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October 1, 2025

VIA IZIS

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

**Re: Request for a Two-Year Time Extension
BZA Order No. 21001
917-921 6th Street, NW (Square 484, Lot 30)**

Dear Members of the Board:

This application is submitted on behalf of 921 6TH STREET LLC (the “Applicant”) for a two-year extension of BZA Order No. 21001 regarding property located in the D-4-R zone at 917-921 6th Street, NW (Square 484, Lot 30) (the “Property”). Included with this submission is an authorization letter from the Applicant (Exhibit A) and a filing fee in the amount of \$1,081.60, which represents 26% of the original filing fee pursuant to Subtitle Y § 1600.1(e) of the District of Columbia Zoning Regulations (the “Zoning Regulations”).

I. The Property

The Property is located at 917-921 6th Street, NW, in the D-4-R zone. The Property is bounded by 6th Street, NW to the west and private property to the north, east, and south. In addition, the Property has approximately three feet of frontage along a 10-foot wide dead-end public alley that runs north-south within the northern portion of Square 484. The Property is generally rectangular in shape with a long and narrow “tail” at its southeast corner that abuts the alley for its three-foot width. The Property has approximately 3,730 square feet of land area and is an unimproved, vacant lot.

II. Prior BZA Approval

Pursuant to Board of Zoning Adjustment (“BZA”) Order No. 21001, dated December 6, 2023, and having a final date of December 18, 2023 (Exhibit B), the BZA granted the following areas of zoning relief to allow for the construction of a new 13-story building (lodging uses) with a restaurant in habitable penthouse space:

Board of Zoning Adjustment
District of Columbia
CASE NO. 21001A
EXHIBIT NO. 2

- Special Exception relief from the loading requirements of Subtitle C § 901.1, pursuant to Subtitle C § 909.2 and Subtitle X § 901.2; and
- Special Exception relief under Subtitle C § 1501.1(d), to allow an eating and drinking establishment located within a penthouse habitable space, pursuant to Subtitle X § 901.2.

The approved project would have approximately 12.3 floor area ratio (“FAR”) and a maximum building height of 120 feet plus a habitable penthouse. Pursuant to BZA Order No. 20010 and Subtitle Y § 702.1, a building permit application for the approved project is required to be filed no later than December 18, 2025. **The Applicant requests that the Board extend BZA Order No. 20010 for a period of two years, such that a building permit application would have to be filed no later than December 18, 2027.**

This extension is requested pursuant to Subtitle Y § 705, which allows the Board to extend the time periods set forth in Subtitle Y § 702.1 for good cause shown. As set forth herein, there is good cause shown for this extension request.

III. Compliance with Subtitle Y § 705

Pursuant to Subtitle Y § 705.2, the Board may extend the time periods of Subtitle Y § 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 the following requirements are met:

- 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;
- 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
- 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.

For the reasons set forth below, this application meets the standards of Subtitle Y § 705.1 to extend the time period of BZA Order No. 20010.

A. Service on All Parties to the Application

The Property is located within the boundaries of Advisory Neighborhood Commission (“ANC”) 6E, which is the only affected ANC pursuant to Subtitle B § 100.2 and Subtitle Y §§ 101.8 and 403.5(b). As shown on the Certificate of Service included at the end of this letter, the Applicant served a copy of this application on ANC 6E. The Applicant and ANC 6E were the only parties to the original application.

B. No Substantial Change in Any Material Facts

There is no substantial change in any of the material facts upon which the Board based its original approval that would undermine its justification for approving the original application. In BZA Order No. 21001, the Board found that the Applicant had satisfied the burden of proof for the requested special exception relief because it was in harmony with the general purpose and intent of the Zoning Regulations and Map, would not tend to affect adversely the use of neighboring property, and satisfied the specified conditions for special exception relief. *See* BZA Order No. 21001, p. 2. There are no changes to any of the facts upon which the Board based its original approval of the special exceptions approved.

C. Substantial Evidence of Good Cause for the Extension

As described in the affidavit signed by Eyob Mamo, the Manager of 921 6TH STREET LLC (the Applicant and the owner of the Property) (Exhibit C) (the “Affidavit”), the Applicant has been unable to move forward with the project for a variety of reasons beyond the Applicant’s reasonable control. Since approval of the BZA Order, the Applicant undertook extensive work to move forward with development of the Property as approved under the BZA Order, including tracking sales comparables, refining underwriting assumptions, and updating project cost estimates. The Applicant negotiated and executed a franchise license agreement with a hotel brand. However, despite the Applicant’s best efforts to move forward with filing a building permit application, the real estate market cannot support development of the Property at this time.

As set forth in the September 23, 2025, letter from Richard E. Pastorino, Founder and CEO of REVPAR International, Inc., a hospitality advisory and asset management company (the “REVPAR Letter”) (Exhibit D), significant shifts in market conditions have created an environment in which proceeding to final design and financing for the Project is not feasible at this time. As stated in the REVPAR Letter and reiterated in the Affidavit, construction costs are elevated due to material inflation, labor shortages, and persistent supply chain disruptions, and they continue to increase above the rate of inflation. Meanwhile, inflationary pressures have driven up borrowing costs, while tightened credit availability has weakened the lending environment overall, but particularly for hotels. Moreover, elevated interest rates have resulted in higher capitalization rates, reducing asset valuations. The result is that the total cost of developing the approved hotel project would exceed the stabilized value of the completed project, thus impacting rates of return and ultimately resulting in no viable path to financing at this time. Even with the recent reductions in short-term interest rates, the market has not reacted to it as the ten-year treasuries remain elevated. *See* REVPAR Letter, p. 1.

The hotel industry itself faces additional challenges. As set forth in the REVPAR Letter and Affidavit, traditional demand growth is constrained by competition from short-term rental platforms and ongoing economic uncertainty, resulting in reduced discretionary spending, particularly for travel. Recent industry research confirms these trends. *See, e.g.,* CBRE's *U.S. Real Estate Market Outlook 2024*, which projected flat to declining demand growth in the hospitality sector, with occupancies and room rates expected to decline nationally and in the District of Columbia specifically; *see also* Cushman & Wakefield's *MarketBeat U.S. National Hospitality Q1 2025*, which highlighted the likelihood of continued softening in leisure travel spending, both nationally and in the D.C. metro area. *See* REVPAR Letter, p. 1.

The forecasts noted above are influenced by federal immigration and trade policies that have negatively impacted international travel to the U.S. overall and Washington, D.C. specifically. As stated in the REVPAR Letter, *Tourism Economics* reported a 25% decrease in Canadian visitation to the U.S. during the first seven months of 2025 compared to the same period in 2024. Specific to D.C., as of May, 2025, *Destination DC* projected a 5.1% drop in overall international visitors for the year, with *Tourism Economics* forecasting a 19% drop in Canadian visitors to the D.C. area. The REVPAR Letter states that these declines are not expected to rebound in 2026 and may deteriorate further given the ongoing negative perception of the U.S. by potential international visitors. At the same time, reductions in the federal workforce under the Department of Government Efficiency are reducing both federal and business travel, key drivers of hotel demand in the District. The visible presence of the National Guard has also created an atmosphere that discourages both domestic and international leisure travelers. These combined factors further diminish near-term prospects for launching a capital-intensive hotel development. *See* REVPAR Letter, p. 1.

Based on the foregoing conditions, REVPAR recommended that the Applicant pause final project designs and engineering until economic conditions improve, overall interest rates moderate, capitalization rates decline, and construction costs normalize to levels consistent with a sustainable redevelopment. This approach would position the Applicant to move forward with the approved project in a responsible manner once fundamentals realign to support value creation. As stated in the Affidavit, the Applicant believes that moving forward now would risk committing to design and financing in an environment that cannot support a positive return on investment.

Despite the headwinds described above and reiterated in the Affidavit, the Applicant is committed to moving forward with development of the project as approved by the BZA. The Applicant needs additional time for market conditions to improve during which it can prepare construction drawings consistent with the BZA approval and obtain financing. The Applicant therefore needs the requested two-year extension to confidently and realistically move forward with the approved project. The Applicant has already invested substantial resources in the Property, including legal, architectural, engineering, permitting, construction, and other consulting fees, such that the Applicant has no financial advantage to not move forward with redevelopment of the Property as soon as feasible.

IV. Community Engagement

As noted above, the Property is located within the boundary of ANC 6E. The Applicant is serving a copy of this application on the Chair of ANC 6E and on the Single Member District commissioner for ANC 6E01. *See* Certificate of Service included at the end of this letter. The Applicant will continue to engage with the ANC as it moves forward with this application, including presenting the application at an upcoming public meeting.


V. Conclusion


The Zoning Regulations provide in Subtitle Y § 705.3 that a time extension granted pursuant to Subtitle Y § 705.1 shall not exceed two years. The requested extension is for a period of two years and thus complies with Subtitle Y § 705.3.

For the reasons set forth herein and in the attached Affidavit, this application demonstrates good cause pursuant to Subtitle Y § 705.2 for the Board to grant a two-year extension of BZA Order No. 21001.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: 
Kyrus L. Freeman

By: 
Jessica R. Bloomfield

Attachments

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that on October 1, 2025, a copy of the foregoing BZA extension application was served by electronic mail on the following at the addresses stated below.

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