

Zoning Commission Case #04-33
Comments of Ashley Gerstenfeld, Principal SJG Properties
July 28, 2005

My name is Ashley Gerstenfeld and I am a principal at SJG Properties – a real estate development and property management company. Over the last several years, we have developed a number of projects in the newly revitalized Logan Circle neighborhood including The Whole Foods, The Hudson Apartment Building(84 units), Saxon Court Condominiums (46 units), The DeSoto Apartment Building (66 units) and The Metro Condominium (54 units) We have been in business in Washington for over 40 years and also own office buildings and retail in Downtown DC

I appreciate the opportunity to provide input on this case and I do believe that more affordable housing is necessary in Washington but feel that as proposed mandatory inclusionary zoning will hinder further development in downtown DC Every project is different and I believe inclusionary zoning needs to be fair and flexible As an example, currently we are considering converting a 200,000 SF historic office building into 200 rental units in the East End DC has pushed for years to have a living downtown but it has been very challenging to build housing as opposed to office due to the discrepancy in the returns In the last several years, more and more housing has been built which has led to great vibrancy in the downtown area In the case mentioned, the inclusionary zoning would prohibit this conversion because of the parameters placed on historic structures by The Historic Preservation Review Board, there would be no ability to increase the envelope of the building and the financial burden of rent reduction would force the project back to office

It is also noteworthy that the redevelopment of historic structures is often more costly than the development of new buildings and puts a lot more constraints on the flexibility of the units sizes and types so the proposed zoning would almost guarantee that this type of conversion would be economically unfeasible Furthermore, additional density on a historic project is likely to jeopardize any Historic Tax Credits or Conservation Easements. I would be happy to provide any further information on this matter if requested Thank you

ZONING COMMISSION
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EXHIBIT NO. 90
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