

January 3, 2025

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District of Columbia Board of Zoning Adjustment 441 4th Street NW, Suite 200S Washington, DC 20001

Re: Two Year Extension Request – BZA Order No. 20879 1825/1875 Connecticut Avenue NW (Square 2535, Lot 42)

Dear Chairperson Hill and Members of the Board:

On behalf of PB Universal South, LLC and PB Universal North, LLC (collectively referred to as "Post Brothers"), the owner of the property located at 1825/1875 Connecticut Avenue NW (Square 2535, Lot 42) (the "Property"), the purpose of this letter is to respectfully request a two-year extension of Board of Zoning Adjustment (the "Board" or the "BZA") Order No. 20879 (the "Order"), pursuant to Subtitle Y, Section 705 of the D.C. Zoning Regulations. The current expiration date for the Order is March 21, 2025.

Background and Summary of BZA Order No. 20879

Post Brothers is preparing to construct a large-scale office-to-residential conversion on the Property that will beautify and expand the existing office structures, dating from the late 1950s and early 1960s, through excellent design and architecture, thoughtful building programming, including first class amenities and community-serving retail, and site changes to improve circulation and access to the Property. The project will be one of the largest office-to-residential conversion projects in the District of Columbia and will deliver a substantial number of new residential units, including inclusionary zoning units.

To facilitate the office-to-residential conversion project, Post Brothers sought certain zoning relief from the Board. On March 21, 2023, the Board approved Order No. 20879, which included special exception relief from the penthouse setback requirements of Subtitle C, Section 1504, pursuant to Subtitle C, Section 1506.1 and Subtitle X, Section 901.2; special exception relief from the court requirements of Subtitle G, Section 202, pursuant to Subtitle G, Section 409.1, Subtitle G, Section 1201, and Subtitle X, Section 901.2; and special exception relief from the side yard requirements of Subtitle G, Section 406, pursuant to Subtitle G, Section 409.1, Subtitle G, Section 1201, and Subtitle X, Section 901.2. The Board approved the Order subject to one condition, which was that the project shall be constructed in accordance with the plans submitted



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as Exhibits 27D1 through Exhibit 27D11 in the record, as required by Subtitle Y, Sections 604.9 and 604.10

Two Year Extension Request for BZA Order No. 20879

Post Brothers seeks a two-year extension for BZA Order No. 20879. Pursuant to Subtitle Y, Section 705.2, the Board may extend the time periods in Subtitle Y, Section 702.1 for good cause shown upon the filing of a written request by the applicant before the expiration of the approval; provided, that the Board determines that certain requirements are met. Post Brothers has met these requirements, as provided below:

(a) The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond;

On this date, January 3, 2025, Post Brothers served a copy of this application and all supporting materials on the Office of Planning and ANC 1C, ANC 2B, and ANC 2D, which were the only parties to the Application.

(b) There is no substantial change in any of the material facts upon which the Board based its original approval of the application that would undermine the Board's justification for approving the original application; and

There have been no substantial changes in any of the material facts upon which the Board based its original approval of the application.

- (c) The applicant demonstrates that there is good cause for such extension, with substantial evidence of one (1) or more of the following criteria:
 - 1. An inability to obtain sufficient project financing due to economic and market conditions beyond the applicant's reasonable control;
 - 2. An inability to secure all required governmental agency approvals by the expiration date of the Board's order because of delays that are beyond the applicant's reasonable control; or
 - 3. The existence of pending litigation or such other condition, circumstance, or factor beyond the applicant's reasonable control.

In this case, the delays in proceeding with construction of the project are due to economic and market conditions beyond the applicant's reasonable control. Over the last several years, it has become increasingly difficult to obtain construction financing for new projects in the District of



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Columbia. This has been due to various factors including high interest rates, uncertainty in the capital markets, inflation, office vacancies and a large number of workers still working remotely.

Further, the rise in interest rates has not only added significant capitalized interest and costs to the project, but has also caused investors to be much more conservative in their underwriting of projects, which has caused all projects to have a broadly difficult time raising capital. Post Brothers has spent enormous time and resources in efforts to raise equity and debt financing for the construction of the project.

Despite these headwinds, Post Brothers has taken several steps to prepare this project to move forward, including securing financing term sheets with multiple lenders and committing over \$1,000,000 in legal deposits in order to facilitate an expedited closing. In addition, on September 5, 2024, Mayor Bower announced that this project is one of the first to be awarded a conditional tax abatement as part of D.C.'s Housing in Downtown Program. See Ex. 1. This was a major victory for Post Brothers as it significantly improves the overall financial viability of the project. Further, Post Brothers has worked with its development team to prepare permit plans and applications in anticipation of obtaining financing in the near future. Post Brothers will diligently continue to pursue project financing to ensure that this project moves forward as soon as possible.

For all of these reasons, Post Brothers respectively requests that the Board grant a two-year extension for BZA Order No. 20879.

Sincerely,

Zachary G. Williams

Attachments



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CERTIFICATE OF SERVICE

I hereby certify that on January 3, 2025, a copy of the foregoing Application for a two-year extension request – BZA Order No. 20879, was served on the following by e-mail.

D.C. Office of Planning

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