

**Champlain Street Neighbors: Hotel Study Group
Preliminary Post-Hearing Submission for ZC Case #11-17
The Proposed Adams Morgan Hotel
November 7, 2012**

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The Champlain Street Neighbors: Hotel Study Group ("CSN") are a group of neighbors living in very close proximity to the Applicant's proposed hotel project site at Euclid and Champlain Streets in Adams Morgan. On October 22, 2012, our group presented key issues and concerns about the project to the Zoning Commission. On October 31, 2012, the Applicant attempted to respond to these concerns in writing in english-only.

This is a preliminary response to the Applicant's October 31, 2012 rebuttal. We expect to submit a further informed response after receiving a version of the Applicant's rebuttal in spanish which can be shared with the broader group of active CSN participants to get more feedback and provide the Zoning Commission with a more robust record.

PRELIMINARY POST-HEARING SUBMISSION

The Champlain Street Neighbors are highly concerned that the Zoning Commission has not been provided with the data, evidence, and facts required to meaningfully evaluate the proffered benefits and adverse impacts of the proposed Adams Morgan hotel project and PUD application. Of particular concern is the displacement of the local residents and small businesses and subsequently what's left of local residential and commercial affordability that help make Adams Morgan one of DC's most unique neighborhoods.

Until their September 2012 report supporting the project, the District's Office of Planning ("OP") repeatedly mentioned concerns about how fiscal pressures arising from projects, like a high-end hotel, can actually threaten the "the very qualities that make the neighborhoods attractive."¹ Without explanation, written or oral, a reduction of nine feet in height of the proposed hotel building has somehow changed OP's position regarding this very meaningful concern about fiscal pressures - but it is a concern that is still very ripe.

The Comprehensive Plan describes such qualities as "social, economic, historic, and physical," as important characteristics of any given neighborhood and Adams Morgan certainly is unique in each of them. But, the Applicant has not shown how their proffered high-end hotel will not adversely impact the unique

1 See Zoning Case #11-17, Exhibit 50 - DC Office of Planning Report, August 27, 2012,-- Page 7, Point 8.

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social, economic, and physical qualities of Adams Morgan, in particular the social and economic diversity in Adams Morgan and the physically low profile of commercial businesses along Adams Morgans' main streets of 18th Street and Columbia Road.²

There is no evidence on the agency record that a high-end hotel, where guests will be paying upwards of \$300/night to temporarily stay in our neighborhood, won't increase property values of existing surrounding properties, both residential and commercial.

The Applicant and Office of Planning have not provided the public or Zoning Commission any analysis of neighborhood trends, including the increasing housing and commercial rents and prices, pursuant to the Comprehensive Plan.³

For example, there is no mention of the 2010 census numbers demonstrating great displacement of the longtime working-class Black and Latino population in Ward One, especially in the Mid-City Element where Adams Morgan is located⁴ or even basic trends about affordable housing in the City.⁵

The ZC case record shows no meaningful discussion or reports on how a high-end hotel, with its proffered contemporary design and luxury amenities, won't further exacerbate this growing trend of gentrification or how the proposed hotel will not negatively impact the most immediate properties which happen to be some of the last relatively affordable market units, both residential and commercial, where Adams Morgan working families of diverse backgrounds live, work, and shop.

The Applicant is claiming their proposed commercial project is located in a mixed-use area on the Future Land Use Map. Yet, this proposed hotel contains no long-term residential housing with it, unlike the vast majority of other commercially zoned properties found in the surrounding neighborhood.⁶

The Applicant has not shown how a project of this proffered use and size meet desired planning elements such as "pedestrian-oriented" and "traditional storefront" with "upper-story residential or office uses" and fostering "housing opportunities" and serving "neighborhood needs" pursuant to Comprehensive Plan 10-A223.14,

2 DCMR 11-2403.2: The applicant shall have the burden of proof to justify the granting of the application according to these [PUD evaluation] standards.

3 Policy IM-1.4.2: Monitoring Neighborhood Trends: 2505.4 Monitor social, economic, community, and real estate trends that might require land use actions or policy modifications. Ensure that current, reliable data is incorporated in the city's land use planning efforts and that such data is consistently used across District agencies.

4 See Attachment A with this submission – 2000 & 2012 Census Data Comparison: DC Office of Planning/State Data Center: Ward One Blacks and Latinos are under significant displacement pressures

5 DC Fiscal Policy Institute Report; May 2012: Disappearing Act: Affordable Housing in DC is Vanishing Amid Sharply Rising Housing Costs – “Since 2000, the number of low-cost rental units in the city has fallen by half, due primarily to rising prices, and the number of lower-value homes fell by nearly three quarters.” <http://www.dcfpi.org/disappearing-act-affordable-housing-in-dc-is-vanishing-amid-sharply-rising-housing-costs>

6 The Office of Planning reports found in the agency record indicate small land use maps incorrectly depicting only commercial buildings along Columbia and 18th Street (see ZC Case #11-17, Exhibits 18 & 50, Page 3). Under cross-examination, OP representatives could not recall that the buildings along these main streets are largely mixed-use commercial and residential.

which describes "Mixed-Use Areas." The proposed hotel provides expensive short term rentals of high-end hotel rooms to wealthy out-of-towners who will use the hotels' internal luxury retail, spa, food and beverage services enveloped in the larger commercial hotel structure.

Despite Policy H-1.1.4: Mixed Use Development, found under 10-A 503.5 of the Comprehensive Plan, "[P]romote mixed use development, including housing, on commercially zoned land, particularly in neighborhood commercial centers, along Main Street mixed use corridors," the proffered hotel project provides no housing whatsoever as testified by the Applicant and affirmed by OP on the record.

DC's Mayor got serious in 2006, forming the Comprehensive Housing Strategy Task Force⁷ to truly make an effort at protecting and expanding affordable housing in the District. However, reports have shown over the past six years that the City is severely lagging in its affordable housing goals.⁸

CSN believes we are slipping behind on affordable housing in part due to District planning agencies, like the Office of Planning ("OP") and the Deputy Mayor's Office of Planning and Economic Development ("DMPED") and the Department of Housing and Community Development (DHCD), promulgating high-impact projects without doing the necessary evaluation of adverse impacts on surrounding communities, including displacement of affordable housing. This is the case with this hotel project.

The Comprehensive Plan provides many strategies emphasizing collaboration among City officials and private developers to protect and expand affordable housing. However, the Applicant has not demonstrated that they have been working diligently with the City's planning agencies in, "undertaking programs to protect the supply of... [neighborhood] low-cost market rate units."⁹ In this case, we refer to the housing units within two blocks, and certainly those within two hundred feet, of the subject site.

For example, there has been no known deliberations between the City and the Applicant to provide financial investment into the Housing Production Trust Fund in return for their requested commercial bonus density.¹⁰

7 In 2006, the Comprehensive Housing Strategy Task Force (the Task Force, or CHSTF), co-chaired by Alice M. Rivlin and Adrian Washington, recommended a detailed set of policies to the Mayor and City Council of Washington, D.C. The report, "Homes for an Inclusive City: A Comprehensive Housing Strategy for Washington, D.C." outlined a 15-year plan to preserve and develop housing in support of a growing, inclusive city of mixed-income neighborhoods. >> <http://www.brookings.edu/research/reports/2006/04/cities>

8 "The District is behind on its affordable housing mission," by Liz Farmer of the Washington Examiner, August 1, 2011 >> <http://washingtonexaminer.com/article/116861>

9 Comprehensive Plan Policy H-2.1.1: Protecting Affordable Rental Housing --509.5 Recognize the importance of preserving rental housing affordability to the well-being of the District of Columbia and the diversity of its neighborhoods. Undertake programs to protect the supply of subsidized rental units and low-cost market rate units.

10 Comprehensive Plan Policy H-1.1.4: Mixed Use Development --504.5 For many years, the city has had a policy requiring developers seeking commercial density bonuses to provide affordable housing or pay into the Housing Production Trust Fund.

The Applicant could also be offering investment into community trusts to provide for future tax abatements, structural upgrades, and other financial incentives like tax relief to surrounding property owners of low-income properties who are helping house what is largely left of Adams Morgans' culturally and economically diverse families who make up the unique social characteristic of our neighborhood.¹¹

The Districts planning agencies have also not talked with the Applicant about financing "Land Trusts" to help tenants purchase their housing and form cooperatives if the landlords of the buildings adjacent to the hotel decide to cash in on a real-estate windfall and sell their suddenly more valuable properties.¹²

There is no evidence of any kind on the agency record of any long-term planning interest by the City and Applicant for how this high-impact proposed hotel PUD will affect the surrounding sensitive residential neighborhood which bounds the subject property to the south and east.²

Together, the City and the Applicant have failed to, "Recognize the importance of preserving rental housing affordability to the well-being of the District of Columbia and the diversity of its neighborhoods."⁹

The civic priority of affordable housing has been left entirely off the table with regard to this PUD application, conveniently dismissed by the Applicant through an esoteric presentation on the difference in tax categories for commercial properties versus residential properties as shown by the Applicant's rebuttal dated October 31, 2012. If anything this rebuttal and tax presentation shows more acutely how surrounding Adams Morgan small businesses will be negatively impacted if this PUD is granted.

CSN believes that a high-end hotel serving wealthy clientele will disproportionately affect the small mom-and-pop and minority businesses serving the low-income and working-class families living in the neighborhood around the proposed subject site.

There is simply nothing on the record to readily substantiate the Applicant's assertion that daytime foot traffic created by the hotel will lead to increased sales at local Columbia Road businesses which offer cheap eats and inexpensive clothing and other affordable services to the diverse working-residents left in Adams Morgan.

It is fair to conclude that high-end hotel guests, given the choice, will not walk

11 Comprehensive Plan Policy H-1.1.2: Production Incentives; Policy H-1.2.7: Density Bonuses for Affordable Housing; Action H-1.4.D: Tax Abatement; Policy H-2.1.3: Avoiding Displacement; Policy H-2.1.7: Direct Rental Assistance; Action H-2.1.A: Rehabilitation Grants; Action H-2.1.B: Local Rent Subsidy; Policy H-2.2.3: Tax Relief; Action H-1.2.G: Land Trusts

12 Comprehensive Plan 10-A508. H-2 Housing Conservation: Retaining Our Housing Stock; Policy H-2.1.3: Avoiding Displacement; Policy H-2.1.4: Conversion of At-Risk Rentals to Affordable Units; Policy H-1.3.4: Co-operatives and Co-housing; Action H-1.2.G: Land Trusts

east on Columbia Road to the small businesses that stand on neglected old sidewalks, that face sad landscaping, and that have storefronts needing repairs and updates. Instead, it would seem common sense that any guest venturing out of the hotel would most likely choose to patronize the more expensive representants, taverns, and nightclubs along the newly revamped 18th Street entertainment corridor.

Further, there is no data on the record showing that any income from hotel guests for these affected businesses will actually outpace the increase in commercial lease prices already being anticipated and discussed by the absentee-landlords and these longtime small and minority business operators.

CSN believes the proffered hotel will increase the fiscal burden on these small mom-and-pops along Columbia Road as it will on the neighbors living around the hotel who shop there and there is no evidence to show otherwise.²

The City's planning agencies, namely OP and DMPED, did not evaluate the impacts of this proffered hotel on the surrounding small business community despite the Comprehensive Plan acutely noting apprehension about "commercial gentrification."¹³

The Comprehensive Plan states, "[The] potential downsides of revitalization is the loss of small businesses as national chains move in."¹⁴ As testified by Councilmember Jim Graham, this proposed hotel is part of the revitalization of Adams Morgan but the adverse impacts have not been measured for the ZC record – not by the Councilmember, the ANC, the City's Planning agencies, nor the Applicant.

Particularly distressing is that OP and DMPED abrogated their legally mandated role in, "[The] tying [of] zoning relief (variances, etc.) to explicit requirements for the preservation of local serving small businesses" by working with the Applicant to generate "working capital and other forms of financial and technical assistance" as "important to promote [the surrounding small businesses] success."¹³

Further, the City and Applicant did not even conduct a basic assessment of the small businesses within the affected area of the subject site to weigh out any

13 10-A714. ED-3.2 Small and Locally-Owned Businesses. -- 714.5 New programs may be needed to reduce "commercial gentrification" in the future. Measures should include but not be limited to income and property tax incentives, assistance to commercial tenants seeking to purchase their buildings, commercial land trusts (which buy local commercial space and hold it in perpetuity for the benefit of the community), and relocation assistance programs for displaced business. Zoning strategies, such as limits on the size of businesses or the length of street frontage, and tying zoning relief (variances, etc.) to explicit requirements for the preservation of local serving small businesses also should be included. There are also federal programs like the HUBZone (Historically Underutilized Business Zone).

14 10-A714. ED-3.2 Small and Locally-Owned Businesses. -- 714.4 One of the potential downsides of revitalization is the loss of small businesses as national chains move in. This can also result in the replacement of basic services with high-end specialty shopping that is not affordable to many residents. The District recognizes that neighborhood shopping areas should evolve in response to changes in consumer tastes and preferences, but it also recognizes the importance of avoiding displacement and economic hardship for the businesses that have anchored our city's shopping areas for years.

adverse impacts in contravention of Comprehensive Plan Action ED-3.2.D: Small Business Needs Assessment. This is despite the Office of Planning twice receiving notice about displacement concerns – once from the ANC and then from a local group called Columbia Road Commercial & Friends.¹⁵

The City's planning agencies and Applicant have put nothing on the record to show an evaluation of how this proffered hotel project will impact the small business community and have not offered up any plan to mitigate their displacement pursuant to Action ED-3.2.A: Anti-Displacement Strategies, among many other Comprehensive Plan and City policies.

The potential displacement of these small neighborhood serving businesses will also lead to pushing out local residents who rely on the inexpensive retail goods and services that have long been provided along Columbia Road. The heritage of our mom-and-pop stores will be replaced by sterile and expensive chain stores whom will be able to pay the "unexpected" rising commercial leases.

This bring us back to the OP reports, which up until September 2012 certainly noted the idea of keeping and maintaining "successful neighborhoods" in, referencing Comprehensive Plan Policy 10-A218.1 which highlights the trepidation about "redevelopment pressures that threaten the very qualities [social, economic, historic, and physical] that make the neighborhoods attractive."

Despite OP's awareness of these concerns, they failed to evaluate the fiscal pressures a high-end hotel offering luxurious amenities will burden our community with and failed to bring in other District agencies to help them plan and act with regard to these predictable pressures.¹⁶

The result is a zoning case record that contains no demonstration by City planning agencies, or ultimately by the Applicant, in identifying and implementing anti-displacement mitigation strategies as a benefit associated with this PUD application to offset the very real adverse impacts as predicated in the Comprehensive Plan to the surrounding unique community.

CSN wants to preserve the historic Church at the heart of our community, but not at the cost of displacing the great many tenants and small businesses which make up the unique and enduring history and heritage of social and economic diversity which Adams Morgan has been known for. We know there are other worthy projects, already discussed in the community¹⁷, which would make for a far more suitable project to preserve our church and the important character of our community.

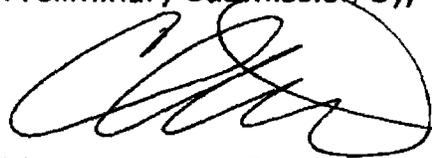
¹⁵ See Zoning Case #11-17 Exhibit 188; ANC/OP Letter: Page 7-8; Columbia Rd. Commercial Letter: Page 9-10.

¹⁶ See Attachment B with this submission – Transcript Highlights from October 10, 2012 showing OP's abrogation of planning duties under law and their own promises

¹⁷ See Zoning Case #11-17 Exhibit 188; Pages 22-24

We ask the Zoning Commission to look to the Comprehensive Plan¹⁸ and require the Applicant to work with the City and surrounding community, including CSN, to discuss mitigating the acute adverse impacts to both residents and small business operators as described above before making any judgment about this PUD application.

Preliminary submission by,



CHRIS OTTEN

The Champlain Street Neighbors: Hotel Study Group

¹⁸ Comprehensive Plan Policy IM-1.3.3: Consultation of Comprehensive Plan in Zoning Decisions

District of Columbia 2000 and 2010 Census Data Compared by Ward by Race and Ethnicity

	Total Population						One Race: White alone			One Race: Black alone		
	2000	2010	Change	2000	2010	Change	2000	2010	Change	2000	2010	Change
Ward 1	73,364	76197	2,833	70,056	73129	3,073	23,276	36864	13,588	33,554	24794	-8,760
Ward 2	68,869	79915	11,046	66,968	77459	10,491	45,036	57317	12,281	13,723	10079	-3,644
Ward 3	73,718	77152	3,434	71,826	74836	3,010	61,647	64447	2,800	4,259	3860	-399
Ward 4	75,179	75773	594	72,908	72816	-92	14,031	18601	4,570	52,550	44459	-8,091
Ward 5	71,440	74308	2,868	70,299	72298	1,999	5,877	12259	6,382	62,703	56489	-6,214
Ward 6	68,035	76598	8,563	66,604	74444	7,840	21,513	38047	16,534	42,678	31842	-10,836
Ward 7	70,527	71068	541	69,809	69875	66	974	1291	317	68,301	67471	-830
Ward 8	70,927	70712	-215	70,143	69550	-593	3,747	2645	-1,102	65,544	66131	587
Total	572,059	601,723	29,664	558,613	584,407	25,794	176,101	231,471	55,370	343,312	305,125	-38,187

	One Race: American Indian alone						One Race: Native Hawaiian & Other Pacific Islander					
	2000	2010	Change	2000	2010	Change	2000	2010	Change	2000	2010	Change
Ward 1	378	393	15	2,588	3156	568	47	47	0	10,213	7875	-2,338
Ward 2	234	220	-14	5,269	6942	1,673	111	65	-46	2,595	2836	241
Ward 3	140	170	30	4,231	5146	915	39	27	-12	1,510	1186	-324
Ward 4	229	334	105	726	1218	492	31	59	28	5,341	8145	2,804
Ward 5	223	285	62	602	1037	435	17	32	15	877	2196	1,319
Ward 6	202	311	109	1,339	3161	1,822	43	39	-4	829	1044	215
Ward 7	155	220	65	133	136	3	16	13	-3	230	744	514
Ward 8	152	146	-6	301	260	-41	44	20	-24	355	348	-7
Total	1,713	2,079	366	15,189	21,056	5,867	348	302	-46	21,950	24,374	2,424

	Two or More Races					
	2000	2010	Change	2000	2010	Change
Ward 1	3,308	3068	-240	18,109	15,827	-2,282
Ward 2	1,901	2456	555	6,997	7,570	573
Ward 3	1,892	2316	424	5,027	5,796	769
Ward 4	2,271	2957	686	9,256	14,179	4,923
Ward 5	1,141	2010	869	1,837	4,707	2,870
Ward 6	1,431	2154	723	2,053	3,710	1,657
Ward 7	718	1193	475	658	1,653	995
Ward 8	784	1162	378	1,016	1,307	291
Total	13,446	17,316	3,870	44,953	54,749	9,796

Source: DC Office of Planning/State Data Center using Census 2010 data.

HISPANIC
 2000 2010 Change
 18,109 15,827 -2,282 Ward One

ATTACHMENT
 A.1

**DC ZONING COMMISSION HEARING
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HIGHLIGHTS FROM THE TRANSCRIPT 10/10/12

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MR. OTTEN: Okay. And isn't it true that the comp plan talks about encouraging the retention and development of small and minority businesses?

MR. JESICK: I believe it does.

MR. OTTEN: And didn't your office in the summer of 2012 receive a letter from small businesses, minority-owned businesses, along Columbia Road just around the block from where this hotel might be located?

MR. JESICK: Yes.

MR. OTTEN: And what kind of response did those folks get?

MS. STEINGASSER: I believe that is beyond the scope of our testimony.

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MR. OTTEN: Thank you, Chair. Doesn't the comp plan policy, ED-3.2.6, refer to commercial displacement and the attempts at -- for the city to avoid such displacement of small and local businesses?

MS. STEINGASSER: I don't believe any of our testimony got to the heart of displacement based on this project.

MR. OTTEN: But isn't that something that the Office of Planning typically has to analyze in projects this big?

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MS. STEINGASSER: Our report this evening is focused on this project, and our report and testimony and our analysis of the comp plan focused on this project on this site in this land.

MR. OTTEN: And so does your report discuss any effects on the immediate commercial small and minority businesses?

MS. STEINGASSER: There is no displacement of businesses from this project on this --

MR. OTTEN: Not from this project, but of the immediate --

MS. STEINGASSER: -- within this project. And that is the course of our testimony.

MR. OTTEN: So your report does not refer in any way to the immediate impacted businesses?

MS. STEINGASSER: Our report analyzes this project, and there is no displacement on the site on this project.

MR. OTTEN: That's not my question, though, but I'll move on. You got it. Was there any analysis of how this project works in with action, ED-3.2.8, anti-displacement strategies?

[[some interruption]]

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MS. STEINGASSER: I think we would answer no.

CHAIRMAN HOOD: Okay. Next question.

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MR. OTTEN: That there is no housing, particularly with this project?

MR. JESICK: That's correct.

MR. OTTEN: Okay. Did you do any analysis about the fiscal pressures mentioned on point eight, development pressures, how that might affect property values in the area?

MR. JESICK: No.

MR. OTTEN: And didn't the ANC write a letter to your office back in 2011, basically inquiring about how a project of this size may impact local rents and affordable housing?

MS. STEINGASSER: Again, we're not--our testimony is based on our--our report of what's in the record before the Zoning Commission.

MR. OTTEN: Right. So--

MS. STEINGASSER: Not what communications have happened with the Office.

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MR. OTTEN: Okay. So just for clarity's sake, there is--your reports don't analyze the potential fiscal pressures on the surrounding housing and small businesses; correct?

MS. STEINGASSER: We've said no.

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MR. OTTEN: Okay. Page--in the set-down report, on the last page, sixteen, you say--or the report says if this is set down, the Office of Planning will refer to the following government agencies who will review and comment. Yet today, we're only hearing a

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few of those have commented. Have you heard anything from, for example, [from] the Department of Environment?

MR. JESICK: No.

MR. OTTEN: Department of Employment Services?

MR. JESICK: No.

MR. OTTEN: DPW?

MR. JESICK: No.

MR. OTTEN: Department of Small and Local Business Development?

MR. JESICK: No.

MR. OTTEN: Fire and Emergency Medical Services Department?

MR. JESICK: No.
