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Mr. Anthony J. Hood, Chairman
DC Zoning Commission
441 4th St. N.W., Second Floor
Washington, D.C. 20001

RE: Z.C. Case No. 24-09
Notice of Proposed Rulemaking for the Wesley Theological Seminary

Dear Chairman Hood and Members of the Zoning Commission:

I have reviewed the Notice of Proposed Rulemaking (NPRM) published in the DC Register on January 17, 2025, comprised of the text amendments proposed for the Wesley Theological Seminary (Wesley). I believe that these “spot zoning” changes will negatively impact my neighborhood and will undercut DC’s interest in promoting affordable housing. For the reasons discussed below, I oppose these proposed changes.

As background, I have lived in the District of Columbia (DC) for thirty-five years and have owned my current home, in the Spring Valley neighborhood, for over twenty-two years. My house is a block from the Wesley campus.

In the following I detail my objections. I characterize what Wesley is proposing in true terms; discuss why it is not justified; explain why the proposed alternative to providing required affordable housing is not executable; and note the city-wide implications of establishing a precedent to neuter well-considered zoning regulations.

1) The special dispensation that Wesley seeks is not incremental, but is transformational.
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From my perspective as a member of the neighborhood, the Wesley campus has been a suitable neighbor to a residential community, incorporating a quiet, low density educational facility that serves a student population.

But the changes proposed by Wesley completely turn the existing paradigm on its head.

Wesley is not simply proposing to augment the seminary by adding students, instructors, and supporting facilities, which would be a reasonable request. Instead, Wesley proposes to transform the campus into a bustling commercial facility, taken over and operated by a commercial entity, Landmark Properties, for purely commercial purposes. In terms of size alone, Wesley itself will be a secondary presence on its own campus, albeit one that will receive windfall payments from the terms of its ground lease with Landmark.

Wesley proposes to change the primary purpose of the campus from educating seminary students to one of generating revenue.

2) Wesley is an extremely wealthy entity that currently gets substantial financial relief from the DC Government.

Wesley has stated that it needs relief from DC zoning regulations to “thrive in place.” But Wesley is already getting substantial relief from the DC Government.

According to the D.C. Office of Tax Assessment¹, for 2024 Wesley’s property within DC is valued at \$76,633,100. Nevertheless, it does not pay taxes on any of these facilities, including the president’s home, because of its exemption status. For 2024 alone, \$654,903 was forgiven.

Simply put, Wesley has purpose-built facilities on a beautiful piece of land, extremely well placed in the capital of the United States, on which taxes are forgiven. There is no place in the United States that would provide a more attractive alternative to this location.

Like any entity, it is up to Wesley’s management to ensure that the cost of providing service should be in line with the funds it collects, through tuition and other income. If Wesley is running at a loss, such a loss is not due to costs imposed by its DC location or taxes due to the DC Government. As with any institution, any Wesley budget problems should be dealt with by cutting costs or increasing tuition and other income. It would be an abuse of its current, privileged, tax-free status to turn its campus into a commercial enterprise, in violation of well-considered zoning regulations.

3) Wesley is seeking extraordinary relief with an empty threat.

Wesley has stated that it needs relief from DC zoning regulations to “thrive in place.” Indeed, in Community Liaison Committee (CLC) meetings with the neighborhood, Mr. McAllister-Wilson, president of Wesley, has threatened explicitly that Wesley might leave if it does not get what it wants. However, the facts undercut this threat.

As noted above, Wesley is very wealthy. Of its total assessed assets of \$76,633,100, \$34,267,650 are land values and \$42,395,450 are improvements. The buildings on the Wesley campus itself are valued at \$36,944,740. They are of little value to potential buyers should Wesley decide to move and sell, as they are built for Wesley’s mission. So, if Wesley moved from their existing campus, they would be walking away from purpose-built facilities that support their mission, with little possibility of recouping the majority of this \$36.9 M substantial investment.

On top of that, establishing a new campus elsewhere would require that Wesley build or rent new facilities.

It is simply not practical for Wesley to move from its existing site. Wesley’s threat to leave is not made in good faith.

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https://otr.cfo.dc.gov/sites/default/files/dc/sites/otr/publication/attachments/Properties_Exempt_From_Taxation_in_2024.pdf

- 4) Wesley has provided no clarification of the resulting tax status if the text amendment is approved.

If Landmark built the proposed commercial structure on neighboring, non-Wesley property, the land would be properly taxed as a commercial entity.

The proposed text for § 101.5 states that building will not be considered a commercial entity. Does this mean that Landmark will not be paying, directly or indirectly, property taxes? Does this mean that Wesley is essentially selling its tax-free status?

The Commission should have answers to these questions before approving the proposed text. If the answer to either question is “yes” then the Commission should not approve this text.

- 5) Where will the extra money go?

As Wesley has been pursuing this project for approximately eight years without closing its doors, it is clear that it can survive without the healthy fees that it will receive from the Landmark project. So, the question arises as to where the substantial extra income will go. As Wesley is a non-profit, the funds need to go somewhere.

DC taxpayers deserve to learn whether the money will go to enhance life in DC, or whether Wesley will use the proposed engine of revenue on its campus to send funds outside the city?

- 6) The alternate proposal for inclusionary zoning is unrealistic and a sham.

The proposed text amendment guts DC initiatives for affordable housing through inclusionary zoning. By offering Wesley the freedom to meet its inclusionary zoning obligations by “alternate means,” the text amendment is allowing Wesley to dodge its, here-to-fore, clear obligation. There is no way to ensure that a pure financial commitment, as discussed by Wesley, regardless of size, will actually lead to housing.

In the real world the use of committed funding is often held up indefinitely by unseen pragmatic issues and the funding is often eroded by routine administrative costs and the impact of inflation. Without a clear, executable project plan in place to turn funding into housing, there is no way to predict how much housing might be produced from any funding that Wesley and its business partner, Landmark, contribute to the effort.

Indeed, the amount in these discussions was \$8M, without any supporting cost estimation. In other words, this is not an amount that Wesley and Landmark have determined would produce a certain amount of affordable housing. Instead, this is reported to be the amount that Landmark saved by reducing the amount of parking in the large commercial building they want to construct.

Quite frankly, Wesley has had a substantial period of time to identify, develop, and propose a realistic project for providing affordable housing, perhaps via a funding plan. Since they have failed to this point, there is no reason to expect that they will succeed in the future to provide affordable housing through blind funding.

In short, Wesley’s commitment to its affordable housing obligation is a sham.

7) The proposed text amendments will establish precedents that will have impact across the city.
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If the Zoning commission provides this extra dispensation for Wesley for substantial commercial development on its campus to create a funding stream, it is establishing a precedent that other institutions will jump on. Wesley is not the only institution in DC with substantial assets, including land, improvements, and tax-free status, that will wish to monetize those assets. If Wesley's plan for turning part of its campus into a commercial enterprise is allowed, others will –justifiably-- demand equal treatment.

Summary

Every property owner wants the freedom to do whatever they want on their property. But these desires must be balanced against how those initiatives affect nearby neighbors and, importantly, the city in general. When the balance weighs against the property owner, as it does here, that owner needs to provide data to support their case.

Wesley has steadfastly refused to provide detailed information and simply states that it wants to “thrive in place.” How does “thriving in place” differ from its current status? Frankly, I do not know exactly what “thrive in place” means and I suggest that no one else knows either.

I recommend that the zoning commission reject Wesley's text amendments and direct Wesley to work within the established, well-considered zoning regulations. Countless other institutions in DC do so.

Thank you for this opportunity to comment.

Sincerely,

/J. L. Seftor/

J.L. Seftor