

(Updated) Statement of Paul Alan Levy in **ZC Case No. 15-09**

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WHY WE MOVED TO LANIER HEIGHTS

I came to DC at the beginning of the Carter administration in 1977, and have lived in the Lanier Heights section of Adams Morgan since 1978. I grew up in the suburbs of New York City, and I have lived in a few cities along the way (Portland, Chicago, Detroit and New York). I have spent the past thirty-eight years working as a public interest lawyer – I am proud to identify myself as one of the neighborhood “do-gooders” whom the testimony of rezoning opponent Paul Zukerberg disparages as “mindless do-gooders.”

In 1984, my wife and I bought the house on Lanier Place where we raised two children, both now grown (one of them owns a row house in Pleasant Plains). I moved into Lanier Heights for several reasons, some of which no longer apply. The extraordinary racial and ethnic diversity that characterized the neighborhood when I got to our area has to a large extent been destroyed by gentrification (of which, I recognize, I was a part). But there is another feature of Lanier Heights that remains, and that is different from many other cities where I have lived: because of the wonderful collection of row houses, you can live within walking distance of downtown jobs (I work near Dupont Circle, my wife works near U Street) and still have enough living space to raise a family. The row houses have fostered a stable population; we have known many of our neighbors for dozens of years.

THE THREAT TO OUR NEIGHBORHOOD’S STABILITY

But just as the next generation of young families has begun to grow in our neighborhood, that aspect of our neighborhood is under threat because developers have noticed that Adams Morgan row houses could provide them with the raw material from which they can make big bucks by buying row houses, adding more stories to them (pop-ups) and/or building back in the lot (pop-backs), turning the buildings into multi-unit condos (cut-ups), and then selling the group of units for twice as much as what the building was worth as a row house. For example, in the building next to ours, a developer swept in after our neighbor developed dementia, bid \$150,000 over the asking price for the row house, and carved four apartments out of a single row house; he sold them for a total of \$2,415,000. And if developers can get that much money out of a single row house after tearing it up, it is hard to see how any row houses will sell in the neighborhood for their value as single-family houses with basement units, which is the current norm for row houses in the neighborhood.

As it happens, the building next to ours was purchased in a highly deteriorated state. But although Paul Zukerberg asserts in his statement (Exhibit 92) that it is only the deteriorated row houses that are being cut up into condos, that is one of the several false and fanciful statements in his testimony. At 1726 Lanier Place, where a row house has been developed into eight condo units, the house had

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not only been fully renovated but was renovated in fine style (I was in the house and garden a number of times because the former owners who did the renovation, Gertrude and Cynthia, often had the neighborhood in for parties). Yet the developer was able to offer hundreds of thousands over the asking price because it was focused on the profits that could be generated by creating many units. So we cannot assume that the pricing out of family-occupied row houses is going to be limited to the houses owned by residences who cannot afford to maintain them. And although it is sad that the revenues from the Zukerbergs' professional practices do not afford them enough income to maintain their house (Exhibit 92), I certainly do not share Paul Zukerberg's perception that many of the row houses in Lanier Heights are similarly falling into disrepair because the residents cannot afford to maintain them.

If zoning rules price out buyers who want to live in row houses, families with children won't be able to live close-in any more. Even as lifestyles change, few people will want to raise a family in an apartment like those in the new condo next to us, with two tiny bedrooms the size of dormitory rooms, especially if they have no off-street parking for a car (street parking in the neighborhood has become exceptionally difficult).¹ Nobody is going to be hauling a toddler up and down three stories of a four-story walk-up. These apartments are designed to be starter homes, not homes for couples who want to be here for the long haul, where they are around long enough to know each other and are willing to invest their interest, time and attention in their neighbors, their local establishments, and their elected representatives. Transient residents have very little social capital investment in the places where they live temporarily. In Exhibit 80, Nick Joyce, who cannot be here this evening, reports on his informal conversations with several friends who live in the apartments in the cut-up row houses, in which they **consistently** say that they are living in these apartments only temporarily.

WASTING THE CITY'S INVESTMENTS IN SCHOOL RENOVATIONS

Moreover, the huge investments that the city has already made in on school renovations in our area will be wasted because there won't be children in those neighborhoods anymore. The city has already renovated H.D. Cooke Elementary School (\$32,501,000), Cardozo High School (\$131,552,000) and the Lincoln/Bell Multicultural Education Campus (\$78,652,000). The city has committed over a hundred million dollars over the next two years to modernize Marie Reed (\$63,000,000) and Bancroft (\$66,496,000). Then there is the impending partial renovation of the Adams building that houses part of the bilingual Oyster program (\$15,000,000) (I attach an exhibit setting forth these figures, obtained from the District's Capital Improvement Plan).

¹In Exhibit 56, after complaining that I have defined "family housing" as housing in which a couple can raise children, the author represents that his apartment, a single floor of the row house next to ours, is large enough that he and his partner could stay in it if they were expand their family. Although I do not question the sincerity of his opposition, assuming that he means, have children, it seems to me that he does not appreciate the amount of space needed for a family with children.

When our children were elementary school age, our in-boundary school was not an attractive choice; luckily we were able to get them into Oyster's bilingual program. Now, however, we are seeing neighborhood children attending the newly renovated H.D. Cooke. Cutting up the family housing in the area — even cutting up row houses that are currently used for other purposes, such as the hospice and the bed-and-breakfast, even the apparently struggling law and dental practices to which Paul Zukerberg refers in his testimony (Exhibit 92), but that could easily become family housing again should a new buyer want to go in that direction — threatens to destroy the progress that has been made.²

PRESERVING ROW HOUSES DOES NOT EXCLUDE APARTMENT LIVING

Our neighborhood's devotion to protecting our row houses from being cut up and turned into little condominium apartments does not stem from any hostility to apartment-dwelling life. Indeed, I lived in an apartment building when I first moved to Adams Morgan; my wife and I met as residents of an apartment building on Clydesdale Place. Our neighborhood has roughly two dozen apartment buildings, some of them quite large; among those apartment buildings are several rental buildings and a good number of owner-occupied buildings, some organized as coops and many others organized as condominiums. This diversity in housing stock is one of the strengths of our neighborhood. Our proposal poses no threat to the availability of apartment units for those who prefer such accommodations. But where in our neighborhood will those apartment dwellers be able to live when their families have outgrown a one- or two-bedroom apartment?

Indeed, many more apartment units have recently come on line or are coming on line in the next year or so: the recently completed Ontario 17 on the site of the former Ontario Theater on Columbia Road (across the street from Lanier Heights) and Adamo on the site of the former gas station at Lanier Place and Calvert Street; and the impending construction of a new apartment building on the north side of the 1700 block of Columbia Road; not to speak of a rumored new building at the corner of Columbia and 18th Street (replacing the Suntrust Bank). But the roughly 150 row houses (and the very rare detached houses) that still serve as dwellings large enough to hold family groups **are** threatened.

It is, I suggest, one of the functions of sound zoning policy to ensure that the short-term attractions of profits from popping up, popping back, and cutting up our row houses do not make diverse family

²Mr. Zukerberg refers in his testimony to the "chef" whose business he counts with his own as among the diverse uses on Lanier Place that depend on income from the new residents whom he hopes will buy apartments in former row houses. Assuming that he is referring to Jose Pampin and Mila Rodriguez, who run a catering business out of their home, they are, in fact, strong supporters of rezoning. I understand that Mila Rodriguez hopes to come tonight, although I do not know whether she will be able to testify.

housing unavailable in our inner neighborhoods in the long-run. Indeed, the driving force that some of the tiny number of opponents have articulated is a libertarian way of thinking that is hostile to **all** zoning regulations because they interfere with the ability to make profits in the real estate market. These people are entitled to their ideological positions, but the Commission should recognize those positions for what they are.

LANIER HEIGHTS' RESPONSE TO THE THREAT

Consequently, hundreds of neighbors from Lanier Heights have banded together to seek a rezoning of our area to preserve the stock of single family homes by maintaining the current density of single-family neighborhood lots, to stop out-of-scale heights and intrusive pop-ups, and to avoid exacerbating on-street parking by retaining existing minimum parking requirements for new development and institutions. Although many of the residents seeking rezoning are the owners of row houses, residents of area apartment buildings are chiming in with support for this movement. The neighborhood forum called by our ANC was packed, and the voices in support of the proposal were overwhelming. However, I don't expect such large number to be able to get to a downtown hearing.

A statement in opposition to rezoning shown on the case docket as Exhibit 29A (a resident of the pop-up next to our house) speculates that the owners of all units in converted row houses share his views of our proposal, and so he claims to speak for all of them. This individual was one of the few people who spoke in opposition at the ANC-sponsored neighborhood forum, but I have seen no evidence that he speaks for anyone besides himself and his partner (who submitted Exhibit 56). For a contrary indication, I direct your attention to Exhibit 80, where Nick Joyce reports on his conversations with friends of his who are living in apartments in the cut-up row houses, and he says that even **they** say that don't want to have to live **next to** a new popup.

A neighbor who lives on Ontario Place indicated that canvassers from outside the neighborhood, possibly paid canvassers, were going up and down his street knocking on doors to solicit opposition. But the opposition to our proposal remains token. This is a proposal backed by an overwhelming majority of the neighborhood.

I hope the Commission will take note of the fact that a number of the written statements that were submitted just before last week's deadline for written submissions were one-sentence cookie-cutter emails. Checking the email addresses and names signed to those emails, it is apparent that several of them came from individuals who make money working for pop-up developers, not from residents of Lanier Heights. The cookie-cutter emails misleadingly claim concern for the impact of re-zoning on "home owners like my self." These individuals, are, of course, entitled to their opinions, wherever they may reside but it is too bad that, in the rush to preserve their profits, they have chosen to present misleading written statements.

“AFFORDABLE HOUSING” CLAIMS FROM THE DEVELOPERS IN OPPOSITION TO REZONING

The developers whose profits are threatened by our efforts have tried to argue that protecting our area row houses threatens the availability of affordable housing. This argument lacks merit. The developers are not interested in affordable housing, they are interested in maximizing their profits.

Comparing Prices of Cut-up Apartments and Traditional Apartments

Using data obtained from MRIS by a realtor who lives in our neighborhood, I did an analysis of all sales in our neighborhood since January 2015. There were 39 apartment units sold—sixteen units in converted row houses and twenty-three in traditional apartment buildings. The converted units were far and away more expensive than the units in traditional apartment buildings. The mean price for traditional units was \$388,426, and the median was \$365,000; among the converted units, the mean was \$599,612, which was a higher price than **any** of the traditional apartment units; the median was \$572,000. The three very lowest prices for converted units were 399,000, \$425,000 and \$435,000; there were only six traditional units that were sold for prices higher than that. I am attaching as Exhibits 1 and 2 the sales data from which I performed those calculations. The notion that converting row houses to pop-ups and cut-ups is a way to make Lanier Heights affordable is contradicted by the data.

Comparing Prices of Cut-up Apartments and Row Houses

A couple of years ago, when we were developing our presentations to the ANC, another one of our residents took a sample of the apartment and row-house sales in our neighborhood over the past two years, using data obtained from Zillow, and calculated the average price per square foot of the different kinds of residences. He found that the average cost per square foot of the row houses was \$398, but the average cost per square foot of the converted row-house apartment units was \$542. At my request, he redid this calculation based on inspection of the universe of sales over the past two years: the new figures he derived were, respectively, \$478 per square foot for row houses and \$629 for apartments in converted row houses. It is the row houses, not the new apartment units, that reflect affordable housing.

POTENTIAL RESALE PRICE IS NOT THE RELEVANT “VALUE”

One other argument that I have seen made in opposition to our rezoning proposal is that it would deny some property owners the ability to realize the full **monetary** value of their properties in that it would deprive them of the extra cash that they could get from selling their houses for redevelopment as condos. This argument strikes me as wrong in two ways.

First, the sales value of a house is not its only value, and it is to my mind one of the least important ways to think of a house's value. The most important value of a house is the pleasure and advantages that it affords for those living there; but these values are not readily measured in financial terms. How, for example, do we put a number on the value of a row house garden that is not overshadowed by a pop-up and pop-back? How do we put a number on the ability to raise children in an urban environment while still being able walk to work? What is the numerical value of having a house that is large enough to host extended family as needs arise in their lives? How do we place a numerical value on being able to live in a neighborhood where there are often children out on the street, and where the children in the neighborhood have friends with whom they can play? How do we calculate the value of neighborhood stability, whereby you get to know your neighbors and see them regularly over the years, where you get to know their children as they grow up, where you can age in place with people you have known for many years. These are some of the property values that the pop-up/pop-back/cut-up developers are taking away from those of us who want to **stay** in the neighborhood. And these values, for the vast majority who want to stay in the neighborhood, deserves far more protection than two or three extra hundred thousand dollars that a handful of neighbors, who insist that they see their houses only as a capital investment, can get from developers who want to turn their row houses into condos.

The "lost value" argument has a second flaw: one of the reasons why developers can make so much from converting row houses in our neighborhood is that prospective condo owners are paying a premium for the pleasure of moving into a stable row-house neighborhood. But that premium can be secured only by the first few row-house developers on any one street. The very process of each conversion will lower the values of the previous conversions, as the character of the neighborhood changes. Thus rezoning now could be a way of **preserving** the value of the condos that have already been created in Lanier Heights. The opposition to rezoning might well be shortsighted on the part of anyone who does not intend to sell right away; indeed, recognition of this problem might well be an explanation for the sentiments of pop-up residents that Nick Joyce reports in his testimony (Exhibit 80).

CONCLUSION

To that end, rather than allowing rapacious developers to impose a one-size-fits-all commercialization of our neighborhoods, I hope the Zoning Commission will approve the Lanier Heights residents' rezoning proposal. Please allow the creation of an R4 zone for our neighborhood, thus barring both vertical construction (pop-ups) that adds floors to our row houses, additions to existing row houses, which shrink the front and back yards of existing row houses ("pop-backs"), and limits to two the number of units per row house ("cut-ups").

Exhibit 1

Sales of Pop-Up Conversion Units
Since 1/15

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Sent	PH	VT	OH	Type	Stat	Transaction Type	ML#	Address	List Price	BR	FB	HB	Lvl	Fpl	Gar	Bsmt	Acres	Age	DOMP	Adv	Subdi
	23			Res	Sold	Standard	DC8497943	2714 Ontario Rd NW #6	\$899,900	2	3	0	2	0	0	No	0	116	18	Adams Mor	
	15		2	Res	Sold	Standard	DC8577874	2906 18th St NW #2	\$850,000	2	2	1	2	1	0	No	0	91	28	Mount Pleas	
	30		2	Res	Sold	Standard	DC8299952	2713 Ontario Rd NW #5	\$785,000	3	2	0	3	0	0	No	0	116	9	Mount Pleas	
	30			Res	Sold	Standard	DC8534513	1793 Lanier Pl NW #8	\$749,900	2	2	0	2	0	0	No	0	4	3	Adams Mor	
	28			Res	Sold	Standard	DC8239330	1696 Lanier Pl NW #4	\$749,000	3	2	1	2	0	0	No	0	96	7	Mount Pleas	
	30			Res	Sold	Standard	DC8548247	1726 Lanier Pl NW #Ph7	\$699,000	2	2	0	4	0	0	No	0	100	18	Adams Mor	
	27			Res	Sold	Standard	DC8558602	1726 Lanier Pl NW #Ph8	\$685,000	2	2	0	4	0	0	No	0	100	0	Adams Mor	
	15			Res	Sold	Standard	DC8621044	1726 Lanier Pl NW #6	\$575,000	2	2	0	4	0	0	No	0	100	15	Adams Mor	
	30			Res	Sold	Standard	DC8239325	1696 Lanier Pl NW #3	\$569,000	2	2	0	1	0	0	No	0	96	4	Mount Pleas	
	25			Res	Sold	Standard	DC8239320	1696 Lanier Pl NW #2	\$549,000	2	2	0	1	0	0	No	0	96	4	Mount Pleas	
	23		2	Res	Sold	Standard	DC8662026	1811 Ontario Pl NW #2	\$544,999	2	1	1	1	0	0	No	0	103	7	Mount Pleas	
	20			Res	Sold	Standard	DC8548119	1726 Lanier Pl NW #1	\$525,000	2	2	0	4	0	0	No	0	100	18	Adams Mor	
	29			Res	Sold	Standard	DC8239318	1696 Lanier Pl NW #1	\$499,000	2	2	0	1	0	0	No	0	96	4	Mount Pleas	
	12			Res	Sold	Standard	DC8548067	1726 Lanier Pl NW #4	\$435,000	1	1	0	4	1	0	No	0	100	31	Adams Mor	
	11			Res	Sold	Standard	DC8561215	1726 Lanier Pl NW #3	\$425,000	1	1	0	4	1	0	No	0	100	35	Adams Mor	
	11			Res	Sold	Standard	DC8548053	1726 Lanier Pl NW #2	\$399,000	1	1	0	4	0	0	No	0	100	8	Adams Mor	

Exhibit 2

Sales of Apartment Building Units
Since 1/15

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ig	Sent	PH	VT	OH	Type	Stat	Transaction Type	ML#	Address	List Price	BR	FB	HB	Lvl	Fpl	Gar	Bsmt	Acres	Age	DOMP	Adv S
Never		16			Res	Sold	Standard	DC8599455	2633 Adams Mill Rd NW #302	\$599,000	3	1	1	1	0	0	No	0	106	4	Adams
Never		20			Res	Sold	Standard	DC8768320	2630 Adams Mill Rd NW #5	\$574,900	2	2	0	1	0	0	No	0	91	32	Adams
Never		26			Res	Sold	Standard	DC8615339	1750 Harvard St NW #4B	\$549,900	2	2	0	1	0	0	No	0	88	44	Adams Pleasa
Never		21			Res	Sold	Standard	DC8761818	1855 Calvert St NW #203	\$464,900	2	2	0	1	0	0	No	0	101	34	Admo
Never		28			Res	Sold	Standard	DC9552133	1750 Harvard St NW #3A	\$460,000	2	2	0	1	0	0	No	0	88	16	Mount I
Never		29			Res	Sold	Standard	DC8768508	1750 Harvard St NW #B-2	\$447,500	2	2	0	1	0	0	No	0	88	83	Columb
Never		14			Res	Sold	Standard	DC8576715	2627 Adams Mill Rd NW #403	\$435,000	1	1	0	2	1	0	No	0	105	6	Adams
Never		28			Res	Sold	Standard	DC9503842	1855 Calvert St NW #LI02	\$419,900	2	1	1	1	0	0	No	0	101	7	Adams
Never		19			Res	Sold	Standard	DC8699710	2627 Adams Mill Rd NW #103	\$411,999	1	1	0	2	1	0	No	0	105	13	Mount I
Never		27			Res	Sold	Standard	DC8613722	2633 Adams Mill Rd NW #304	\$399,900	1	1	0	1	0	0	No	0	106	6	Adams
Never		17			Res	Sold	Standard	DC8689907	1801 Calvert St NW #404	\$379,000	1	1	0	1	0	0	No	0	105	22	Adams
Never		25			Res	Sold	Standard	DC8745806	1801 Calvert St NW #G9	\$365,000	1	1	0	1	0	0	No	0	105	15	Mount F
Never		19			Res	Sold	Standard	DC9557713	2630 Adams Mill Rd NW #103	\$350,000	1	1	0	1	0	0	No	0	13	8	Adams
Never		14			Res	Sold	Standard	DC8683265	2630 Adams Mill Rd NW #03	\$349,000	1	1	0	1	0	0	No	0	13	8	Mount F
Never		13			Res	Sold	Standard	DC9531375	2630 Adams Mill Rd NW #306	\$345,000	1	1	0	1	0	0	No	0	91	6	Adams
Never		24			Res	Sold	Standard	DC8630499	1750 Harvard St NW #4D	\$335,000	1	1	0	1	0	0	No	0	88	4	Adams
Never		16			Res	Sold	Standard	DC8600449	2611 Adams Mill Rd NW #103	\$330,000	1	1	0	1	1	0	No	0	106	100	Adams
Never		30			Res	Sold	Standard	DC8663861	2630 Adams Mill Rd NW #T04	\$324,900	1	1	0	1	0	0	No	0	13	18	Mount P
Never		23			Res	Sold	Standard	DC8744001	2922 18th St NW #4	\$324,900	1	1	0	1	0	0	No	0	91	17	Mount P
Never		14			Res	Sold	Standard	DC8720543	2611 Adams Mill Rd NW #408	\$309,000	1	1	0	1	0	0	No	0	106	3	Mount P
Never		10			Res	Sold	Standard	DC8707439	2611 Adams Mill Rd NW #207	\$287,500	1	1	0	1	0	0	No	0	106	4	Adams
Never		24			Res	Sold	Standard	DC8538080	2611 Adams Mill Rd NW #T6	\$269,000	1	1	0	1	0	0	No	0	106	177	Mount P
Never		6			Res	Sold	Standard	DC8742310	2633 Adams Mill Rd NW #B3	\$202,500	0	1	0	1	1	0	No	0	106	51	Mount P

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Exhibit 3

Capital Expenditures on Area Schools

Subject: Capital Investments in Schools in the Vicinity of Lanier Heights

Lanier Heights Area Schools within 3/4 mile of Ontario & Lanier	Distance from Intersection of Lanier Pl. and Ontario Road	Year Modernization Completed/ To Be Completed	Public Expenditure
Bancroft Elementary	3/4 Mile	2018	\$66,496,000
Cardozo High School	3/4 Mile	2013	\$131,528,000
Columbia Heights Middle/High School	1/2 Mile	2006	\$78,652,000
HD Cooke Elementary	1/2 Mile	2009	\$32,501,000
Marie Reed Elementary	1/2 Mile	2017	\$63,000,000
Adams Elementary (Oyster)	3/4 Mile	2020	\$15,000,000
			\$387,177,000