TESTIMONY OF GEORGE ROTHMAN, PRESIDENT & CEO OF MANNA, INC.
BEFORE THE BOARD OF ZONING ADJUSTMENT
OCTOBER 22, 2002

Good afternoon, I am George Rothman, President of Manna Inc. Manna has been developing affordable homeownership housing in DC for 20 years, and we are excited about the prospect of building these 12 affordable row houses in the heart of the U Street corridor. We think you will agree that a housing development is a best use of these lots, especially because it will offer affordable homeownership opportunities to households earning between $24,000 and $40,000 per year. The need for affordable housing and maintaining diversity, particularly in the Shaw neighborhood, has grown more severe even since we began planning this project 3 years ago. In that time, homes that sold for $200,000 are now selling for $400,000, and across the street at 13th and U Street, a market rate rental project, The Ellington, has recently been started.

The Temperance Row project will consist of 12 row houses. This low-density approach is the most appropriate given that these are interior lots. The existing alley configuration and lot area present substantial design constraints, and that's why we're here today. Our plan shows 10 parking spaces. We think this is feasible because of the project's immediate proximity to Metro and the anticipation that not all residents will own a car. [We may also investigate the possibility of parallel parking along Temperance Place.]

The ownership structure of the project will be a cooperative corporation owned by residents. This structure most effectively allows for future re-sale price restriction, which will ensure that units remain affordable to this same income group in future decades, while still allowing for some return of capital gains to each individual owner.

Financing for the project requires substantial subsidies. We have been blessed with a very large grant from the Public Welfare Foundation to start us off, in addition to the Foundation's donation of this land at no cost. We will be seeking additional grant funds, as well as a low interest loan, from the D.C. Dept. of Housing and Community Development. Overall, we estimate that about 60% of our budget will be in the form of subsidies and about 40% borrowed as a long term mortgage. The total development budget is estimated at $1.9 million, or about $158,000 per unit.

Our schedule for the project is to begin construction during 2004, after we have completed construction documents and made final financing applications. Next year we will complete our design work and begin to take applications for the cooperative. Manna CDC will utilize its contacts in the Shaw neighborhood to maximize the number of current Shaw renters who will become owners at Temperance Row, and also offer ownership training to residents in advance of their move-in and take-over of project operations.

BZA
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Exhibit No. 31

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Knowing that this neighborhood is keenly interested in the details of the new development going on in the U Street corridor, Manna sought public comment and input into our design process before finalizing our proposal. We initiated two public meetings to describe our development plan, answer questions, and get feedback, advertising these meetings through a mailing to hundreds of nearby residents.

We held these public meetings on October 22, 2001 and January 15, 2002. We showed drawings of the planned development, including the site plan, as well as summarized the target resident groups and how a housing cooperative will be formed to operate the project.

The public comments regarding our plans were favorable. The idea of an affordable ownership option through a co-op was especially applauded. We also got favorable comment on the aesthetics of the design, including the predominant use of split-face concrete block. Our parking plan was also accepted by most attendees.

The item of most concern was that our development would effectively narrow the north-south alley running at the western edge of this property. This 10' wide alley has been used recently as if it were much wider because of the lack of any fencing or other delineation of its boundary. Our development will create rear yard fences that will border the alley to its east. As a result of this feedback, we have responded by modifying our site plan to effectively create a 2' buffer of empty space at the rear of our western lots, creating the effect of a 12' wide alley.

In addition we made presentations to several organizations, including the Cardozo Shaw Neighborhood Association and its separate Historic Preservation Committee. Both the President and the Historic Preservation Committee Chair of CSNA are supporting this project. We presented to the DC Historic Preservation Review Board on February 28, 2002, receiving their concept approval. We appeared before the ANC 1B at its July 10, 2002 meeting and received their unanimous endorsement of the zoning variances on the table here today.

Thank you for your consideration.