

**MEMORANDUM**

TO: Zoning Commission for the District of Columbia

FROM: Jennifer Steingasser, Deputy Director *JS*
Historic Preservation and Development Review

DATE: January 4, ~~2009~~ ²⁰¹⁰

SUBJECT: **Case 10-01** - Report for Setdown of text amendments to allow for increased FAR and Height subject to design review for buildings located in a TDR Receiving Zone (therefore zoned C-3-C and designated for high density mixed use development) and either developed as part of an approved New Community or funded by the District for affordable housing purposes.

WAIVER OF RULES FOR LATE SUBMITTAL

This report is being submitted less than ten days prior to the Zoning Commission's consideration of the item and scheduled public meeting. The Office of Planning respectfully requests that the Commission waive its rule and accept the report into the record pursuant to §3000.8.

RECOMMENDATION

The Office of Planning recommends the following:

- The case be setdown for public hearing,
- The public hearing be expedited, and
- The Commission consolidate the hearing with an application for 2 M Street. NE (a Northwest One New Community) project in the North Capitol receiving zone.

PROPOSAL

The Office of Planning proposes text amendments to § 771 as follows:

771.4 For a building or structure that is being developed as part of an approved New Community plan or for affordable housing funded by the District of Columbia, and is located in a receiving zone as defined in chapter 17, the following provisions shall apply:

- (a) In the New Downtown, North Capitol, Capitol South, and Southwest receiving zones, the maximum permitted FAR shall be 10.0 for buildings permitted a height of one hundred thirty feet (130 ft.), and 9.0 for buildings permitted a lesser height;**
- (b) In the Downtown East receiving zone, the maximum permitted FAR shall be 9.0;**

771.5 No building permit for a building or structure shall be issued unless the Zoning Commission finds that the proposed building or structure meets the standards of § 3104 and is not inconsistent with the approved New Community plan, if applicable, or the Comprehensive Plan.

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District of Columbia

CASE NO. 10-01



771.6 The Zoning Commission may hear and decide any additional requests for relief from Zoning Regulations for the subject site. Such requests may be advertised, heard, and decided together with the application for Zoning Commission review and approval.

The proposed text would allow the development of buildings that are either integral to a Council approved New Community plan or funded by the District for affordable housing, to be built in an established receiving zone to the maximum bonus heights and densities allowed in those receiving zones subject to review by the Zoning Commission as a special exception.

There are five existing receiving zones around the District core and all are zoned C-3-C. In these areas, there are three density and height development levels:

1. The matter-of-right of the existing C-3-C zone district (6.5 FAR and 90'),
2. Planned Unit Development standards (8.0 and 130'), and
3. Those achievable through the purchase of Transferrable Density Rights.

Transferrable Density Rights

Transferrable Density Rights (TDR) are generated through provisions of the DD overlay district (chapter 17 11 DCMR) to incent the provision of certain uses and historic preservation goals consistent with the 1982 Downtown Plan and subsequent Comprehensive Plans. The TDRs may be transferred to sites within receiving zones and Planned Unit Developments within the DD overlay. The receiving zones are identified as high density commercial and residential on the Comprehensive Plan Future Land Use Map.

Lands within the receiving zones are identified by squares in §§ 1709.15 through 1709.19 and are allowed densities and heights as follows:

Receiving Zone	FAR	Height
North Capitol	10.0 for buildings permitted a height of 130 feet 9.0 for buildings permitted a lesser height	110-130*
New Downtown	10.0 for buildings permitted a height of 130 feet 9.0 for buildings permitted a lesser height	110-130*
Capitol South	10.0 for buildings permitted a height of 130 feet 9.0 for buildings permitted a lesser height	110-130*
Southwest	10.0 for buildings permitted a height of 130 feet 9.0 for buildings permitted a lesser height	110-130*
Downtown East	9.0	110

* Subject to the 1910 Height Act

To achieve the maximum potential density and height in a receiving zone, a developer must purchase TDRs. In the context of affordable housing or New Community initiatives, this can add millions of dollars to a project that already has a substantial public financing component. This additional needed funding can severely hinder the government's ability to fulfill its objective of providing housing, and competes with other financial needs of the project and obligations of the city.

The provision of affordable housing has long been considered to be in the public interest and in recent years the focus has been on providing affordable housing in the context of either mixed-income neighborhoods or buildings. The New Communities initiatives of the late 2000's have reinforced this concept.

Planned Unit Development (PUD)

The only other available avenue to additional density at the potential receiving zone levels is the PUD process. However, the PUD process can be a burdensome process for projects that are either related directly to implementing an approved New Community plan or are providing affordable housing funded by the District of Columbia. In such cases, the projects provide within themselves the amenity and benefit of affordable housing.

To facilitate the processing of these unique projects OP is recommending that the projects be allowed to avail themselves of the full density and height potential of a receiving zone as a special exception subject to public review and approval by the Zoning Commission. Because of the high-density nature of receiving zones OP is recommending that the standards be those of consistency with the New Community and Comprehensive plans and no adverse impact standards of § 3104.

Tandem Consideration of Text and Project Review

The Office of Planning has been informed that the developer of 2 M Street, NE will be ready to file an application for consideration by the Zoning Commission after this case is set down. The Zoning Commission has on occasions exercised their prerogative to hear variances and special exceptions in tandem with text amendments when it has been deemed expedient to do so. The Georgetown Boathouse was heard as a special exception immediately following the vote on the creation of the W-0 zone district in 2004 (ZC 02-42); in July 2009 the Commission zoned a lot on Cathedral Avenue (ZC 09-07) and granted the special exception relief in the same evening and most recently the Commission considered text and map amendments in tandem with special exception for public libraries (ZC 09-17). OP is requesting that the Commission consider the special exception review of the proposed building in the same evening as text amendments to allow the expeditious hearing on the project in order to meet the critical timing issues related to the funding.

BACKGROUND

Currently only one New Community has property in a receiving zone- the Northwest One Redevelopment Plan (NW1 Plan) has property in the North Capitol receiving zone. The North Capitol receiving zone is defined in § 1709.17 as consisting Squares 668 through 677, 709 through 713, and 715, each zoned C-3-C.

The Northwest One Redevelopment Plan

The Northwest One Redevelopment Plan was adopted by City Council in 2006 as a New Community redevelopment strategy for the Northwest One neighborhood located generally to the west of North Capitol Street between K Street, New York Avenue, and New Jersey Avenue NW; the NW1 Plan also includes some District owned sites on the east side of North Capitol Street.

The relevant sections of the NW1 Plan executive summary explain the context and goals of the plan as follows:

In January 2005, the District of Columbia, in collaboration with the Northwest One Council, initiated a public planning process to revitalize a large portion of the Northwest One neighborhood.

The project's goal was straightforward – to create a vibrant mixed-income community where residents have quality housing options, real economic opportunities and access to appropriate human services for adults and children. The plan recognizes the need to address four critical issues – a high concentration of violent crime, poverty, distressed housing and strong development pressures in the neighborhood. It was also based on the immediate need to address the physical and financial distress of three deeply subsidized housing developments – Sursum Corda Cooperative, Temple Court Apartments and the Golden Rule Center.

Northwest One is located between two rapidly changing neighborhoods – Mt. Vernon Triangle and the area known as NOMA (North of Massachusetts Avenue). Both of these neighborhoods are undergoing tremendous change. Change in these neighborhoods along with recent major decreases in crime, the potential easing of affordable housing restrictions and growth around the neighborhood have dramatically increased development interest and pressure in NW1.

2. Goals

This plan proposes steps to manage redevelopment and growth for a neighborhood in the path of gentrification. The main goal is to ensure that low-income families are equipped to live and prosper in their changing neighborhood. The plan examines ways to rebuild the physical and human architecture of the neighborhood – protect and expand affordable housing; provide families with the tools to become self-sufficient; rebuild community anchors such as schools, libraries and recreation centers; and most importantly engage residents in decisions regarding their future.

3. Vision & Principles

The vision for NW1 includes a vibrant mixed-income community where residents have quality housing options, real economic opportunities and access to exceptional human services for adults and children. It is a community where all families have the tools and skills to sustain themselves and prosper in a dynamic environment.

The key guiding principles developed in partnership between the District of Columbia and the Northwest One Council include:

- a. Development of a Mixed-Income Community** – Ensure the long term viability of the neighborhood and its current families, and provide a range of housing and amenity options for a range of incomes.
- b. One for One Replacement of Deeply Subsidized units** – Ensure that there is no net loss of the existing 520 deeply subsidized units in the neighborhood.
- c. Right to Return/ Right to Stay** – Ensure that current families will be able to afford to remain in their neighborhood if they choose and will not be excluded based on economic factors.
- d. Build First** – Construct new housing on publicly controlled lands prior to the demolition of existing distressed housing to minimize displacement and disruption.

4. Plan and Concepts

The plan makes detailed recommendations for improvements in housing, public facilities, urban design, parks and open space and transportation. Key elements of the physical revitalization plan for the Northwest One neighborhood include:

- Establishment of a vibrant new neighborhood that reflects the historic patterns and traditions of one of the most livable neighborhoods in the District of Columbia
- Creation of a mixed-income community of approximately 1700 housing units which include the one for one replacement of the existing 520 deeply subsidized units and the remaining units equally subdivided between affordable and market-rate units

- Reconstruction of a new consolidated K-8 public school to replace Walker Jones Elementary School and Terrell Junior High School, fronting New Jersey Avenue.
- Construction of a new community recreation center – including a gym, multi-purpose rooms, wellness center and a pool – next to the new school, along with new recreational open space including a soccer field, baseball diamond and several playgrounds
- New retail along K and North Capitol Streets including restaurants, dry cleaners, bookstores, and drugstores, as well as space suitable for a market or a small grocery store.
- Establishment of a cultural gateway to the community comprising a new 5,000 square foot library and a new health clinic to replace the existing Walker Jones Health Clinic
- Creation of a new neighborhood “main street” along K Street that links with the developing K Street promenade in Mount Vernon Triangle
- New street patterns, low density buildings and public open spaces within Northwest One that provide neighborhood definition and create a sense of place appropriate for family living
- New infill development along North Capitol Street which extends its identity as a grand avenue
- Establishment of New Jersey Avenue as a new two-way neighborhood avenue with the new school and new housing fronting it and the Capitol as its vista
- Preservation of many of the existing institutions within the neighborhood, including Perry School, Holy Redeemer Church, Mount Airy Baptist Church, St. Phillips Church, St. Aloysius Church and their attendant programs and services.

6. Development and Finance Strategy

The Development and Finance Strategy provides key recommendations on site control, phasing, schedule and estimated sources and uses of this redevelopment effort to ensure that successful implementation of this mixed-income community can happen in a reasonable timeframe.

The total estimated cost to complete the NW1 Redevelopment Plan, including the Master Plan and the Human Capital Plan, will be approximately \$550 million. Public investments in community amenities alone total more than \$30 million. Key costs to develop the plan include upfront public investments, land acquisition costs and overall development costs. The District can harness the strong market in the area and use the profits and cash flow from the market rate units to help reduce the public investment necessary. However, despite this, there is still a significant public investment required to support the development of a truly mixed-income community. The use of bonds backed by a portion of the Housing Production Trust Fund is a critical public investment needed in order to leverage over \$400 million of additional funds for the Northwest One Redevelopment Plan.

In the Guiding Principles, the District committed to minimize any potential temporary displacement and maximize the number of one-time moves for residents. The Development and Finance Strategy outlines a Build First method that will ensure the construction of more than 700 hundred units of housing during the first two phases on several parcels controlled by the District. This will provide the opportunity for more than sixty percent of Northwest One’s families to do a one-time move.

Financing for the NW1 Plan involved leveraging the market rate units to finance the affordable units.

In addition to New Communities, the District funds affordable housing developments in the receiving zones that would also require significant addition public investment to achieve the bonus density available through the traditional purchase of TDRs.

COMPREHENSIVE PLAN

The proposed amendments are not inconsistent with many of the Comprehensive Plan themes, goals, objectives and policies. Major themes of the Plan tend to promote maintaining or improving the character of neighborhoods, as well as enhancing public safety and the effective provision of public services.

Policy CW-1.1.4: New Housing Development in Central Washington

Encourage the development of new high-density housing in Central Washington, particularly in the area north of Massachusetts Avenue and east of Mount Vernon Square. This area includes Mount Vernon Triangle, Northwest One, and NoMA. Ground floor retail space and similar uses should be strongly encouraged within these areas to create street-life and provide neighborhood services for residents. A strong Downtown residential community can create pedestrian traffic, meet local housing needs, support local businesses in the evenings and on weekends, and increase neighborhood safety and security. 1608.5

The Comprehensive Plan identifies eight areas in Central Washington as “policy focus areas,” indicating that they require a level of direction and guidance beyond that provided in the prior section of this Area Element and in the citywide elements. NoMA/Northwest One is one of the eight policy focus areas and is accompanied by the following action item:

Action CW-2.8.D: Northwest One New Community

Redevelop Northwest One as a mixed income community, including new market rate and subsidized housing, a new school and recreation center, a library and health clinic, and neighborhood-serving retail space. Redevelopment of Northwest One should:

- a. Restore the city street grid through Sursum Corda;
- b. Emphasize K Street NW as a “main street” that connects the area to NoMA and the Mount Vernon District; and
- c. Maximize private sector participation. 1618 17

Comprehensive Plan Maps

The receiving zones are designated predominantly high density commercial with the exception of the New Downtown which includes a small amount of high density residential along the eastern side of New Hampshire Avenue.

Receiving Zones	Future Land Use Map	Generalized Policy Map
North Capitol	High Density Commercial	Land Use Change Area
New Downtown	High Density Commercial High Density Residential	Land Use Change Area Neighborhood Conservation
Capitol South	High Density Commercial	Land Use Change Area
Southwest	High Density Commercial	Central Washington
Downtown East	High Density Commercial	Central Washington

CONCLUSION

The proposed text amendments are not inconsistent with the Comprehensive Plan goals and objectives and will serve to allow a quick and orderly construction of affordable housing and

implementation of the New Community plans in a manner that is in the public interest. The Office of Planning recommends the case be setdown for public hearing and that the Commission authorize the referral of the case to the National Capital Planning Commission for their thirty day review pursuant to § 3025.3. Additional analysis of the proposal and the requested special exception relief will be provided prior to the public hearing.