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VIA HAND DELIVERY

Zoning Commission for the
District of Columbia
441 4th Street, N.W., Suite 210S
Washington, D.C. 20001

Re: Arthur Capper/Carrollsburg PUD
Z.C. Case Nos. 03-12 and 03-13
Post-Hearing Submissions

Dear Commissioners:

On behalf of the applicants in the above-referenced cases, we are submitting herewith the following supplemental information requested by the Zoning Commission at its hearings held July 24 and 28, 2003, or for which the applicants reserved the right to submit.

I. Overview: Closing Statement

The Arthur Capper/Carrollsburg HOPE VI project is the largest, and one of the most significant and meaningful revitalization programs ever contemplated for the city. At the core of the program is the critical need to replace three severely distressed public housing projects in an economically depressed area of Washington. This formed the basis for the HOPE VI grant and has been the driving principle in planning the redevelopment of the site under the planned unit development ("PUD") process. Recognizing the potential marketability of the area, the central idea is to use the HOPE VI grant to change the character of the area from an economically depressed and socially isolated enclave to a mixed-income, mixed-use neighborhood mirroring other healthy parts of the city. The neighborhood will provide places to live, work, shop and enjoy recreation activities in fulfillment of the HOPE VI objectives and the goals of the District's Comprehensive Plan.

ZONING COMMISSION
District of Columbia
Case 03-13
Exhibit 54

ZONING COMMISSION
District of Columbia
CASE NO.03-13
EXHIBIT NO.54

Through phased development, the D.C. Housing Authority, which has ownership and jurisdiction over the major portion of land in the PUD area, will replace on a one-for-one basis 707 units of public housing in a new mixed-income community. This new community will also provide 938 market-rate housing units, neighborhood-serving retail uses, quality open space and office space. This overall plan comprises the preliminary PUD boundary. The consolidated PUD represents the central area portion of the site where the HOPE VI program will be initiated: 593 units will be constructed, including 300 senior housing units, in a six block area. Significant project amenities and public benefits accrue as a result of this consolidated PUD, including:

- The revitalization of public housing, in fulfillment of the HOPE VI goals
- A new, high-quality, mixed-income community
- Exceptional urban design features, including architecture and landscaping that carefully matches different types of housing
- Large amounts of open space
- Social services, including a community center, and the Community and Supportive Services Program
- Employment training opportunities through a Local, Small and Disadvantaged Business Enterprise ("LSDBE") Agreement, a First Source Agreement, and other training programs
- Transportation features, including additional rights-of-way through the project

The success of the Capper/Carrollsburg redevelopment effort is closely tied to its proximity to Capitol Hill to the north and the planned South East Federal Center to the south, and the associated property values of these two areas. However, proximity is merely one variable of land value. Maximizing the appropriate development potential through the zoning process is also necessary to increase the land value and generate more revenue to support the HOPE VI redevelopment goals. While the project financing is complex, the concept is simple: HOPE VI dollars, plus proceeds from the sale or lease of land, and the investment of private capital for the nonresidential uses will provide the necessary funding to subsidize the one-for-one replacement of the public housing.

The $35 million grant from the HOPE VI program is substantial; however, that amount alone would not be enough to replace the 707 public housing being demolished. Using a conservative estimate of $100,000 per unit as a replacement cost, that would require over $70 million, roughly twice the grant amount. Therefore, the ability to leverage other public and private resources becomes that more important, not only to preserve public housing and affordability as a matter of public policy, but also to establish a mixed-income community with the requisite amenities. A critical element of that leveraging is the ability to maximize the market value of the underlying land – that is, maximizing the appropriate development potential under the PUD guidelines of the zoning regulations. Only through this development potential can the HOPE VI goals be realized and the opportunity to knit together the stable Capitol Hill area and planned development at the South East Federal Center be achieved.

II. Additional Materials Submitted for the Record

In response to several issues raised during the July 24 and 28 hearings before the Zoning Commission, the applicants submit the following information for the record:

A. Applicant's Request for Waiver of Hearing Fees Tab 1

At the July 24th hearing in this matter, the Zoning Commission requested additional information to support the applicants' request to waive the hearing fees for the entire project and not just the residential portion associated with the public housing. Attached as Tab 1 is the requested analysis.

B. Information on Other HOPE VI Projects Tab 2

Several questions were raised by the Zoning Commission concerning the success of other HOPE VI projects. Specifically, members of the Commission were concerned about the effects of relocation on the original residents of a HOPE VI project site.

Of the 193 HOPE VI redevelopment grants awarded between 1993 and 2002 nationwide, fifteen have been fully completed. At those locations, approximately 48.4% of the original residents elected to return to new community. Attached at Tab 2 is the executive summary of a study prepared in December, 2002, by the Urban Institute entitled "The HOPE VI Resident Tracking Study: A Snapshot of the Current Living Situation of Original Residents from Eight Sites," which addresses in more detail the relocation issue. An excerpt from a second document entitled "Housing Choice for HOPE VI Relocatees" identifies the factors influencing a resident's decision to return to the new community. Full copies of both reports are available through the Urban Institute website at www.urban.org.

In the District of Columbia, there are currently five HOPE VI sites for which relocation is necessary. During the relocation process, 96% of the residents elected to remain in the District. The statistics are as follows:

PROPERTY		TOTAL MOVES	MD/OUT OF AREA
(1)	Ellen Wilson Dwellings	0	0
(2)	Wheeler Creek (Valley Green)	7	0
(3)(a)	Stanton /Henson Ridge	303	12
(3)(b)	Frederick Douglass/Henson Ridge	221	8
(4)	East Capitol Dwellings	506	19
(5)	Arthur Capper/Carrollsburg	86	3
TOTAL		1123	42

Residents have two primary resources to accomplish relocation: (i) housing choice vouchers ("HCV"), or (ii) other public housing units. Of the 171 households being relocated during Phase I of the Capper/Carrollsburg project, 116 have elected HCVs and 55 have

elected to relocate to other public housing units. At Wheeler Creek, one resident chose an HCV and six residents relocated to other public housing.

To be eligible to return to the HOPE VI site, an original resident must meet certain criteria under the Family Self-Sufficiency requirements of the U.S. Department of Housing and Urban Development ("HUD"). The primary requirement is for residents to participate in a community and social service program (CSSP) that helps with employment training, finding work, building assets, and eventually relocating out of public housing. The CSSP is discussed in greater detail below. Other criteria established by the DCHA include good standing as an existing public housing resident, including credit-worthiness, or an agreement to pay any rent arrears.

C. Issue of Demolishing Recently Renovated Housing Units Tab 3

Several witnesses in opposition to the proposed Capper/Carrollsburg HOPE VI project questioned the wisdom of demolishing public housing that had recently been renovated. While money was spent on maintenance and upkeep to keep needed affordable housing units in service, it was DCHA's judgment, ultimately concurred with by HUD through the award of the HOPE VI grant, that demolition and replacement of the most functionally obsolete buildings was the most practical and economically feasible solution for the long term. The Carroll Senior Building, being the least distressed of the existing buildings, is being retained. Attached at Tab 3 are excerpts from the HOPE VI grant, as well as engineer's certificates, documenting the dilapidated conditions of the buildings qualifying the property for demolition and redevelopment under the HOPE VI standards.

D. Acquisition Process for Privately-Owned Properties Tab 4

Attached at Tab 4 is a narrative describing the acquisition plans for the Capper/Carrollsburg HOPE VI project, the number of properties originally identified for acquisition, how that number was reduced as the plan evolved, and the notification process. Plans showing the location of the properties to be acquired, either through a negotiated sale or an eminent domain proceeding, are also attached as part of Tab 4.

E. Community and Supportive Services Program (CSSP) Funding Tab 5

The Community and Supportive Services Program (CSSP) of HOPE VI is designed to serve the human, social and economic needs of current public housing residents in those communities targeted for revitalization. The HOPE VI program allows up to 15% of the grant to be allocated for CSSP activities. The goal of CSSP activities is to establish and strengthen the economic self-sufficiency of individual households so as to expand the economic opportunities and hence the housing choices available to them.

For the Capper/Carrollsburg HOPE VI project, $3.5 million of the grant funds have been allocated for the CSSP. This amount serves to leverage additional in-kind services at a

projected value of $25,697,953 (see HOPE VI Application) from 40 different organizations. The CSSP is based upon a CSSP Work Plan, approved by HUD in March, 2003, establishing measurable goals for residents in the areas of employment, household income, home ownership, substance abuse recovery, and other similar categories. The first stage of CSSP, currently in progress, is the initial assessment of household status and conditions within a case management construct. Once assessed, the households will benefit from an array of services targeted to accomplish goals established by the family and the case manager. The goals are linked to the CSSP Work Plan and the re-entry criteria established for the new community. Therefore, families that elect to participate in the CSSP are afforded the best opportunity to return to the new community.

Attached at Tab 5 is an excerpt from the Capper/Carrollsburg HOPE VI grant, which describes the CSSP program and its funding sources.

F. Capper/Carrollsburg On-the-Hill CDC

The Capper Carrollsburg On-the-Hill Community Development Corporation (CDC) will administer the CSSP to residents once it becomes fully staffed. The CDC is a 501(c)(3) not-for-profit corporation established by Capper/Carrollsburg public housing residents to represent the collective economic interests of the residents and administer economic and social programs to the community. The CDC will help coordinate apprenticeship and training programs under the First Source Employment Agreement with the Department of Employment Services ("DOES"), as described in greater detail below.

G. Update of Applicants' Meetings with the Community Tab 6

Attached at Tab 6 is an updated list of the applicants meetings with various community groups and stakeholders in the Capper/Carrollsburg HOPE VI project.

H. Community Center Tab 7

The Zoning Commission requested clarification on the proposed uses of the community center and their conformance with the proposed zoning text amendments for such facilities. A copy of a description of the center and a copy of the notice of proposed rulemaking for the text amendments are attached at Tab 7. Based on the proposed uses at the community center described in the attachment, the facility will comply with the proposed text amendments.

I. Standards to Maintain Quality of Development Tab 8

The Capper/Carrollsburg HOPE VI project will include the creation of a community/homeowners association and the recordation of covenants that will ensure the maintenance of the new community and provide for an architectural review committee to control the uniformity and compatibility of any proposed design changes after the project is

completed. Attached at Tab 8 is a copy of the Declaration of Covenants used for the Henson Ridge HOPE VI project in the District, which will serve as a model for the Capper/Carrollsburg development. Articles 4 and 5 of that document describe the Architectural Review Committee and the maintenance controls for the community.

J. Location of Public Housing Units Throughout Project Tab 9

In response to the Zoning Commission's request, attached at Tab 9 is a drawing showing the location of all public housing units throughout the project. The drawing also identifies those corner units that do not have a deck. All other public housing units will have a deck with a minimum depth of six feet.

K. First Source Employment Agreement Tab 10

The development entity, Capper/Carrollsburg Venture, LLC, along with representatives from DCHA, the general contractor for the first phase of construction, and the resident-controlled CDC met with DOES First Source staff to discuss execution of a First source Employment agreement. A list of the attendees is attached as part of Tab 10. The development entity will execute the agreement first, and as general contractors and subcontractors are selected for each component of the development, each will sign one as well. A draft of the DOES agreement to be executed is also attached as part of Tab 10.

The CDC has been formed to administer the CSSP and to be the locus of employment and business activities for Capper/Carrollsburg residents. As such, it was agreed with DOES that the CDC would be given first priority to fill any jobs posted as part of the First Source Employment Agreement. This understanding will be incorporated into the DOES standard agreement.

The development entity will also work with the CDC and DOES to coordinate pre-apprenticeship programs to facilitate entry of public housing residents into registered apprenticeship programs. This will help to maximize the number of Capper/Carrollsburg residents who will be able to take advantage of employment opportunities generated during construction.

L. Leveraging of HOPE VI Funding for Amenities Tab 11

Attached at Tab 11 is a description of the HOPE VI funding and the leveraged financing that allows for the project's significant benefits and amenities.

M. 110-Foot Height Along M Street at Eastern End of Project Tab 12

Attached at Tab 12 is a supplemental report from Steven E. Sher, the applicant's expert witness in land use and zoning matters, regarding the rationale for the office building height and density as it relates to M Street at the eastern end of the PUD boundaries.

N. Density Comparisons

1. Documentation for Density Comparison Tab 13

At the conclusion of the July 24th hearing, the Zoning Commission requested the documentation to support the summary analysis of density calculations for neighboring communities. That documentation is supplied at Tab 13.

2. R-5-B Matter-of-Right Development Tab 14

The Commission also requested information on how the proposed townhouse development compares with the density of other matter-of-right development under the requirements of the R-5-B District. Attached at Tab 14 is a drawing showing the type of residential development that is normally found in the R-5-B District.

3. Parcel by Parcel Analysis Tab 15

A drawing is also provided at Tab 15 showing the parcel by parcel analysis of record lot configurations. Some of the record lots contain one building; some of the record lots contain groups of buildings to be considered a single building as provided for under Section 410 under the Zoning Regulations. The drawing includes lot dimensions, side and rear yard setbacks, lot area and percentage of lot occupancy.

O. Municipal Services for Development Tab 16

In response to a request from the Commission, a list of municipal services such as schools, libraries, police stations and firehouses is attach at Tab 16.

P. Use of Square 739 for Public Purposes Tab 17

At the July 24th hearing, Commissioner Parsons raised the issue of whether the transfer of jurisdiction of Reservation 17-A, also known as Square 739, from the National Park Service to the District of Columbia included a restriction limiting use of the property for a garbage disposal facility. Based on the Transfer of Jurisdiction plat recorded in the Surveyor's Office of the District of Columbia, a copy of which is attached at Tab 17, there does not appear to be any use restriction on the property.

Q. Pedestrian Traffic/Safety Tab 18

A supplemental memorandum from the Applicant's traffic consultant, O.R. George and Associates, addressing pedestrian traffic and safety issues is attached at Tab 18.

R. Inability to Include Van Ness School in PUD

The Applicants have had continuing discussions with representatives of the Van Ness School. It is the Applicants' understanding that the School has no current plans for changes to the physical plant and no interest in becoming a part of the PUD.

S. Public Space/Streetscape Design Guidelines

The Applicant has submitted baseline design guidelines for the PUD area including paving materials, street lighting, plantings, and other streetscape issues. Pursuant to discussions with District's Division of Transportation ("DDOT"), the Applicant has committed to provide enhancements to these baseline materials should the budget allow.

Within the Capper/Carrollsburg project are two special streets. M Street is more urban. It has a 10 foot setback from the building to the curb. This area is proposed to work with the existing standards long the M Street corridor. It will be exposed aggregate concrete or London Pavers, which will be uniform in each block. The tree spacing will be 40-foot on center to maintain the existing character of the street; existing lighting will also be retained.

Second Place is the second special street, which has a 21-foot setback from the back of the curb to the building. This width provides for a major pedestrian zone and will be demarcated by enhanced paving of either exposed aggregate concrete, concrete pavers or brick pavers. There will also be additional raised planters to introduce more green and separation from the vehicular traffic to the pedestrian environment. The tree spacing will be increased to 30-feet on center as well. Lighting will also be increased to 60-feet on center.

The applicants will continue to have discussions with DDOT on the necessary street repair/repaving and the amount of new required infrastructure with Water and Sewer Authority ("WASA"). In the event that these items are less extensive than previously thought, the applicant will provide enhancements first to 3rd Place and then to 3rd and 4th Streets. Types of enhancements to be considered are concrete pavers, London pavers, or brick in place of concrete sidewalks. As testified to by the Ward 6 Transportation Planner, the city requires replacement of like materials when sidewalks or curbing are damaged. The Applicant will abide by this requirement, at the very minimum.

The applicant has also agreed to add more lighting along 2nd Street (east), increasing from 40-feet on center to 30-feet on center. The applicants will likewise continue their dialog with city agencies to determine where enhancements are both appropriate and affordable.

III. Conclusion

Based on the evidence of record and the supplemental materials submitted herein, the applicants have demonstrated that the preliminary and consolidated PUDs comply with the requirements of the Zoning Regulations and are not inconsistent with the

Comprehensive Plan. In approving the applications, the Zoning Commission would allow for this exceptional revitalization effort to proceed under the HOPE VI program. The proposed PUD and related map amendments will fulfill important housing, economic and social goals on both the local and national level by replacing and redeveloping one of the most severely deteriorated public housing projects in the city. The new mixed-income, mixed-use development is an exceptional opportunity to bring new life to this segment of Ward 6 and knit together all levels of socio-economic classes into one community. The applicants therefore respectfully request that the Zoning Commission approve the two applications.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: _____
Whayne S. Quin

By: _____
Carolyn Brown

cc: Advisory Neighborhood Commission 6B
Advisory Neighborhood Commission 6D