

Holland & Knight

800 17th Street N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564
Holland & Knight LLP | www.hklaw.com

Kyrus L. Freeman
+1 202-862-5978
Kyrus.Freeman@hklaw.com

November 4, 2024

VIA IZIS

Zoning Commission for the District of Columbia
441 4th Street, N.W., Suite 210S
Washington, D.C. 20001

**Re: Request for Modification With A Hearing and Special Exception for an
Approved Consolidated PUD – Comprehensive Plan through a Racial Equity
Lens Analysis
Z.C. Case No. 07-26G
Square 398, Lot 7006, part of Lot 32**

Dear Members of the Commission:

On behalf of 899 Lodging Group, LLC (the “Applicant”), the owner of property located at 899 O Street, NW (Square 398, Lot 7006, and part of Lot 32) (the “Property”), we hereby submit this Evaluation of Consistency with the Comprehensive Plan through a Racial Equity Lens (“Evaluation”) to supplement the Application for a Modification with Hearing and special exception relief.

Evaluation of Consistency with the Comprehensive Plan through a Racial Equity Lens

I. Introduction

This *Evaluation of Consistency with the Comprehensive Plan through a Racial Equity Lens* (the “Comp Plan Evaluation”) is provided in support of an application for a modification with a hearing for a portion of the O Street Market, NW PUD, Zoning Commission Case No. 07-26 (the “PUD”). The modification application seeks the Zoning Commission’s approval to convert the existing penthouse use of a hotel located at 899 O Street, NW (Lot 7006 and part of Lot 32 in

Square 398) (the “Property”)¹. The existing hotel is being renovated to accommodate a new operator, and the Applicant requests to convert the existing penthouse hotel amenity space into an eating and drinking establishment. The establishment is intended to primarily serve hotel guests.

As detailed herein, the Applicant’s modification application is not inconsistent with the relevant policies of the Comprehensive Plan (“Comp Plan”) and would lead to favorable outcomes when evaluated through a racial equity lens. To the extent the application is inconsistent with any policies, such inconsistencies are outweighed by the project’s consistency with several policies under the Citywide Elements and the applicable Small Area Plan.

II. What Comprehensive Plan policies related to racial equity will potentially be advanced by approval of the zoning action?

a. Land Use Element

The proposed eating and drinking establishment in the hotel penthouse aligns with key District policies by enhancing commercial vibrancy in a transit-accessible area while respecting the character and needs of nearby neighborhoods. Situated near a Metrorail station, the establishment encourages transit use and minimizes car dependence, reinforcing the area’s transit-oriented design. Although the project does not directly add housing, it contributes to neighborhood revitalization by offering a well-managed, attractive commercial amenity that supports local commerce without impacting existing housing or historical features. Overall, this use exemplifies the District’s balanced approach to development along major corridors, enhancing community vibrancy while distributing economic benefits throughout the community.

Upon evaluation of the Land Use Element policies and actions, the Applicant finds that the proposed eating and drinking establishment in the existing penthouse will not be inconsistent with the Comp Plan overall, and specifically with those policies listed below.

LU-1.4 Transit-Oriented and Corridor Development

- LU-1.4.2: Development Around Metrorail Stations
- LU-1.4.5: Design to Encourage Transit Use
- LU-1.4.6: Development Along Corridors

LU-2.1 A District of Neighborhoods

- LU-2.1.3: Conserving, Enhancing, and Revitalizing Neighborhoods
- LU-2.1.13: Planned Unit Developments in Neighborhood Commercial Corridors

¹ The Application for Modification with Hearing also includes special exception relief to allow for reduced penthouse setbacks for an elevator overrun and lobby. The Comprehensive Plan Analysis through a Racial Equity Lens does not address this special exception because the reduced setback is a minor technical aspect of the project that does not impact the broader goals of racial equity.

LU-2.3 Residential Land Use Compatibility

- LU-2.3.2: Mitigation of Commercial Development Impacts

b. Economic Development Element

The proposed establishment aims to enhance economic linkages by boosting the hotel's offerings and increasing demand for local goods and services, particularly from businesses owned by historically marginalized groups. By creating amenities that cater to hotel guests, the establishment fosters connections with key District industries, contributing to employment opportunities in the hospitality and service sectors. Additionally, by decentralizing tourism-related economic benefits, it encourages visitors to explore areas beyond the traditional Mall, enriching the local cultural and commercial landscape.

In furthering the growth of the hospitality industry, the establishment introduces a unique dining experience in the penthouse, which can attract visitors to the District looking for distinctive options and promote longer stays in the District. This expansion not only enhances the variety of attractions available but also aligns with the District's goals for diverse accommodations catering to a range of traveler preferences. Furthermore, the establishment is committed to workforce development, offering entry-level and mid-level hospitality jobs that can lead to upward mobility, especially for underrepresented groups in the community.

By promoting inclusive growth and equitable access to the economic benefits of the hospitality sector, the proposed eating and drinking establishment aligns with the District's racial equity initiatives. Through partnerships with local job training programs and suppliers, it aims to ensure that the advantages of the hospitality industry are accessible to a broader spectrum of residents, helping to distribute tourism-related economic benefits more fairly across neighborhoods. In summary, the establishment not only strengthens the District's hospitality and tourism sectors but also creates new opportunities for local residents, advancing economic growth and racial equity.

Upon evaluation of the Economic Development Element policies and actions, the Applicant finds that the proposed eating and drinking establishment in the existing penthouse will not be inconsistent with the Comp Plan overall, and specifically with those policies listed below.

ED-1.1 Diversifying the Economic Base

- ED-1.1.2: Economic Linkages

ED-2.3 The Tourism and Hospitality Economy

- ED-2.3.1: Growing the Hospitality Industry
- ED-2.3.3: Amenities Beyond the Mall
- ED-2.3.4: Lodging and Accommodation
- ED-2.3.9: Hospitality Workforce Development

c. Near Northwest Area Element

The Shaw/Convention Center area, bounded by Massachusetts and New York Avenues NW, has a rich history as an economically and ethnically diverse residential neighborhood. *See* 10-A DCMR § 2111.1. After the 1968 unrest, an urban renewal plan was implemented, focusing on selective improvements rather than widespread clearance. *Id.* This resulted in a blend of affordable housing from the 1970s and historic row houses. *Id.* The neighborhood has seen increased development since the 2004 opening of the Washington Convention Center, leading to the revitalization of business districts in places like O Street Market, and creative transformations in places like Blagden Alley. *See* 10-A DCMR § 2111.2. This has helped revitalize the underserved business districts along 7th, 9th, and 11th Streets NW but has also brought displacement pressures for long-time, low-income residents. *Id.*

The proposed penthouse eating and drinking establishment enhances local commercial areas in the Shaw/Convention Center area by adding a unique amenity that enriches the diversity of neighborhood shopping streets and supports a pedestrian-oriented experience. Serving predominantly hotel guests, the establishment strengthens the local economy and fosters a distinctive, accessible commercial environment.

Additionally, the establishment promotes neighborhood vibrancy by driving foot traffic along 7th, 9th, and 11th Streets, which benefits established businesses and attracts new ones. The penthouse establishment also contributes to a vibrant, pedestrian-friendly retail environment on the 7th and 9th Street corridors, supporting a fairer distribution of tourism benefits within the community.

The project advances racial equity through the creation of hospitality and service industry jobs accessible to local residents, particularly those from underserved backgrounds. These roles offer entry-level and mid-level employment opportunities that can lead to career advancement, supporting the District's broader workforce development and equity goals. By attracting visitors to the neighborhood and encouraging them to explore beyond traditional tourist areas, the project helps distribute tourism-driven economic benefits more equitably, strengthening the economic foundation of a diverse and vibrant neighborhood.

Upon evaluation of the Near Northwest Area Element policies and actions, the Applicant finds that the proposed eating and drinking establishment in the existing penthouse will not be inconsistent with the Comp Plan overall, and specifically with those policies listed below.

NNW-1.1 Guiding Growth and Neighborhood Conservation

- NNW-1.1.2: Enhancing Established Commercial Areas
- NNW-1.1.3: Neighborhood Commercial Vibrancy

NNW-2.1 Shaw/Convention Center Area

- NNW-2.1.5: 7th and 9th Street NW Street Corridors

III. The Convention Center Area Strategic Development Small Area Action Plan

The DC Council adopted the [Convention Center Area Strategic Development Small Area Action Plan](#) ("Action Plan") on June 20, 2006, under Public Resolution Number 16-759. The Action Plan envisions the entire O Street Market site as a vibrant neighborhood center and a key commercial destination in mid-city, bridging Downtown and U Street. Since its adoption, the Comprehensive Plan has incorporated many of the Action Plan's recommendations to guide development in this area. *See* Action Plan, p. 2.

The Property lies within the Retail Corridor Sub-Area, which supports new infill developments with ground-floor retail and residential units above. *See* Action Plan, p. 34. Anchored by the O Street Market, this corridor connects the commercial segments of 7th and 9th Streets, positioning the Market as a focal point within the retail landscape. *See* Action Plan, p. 35. Although the Action Plan does not specifically address hotel or penthouse uses, it emphasizes that the O Street Market site should be a central mixed-use hub within the corridor. *Id.* The current hotel and the proposed eating and drinking establishment in the existing penthouse align with this vision, contributing to a dynamic, mixed-use environment that enhances the area's commercial and community appeal.

IV. What Comprehensive Plan policies related to racial equity will potentially not be advanced by the approval of the zoning action?

As detailed above, the proposed eating and drinking establishment in the penthouse furthers numerous policies across various elements of the Comprehensive Plan. In conducting its analysis, the Applicant endeavored to find potential inconsistencies within and across the District Elements. The Applicant has not found any substantial or significant inconsistencies that would undermine the proposal's consistency with the Comprehensive Plan as a whole. Should OP or the Commission identify any potential inconsistencies, the Applicant reserves the right to address the policy at issue in a supplemental filing or during the public hearing on the application.

V. When considering the following themes/questions based on Comprehensive Plan policies related racial equity, what are the anticipated positive and negative impacts and/or outcomes of the zoning action?

Direct Displacement	The proposed eating and drinking establishment will not cause direct displacement of any current residents or businesses. Previously, the penthouse served as an amenity space operated by the hotel, which included a pool. Under the proposed plan, the hotel will continue to operate the penthouse, now repurposed as an eating and drinking establishment.
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Indirect Displacement	<p>The addition of an eating and drinking establishment in the penthouse will not lead to indirect displacement within the property or immediate area.</p> <p>Indirect displacement generally occurs when new uses significantly alter neighborhood dynamics or raise property values and rents, making it unaffordable for long-standing residents or businesses. In this case, since the penthouse space is already integrated within the hotel's operations, converting it to an eating and drinking establishment would likely not introduce substantial new demand pressures on the surrounding area. Additionally, the penthouse location and restricted access limit its impact on the broader neighborhood, which further reduces the potential for indirect displacement.</p> <p>In conclusion, the proposed eating and drinking establishment within the penthouse will not result in indirect displacement, given its integration within the hotel and minimal impact on the surrounding community.</p>
Housing	<p>The proposed eating and drinking establishment in the penthouse is not expected to have a direct impact on housing, as it does not involve any modification, removal, or repurposing of existing residential units. The penthouse was previously used as an amenity space within the hotel, and its conversion to a an eating and drinking establishment maintains its status as a non-residential area under hotel management.</p> <p>Indirectly, this type of establishment in a hotel penthouse is unlikely to significantly affect local housing availability or affordability. While high-end amenities can sometimes contribute to an area's desirability, which can, over time, place upward pressure on housing prices, the limited scope and controlled access of the penthouse establishment reduce the likelihood of such an effect. Additionally, since the establishment remains a part of the hotel, it does not create new housing demand or displace existing residents.</p> <p>In summary, the proposed eating and drinking establishment in the penthouse is not anticipated to directly or indirectly impact housing in the immediate area, as it repurposes an existing non-residential space with minimal potential influence on surrounding housing conditions.</p>

Physical	<p>The proposed eating and drinking establishment in the penthouse is not expected to result in physical improvements to the surrounding environment, public realm, or transportation network. Because the establishment will occupy an existing hotel penthouse space, all modifications will be limited to interior renovations rather than external improvements to the building or its surrounding infrastructure.</p> <p>However, there may be minor, indirect effects. For example, the establishment could lead to increased visitor traffic to the hotel, which, in turn, might marginally increase demand on nearby transportation resources such as public transit, rideshare services, or parking facilities. These impacts would likely be minimal given the controlled access and limited capacity of the penthouse.</p> <p>In conclusion, while the establishment may bring some additional activity to the area, it does not inherently include upgrades to the environment, public realm, or transportation network. Any physical improvements would likely be internal and specific to the penthouse space itself.</p>
Access to Opportunity	<p>The proposed eating and drinking establishment in the penthouse could provide some access to new employment opportunities, as it would likely require staff for operations, including roles in food and beverage service, management, and maintenance. These jobs could benefit local residents, contributing to the area's economic activity and providing hospitality-related employment options.</p> <p>However, the establishment would not directly influence access to schools, parks, or other community amenities, as it is confined to a private, non-residential space within the hotel. Additionally, it would not alter public infrastructure or pathways that would impact residents' access to these resources.</p> <p>In summary, the proposed establishment may offer some localized job opportunities, but it is unlikely to affect broader access to community resources such as schools or parks.</p>
Community	<p>As of the date of this submission, the Applicant has engaged with the ANC to present the Application. While the ANC has expressed support for the proposal, some residents on the south side of O Street NW have raised concerns about potential visibility from the penthouse into their units.</p>

	The Applicant is continuing to correspond with the community concerning this Application.
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VI. Conclusion

In conclusion, the proposed eating and drinking establishment in the penthouse at 899 O Street NW advances Comp Plan policies while supporting racial equity within the District. By enhancing local commercial vibrancy and offering an amenity in a transit-accessible area, the project aligns with key District policies that promote inclusive, pedestrian-oriented development. The establishment generates economic opportunities for local businesses, particularly those owned by historically marginalized groups, through sourcing and partnerships, fostering a more inclusive local economy.

Furthermore, the establishment provides employment opportunities in the hospitality sector, accessible to residents from underserved communities, supporting upward mobility and workforce diversity. By situating a dynamic amenity within a mixed-use development, the project helps to distribute tourism-related economic benefits more equitably across neighborhoods, reinforcing the District's commitment to balanced, community-driven growth. Overall, the establishment exemplifies the District's approach to development that respects neighborhood character, promotes accessibility, and advances racial equity.

Thank you for your consideration of this matter.

Respectfully submitted,

HOLLAND & KNIGHT LLP

s/Kyrus L. Freeman

Kyrus L. Freeman

Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that on November 4, 2024, a copy of this submission to the Zoning Commission was served by electronic mail on the following at the addresses stated below.

DC Office of Planning

Ms. Jennifer Steingasser

Mr. Joel Lawson

Ms. Karen Thomas

via Email: jennifer.steingasser@dc.gov
joel.lawson@dc.gov
karen.thomas@dc.gov

District Department of Transportation

Mr. Erkin Ozberk

via Email: erkin.ozberk1@dc.gov

Advisory Neighborhood Commission 2G

c/o ANC 2G General Email Account; and

Chairperson Alexander M. Padro

via Email: 2G@anc.dc.gov
2g02@anc.dc.gov



Brandice Elliott
Holland & Knight LLP