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MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Jennifer Steingasser, Deputy Director Development Review & Historic Preservation

DATE: February 5, 2013

SUBJECT: Zoning Commission Case 12-08, Waiver of Rules for Late Submittal of a Report pertaining to ZC 12-08 – Supplemental Report, Saint Elizabeths East Campus

The attached report concerning Zoning Commission Case 12-08 is being submitted less than 10 days prior to the Zoning Commission's Public Meeting. The Office of Planning respectfully requests that the Commission waive its rule and accept this report into the record.

JS/mbr
Maxine Brown-Roberts, Case Manager:

ZONING COMMISSION
District of Columbia

CASE NO.

EXHIBIT NO.



MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Jennifer Steingasser, ^{JS}Deputy Director for Development Review & Historic Preservation

DATE: February 5, 2012

SUBJECT: ZC 12-08 – Supplemental Report, Saint Elizabeths East Campus
Proposed Zoning Text and Map Amendment from Unzoned to the Saint Elizabeths East (StE) District

The following are responses to Councilmember Barry's letter to the Zoning Commission dated December 21, 2012 as requested by the Zoning Commission at the January 28, 2013 public meeting:

The table below shows the Council-approved Comprehensive Plan designations, the Council-approved Redevelopment Framework Plan, the Master Plan, the proposed zoning and comments from Councilmember Barry. The parcels locations are identified on the attached Illustrative Plan and Zoning Map.

Parcel	Comp Plan Designations	Framework Plan	Master Plan	Zoning Proposal	Councilman Comments
StE-3	Mixed-Use: medium density resid/comm	Maple Quad: medium density commercial. Compatible scaled architecture to respond to building placement, respect the view shed. 4-7 stories	2.5 FAR, 7 stories	2.5 FAR, 80 feet or 7 stories	4.0 to 4.5 FAR
StE-7	Mixed-Use: medium density resid/comm ¹	Town Square: low-moderate density comm/resid 3-4 stories 14-foot high buildings for retail	2.5 FAR, resid/comm uses. 4-7 stories ²	1.5 to 2.5 FAR (1.0 for parking or other uses) 50-80 feet.	3.0 FAR

¹ Although the Comprehensive Plan recommends medium density development for St-7, further analysis by the Council approved Framework Plan recommends low to moderate density to provide appropriate transition between new development, the historic buildings, grounds and the adjacent low scale residential neighborhood.

² Buildings depicted in Master Plan are illustrative only.



StE-8	Mixed-Use: medium density resid/low density comm/local public facilities	Maple Quad: mixed use Compatible scaled architecture to respond to building placement, respect view sheds, Existing 2 stories	Civic/community uses, park; limited additions to historic buildings. 0.37 FAR 2 stories	(reflects existing buildings) 0.40 FAR 25 feet 2 stories	1.0 FAR
StE-11	Mixed-Use: moderate density resid/comm	CT Village: low to moderate residential and mixed use. Adaptive reuse of historic buildings existing 2-story buildings	Residential, commercial, innovation, park, educational uses; limited additions to buildings 0.66 FAR 2 stories	(reflects existing buildings) 0.7 FAR, 25 feet	1.0 FAR
StE-17	Mixed-Use: medium density resid/comm	Transit Village: medium density commercial and residential mixed use. Infill development stepping up toward the campus interior. 4-7 stories	2.5 FAR commercial, residential, office, parking. Ground Floor Retail permitted on all sides of the parcel. 6 stories	0.50 – 2.5 FAR (2.0 for parking or other uses), 70 feet	Density should be increased
StE-18	Mixed-Use: medium density resid/comm	6-8 stories	No specified FAR or height (WMATA property)	4.0 FAR 90 feet	5.0 to 6.0 FAR

Total Development Potential

The development program identifies the potential for approximately 4.2 million square feet of space in both new construction and the reuse of historic buildings on the East Campus (85 acres) site.

By way of comparison, the St. Elizabeths West campus is proposed for approximately 4 million gross square feet of space on a 176 acre site. The Illustrative Plan shows where new development is proposed and the historic buildings to be retained. (Attachment 1)

The proposed density and building massing standards proposed in the zoning are based on building heights described in the Master Plan. The zoning establishes an appropriate development scenario for each parcel and addresses the context of existing buildings, allowing heights to transition down to adjacent historic buildings, consistent with the Framework Plan.

Planning Process

The Council-approved Redevelopment Framework Plan serves as supplemental guidance to the Council-approved Comprehensive Plan. *The Saint Elizabeths Master Plan and Design Guidelines* (Master Plan), June 4, 2012 is the culmination of many years of intensive discussion between the federal General Services Administration (GSA), Advisory Council on Historic Preservation (ACHP), the Department of Homeland Security, the District Department of Transportation (DDOT), the Federal Highway Administration, (FHWA), as well as the District's Office of Planning (OP), the State Historic Preservation Officer (DCSHPO), the ANCs, in addition to various community, elected and business stakeholders on how best to develop the St Elizabeths East campus.

As part of the master planning process, the District undertook a Section 106-like process with representatives from ACHP, DCSHPO and other preservation organizations in order to review the all proposals and their anticipated adverse effects on historic resources. Additionally, the District Department of Transportation (DDOT) completed an Environmental Assessment including analysis of proposed trip generations caused by proposed new development. The levels and locations of density on the campus are the result of these two processes, which both included public review and comment periods.

The Master Plan is a reflection of the varying needs and desires of the diverse set of stakeholders, and leverages and enhances the historic fabric of the campus while providing for substantial economic opportunity in a dense, mixed use environment. The proposed StE zones are a direct result of that Master Planning effort.

The location of density contained in the proposed zoning is the result the above processes based on the desires of residents and guidance provided by other District policies and goals. Each parcel has a defined character influenced by the presence of existing historic structures, the nationally landmarked historic landscape, topography, and proximity to transportation networks and other features. Development is focused in areas adjacent to Metro as well as adjacent to existing commercial corridors and future DHS development.

2. The density on the StE-8 and StE-11 is too low, and too much open space is set aside at this important location.

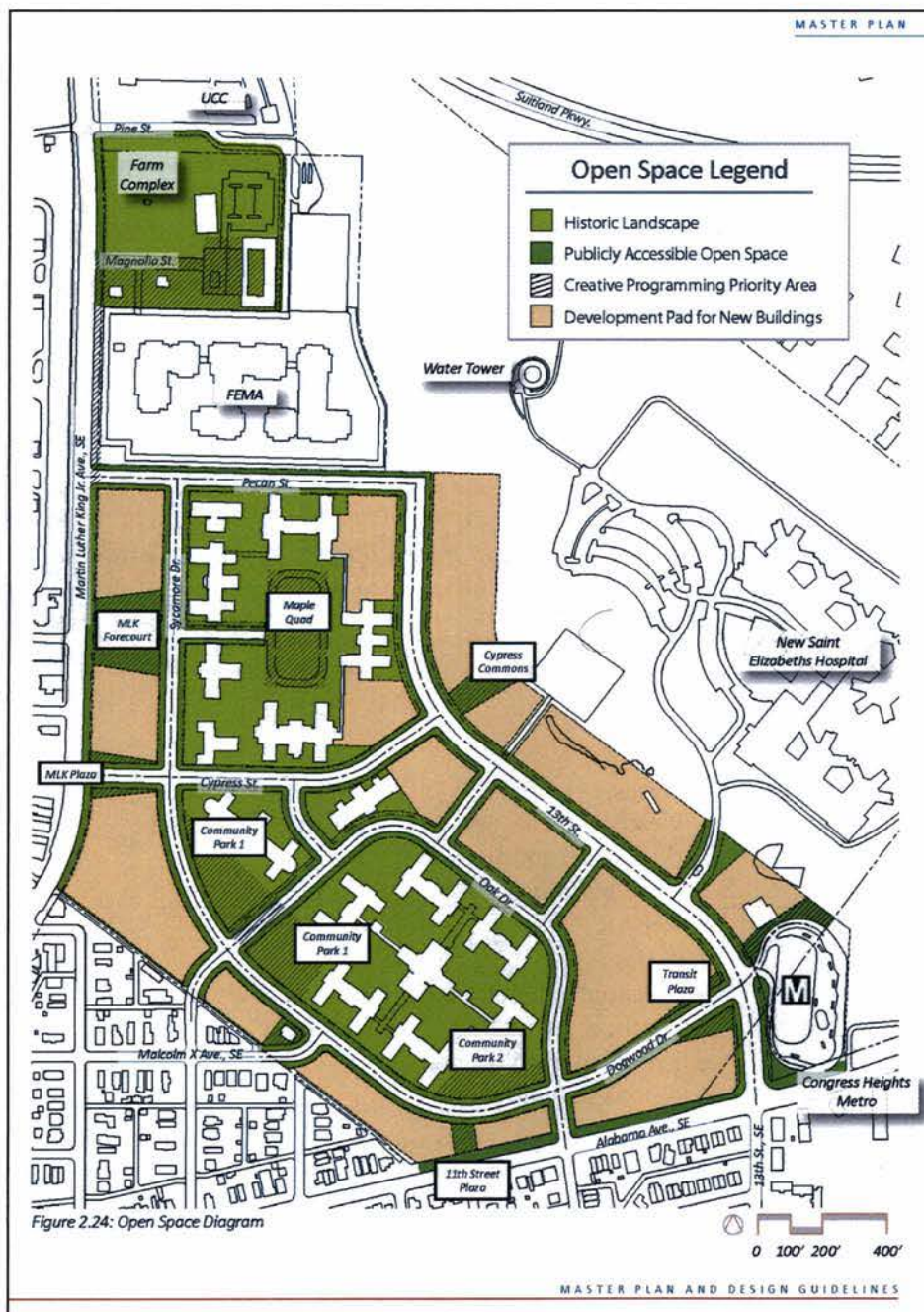
Parcel	Comp plan designations	Framework plan	Master plan	Zoning proposal	Councilman comments
StE-8	Mixed-Use: medium density resid/low density comm/local public facilities	2 stories, mixed use	0.37 FAR 2 stories, Civic/community uses, park; limited additions to historic buildings.	0.40 FAR, 25 feet 2 stories, (reflects existing buildings)	1.0 FAR
StE-11	Mixed-Use: moderate density resid/comm	Retain existing 2-story buildings	0.66 FAR 2 stories, Residential, commercial, innovation, park educational uses; limited additions to buildings.	0.7 FAR, 25 feet (reflects existing buildings)	1.0 FAR

In summary, the proposed FAR and height are reflective of the FAR of the existing buildings with provisions for small additions and the accommodation of community parks on portions of the open spaces areas as identified on the Open Space portion of the Master Plan.

The map in the Open Space section to the Master Plan (page 58) shows a graphic which identifies the historic landscape areas around historic buildings. These landscaped areas are to be retained, and some, such as on StE-8 and StE-1, will be utilized as community parks. OP understands the concern about the lack of retail opportunities on the StE-8 and StE-11 frontages to encourage pedestrian activity along Dogwood Drive between the metro station and the western portion of the campus. However, nothing precludes temporary uses such as kiosks to animate the space. As the campus develops over time, additional future retail needs can be considered by reevaluating the Master Plan recommendations.

StE-8 and StE-11 have historic buildings and the open spaces around the buildings are a part of the historic setting of these buildings which also have to be preserved as a result of their importance in

creating a “campus” environment. The Master Plan at page 142 recommends ***“A.5 Additions should be limited to the rear (east) elevations of the historic buildings and not visible from Dogwood Street” and “A.8 The height of an addition should not exceed or touch the eve line of the historic building.”*** Similar recommendations are made on page 172 (A.9 and A.10) for StE-11.



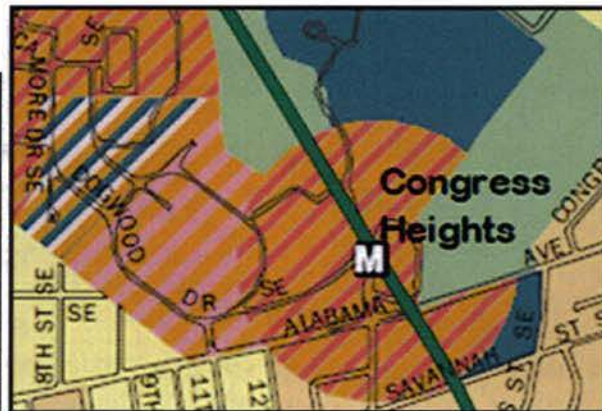
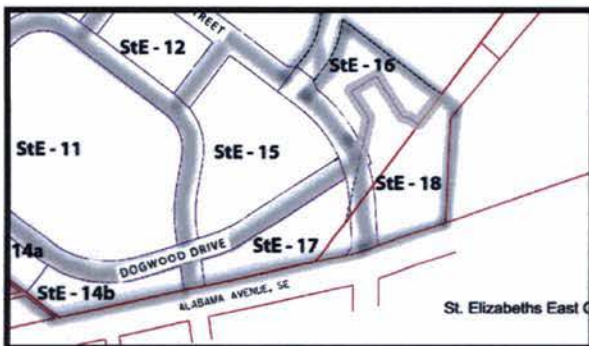
3. *The density proposed for the parcel adjacent to the Congress Heights Metro is not sufficient, the zoning does not require preferred uses and the preferred uses in the adjacent parcel are focused away from Alabama Avenue.*

Parcel	Comp plan designations	Framework plan	Master plan	Zoning proposal	Councilman comments
StE-18	Mixed-Use: medium density resid/comm	6-8 stories	No specified FAR or height (WMATA property)	4.0 FAR 90 feet	5.0 to 6.0 FAR

Medium and higher density, mixed use developments are commonly designated around Metro Stations³ and this designation is shown the Congress Heights Metro Station, through both the Comprehensive Plan's designation of mixed-use medium density and through the St. Elizabeths Framework and Master Plans. Generally, the Master Plan recommends higher heights (7-9 stories) along the east side of 13th Street. The parcels on the west side of 13th Street are recommended for 5-6 stories to provide a transition between the historic buildings and the higher buildings. The proposed zoning is reflective of these recommendations.

The Comprehensive Plan Future Land Use Map recommends a mixture of medium density residential and medium density commercial for the area around the Congress Heights Metro Station, including these two parcels (see map).

Medium density residential generally anticipates buildings of between 4 and 7 stories while medium density commercial anticipates buildings up to 8 stories, although some variation in these height limits is possible.

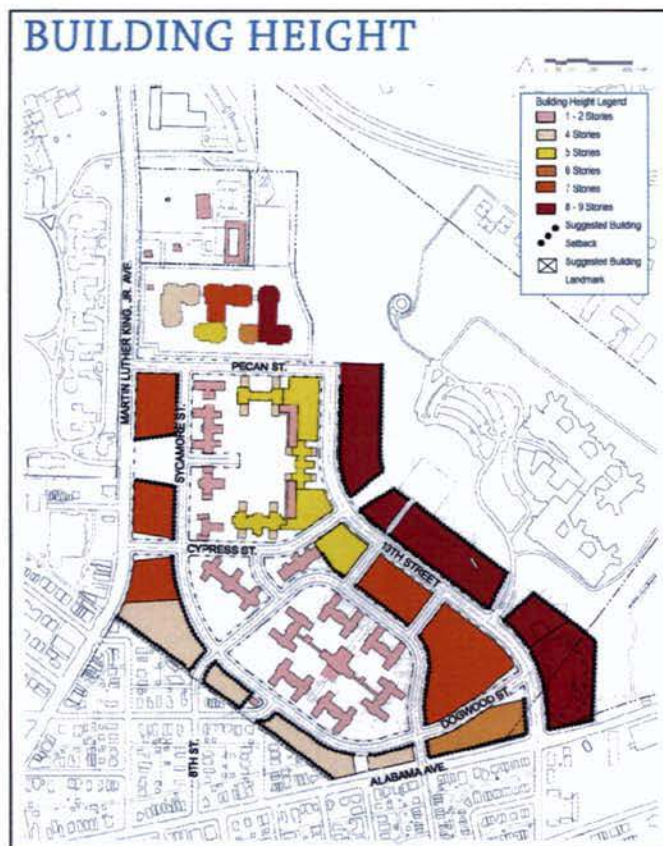


The Far Southeast/Southwest Area Element of the Comprehensive Plan in **Policy FFS-2.2.4: Development Density recommends** "... development densities on the site that are compatible with adjacent residential neighborhoods and that promote new economic development of the site, with moderate to medium densities residential and commercial on the site with the higher densities clustered in the area closest to the Martin Luther King Jr. Avenue and the Congress Heights Metrorail station. ... Areas for high density should include ... the area surrounding the ravine to take advantage of the steep topography to accommodate additional height and density without negatively impacting viewsheds." Further, the Plan at Policy FSS-2.4.1: Congress Heights Metro

³ Similar designations exist at the Rhode Island-Brentwood, Mt. Vernon Square, Shaw-Howard University, Fort Totten, and Friendship Heights metro stations

Station recommends the encouragement of mixed use medium density residential and commercial development at the Congress Heights Metro Station and that development be "*cognizant of the adjacent lower density neighborhood to the west and south.*" The zoning attempts to balance these policy statements by permitting the anticipated height, but limiting permitted densities and lot occupancy to allow the siting and bulk of new buildings to better reflect the character of lower density areas.

The Saint Elizabeths Master Plan recommends maximum building heights of 6 stories or 70 feet as recommended for this parcel in zone StE-17. The recommended building heights are shown on the graphic.

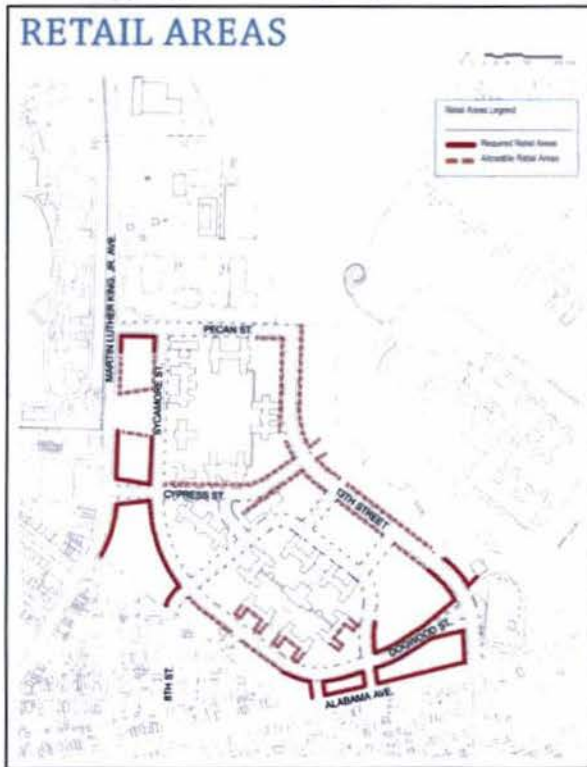


For StE-18, the Congress Heights Metro Station, the Master Plan states (page 195) that "*future development will be guided by the zoning on the site based on the recommendation of the Master Plan*" and that "*development of the station area should reflect Master Plan's recommendation for a mix of uses, public realm and place making recommendations . . .*" While the zoning would allow for a building of 90 feet, in accordance with the Comprehensive Plan and Master Plan, the medium permitted density and the lot occupancy limit of 75% are intended to provide for public open space and building sculpting opportunities. As part of the proposed zoning, OP recommended 4.0 FAR as appropriate to the medium density designation, consistent with matter-of-right standards for other medium density zones⁴ and it can accommodate a mix of uses including ground floor retail.

At the Zoning Commission's public hearing a number of residents testified that the recommended heights of StE-17 and StE-18 adjacent to the residences across Alabama Avenue were too high. In response, building step-backs were included in the text for buildings on StE-17 and StE-18 at 50 feet above the property line that abuts Alabama Avenue while keeping the recommended 70-foot height and 2.5 FAR on StE-17 and 90-feet and 4.0 FAR on StE-18.

⁴ SP-1 = Medium density mixed use = 4.0 FAR and 65 feet of height
W-2 = Medium density mixed use waterfront = 4.0 FAR and 60 feet of height
C-3-A = Medium density Commercial (mixed use) = 4.0 FAR and 65 feet of height

The proposed zoning identifies Preferred Retail Areas which are to help create vibrant development with unique places along major streets and intersections of the campus. However, on a wider scale,



the Master Plan at page 44, Retail Areas, highlights where ground floor retail use is required and allowed. The graphic shows retail being allowed along the Alabama frontage of StE-17 and gives the flexibility for preferred, non-preferred or whatever uses that are deemed appropriate for this location.

The zoning proposes that up to 2.0 FAR can be dedicated to parking. However, at § 3306.3(b) flexibility is granted for this density to be used for any other permitted use in the zone. The Master Plan at page 61 shows the areas where structured parking can occur, including StE-17.

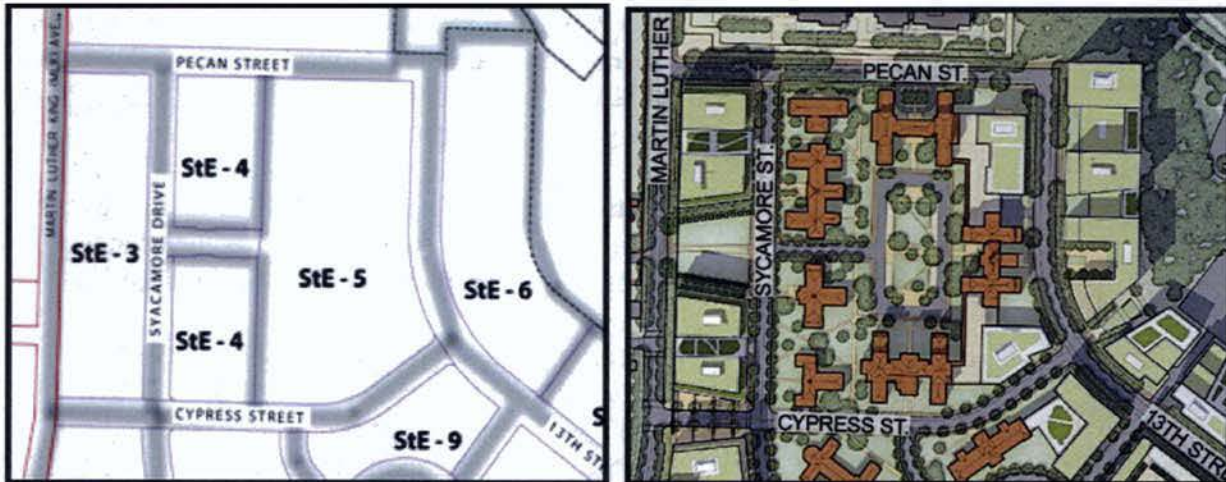
4. ***While StE-7, the proposed neighborhood center, does require preferred uses, and puts them along the Avenue, the proposed building discourages pedestrian traffic from getting to the retail along the Avenue.***

The building depicted in the Master Plan of development on StE-7 is illustrative only and the design, number of buildings, accessibility to retail uses along Martin Luther King, Jr. Avenue will be evaluated and determined as part of the RFP proposals to DMPED.

5. ***There should be higher density on StE-3, between MLK and Sycamore Drive.***

Parcel	Comp plan designations	Framework plan	Master plan	Zoning proposal	Councilman comments
StE-3	Mixed-Use: medium density resid/comm	4-7 stories	2.5 FAR 7 stories	2.5 FAR 80 feet or 7 stories	4.0 to 4.5 FAR

The development on StE-3 will frame the historic buildings on StE-4 (Maple Quad). As such, the development intensity and height recommended are to be compatible to the historic buildings on StE-4. The StE-3 will accommodate a public space in the center of the parcel in order that the historic sight line between the East and West campuses are preserved. The Master Plan recommends up to 2.5 FAR for StE-3 and the recommended zoning of 2.5 FAR is consistent with the Master Plan.



Levels of Area Median Income within the proposed 20% affordable requirement.

The Zoning Commission recommends that 20% of each residential development be affordable units. The proposed zoning at St. Elizabeths East mandates that all residential developments contain levels of affordability required by the Inclusionary Zoning policy. St. Elizabeths East has a number of distinct parcels that will be developed over an extended period. Consistent with customary practice of the Office of the Deputy Mayor for Planning and Economic Development (DMPED), additional requirements for affordable housing will be included as part of the solicitation for each parcel. At that time, DMPED will determine the levels of affordability beyond what is required by Inclusionary Zoning, based on market feasibility, community feedback, site-wide levels of affordability already available at the time, and District-wide goals for affordability housing. Attachment 3 is further comments submitted by the Executive Director, St. Elizabeths East, DMPED regarding this issue.

Timing of proposed projects

The Executive Director, for St. Elizabeths East at DMPED states that the St. Elizabeths East Campus zoning needs to be finalized as soon as possible in order to ensure that they are able to obtain the required permits for the proposed Gateway Pavilion. A pre-response conference for Phase 1 development is scheduled for February 14th, 2013 at which time potential applicants will need to be provided with clarity regarding the zoning on the property including the affordability requirements for the initial development.

ATTACHMENTS

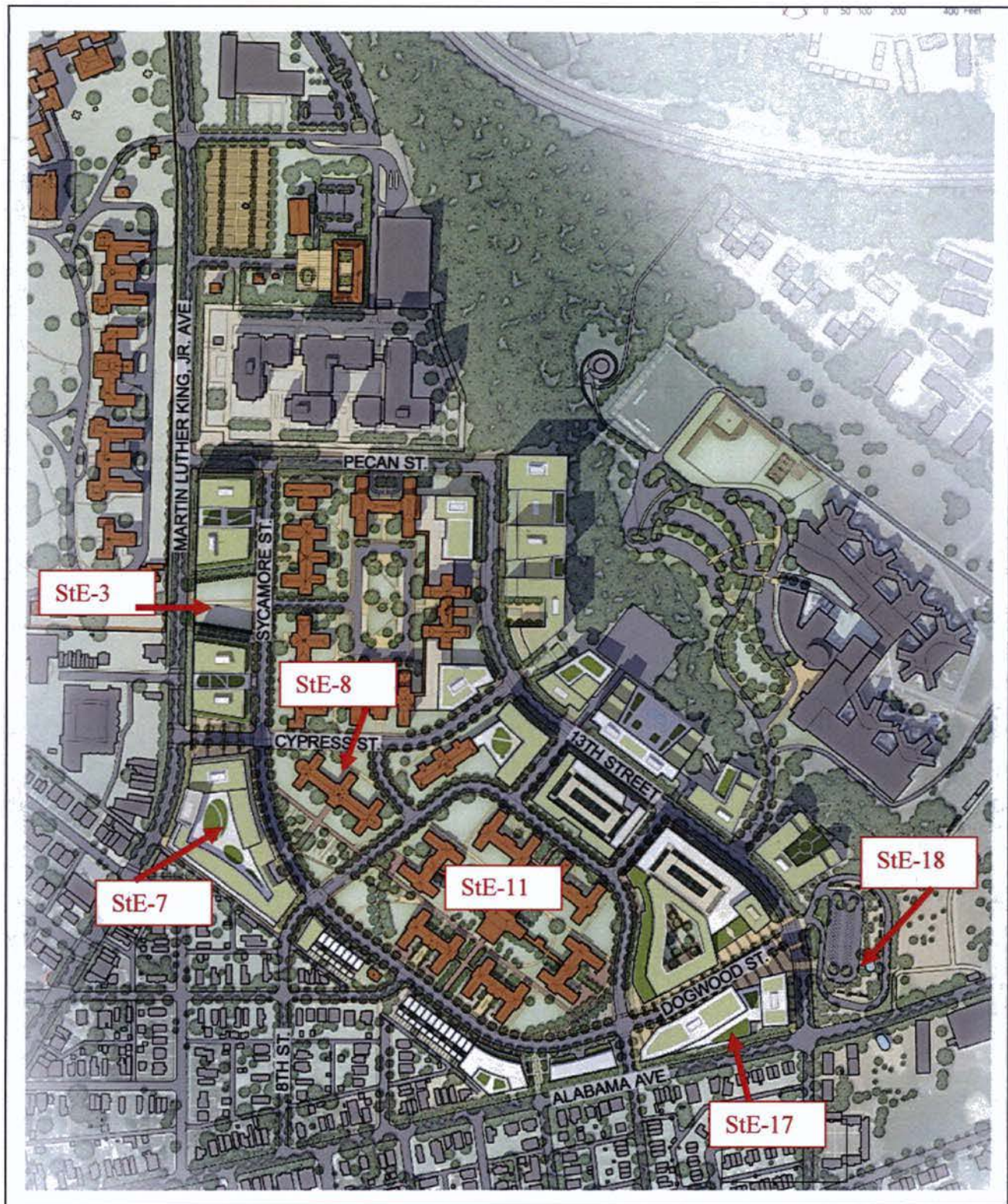
Attachment 1 - Illustrative Plan

Attachment 2 – Zoning Map

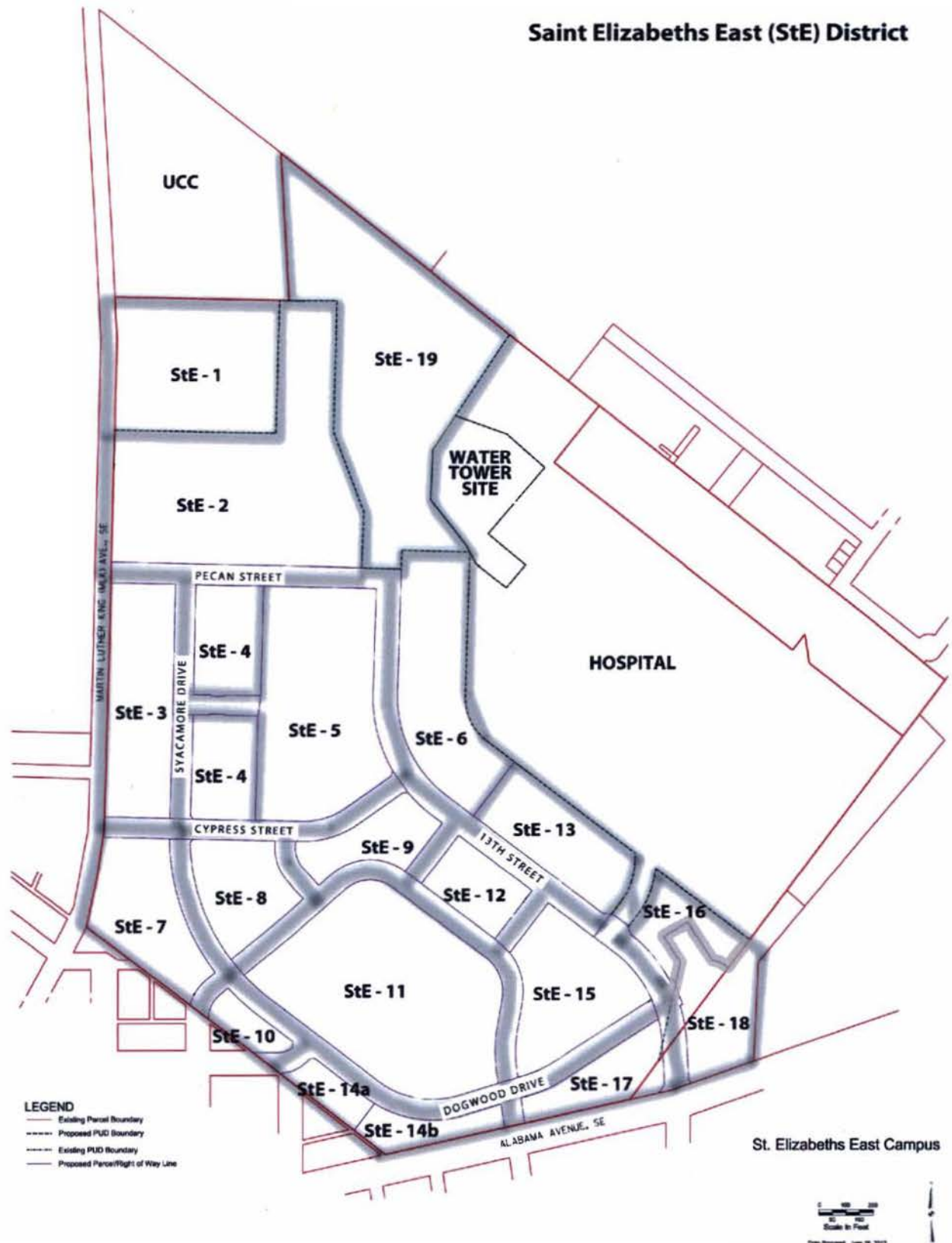
Attachment 3 - Comments of Executive Director, St. Elizabeths East

Deputy Mayor's Office for Planning and Economic Development (DMPED)

Attachment 1 – Illustrative Plan



Attachment 2 – Zoning Map



Attachment 3

Comments of Executive Director, St. Elizabeths East Deputy Mayor's Office for Planning and Economic Development (DMPED)

Any increase in the required levels of affordable housing above that which is required by the Inclusionary Zoning (IZ) rules on the St. Elizabeths East campus would significantly undermine the District's economic development goals for the campus. The increase would have the practical effect of discouraging homeownership, flooding the Ward 8 market with more affordable housing and undermining the District's efforts to diversify the Ward 8 market by creating a new vibrant commercial center.

The Deputy Mayor's Office for Planning and Economic Development (DMPED) is allocating substantial resources towards the redevelopment of the St. Elizabeths East campus in an effort to not only create a robust innovation hub that would diversify the District's economy, but also create a diverse commercial center in Ward 8. In order to accomplish these goals, DMPED has taken great strides to not only balance a number of public policy goals (historic preservation, affordability, business attraction, etc.), but also to structure the redevelopment in a manner that meets the demand for a market-driven mixed-use redevelopment in Ward 8.

Impacts

Increasing the affordability requirement raises serious question regarding the marketability of for-sale IZ units. As noted below, the average sales prices of for-sale units IZ is far above what the Ward 8 market can bear. DMPED questions whether there are households willing to purchase more expensive units with price controls, when they could purchase a unit in the neighborhood for a cheaper price and with no price controls.

In addition, for-sale housing units in Ward 8 already meet affordability requirements. As noted in the chart provided below, housing prices in Ward 8 are on the decline and are significantly lower the price averages across the District. While the average housing price of a unit in Ward 8 may fall within the requirements for for-sale multi-family units that are less than 3 bedrooms, for any multi-family housing unit above 3 bedrooms or single family home the IZ standards far exceed the average sales prices.

Increasing the IZ units would make the majority of the for-sale units on St. Elizabeths East unmarketable. Such action would impose discourage home ownership, in direct opposition to the District's housing policy

	Dec. 2011	Dec. 2010	Change in Market Values
Anacostia – Average Listing Price (Sold)	\$164,473	\$203,108	-19.02%
Washington D.C. – Average Listing Price (Sold)	\$558,633	\$570,844	-2.14%

*Data from the Real Estate Business Intelligence, dated January 2012.

	Number of Bedrooms	50% of AMI Units – Maximum Purchase Price	80% of AMI Units – Maximum Purchase Price
Multi-Family Inclusionary Zoning Developments	Studio	\$128,800	\$227,200
	1	\$141,300	\$253,800
	2	\$145,200	\$271,700
	3	\$174,600	\$329,300
Single Family Inclusionary Developments	2	\$184,200	\$310,800
	3	\$227,600	\$382,300
	4	\$271,000	\$453,800

*2012 Inclusionary Zoning Affordable Housing Program Maximum Rent and Purchase Price Schedule, found at <http://dhcd.dc.gov/publication/2012-iz-rent-and-price-schedule>

Concentration of Affordable Rental Units Contrary to Public Policy and Economic Development Goals

The Zoning Commission has supported DMPED efforts to increase affordability levels in surrounding projects that more than satisfy the need for affordable housing options in the surrounding area. This includes:

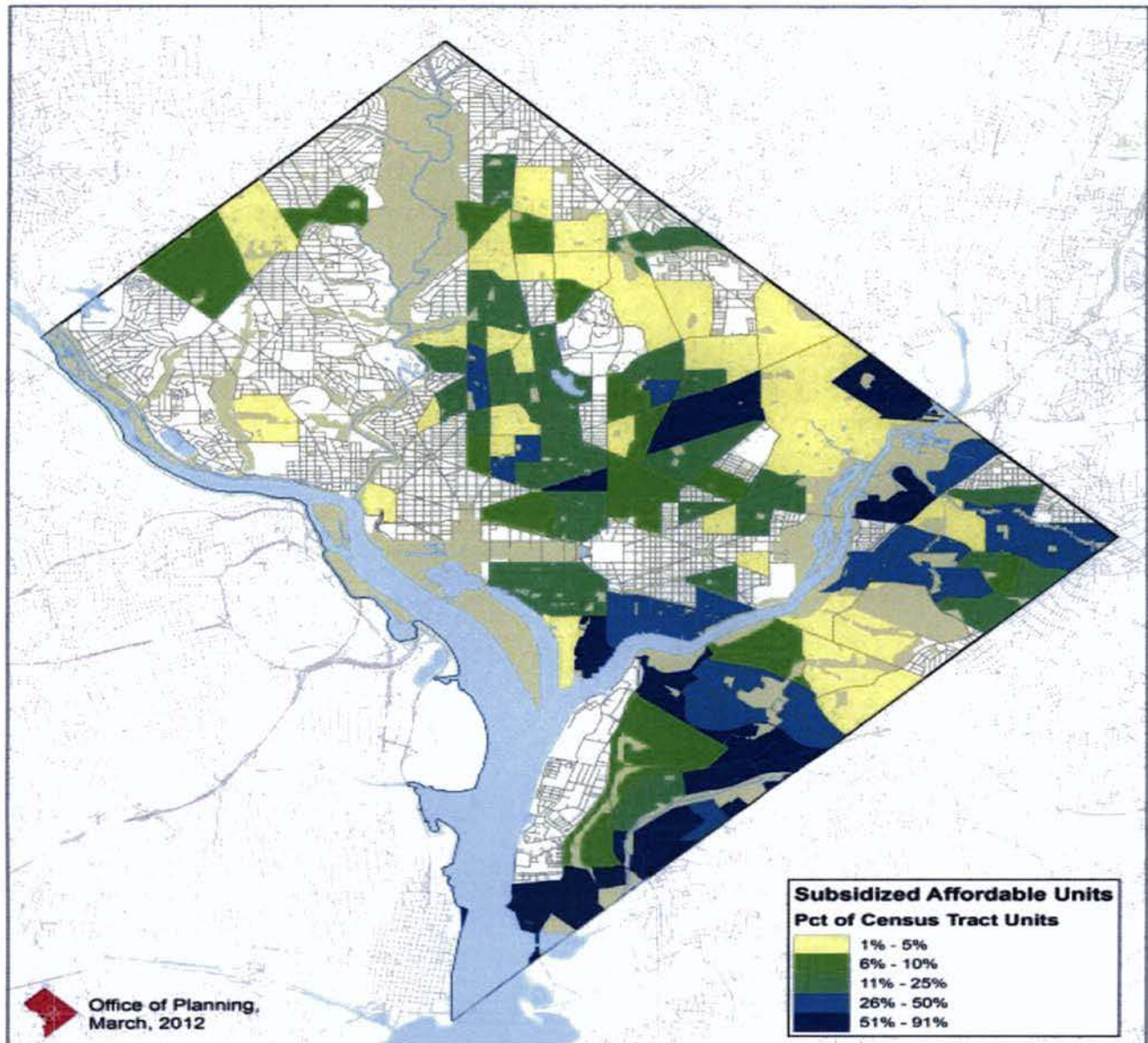
- **Sheridan Station** – the Zoning Commission revised the affordability requirements for the 327 housing with 75% for households having 60% or less of Area Median Income and 25% for moderate-income units serving households between 60% and 80% of AMI.
- **Matthews Memorial** – the Zoning Commission approved 34 units for public housing-eligible individuals and families, many of whom will be displaced from the Barry Farm redevelopment project; and 33 units for individuals and families earning less than 60% of the Area Median Income.

In addition, the Barry Farms matter-or-right redevelopment project has an affordable housing requirement of a one-for-one replacement of the existing 432 public housing units. This project is being managed by DMPED and the D.C. Housing Authority.

In previous development projects in the area, owners have been unable to sell the market-rate for sale units and therefore requested the ability to transfer the affordable for-sale units to affordable

rental units – *see Sheridan Station as an example*. This has resulted in a substantial increase in the number of affordable housing units in the area – which is contrary to public policy goals.

The attached chart, presented by the Office of Planning to the Comprehensive Housing Strategy Task Force in April 2012, shows that Ward 8 holds the highest concentration of affordable housing units of any area in the District. Forcing such high levels of affordable housing in a single area is contrary to public policy and economic development goals – particularly in light of the numerous DMPED supported affordable housing projects in the immediate surrounding area.



*Office of Planning, Washington D.C. Housing and Neighborhoods: 2000 to 2012 (April 2012)

Conclusion

The goal of the St. Elizabeths East redevelopment is to diversify the Ward 8 economy – including the availability of market rate and affordable housing options. As stated in previous submissions to the Zoning Commission, DMPED's request is to not increase the mandated affordability requirement at this time. This will not prohibit DMPED from imposing additional requirements at a later date. By maintaining the current requirements for affordable housing it allows DMPED to determine the appropriate requirements to be included as part of the solicitation for each parcel. This determination will be based on market feasibility, community feedback, site-wide levels of affordability already available at the time, and District-wide goals for affordability housing.

To the extent the ZC increases the affordability requirements for rental units, projects such as student housing projects and other similar projects that currently fall outside of the IZ regulations should be permitted to satisfy the affordability requirements. In addition, the ZC should allow for significant flexibility in how the goals are met – whether through on-site transfers (rather than parcel by parcel) or allowing the requirements to be met off-site in near-by affordable housing projects.

Given that any potential public benefit is small at best and likely harmful to the Ward 8 housing market, DMPED recommends against increasing the affordability requirements above the requirements of the Inclusionary Zoning program.