

Holland & Knight

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July 2, 2014

VIA BZASUBMISSIONS@DC.GOV AND HAND DELIVERY

Board of Zoning Adjustment
for the District of Columbia
441 4th Street, N W , Suite 210S
Washington, DC 20001

Re BZA Application No 18734
1815 Riggs Place, N W (Square 133, Lot 818)

Dear Members of the Board

On behalf of 1815 Riggs LLC, the Applicant in the above-referenced case, we hereby request that the Board waive Section 3121.5 of the Zoning Regulations to allow for the submission of this additional information in support of the application after the close of the record in this case. Waiving Section 3121.5 and accepting these materials will not prejudice any parties to this application, but will rather provide the Board with a full answer to a question that was raised by the Board at the hearing on May 20, 2014, regarding the application.

As the Board is aware, the Applicant submitted revised prehearing materials on May 6, 2014, requesting variances from the nonconforming structure requirements, the open court requirements, and the floor area ratio ("FAR") requirements, to construct a three-unit addition to the existing 20-unit apartment house on the subject property. Included in the prehearing submission, the Applicant provided evidence that constructing a single new unit in compliance with the FAR requirements would outweigh any future income generated by that unit. Building anything less than 2.16 FAR would result in less efficient units, increased development costs per unit, and an investment that would yield a net loss rather than a profit.

At the public hearing, the Board asked the Applicant to further justify the need to construct the proposed addition. As described in the Applicant's affidavit attached hereto as Exhibit A, the apartment house is currently in disrepair and is operating at a net annual loss of

BOARD OF ZONING ADJUSTMENT
District of Columbia
CASE NO. 18734
EXHIBIT NO. 42

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\$22,481 00 However, given the existing and historic rental rates, the only feasible way for the Applicant to repair and maintain the building for current and future tenants is to construct three additional rental units. The Applicant anticipates that the additional annual revenue generated from the proposed new units would be enough to cover the costs of building the addition and making the necessary repairs to improve the current conditions of the entire building. Thus, approval of the pending BZA application will allow the Applicant to continue providing quality rental housing for current and future tenants at the site, and we respectfully request that the Board approve this application

Respectfully Submitted,

HOLLAND & KNIGHT LLP

By.  JB.
Kyrus L. Freeman
Jessica R. Bloomfield

Attachments

cc Jennifer Steingasser, Office of Planning
Advisory Neighborhood Commission 2B
Mike Feldstein, Advisory Neighborhood Commission 2B01

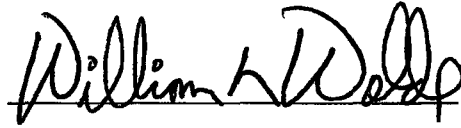
**BOARD OF ZONING ADJUSTMENT
APPLICATION NO. 18734**

Affidavit of Application in Support of Zoning Relief

I, William L. Walde, being duly sworn, depose and state as follows

- 1 I am the managing member of 1815 Riggs, LLC, the owner of property located at 1815 Riggs Place, N W (Square 133, Lot 818) (the "Site") 1815 Riggs, LLC has owned the Site for approximately nine years
- 2 The Site is improved with an existing building occupied by 20 residential units, comprised of 16 studio apartments and four one-bedroom apartments
- 3 As shown on the Summary of Rent Schedules, attached hereto as Exhibit A, the studio apartments rent for between \$932 and \$1,061 per month and the one-bedroom apartments rent for between \$1,052 and \$1,095 per month
- 4 As shown on the Apartment Income and Expense Report submitted to the D C Office of Tax and Revenue and attached hereto as Exhibit B, the total actual gross income for the building in 2013 was \$214,430, which is consistent with the building's income over the past five years
- 5 The annual gross income is reduced by the building's expenses, which include utility payments, repairs, and maintenance (\$156,011 per year), insurance (\$8,360 per year), and mortgage payments (\$72,540 per year), for total annual expenses of \$236,911
- 6 Based on the foregoing, the building is operating at an annual loss of -\$22,481 The building has been operating at an annual loss for over 3 years
- 7 Over the past several years, the building has required an increasing amount of repairs and maintenance to keep the building in a habitable condition For example, as shown on the photographs attached hereto as Exhibit C, the walls and floors of the building are in deteriorated condition and the laundry facilities are outdated and often in need of maintenance However, due to the annual income loss, it has become increasingly difficult to pay for the necessary repairs and upkeep
- 8 As the Board is aware, we have filed a BZA application for zoning relief that will allow the construction of three new residential units on the Site
- 9 The anticipated additional annual income generated by the proposed three new residential units at the Site, combined with the economies of scale afforded by coordinating building-wide capital improvements, improved leaseability of the existing units, and enhanced operational efficiencies, would generate enough revenue to cover the cost of maintenance and upkeep for the building and enable the building to generate a nominal return Specifically, we would be able to focus on long deferred maintenance, such as replacing the floors and laundry facilities in the common areas and updating the individual units with new kitchen and bathroom facilities

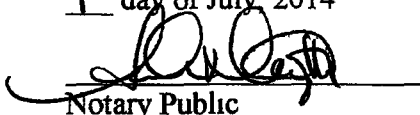
I solemnly affirm under the penalty of perjury that the contents of this Affidavit are true and correct to the best of my personal knowledge



William Walde, managing member for
1815 Riggs LLC

State of Maryland
County of Montgomery, to-wit

Subscribed, sworn to and acknowledged before me by William L. Walde, personally, this
1st day of July, 2014



Notary Public

My Commission Expires 8 / 15 / 2017.

Use public utilities paid by tenant _____
 Is this property a participant in HUD or other Low-Income Housing Programs?
 YES ☐ NO ☐
 If yes, please indicate what type _____

Summary of Rent Schedules.

In addition to completing the schedule below, please attach a copy of your rent roll as of
December 31, 2013 to this report.

	Total # Units	Beth # Units	Rent Control # Units	Subsidized # Units	Market Rent # Units
Efficiency	17				825
1 Bedroom	4				982
2 Bedroom					
2 Bedroom & Den					
3 Bedroom					
3 Bedroom & Den					
Other (List)					
Total # Units					

Retail/Commercial	# Units	Leasable SF	Rent/SF	Rent/SF	Rent/SF
Retail			\$	\$	\$
Office			\$	\$	\$
Other (List)			\$	\$	\$

ANNUAL INCOME

1 Potential Gross Income (List current rent and vacant rent at 100% market)	\$ 242051
2 Income Loss Due to Vacancy	\$ 15431
3 Income Loss Due to Collection	\$ 0
4 Income Loss Due to Concessions	\$ 0
5 Income Loss Due to Employee Quarters	\$ -14000
6 Total Actual Income	\$ 212520
7 Miscellaneous Income (Retail/Commercial)	\$ 0
8 Miscellaneous Income (Parking, vending laundry, etc)	\$ 1870
9 Utility Reimbursements	\$ 0
10 HUD Interest Subsidy Reimbursements	\$ 0
11 Other income	\$ 0
12 Total Actual Income	\$ 214430
Expenses	
13 Management	\$ 30667
14 Administrative	\$ 24894
15 Payroll	\$ 0
16 Corporate Suite Expense	\$ 0

Exhibit A to Affidavit

1815 Riggs Place

UNIT	TENANT	UNIT TYPE	RENT
1	Spokane Falls	Studio	\$984
2	Spokane Falls	Studio	\$984
3	Spokane Falls	Studio	\$1,026
4	Spokane Falls	Studio	\$939
5	Spokane Falls	Studio	\$1,061
6	Spokane Falls	Studio	\$939
7	Spokane Falls	Studio	\$1,026
8	Spokane Falls	Studio	\$1,026
21	Spokane Falls	Studio	\$1,026
22	Spokane Falls	Studio	\$980
23	Spokane Falls	Studio	\$932
24	Spokane Falls	Studio	\$1,030
25	Spokane Falls	Studio	\$1,005
26	Spokane Falls	Studio	\$1,030
27	Spokane Falls	Studio	\$976
28	Spokane Falls	Studio	\$976
B1	Spokane Falls	1BR	\$1,052
B2	Spokane Falls	1BR	\$1,052
B3	Spokane Falls	1BR	\$1,052
B4	Spokane Falls	1BR	\$1,095

APARTMENT INCOME & EXPENSE REPORT

DATE OF 1E 2011

Period of Report 1, 2010 to December 31, 2010

Complete this report in accordance with accounting methodologies used for Federal Income Tax reporting DC Code 547 821 stipulates that all information contained in this report shall be kept in strict confidence Failure to submit complete and accurate information requested by the above date is a violation of DC Code and will result in a ten percent penalty of taxes due assessed to your following year tax bill

Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue
1101 4th Street, SW, Suite W550
Washington, DC 20024

	0133		0618
Apartment Name	Square	Suffix	Lot
1815 Riggs Place, NW			

Premise Address

If your operation encompasses more than one Square, Suffix and Lot (SSL), you may list additional SSLs below This will afford you filing credit for the parcels within the economic unit without the necessity of filing individual forms

Owner	1815 Riggs Place LLC		
Address	1111 14th Street, NW		
Address	Suite 200		
City	Washington	State	DC
Zip	20005-5622		

CERTIFICATION

I certify under penalty of law that the information provided is true, correct and complete to the best of my knowledge and belief Making a false statement as to material facts is punishable by criminal penalties, D C Code 522 2514

Management Company	Borger/Waldo Management		
Title/Relationship	Agent		
Responsible Contact Person	William L. Waldo	Phone	301 320 8895
Address	6501 Goldleaf Drive Bethesda	State	MD
Date		Zip	20817
Contact Person E-mail	bill@waldo.com		Owner's EIN# 08-1761091

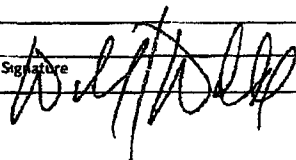
Type Name	William L. Waldo	Signature	
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Exhibit B to Affidavit

Utilities	
17 Water & Sewer	\$ 4453
18 Electricity	\$ 6068
19 Fuel (Type of fuel _____)	\$ - 5205
Repairs Maintenance and Contract Services	
20 Maintenance Payroll/Supplies	\$ 3810
21 Mechanical (HVAC, Electrical, Plumb)	\$ 11500
22 Roof Repairs	\$ 0
23 Elevator (Parts, Labor, Contract Services)	\$ 0
24 Pool (Parts, Labor, Contract Services)	\$ 0
25 Redecorating Costs (Carpet, Paint, etc.)	\$ 15020
26 Janitorial/Cleaning (Supplies and Contract Services)	\$ 10500
27 Landscaping and Ground Services (Supplies and Contract Services)	\$ 1325
28 Trash	\$ 3041
29 Security	\$ 1711
30 Other Maintenance Contract Services etc. (Must give itemized list)	\$ 31828
Total Operating Expenses sum of Lines 13 Through 30	\$ 156011
Fixed Expenses	
31 Insurance (One Year Fire, Casualty)	\$ 8360
32 Miscellaneous Taxes (Non payroll, Non property tax)	\$ 0
Total Fixed Expenses sum of Lines 31 and 32	\$ 8360
Replacement Reserves	
33 Annual Replacements Reserves \$ _____ per Unit # _____ Total	\$ -
Capital Improvements	
34 Cost of Capital Improvements incurred last 12 months (for Capital Improvements consideration itemized list required)	\$ _____
35 Cost of Future Capital Improvements (for future Capital Improvements consideration plan & itemized list required)	\$ -
Annual Ground Rent	
36 List Annual Ground Rent if Applicable	\$ _____
37 Inception Date of Lease	_____
38 Ending Date of Lease	_____
MORTGAGE/SALES /MANAGEMENT INFORMATION	
1. Is there a current mortgage on the property? Yes <u>X</u> No _____	
2. If Yes please provide the following data:	
Name of Mortgage _____	Mortgage Amount <u>809 608</u> Interest Rate <u>5.36%</u>
Term of Mortgage <u>20</u> years	
3. List the most recent partial or complete interest transfer of the real property of the last 3 years:	
Purchase Date _____	Purchase Amount: _____
Percent of Ownership _____	
4. Most Recent Professional Appraisal Date: _____ Value: _____	
Appraisal Firm/Individual _____	

Gross Income \$214,430 00
 Expenses \$159,011 00
 Income Before
 Mortgage \$55,419 00
 Annual Mortgage
 with Taxes and Ins \$72,540 00
 Net Income -\$17,121 00

Exhibit C to Affidavit

