

Subj: **Dorchester House Addition**
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Alan Roth –

In response to your comments when we were last before the PZT Committee, Steven Gewirz and I looked carefully at the concept of applying the new zoning standards for affordable housing to the proposed Dorchester House Addition. We concluded that the project would not be economically feasible.

We projected twenty years of rents for twenty-five units at rents suitable for incomes at 50% of median family income and twenty-five units at rents for 80% of median family income. Making reasonable assumptions and computing a present value of the enhanced proffer, we found the enhanced proffer to cost us literally millions of dollars in excess of the cost of our current proffer. The problem is most acute for the larger units, because the formula used to allocate rents by family size is skewed relative to actual market rents, so we suffer much more than proportionally for larger units, which we hope to construct. We would not suffer nearly as much if we built efficiencies and one-bedrooms. Unfortunately our goal has always been to build mostly two-bedrooms to balance out the property as a whole.

We hope you and the other Commissioners will nevertheless endorse our project. Please remember: (1) We are not bringing 16th Street zoning to 17th Street, we are bringing 16th Street zoning constrained by our PUD to significantly lower density. (2) Although the dedicated right of way for 17th Street is narrow, the perceived street will be wider because of our setback and the setbacks across the street. (3) Our proposed addition is lower than the existing Moran Annex condominiums. Thanks! – John

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ZONING COMMISSION
District of Columbia
CASE NO. 04-36
EXHIBIT NO. 88
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