

Government of the District of Columbia Advisory Neighborhood Commission 4B

By Electronic Mail

May 28, 2024

At-Large Councilmember Robert C. White, Jr., Chair DC Council, Committee on Housing 1350 Pennsylvania Avenue, NW; Suite 107 Washington, DC 20004 <u>rwhite@dccouncil.gov</u>

Ward 4 Councilmember Janeese Lewis George DC Council 1350 Pennsylvania Avenue, NW; Suite 105 Washington, DC 20004 *jlewisgeorge@dccouncil.us*

RE: Detailing Procedural History of Proposed Development at 6928 Maple Street, NW, and Highlighting Continued Concerns re Petra Development

Dear Councilmember White and Councilmember Lewis George:

Advisory Neighborhood Commission 4B, at a duly noticed public meeting, with a quorum being the "majority of the total number of commissioner positions currently filled in Commission 4B," at its May 28, 2024, meeting voted with _ Yeas, _ Nays, and _ Abstentions to send this letter detailing the procedural history of the proposed development at 6928 Maple Street, NW, (sometimes referred to as 6950 Maple Street, NW; Square 3354, Lot 28) and highlighting continued concerns regarding Petra Development. The property is located within the Takoma Park Historic District and is currently located within Single Member District 4B04 (and was previously located within Single Member District 4B07 prior to redistricting).

Introduction: Petra Development first approached Advisory Neighborhood Commission 4B in 2020 regarding a proposed development at 6928 Maple Street, NW, that would include 68 new housing units that would all be deeply affordable via housing vouchers. The Commission has long expressed that housing is a right and that every District resident is entitled to safe, stable,

and secure housing, and the Commission's early enthusiasm regarding this proposal was tied directly to Petra Development's affordable housing commitments.

Concerns arose relatively quickly, however, when Petra Development failed to provide information and answer questions regarding their financing and affordable housing commitments and when they failed to engage with the Commission's Housing Justice Committee. More recent news articles detailing Petra Development's harmful practices with regard to voucher housing affirmed the Commission's concerns. As the property sits in limbo, the Commission seeks to memorialize the history of the Commission's interactions with Petra Development and calls for assistance in assuring no project by Petra Development moves forward at this site (or, if it does, only with intensive attention and oversight).

Procedural Timeline: Petra Development's proposal for 6928 Maple Street, NW, first came to light in early 2020. Following initial communications, the then-Commissioner for Single Member District 4B07 held a community meeting with Petra Development about the proposal on September 3, 2020, where several Commissioners and residents were present and expressed support for the idea of a new building that would provide deeply affordable housing. That Commissioner sent a list of questions to Petra Development on September 8, 2020, encompassing some of the feedback received at that time, and Petra Development responded on September 23, 2020 (attached). Petra Development's responses, particularly as related to the project's financing, their affordable housing commitments, and supportive services contained almost no details.

The community had expressed concerns about the proposed project's impact on the current tenant at the address, Rhizome DC – a nonprofit community arts space that has been a cultural institution in the Takoma neighborhood. Advisory Neighborhood Commission 4B urged Petra Development to do "<u>everything reasonably possible to create a clear, fair, and supportive transition process for Rhizome DC</u>." On November 20, 2020, Petra Development (as Maple Park Associates LLC) executed a formal agreement with Rhizome DC, whereby Rhizome DC would vacate the property in exchange for \$3,500 per month for the 12 month period immediately following the date Rhizome DC vacates the property (totaling \$42,000). Rhizome DC is still leasing the Maple Street house, and so has not received any payment.¹

Petra Development presented to Advisory Neighborhood Commission 4B at <u>the Commission's</u> <u>October 26, 2020, meeting</u>, and the Commission approved <u>Resolution 4B-20-1107</u>, Supporting the Preliminary Design Concept and Providing Initial Community Input for 6928 Maple Street, NW, at the Commission's November 23, 2020 meeting (attached). In addition to providing preliminary support for the project's design – as would be considered by the Historic Preservation Review Board – the Commission expressed support for the addition of 68 new housing units, all of which Petra Development had presented as deeply affordable via voucher housing. The DC Historic Preservation Office acknowledged receipt of the Commission's Resolution, but noted there was not yet an application on file with the Historic Preservation

¹ Petra Development has largely ceased communications with Rhizome DC.

Review Board (attached). Despite indicating the Resolution would be included in the Board's file, it never was, which means the Commission's views were never formally considered by the Board.

Petra Development (as Maple Park Associates LLC) submitted an application for conceptual design review to the Historic Preservation Review Board on September 15, 2021. At this time, Advisory Neighborhood Commission 4B Commissioners and Housing Justice Committee members expressed concerns regarding the lack of details and communications from Petra Development, particularly with regard to the financing and related housing affordability commitments for the project. Despite requests over several months to Petra Development to present to the Commission's Housing Justice Committee, including providing questions by email, Petra Development never provided a presentation or responded to those questions (see attached email communications).

Given Petra Development's lack of response to questions sent by email, Advisory Neighborhood Commission 4B formally approved a <u>letter of questions for Petra Development regarding its</u> <u>affordable housing commitments for the proposed development at 6928 Maple Street, NW</u>, at the Commission's November 22, 2021, meeting. Importantly, that letter asked the following questions:

- Petra has committed to 100% affordable units (via housing vouchers) in perpetuity. Petra has stated the project is privately financed and that, as a result, "[they] do not have to deal with any of the approval processes or associated delays." Is Petra's affordability commitment rooted in any official obligation via financing, covenant, or otherwise?
- Is Petra willing to formalize this verbal commitment to affordable housing in any type of written document (like a Memorandum of Understanding)?
- Petra has said: "Any housing voucher holder will be welcome to apply." Can Petra provide more details regarding its relationship, if any, with the DC Housing Authority and how it will ensure voucher holders reside in this project? How will Petra select voucher holders for this project? Are these permanent supportive housing units?
- What is the mechanism for renting only to voucher holders? If it is just an internal policy (which is what we currently understand), does that run afoul of DC source of income discrimination law? If Petra believes it does not, what is the basis for that opinion?
- What is the likelihood of and circumstances under which Petra would rent to nonvoucher holders? If Petra ends up renting to non-voucher holders, will they have rent levels set at affordable levels for those who do not have vouchers?
- What other tenant requirements will Petra have? Credit checks? Background checks? How will they treat criminal history? Have they looked at their intake policy with an equity lens to remove barriers to housing?

- How is Petra contributing to the community? Do they have experience with providing services to the population(s) they are proposing to serve? Do they have relationships with service organizations, and if so, which organizations?
- How did Petra decide on the number of units and the mix of the types of units? Did Petra do any market research on which types of housing units are most in demand for the relevant population of voucher holders? Non-voucher holders? Given that the construction is by-right, is 68 units the ceiling of the number of units that can be built at this site?

When transmitting the letter, it was again requested that Petra Development attend an upcoming Housing Justice Committee meeting. The Commission never received any responses from Petra Development to this formal Commission letter or the additional invitation to attend a Housing Justice Committee meeting.

Meanwhile, the Historic Preservation Review Board considered but did not vote on Petra Development's application in February 2022, expressing some concerns regarding the design. Petra Development (as Maple Park Associates LLC) revised their submission, and <u>the Board</u> <u>voted to approve the revised concept</u> with some conditions on May 5, 2022. As noted above, Advisory Neighborhood Commission 4B's <u>Resolution 4B-20-1107</u> is not in the Historic Preservation Review Board's file for the property, and was not formally considered by the Board (or necessarily even considered at all).

The Commission's Housing Justice Committee considered challenges faced throughout the District with regard to use and implementation of voucher housing at the Committee's November 2, 2022 meeting. During that meeting, then-staff from the office of Ward 4 Councilmember Janeese Lewis George and a Commissioner from an adjacent Advisory Neighborhood Commission expressed concerns about Petra Development based on their first-hand experiences.

In March 2023, *DCist* published an article, "<u>The Next Hottest Rental Strategy? Market to</u> <u>Housing Choice Voucher Holders</u>." The article chronicled the abusive strategy of renting to housing choice voucher holders while failing to maintain a safe and healthy building where, "because of local and federal regulations (as well as <u>poor management on the part of D.C.</u> <u>agencies</u>), property owners [could] command double or triple what they would otherwise collect." The article noted, "Petra is now selling the entirety of its 11-building portfolio; a slide deck advertising the deal, obtained by DCist/WAMU, notes that 'tenancy throughout the portfolio is exclusively through the Housing Choice Voucher Program." An August 2023 *Washington Post* piece expressed the problem plainly:

Petra's business plan is simple. Buy up residential buildings, reconfigure them to pack in as many apartments as possible, and rent them to voucher holders, on whose behalf,

a <u>Washington Post investigation</u> in February showed, the D.C. Housing Authority has been willing to pay high rents without inquiring into the units' actual worth.

The money making scheme is often paired with poor living conditions, as reported across Petra Development properties, like <u>front doors that do not lock</u>.

Request for Assistance: The proposal for 6928 Maple Street, NW, seems to be at a standstill – with no communications from Petra Development to Advisory Neighborhood Commission 4B. To the Commission's knowledge, Petra Development is still under contract to purchase the property. In light of expected Commissioner turnover, the Commission seeks to memorialize its history of engagement with and concerns regarding Petra Development. The Commission seeks the DC Council's assistance in continued vigilance regarding this property and the proposed development, as well as Petra Development's commitments to Rhizome DC. While the Commission adamantly supports affordable housing, the Commission will continue to fight to ensure that housing is safe, stable, and secure for everyone.

The Commission has voted with _ Yeas, _ Nays, and _ Abstentions to appoint the Commissioner for Single Member District 4B02, Erin Palmer; the Commissioner for Single Member District 4B04, Evan Yeats; the Commissioner for Single Member District 4B08, Alison Brooks; and the Commissioner for Single Member District 4B03, Zurick T. Smith, to be authorized to communicate this letter and represent Advisory Neighborhood Commission 4B in communication with you or any DC government entity regarding this matter. The aforementioned Commissioners would be happy to speak with you about the details regarding this proposal and the Commission's history with Petra Development at your convenience.

Sincerely,

Erin Palmer, ANC 4B02 Commissioner Evan Yeats, ANC 4B04 Commissioner Alison Brooks, ANC 4B08 Commissioner Zurick T. Smith, ANC 4B03 Commissioner

cc: Brian Schwalb, Attorney General of the District of Columbia

Shawn Hilgendorf, Committee Director, DC Council, Committee on Housing

Kelly Hunt, Chief of Staff, Office of Councilmember Janeese Lewis George

Enclosures