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District of Columbia Office of Zoning
The Board of Zoning Adjustment
Office of the Director
Ms. Jerrily R. Kress, FAIA – Director
441 4th Street, N.W., Suite 210-South
Washington, DC 20001

Dear Ms. Kress:

The purpose of this letter is to request a height variance for a property being developed by The Non Profit Community Development Corporation of Washington, DC, Inc., a District of Columbia not-for-profit corporation that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code ("NPCDC"). The request for a height variance is for the property located at: 2750 14TH Street N.W., Lot 73, Square 2667, Zoning District C 2-B.

This request is being made pursuant to subsection 3103.2 of Title DCMR 11, Zoning.

The increase NPCDC is asking for will be an overall height change from a 65 foot height limit now imposed to a proposed 74.25 foot height. Additional height would be dedicated to the retail spaces all located on the first floor and the balance of the extra height would be spread out over the remaining above grade six residential floors.

HISTORY OF THE PROPERTY

NPCDC purchased the property from the District of Columbia's National Capital Revitalization Corporation ("NCRC"). The NCRC offered this property, along with several other sites along the 14th St NW corridor, to prospective developers as part of a

BOARD OF ZONING ADJUSTMENT
District of Columbia
CASE NO. 17302
EXHIBIT NO. 6

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master plan for the revitalization of the 14th Street corridor and Columbia Heights. The requirements of this proposal were for both residential and commercial development. As a part of its purchase, NPCDC agreed to develop the property in accordance with the NCRC's overall development plan.

The development of the site is controlled substantially by a Land Disposition and Development Agreement (the "LDA"), a copy of which is attached. The LDA is recorded in the land records and encumbers NPCDC's title to the property. Under the terms of the LDA, the NCRC requires NPCDC to develop the property for 56 residential condominiums, 20,000 square feet of retail commercial space, and 77 underground parking spaces. Of the 56 residential condominiums, 28 units (half of all of the residential unit) have been designated as Affordable Dwelling Units ("ADUs") restricted for sale to persons earning 30%, 60%, and 80% of the Area Median Income as defined by the United States Department of Housing and Urban Development ("HUD") as well as the District of Columbia's Department of Housing and Community Development ("DHCD"). The remaining 28 condominium units have been designated as Market Rate Units. The overall development goal is to provide a mixed-income development in a mixed-use development, better integrating people of different income levels in the area in which they live and work. In the commercial space, NPCDC has agreed to make its best efforts to lease space to a childcare center. Overall, the NPCDC is trying to develop a unified living and working streetscape on 14th Street in keeping with the District of Columbia's desire to provide the residents of the area with a viable working and livable retail environment. Additionally, under the LDA, the NPCDC's profit is restricted, so there is no additional financial gain to the NPCDC in connection with making this request. This is consistent with the NPCDC's mission as a non-profit development entity.

RETAIL CHALLENGES

The existing height limitation for the current zoning of the building proposes some logistical challenges. In order to fit all of the required residential, commercial, and parking spaces within the currently permitted building height, the height of the ceilings in the ground floor retail space is about 8 feet high. The existing proposed ceiling height of the retail has restricted NPCDC from garnishing any interest from "A" rated retail tenants and even from lesser quality retail tenants as well. We have been rejected by the likes of Starbucks, 7-11, Subway Sandwiches, Quiznos, Montgomery Doughnuts, H&R Block, Gambro Kidney Dialysis Center and a score of other users. The only interest we have been able to gather has been from various liquor stores, carry-out eateries, and check cashing establishments. Some retailers have expressed an interest in our lower level spaces conditioned upon having a 12 foot ceiling height on the retail level. Every quality sit down restaurant we have spoken to has expressed interest **ONLY** if we can provide additional ceiling height. None of them have any interest in a relatively low ceiling height for retail or restaurant space.

By adding additional ceiling height to the retail spaces we can proceed with marketing to quality retail tenants and solidify this piece of the 14th Street revitalization

and the southern cornerstone of development in Columbia Heights. There is no improvement to the quality of 14th Street, the Columbia Heights neighborhood, or the city by leasing to another liquor store or another check cashing store, which we would be forced to do for economic reasons if we cannot entice a better quality tenant with the additional ceiling height.

RESIDENTIAL CHALLENGES

The Condominium units on floors 2-7 are evenly mixed between Market Rate Units and ADU's. There is no distinction between units as to size, location, ceiling height or building amenity. The currently proposed ceiling height of 8 feet has been maximized by not dropping ceilings with bulkheads, by exposing the ductwork and exposing the concrete slab. By adding some of the total requested additional building height to each residential floor, we can offer something extra to prospective purchasers to distinguish the units on floors 2-7 from the others. This is particularly important. We have discovered that due to our VERY high level of ADU's (50% of all of the condominium units) there is a market resistance to purchasing the Market Rate Units. Someone who can afford to pay a for a Market Rate Unit has enough other options available in the real estate market that we need to offer something particularly interesting or unique with respect to our Market Rate Units. If we do not, then these Market Rate Units will not sell well and our development concept of creating a mixed-use, mixed-income building will not be economically, or more importantly, politically and socially viable.

In order to comply with the NCRC's requirement of mixing ADUs with Market Rate Units, we find it necessary to use every square foot available to distinguish the units in the broader market place. The Market Rate Units must be particularly attractive to consumers, because profits from the sales of the Market Rate Units must be used to subsidize the lower purchase prices of the ADU's. The mix of Market Rate Units and ADU's is unique and economically and socially adventurous. Our market studies indicate that we need for the extra square footage because the prospective purchasers of high-end Market Rate Units want higher residential ceiling heights. Thus, by having higher residential ceiling heights I all of the units, we will be able to entice the high-end Market Rate Unit purchasers to purchase units in our project despite its high percentage of ADUs and provide this added amenity to the ADUs as well. The alternative of eliminating a floor to gain the extra square footage and divide this square footage over all the remaining floors is not an option as it makes our marginally profitable development totally economically unviable. Additionally, we cannot drop the retail and commercial component of the project since this would violate the terms of the LDA. More importantly, thought, it would jeopardize the broader social goal we seek of developing a community in which people live and work together in close proximity.

EXTENUATING CIRCUMSTANCES

NPCDC's profit potential is fixed by the LDA. Therefore, NPCDC will NOT benefit with extra profits from this proposed variance. NPCDC is so convinced of the

need for this additional height that it is prepared to absorb the extra design and construction costs associated with the variance. The benefactors of this variance will be the condominium unit purchasers, ADU and Market units, who will be getting a better property and will realize a better return when they sell their units. Not only will they have better residential units, but the retail and commercial space in their building will have more attractive businesses on the ground floor. This benefits both the owners of the ADU's as well as the owners of the Market Rate Units. The only real advantage realized by NPCDC is satisfaction of developing a higher quality of urban redevelopment project in 14th Street corridor, the broader Columbia Heights community, and the District of Columbia.

ARCHITECTURAL DESIGN FLEXIBILITY

In addition to the requested variance, NPCDC requests architectural design flexibility with regard to details of window sizes, ornamental masonry coursing, and awning sizes at the first floor storefront elevations. NPCDC also requests architectural design flexibility for the turret rooftop/cornice design at the northeast corner of the proposed structure. Design flexibility is requested for these elements in order to provide and allow the highest quality of design for these prominent and vital components of this project.

FACTS

Granting the application:

1) Will NOT create any detriment to the neighborhood as there already exists buildings with an even greater height than the height that will be created by this change.
2) Will NOT create any detriment to the public good.
3) Will NOT increase the traffic, noise or lighting. In fact, the type of traffic and noise that should be a concern would be reduced.
4) Will NOT block any property owner's view or access any more than would be with the existing and already approved building height.
5) Will enable this building with increased height to fit in with the area as there are already several buildings with this height and more in the immediate area.
6) Most of all, the GRANTING of the application will be consistent with the general intent and purpose of the zoning regulations and map.

CONCLUSION

In conclusion, the NPCDC requests this variance not for its own benefit, but for the benefit of project and its surrounding community. As a non-profit developer committed to urban revitalization, NPCDC seeks to create the highest quality project it can in challenging areas often overlooked by for-profit developers. The NPCDC's development goal of creating a mixed-use, mixed-income development requires this variance in order to create the best possible retail and commercial space as well as the

most attractive residential units possible. Indeed, this variance is critically important for the long-term success of the project. Finally, we request the additional architectural design flexibility to help make the project as attractive as possible. By developing the best possible building that it can, NPCDC is looking forward to making the most positive impact possible in the community.

Please feel free to call on us with any questions you may have.

Sincerely,

Michelle Owens
President