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**NARRATIVE ELUCIDATION OF THE PROPOSED
PLANNED UNIT DEVELOPMENT (PUD) AT "THE SAGE"**

Regarding the application of Hope 7 Monroe Street LP, pursuant to 11 DCMR 2400, for zoning relief from the height limitation of Subsection 770.1, and from the floor area ratio limitation of Subsection 771.2, to redevelop a mixed use building in a C-2-A District at premises 1020 Monroe Street, N.W., Square 2840, Lot 0820.

Developer:	Hope 7 Inc., Affordable Housing Advocates
Owner:	Hope 7 Monroe Street Limited Partnership
Architect:	PGN Architects, PLLC
Construction Management:	Sherrod Hawkins CM Consulting, LLC
Attorney:	Guydon, Clarke & Robinson, LLP

Objective

The goal of Hope 7 Inc. in the development of this project is to provide a permanent low cost residency opportunity to the existing residents of 1020 Monroe Street while revitalizing the entire mixed-use facility so as to create a vibrant and redefining new anchor for the 11th Street Corridor.

ZONING COMMISSION

CASE No. 05-18

EXHIBIT No. 2

ZONING COMMISSION
District of Columbia
CASE NO.05-18
EXHIBIT NO.2

This project proposes to fully renovate the existing structure as well as construct the addition of a new residential, and a new recreational floor. The height and FAR of the proposed redevelopment are approximately 64 ft. 10 in. and 3.146 respectively. These specifications exceed the matter of right allowances for a C-2-A Zone; but are within the limits for a PUD. The proposed height is within the 65 foot maximum as per 11 DCMR 2405.1. Although the proposed FAR exceeds the maximum of 3 as allowed under 11 DCMR 2405.2 by a margin of 4.86%, we believe that the exceptional merit of the project warrants the minor deviation from the maximum FAR of 3 under 11 DCMR 2405.3. This minor deviation promotes the successful functioning of the project and is consistent with the purpose and evaluation standards of 11 DCMR 2400.

The C-2-A District allows a matter of right height of 50 Ft. The subject property is currently built as a 45.1-foot masonry structure of four stories containing 22 residential and 6 ground level retail units. The proposed redevelopment would elevate the residential structure to five stories containing 27 residential units and maintain the 6 ground level retail units. The project would also deliver an exclusively recreational 6th floor containing both fitness center and clubroom facility amenities surrounded by a “green” rooftop terrace.

11 DCMR 2400

PLANNED UNIT DEVELOPMENT

11 DCMR 2400.1-2

The applicant understands that the PUD process is designed to encourage high quality developments through incentives such as the permitting of increased building height and density provided that the project offers a commendable number or quality of public benefits and that it protects and advances the public health, safety, welfare and convenience. We believe our project provides such public benefits.

11 DCMR 2400.3-4

The applicant hereby request a comprehensive public review by the Zoning Commission of the proposed redevelopment in order to evaluate the public benefits offered in proportion to requested zoning relief and in order to establish long term public control over the specific use and development of the property. This with the understanding that the PUD process is not to be used to circumvent the intent and purposes of the Zoning Regulations, nor to result in action that is inconsistent with the Comprehensive Plan. We believe that our project provides a level of public benefit that merits granting of the requested zoning relief.

11 DCMR 2400.5-7

The applicant acknowledges the Commission's authority to approve the PUD application with or without modifications and its' ability to set time limits for benefits conferred so as to ensure construction of the development in accordance with the conditions established. Of course, it is our preference that this PUD application be approved without modification and with reasonably liberal time constraints.

11 DCMR 2401

AREA REQUIREMENTS

11 DCMR 2401.1-3

The minimum area requirement within a proposed PUD that is located in a C-2-A District is fifteen thousand square feet (15,000 sq. ft.). This project has an area measurement of 11,910 sq. ft. which does not meet the requirement, however we believe that the exceptional merit of the project warrants the waiving of this requirement under 11 DCMR 2401.2 as forwarding the best interests of the city. As the regulations require for such waiving, the project is located outside of the Central Employment Area and does provide at least 80% of the gross floor area

to be used exclusively for dwelling units and uses accessory thereto. All of the property in this PUD is contiguous.

11 DCMR 2402

TYPE OF APPLICATION

11 DCMR 2402.1-7

In accordance with 11 DCMR 2402.3, we elect to initiate a consolidated PUD review by the filing of a single application, and hereby request the consolidating of the two-stage review process into one proceeding. In accordance with 11 DCMR 2402.4 we have attached all of the material required by both the first and second stage review including certification of our compliance with 11 DCMR 2406.7 through 2406.10 regarding pre-filing notices.

11 DCMR 2403

PUD EVALUATION STANDARDS

11 DCMR 2403.1-8

The following is submitted as a detailed elucidation of how this application meets the PUD evaluation standards:

A.

RECREATIONAL SPACE

The facility as currently configured lacks recreational space equivalent to 20% of the gross residential floor area, which would be required by Subsection 773.3 were the building constructed today. It is our goal to meet or exceed the recreational space requirements related to the fifth floor addition. The most practical location to add recreational facilities given the site's odd shape and high lot occupancy is on the roof of the structure, which contributes significantly to the need for zoning relief from the height limitations in a C-2-A District.

B.

LAND UTILIZATION

The physical characteristics of the property make it difficult to use in compliance with the Zoning Regulations due to its' oddly shaped lot which fronts on two streets that are not perpendicular. The existing structure, which was built in 1935, is not compliant with subsequently adopted Zoning Regulations related to Lot Occupancy and Rear Yard. The site was planned in 1935, but we are attempting to compliment the plan as it does afford the opportunity to facilitate a higher density redevelopment. We believe that the addition of 5 units (including 2 three-bedroom units) would in some small way assist in easing local market pressure and forward the Comprehensive Plan's stated goal of higher density development in the District.

C.

TRANSPORTATION MANAGEMENT

The current C of O for the premise affords no parking and the increase in the intensity of both the residential and retail uses does not warrant a parking requirement. However, we are adding three new parking spaces because we consider the general parking conditions in the neighborhood to be somewhat adverse. We have coordinated with DDOT for the installation of three bicycle racks directly in front of the project, one of which is already installed along with a forth rack located directly across the street. But the primary factor that mitigates the parking concern is public transportation. There are four bus stations within one block of the project, and two metro stations within a four-block radius.

D.

HISTORIC PRESERVATION

The architecture of the project is designed to compliment rather than contradict the existing structure and the creation of both open and green space is particularly beneficial given the urban setting. The subject property is not designated as a historic structure, however it was erected approximately 70 years ago and we are intent on preserving and complimenting the design wherever possible and practicable.

E.

EMPLOYMENT OPPORTUNITIES

The revitalization of the retail spaces would undoubtedly create additional job opportunities in the 11th Street Corridor. In addition, Hope 7 Inc. has employed and currently employs both ex-offenders and veterans in the construction trade. Although we will not serve as the General Contractor for this project, we will give great weight toward awarding our contract to a GC who mirrors such practices.

F.

AFFORDABILITY

The issue of functional affordability in the development of new housing is an important one for indigenous residents of Washington D.C., and is at the forefront of the efforts of HOPE 7 Inc. Consequently, we have adopted a cash flow based affordability standard in development pro forma conceived by our organization, which is a non-profit corporation with 501 (c) 3 designation.

The net effect of our cash flow based affordability standard is that the affordable units in most projects are priced below cost and subsidized by market rate sales. At "The Sage" this practice results in affordable unit price points of \$83,500 for finished two-bedroom units and \$77,500 for finished one-bedroom units. These price points have been guaranteed under notary seal to 9 low-to-moderate

income families that have existed as tenants in the building for as many as 44 years. Summarily, Hope 7 Inc. is foregoing approximately \$3M in revenue without public or private subsidy to forward the long-term preservation of functional affordability for the existing tenants.

G.

SOCIAL PROGRAM SUPPORT

HOPE 7 Inc. has made a commitment to provide a grant of \$10,000 to Keely's District Boxing and Youth Center whose mission is to provide community centered activities that help at risk children and youth in the Columbia Heights community deal with daily stresses and life experiences in a positive manner. Keely's Center, a 501 (c)(3) nonprofit organization, was founded in April 2004 by Keely Thompson, Jr., a lifelong resident of Columbia Heights, and former world lightweight champion. Keely's Center was created to address the growing needs to promote the physical, mental, spiritual and academic well being of African American, Latino, and Asian youth in the community. Many of these youth face disproportionate risks and challenges. Anecdotal evidence suggests that, as a result of Keely's Center, some former gang members are now resolving differences with boxing gloves rather than violence or bullets. At the time of this submission, Hope 7 Inc. has already conveyed \$7,000 of our grant to Keely's Center.

H.

ENVIRONMENTAL RELIEF

The structure at the subject property was erected in 1935 with lot occupancy of 76% and prior to the imposition of regulations setting the maximum allowable lot occupancy at 60%. One of the strongest arguments for the imposition of lot occupancy constraints is the issue of pollution caused by storm water runoff. Although there is no reasonable way to bring the existing structure into literal conformance with the current regulations related to lot occupancy, a modern

instrument that can be used to mitigate the negative environmental effects of such otherwise permitted nonconformance is the installation of a green roof. The primary deterrent to such installation is the associated cost. However revenue derived from the sale of fifth floor units will provide sufficient subsidy to the project so as to allow for the installation of the green roof.

I.

LOCAL GOVERNMENT SUPPORT

As in the area of housing, the rising cost of real estate has had an adverse impact on the availability of reasonably priced office space. This fact is particularly evident in that the ANC in which the project is located has been saddled with the difficulty of finding an appropriately located, handicap accessible office facility. Our project has been designed to afford a publicly convenient, low cost, handicap accessible and long-term office space lease opportunity for Advisory Neighborhood Commission 1A.

PUBLIC SCHOOL SUPPORT

HOPE 7 Inc. has made a commitment to contribute the sum of \$100,000 from the proceeds of sales at "The Sage" to the capital improvement fund of the nearby Harriet Tubman Elementary School, as part of our commitment to support area schools whose enrollment additional units might affect. Real estate developers in Charles County, Maryland are required to contribute \$10,000 to the public school system for each new residential unit developed. Consequently, if our project were located in Charles County, where the per square foot sale price is significantly less than in the nation's capitol, our 5 unit residential addition would warrant a contribution of \$50,000 to the public school system. As a statement of our support for such measures, Hope 7 Inc. has self-imposed a contribution level at "The Sage" that is double the Charles County standard.

J. ECONOMIC REVITALIZATION

Our project is located just a few blocks from the Tivoli Theater and DC USA Project in a now bustling heart of Columbia Heights. This area of 14th Street has experienced almost unparalleled development in recent years. Yet nearby 11th Street has seen years of neglect and deterioration with relatively little commercial revitalization.

We believe that the redevelopment of the six retail units at “ The Sage” will jumpstart the movement to redefine the 11th Street Corridor in Columbia Heights as a vibrant, neighborhood serving retail center. Rather than attempt to compete with national chain and big box establishments. We are targeting locally owned, non-chain, and neighborhood serving retail destinations as the ideal type of business establishments for the project.

CONCLUSION

Commitments to amenities like functional affordability, the environment, school support and other public benefits pose significant yet worthwhile financial hardship to the developer. Our desire is to offset some of the financial hardship posed by these meritorious commitments through the revenue that will be generated by the sale of fifth floor units.

We are of the position that approval of a PUD at this site poses no substantial detriment to the public good as it relates to traffic, noise, light encroachment or the environment. In fact, revenue derived from the sale of units allowed by the additional Height and FAR will support environmentally friendly relief to the public health caused by permitted lot occupancy overages. In addition the requested zoning relief will support functional affordability and public school subsidy, while allowing a practicable method of conforming to current recreational space requirements.

Moreover, these significant public benefits are achievable and consistent with the general intent of and purpose of the Zoning Regulations and Map, and our project plans help to advance the stated goal of higher density development as called for in the Comprehensive Plan for the District.

We have named this project “The Sage”, in part as a historical reference to the famed abolitionist and international statesman Frederick Douglass who was also known as “The Sage of Anacostia” and who exemplified the characteristics of self determination and stewardship. Frederick Douglass was a public servant who worked tirelessly for the benefit of the public good. We sought to honor his legacy in the planning of this project.

Hope 7 Inc. is a 501 (c)(3) nonprofit affordable housing development corporation that was organized in March of 2004. “The Sage” is our flagship project and we hope that it might serve as a proverbial sage, in that it may provide some insight and an example of how developers in the District might conceive exceptional projects that do not involve the forced displacement of indigenous residents on an economic basis. We HOPE that “The Sage” might stand for years to come as a shining example in the District of how truly mixed-income and mixed-use development can promote and preserve the diverse fabric that is the NATIONS’ CAPITOL.