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OC OFFICE OF ZONIA.

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VIA EMAIL DELIVERY

Chairman Anthony J Hood District of Columbia Zoning Commission zesubmissions@dc gov

RE: ZC Case No 14-11 – Response to Proposed Text Amendment Application

Dear Chairman Hood and Members of the Commission

This letter is in response to the Office of Planning's proposed amendments to the Zoning Regulations regarding development in the R-4 Zoning District and the four alternatives enumerated in a Public Hearing Notice for Zoning Commission Case Number 14-11. This letter is being submitted by Capital City Real Estate, LLC (CCRE). We are a local residential development company that has been operating in the District since 2008 and have participated in over 30 conversions of R-4 properties to multi-family buildings both as a matter-of-right and through approval from the board of zoning adjustment.

While a lot of the focus recently has been on the visual impact of development in the R-4 Zoning District, our focus has been to always develop properties in a way such that they fit in well with the surrounding buildings and neighborhood from an architectural and design standpoint. We don't believe that the proposals will effectively address concerns of visual impact voiced by residents, many of which are not even in the R-4 Zoning District, but will instead have a negative impact on the positive results of conversions in R-4 Zoning Districts that we will outline below

Office of Planning Proposal – Eliminate the Matter-of-Right Conversion of Buildings or Other Structures Existing Before May 12, 1958 to an Apartment House, Reduction in Permitted Matter-of-Right Building Height and Penthouse Height, amend Definition of Mezzanine

The majority of the 30+ development projects in the R-4 Zoning District that we have participated in have been converted into four units or less. The average size of these units has been 1,200 – 1,500 square feet, consisting of 2-3 bedroom units. The majority of our projects have been supported by the local ANCs and surrounding property owners.

The current development potential in the R-4 Zoning District has given us the ability to renovate distressed row homes and properties that might not otherwise be improved. It has allowed us to be the catalyst on many streets and neighborhoods throughout the District to spark development and improvement of that area. It has allowed us to provide quality homes at a lower price point and thus keep the housing more affordable in these districts where the price of a row home is rising out of reach of much of the growing population.

We believe on a whole that the conversions that have occurred in the R-4 Zoning District have had a positive impact for the residential neighborhoods in which this zoning district applies and for the District in general. We believe that through responsible architecture and design, properties in the R-4 Zoning District can be converted within the current zoning guidelines that contribute in a positive way to the neighborhood and to the District as a whole. We believe that



this proposal will have a negative impact on the ability to renovated distressed properties and adequately provide quality, affordable housing in the R-4 Zoning District

<u>Alternative 1 – Inclusionary Zoning</u>

While we have participated in over 30+ development projects in R-4 Zoning Districts, we have also participated in numerous other projects in other zoning districts of greater than 10 units, where Inclusionary Zoning (IZ) has applied. We have experience with IZ units and sold some of the first IZ units in the District. We understand the importance of affordable housing and how they fit into a development project. Having experience with all types of development projects and all types of zoning districts, we believe that the burden proposed here would be much higher than other zones (approximately 25% of the project compared to 8-10% in other zones). For the most part, this requirement of a conversion project would make it financially infeasible. We believe that this alternative will have a negative impact on the ability to renovate distressed properties and adequately provide quality, affordable housing in the R-4 Zoning District.

For all the reasons stated above, CCRE believes that conversion projects in the R-4 Zoning District have had a positive impact on the neighborhoods in which the zoning district applies and on the District as a whole, and that all structures which meet the 900 SF of land area per dwelling should be allowed as matter-of-right. For relief from this requirement, we agree that the special exception standard, rather than the variance standard, is the more appropriate avenue and will still allow the BZA to fully review the impact of the request on the neighborhood and the District as a whole.

If the Zoning Commission does decide to implement any of the proposed amendments, we would request that a grace period of a minimum of one year be given before any of these proposed amendments are enforced. As a business based in DC since 2006, directly employing over 15 people and engaging the services of dozens of other DC-based companies for professional, construction and other services, the implementation of any of these amendments without a grace period would have a significant financial impact on not only our business, but all other businesses similar to ours and all of the businesses we work with. A grace period, of at least one year, will allow us, and other businesses, the time necessary time to restructure our business models and make the necessary changes to lessen the impact on our business, our employees and the businesses we work with. We believe that given the significant implication of these amendments on many small businesses and jobs in DC, that a grace period on the enforcement of these amendments is the responsible way to implement any such changes.

Sincerely,

Scott Zimmerman

President

Capital City Real Estate, LLC