



ADVISORY NEIGHBORHOOD COMMISSION 3E
TENLEYTOWN AMERICAN UNIVERSITY PARK FRIENDSHIP HEIGHTS
CHEVY CHASE WAKEFIELD FORT GAINES
c/o Lisner Home 5425 Western Avenue, NW Washington, DC 20015
www.anc3e.com

ANC 3E's RESPONSE TO APPLICANT'S NOV. 15, 2023 FILING IN ZC CASE NOS. 23-08, 23-08(1)

During deliberations at its last public meeting in this matter, three of four sitting Zoning Commissioners stated their opposition to Wesley and Landmark's application. The Commissioners decided, however, to give Wesley and Landmark a chance to throw a Hail Mary pass with 3 seconds on the football clock. If Wesley could, within a week, demonstrate that American University (AU) wanted to work with Wesley to develop a *joint* dormitory project, or if Wesley and Landmark could come forward with evidence of a similarly paradigm-changing development, the ZC might hold open the proceedings.¹ Even were Wesley and Landmark to have brought forth such evidence, however, some Commissioners thought a new application might be necessary.

In any event, unsurprisingly, the Hail Mary pass failed. AU was apparently unwilling even to discuss the project substantively before Wesley and Landmark's response was due. The only additional development Wesley and Landmark noted was that they were "evaluating" whether a text amendment of some kind might address some of the issues Zoning Commissioners raised. Wesley and Landmark conclude by asking the Zoning Commission for a two-month continuance.

ANC 3E opposes this request. It is time to close this chapter of the Wesley and Landmark zoning story. The Zoning Commission and ANC 3E have spent an inordinate amount of time on this application, including two long hearings on the merits, supplementary briefing during the hearing, and post-hearing

¹ See, eg, Nov. 9 Tr. at 44 ("So I think either they need to come with the, the data to support that AU's on board and, and has the numbers to show us, or they come back with a, a building that is appropriate for their use solely.")

briefing. The ZC made clear that sufficient votes do not exist to support a Wesley / Landmark project unless it is materially different from what is contained in the instant application. Accordingly, it is near certain that a new application will be required one way or the other. Thus, the ZC should deny the instant application.

To be sure, ANC 3E shares the Zoning Commission's desire to find a way for Wesley to "thrive in place," provided it is consistent with the rule of law and sound public policy. Because we believed that Wesley and Landmark's proposal did not constitute a "dormitory" under current law, we noted that the proper avenue for Wesley and Landmark to seek a change in the definition of dormitory was via rulemaking, which here would mean seeking a text amendment. We did not intend to suggest that Wesley and Landmark use a text amendment to achieve a special dispensation just for them on this site, which is what they want a continuance for to evaluate.

The particular case Wesley and Landmark cite involving a text amendment, First Church of Christ Scientist, reflects materially different circumstances than are present here. There, a text amendment was used to vary the Reed-Cooke *Overlay* to permit a historic church to be preserved, per an agreement the developer negotiated with the local neighborhood association. Accordingly, that case did *not* provide for a special deal for the developers that would otherwise be inconsistent with the zoning regulations generally, but merely amended a zoning overlay. Notably also, the amendment was in service of an agreement the developers negotiated with the neighborhood association. *See* ZC Case No. 12-17. Wesley and Landmark have not sought to negotiate such an agreement with ANC 3E.


One possibility for a site-specific resolution that we did suggest was to seek a map amendment, as the Lisner Home did successfully in ZC Case No. 21-11 to build affordable senior housing to generate revenue to help the Lisner Home thrive in place. If Wesley and Landmark wish to build a commercial residential project, a portion of the Wesley property could be rezoned for commercial residential use.

Wesley and Landmark could then refile a PUD application, hopefully after consultation with ANC 3E and reflecting an amenity and mitigation package consistent with the actual relief sought.²

For now, however, for all the reasons we have previously raised and all the reasons raised here, we respectfully ask the Zoning Commission to deny the current application.

ANC 3E³

Jonatha
n
Bender



Digitally signed by
Jonathan Bender
DN: cn=Jonathan
Bender, o, ou,
email=jbender@ibusin
esslawyer.com, c=US
Date: 2023.11.22
00:17:00 -05'00'

by Jonathan Bender
Chairperson

² Given that several mixed-use projects are in construction or slated to be built within the boundaries of ANC 3E, ample opportunities exist for Wesley and Landmark to fulfill IZ requirements by funding additional IZ units in these buildings.

³ On September 7, 2023, ANC 3E authorized the undersigned as well as Commissioners Quinn and Ghosh to represent it in all proceedings in this matter. See Exhibit 26.



ADVISORY NEIGHBORHOOD COMMISSION 3E
TENLEYTOWN AMERICAN UNIVERSITY PARK FRIENDSHIP HEIGHTS
CHEVY CHASE WAKEFIELD FORT GAINES
c/o Lisner Home 5425 Western Avenue, NW Washington, DC 20015
www.anc3e.com

ANC 3E's RESPONSE TO APPLICANT'S SECOND FINAL SUBMISSION IN ZC NOS. 23-08, 23-08(1)

On the day before the ZC's hearing last week, and two weeks after the deadline for Wesley and Landmark to submit a letter from American University (AU) demonstrating that it wanted to work with them on a joint dormitory project and had the data to support the need for same, Wesley and Landmark filed a paragraph from an AU e-mail demonstrating the opposite: AU views whatever Wesley and Landmark do on Wesley's campus as having nothing to do with AU.

As the Wesley housing proposal is an *independent* project pursued as part of *Wesley's* campus planning process, *separate* from American University's *own campus planning process*, AU has not assessed the impact of the proposed Wesley development on our campus and community.¹

AU's terse language is carefully calibrated. Wesley and Landmark's proposal is an "*independent*" project pursued as part of "*Wesley's* campus planning process." Such a process, by definition, is solely concerned with *Wesley's* housing needs. Wesley's process is "*separate*" from AU's "*own campus planning process*." AU's campus planning process, by definition, is solely concerned with *AU's* housing needs. AU's campus plan would not have been approved had the plan not incorporated sufficient housing for its students.

In short, AU has now removed doubt, if any existed, that it will *not* collaborate with Wesley and Landmark on the student apartment building that Wesley and Landmark wish to build.

Wesley and Landmark submitted their case to the Zoning Commission for decision. The time for submitting evidence during the hearing has ended. The additional time after the hearing the ZC gave to

¹ (emphasis added)

Wesley and Landmark to submit evidence regarding has ended. The time on top of that the ZC gave Wesley to submit the instant evidence has ended. Wesley and Landmark have submitted nothing that would be expected to ease the multiple concerns a majority of the Zoning Commission cited during the last hearing. Accordingly, this case is fully ripe for decision, and we respectfully ask the Commission to deny the relief that Wesley and Landmark seek.

ANC 3E stands ready to work with Wesley on a new plan, consistent with the rule of law and sound public policy, to help Wesley thrive in place, whether such a plan involves housing for students or others.²

ANC 3E³

**Jonathan
Bender**
Digitally signed by
Jonathan Bender
DN: cn=Jonathan Bender,
o, ou,
email=jbender@ibusinessl
awyer.com, c=US
Date: 2023.12.04 21:46:45
-05'00'
by Jonathan Bender
Chairperson

² We recently learned of a series of housing developments for seniors that are located on or near college campuses with the intention that interaction between students, faculty, and seniors will enrich them all. *See, eg,* <https://www.nytimes.com/2019/09/10/us/college-university-retirement-communities.html>; <https://www.retirementliving.com/college-linked-retirement-communities>.

Although such a project might not work for Wesley for whatever reason, the developments show that alternatives exist that might address needs in the community. Affordable housing for such a project likely could be provided via conventional IZ. Furthermore, AU, which already offers extensive educational opportunities for adults (many of whom are seniors), might be receptive to such a project. *See* <https://www.oli-dc.org/>

³ On September 7, 2023, ANC 3E authorized the undersigned as well as Commissioners Quinn and Ghosh to represent it in all proceedings in this matter. *See* Exhibit 26.



ADVISORY NEIGHBORHOOD COMMISSION 3E
TENLEYTOWN AMERICAN UNIVERSITY PARK FRIENDSHIP HEIGHTS
CHEVY CHASE WAKEFIELD FORT GAINES
c/o Lisner Home 5425 Western Avenue, NW Washington, DC 20015
www.anc3e.com

ANC 3E's RESPONSE TO APPLICANT'S APRIL 25, 2024 FILING IN ZC CASE NOS. 23-08, 23-08(1)

Landmark, a publicly-traded REIT, and Wesley, seek the Zoning Commission's (ZC) blessing to seek extraordinary relief. They seek not only a change to the Zoning Code just for them, but a change that sweeps more broadly than any previous text amendment to which they can point.

Because, like the members of the ZC, ANC 3E would like for Wesley to be able to “thrive in place,” members of the ANC have worked together with Landmark and Wesley to try to find a way for the Seminary to achieve its goals while simultaneously ensuring that the public receives the amenities and mitigation – primarily affordable housing – that such extraordinary relief requires.

After reading the parties' submissions, the ZC likely will, through its public deliberations, deliver an informal advisory opinion to the parties about what has been proposed. The ZC should make clear that it expects the kind of relief Landmark and Wesley seek to be accompanied by an exemplary proffer of affordable housing benefits (and one that is demonstrably so).

The ZC should also counsel Landmark and Wesley against seeking to exempt themselves from Inclusionary Zoning (IZ) requirements. Such an exemption would be unprecedented, would threaten to erode the IZ program, and is not necessary for Landmark and Wesley to achieve their substantive goals.

Landmark and Wesley Seek Extraordinary Relief

Landmark and Wesley seek to build a commercial student apartment building on Wesley's campus that will primarily serve American University's (AU) students (“Student Apartment

Building”). AU has stated that the Student Apartment Building has nothing to do with them and has consistently refused even to discuss how the building might interface with AU.

Yet, Landmark and Wesley seek to take advantage of permissive institutional zoning not available for commercial / non-educational uses. Three of four Zoning Commissioner made clear after the close of evidence and briefing that they believe the proposed Student Apartment Building is a commercial / non-educational use. Thus, had the ZC voted in the ordinary course on Landmark and Wesley’s PUD application, it would have been denied without more.

There was more, however. After reading the Office of Planning’s (OP) thorough racial equity analysis, at least half of the sitting Zoning Commissioners opined that the Student Apartment Building did not meet the Comprehensive Plan’s racial equity goals.¹ In particular, these Commissioners pointed to the low number of DC residents who attend Wesley and AU, leading in turn to a low number of DC residents likely to live in the Student Apartment Building. Landmark and Wesley’s April 25th, 2024 submission (“April Submission”) demonstrates just how few students of both institutions are DC residents. Per page 2 of the April Submission, only 13 of 113 Wesley graduates this year are DC residents, or 11.5%. Similarly, Landmark’s business analysis states that a “notable trend in enrollment at [AU] is the significant share of students, roughly *9 in 10*, that are *not from Washington DC*.”² DC residents can be expected to live off campus in higher numbers than non-campus students. Thus, DC residents can be expected to make up less than 10% of tenants in the Student Apartment Building, and perhaps much less.

Furthermore, per Landmark and Wesley’s own research, their proposed commercial Student Apartment Building, if permitted to be built using educational zoning, would be without precedent in DC,

¹ Nov. 9, 2023 Hearing Tr. at 31-2.

² April Submission, Exhibit E, at 12 (emphasis added).

its sister jurisdictions Maryland and Virginia, and, in fact in any state near DC. Indeed, out of nearly 6000 post-secondary schools in the United States, Landmark and Wesley apparently could locate *only two schools* with dormitories that served students other than their own.³ Those examples differ materially from what Landmark and Wesley propose, not least in that both involved a close partnership with the non-host institutions.⁴

Nonetheless, all the Zoning Commissioners, along with ANC 3E, believe there is value in helping Wesley to achieve its goal of “thriving in place,” and in bringing new housing units to the neighborhood, even if they would largely serve non-DC residents. Toward that end, Zoning Commissioners expressed willingness to listen to a proposal from Landmark and Wesley for a text amendment that would apply solely to Wesley’s property.

ANC 3E renews the call it made previously to address this issue through a text amendment that applies to all schools in DC for the reasons discussed in our previous filings. Should the ZC nevertheless consider a text amendment just for Landmark and Wesley, it should take into account that no single-location text amendment that Landmark and Wesley cite as precedent involves such dramatic relief.

The leading case Wesley and Landmark cite, *First Church of Christ Scientist*, reflects materially different circumstances than are present here. There, a text amendment was used to vary the Reed-Cooke *Overlay* to permit a historic church to be preserved, per an agreement the developer negotiated with the local neighborhood association. Accordingly, that case did *not* provide for a special deal for the developers that would otherwise be inconsistent with the zoning regulations generally, but merely amended a zoning overlay. The other cases cited by Landmark and Wesley involve even less relief, such

³ See “Applicant’s Post-Hearing Submission,” at Exhibit 6.

⁴ That the ZC previously permitted Wesley to fill a few vacant beds in its current dorm with AU students does not help Wesley and Landmark’s case, because that use is ancillary, and ancillary commercial uses are permitted by educational institutions.

as modification of a setback requirement. One other case they cite as an example of a single-lot text amendment, ZC # 04-27, is *not* about a single-lot text amendment; it is about implementing a zoning *overlay*.

No text amendment cited involved a change to IZ requirements, much less the wholesale elimination of an IZ requirement. Likewise, no text amendment cited involves the redefinition of a commercial use to an educational use.

For all the reasons above, the relief Landmark and Wesley seek is extraordinary.

Because Landmark And Wesley Seek Extraordinary Relief They Should Proffer Exemplary Benefits And Mitigation

If the Zoning Commission nonetheless chooses to entertain a text amendment creating a special dispensation just for Wesley, the ZC should, when it meets to discuss Landmark and Wesley's April filing and responses thereto, communicate to Landmark and Wesley that the relief it seeks is extraordinary and that such extraordinary relief requires an exemplary affordable housing proffer.

Landmark and Wesley say in their April Submission that ANC 3E has asked them to contribute "funds to provide the required quantity and affordability of [offsite] IZ units." This is misleading. ANC 3E has consistently asked Landmark and Wesley to make an *exemplary* affordable housing proffer, one that exceeds the proffers other developers have made in PUDs in our ANC boundaries that involve less dramatic relief than Landmark and Wesley seek.

As we have noted in a previous filing, a representative of a REIT similar to Landmark told ANC 3E at a public meeting that developers believe that 15% IZ is the bare minimum they now expect to need to provide to obtain PUD approval. The case that developer filed, ZC # 96-13A, 5333 Wisconsin Avenue, ultimately involved almost 16% IZ, including units a generous mix of units at 30% AMI and 50% AMI, plus an extensive suite of other amenities. The ZC granted the application. To date, however, Landmark and

Wesley have offered only the minimum (offsite) IZ required, when instead they should proffer benefits exceeding those proffered for *5333 Wisconsin Avenue*.

We have attached as Exhibit 1 letters from three affordable housing groups active in our neighborhood. Notably, one of the groups, Washington Interfaith Network Ward 3 (WIN), is a consortium of faith-based institutions like Wesley. WIN calls for at least 15% IZ in this matter. Two other affordable housing groups, Ward 3 Housing Justice NW Opportunity Partners, submitted letters calling for 30% IZ units at 30 to 50% AMI.

It should be noted that Landmark and Wesley's original student affordable housing proffer was for 10.8% affordable housing, with about 16% at 30% AMI, 29% at 50% AMI, and the rest at 60% AMI.⁵ Since then, at ANC 3E's request, Landmark and Wesley have removed 95 underground parking spaces from their proposal, spaces that we believe were unnecessary and would largely have gone unused unless Landmark and Wesley rented them at very low prices (which would incentivize car usage).⁶ One would think the savings from eliminating this many unnecessary parking spaces would yield considerable savings, and easily allow Landmark and Wesley to expand their offsite IZ proffer from what it offered originally to at least 15% with a significant number of units offered at 30 and 50% AMI. Yet, again, Landmark and Wesley have to date only talked about offering the minimum required IZ.

Landmark And Wesley's Offer To Spend \$8 Million On Affordable Housing Likely Represents A Smaller Proffer Than It Made In This PUD Proceeding And May Consist Largely Of Savings From Eliminating Unneeded Parking

Landmark and Wesley have alternatively offered to spend 8 million dollars on affordable housing. When asked at a meeting of a Wesley community liaison group where that figure came from, Landmark's counsel said that it represented the savings from eliminating the parking. At a later meeting,

⁵ See "Applicant's Proffers and Conditions for Order," submitted as Exhibit 56, at 5.

⁶ It is our understanding that Wesley originally offered these extraneous spaces largely to satisfy what it believed were community concerns.

when asked about her prior statement, Landmark's counsel said she misspoke, and that she had quoted the raw savings which would, she said, be a net wash after offsetting fees paid for use of the eliminated spaces. Again, evidence suggests that the spaces, if used at all, would have had to be offered at very low rents. In short, it is reasonable to suspect that the \$8 million Landmark now offers consists largely of cost savings from eliminating excess parking, and Landmark may hope to spend less of its profits on affordable housing via a text amendment than it would have had to spend if the existing zoning code permitted its project.

To the extent Landmark and Wesley wish to use a specified cash contribution as the yardstick for their affordable housing, we respectfully urge the Zoning Commission to view any such offer critically, and to ask for detailed analysis of both the value of student affordable housing offered in this proceeding and the cost savings from eliminating a substantial amount of unneeded underground parking.

Landmark And Wesley Should Make An Offsite IZ Proffer That Allows Apples To Apples Comparison To Other Projects

Ideally the ZC and the ANC will not need to try to compare the cash value of Landmark and Wesley's proffer to the value of affordable housing provided for other projects. The coin of the affordable housing realm in PUD proceedings is the percentage of IZ offered at given levels of income eligibility. In light of this, ANC 3E has encouraged Landmark and Wesley to seek to buy down rents in a market rent building in our ANC boundaries to create IZ units that otherwise would not exist. This would allow for an apples-to-apples comparison to IZ proffers in other projects that have provided onsite IZ.⁷

ANC 3E introduced Landmark's counsel to a principal of Urban Investment Partners (UIP), a developer active in Tenleytown. UIP hopes to convert an office building in our ANC boundaries to

⁷ Of course the market rent of the offsite units would need to be comparable to the market rent of units in the Student Apartment Building, or adjustments would need to be made to maintain parity.

residential use, and it is open to providing non-required IZ units in exchange for cash from Landmark.⁸ Moreover, if additional IZ units are required, UIP is open to providing them at its soon-to-be-completed mixed-use project at 4620 Wisconsin Avenue (being built pursuant to a PUD the ZC approved).

The details of any such arrangement would matter, of course, but conceptually we believe that the UIP opportunity, or one like it, would enable the ZC the easiest opportunity to compare Landmark's proffer to proffers made by developers in other applications requiring substantial zoning relief.

ANC 3E also sought and received a high-level proposal from the Local Initiatives Support Corporation (LISC) to create a revolving loan fund to catalyze production of new affordable housing in Ward 3.⁹ We believe that such a fund, if properly set up and run, could deliver substantial and enduring value. Establishing such a fund would entail a great deal of analysis and discussion, however. As with the UIP opportunity, the details would matter, but here the parameters would not be as clear cut as the amount of IZ and levels of affordability for each unit. Thus, the ZC would need, among other things, to look to the amount of cash Landmark contributed to compare the value of its proffer in this regard to proffers in other matters.

At this early stage, for the reasons above, we suspect that the best approach would be for Landmark and Wesley to proffer substantial offsite IZ through the UIP opportunity or one like it, and to also make a cash contribution toward a revolving loan fund. We hope the ZC will offer its advice on this issue.

⁸ This project is listed in Landmark's April Submission at No. 1, Tenleytown Adaptive Reuse.

⁹ This opportunity is listed in the April Submission as No. 3, Ward 3 Revolving Loan Fund. We have also spoken to Patrick McAnaney of Somerset Development, mentioned in the April Submission as No. 4, and we suspect the revolving acquisition fund mentioned there is essentially the same as the LISC revolving fund. Mr. McAnaney was one of the individuals who suggested LISC to us as a possible administrator of such a fund.

**The ZC Should Not Excise Affordable Housing Requirements From The Zoning Code For These
Or Any Applicants; Neither Should The ZC Change The Text Of The Code To Reflect A Condition
Commissioners Do Not Believe Is True**

Landmark wrongly contends that the “Commission has communicated a preference for the dormitory to be exempt from the IZ requirements.”¹⁰ Only one Commissioner out of the four sitting Commissioners opined that the Student Apartment Building could be considered a dormitory under the Zoning Code and that, given the position of other Commissioners, they would be inclined to support a text amendment exempting the Student Apartment Building from IZ regulations.¹¹ Moreover, this Commissioner has a long history of supporting affordable housing, and it is likely they were searching for some means of flexibility to allow Wesley to build the Student Apartment Building, and not necessarily a blanket exception from IZ obligations.

A text amendment exempting any applicant from IZ requirements would set a terrible and dangerous precedent, and it is not necessary for Wesley to achieve its goals. Instead, a text amendment could provide that the Student Apartment Building is eligible to satisfy its IZ requirement with offsite IZ (or whatever other mechanism the ZC might ultimately endorse), and that a specified proffer shall satisfy the IZ requirement. This ensures that the precedent set is for an alternative means to satisfy the IZ requirement (and a provision of the Zoning Code already permits offsite IZ under certain conditions) rather than for an elimination of the IZ requirement.

We understand that Landmark and Wesley say they would provide offsite IZ and/or other affordable housing benefits during campus plan proceedings, but exempting Landmark and Wesley from the IZ requirements in the hope that they will offer something later is putting the cart before the horse.

¹⁰ “April Submission,” at 5.

¹¹ Two of the three transcript citations Landmark provides at page 5 of its April Submission, to pages 28 and 30 of the December transcript, are to Commissioner Imamura saying that the zoning regulations do not appear to permit student affordable housing. He says nothing about a desire or preference to exempt Wesley from IZ requirements.

The ZC should likewise oppose the second text amendment that Landmark and Wesley seek on page 7 of their April Submission, which would add a Sec. 101.5 stating “A dormitory providing housing exclusively for [Wesley and AU] students, faculty and staff. . . is not a commercial activity if approved by the [ZC] as part of a campus plan.” Three of the four sitting Commissioners opined that they did not believe the Student Apartment Building constituted an educational use that would exempt it from the prohibition on commercial activity in a campus plan.¹² The language Landmark and Wesley propose to avoid that prohibition would have these Commissioners endorsing something they have stated they do not believe. It could also serve as a back door for future applicants to establish that an apartment building serving students from the host institution and another institution can be considered a “dormitory” for zoning purposes. Three of four Zoning Commissioners made clear at the November hearing that they did not believe that such an arrangement constituted a dormitory for zoning purposes under the law.

Instead of a text amendment that would require certain Zoning Commissioners to change their view of reality, Wesley can achieve its goal by an amendment that would *exempt* it from the commercial activity prohibition. An additional benefit of this approach is that it would not create a foothold for other institutions to argue that an apartment building serving two institutions’ students is a dormitory and not engaged in commercial activity.¹³

Conclusion

ANC 3E has worked with Landmark and Wesley and will continue to do so on a proposal for a text amendment to achieve its goals while simultaneously ensuring that the public receives the

¹² See, eg, Dec. 14, 2023 Hearing Tr. at 31 (“I’m not convinced this isn’t a commercial activity, and I’m not convinced that this is an educational use.”)

¹³ Should the Zoning Commission later incline to a different view of what constitutes a dormitory, it could and should engage in citywide rulemaking to change the relevant definitions.

amenities and mitigation – primarily affordable housing – that such extraordinary relief requires. We likewise will seek specific text changes that do not create an unacceptable precedent.

We believe the ZC can help the parties reach a mutually-acceptable resolution by making clear the following at its upcoming meeting:

1. Landmark and Wesley seek extraordinary relief, and such relief should be accompanied by an exemplary affordable housing proffer;
2. There must be sound evidence that the affordable housing proffer is exemplary, whether through provision of offsite IZ equivalents providing easy comparison to proffers in other matters, or otherwise; and,
3. The ZC will not create the dangerous precedent of a blanket exception from IZ for these or any parties, nor will it support a text amendment that is contrary to the expressed beliefs of Zoning Commissioners.

ANC 3E¹⁴

Jonath
an
Bender

Digitally signed by
Jonathan Bender
DN: cn=Jonathan
Bender, o, ou,
email=jbender@ibusin
esslawyer.com, c=US
Date: 2024.05.02
13:07:29 -04'00'

by Jonathan Bender
Chairperson

¹⁴ On September 7, 2023, ANC 3E authorized the undersigned as well as Commissioners Quinn and Ghosh to represent it in all proceedings in this matter. See Exhibit 26.

EXHIBIT 1

April 30, 2024

Dear Commissioner Bender and Commissioner Hood,

This note is to convey the views of the Washington Interfaith Network (WIN) Ward 3 Congregations Affordable Housing Work Group regarding the April 25, 2024 submission by attorneys representing Wesley Seminary.

WIN Ward 3 is led by five upper Northwest congregations: Adas Israel, Chevy Chase Presbyterian, National United Methodist, St. Columba's Episcopal, and Temple Sinai. Our combined congregations represent roughly 4,800 households, many of which live in Ward 3.

WIN Ward 3 shares Wesley Seminary's commitment to affordable housing in D.C. We advocate for inclusion of affordable housing on public lands, and to maximize the number of affordable units in privately owned projects in Upper Northwest. We seek opportunities to support the Mayor's goal of creating 1,990 units of affordable housing in the Rock Creek West planning area by 2025. We share with ANC3D the view that building more housing on the Wesley campus will mean less upward pressure on housing costs off-campus.

Our experience has shown that 15% inclusionary zoning (IZ) is an appropriate and achievable benchmark in Ward 3. This is what WIN Ward 3 has asked for and received in cases like the Federal Realty Investment Trust redevelopment of Friendship Center last year, for example. With that in mind, we urge ANC3E and Wesley Seminary to ensure that the value to be contributed by the Seminary approximates the cost of 15% IZ. We also request that the ANC share how the IZ units foregone on the Wesley campus would be translated into dollars for IZ units at another location.

Lastly, we ask that ANC3E ensure that IZ applied to off-site locations on behalf of Wesley provide meaningful, new IZ units.

Thank you for your consideration.

Elizabeth Vaden on behalf of WIN Ward 3



NW Opportunity Partners CDC

Expanding affordable housing and economic opportunities in NW DC

WEB: www.nwopcdc.org • EMAIL: info@nwopcdc.org

May 1, 2024

TO: Jonathan Bender, Chair, ANC 3-E
Ali Gianinno, ANC 3-E

FROM: Meg Maguire, Chair, NW Opportunity Partners CDC

SUBJECT: Response to Wesley Seminary zoning proposal

Thank you for reaching out to us for comments on the latest zoning proposal from Wesley Seminary.

We are mindful of the many adverse implications of this proposal. It sets an undesirable precedent for the many educational institutions in the city by

- requiring changes in the law that would apply only to Wesley Seminary,
- engaging in speculative commercial activities not within Wesley's mission or approved campus plan,
- exempting Wesley from a PUD process to negotiate public benefits for the community,
- exempting Wesley from providing IZ+ for community residents on site,
- proposing to buy its way out of requirements for affordable housing offsite in ways that are still vague and not tied to enforceable development benchmarks, and
- offering a low-ball payment of \$8 million that is not adequate to build the replacement units most needed in Ward 3.

We know that ANC3-E and other community groups will be weighing in on these aspects of the proposal with knowledge and wisdom. Our comments below are relevant only if the decision is made to pursue affordable housing offsite.

The affordable housing alternatives offered in the proposal are still very sketchy and would need substantial work before proving their viability.

- Alternatives #3 and #4 are similar in their apparent goals. But #3, Ward 3 Revolving Loan Fund through LISC DC is preferred for the following reasons:
 - LISC has a well-established history of leveraging substantial funds for affordable housing.
 - In consultation with the ANCs and community affordable housing organizations LISC could move quickly to establish the Ward 3 Revolving Loan Fund to receive

- the compensatory payment and begin operating immediately to work with affordable housing developers to leverage that money.
- LISC could be flexible and timely in funding various affordable housing projects in a way that DHCD could not. Somerset's proposed project on Wisconsin Ave. might be among those ready for such funding.
- This model in no way jeopardizes future legislation and appropriations for land acquisition whether as a revision of the Site Acquisition Financing Initiative (SAFE) or as a new bill, the Affordable Housing Property Acquisition Fund.
- We reject alternatives #1, Tenleytown Adaptive Reuse and #2, 5225 Connecticut Ave., NW as they are both direct payments and negotiations between two developers without public oversight and will produce only IZ units.

If offsite affordable housing is pursued, work should begin immediately to develop detailed criteria based on data and enforceable housing production benchmarks:

- Monetary compensation should be based on 30% IZ, not IZ+ (20%) required for up-zoning, to compensate for the radical departure from zoning requirements and to discourage other institutions from pursuing this method of exemption.
- The offer of \$8 million appears to be based on what Wesley believes will be attractive to supporters. However, the payment from the Wesley developer should be calculated based on the square footage that would be required under 30% IZ and the current cost to build this housing elsewhere.
- Monetary compensation should not be from Wesley to another developer for more IZ units for 60%-80% that will be produced over time through substantial development along Wisconsin Ave. Rather, these funds should be leveraged to meet the wholly unmet family-sized (2-3 bedrooms) housing needs in Ward 3 for those at 30%-50% MFI who work here but cannot afford to live here.
- Project approvals for Wesley should be tied to project development milestones for the compensatory affordable housing. This keeps all parties on task to produce results.

We look forward to continuing to work with you as you hammer out a response to Wesley Seminary.



Ward 3 Housing Justice

ORGANIZING FOR EQUITABLE HOUSING IN WARD 3

May 1, 2024

TO: Jonathan Bender, Chair, ANC3E

FM: Margaret Lenzner, for Ward 3 Housing Justice

SUBJECT: Response to Wesley Seminary Application, ZC Case 23-08

We appreciate the opportunity to comment on Wesley Seminary's unique application for development of a new dormitory.

Ward 3 Housing Justice has been advocating affordable housing in Ward 3 for more than three years. While thousands of new, luxury apartments have been built and are in the pipeline in Ward 3, only very few are dedicated affordable. Our community needs hundreds of truly affordable housing units for people with incomes below 50% MFI, but Inclusionary Zoning at 80% MFI has been the only, insufficient mechanism.

We oppose any dilution of IZ requirements. Exempting Wesley through exclusive zoning code text amendments for IZ and Campus Plans would set a dangerous precedent.

If the Zoning Commission were to allow off-site affordable housing in this matter, W3HJ would consider supporting the standards outlined in the response submitted by Meg Maguire of NW Opportunity Partners CDC.