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VIA IZIS AND HAND DELIVERY

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

Re: **Zoning Commission Case No. 14-08 (Portner Place, LLC) - Consolidated PUD and Related Map Amendment @ Square 204, Lot 208) – Applicant's Proffers and Conditions**

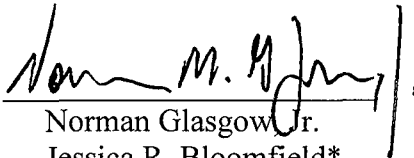
Dear Members of the Commission:

On behalf of Portner Place, LLC, as Applicant in the above-referenced case, we hereby submit the Applicant's list of proffers and corresponding conditions for the draft PUD order, in compliance with the Commission's procedures of 11 DCMR § 2403.15 *et seq.*

Thank you for your attention to this matter.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: 
Norman Glasgow, Jr.
Jessica R. Bloomfield*

Enclosure

cc: Advisory Neighborhood Commission 1B (w/ enclosure, via U.S. Mail)
Jennifer Steingasser, Office of Planning (w/ enclosure, via Hand Delivery)
Stephen Gyor, Office of Planning (w/ enclosure, via Hand Delivery)
Jacob D. Ritting, Office of the Attorney General (w/ enclosure via email)

*Admitted to practice in Pennsylvania. Practicing in the District of Columbia pursuant to D.C. Court of Appeals Rule 49(c)(8).

Z.C. Case No. 14-08 (Portner Place, LLC –
Consolidated PUD & Related Map Amendment)

<u>PROFFER</u>	<u>CONDITION</u>
<u>Urban Design, Architecture, and Open Space (11 DCMR § 2403.9(a))</u> - The PUD implements a number of urban design and architectural best practices, which will contribute to the ongoing development of U Street as a major mixed-use corridor with higher-density residential uses, including affordable housing, and high-quality retail uses. The project's frontage on U Street will activate the corridor and will relate to and respect the adjacent existing buildings. By providing a mix of uses and streetscape improvements, the PUD will support the revitalization of this portion of the U Street/14th Street neighborhood into more vibrant, mixed-use, and multi-modal area. The PUD exemplifies the principles of transit-oriented development, being located in close proximity to the U Street Metrorail station and numerous Metrobus lines. The PUD is also extremely efficient with respect to its sharing of parking and loading facilities and its economical utilization of land. A roof level playground will be incorporated into the project design. Two and three-bedroom units will also be provided in the affordable component of the project, as requested by current residents. Use of high-quality materials in a unique mid-block through-lot location results in a design that relates well to both the U and V Street frontages of the project, as approved by the HPRB.	The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. In accordance with the Plans, the PUD shall be a mixed-use project consisting of approximately 321,929 square feet of gross floor area and 6.82 FAR. The PUD shall be divided into two sections: Wing A shall have an FAR of 4.725 and shall include approximately 91,012 square feet of gross floor area. Wing A shall be comprised entirely of affordable dwelling units, with all of the 96 affordable units (plus or minus ten percent) devoted to households earning 60 percent or less of the area medium income ("AMI"), of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. Wing B shall have an FAR of 8.27 and shall include approximately 270 market rate dwelling units (plus or minus ten percent). Wing B shall have approximately 230,917 square feet of gross floor area comprised of approximately 221,197 square feet of gross floor area devoted to residential uses, approximately 9,720 square feet of gross floor area devoted to retail uses on the ground floor, plus the potential for an additional 4,900 square feet of retail uses in the P2 level.
<u>Housing and Affordable Housing (11 DCMR § 2403.9(f))</u> - The single greatest benefit to the area, and to the city as a whole, is the creation of new housing consistent with the goals of the Zoning Regulations, the Comprehensive Plan, and the Mayor's housing initiative. The proposed PUD includes approximately 312,209 square feet of residential gross floor area, approximately 30 percent of which (or 91,012 square feet of	The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. In accordance with the Plans, the PUD shall be a mixed-use project consisting of approximately 321,929 square feet of gross floor area and 6.82 FAR. The PUD shall be

gross floor area) will be designated as affordable for households earning 60 percent or less of the AMI, of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. This substantially exceeds the amount of affordable housing that would be developed on the PUD Site as a matter-of-right development, and at a significantly deeper subsidy level.

Pursuant to Section 2603.2 of the Zoning Regulations, the Applicant is required to provide a minimum of eight percent of the proposed residential gross floor area in the PUD for affordable housing units. Under the PUD, if the Applicant were developing the property pursuant to Chapter 26, the Applicant would only be required to provide 24,977 square feet of affordable housing (eight percent of 312,209 square feet). The proposed PUD provides 91,012 square feet of gross floor area to be devoted to affordable housing, which is an increase of 66,035 square feet of gross floor area over what would otherwise be constructed (more than three times the requirement). Significantly, the affordable housing is provided at 50 to 60 percent AMI level or below, which is a substantial increase in the affordability level.

The Applicant will finance Wing A with Low Income Housing Tax Credits ("LIHTCs"), which require a 40 year affordability commitment. During the construction phase of development, the existing 47 families that currently reside in Portner Place will be located off-site as near to the vicinity of the neighborhood of the project as practicable. The Applicant will be responsible for identifying 47 units of temporary housing, covering relocation costs, and signing a master lease with a new landlord(s). Temporary relocation units will adhere to HUD guidelines for Section 8 pass-through contracts and will be subject to HUD inspections. All residents will continue to

divided into two sections: Wing A shall have an FAR of 4.725 and shall include approximately 91,012 square feet of gross floor area. Wing A shall be comprised entirely of affordable dwelling units, with all of the 96 affordable units (plus or minus ten percent) devoted to households earning 60 percent or less of the AMI, of which not less than 15 percent will be devoted to households earning 50 percent or less of the AMI. Wing B shall have an FAR of 8.27 and shall include approximately 270 market rate dwelling units (plus or minus ten percent). Wing B shall have approximately 230,917 square feet of gross floor area comprised of approximately 221,197 square feet of gross floor area devoted to residential uses, approximately 9,720 square feet of gross floor area devoted to retail uses on the ground floor, plus the potential for an additional 4,900 square feet of retail uses in the P2 level.

During the first 40 years of the project, the Applicant shall set aside no less than 96 units (plus or minus ten percent) to be devoted to households earning 60 percent or less of the AMI, with 15 percent of those units devoted to households earning 50 percent or less of the AMI. The affordable units shall be located entirely in Wing A.

During the life of the project, the Applicant shall set aside a minimum of eight percent of total residential gross floor area to be devoted to affordable housing and consistent with the Inclusionary Zoning Regulations.

The Applicant intends to finance Wing A with LIHTCs, which require a 40 year affordability commitment. During the construction phase of development, the Applicant shall relocate the existing 47 families that currently reside in Portner Place to off-site locations as near to the vicinity of the neighborhood of the project as practicable. The Applicant shall be responsible for identifying 47 units of

receive Section 8 rental assistance during the relocation period.

In the unlikely event that HUD does not approve a pass-through contract, which will allow the Applicant to transfer the current Section 8 contract off-site during the two-year construction period, every current family at the PUD Site will be issued a voucher. All residents will be encouraged to return to the new building on the PUD Site, and the Applicant will be responsible for identifying temporary housing for each returning family with a voucher and will cover relocation costs. Voucher holders will contract individually with their new landlord.

The Applicant will identify 47 units in one of three ways or some combination thereof:

1. Within the apartment complexes that the development team owns and operates in the Washington, D.C. area (Somerset has approximately 894 units of affordable housing nearby) which could be available and eligible for the relocating families;
2. With the assistance of the Transitional Housing Corporation ("THC") and/or another agency and/or broker with similar experience in identifying and relocating low income families;
3. Purchasing a new building to house some or all 47 families during the two year relocation period.

The Applicant will contract with THC or a similar agency to provide supportive services to current residents, assist families in the relocation process, and implement programs and services once the families return to the PUD Site.

The Applicant will do more to help the community than simply provide new market-

temporary housing, covering relocation costs, and signing a master lease with a new landlord(s). The Applicant shall ensure that temporary relocation units will adhere to HUD guidelines for Section 8 pass-through contracts and will be subject to HUD inspections. Subject to HUD approvals, the Applicant shall ensure that all residents will continue to receive Section 8 rental assistance during the relocation period.

In the unlikely event that HUD does not approve a pass-through contract, which will allow the Applicant to transfer the current Section 8 contract off-site during the two-year construction period, the Applicant shall ensure that every current family at the PUD Site is issued a voucher or is otherwise provided with rental assistance. The Applicant shall encourage all residents who desire to return to the new building on the PUD Site, and the Applicant shall be responsible for identifying temporary housing for each returning family with a voucher and shall cover relocation costs. Voucher holders will contract individually with their new landlord.

The Applicant shall identify 47 units in one of three ways or some combination thereof:

1. Within the apartment complexes that the development team owns and operates in the Washington, D.C. area (Somerset has approximately 894 units of affordable housing nearby) which could be available and eligible for the relocating families;
2. With the assistance of THC and/or another agency and/or broker with similar experience in identifying and relocating low income families;
3. Purchasing a new building to house some or all 47 families during the two

rate and affordable housing. For example, the Applicant will help current residents stay in their community. The Applicant is preserving existing affordable housing within a new residential development, in addition to creating new affordable housing for District residents. The Applicant will offer resident services, such as financial management, career counseling, employment skills training, referrals and other assistance in job searches, health and nutrition information, after-school programs, computer training, computer access, and other services. These services demonstrate the Applicant's commitment to improving the surrounding community and desire to provide high quality affordable housing within a program that is designed to help residents, many of whom have lived in this location for decades and prosper in an urban lifestyle.	year relocation period. The Applicant shall contract with THC or a similar agency to provide supportive services to current residents, assist families in the relocation process, and implement programs and services once the families return to the PUD Site. The Applicant is helping current residents stay in their community by preserving existing affordable housing within a new residential development and creating new affordable housing for District residents. The Applicant shall offer resident services, such as financial management, career counseling, employment skills training referrals and other assistance in job searches, health and nutrition information, after-school programs, computer training, computer access, and other services.
<u>Environmental Benefits (11 DCMR § 2403.9(h))</u> – The Applicant is fully committed to providing high-quality housing that is sensitive to the natural environment in the District of Columbia. Through the development of the project, the Applicant will expand its commitment by ensuring the environmental, economic, and social sustainability of the residents through the implementation of sustainable design features. The Applicant will implement a number of strategies to enhance the inherently sustainable nature of the PUD Site's infill, transit-rich location and to promote a healthy, desirable, and comfortable lifestyle that will fully benefit the project's residents while minimizing the impact on the environment. The PUD will provide environmental benefits, including street tree planting and maintenance, landscaping, efficient energy sources, methods to reduce stormwater runoff, and green engineering practices. The roof contains space for trees and a green roof in compliance with the Green Area Ratio	The PUD shall be developed in accordance with the architectural plans and elevations (the "Plans"), dated October 7, 2014 (Exhibit 28A), and as modified by the guidelines, conditions and standards of this Order. <u>LEED Equivalent:</u> Wing A shall be designed to comply with the equivalent of Enterprise Green Community Standards. Wing B shall be designed to include no fewer than the minimum number of points necessary to be the equivalent of a LEED Silver designation. The Applicant shall not be required to register or to obtain the certification from the United States Green Building Council.

(“GAR”) regulations, and an extensive re-planting and irrigation system is provided in public space, which far exceeds that required by DDOT regulations. In addition, bicycle parking is provided substantially in excess of that required by the Zoning Regulations, with space for close to 200 bicycles. The PUD will be designed to meet rigorous energy and environmental design standards using the LEED 2009 for New Construction and Major Renovations rating system as a guide and performance metric, and the building will not be designed or constructed below the LEED Silver rating equivalent (<i>see</i> Conceptual LEED scorecard included on page A-8 of the Plans dated October 7, 2014 (Exhibit 28A). Wing A will comply with Enterprise Green Standards.	
<u>Employment Benefits (11 DCMR § 2403.9(j))</u> – The Applicant will enter into a First Source Employment Agreement with the Department of Employment Services (“DOES”), whereby the Applicant will use DOES as its first source for recruitment, referral, and placement of new hires for construction employees whose jobs are created by the PUD.	Prior to the issuance of a certificate of occupancy for the PUD, the Applicant shall enter into a First Source Employment Agreement with DOES, whereby the Applicant shall use DOES as its first source for recruitment, referral, and placement of new hires for construction employees whose jobs are created by the PUD.