

June 8, 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. 14-18 – First Stage PUD and Zoning Map Amendment Application- Post-Hearing Statement of the Applicant**

Dear Chairman Hood and Members of the Zoning Commission:

This letter and the attached materials serve as the post-hearing submission of Mid-City Financial Corporation (the “**Applicant**”). This post-hearing submission and the attached exhibits address all of the issues that were raised at the Zoning Commission’s May 7, 2015 and May 11, 2015 public hearings in the above-mentioned case.

Enhanced Architectural Materials

Included in the attached Exhibit A are the following enhanced architectural materials/information which were requested by the Zoning Commission:

- Updated renderings of the “birds-eye” view of the project which reflects the reduced building heights along Rhode Island Avenue, NE;
- Illustrative plan for the pedestrian walkway (Village Row) connecting the Community Green to Rhode Island Avenue, which includes ground floor retail/commercial uses, café seating, Farmers market, benches and rain gardens, and multi-family housing units with individual ground level entrances to loft units;
- Illustrative plan for the Community Green which notes the locations of a fountain, the Orchard, the Green, and a playground;
- Renderings of the project along Rhode Island Avenue, NE, across the Community Green looking towards Rhode Island, NE, and along one of the residential streets flanked by rowhouses;

- Perspectives which show the proposed new buildings in relation to the surrounding buildings which currently exist in the area; and
- Updated shadow studies for the proposed buildings.

Review of Potential Upgrades to the Rhode Island Avenue, NE Streetscape

The Applicant's design team reviewed the current condition of the Rhode Island Avenue, NE streetscape from the Subject Property west to the Rhode Island Avenue Metro Station. The following general conditions were observed.

- The public space between Rhode Island Avenue, NE and the adjacent property lines is generally in good condition with few impediments to safe pedestrian travel along this stretch of Rhode Island Avenue, NE. However, sidewalk repaving will be beneficial at five specific locations along the eastbound sidewalk. Those locations include:
 - Two locations between Washington Place, NE and 10th Street, NE;
 - One location between Bryant Street, NE and 12th Street, NE; and
 - Two locations between Brentwood Road, NE and Montana Avenue, NE.
- Restriping is required at the crosswalks of the intersections of Rhode Island Avenue, NE and the following streets: 10th Street, NE; Bryant Street, NE; 12th Street, NE; Saratoga Avenue, NE; Douglas Street, NE; Brentwood Road, NE; 14th Street, NE; and Montana Avenue, NE.
- ADA ramp reconstruction is necessary at the intersection of Rhode Island Avenue, NE and Bladensburg Road, NE.

The Applicant believes that the cost of these improvements will be \$35,000. The Applicant will agree to a condition of approval of this First-Stage application that it pay for these noted improvements in public space, prior to the issuance of a Certificate of Occupancy for the buildings approved in the Second-Stage PUD application that includes buildings with frontage on Rhode Island Avenue, NE.

Additional Information on the Number of Second-Stage PUD Applications and Timeline for Filing the Second-Stage PUD Applications

The Applicant expects that there will likely be four Second-Stage PUD applications in order to complete the development of the proposed new Brentwood Village. The Applicant's goal is for the construction of all phases of the new Brentwood Village to be complete by 2025. In order to accomplish that goal, the Applicant is willing to include the following language in the Zoning Commission's Order approving this First-Stage PUD and Zoning Map Amendment application:

- The Applicant will file the first Second-Stage PUD application, for the construction of the Seniors Building, by August 1, 2016, the filing of this Second-Stage PUD Application will vest the Zoning Commission's approval of ZC Case No. 14-18; and
- The final Second-Stage PUD application, which will complete the development of the new Brentwood Village, must be filed by August 1, 2023.

Final Construction Phasing and Tenant Relocation Plan

The Applicant's final construction phasing and tenant relocation plan is attached as Exhibit B. As the Applicant starts the process of relocating existing tenants around the Brookland Manor property, it will be moving families from under-occupied units (units of a size where they have too few residents), as well as moving tenants into larger units as needed by their family size (there are currently 30 residents who are underhoused - they have family sizes which will require a larger unit). The Applicant will pay for all costs associated with relocating tenants on-site or off-site.

Analysis of Existing Brookland Manor Tenants

The Applicant has taken an exhaustive look at the demographics of the current Brookland Manor residents. As of June 1, 2015, 112 four and five bedroom units in the property were occupied. Based on this information, the following conclusions were made.

- 91 of 99 families currently in four bedroom units can be appropriately housed in three bedroom or smaller units that are proposed in this project.
- Eight of 13 families currently in five bedroom units can be appropriately housed in three bedroom or smaller units that are proposed in this project.
- There are thirteen families that currently require a residential unit with more than three bedrooms, six of those families have Housing Choice Vouchers, which allows those families to relocate anywhere in the Metropolitan Statistical Area with their voucher.
- Six of those thirteen households are multi-generational families, and can be appropriately accommodated by creating two households out of one. This group overlaps with the voucher holders.

The Applicant also analyzed the number of multi-generational families, and determined that only 33 households in Brookland Manor include a grandparent, parent and child. It was also determined that there are three households in Brookland Manor that include a great-grandparent, grandparent, parent and child. There are approximately 20-22 families in Brookland Manor where we have a family that is missing a generation, (i.e. an older resident raising quite young children). Based on this information, it is apparent that the vast majority of households in Brookland Manor do not include multi-generational families in the same residential unit.

The two tables below detail the specifics of family size and composition in Brookland Manor:

Five Bedroom Units 16 Occupied

Family Size	Number of Families	HUD standard occupancy Unit size	Generations in Unit	Can be divided into two households?	Voucher Holders
8	2	4	One	Both No	
7	3	4	2 two, 1 three	Yes two, No one	3
6	5	3	Three Bedroom Unit	Yes Two, No three	4
5	1	3	Two Bedroom Unit	N/A	
4	2	2	Two Bedroom Unit	N/A	1
3	3	2	Two Bedroom Unit	N/A	1
	16				

Four Bedroom Units 99 Occupied

Family Size	Number of Families	HUD standard occupancy Unit size	Generations in Unit	Can be divided into two households?	Voucher Holders
8	6	4	3 One, 3 Two	Yes three, No three	2
7	2	4	1 One, 1 Two	Yes one, No one	1
6	19	3	Three Bedroom Unit	N/A	8
5	24	3	Three Bedroom Unit	N/A	11
4	19	2	Two Bedroom Unit	N/A	10
3	14	2	Two Bedroom Unit	N/A	6
2	12	1	One Bedroom Unit	N/A	5
1	3	1	One Bedroom Unit	N/A	3
	99				

The Applicant has also included as Exhibit C, a demographics report of the Brookland Manor residents which is based on the Certifications of Family Income and Composition that each resident family has to attest to annually. The two charts provided above were created based on

the raw data included in Exhibit C. In regard to the necessary relocation of Brookland Manor residents, the Applicant continues to believe that working with the individual residents will allow both parties to achieve a beneficial outcome in every case.

**Applicant's Reasoning Regarding the Decision Not to Construct Four and Five
Bedroom Units in the New Brentwood Village**

The Applicant's decision not to construct four and five bedroom units in the new Brentwood Village is entirely consistent with local and national practices in the development and operation of affordable housing communities. It is also based on the Applicant's own experience as the largest operator of affordable housing units in Washington, DC.

In its rebuttal testimony, the Applicant noted the 2014 Quadel Consulting and Training, LLC report, which was commissioned by the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to review the existing New Communities Initiative and provide recommendations for moving that program forward. The Quadel report considered the issue of one-for-one replacement of unit types and noted that "it was not intended to entail the construction of housing developments that mirror the unit mix of the public housing" and went on to conclude that "it is generally not economical to build replacement four, five, and six bedroom apartments". The Applicant concurs with these conclusions.

The Applicant also notes the national research that it found on this issue. The Applicant determined that multifamily housing providers across the country are not building four and five bedroom apartments. This is best articulated by the President of the National Multi-Housing Council, Douglas M. Bibby, who submitted a letter to the Zoning Commission in February 2015 where he stated that:

"I am President of the National Multi-Housing Council ("NMHC") which is the largest trade association for the apartment industry. NMHC's members own and operate literally millions of rental apartment units across the country. NMHC is the primary resource for industry research, insight, analysis and expertise on apartment industry issues. After due inquiry, I am not aware of any of our members building new 4BR and 5BR family apartments anywhere in the country. There are practical, social, market, and economic reasons why rental units of this type are not feasible and are not being produced by NMHC's members."

The Applicant's years of practical experience at Brookland Manor and other properties has led it to the conclusion that the larger unit types (in the apartment flat configuration) are significantly impactful on the families who live there and the residents of the surrounding community. In many instances where there are more than six people occupying a one apartment flat, the housing configuration is not ideal in that there are relatively small common areas within the homes and those areas are inadequate in serving the educational, social, and emotional needs of family members.

Finally, as articulated in testimony at the public hearings and in previous submissions to the Commission, the Applicant does not believe that it will be necessary to build the larger unit types while meeting the housing needs of the existing Brookland Manor residents. Based upon prevailing HUD occupancy standards, only thirteen families require housing with more than three bedrooms and those families all have individual circumstances and preferences that will be addressed in the coming years with options to include: creating two households out of one, purchasing a for-sale unit, or relocating to a community of their choice with the assistance of a housing choice voucher. Importantly, many of the larger apartments in the existing Brookland Manor community are located in the portion of the property which will not be developed until the Phase 3 construction begins, 7+ years from now.

Discussion of Affordable Housing Commitment

As discussed in detail at the public hearings in this case, the Applicant remains committed to retaining the Section 8 contract on the property, so the existing 373 units (with deep affordability) at Brookland Manor will remain in the new Brentwood Village. Therefore, the Applicant will provide for 22% (373 of the total 1,646 multi-family units) of the new rental accommodations to be reserved as affordable units with AMI levels that are significantly below 50% of AMI. An additional 11 for-sale townhouses or two-over-two units will be reserved as affordable units that will satisfy the Inclusionary Zoning standards. At the end of the build-out of the new Brentwood Village community, the affordable units will be approximately 22% of the total number of units. In support of the Applicant's affordable housing commitment across the site, the senior citizen building will be 100% assisted, each multi-family building will have at least 10% of the units reserved as affordable housing, and 10% of the for-sale residential units (townhouses or two-over-two units) will be reserved as affordable dwellings.

The Applicant has additionally committed to allow all households that reside at Brookland Manor at the commencement of the redevelopment in early 2018 with the right to return to the new Brentwood Village community. The Applicant expects that there will be 424 occupied units at the time that the redevelopment commences in 2018. The expected turnover of 60 units, from 484 occupied units (as of 6/2/15) to 424 (as of 1/1/18), will come from normal turnover, and is based on historic results (78 units turned over in 2012, 79 in 2013, and 47 in 2014).

Commissioner Miller asked the Applicant to take another look at the proposed affordable housing commitment in the "doomsday scenario" of the US Congress abolishing the Section 8 program nationwide. We refer to this a "doomsday scenario" as the Section 8 program currently helps provide affordable housing units to over 5 million people across the nation. If this program was abolished, it would have significant impacts across the District of Columbia, and the nation, not just for this project.

The Applicant analyzed the ability of having 329 multifamily units (20% of the total number of multifamily units) reserved for households making up to 60% of AMI. This 60% AMI cap would only work with a change in income underwriting standards to a Conventional

Apartment standard of 40% of income combined with Property Tax relief on the affected units by the District of Columbia. The DC Housing Trust would also have to provide some transitional funding for residents in place at the time of the transition. Therefore, in the unlikely event that the Section 8 program is abolished, the Applicant's affordable housing commitment will be:

- 329 multifamily units (20%) are to be set aside at 60% of AMI (provided the change in underwriting standards is approved, some form of property tax relief is granted for those units, and DC Housing Trust Funds are provided); and
- 11 (10%) of 114 for-sale units are reserved for families making the minimum income levels prescribed in the Inclusionary Zoning program.

Description of Continued Dialogue with the Brookland Manor Residents Association

Since the conclusion of the May 11, 2015 public hearing in this case, Mr. Meers has continued to reach out to Ms. Elliott, in her capacity as the President of the Brookland Manor Residents Association, in order to help assuage any concerns that she and other residents may have regarding the affordable housing commitment of the Applicant and the tenant relocation plan. The Applicant recognizes that this is just the beginning of the development process to create the new Brentwood Village and therefore it is very important to have an open and candid discussion about the tenant relocation process. The Applicant recognizes the importance of engaging with residents and incorporating resident feedback in the tenant relocation and development planning processes. The Applicant commits to continue to work with the Brookland Manor residents after the Zoning Commission takes Proposed Action to approve this First-Stage PUD application. This dialogue will continue uninterrupted throughout the development of the new Brentwood Village.

Response to Comments from DC Water and MPD

On June 4, 2015, the Office of Planning forwarded to the Applicant comments that it received from DC Water and the Metropolitan Police Department (MPD). DC Water noted that it has reasonable capacity in the water and sewer systems in the vicinity of the development to support the project. DC Water also noted that it is likely that the Applicant can arrange the water and sewer systems on site to provide adequate service on site and connections to the public system. In regard to the proposed closure of a portion of 14th Street, NE, DC Water stated that while it has facilities in the portion of 14 Street, NE to be closed, it expects the Applicant will either relocate these existing facilities to existing rights of way, or will provide appropriate easements. The Applicant's civil engineering firm has met with DC Water representatives to discuss these issues, and agrees with DC Water's conclusion that "there are practical options that would be acceptable to DC Water". The Applicant notes that these issues are typically resolved during the Street Closing and Dedication process, which is occurring concurrently with this PUD process. Therefore, the Applicant believes that it has adequately addressed the issue noted by DC Water.

The MPD report requested that the Department of Transportation should “be consulted regarding the impact and plan for the anticipated increased traffic in the area”. DDOT has submitted its report in this case and the Applicant has agreed with all of the mitigation measures noted in the DDOT report. The MPD report also requested that the Applicant “consider enhanced lighting and security features a priority to ensure increased public safety along the walkways and interior courtyards of the development.” In the design of all of the Second-Stage PUD applications, the Applicant will address these issues.

Exhibits

The following exhibits are attached to this post-hearing submission:

Exhibit A – Enhanced Architectural Materials and Information Requested by the Zoning Commission

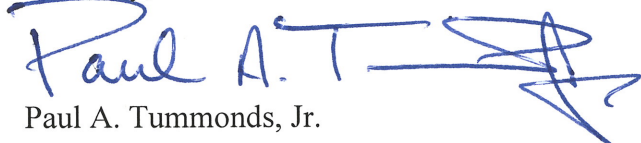
Exhibit B – Final Construction Phasing and Tenant Relocation Plan

Exhibit C – Brookland Manor Demographics Report (personal information redacted)

Conclusion

The Applicant believes that the information provided in this post-hearing submission responds to the Zoning Commission’s request for additional information. We look forward to the Zoning Commission taking Proposed Action on this case at the June 29, 2015 public meeting.

Sincerely,


Paul A. Tummonds, Jr.

CERTIFICATE OF SERVICE

I hereby certify that I sent a copy of the foregoing document to the following addresses on June 8, 2015 by Hand Delivery and First Class Mail:

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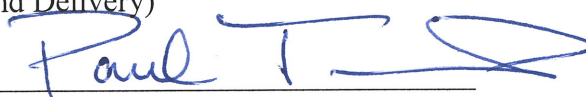
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