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May 16, 2002

D.C. OFFICE OF ZONING
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HAND-DELIVERED

Mr. Geoffrey Griffis, Chairman
District of Columbia Board of Zoning Adjustment
D.C. Office of Zoning
441- Fourth Street, N.W.
Room 210 South
Washington, D.C. 20001

Re: Request for Filing Fee Reduction

Dear Mr. Griffis:

This firm represents AHD, Inc., the contract purchaser of two parcel of land owned by Capitol Apartments Property Associates, LP, which are the subject of separate applications to the Board of Zoning Adjustment ("BZA") filed today seeking R-5-A review for the construction of 126 units of affordable rental housing to be known as the Bolling Green Apartments (the "Project"). The land in question is identified as lots 25-29 in Square 6092 and lot 41 in Square 6118 and are located in the vicinity of 2nd Street and Mississippi Avenue, S.E. The purpose of this letter is to request the Board's consideration of a fee reduction for the combined applications.

Under the fee schedule of the BZA published at § 3180.1(b)(4) of the Zoning Regulations, the fee due upon filing for R-5-A review is $400 per dwelling unit, which in the case of the subject application totals $50,400. Pursuant to § 3101.6, the BZA has the authority to waive or modify any provision set forth in Chapter 31 (with the exception of certain specifically enumerated provisions that are not at issue here). Accordingly, for the reasons set

BZA
Case No. 16904
Exhibit No. 8

Board of Zoning Adjustment
District of Columbia
CASE NO.16904
EXHIBIT NO.8

forth below, we would encourage the BZA to consider whether a reduction of the fees would be appropriate in the context of the Project.

The land on which the Project is to be built contains a number vacant and boarded-up apartment buildings, which have been vacant for several years. These buildings constituted a significant blight on this community and have been placed on the Mayor's "watch-list" making them targets of a high-profile campaign by the Mayor to rid the city of long-neglected, virtually abandoned properties. The larger of the two parcels of land is over 3 acres and occupies an entire city block bounded by 2nd Street, 4th Street and Wilmington Place, S.E. The vacant buildings on this parcel are located directly across from Ballou Senior High School in a highly visible location. In many instance, the redevelopment of blighted parcels, such as these, is the critical transformation that permits neighborhood revitalization to proceed.

The Applicant has established the objective of creating an affordable housing product at a time when many developments in the area are relying on market-rate rents to justify new multifamily construction. The Applicant has applied to the District of Columbia Housing Finance Agency for the issuance of tax-exempt bonds and 4% low-income tax credits to secure the financing for the Project. This means that families and individuals earning below the 60th percentile of area median income would be able to qualify for housing in the Project. In addition, a parallel application has been made to the D.C. Department of Housing and Community Development for Community Development Block Grant funds for acquisition, demolition and environmental remediation for likely asbestos-containing materials. It is only by means of a creative mixture of public and private financing that a redevelopment of this type and in this location could take place.

The Applicant proposes to replicate the same basic building type for both properties and the same floor layouts. The $50,400 filing fee bears no direct or proportionate relationship to the amount of effort required by various city agencies in order to conduct the R-5-A review of the Project. For such a vital and important project to the city, any reduction in the BZA filing fee will allow more direct investment to be channeled into the Project.

We look forward to discussing this matter further with the BZA at the public hearing on this matter and will be pleased to provide you with any additional information you may request.

Very truly yours,

George R. Keys, Jr.

cc: Donald Tucker