

**MEMORANDUM**

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TO: District of Columbia Zoning Commission
FROM: Jennifer Steingasser, Deputy Director for Development Review & Historic Preservation
DATE: June 1, 2012
SUBJECT: Extension Request – PUD Case 03-12M / 03-13M Capper Carrollsburg Community Recreation and Child Development Center

RECOMMENDATION

The Office of Planning (OP) recommends the Commission approve the requested two year extension.

APPLICATION SUMMARY

Applicant:	Capper / Carrollsburg Venture LLC & D.C. Housing Authority
Address:	NE Corner of 5 th and L Streets, SE (Square 881W)
Ward / ANC	Ward 6, Within ANC 6D; adjacent to ANC 6B, which has also been a Party
Project Summary:	35' high, 28,000 GSF community recreation and child development center (the Center) serving 33 acre Hope VI project in near southeast Washington
Order Effective Date:	Original Order effective 10/8/04; Extension Order 03-12 I / 03-13 I effective 06/26/09. Extension Order 03-12J/03-13J effective 10/22/10.
Previous Extension:	Two
Order Expiration Date:	July 1, 2012
Requested Extension Period	2 years (File building permit by 07/01/14; begin construction by 07/01/15)



Site of Future Capper/Carrollsburg Community Recreation and Child Development Center

BACKGROUND

In approving PUD 03-12/03-13, the Zoning Commission made clear that the construction of the community center on Square 881W is an essential part of this HOPE VI PUD. It is a condition of the PUD and a



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 District of Columbia

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EXHIBIT NO. 4

commitment made to the returning and new members of the Capper/Carrollsborg neighborhood. The dates for its realization have been extended twice.

At the time this report was written, OP was not aware of the parties to the PUD having generated any "material factual conflict" concerning the satisfaction of the good cause criteria of § 2408.10.

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 was submitted to the Zoning Commission on May 9, 2012 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.**

Zoning Regulations:

There has been no substantial change to the Zoning Regulations that would affect the approved project.

Comprehensive Plan:

There has been no substantial change to the Comprehensive Plan that would affect the approved project.

Surrounding Development:

The PUD buildings to the north and west of the proposed Center have been constructed, providing additional justification for the Commission's original approval of the Center.

- (c) The applicant demonstrates with substantial evidence that there is good cause for such extension, as provided in § 2408.11.**

To satisfy § 2408.11 the applicant must demonstrate that it meets one of more of three good cause conditions. The applicant has demonstrated that it meets two of those conditions:

§ 2408.11 (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."

§ 2408.11 (b) "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 application includes a letter from Adrienne Todman, Executive Director of the District of Columbia Housing Authority (DCHA or the Authority) noting that national financial conditions have continued to make it difficult to secure financing for the community center, and requesting the Zoning Commission provide an additional two-year extension for the permitting and construction of the community center.

In support of this Ms. Todman states:

- In December 2009 the D.C. Council authorized the issuance of \$29 million in Bond Anticipation Notes (BANs);

- Of the \$29 million in proceeds from the BANs, \$13 million repaid privately-funded infrastructure improvements in the project area, and the remaining \$16 million funded the construction of both public housing and market rate housing – the latter being necessary for generating real estate taxes to pay off the bonds;
- DCHA anticipates issuing \$55 million in PILOT revenue-backed revenue bonds during the next year. Although these bonds were authorized by the District's Council in September 2008, they have not been issued due to the lack of access to capital markets and the inability to generate sufficient real estate tax revenues to service the bonds. Once the bonds are issued, some of the proceeds will be used to refinance the bond anticipation notes, an estimated \$7.6 million will be used for the Center's construction, and the remainder will fund additional infrastructure improvements;
- While the Housing Authority secured \$9.5 million in federal "stimulus funds" in the last two years, this money could be used for only public infrastructure improvements related to the construction of 163 housing units, of which 47 would be public housing and 116 would be for sale.

Ms. Todman also notes that the Housing Authority has taken steps to provide for additional recreation facilities in the neighborhood prior to construction of the community center:

- DCHA has contributed \$1.7 million of PILOT funds towards the construction of the Canal Park, two blocks west of the planned community center. By 2013 that park will provide some recreational facilities for the residents of the Capper/Carrollsbury neighborhood;
- DCHA secured a commitment from the Capitol Hill Day School to pay for the sodding of the future community center site for use as a temporary ball field. This should happen during Summer 2012, after the school removes the temporary classrooms from the site, which it has been permitted to use while the school renovates its permanent facilities.

Given the applicant's satisfaction of §§ 2408.11 (a) and (b), it is not necessary that the applicant demonstrate the applicability of § 2408.11 (c) "An inability to secure all required governmental agency approvals for a PUD by the expiration date of the PUD order because of delays in the governmental agency approval process that are beyond the applicant's reasonable control..."

ADDITIONAL CONSIDERATIONS

Order No. 03-12.1/03-13J indicates that the applicant made several commitments to ANC 6D and ANC 6B at the time of its last extension request. OP encourages the applicant to provide information about its fulfillment of these commitments, particularly:

- Meetings with ANC 6D and Councilman Wells' office regarding the timetable for the Center's construction; and
- Discussions among the Applicant, ANC 6D, ANC 6C, the District Department of Parks and Recreation and the U.S. Marine Corps to implement the agreement governing use of the Corps' playing fields by the community.

Js/slc

Stephen Cochrain, case manager