



MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: Jennifer Steingasser, Deputy Director Development Review & Historic Preservation
DATE: September 20, 2013
SUBJECT: ZC 03-12 P / 03-13 P --Extension Request No. 2 for PUD Case 03-12G / 03-13G Capper Carrollsburg, a residential building in Square 769 and an office building in Square 882

RECOMMENDATION

The Office of Planning (OP) recommends the Commission **approve** the requested two year extension requests, but has encouraged the applicant to submit additional information about the difficulties encountered in financing the planned apartment building in Square 769.

Applicant:	Capper/Carrollsburg Venture LLC and DC Housing Authority
Address:	1. Square 769, northern portion (2 nd St., SE between L and M) 2. Square 882, Lot 76 (500 block of L Street, SE)
Ward / ANC	Ward 6, Within ANC 6D
Project Summary:	<u>Residential building on north side of Square 769</u> approved to be 110 feet high (11 stories), have 152 parking spaces and 181,420 GSF, with 177,330 GSF comprising 171 dwelling units [34 (20%) reserved for ≤60% AMI households], and 4,090 GSF of retail space. <u>Office building on south side of Square 882, Lot 76</u> approved to be 92’ high, have 284 parking spaces and total 499,780 GSF, including ground floor retail space.
Order Effective Date:	Original Second Stage Order, 03-12G/03-13G effective September 26, 2008.
Previous Extension:	One, 03-12L/03-13L
Order Expiration Date:	August 14, 2013
Requested Extension Period	2 years. Building permit applications by August 14, 2015; start construction by August 14, 2016.

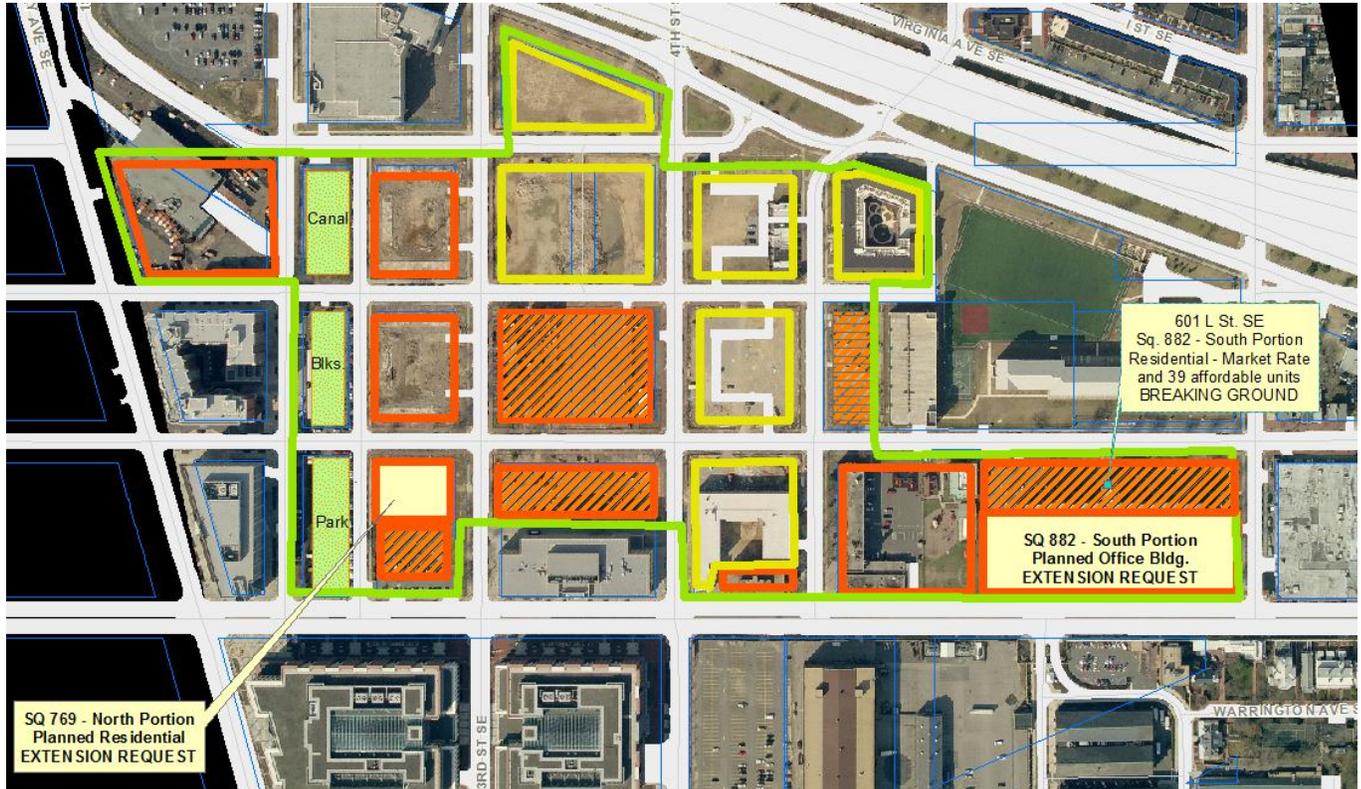


Fig. 1. Sq. 769, from 2nd and L Streets. SE Site of planned residential high-rise



Fig. 2. Sq. 788, Lot 76 from 600 block of M Street, SE. Site of planned office building on southern side, and residential building on northern side, for which building permits have been requested.





- Overall PUD Boundary
- Consolidated PUD Square.
- Preliminary PUD Square,
- Approved 2nd Stage PUD,
- Approved 2nd Stage PUD for Which 2nd Extension is Requested

Figure 3. Location of Extension Request Sites

EVALUATION OF THE EXTENSION REQUEST

Section 2408.10 allows for the extension of a PUD for “good cause” shown upon the filing of a written request by the applicant before the expiration of the approval; provided that the Zoning Commission determines that the following requirements are met:

- (a) The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond.**

The application submitted to the Zoning Commission is dated August 9, 2014 and has been in the public record since filing.

- (b) There is no substantial change in any of the material facts upon which the Zoning Commission based its original approval of the planned unit development that would undermine the commission’s justification for approving the original PUD.**

There have been no substantial changes to the Zoning Regulations, Comprehensive Plan or the surrounding development that would undermine the rationale for the Commission’s previous approval.

The applicant demonstrates with substantial evidence that there is good cause for such extension, as provided in § 2408.11

Section 2408.11 sets out the conditions of good cause as:

- (a) An inability to obtain sufficient project financing for the planned unit development, following an applicant's diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant's reasonable control;*
- (b) An inability to secure all required governmental agency approvals for a planned unit development by the expiration date of the planned unit development order because of delays in the governmental agency approval process that are beyond the applicant's reasonable control; or*
- (c) The existence of pending litigation or such other condition, circumstance or factor beyond the applicant's reasonable control which renders the applicant unable to comply with the time limits of the planned unit development order.*

The applicant has submitted a considerable amount of information demonstrating that, for the proposed office building, the extension application meets the first good cause condition – an inability to obtain sufficient financing.

Exhibits C, D and E contain letters from joint venture partners Urban Atlantic and Forest City outlining the marketing efforts they have made to secure an anchor tenant for the office building approved in Square 882, and the difficulty in obtaining financing for a speculative office building in Washington's sluggish office market.

The information about the financing efforts and difficulties for the market rate/affordable residential building in Square 769 is not as strong as the information submitted for the Square 882 office building. OP has asked the applicant to supply additional information about its efforts to secure financing for Square 769's steel and concrete building, which would have 80% of its units leased at market rate and 20% leased at a rate affordable to households earning no more than 60% of the area median income. OP notes that the applicant has secured funding for the construction of a "stick-built" mixed income apartment building in the northern half of Square 882, adjacent to the office building for which an extension is sought in this case.

ANC 6D was scheduled to vote on the extension application on September 18, 2013.

JS/slc ^{AICP}

Case Manager: Stephen Cochran, AICP