

Holland & Knight

800 17th Street, NW, Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564
Holland & Knight LLP | www.hklaw.com

KYRUS L. FREEMAN
202-862-5978
kyrus.freeman@hklaw.com

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VIA IZIS AND HAND DELIVERY

Zoning Commission of the
District of Columbia
441 4th Street, N.W., Suite 210S
Washington, D.C. 20001

Re: **Applicant's Response to ANC 6D letter dated February 15, 2015 - Z.C. Case No. 03-12Q/03-13Q**

Dear Members of the Zoning Commission:

On behalf of Capper/Carrollsbury Venture, LLC, together with the District of Columbia Housing Authority ("DCHA"), collectively the "Applicant" in the above-referenced application, we hereby submit the following response to the letter dated February 15, 2015 from Advisory Neighborhood Commission ("ANC") 6D in opposition to the Applicant's requested modification to reallocate the distribution of the remaining 206 ACC units within the undeveloped Capper Carrollsbury project boundaries without having to identify the number of units per square at this time. ANC 6D indicates that they oppose the requested flexibility since it will result in the construction of "income segregated buildings," "would circumvent the theme of HOPE VI revitalization and the goal of the PUD," and would result in moving ACC units from Squares 739, 767, and 768. However, as described in the Applicant's materials and testimony submitted in this case, the requested modification will enable the Applicant to move forward with development of the PUD and to achieve the objectives of the PUD.

First, as described in detail during the public hearing and in the Applicant's submission materials, the Applicant is fully-committed to redeveloping the overall PUD into a vibrant, mixed-income community that includes replacement public housing units, market rate and workforce rental and homeownership units, as well as retail and commercial uses throughout the neighborhood. At the request of the Office of Planning, the Applicant agreed to condition its flexibility request such that, of the remaining 206 ACC units within Squares 739, 767, and 768, the percentage of ACC units within each square will be no less than 15% of the total number of residential units on the square and no more than 50% of the total number of residential units on the square.

The Applicant notes that to date, the Applicant has constructed 398 of the 707 required ACC units, and an additional 39 ACC units are currently under construction on Square 882N. The residential units delivered to date provide a variety of unit/product types on various squares, including, for example, two affordable housing buildings, mixed-income rental units, and mixed-income for-sale and rental units. This mix of unit types and income ranges has resulted in the creation of a true mixed-income community that is not defined by an individual square, but rather by the overall mix of uses across the project. Accordingly, the Applicant's request for flexibility will not adversely impact the overall goal of the PUD to provide the required replacement housing units while also creating a mixed-income community.

Second, as described by the Applicant, since the PUD was initially approved in 2003, the financing of mixed income housing projects that include public housing units has become much more difficult. (See Exhibit 38). Thus, the sole purpose of the requested modification is to provide DCHA with flexibility in its negotiations with its partners and with financial institutions in order to move forward with delivery of the remaining 206 ACC units as quickly and efficiently as possible given current market conditions. Denial of the requested modification would have the unintended consequence of adding more time to the entitlement process, therefore further delaying completion of the PUD.

Third, the current modification application is not about the design, development, or composition of any particular square. Each of the remaining squares will have to be reviewed by the Zoning Commission for second-stage approval. As part of those applications, the Applicant will make the case for each building included in those applications, and will also demonstrate that the design of the buildings and distribution of the units in those applications are consistent with the PUD's overall goal of providing a vibrant, mixed-use and mixed-income community. Therefore, the concerns raised by ANC 6D will be addressed as part of the second-stage application process.

The Applicant believes this submission fully responds to the comments in ANC 6D's letter. The Applicant also believes that the evidence and testimony submitted in this case demonstrate that we meet the applicable standards for approval of the requested modifications, and we look forward to the Zoning Commission's favorable consideration of this application.

Respectfully Submitted,

HOLLAND & KNIGHT LLP



Kyrus L. Freeman
Jessica R. Bloomfield

cc: Advisory Neighborhood Commission 6D (via U.S. Mail)
Steve Cochran, D.C. Office of Planning (via email)