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DC Should Strengthen Inclusionary Zoning To Create Housing Affordable to Those Who Need it Most

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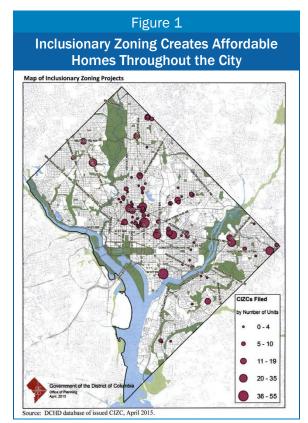
The District has a program that creates affordable housing in new market-rate developments, but the program could be doing more. Fortunately, the Zoning Commission is considering changes to the Inclusionary Zoning program (IZ) so that it can produce housing affordable to more DC households. The Zoning Commission will hear testimony from the public on April 14th.

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. This way, IZ creates low-cost homes without requiring tax dollars. About 900 IZ units have been built or will soon be coming on line in DC, with thousands more planned.

IZ has many great benefits. It creates low-cost housing in neighborhoods where access to public transportation, good schools, retail amenities, and job opportunities are likely to be best. (See **Figure 1**). When low-income families have access to such neighborhoods, research shows that their health, lifetime earnings, and family stability improve. So not only does inclusionary zoning help create economically diverse neighborhoods, it also improve economic mobility.

Unfortunately, DC's current IZ program mostly creates housing that's just too expensive for those who need it. 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 DC families most likely to struggle to afford housing – and three-fourths of the families on the waiting list for IZ – are at lower income levels.¹

Now is the time to take another look at this important program, and to make it stronger to help more residents struggling with high housing costs.



¹ DC Office of Planning final report on Zoning Commission case no. 04-33G.

The city is in a historic affordable housing crisis, at the same time that residential construction in the District has reached a <u>25-year high</u>. That construction could yield a lot of low cost housing through IZ.

DCFPI is part of an advocacy campaign recommending that future IZ units should be more affordable to the low-income residents who need it most. Last Thursday, the Zoning Commission heard our support for 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. At the hearing, many of the Commissioners expressed support for strengthening IZ to serve more of the households most burdened by housing costs.

If the Zoning Commission adopts our proposed changes, the DC Council would likely join in support. The Council passed a <u>resolution</u> last year calling for strengthening IZ's affordability.

With low-income families increasingly feeling the crunch of DC's affordable housing crisis, and new housing production reaching record highs, now is an opportune time to ensure IZ fulfills its potential to produce more homes that low-income families sorely need.

The Zoning Commission will <u>hear public testimony</u> on our proposal to strengthen IZ on Thursday, April 14th.

Read our statement to the Zoning Commission here.