BZA CASE 19374 – Dupont Circle Citizen's Association (DCCA)
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November 22, 2016

To the Members of the Board of Zoning Adjustment,

I am writing to express my support for the Dupont Circle Citizen's Association (DCCA) appeal in Board of Zoning Adjustment (BZA) case number 19374, which concerns Basement-Cellar Rule problems at 1514 Q Street, NW. My remarks fall into two broad areas. The first is to request the BZA to remedy misinterpretation of the clear intent of the zoning regulation language on cellar space not being habitable. The second matter, which is a policy issue and not the jurisdiction of the BZA, concerns misperceptions that the Zoning Administrator's interpretation of the cellar rule advance the city's policy to expand the stock of affordable housing.

BZA Should Correct Misinterpretation of the Basement-Cellar Rule

I hope the BZA will use this case as an opportunity to provide much-needed clarification on the Basement-Cellar Rule. This would be appreciated by the many stakeholders who are concerned about this issue. For example, at a meeting with Council Member Nadeau (Ward 1) last year, DCRA's Director Melinda Bolling stated that the agency would appreciate clarification of the issue to provide DCRA with specific guidance on how to implement this regulation.

This case provides the BZA with an opportunity to provide clarification and curtail the Basement-Cellar Rule violations that are occurring in many locations, including 1514 Q Street, NW.

As BZA knows, zoning regulations are designed to set standards that ensure residents' safety and quality of life. The zoning regulations clearly state that cellars are not included in density formulas due to the fact that they are not habitable spaces. Yet, DCRA allows developers to designate entire floors of lower-level spaces (on average, 900 square feet) as "cellar" space and then construct habitable units in those levels. The lack of inclusion of these habitable, so-called "cellars" in density formulas also enables developers to build higher than they would otherwise be allowed to do. DCRA (specifically, the Zoning Administrator) is allowing developers to undercount building space and then overbuild in low- and mid-density historic neighborhoods.

The Office of Planning (OP) has described the result as "a sizable increase in the number of 'pop ups,' generally defined as roof additions to row houses, sometimes two or three stories above the rest of the row houses in a block, and frequently designed out of character with the remaining homes in style, materials, and scale."[1] I support the testimony given by my neighbors about the Zoning Administrator's mis-interpretation of the Basement-Cellar Rule.

[1] Memorandum from Jennifer Steingasser, Deputy Director Development Review and Historic Preservation, Office of Planning, "ZC 14-11: Preliminary and Pre-hearing Report – Request for a Text Amendment to the

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Misinterpretation of the Basement-Cellar Rule Does Not Expand Affordable Housing Stock

In addition, I want to specifically address a related issue: access to affordable housing. Given the extremely expensive housing market in DC (and particularly in Northwest), I have heard comments that development of any sort is beneficial in order to create more units and aid efforts to reduce prices and increase access to affordable housing.

Simply because more units are being crammed into new buildings does not, however, expand the amount of available affordable housing. In fact, in a recent meeting, OP staff noted that the Office's R4 Study found that the increased number of row house conversions was having a negative effect. OP staff stated that there was a significant amount of pressure stemming from row houses being allowed to be converted into units, which has resulted in *higher prices and unaffordable units*.

This finding is borne out by recent analysis by the DC Fiscal Policy Institute (DCFPI) on the impact of DC's recent population growth and corresponding building boom. In 2002, DC had 143,528 total rental units; by 2014, that number had grown to 161,362. Clearly the number of available units has increased. Yet, DCFPI found that *average costs also increased* during that time, with devastating consequences for access to affordable housing.

According to DCFPI's analysis, DC lost *half* of its affordable units between 2002 and 2013; the number of moderately priced units has also declined. In the same time period, the number of highest-rent units (i.e., units with rent of $1600 / month or more) rose from 14% to 35% of total units available. DCFPI concluded that "housing options are declining for low- and moderate-income residents" in DC.[2]

Greater Greater Washington created a graph based on this research, which highlights the dramatic decline in affordable housing during the city's most recent building boom. The graph, inserted below, is available at: http://greatergreaterwashington.org/post/26526/dcs-housing-affordability-crisis-in-7-charts/

[2] Rivers W, "Going, Going, Gone: DC's Vanishing Affordable Housing, Washington, DC: DCFPI, March 12, 2015.

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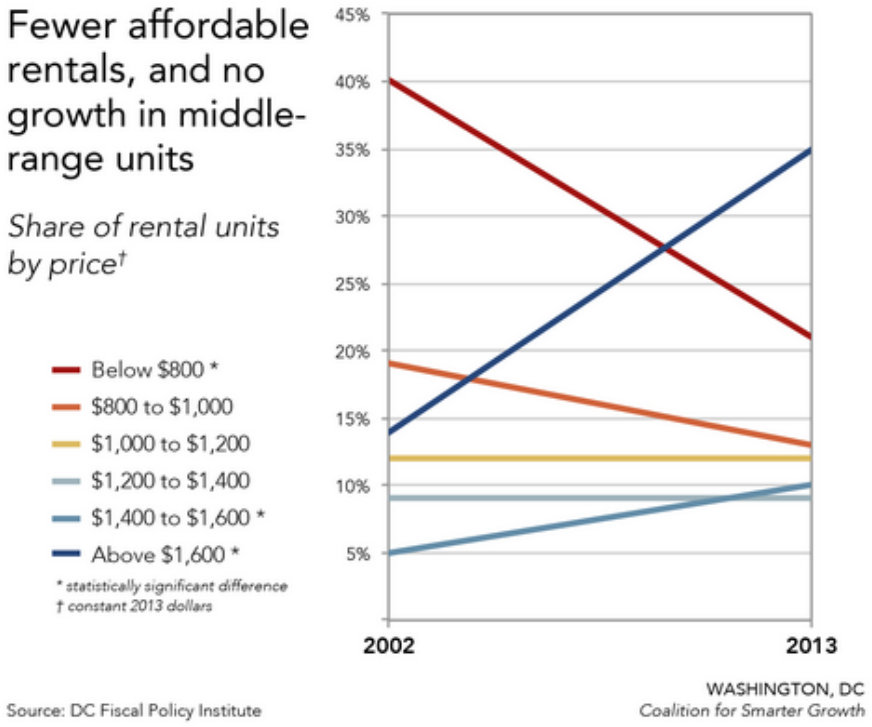

As Greater Greater Washington stated, "…simply relaxing constraints on density and height isn't enough to build and sustain a housing stock that's affordable to the working class, which makes up a large share of our overall population and workforce."[3]

This view is also reflected by the city's analysis of the height Master Plan, which states: "…the impacts [of greater density] are likely to occur primarily at the margin. The District's high costs of development and natural market forces will limit the extent of oversupply and rent reductions over the longer term…"[4]

We see the reality of this every day in our historic, low density, row house neighborhoods. New units that are created as a result of the conversion of row house buildings are being offered for sale or rent at amounts well beyond the reach of ordinary residents. Here are several examples of recent row house condo conversations on Ontario Road, Lanier Place, and Argonne Place, NW. In the Ontario Road examples, two rowhouses have been converted into condo units offered well above a half million dollars: for example, #8 sold for $834,900. On Lanier Place, a converted unit was on the market for over $1 million; another unit on nearby Argonne Place sold for approximately $900,000 (see photos below).

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[3] Cord C, "Why the Right is Wrong about Affordable Housing," Greater Greater Washington website (http://greatergreaterwashington.org/post/25760/why-the-right-is-wrong-about-affordable-housing), March 6, 2015.
[4] Partners for Economic Solutions (PES), *Economic Feasibility Analysis of the Height Master Plan*, Washington, DC: PES, 2013, page xiii.

Photos | Street View

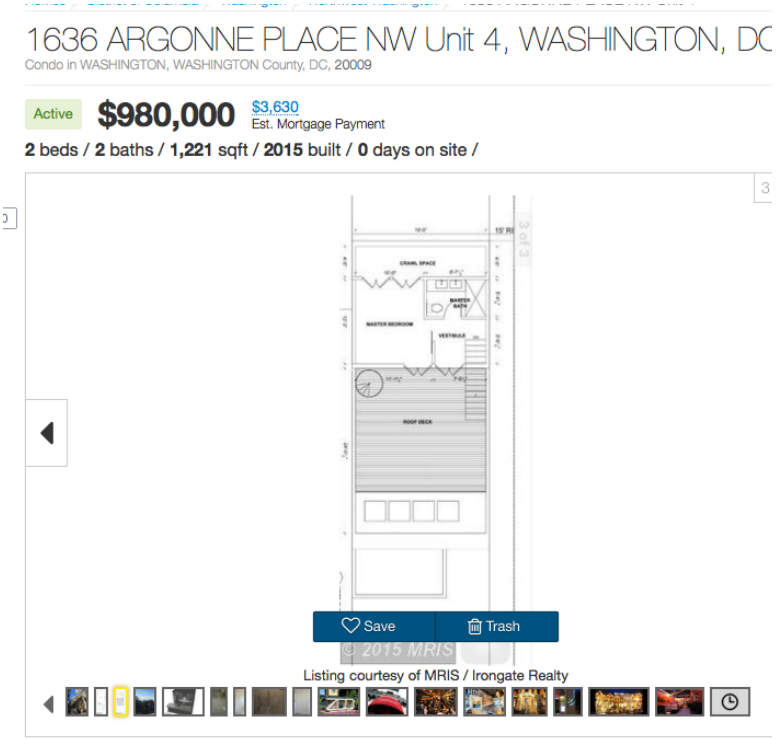
2303 ONTARIO Rd NW #8
WASHINGTON, DC 20009
Status: Sold

$816,684	2	2	1,150 Sq. Ft.
Redfin Estimate	Beds	Baths	$710 / Sq. Ft.

Sold Apr 28, 2016: $834,900 **Built:** 2015

1767 Lanier Pl NW # 8,
Washington, DC 20009

FOR SALE
$1,119,000
Zestimate®: $1,144,369

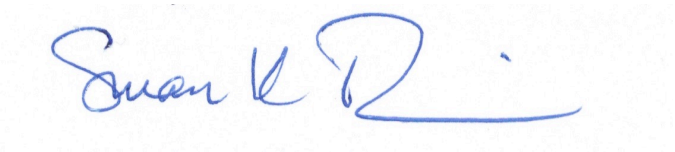


These prices are not affordable for the vast majority of residents. The bottom line is, DCRA and the Zoning Administrator's habitual misinterpretation of the Basement-Cellar Rule *does not result in an expanded number of affordable housing units*.

The city definitely needs to address its housing crisis. Allowing some developers to bend the zoning regulations so they can build above-market units is not the way to address the problem. The Zoning Administrator's habit of allowing developers to ignore some portions of city regulations creates an unethical, uneven playing field in which the rules apply to some, but not to all.

For the good of the community, I urge the BZA to clarify the Basement-Cellar Rule and specify that any and all habitable spaces must be counted in density formulas.

Sincerely,



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