

The Developer Roundtable

October 13, 2014

The Zoning Commission of the
District of Columbia
Suite 210
441 4th Street, N W
Washington DC 20001

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2014 OCT 17 PM 12:37

Re Zoning Commission Case No 14-13,
Text Amendments Regarding Rooftop Penthouses

Dear Chairman Hood and the Members of the Commission

The undersigned members of The Developer Roundtable are writing to respectfully express our views on the above-referenced amendments to the Zoning Regulations. The Developer Roundtable is comprised of developers active in the Downtown and other areas of the District of Columbia who meet regularly for dialogue with the city's senior elected leaders and department heads. Members' projects cover a broad range of development activity including office, retail, residential, hotel and institutional uses.

As expected, we have been following with great interest the discussion in the last year concerning amendments to the act which controls the height of buildings in the District. Indeed, we had hoped that the Congress would allow a greater increase in height than what ultimately emerged from the process. Nevertheless, we believe the District can realize substantial benefits from even the modest changes which allow at least some additional residential and commercial use.

Yet, at the same time, we are greatly concerned about certain amendments which the Commission has proposed in this regard. While these amendments would allow penthouses which previously had been restricted to mechanical equipment, elevator overrides and stair towers to now include active uses (including residential units, office and retail space), such a benefit will regrettably be difficult, if not impossible, to utilize due to the Commission's apparent intention to tie utilization of this space to higher levels of affordable housing than would otherwise be required by inclusionary zoning. This will make it financially infeasible, as a practical matter, to take advantage of the increment in FAR. We understand the Commission will be receiving an economic analysis of the impact of its proposed level of affordable housing which would be required in a project to qualify for the additional residential or commercial space at the penthouse level. We can assure the Commission that the private sector will develop and use the additional space but only if the economic return is greater than the loss which will be incurred in order to produce, as proposed, even more affordable housing, than would otherwise be required under inclusionary zoning.

The Developer Roundtable, then, is convinced that the proposals now being considered in this regard could inadvertently be self-defeating. If so, the city would receive little in the way of economic benefit from the action taken by Congress. Allowing extra usable square footage at the highest level in a building can yield (i) tax revenues and (ii) employment opportunities that are not presently achievable.

ZONING COMMISSION
District of Columbia
CASE NO. 14-13
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EXHIBIT NO. 5
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But the present proposals are likely to yield very little of either if affordable housing then triggered, as a result of the incremental space, is calculated on a basis other than that obtaining to the rest of the project

In conclusion, we urge the Commission to adopt a final approach which scales the amount of affordable housing specially required in order to use the penthouse space back to the levels that are commensurate with the significant requirements already set forth in the Zoning Regulations for inclusionary zoning and housing linkage

Very truly yours,

Jim Abdo
Abdo Development

Robert Braunohler
Property Group Partners

Brian Coulter
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Kingdon Gould III
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Douglas Jemal
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cc Ellen McCarthy, Director
Office of Planning