Testimony of James Kane
July 5, 2000
BZA Application No. 16586

Good afternoon, my name is Jim Kane and I am Project Manager for the development by the Charles E. Smith Companies. Last August, the Charles E. Smith Companies, and its affiliates, bought the Alban Towers Apartment building and the rear site. We did so after meeting with representatives of the community and the Advisory Neighborhood Commission, and after years of examining the feasibility of using the Towers as a rental property. The endeavor presents many challenges.

The Alban Towers Apartment Building, located at 3700 Massachusetts Avenue, N.W. in an R-5-D district, was constructed in two phases: the first, comprising 125 apartments, was built in 1928; the second, comprising 80 apartments was built in 1929. The building is six stories high and its footprint is irregular in shape. The rear lot is zoned R-2. The apartment building has an overall gross floor area of 326,961 square feet. There exists approximately forty spaces in a basement area of the existing building. The exterior, and portions of the interior, of the building were designated a historic landmark in 1991.

The restoration of the apartment building is being conducted in accordance with The Secretary of Interior's Standard for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. However, the historic status of the apartment building and the Secretary's Standards do not provide for a means of constructing new parking spaces for the tenants of the apartment building on the apartment building lot. Although the zoning regulations provide that a building certified as a historic landmark need not provide any additional parking, it became clear that additional parking has to be provided for the tenants of the apartment building if the rehabilitation is to be viable and to help mitigate adverse impacts on the community. So we looked at how we could use the rear lot to

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accomplish the purpose.

We decided to construct a garage on the 38th Street side of the Square under matter-of-right semi-detached houses. This rear portion of the square has been associated with the Alban Towers Apartment Building. The rear lot contained three open parking lots utilized by the residents and workers at the Alban Towers Apartment Building. The parking use is a grandfathered use.

When last fully occupied, the apartment building was owned by Georgetown University and used for rental housing and as a dormitory. The dormitory use was discontinued in 1989, and, through attrition, the building was substantially vacated. When sold in 1995, there were about thirty tenants remaining on the premises. In 1996, the prior owner of the building entered into a Voluntary Agreement with the building's remaining tenants which permitted the building owner to rehabilitate the building, remove asbestos and lead paint, raise rents and provide new apartments to the remaining tenant in the newly rehabilitated apartment building.

As I said, the apartment building's exterior and portions of the interior were designated a historic landmark in 1991. The designation application also sought to make the rear open space, located in the R-2 district, a part of the landmark designation but that effort was rejected by the Historic Preservation Review Board.

Over the past twelve years, four developers have tried to rehabilitate the Alban Towers. However, even with the use of rehabilitation tax credits, the cost of rehabilitating and remediating the building, due to its size and condition, the restraints imposed by the application of the District's rent control laws and the lack of a sufficient garage for the new tenants, once the building was renovated, precluded anyone from going forward.

In August 1999, we purchased the building and the rear lot. We determined that the Alban Towers Apartment Building could be rehabilitated for 229 apartment units if we developed the rear

site with matter-of-right semi-detached houses and constructed an underground garage for use by the owners of the houses and the tenants and workers of the apartment building, through a condominium regime. The two sites have always been under affiliated ownership but are on separate adjacent lots and split-zoned. After discussions with the neighbors, Smith filed the instant application so that it may sell the semi-detached houses on a fee simple basis, rather than as apart of a condominium, and provide parking for the tenants of the apartment building and assurances to the community that the garage would only be used for the purposes stated in this application.

To ensure that our plans would not have an adverse impact on the neighborhood, we began meetings with the ANC and the neighbors even before we purchased the building. We have subsequently met with the neighbors on more than 15 occasions and have agreed to construction guidelines to reduce impacts. Those guidelines are contained in an attachment to the ANC's resolution. We gave the neighbors a course in Construction 101, so that they understand every aspect of development. We have had numerous open houses so that the community could see the rehabilitation in progress and we have even given the neighbors the opportunity to comment on the design of the matter-of-right houses, all as a way of being as open and accessible as possible to comments and criticism. We believe we have almost unanimous support from the neighborhood and the ANC, and we seek your approval today.