

GOVERNMENT
OF
THE DISTRICT OF COLUMBIA

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BOARD OF ZONING ADJUSTMENT

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PUBLIC HEARING
OF
BZA APPLICATION 16566
GEORGETOWN UNIVERSITY CAMPUS PLAN

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TUESDAY

JUNE 13, 2000

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The Public Hearing convened in Room 220 South, 441
4th Street, N.W., Washington, D.C. 20001, pursuant to notice at
9:30 a.m., Sheila Cross Reid, Chairperson, presiding.

BOARD OF ZONING ADJUSTMENT MEMBERS PRESENT:

SHEILA CROSS REID	Chairperson
ROBERT N. SOCKWELL	Vice Chairperson
RODNEY L. MOULDEN	Board Member
ANN RENSHAW	Board Member

ZONING COMMISSION MEMBER PRESENT:

HERBERT M. FRANKLIN	Commissioner
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OFFICE OF ZONING STAFF PRESENT:

Sheri Pruitt,	Secretary, BZA
Beverly Bailey,	Office of Zoning
Paul Hart,	Office of Zoning
John Nyarku,	Office of Zoning

OTHER AGENCY STAFF PRESENT:

Ellen McCarthy,	Office of Planning
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1 did not.

2 CHAIRPERSON REID: Okay, just verbally, just
3 basically talk about your credentials.

4 MR. BOLAN: Sure. My name is Lewis Bolan. I'm
5 president of Bolan Smart Associates. We are a real estate and
6 economic consulting firm based here in the District of Columbia
7 for the past 15 years, and we provide consulting services to
8 government agencies, to corporations, and to financial
9 institutions.

10 Some of our clients would include the District of
11 Columbia Government for whom we are working at the present time,
12 General Services Administration, and WMATA, to name several public
13 sector agencies.

14 I'm also adjunct professor of real estate economics
15 at Johns Hopkins University as well.

16 I'm here today --

17 CHAIRPERSON REID: Does that complete your resume?

18 MR. BOLAN: Yes. I can amplify on that, if you
19 would like.

20 CHAIRPERSON REID: Okay. Board members?

21 BOARD MEMBER RENSHAW: Madam Chair, perhaps Mr.
22 Bolan would submit his resume for the record.

23 MR. BOLAN: Yes, I will.

24 MS. DWYER: We'd be happy to do that.

25 VICE CHAIRPERSON SOCKWELL: And, Mr. Bolan, your

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1 educational?

2 MR. BOLAN: I have degrees in economics from
3 Columbia, and I have a Master's degree in city planning from the
4 University of Illinois.

5 VICE CHAIRPERSON SOCKWELL: Thank you.

6 MR. BOLAN: I've been in private practice for 28
7 years.

8 CHAIRPERSON REID: Okay. I don't think there are
9 any objections, Mr. Bolan, to your being an expert witness. So,
10 proceed, please.

11 MR. BOLAN: Thank you, Madam Chair.

12 I'm here today to provide testimony on the study
13 that I've just completed for Georgetown University which analyzes
14 the Burleith and West Georgetown housing markets.

15 Specifically, I have been asked to provide
16 objective analysis having to do with the real estate and economic
17 impact of a planned, new 780 room residence hall on the University
18 campus which is an integral part of the University's proposed
19 campus plan.

20 I'd like to state at the outset that my conclusion
21 is that development of that Southwest Quad residential hall will
22 have a highly positive impact on the Burleith and West Georgetown
23 neighborhoods. Let me briefly summarize the principal findings
24 and conclusions from my study, and in the interest of time I
25 intend to be extremely brief.

1 Number one: Residential property values in
2 Burleith and West Georgetown have increased at a significantly
3 faster rate than for the District of Columbia as a whole. That
4 provides very strong evidence as to the desirability of the area
5 for homeowners.

6 Number two: In 1999 the average residential sales
7 price in Burleith was \$298,000. For the first five months of 2000
8 that number increased to \$340,000, an increase of 14 percent or
9 more than 25 percent on an annualized basis.

10 Number three: We have been able to find no
11 consistent sales price differential based on whether a house is
12 within a block of high student occupied group housing or not. In
13 short, we can find no statistical evidence that adjacency to group
14 housing depresses residential property values.

15 Number four: We estimate that approximately 680
16 undergraduates from 175 to 180 group homes in Burleith and West
17 Georgetown will move into the new 780 bed Southwest Quad upon its
18 completion in 2003.

19 Number five: We project that 75 to 80 percent of
20 those group homes will be removed from the rental inventory and
21 sold for owner occupancy. Based on an inspection of a random
22 sampling of these group facilities, we estimate today that they
23 would require on average from \$20,000 to \$40,000 in renovation and
24 modernization costs before they could be rented for single family
25 occupancy. The student demand, of course, will have disappeared.

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1 Furthermore, despite a very strong city-wide
2 housing rental market, those units would on average after
3 modernization and renovation rent for approximately 20 percent
4 less than what students are paying for them today.

5 So in other words, what an existing landlord would
6 be faced with was the prospect of spending \$20,000 to \$40,000 and
7 in return receiving approximately 20 percent less rent than they
8 are receiving at the present time.

9 Given that very strong sales market -- this is
10 point number six -- limited product offering that is available
11 and a very rapid appreciation in property values, our conclusion
12 is the vast majority of these group homes will be placed on the
13 market and sold for single family occupancy.

14 In Burleith -- number seven -- we estimate that
15 approximately 70 homes will be converted from their rental housing
16 status to that of owner occupied status. This, in our opinion,
17 will further reinforce the desirability of what is already a
18 highly desirable community.

19 Number eight: On average this conversion from
20 rental status to owner occupied status will be financially very
21 advantageous to the District of Columbia. We estimate that on
22 average a dwelling unit that goes from rental occupancy to owner
23 occupancy will generate an estimated \$7400 per dwelling unit to
24 the District in the form of additional sales tax revenues and
25 income tax revenues that will be generated by new residents moving

1 into the area.

2 If a total of 175 group homes in Burleith and West
3 Georgetown are converted to single family owner occupancy from
4 their status right now as group homes, this would generate
5 approximately \$1,300,000 annually to the District of Columbia in
6 the form of additional sales and income tax revenues.

7 We have made no calculation for property taxes,
8 although property taxes would also rise over time with increased
9 assessed valuation. We have only looked at sales tax and at the
10 income tax revenues derived from new residents.

11 Number 9: Given the strength of the housing
12 market, there is no evidence to suggest that putting these houses
13 on the market will depress property values, and we know that that
14 is a potential concern. Quite the opposite.

15 Our believe is that a stronger and a more
16 pronounced single family homeowner occupied neighborhood is likely
17 to increase property values, not decrease them, by the increased
18 desirability of the community that will result.

19 Number ten: While it's impossible to ascertain
20 precisely who these new residents will be, we believe that a very
21 substantial number of them will be drawn from the faculty and
22 senior staff of the University itself, which we view as a very
23 desirable thing.

24 Finally, from a longer term perspective, we can
25 find no evidence to suggest that an increase of 389 students over

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1 a ten-year period of time will bring back significant amounts of
2 group rental housing into either Burleith or West Georgetown.

3 Most of the current group housing inventory will
4 have been renovated and converted to single family homeowner
5 occupancy, as I've described a minute or two ago. This, together
6 with the relatively high housing prices which will only be
7 increasing over the coming decade, will effectively price students
8 out of the Burleith and West Georgetown housing markets. So we do
9 not see a return to that group housing as likely at all.

10 In summary, our conclusion is that the completion
11 of the new 780 student Southwest Quad residence hall will be very
12 positive for the University, for the immediate Burleith and West
13 Georgetown neighborhood, and for the District of Columbia itself.

14 Thank you very much.

15 CHAIRPERSON REID: Thank you.

16 MS. DWYER: Thank you.

17 CHAIRPERSON REID: That's pretty good.

18 MS. DWYER: It was a race. Thank you.

19 VICE CHAIRPERSON SOCKWELL: You have two more
20 words? You can use up the three seconds.

21 MS. DWYER: I'd like to thank all of the witnesses
22 for doing such a wonderful job and staying within the time
23 constraints, and that does complete our direct case.

24 CHAIRPERSON REID: And we do thank you as well.
25 It's really phenomenal that you were able to do that. I didn't