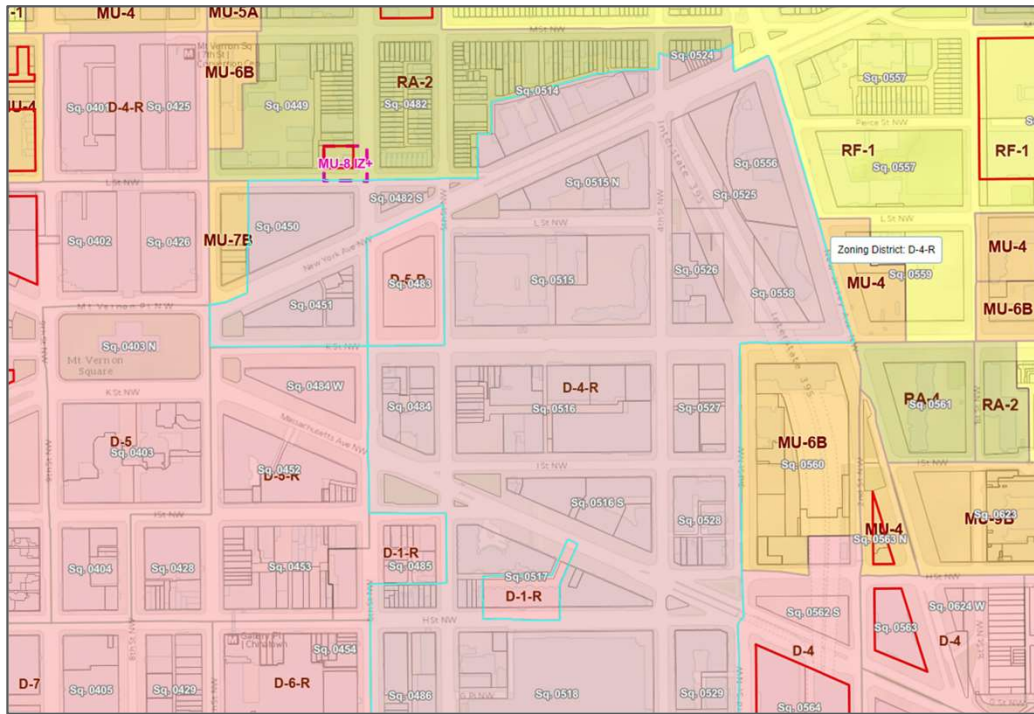


Elimination of Inclusionary Zoning (IZ) Exemption from Downtown (D) Zones

Alex Lopez, 6E02
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Several IZ-exempt D Zones are Located in ANC 6E



Zone	IZ Exempt?	Located in ANC 6E?
D-1-R	Yes	No
D-2	No	No
D-3	Yes	Yes (6E07)
D-4	No	Yes (6E07)
D-4-R	Yes	Yes (6E04, 6E05, 6E07)
D-5	Yes	No
D-5-R	Yes	Yes (6E05)

What is Inclusionary Zoning (IZ)?

- Land use regulation requiring affordable set-asides in market-rate developments
 - 8% of residential gross floor area (non-Type 1 Construction)
- Bonus density offered in exchange (+20% FAR)
- Targets low- and moderate-income households
 - Renters: 60% AMI or below
 - Owners: 80% AMI or below
- Mandatory policy for most Zones in the District, with the exception of most Downtown (D) Zones

Source: <https://dcra.dc.gov/sites/default/files/dc/sites/dcra/publication/attachments/DHCD-IZ%20Presentation.pdf>

DC IZ Goals

- Create mixed-income neighborhoods
- Produce affordable housing for a diverse labor force
- Connect low- and moderate-income families to high-opportunity areas
- Increase homeownership opportunities for all income levels

Source: <https://dcra.dc.gov/sites/default/files/dc/sites/dcra/publication/attachments/DHCD-IZ%20Presentation.pdf>

Why were Downtown (D) Zones Left Out of IZ?

- When IZ was created in 2006, Mount Vernon Triangle and NoMa, had few housing units
- Downtown (D) Zones were excluded from IZ regulations as an incentive to build housing in these areas
- Since 2006, these areas have seen some of the most intensive residential development in the District
- But MVT/NoMa planning area (Central Washington) has only delivered **298 affordable units**, which is **less than 14%** of the Mayor's 2025 target of 2,130 affordable units for this area
- IZ exemption of D Zones forces other neighborhoods to pick up the slack

Removing IZ Exemption for D Zone promotes housing affordability, further Comp Plan policies

- Exemption of D Zones from IZ undermines housing affordability goals and unnecessarily subsidizes development in high-opportunity areas like MVT
- Removing IZ exemption would further several Comprehensive Plan policies:
 - Policy H-1.1.8: Production of Housing in High-Cost Areas
 - Action H-1.1.D: Research New Ways to Expand Housing
 - Policy H-1.2.1: Low- and Moderate-Income Housing Production as a Civic Priority
 - Policy H-1.1.2: Production Targets, with a goal that 1 in 3 new housing units be affordable
 - Policy H-1.2.3: Affordable and Mixed-Income Housing
 - Action H-1.2.E: Leverage Inclusionary Zoning to encourage additional affordable housing production
 - Policy H-1.3.2: Tenure Diversity
 - Action H-1.3.A: Create Tools for the Production and Retention of Larger Family-Sized Units in Multifamily Housing
 - Policy H-1.4.1: Land and Building Regulations

Comp Plan policy source: OAG Zoning Text Amendment (ZC 21-21)

IZ Exemption Case Study: 1001 6th St NW (BZA 20832)

Zone: D-5 (IZ Exempt)

	Option 1 (Resi Only)	Option 2 (Resi + Hotel)
Residential Units	550	489
Residential Gross Floor Area	429,410 sq ft	417,096 sq ft
Avg. Residential Unit Size	781 sq ft	853 sq ft
IZ Proposed	0 (exempt)	0 (exempt)
IZ if Non-Exempt (8% Resi GFA)	~ 44 units / 34,353 sq ft	~ 39 units / 33,368 sq ft



Timeline for Zoning Text Amendment to Eliminate IZ Exemption for Downtown (D) Zones

- 12/2/21: OAG filed petition for Zoning Text Amendment to eliminate IZ Exemption for D Zones (ZC 21-23)
- 11/2/22: OP held Public Roundtable to consider opportunities to expand IZ Program, solicits written comments from ANCs and other stakeholders
- 12/1/22: OP will summarize feedback as part of a report for how to move this and other cases to IZ reform forward

Discussion

Appendix

Link to draft resolution: https://docs.google.com/document/d/1QKs-0_5OnA4JbZSDj2dDEE7QH2yYZcMU/edit?usp=sharing&oid=116043370565227961110&rtpof=true&sd=true

How is IZ Calculated?

Type of Construction	IZ Set-Aside	IZ Unit Affordability
Type 1 Construction (Wood)	10% of residential gross floor area (GFA), excluding penthouse <u>or</u> 75% of bonus density utilized	Rent: 60% AMI Own: 80% AMI
Non-Type 1 Construction (Non-Wood)	8% of residential GFA, excluding penthouse <u>or</u> 50% of the bonus density utilized	Rent: 60% AMI Own: 80% AMI

Plus 10% (Type 1) / 8% (Non-Type 1) of penthouse habitable area, offered at **50% AMI** (rent or own)

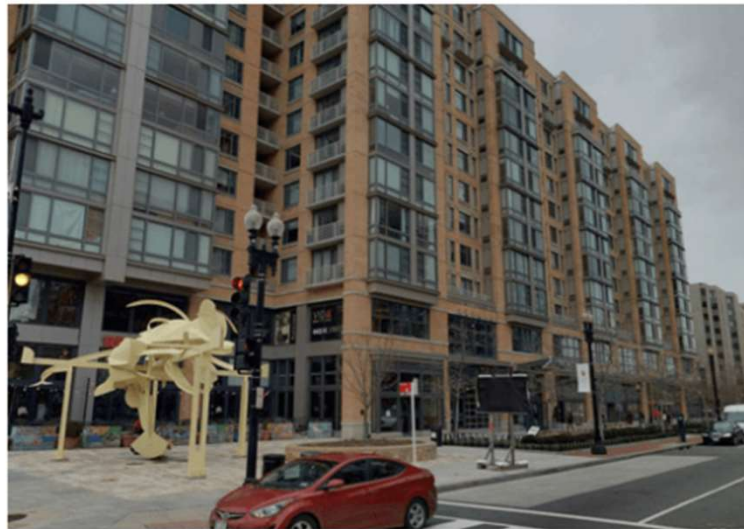
Most of Mount Vernon Square is zoned D-4-R

Downtown (D) Zones - D-4-R

The purposes of the [D-4-R zone](#) are to promote the development of high-density residential and mixed-use neighborhoods on:

- Massachusetts Avenue between Thomas Circle and New Jersey Avenue, N.W.
- The Mount Vernon Triangle neighborhood located between New York, New Jersey, and Massachusetts Avenues, N.W.; and
- The blocks between Massachusetts Avenue, N.W. and Judiciary Square.

A building with frontage on a designated primary or secondary street shall meet the design requirements on [Subtitle I § 602](#). A building in the D-4-R zone fronting on a designated primary street segment in the Mount Vernon Triangle Principal Intersection Area Sub-Area shall conform with the design requirements in [Subtitle I §§ 612.5 and 612.6](#)



The following [Downtown Sub-Areas](#) are found within the D-4-R zone: Chinatown, Massachusetts Avenue Corridor and Mt. Vernon Square, Mount Vernon Triangle, Mount Vernon Triangle Principal Intersection, Blagden Alley Residential Transition.

Source: <https://handbook.dcoz.dc.gov/zones/downtown/d-4-r/>

Some blocks are zoned D-5-R

Downtown (D) Zones - D-5-R

The purposes of the D-5-R zone are to promote high-density residential development through housing requirements and incentives in areas near Mount Vernon Square and in the Mount Vernon Triangle while accommodating high-density commercial and mixed-use development.

A building with frontage on a designated primary or secondary street shall meet the design requirements on Subtitle I § 602, unless the building fronts on a designated primary street in the Mount Vernon Triangle Principal Intersection Sub-Area and is therefore governed by Subtitle I § 553.2.

The following Downtown Sub-Areas are found within the D-5-R zone: Chinatown, Massachusetts Avenue Corridor and Mt. Vernon Square, Mount Vernon Triangle, Mount Vernon Triangle Principal Intersection.

