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800 17th Street, NW, Suite 1100 | Washington, DC 20006 | T 202 955 3000 | F 202 955 5564
Holland & Knight LLP | www hklaw com

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Kyrus Lamont Freeman
(202) 862-5978
kyrus freeman@hklaw com

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

$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. Kyrus Freeman 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 L Walde

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.

List 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	Both # 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		$ 212620
7 Miscellaneous Income (Retail/Commercial)		$ 0
8 Miscellaneous Income (Parking, vending laundry, etc)		$ 1810
9 Utility Reimbursements		$ 0
10 HUD Interest Subsidy Reimbursements		$ 0
11 Other income		$ 0
12 Total Actual Income		$ 214430
Expenses.		
13 Management		$ 30867
14 Administrative		$ 24894
15 Payroll		$ 0
16 Corporate Suite Expense		$ 0

Exhibit A to Affidavit

1815 Riggs Place

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

APARTMENT INCOME & EXPENSE REPORT

[illegible] 15 201[illegible]

[illegible] January 1, 201[illegible] December [illegible]

Complete this report in accordance with accounting methodologies used for Federal Income Tax reporting DC Code §47 821 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

Apartment Name	Square	Suffix	Lot
	0133		0818

Premise Address: 1815 Riggs Place, NW

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 §22 2514

Management Company: Borger Walde Management			
Title/Relationship: Agent			
Responsible Contact Person: William L. Walde		Phone: 301 320 9695	
Address: 6501 Goldleaf Drive Bethesda		State: MD	Zip: 20817
Date:	Contact Person E-mail: bill@waldeco com	Owner's EIN#: 06-1751091	

Type Name: William L. Walde	Signature: [signature]

Exhibit B to Affidavit

Utilities	
17 Water & Sewer	$ 4453
18. Electricity	$ 6066
19 Fuel (Type of fuel ________)	$ 5205
Repairs Maintenance and Contract Services	
20. Maintenance Payroll/Supplies	$ 3610
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)	$ 16500
27 Landscaping and Ground Services (Supplies and Contract Services)	$ 1525
28 Trash	$ 3041
29 Security	$ 1711
30 Other Maintenance Contract Services etc (Must give itemized list)	$ 31826
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_X_ No___
2. If Yes please provide the following data:

Name of Mortgage__________ Mortgage Amount 809 608 Interest Rate 5 35%

Term of Mortgage 20 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