

GOVERNMENT OF  
THE DISTRICT OF COLUMBIA

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ZONING COMMISSION

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REGULAR PUBLIC HEARING

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IN THE MATTER OF: :  
: :  
Case No. 22-01 :  
Office of Planning :  
Text Amendment to :  
Subtitle G, H & I, : Case No. 22-01  
Permit Matter-of-Right :  
Residential Use of :  
Non-Residential Building :  
Built Prior to 01/01/2022 :  
that Exceeds Development :  
Standards for Residential Use :  
-----:

THURSDAY

JUNE 16, 2022

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The Public Hearing of Case No. 21-01 by the District of Columbia Zoning Commission convened via videoconference, pursuant to notice at 4:00 p.m. EDT, Anthony J. Hood, Chairman, presiding.

ZONING COMMISSION MEMBERS PRESENT:

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

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OFFICE OF ZONING STAFF PRESENT:

SHARON SCHELLIN, Secretary  
PAUL YOUNG, Zoning Data Specialist

OFFICE OF PLANNING STAFF PRESENT:

JENNIFER STEINGASSER, Deputy Director  
JOEL LAWSON, Project Manager  
JONATHAN KIRSCHENBAUM, Development Review Specialist

OFFICE OF THE ATTORNEY GENERAL (OAG):

ALEXANDRA CAIN, Assistant Attorney General  
MS. BULLOCK

OFFICE OF ZONING LEGAL DIVISION STAFF PRESENT:

HILLARY LOVICK, ESQUIRE

The transcript constitutes the minutes from the  
Public Hearing held on June 16, 2022

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Case No. 21-01: Office of Planning  
Text Amendment to Subtitle G, H & I,  
Permit Matter-of-Right, Residential Use  
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P-R-O-C-E-E-D-I-N-G-S

(4:00 p.m.)

All right. Good afternoon, ladies and gentlemen. We are convening and broadcasting the public hearing by videoconferencing. My name is Anthony Hood. Joining me this evening are Vice Chair Miller, Commissioner May, and Commissioner Imamura. We're also joined by the Office of Zoning staff, Ms. Sharon Schellin and Mr. Paul Young, who will be handling all of our virtual operations. Also our Office of Zoning Legal Division, we're joined by Ms. Lovick. I will ask all others to introduce themselves at the appropriate time.

Today's subject is Zoning Commission Case No. 21-01. This is an Office of Planning Text Amendment to Subtitle G, Chapter 2, General Development Standards for MU Zones; Subtitle H, Chapter 2, General Development Standards for NC Zones; and Subtitle I, Chapter 2, General Development Standards for D Zones. And again, today's date is June the 16th, 2022.

Copies of today's virtual public hearing notice are available on the Office of Zoning's website. Please be advised that this proceeding is being recorded by a court reporter. It is also webcast live, WebEx and YouTube live. The video will be available on the Office of Zoning's website after the hearing.

Accordingly, all those listening on WebEx or by phone will be muted during the hearing, and only those who have signed up to participate or testify will be unmuted at the appropriate

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1 time. Please state your name and home address before providing  
2 oral testimony on your presentation. When you are finished  
3 speaking, please mute your audio so that your microphone is no  
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5 difficulty accessing WebEx or with your telephone call-in, then  
6 please call our OZ hotline number at 202-727-0789 for further  
7 instructions.

8 All persons planning to testify either in favor or in  
9 opposition, we encourage you to sign up in advance, and your name  
10 will be called accordingly. If you wish to file written testimony  
11 or additional supporting documents during the hearing, then  
12 please be prepared to describe and discuss it at the time of your  
13 testimony.

14 The hearing will be conducted in accordance with  
15 provisions of 11Z DCMR, Chapter 5, as follows: preliminary  
16 matters, we will have a presentation in this case. Petitioner  
17 is the Office of Planning. We will have reports of other  
18 government agencies, reports of the ANC. This is citywide. And  
19 then we'll have testimony of organizations and individuals. Each  
20 will have five minutes and three minutes, respectively. And we  
21 will be hearing in the following order from those who are in  
22 support, opposition, and undeclared. While the Commission  
23 reserves the right to change the time limits for presentations  
24 if necessary, it intends to adhere to the time limits as strictly  
25 as possible and notes that no time shall be ceded. Again, any

1 issues, please call our OZ hotline number at 202-727-0789. At  
2 this time the Commission will consider any preliminary matters.

3 Does the staff have any preliminary matters?

4 MS. SCHELLIN: The staff has no preliminary matters  
5 on the case other than to state that Jennifer Steingasser,  
6 Joel Lawson, and Jonathan Kirschenbaum will be the presenters.  
7 And I do want to let the Commission know that Mr. Barron's last  
8 day -- this is his last hearing with us. He will be joining the  
9 Office of Planning in their Neighborhood Planning department, I  
10 believe. And so I did want to let you guys know that. And so  
11 if you want to give him a hard time this evening, you may do  
12 that.

13 CHAIRPERSON HOOD: Oh, --

14 MS. SCHELLIN: And for leaving me. But anyway, so we  
15 are ready. And they -- OP is going to have a PowerPoint  
16 presentation.

17 CHAIRPERSON HOOD: Thank you. Thank you, Ms. Schellin.  
18 Let me just say -- I don't know if Mr. Barron is listening, but  
19 if he's not, you can have him go back and look at this. I want  
20 to thank him for coming right in and hitting the ground running.  
21 I'm a little taken aback that OP is stealing our good workers.  
22 But we can deal with that accordingly and later. I won't blame  
23 the people who come in front of us. I blame the director and  
24 whoever hired him.

25 But anyway, you never stop progress. We want to commend

1 and congratulate Mr. Barron in moving forward. Again, thank him  
2 for all of his service. Even when Ms. Schellin was out, we did  
3 not miss a beat. Sometimes we missed -- in the past, sometimes  
4 we might miss a beat if Ms. Schellin is not around to keep me  
5 and the Commission on track, but Mr. Barron filled right in. We  
6 stayed on track with the other staff, and we didn't miss a beat.

7 So I think on behalf of all of us, we want to commend  
8 Mr. Barron as he goes forward. And if he comes back in front of  
9 us, we'll give him a hard time at that time. But right now, we  
10 want to wish him well as he continues to move on with his career.  
11 Thank you.

12 All right. Okay. Unless somebody else wants to add  
13 to that --

14 VICE CHAIR MILLER: I would just second that.

15 CHAIRPERSON HOOD: Okay. Yeah, I think we all can  
16 agree on that one. That's one thing we can do. So at least we  
17 agreed on that.

18 All right. So Ms. Schellin, I think if we can bring  
19 everybody up? I see Ms. Steingasser, Mr. Kirschenbaum,  
20 Mr. Lawson.

21 Once you all turn your cameras on, or however you want  
22 to do it, you all can go right ahead.

23 MR. KIRSCHENBAUM: Thank you. And if we could pull up  
24 -- yeah.

25 So Good afternoon Chair Hood and members of the Zoning

1 Commission. I'm Jonathan Kirschenbaum with the Office of  
2 Planning. The Office of Planning recommends approval of this  
3 Text Amendment, which would allow non-residential buildings to  
4 convert to residential use, even when the building does not comply  
5 with certain residential development standards. The proposal  
6 will not be inconsistent with the Comprehensive Plan.

7 Next slide please.

8 So first, we would like to start with a bit of  
9 background on this. The MU, NC, and Downtown zones have the  
10 following regulation, which allows, for an example, an office  
11 building to convert to an apartment house, even when the  
12 residential FAR may exceed what is currently allowed by zoning.  
13 So to qualify for this, the building must have been built prior  
14 to November 17th, 1978. And the Zoning Administrator has  
15 interpreted this regulation to also apply to other residential  
16 development standards, such as lot occupancy and rear yards.

17 Next slide, please.

18 So since the time of set down, we've made several  
19 changes to the proposed text, including refining it to specify  
20 the individual development standards that may be exceeded,  
21 streamlining the development standards that may be exceeded so  
22 that the Downtown zones match what would be allowed in the MU  
23 and NC zones. And also, we propose to apply this regulation to  
24 the D-1-R and D-2 zones. The existing Zoning Regulation omits  
25 these zones, because they're former R-5 and SP zones, where this



1 regulation did not apply under the 1958 Zoning Regulations.

2 But upon further research, we found that it would be  
3 necessary to incorporate these zones to ensure full consistency  
4 between all of the zones and how this regulation works.

5 Next slide, please.

6 So the proposal is to codify the existing  
7 interpretation from the Zoning Administrator to allow a building  
8 to convert to residential use, even when it does not comply with  
9 certain development standards, as shown on the slide in front of  
10 you. OP also proposes to change the existing vesting date from  
11 November 17th, 1978, to January 1st, 2022. This will allow  
12 additional buildings wishing to convert to residential use to  
13 qualify if they're overbuilt for the current Zoning Regulations.  
14 And it also corresponds to changing market dynamics that support  
15 the conversion of non-residential buildings to residential use.

16 Next slide, please.

17 So sorry to reiterate. This is a pretty  
18 straightforward case that seeks to expand the vesting date for  
19 this existing regulation and to codify a long-standing  
20 interpretation from the Zoning Administrator. The proposal  
21 eliminates the need for a property owner to request zoning relief  
22 to convert to residential use for portions of a building already  
23 built. This will reduce the time needed to obtain approvals for  
24 converting a building to residential use, allowing housing to be  
25 constructed faster, and will reduce project costs that are

1 normally associated with discretionary approvals, either --  
2 generally at the Board of Zoning Adjustments. This is  
3 particularly important for a conversion located in a zone where  
4 there's an IZ requirement.

5 Next slide please.

6 And as the Commission is well aware, last year, the  
7 Commission reviewed Case 21-05 and approved it to -- which  
8 will -- which applies regular IZ to buildings that convert to  
9 residential use. As the Commission knows, previously, these  
10 conversions were always exempt from the IZ program. And as the  
11 Commission will also remember, last year, 21-02 was also  
12 approved, and that applied regular IZ to all MU and NC zones.  
13 And as the Commission will remember, there have been certain MU  
14 and NC zones where IZ was also exempt, and that text amendment  
15 that was approved by the Commission applied it to all MU and NC  
16 zones.

17 And also, as the Commission is aware, there is ongoing  
18 IZ work that OP is evaluating, including studying the  
19 applicability of an IZ requirement in all Downtown zones. And a  
20 public roundtable will be held on this in the fall for Case 21-  
21 23. And as a reminder, IZ currently does apply to the D-2, D-4,  
22 and D-8 zones.

23 Next slide please.

24 So the proposal would not be inconsistent with the  
25 Comprehensive Plan, which contains policies that support new ways

1 to provide additional housing and to distribute additional  
2 mixed-income housing more equitably across the entire City. The  
3 Commission's racial equity tool serves as a guide to considering  
4 potential impacts of zoning action, sorry, zoning actions. So  
5 the expected goal of this zoning action is the removal of a  
6 potential barrier to the provision of housing that results from  
7 a change in use of existing buildings.

8           When evaluated through this racial equity lens, the  
9 proposal would not displace any residents. It would promote the  
10 adaptive reuse of existing buildings and could help reduce carbon  
11 emissions that are, you know, typically associated with the  
12 demolition of existing buildings. And it will also expand the  
13 ease of providing housing opportunities, including IZ units where  
14 IZ is applicable.

15           Next slide, please.

16           And so to conclude this presentation, we would like to  
17 just go over some of the community comments that have been  
18 received into the record, as they relate to the Downtown and the  
19 IZ program in general, including that the lack of IZ requirements  
20 in the Downtown zones. You know, as we previously mentioned,  
21 this is being considered under Case 21-23. And the D-2, D-4,  
22 and D-8 zones do have an IZ requirement. And then other comments  
23 were that there should -- other comments proposed an alternative  
24 set-aside requirement that would be higher -- that would require  
25 higher IZ requirements for existing buildings that convert to

1 residential use. And these IZ requirements are proposed -- or  
2 are proposed higher IZ requirements than if a new building were  
3 to be built.

4 And we -- OP believes that this proposal exceeds the  
5 scope of the advertised text and disincentivizes housing  
6 production. The proposal also creates additional complexity for  
7 administering the IZ program. And we're also concerned that the  
8 numerous proposals to amend the IZ requirements undermines the  
9 predictability of the production of housing, and particularly  
10 affordable housing. So therefore, OP recommends that the  
11 Commission approve this Text Amendment, as proposed in OP's  
12 public hearing reports. And this concludes my presentation.  
13 Please let me know if you have any questions. Thank you.

14 MR. KIRSCHENBAUM: Thank you, Mr. Kirschenbaum and the  
15 -- to the Office of Planning's team.

16 I'm going to let my colleagues go first, but I'm just  
17 going to make a statement. And I'm looking forward to hearing  
18 others as we go through this. I am very concerned when I look  
19 in this record, and I don't see a community represented and making  
20 comments. Now there may be somewhere and I don't -- I see the  
21 Committee of 100 has, you know, has input. I see the Office of  
22 Attorney General has opined. But when I don't see not -- unless  
23 I missed it. I didn't -- I looked for the community. I looked  
24 for the ANCs. I did see a letter from the union, which I think  
25 is very valid.

1 But I'm going to have that discussion later. I just  
2 want to get everybody ready. I always go last. But those are  
3 some major concerns for me, because I sit on BZA, and I sit on  
4 the Zoning Commission sometimes, and we do certain things and  
5 just pops up and say, well, the Zoning Commission did not -- and  
6 I have to sit there and wonder that wasn't what we was trying to  
7 get to. But I understand what we're trying to achieve here. But  
8 my concern is when we did reach out to the community, did they  
9 understand?

10 I know OAG did what they did, but I don't know what  
11 they represented to the community. I just have a concern with  
12 that. And I'll leave it at that. And I don't know if anybody  
13 wants to respond now or wait. Let's just wait until my time of  
14 questioning, because I may go down further lines.

15 Let me open it up to Commissioner May. You have any  
16 questions or comments?

17 COMMISSIONER MAY: Yeah, I have a few questions. So  
18 Mr. Kirschenbaum, the -- you cited a handful of D zones where IZ  
19 already applies. Can you repeat that for me?

20 MR. KIRSCHENBAUM: For sure. D-2, D-4, and D-8.

21 COMMISSIONER MAY: D-4 and D-8. Okay. And can you  
22 tell me where those are? I don't remember which zones are there.  
23 But are those -- ?

24 MR. KIRSCHENBAUM: I don't know off of the top of my  
25 head. I don't know if Ms. Steingasser knows. I don't have the

1 zoning map pulled up in front of me.

2 COMMISSIONER MAY: Well, give me -- what I'm wondering  
3 is, I mean are those zones in areas where we are likely to find  
4 older office buildings that are fixed for this kind of?

5 MR. KIRSCHENBAUM: That I just don't know off-hand. We  
6 can certainly respond back to the Commission.

7 MS. STEINGASSER: There would certainly be some,  
8 Commissioner May, in the D-8, probably not too many in the D-2  
9 and the D-4. But the other D zones are all being analyzed as  
10 part of the work we're doing this summer leading up to a  
11 roundtable this fall that we're looking at.

12 COMMISSIONER MAY: Okay. I mean, that's really kind  
13 of what I'm edging into. Is there -- and can you explain why  
14 you think that (audio interference) --

15 MS. STEINGASSER: I can't hear you.

16 COMMISSIONER MAY: -- that --

17 MS. STEINGASSER: Sorry.

18 COMMISSIONER MAY: I'm sorry. Can you hear me now?

19 MS. STEINGASSER: Yes.

20 COMMISSIONER MAY: Okay. Can you explain why we're not  
21 trying to get out ahead of that process? I mean I know I don't  
22 -- getting out ahead of the zone issues. But why aren't we  
23 looking at the prospect of going ahead and applying IZ to these  
24 conversions, since we are basically waving the magic wand and  
25 granting some flexibility that doesn't already exist, or at least

1 not officially, and generally speaking, constructing a -- or  
2 rehabbing -- in theory, rehabbing an office building into an  
3 apartment building is less costly than building a building from  
4 scratch.

5 I know it's not less expensive than just rehabbing the  
6 office building into a new office building. But I mean, the  
7 argument has been made in the record that, you know, that it's  
8 cheaper to convert one of these buildings than it would be to  
9 build something from scratch. But can you explain to me why it  
10 doesn't make sense to try to jump ahead here? I'm not arguing  
11 that it is. I'm just asking why -- what your rationale.

12 MS. STEINGASSER: I don't think -- well, first of all,  
13 I want to -- it was brought to my attention the Cotton Annex  
14 building, that's D-8. So that area around that is D-8. And it  
15 did have -- it was subject to IZ as part of its conversion.

16 COMMISSIONER MAY: Okay.

17 MS. STEINGASSER: So that -- it's not that we are  
18 jumping ahead, it's that we'll be losing the -- we'll be losing  
19 opportunity for housing if we wait to convert. The Council --  
20 I'm sorry. The Commission started its work on conversions last  
21 year with Case 21-05, where we said all conversions are now  
22 subject to IZ. Prior to that date, no conversion. If you  
23 converted from an office to a residential use, you were not  
24 subject to IZ, unless you had a 50 percent increase and had a  
25 lot of conditions tied to it.

1 But the conversion itself was not subject to IZ. As  
2 part of our expansion of the IZ program last year, that was one  
3 of our big moves was to say no, those conversions are now subject  
4 to the -- the few zone -- the Downtown zones are what we're  
5 looking at separately. So we would hate to not be able to capture  
6 those conversions that might happen between now and the  
7 completion of that analysis by waiting on this.

8 Plus, this is really just a clarifying text. The Zoning  
9 Administrator has confirmed that he has read -- the way he reads  
10 that section, it allows for that kind of recognition of conformity  
11 and conversion, but it does also put a delay on projects. If we  
12 -- if we don't go forward with this clarifying text, there could  
13 be provisions or conditions and circumstances where a property  
14 owner would end up going to the BZA, adding another six months  
15 on to their process plus whatever costs are involved, just to get  
16 that special exception or that variance from a court setback or  
17 from a rear yard setback.

18 In the Downtown zones, there really aren't that many  
19 places where the -- this provision would apply, because there is  
20 so much flexibility. But we do -- we didn't want to continue  
21 the momentum of moving these text amendments forward and  
22 completing that conversion. But in the -- when we come back in  
23 December or January with the text for the Downtown provisions,  
24 this would be in place already. There would be no -- they're  
25 not a across purposes.



1 COMMISSIONER MAY: Right. Not across purposes, but  
2 what we would wind up doing at that point, I imagine across the  
3 --

4 MS. STEINGASSER: You're going in and out. I --

5 COMMISSIONER MAY: Yeah. I don't know what the problem  
6 is with my microphone lately. You're going to have to deal with  
7 a very big me.

8 MS. STEINGASSER: Okay.

9 COMMISSIONER MAY: Is this better?

10 MS. STEINGASSER: Yes.

11 COMMISSIONER MAY: Okay. Well, when we consider the  
12 Downtown zones in the fall, we would, at that point, consider  
13 making that apply to these conversions as well. They would be --

14 MS. STEINGASSER: Right.

15 COMMISSIONER MAY: -- across the zone. Right. Okay.

16 MS. STEINGASSER: And --

17 COMMISSIONER MAY: And -- sorry.

18 MS. STEINGASSER: And those projects that don't already  
19 have building permits would be subject to the IZ that the  
20 Commission may or may not adopt, whatever your provisions are.

21 COMMISSIONER MAY: Say that again.

22 MS. STEINGASSER: So it's not -- this won't be --

23 COMMISSIONER MAY: If you could just repeat.

24 MS. STEINGASSER: -- an onslaught of vested projects.  
25 Like, there's not going to be dozens of office buildings in the

1 downtown that are rushing in to vest under some provision to  
2 forego any future action of the Commission.

3 COMMISSIONER MAY: Okay.

4 MS. STEINGASSER: So if they don't have the building  
5 permit by the time we finish the DD study, and there is a change,  
6 they would be subject to that.

7 COMMISSIONER MAY: Right.

8 MS. STEINGASSER: Yeah.

9 COMMISSIONER MAY: Okay. All right. Thank you.

10 That's it for me.

11 CHAIRPERSON HOOD: Okay. Thank you, Commissioner May.

12 Commissioner Imamura?

13 COMMISSIONER IMAMURA: Thank you, Mr. Chairman. I'm  
14 interested in your comments and Vice Chair Miller's comments. So  
15 I yield my time.

16 CHAIRPERSON HOOD: Well, Commissioner Imamura, you're  
17 starting off right. I'm glad you're interested in my comments.  
18 No, I'm just playing.

19 COMMISSIONER IMAMURA: Yes, sir.

20 CHAIRPERSON HOOD: Vice Chair Miller?

21 VICE CHAIR MILLER: Thank you, Mr. Chairman. I too,  
22 am interested in your comments. And I'm always interested to  
23 hear Commissioner May's questions and Ms. Steingasser's and  
24 Mr. Kirschenbaum's responses and presentation.

25 So I thank you, to the Office of Planning for bringing

1 forward this case.

2 Just to clarify, regular IZ, where it applies in these  
3 zones, and it applies in three -- 3D -- three of the Downtown  
4 zones, as was just clarified. Just three of them. And if -- it  
5 also applies in -- it applies -- does it. It applies in all of  
6 the mixed-use and neighborhood mixed-use zones. Is that correct?

7 MS. STEINGASSER: Yes, sir.

8 VICE CHAIR MILLER: Yeah. I guess I don't really have  
9 any specific questions to the Office of Planning. I have one,  
10 just for the public's benefit and our -- and my own -- refreshing  
11 of my own recollection. We haven't set a date for that public  
12 roundtable on the Downtown zone's inclusionary zoning issue, have  
13 we yet, Ms. Schellin, I guess.

14 Or Mr. -- Chairman Hood, we haven't yet set a date yet  
15 or published any notice yet, but we are going to do that in the  
16 near future; is that correct?

17 CHAIRPERSON HOOD: Well, let me just add before  
18 Ms. Schellin chimes in. I going to have to go to her for the  
19 dates. I just don't want the public to get confused about our  
20 racial equity roundtable versus what we're talking about this  
21 roundtable.

22 So Ms. Schellin --

23 I don't think we have, but I'm going to let Ms. Schellin  
24 respond.

25 MS. SCHELLIN: So you want a roundtable in September

1 or?

2 CHAIRPERSON HOOD: No, we already have one set in  
3 September. Remember.

4 MS. SCHELLIN: We have one for racial equity. That is  
5 true.

6 CHAIRPERSON HOOD: Right. Right. Right. But we're  
7 dealing with the downtown area -- I think the Office of Planning  
8 --

9 Let me ask this. Hold on. Let's back up. Is the  
10 Office of Planning going to have a roundtable, or you want us to  
11 have a roundtable?

12 MS. STEINGASSER: What we had originally presented to  
13 the Commission was that OP would host the roundtable and  
14 would -- we would report back in September of the work we've done  
15 through the summer. And at that point, we would schedule a  
16 roundtable either for late September or October. And then we  
17 would have the roundtable. That way the Commission could observe  
18 and be involved and ask questions without there being a specific  
19 case or a subtext. And then we would bring back -- after that,  
20 we would bring back text to the Zoning Commission based on  
21 everything we've heard. But the original idea was that OP would  
22 host the roundtable. The Commission would, obviously,  
23 participate if you wanted.

24 VICE CHAIR MILLER: I agree --

25 MS. STEINGASSER: And, no, we've not set that date yet.

1 VICE CHAIR MILLER: Okay.

2 MS. SCHELLIN: I didn't understand that you were going  
3 -- that you were anticipating the Commission to participate in  
4 the roundtable, because their schedule is pretty full.

5 MS. STEINGASSER: The Commission is welcome to  
6 participate.

7 MS. SCHELLIN: Okay. I'm sorry. I understand.

8 MS. STEINGASSER: It was our understanding that the  
9 Commission was interested in participating in a kind of public  
10 dialogue about this issue without there being advertised text or  
11 a set case.

12 CHAIRPERSON HOOD: So I think we -- let me just say  
13 this. I think we will. I just don't want to -- Vice Chair, I  
14 don't want to mix up the racial equity. Right. We're going to  
15 be roundtable out. But I don't want to mix up the racial equity  
16 roundtable. I think, as Ms. -- that's the way I kind of  
17 understood it, the way Ms. Steingasser mentioned. But I think  
18 Ms. Schellin and others, we will find a way, if we want to  
19 participate, to participate. We will work that out. But I just  
20 didn't want to mix up the two roundtables. There are many  
21 roundtables.

22 VICE CHAIR MILLER: Okay.

23 MS. SCHELLIN: So it's optional if you want to  
24 participate or not in a roundtable.

25 CHAIRPERSON HOOD: We'll wait for the report from

1 Office of Planning. I think they're going to be doing some leg  
2 work before that, and then they'll bring some things to us. And  
3 then, as Ms. Steingasser mentioned, we want to also -- there are  
4 a lot of times when things go on, we want to have a chance to be  
5 able to say something outside of a case. That goes on a lot.

6 So we'll figure that out, Vice Chair and colleagues.  
7 I don't know if we're going to figure it out tonight. But we'll  
8 figure it out.

9 VICE CHAIR MILLER: And I'm sorry. I appreciate that  
10 clarification, because I had gotten confused in my mind as to  
11 what roundtable we were having and Office of Planning was having.  
12 So that's helpful. And I think that does clarify it. And I  
13 think, just on the -- so on -- and I definitely do want to  
14 participate in some way in that Office of Planning public dialogue  
15 on -- or at least observe, on the application of inclusionary  
16 zoning to the Downtown zone, so.

17 And I think you also, Ms. Steingasser, I think, had  
18 promised that by a certain date, I think -- I don't. But correct  
19 me if I'm wrong. I don't want to bring more confusion to this,  
20 but that you would bring -- back come back with a recommendation  
21 sometime after that dialogue. I think it was November maybe. I  
22 can't remember if you actually threw out a date, that there would  
23 be a recommendation before the Zoning Commission to deal with  
24 that issue one way or the other.

25 MS. STEINGASSER: Yes, sir. We will be bringing back

1 -- after the roundtable, we will bring back a recommendation to  
2 the Commission in a standard form, you know, recommending set  
3 down and hearings. And we expect that will probably be in  
4 November.

5 VICE CHAIR MILLER: Right. That's what I wanted to  
6 clarify. Thank you.

7 I have no other questions at this time, Mr. Chairman.  
8 I'm looking forward to your further comments.

9 CHAIRPERSON HOOD: Thank you.

10 I want to -- let me start off first with the SEIU. And  
11 let me preface all of my remarks with I think all of us have  
12 different ways that we try to approach things in what we're trying  
13 to achieve. Sometimes they may coincide or bump up against each  
14 other. But I think the general reality of everyone who submitted  
15 in this case is trying to achieve affordable housing. But there's  
16 some other caveats that go to an IZ expanding, and I get all  
17 that.

18 But when I'm looking at the record, Ms. Steingasser,  
19 Mr. Kirschenbaum, and Mr. Lawson, and I don't see no ANC. And  
20 I'm not pushing it to the -- to the OP. I'm just concerned that  
21 I don't see the community represented. Now, I do see -- and I'm  
22 not discounting the Committee of 100. I know they're engaged.  
23 I'm not discounting SEIU, because I want to get to their letter  
24 too and OAG. I'm not discounting anybody.

25 But when I don't see the community, the ANC

1 commissioners that may potentially, at some point, be involved  
2 with some of this, I get very concerned. What was our outreach  
3 to the ANC?

4 MS. STEINGASSER: Well, I'll ask Ms. Schellin to weigh  
5 in on that. They send out an official public notice. They get  
6 a notice of the Commission's meetings when OP files, you know,  
7 so they get an agenda of the meetings. They know the case is  
8 being brought forward and set down. Then the -- every ANC is  
9 officially noticed by Ms. Schellin. And I'm not -- I think that's  
10 all by email, by a virtual system. So they're -- they do get  
11 noticed. I mean, we get invited out randomly to ANCs to talk  
12 about all kinds of cases and planning issues that are going on.  
13 So they do get the notice.

14 CHAIRPERSON HOOD: Let me ask this. Has anybody invited  
15 you out to talk about this particular case tonight?

16 MS. STEINGASSER: No, sir.

17 CHAIRPERSON HOOD: Well, when I'm in the street, I hear  
18 not just this case, but I hear things that we've already done.  
19 And people are very -- sometimes they're upset, sometimes they're  
20 happy. And I guess for me, I just want to make sure they're  
21 noticed, because I don't want us to get the brunt of it later on  
22 and the complaint later on that we've done something. Because  
23 when I look at SEIU's letter -- could -- have you all had a chance  
24 to review SEIU's letter?

25 MS. STEINGASSER: Yes, sir, I did read their letter,



1 uh-huh.

2 CHAIRPERSON HOOD: Because, you know, it seems as  
3 though -- can you help me understand this? And I think OAG might  
4 have mentioned this as well. But I think -- because they used  
5 to -- gave us -- because they gave us legal counsel, so they know  
6 what our thoughts are. They know that, at least from my  
7 standpoint, I think my colleagues as well, we never want to take  
8 out public input to be able to respond. And that's what SEIU  
9 kind of -- it kind of raised the flag to me.

10 As far as taking out the public's input, which I'm  
11 totally not agreeable to, and then what's being proposed for us  
12 tonight, are we doing that? I heard you say we're clarifying,  
13 but are we taking away -- so I'm not going to say that we're  
14 giving everything to the developers, because that's what has been  
15 noted in the Office of Attorney General letters, I believe. And  
16 I may have misquoted them, but that's the way the meaning comes  
17 back to me. But are we taking away the public's input?

18 MS. STEINGASSER: No, sir. No, sir. We're -- we are  
19 not. This provision -- this ability to take a office building  
20 and convert it to a residential building has always existed. And  
21 our zones -- the way our non-residential zones are written, they  
22 incentivize residential in these zones. So the fact that a  
23 building can -- changes use, you know, is -- it -- that just  
24 always -- it's -- that's always been an option in the Zoning  
25 Regulations. There's been nothing to stop it. And I'm not sure

1 what input -- I'm not sure how -- yeah. It's always been an  
2 opportunity for a property owner to change the occupants of their  
3 building.

4 CHAIRPERSON HOOD: So SEIU's letter, and maybe some of  
5 the dialogue between the Committee of 100, OAG and now looking  
6 at SEIU, maybe I'm getting off course. Maybe I'm reading into  
7 too much of this. But I'd rather be reading into it now, than  
8 get smacked about it later. What it says here, "We support the  
9 creation of lively, vibrant downtown, with the rise of remote  
10 work." And I agree with this. And often -- and I think this  
11 question came up when we were doing the BA, especially during the  
12 pandemic, people are working from home remotely now. Now they're  
13 exercising remotely, totally. So that's what you -- a lot of  
14 people are doing.

15 Then it says, "We recognize the need of reimagining our  
16 downtown spaces. We also support the creation of more affordable  
17 housing. However, lively and vibrant downtowns require more than  
18 just the creation of more housing units."

19 And I -- let me back up. What do you think about this  
20 letter from SEIU? Do you think that they I think they -- I think  
21 they bring up some valid points, according to our -- what's in  
22 front of us tonight. Do you think that maybe there's a  
23 misunderstanding? I'm just -- maybe I'm putting all this into  
24 one barrel, and maybe it shouldn't be that way. But I'm going  
25 by what I have in the record.

1 MS. STEINGASSER: I don't want to try to paraphrase or  
2 interpret what they said and how they said it. I think there  
3 might be a misapprehension about how many office buildings will  
4 be converted to residential. We will always have an office core  
5 downtown. We will always have that. How -- what we're doing  
6 here is just clarifying those buildings that do convert to  
7 residential, that they -- that they'd be considered a conforming  
8 use, that the building be --

9 CHAIRPERSON HOOD: So Ms. Steingasser, what we're --  
10 and I'm asking this for the public and also for myself, not just  
11 the public. So the -- would this have been an issue -- I think  
12 this was an issue prior to the pandemic, but the pandemic made  
13 this more of an issue. Is that a correct statement?

14 MS. STEINGASSER: I guess you would say yes, yeah.  
15 Because the -- through the pandemic and the closing of so many  
16 office working environment, there was -- there's been an increase  
17 in vacancy and, yes, a shift in how people work.

18 CHAIRPERSON HOOD: Okay. I have a number of other  
19 questions, but I want to hear from the public. I'm not sure  
20 where my colleagues on a number of these issues, but I'm -- let  
21 me ask. Do we know some of the areas? Because I really want to  
22 make sure the ANCs that may be affected know about this. And I  
23 don't know how -- if we can do that, how we get there. Let me  
24 ask the question this way.

25 Ms. Steingasser, is there -- are there places in the

1 pipeline which we think this may apply? Do we already know where  
2 they exist?

3 MS. STEINGASSER: I know of four or five buildings, two  
4 or three that have already converted or are in the process, and  
5 one or two that are currently marketing themselves that way.

6 CHAIRPERSON HOOD: So what I want to find -- and I  
7 guess I would ask Ms. Lovick to listen to my comments, and I'm  
8 sure she can tell me later. What I want to find -- I'm more  
9 concerned about the four or five that we know --

10 MS. STEINGASSER: Uh-huh.

11 CHAIRPERSON HOOD: -- if we can reach out to those ANCs.  
12 Just those specific ANCs. Because I do want to hear what the  
13 community has to say. I think that would probably be the easiest  
14 way instead of going -- but I know that the Office of Zoning does  
15 its due diligence, always has for my 24 years. And I'm sure I'll  
16 be saying this after 28. But I will say that I just want -- I'm  
17 just a little apprehensive about doing this without -- and when  
18 I read the record, it says we're given away the store. You know?  
19 So I'm just -- I'd rather proceed with caution.

20 MS. STEINGASSER: Yes, sir. And I just wanted to  
21 correct. We are not giving away the store. We are removing a  
22 very small barrier to the provision of housing through the  
23 conversion of buildings that are allowed to convert to  
24 residential. So even if the Commission took no action on this  
25 case, these buildings would still be allowed to convert as a

1 matter of right. They would just then have the additional step  
2 of having to go get either a special exception or a variance,  
3 because they, as an office building, could have a smaller rear  
4 yard or could have a different size court. I think that's --

5 CHAIRPERSON HOOD: But that statement though,  
6 Ms. Steingasser -- and I'm not disagreeing with you. I'm just  
7 trying to make sure that the Commission, we're moving correctly,  
8 because that -- then we will be presumed as taking away -- and  
9 it has already been stated, the public's input. Because at the  
10 BZA, people have a chance, even though that's more work for the  
11 BZA. And I think, yes, we do need some things that always  
12 approve. Yes, we probably didn't take it off the table. But  
13 just the way that was said to me, it's like okay, well, here the  
14 Commission is again taking away our right to speak. And I've  
15 never been that way, and I never will be that way. But that's  
16 what it just sounds like. You don't have to comment. You don't  
17 have to respond. I'm just putting that out there like that.

18 Ms. Lovick, I see you turned your camera on. I guess  
19 that was because of asking me that question I asked. I think we  
20 can do that later, unless you want to comment now. So the camera  
21 went off. All right. I think -- I just wanted you to listen  
22 and be able to help me through this. Okay. Thank you,  
23 Ms. Lovick. I mean you didn't have to leave like that, but thank  
24 you.

25 All right. Any further follow up questions or

1 comments?

2 (No audible response.)

3 VICE CHAIR MILLER: Mr. Chairman?

4 CHAIRPERSON HOOD: Yes?

5 VICE CHAIR MILLER: I understand what you're saying,  
6 but I really think that the impetus behind the concern in  
7 that -- in the SEIU letter, the OAG letter, the Committee of 100  
8 letter, was -- I hear your comment about the public input -- it  
9 -- part of it. But I think it really was -- it really is focused  
10 on the application of inclusionary zoning in the downtown, which  
11 has another case, which is what -- and I share that concern. I  
12 think we all do, that we're missing -- that we are -- I think we  
13 want to incentivize, generally speaking, consistent with the  
14 Comprehensive Plan.

15 We want to incentivize residential everywhere, or as  
16 many as -- as many appropriate places as possible, including, and  
17 especially the downtown. But I think the concern is that it --  
18 they -- that most of those zones in the downtown are not -- are  
19 currently exempt from inclusionary zoning, and they're using this  
20 opportunity to express that concern. I share that concern. We're  
21 having public forums. There's work being done, economic  
22 analysis, important economic analysis for this  
23 delicately-balanced program, that by itself doesn't provide any  
24 subsidies.

25 It's the market that is producing any affordable

1 housing that's being produced in the line with our requirements,  
2 where we require them. We don't currently require them. I think  
3 that's where most, if not all, of the energy in those letters is  
4 coming from. And as soon as we can get to those issues in the  
5 fall, the better.

6 CHAIRPERSON HOOD: Well, I thank you, Vice Chair for  
7 helping me through that, because if that's what the impetus is  
8 about those letters, you had mentioned that years ago. You've  
9 always said about that. And I agree with you. We just need to  
10 get there. So I just want to make sure that I'm reading all this  
11 right. And if that's where we are, then, again, to you -- to  
12 your credit, Vice Chair, you've mentioned this for years. This  
13 ain't nothing new.

14 When we first started this Downtown zone. You started  
15 off from the first -- very first time we started talking about  
16 this, you mentioned this. So it's nothing new. Nobody's bringing  
17 anything new to us. We're ready to do it. But as Ms. Steingasser  
18 and OP knows, there has to be a full analysis to look out for  
19 the unintended consequences. I'm going to leave it alone.

20 I appreciate the Vice Chair helping me to try to get  
21 there. I still don't understand all of it. But what I'm also  
22 going to do is listen to what we have here today.

23 So I appreciate you putting that into perspective for  
24 me.

25 All right. Any other questions or comments?

1 All right. Looking at my agenda. Okay. Let's -- so  
2 other government agencies.

3 Ms. Schellin, I'll let you -- I think we have the Office  
4 of Attorney General and who else do we have other government  
5 agencies?

6 MS. SCHELLIN: Other government agencies. We just have  
7 the Office of the Attorney General, Alex Cain.

8 CHAIRPERSON HOOD: Ms. Cain, welcome back to the  
9 District of Columbia Zoning Commission.

10 MS. CAIN: All right. Good to see you all again,  
11 Commissioner Hood.

12 CHAIRPERSON HOOD: Good to see you. Good to see you.  
13 You may begin.

14 MS. CAIN: All right. Good afternoon, Chairman Hood  
15 and members of the Commission. My name is Alexandra Cain and  
16 with me is my colleague, (indiscernible) Bullock. We serve in  
17 the Equitable Land Use section of the Office of the Attorney  
18 General for the District of Columbia. And we are pleased to be  
19 here today to present OAG's testimony on the Office of Planning's  
20 Text Amendment in ZC Case No. 22-01, which as we've covered,  
21 would permit matter-of-right office to residential conversions  
22 in certain downtown mixed-use and neighborhood mixed-use zones.

23 I'll just say our full statement is in the record at  
24 Exhibit 7 and 7A, and a copy of this testimony and the  
25 accompanying presentation is available at Exhibits 11 and 12.



1           And Mr. Young, if you could pull up the PowerPoint at  
2 Exhibit 12, please?

3           MR. YOUNG: I just need one minute to go into the record  
4 and pull it.

5           MS. CAIN: Sure.

6           (Pause.)

7           Okay, there we go. So OP's Text Amendment responds to  
8 the proposed changes in office space needs stemming from  
9 increased telework, which has been exacerbated by the COVID-19  
10 pandemic. Converting unused office space to residential use in  
11 desirable, centrally-located, amenity-rich areas in the District  
12 is a sensible solution to that problem. But in allowing these  
13 conversions, we can and we must do more to protect District  
14 residents.

15           The Amendment as drafted provides a boon to property  
16 owners without substantively addressing the District's affordable  
17 housing crisis. It gives significant benefits to property owners  
18 and developers. It allows increased density and an expedited  
19 review process without requiring additional inclusionary zoning  
20 set asides to increase affordable housing. Instead, the  
21 conversions will be subject only to the applicable baseline IZ  
22 requirements.

23           Next slide, please.

24           OP contends that this Amendment will increase the  
25 number of residential units, and thereby, decrease housing prices

1 across the board. But it has not provided any concrete data or  
2 estimates as to how much housing this Amendment will actually  
3 generate. Rather, the available data suggests that this Text  
4 Amendment will not meaningfully increase affordable housing and  
5 will likely exacerbate existing economic and racial disparities.

6 We look at OP's own 2020 Assessment on Conversions,  
7 which is cited to support its theory. It noted that there were  
8 a number -- there are a limited number of property owners and  
9 developers that will choose to convert non-residential buildings  
10 to residential use, because of the difference in land value  
11 between commercial and residential properties.

12 Next slide, please.

13 Further, the areas where the conversions are  
14 anticipated, particularly Central and Northwest Washington, are  
15 the same areas in the District that OP has recognized historically  
16 have been subject to policy choices that have caused displacement  
17 of black and brown families and further patterns of racial and  
18 economic segregation.

19 Next slide, please.

20 Given this analysis, it's unlikely that the Amendment  
21 will dramatically increase the supply of overall housing, and the  
22 increased housing that does result will predominantly be luxury  
23 housing, which the minimum IZ requirements will do little to  
24 offset. These factors create a profound risk that this Amendment  
25 will serve mainly as a windfall for property owners by allowing

1 them to convert unused offices into primarily luxury housing,  
2 accessible only to a privileged few.

3 Without ensuring additional set-asides for more  
4 affordable housing, the Amendment will exacerbate racial inequity  
5 by at best, producing a scant number of affordable units, and at  
6 worst, creating wealthy, predominantly white enclaves in  
7 desirable areas of the District. OAG is, therefore, proposing  
8 two revisions to the petition that would require additional IZ  
9 set-aside for properties that would be able to convert by right  
10 under the Amendment. And these set-asides would be dependent on  
11 whether the converted gross floor area, or GFA, complies with the  
12 applicable development standards.

13 For the GFA that complies with the standards, OAG is  
14 proposing a 2 percent additional IZ set aside to reflect that the  
15 cost of conversion is less than the cost of building a new  
16 building from the ground up. And for the GFA that does not comply  
17 with the applicable development standards, OAG is proposing a  
18 20 percent set-aside to reflect that this square footage would  
19 not be permitted under the Zoning Regulations for a new building.

20 Next slide, please.

21 This additional set-aside is reasonable, in light of  
22 the flexibility being provided to property owners and is  
23 consistent with the Comprehensive Plan's focus on addressing the  
24 housing crisis. The Comprehensive Plan specifically supports  
25 expanding the IZ program, noting that it is a particularly

1 important affordable housing tool, because it generates  
2 permanently affordable housing units and provides them in  
3 high-amenity, high-cost neighborhoods, leading to a more diverse  
4 and inclusive city.

5 Next slide, please.

6 Additionally, the Comprehensive Plan acknowledges the  
7 need to consider greater IZ requirements when zoning actions  
8 permit greater density or change in use. Now, OAG understands  
9 the concerns that have been frequently expressed by OP and the  
10 Commission about the economic impacts on property owners and  
11 developers resulting from changes to the IZ requirements and the  
12 not infrequent claim from developers that additional IZ  
13 requirements will "kill" projects.

14 However, as OP and the Commission have recognized in  
15 other cases, the IZ requirements are not overburdening  
16 developers, and it is possible for them to provide more affordable  
17 housing and still be financially viable. For example, in the  
18 recent Dance Loft's PUD, the developer has proposed to not only  
19 dedicate a significantly higher portion of the building GFA for  
20 IZ units than is required by the regulations, but it's also  
21 proposing that a substantial number of those units will be  
22 available at deeper affordability levels than the regulations  
23 require.

24 The Zoning Regulations should not place  
25 socially-responsible developers who seek to provide higher levels

1 of critically-needed affordable housing at a competitive  
2 disadvantage to developers who provide the bare minimum of  
3 affordable units. Nevertheless, taking the economic concerns  
4 into our consideration, OAG is also proposing that the petition  
5 authorize special exception relief from the additional IZ  
6 set-aside, where a property owner is able to demonstrate that the  
7 additional set-aside renders the conversion financially unviable,  
8 despite the owners' best efforts to obtain financial subsidies  
9 for the additional IZ set-aside.

10           This exception will provide flexibility to property  
11 owners who need it, and the shift of the evidentiary burden to  
12 the property owners and developers who will provide the  
13 Commission and OP with economic data and information about the  
14 availability of affordable housing subsidies, which they can use  
15 to then make further amendments to the regulations if needed.

16           Next slide, please.

17           Patterns of development and particularly housing and  
18 affordable housing are the result of policy choices. And while  
19 encouraging new development and adaptive reuse of existing  
20 buildings are commendable goals in and of themselves, they also  
21 represent unique opportunities to go farther and to do more for  
22 affordable and inclusive housing.

23           As a city, we must all work together to achieve the  
24 kind of inclusive and equitable development envisioned by the  
25 Comprehensive Plan. And the Commission is absolutely critical

1 to that effort. We, therefore, respectfully ask that you consider  
2 the comments and suggestions of OAG in your deliberations. And  
3 we thank you for your time today and are happy to answer any  
4 questions you may have.

5 CHAIRPERSON HOOD: Thank you, Ms. Cain. I appreciate  
6 you and your colleague -- I forget her name right off. What's  
7 the young lady sitting behind you smiling?

8 MS. BULLOCK: Hi. I'm Lily (phonetic) Bullock. Nice  
9 to meet you.

10 CHAIRPERSON HOOD: Okay. Nice to meet you as well. So  
11 welcome on behalf of my colleagues.

12 I know we have some questions. Now, I will tell you,  
13 Ms. Cain, that the way I have reviewed it, I don't know if the  
14 Office of Planning had a chance to read your letter. I guess I  
15 should have asked them. When was this submitted?

16 MS. CAIN: So our full written comments with proposed  
17 changes were submitted on June 3rd, and this oral testimony that  
18 I just gave went in yesterday.

19 CHAIRPERSON HOOD: Okay. Okay. So -- okay. Let me  
20 just see what my colleagues have.

21 Commissioner May, you have any questions or comments?

22 COMMISSIONER MAY: Yes. Can you hear me?

23 CHAIRPERSON HOOD: Yes.

24 COMMISSIONER MAY: So Ms. Cain, thank you for your  
25 testimony. And thank you for the nice PowerPoint presentation.

1 That's (audio interference). So just to be clear, you're aware  
2 that this sort of conversion is all already happening right now  
3 and that the Zoning Regulations incentivize?

4 MS. CAIN: Yes, we are aware of that.

5 COMMISSIONER MAY: Okay. Now, I was a little puzzled  
6 by the logic of your statement, because you were saying that this  
7 is not going to make -- this is not going to produce a lot of  
8 housing. And yet you're -- what you're proposing is to layer on  
9 additional requirements that will potentially make it less likely  
10 to produce housing by adding on the 2 percent or the 20 percent.  
11 So what why do you think that this is going to actually produce  
12 more housing? Is it just going to -- it may produce -- it may  
13 not produce as much, but it's just going to be more affordable  
14 housing? I mean what's the logic?

15 MS. CAIN: I think we're approaching this as -- the  
16 logic that has been put forward in the Office of Planning's report  
17 is the idea that, you know, more housing is going to help lower  
18 prices just because of, you know, more availability. Based on  
19 the fact that there is not going to be a great deal of this  
20 housing produced, sort of those macro level affordability levels  
21 or issues, we think that's not really a viable argument.

22 So I think where -- we're coming at this at as is that  
23 it is going to produce some housing, and it's going to produce  
24 some housing in really desirable key areas of the District, and  
25 there should be a greater affordable housing component in those

1 areas. So you said that goes to these goals of wanting to have  
2 greater affordable housing and greater inclusive, you know,  
3 levels of -- economic levels.

4 COMMISSIONER MAY: Okay. So -- and have you actually  
5 done any sort of financial analysis to accompany this? Because  
6 I think that's one of the things that OP has tried to do over  
7 the years when they are looking at questions of increasing  
8 affordability components. But have you actually done any of that  
9 kind of analysis?

10 MS. CAIN: So we did review what the Office of Planning  
11 put together in their 2020 conversion study, which did include  
12 some financial analysis. The -- I think where we're coming from  
13 is that this is information that is best gathered on the ground  
14 from the developers and the property owners who are seeking to  
15 convert, which is why we're proposing the special exception  
16 option.

17 We thought that that might be the better way to sort  
18 of get at this given, you know, what we have heard about, you  
19 know, in part of the discussion about the downtown zones, that  
20 the market conditions are sort of in flux. It is difficult to  
21 sort of get a one-time read on things. That if getting  
22 information from developers on specific projects based on what  
23 they're proposing, based on where it's located, that might  
24 actually be the better way for the Commission to assess, you  
25 know, the financial burdens or not of this Amendment.



1 COMMISSIONER MAY: So basically, the answer is no, you  
2 haven't done your own financial analysis.

3 MS. CAIN: We have done some. We were directed by the  
4 Commission to do so, so we have been looking into it, but that's  
5 --

6 COMMISSIONER MAY: Okay.

7 MS. CAIN: -- been our focus on this Amendment.

8 COMMISSIONER MAY: So -- and you're aware of sort of  
9 the current themes and literature about housing and inequity in  
10 housing and how regulatory hurdles, like zoning, interfere with  
11 the production of housing and brought down affordability of  
12 housing, because of all of these extra hurdles. I assume  
13 you -- you're -- you read some of that stuff. So I mean, do you  
14 feel like -- well, I just -- I guess I really just want to know  
15 that you're, like, looking at the bigger picture, right, that  
16 there is -- we want to be able to make it easier to produce  
17 housing in many ways. But we also want to make sure that we're  
18 getting the right -- striking the right balance in terms of the  
19 requirements that go with it.

20 MS. CAIN: Uh-huh.

21 COMMISSIONER MAY: So I don't really have a question.

22 So the last thing is you brought up the Dance Loft  
23 case. So are you familiar with the case? Do you understand why  
24 they are offering the levels of affordability that they are and  
25 how this is being financed and the nature of the developer?

1 MS. CAIN: It is an affordable housing developer, I  
2 believe, if I'm remembering the case. It's been a little while  
3 since I looked at it directly. But so that is sort of their  
4 focus. At the same time, as we said, we think that developers  
5 who are trying to do more -- Dance Loft is sort of the bright  
6 line example. But we have seen, you know, PUDs and other  
7 developers where it's not, you know, affordable housing or  
8 nonprofit developers coming in and trying to offer more.

9 So we're trying to incentivize that. There should be  
10 a greater push for developers to do more. I think, in this  
11 Amendment, the developers and property owners are being given a  
12 benefit, you know. They are not going to have to go to the Board  
13 of Zoning Adjustment for special exception or variance relief.  
14 They are going to be able to develop more of their property than  
15 they would based on the existing requirements. That is a benefit.  
16 There should be a benefit that is given back to the District.

17 COMMISSIONER MAY: Okay. So -- and have you looked at  
18 the -- any sort of analysis of candidate buildings for conversions  
19 and whether, you know, there's -- there really is an opportunity  
20 for an affordable housing developer to step in in circumstances  
21 like that? Because typically it's the, you know, it's an existing  
22 office building that the owner is trying to repurpose, as opposed  
23 to an underutilized property, like the Dance Loft property.

24 MS. CAIN: We have not looked into that directly. And  
25 I don't believe there was any mention of that in any of OP's

1 filings as well.

2 COMMISSIONER MAY: I'm not asking about -- not asking  
3 you to comment on OP. I'm asking about your analysis.

4 MS. CAIN: I'm just saying we -- your -- we can look  
5 into that in greater detail if the Commission is interested.

6 COMMISSIONER MAY: I'm just interested in knowing what  
7 you have looked at, because you brought up the Dance Loft case.  
8 And you know, there are -- yeah, I mean, everybody loves the  
9 affordable housing developers and want to incentivize them to do  
10 things. But those do require subsidies from the District in  
11 order to happen. And I think one of things that has come out in  
12 past cases about conversions is that in order to get to  
13 affordability levels in some of these conversions, because of the  
14 cost -- costly nature of doing a conversion, in order to actually  
15 incentivize the developer to go that way, as opposed to rehabbing  
16 it for future office use, that there has to be some other District  
17 subsidy. So -- anyway, again, not really a question.

18 I think that's it for me. Thank you.

19 CHAIRPERSON HOOD: Thank you.

20 I just want to caution us. And I learned this from  
21 OAG, Ms. Cain, maybe before you, from the Office of Attorney  
22 General over the years you all provided us guidance. We should  
23 really not be talking about Dance Loft, because I don't think  
24 that we have made a decision. And if we have, I must be -- my  
25 mind is really going bad. I just don't think -- I don't think

1 we have. So let's not talk about Dance Loft. That's been a --  
2 OAG has taught me over the years that you don't bring up another  
3 case until the order is written.

4 So I want to make sure we all stay in compliance and  
5 that Commissioner May and myself and others don't have to recuse  
6 ourselves. So anyway, let's govern ourselves with that. So  
7 thank you.

8 Commissioner Imamura, you have any questions or  
9 comments?

10 COMMISSIONER IMAMURA: No questions, Mr. Chairman, just  
11 comments to support sort of Commissioner May's statement that  
12 it's really about striking a balance here. I'd really like to  
13 see that, you know -- it's important to make data-driven  
14 decisions. So I have the same question for Ms. Cain whether OAG  
15 had performed their own financial analysis (audio interference).  
16 So it sounds like that's not the case. But I think it's important  
17 to see before we (audio interference). So that's all my comments  
18 though, Mr. Chair.

19 CHAIRPERSON HOOD: Okay. Thank you.

20 Vice Chair Miller?

21 VICE CHAIR MILLER: Thank you, Mr. Chairman. I'll be  
22 brief, because I think a storm is about to hit. A weather storm,  
23 not a political or zoning storm. But that may be about to hit  
24 too.

25 So thank you, Ms. Cain, for your -- for being here

1 today. I think this is your -- this is OAG's first appearance  
2 as a --

3 MS. CAIN: It's my first, yes.

4 VICE CHAIR MILLER: -- as a public witness advocate in  
5 your new role. So I was pleased -- surprised and pleased to hear  
6 in response to Commissioner May's question that OAG is doing --  
7 I think you said it's doing some kind of financial analysis of  
8 -- or economic modeling for the application -- on the issue of  
9 the application of greater affordable housing Inclusionary Zoning  
10 requirements to the downtown area in that other case. Is that  
11 correct? Is that what you said?

12 MS. CAIN: So we are looking at -- I think we're  
13 approaching this, as I said to Commissioner May, as to try to  
14 figure out if there is another solution to the issue of economic  
15 analysis. Is there a way for the Commission to get more real-  
16 time information?

17 VICE CHAIR MILLER: Yeah, no. And I think that's an  
18 interesting way to try to get an economic analysis is to just  
19 ask us to do a proposal without an -- to adopt your proposal  
20 without any economic analysis and just see on a case-by-case  
21 basis, where somebody has to come in for a special exception. I  
22 mean, that is one way to try to get real life -- real-time data  
23 in each of those individual cases.

24 And -- but it's kind of not really the way -- if  
25 you -- if there's a way to make -- to do the economic modeling

1 and financial analysis without just going on a case-by-case basis  
2 with a proposal that doesn't have any to begin with, to know if  
3 it's going to succeed at the outset to accomplish the purposes  
4 that you're -- that you've set forth in -- that OAG sets forth  
5 in the letter, which I, you know, I -- we -- as the Chairman said  
6 earlier, we share the concerns that are -- that underlie  
7 your -- the OAG letter and the Committee of 100 letter about the  
8 overall exemption of the downtown zones. We have for some time  
9 in -- from an inclusionary zoning.

10           It just seems that that's the case where this issue  
11 needs to be addressed. And we -- I want to -- we all want to  
12 get to that case that you all have brought forth to us, which we  
13 appreciate it. I think that has helped movement in that case.  
14 So I want to acknowledge that. But I just don't -- the -- what  
15 OP is doing, supposedly, right now is some financial modeling of  
16 all those -- what the inclusionary requirements -- zoning  
17 requirements could be downtown if it would work.

18           And I think -- I instinctively think it will work and  
19 should work, and downtown should be like no -- shouldn't be  
20 treated anymore specially than the rest of the City, in terms of  
21 the affordable housing requirements. But I think we'll get to  
22 that -- these issues that are in your -- in the downtown case, I  
23 just don't think this is the place. And I think you've come up  
24 with maybe a creative solution with that special exception type  
25 of process, if we -- for all -- for other inclusionary zoning

1 cases, especially those where we're increasing the requirement.

2           So I guess I don't -- you've confirmed that you are  
3 though trying to do some financial analysis in that other case.  
4 Without going into that, you are trying to do something and in  
5 response to the Commission's report?

6           MS. CAIN: We are we are trying to respond to the  
7 Commission, since it's looking for creative solutions. We have  
8 been talking to developers to try and understand, you know, more  
9 the financial (indiscernible). So we are preparing our responses  
10 on that.

11           VICE CHAIR MILLER: Okay. Well, thank you for that.  
12 And thank you for coming forward today.

13           I have nothing further, Mr. Chairman, at this time.

14           CHAIRPERSON HOOD: Okay.

15           I want to thank OAG. I don't think I have any  
16 additional questions. I think I would agree with all of my  
17 colleagues' comments. We're looking for always an analysis. And  
18 I appreciate you weighing in. I don't want to say that I disagree  
19 with anything that's in the letter. I just want to make sure as  
20 we proceed forward, that we're proceeding in the best interest  
21 and that we achieve what we're talking about. That's just all  
22 where I -- that's all I'm trying to do is -- and I think you know  
23 from where we've been previously that we get there.

24           It's good to come down and have these discussions, but  
25 we need to get to where I think -- not just us having these

1 conversations, but the residents of the city, I think, demand of  
2 us. So anyway, I'm not -- I don't have any additional questions  
3 or comments. I'm going to leave it at that. I would ask  
4 that -- and I probably better wait until Mr. Tondro comes back  
5 or until I have him publicly. But I would ask that OAG gives us  
6 stuff on time so we can digest it. And I know you did this time,  
7 but digestion. And also, a lot of residents have come to me,  
8 and I've been sending them your way. And I think when you all  
9 do your presentations in the community that you give -- I don't  
10 know if you do this, but, you know, give them a number to call  
11 where they can get assistance from you. I think that will be  
12 very helpful. I do know that people have been reaching out, and  
13 I think they get a gentleman by the name of Mr. Fisher. Oh, I  
14 hear it all.

15           So I think it would be very helpful if you when you're  
16 doing that, and you're meeting with the groups, that you work  
17 with them. And I've also asked them to stop sending me the emails  
18 when you all have your environmental justice meetings and all  
19 this stuff. So I just think that, for me, it's not a "I gotcha"  
20 moment. And I'm just saying this publicly, and I'll say it to  
21 Mr. Tondro as well.

22           I think at the end of the day, the residents expect for  
23 us to do our jobs and do them well. We may not always agree,  
24 but I think at the end of the day, we're trying to get to the  
25 same place. So I do appreciate you all keeping the special



1 exception in there. I'll see where we fall down. Because again,  
2 my issue has always been to make sure that the public comment.

3 Let me ask you this, though, Ms. Cain. In your -- have  
4 you all spoke to anybody, like DHCD, as you opined and sent this  
5 to the Commission? Have you all had conversations with them,  
6 even on this particular case?

7 MS. CAIN: We've not talked to DHCD. We have had  
8 conversations with -- on this particular matter, we did talk to  
9 the Committee of 100. We have talked to some of the community  
10 groups that we have been working with and did flag for them that  
11 this was coming up. We try to let them know when we're planning  
12 to file things and sort of what our involvement is going to be.  
13 But at this point, no, we have not spoken to DHCD specifically.

14 CHAIRPERSON HOOD: Well, did you all also speak to any  
15 ANCs?

16 MS. CAIN: On this one, I think there have been a couple  
17 of ANCs at the meetings where we sort of flagged that we were  
18 getting involved in this case. We did meet with ANC 6D last  
19 week, and I think we raised this. So I think the ANCs are aware  
20 of it to some degree from our meetings with them where they've  
21 been at.

22 CHAIRPERSON HOOD: And I'm not asking you to speak. I  
23 would never ask you to speak for them, but did the -- I mean is  
24 there an interest, or do -- I mean I'm just trying to figure out  
25 where everybody is, especially the community.

1 MS. CAIN: No, I think that's a very valid question.  
2 I think, based on the conversations that we've had with ANCs,  
3 with community groups, I think text amendments are sort of  
4 intimidating to the general public. You know, zoning is, as we  
5 all are well aware, is a weird little world to begin with. And  
6 I think trying to get into sort of the nitty-gritty of the  
7 regulations sort of puts a lot of people off. They're not quite  
8 sure what it is. They don't feel that they have sort of the  
9 knowledge base to get involved.

10 So I think, you know, that sort of intimidates people  
11 from participating in Text Amendment cases, particularly, because  
12 it's sort of more abstract. It's harder for them to wrap their  
13 heads around.

14 CHAIRPERSON HOOD: I thank you for that. We need to  
15 figure out something to ease that in text amendments. So that's  
16 something I'm going to put on my laundry list of things. Because  
17 I'm -- as you've heard me state, I'm very concerned about not  
18 hear from the community, for the most part. All right, I don't  
19 have any follow up questions.

20 Colleagues, any second rounds?

21 (No audible response.)

22 Okay, well, let me thank OAG. And we appreciate you,  
23 Ms. Cain, and your -- I'll probably eventually remember your  
24 colleague's name weeks on down the line. But, for now, welcome.  
25 And I thank you and welcome you.

1 MS. SCHELLIN: Please don't. You know, put this on  
2 lopsided.

3 CHAIRPERSON HOOD: Ms. Schellin, don't put it on  
4 lopsided. Turn your -- mute your phone. That's what it's all  
5 about when you do remote work. Anyway.

6 And let me just say this, Commissioner May. I wanted  
7 to say this earlier, but I didn't. When everybody was asking --  
8 they said they couldn't hear you. Most times we don't want to  
9 hear you, but we wanted to hear you today. And I know you could  
10 take it, that's why I said it. All right. See when I do that  
11 now, I lost my place.

12 So thank you to OAG. Appreciate it.

13 MS. CAIN: Thank you, Chairman Hood.

14 CHAIRPERSON HOOD: All right. Let's go to --

15 Ms. Schellin, do we have any -- who else -- do we have  
16 any persons who are here?

17 MS. SCHELLIN: We only have one person that signed up  
18 to testify, and that is Allison Prince from Goulston & Storrs.

19 CHAIRPERSON HOOD: So the union did not -- okay. So  
20 we have that left.

21 MS. SCHELLIN: Nobody else.

22 CHAIRPERSON HOOD: So let's bring Ms. Prince up.  
23 Ms. Prince is the only person we have.

24 So Ms. Prince, the floor is yours. And if you can give  
25 us your perspective on this, we'll give you more than three

1 minutes. Five minutes. We need your perspective. You're the  
2 only one from the public, other than the letters we have. So  
3 Ms. Prince, you may begin.

4 MS. PRINCE: Thanks, everyone. I'm Allison Prince from  
5 Goulston & Storrs. And I'm really just testifying as an  
6 interested zoning lawyer and D.C. resident. And I just have the  
7 general observation, as many of us who live and work in this  
8 City. Vacant buildings make me crazy. Vacant retail makes me  
9 crazy. And I really, really support what the Office of Planning  
10 is trying to do here.

11 This isn't a major sweeping Text Amendment, it's an  
12 effort to clear up a section of the regulations that we've had  
13 for 42 years. For 42 years, you could convert non-residential  
14 buildings to residential if they exceeded FAR. And the Zoning  
15 Administrator has had to grapple with what that really means over  
16 the years. And he's interpreted that to mean that if a building  
17 is over lot occupancy or didn't comply with court or whatever,  
18 that he would allow the conversion. That's not exactly what the  
19 Section says, but that's how he's interpreted it.

20 But we still have this residual language from when this  
21 42-year-old section was adopted that says the building has to  
22 have been built before 1978. So that doesn't work anymore.  
23 Because if you have a building that's post '78, if you read the  
24 regulations literally, you know any building that's post '78 that  
25 doesn't strictly comply has to go to the BZA. So this has been

1 a bit of a headache for the Zoning Administrator and for zoning  
2 lawyers, frankly, and I was really appreciative that OP was  
3 willing to look at it and clean it up.

4 So what did they do? They talked to Matt. They talked  
5 to the Zoning Administrator. So this is a very thoughtful  
6 proposal to clear up this section. But just to give you a sense  
7 of what we're dealing with, because you like data. So we're at  
8 24 million feet of non-residential vacancy in D.C. right now.  
9 Twenty-four million. And you would think that it's all downtown,  
10 but only nine million of it's downtown. The rest is not in  
11 downtown, meaning not in a D zone.

12 So today, as the regulations stand, if you have a  
13 building in an MU zone, and you want to convert it, you don't  
14 want to delay in converting it. You want to go ahead and convert  
15 it, if you need to convert it. And you're going to produce IZ  
16 units if you convert it. So why make those buildings go through  
17 BZA to legitimize density that's already there? And I've always  
18 thought these are such nonsensical BZA cases, because we get --  
19 we have to go to the Board and say let this building be.

20 The use is permitted. The building is there. It's  
21 been there for often decades, so just let this building continue  
22 to exist. So it's really not a big global change. It's more of  
23 a common sense kind of change.

24 CHAIRPERSON HOOD: Ms. Prince? Ms. Prince?

25 MS. PRINCE: Yes?

1 CHAIRPERSON HOOD: I need you to give me one minute.  
2 I want -- it's -- I want to hear your testimony, but I have to  
3 take care of an emergency. So if everyone can just give me one  
4 moment, please.

5 (Pause.)

6 CHAIRPERSON HOOD: I beg your indulgence, Ms. Prince.  
7 I really am sorry about that, but I wanted to hear what you had  
8 to say, and I had to step away for a moment, so.

9 MS. PRINCE: No problem.

10 CHAIRPERSON HOOD: Take as much time as you need. I'm  
11 going to -- do we have everybody back?

12 Commissioner May?

13 Okay. There we go.

14 Again, I apologize. Ms. Prince, please continue.

15 MS. PRINCE: Sure. And I also want to clarify, I think,  
16 a potential misunderstanding. And I say this as someone who  
17 works with people that are trying to make their buildings  
18 function, you know, all day long. The ability to convert from  
19 non-residential to residential is not a windfall. The buildings  
20 that are built for non-residential purposes generally expect  
21 higher rents than buildings that are built for residential. And  
22 conversion is considered when non-residential isn't an option  
23 anymore, you know, a major tenant has vacated or -- I mean, not  
24 a happy story. It's what -- what's leading to these conversions  
25 is a very unhappy story.

1           It has a silver lining in producing more units for the  
2 City, which is a wonderful thing. But it is not, it is not a  
3 windfall. It's often the last choice, the last resort. And when  
4 a building is converted -- and Peter would know this, you lose  
5 about 20 to 30 percent of the square footage for the common areas  
6 for the residential. And so you're losing square footage, and  
7 then the square footage that you're left with, you get less rent  
8 for it. So to call this a windfall is really troubling to me,  
9 because it is not in any way a windfall.

10           And there are many buildings that would love to try to  
11 convert, but they're just not suitable for conversion, and then  
12 they're left with even fewer options. And I did hear a comment  
13 earlier about whether, you know, IZ, the threat of IZ,  
14 particularly in the D zones, you know, has killed projects. And  
15 I can say from personal experience it has. It has. It absolutely  
16 has. But, you know, we'll hear much more about that when we have  
17 the roundtable. But in the meantime, we're really just trying  
18 to fix an aspect of the regulations that is not clear and to make  
19 sure that it applies to buildings that are newer than 1978.

20           And I think if we act now, rather than delay further,  
21 I'm quite sure that some buildings in the MU zone will at least  
22 seriously consider converting, if they're not already, and those  
23 will produce IZ units. But to suggest that we should be  
24 penalizing those buildings with a higher IZ requirement when it  
25 is already a measure by that owner to salvage a very tough

1 situation is, to me, suggests a lack of understanding of the  
2 market and what's really happening.

3 So that's all I have to say. And I appreciate all of  
4 the conversation tonight about all this. But I feel strongly  
5 about this issue, and I really commend OP for stepping up and  
6 just trying to fix a glitch. And then we can have a much broader  
7 discussion later about IZ.

8 CHAIRPERSON HOOD: Well, thank you, Ms. Prince. I  
9 really appreciate your perspective. I just have some questions  
10 for you. And between what I heard from the Vice Chair and your  
11 comments, taking in the comments of the Committee of 100, the  
12 union, so I think I kind of panned some of this out.

13 If you would look at this, and you may have mentioned  
14 it, but I was listening to so much. Would you say any moment of  
15 -- what you said was basically doing a clarification, I heard.  
16 Are there any unintended consequences that I may not see right  
17 now in doing this?

18 MS. PRINCE: I'm not aware of any. These are buildings.  
19 They're there. The building is there. These BZA cases are really  
20 kind of strange. You know, you're going to the BZA and saying  
21 the building is there, doesn't comply with the rear yard. Sorry.  
22 You know, it wants to be residential. And they say, well, I  
23 guess we know what the impacts are, because it's already there.  
24 I mean, it's -- that's what we're dealing with. So no.

25 And I don't think you're going to see a lot of cases.



1 And I don't think residential conversions are going to solve the  
2 entire vacancy issue, but it helps. And if in helping, we produce  
3 more units and some affordable units for any MU conversions,  
4 that's all good. Why delay that six months or however long it  
5 would take to get through the BZA process?

6 CHAIRPERSON HOOD: Okay. I don't think I have any  
7 other questions. So I want to thank you, Ms. Prince. Let me  
8 see if my colleagues --

9 Commissioner May, any questions or comments?

10 COMMISSIONER MAY: Yeah, I appreciate the testimony.  
11 I think the things that you said are things that we have heard  
12 before. We heard in the previous case having to do with  
13 conversions not mention -- well, I'll say it this way. So as I  
14 as I recall, the cost of -- construction cost for (audio  
15 interference) is generally going to be higher than the  
16 construction cost for taking what is most likely a Class C office  
17 building and making it into a Class A office building, because  
18 of things like plumbing costs, and some of the other things that  
19 you mentioned. Is that true, I mean, or am I just imagining it?

20 MS. PRINCE: You've faded in and out a little bit.

21 CHAIRPERSON HOOD: Sorry.

22 MS. PRINCE: So, I mean, I have an answer to, I think,  
23 what is an important question, which is, what's the difference  
24 between converting a building and building new residential?  
25 What's the -- on the same piece of land? What's the difference?

1 Because I don't think it's intuitive. And I would have thought,  
2 as Alex said, that it would be much, much cheaper to convert an  
3 existing building than to build new. I mean, that just seems  
4 like that's the way it would be.

5 But I contacted Davis Construction, because they've  
6 done three of these projects recently, and I got their math. And  
7 in each of three different conversions recently, one for a  
8 429-unit building, one for a 116-unit building, and one for a  
9 54-unit building, in each of those cases, the difference between  
10 building new and converting was less than 10 percent. So it's  
11 not a huge cost savings. It's certainly usually less disruptive  
12 to the surrounding community to convert. But I mean, just as an  
13 example, a 429-unit conversion would have been \$310,000 per unit  
14 for a new build. Conversion costs 295,000 for the retrofit.

15 I mean, I'm not making up these numbers. These are  
16 actual projects. And you guys seem to want data. I want to give  
17 you data. I think it's important. So -- and we can get you as  
18 much of that as you need. But I think that's relevant. That  
19 sort of goes to my argument that this isn't a boon. This isn't  
20 a windfall. It's a survival strategy, and sometimes, you know,  
21 demolition's not an option, because it's a historic building, or  
22 the lender won't let you demolish. I mean, these are complicated  
23 questions.

24 COMMISSIONER MAY: Okay. Well, that wasn't exactly the  
25 question I was asking, but that was helpful information.

1 CHAIRPERSON HOOD: Okay. Commissioner Imamura?

2 COMMISSIONER IMAMURA: Oh, thank you, Mr. Chairman.

3 Ms. Prince, I just want to thank you for your  
4 forthrightness and your perspective and sharing your experience  
5 with the Commission. So I think it clearly struck a chord. I  
6 appreciate the additional data and information. I know I  
7 certainly do. So I appreciate you coming forward tonight with  
8 your testimony.

9 CHAIRPERSON HOOD: Thank you.

10 Vice Chair Miller.

11 VICE CHAIR MILLER: Thank you, Mr. Chairman.

12 Thank you, Ms. Prince, for coming forward as a District  
13 resident and as a -- just in your personal capacity as a zoning  
14 lawyer and sharing with us the experience that you've had with  
15 conversions. And the data that you've provided is very helpful  
16 and clarifying, in terms of what this case is all about. And I  
17 didn't know that number of 24 million vacant -- 24 million square  
18 feet of vacant office or non-residential space in the City.  
19 That's quite a number. Is that the highest?

20 MS. PRINCE: Highest ever. Highest in my career. I  
21 only go back 30 years.

22 VICE CHAIR MILLER: And then the fact that only  
23 9 million -- only 9 million of that is downtown. I mean that's  
24 a big chunk of space, too. But you -- but that's -- you're right,  
25 yeah. And in three of the Downtown zones, but in all the other

1 zones where that -- where there are -- where there would be  
2 conversions, the inclusionary zoning would apply under our  
3 existing regulations. So I appreciate your coming forward. I  
4 think it -- I think that this is a common sense change to a  
5 proposal that has been brought forth by OP and the Zoning  
6 Administrator. And it makes a lot of makes a lot of sense.

7 And I look forward to having further dialogue with you  
8 in the fall when we get to the other issues, some of which we  
9 disagree about on the application of inclusionary zoning  
10 downtown. But I -- this is really a separate case, I think. So  
11 thank you.

12 CHAIRPERSON HOOD: Okay. Well, thank you again,  
13 Ms. Prince. Unless there's some follow --

14 Commissioner May?

15 COMMISSIONER MAY: Yeah, I just wanted to clarify.

16 Can you tell me the numbers again on the cost  
17 differences between the new versus retrofit?

18 MS. PRINCE: Sure. For one project -- 429-unit project,  
19 it was 310,000 per unit for new build, 295,000 for the retrofit.  
20 For A 116-unit project, it was 260,000 for a new build. The  
21 retrofit was 287. So it was even more, but they had to keep a  
22 facade. It was a -- some historic facade issue. So that was  
23 even more expensive. And then another one was 305 per unit would  
24 have been new build, and it costs 285 to retrofit. These are  
25 from Davis Construction.

1           COMMISSIONER MAY: Right. So the -- let's just talk  
2 about the first one, which was the 310 versus 295. And so that  
3 difference is in the ballpark of about 5 percent, which, I mean,  
4 it's not a huge difference, but it's also not insignificant. I  
5 mean, it's -- it is a, you know, in this case, adds up to six  
6 and a half million dollars, or something like that. So I mean I  
7 could see why for some people that would be a windfall or at  
8 least a significant profit.

9           I guess what I'm curious about also is the relative  
10 cost. I mean it, you know, we're really -- it's -- the choice  
11 is usually going to be between converting to an -- a residential  
12 use versus converting or versus rehabbing the existing office  
13 use. And I'm wondering if you know anything about the relative  
14 cost there.

15           MS. PRINCE: You know, I can't speak with that  
16 accurately. I have seen examples, because there are some  
17 buildings that are hanging out on the market now that are -- they  
18 either have to be gutted as office or gutted as residential.

19           COMMISSIONER MAY: Exactly.

20           MS. PRINCE: They don't seem to be moving as either,  
21 so.

22           COMMISSIONER MAY: Yeah. No.

23           MS. PRINCE: So I don't know the datapoint on that. I  
24 don't know. I think --

25           COMMISSIONER MAY: Well, that's okay.

1 MS. PRINCE: Yeah.

2 COMMISSIONER MAY: I mean I think this will be very  
3 helpful when we get into the fall to understand more about that  
4 question.

5 MS. PRINCE: Yeah.

6 COMMISSIONER MAY: Because, again, I think that is the  
7 -- at least when it comes to this subset, the conversions, it's  
8 probably helpful to understand the relative cost when the choice  
9 is between, you know, gut -- renovating a Class C office building  
10 and converting it to residential or gutting it and making it into  
11 a Class A office building. I don't think anybody's building  
12 anything other than Class A, so.

13 MS. PRINCE: No. And interestingly, the vacancy rate  
14 for Class A is much, much lower than the vacancy rate for B and  
15 C.

16 COMMISSIONER MAY: Right.

17 MS. PRINCE: There's six and a half million dollar, you  
18 know, savings example that you get 30 percent less rentable space,  
19 and the rents are less. So it's, you knows, it's just --

20 COMMISSIONER MAY: Yeah. No, I -- we're really only  
21 getting part of the data when we when we look at that. I  
22 understand that.

23 MS. PRINCE: Yeah. Yeah.

24 COMMISSIONER MAY: I think it's, you know, it's -- you  
25 have to be mindful that to many people \$6 million is a really

1 big sum and could be considered a windfall. But it's not really  
2 the most likely choice. It's also -- I mean, does that take into  
3 consideration the cost of demolishing the building and rebuilding  
4 it --

5 MS. PRINCE: Right.

6 COMMISSIONER MAY: -- or is it just, you know, a blank  
7 slate kind of thing? Anyway, I appreciate your looking into this  
8 and providing some real numbers on it. And I think that these  
9 are -- this is helpful information and will be helpful when we  
10 look at the IZ component for conversions, particularly in the  
11 downtown.

12 MS. PRINCE: Yep.

13 COMMISSIONER MAY: Thank you.

14 MS. PRINCE: We'll get you as much data as you want.

15 MS. PRINCE: Okay, thanks.

16 CHAIRPERSON HOOD: Okay. Any other questions? Follow  
17 up with Ms. Prince?

18 Okay. I want to thank you, Ms. Prince. We appreciate  
19 you providing us insight -- your insight. So thank you so much.

20 All right, Ms. Schellin, I don't think we have anybody  
21 else, do we?

22 MS. SCHELLIN: No, sir.

23 CHAIRPERSON HOOD: Okay. All right. Let me hear what  
24 my -- the path forward colleagues. I don't know where you all  
25 are, but I'm -- we have some things that we asked for, didn't

1 we? Isn't the Office of Attorney General giving us a report, or  
2 is that in the next case? Let me hear where you all are. I  
3 think I'm okay.

4 Let me hear where, Commissioner May, where are you with  
5 this?

6 COMMISSIONER MAY: Well, you know, I appreciate the  
7 people who have concerns about making this change. But I think  
8 for me, it comes down to the fact that they're essentially  
9 clarifying something that has already happened. For some subset  
10 of those conversions, we'll be making it easier by eliminating  
11 the BZA step for certain cases. And I just don't -- I don't have  
12 any great anxiety about going ahead and doing that pretty  
13 immediately. And I would be in favor of taking our first vote  
14 on this tonight, because I just -- I feel like it would be good  
15 to clarify this.

16 And I do believe that, you know, even if what comes out  
17 of this is going to be more expensive housing, there is a  
18 substantial amount that will be subject to IZ, in terms of the  
19 overall percentages. And, you know, and even if it doesn't result  
20 in a lot of IZ, just more units helps drive down the cost of  
21 housing. (Audio interference) and I -- you know, evidence about  
22 that can be quite anecdotal, but I can tell you myself from my  
23 son's apartment shopping experience, that when he finally did  
24 rent a unit in a relatively new building, the rates were dropping  
25 at that time.



1           So, you know, from when he started looking to when he  
2 actually leased, the rates had dropped by a few hundred dollars  
3 a month, because of the number of new buildings that were being  
4 built in that same area. And he was not in an old building. I  
5 mean, he was in like, a 15-year-old building, and -- or a  
6 10-year-old building, probably. Yeah, it's more like a  
7 10-year-old building. So I mean, it's, again, that's just an  
8 anecdote. But I do believe there is evidence that simply getting  
9 more housing will help solve the housing problem.

10           CHAIRPERSON HOOD: Thank you.

11           Commissioner Imamura, anything to add to any of that?

12           COMMISSIONER IMAMURA: No. All I'd add -- thank you,  
13 Mr. Chairman. I think, you know, we all, as you stated, right,  
14 we all want the same outcome, you know, more houses. Something  
15 that's critical for the City. So -- and we -- to me, it was  
16 really put forward tonight that this is really essentially just  
17 a way to reduce the procedural burdens. You know, for the intent  
18 of these properties. So I, yeah, I'm with Commissioner May. I'm  
19 prepared to act on this tonight.

20           CHAIRPERSON HOOD: Okay.

21           And Vice Chair Miller?

22           VICE CHAIR MILLER: Thank you, Mr. Chairman. Yeah, I  
23 share the -- I would share the comments that Commissioner May and  
24 Commissioner Imamura have made. And I'm prepared to go forward  
25 with a -- this is a two-vote case? Is that -- so I'm prepared

1 to go forward with the first vote this evening. And that  
2 got -- that provides another opportunity for public comment, if  
3 the public is interested. And we'll -- we have another case,  
4 which deals with a lot of the other issues, which were the focus  
5 of the opposition, or the concerned testimony that we had. And  
6 that other case is on our radar, so. So thank you.

7 CHAIRPERSON HOOD: Okay. I don't have anything to add.  
8 I think as I walk through this, and I hear the testimony, we do  
9 have some other things we want to deal with. I think this is  
10 clarifying. It's been stated, and I believe -- I don't think  
11 we're taking -- I don't believe from the merits of what I've  
12 heard in this conversation -- this whole conversation, I don't  
13 believe we're taking away rights. And I'm sure we would not all  
14 go along with that. But I don't have any angst now about moving  
15 forward with this particular case.

16 So I appreciate all the comments that everyone has  
17 given. As I've always said, all comments make a better outcome.  
18 But some of the things that we've gotten from Committee of 100,  
19 OAG, nothing from the ANC, which concerns me, and the union, I  
20 think some of that may come out in other specific cases that  
21 -- and they may rise again to a level where I may not be as  
22 comfortable as moving forward, so.

23 I don't have anything else to add, Ms. Schellin. I  
24 think we're going to go ahead and proceed with this tonight.

25 So would somebody like to make a motion? Sounds like

1 it's going to be a motion to approve, but around here, you never  
2 know. Would somebody like to make a motion?

3 VICE CHAIR HOOD: Mr. Chair -- oh, I'll defer to  
4 Commissioner Imamura.

5 COMMISSIONER IMAMURA: No, I will defer to Vice Chair  
6 Miller who has seniority.

7 VICE CHAIR MILLER: Oh, okay. I would move,  
8 Mr. Chairman, that the Zoning Commission take proposed action on  
9 Zoning Commission Case 22-01. I'm not sure I have the -- Office  
10 of Planning Text Amendment office to the residential matter of  
11 right conversion case and ask for a second.

12 COMMISSIONER IMAMURA: Second.

13 CHAIRPERSON HOOD: It's been moved and properly second.  
14 Any further discussion?

15 COMMISSIONER MAY: Mr. Chairman?

16 CHAIRPERSON HOOD: Yes?

17 COMMISSIONER MAY: I would have wanted to make the  
18 motion on that, but I wasn't sure you'd hear me, so I let the  
19 other go ahead.

20 CHAIRPERSON HOOD: No, we wanted to hear you tonight.  
21 No, I'm just playing.

22 COMMISSIONER MAY: Oh, yeah. Yeah, sure.

23 CHAIRPERSON HOOD: Any further discussion?

24 Not hearing any, Ms. Schellin, would you do a roll call  
25 vote, please?

1 MS. SCHELLIN: Yes.

2 Commissioner Miller?

3 VICE CHAIR MILLER: Yes.

4 Commissioner Imamura?

5 COMMISSIONER IMAMURA: Yes.

6 Commissioner Hood?

7 CHAIRPERSON HOOD: Yes.

8 Commissioner May?

9 COMMISSIONER MAY: Yes.

10 MS. SCHELLIN: The vote is four to zero to one to  
11 approve proposed action in Zoning Commission case number 22-01,  
12 the minus one being the third mayoral appointee position, which  
13 is vacant.

14 CHAIRPERSON HOOD: Okay. I want to really thank  
15 everyone for their participation tonight. I think we had a great  
16 discussion. Looking forward to all of us getting to where we  
17 all want to be, you know, maybe some different avenues.

18 The Zoning Commission will meet again -- Ms. Schellin,  
19 correct me if I'm wrong. Is it June the 27th?

20 MS. SCHELLIN: It will not be until June 27th. You're  
21 correct.

22 CHAIRPERSON HOOD: Oh, okay. Good.

23 MS. SCHELLIN: The hearing. So we should state that  
24 the hearing on the 23rd was asked to be postponed, which was --

25 CHAIRPERSON HOOD: Okay. So -- okay, yeah. The hearing

1 on the 23rd, if anybody's watching, is postponed. I'm sure it'll  
2 be updated on our website.

3 So the Zoning Commission will meet again on these same  
4 platforms, 22-14. This is Phi Beta Sigma Fraternity,  
5 Incorporated. So if you have you step shoes, you may want to  
6 come down and join us for that hearing.

7 I want to thank everyone again for their participating  
8 tonight. Any closing remarks? We do have a week off, I believe.

9 Ms. -- Oh, we have Office of Planning Report.  
10 Ms. Steingasser?

11 MS. STEINGASSER: Yes. Thank you, sir. It's not a OP  
12 report. I just want to clarify that the text that's being  
13 approved is that which was in the OP final report?

14 CHAIRPERSON HOOD: Yes.

15 MS. STEINGASSER: Thank you.

16 VICE CHAIR MILLER: Yes, that was what my motion  
17 intended to be.

18 MS. STEINGASSER: Thank you.

19 CHAIRPERSON HOOD: You second his -- any objections to  
20 what we just heard to clarify? We're doing a lot of clarifying.  
21 We even clarify our motion. Okay. All right. I think we're  
22 all on the same page.

23 Commissioner May?

24 COMMISSIONER MAY: Yeah, I just want to say we all have  
25 one week off, but I have two weeks off. So I won't see you on

1 the 27th or for the meeting on the 30th. So I'll see you on July  
2 -- what's the one after that? July 7.

3 CHAIRPERSON HOOD: Well, you enjoy your time off, and  
4 don't take anything wherever you're going to read and, you know,  
5 I know you're going to miss us. But if you miss us, call us,  
6 and we'll send you some work. Enjoy yourself and be safe.

7 COMMISSIONER MAY: All right. Thank you.

8 MS. SCHELLIN: We can send him the Webex link.

9 COMMISSIONER MAY: Yeah, you can send it to me.

10 CHAIRPERSON HOOD: Okay. You can always join us. You  
11 can always join us.

12 COMMISSIONER MAY: Maybe I --

13 MS. SCHELLIN: Yeah. If he misses it so much.

14 COMMISSIONER MAY: Maybe I will. Maybe I'll hate my  
15 vacation, and want to do more zoning.

16 CHAIRPERSON HOOD: I doubt it. All right. So anyway  
17 safe trip. Safe travels.

18 COMMISSIONER HOOD: Thank you.

19 CHAIRPERSON HOOD: And with that, this meeting -- I  
20 mean this hearing is adjourned. Good night, everybody.

21 (Whereupon the above-entitled matter went off the  
22 record at 5:38 p.m.)

23

24

25

C E R T I F I C A T E

This is to certify that the foregoing transcript

In the matter of: Public Hearing

Before: DCZC

Date: 06-16-2022

Place: Teleconference

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