



MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Maxine Brown-Roberts, Development Review Specialist
Jennifer Steingasser, Deputy Director, Development Design and Preservation

DATE: December 13, 2024

SUBJECT: OP Supplemental Report - ZC 24-09, Wesley Theological Seminary Text Amendments

At the November 24, 2024 public hearing the Zoning Commission (“ZC”) requested the following from OP:

- I.** A response to any proposal to amend the text to increase the IZ set-asides above the 8% and 10% requirement and/or specify that the IZ set asides include units at 30%, 50%, 60% or 80% AMI.
- II.** A summary of the requirements for offsite affordable housing in adjacent jurisdictions.
- III.** Examples of universities in the District of Columbia or nearby jurisdictions, where the university has partnered with private developers to build student housing.

SUMMARY RECOMMENDATION

The Office of Planning continues to recommend the text amendment as proposed in the hearing report dated November 14, 2024 in [Exhibit 28](#) as follows:

1. Amend the text in Subtitle X, §101.5 as follows:

101.5 University housing exclusively for use by Wesley Theological Seminary and American University students, faculty, and staff on Square 1600, Lot 819 shall not be subject to the commercial activity use restrictions in this section if approved by the Zoning Commission as part of a campus plan.

2. Renumber existing Subtitle X 101.5 through 101.16 to 101.6 through 101.17.
3. Add new §1006.10

1006.10 Wesley Theological Seminary shall provide off-site IZ located in Ward 3 as an enforceable condition to its 2022-2032 Campus Plan further processing

to construct university housing [a dormitory]¹, provided that the requirements of Subtitle C, §§ 1006.1 - 1006.3(a)-(g), may be waived by the Zoning Commission for the off-site IZ. Depending on construction type, the off-site IZ provided shall be no less than Subtitle C, §1003.1 or §1003.2 requirements, as applicable, and subject to the requirements of Subtitle C, §§ 1006.5 - 1006.9.

I. Increasing IZ Set asides

The Zoning Commission asked OP to respond to recommendations from ANC-3E to include increasing the IZ off-site set asides above the 8% or 10% requirement and to include IZ units at 30%, 50%, 60% or 80% MFI.

Subsequent to the public hearing, ANC-3E outlined their proposal in a submission at Exhibit 54, [Proposed Text Amendment From ANC-3E](#). In option a) the ANC-3E proposes an increase in the off-site IZ levels and a deeper MFI; in option b) they propose the ZC set the off-site IZ levels during further processing. Their changes to the previous proposed text is in red as follow:

a) Zoning Commission sets offsite IZ levels in text amendment

1006.10

Notwithstanding anything else in this Subtitle or Subtitle X, Wesley Theological Seminary shall provide off-site IZ located in Ward 3 as an enforceable condition to its 2022-2032 Campus Plan further processing to construct university housing exclusively for use by Wesley Theological Seminary and American University students, faculty, and staff on Square 1600, Lot 819~~a dormitory~~, provided that the requirements of Subtitle C, §§ 1006.1 - 1006.3(a)-(g), may be waived by the Zoning Commission for the off-site IZ. Depending on construction type, the off-site IZ provided shall be no less than Subtitle C, §1003.1 or §1003.2 requirements, as applicable, multiplied by a factor of 1.5, and subject to the requirements of Subtitle C, §§ 1006.5 -1006.9. Fifty percent (50%) of the off-site inclusionary units set aside shall be reserved for households earning equal to or less than thirty percent (30%) of the MFI and Fifty percent (50%) of the off-site inclusionary units set aside shall be reserved for households earning equal to or less than fifty percent (50%) of the MFI.

Alternative:

b) Zoning Commission sets offsite IZ levels during further processing

1006.10

Notwithstanding anything else in this Subtitle or Subtitle X, Wesley Theological Seminary shall provide off-site IZ located in Ward 3 as an enforceable condition to its 2022-2032 Campus Plan further processing to construct university housing exclusively for use by Wesley Theological Seminary and American University students, faculty, and staff on Square 1600, Lot 819~~a dormitory~~, provided that the requirements of Subtitle C, §§ 1006.1 - 1006.3(a)-(g), may be waived by the Zoning Commission for the off-site IZ.

¹ The OP report originally used the word “dormitory” but it should read “University housing”

Depending on construction type, the off-site IZ provided shall be of an amount to be determined by the Zoning Commission during further processing but be no less than Subtitle C, §1003.1 or §1003.2 requirements, as applicable, and subject to the requirements of Subtitle C, §§ 1006.5 -1006.9.~~.-The Zoning Commission may further specify the MFI of the inclusionary zoning units herein required.~~

OP has reviewed the proposed amendments and the Applicant's response and does not support either of ANC 3E's recommendations to establish higher IZ set-aside requirements and lower MFI levels on the university than are required of other developers.

The housing being proposed on the Wesley campus is a dormitory. Dormitories are not subject to IZ per section C-1001.6(c). It's the fact that Wesley wants to permit American University students to reside in the dormitory that negates the exempt status of the dormitory. The applicant filed a text amendment that would expand the exemption of section C-1001.6(c) to allow this particular project ([Public Hearing Notice ZC 24-09](#)) by allowing AU students to be housed in the Wesley dormitory.

The proposal is a targeted text amendment to:

- Amend the regulations to maintain the dormitory exemption and allow Wesley to house American University students; and
- Amend the regulations to specify that the dormitory to provide housing for Wesley and American University is not subject to the limitations on commercial uses within a campus plan.

In talks with ANC 3E, the Applicant agreed to provide IZ units off site subject to the requirements of Subtitle C, §1003.1 (8%) or §1003.2 (10%) and requested the waiver of the requirements of Subtitle C, §§ 1006.1 - 1006.3(a)-(g) to facilitate that proffer. OP supports this request. The ANC agrees with the granting of the waiver but has gone further and is now recommending that the housing requirement of Subtitle C, §1003.1 (8%) or §1003.2 (10%) be increased by a factor of 1.5, and that 50% of the units be reserved for households at 30% MFI and the other 50% for households at 50% MFI.

In alternate b), the ANC proposes a requirement that the ZC specify the MFI of future IZ units at the time of further processing. At the time of the campus plan and the further processing of the dormitory, the Applicant would submit a proposal for the offsite affordable units, it would be evaluated, and the ZC will make a determination if it is appropriate. This proposed amendment is contrary to the premise of predictability and transparency.

The IZ program is based on a bonus density being offered to offset the cost of the IZ units within a market rate residential building. That is not the case here and no data has been provided that establishes a nexus between the dorm use and increased IZ set-asides on which the 1.5 multiplier above the 8% or 10% IZ is based. OP is therefore not supportive of the proposal to increase IZ set asides in the text amendment or to dictate a specific MFI for the proposed IZ units.

As stated in the [OP Report](#) at Exhibit 28, OP worked with the Applicant and OZLD on the proposed text to:

- Accommodate the off-site IZ units by mandating that Wesley provide the off-site IZ in Ward 3 as a condition of the campus plan further processing approval to construct a dormitory;
- Exempt the off-site IZ to be provided by Wesley from certain requirements of Subtitle C §1006 that cannot be met by Wesley; and
- Clarify that the off-site IZ provided must meet the minimum IZ set aside requirements of Subtitle C §1003.1 or 1003.2 depending on construction type.

OP continues to recommend the proposed text that will allow the Applicant to provide not less than the required IZ set aside.

OP's recommendation for the text amendment continues to be as follows:

1. Proposed text amendment to Subtitle X, §101:

101.5 ~~A dormitory providing~~ **University** housing exclusively for use by Wesley Theological Seminary and American University students, faculty, and staff on Square 1600, Lot 819 shall not be subject to the commercial ~~activity use~~ restrictions in this section if approved by the Zoning Commission as part of a campus plan.

1. Renumber existing Subtitle X 101.5 through 101.16 to 101.6 through 101.17.
2. Add new §1006.10

1006.10 Wesley Theological Seminary shall provide off-site IZ located in Ward 3 as an enforceable condition to its 2022-2032 Campus Plan further processing to construct University housing [a dormitory]², provided that the requirements of Subtitle C, §§ 1006.1 - 1006.3(a)-(g), may be waived by the Zoning Commission for the off-site IZ. Depending on construction type, the off-site IZ provided shall be no less than Subtitle C, §1003.1 or §1003.2 requirements, as applicable, and subject to the requirements of Subtitle C, §§ 1006.5 - 1006.9.

II. Summary of adjacent jurisdictions requirements related to off-site affordable housing.

OP talked to surrounding jurisdictions and asked if university housing for students was subject to their affordable housing requirements and for a summary of adjacent jurisdiction's affordable housing requirements.

Arlington County

University Student Housing:

There is no affordable housing requirement for University student housing on or off-site.

² The OP report originally used the word "dormitory" but it should read "University housing"

General Housing:

- Requires 5% of the gross floor area (“GFA”) above a 1.0 Floor Area Ratio (“FAR”) be set aside for affordable housing.
- If the affordable housing is provided off-site but nearby, the requirement increases to 7.5% (no definition of “nearby”).
- If off-site housing is located elsewhere, the requirement rises to 10%.
- On-site units are incentivized where possible and may include bonus density.
- Cash contributions are an option but is very infrequently used.

Montgomery County

University Student Housing:

- No affordable unit requirement for university on-site housing.
- Student housing off campus is usually done by private developers and does not preclude the public and so there may be an affordable unit requirement.

General Housing:

- Montgomery County rarely negotiates off-site affordable housing agreements, as the cost is often less favorable for applicants. When such agreements do occur, the cost is usually substantial.
- Off-site affordable units is determined through negotiations between the sending and receiving parties. The County does not establish a fixed cost due to the unique public benefits and circumstances of each project.
- The County evaluates off-site location agreements with a preference for maintaining consistency in housing types, such as ensuring row dwellings on both the sending and receiving sites. Key considerations include whether the off-site location offers greater value than on-site affordable housing, increases the total number of affordable units, or provides more bedrooms within the same number of units.
- Off-site locations must be in planning areas where at least 45% of U.S. Census tracts have a median household income of at least 150% of the countywide median.
- Affordable housing requirements generally mandate 12.5% of a project, increasing to 15% in higher-cost areas.

The City of Alexandria

University Student Housing:

- There are no provisions in their regulations that address housing for university students or faculty and no requirement regarding the provision of affordable units.
- The regulations allows the university to put what they want on their campus.

General Housing:

- Allows up to 30% in additional density and/or an increase in height by up to 25 feet in exchange for affordable housing. Bonus height cannot be applied in zones with a height limit of 50 feet or lower.
- Affordable units created through the bonus density can be located off-site if the value is equivalent and the off-site units are mutually agreed upon by the City and the Applicant.

- The City accepts cash contribution of equivalent value in lieu of affordable units if mutually agreed upon by the City and the applicant.
- An applicant can receive more than 30% in additional density if authorized within the relevant Small Area Plan.
- The number of affordable housing units to be provided in return for additional height or density should be equal to at least one-third of the increase made possible by the additional square footage, unless the City and the Applicant mutually agree to a different number of units in order to address stated City objectives.

III. Universities in the Area with Dormitories Built by Private Developers

Howard University-Underclassman Neighborhood

Partnership Developer - Campus Apartments

- 699 units/1,360 beds
- Completed in 2014
- Campus Apartments built the dormitories and is now managing all aspects of leasing, facilities, and residence life programming
- Project was funded by tax exempt bonds and is owned by an independent non-profit foundation

University of Maryland (College Park)

Graduate Student Housing

- Partnership with [Campus Apartments](#) and [Mosaic Development Partners](#),
- 465 units/741 beds (studios and two- to five-bedroom apartments)
- Scheduled to open in 2026-2027
- Campus Apartments will lead the development and construction
- Project funded through tax exempt bonds.

University of Maryland - Campus Commons and The Courtyards

- Public-private partnership for student apartment communities
- 7 apartment buildings housing over 2,000 students
- Studios, and 1 to 4 bedroom units
- Apartments are owned by Maryland Economic Development Corporation (MEDCO) and managed by a private management company.
- Rental agreements are with Capstone On-Campus Management (COCM) rather than university-owned residence halls.
- COCM staff manage the leasing, maintenance, service desk operations, and all financial matters for South Campus Commons