

MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: *JL for* Jennifer Steingasser, Deputy Director

DATE: April 4, 2016

SUBJECT: ZC #15-09 – Supplemental Report for a Proposed Map Amendment
Re-Map Portions of Lanier Heights From R-5-B to R-4

At the March 21 public hearing, the Commission asked the Office of Planning (OP) to provide additional information on topics raised during the course of the hearing. Those items are addressed below.

1. Recommendation

After considering the input received at the Public Hearing, OP recommends that the Commission approve the petition to rezone the subject properties from R-5-B to R-4. The proposed zone would not be inconsistent with Comprehensive Plan policies which seek to maintain the character of rowhouse neighborhoods, nor inconsistent with the moderate density residential designation of the Future Land Use Map. OP found persuasive the testimony given by the petitioners and members of the public that the larger neighborhood contains a significant quantity of apartments, so provides a good mix of housing types to address the needs of a growing population. The relatively small numbers of existing rowhouses and flats on the lots subject to this petition adds to the use mix and vibrancy of the neighborhood.

2. Zoning Language Addressing Nonconforming Uses

The Commission discussed the possibility of some existing properties becoming non-conforming under the proposed R-4 zoning. Most of the older apartment buildings have been excluded from the rezoning area, but some newer, smaller apartment buildings have been included. As noted in the setdown report (Exhibit 12), OP recommends consideration of a text amendment that would designate as a conforming use any multi-family dwelling within the rezoning area that is existing, or that was in the building permit process, as of the date of setdown, December 14, 2015. Similar text exists in the Regulations for industrial uses in the Capitol Gateway Overlay (§ 1611) and for hotels in R-5 zones (§ 350.4(e)), in both cases dealing with existing uses subjected to a zoning change that would make them non-conforming. The text could read as follows:

“§ 330.5 The following uses shall be permitted as a matter of right in an R-4 District:

[...]

(j) A multiple dwelling in Squares 2580, 2581, 2582, 2583, 2584, 2586W, 2587 or 2589, in existence as of December 14, 2015 with a valid Certificate of Occupancy, or under review for a building permit as of December 14, 2015, provided that the multiple dwelling shall not be expanded in floor area or in number of units. Said multiple dwellings, however, may be repaired, renovated, remodeled, or structurally altered.”

Single family homes or flats, if nonconforming for an area requirement, could, like elsewhere in the R-4 zone, be expanded or altered either through a matter-of-right building permit process, or through typical special exception and variance processes.

OP recommends, after consultation with the Office of the Attorney General (OAG), that the Commission waive the setdown process and advertise the proposed text with a 30 day notice period prior to a public hearing on the text amendment. In the interim, should the Commission approve the map amendment, OP also recommends that the Commission take emergency action to adopt the text.

3. Impact of Zone Change on Allowable Term of Rentals Leases

OP has confirmed that the concern raised by the property owner regarding the term of rentals does not arise from the Zoning Regulations. The Zoning Administrator advised that, from a zoning perspective, a change to R-4 would have no impact on the terms of leases.

OP sought input from OAG, DHCD, the Office of the Tenant Advocate (OTA) and the Zoning Administrator as to whether the concern could arise from another District regulation outside of zoning. Those agencies were either unaware of a relevant rule, or as of this writing have not responded to OP’s request for comments.

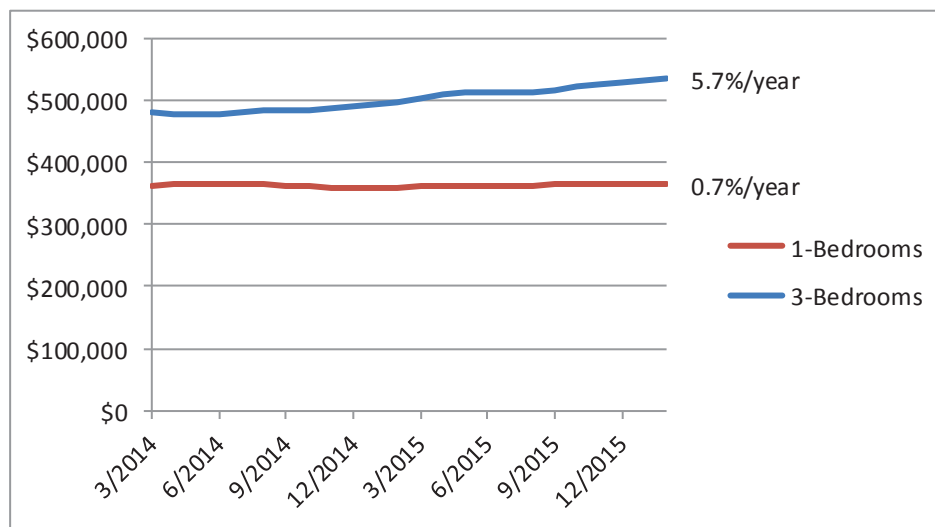
4. Examination of Housing Prices of Various Unit Sizes and Ability of District to Accommodate Growth

The Commission requested an update of analysis done for case 14-11, the text amendment to the R-4 zone, which examined annual price increases for units of different sizes. The Commission also requested information on the ability of the District to accommodate future growth.

The chart below shows that at the citywide level over the past two years three-bedroom units continue to appreciate at a faster rate (5.7% / year) than one-bedroom units (0.7% / year). The very moderate rate of appreciation for one-bedroom units suggest that competitive supply of one-bedrooms is generally keeping pace with demand. On the other hand, the higher rate of

appreciation for three-bedrooms indicates that the demand for larger units is not being adequately met.

Zillow Home Value Index: 1 & 3 Bedroom Sales 3/2014 - 2/2016



Source: Zillow.com, Office of Planning

The US Census American Community Survey (ACS) provides similar numbers, although the difference is not as great. Using the ACS Public Use Microdata (PUMS), OP estimated that between 2010 and 2014 the average rent for a one-bedroom rose 4.9% per year from \$1,145 per month in 2010 to \$1,388 per month in 2014, while the average rent for a three-bedroom rose 6.3% per year from \$1,528 to \$1,951. The rental data, like the for-sale data, suggests that, in the District, the demand for one-bedroom units is being better met than the demand for three bedroom units.

In addition, OP conducted a review of development activity, and estimated development capacity, between Connecticut Avenue on the west, 16th Street on the east, Harvard Street on the north, and U Street on the south. OP estimated that development activity completed over the past two years, projects under construction, projects in predevelopment, and remaining sites with development capacity, could total approximately 1,700 units of current and future growth.

Also, utilizing a methodology that has been used for other citywide analyses, OP estimated that of all the properties subject to the proposed rezoning, 27 lots are built to less than 30% of their FAR capacity, and therefore they are the most likely properties to be redeveloped. Based on an estimate of potential FAR, those lots could add 125 new apartment units under current zoning. Under R-4, those properties could potentially add 43 new units.

Finally, OP has previously estimated that throughout the city, higher density zones have enough capacity to absorb projected growth through the year 2045.

5. Zone Under the 2016 Zoning Regulations

In order for the proposed R-4 zone to carry forward past September 6, 2016, when the 2016 Zoning Regulations (ZR16) take effect, the Commission must propose a map amendment to the ZR16 map, which has already been adopted. OP recommends that that map be amended from the RA-2 zone to the RF-1 zone for the subject properties. In conversations with OP, OAG indicated that no re-advertisement would be needed and that the Commission could act at the same time that they take proposed action for the amendment to the current zoning map.

JS/mrj