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June 29, 2026

VIA IZIS

Board of Zoning Adjustment
of the District of Columbia
441 4th Street, NW, Suite 210-S
Washington, DC 20001

**Re: BZA Case No. 21467: 2210 R Street, NW (Square 2516, Lots 65 and 66)
Applicant's Prehearing Submission with Updated Architectural Plans & Elevations**

Dear Members of the Board:

On behalf of Paramount Estate Limited Liability Company (the "**Applicant**"), the owner of the property located at 2201 R Street, NW (Square 2516, Lots 65 and 66) (the "**Property**"), we hereby submit this Prehearing Statement and Updated Architectural Plans and Elevations attached at **Exhibit A** pursuant to Subtitle Y §§ 300.15 and 300.16 of the Zoning Regulations in support of this application requesting a use variance pursuant to Subtitle X § 1002.1(b) from the matter-of-right uses of Subtitle U § 201 to allow a 6-unit multiple dwelling building within the R-3 Zone District (the "**Project**").

This submission provides an overview of the Applicant's comprehensive efforts to market the Property, as documented in the broker affidavit attached at **Exhibit B**, and establishes the economic infeasibility of a single-family use at the Property, as detailed in the Broker Opinion of Value attached at **Exhibit C**, which demonstrates that a single-family use is not economically viable as compared to the proposed multifamily use.

This Prehearing Statement supplements the Applicant's Preliminary Statement of Support included at Exhibit 14 in the record of the case.

I. Updated Architectural Plans & Elevations

The Applicant has updated the Architectural Plans and Elevations at **Exhibit A** to reflect minor changes in the landscaping details and added Sheets 04, 06-09, and 11 illustrating the attic and roof plans, elevations, and building sections. Importantly, these updates are supplemental in nature and do not alter the fundamental design, massing, or character of the proposed development.

II. Additional Evidence of Undue Hardship

A. Background of Applicant's Justification of Undue Hardship

In the Preliminary Statement in Support at Exhibit 14 of the case record, the Applicant demonstrates that the application satisfies each of the standards for a use variance. As detailed below, the Applicant hereby submits additional justification for compliance with the second prong of the use variance standard: undue hardship.

To satisfy the second element for a use variance, the Applicant must demonstrate "undue hardship." The D.C. Court of Appeals has established that the applicant must demonstrate that "reasonable use cannot be made of the property in a manner consistent with the Zoning Regulations." *Palmer v. District of Columbia Bd. of Zoning Adjustment*, 287 A.2d 535, 542 (D.C. 1972). The Court of Appeals has held that the "applicant must prove that 'the property cannot be put to any conforming use with a fair and reasonable return arising out of the ownership thereof.'" *Downtown Cluster of Congregations v. District of Columbia Bd. of Zoning Adjustment*, 675 A.2d 484, 492 (D.C. 1996) (quoting *Palmer*, 287 A.2d at 542).

Importantly, it is also proper for the Board to consider economic impacts to an applicant in assessing whether the undue hardship prong has been met. *See id.* (quoting *Gilmartin*, 579 A.2d at 1170 for the proposition that "the BZA may consider economic use of property . . . as a factor in deciding the question of what constitutes an unnecessary burden" (quotations omitted)).

As provided in the Preliminary Statement in Support, the undue hardship in this case results from the following facts:

1) The Property cannot be reasonably adapted for single-family residential use, which is the primary matter-of-right use in the R-3 zone;
2) Redevelopment of the Property for R-3 matter-of-right uses would not yield a reasonable economic return due to the current deteriorated condition of the property which triggers an estimated renovation cost between $5.6 million to $8 million and is therefore not a viable conforming use;
3) There are added substantial costs associated with bringing the surrounding streetscape into DDOT compliance by closing the two curb cuts along the southeast property line, and converting the driveway and public space along the eastern property line from a paved area into a DDOT-compliant landscaped area; and
4) No other permitted uses in the R-3 zone provide a feasible alternative.

See Ex. 14, pg. 6-8.

B. Undue Hardship – No Market Interest for Single-Family Use or Other By-Right Use.

As additional evidence that the Property cannot be reasonably adapted for a single-family residential use or other by-right uses, the Applicant has attached at **Exhibit B** the affidavit of Scott

Purcell (the "Affidavit"), an Associate Broker at Long & Foster Real Estate, Inc., who details the historic efforts to market the Property.

As detailed in the Affidavit, Mr. Purcell marketed the Property for sale as an unrestricted listing open to buyers interested in single-family, multifamily, embassy, or institutional uses through a variety of means, such as the Multiple Listing Service ("MLS"), direct outreach to qualified buyers and brokers, and other customary marketing channels. *See* Ex. A, pg. 1. However, every offer received was for a multifamily residential use. *Id.* There were no offers or inquiries received from parties interested in single-family residential use, embassy, or any other by-right use. *Id.*

Mr. Purcell stated that based on his 20 years of experience in the Washington, D.C. real estate market, he believes it would be extremely challenging, if not impossible, to find a potential buyer seeking to acquire the Property for single-family use at the listed price or at any price that would yield a reasonable rate of return, given the Property's deteriorated condition, the significant investment and extensive renovation required to make the Property habitable, market conditions, and current buyer trends in the Kalorama neighborhood. *Id.* at pg. 2. As such, Mr. Purcell asserted his professional opinion that the Property cannot be reasonably adapted for a single-family residential use or any other by-right use.

C. Undue Hardship – Single-Family Use is Not Economically Feasible

Both the D.C. Court of Appeals and the BZA have recognized that the financial infeasibility of a project can be an undue hardship.

In this case, Feldman Ruel, a commercial real estate brokerage with extensive experience in the Washington, D.C. area real estate market, conducted an economic feasibility analysis of the Property comparing a single-family and multifamily residential use and prepared a Broker Opinion of Value attached at **Exhibit C**. As summarized below, the buyer market for a 6-unit multifamily use is much more favorable as it is deep and liquid, whereas the single-family buyer market for a site such as the Property is near-empty.

6-UNIT MULTIFAMILY vs. SINGLE-FAMILY (BY-RIGHT)

	6-UNIT MULTIFAMILY	SINGLE-FAMILY (BY-RIGHT)
Saleable units	6	1
Product	Six 2BR/2BA residences (16,188 SF GFA)	One 16,188 SF mansion
Buyer market	Deep, liquid Kalorama luxury	Near-empty 16k SF trophy tier
Exit options	For-sale OR rental	Single illiquid sale —thin rental market at this size

Moreover, as described in the report, the by-right single-family use cannot support the Property's basis or a financeable return as further described in the table below.

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SINGLE-FAMILY RESIDUAL LAND VALUE

Sale Value — one single-family home	**$12,141,000**
(−) Hard Costs ($400/SF GFA)	**($6,475,200)**
(−) Soft Costs ($25/SF GFA)	**($404,700)**
(−) Contingency + Developer Fee	**($550,392)**
(−) Extended Carry (30-mo exposure)	**($758,812)**
(−) Cost of Sales (7.9%)	**($959,139)**
(−) Required 20% Profit	**($2,023,500)**
(−) Land Closing (2.9%)	**($27,316)**
RESIDUAL LAND VALUE	**$941,941**

WHY THE SINGLE-FAMILY PATH FAILS

- At the owner's $7.4M basis, the single-family build returns -−$4.4M (−27% on cost) — it does not pencil.
- Supports only -$0.9M of land value vs. condo $6.18M and rental $8.74M — the lowest of every path.
- Buyer pool is near-empty: only five DC homes of this size sold in two years; 14-month to 5-year marketing.
- Lack of rental fallback — very limited rental market at a 16,000 SF mansion, so a single illiquid sale is the only exit.
- Historic 1906 Totten mansion — the exterior must be preserved (no demolition; HPRB review for changes), and at 16,188 SF it's far larger than one household needs.

Further, the by-right single-family use is not financially feasible as it **loses** $4.4 million at basis with no buyer pool and no rental fallback. The report concludes that "The multifamily program is the only use that produces a reasonable, financeable return…" *See* **Exhibit C**, pg. 52.

FOR-SALE CONDO	HOLD-AND-RENT	SINGLE-FAMILY (BY-RIGHT)
RESIDUAL LAND VALUE	RESIDUAL LAND VALUE	RESIDUAL LAND VALUE
$6.18M	**$8.74M**	**$0.94M**
Premium $2,500/SF | gap −$1.22M (−16%)	*Premium $15,000/mo @ 4.0% cap*	*−27% return at basis — NOT FEASIBLE*
▪ -6,604 SF unit area (per plans) across 6 residences ▪ Deep, liquid Kalorama boutique-condo buyer market ▪ Can pivot to rental — built-in execution flexibility	▪ Stabilized value -$18.2M (NOI $726K @ 4.0% cap) ▪ Financeable income stream; premium leases ▪ Fallback if for-sale softens — the multifamily optionality	▪ One -16,188 SF restored mansion at $750/SF ≈ $12.1M ▪ Near-empty buyer pool; 14-mo to 5-yr marketing; no rental fallback ▪ Loses -$4.4M at the $7.4M basis — cannot be financed

III. Community Outreach

The Applicant presented the application to Advisory Neighborhood Commission ("**ANC**") 2D at its regularly scheduled public meeting on April 13, 2026, where the ANC voted in support of the application. On May 11, 2026, ANC 2D voted again to support the subject application as shown in the ANC Report filed at Exhibit 26 of the case record. Additionally, seven members of the community have affirmatively expressed their support for the application through letters filed in the case record as Exhibits 16-22. As of the date of this Prehearing Submission, no letters in opposition have been filed.

Based on the enclosed materials, as well as the case record, the Applicant respectfully requests that the Board grant the requested use variance pursuant to Subtitle X § 1002.1(b) from the matter of right uses of Subtitle U § 201 to allow a 6-unit multiple dwelling building within the R-3 Zone District.

As indicated in the Certificate of Service below, a copy of this Prehearing Submission with attachments is being served on ANC 2D, the Office of Planning, and the District Department of Transportation. The Applicant looks forward to presenting the application to the Board at the public hearing on July 29, 2026, and appreciates the Board's consideration of this request.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: Kyrus Lamont Freeman

Madeline Shay Williams

Enclosure

cc: Certificate of Service
Exhibit A: Updated Architectural Plans & Elevations
Exhibit B: Affidavit of Broker
Exhibit C: Broker Opinion of Value

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Certificate of Service

I hereby certify that on June 29, 2026, a copy of the foregoing Prehearing Submission with attachments was served by electronic mail on the following at the addresses stated below.

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