COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE OF THE WHOLE COMMITTEE REPORT

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

TO: All Councilmembers

FROM: Chairman Phil Mendelson Committee of the Whole

DATE: July 10, 2018

SUBJECT: Report on Bill 22-434, the "Targeted Historic Preservation Amendment Act of 2018"

The Committee of the Whole, to which Bill 22-434, the "Targeted Historic Preservation Amendment Act of 2018" was referred, reports favorably thereon with amendments, and recommends approval by the Council.

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I. BACKGROUND AND NEED

On December 13, 2017, Bill 22-434, the "Targeted Historic Preservation Amendment Act of 2018" was introduced by Councilmember Allen to amend the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02) to provide that grants available to assist homeowners with the rehabilitation of historic property under the Targeted Homeowner Grant Program may be used to rehabilitate any structure that contributes to the character of the Emerald Street Historic District, the Kingman Park Historic District, and the Wardman Flats Historic Landmark.¹

¹ As introduced, B22-434 only included the Emerald Street Historic District. However, at the June 21, 2018 hearing on B22-434, it became evident that there was a need to amend the bill as introduced to include the Kingman Park Historic District and the Wardman Flats Historic Landmark. *See infra* discussion.

Targeted Homeowner Grant Program

Since 2007, the Targeted Homeowner Grant Program² has helped to preserve the affordability of housing for low- and moderate-income homeowners who reside in the city's historic districts by making non-taxable grants available for home repairs – some of which been left unattended for years due to lack of funds.³ Administered by the Office of Planning's Historic Preservation Office ("HPO"), grants are awarded for exterior repairs, rehabilitation, and structural work on historic properties located within a list of historic districts pursuant to the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02) ("the Act"). According to HPO, work affecting sides of the house visible from public streets, which makes an appreciable difference in the appearance of the house, is encouraged. Currently, the twelve enumerated historic districts eligible for the Targeted Homeowner Grant program include: Anacostia, Blagden Alley/Naylor Court, Capitol Hill, Fourteenth Street, LeDroit Park, Mount Pleasant, Mount Vernon Square, Mount Vernon Triangle, Shaw, Strivers' Section, U Street, and Takoma Park.⁴

Grants may be up to a maximum of \$25,000, except the Anacostia Historic District where the maximum is \$35,000.⁵ In Fiscal Year 2017 (the most recently completed Fiscal Year), HPO awarded approximately \$284,000 in Targeted Homeowner Grants. The District's Fiscal Year 2019 budget provides for \$250,000 in these grants.

The grant application is a two-part process. In Part I, homeowners provide photographs of their house and a general description of the repairs and restorations they propose to make. Generally, Part I applications received by the beginning of July will be reviewed for eligibility and receive a Part II application to complete. Completed Part II applications are reviewed by the grant committee (comprised of members selected by the Director of the Office of Planning and the Chair of the Historic Preservation Review Board) in early fall. Grants awarded in the fall will be on track for restoration projects the following spring.

Proposed Eligible Historic Districts & Historic Landmarks

Bill 22-434 would amend the Act to expand the list of properties eligible for the Targeted Homeowner Grant Program to include properties within the Emerald Street Historic District, the Kingman Park Historic District, and the Wardman Flats Historic Landmark. The Emerald Street Historic District includes one-block of Emerald Street N.E. bounded by F Street, N.E., 13th Street, N.E., E Street, N.E., and 14th Street, N.E., at the eastern end of Capitol Hill in Ward 6. Emerald Street is lined with several groupings of intact and attached Queen Anne-style rowhouses built between 1892 and 1896 by the same developer.

The Emerald Street Historic District was designated as such in 2017. Residents residing within the Emerald Street Historic District testified at the June 21, 2018 public hearing on Bill 22-434 in support of amending the Act to include their neighborhood. Gladys Baxley, a longtime resident of

² See The Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02).

³ The grants were created by the Targeted Historic Preservation Assistance Amendment Act of 2006.

⁴ *See* D.C. Official Code § 6-1110.02(b).

⁵ See D.C. Official Code § 6-1110.02(d).

Emerald Street shared, "I'm excited not only about the possibility of further protecting and preserving the architectural and social histories of Emerald Street through this grant program, but also about our desire to maintain the esthetic character of our historic street both for our current and future generations of Emerald Street homeowners."⁶ ANC 6A, in which Emerald Street Historic District is situated submitted a letter in support of the bill; it is summarized below and attached to this report.

Recently designated in 2018, the Kingman Park Historic District includes properties bounded by East Capitol Street, N.E., 19th Street, N.E., Maryland Avenue, N.E., M Street, N.E., and the Anacostia River, in Ward 7. The period of significance for Kingman Park ranges from 1928 to 1960. Between these years, Kingman Park was developed for working- and middle-class African Americans during a period of intense segregation in the city and nation.⁷ "Kingman Park was the site of demonstrations and picketing for better school and the integration of playgrounds, and one source of legal challenges to 'separate but equal' education."⁸ Additionally, Kingman Park is home to architecturally and historically significant properties including the Langston Terrace Dwellings, the education campus north of Benning Road, and the Langston Golf Course.⁹ At the June 21, 2018 hearing on B22-434, the Executive testified in support of expanding the Act to include the Kingman Park Historic District.

Lastly, Wardman Flats was designated as a Historic Landmark in 2017. Wardman Flats includes 28 two-story Victorian rowhouses built in 1902 and located in Square 519 bounded by 3rd Street, N.W., R Street, N.W., 4th Street, N.W., and Florida Avenue N.W, in Ward 5. 26 of the brick and stone rowhouses represent the first large scale project by prolific Washington developer Harry Wardman and the design of architect Nicholas R. Grimm, both of whom were known for their attention to craftsmanship. Notably, unlike the twelve already-eligible Districts and the two newly proposed Districts, Wardman Flats is a Historic Landmark and not a District.¹⁰ Despite this distinction, the Executive testified in support of including Wardman Flats Historic Landmark as a designation eligible for the Targeted Homeowners Grant program because the landmark includes numerous properties and homeowners that would benefit from being eligible for grants. For

 ⁶ See B22-434, Targeted Historic Preservation Amendment Act of 2018: Public Hearing before the Council of the District of Columbia Committee of the Whole, Jun. 21, 2018 (written testimony of Gladys Baxely, Public Witness).
⁷Historic Preservation Review Board Staff Report & Recommendation: Historic Designation Case No. 16-19, OFFICE OF PLANNING,

https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/Proposed%20Kingman%20Park%20Hi storic%20District%20Staff%20Report%20with%20Historic%20Context.pdf (last visited July 2, 2018).

⁸ See Bolling v. Sharpe, 347 U.S. 497 (1954) (holding that the Fifth Amendment's guarantee of "liberty" protected by due process also guaranteed racial equality in public education in the District of Columbia), a companion case to Brown v. Board of Education of Topeka, 347 U.S. 483 (1954).

⁹*Historic Preservation Review Board Staff Report & Recommendation: Historic Designation Case No. 16-19*, OFFICE OF PLANNING,

https://planning.dc.gov/sites/default/files/dc/sites/op/publication/attachments/Proposed%20Kingman%20Park%20Hi storic%20District%20Staff%20Report%20with%20Historic%20Context.pdf (last visited July 2, 2018).

¹⁰ An "historic district" refers to a historic district, whereas an "historic landmark" means a building, structure, object, or features and its site or sites. *See* D.C. Official Code § 6-1102(5),(6).

Committee of the Whole Report on Bill 22-434

example, there are 11 owners receiving the homestead deduction in Wardman Flats, including one who also receives the senior deduction.¹¹

Amending the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02) to include properties that contribute to the character of the Emerald Street Historic District, the Kingman Park Historic District, and the Wardman Flats Historic Landmark would allow homeowners in these neighborhoods to qualify for targeted homeowners grants that help preserve the affordability of housing for low- and moderate-income homeowners. Further, such grants help protect and enhance the character of the District's historic neighborhood and build strong communities. For these reasons, the Committee of the Whole recommends the approval of Bill 22-434, the "Targeted Historic Preservation Amendment Act of 2018."

II. LEGISLATIVE CHRONOLOGY

September 18, 2017	Bill 22-434, the "Targeted Historic Preservation Amendment Act of 2017" is introduced by Councilmember Allen.
September 19, 2017	Bill 22-434 is officially "read" at the legislative meeting; on this date the referral of the proposed resolution to the Committee of the Whole is official.
September 22, 2017	Notice of Intent to Act on Bill 22-434 is published in the DC Register.
May 11, 2018	Notice of Public Hearing on Bill 22-434 is published in the DC Register.
June 21, 2018	A Public Hearing is held on Bill 22-434 by the Committee of the Whole.
July 10, 2018	The Committee of the Whole marks up Bill 22-434.

III. POSITION OF THE EXECUTIVE

David Maloney, State Historic Preservation Officer, Office of Planning, testified on behalf of the Executive in support of Bill 22-434 with suggested changes. His testimony is summarized below.

IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

On July 13, 2017, ANC 6A, in which the Emerald Street Historic District is located, voted 7-0, to request that the Emerald Street Historic District be added to "Historic Landmark and

¹¹ See B22-434, Targeted Historic Preservation Amendment Act of 2018: Public Hearing before the Council of the District of Columbia Committee of the Whole, Jun. 21, 2018 (written testimony of David Maloney, State Historic Preservation Officer, Office of Planning).

Committee of the Whole Report on Bill 22-434

Historic District Protection Act of 1978" effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02). A copy of ANC 6A's letter in support is attached to this report.

V. SUMMARY OF TESTIMONY

The Committee of the Whole held a public hearing on Bill 22-434 on Thursday, June 21, 2018. The testimony summarized below is from that hearing. Copies of written testimony are attached to this report.

John Sandor, President, DC Preservation League ("DCPL"), testified in support of Bill 22-434. Mr. Sandor testified that DCPL encourages the Council to change the Targeted Historic Properties Grant Program to include all residential historic properties, regardless of distinction (district vs. landmark), while retaining the income limitations as laid out in the law for Area Median Income. He stated that such a change would "benefit citizens that reside in historic properties across the city."

Barbara Anderson, Public Witness, testified in support of Bill 22-434. As a resident of the Emerald Street, Ms. Anderson described the Emerald Street Historic District. Ms. Anderson expressed the need to include the Emerald Street Historic District as a district eligible for the Targeted Homeowner Grant Program and described the ways in which it would benefit residents.

Gladys Baxely, Public Witness, testified in support of Bill 22-434. Ms. Baxley, a longtime resident of Emerald Street, testified about the need to include the Emerald Historic District as a District eligible for the Targeted Homeowner Grant Program and how it would benefit her neighbors, including those on fixed incomes. Ms. Baxely also emphasized the need for such a change to take place sooner than later, as applications for the next grant-cycle are due July 2018.

David Maloney, State Historic Preservation Officer, Office of Planning, testified that the Executive supports Bill 22-434. Mr. Maloney stated that the Executive supports expanding the eligibly for homeowner grants to the recently designated Emerald Street Historic District and explained that doing so would address Emerald Street residents' concerns about the potential impact of a historic district on low-and moderate-income residents, especially seniors.

Further, Mr. Maloney stated that "these targeted grants have been widely acknowledged as a successful way to help historic homeowners avoid letting maintenance issues that they cannot afford to fix lead to major deterioration of their most important asset. The program also helps to build strong communities by not letting visible property deterioration affect the character and sense of pride of the neighborhood." Mr. Maloney also testified that the Executive supports expanding the eligibility for the targeted homeowner grants to include the recently designated Wardman Flats Historic Landmark and the Kingman Park Historic District.

The Committee received no opposition to Bill 22-434.

Committee of the Whole Report on Bill 22-434

VI. IMPACT ON EXISTING LAW

Bill 22-434 amends section 11b(b) of D.C. Law 16-189, "Targeted Historic Preservation Amendment Act of 2018," codified at D.C. Official Code § 6-1110.02 *et seq.*, to provide that grants available to assist homeowners with the rehabilitation of historic property under the Targeted Homeowner Grant Program may be used to rehabilitate any structure that contributes to the character of the Emerald Street Historic District, the Kingman Park Historic District, and the Wardman Flats Historic Landmark.

VII. FISCAL IMPACT

Bill 22-434 would have no budget impact because the total amount of grants awarded cannot exceed the Council's appropriation. A copy of the Fiscal Impact Statement is attached to this report.

VIII. SECTION-BY-SECTION ANALYSIS

- Section 1 States the short title of Bill 22-434.
- <u>Section 2</u> Amends section 11b(b) of the Historic Landmark and Historic District Protection Act of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02(b)) to insert new paragraphs to provide that grants available to assist homeowners with the rehabilitation of historic property under the Targeted Homeowner Grant Program may be used to rehabilitate any structure that contributes to the character of the Emerald Street Historic District, the Kingman Park Historic District, and the Wardman Flats Historic Landmark.
- Section 3 Adopts the Fiscal Impact Statement.

<u>Section 4</u> Establishes the effective date by stating the standard 30-day Congressional review language.

IX. COMMITTEE ACTION

X. ATTACHMENTS

- 1. Bill 22-434 as introduced
- 2. Written Testimony and Letters
- 3. ANC Letters and Resolutions
- 4. Fiscal Impact Statement for Bill 22-434
- 5. Legal Sufficiency Determination for Bill 22-434
- 6. Comparative Print for Bill 22-434
- 7. Committee Print for Bill 22-434

COUNCIL OF THE DISTRICT OF COLUMBIA 1350 Pennsylvania Avenue, N.W. Washington D.C. 20004

Memorandum

To:Members of the CouncilFrom:Nyasha Smith, Secretary to the Council

Date : September 19, 2017

Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, September 18, 2017. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Targeted Historic Assistance Amendment Act of 2017", B22-0434

INTRODUCED BY: Councilmember Allen

The Chairman is referring this legislation to the Committee of the Whole.

Attachment

cc: General Counsel Budget Director Legislative Services

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Councilmember Charles Allen

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20	To amend the Historic Landmark and Historic District Protection Act of 1978 to include
21	Emerald Street, N.E., a one block street in Ward 6, bounded by the 1300 block of F
22	Street, N.E. to the north, and the 1300 block of E Street, N.E. to the south, as a historic
23	district under the Targeted Homeowner Grant Program.
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25	BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
26	act may be cited as the "Targeted Historic Preservation Assistance Amendment Act of 2017".
07	
27	Sec. 2. Section 11b(b) of the Historic Landmark and Historic District Protection Act
28	of 1978 officiency March 2, 2007 (D.C. Low 16, 180; D.C. Official Code & C. 1110,02(b)) is
20	of 1978, effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02(b)), is
29	amended as follows:
20	amenueu as tonows.
30	(a) Paragraph (11) is amended by striking the phrase "; or" and inserting a semicolon
00	(a) I aragraph (11) is anchucu by striking the phrase, or and inserting a semicoion
31	in its place.
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32	(b) Paragraph (12) is amended by striking the period and inserting the phrase "; or"
	(s) I drugt april (12) is anomatical sy striking the period and moething the philase , of
33	in its place.
34	(c) A new paragraph (13) is added to read as follows:
35	"(13) Emerald Street Historic District.".
36	Sec. 3. Fiscal impact statement.

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37	The Council adopts the fiscal impact statement in the committee report as the fiscal
38	impact statement required by section 4a of the General Legislative Procedures Act of 1975,
39	approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).
40	Sec. 4. Effective date.
41	This act shall take effect following approval by the Mayor (or in the event of veto by
42	the Mayor, action by the Council to override the veto), a 30-day period of congressional
43	review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved
44	December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the
45	District of Columbia Register.

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June 21, 2018

The Honorable Phil Mendelson Council of the District of Columbia 1350 Pennsylvania Avenue NW Washington, DC 20004

Chairman Mendelson and Council Members:

The DC Preservation League (DCPL), Washington's citywide nonprofit advocate dedicated to the preservation and protection of the city's historic built environment would like to offer the following comments regarding the Historic Homeowner Grant Program today.

DCPL worked with the Historic Preservation Office (HPO) to develop a program back in the early 2000's to encourage homeowners in the targeted historic districts to rehabilitate their homes. Originally, the program was envisioned and passed as a tax credit, but in the process of devising the means for implementation it evolved to the grant program we have today. It was originally rolled out as a pilot in the Historic Anacostia neighborhood, and showing promise there, was expanded the following year to the additional districts.

After more than a decade, DCPL is here to encourage the DC Council to change the program to include all residential historic properties, regardless of distinction (district vs. landmark), while retaining the income limitations as laid out in the law for Area Median Income (AMI.)

While the program reinforces the districts where it is available, it also benefits the individual homeowners eligible for the program. In districts with higher property values, now excluded from the program, there may be fewer owners in place who meet the income requirements, but where they are, the program can be a small assist in helping them to maintain their homes and remain in their neighborhood.

Thus, this program, funded by taxpayer dollars, should be a benefit to low and moderate income residents across all eight wards. There is no compelling reason it should be limited to the targeted districts called out in the original legislation as long as the income limits for participation are maintained.

We are happy to work with the Historic Preservation Office and the DC Council on this idea of expanding the program – one we think would benefit citizens that reside in historic properties across the city.

Thank you for your time and consideration of our concerns.

John Sandor, President Board of Trustees DC Preservation League

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John Sandor, President | Scott P. DeMartino, Esq., Vice President | Howard S. Berger Treasurer | Kate M. Olson, Esq., Secretary Fay Armstrong | Amy Ballard | Sean C. Cahill | M. Jesse Carlson, Esq. | Melissa Cohen, AIA, LEED AP | John DeFerrari Hany Hassan, FAIA | Gerard Heiber, LEED AP | Rob McLennan, AIA | Donald Beekman Myer, FAIA D. Peter Sefton | Edwin Villegas | Chuck Wagner | Jason T. Young | Juliet Zucker

Testimony to District of Columbia Council Emerald Street Eligibility for Targeted Homeowner Grant Program June 21, 2018

Good morning Chairman and members of the Council. Thank you for your time today. My name is Barbara Anderson. I am the homeowner of 1377 Emerald Street.

I am here to speak in support of amending the Historic Landmark and Historic District Protection Act of 1978, § 6-1110.02, Targeted Homeowner Grant Program, so that Emerald Street Historic District can be added to the list of districts on the existing legislation. Because of the way the old legislation is written, Emerald Street homeowners are not automatically eligible for the Historic Preservation Targeted Homeowner Grant Program.

We are here with the full support of ANC6A, who sent our request to amend the act to Councilmember Allen, asking him to sponsor the amendment.

I want to take a minute to introduce you to Emerald Street.

Emerald is a one-way, one block street, between 13th and 14th Streets and E and F Streets in northeast. We are separated from the Capitol Hill Historic District by one or two blocks. Otherwise, we might simply have petitioned to be a part of the Capitol Hill Historic District. Personally, I like that Emerald Street itself is a historic district, comprised of 75 homes.

Because it is a small street, Emerald has a self-contained and intimate feeling. These characteristics make it easy to get to know neighbors on both sides of the street and see them often when out and about. Walking down Emerald Street feels like walking through a part of DC history, even though modern-day DC, as represented by the development on H Street, is less than a 5-minute walk away.

We are a diverse community in every way—age, race, and economic status. Employed and retired. Singles, couples, families. Emerald Street was a lively place when I moved there in 1988. When the children grew up, one old timer reassured me that if I would wait a few more years, Emerald Street would once again be a lively place. And, now it is.

During the process of becoming a historic district, my primary contribution was talking with neighbors and distributing flyers with information on the benefits and costs of owning a home in a historic district. I encouraged everyone that I spoke with to go the HPO website to read for themselves what it means to live in a historic district in DC. Something I did not do myself. And frankly, I don't think many people did, because no one, at any time, talked with me about the Grant Program.

I learned about the Program after we became a historic district. HPO notified the chairman of our organizing committee to ask if we intended seek an amendment to the Act. I was so happy to know the district government, through the Grant Program, supports qualifying homeowners to rehabilitate and maintain their historic property. We distributed a flyer to residents about the grant program. Several residents submitted provisional applications in the hopes the law would be amended to include Emerald, as it does our close neighbor, Capitol Hill Historic District.

Access to the Grant program would not only assist in maintaining homes, it would also ultimately maintain harmony among very diverse neighbors.

In closing, I ask the Committee to support amending the Act, providing another layer of support and commitment to the Emerald Street Historic District and those who live there now.

Testimony to District of Columbia Council Emerald Street Eligibility for Targeted Homeowner Grant Program June 21, 2018

Good morning Chairman Mendelson and members of the District Council, my name is Gladys Baxley and I want to thank you for this opportunity to speak this morning in support of a legislative action to make Emerald Street eligible for the **Targeted Homeowner Grant Program**.

I've been a homeowner on Emerald Street since 1984 and, along with some of my neighbors I was a part of the working group that successfully achieved the Historic District designation for Emerald Street pursuant to the *District of Columbia Historic Landmark & Historic District Protection Act of 1978.* Inclusion of Emerald Street under this act was an important first step for us.

While many homeowners on Emerald Street are relatively new, having moved to the street within the past few years; others, like myself, are long-time homeowners, with one family in particular having owned their home on Emerald since as far back as 1943. And, of course, some of the homeowners are living on fixed incomes.

Not long after Emerald Street was awarded Historic District designation it was brought to our group's attention that homeowners in several DC historic districts, Emerald Street now included, could be eligible for grants under the **Targeted Homeowner Grant Program**. This program, which was added by D.C. Law 16-189, effective March 2, 2007, is intended "to assist homeowners with the rehabilitation of their historic property." I believe that many Emerald Street homeowners would qualify to participate in this grant program. However, in order to do that, there would need to be an amendment made to the law. The amendment would enable the homeowners to receive up to as much as \$25,000, which would be a significant amount, especially for those persons on a limited income but who want to make improvements to their homes.

For Emerald Street homeowners to participate in the program, we would need to do two things. First, eligible homeowners, with their eligibility determined based on their income, would have to formally apply for a grant. There currently is a July 1 application deadline for submission of Part I of the grant application, and we are lead to understand that eligible households are welcome to apply now, even though Emerald Street is not included among the historic districts that currently are eligible for funding. However, even if approved for funding,. This part of the application is pretty straightforward requiring information readily accessible to the homeowner.

Second, and most important, Emerald Street homeowners could not actually be awarded a grant unless and until Emerald Street is added to the list of the eligible historic districts that are already specifically identified in the Historic Preservation Law (cf. Section 11b of the legislation), and this would need to be accomplished through an amendment of the existing law. We believe that Emerald Street should be added to the list of eligible areas because we are part of the Capitol Hill community and the Capitol Hill Historic District is already included on that list.

So, the legislative change that I hope you will vote to support will provide important assistance for our homeowners who qualify for the Targeted Homeowner Grant Program. I'm excited not only about the possibility of further protecting and preserving the architectural and social histories of Emerald Street through this grant program, but also about our desire to maintain the esthetic character of our historic street both for our current and future generations of Emerald Street homeowners. I hope that you also will agree with this legislative change and vote accordingly. Thank you so much for the opportunity to provide this testimony and for your kind attention to this request. I'd be happy at this time to entertain any questions you may have.

Gladys B. Baxley, Ph.D. 1329 Emerald Street, NE Washington, DC 20002 (202) 907-5762 gbbaxley@comcast.net



B22-434, THE "TARGETED HISTORIC ASSISTANCE AMENDMENT ACT OF 2017"

TESTIMONY OF DAVID MALONEY STATE HISTORIC PRESERVATION OFFICER OFFICE OF PLANNING

BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE OF THE WHOLE PHIL MENDELSON, CHAIR

> THURSDAY, JUNE 21, 2018 9:30 AM

ROOM 412 1350 PENNSYLVANIA AVENUE, N.W. WASHINGTON, D.C. Good morning, Chairman Mendelson and members of the Committee of the Whole. I am David Maloney, State Historic Preservation Officer and Associate Director for Historic Preservation in the Office of Planning. I am pleased to be here to share with the Committee the comments of the Office of Planning on Bill B22-434, the "Targeted Historic Assistance Amendment Act of 2017."

Under the Historic Landmark and Historic District Protection Act of 1978, the Historic Preservation Office within the Office of Planning manages a program of targeted historic preservation grants to qualified low- and moderate-income homeowners in 12 of the city's 35 neighborhood historic districts. The program helps preserve the affordability of housing for these homeowners by making non-taxable grants available for home repairs that have sometimes been left unattended to for years for lack of resources. Regular maintenance is important for older buildings, and they often need such items as window replacement and repair of decorative elements, which can be costly for low- and moderate-income residents. These grants help prevent home deterioration, improve the physical condition of historic communities, and increase the ability of homeowners, many of whom are seniors and long-time residents, to remain in their communities.

This bill would expand eligibility for these homeowner grants to the Emerald Street Historic District, which was designated in 2017. The Office of Planning supports this expansion, which would bring to Emerald Street homeowners the same opportunity available to those in currently eligible districts with similar demographic profiles and

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building conditions. During the public hearings on the Emerald Street designation, residents expressed significant concern about the potential impact of a historic district on low- and moderate-income residents, particularly seniors. This legislation would help address that concern, in a manner consistent with the housing and historic preservation goals of the Comprehensive Plan. These goals include to promote housing affordability, to direct financial support programs to targeted income groups and areas of the city, and to protect and enhance the character of the District's historic neighborhoods.

The proposed geographic expansion of this successful and much sought-after program will have no budget impact, since the total amount of grants awarded cannot exceed the Council's appropriation. According to District tax data, there are 57 owners on Emerald Street receiving the homestead deduction, nine of whom also receive the senior deduction. This marginal expansion in the number of eligible applicants would have a minimal impact on the competition for grants, even if there is a strong initial demand from the new area.

These targeted grants have been widely acknowledged as a successful way to help historic homeowners avoid letting maintenance issues that they cannot afford to fix lead to major deterioration of their most important personal asset. The program also helps to build strong communities by not letting visible property deterioration affect the character and sense of pride in an entire neighborhood. Working with the local

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Advisory Neighborhood Commission, the Office of Planning is prepared to market the availability of these grants actively to the eligible residents along Emerald Street, helping to extend the benefits of the program to that community as well.

Finally, the Mayor's submission for the FY 2019 Budget Support Act also proposes the expansion of eligibility for these targeted grants to the Wardman Flats, another block designated in 2017 that is comparable to Emerald Street and the 12 currently eligible historic districts in its housing characteristics and demographic profile. There are 11 owners receiving the homestead deduction in Wardman Flats, including one who also receives the senior deduction. The Mayor also supports expansion to the new Kingman Park Historic District, designated in 2018, where there are 301 owners receiving the homestead in 2018, where there are 301 owners receiving the homestead deduction.

Thank you for the opportunity to provide our comments. I would be pleased to answer any questions the Committee may have.

From:	Stephanie Zimny
To:	Hawthorne, Sydney (Council)
Subject:	Support for Emerald street
Date:	Tuesday, July 3, 2018 3:06:26 PM

Hi Chris,

As ANC Commissioner, Emerald street falls within my SMD. In addition to the letter Phil sent, I would also like to express my support for Emerald street to be included in the Targeted Homeowner Grant Program.

Several neighbors have been identified and have already applied to the program. This would be very beneficial for the street as it just converted into the historic district. Thanks for all of your support and let me know if you have any questions.

Stephanie Zimny ANC 6A06 Commissioner



District of Columbia Government Advisory Neighborhood Commission 6A Box 75115 Washington, DC 20013



July 14, 2017

Councilmember Charles Allen Council of the District of Columbia 1350 Pennsylvania Avenue NW Washington, D.C. 20004

Re: Request to Add Emerald Street Historic District to D.C. Law 2-144, Historic Landmark and Historic District Protection Act of 1978, Section 11b. Targeted Homeowner Grant Program

Dear Councilmember Allen:

At a regularly scheduled and properly noticed meeting on July 13, 2017¹, our Commission voted 7-0 (with 5 Commissioners required for a quorum) to request the Emerald Street Historic District be added to D.C. Law 2-144, Historic Landmark and Historic District Protection Act of 1978, § 6-1110.02. Targeted Homeowner Grant Program (effective March 2, 2007). This grant program assists qualifying homeowners with rehabilitating their historic property.

On May 25, 2017, the Historic Preservation Review Board approved the Emerald Street Historic District. Unfortunately, because of the way the legislation is written, Emerald Street homeowners are not automatically eligible for the Historic Preservation Targeted Homeowner Grant Program.

A preliminary review of economic data from the census bureau by Historic Preservation Office staff suggests that 1 out of 3 households in the Emerald Street Historic District could qualify for grants based on income and ownership status (renters or high-income households not eligible for these grants). As you know, Emerald Street Historic District sits in close proximity to the Capitol Hill Historic District, which is included in the act along with a number of other Historic Districts in the District of Columbia.

Thank you for giving great weight to the request of ANC 6A in this matter. If you have any questions, please do not hesitate to contact me at philanc6a@gmail.com or Commissioner Stephanie Zimny at stephaniezimnyANC6A@gmail.com.

On behalf of the Commission,

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Phil Toomajian Chair, Advisory Neighborhood Commission 6A

¹. ANC 6A meetings are advertised electronically on the anc6a-announce@yahoogroups.com, anc-6a@yahoogroups.com, and newhilleast@yahoogroups.com, at www.anc6a.org, and through print advertisements in the Hill Rag.

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D.C. Official Code

§ 6–1110.02 Targeted Homeowner Grant Program

(a) The Mayor may use authorized funds to establish a targeted homeowner grant program to assist homeowners with the rehabilitation of their historic property.

(b) A grant under this program may be used to rehabilitate a structure that contributes to the character of one of the following historic districts <u>or historic landmarks</u>:

- (1) Anacostia Historic District;
- (2) Blagden Alley/Naylor Court Historic District;
- (3) Capitol Hill Historic District;
- (4) Greater Fourteenth Street Historic District;
- (5) Greater U Street Historic District;
- (6) LeDroit Park Historic District;
- (7) Mount Pleasant Historic District;
- (8) Mount Vernon Square Historic District;
- (9) Mount Vernon Triangle Historic District;
- (10) Shaw Historic District;
- (11) Strivers' Section Historic District; or
- (12) Takoma Park Historic District -;
- (13) Emerald Street Historic District;
- (14) Kingman Park Historic District; or

(15) Wardman Flats Historic Landmark.

(c) A grant shall be limited to structural repairs or work on the exterior of a qualified structure;

(d) A grant shall not exceed \$25,000; except, that a grant may be a maximum of \$35,000 if the structure is located in the Anacostia Historic District.

(e)(1) A grant may be made to a taxpayer, as defined in 47-1801.04(7), who has a household income of 120% or less of the area median income; provided, that:

(A) The grant is for rehabilitation of the taxpayer's principal place of residence or a structure that will be the taxpayer's principal place of residence within 60 days after the rehabilitation is completed;

(B) The taxpayer submits an application showing that the taxpayer meets the applicable household income criteria and is listed on the Office of Tax and Revenue's records as currently receiving the homestead deduction for property taxes, and includes written consent from each person in the applicant's household to disclosure by Office of Tax and Revenue to

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the Historic Preservation Office of his or her gross income; which disclosure shall be used solely for consideration of grant applications under this section.

(2) The Office of Tax and Revenue shall report the gross income of each of the persons in the taxpayer's household at the time the grant application is made pursuant to subparagraph (B) of paragraph (1) based upon the most recent income tax return of each person to the Historic Preservation Office prior to the award of a grant.

(f) A taxpayer who has a household income of more than 60% but no more than 90% of area median income shall be required to match the grant by contributing a minimum of 25% of the cost of the rehabilitation; except, that the match requirement shall be a minimum of 15% for a taxpayer in the Anacostia Historic District.

(g) A taxpayer who has a household income of more than 90% of area median income shall be required to match the grant by contributing a minimum of 50% of the cost of the rehabilitation; except, that the match requirement shall be a minimum of 40% for a taxpayer in the Anacostia Historic District.

(h) The Mayor shall:

(1) Approve the scope of rehabilitation work prior to award of a grant;

(2) Ensure that all work is consistent with the purposes of this subchapter and implementing regulations; and,

(3) Award grants and disburse grant funds pursuant to rules and procedures the Mayor shall establish for this purpose.

(i)(1) The taxpayer shall enter into a preservation covenant with the State Historic Preservation Officer against the property on which the structure is located. The covenant shall run with the land and shall require that the rehabilitation improvements be maintained in good repair satisfactory to the State Historic Preservation Officer for 5 years after the date on which the grant is fully disbursed.

(2) If the taxpayer does not maintain the certified rehabilitation improvements in good repair for any period of time covered by the covenant, the Mayor may take any enforcement action authorized under this subchapter and may assess the amount of the grant as a tax on the property, and shall:

(A) Carry the tax on the regular tax rolls; and

(B) Collect the tax in the same manner as real property taxes are collected provided; that a lien shall not be valid as against any bona fide purchaser, or holder of a security interest,

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mechanic's lien, or other such creditor interested in the property, without notice, until notice by filing the lien in the Recorder of Deeds.

(j)(1) An action may be brought in the name of the District at any time within 3 years after the expiration of 60 days from the date that the tax was assessed to recover the amount of the unpaid tax.

(2) A lien shall be satisfied by payment of the amount of the lien to the State Historic Preservation Officer.

(k)(1) The Mayor shall deposit in the HLP Fund established in § 6-1110.01 any funds appropriated for the purposes of the Targeted Homeowner Grant Program.

(2) The Mayor may expend up to \$1.25 million of appropriated funds for this purpose each fiscal year. Any appropriated funds not expended during a fiscal year shall be used only for the same purpose in subsequent fiscal years.

(3) In each fiscal year, the Mayor may expend up to 5% of the amount of the funds authorized in that year for reasonable administrative costs.

1	COMMITTEE PRINT DRAFT
2	Committee of the Whole
3	July 10, 2018
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8 9	A BILL
9 10	A DILL
11	22-434
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14	IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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19	To amend the Historic Landmark and Historic District Protection Act of 1978 to provide that grants
20	available to assist homeowners with the rehabilitation of historic property under the Targeted
21	Homeowner Grant Program may be used to rehabilitate a structure that contributes to the
22	character of the Emerald Street Historic District, bounded by F Street, N.E., 13th Street, N.E., E Street, N.E., and 14th Street, N.E., in Word 6 , the Kingman Bark Historia District bounded
$\frac{23}{24}$	E Street, N.E., and 14th Street, N.E., in Ward 6.; the Kingman Park Historic District, bounded by East Capitol Street, N.E., 19th Street, N.E., Maryland Avenue, N.E., M Street, N.E., and the
$\frac{24}{25}$	Anacostia River, in Ward 7; and the Wardman Flats Historic Landmark, located within Square
26 26	519, bounded by 3rd Street, N.W., R Street, N.W., 4th Street, N.W., and Florida Avenue N.W.,
27^{-0}	in Ward 5.
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29	BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act
30	may be cited as the "Targeted Historic Preservation Assistance Amendment Act of 2018".
31	Sec. 2. Section 11b(b) of the Historic Landmark and Historic District Protection Act of 1978,
32	effective March 2, 2007 (D.C. Law 16-189; D.C. Official Code § 6-1110.02(b)), is amended as
33	follows:
34	(a) The lead-in language is amended by striking the phrase "one of the following historic
35	districts" and inserting the phrase "one of the following historic districts or historic landmarks" in its
36	place.
37	(b) Paragraph (11) is amended by striking the phrase "; or" and inserting a semicolon in its
38	place.
39	(c) Paragraph (12) is amended by striking the period and inserting a semicolon in its place.

40	(d) New paragraphs (13), (14) and (15) are added to read as follows:
41	"(13) Emerald Street Historic District;
42	"(14) Kingman Park Historic District; or
43	"(15) Wardman Flats Historic Landmark.".
44	Sec. 3. Fiscal impact statement.
45	The Council adopts the fiscal impact statement in the committee report as the fiscal impact
46	statement required by section 4a of the General Legislative Procedures Act of 1975, approved
47	October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).
48	Sec. 4. Effective date.
49	This act shall take effect following approval by the Mayor (or in the event of veto by the
50	Mayor, action by the Council to override the veto), a 30-day period of congressional review as
51	provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24,
52	1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia
53	Register.