GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING

Office of the Director

MEMORANDUM

TO: D. C. Zoning Commission

FROM: Andrew Altman
Director

DATE: January 8, 2004

SUBJECT: Zoning Commission Case Number 03-26 - **Supplement**

RECOMMENDATION

The Office of Planning did not make a recommendation in the final report to the Zoning Commission due to concerns about the adequacy of the PUD amenity package. A subsequent meeting with the Applicant, and submission of the additional documentation has resolved the outstanding issues, and permits the Office of Planning to enthusiastically support this application.

The Office of Planning (OP) now recommends approval of this consolidated application and concludes that the benefits and amenities are commensurate with the relief requested and the requirements of the Zoning Regulations. OP further recommends the following conditions:

- The floor area totals be resolved by the D.C. Office of the Surveyor on land survey data for individual lots that compose the development site prior to the final order;
- A copy of the draft streetscape design guidelines developed for the U Street Initiative be filed into the public record;
- More specific information about the "Green Team" employment training program, and how Leadership in Energy and Environmental Design (LEED) criteria will be implemented in new construction, shall be placed into the public record; and
- The applicant shall submit an executed agreement to participate in the Department of Employment Services' First Source Employment Program, and indicate how it plans to utilize local, small, and disadvantaged businesses.

PUD RELIEF AND FLEXIBILITY

As the result of further discussions, the Applicants and OP agree that the following relief is required from this proposal in addition to that indicated in their original application:

- Increase of the allowable building height under Section 2405.1:
  - for the western portion of the site from 75 to 90 feet; and

ZONING COMMISSION
District of Columbia
Case 03-26
Exhibit 28

ZONING COMMISSION
District of Columbia
CASE NO.03-26
EXHIBIT NO.28

  - for the western portion of the site from 50 to 60 feet;
- Increase of the allowable lot occupancy under Section 2001.3 in the portion of the site zoned R-5-B from 60% to 80%;
- Waiver of Section 1902.1 (a) to allow the height of roof structures to exceed 83.5 feet above grade;

The Applicant further clarified some information in the final OP reports:

- The number of proposed dwelling units is between 240 -300;
- The proposed construction schedule per the Pre-Hearing Statement dated December 28, 2003 has been changed from three as referenced in the OP Final report stated in to two stages:

  - Stage I, Spring 2005-Summer 2007: Construction of the entire 14th Street frontage with ground floor retail space and underground garage, and alley closing construction; and
  - Stage II, January 2007 – March 2008: Renovation of existing laundry buildings and associated new construction.

Additional Information Regarding Consistency with Section 2403
In the Final Report, OP expressed concern that the following standards were not met by the current proposal. In response, the Applicant provided additional information listed below:

- *Public benefits and project amenities of the proposed PUD may be exhibited and documented in any of the following, or additional, categories*

  (a) Urban design, architecture, landscaping, or creation or preservation of open spaces; (refer to OP Final Report page 13):
  OP was concerned that the referenced streetscape guidelines would not be implemented if DDOT formally adopted substantially different standards. In response, the Applicant commits to specific improvements in public space surrounding the project, *or* the streetscape standards of the 14th Street Initiative, whichever is the higher standard (refer to #4 in Exhibit 2). The Applicant proposes to implement draft streetscape design guidelines developed for the 14th & U Main Street Initiative.

  OP considers this to be a more credible benefit, and recommends that a copy of the draft streetscape guidelines be entered into the public record so the Commission and community are aware of the improvement options.

  (d) Historic preservation of private or public structures, places or parks
  (refer to Final Report page 14);
  OP concluded that the preservation benefit claimed by the Applicant is a requirement for any matter-of-right development. However, to expand the preservation amenities, the Applicant has agreed to contribute $2,500 for the purchase of ten (10) signs designating the Greater U Street Historic District. The signs will be installed by DDOT crews at intersections between U and Florida Streets, N.W. and will help reinforce the identity of the district. OP considers this dedication to be a public benefit.

(e) Employment and training opportunities (refer to Final Report page 15);
The Applicant agrees to participate in the Department of Employment Service's (DOES) First Source Employment Program. The applicant has agreed to purchase the above referenced Greater U Street Historic District signs. These signs are valued at $2,500 and the manufacturer is a local minority business. OP continues to encourage the developer to utilize local businesses and would like the Applicant to indicate how they plan to met the goals of the LSDBE program.

(f) Housing and affordable housing; (refer to Final Report page 15)
Discussions with the Applicant provided the following clarifications (refer the Exhibit 2, 14th & V Street Square 235 FAR Analysis):

- The actual amount of FAR being requested, over and above that allowed as a matter of right in the underlying zoning, was overstated in OP's Final Report (refer to page 16). Section 1904.3 of the underlying Uptown Arts Mixed-Use (Arts) Overlay District would allow a floor area ratio (FAR) bonus of 0.5 within a matter-of-right scenario over 3.0 FAR of residential floor area. Therefore, the additional *gross* floor area allowed under the PUD, including 5% allowed under Section 2405.3, is 56,535 square feet instead of 77,840 square feet.
- The Applicants maximum *gross* floor area proposed for affordable housing opportunities would actually be 8,438 square feet (as opposed to a net floor area of 7,500 square feet).

The proposed affordable housing floor area, represents 10 units and 15% of the additional floor allowed in the PUD. The 15 % meets the general guidelines being followed by OP as we move toward a formal inclusionary zoning policy, and qualifies as a significant benefit. Staff continues to recommend flexibility in the individual unit floor areas, and flexibility in the range of lower-income families that would qualify.

(g) Social services/facilities (page 17 of the OP Final Report);
OP asked for clarification on the "employment program for homeless men and women." The Applicant clarified that the $10,000 annual contribution for five years to the 14th & U Main Street Initiative (a total of $50,000) is "to establish the "Green Team", a successor to the 'Ready, Willing and Able' employment program for homeless men and women." OP supports the continuation of this contribution as a public benefit.

(h) Environmental benefits, such as stormwater runoff controls and preservation of open space or trees; (page 17 of the OP Final Report)
OP requested additional information about the efforts to make this project "environmentally friendly." The Applicant now indicates that this project will utilize Leadership in Energy and Environmental Design (LEED) criteria in the new construction, although it may not receive an official certification.

OP strongly supports "green" building efforts and believes these efforts would be a

public benefit. OP requests specific information about how the criteria would be applied be submitted to the public record prior to final action.

(i) *Uses of special value to the neighborhood or the District of Columbia as a whole;* OP requested additional information about the matter-of-right requirement for ground floor retail in order to evaluate that proposed in the PUD. The Applicant has clarified that between 22-26,000 square feet of ground floor area will be reserved for neighborhood-serving retail and service uses. Flexibility in the amount of retail floor area is being requested because of uncertainty about the marketability of floor area furthest from the street frontage.

Section 1901.1 of the Art Overlay regulations requires that 50% of the ground floor of every building fronting 14th be reserved for retail and service use. The estimated ground floor area in the C-3-A portion of the site is 32, 100 square feet. Based on these figures OP now estimates that the retail floor area proposed in the PUD represents 72%-85% of the ground floor. The Applicant also confirmed that the types of ground floor retail uses will be consistent with Sections 1907 and 1908 of the Zoning Regulations.

With these clarifications, OP considers provision of at least 72% of the ground floor area for retail, the $50,000 contribution to Main Streets, the approximately $4,000 for memberships in the Cardozo/Shaw Neighborhood Association and the reservation of 15% of the additional PUD floor area for affordable units to be public benefits.

Additional Relief (refer to Final Report page 18).
Regarding other relief identified by OP, the Applicant has clarified the following:

- Reduction in the required rear yard: This relief is no longer required. The Applicant clarified that the consolidated property would be a corner lot with the front boundary along W Street and the rear boundary on the V Street frontage. Under Section 774.1, the minimum depth of rear yard in C-3-A is 2.5 inches per each foot of vertical height or 18.75 feet for the proposed 90-foot building. Section 404.2 provides that a corner lot rear yard is measured "from the centerline of the street abutting the lot ..." The V-Street right-of-way is 80 feet wide so the rear yard equals 40 feet. This distance exceeds the zoning requirement.

- Reduction of required retail parking spaces: The PUD application includes a reduction in the number of required retail spaces allowed under Section 2405.6. The Statement justifies granting the 29% reduction based on neighborhood orientation of planned retail uses, and the fact this site is within 1,200 feet of an entrance to the WMATA Cardozo-African American Civil War Memorial-Cardozo Metrorail station. OP supports this relief.

- Increase the allowable height of roof structures in the Arts Overlay District: Staff notes that Section 1902.1 (a) limits the height of roof structures to 83.5 feet above grade based on a maximum building height of 60-75 feet. Establishing a PUD on this site, however, would increase the allowable height to 90 feet. Development data and zoning tabulations included in the PUD plans indicate that none of the proposed roof structures will be taller than 18.5

feet above the roof as allowed under Section 400.7 (c), however the combined height of these proposed buildings and roof structures above grade would exceed 83.5 feet. Planning staff supports this relief.

- Increase of the allowable lot occupancy in the portion of the site zoned R-5-B from 60% to 80%: Although the allowable lot occupancy in R-5-B is 60%, the Applicant indicates the current lot occupancy on three lots in the eastern portion of the site is 80%. No lot occupancy increase beyond the existing 80% is requested as part of the proposed renovation and development on this property. However, Section 2001.3 (a) only allows expansion of a nonconforming structure devoted to conforming uses where the resulting "... structure shall conform to the percentage of lot occupancy requirements." The Applicant acknowledged that relief is needed. OP supports granting this relief due to its positive impact on the preservation of the historic laundry complex.

RECOMMENDATION

Based on the previous review and additional information received, OP now finds that the relative value of the project amenities and public benefits offered is greater than the degree of development incentives requested or anticipated impact of granting the above required relief.

The Office of Planning (OP) enthusiastically recommends approval of this consolidated PUD application and concludes that the benefits and amenities are commensurate with the relief requested and the requirements of the Zoning Regulations. OP further recommends the following conditions:

- The floor area totals be resolved by the D.C. Office of the Surveyor on land survey data for individual lots that compose the development site prior to the final order;
- A copy of the draft streetscape design guidelines developed for the U Street Initiative be filed into the public record;
- More specific information about the "Green Team" employment training program, and how Leadership in Energy and Environmental Design (LEED) criteria will be implemented in new construction, shall be placed into the public record; and
- The applicant shall submit an executed agreement to participate in the Department of Employment Services' First Source Employment Program, and indicate how it plans to utilize local, small, and disadvantaged businesses.

AA/afj

Attachment: Exhibit 1 Memorandum to Arthur Jackson, D.C. Office of Planning from Norman M. Glasgow, Jr. and Steven E. Sher, Holland and Knight LLP dated January 9, 2004

Law Offices
HOLLAND & KNIGHT LLP

2099 Pennsylvania Avenue, N. W.
Suite 100
Washington, D.C. 20037-6801

202-955-3000
FAX 202-955-5564
http://www.hklaw.com

Annapolis
Atlanta
Bethesda
Boston
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St. Petersburg
Tallahassee
Tampa
West Palm Beach

International Offices:
Caracas*
Helsinki
Mexico City
Rio de Janeiro
Sao Paulo
Tel Aviv*
Tokyo

Representative Office:

STEVEN E. SHER
DIRECTOR OF ZONING
AND LAND USE SERVICES
202-663-7278
Internet Address:
ssher@hklaw.com

January 9, 2004

BY FAX

MEMORANDUM

To: Arthur Jackson
D.C. Office of Planning

From: Norman M. Glasgow, Jr./NMG, Jr.

Steven E. Sher
Director of Zoning and Land Use Services

Subject: Additional Information regarding Z.C. Case No. 03-26
Hoffman 14th & V Streets, N.W.

1. Revised density analysis accounting for the density achieved as a matter-of-right and under the PUD as proposed, with and without the alley: see the attached spreadsheet.

2. Chart comparing flexibility requested and benefits and amenities: see attached.

3. Revised affordable housing spreadsheet reflecting new numbers discussed this morning and assuming 10 units provided for families having incomes not to exceed $50,000: see the attached spreadsheet.

4. Streetscape improvements: The Applicant hereby commits to improve the public space surrounding the project with a minimum of granite curbs, tree grates, waste receptacles and light poles that are approved by the District Department of Transportation (DDOT) or will meet the streetscape standards

of the 14th and U Streets Main Street Initiative, whichever are higher. The Applicant is committed to working with DDOT and the Initiative to make this streetscape the prototype for the area.

5. Green Team: The Applicant has committed to contribute $50,000 in five increments to help the 14th and U Streets Main Street Initiative to re-establish a program like the "Ready, Willing and Able" program, which identifies and trains homeless men and women.

6. Arts/C-3-A requirements: Pursuant to §1901.1, at least 50% of the ground level of the building must be devoted to retail, service and arts uses. The ground floor of the new building within the Arts/C-3-A portion of the site contains 30,484 square feet of floor area. The Applicant has committed to provide a minimum of 22,000 square feet (72%), up to a maximum of 26,000 square feet (85%), for retail uses. This complies with the 50% requirement. The Applicant will devote all of the specified space to the uses listed in §§1907 and 1908.

7. LEED certification: The LEED (Leadership in Energy and Environmental Design) Green Building Rating System™ is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Members of the U.S. Green Building Council representing all segments of the building industry developed LEED and continue to contribute to its evolution. LEED was created to:

   - define "green building" by establishing a common standard of measurement;
   - promote integrated, whole-building design practices;
   - recognize environmental leadership in the building industry;
   - stimulate green competition;
   - raise consumer awareness of green building benefits; and
   - transform the building market.

   LEED provides a complete framework for assessing building performance and meeting sustainability goals. Based on well-founded scientific standards, LEED emphasizes state of the art strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. LEED recognizes achievements and promotes expertise in green building. P.N. Hoffman's 14th and V Project will be

designed and constructed utilizing LEED's criteria but may not be officially certified.

8. Historic District signs: The Applicant hereby confirms its commitment to spend $2,500 through DDOT to erect approximately ten signs designating the Historic District on 14th Street between U Street and Florida Avenue.

Feel free to call any member of the team with any comments or further questions you may have.

Attachments

cc: Ellen McCarthy
Jennifer Steingasser

WAS1 #870355 v1

Hoffman – 14th and V Streets Project
List of Flexibility Requested
and Benefits and Amenities Provided

Flexibility requested		Benefits/amenities provided
Additional FAR: increase of 56,535 sf of total GFA over existing matter-of-right, all devoted to residential use		Residential use: 290,696 sf of GFA (foregoing approx. 85,000 s.f. of commercial development)
Additional height: 90 feet maximum in the Arts/C-3-A, with step-downs to the east (75 feet guideline in the Arts overlay, 90 feet permitted by Chapter 24); 51', 10" in the R-5-B (50 feet as a matter-of-right, 60 feet under Chapter 24)		Affordable housing: 10 units, totaling 8,364 sf of GFA, for households of income up to $50,000 (less than 60% of AMI)
Loading berth: provide two 30-foot berths, in lieu of one 55-foot berth		Complying neighborhood serving retail and arts uses in excess of the minimum required (15,282 sf required, minimum of 22,000 sf provided)
Retail parking: provide 50 spaces in lieu of 63 to 78 spaces		Reuse of warehouse buildings determined to be contributing buildings in the Historic District
Entrance to garage parking in the warehouse buildings: 5 feet from the centerline of the alley, in lieu of 12 feet		Creation of east-west urban open space gallery down the center of the project
Roof structures: multiple enclosures, with walls of unequal height, not meeting all the setback requirements		Flex-Car/Zip Car (2 to 4 spaces to be provided)
Residential recreation space: provide approximately 21,032 sf (11.56%) in lieu of 27,290 sf (15%)		$50,000 contribution to 14th and U Streets Main Street Initiative
Street frontage requirement along 14th Street: provide 66% in lieu of 75%		$2,500 contribution for signs designating the Historic District along 14th Street between U Street and Florida Avenue
Lot occupancy in the R-5-B portion: provide 80% (predominantly existing condition) in lieu of 60%		DOES First Source Employment Agreement
Court Width Provisions: request reduction of two court widths by 4.5 feet and 9.6 feet, respectively		Membership in the Shaw-Cardozo Neighborhood Association
		Jobs Creation: 226 temporary construction jobs; 63 direct residential and retail jobs
		Increased Tax Revenue: $2.3 million annual increase in income and other direct taxes; $200,000 annual increase in property transfer taxes

14th & V Square 235
FAR Analysis
1.9.04

Permitted	Lot Area (sf)	FAR By-Right 4.5	FAR PUD 4.5	PUD 5%	TOTAL FAR
C-3-A	42,290	190,305	190,305	9,515	199,820
C-3-A Alley	1,294	5,823	5,823	291	6,114
Total C-3-A	**43,584**	**196,128**	**196,128**	**9,806**	**205,934**
Commercial		108,960	108,960	5,448	114,408
Residential		87,168	87,168	4,358	91,526

Permitted	Lot Area (sf)	FAR By-Right 1.8	FAR PUD 3.0	PUD 5%	TOTAL FAR
R-5-B	33,801	60,842	101,403	5,070	106,473
R-5-B Alley	813	1,463	2,439	122	2,561
Total R-5-B	**34,614**	**62,305**	**103,842**	**5,192**	**109,034**

Proposed	Lot Area (sf)	FAR By-Right	FAR PUD	PUD 5%	TOTAL FAR
Total PUD	**78,198**	**258,433**	**299,970**	**14,999**	**314,969**
Commercial (average)					24,000
Residential					290,969
Affordable Housing computation					
Increase in total FAR					56,535
Gross floor area devoted to affordable housing (10 units @ 750 sf + 12.5% core factor)					8,438
Affordable as % of total increase					15%
Increase in residential FAR					32,535
Gross floor area devoted to affordable housing (10 units @ 750 sf + 12.5% core factor)					8,438
Affordable as % of residential increase					26%

Sample PUD Affordable Housing Benefit
Affordable Housing Financial Analysis

No. of Units	10	
Unit Size	750	
Core factor	12.5%	
Gross floor area/unit	844	
Total gross floor area	8,438	
Interest Rate	7.00%	
Debt Constant	7.98%	
Taxes	$1,300	(annual)
Condo Fee	$200	(monthly)
Down Payment	5.00%	

Size of Households	4	3
Annual income	$50,000	$50,000
Available	32.50%	36.00%
FY 2003 AMI	$84,800	
Income as percent of AMI	58.96%	
Available Annually for Mortgage Payment, Taxes, Condo Fee	$16,250	$18,000
	12	12
Available Monthly	$1,354	$1,500
Taxes	($108)	($108)
Condo Fee	($200)	($200)
Mortgage Payment	$1,046	$1,192
Debt Constant	7.98%	7.98%
Loan Amount	$157,197	$179,117
Down Payment	$8,274	$9,427
Sales Price	$165,470	$188,544

Affordable housing unit price	$177,007
Sales price per square foot	$210

Value of Project Amenity

Market rate housing price per square foot	$380
Affordable housing price per square foot	$210
Difference per square foot	$170
Total value of lost revenue	$1,436,181