

The Palisades Citizens Association
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June 7, 2009

VIA HAND DELIVERY

Mr. Anthony Hood
Chairman
D.C. Zoning Commission
441 Fourth Street, 2nd Floor
Washington DC 20001

**Re: Zoning Commission Case No. 08-21 (Athena Group LLC -
Consolidated Review of a Planned Unit Development and
Related Map Amendment @ Square 1356**

Dear Chairman Hood:

As directed during the May, 2009 hearing on the above case, the Palisades Citizens Association (PCA) has continued its dialogue with the applicant (Athena Group). The PCA was very heartened to see that Athena also offered on June 25 several changes that are a step toward meeting the requirements of a Planned Unit Development (PUD).

That said, we regret to inform you that the PCA continues to oppose this application. In order for the Zoning Commission to approve this application, the applicant must show "superior features of a proposed PUD that benefit the surrounding neighborhood or the public in general to a significantly greater extent that would likely result from development of the site under...matter of right provisions."

The applicant does not meet the burden of proof to justify the granting of this application. We have laid out community concerns about this project over several hearings and meetings since Athena made its first presentation to the PCA's general membership in December 2007, now 20 months ago.

Our bottom line is that the developer, whose flexibility is limited due to financial constraints and the underlying undercapitalization of the project, proposes a project that will undermine the present character and future development of the neighborhood.

ZONING COMMISSION
District of Columbia

CASE NO.

EXHIBIT NO.

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Athena's Revised Application of June 25...

We are pleased that the latest revision of the project lowers the density of the project to 34 units, reduces the height of some buildings to three stories, and makes some important steps forward in regularizing the two affordable housing units it proposes.

But these steps still do not change the fundamental and precedent-setting impacts on the neighborhood. In our correspondence of May 4, we outlined two final requirements as an honest effort to reach a compromise:

- The height of all dwellings shall not exceed three stories, and
- The maximum number of units shall not exceed 32 units.

The PCA applauds the partial steps taken towards our compromise offer. When we offered that compromise, we sacrificed several important objectives, such as best-practice wetlands protection and mitigation of traffic impacts.

After consultations with members of the PCA Board and other neighbors, **our final position is that approximately half of the units in this project will still be four stories high, and this will be detrimental to the character and future development of the neighborhood.** We still want to work with Athena to build something in harmony with its surroundings, but cannot support construction of this magnitude.

...Does Not Meet PUD Standards

We also reiterate that this proposed development would most likely be a better fit for denser neighborhoods, such as Kalorama or Dupont Circle. The developer has conceded that it misidentified the Palisades as "Near Northwest." This mistake - made at the beginning of the project - may be why there are so many height and density issues. This project very likely was not designed to be in harmony with the Palisades but, perhaps, Shaw. **It is inconsistent with the Comprehensive Plan.**

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The applicant has the burden of proof to demonstrate that what it offers is so compelling for the community that it is in the neighborhood's interest to support waiving zoning requirements. **It has not met its burden of proof to the Zoning Commission.**

Simply put, the project does not offer superior features; and given the financial weakness of the project (described at a June meeting with Athena as the project's "underlying economic architecture,") there are clear limitations to what the applicant can do to improve the project. Athena has conceded this point several times.

The benefits and amenities proposed have been variously described as "marginal" and "weak", and do not even offset the variances requested.

The June 25 submission accentuates this conclusion. The benefits and amenities package for example calls for \$50,000 "allocated to beautification of MacArthur Boulevard," but does not explain how this beautification will take place or what it will entail.

Athena has stated that these townhomes will sell for between \$1.0 and \$1.5 million per unit. Taking out the two affordable units, the project stands to gross between \$32 million and \$48 million. **Its outlays on benefits and amenities are simply not adequate, nor of an appropriate scale.** The developer has stated that the project's weak financial "architecture" precludes further improvement to the benefits and amenities package.

In order for this PUD application to meet the evaluation standards in DC regulations, the application "must be acceptable in all proffered categories and superior in many." This is simply not the case.

What the Zoning Commission Should Do

Because this project does not meet PUD standards, the PCA requests that the Zoning Commission deny this application. We note that this position is in harmony with the position of Advisory Neighborhood Commission 3D, which has "great weight" with the Zoning Commission.

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We also note that the 22 homeowners who make up the Canal View Homeowners Association have withdrawn their objections in exchange for, inter alia, Athena's reported \$50,000 payment to the homeowners to cover their legal fees associated with this project. This group certainly has the right to accept these payments and conduct its own negotiations, but both the Palisades Citizens Association and our ANC have to think beyond the backyards of homeowners, consider the project's impact on MacArthur Boulevard and further, and bear in mind the needs of the broader neighborhood.

The Zoning Commission must address the core issue of PUD approval head-on: **the variances requested are too much, the public benefits are negligible (due to height and density), and benefits and amenities are microscopic compared to the scale of the project.**

Please reject this project. The neighbors of the area from Foxhall Road to the District Line that make up the Palisades Citizens Association urge the Zoning Commission to oppose this application.

Very truly yours,



William Spence Spencer
President

Cc: ANC 3D Commissioners (by email)
Gene Tucker, Canal View Homeowners Association (by email)
Jennifer Steingasser, Office of Planning
Maxine Brown-Roberts, Office of Planning
Cornish Hitchcock
David Brown, Knopf and Brown
Phil Feola, Pillsbury Winthrop Shaw Pittman
Christine Roddy, Pillsbury Winthrop Shaw Pittman
Mary Cheh, Councilmember, Ward Three