#### NEIGHBORS FOR A LIVABLE COMMUNITY

## Spring Valley – Wesley Heights Citizens Association

May 5, 2025

Mr. Anthony J. Hood, Chairman D.C. Zoning Commission 441 4<sup>th</sup> Street NW, 2<sup>nd</sup> Floor Washington, D.C. 20001

Re: Zoning Commission Case No. 23-08(1) – Wesley Theological Seminary Updated Campus Plan (2025-2035)

Dear Chairman Hood and Members of the Commission:

Neighbors for a Livable Community (NLC) and the Spring Valley-Wesley Heights Citizens Association (SVWHCA), a joint party in the above-referenced case, submit this statement in opposition to the 2025-2035 Wesley Theological Seminary Campus Plan application, as updated in Wesley's March 5, 2025 submission (*Exhibit 76*) and pre-hearing statement (*Exhibit 82*). Although the March 5 filing states Wesley is proposing "significant updates and revisions" to its Campus Plan application, Wesley's pre-hearing statement demonstrates that the <u>core</u> zoning issues in this case have <u>not</u> changed since the application was first filed three years ago (*Z.C. Case No. 22-13*).

• Although American University (AU) students are the driving force in this Campus Plan – and the revenue source that both Landmark Properties and Wesley covet – AU is still not actively engaged in this Campus Plan process after more than three years of applications, filings, hearings, and deliberations. AU is an indispensable party in this case. Wesley continues to insist it will engage with AU "when AU is ready." After three years of hearings and deliberations, AU's continued lack of "being ready" should speak loudly to the Commission. Anything less than AU's full-throated endorsement of the Landmark project is reason for the Commission to reject Wesley's Campus Plan, as proposed.

- Landmark Properties, a commercial developer of off-campus luxury student apartment buildings, proposes to lease Wesley's land to build, own, and operate a **commercial** business on residentially-zoned land (RA-1 for low to moderate residential development) that is used by Wesley for its education/institutional use under **Subtitle X**, **Section 101.1** of the D.C. Zoning Regulations.
- Landmark's commercial venture will house primarily students enrolled at AU, a neighboring institution **outside** Wesley's campus boundaries.
- The Landmark commercial development will constitute 72.8 percent of the occupiable square feet at Wesley making it the dominant use of Wesley's campus.
- Landmark is seeking to exploit for its commercial business purposes the development flexibility reserved for universities through the Campus Plan process that would allow the development standards for the land's underlying RA-1 zoning to be exceeded.

#### This is not permitted under the Subtitle X Campus Plan regulations.

- 1. Subtitle X, Section 101.4 states the campus plan process shall not serve as a process to create (a) "general commercial activities;" (b) "developments unrelated to the educational mission of the applicant;" or (c) developments "inconsistent with the Comprehensive Plan." The text amendment to Subtitle X approved as part of Z.C. Case No. 24-09 would exempt Wesley from the Subtitle X limits on commercial activities, if this Campus Plan is approved. However, Wesley's Campus Plan proposes "developments unrelated to the educational mission" of Wesley, which conflicts with Subtitle X, Section 101.4. The Campus Plan will more than double the Wesley campus buildout; but facility space for Wesley students will drop by 23 percent over current levels. Based on the proposed Campus Plan, 72.8 percent of the total campus build-out will be dedicated to AU students. This is in direct conflict with the language and the intent of the Campus Plan regulations. (Pages 5-8)
- 2. <u>Subtitle X, Section 101.4</u> also states that the campus plan process shall not be inconsistent with the Comprehensive Plan. Based on the standards for review established by the D.C. Court of Appeals in *Durant v. District of Columbia Zoning Commission*, the proposed Campus Plan commercial use is inconsistent with the Future Land Use Map (FLUM) and the Comprehensive Plan. (*Pages 8-12 and Attachment A*)

3. The Campus Plan, as proposed, is inconsistent with *Subtitle X, Section 101.2* because it presents objectionable conditions for neighboring residential property as well as AU. These objectionable conditions are detailed in this filing. (*Pages 14-16 and Attachment B*)

## A. Overview: Wesley's Campus Plan application obfuscates the core zoning issues in this case.

Landmark is a commercial developer of student housing in the U.S. and the United Kingdom (UK) with assets totaling more than \$15 billion. Wesley's Campus Plan application in this case is controversial only because of Landmark's plan to build, own, and operate a 659-bed luxury student apartment building on the Wesley Campus targeted to AU students.

The Wesley Campus Plan case originated on March 17, 2022 when Wesley filed the first iteration of its "Thrive in Place" Campus Plan (*Z.C. Case No. 22-13*). After Commissioners expressed concern that the Landmark building could not be approved under the Campus Plan rules, the application was withdrawn so Wesley could submit new applications for a PUD (*Z.C. Case No. 23-08*) and the Campus Plan under review in this case (*Z.C. Case No. 23-08(1)*). Wesley withdrew its PUD application on December 6, 2024 after Commissioners concluded the Landmark plan could not be approved under the PUD rules (*Subtitle X, Chapter 3*).

Wesley's application in *Z.C. Case No. 23-08(1)* has been held in abeyance since May 2024 to allow the Commission to consider and approve two precedent-setting text amendments (*Z.C. Case No. 24-09*) that provide unparalleled regulatory relief for Wesley from provisions of *Subtitle X* (Campus Plans) and *Subtitle C* (Inclusionary Zoning) of the D.C. Zoning Regulations. The text amendments are an acknowledgement that Wesley's proposed Campus Plan did not comply with the 2016

Zoning Regulations. Contrary to assertions by Wesley and the Office of Planning (OP), the text amendments are limited in scope and do not resolve the core zoning issues in this case, including whether the proposed Landmark building is a "legitimate university use," as described by Wesley in its pre-hearing statement (*Exhibit 82, p. 57*).

The record in this case is already robust. The Commission has held 4 public hearings and 11 public meetings on Wesley's Campus Plan proposal, including five deliberations in this case alone. In addition to testifying in these cases, NLC-SVWHCA have filed 33 documents consisting of 450 pages on the Wesley "Thrive in Place" proposal.

Wesley's March 5 filing and pre-hearing statement are another attempt to obfuscate the serious legal issues in this case. Contrary to Wesley's assertions:

- 1. Wesley's Campus Plan does <u>NOT</u> promote racial equity. Wesley's claims that this Plan will promote racial equity are exaggerated, if not hyperbolic. As OP indicated (*Exhibits 21 and 85*), Wesley's Campus Plan will have no impact on racial equity; will not increase minority home ownership in the Rock Creek West Planning area; and will benefit no single racial or ethnic minority group over another. Wesley's Campus Plan also dilutes the minority demographic profile of its own campus population by commercially housing students from another university with a predominantly white demographic profile.
- 2. This Campus Plan proposal will NOT bring more affordable housing to Ward 3. Wesley's newly proposed IZ solution seeks to evade the Commission's IZ requirements in favor of a <a href="mailto:symbolic nod">symbolic nod</a> in the form of a minimal financial contribution not linked to any specific affordable housing units. There is nothing proposed by Wesley that would link approval of this project to a specific plan for providing more affordable housing units anywhere within the neighborhood or within Ward 3.
- 3. Contrary to Wesley's claims, Wesley's Campus Plan will <u>NOT</u> provide more affordable housing options for students. Landmark, which will own and manage the commercial residential business on the Wesley Campus, has stated it plans to charge market rates for its housing. <u>Based on Landmark's own statements</u>, the proposed new housing on Wesley's campus will be at the <u>current or prevailing rate for apartment living in the area.</u> As such, an entire group of students, due to their finances, will not qualify for Landmark housing. Wesley and Landmark have reneged on an initial commitment to provide a student IZ affordable housing program.
- 4. Opposition to this application is <u>NOT</u> about preventing change or maintaining the status quo, as Wesley has testified. Responding to Wesley's threats to relocate, some Zoning Commissioners (as well as ANC 3D) have said maintaining the status quo (e.g. keeping Wesley at its current site at any cost) is the primary driver in their decision-making. NLC and SVWHCA would regret any decision by Wesley to relocate from its property; but we are prepared to accept whatever decision Wesley makes if this project is not approved. NLC and SVWHCA have testified in this case in support of low-to-moderate-density development of Wesley's current property consistent with its RA-1 designation if the property is sold for development. This would likely result in

more affordable housing in our area than what would result from approval of this Campus Plan. This also would be consistent with the District's overall goal of encouraging more housing, especially affordable housing in Ward 3, and may help better achieve the racial equity goals of the Comprehensive Plan.

## B. The Wesley Campus Plan proposes "developments unrelated to the educational mission" of Wesley which is not permitted under Subtitle X, Section 101.4.

Wesley's Campus Plan proposal does not satisfy the requirements of *Subtitle X*, *Section 101.4* because it proposes development of a 282,061 square foot apartment building – or 72.8 percent of the campus development – to be owned and operated by Landmark Properties to house students primarily from AU. OP overreaches by stating in its May 2, 2025 report (*Exhibit 85*) that the Commission already "affirmed" in *Z.C. Case No. 24-09* that housing AU students is part of Wesley's educational mission. This conclusion is not supported by the facts and the record in *Z.C. 24-09* or by the language of the text amendment, as adopted, which is focused solely on limiting Wesley's exposure to the commercial restrictions in *Subtitle X*.

In its May 2 report, OP's summary of the basic facts in this case demonstrate that the Landmark development is clearly unrelated to the educational mission of Wesley. OP states: "Under the proposed campus plan, the majority of Wesley's students are not projected to reside on campus while the majority of those residing on campus are projected to not be enrolled as Wesley students." (Exhibit 85, p. 13)

The number of AU students housed on Wesley's Campus will be seven (7) times greater than Wesley's students housed on campus. Wesley has mothballed one student dormitory on its campus and converted another from double occupancy rooms to single occupancy rooms – all due to a lack of demand or need. Currently, Wesley can meet the number of beds needed for its own students and does not need the proposed building except to achieve its objective of improving its cash flow.

Landmark acknowledges as part of its independent market analysis that its primary target for the building is the AU student population (*Exhibit 69E*). Wesley has long been and continues to be a primarily commuter school with little demand for on-campus housing. Only about 19 percent of its students live on campus, according to Wesley. Wesley students are a *de minimis* factor in the building because it is not needed to house the declining Wesley student population.

Wesley's announcement in its March 5 update dropping plans to build a new administrative building on the site because it is "unneeded" (*Exhibit 76*) further emphasizes the fact there is a declining student population at Wesley and that this Campus Plan is directed primarily to AU students who are not seeking an academic degree from Wesley. OP even acknowledged (*Exhibit 21*) that Wesley has no need to utilize its open space for more development on its campus because new facilities for its students are not needed. Wesley's proposed Campus Plan reflects a disconnect between the proposed development plans and Wesley's mission to educate seminary students.

Money is the driving force in this Campus Plan proposal. We do not subscribe to the theory that money is the "root of all evil." There is a problem, however, when an applicant in a zoning case seeks to <u>rig the rules</u> to achieve their monetary objectives. And that is precisely what we believe Wesley and Landmark are attempting in this case.

At the September 11, 2023 hearing, Wesley President Dr. David McAllister-Wilson testified that the goal of the Campus Plan was to "convert the value of this property to financial resources." He referred to the AU students that would be housed on the Wesley Campus as the "economic benefit" for Wesley. He could not have been clearer when he stated: "The underlying element of this Plan is the financial component." (Z.C. Case No. 23-08(1), September 11, 2023 Zoning Commission Transcript, Pages 61, 82.)

Approval of Wesley's Campus Plan will gift Landmark with the unprecedented <u>privilege</u> to access the AU student housing market and to compete with AU's on-campus housing program and other commercial rental buildings in the neighborhood. Approval of the Campus Plan will enable Landmark, a commercial developer, to take advantage of *Subtitle X*, *Section 101.1* that grants <u>only</u> a college or university the ability to use residentially zoned property as a special exception. <u>Landmark is not a college or university and should be subject to the same rules that would apply to any commercial entity that wants to build housing in the neighborhood. If Landmark sought to build on this site – absent Wesley's special land use privilege and the development flexibility that comes with the Campus Plan rules – this development would not meet the matter-of-right standards.</u>

Landmark acknowledges the value and marketing advantages of Wesley's location for Landmark's new AU-focused apartment building. In testimony in this case, Mr. Eric Leath, the Senior Director of Development for Landmark Properties, said: "We really couldn't look at a better location." (Z.C. Case No. 23-08(1), September 11, 2023 Zoning Commission Transcript, Page 57.)

In turn, Wesley secures a new student revenue stream unrelated to its own students. In effect, the Landmark building enables Wesley to expand its market share by **exploiting and mooching** off AU, an institutional neighbor that is experiencing its own financial difficulties.

Wesley justifies the Landmark scheme by stressing its need to "thrive." Wesley states on one hand that the Landmark development is necessary for it to "thrive;" but then stresses on the other hand, in testimony in this case, that its viability as an institution is <u>not</u> at risk. Wesley has highlighted its fundraising success in achieving the "greatest amount of charitable support in its history." (Z.C. Case No. 23-08(1), September 11, 2023 Zoning Commission Transcript, Page 19.)

The case record, which points to Wesley's annual budget increases, grants, and record donations reinforce Wesley's testimony that its viability is not dependent on the Landmark building. This may explain why Wesley has refused to provide any financial documentation for the record; the facts of Wesley's finances may simply not support its need-to-thrive argument.

The financial problems that Wesley claims it is experiencing are not unique and are being confronted by many colleges and universities across the country, including religious-affiliated institutions, but with a sharply different approach.

For example, the New York City-based Episcopalian-affiliated General Theological Seminary recently entered into an agreement with Nashville, Tennessee-based Vanderbilt University to use the Seminary's land to extend the footprint of Vanderbilt's academic programs. Hebrew Union College (HUC), which trains clergy in the Jewish reform movement, announced in February it will sell a portion of its Los Angeles campus to the University of Southern California (USC). The two schools have been neighbors since 1954 and partners in joint academic programs since 1972. (See Attachment C.)

Other recently announced private-sector college mergers include Gannon University acquiring Ursuline College, Peirce College merging into Lackawanna College, and Marymount Manhattan College combining with Northeastern University. SALUS University, which is located in Philadelphia and offers graduate degree programs in health sciences, recently merged with Drexel University to become SALUS at Drexel.

There are simply too many other examples to enumerate. Unlike Wesley, all of these colleges, universities, and seminaries are addressing their financial challenges:

- consistent with the educational land use requirements of their property;
- without exploiting other educational institutions;
- without maximizing the commercial use of their land; and

#### • without sacrificing their educational missions.

NLC-SVWHCA have suggested Wesley take a more collaborative approach with AU to mirror the relationship on other Methodist-related campuses, like Duke and Emory, which operate divinity/theological schools as part of the larger institutions. This would enable Wesley to merge with AU. Wesley also could enter into a collaborative agreement with another not-for-profit university to use its land, similar to the recent agreement between the General Theological Seminary and Vanderbilt.

As it has done in previous zoning cases since 2011, Wesley has threatened it will be forced to leave its current site if the Commission does not approve its Landmark deal. This has sparked concern among some Commissioners. For example, Commissioner Robert Miller has commented in deliberations in this case that any decision by the Commission that would lead Wesley to relocate from its current site is "unacceptable." Others have cited Wesley's threats to suggest that the Zoning Regulations are imperfect and sometimes require a work-around.

## <u>We do not believe the Commission should ignore its rules – as imperfect as they may be – based on a fear that Wesley may choose to relocate as a means to monetize the value of its land.</u>

Perhaps, Commissioner Peter May said it best when considering the Landmark development proposed by Wesley in its Campus Plan:

"I don't think it's our job to find a way to save this institution in this location. I appreciate the creativity; but I don't think that it works within the bounds of the zoning regulations." (Z.C. Case No 22-13, July 14, 2022 Zoning Commission Transcript, Page 23.)

C. The Campus Plan proposal is <u>not</u> consistent with the Future Land Use Map and the D.C. Comprehensive Plan based on the standards for review established by the D.C. Court of Appeals in Durant v. District of Columbia Zoning Commission.

Among the findings reached by the D.C. Court of Appeals in *Durant v. District of Columbia*, the court said the Future Land Use Map (FLUM) may often be referenced separately, but that it is part of the Comprehensive Plan and "carries the same legal weight as the Plan document itself." Based on the standards established by the court in *Durant*, Wesley's Campus Plan is not consistent with the FLUM and the Comprehensive Plan.

As a matter of law established in the *Durant* case, the Wesley application's consistency with the FLUM hinges on a narrow – almost literal – land use definition. In this case, the question is tied to the land use definition for institution/education use by a college or university that can be found in *Subtitle B, Chapter 2, Use Categories*. Wesley's property is designated by the FLUM for institutional use by a college or university. *Subtitle B, Section 200.2(j)* defines the permitted college or university institutional land use as "an institution of higher educational or academic learning providing facilities for teaching and research, offering courses of general or specialized study "leading to a degree, and authorized to grant academic degrees."

The language of *Subtitle B* links university land use to the institution's enrollment by indicating the use is intended for study "leading to a degree" for students eligible to receive a degree from that university. *Subtitle B, Section 200.2(j)* permits the university to offer housing for its students enrolled at the institution where their degrees are conferred. This understanding of *Subtitle B, Section 200.2(j)* is consistent with decades of Campus Plan decisions by the Commission.

Wesley's Campus Plan proposes a single new development: a luxury student apartment building primarily for AU students. Two existing small dormitories for Wesley students will be demolished to make way for the new construction. Only a minimal number of Wesley students (at most) are expected to be housed in the new Landmark building.

In fact, Wesley's on-campus housing occupancy indicates Wesley students could be housed on campus in the 2014 Dorm. Of 172 beds authorized by Wesley's current Campus Plan (Z.C. Order No. 05-40B), only 86 are occupied currently, according to Wesley.

When deliberating on the proposed Landmark development in the Wesley Campus Plan case in October, 2022, then-Commissioner Peter May pointed to the fundamental problem with this application:

"My inclination is that this kind of use – and call it commercial use – is just not supportable with a campus, particularly a campus of this size, where it's going to become this huge component within that very small campus, and it's just there to provide income." (Z.C. Case No. 22-13, October 13, 2022 Zoning Commission Transcript, Pages 20-23).

In its pre-hearing statement, Wesley pointed to the Commission's action in *Z.C. 24-09* to argue that the Commission has concluded the Landmark project is not a commercial project. That is simply not supported by the record in *Z.C. 24-09*. The language approved by the Commission as a text

amendment to *Subtitle X* is far more limited than Wesley suggests. The language states that the Landmark building "will not be <u>subject</u> to the commercial use restrictions" of *Subtitle X*, "if approved by the Zoning Commission as part of a campus plan." Approval of the text amendment to *Subtitle X* does not conclude that the Landmark building is not a commercial enterprise; and, in fact, the relief provided by the text amendment would not have been necessary if the project was <u>not</u> deemed commercial.

The Zoning Regulations do not include a specific definition for the word "commercial." *Subtitle B, Section 100.1(g)* states that any word not defined in the rules "has the meanings given in Webster's unabridged dictionary." The Commission may be able to exempt Landmark from the commercial limits of *Subtitle X*, but it cannot redefine the word "commercial" in Webster's so as to obscure the commercial nature of the Landmark project that puts it at odds with *Subtitle B*.

The Campus Plan would commercialize nearly <u>30 percent</u> of Wesley's land; but nearly <u>73</u> percent of the occupiable space on the Wesley Campus would be dedicated to Landmark's commercial business housing AU students.

The land use definitions in *Subtitle B* have not been altered by the text amendment adopted by the Commission in *Z.C. Case No. 24-09*. Yet, Wesley's filings in this case would lead us to believe the Campus Plan case has already been decided by virtue of the Commission's action in *Z.C. 24-09*. It is particularly significant that the Commission and OP never examined the text amendment language within the context of the *Subtitle B* land use definitions, according to the record in *Z.C. 24-09*.

Based on the record, the Commission in its deliberations in *Z.C. 24-09* never attempted to ensure that the text amendment to *Subtitle X* was in harmony with the *Subtitle B* land use definitions or even the Comprehensive Plan. Contrary to Wesley's assertion, the text amendment and the record in *Z.C. 24-09* do <u>not</u> "confirm the legitimate university use characterization of the proposed new Dormitory."

Let's be clear about what is being proposed and the facts in this case based on Wesley's own testimony: In partnership with Landmark, Wesley proposes to (a) monetize the use of its land through a **commercial** venture with a for-profit housing developer and (b) create a new revenue stream through a scheme targeting AU's resources; meanwhile, AU has consistently expressed **no interest** in housing its students on the Wesley campus.

Housing AU students on its campus is not part of Wesley's mission. Wesley's mission is to train students for the ministry and to advance theological scholarship.

Housing AU students on Wesley's campus also is not part of AU's mission, as AU has made clear in many meetings with the community and as part of its own Campus Plan case (Z.C. Case No. 20-31) when addressing Wesley's proposed housing project for AU students.

## <u>Landmark's commercial use of the Wesley Campus will constitute the vast majority of</u> <u>development on a site designated for institutional use by the FLUM and the Comprehensive Plan.</u>

In the recent related text amendment case (*Z.C. Case No. 24-09*), one Commissioner said the Landmark project might still be considered institutional land use because it is targeted to students despite the fact the students would not be enrolled at Wesley. The appearance of students in the building as a "class" or "category" of people would determine its use, according to this interpretation; whether the students had any specific connection to the institution would be immaterial.

This assessment would be inconsistent with Subtitle B and Subtitle X of the D.C. Zoning Regulations and the court's finding in Durant. Based on the Durant decision, distinguishing between the students that Wesley was established to serve and the students who it wants to house solely for financial gain is critical to assessing the Campus Plan's consistency with the FLUM and the Comprehensive Plan. The D.C. Court of Appeals in Durant v. District of Columbia said that the FLUM categorizations for land use would depend on "actual physical characteristics," not how it might appear to an external observer.

Although housing students in the Landmark building might <u>appear</u> to be consistent with institutional use, the relevant characteristic in this case is the fact that 72.8 percent of the campus occupiable space is (a) dedicated to a commercial venture; (b) targeted to a population with no academic connection to Wesley; and (c) not compatible with Wesley's overall mission.

The Wesley-Landmark commercial venture is targeted to students who do not share Wesley's educational objectives. It is Landmark's rental of housing to AU students in the building that triggers the commercial use that would not be consistent with the FLUM and the Comprehensive Plan. The sole purpose of this commercial venture is to make money for Landmark and Wesley.

As part of *Z.C. Case No. 24-09*, the Commission also did not fully exempt Wesley from the *Subtitle C* Inclusionary Zoning (IZ) requirements. The IZ requirements normally would not apply in a Campus Plan case. This is not reason to dismiss or minimize Wesley's IZ obligations in this case; rather, it further highlights the dominant commercial characteristics that make the Wesley Campus Plan proposal so objectionable and inconsistent with the *Subtitle B, Chapter 2* Land Use Definitions.

**Durant** also suggests a project's consistency with the underlying zoning of the site is a contributing factor for determining its consistency with the FLUM and the Comprehensive Plan. The underlying RA-1 zoning for the Wesley site permits low to moderate residential development. No commercial OR residential development of the size proposed by Landmark would be consistent with the RA-1 development standards for this property.

The Comprehensive Plan's *Land Use Element (LU)* – 2.3.7 states that institutional use permitted on the property should conform to the underlying zoning of the site. *LU-2.3.8* takes it a step further stating that the District should limit non-conforming uses by institutions. The Landmark commercial project is a non-conforming use of the site.

Durant also states that a project's consistency with the FLUM should be considered within the context of the property on which it is located. Although the Landmark building might be compatible with another site, it will dominate the Wesley Campus. Compatibility should be judged on the relationship of existing buildings on the Wesley campus to what is proposed, not structures outside the Wesley boundaries, according to *Durant*.

The imposing size, scale, and design of the building make it incompatible with the existing development at the site. The building will be ten times larger than the one-story Kresge Hall, which has the most square feet of any other building currently on the Wesley Campus. It will more than double the height of the tallest existing building on the Wesley Campus. (See illustrations on Page 13).

Nothing within the Wesley boundaries compares to the proposed student apartment in size or use by students from another institution; and there is no relationship between the educational mission of Wesley and the housing of AU students.

As the court said in Durant, "we (the court) normally defer to an agency's decision so long as it flows rationally from the facts and is supported by substantial evidence." To find the Campus Plan consistent with the Comprehensive Plan, the Commission would be required to conclude that the Landmark project is not a commercial project; but the overwhelming evidence in the record does not support such a finding.

In addition to the FLUM, Wesley's Campus Plan proposal is inconsistent with the Land Use Element, which provides direction on land use compatibility issues; and the Educational Facilities Element, which specifically addresses issues related to college and university land use in the District. (A full Comprehensive Plan analysis can be found at Attachment A.)

#### BEFORE: PRESENT DAY CAMPUS OF WESLEY THEOLOGICAL SEMINARY

Wesley Seminary as seen by Google Earth Landsat. NOTE: Wesley Seminary Bell Tower is present.



## AFTER: PROPOSED FUTURE CAMPUS OF WESLEY THEOLOGICAL SEMINARY WITH LANDMARK COMMERCIAL VENTURE



Wesley schematic provided by Wesley—Exhibit B [page 25] - 4/26/2021. NOTE: Wesley bell tower is missing

D. The Wesley Campus Plan is not consistent with Subtitle X. 101.2 because it proposes uses and conditions that are likely to become objectionable to neighboring residential property as well as AU.

The Wesley Campus Plan proposal is inconsistent with *Subtitle X*, *Section 101.2* because of the following objectionable conditions. (A detailed analysis can be found at Attachment B.)

- AU's Lack of Engagement: AU, which states the Landmark building is not needed to house its students, is an indispensable, but disengaged, party in this case.
- Inclusionary Zoning: Wesley's proposal is financially insufficient and not commensurate with the relief it seeks. The failure to meet IZ regulations denies the surrounding neighborhood the diversity of people and housing that residents of the District value and that otherwise would be provided as part of a project like that proposed by Landmark on residentially-zoned land. If approved, the proposed off-site housing that would be built also would not benefit students from either Wesley or AU; a student IZ program, as initially proposed, had been viewed as a primary benefit of the Landmark building. OP also has raised questions about Wesley's IZ proposal and has cited the need in this case for additional documentation (Exhibit 85). OP also has questioned whether IZ could be approved as part of a Campus plan proceeding when it stated the "requirement for IZ was more problematical when the dormitory was proposed solely as part of a campus plan." (Z.C. Case No. 23-08, Exhibit 11, Page 32.)
- Parking: Wesley has provided no rationale or methodology to justify the latest reduction in parking spaces from 394 to 295 or why the initially proposed 394 parking spaces are no longer needed for its own students, faculty, and staff, as well as students living in the new Landmark building. Wesley's proposal should be based on facts. The absence of any factual data raises questions about whether or not the proposed parking is adequate to avoid overflow parking in the neighborhood by students, faculty, and staff utilizing the Wesley Campus.
- Transportation: The record in the case does <u>not</u> include a Comprehensive Transportation Review (CTR). Wesley appears to be relying on a CTR that was submitted in *Z.C. Case No. 22-13*; but that CTR was limited in that it focused solely on transportation issues tied to construction of the new Landmark building, not the Campus Plan as a whole. NLC and SVWHCA commend Wesley for agreeing to a Performance Monitoring Plan (PMP) to measure the effectiveness of

- the proposed Traffic Demand Management (TDM) Plan, as outlined by Gorove-Slade in a March 25, 2025 filing (*Exhibit 80*).
- Increased Intensity of Use/Number of Students: Although NLC and SVWHCA support
  Wesley's decision to eliminate the Penthouse level of the new Landmark building, this will <u>not</u>
  reduce the overall 659-bed occupancy. Wesley's Campus Plan application is objectionable under
  Subtitle X, Section 101.2 on the basis of "number of students." Wesley's Campus Plan proposes
  to triple the number of students on Wesley's Campus. Wesley's application fails to provide the
  number of students on campus as required by Subtitle Z, Section 302.10(d). Further, without
  accurate numbers from Wesley, it is impossible to set a head count given the melding of two
  institutions' students, faculty, and staff, who would be living on campus but not attending
  classes at Wesley.
- Stormwater Management/Permeable Pavers: Wesley's plan does not include a stormwater run-off containment strategy during the construction process. The residential neighborhood immediately downhill from Wesley is prone to stormwater flow that is both hazardous and damaging. Stormwater issues in the neighborhood will be exacerbated by the construction. It is critical that neighbors residing downhill from Wesley do not experience the same damage from stormwater flow that was experienced during the construction of Wesley's 2014 dormitory along University Avenue. Although University Avenue residents are the most vulnerable to such damage, the 2014 Wesley construction stormwater damage affected properties downhill from Wesley on Massachusetts Avenue as well. Wesley's Campus Plan includes no commitment to take responsibility for damages to neighboring residential property. Moreover, Wesley's plans to add impervious surfaces at the site, including sidewalks that do not utilize permeable paving solutions, pose unmitigated risks for long-term stormwater management. Wesley should be required by the Commission to utilize permeable paving solutions for the sidewalks and any other new surfacing planned as part of this project.
- **Tenant Advocacy:** AU students living on Wesley's Campus will have no recourse but to file legal action to resolve disputes.
- Racial Diversity: Housing AU students on Wesley's Campus will alter the racial demographic at Wesley and dilute the campus demographic described by Wesley as "majority minority."
- Campus Security: Wesley indicated it would address campus security as part of this case (Exhibit 69) and committed to engage with NLC-SVWHCA to discuss this issue. That has not

happened. Cameras, alone, as Wesley has proposed, are not a substitute for a comprehensive security plan. Campuses across the country, including nearby AU, are struggling to address security issues. In fact, AU now finds itself under investigation by the U.S. Department of Justice (DOJ) due to concerns about student safety on its campus. Wesley's latest proposal, which, in effect, would turn the Wesley campus into an AU satellite campus, does not include a strategy or plan for ongoing and proactive campus security. Wesley has not engaged with NLC-SVWHCA on this issue, as promised. Given how the climate on university campuses has changed so significantly since this application was filed, the absence of a comprehensive security plan is objectionable under Subtitle X, Section 101.2.

#### E. Conclusion: The Wesley Campus Plan is a case study in zoning gymnastics.

Wesley's Campus Plan case began for the neighbors in 2017 – five years before the first Zoning Commission hearing. That is when Wesley first advised the neighborhood of its intent to contract with a commercial developer to build housing primarily for AU students. Since then, the Wesley Campus Plan has become a case study in zoning gymnastics.

Like many of its filings in this case over the last three years, Wesley's March 5 and pre-hearing filings are stunningly disingenuous. For example, while arguing that its enrollment numbers are likely to remain steady and, thus, present no objectionable conditions for the surrounding neighborhood, Wesley neglects to take into account the number of AU students to be housed on its campus, as required in *Subtitle Z, Section 302.10(d)*. The number of students on the Wesley Campus will at least triple with the addition of the AU students housed in the Landmark apartment building.

For somebody who may be unfamiliar with the history of this case, Wesley's March 5 filing and pre-hearing statement make it seem that the purpose of the new Landmark student apartment building is to provide updated facilities for Wesley's expanding student enrollment. The March 5 update never even makes reference to Landmark Properties or that the new Landmark building will house primarily AU students. Both the March 5 filing and Wesley's pre-hearing statement fail to mention that the vast majority, if not all, of Wesley's students needing housing on campus could fit in the 2014 New Dorm.

Wesley's pre-hearing statement also consistently refers to the Landmark building as a "new dormitory" and even cites a years-old e-mail from the Zoning Administrator stating his informal opinion that the building is a "dormitory" as a way to justify the project as a legitimate university use consistent with *Subtitle B*. Although this issue has already been adjudicated in this case, it may be appropriate for

the Commission to reflect again on the absence of a definition for a "dormitory" in the Zoning Regulations and that the building as proposed by Wesley does not fit the Webster's definition for a dormitory.

The Landmark building units <u>do</u> fit the definition of "apartment" in *Subtitle B*, *Section 100.2* as "one or more habitable rooms with kitchen and bath facilities exclusively for the use of and under the control of the occupants of those rooms. Control of the apartment may be by rental agreement or ownership." The accompanying definition for apartment building in *Subtitle B* also offers clarity and certainty as being "any building or part of a building in which there are 3 or more apartments providing accommodation on a monthly or longer basis."

The analysis of this case by then-Commissioner May in the first deliberations held nearly three years ago is still relevant today.

Commissioner May acknowledged that this case "is not very easy." He described it as "very clearly a commercial venture." He said "there's not an educational purpose that is specific to housing all these additional people (e.g. AU students) there and the fact that it happens to be next to AU, that's almost irrelevant."

He argued that it might be different if the majority of the residents for the new Landmark building were Wesley students and that some "extra capacity" was being offered to AU students to "get a little extra money out of it;" but, as he said, *that is not the case*.

He also stressed that *Subtitle B*, *Section 200.2 (j)(2)* land use definitions suggest that campus housing is permitted to house students enrolled at that university, not just any university or a neighboring university. "We would be allowing the university to lease out a portion of its property and under the pretend circumstance that it is, quote, 'a dormitory,' and that it is somehow connected to the university's mission," Commissioner May continued. "I really don't see how the connection works to the university's mission. The whole reason why this is happening is because of the money that this will bring in."

He concluded by saying that the Commission should not allow the flexibility of the campus plan rules to be exploited to enable development on a campus that could not be developed in a similarly zoned area across from the campus. "This is a way of sort of sneaking in other commercial ventures of a whole range into the campus plan tent just to be able to get these things done," he said.

We encourage the Commission to review the full analysis by their former colleague. (The full transcript of Commissioner May's comments from the July 14, 2022 Zoning Commission public meeting is included in this filing as Attachment D.)

Finally, Wesley secured two text amendments in hopes of putting approval of its Campus Plan on automatic. We hope that is not the course the Commission chooses to take in this case, especially given that the text amendments were so limited in scope – almost cosmetic – as to miss the **core** zoning issues, as outlined in Commissioner May's analysis almost three years ago.

The problem in this case is not that the Zoning Regulations are imperfect; the problem is – despite all the zoning gymnastics over the last three years – the Campus Plan application before the Commission is still inconsistent with *Subtitle X* (the Campus Plan rules), *Subtitle C* (the Inclusionary Zoning rules), and the Comprehensive Plan, especially the FLUM review standards as enumerated in *Durant v. District of Columbia Zoning Commission*.

For these reasons, we urge the Commission to oppose the Wesley Campus Plan application. Thank you for the opportunity to participate in this case.

Sincerely,

Dennis Paul, President

Neighbors for A Livable Community

S/William F. Krebs DC Bar No. 960534

Interim President and Counsel

Spring Valley-Wesley Heights Citizens

Association

Counsel, Neighbors for a Livable

Community

#### **CERTIFICATE OF SERVICE**

We hereby certify that the foregoing document was delivered via electronic mail on May 5, 2025 to the following:

Mr. John Patrick Brown Greenstein Delorme & Luchs, P.C. jpb@gdllaw.com

Ms. Jennifer Steingasser
Ms. Maxine Brown-Roberts
D.C. Office of Planning
Jennifer.steingasser@dc.gov
Maxine.brownroberts@dc.gov

Mr. Aaron Zimmerman D.C. Department of Transportation Aaron.zimmerman@dc.gov

ANC 3E 3E@anc.dc.gov

Mr. Jonathan Bender, Chair, ANC 3E jonbender@gmail.com

ANC 3D 3D@anc.dc.gov

William Clarkson Spring Valley Neighborhood Association wclarkson@gmail.com

Dennis I. Paul, President Neighbors For A Livable Community

Lever Pace

S/William F. Krebs
DC Bar No. 960534
Interim President and Counsel
Spring Valley-Wesley Heights Citizens Association
Counsel, Neighbors for a Livable Community

#### Attachment A

#### **Comprehensive Plan Analysis**

The Commission is required to find that the Wesley Campus Plan is not inconsistent on balance with the Comprehensive Plan. Wesley's Campus Plan proposal is inconsistent with the Future Land Use Map (FLUM), as outlined in this filing on Pages 8-12; the Land Use Element, which provides direction on land use compatibility issues and which Wesley refers to as the "cornerstone" of the Comprehensive Plan; and the Educational Facilities Element, which specifically addresses issues related to college and university land use in the District.

#### **Land Use Element**

The **Land Use Element** policies emphasize the importance of providing new housing opportunities; ensuring housing affordability; compatible design and scale; and promoting racial equity.

- Wesley's Campus Plan proposal does not expand housing in the District.
- Landmark has testified that the rents for its new units on the Wesley Campus will be no more affordable than existing market rates.
- As the Office of Planning (OP) has concluded, the project will not address racial equity issues in the neighborhood.
- Wesley's proposal to make a financial contribution to meet its Inclusionary Zoning (IZ) requirements is not linked specifically to any new housing development.

The Land Use Element emphasizes the importance of retaining neighborhood character.

- The Wesley-Landmark commercial luxury student housing will increase the intensity of use of Wesley's land by housing nearly 7 times as many AU undergraduates as Wesley graduate-level seminary students on Wesley's campus.
- Approval of the Campus Plan would enable Landmark Properties to build, own, and operate a commercial building that (a) would not be permitted as a matter of right under the current underlying zoning on the site; and (b) would not be consistent with the FLUM.

#### LU - 2.1.1 encourages new housing development on underused property.

- ANC 3D has testified that the Wesley Campus is "underbuilt" (*Exhibit 23*). Wesley's on-campus student population has declined steadily over the last 19 years as has the demand for on-campus housing by its students. Without a sufficient number of its own students, Wesley would exist primarily to ensure Landmark benefits from the financial windfall of ongoing commercial access to Wesley's land.
- Given its current underlying zoning, the site alternatively could be used to build new housing, including affordable and workforce housing in Spring Valley if Wesley sells

all or a portion of the property. This could prove to be of greater long-term financial benefit to District residents than giving away land use rights to Landmark.

- LU-2.1.5 directs support for low-density neighborhoods and maintaining the District's established low-density neighborhoods and related low-density zones.
  - Carefully manage the development of vacant land and alterations to existing structures to be compatible with the general design, character, and scale of the existing neighborhood.
- LU-2.3 stresses that the District should maintain institutional land use compatibility with the surrounding residential neighborhoods and references Subtitle X, Section 101.4 as the means to "ensure land use compatibility." LU-2.3.1 stresses that the District should prevent encroachment of inappropriate commercial uses into residential neighborhoods. LU-2.3.7 stresses that institutions should ensure that their use conforms to the underlying zoning of the site particularly to protect neighborhood interests in the future if the land is sold (e.g. "monetized").
- LU 2.3.8 states the District should limit non-conforming uses by institutions; Landmark's use of Wesley's land would be non-conforming.
  - The commercial use proposed by Wesley and Landmark is not consistent with the land use designation for the adjacent residential neighborhoods.
  - Landmark luxury student housing is not needed by Wesley to house Wesley's students.
- LU-3.3.3 encourages seminaries, colleges and universities, and other institutional uses that occupy large sites within residential areas to minimize the objectionable impacts on adjacent communities. Expansion of these areas should not be permitted if the quality of life in adjacent residential areas is significantly adversely impacted.

#### **Educational Facilities Element**

The **Educational Facilities Element** of the Comprehensive Plan focuses on the relationship between the educational institutions and the residential neighborhoods that surround them. The Comprehensive Plan **Educational Facilities Element** also emphasizes the importance of universities being "good neighbors" and on limiting new developments to those that are "compatible with surrounding neighborhoods." **EDU** – **3.3.2** discourages university actions that would adversely affect the character or quality of life in surrounding residential areas. The Landmark building and the Wesley-Landmark partnership will have an adverse impact on the neighbors living adjacent to Wesley as well as American University, as outlined in this and other filings in this case. Also, taking housing revenue that might be otherwise paid to AU will have an adverse financial impact on AU.

#### Conclusion

Given the importance in this case of the FLUM, the Land Use, and Educational Facilities Elements of the Comprehensive Plan, we conclude the Wesley proposal is on balance inconsistent with the Comprehensive Plan.

#### Attachment B

#### **Analysis of Objectionable Conditions**

The Wesley Campus Plan proposal is inconsistent with *Subtitle X, Section 101.2* because of the following objectionable conditions.

- AU's Lack of Engagement. AU is an indispensable party in this case given the Landmark project is targeted to AU students which makes Wesley a prime location for Landmark's latest commercial venture. Anything less than AU's full-throated endorsement of the Landmark project is objectionable and reason for the Commission to reject Wesley's Campus Plan, as proposed. AU officials have made it clear that the new Wesley-Landmark building is not needed to house AU students and is not a cooperative partner with Wesley and Landmark in this Campus Plan proposal. In fact, AU has experienced a significant decline in undergraduate enrollment that it did not anticipate during its current 10-year Campus Plan cycle. The current political climate in the U.S. is expected to lead to a further and critical reduction in the number of international students attending all colleges and universities in the U.S.; AU administrators expect that AU will be impacted particularly significantly, especially its graduate enrollment, by the decline in international students attending U.S. colleges and universities. AU also has announced a new policy that all freshmen and sophomores will be required to live on campus beginning in Fall 2025 in AU housing facilities. AU administrators report that AU has been unable to fill its current inventory of on-campus housing. Landmark's intention in partnering with Wesley is to compete with AU's on-campus housing by accessing Wesley's property. That property is intended for institutional uses tied to Wesley's student body, not for commercial purposes. This comes at a time when AU is facing a significant budget deficit. AU students are the revenue source that both Landmark and Wesley are targeting in this Campus Plan; yet, AU is still not actively engaged in this Campus Plan proposal after more than three years of applications, filing, hearings, and deliberations in this case. Numerous overtures from Wesley regarding the sharing of the proposed student apartment by AU students have gone unanswered. Wesley continues to insist it will engage with AU "when AU is ready." After three years of hearings and deliberations, AU's continued lack of readiness speaks volumes to the public and it should speak loudly also to the Commission.
- Inclusionary Zoning (IZ).
  - 1. Wesley's failure to comply with the Commission's IZ requirements denies the surrounding neighborhood the added diversity of people and housing that residents of the District value as part of new neighborhood development and residential construction projects and that would be expected to be achieved as part of a project like that proposed by Landmark on residentially-zoned land. Although Wesley may not normally be in the "business" of development, that is the proposal that is now before us the commercial development of a new residential building for AU students intended to generate new revenue for Wesley. If Wesley is not a developer, Landmark Properties is a development company.
  - 2. Wesley's IZ proposal is unlikely to result in any new affordable housing for the adjacent neighborhood.

- 3. Wesley proposes to commit \$8 million to the Local Initiatives Support Corporation (LISC) to establish an Inclusionary Zoning Revolving Fund. Wesley has presented conflicting information in this case on the origins of the \$8 million figure. Landmark has stated in community meetings that the \$8 million figure for IZ is equivalent to savings incurred from reducing the underground parking at the new development on the Wesley Campus. In its pre-hearing statement, Wesley claims the \$8 million figure is the equivalent of providing nearly 24,615 sf of IZ space (about 10.97 percent of the net residential gross floor area of the Landmark building) at a construction cost of \$325/sf. However, the IZ should be based not solely on construction costs, but overall project costs, including the land cost, financing costs, and soft costs (e.g. architectural/mechanical/civil, transportation, permit, code consultant costs). In short, Landmark is not providing the entire financial picture.
- 4. The issue in this case is whether the IZ contribution is commensurate with Landmark's costs of meeting its IZ requirement on site as well as the extraordinary regulatory relief granted by the Commission. We do not believe the \$8 million is a realistic cost or a serious proposal. NLC-SVWHCA believe a contribution should be based on multiple factors, including the following:
  - a. Realistic construction cost, the value of the land, and associated project costs, as cited above.
  - b. The income derived by Wesley from its land lease agreement with Landmark.
  - c. The additional income to be earned by Landmark from not providing IZ on site enabling the developer to lease the units at full market value.
  - d. The value of the extraordinary regulatory relief granted by the Commission.
- 5. The actual terms of the contribution proposed by Wesley are nebulous and hopefully will be clarified prior to the hearing. Wesley states the funding would be provided "subject to covenants" without providing any specificity about the scope of those covenants. The plan also does not carve out a specific role for the District Department of Housing and Community Development (DHCD) and it is unclear what role any government agency will play in this proposal.
- 6. The contribution to the revolving fund is not linked to any specific IZ project, so there is no assurance that the contribution will lead to more affordable housing in the Rock Creek West Planning area. Landmark and Wesley have abandoned any pretense that this project will result in additional new affordable housing in the neighborhood.
- 7. Wesley testified previously in this case that its students would be the primary beneficiaries of a student IZ program it proposed for the new Landmark development. Wesley abandoned this initiative without explanation. Wesley students are a *de minimis* factor in Wesley's proposed Campus Plan. By limiting its IZ commitment to a one-time \$8 million contribution, Landmark appears to be the primary beneficiary.
- 8. Contrary to Wesley's assertions, the proposed Landmark building will not address oncampus housing demand; free up off-campus rental housing now being used by AU students; or create more affordable housing. Wesley has failed to provide any documentation to support its assertions.
- 9. OP also has raised questions about Wesley's IZ proposal and has cited the need in this case for additional documentation *(Exhibit 85)*. However, OP raised concerns about whether IZ could be approved as part of a Campus plan proceeding when it

stated the "requirement for IZ was more problematical when the dormitory was proposed solely as part of a campus plan." (Z.C. Case No. 23-08, Exhibit 11, Page 32.)

- Transportation. The record in the case does <u>not</u> include a Comprehensive Transportation Review (CTR). Wesley appears to be relying on a CTR that was submitted in *Z.C. Case No. 22-13*; but that CTR was limited in that it focused solely on transportation issues tied to construction of the new Landmark building, not the Campus Plan as a whole. NLC and SVWHCA commend Wesley for agreeing to a Performance Monitoring Plan (PMP) to measure the effectiveness of the proposed Traffic Demand Management (TDM) Plan, as outlined by Gorove-Slade in a March 25, 2025 filing (*Exhibit 80*).
- **Parking.** Wesley now proposes reducing the number of on-campus parking spaces from 394 spaces, including 31 surface parking spaces, to 295 – a reduction of 99 parking spaces. Wesley's first iteration of its Campus Plan proposed adding 207 parking spaces on its campus. Now it is proposing a net addition of 121 parking spaces while adding an additional 569 beds on the campus. Gorove-Slade estimated that its parking estimate was based on 0.36 spaces per net new bed. Although Wesley is proposing to reduce the building by one floor, the number of beds will not change. The 659 residents in the new Landmark building and the building staff will have access to 159 parking spaces in the building, according to Wesley, or .24 spaces per net new bed. This does not account for commuter students or other students living in the existing 2014 New Dorm who may need parking. Although NLC-SVWHCA testified previously in this case that the 394 parking spaces may have been excessive, Wesley provides no rationale now for reducing the parking to 295 parking spaces. In its most recent filing in this case on March 25, 2025 (Exhibit 80), Gorove-Slade does not address the parking reduction or the basis for the reduction. Without this information, NLC-SVWHCA now questions whether .24 spaces per net new bed will ensure adequate parking on the campus. Any shortage of on-campus parking will push parking onto surrounding neighborhood streets. Critical parking information is missing in this case. On campus parking is currently free. The new parking lot will charge a fee to park which also has the potential to push parking onto surrounding neighborhood streets.

#### • Increased Intensity of Use/Number of Students.

- 1. The Campus Plan proposes to triple the number of students on the Wesley Campus resulting in a greater intensity of campus activity, including noise and traffic, particularly the number of service vehicles using University Avenue immediately bordering a low-density residential neighborhood. This significant increase makes the Campus Plan objectionable to neighboring property "because of the number of students," as specified in *Subtitle X, Section 101.2* of the Zoning Regulations.
- 2. Wesley argues in its pre-hearing filing that its enrollment will remain largely unchanged and therefore its Campus Plan poses no objectionable conditions based on numbers. Wesley fails to include as part of its numbers the AU students that would be residing in the new Landmark building. *Subtitle Z, Section 302.10* of the Zoning Regulations requires Wesley to provide a "student count for every student on campus." Wesley's application fails to meet this requirement. On one hand, Wesley argues that housing AU students is a "permitted university use," but then

### neglects to include those numbers in its student count as required by the regulations.

- 3. Wesley's declining enrollment means the proposed new development is not critical to meeting the needs of students enrolled at Wesley Seminary. The proposed new development, which now consists solely of the Landmark development for AU students, is not appropriate for the size of the Wesley campus or sized to meet the needs of Wesley students. The building size and scale have been driven by Landmark's profit expectations from housing AU students.
- 4. 73 percent of the campus development will be dedicated to commercial use which is incompatible with the surrounding neighborhoods, including AU.
- 5. The Campus Plan also would alter the character of the Wesley Campus by transitioning it from a graduate level campus for seminarians to an undergraduate campus; Wesley students will be outnumbered nearly 3-1 on the Wesley Campus by AU undergraduates.
- 6. Even with the one floor reduction in the Landmark building, it will still be ten times as large as any other building on the Wesley Campus and more than twice as high as the largest building currently on the Wesley Campus. Other buildings on the campus will be 1-3 stories tall with gable and hip roofs that might be considered an architectural nod to the surrounding neighborhoods.
- Stormwater Management/Permeable Pavers. The Campus Plan is objectionable because it does not include a detailed proposal for mitigating stormwater impacts on surrounding neighbors downhill during construction. The residential neighborhood immediately downhill from Wesley is prone to stormwater flow that is both hazardous and damaging. It is critical that neighbors residing downhill from Wesley do not experience the same damage from stormwater flow that was experienced during the construction of Wesley's 2014 dormitory along University Avenue. Although University Avenue residents are the most vulnerable to such damage, the 2014 Wesley construction stormwater damage affected properties downhill from Wesley on Massachusetts Avenue as well. Wesley's stormwater management plan does not include a specific stormwater run-off containment strategy during the construction process. Stormwater issues in the neighborhood will be exacerbated by the construction. Wesley should be required to compensate nearby property owners for any damage resulting from construction including stormwater damage. Wesley's plans to add even more impervious surfaces at the site, including sidewalks that do not utilize permeable paving solutions, pose additional risks for long-term stormwater management. The DC Department of Energy and Environment (DOEE) has recommended that Wesley use permeable pavers as part of the new sidewalk infrastructure to address stormwater concerns. Wesley has not made that commitment.
- **Tenant Advocacy.** The Office of Tenant Advocate (OTA) has indicated that it could not serve as an "ombudsman" for AU students living on the Wesley Campus, as suggested by Chairman Anthony Hood, Commissioner Joseph Imamura, and ANC 3E *(Exhibit 49)*. Normally, students who reside on campus can direct complaints or problems to the university in which they are enrolled for review and resolution. AU students living in the Landmark building on Wesley's campus will not have that option because the property will be operated independent of AU. AU students will have no recourse to OTA or AU to resolve disputes; the only option available to

them will be to file legal action – the same option available to other tenants in the District of Columbia residing in commercial residential apartment buildings.

#### • Racial Diversity.

- 1. Wesley reports that its student body enrollment is 41 percent white; 34 percent African American; 9 percent Asian; and 5 percent International students. The addition of 550 or more AU students on the Wesley Campus would make Wesley look more like AU and dilute the racial diversity of the Wesley campus population. The overall AU student body demographic is 56 percent white, 12 percent Hispanic, and 8 percent African American. U.S. News and World Report, which ranks U.S. colleges and universities, reported recently that AU's diversity ranking has declined significantly over the last year.
- 2. Wesley's proposed student IZ program was once considered a means to promote racial diversity at AU by helping to close the gap in disparities between white and African American students enrolled at the university. This hope was dashed when Wesley unexpectedly and without explanation dropped its plan for a student IZ initiative in favor of making a financial contribution to meet its IZ requirement.
- Campus Security. International events have propelled campus security into the nation's headlines. Universities are under increasing pressure from the U.S. government and their student populations to ensure the safety of students living and attending classes on campus. The federal government has taken an aggressive posture on the issue and has an active and ongoing investigation of safety at the AU Campus. AU has been the site of numerous security issues in recent years, including racial harassment. AU has an extensive security operation. Wesley which now proposes to house nearly 600 AU students on its campus has never needed a comparable security operation. By altering the character and function of its campus, Wesley has an increased responsibility to ensure the safety of all students on its campus. Likewise, the neighborhood has an interest in ensuring the Wesley campus is safe. Reports by colleges and universities to the U.S. Department of Education mandated by the Clery Act show that neighborhoods located near college campuses are particularly vulnerable to increased crime that is targeted primarily at students and overflows the campus into the surrounding neighborhoods. Wesley's proposed Campus Plan offers no campus-wide security plan. Although Landmark has testified in this case that the new Landmark apartment building will have security cameras, this does not constitute a campus-wide security plan. Although Wesley committed to discussing this with NLC-SVWHCA (Exhibit 69), no such engagement has ever taken place despite our best efforts to follow up on this commitment that Wesley made in writing to the Commission.

#### **Attachment C**

# Examples Of How Religious-Affiliated Educational Institutions Are Addressing Financial Challenges Consistent With Their Land Use Designations And Without Abandoning Their Missions

News Article #1 From The Nashville Tennessean

# Tennessee's Vanderbilt University expands to New York, takes over Manhattan seminary



0:24

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Vanderbilt University's nationwide footprint is expanding to New York City.

The school, which announced an expansion to southern Florida earlier this month, said Thursday that it entered into a lease agreement with The General Theological Seminary to take over its historic campus in the Chelsea neighborhood — including 13 buildings and approximately 150,000 square feet.

Vanderbilt is still in the process of receiving approval for the lease and any future programming from New York state government.

"To properly provide a transformative education to our students, and help our scholars and researchers achieve their greatest ambitions and most meaningful impact, we must make the broadest and richest range of opportunities available to them — wherever those opportunities exist," Chancellor Daniel Diermeier said in a statement. "As home to leading institutions in finance, media, technology and the

arts, and as a jumping-off point to the rest of the world, New York offers unbounded opportunities."

Vanderbilt University reported that approximately 7,800 alumni and 740 current students live in or are from the New York area.

Last year, the university created a "regional administrative hub" in New York for its Development and Alumni Relations, the Office of Career Advancement and Education and the Office of Enrollment Affairs. That office will relocate to the Chelsea campus.

The university said other programming details are still in the early stages and would be pending state approval. A faculty advisory committee has convened to discuss how best to utilize the campus, led by Vice Provost for Undergraduate Education Tiffiny Tung. Undergraduate cost of attendance is \$94,000, according to <a href="Vanderbilt's website">Vanderbilt's website</a> and its Opportunity Vanderbilt program provides financial aid to applicants from households that earn less than \$150,000 a year.

The General Theological Seminary plans to continue limited operations on the Chelsea campus with two-week intensive classes and maintaining some office space. Vanderbilt emphasized that the seminary will remain a completely separate entity, despite their proximity on the campus.

"This agreement ensures that GTS will maintain a year-round presence and will continue to provide future leadership for The Episcopal Church in our historic home," GTS President Ian Markham said in a statement.

"We believe that Vanderbilt shares our commitment to be a strong partner to the neighborhood and local community."

New York isn't the only city Vanderbilt is eyeing for its growth plans.

Earlier this month, Vanderbilt also advanced its plan to build a 300,000-square foot graduate campus in West Palm Beach, Fla. On Sept. 5, the West Palm Beach City Commission gave the university seven parcels of land worth at least \$12.8 million, according to the Palm Beach Post.

The university told the Palm Beach Post that its outpost there would focus on finance and technology degrees, planning to enroll around 1,000 students and employ between 100-150 faculty members.

Vanderbilt estimated that the campus will generate \$7.1 billion in economic activity over the next quarter century and create 5,600 one-time construction jobs.

Both potential new campuses fit into Vanderbilt's ongoing mission to "bring the world to Vanderbilt and Vanderbilt to the world."

Hadley Hitson covers trending business, dining and health care for The Tennessean. She can be reached at <a href="mailto:hhitson@gannett.com">hhitson@gannett.com</a>. To support her work, subscribe to The Tennessean.

Article on General Seminary – Vanderbilt University

#### News Article #2 From The Jewish Telegraphic Agency

## Weeks after selling NYC building, Hebrew Union College sells part of LA campus to USC

The deal is part of a larger strategy to shore up the finances of an institution strained by declining enrollment.

BY ASAF ELIA-SHALEV FEBRUARY 27, 2025

Hebrew Union College-Jewish Institute of Religion is selling part of its Los Angeles campus to the nearby University of Southern California, in the latest in a series of cost-cutting moves for a legacy Jewish institution facing years of declining enrollment and financial stress.

Announced Wednesday, the agreement between HUC and USC will fund a major renovation of the Jack H. Skirball Campus and boost HUC's endowment. The financial terms of the deal were not disclosed.

HUC students, faculty and staff will continue to occupy the campus' west wing, but the majority of the property will belong to USC. The two academic institutions have been neighbors since HUC opened its Los Angeles campus in 1954 and partners in joint academic programs since 1972.

The downsizing in Los Angeles is part of a larger strategy that has also affected two other U.S. campuses of the Reform movement's academic and leadership training institution, in New York and Cincinnati.

"The decision to reinvest in the Los Angeles campus...accomplishes the college's goal of aligning its real estate footprint with academic program and operational needs across all its campuses," HUC said in its announcement.

The sale comes weeks after <u>HUC announced it was selling its downtown Manhattan campus</u> for about \$75 million to New York University and relocating to a smaller \$32 million building on the Upper West Side. Recent years have also seen <u>the Cincinnati campus lose</u> its rabbinical program and graduate programs in Jewish studies as part of the restructuring plan.

The Reform movement is not the only Jewish denomination downsizing its educational real estate in Los Angeles amid enrollment declines. American Jewish University, one of Conservative Judaism's two major educational centers, last year completed a deal to sell its hilltop campus after announcing plans to relocate its rabbinical school to a leased space in an urban Jewish neighborhood.

Renovation plans for the HUC campus include upgraded technology infrastructure and more natural light for the building's interior, but the project is still being shaped with input from a community-led task force.

Leading the renovation work is Israeli-born, California-raised architect Hagy Blezberg. Among Belzberg's previous projects are the Los Angeles Jewish Federation's BAR community center that is currently under construction in Venice Beach and the Holocaust Museum LA.

The HUC sale puts the institution in a better position to fulfill its mission of educating future rabbis and Jewish communal leaders, according to Rabbi Joshua Garroway, the dean of HUC in Los Angeles.

"This sale allows us to invest in our future here in Los Angeles and make much-needed renovations and improvements to the Jack H. Skirball Campus – as we continue to evolve alongside our community and expand access to Jewish leadership education," Garroway said in a statement.

#### **Attachment D**

## Zoning Commissioner Peter May's Analysis Of The Wesley Campus Plan At July 14, 2022 Public Meeting

GOVERNMENT OF THE DISTRICT OF COLUMBIA

+ + + + +

ZONING COMMISSION

+ + + + +

PUBLIC MEETING

+ + + + +

THURSDAY

JULY 14, 2022

+ + + + +

The Public Meeting of the District of Columbia Zoning Commission convened via videoconference, pursuant to notice, at 4:00 p.m. EDT, Anthony J. Hood, Chairperson, presiding.

ZONING COMMISSION MEMBERS PRESENT:

ANTHONY J. HOOD, Chairperson ROBERT MILLER, Vice Chairperson JOSEPH IMAMURA, Commissioner PETER MAY, Commissioner

OFFICE OF ZONING STAFF PRESENT:

SHARON SCHELLIN, Secretary PAUL YOUNG, Zoning Data Specialist

OFFICE OF PLANNING STAFF PRESENT:

KAREN THOMAS, Planning Specialist

OFFICE OF ZONING LEGAL DIVISION STAFF PRESENT:

JACOB RITTING, ESQUIRE HILLARY LOVICK, ESQUIRE DENNIS LIU, ESQUIRE

The transcript constitutes the minutes from the Public Meeting held on July 14, 2022.

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#### [TRANSCRIPT PAGE 11]

3 So let me open up for any questions or comments. 4 Commissioner May? COMMISSIONER MAY: Yeah. So this is not very easy. 5 This issue is not very easy. It breaks new ground in what a 6 university tries to do with its property. And, you know, there's been this emphasis on the question of, you know, is it a 8 commercial use? Does it fit into the ancillary commercial use, or is it, you know, a more significant commercial use, or is it 11 a dormitory? And, you know, the Zoning Administrator has opined 12 that it's a dormitory. I think that all of that sort of -- the focus on the 13 14 exact words and trying to split hairs about what they mean is 15 not -- isn't going to help us get to this -- get to a conclusion 16 on it. This, from my perspective, is very clearly a commercial 17 venture. They are -- I mean, you know, I don't know what it is, 18 70 or 80 percent of the dwelling units in this building will be 19 marketed to people outside of the university. 20 I don't see how that fits in with the university's 21 purpose, other than to provide revenue for the university. And 22 frankly, I don't think that's enough. It is, you know, the other 23 cases where we had commercial entities leasing portions of 24 campuses, it actually has been tied to an educational purpose. 25 There's not an educational purpose that is specific to housing

all these additional people there. And the fact that it happens to be next to AU, and there's a, there's a REIT market for students who have enough money to live in these highend -- higher-end apartments, rather than living on the, you know, the standard -- living in the standard fare kind of apartments that are offered in university, I mean, that's almost irrelevant.

I think that, you know, we could be looking at this as if it was just an apartment building. Right? And a regular apartment building on campus, with people from outside the campus using it. So -- and I don't I mean, I don't think it fits into the category of ancillary commercial uses. I just think it's -- I think it's a straight up commercial apartment building. It's -- and I think it would be a -- it would not be appropriate for us to approve this as part of a campus plan.

It would be different, in my view, if there were, you know, if the proportions were reversed. Right? If they were -- if there were some legitimate reason perhaps to have, you know, 80 percent of a building occupied by Wesley students, and then there happens to be some extra capacity, and so that can be leased out to others, and they're providing more than necessary with the thought that, you know, they could probably lease it and get a little extra money out of it. I think it would be a different calculus in that circumstance. But in this one, I just don't see how this is anything other than a commercial operation.

I mean, I'm not trying to fit it into anybody's definition of what the commercial operations are. And I know that, you know, that the applicant's submission, they talked about Subtitle 200.2(j)(2), and that, you know, the use can -- uses can include accessory athletic and recreation uses, dormitories, cafeterias, ancillary commercial uses, multiple academic administration buildings, and sports facilities. Well, all of those things, it is implied, are related to the educational purpose. In other words, it's dormitories for students, not just a dormitory. Right? I don't think that's enough.

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I think it has to be dormitories for the students at 12 that university in order to fit into this category. Maybe we 13 need to clarify that regulation, so that people don't try to do 14 things like this. And not just about dormitories, also for sports 15 facilities. Right? I mean, this could be a case where a 16 university, you know, builds a, you know, a big arena, but leases 17 it to some professional sports team, and the income from that 18 feeds into the university. Well, sports facilities are allowed 19 under the regulations. It's the same --it's an analogous situation.

So I, I mean, it's unfortunate, and I'm, you know, I 22 appreciate the fact that Wesley really needs to have some 23 extraordinary support in order to stay -- in order to thrive in 24 places, like (indiscernible) says, but I'm sorry, I just -- I 25 don't believe that this works. I think that it's possible that,

you know, they might look at this as a PUD instead. We have done campus plans as PUDs instead. And that we could judge it using PUD standards rather than a campus plan standard. I just don't think that this works within a campus plan, because it is undoubtedly a commercial venture in my view.

CHAIRPERSON HOOD: Okay. Thank you, Commissioner May.

#### [TRANSCRIPT PAGE 20]

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COMMISSIONER MAY: Yeah. So I think one of the 14 concerning aspects of this is that even, you know, that this may 15 be a unique situation in the District, where we have two universities that are right next to each other, two educational institutions that share some, you know, common bonds, et cetera. I don't think that what's being proposed here is at all tied to that, right. Because I don't think that the -- I mean, we're not going to make a decision that says, or I don't think that we can make a decision that says that okay, well, it's only going to be open to AU students and Wesley students.

I'm not sure how we could do that, particularly when 24 you try to factor in inclusionary zoning, right. I mean, you 25 know, the inclusionary zoning thing is a real complication because while there may be folks who would -- I mean students who would live here, students with families who would live in these buildings, who might qualify for inclusionary zoning apartments, I don't know how you steer that to particular students. So I mean, that that raises another complication.

I mean, I think this is really, what it comes down to is that this is just an apartment building on a college campus that's going to be used -- a bunch of the apartments are going to be used by the residents of those -- or the students who attend that college. And then, you know, the rest are probably going to go to AU students. But I don't know that it's going to be limited to that, and I don't know that we can limit it to that.

And it just sort of exaggerate -- I mean, it emphasizes the point for me, which is that what we are essentially doing is licensing or -- wrong word. That sounds too technical. We're allowing -- we would be allowing the university to lease out a portion of its property for this other use. And under the pretend circumstance that it is, quote, "a dormitory," and that it is somehow connected to the university's mission, I really don't see how the connection works to the university's mission.

And I think that it's -- I mean, it's really -- the whole reason why this is happening is because of the money that this will bring in. And I, you know, I recognize there have been other creative moments when the Zoning Commission has approved redevelopments of church properties, which are typically small

buildings on larger parcels of land, and the property values in the District are such that there's huge value in all of that land, and it makes sense for the churches to sell the property to a developer who builds them a new church on the property and builds apartments or commercial, whatever else. And that's a way of maximizing the value of property and returning some of that value to the churches that, you know, that have existed there for decades.

Yes, that -- but that's -- the path for doing that is very clear. That's something that's very explicitly allowed within the constraints of the zoning regulations. This is something that's really outside of that, and I'm very concerned. I mean, again, somebody brought up the case in the hearing that, you know, this could be -- this could lead to sports facilities being built, right.

You could build a 20,000-seat arena, or a sports franchise could build a 20,000-seat arena on the campus on a ground lease, and pay some money to the university, because the university needs the money. And then, you know, the university could use it part of the time, when it's not used by the sports team. And that supports their issues -- I mean, their operations.

But it's still -- it would be a commercial operation within the campus. I'm not sure that we're ready to go there and open the door for that kind of adventure. But this action would very clearly set a precedent for that -- for that kind of

activity. And it's not just limited to, you know, sports facilities. There could be other objectional purposes.

We don't want to allow the campus plan rules which allow universities, colleges, schools of all sorts, to have a great deal of flexibility in terms of, you know, height, bulk, massing, et cetera, and the variety of uses within campus -- within a campus while inside of another zone, a residential zone, you know? And you can do things on the campus that you couldn't do across the street from the campus.

And we would be, you know, we allow those things because we have this control over the plan and because we can make sure that those things don't have an impact on the surrounding neighborhood.

This is a way of sort of sneaking in other commercial ventures of a whole range into the campus plan tent, just to be able to get these things done. I don't think that that's the right way to do it. Again, you know, maybe it could work as a PUD. Maybe Wesley could sell off part of their property and have it redeveloped into, you know, some sort of venture that's going to provide money for them in another way, or maybe they just need to sell the property and find another location.

It's not -- I don't think it's our job to find a way to save this institution in this location. You know, I appreciate the creativity, but I don't think that it's -- that it works within the bounds of the zoning regulations.