

Phil Feola
Phone: 202.663.8789
phil.feola@pillsburylaw.com

September 25, 2008

Cary Kadlecek
Phone: 202.663.8745
cary.kadlecek@pillsburylaw.com

Hand Delivered

Anthony Hood
Chairperson
District of Columbia Zoning Commission
441 4th Street, N.W.
Suite 210
Washington, DC 20001

Re: Zoning Commission Case 07-27, EYA, LLC/St. Paul's College,
Supplementary Filing

Dear Chairperson Hood and Members of the Commission:

At the Public Hearing on July 17, 2008, the Commission urged the Applicant to continue discussions with Advisory Neighborhood Commission 5C (“ANC”) in order to come to a mutual understanding with regard to the Benefits and Amenities Package that would flow from the PUD if it is approved. We are pleased to report that the dialogue was, in many ways, responsible, respectful and productive, but ultimately the Applicant was unable to “close the gap” between the requests of the ANC and what the Applicant believes is reasonable and financially sustainable by the project.

Nonetheless, the Applicant has enhanced its Amenities and Benefits Package, as articulated in this letter, and proffers these benefits to the Commission as part of its PUD.

A. Affordable Dwelling Units

1. Number of Units

The Applicant had proposed to provide 10% of the townhomes as affordable dwelling units (24 townhouses) equally split between 50% of AMI and 80% of AMI.

The Office of Planning recommended that larger units in PUD proposal (16 and 18 foot wide townhomes) be included among these 24 affordable dwelling units. The Applicant does not believe that including these larger units in the affordable housing mix furthers the intent of the inclusionary zoning regulations, but recognizes that there is a need in this community to provide affordable, for-sale housing units. In the interest of moving the PUD forward, the Applicant proposes to increase the number of affordable dwelling units from 24 to 28 provided that all the affordable units will be in the 14-foot wide models. The units shall be located in accordance with the plan as shown in Tab F of the Applicant's Pre-Hearing Submission filed on April 18, 2008 into the record.

The Applicant believes that the four additional affordable townhouses have an amenities value in excess of \$700,000.00.

2. Proposal to Train Persons Interested in Affordable Units

The Applicant will organize and sponsor information sessions, in conjunction with the Ward 5 Councilmember and ANC 5C, to assist those interested in purchasing the affordable townhomes. The sessions will occur prior to releasing the affordable homes for sale and will provide a detailed explanation of the process to be qualified to purchase an affordable home. In addition, the sessions will provide: (a) information on the District of Columbia's grant and low interest programs for qualified buyers; (b) information on a variety of conventional mortgage programs; and (c) programs for first-time buyers, such as credit score training and home budgeting.

The goals of the program are to: (a) inform interested District residents that 28 homes will be sold to qualified people at prices that are affordable to people earning 50% and 80% of Area Median Income; (b) provide a detailed explanation of the process a person must complete in order to be deemed qualified to participate; (c) identify the unique needs (i.e. homeownership training, credit counseling, financing options) of people through the public meeting process and arrange the appropriate training or counseling; and (d) ensure that those District residents that meet the requirements of the affordable housing component of the project have an opportunity to fully participate.

Further, the Applicant will offer this training program to all homebuyers in the project. We expect that this benefit will cost the Applicant approximately \$20,000.00.

B. Triangle Park Improvements

The Applicant has reached an agreement with the District of Columbia Department of Parks and Recreation to repair and improve the Triangle Park immediately across the street from the site at Fourth and Lincoln. This Agreement was provided to the Commission in the Applicant's Pre-Hearing Submission. At the time of the hearing, the Applicant proposed to maintain the Park, at its own expense, for one year after completion. After continued discussion with the ANC, it now proposes to maintain the park for three years after completion. The estimated value of the improvements is \$315,000.00 and the maintenance cost will be approximately \$35,000.00.

C. First Source Employment Program

The Applicant proposes to enter into an Agreement to participate in the Department of Employment Services First Source Employment Program to promote and encourage the hiring of District of Columbia residents during the development and construction process. The Applicant will request that the DOES allow Ward 5 residents a hiring priority above all other District residents. Additionally, independent of the DOES program, the Applicant will provide information sessions for relevant Ward 5 businesses about the type of subcontractors needed for the project and the qualifications for competing for the work.

D. Streetscape and Infrastructure Improvements

The Applicant will make offsite improvements to the storm and sewer systems, create a loop water system (improving water quality and flows), repairs to roads, curbs, gutters and sidewalks as shown on Tab D of Applicant's Pre-Hearing Submission.

The construction contract estimate for the work, above and beyond what would be required for this new development, is approximately \$340,000.00.

E. Small Business Support

The Applicant originally proposed to make a donation of \$40,000.00 to the Ward 5 Business Council, a well-established non-profit in Ward 5 that supports small businesses in Ward 5. The Applicant now proposes to increase this amount to \$55,000.00 for the express purpose of providing assistance to small business owners in the Ward.

F. Contributions to Edgewood Civic Association

The Edgewood Civic Association is a long established, non-profit association organized to provide residents of the Edgewood neighborhood a voice in a variety of issues of public concern. The Applicant will donate \$15,000.00 in equipment including a laptop computer and a printer and pre-payment of printing services for the Association's notices that are sent to the general public.

G. College Scholarship Fund

The Applicant had proposed to provide \$45,000.00 to a college scholarship fund for the purpose of granting college scholarships to deserving District of Columbia Public School High School Seniors residing within ANC 5C. This financial obligation will be increased to \$60,000.00 and the contribution will be made in a single lump sum at the time of settlement of the first home of the project. The Applicant proposes that this money be given to the Community Foundation for the National Capitol Region which has specific administrative infrastructure in place to manage such a fund. A copy of the Community Foundation's program is attached as Exhibit A.

H. Transportation Related Items

The Applicant proposes to provide each new homeowner with (a) a SmartCard with an initial value of \$20; (b) applicable bus schedules and bus routes; and (c) information concerning bicycle routes in the neighborhood.

The Applicant will also install Smart Bike Kiosk at the site's property line on Hamlin Street, N.E. which is a location closest to 7th Street, leading to the Metrorail Station.

The Applicant will also apply to ZipCar and have at least two cars located on the grounds of the proposed project and the Applicant will pay the application fee (currently \$25) for each homeowner to become a ZipCar member.

I. Improvements to Shaed Elementary School

The Applicant has already made the following improvements to the Shaed Elementary School.

1. Paint exterior doors and hand rails
2. Landscape improvements
3. Remove weeds and clean up around the entire building
4. Replace missing ceiling tiles

September 25, 2008

Page 5

5. Install signage
6. Paint two-story cafeteria and several offices
7. Install light bulbs in the exterior lights
8. Re-wire the entry sign
9. Replace missing sign letters mounted on the building
10. Repair and point up brick wall
11. Replace broken concrete steps

The value of this work was \$35,000.00.

Conclusion.

The Applicant places the value of the above-referenced amenity package in excess of \$1.58 million. This represents an increase in excess of \$750,000 from its original amenities package. However, unfortunately, the requests from the ANC would add an additional \$500,000.00 to the package that would seriously jeopardize the ability of the project to move forward.

Therefore, unfortunately, despite what the Applicant believes has been an extraordinarily good working relationship with ANC 5C and ANC 5C07 Commissioner Silas Grant, we are unable close the gap between the requests of the community and what it believes the project will sustain.

We respectfully request that the Commission allow this project to move forward with the above-mentioned amenities made a part of it.

Respectfully submitted,

Phil Feola

Cary Kadlecek

Attachments

cc: Jack Lester