

Testimony of Robert Leardo, Co-Chair  
 D.C. Tenants' Advocacy Coalition (TENAC)  
 Before the Zoning Commission Hearing  
 on 1617 U Street NW  
 Cast 23-02  
 November 20, 2023

The zoning in question at 1617 U Street represents the culmination of way the DC government does business and has done business for the past 25 years. We see the same thing time after time, decade after decade. The corrupt tradition of government giveaways to big developers for nothing, under cover that such development, mostly luxury development, will help solve the housing crisis is patently false. Nothing could be further from this myth that developers, politicians and regulators profess. Instead once these mostly luxury developments are built, the surrounding rents, home prices and commercial rents, skyrocket. Due to the demand for high incomes these developments bring, displacement follows. In truth, the housing crisis is worsened, not alleviated. Politicians and developers continue to play on the myths, unawareness and ignorance of residents to propagate this corrupt practice, aided and abetted by big media promoting touting the same fake argument, really to protect and enlarge its investments in corporate developer and real estate dollars.

To refresh the memory of our politicians, developers and regulators, I bring to mind just a few examples of this practice: A list from a WAMU investigative report shows the immensity of giveaways of public land to private developers (price paid):

3800 block of Georgia Av	Donatelli Development	\$1	\$15,000,00
Hayes Street Apartments	Blue Skye Development	\$1	\$1,802,160
The Nannie Helen at 4800	Blue Skye Development	\$1	\$525,520
Minnesota-Benning Phase 2	Donatelli, Blue Skye Development	\$10	\$13,176,000
Strand Theater*	Blue Skye Development	\$75	\$496,170
	TOTAL	\$88	\$17,499,850

The list goes on and on. And so do our tax dollars for private profit. But not just private profits, but excessive private profits.

Instead we recommend that the council, mayor, and Zoning agencies use public resources for public benefit and establish a pilot program for social housing and the government itself build truly affordable housing. It can be done, and it has been done previously. While it may be too late for U Street, such a pilot is past due for DC residents. We should start to play catch-up with hyper gentrification, and start surplussing and disposing of public properties for city residents instead of giving millions worth of public property to enrich developers. The council has already been educated as to the costs and benefits of social housing so we need not go into detail about the benefits of social housing here.

If any public land or property is to be sold to developers, let them pay market rate. They are always screaming that renters and home buyers should pay market rate. Let them do so, and pay fair market appraisal value for public land and property. I believe the appraisal comes in at over \$30 million for the U Street property in question. For developers to pay market rate makes good business sense for the government of the District of Columbia and taxpayers.

Let's not pretend to believe the argument that developers need gads and gads of luxury units to build a small number of affordable units, in order to turn a profit. Maybe in order to make a one thousand percent profit instead

of a hundred percent profit. If they make such claims, empower the DC council to open their books to verify their need for such excessive profits and government handouts.

At the very least, the Zoning Commission should follow more balanced thinking, some of which is expressed by the ANCs in the U Street area and approve mixed zoning. We think the Zoning Commission should establish a four story or mixed zoning for V Street in keeping with the current density and size of the surrounding neighborhoods. Such a balanced approach would help alleviate upward pressure on smaller home prices and apartment buildings in the U Street area as well as be in keeping with the aesthetics and ambiance of the U Street corridor.