

April 6, 2015

VIA ELECTRONIC SUBMISSION

Mr. Anthony J. Hood
Chairman
D.C. Zoning Commission
441 4th Street NW
Suite 210S
Washington, DC 20001

Re: **Zoning Commission Case No. 13-08 – Consolidated PUD and Zoning Map Amendment Application- Response to Issues Raised at March 30, 2015 Public Meeting and Applicant’s Satisfaction of Sections 2403.16 - 2403.18**

Dear Chairman Hood and Members of the Zoning Commission:

On March 30, 2015, the Zoning Commission took proposed action to approve the PUD and Zoning Map Amendment application of Square 5914, LLC (the “**Applicant**”). At the March 30, 2015 public meeting, the Zoning Commission requested the following information: additional information on the status of the negotiation of the relocation plan; additional information on the time period in which existing tenants may be able to return to the property; additional information on the Applicant’s proposal to pay for the design and installation of a traffic signal at the intersection of Alabama Avenue, SE and 15th Street, SE; and a formal letter from ANC 8E noting the official action that the ANC took in this case.

Tenant Relocation Plan and Potential Timing of Tenants Return to the Property after Construction

The Applicant’s representatives were told that the Alabama Avenue/13th Street Tenants Coalition (“**Coalition**”) and their attorneys were meeting on April 2, 2015 to review and vote on the Applicant’s latest version of the tenant relocation plan, which was described in the Applicant’s March 16, 2015 submission to the Zoning Commission. The Applicant remains hopeful that it will be able to reach a satisfactory agreement with the Coalition on this issue. The Applicant will provide a full and final description of the Tenant Relocation Plan when it submits its final proffers and conditions on April 20, 2015 in accordance with 11 DCMR Section 2403.20.

The Applicant was also asked to provide additional information on the amount of time that the current tenants may be relocated to units off-site. The Applicant would first like to

reiterate its commitment to minimizing the amount of time that the tenants will be relocated off-site. It is certainly in the best interests of all parties to have the new residential project open as soon as possible after construction activity starts. In addition, the tenants will not be required to leave the property until construction activity is ready to start.

Given the complexities involved with below-grade excavation and construction above and adjacent to an operating Metro Station, the Applicant expects that the first phase of construction activity (which will consist of solely below-grade work) will take approximately 12-14 months to complete. The Applicant anticipates that the residential building will be the first building constructed and that the building will be delivered approximately 20-24 months after the first phase of construction is complete. Therefore, the Applicant expects that the tenants will need to be relocated off-site for approximately 32-36 months.

Applicant's Proposal to Pay for the Design and Installation of a Traffic Signal at the Intersection of Alabama Avenue, SE and 15th Street, SE

In a Supplemental Report dated March 26, 2015, DDOT restated its position that the Applicant should be required to fund a new signal at Alabama Avenue, SE and 15th Street, SE and requested that the Applicant create an escrow fund of \$350,000 to fund a full signal installation. DDOT also noted that in order to determine if a signal is necessary, the Applicant will be expected to complete a full warrant analysis as part of the public space permitting process including existing conditions. If a signal is warranted, the Applicant will be required to install a full signal. If it is not warranted, DDOT may waive this condition and release the funds from escrow.

The Applicant agrees to pay for the cost of the design and construction of the new traffic signal at the intersection of Alabama Avenue, SE and 15th Street, SE, with such costs capped at \$350,000 (the amount noted in DDOT's Supplemental Report). The Applicant explicitly requests that the Zoning Commission approve the Applicant's ability to establish an escrow account in which the \$350,000 will be placed. After the signal warrant analysis (noted by DDOT) is completed and if the signal is deemed to be warranted, the Applicant will agree that the signalized intersection will be operational prior to the issuance of a certificate of occupancy for the second building on the property.

Letter from ANC 8E

The Applicant has encouraged ANC 8E Chairman Muhammad to provide a written document from the ANC noting the official action taken by ANC 8E in this case. The Applicant will continue to encourage Chairman Muhammad to provide such documentation, but also notes that it has no control of this issue and is hopeful that this issue will not impact the timing of Final Action in this case.

Consolidated PUD Public Benefits and Conditions

In accordance with Sections 2403.16 - 2403.18, this document includes a final list of the public benefits provided as a result of this project, and includes proposed conditions which are specific and enforceable.

<u>Proffer</u>	<u>Proposed Condition</u>
<p><u>Housing and Affordable Housing</u> - The final total gross floor area included in the proposed PUD is approximately 447,588 square feet for a total Floor Area Ratio (“FAR”) of approximately 5.06. The proposed residential building will include approximately 205-215 residential units, 195,684 square feet of residential use, 16,071 square feet of retail use, and will have a measured building height of approximately 90 feet.</p>	<p>B.1. The residential building shall include a range of 205-215 residential units, units and approximately 15,655 square feet of workforce affordable housing, with 10,877 sf reserved for households making up to 80% of AMI and 4,778 sf reserved for households earning up to 50% of AMI. The affordable housing units will be distributed throughout the residential building (except for the upper two stories of the building).</p>
<p><u>Public Benefits</u> - The Applicant will provide the Lead the Way Foundation and Higher Hopes, Inc. (LWFFHHI) with a payment of five thousand five hundred dollars (\$5,000.00) annually for a period of fifteen (15) years. These funds shall be used for facilitation of comprehensive, social reconstruction programs for the residents of the Ward Eight Community. These programs will include comprehensive resident and youth case management, engagement and outreach services featuring an adolescent clubhouse and including, but not limited to the, arts and cultural services, health fitness and nutrition, financial management, annual community social events, as well as development opportunities for the neighboring community. LWFFHHI will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning.</p>	<p>B.3. The Applicant will provide the Lead the Way Foundation and Higher Hopes, Inc. (LWFFHHI) with a payment of five thousand five hundred dollars (\$5,000.00) annually for a period of fifteen (15) years. These funds shall be used for facilitation of comprehensive, social reconstruction programs for the residents of the Ward Eight Community. These programs will include comprehensive resident and youth case management, engagement and outreach services featuring an adolescent clubhouse and including, but not limited to the, arts and cultural services, health fitness and nutrition, financial management, annual community social events, as well as development opportunities for the neighboring community. LWFFHHI will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning. <u>The first annual payment will occur prior to the issuance of a building permit for the first building on the property. No certificate of occupancy for either building</u></p>

The Applicant will help the Congress Heights Community Association (CHCA) fund the Annual Congress Heights Health and Community Day by providing a payment in the amount of five thousand dollars (\$5,000) annually for a period of fifteen (15) years. CHCA will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning

The Applicant will provide the Ward Eight Council Against Domestic Violence (WECADV) with a payment of five thousand dollars (\$5,000.00) annually for a period of fifteen (15) years. WECADV will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning.

The Applicant will provide the Congress Heights Community Training and Development Corporation (CHCTDC) with a payment of five thousand dollars (\$5,000.00) annually for a period of fifteen (15) years.

will be issued unless the Applicant provides proof to the Zoning Administrator that the services are being provided by LWFHHL.

B.4. The Applicant will help the Congress Heights Community Association (CHCA) fund the Annual Congress Heights Health and Community Day by providing a payment in the amount of five thousand dollars (\$5,000) annually for a period of fifteen (15) years. CHCA will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning. **The first annual payment will occur prior to the issuance of a building permit for the first building on the property. No certificate of occupancy for either building will be issued unless the Applicant provides proof to the Zoning Administrator that the services are being provided by CHCA.**

B.5. The Applicant will provide the Ward Eight Council Against Domestic Violence (WECADV) with a payment of five thousand dollars (\$5,000.00) annually for a period of fifteen (15) years. WECADV will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning. **The first annual payment will occur prior to the issuance of a building permit for the first building on the property. No certificate of occupancy for either building will be issued unless the Applicant provides proof to the Zoning Administrator that the services are being provided by WECADV.**

B.6. The Applicant will provide the Congress Heights Community Training and Development Corporation (CHCTDC) with a payment of five thousand dollars (\$5,000.00) annually for a period of fifteen (15) years.

These funds shall be used solely to pay for the costs of: (a) conducting training for targeted businesses in Ward 8, to develop management and business capability to perform contracts for the Applicant, its General Contractor, and Subcontractors. CHCTDC will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning.

The Applicant agreed to provide 1,600 square feet of retail or business space to local tenants who will receive a rent discount of 25%. This rent discount will be applicable for the life of the project.

The Applicant agreed to provide approximately 500 square feet of office space for ANC 8E for a term of at least five years, with possible extensions, at a cost of \$12 per year.

Environmental Benefits – The residential building will be designed so that it can achieve a LEED Silver certification. The office building will be designed so that it can achieve a LEED Gold certification. Both buildings will go through the LEED certification process.

These funds shall be used solely to pay for the costs of: (a) conducting training for targeted businesses in Ward 8, to develop management and business capability to perform contracts for the Applicant, its General Contractor, and Subcontractors. CHCTDC will provide an annual accounting of what the financial contribution was used for and the Applicant will be required to file that information with the Office of Zoning. **The first annual payment will occur prior to the issuance of a building permit for the first building on the property. No certificate of occupancy for either building will be issued unless the Applicant provides proof to the Zoning Administrator that the services are being provided by CHCTDC.**

B.7. Prior to applying for a Certificate of Occupancy for the residential or the office building, the Applicant will provide evidence to the Zoning Administrator that 1,600 square feet of retail or business space has been reserved for local tenants who will receive a rent discount of 25%. This rent discount will be applicable for the life of the project.

B.8. Prior to applying for a Certificate of Occupancy for the office building, the Applicant will provide evidence to the Zoning Administrator that the Applicant has provided approximately 500 square feet of office space for ANC 8E for a term of at least five years, with possible extensions, at a cost of \$12 per year.

B.2. Prior to applying for a Certificate of Occupancy for the residential building, the Applicant will provide evidence that the residential building has gone through the LEED certification process and has achieved a LEED Silver certification.

Prior to applying for a Certificate of Occupancy for the office building, the Applicant will provide evidence that the office

	<p>building has gone through the LEED certification process and has achieved a LEED Gold certification.</p>
<p><u>Effective and Safe Vehicular and Pedestrian Access</u> – The Applicant agreed to add a condition to the Zoning Commission’s approval of the application that prohibits any resident of the project from obtaining a Residential Permit Parking (“RPP”) Sticker.</p> <p>The Applicant agreed to the creation of a Transportation Demand Management (“TDM”) Plan, prior to applying for a certificate of occupancy for either the residential or office building.</p>	<p>(The Applicant requests that the Decision section of the Order include a new Section D – <u>Transportation Issues</u>)</p> <p>D.1. Residents of the residential building shall be prohibited from obtaining Residential Permit Parking (“RPP”) stickers.</p> <p>D.2. <u>Prior to applying for a certificate of occupancy for either the residential building or the office building</u>, the Applicant will implement the following Transportation Demand Management Plan:</p> <p>D.2.1. A member of the property management team will be designated as the Transportation Management Coordinator (TMC). The TMC will be responsible for ensuring that information is disseminated to tenants of the buildings. The position may be part of other duties assigned to the individual.</p> <p>D.2.2. Information on and/or links to the following programs and services will be provided on the property management website:</p> <ul style="list-style-type: none"> Capital Bikeshare; Car-sharing services; Uber; and Ridescout. <p>D.2.3. Commuter Connections Rideshare Program, which provides complimentary information on a variety of commuter programs to assist in determining which commuting options work best for commuters;</p> <p>D.2.4. Commuter Connections Guaranteed Ride Home, which provides commuters who regularly (twice a week) carpool, vanpool, bike, walk or</p>

The Applicant agrees to pay for the cost of the design and construction of a new traffic signal at the intersection of Alabama Avenue, SE and 15th Street, SE, with such costs capped at \$350,000 (the amount noted in DDOT's Supplemental Report). The Applicant explicitly requests that the Zoning Commission approve the Applicant's ability to establish an escrow account in which the \$350,000 will be placed. After the signal warrant analysis (noted by DDOT) is completed and if the signal is deemed to be warranted, the Applicant will agree that the signalized intersection will be operational prior to the issuance of a Certificate of Occupancy for the second

take transit to work with a free and reliable ride home in an emergency.

D.2.5. Commuter Connections Pools Program, which incentivizes commuters who currently drive alone to carpool. Participants can earn money for carpooling to work and must complete surveys and log information about their experience.

D.2.6. An electronic display will be provided in a common, shared space in each of the buildings and will provide public transit information such as nearby Metrorail stations and schedules, Metrobus stops and schedules, car-sharing locations, and nearby Capital BikeShare locations indicating the number of bicycles available at each location.

D.2.7. Convenient and covered secure bike parking facilities will be provided with storage for a minimum of 76 bicycles for the entire development and 22 short-term bicycle bicycle parking spaces in public space

D.2.8 The Applicant will unbundle all parking costs from the price of all commercial and residential leases.

D.3. **Prior to the issuance of a building permit for the second building on the property**, the Applicant will provide evidence that it has deposited \$350,000 in an escrow account which will be used for the design and construction of a new traffic signal at the intersection of Alabama Avenue, SE and 15th Street, SE. In the event that the signal warrant analysis, requested by DDOT, determines that a signal is not warranted, the Applicant will not be required to construct the signalized intersection and the remaining funds in the escrow account will be returned to the Applicant.

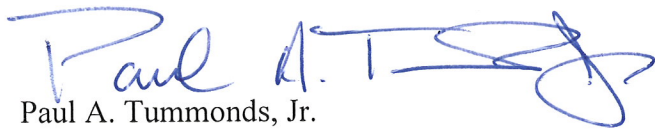
D.4. **Prior to the issuance of a certificate of**

<p>building on the property.</p>	<p><u>occupancy for the second building on the property</u>, the Applicant will provide evidence that the new traffic signal at the intersection of Alabama Avenue, SE and 15th Street, SE is operational.</p>
<p><u>Employment Opportunities</u> – The Applicant agreed to create a job training program and employment and internship programs specifically tailored for Ward 8 residents.</p> <p>The Applicant agreed to create a revolving working capital fund, in an amount no less than \$200,000, for contracts directly with the Applicant.</p>	<p>B.9. <u>Prior to the issuance of a building permit for the first building on the property</u>, the Applicant will provide evidence to the Zoning Administrator that it has created and implemented a job training program and employment and internship programs specifically tailored for Ward 8 residents.</p> <p>B.10. <u>Prior to the issuance of a building permit for the first building on the property</u>, the Applicant will provide evidence to the Zoning Administrator that it has created a revolving working capital fund, in an amount no less than \$200,000, for contracts directly with the Applicant.</p>
<p><u>Tenant Relocation Plan</u> - The Applicant’s tenant relocation plan, consists of the following major components: All existing tenants have the ability to return to the new residential building; the residents will continue to pay the amount of rent they pay in their current units, subject to annual rent increases equal to the amount of the “automatic” rent increase allowed by DC’s rent control law (CPI or CPI +2% depending on whether a tenant is senior or disabled), in both the temporary relocation unit and upon return to the new building; and the Applicant pays all costs of relocation for the existing tenants with the relocation units located within two miles of the property.</p>	<p>B.11. <u>Prior to the issuance of a certificate of occupancy for the residential building on the property</u>, the Applicant will provide evidence to the Zoning Administrator that all existing tenants were provided the ability to return to the new residential building; that all of the residents of the existing residential buildings (deemed to be the people who were residents at the time that the Applicant filed a demolition permit for the existing residential buildings) will continue to pay the amount of rent they pay in their current units, subject to annual rent increases equal to the amount of the “automatic” rent increase allowed by DC’s rent control law (CPI or CPI +2% depending on whether a tenant is senior or disabled), in both the temporary relocation unit and upon return to the new building; and the Applicant pays all costs of relocation for the existing tenants with the relocation units located within two miles of the property.</p>

Anthony Hood
April 6, 2015
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Please feel free to contact the undersigned if you have any questions or comments regarding the information presented in this letter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul A. Tummonds, Jr.", with a stylized flourish at the end.

Paul A. Tummonds, Jr.

CERTIFICATE OF SERVICE

I hereby certify that I sent a copy of the foregoing document to the following addresses on April 6, 2015 by e-mail and First Class Mail:

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(By E-Mail)

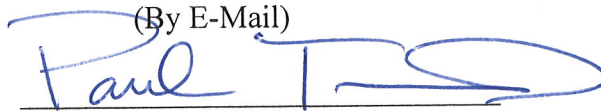
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