Brenda Batts, Ward 1

Testimony for Case No. 08-06A - General Procedures - In Opposition

November 19, 2013

My name is Brenda Batts, and I live at the Fedora Condominiums in the 1400 block of Belmont Street, NW. I have lived there since October 2006. I am here to testify about resale-restricted ownership units, Affordable Dwelling Units (ADU) and Inclusionary Zoning Units, incorporated into market-rate condo buildings.

I own an ADU with 20 year resale restrictions and steep condo fees, and I think it's important for the Zoning Commission to understand my homeownership experience, especially since the Zoning Commission holds the covenant to my unit. Along with other owners of these types of units, I have been working with the Department of Housing and Community Development to come up with solutions to some covenant items that were not so well thought out. While there is still much to do, I am pleased to be working with Director Kelly and his staff. I am also pleased about the Council's and DHCD's acknowledgement that more work needs to be done. Further, I want to prevent future ADU owners from meeting these same challenges. Thank you for allowing my testimony.

I am sure the Commission is aware that those who purchase property take pride in homeownership for many reasons. Mainly, homeownership stabilizes communities and builds wealth for owners and their families. It was my hope and aspiration to acquire a home that would give my grandchildren a 'leg up' in a society that marginalizes those of certain strata. Purchasing a unit at the Fedora meant that I had met this goal, and I took the legal steps necessary to assure that the property remains in the family. However, based on the covenants and the value determination made by DHCD this past summer, it seems that my hopes have been dashed.

Based on their calculations, DHCD's analysis determined that over the past seven years the value of my property has increased by $13,150. This averages $1,879 per year and means that in 20 years the value of my property will have increased by only $37,580, not including permissible upgrades. Also, if for some reason I ever needed to sell, the realtor and closing costs would eat away any gain.

Market rate properties in the area, and in the Fedora, have increased by over $100,000 since 2006. Let's just think about this for a moment: an increased value for me of $37,580 in 20 years v. an increased value for market rate owners in my building of over $100,000 in 6 years. Not to mention that I pay the same amount in condo fees per square foot as those whose property values increase faster and don't have value limitations. There is something very wrong with these two scenarios, and my question is: when will I or my grandchildren build wealth?

None of this makes any sense. While I consider myself a fairly intelligent person, the set-up of these covenants is very confusing. I understand some of the practices are to assure that folks don't flip their homes to make a big score, to assure housing for low and moderate income people—I tried to go into this home-buying process with my eyes as wide open as possible and gathered as much information as I could. At settlement my only concern was that one day my condo fee might be higher than my mortgage, but figured the long-term gains would balance this out. Quite frankly, this is not the homeownership experience I wanted for myself and it seems I am not working toward the future I envisioned for my grandchildren. I wanted to have a chance at opportunities and growth just like my market-rate neighbors—just like any homeowner. It seems to me that I am taking all the risks with very little return. This must change.

Again, I am thankful for the opportunity to shed light on some of the unfair and unreasonable dictates of the covenants that govern these properties. It is my hope and prayer that these unjust practices will be further reviewed and corrected by the Commission and DHCD to help level the playing field of homeownership in the District of Columbia.

Respectfully submitted,

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