

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
ZONING COMMISSION**

**ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA
ZONING COMMISSION ORDER NO. 08-340**

Z.C. Case No. 08-340

**CAPITOL CROSSING III, LLC and CAPITOL CROSSING IV, LLC
(Two Year Time Extension of PUD for Property Located @ Square 566, Lots 862 and 864)**

January 15, 2026

Pursuant to notice, at its public meeting on January 15, 2026, the Zoning Commission for the District of Columbia (“Commission”) considered the application (“Application”) of CAPITOL CROSSING III, LLC and CAPITOL CROSSING IV, LLC (together, “Applicant”) for a two year extension of the validity of Z.C. Order No. 08-34L, as extended by Z.C. Order No. 08-34M, which approved a second-stage Planned Unit Development (“PUD”) for the Center Block (hereinafter defined) portion of the Capitol Crossing development project. The Application included a request for a waiver from Subtitle Z § 705.5, which limits a PUD’s second extension to only one year. The Application was for the PUD’s second extension and was requested for two years.

The Commission reviewed the Application pursuant to the Commission’s Rules of Practice and Procedure, which are codified in Subtitle Z of the Zoning Regulations of the District of Columbia, Title 11 of the District of Columbia Municipal Regulations (“Zoning Regulations”), to which all subsequent citations refer unless otherwise specified. For the reasons stated below, the Commission **APPROVES** the Application.

FINDINGS OF FACT

PRIOR PUD APPROVALS AND EXTENSIONS

1. Pursuant to Z.C. Order No. 08-34L, dated October 21, 2021, and effective as of March 25, 2022, the Commission approved a second-stage PUD for the Capitol Crossing Center Block located at Square 566, Lots 862 and 864 (together, “Center Block”), in accordance with the first-stage PUD approved pursuant to Z.C. Order No. 08-34, dated May 23, 2011, and effective as of July 1, 2011, and the PUD Modification of Significance approved pursuant to Z.C. Order No. 08-34K, dated October 24, 2019, and effective as of October 30, 2020.
2. The second-stage PUD for the Center Block approved development of a residential building on Lot 862 (“Residential Building”) and a hotel building on Lot 864 (“Hotel Building”), to be connected through a shared two-story podium (“Podium”).
3. Pursuant to Z.C. Order No. 08-34L, Decision No. III(2), the second-stage PUD for the Residential Building and the Podium was valid for a period of two years from the effective date of the second-stage PUD order (i.e., until March 25, 2024), within which time a building permit application was required to be filed and accepted as complete by the D.C. Department of Buildings (“DOB”) for the Residential Building and the Podium.

Construction of the Residential Building and the Podium was required to begin no later than three years from the effective date of the second-stage order (i.e., by March 25, 2025).

4. Pursuant to Z.C. Order No. 08-34L, Decision No. III(3), the second-stage PUD for the Hotel Building was valid for a period of two years following issuance of the first certificate of occupancy for the Residential Building or Podium, within which time a building permit application must be filed and accepted as complete by DOB for the Hotel Building. Construction of the Hotel Building must begin no later than three years following the issuance of the first certificate of occupancy for the Residential Building or the Podium.
5. Pursuant to Z.C. Order No. 08-34L, Decision No. III(4), if no certificate of occupancy is issued for the Residential Building or Podium within six years following the effective date of Z.C. Order No. 08-34L, then the approval would expire unless otherwise extended by the Commission.
6. Pursuant to Z.C. Order No. 08-34M, dated November 9, 2023, and effective as of December 29, 2023, the Commission approved a two-year extension of the deadlines established in Z.C. Order No. 08-34L, such that the Applicant must (i) file a building permit application to construct the Residential Building and Podium no later than March 25, 2026; (ii) start construction of the Residential Building and Podium no later than March 25, 2027; and (iii) obtain a certificate of occupancy for the Residential Building or Podium no later than March 25, 2030.
7. The deadline to file a building permit application for the Hotel Building was not modified in Z.C. Order No. 08-34M, such that the second-stage PUD for the Hotel Building is valid for a period of two years following issuance of the first certificate of occupancy for the Residential Building or Podium. Within that time, a building permit application must be filed and accepted as complete by DOB for the Hotel Building. Construction of the Hotel Building must begin no later than three years following the issuance of the first certificate of occupancy for the Residential Building or the Podium.
8. The Application requested the extension based on a variety of conditions, circumstances, and factors beyond the Applicant's reasonable control that rendered the Applicant unable to comply with the applicable time limits. Specifically, the Application requested a two-year extension of the validity of Z.C. Order No. 08-34L, as extended by Z.C. Order No. 08-34M, such that (i) a building permit application to construct the Residential Building and Podium must be filed no later than March 25, 2028; (ii) construction of the Residential Building and Podium must begin no later than March 25, 2029; and (iii) a certificate of occupancy for the Residential Building or Podium must be issued no later than March 25, 2032.
9. The Application did not request an extension of the deadline to file a building permit application for the Hotel Building. The second-stage PUD for the Hotel Building would continue to be valid for a period of two years following issuance of the first certificate of occupancy for the Residential Building or Podium. Within that time, a building permit application must be filed and accepted as complete by DOB for the Hotel Building, and

construction of the Hotel Building must begin no later than three years following the issuance of the first certificate of occupancy for the Residential Building or the Podium.

PARTIES AND NOTICE

10. The parties to the second-stage PUD were Advisory Neighborhood Commissions (“ANCs”) 2C and 6C. As of January 1, 2023, and due to the ANC boundary line redistricting, the entire Capitol Crossing PUD is now located entirely within the boundaries of ANC 6E. While certain sections of Subtitle Z of the Zoning Regulations were modified to provide that only the new affected ANC must be served if the affected ANC has changed since the effective date of the final order (*e.g.*, *see* Subtitle Z § 703.10 for modifications without hearing to contested case orders and plans), Subtitle Z § 705 governing time extensions does not include such language. Accordingly, as indicated in the Certificate of Service (Exhibit [“Ex.”] 2), the Applicant served the Application on all three of the ANCs (2C, 6C, and 6E), thus providing the required time period in which to respond.

THE APPLICATION

11. On November 18, 2025, the Applicant timely filed the Application requesting a two-year extension of the validity of Z.C. Order No. 08-34L, as extended by Z.C. Order No. 08-34M, such that a building permit application for the Residential Building and Podium would have to be filed by March 25, 2028, and construction of the Residential Building and Podium would have to begin by March 25, 2029. The Application also requested a two-year extension of the six-year deadline within which time a certificate of occupancy must be issued for the Residential Building or Podium without the approval expiring, such that the certificate of occupancy must be issued by March 25, 2032.
12. The Application asserted that it met the requirements under Subtitle Z § 705.2 for the proposed time extension because:
 - The extension request was served on all parties and all parties were allowed 30 days to respond;
 - There had been no substantial change in any of the material facts upon which the Commission based its approval in Z.C. Order No. 08-34L; and
 - Good cause justified the Commission in granting the time extension due to a variety of conditions and factors beyond the Applicant’s reasonable control. The Application included an affidavit of George W. Cantrell, III, the President of Capitol Crossing Advisors LLC (“Affidavit”) (Ex. 2A1-2A4), which described the Applicant’s good faith efforts to move forward with development of the Center Block, including the following:
 - Taking actions to advance the overall Capitol Crossing development project overall, including (i) constructing the platform, base infrastructure, and below-grade parking and loading facilities for the entire project; (ii) delivering two new office buildings on the North Block; (iii) delivering the new rectory and annex buildings in the Center Block for the Holy Rosary Church; and (iv) relocating the historic Adas Israel Synagogue from the

South Block and coordinating construction of new facilities for the Jewish Historical Society. (Ex. 2, 2A1-2A4.)

- Working with DDOT on the design, permitting and construction of major new public infrastructure, including (i) the construction and opening of F and G Streets, NW; (ii) the construction of roadway subbase and resurfacing on 2nd and 3rd Streets, NW, and Massachusetts Avenue, NW; (iii) the modification of bridges on E Street, NW, and Massachusetts Avenue, NW; and (iv) the construction of a new highway entrance and exit portal. The Affidavit stated that the Applicant also installed new traffic signals, street lights, water and sewer lines, and curb inlets, and relocated a major water main in Massachusetts Avenue, NW, and that the Applicant spent approximately \$200 million in public space infrastructure improvements to date, which benefit the District as a whole. (Ex. 2, 2A1-2A4.)
- Continuing to progress the Center Block specifically, including (i) working with its design team, OP, and DDOT to confirm compliance with canopy projections and to evaluate traffic, parking, loading, and pedestrian considerations for the residential, hotel, and retail uses within the Center Block; (ii) obtaining DDOT Public Space Committee approval for all improvements in public space surrounding the Center Block and constructing those improvements; (iii) continuing to work with residential Property Management companies, architects, and retail brokerage organizations to program the Center Block; (iv) obtaining approval from DOEE, DC Water, PEPCO, Washington Gas, and Verizon, and installing the associated utility infrastructure required to service the Center Block; (v) preparing and recording a PUD Covenant for the Center Block; and (vi) preparing and recording the required DDOT Covenant for Special Paving and Fixtures in Public Space for the Center Block. (Ex. 2, 2A1-2A4.)
- The Application and Affidavit also described the Applicant's difficulty in advancing development of the Residential Building and Podium within the required timeframes due to widespread changes in economic and market conditions that were outside of the Applicant's control. The Application and Affidavit described a variety of obstacles associated with the construction of multi-family residential development, including inflation, high interest rates, a weak lending market, high construction costs, and Federal policies that resulted in a strained workforce, insufficient labor, and supply chain shortages. The Application and Affidavit explained how these conditions had specific and material consequences on the Applicant's ability to move forward with development at the Center Block. Such conditions included the following:
 1. Challenges to the construction industry generally, including increased costs and problems associated with ordering, fabricating, and obtaining equipment, supplies, and materials in a timely manner;

2. Federal policy shifts, including tariff policies, which resulted in market uncertainty, labor shortages, increased prices, and reduced production;
 3. Trade and fiscal policies that fueled financial market volatility, geopolitical uncertainty, and risks associated with ongoing deficit spending, which tempered business and consumer confidence;
 4. The overall unwillingness from project investors and lenders to fund the Center Block due to the above-referenced and prevailing economic conditions in the debt and equity markets throughout the country, including underperforming real property assets, tightening underwriting standards, and inflation generally;
 5. Direct multi-family residential competition in the immediate neighborhood resulting in lower demand at the Applicant's required dates of completion; and
 6. The reluctance of retailers, restaurateurs, and grocers to lease space as they wait to see how economic conditions change or improve. (Ex. 2, 2A1-2A4.)
- The Application and Affidavit stated that due to the above considerations, the Applicant determined that in order to ensure an economically feasible and successful project, the most practical course of action was to temporarily pause advancement of design and construction documents for the Residential Building and Podium within the Center Block.
 - Despite the foregoing, the Application and Affidavit explained that the Applicant is still committed to moving forward with development of the Center Block. The base infrastructure for Capitol Crossing, including all parking and loading facilities, has already been constructed, and the foundation systems for the buildings have been designed and installed. The Application stated that the Applicant continues to explore all possible options to move the Center Block forward and intends to do so as soon as feasible.
13. The Application included a request for a waiver from Subtitle Z § 705.5, which states that an applicant with an approved PUD may request no more than two extensions, with the second request required to be approved for no more than one year. Pursuant to Z.C. Order No. 08-34M, the Zoning Commission approved the first PUD extension for the Center Block for a period of two years. Thus, the Applicant requests a waiver from Subtitle Z § 705.5 to allow this second extension request to be approved for two years.
 14. Pursuant to Subtitle Z § 101.9, the Commission may, for good cause shown, waive any of the provisions of Subtitle Z of the Zoning Regulations if, in the judgement of the Commission, the waiver will not prejudice the rights of any party and is not otherwise

prohibited by law. The Application stated that the only parties to the original second-stage PUD application for the Center Block were ANCs 2C and 6C, and as of January 1, 2023, the overall Capitol Crossing PUD was redistricted to be located entirely within the boundaries of ANC 6E. As shown in the Certificate of Service included as part of the Application (Ex. 2), the Applicant served the Application on all three ANCs, and ANC 6E issued a resolution in support of the two-year extension request. Therefore, the Commission finds that the rights to the underlying parties are not prejudiced because they each had an opportunity to review and provide comment on the Application. In addition, requesting a two-year extension is not otherwise prohibited by law. Therefore, the Commission finds that granting a waiver from Subtitle Z § 705.5, pursuant to Subtitle Z § 101.9, is appropriate in this case.

RESPONSES TO THE APPLICATION

15. OP submitted a report dated December 22, 2025 (“OP Report”), which recommended approval of the Application. (Ex. 6.) The OP Report concluded that (i) the Application was properly served on all parties, which were given 30 days to respond; (ii) there had been no substantial changes in any material facts upon which the Zoning Commission based its original approval that would undermine its justification; and (iii) the Applicant demonstrated with substantial evidence the existence of a variety of factors beyond its reasonable control that rendered it unable to comply with the time limits of the underlying order.
16. ANC 6E submitted a report dated November 25, 2025 (“ANC Report”), stating that at its regularly scheduled and properly noticed public meeting, with a quorum of Commissioners present, ANC 6E voted 6-0-0 to support the Application. (Ex. 4.) The ANC Report stated that the requested extension did not entail any changes to the original purposes of the PUD on the Center Block and would allow the Applicant to continue to pursue financing for the project. The ANC Report acknowledged the high construction costs, labor shortages, adverse lending market, and softness in the commercial rental market, which together made it difficult for the Applicant to move forward with development of the Center Block within the current time constraints.

CONCLUSIONS OF LAW

1. Subtitle Z § 705.2 authorizes the Commission to extend the time period of an order approving a PUD upon determining that the time extension request demonstrates satisfaction of the requirements of Subtitle Z § 705.2 and compliance with the limitations of Subtitle Z §§ 705.3, 705.5, and 705.6.
2. Subtitle Z § 705.2(a) requires that an Applicant serve the extension request on all parties and that parties are allowed 30 days to respond.
3. The Commission concludes that the Applicant satisfied Subtitle Z § 705.2(a) by demonstrating that it served all parties on November 18, 2025, and that the parties were given 30 days to respond from November 18, 2025.
4. Subtitle § 705.2(b) requires that the Commission finds that no substantial change has occurred to any of the material facts upon which the Commission based its original

approval of the PUD that would undermine the Commission's justification for approving the PUD.

5. The Commission concludes that the Application satisfied Subtitle Z § 705.2(b) because there has been no substantial change to the material facts upon which the Commission based its original approval of the PUD that would undermine the Commission's justification for that approval.
6. Subtitle Z § 705.2(c) requires that an application demonstrate with substantial evidence one or more of the following criteria:
 - An inability to obtain sufficient project financing for the development, following an applicant's diligent good faith efforts to obtain such financing because of changes in economic and market conditions beyond the applicant's reasonable control;
 - An inability to secure all required government agency approvals for a development by the expiration date of the PUD order because of delays in the governmental agency approval process that are beyond the applicant's reasonable control; or
 - The existence of pending litigation or such other condition, circumstance, or factor beyond the applicant's reasonable control that renders the applicant unable to comply with the time limits of the order.
7. The Commission concludes that the Application meets the standards of Subtitle Z § 705.2(c) because the Applicant has been unable to obtain sufficient project financing, despite its good faith efforts, in order to file a building permit application for development of the Residential Building and Podium in the Center Block, due to changes in economic and market conditions beyond the Applicant's reasonable control, as set forth in Findings of Fact No. ____.
8. The Commission grants a waiver from Subtitle Z § 705.5, pursuant to Subtitle Z § 101.9, to approve the Application for a two-year time extension. As set forth in Finding of Fact No. __ the Commission concludes that the waiver will not prejudice the rights of any party and is not otherwise prohibited by law.

"GREAT WEIGHT" TO THE RECOMMENDATION OF OP

9. The Commission is required to give "great weight" to the recommendations of OP pursuant to § 5 of the Office of Zoning Independence Act of 1990, effective September 20, 1990. (D.C. Law 8-163; D.C. Official Code § 6-623.04 (2018 Repl.) and Subtitle Z § 405.9. (*Metropole Condo. Ass'n v. District of Columbia Bd. of Zoning Adjustment*, 141 A.3d 1079, 1087 (D.C. 2016).)
10. The Commission finds OP's recommendation to approve the Application persuasive and concurs in that judgment.

"GREAT WEIGHT" TO THE WRITTEN REPORT OF THE ANC

11. The Commission must give “great weight” to the issues and concerns raised in the written report of an affected ANC that was approved by the full ANC at a properly noticed public meeting pursuant to § 13(d) of the Advisory Neighborhood Commissions Act of 1975, effective March 26, 1976 (D.C. Law 1-21; D.C. Official Code § 1-309.10(d) (2012 Repl.)) and Subtitle Z § 406.2. To satisfy the great weight requirement, the Commission must articulate with particularity and precision the reasons why an affected ANC does or does not offer persuasive advice under the circumstances. (*Metropole Condo. Ass’n v. D.C. Bd. of Zoning Adjustment*, 141 A.3d 1079, 1087 (D.C. 2016).) The District of Columbia Court of Appeals has interpreted the phrase “issues and concerns” to encompass only legally relevant issues and concerns.” (*Wheeler v. District of Columbia Bd. of Zoning Adjustment*, 395 A.2d 85, 91 n.10 (D.C. 1978) (citation omitted).)
12. ANC 6E submitted a written report dated November 25, 2025, stating that at its regularly scheduled and properly noticed public meeting, with a quorum of Commissioners present, ANC 6E voted 6-0-0 to support the Application. (Ex. 4.) The Commission finds the ANC’s recommendation in support of the Application persuasive and concurs in that judgment.

DECISION

In consideration of the case record and the Findings of Fact and Conclusions of Law herein, the Commission concludes that the Applicant has satisfied its burden of proof and therefore **APPROVES** the Applicant’s request for a two-year extension of the validity of Z.C. Order No. 08-34L, as extended by Z.C. Order No. 08-34M, with the following requirements:

- The Applicant shall file a building permit application to construct the Residential Building and Podium no later than **March 25, 2028**;
- The Applicant shall start construction of the Residential Building and Podium no later than **March 25, 2029**; and
- The Applicant shall obtain a certificate of occupancy for the Residential Building or Podium no later than **March 25, 2032**.

VOTE (January 16, 2026): 5-0-0 (Anthony J. Hood, Joseph S. Imamura, Robert E. Miller, Tammy Stidham, Gwen Wright to APPROVE).