

tANC 6A Economic Development & Zoning Committee
Wednesday October 28, 2009, 7-9:00 PM
Sherwood Recreation Center (640 10th St, NE)
2nd Floor Community Room

Committee Members: Drew Ronneberg, Chair; Linda Whitted; Jeff Fletcher; Dan Golden
Commissioners present: Kelvin Robinson (6A08), David Holmes (6A03), Nick Alberti (6A04)

7:00 pm Call to order

Community Comments

Mr. Alberti informed the committee that the Martini Lounge was shut down for 96 hours because a stabbing occurred on the premises.

Ongoing Status Reports:

None

New Business

Vacant Properties

Charles Allen from Councilmember Wells' Office updated the committee about recent changes to how vacant properties were taxed in DC.

The new law does not change the City's definition of a vacant property, but only changes how much vacant properties are taxed. Under the old system, there were 3 property tax rates: Class I (residential) properties were taxed at \$0.85 per \$100 of assessed value, Class II (commercial) properties were taxed at \$1.65 per \$100 of assessed value and Class III (vacant) properties were assessed at \$10 per \$100 of assessed value. The much higher tax rate for vacant properties was meant to encourage their occupation or sale to an owner that would occupy them.

Mr. Allen cited several issues with this system. The first problem is that many occupied properties were classified as vacant, which lead to owners receiving huge tax bills that they could not pay. Many DC residents had their credit destroyed because of this. The second issue was that when property owners where hit with these large tax bills, it made lenders much less inclined to fund construction projects because the owner's large tax liability. Finally, there was a feeling that many vacant properties were well maintained and these property owners should not be punished with the \$10 per \$100 rate.

In response, a new system was created where vacant properties were charged Class II (\$1.65 per \$100 rate) and the Class III rate was reserved for "blighted properties." According to the new law, a blighted property is a vacant property where there is "(i) Failure to comply with the following vacant building maintenance standards: (I) Doors, windows, areaways, and other openings are weather-tight and secured against entry by birds, vermin, and trespassers, and missing or broken doors, windows, and

other openings are covered; (II) The exterior walls are free of holes, breaks, graffiti, and loose or rotting materials, and exposed metal and wood surfaces are protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint; or (III) All balconies, porches, canopies, marquees, signs, metal awnings, stairways, accessory and appurtenant structures, and similar features are safe and sound, and exposed metal and wood surfaces are protected from the elements by application of weather-coating materials, such as paint; or (ii)The structure is boarded up.”

Mr. Allen acknowledged that there were still issues with the new definition of blighted property and said that Tommy Wells was introducing a bill to include provisions to add properties that had their utilities turned off for a year to the definition of blighted properties.

The committee relayed its past experiences with the Vacant Property Unit within DCRA. The committee expressed concern that the Council was trying fix an administrative problem with legislation and that more effort should be put into making DCRA function better. The committee also relayed that under the leadership of Ms. Twee Nguyen, DCRA had finally started to use ANC 6A's input to removing occupied buildings off the list and adding vacant properties to the list. Mr. Allen said that Ms. Nguyen had burned out and had been replaced with Mr. Ruben Pimberton, who was a Capitol Hill Resident. Dan Golden agreed to contact Mr. Pimberton to reestablish the ED&Z's relationship with DCRA's vacant property unit.

Drew Ronneberg said that one of the problems under the new system is that occupied and vacant commercial properties were taxed at the rate, thereby eliminating the financial incentive for property owners of H Street to reoccupy their buildings. Mr. Allen acknowledged this shortcoming and pledged to work with Councilmember Wells to correct it. Dr. Ronneberg also thought that the \$10 per \$100 rate was punitive and that \$5 per \$100 would accomplish the same goal if DCRA were properly functioning.

The committee agreed to restart its effort to survey vacant and blighted properties if DCRA was willing to work with the ANC to insure the accuracy of the vacant and blighted properties list.

H Street NE and Historic Districts

Traceries has completed its survey of the buildings on H Street NE and will be presenting their findings to community during a Nov 10th meeting at the Atlas Theater starting at 6:30 pm. Ms. Donna Hanousek came to the ED&Z meeting to brief the committee on the results of the survey and possible next steps for including H Street in a historic district. She said that the survey showed that H Street NE has a distinct history from the surrounding neighborhood and that Traceries would recommend that if it was designed as part of a historic district, it should be its own commercial historic district rather than as a part of the Capitol Hill Historic District. If H Street NE was its own historic district, there would be a process of creating design guidelines to insure that renovations to existing buildings and the construction of new buildings reflected the Corridor's existing fabric.

Ms. Hanousek also outline what steps would be needed for designating H Street a historic district. First, an application needed to be written and submitted to the Historic Preservation Office. Part of this application would be a “context statement” which would outline the history of the street and how the

look of the Corridor was shaped by cultural and economic forces. In addition, there needed to be a significant outreach campaign to explain the benefits of Historic Designation to property and business owners. For example, property owners would receive up to 30% of the cost of renovations and construction if H Street were designated a historic district. These tax credits could help spur the development of the Corridor.

If an application for historic district designation went before HPRB, HPO would survey the property owners to determine their support for the Historic District. H Street could not be designated without significant support from the owners.

Ms. Hanousek thought that there were individuals in the neighborhood who would be willing to put together the application for \$2,500, which is a steep discount over the \$15,000-\$20,000 required by a professional firm. In addition, she thought that a well-funded outreach campaign could be organized for \$2,500. Drew Ronneberg agreed to approach the other community groups to look into the funding issue.

NEXT MEETING

ANC 6A Economic Development & Zoning Committee

Wednesday November 18, 2009, 7-9:00 PM

Sherwood Recreation Center (640 10th St, NE)

2nd Floor Community Room