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July 2, 2001

BZA
Case No. 16387
Exhibit No. 47

D.C. Board of Zoning Adjustment
One Judiciary Square, Suite 210
441 Fourth Street N.W.
Washington, D.C. 20001

RECEIVED
D.C. OFFICE OF ZONING
2001 JUL -2 PM 2:40

RE: BZA Order No. 16387, Application of Square 456 Associates, Request for Modification of the Order To Allow Partial Release of Escrowed Housing Linkage Funds

Dear Members of the Board:

The Board of Zoning Adjustment ("BZA"), at its regular meeting on July 3, 2001, is scheduled to consider the request made by Golden Rule Plaza Inc., for immediate release from escrow of $250,000 of the $500,000 in housing linkage funds allocated to Golden Rule Plaza Inc. by BZA Order No. 16387. The housing linkage funds are designated for use in developing an apartment building for low-and moderate-income senior citizens on property at K Street and New Jersey Avenue N.W. On behalf of Golden Rule Plaza, Inc., we respectfully request BZA approval.

This matter comes before the BZA in a submission filed on May 16, 2001, by the Applicants, 575 7th Street LLC and 675 E Street LLC, successors in interest to Square 456 Associates. The submission, filed at the request of Golden Rule Plaza Inc., sought two actions: 1) a six-month extension of time for Golden Rule Plaza Inc. to complete the project financing in order to receive the full amount of the housing linkage funds, and 2) immediate release from escrow of $250,000 of the amount in order to pay pre-construction development costs to enable the project to timely meet the six-month extension.

The request was placed on the agenda for BZA consideration at its regular meeting on June 5, 2001. On May 24, 2001, the Office of Planning ("OP") submitted a letter to the BZA recommending approval of the extension of time, without recommending approval of the partial release from escrow, stating: "(T)he Office of the Deputy Mayor has concerns about the early release funds from the escrow for pre-development costs, that would in turn, leave less funding available for actual housing construction."

In light of these concerns, Golden Rule Plaza Inc., through counsel for the Applicant, submitted a letter to the BZA on June 4, 2001, requesting postponement of action on the partial release from escrow to allow time for Golden Rule Plaza Inc. to address the concerns stated in the OP letter. At the June 5, 2001, meeting, the BZA approved the request for an extension of time and agreed to postpone consideration of the partial release from escrow.

Board of Zoning Adjustment
District of Columbia
CASE NO.16387
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Since that time, Golden Rule Plaza Inc. has engaged in communications with OP, the Office of the Deputy Mayor, and the D.C. Department of Housing and Community Development ("DHCD") in an effort to alleviate the stated concern.

These efforts resulted in a commitment from DHCD to guarantee repayment of the $250,000 to be released from escrow in the unlikely event that the Golden Rule Plaza project does not go forward. The DHCD guarantee is affirmed in a letter from DHCD Director Milton Bailey, which was transmitted to the BZA on June 29, 2001; an additional copy is attached here.

Mr. Bailey's letter was also provided to OP. We were informed on June 29, 2001, that OP staff has a favorable view of the DHCD commitment and is preparing revised comments to submit to BZA regarding this matter. At this writing, we have not yet seen OP's revised comments but we have every reason to believe that the DHCD guarantee satisfies the concerns stated in the previous OP letter and that OP is prepared to support partial release from escrow.

As stated in the original submission, the early release of $250,000 of the escrowed funds is necessary in order for Golden Rule Plaza Inc. to meet certain pre-construction expenses, including the payment of District of Columbia Government fees for the building permits and related costs. These expenses are an integral part of the development process, and must be paid in order for the project to go forward.

We appreciate the BZA's consideration of this matter and again request approval of the partial release from escrow.

Respectfully submitted,

B. Michael Rauh
Manatt, Phelps & Phillips

Counsel to Golden Rule Plaza, Inc.

Enclosure (DHCD letter)

cc: Alicia A. Terry, President
Golden Rule Plaza Inc.

Norman A. Glasgow, Jr.
Counsel for the Applicant

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Office of the Director

Board of Zoning Adjustment
441 Fourth Street, NW
Suite 210
Washington, DC 20001

Re: Release of Trust Funds for Golden Rule Plaza, Inc.

Dear Board Members:

The Golden Rule Plaza, Inc. (GRP) has requested the release of $250,000 in funds provided for the Project under the linkage program. The Department of Housing and Community Development (DHCD) supports this Project and believes it is extremely important that these funds be made available as soon as possible so that the non-profit developer can maintain the positive momentum they currently have. The need for these funds stems primarily from the fact that the architect and other professionals who are providing critical services to the Project need to be paid for some of the their work as a condition for continuing their efforts prior to closing. This is standard procedure for these types of projects and is especially important for non-profit developers such as GRP who have limited resources at their disposal.

To facilitate the Board of Zoning Adjustment's release of these funds, and because we are confident that this Project will proceed toward closing, DHCD is willing to guarantee to the Office of Planning and Board of Zoning repayment of these funds. Thus, in the unlikely event that this project does not close and repayment of these funds is required under the terms of the linkage program, DHCD will provide the funds.

Should you have any questions regarding this, please let me know. I can be reached at 202.442.7282.

Sincerely,

Milton J. Bailey
Director

cc: Alicia Terry, Esq., Golden Rule Plaza, Inc.
Steve Green, Office of the Mayor

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Fax Transmission

Manatt, Phelps & Phillips, LLP
1501 M Street N.W., Suite 700, Washington, D.C. 20005
Telephone: 202.463.4300 Fax: 202.463.4394

Client\Matter: 20324-030 Time in:

		Fax Number:	Confirmation Number:
To:	Paul Hart	202 727-6072	202 727-6311
From:	Margaret Gentry		
Date:	July 2, 2001		
Pages including cover:	4		

If you do not receive all of the pages please call (202) 463-4358 as soon as possible. Thank you

Sender's Comments: As promised....

If you need anything else, please calll me at 463-4313.

Thanks, as always, for your help.

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