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January 26, 2015

VIA HAND DELIVERY

Anthony Hood
Chairperson
D C Zoning Commission
441 4th Street, NW, Suite 210
Washington, DC 20001

**Re: Z.C. Case No. 14-05: Petition of Forest City Washington,
Text Amendment to Section 1803 of the Zoning Regulations
Petitioner's Second Supplemental Post-Hearing Filing**

Dear Chairman Hood and Members of the Commission

In response to the Commission's concerns raised at the January 12, 2015 public meeting, the Petitioner submits the following information

I. Review of the Request and Associated Public Benefits

The regulatory framework for the redevelopment of the Southeast Federal Center into The Yards consists of multiple overlapping processes that include regular design reviews through the U S General Services Administration, a complex development and infrastructure agreement with the District of Columbia, regular design reviews for each development by the State Historic Preservation Officer, the National Capital Planning Commission, the U S Commission of Fine Arts, and several other stakeholders; and zoning restrictions and design reviews established by the Southeast Federal Center Overlay District. Together this framework ensures that the development of The Yards delivers thoughtful site planning, exemplary urban design, and multiple public benefits

Through this framework, Forest City has made significant progress in transforming the area into a vibrant new urban neighborhood through a team of locally and nationally-recognized architects, planners, and other professionals. In doing so, Forest City has frontloaded many of the sitewide public benefits, including new street infrastructure; 388 new residential units (with an additional 327 under construction and another 190 units in design), 20% of which is set aside as affordable housing units at 50% AMI, 160,000 square feet of new neighborhood-serving retail, including a new grocery store, and, perhaps most visibly, the award-winning Yards Park

The petition sought in this case is made against this backdrop. Currently, the SFFC Overlay imposes few restrictions on the parcels in the Yards West (Parcels A, F, G, H, and I, as shown on the attached map). The proposed text amendment would increase these constraints, align the Overlay with current planning and development goals for this portion of the Near Southeast area, and contribute significantly to the production of new affordable housing.

- The current Overlay only allows for Zoning Commission design review on only one of the five parcels (Parcel A); the remaining four parcels can all proceed as a matter of right. The proposed text amendment would allow for design review by the Commission on all five parcels.
- The current Overlay provides no incentive for residential development. The proposed changes would encourage residential development and the associated significant amounts of affordable housing (20% set aside at 50% AMI). The current Overlay also makes no mention of unit size, but the proposed changes would include a first-of-its-kind commitment to three-bedroom residential units.
- The current Overlay establishes limited ground-floor retail requirements that do not reflect broader goal for extending the grid through the site and focusing retail along 1 ½ Street. The proposed changes require the extension of 1 ½ Street and N Street as well as allow for flexibility (with Zoning Commission approval) to align the ground-floor retail and pedestrian design with current planning goals.
- Finally, the current Overlay does not reference the potential third entrance to the Navy Yard Metro station. The proposed text amendment includes a commitment to work with WMATA to accommodate a third Metrorail entrance on Parcel A.

In short, through this text amendment, Forest City has agreed to expand the already-robust package of public benefits contained within The Yards to include the above benefits. Furthermore, the text amendment also expands Zoning Commission design review to all parcels.

II. Revised Proposal

Forest City has carefully considered the Commission's additional comments and offers the following additional modifications to the proposed text amendments.

A. Three-Bedroom Housing Units

~~Forest City will increase the set aside for three-bedroom units from 5% (previously proffered) to 8% of the additional density gained through the text amendment. Specifically, Forest City proposes the following as Section 1803.8(d):~~

~~(d) Devotes a minimum of 8% of the additional density gained pursuant to Section 1803.7(b), provided that such three-bedroom units may be located anywhere within the residential building. The reduction or elimination of this requirement shall be permitted if reviewed and approved by the Commission in accordance with the standards provided in § 1808 and the procedures specified in § 1809.~~

B. Third Metrorail Entrance

Forest City understands the Zoning Commission's desire for more specificity on the commitment to the potential third entrance to the Navy Yard Metrorail Station. The challenge is that WMATA's proposal is speculative at best at this time, and without more concrete detail it is not possible to draft a more precise substantive commitment. (The third entrance is not included in WMATA's six-year Capital Improvements Program, it is also not mentioned in WMATA's Momentum 2013-2025 Strategic Plan.) As we previously noted, agreeing to set aside the property for such a Metrorail entrance results in a series of additional financial costs that include the consulting, design, construction, legal, and operational costs associated with incorporating such an entrance into the future building on Parcel A, as well as the potential loss of valuable retail square footage.

However, Forest City can commit at this time to proactively engage WMATA and coordinate on the potential entrance

- If WMATA moves forward with construction of the third entrance before Forest City is ready to develop Parcel A, Forest City will coordinate with WMATA to ensure that the design for the entrance will inform the design of future construction on Parcel A.
- If Forest City moves forward with construction of Parcel A before WMATA is ready to construct the third entrance, Forest City will coordinate with WMATA to determine whether and how to ensure that the design of Parcel A accommodates the planned entrance

Since Parcel A is subject to the Commission's design review, the Commission will have the opportunity to review Forest City's efforts at the time that an application is brought before the Commission and will be able to confirm that Forest City has satisfied its commitment

The initial language proposed by the Petitioner and OP already captures this commitment. However, Forest City offers the additional changes highlighted below to further detail these expectations.

1803.8 Any proposed building that has frontage on M Street, S.E. or utilizes additional density pursuant to §§ 1803.5(b) and 1803.7(b) shall be subject to review and approval by the Zoning Commission. An applicant requesting approval under this section must prove that the architectural design, site plan, landscaping, and sidewalk treatment of the proposed building

(a) Accommodates the design of a public entrance to the Navy Yard Metrorail Station on Parcel A. The applicant shall demonstrate proactive engagement with the Washington Metrorail Area Transit Authority (WMATA) in the planning and design of Parcel A.

Again, through design review of the specific building on Parcel A, the Commission will have the opportunity to review Forest City's efforts and confirm that Forest City has satisfied this commitment.

Conclusion

The Petitioner believes that this text amendment, which could result in an additional 300 new apartments, 60 of which will be affordable at 50% of the Area Median Income, will be a significant benefit to the District and it looks forward to the Commission's decision at the February 9, 2015 public meeting.

Respectfully,



Phil Feola



David Avitabile

cc: Ramsey Meiser

Anthony Hood
January 26, 2015
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CERTIFICATE OF SERVICE

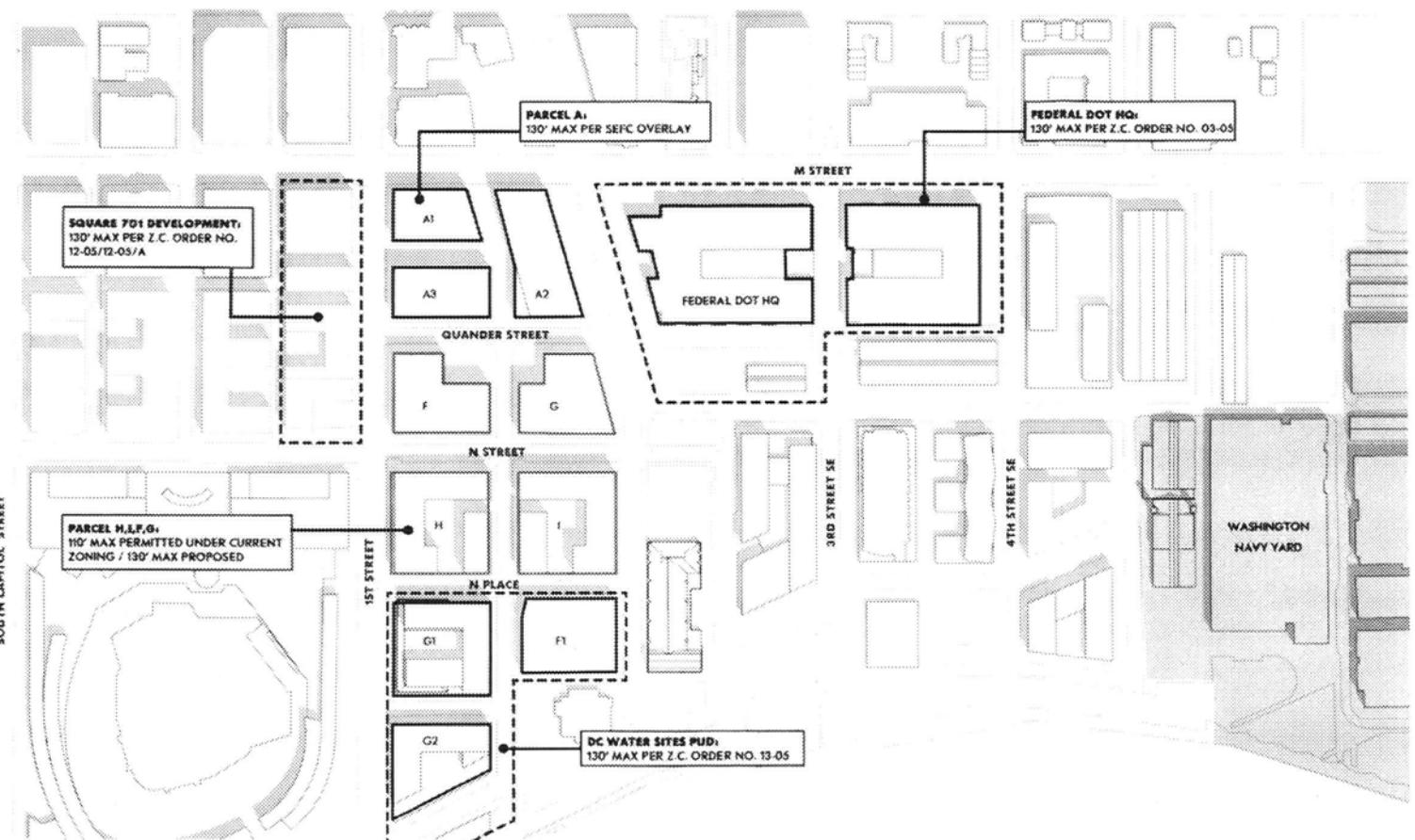
I hereby certify that on January 26, 2015, a copy of this letter was delivered by hand or electronic mail to the following.

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David Avitable



THE YARDS
FOREST CITY WASHINGTON - YARDS WEST TEXT AMENDMENT

March 2014