District of Columbia
Office of Planning

MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Jennifer Steingasser, Deputy Director
Development Review and Historic Preservation

DATE: May 22, 2015

SUBJECT: **Final Report for ZC #15-01**, Consolidated PUD and related Zoning Map Amendment, 320 Florida Avenue NE (Square 3587, Lot 4)

I. RECOMMENDATION

The Office of Planning ("OP") recommends **approval** of the consolidated PUD for development of and related Zoning Map Amendment from the C-M-1 District to the C-3-C District for the Property known as 320 Florida Ave. NE or Square 3587, Lot 4 subject to the following:

- With regard to the proposed affordable housing plan per the Applicant's supplemental filing on May 15, 2015,identification of the specific flexibilities needed from the requirements of Chapter 26, Inclusionary Zoning (IZ), including §2607 Off-Site Compliance, §2603 Set-Aside requirements, §2605 Development Standards, timing, and details and commitments regarding construction timing, etc.

  OP is open to support of the amount and type of housing proposed in the affordable housing proposal, which includes a mix of on-site rental units and off-site, for-sale one-family dwellings with 2.5 bedrooms (average) of 1,067 sf; however, further detail on how the proposal compares to the requirements of Chapter 26, Inclusionary Zoning is necessary. See later affordable housing sections for more detail.

- The Applicant has provided two optional roof structure plans (Option A of 20' height and residential use and Option B of 18'-6" in height and non-residential uses shown on sheets A-35 and A-36) as requested at set down. However, the elevations, sections and renderings submitted on May, 15, 2015 show only Option A of 20' in height and residential use throughout the plan set. Additionally, Sheet A-24, which shows roof sections for the non-residential option, notes "Res. Unit" in the penthouse Section A, which could be confusing for the Zoning Administrator.

  To avoid confusion, prior to final action, all plans, elevations, sections, renderings, etc. the 18-6" option should be clearly shown on all applicable sheets, either by a note, additional sheet, or superimpose on the plans. Remove "Res. Unit" from Sheet A-24.

- A statement from DGS regarding the current negotiations for the park improvements, as DGS reports they are in very preliminary negotiations with the Applicant. OP recommends the Applicant maintain the park for the maximum 20- year period, per DGS.

- Clarification on the park proffer and the park improvements shown on the plans, including what costs are associated with the $600,000, such as design, soft costs, physical improvements etc., and landscape plan.

- Confirmation if the pathway as designed on the DGS land/park improvements meets ADA requirements in terms of slope/grade percent.

- Confirmation of a minimum of LEED Silver-rating certification by the USGBC. Specify other third-party confirmation if applicable. Since 50 points are shown on the plan set submitted May 15, 2015, OP encourages the Applicant to seek Gold certification (60-79 points), as DDOE states an additional 10 points could be fairly easy to achieve.

- Revision of the TIS/TDM to reflect the flexibilities requested in terms of maximum number of units and provision of the minimum amount of parking, 346 units and ~95 parking spaces respectively, so intensity of impact can be evaluated. Provide a TDM plan commensurate with flexibilities requested per DDOT, which would include a greater aggregate benefit of one-time/one-year car or bike-sharing membership reflective of the actual number of units built, which will likely be greater than the proffered $15,000.

As described in Section V of this report, the proposed map amendment and PUD would not be inconsistent with the maps and written elements of the 2010 Comprehensive Plan and the small are plan known as the Florida Avenue Market Study.

II. Application-in-Brief

The proposed project consists of a mixed-used building of approximately 285 to 346 residential units and 9,880 sf of ground-floor retail, with a total gross floor area of 227,123 sf. Certain flexibilities have been requested to facilitate the proposed development.

Location:	Square 3587, Lot 400. Generally, a rectangular-shaped property bounded by Florida Avenue NE to the south, Gateway Market (340 Florida Ave, ZC #06-40) to the east, future development site to the north and to the west, open space owned by the District of Columbia, adjacent to the railroad tracks owned by the Washington Terminal Company. The Metropolitan Branch Trail is located west of the tracks. The Property is within 1,000 feet from the NOMA-Gallaudet U (New York Avenue) Metro Station.
Ward/ANC:	Ward 5, ANC 5D
Applicant/Owner:	320 Florida Owner, LLC c/o Level 2 Development
Current Zoning:	C-M-1 Commercial-Light Manufacturing District

Existing Use of the Property: One-story, concrete fast-food establishment including asphalt parking lot and driveways.

Comprehensive Plan Future Land Use Map Designation: Striped one-third each High-Density Commercial, High-Density Residential and Production, Distribution and Repair

Property Size: 28,394 square feet (0.6518 acres)

Proposal: Together with a related map amendment to C-3-C, develop a primarily residential, 120-foot mixed-use building of approximately 285-346 residential units with 9,880 sf of retail use on the ground floor. The total GFA is 227,123 or an FAR of 8.0[1].

Relief and Zoning: Pursuant to 11 DCMR Chapter 24, the Applicant/Owner seeks:

1. Consolidated PUD and related map amendment to the C-3-C District;
2. Flexibility from Rear Yard Requirements (§774.1);
3. Flexibility from Court Requirements (§776.3 and §776.7);
4. Flexibility from Compact Parking Space Requirements (§2115.2);
5. Flexibility from Loading Requirements (§2201.1);
6. Flexibility from Roof Structure Requirements (§411 & 770);
7. Flexibility to vary the number, location and arrangement of compact parking spaces

OP notes flexibility from Inclusionary Zoning is required and has asked the Applicant for more specificity in this regard.

Flexibility in Design: The applicant request the following design flexibility within the PUD but consistent with the Zoning Regulations:

1. Flexibility with regard to optional penthouse use/height consistent with any changes to the regulations ;
2. Flexibility with regard to the location and number of balconies;
3. Flexibility to vary the number of proposed residential units (+/- 10%).
4. Flexibility to vary the location and design of interior components;
5. Flexibility to reduce the number of vehicular parking to the Zoning Regulation requirements;
6. Flexibility to change the sustainable design features of building provided that the total number of LEED points remains equivalent to LEED Silver;
7. Flexibility with regard to the final selection of exterior materials without reducing the quality and to allow for minor modifications to external architectural details;
8. Flexibility in the location and design of ground floor components; and
9. Flexibility to vary the features, means and methods of achieving the Green Area Ratio of 0.2.

Regarding flexibility within PUDs, Sections 2400.2 and 2400.3 states:

> 2400.2 The overall goal is to permit flexibility of development and other incentives, such as increased building height and density; provided, that the project offers a commendable number or quality of public benefits and that it protects and advances the public health, safety, welfare, and convenience.

---

[1] Does not include penthouse GFA of 8,666 sf or .305 FAR permitted per Zoning Regulation 411.7

2400.3 A comprehensive public review by the Zoning Commission of the specific development proposal is required in order to evaluate the public benefits offered in proportion to the flexibility or incentives requested and in order to establish a basis for long-term public control over the specific use and development of the property.

III. PLAN CHANGES SINCE SETDOWN

In response to OP's on-going comments and the Zoning Commission's requests at the public meeting on March 9, 2015, the Applicant filed revised plans and an amended Pre-Hearing statement on April 3, 2015. A substantial supplemental prehearing filing of revised plans, new affordable housing proposal, park improvements, and additional public benefits was submitted on May 15, 2015. The Applicant's written responses to the Zoning Commission and OP are noted in Section II of the April 3 Prehearing Statement (p.3-8) and are found in the cover letter dated May 15, 2015 from the Applicant. The following is a summary.

Zoning Commission Comment	Applicant Response	OP Comment/Analysis
Provide more information regarding the pedestrian linkage regarding ownership, programmatic elements, construction details, process, ultimate construction	The Applicant will design, construct and maintain for 10 years a park and pedestrian pathway located on public property owned by DGS (portion of Square 3585, Lot 806) at a cost of up to $600,000. It will include a green space, plaza, pedestrian walkway, benches, canopy trees and lighting. The Applicant is currently in negotiations with DGS regarding the use and maintenance of the improvements, as well as the contract purchaser of the adjacent property to the north to continue the pathway to Morse Street.	Provide a statement from DGS confirming the status of their review of the proffered park improvements. Per DGS, OP recommends the maximum maintenance period of 20 years is agreed to by the Applicant. Construct park improvements shown on the plan (in terms of number of lights, benches, ornamental trees, general design/layout), regardless of cost, because a detailed enumeration of costs of improvements has not been provided or verified. Confirm if the ADA-path meets the slope recommendations of ADA. If ADA path cannot meet slopes, than allow for more green space. See below "Off-Site Park Improvements."
Augment minimal IZ requirement. Encouraged by discussions with ANC.	**<u>April 3, 2015</u>**: 8 % of the total residential GFA (including the optional residential penthouse area) will be devoted to affordable housing. 10% will be devoted to households earning up to 50% AMI and 90% to households earning 80% AMI. **<u>May 15,2015</u>**: Mix of on-site and off-site units. Off-site units include partnership with	OP requests the Applicant address specific flexibilities needed from the IZ regulations in order to properly evaluate its affordable housing proposal, as well as how the Applicant will meet§2607 Off-Site Compliance of the IZ regulations. OP remains open to support the Applicant's affordable housing proposal dated May 15, 2015, so long as the total GFA of IZ units on-site and off-site is equivalent to 8% of 217,243 sf (or 17,380 sf of GFA) @ 80% AMI; the applicable IZ units both on and offsite remain affordable for the life of the

	Habitat for Humanity in constructing 13 for-sale units of ave. 1,067 sf each (2+bedrooms) @ 50% AMI, 7 of which would be affordable for the life of ZC #15-01 per IZ, and 6 for 15 years/Habitat's standard practice. On-site units within ZC #15-01 would include 13 units @ 80% AMI.	project; and the Applicant details exactly from which regulations flexibility is sought. See below "Affordable Housing."
Concerned with the amount of flexibilities requested	Zoning relief from the rear yard, court, compact parking space, loading and roof structures requirements are frequently granted by the Zoning Commission for PUDs. Flexibility from certain design standards have also been requested that the Zoning Commission routinely grants for PUDs including the location and number of balconies (by 20%); design of interior components; final selection of exterior materials; and the means of achieving LEED points and GAR.	OP recommends the level of flexibilities requested regarding the total number of units and parking spaces (currently proposed with flexibility of up to 61 units and ~60 parking spaces) be minimized. The wide range could affect the intensity of land use and mitigations that maybe necessary to alleviate it. Additionally, exterior materials and interior street-fronting uses are important elements of a building that affect the public realm and overall character of an area.
Provide more detailed roof/penthouse drawings/rendering. Concern regarding optional residential penthouse option.	The Revised Plans include revised sections through the penthouse on A22; new aerial views of the roof on A23-24; revised penthouse plan on A33; revised mechanical plan on A 34; and L06 with setbacks shown.	Implementation of 20'-height/residential use in the penthouses is entirely dependent on outcome of future penthouse decisions by the Zoning Commission. OP supports the options shown for the roof structure in the event the ZC allows for it in the future, as setback relief is not needed in either option. However, OP recommends all plans, elevations, sections, renderings, etc. clearly show the 18-6" option on all applicable sheets, either by a note, additional sheet, or superimpose on the plans. Remove "Res. Unit" from Sheet A-24.
Concern of blank east façade.	At-risk windows have been added to the east façade as shown on Sheet A18 and will make this elevation appear more open and consistent with the proposed building	OP supports the Applicant's change to east elevation.
Request for LEED Silver certification by USGBC/third-party.	Per A08, the project will achieve LEED Silver certification with a minimum	Confirm the certification by USGBC or other entity. The May 15, 2015 plan submission includes 50 points on the

	of 50 points.	LEED scorecard; OP encourages the Applicant to seek Gold (60 – 79 points)

Affordable Housing

OP remains open to support the Applicant's affordable housing proposal dated May 15, 2015 because it would allow for homeownership opportunities of family-sized residential dwellings of 2 or more bedrooms, of 1,067 sf, for residents whose incomes are at 50% AMI. Per the IZ regulations, the total GFA of IZ units on-site must be equivalent to 8% of 217,243 sf (or 17,380 sf of GFA) @ 80% AMI and the units must remain affordable for the life of the project. With regard to the off-site units, the Applicant should detail exactly how IZ is met, exceeded and where flexibility is needed, which appears to be §2603 Set-Aside Requirements, §2605 Development Standards, §2607 Off-Site Compliance, and potentially other sections.

With regard to §2607 Off-Site Compliance section, a detailed statement addressing how the proposed housing plan will specifically meet each subsection of §2607.2 (a) – (h), should be submitted. The subsections include specification of location (census tract), new construction (not rehabilitation), etc. The Applicant's supplemental Cover Letter and MOU with Habitat for Humanity states the off-site units would be in Ward 5 with priority in ANC-5D. More information is required to determine if the census tract lines up with the Applicant's proposal. Additionally, the Applicant hasn't addressed the requirement of new housing, as opposed to rehabilitation of homes.

The Applicant's proposal would meet the IZ minimum residential gross square footage requirement through 20 units located on-site and off-site, and would exceed the affordability requirement of 80% AMI for all IZ units. The 20 units comprise 7,865 net sf @ 80% AMI provided in the proposed new building and 7,865 sf of net sf @ 50% AMI located off-site. Using an 11% conversion factor from net to gross floor area, a total of 17,460 gross sf of IZ units will be provided, which slightly exceeds the required 17,380 sf of gross residential area. The Applicant should verify the conversion. The Applicant has proffered that these 20 units will be specified as IZ units for the life ZC #15-01/320 Florida Ave. NE. The 7 of the 20 units located off-site will be for-sale, one-family dwellings of a minimum of two bedrooms, over 1,000 sf, and will be for 50% AMI households—a deeper level of affordability than required.

In addition to the IZ square-footage requirement/20 units provided, the Applicant will co-develop/partner with Habitat for Humanity to develop another six (6) 1,000sf+ /2 bedroom+ residences for 50% AMI households for a period of 15 years per Habitat's standard sales agreement. See Applicant's MOU with Habitat (Exhibit 24 C). The Applicant should provide more detail in this regard and verify the 15-year period.

As stated above, the Applicant's unique housing proposal would achieve certain housing benefits of for-sale, larger residences at a deeper level of affordability that would otherwise not be possible with a typical multifamily PUD project. In fact, the Applicant's proposal would achieve home-ownership opportunities for low income residents as well as the provision of a full-range of housing choices are a few of "the most important general purposes of Inclusionary Zoning" per §2600 General Provisions. As such, OP is open to supporting the housing benefit of the project. However, more specificity regarding how the project meets or exceeds IZ, as well as flexibilities needed should be specified more clearly so it can be properly evaluated by OP.

OP generally supports the proposal provided there is a commitment to the full IZ *required* square footage being subject to the IZ covenant, including some of the off-site square footage as necessary; and provided that should the off-site square footage not be completed prior to a time certain, the IZ units will be fully included within the proposed building, subject to an AMI to be determined. OP continues to requests details and comparisons with the Chapter 26 requirements.

Off-Site Park Improvements

The Applicant should provide more certainty regarding the license agreement with DGS to build on and maintain a portion of their property (Square 3585 Lot 806) adjacent to the Applicant's property. DGS has informed OP they are in very preliminary discussions with the Applicant with regard to the park improvements. DGS states no formal agreement has been established to-date. According to DGS, in other similar circumstances, they would likely agree to a 2-year access, clearing, construction license agreement with a developer. After the 2-year construction period, the maximum maintenance period DGS is permitted per City Council is 20 years. As such, the Applicant could enter into a 20-year maximum maintenance period with DGS. DGS would then request maintenance cost data from Level 2 or their successor so as to be able to budget for future maintenance. OP recommends the Applicant provide a statement from DGS regarding the current negotiations for the park improvements, including their concurrence with plan programmatic elements, as currently there not an agreement in place with DGS. OP recommends the Applicant maintain the park for the maximum 20- year period, per DGS.

Streetscape/Public Realm

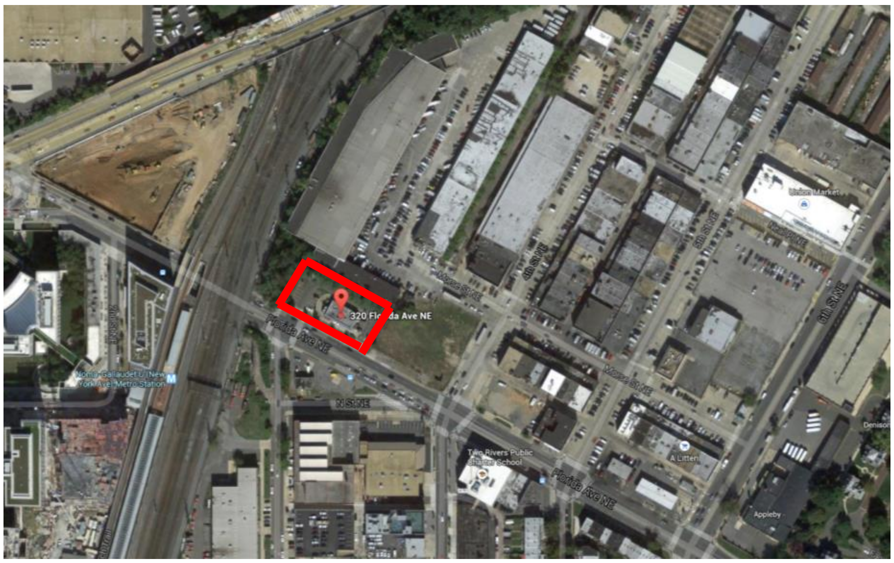
The Applicant has made changes to the streetscape along Florida Avenue NE, primarily to allow for a pedestrian realm with fewer impediments—primarily stairs—that were originally shown in the initial submission. The Applicant worked closely with DDOT to modify the original submission. OP supports the changes to the streetscape and public space to eliminate the stairs. OP notes the following elements continue to be located in public space, which will require approval by the Public Space Committee/DDOT: Pepco vaults, tree boxes, 9' residential marquee canopy, and specialty paving in front of the retail area at the eastern side of the ground floor

Public Benefits

The Applicant has supplemented its public benefit package by the inclusion of a $10,000 donation to NoMa Bid for the Metropolitan Branch Trail Safety and Access Analysis and has provided a TDM to mitigate the transportation impacts of the development. OP defers to DDOT in this regard, and suggests a more robust benefit regarding the one-time, one-year car-sharing or bike-sharing aggregate benefit value of $15,000, which should be increase to reflect the ultimate number of units provided. The Transportation Impact Study should be revised to reflect the flexibility requested for the greatest potential units and least amount of parking of 346 units and ~95 spaces, instead of 315 units and 143 spaces, so proper density impact could be evaluated.

IV. SITE AND AREA DESCRIPTION

The irregularly-shaped rectangular Property consists of one lot totaling slightly over one-half acre in area. There currently is a one-story, concrete fast-food establishment permitted by right (via the C-3 district uses permitted by right), with two curb-cuts and surface parking lot areas connected by a driveway. The Property fronts on to Florida Avenue NE and is bounded by private property to the north and east. Immediately to the west lies a District of Columbia-owned parcel and the raised railroad track area. The Property does not have alley access and is land-locked, except for Florida Avenue NE access. The Property is approximately 1,000 feet from the entrance of the NOMA-Gallaudet U (New York Avenue) Metro Station to the southwest. Please refer to the aerial vicinity map below. The topography of the Property includes a rise in elevation from Florida Avenue (elevation between 54' to 62') approximately ten (10) to fifteen (15) feet up to the northern/rear property boundary whereby the elevation is seventy (70) feet.



Vicinity Map/ Aerial Photo. Approximate bounds of the Property in red. 2014 Google.

The Property is within the small area plan known as the Florida Avenue Market Study Area which is detailed more specifically below in Section IV. The Florida Avenue Market Study Area is currently undergoing a significant amount of development interest. Within the forty (40) acre market area, there are several approved PUDs, several PUDs currently under review, and others are anticipated to be filed in the near future. See map below for a summary of PUDs. In almost all cases, the PUDs include a related map amendment to the C-3-C District from an industrial district of either M or CM.

Additionally, the area to the southwest and west of the Property, known as NOMA, subject to the NOMA small area plan, has undergone significant and transformative private and public investment through private development and infrastructure improvements. There are several NOMA PUDs in close proximity to the Property, and they are also included on the map below.

-- Applicant's PUD 15-01, 320 Florida Ave, NE. (245-346 residential units and 8,472 sf retail

-- Potential Future PUDs

\# -- Nearby, approved PUDs <u>or</u> PUDs currently under review

#1: ZC 05-23, Approved in 2006 (extensions/modifications were granted through 2009), Rezoning from M to C-3-A, 600 residential units and 1,000 sf retail. (3.3 FAR). The project has been built.

#2: ZC 06-14, Approved in 2007 (extensions/modifications granted through June 2013), Rezoning from M to C-3-C, 230-270 residential units; 140-195 hotel rooms and 5,000-7,000 sf retail, which has been constructed. There is an unbuilt ~600,000 sf office building associated with the PUD. (7.08 FAR)

#3: ZC 06-40, Approved in 2008 (extensions/modifications through 2016), Rezoning from C-M-1 to C-3-C, 170-216 residential units and 27,410 sf of retail. (5.0 FAR). The project has not been built.

#4: ZC 14-07, Pending final action, C-M-1 to C-3-C, 420-520 units and 39,600 sf of retail. (8.0 FAR)

#5: ZC 14-12, Approved March 30, 2015, C-M-1 to C-3-C, existing union market uses of 62,000 sf,~40,000 sf of theater uses, residential (260,000 min to 615,000 sf max) or office uses (104,000sf to 400,000 sf max), ~30,000 sf retail.

#6: ZC 11-25, Approved in 2012, rezoning from C-M-1 to C-3-C, 220-240 hotel rooms (4.08 FAR). The project is under construction, near completion.

#7: ZC 14-19, Pending approval, C-M-1 to C-3-C, 401 residential units and 9,000 to 13,000 sf retail. (6.14 FAR).

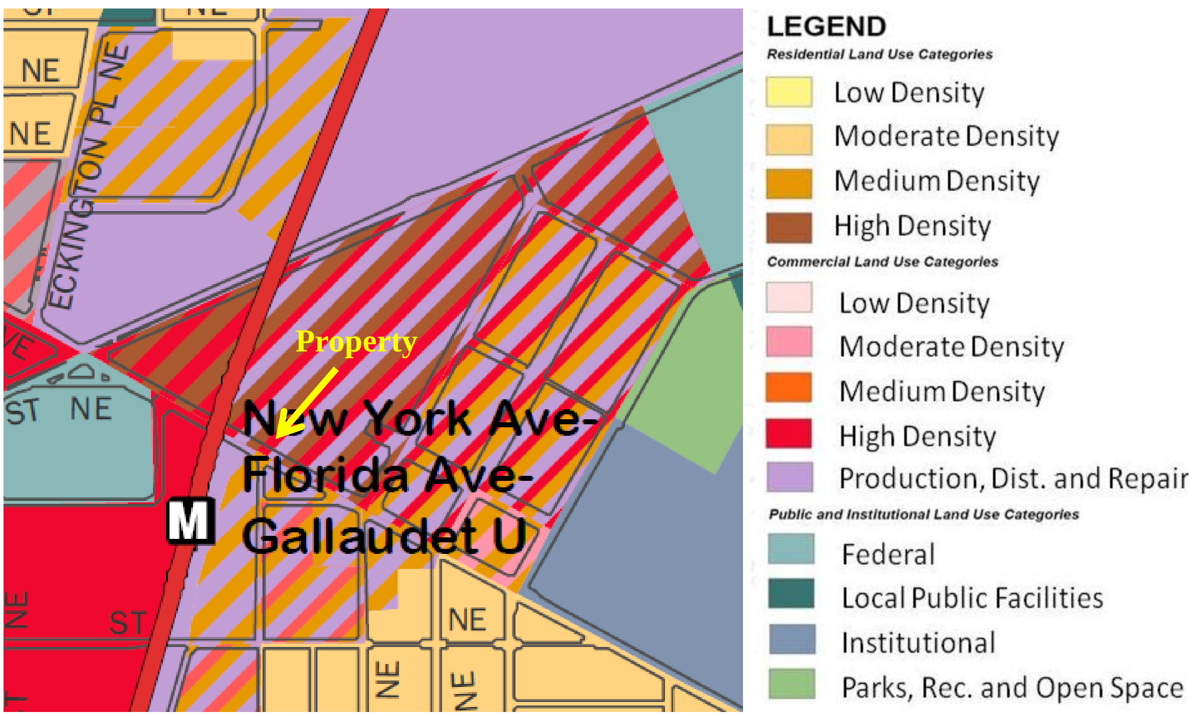
As depicted above, the area within .5 to .7 miles of the NOMA Metro station is undergoing a substantial influx of residential development of a minimum of 2,326 units to a maximum of 2,953 units that are built or are currently under public review. With the addition of anticipated PUDs not yet under review, the area will see a substantial influx of residents where there has not been a residential population for years, as all of these areas have been zoned to facilitate industrial or commercial uses. As such, continued infrastructure and public realm planning, among other considerations, are important factors that will facilitate the success of the area.

V. Comprehensive Plan MAPS and Policies

The proposed PUD must be determined by the Zoning Commission to be not inconsistent with the Comprehensive Plan and with other adopted public policies (§ 2403.4). The map amendment also should not be inconsistent with the Comprehensive Plan and other adopted policies.

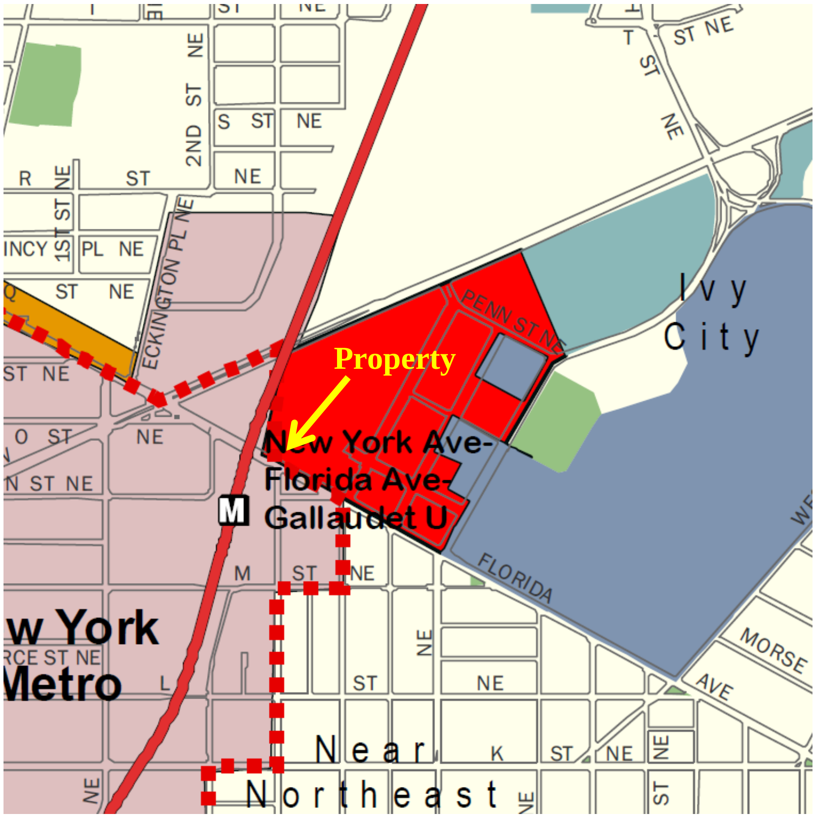
A. Future Land Use Map

The Future Land Use Map designation for the Property is striped for mixed use High-Density Commercial, High-Density Residential and Production, Distribution and Repair.



B. General Policy Map

The Generalized Policy Map designates the Property as part of a "Multi-Neighborhood Center" which is to meet the day-to-day needs of residents and workers in the adjacent neighborhoods in terms of both depth and variety. Their service areas are typically one to three miles. These centers are generally found at major intersections and along key transit routes. These centers might include supermarkets, general merchandise stories, drug stores, restaurants, specialty shops, apparel stores, and a variety of service-oriented businesses. These centers also may include office space for small businesses, although their primary function remains retail trade. Mixed-use infill development at these centers should be encouraged to provide new retail and service uses, and additional housing and job opportunities. Transit improvements to these centers are also desirable. (Comprehensive Plan, §§ 223.4 and 223.5)



C. Comprehensive Plan Policies

The Property is located in the Upper Northeast Area of the Comprehensive Plan. There are several policies within the Upper Northeast Area Element, as well as policies in the Citywide Framework (primarily the Land Use Element), which encourage a mix of uses in the Florida Avenue Market/Capital City Market Area and the creation of a gateway through physical improvements.

More specifically, the Property is located within the Florida Avenue Market Area Study (2009), a small area plan adopted by City Council, which includes general guidance for the immediate area, as well as site-specific guidance.

Finally, the area is included in the "Ward 5 Works: Ward Five Industrial Land Transformation Study" area. The ways in which this study is applicable to the Property is detailed below.

Ultimately, a map amendment-related PUD development facilitated by the regulations of the C-3-C zone would help achieve the applicable policies. Please note bold text was added for emphasis.

Upper Northeast Area Element ("UNE"):

- Planning and Development Priority: "Retail choices in Upper Northeast need to be expanded… Many of the commercial areas in Upper Northeast are dominated by used car lots, carry-outs, liquor stores, automotive uses and other activities that are not conducive to neighborhood shopping…**Florida Avenue and the areas around the Metro stations have the potential to become pedestrian-oriented shopping districts. The Florida Avenue Market also has the potential to become a more vital shopping district, serving not only as a wholesale venue but also as a retail center for Ivy City, Trinidad, Eckington and nearby neighborhoods.** (§2407.2)

- UNE-1.2.1: Streetscape Improvements: "**Improve the visual quality of streets** in Upper Northeast, especially **along….Florida Avenue**…Landscaping, street tree planting, street lighting, and other improvements should **make these streets more attractive community gateways**." (§2409.1)

- UNE-2.1.2: Capital City Market: "**Redevelop the Capital City Market into a regional destination that may include residential**, dining, entertainment, office, hotel and wholesale food uses… (§2411.6)

- UNE-2.1.4: Northeast Gateway Urban Design Improvements: "**Improve the image and appearance** of the Northeast Gateway area **by creating landscaped gateways into the community, creating new parks and open spaces, upgrading key streets** as specified in the Northeast Gateway Revitalization Strategy, **and improving conditions for pedestrians along Florida Avenue** and other neighborhood streets." (§2411.8)

Citywide Guiding Principles:

- Land Use ("LU")-1.3.2: Development Around Metrorail Stations: **Concentrate redevelopment efforts on those Metrorail station areas which offer the greatest opportunities for infill development and growth**, particularly station in areas…with large amounts of vacant or poorly utilized land in the vicinity of the station entrance…(§306.11)

- LU-1.3.3: Design To Encourage Transit Use: "**Require architectural and site planning improvements around Metrorail stations that support pedestrian and bicycle access to the stations** and enhance the safety, comfort and convenience of passengers walking to the station or transferring to and from local buses. **These improvements should include lighting, signage, landscaping and security measures**…(§306.13)

- LU-3.1.4 Rezoning of Industrial Areas: "**Allow the rezoning of industrial land for non-industrial purposes** only when the land can no longer viably support industrial or PDS activities or is located such that industry cannot co-exist adequately with adjacent existing uses. Examples **include land in the immediate vicinity of Metrorail stations**… (§314.10)

- Housing-1.1.4: Mixed Use Development: **Promote mixed use development, including housing, on commercially zoned land**, particularly in neighborhood commercial centers, along Mains Street mixed use corridors, and a**round appropriate Metrorail stations.** (§503.5)

- Parks, Recreation and Open Space ("PROS")-1.4.4: Parks on Surplus Land: **"Acquire** and convert abandoned or tax delinquent land, surplus rail or road rights of way, and **other land not in productive use into recreational use where feasible and appropriate, particularly in parts of the city that lack adequate access to park land."** (§807.7)

- PROS-3.4.4: Trails in Underutilized Rights-of-Way: **Develop multi-use trails in underutilized rights-of-way, including surplus railroad corridors** and undeveloped street rights-of-way." (§815.8)

- Urban Design-1.4.1: Avenues/Boulevards and Urban Form: Use Washington's major avenues/boulevards as a way to reinforce the form and identity of the city, connect its neighborhoods, and improve it aesthetic and visual character**. Focus improvement efforts on avenues/boulevards in emerging neighborhoods,** particularly those that provide important gateways or view corridors within the city. (§906.4)

D. Florida Avenue Market Study

The Florida Avenue Market Study ("FAMS") was completed by the Office of Planning in March 2009 as a result of several catalysts which included development pressure within and around the NOMA-Gallaudet (New York Avenue) Metro Station, guidance from the Comprehensive Plan, the New Town at Capital City Market Revitalization Development and Public/Private Partnership Emergency Act of 2006, the Northeast Gateway Revitalization Strategy, and the Gallaudet University Campus Plan. It was adopted by City Council and is a small-area plan. Within the FAMS, is a "Development Framework." The purpose of the FAMS "Development Framework" is to provide opportunities, guidance and direction for developers and property owners as they propose redevelopment solutions of the ~40 acre area (p.6). It defines a redevelopment vision which includes a recognition of the "grittiness" of the wholesale, ethnic market retail niche in its current state, as well as its turn-of-the century historic Capital Market past; future development as a mixed-use neighborhood with a focus on retail and food-related retail; inclusion of historic market structures that are to remain; new bustling and alluring ground floor uses; pedestrian and bicycle connections to the NOMA-Gallaudet (New York Avenue) Metro station and to the Metropolitan Branch Trail; and finally an improved public realm of streets, sidewalks, open spaces, plazas and gathering places. The following includes general guidance for the redevelopment Property, which is primarily taken from the Development Framework section of FAMS (p.49-76):

- Zoning and Intensity Plan (Figure 6.01) p. 57: Designated as "High Density," which corresponds to development of 90' in height and an FAR of 6.5 as a matter-of-right; or 130' in height and an 8.0 FAR in a PUD/TDR scenario.

- "To fulfill the public real and sense of place vision for the Study Area, it is essential that **street-activating or pedestrian-enlivening activities are featured in the ground floors** of development or **within public space of key streets such as**…**Florida Avenue**…" (p.54)

- "Sense of Place: **Utilize design techniques in new construction to enhance the sense of place and pedestrian character of the FAMS."** (p.58)

- "Open Space: Include **amenities in open space** for users, such as benches, water fountains, etc…**Ensure accessibility for a wide range of users**—both physically accessibility and obvious visual cues will ensure people know the space is public." (p.58)

- "Public Realm: **Create a pedestrian-friendly environment with clear pathways throughout the market**…Improve sidewalk conditions…**encourage active ground-floor uses** (such as restaurants and retail) along expected pedestrian routes…" (p. 59)

- "Transportation: **Increase pedestrian connectivity to/from the New York Avenue Metro Station**…" (p.59)

E. "Ward 5 Works: Ward 5 Industrial Land Transformation Study"

Through mayoral executive order in 2013, a task force was established to create a strategy for the modernization and adaptive use of industrial land in Ward 5. The resultant study strives to do the following: guide the development of existing industrial land into cutting-edge and sustainable production, distribution and repair industry that diversifies the District economy; recommend the preservation of industrial lands; serve as a hub for low-barrier employment and job-training; allow for cheaper land costs; complement and enhance the integrity of neighborhoods; and provide opportunities for arts, recreation and other community amenities, as well as creative start-up maker businesses.

The Property is within the 1,030 acre "Ward 5 Works" study area, and is specifically within the area named the 'New York Avenue South' area. While the proposed map amendment-related PUD would preclude future light industrial uses on the Property, the "Ward 5 Works" study acknowledges the FAMS and the market's revived food distribution and production role, the fast-growth rate of the District, and market pressures for development by Metro that have resulted in zoning map changes that allow for residential uses and a mix of uses that do not otherwise allow for industrial uses (p.20-22). It also states: "In some ways, this area [FAM] is already sustaining PDR growth—particularly among food industries based in the FAM, though this zone also features several blighted and underperforming properties as well…sites in this zone feature somewhat better vehicular pedestrian connectivity as…Florida Avenue connect[s] to the broader city. This area still requires improved pedestrian and transit access to meet its potential as a PDR hub." (p.49). In terms of request and its acknowledgement of the Ward 5 Works study, the proposed ground-floor retail uses provide an opportunity for certain creative, start-up maker uses that complement the food-focused retail of Union Market.

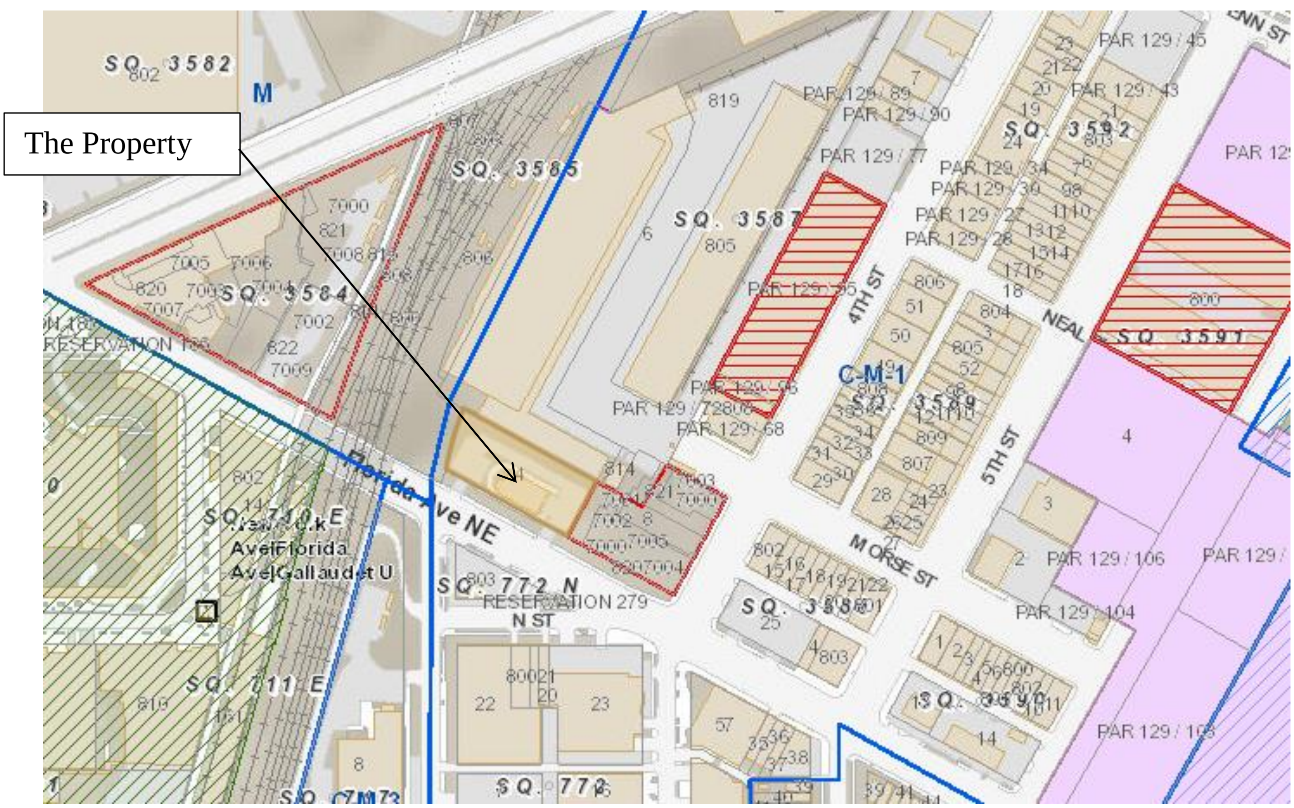
OP encourages the developer to prefer uses within the retail space consistent with creative, start-up maker uses that complement the food-focused retail of the Florida Avenue Market and the Ward 5 Works Study.

F. North of Massachusetts Avenue ("NOMA"): Vision Plan and Development Strategy

Prepared by the Office of Planning and adopted by City Council via resolution October 2006, the NOMA Plan is a small area plan to guide development of the 358-acre area roughly bounded by Massachusetts Avenue to the South, New York Avenue to the North, North Capital Street to the west and 3rd Street NE to the east to ultimately accommodate 20 million sf of residential and commercial development (50%/50%) within an ultimate period of 20 years. While the Property is not within the plan boundary, the Property benefits greatly from the increase of both residential and commercial density, and through public and private investments made in the past 5-10 years surrounding the NOMA-Gallaudet (New York Avenue) Metro Station. The physical connection and accessibility between FAMS to NOMA in a multi-modal way is important in order to capitalize on the success of NOMA and the lay the groundwork for the future success of the development of FAMS.

VI. ZONING

The Property is currently zoned to the C-M-1 Commercial-Light Manufacturing District, which is intended to provide sites for light manufacturing activities including warehousing, office and automotive usage at a low intensity level. It does not permit residential use or mixed use development with a residential component. The Applicant proposes C-3-C Major Business and Employment Center District which is designed to accommodate major business and employment centers, housing and mixed use development. It allows for compact, medium-high density development, including office, retail housing and mixed-use development.



Zoning Map.

The following table compares the existing matter-of-right development capacity of the C-M-1 District with the requested C-3-C District regulations:

Standard	C-M-1 By Right	C-3-C By Right	C-3-C PUD	Proposal
Uses	Industrial, commercial	Office, retail, residential and mixed use	Office, retail, residential, hotel and mixed use	Primarily residential with ground floor retail
Height in feet/stories	40 ft./3-stories	90 ft.	130 ft.	120 ft.
FAR	3.0	6.0	8.0	8.0
Lot Occupancy %	Not specified	100%	100%	100%
Rear Yard	For the portion of the structure above 20' in height, 12 ft.	2.5"/vertical feet in height, but ≥ 12'	2.5"/vertical feet in height, but ≥ 12'	**25 feet required, 11'-2" provided (Relief Necessary)**
Side Yard	None required	None required, but if provided, then 2" in width/vertical feet in height, but ≥ 6'	None required, but if provided, then 2" in width/vertical feet in height, but ≥ 6'	None provided
Courts	If provided, 6' width for open court and 2.5"/foot of height in width	Width of Open Court: 4"/foot in vertical height, > 15'; Area of Closed Court: 2x the square of the width of the court, but >350 sf	Width of Open Court: 4"/foot in vertical height, > 15'; Area of Closed Court: 2x the square of the width of the court, but >350 sf	**Relief Necessary for court width (22.88' required and 11'-2" provided) and 2:1 court niche ratio**
Parking (spaces)	1/1000 sf of manufacturing, industrial or whole sale establishment	1 space/1,800 sf office; 1 space/750 sf retail (if more than 3,000 sf); 1 space per 4 units	1 space/1,800 sf office; 1 space/750 sf retail (if more than 3,000 sf); 1 space per 4 units	Multifamily: 72-87 required for 285-346 units), 143 provided[2] Retail: For 8,472 sf, 8 spaces.
Loading	Berth: 1 @ 30' deep Platforms: 1@ 100 sf & 1 @ 200 sf	Multifamily > 50 units 1 berth @ 55 ft. 1 platform @ 200 sf. 1 svc space @ 20 ft. Office & Retail (8,000 sf+): 1 berth @ 30 ft. 1 platform @ 100 sf 1 svc space @ 20 ft.	Multifamily > 50 units 1 berth @ 55 ft. 1 platform @ 200 sf. 1 svc space @ 20 ft. Office & Retail (8,000 sf+): 1 berth @ 30 ft. 1 platform @ 100 sf 1 svc space @ 20 ft.	**For both multifamily and retail, 1 berth @ 30', platform of 200 sf, and 1 svc @ 20' (Relief Necessary)**

VI. FLEXIBILITY

The following zoning flexibility is requested to facilitate the PUD -related map amendment:

- Rear Yard and Court Requirements (§§774.1; 776.3; 776.7)

  The Applicant requests flexibility in the provision of the requisite rear yard setback for two approximately 40-foot portions of the building that project into the rear yard, where 22.88' is required, and at two locations, 11'-2" is provided. Several open courts are created as a result of the requested reduced rear yard and as such, the Applicant also requests flexibility to provide varying open court widths of between 12' and 26' where 35-8" is required at the north/rear elevation. It would appear that a substantial number of units could not be provided if the rear yard and related open court width flexibility were not granted. Finally, on all floors except the first and second, along the west elevation, court niche width-to-depth ratio of 2:1 is not met, given the long depths and narrow widths of the courts. The court niche relief appears to be as a result of design aesthetic in the Applicant's effort to enliven the massing of the north elevation.

[2] The Applicant has requested the flexibility to provide the number spaces required by the Zoning Regulations.

OP supports the rear yard and court requirements in order to realize density projected for this particular area and due to aesthetic design considerations.

- Compact Parking Spaces (§ 2115.4); Reduction of the number of vehicular and bicycle parking spaces, and vary the location and arrangement of spaces; and Maintain 63% compact spaces:
  The Applicant seeks flexibility from the compact parking space provision of § 2115.4, that establishes that no more than 40% of the parking may be designated as compact; the Applicant requests 63% of the parking be compact. The Applicant also requests flexibility to provide a reduction in the number of parking spaces provided from 143 spaces, to the Zoning Regulation required/minimum amount of ~ 95 spaces. Should the required minimum parking spaces be provided, or an amount between the required and proposed, the Applicant requests to maintain 63% compact spaces. OP would prefer more certainty in terms of the anticipated number of parking spaces generated by the development that ranges between 143 to 95 spaces, a 48 space difference.

- Loading (§ 2201.1):
  § 2201.1 requires loading facilities (berths, platforms, and/or services spaces of varying lengths) for each proposed use. For residential use, the required loading facilities are as follows: one loading berth of 55 feet deep, one platform of 200 sf, and one service space of 20 feet deep. For retail use, a loading berth of 30’, platform of 100 sf, and service space of 20 feet is required. The Applicant requests flexibility to provide one shared loading berth of 30 feet deep; a platform of 200 sf; and a service space of 20 feet.

- Roof Structures Setback and Unequal Height (§§411.2, 770.6(b) & 411.5)
  The roof structure is of two unequal heights 18’-6” (with optional 20’) and 12’. The roof structure is set back from Florida Avenue a distance of 13’ to 26’ nearest to the 12-foot tall portion of the roof structure, so no setback relief is necessary for this portion of the roof structure. Portions of the roof structure along the north/rear of the building where the roof structure height is 18’-6” (with optional 20’) has been modified to allow for a setback 12’ to 26’-5”- from the northern wall of the building. Roof structure setback relief is now not necessary for the roof structures on the north side.

- Optional Penthouse Use: The Applicant requests the flexibility to allow for either 18’-6” roof structure with no residential units; or 20’ roof structure with residential units, depending on the outcome of the in-process revision to the existing penthouse zoning regulations. OP supports the request for flexibility, so long as the Zoning Commission approves future legislation to allow the height and use. If said legislation is not approved, OP supports the penthouse use and height that meets the current regulations.

- Number of residential Units: The Applicant requests the ability to provide a range of the number of residential units between 285 and 346. OP recommends the TIS/TDM reflect the potential maximum number of units, so impact mitigation can be determined.

- Interior Component and Exterior Materials: The Applicant requests the ability to vary interior components (including ground floor uses) and exterior materials, including the location and number of exterior balconies.

- Sustainable Features: The Applicant requests the ability to vary sustainable design features provided the total number of LEED points meets LEED Silver, as well as the features, means, and methods of achieving the requisite GAR.

- Inclusionary Zoning: As stated above, it appears certain flexibilities from the IZ regulations are needed to implement the Applicant's affordable housing proposal. Additionally, how the proposal addressed the Off-Site Compliance section is required. The Applicant should provide a detailed statement regarding how the affordable housing plan meets Off-Site Compliance and what flexibilities are required in order for OP to properly evaluate it.

VII. PUD EVALUATION STANDARDS AND PUBLIC BENEFITS AND AMENITIES

The purpose and standards for Planned Unit Developments ("PUD") are outlined in 11 DCMR, Chapter 24. Section 2400.1and 2400.2 states "The PUD process is designed to encourage high quality developments that provide public benefits….The overall goal is to permit flexibility of development and other incentives, such as increased building height and density; provided, that the project offers a commendable number or quality of public benefits and that it protects and advances the public health, safety, welfare, and convenience." The Applicant has requested various flexibilities detailed above and also offers several public benefits and amenities.

The Applicant requests a PUD and related map amendment, which is not inconsistent with the Comprehensive Plan, to allow approximately 80' of additional building height above the C-M-1 limits, as well as a density increase of 5.0 FAR or 141,970 sf.

Per § 2403.3 PUD Evaluation Standards, the PUD regulations further state that "[t]he impact of the project on the surrounding area and upon the operations of city services and facilities shall not be unacceptable, but shall instead be found to be either favorable, capable of being mitigated, or acceptable given the quality of public benefits in the project."

Sections 2403.5 – 2403.13 of the Zoning Regulations state the definition and evaluation standards of public benefits and project amenities. Public benefits are tangible, quantifiable superior features of a proposed PUD that benefit the surrounding neighborhood or public in general to a significantly greater extent than would likely result from a by right project. A project amenity is type of public benefit that is a functional or aesthetic feature of a development that adds to the attractiveness, convenience or comfort of the occupants and immediate neighbors.

In its review of a PUD application, § 2403.8 states that "…the Commission shall judge, balance, and reconcile the relative value of the project amenities and public benefits offered, the degree of development incentives requested, and any potential adverse effects according to the specific circumstances of the case." To assist in the evaluation, the Applicant is required to describe amenities and benefits, and to "show how the public benefits offered are superior in quality and quantity to the typical development of the type proposed…" (§2403.12).

As discussed above, the Applicant has offered the following amenities and benefits as an offset to the additional development gained through the application process:

> Park improvements to the adjacent DGS property, IZ commitments and affordable housing commitment with Habitat for Humanity, a commitment to build to LEED silver; and a $10,000 donation to NoMa Bid for the Metropolitan Branch Trail Safety and Access Analysis

Additionally, the Applicant has offered the following amenities and benefits as an offset to the additional development gained through the application process:

(a) Urban design, architecture, landscaping, or creation or preservation of open spaces - § 2403.9(a)

Urban Design

In terms of urban design, the Applicant will greatly improve the current pedestrian realm from its current state through the ground floor building design and the streetscape elements.

Ground floor Building Design: The building design at the ground floor includes base articulation through the use of masonry that helps establish a comfortable pedestrian-scale along the Florida Avenue streetscape. The ground floor uses of retail, lobby and leasing with multiple entrances, floor-to-ceiling aluminum-framed store front glass broken-up with masonry piers at predictable intervals, as well as a metal sign canopy, will all help aid in creating a predictable and comfortable pedestrian experience along Florida Avenue. By locating the main retail component in the middle of the building, as opposed to the east side of the building, it will allow for direct, unimpeded access from the clear sidewalk into that retail establishment. The lobby and leasing areas located have been relocated closer to the center of the building along Florida Avenue.

Streetscape Elements:

The Applicant will provide a new 25'-5" to 29'-5" streetscape along Florida Avenue that includes specialty paving along the building edge, planters/ and seat wall, a 8-foot clear side, unimpeded sidewalk and 6' wide tree pits. These elements will improve the pedestrian experience from the current state of the streetscape; however do not meet DDOT's standard of a 10' clear sidewalk in this area. Additionally, Pepco vaults are located within the public space area, outside of the 8' clear sidewalk area.

Architecture

The proposed architecture is reminiscent of an industrial/warehouse use that has converted to residential use. A unique element of the proposed façade is the slightly projecting and recessing rectangular planes in a random pattern which help break up the horizontal mass along the Florida Avenue/south elevation. The requested court niche relief is a result of the shift in plane along the western elevation. The clear masonry base helps distinguish from the main body of the building.

Landscaping and Creation of Open Space

The Applicant intends to provide two types of landscaping concurrently with this project: on-site landscaping and off-site landscaping. With regard to on-site landscaping, the Applicant intends to provide plantings within the streetscape, raised green/soft and hardscape areas in the rear yard, and on the roof, planters, green roof areas and planter areas. In terms of off-site landscaping, the Applicant intends to design and build hard and soft landscaping (inclusive of a pathway) on the DGS property immediately to the west of the Property.

The off-site landscape elements will include main programmatic elements of a pathway from Florida Avenue sidewalk to the adjacent private property to the north that will eventually connect through private property to the main area of Florida Avenue Market, a hardscape plaza, seating elements, lighting, trees and plantings. As mentioned earlier in this report, the Applicant has proffered to provide $600,000 worth of park improvements. At present, the status of the negotiations with DGS regarding the design, construction and maintenance of the improvements has not been detailed and an agreement has not been established. In order to be considered a public benefit, the Applicant should provide a statement from DGS confirming their willingness to allow for the park improvements as shown. OP recommends the plan be implemented as shown, regardless of cost as an enumeration of costs hasn't been provided/can't be verified, and could include soft costs.

(b) Site planning, and efficient and economical land utilization - § 2403.9(b)

The proposal would completely transform a significantly underutilized site located within 1,000 sf of a Metro station and several Metrobus lines along Florida Avenue. The development will add to the activation of the Florida Avenue Market area with its active retail uses, additional residents, and streetscape and off-site improvements. Internal loading and garage access from one curb cut is an efficient site planning element of the project.

(c) Historic preservation of private or public structures, places, or parks - § 2403.9(d)

The existing Property has no historic buildings on site.

(d) Housing - § 2403.9(f)

The Applicant's housing proposal could potentially exceed the IZ-required amount of affordable housing, by introducing off-site, for-sale, large units at deeper levels of affordability. As stated earlier in this report, more information from the Applicant is needed with regard to flexibility from IZ and how exactly IZ is met with its proposal.

(e) Environmental benefits- § 2403.9(h)

The Applicant intends to target LEED Silver rating equivalence of 50 points. OP would like the Applicant to specific if they will seek LEED Silver rating through USGBC. Per the May 15, 2015 supplemental submission, the Applicant's LEED checklist includes 50 points. OP recommends the Applicant seek Gold-rating (60 to 79 points), per DDOE's recommendation.

(f) Uses of special value to the neighborhood or the District of Columbia as a whole § 2403.9 (i)

The Applicant intends to design and build pedestrian pathway, plaza and other functional elements, as well as landscaping of the DGS-controlled area to the immediate west of the Property. The pathway will ultimately lead to Morse Street and the internal areas of Union Market. The pedestrian connection and improvement to the adjacent DGS land will greatly contribute to the safety and connectivity between NOMA and the Florida Avenue Market. Additionally, the Applicant's housing proposal has the potential to exceed the amount and type of housing typically proffered with large multifamily residential PUDs. OP continues to be open to the Applicant's housing proposal, yet needs more information to fully evaluate it, as stated elsewhere in this report.

VII. Agency Referrals

OP expects reports from Department of Transportation (DDOT) and potentially Department of the Environment (DDOE), which will be filed under separate cover.

OP has also referred the application to DC Water for their assessment of water and sewer capacity as part of the larger redevelopment within the Florida Avenue Market area.

VIII. Community Comments

The site is located in ANC 5D and is adjacent to 6C. To OP's knowledge, the applicant has met with both ANCs. To-date, ANC 6C has filed a report in support of the PUD as well as a petition for party-status; however ANC 5D has not yet entered a report. Letters of support from the NOMA Bid and Councilman Kenyan McDuffie has been entered into the record.

JS/mcr