

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF PLANNING



Office of the Director

Memorandum

TO: District of Columbia Zoning Commission

FROM:  Ellen McCarthy, Director
Office of Planning

DATE: June 26, 2006

SUBJECT: Final Report for Steuart – H Street LLC - ZC #06-01
Consolidated Planned Unit Development and Map Amendment

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APPLICATION

Steuart – H Street LLC has petitioned the Zoning Commission for approval of its request for a Consolidated Planned Unit Development (PUD) and map amendment to construct a new mixed-use building at the intersection of 3rd and H Streets N.E. The site is Square 776, Lots 9, 25-27, 29, 51-53, 800, 814-817, and 821.

SUMMARY RECOMMENDATION

OP concludes that the proposed PUD is not inconsistent with the objectives and policies of the Comprehensive Plan and recommends that the applications be approved.

DESCRIPTION OF THE SITE AND SURROUNDING AREA

The project includes the north side of the 300 block of H Street N.E. It is located at the west end of the H Street N.E. corridor at the eastern end of the H Street (Hopscotch) Bridge. A large portion of the property was the site of an old BP Amoco filling station. The site has currently been cleared of buildings and is vacant. Directly to the west is the Children's Museum property approved as a PUD by ZC order 04-22.

The area has been the object of much planning work over the past two years. The H Street N.E. "Revival" Plan and subsequent H Street N.E. Commercial Overlay both incorporated the property. As a part of the zoning overlay much of the property on this site, as well as the property on the south side of the 200 and 300 blocks of H Street was rezoned from C-2-A to C-2-B. To the west along H Street are existing two- and three-story commercial structures zoned HS/C-2-A. To the north of this site is an existing row house neighborhood zoned R-4.

ZONING COMMISSION
District of Columbia

CASE NO. 06-01
EXHIBIT NO. 35



Figure 1: Aerial View

PROPOSAL

The proposal is to construct a new mixed use condominium building and grocery store on the site. The building would have an eight-story U shaped central block on 3rd and H Streets, with a six story wing extending east to 4th Street. The main story of the main part of the building would be a double height 63,135 square foot grocery store. The east wing of the building would have a main floor with approximately 6,900 square feet of general retail. The building will have around 246,000 square feet of residential use on the second through eighth floors comprising between 210 and 250 units. The building will contain three levels of underground parking, one for the retail use, and two for the residential units containing about 376 parking spaces. The overall FAR of the project will be 5.05 and the height will rise to 90' at the highest point.

The applicant proposes closing alleys interior to the site and widening the alley along the outside of the site to a minimum of 20'. This would provide improved access to the rear of the neighboring properties and only service the residential and neighborhood retail loading for the site. All parking for the site and grocery loading will be access directly from 3rd Street.

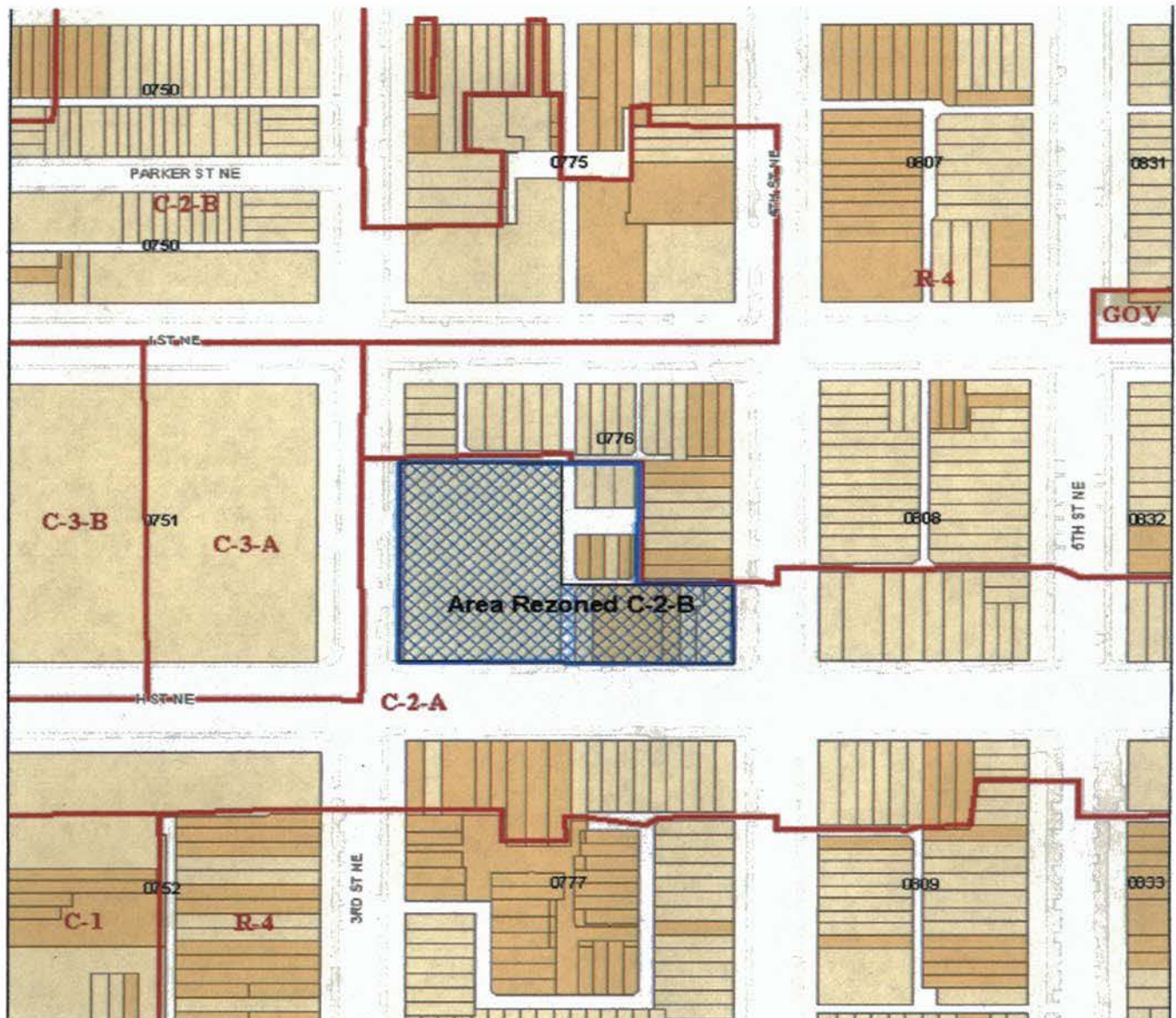


Figure 2: Site Area

ZONING

The site lies in the Housing Sub-Area of the H Street N.E. Commercial Overlay District. Much of the site was rezoned in conjunction with the overlay district including all lots fronting on H Street. Eight of the lots on the site, as well as the alleys to be closed, were not included in the rezoning and are still zoned C-2-A. The applicant is requesting a map amendment to zone the entire site C-2-B and is utilizing the PUD standards of the C-2-B district.

The H Street N.E. Commercial Overlay District extends from 2nd Street to 17th Street N.E. It encompasses the commercial lots fronting on both sides of H Street. The neighborhoods on either side of H Street are mostly R-4 rowhouse neighborhoods.

Zoning Tabulation

	Existing Matter of Right	C-2-B PUD	Proposed
Minimum lot area	N/A	15,000	60,870
FAR	205,000 sf	365,220 sf	307,299 sf
Height	65'	90'	90'
Lot Occupancy	80%	80%	82% (2 nd floor) 68% (3 rd floor)
Rear Yard	15'	15'	45'
Parking	78 residential 92 commercial	78 residential 92 commercial	254 residential 121 commercial
Loading	Grocery: 1-30 ft berth 1-55 ft berth 1-20 ft space 1-100 sf platform 1-200 sf platform Retail: 1-30 ft berth 1-100 sf platform Residential: 1-55 ft berth 1-20 ft space 1-200 sf platform	Grocery: 1-30 ft berth 1-55 ft berth 1-20 ft space 1-100 sf platform 1-200 sf platform Retail: 1-30 ft berth 1-100 sf platform Residential: 1-55 ft berth 1-20 ft space 1-200 sf platform	Grocery: 2-55 ft berth 1-20 ft space 2-200 sf platform Retail: 1-30 ft berth Residential: 1-55 ft berth 1-20 ft space 1-200 sf platform

FLEXIBILITY

FAR

The applicants are seeking density above the matter-of-right for the subject zone district. The C-2-B district allows a matter of right FAR of 3.5 of which 1.5 may be non-residential uses. The PUD standards for C-2-B allow 6.0 FAR of which 2.0 may be non-residential use. The H Street N.E. Commercial Overlay further limits non-residential FAR, however this square is allowed 1.5 FAR of non-residential use for a grocery store. The proposal is for a 5.04 total FAR with approximately 1.0 FAR of non-residential uses.

Roof Structures

The applicant has requested minor relief from the roof structure requirements, specifically the requirements for a single roof structure, equal wall height, and a one to one setback from exterior walls. The building has multiple roof structures at varying heights. Because of the narrowness of the building wings, not all of the structures are setback at a one to one ratio from exterior walls.

Lot Occupancy

The lot occupancy allowed for the residential portion of buildings in the C-2-B district is 80%. The fully residential floors, stories three through eight, only cover 68% of the lot. The second floor,

however, contains residential uses as well as the top of the grocery store putting the lot occupancy at 82%.

Recreation Space

The C-2-B zone requires residential developments to provide recreation space in the building at a rate of 15% of the total residential gross floor area. The applicant is proposing to create recreation space of approximately 10% of the residential gross floor area. The applicant has provided a residential recreation space plan showing the location of all residential recreation space.

Loading

The applicant is proposing to combine the loading platform for the neighborhood retail and the residential uses. Instead of a 200 square foot platform for the residential and a 100 square foot platform for the retail, there will be one 200 square foot platform for both uses.

PUD EVALUATION STANDARDS

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Chapter 24. Section 2400.1 states that a PUD is “designed to encourage high quality developments that provide public benefits.” The proposed development will be constructed in a neighborhood that is currently anticipating the development of more housing. In order to maximize the use of the site consistent with the zoning regulations and be compatible with the surrounding community, the applicant is requesting that the proposal be reviewed as a consolidated PUD. This will allow the utilization of the flexibility stated in Section 2400.2.

The overall goal is to permit flexibility of development and other incentives, such as increased building height and density; provided, that the project offers a commendable number of quality public benefits and that it protects and advances the public health, safety, welfare, and convenience.”

The proposed development brings with it a number of qualities that will benefit the public and in particular this neighborhood. The development provides a significant new grocery store in an area currently underserved by this use. The project will add over 200 new residential units in the Housing Sub-Area of the H Street N.E. Overlay that calls for additional residential development. The building will contain ground level general retail that will serve to help solidify and improve the lively H Street retail corridor. In addition, the buildings will provide parking beyond the zoning requirements at above a one to one ratio to prevent additional parking impacts on the surrounding neighborhood.

Section 2403 further outlines the standards under which the application is evaluated.

2403.3 The impact of the project on the surrounding area and the operation of city services and facilities shall not be found to be unacceptable, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project.

The development of the site will contribute to the general improvement of the area, redevelop a previous gasoline station site, and will have a positive impact on the revitalization of the area. City services such

as water and sewer are currently available on the site. OP will confirm with WASA prior to the public hearing that there is sufficient capacity for the proposed development.

PUBLIC BENEFITS AND AMENITIES

The community benefits appear generally commensurate with the additional FAR and other flexibility requested.

2403.9 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;*
- (b) Site planning, and efficient and economical land utilization;*
- (c) Effective and safe vehicular and pedestrian access, transportation management measures, connections to public transit service, and other measures to mitigate adverse traffic impacts;*
- (d) Employment and training opportunities;*
- (f) Housing and affordable housing;*
- (h) Environmental benefits, such as stormwater runoff controls and preservation of open space or trees;*
- (i) Uses of special value to the neighborhood or the District of Columbia as a whole;*

1. Major Grocery Store

The applicants have designed the building to accommodate a 62,000 square foot chain grocery store and are currently pursuing a tenant. This use has been a prominent need of this community for some time and will serve the needs of a wide area. Grocery stores are often difficult to locate in an urban environment and the applicant has taken great steps to ensure that this use is included in this development.

2. Affordable Housing

The applicant has proposed to provide 10% of the bonus density granted through the PUD as affordable housing. This amounts to approximately 10,100 square feet or about 4% of the total residential space. These units would be offered at 80% AML. While the developments generally proffer at 8% of the total development as affordable, the applicant has stated that the grocery store is a financial loss for the project that prevents further provision of affordable housing. The applicant's prehearing statement discusses the costs associated with providing underground parking versus surface parking in suburban markets, but does not offer documentation that the rents in the two markets are comparable. OP has asked for documentation of the economics of providing the grocery store. This information has not been provided as of the date of this report and should be made available prior to the public hearing.

Further, the applicant's prehearing statement identifies ten percent of the increase as 9,510 square feet, while the table above shows an increase over matter-of-right of 102,299 square feet, ten percent of which is 10,230 square feet.

3. Site Design

The applicant has made significant and valuable changes to the architecture of the building since the setdown hearing. The bay on Third Street nearest the neighbors to the north has been lowered and

setback from the street to better transition to the residential properties. The façade has been modified to have horizontal bands of lighter stone to bring the appearance of the project down to a lower scale. Also, the retail areas of the ground floor have been brought down to a more pedestrian scale through the use of one story bays that help the building relate to its lower neighbors. OP believes that these changes have further improved the project and it's compatibility with the surrounding neighborhood.

OP has had further conversations with the applicant regarding the size and scale of the center residential wing projecting north toward the residential neighborhood. OP has asked for more significant stepbacks and a lower height on this wing to relate to the neighboring homes. As of this report, the applicant has not yet responded with a change to the size of the wing.

4. Alley Widening

The applicant has committed to widening the existing alley on the north side of the property for the use of the neighboring property owners. Currently as narrow as eight feet in places, an easement will be granted and paved to increase the passable area to at least 20 feet in all areas behind the new building. This will increase ease of circulation and access to the rear of the existing homes. Only the easternmost portion of the alley will be used for retail loading by the new building.

5. First Source Employment Agreement

The applicant will execute a First Source Employment Agreement with the Department of Employment Services to achieve the goal of utilizing District residents for at least 51% of the jobs created by the project. OP recommends that this agreement be signed and submitted prior to final action.

6. LSDBE

The applicant has committed to use Local, Small or Disadvantaged Business Enterprises to achieve a minimum of thirty-five percent participation in contracted costs associated with the project.

COMPREHENSIVE PLAN AND PUBLIC POLICIES

The Generalized Land Use Map recommends the subject site for a mix of moderate density residential and commercial uses. The proposed development would not be inconsistent with a moderate density mixed use category. In addition, the Generalized Land Use Policies Map shows the site within the H Street Development Opportunity Area. This area has been designated as a desirable location for the development of housing and residential uses. The proposed development would further this goal and remain consistent with land use and policies of the comprehensive plan.

The PUD is also consistent with other sections of the Comprehensive Plan including the following Major Themes of the Plan:

- Section 102 - Stabilizing and Improving District Neighborhoods,
- Section 103 - Increasing the Quantity and Quality of Employment Opportunities in the District
- Section 106 – Respecting and Improving the Physical Character of the District
- Section 107 - Preserving and Ensuring Community Input

The Housing Element of the Comprehensive Plan outlines objectives to support residential development and the provision of affordable housing. Policies established in support of housing objective include:

202.2 (a) Encourage the private sector to provide new housing to meet the needs of present and future District residents at locations consistent with District land-use policies and objectives;

The proposal will provide significant investment and a catalyst for further redevelopment in the area. Nearly 250 new residential units are being provided through this development with approximately 4% of those as affordable units.

202.2 (a) Encourage housing on suitably located public or private properties that are vacant, surplus, underutilized, or unused;

This application involves property currently vacant and underutilized in a development priority area. The proposed project would redevelop over 60,000 square feet for a significant amount of housing.

The Urban Design Element of the Comprehensive Plan, outlines policies in support of Areas in Need of New and Improved Character.

712.2 The policies established in support of the areas in need of new and improved character objective are as follows:

- (a) Encourage well-designed developments in areas that are vacant, underused, or deteriorated. These developments should have strong physical identities;*
- (b) Encourage in-fill development of attractive design quality in deteriorated areas to stabilize the physical fabric and to encourage renovation and redevelopment;*

In its current condition, the subject property does not contribute much to a positive experience in the H Street corridor area. The proposed development will have a superior physical identity that will promote activity on the street and in-fill of other commercial sites on the corridor. The height of the project will successfully transition down from the higher project to the west to the lower scale buildings to the east, while helping to anchor retail on both sides.

Sections of the Ward 6 Plan offer objectives that specifically deal with the redevelopment of this area:

1702.1 (c) Ensure that redevelopment of the commercial corridors such as H Street, N.E. ...include neighborhood serving retail.

1706.1 (f) Stimulate private investment in housing in Ward 6 and expand home ownership opportunities.

The proposed development will meet the above objectives by providing a significant amount of new housing as well as a major retail component including a large grocery store. Physically, the proposed development will complement the character of the area. The property is located where existing city infrastructure is already in place and is easily accessible.

H STREET “REVIVAL” PLAN & OVERLAY

The proposal is largely consistent with the H Street NE Strategic Development Plan. The Plan calls for development of 6-8 stories in this area with a focus on residential density. Specifically, the Plan envisioned 500-600 new residential units in the five westernmost blocks of the corridor. The increased

density called for in the plan was facilitated by the rezoning of most of the subject parcels in conjunction with the H Street NE Commercial Overlay. The proposal would take advantage of the new density to provide nearly half of the envisioned residential units as well as ground floor retail uses important for a vibrant streetscape.

Further, the proposal is consistent with the design guidelines of the Plan and the H Street Overlay. It has a solid street front that will be activated by commercial uses, it will have a high percentage of display area and glass, and it has a layout that promotes pedestrian activity on the streetfront. OP believes that the applicant has done an excellent job in incorporating the design elements of the H Street Plan and Overlay into the project.

OP has worked with the applicant and community members to ensure that the increased density and zoning are consistent with the H Street Plan. Of specific concern to the neighborhood has been the area in the middle of the square currently zoned C-2-A and the residential wing extending into this area at 90 feet in height. While OP finds that the proposal is generally consistent with the plan, the applicant has been requested to further address this issue and discuss ways to lower the actual height of this wing or its appearance to the surrounding properties.

AGENCY REFERRALS AND COMMENTS

OP and the applicant have worked with DDOT to review the site design, loading, and parking. DDOT has expressed no concerns with the project as proposed. No further comments or concerns have been raised by other city agencies.

COMMUNITY COMMENTS

In the setdown report, OP raised five areas of concern from members of the community:

1. A 5-10' upper-story setback for the units along 3rd Street nearest to the neighboring townhomes.
2. Details of the trash enclosures along the rear alley
3. Vertical definition of the architecture along H Street and enhanced horizontal treatment of the 3rd Street cornice line to emphasize adjacent row houses
4. A commitment to retail uses that visually interact with the street
5. The appropriateness of upzoning the internal leg of the building from the current C-2-A and the effects of the increase on scale and height relative to surrounding properties.

OP believes that the applicant has made significant changes to address comments 1, 3 & 4, specifically in the final supplemental submission. There is now an upper story setback on 3rd Street from the adjoining property, the materials around the entire building have been revised to provide better vertical and horizontal definition, and the retail façade of the building has changed to incorporate bays and create a more pedestrian scale retail experience.

As noted above, however, there is still some concern regarding the fifth comment. OP recommends that the applicant consider alternatives to lessen the height and scale of the residential wing as it relates to the adjoining properties to the east and north.

OP has met with a representative of the Square 776 Community representing the existing residents of the square. In addition to sharing concerns about the height and scale of the building, they have concerns relating to the loss of effective open space represented by the lots and alleys in the center of the square. They are also concerned with the proposed density on the square and effects on traffic, parking, and

quality of life. They would prefer to see a project that respects the historic scale of the neighborhood and limits development on the center of the square.

RECOMMENDATION

OP is very supportive of the project and believes that the architecture is sensitive to the character of the Capitol Hill/Stanton Park neighborhoods and has made significant design gestures to recognize the lower rowhouses that share the square.

OP concludes that the proposed PUD is not inconsistent with the elements of the Comprehensive Plan and recommends that the application be approved. OP recommends further discussion of the height and scale of the central residential wing. OP also concludes that the grocery store is a significant amenity and, upon information confirming and documenting the economics of the use, would be an acceptable balance for providing the proposed level of affordable housing.

EM/tp