make the most of this important program.

Inclusionary Zoning harnesses DC's strong housing market to create low-cost apartments and condos throughout the city. It works by allowing new residential buildings to be larger than normally allowed by zoning rules. In return for the extra square footage (called "bonus density"), 8 to 10 percent of the building is required to be set aside as affordable.

IZ has many great benefits, but it could be doing more. It creates low-cost housing in high-cost neighborhoods, where access to public transportation, <u>good schools</u>, retail amenities, and job opportunities are likely to be best. And it does so without requiring tax dollars. About 770 IZ units have been built or will soon be coming on line in DC, with thousands more planned. But there are ways to ensure that Inclusionary Zoning does as much as possible to address DC's



Photo via Ted Eytan, Flickr

growing housing needs. Most IZ units built so far are affordable to households at 80 percent of area median income, or \$78,600 for a family of three. Yet the families most likely to struggle to afford housing in DC are at lower income levels. This means that the vast majority of IZ units – which rent for \$1,600 a month for a one-bedroom – are out of reach for too many DC residents.

DCFPI is part of an <u>advocacy campaign</u> recommending that future IZ units should be more affordable to the low-income residents who need it most. There are encouraging signs that the Zoning Commission will move in this direction. For example, the Bowser administration proposed making all IZ units in new rental buildings affordable to families with incomes below 60 percent of Area Median Income – or \$59,000 for a family of three – with IZ condo units targeted to somewhat higher income levels. This proposal is a step in the right direction—and several Zoning Commission members have asked the administration to look into even stronger affordability scenarios. Several Commission members are also interested in exploring how to create more IZ units by giving developers more bonus density in their buildings. A DC Council <u>resolution</u> passed this year also calls for strengthening IZ's affordability.

With low-income families increasingly feeling the crunch of DC's affordable housing crisis, now is an opportune time to ensure IZ fulfills its potential. And with encouraging signs from the Bowser administration, DC Zoning Commission, and DC Council, we are hopeful that, in the future, IZ will produce more affordable units that low-income families sorely need in DC's high-cost market.

The Zoning Commission will hold a <u>public hearing</u> on the proposals to strengthen IZ on Thursday, November 19<sup>th</sup>. Read more about the recommendations the Zoning Commission is considering <u>here</u>.