

## Office-to-Affordable Housing Task Force Agenda 12/12/2018

1. **Introductions and overview** – Yari Greaney, DMPED (5 min)
  - This is the third of four Task Force meetings, report due in February
  - Goals for this meeting:
    - After hearing from committees, outline recommendations
    - Confirm written component submissions
  
2. **Update from Practical Challenges and Solutions Committee** – Sara Bardin, DCOZ (20 min)
  - Updates
    - Comparison of Commercial vs. Residential FAR by zone—Art Rodgers (OP)
      - Consideration of underutilized sites
        - Building on top as compared to conversion
          - MU-4 has the most underutilized sites
    - Green Area Ratio
      - Is it an obstacle to conversion?
    - Combined lots and sale of density credits
    - Different zones lend themselves to different types of commercial to residential conversion
      - The report should consider some mention of these types of possibilities for further consideration
    - Worksheet on Code Related Issues
    - Possible Case Studies
      - Difficulties with members having time to produce a case study
      - Pick one to three buildings to work through the process of figuring out whether a conversion would be cost effective?
  - Questions
    - Should the Task Force only consider the question of conversion of buildings, or should it consider other possibilities of zoning conversion for lots to enable mixed use residential or residential?
  - Assignment of written components

Practical Challenges and Solutions Committee written components:

1. Structural challenges
2. Regulatory challenges
3. Zoning and policy challenges
4. Solutions to address structural, regulatory, zoning, and policy challenges

3. **Update from Finance Committee** – Allison Ladd, DHCD (20 min)
  - Updates
    - City-wide survey of 50-100% and 75-100% vacant buildings that might be good candidates for commercial to residential conversion
      - Can time on the market be added to the analysis?

- Overlay the Difficult to Develop Area map with lowest rent buildings
- Cost comparison to office to office versus office to residential?
- What about looking at commercial to mixed-used conversion versus commercial to residential conversion?
  - Or mixed income condo conversion?
- HPTF pipeline comparison on New Construction and Substantial Rehabilitation
  - Cost per square foot for commercial is significantly higher than the cost per square foot of HPTF residential properties
- Comparable costs of conversion
  - Typically save 5-10% office to apartment conversion vs the cost of new construction
  - Typically save 20-40% apartment rehab vs the cost of new construction
- Adaptive Reuse examples
  - House of Lebanon
  - Sky House I
  - Sky House II
  - Fannie Mae
- Survey of developers
  - Which cost points should be compared between example projects?
    - DHCD will put together a list of recommended cost points
  - Survey of less than 10 questions
    - Pre-circulate survey and conduct with contextual in-person interview to complete the survey
- Questions
- Assignment of written components

Finance Committee written components:

1. Estimate costs of office-to-housing transition
2. Compare to costs of funding new construction and rehabilitation of affordable housing through Housing Production Trust Fund
3. Estimate the potential size of the market for conversion to determine the estimated magnitude of the benefit of transitioning office to affordable housing
4. Potential funding sources or alternative approaches to addressing gap

**4. Recommendations for report – discuss each section then take a preliminary vote on each set of recommendations – (30 min)**

The Task Force must determine answers to these questions:

- 1. Would transitioning vacant commercial office space to affordable housing units, including units with multiple bedrooms help address the housing challenge? (20 min)**  
Data to consider:

- Estimation of the potential size of the market for conversion – is there enough space available that these conversions could help address the housing challenge?
- Comparison of costs between HPTF and costs of conversion – is the cost of conversion a reasonable way to create affordable housing?

**2. Recommend any legislative, regulatory, or policy changes that would promote the transition of office to affordable housing units, including units with multiple bedrooms (20 min)**

Data to consider:

- Up zoning from office to higher density residential
- Practical Challenges Committee findings and recommendations

**3. Note any costs to the District and property owners associated with the recommended changes, and offer recommendations to fund those costs (20 min)**

- Finance Committee – estimate the costs of conversion
- Finance Committee -- Potential funding sources

**5. Next steps (5 min) – Yari Greaney, OP**

- Committees – send all final written components by January 10