

MEMORANDUM

TO: District of Columbia Zoning Commission
FROM: Maxine Brown Roberts, Development Review Specialist
J.S.
 Jennifer Steingasser, Deputy Director Development, Design and Preservation
DATE: October 10, 2025
SUBJECT: ZC 15-20E – Sursom Corda PUD, South Parcel, One-Year Extension of Time Request

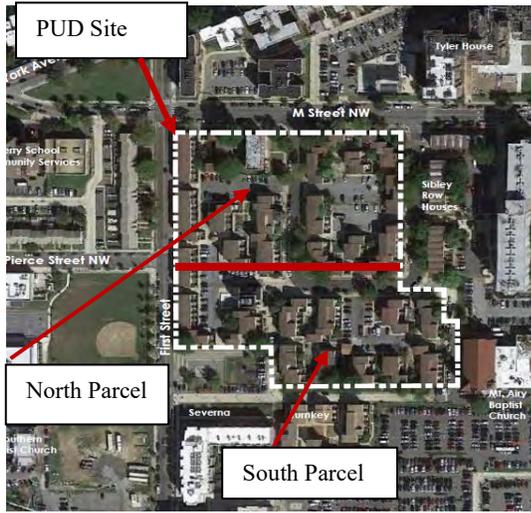
RECOMMENDATION

The Office of Planning (OP) recommends **approval** of the requested one-year time extension for ZC Order 15-20D, Sursum Corda North Parcel, to file for a Building Permit, no later than November 10, 2026; and commencement of construction, no later than November 10, 2027.

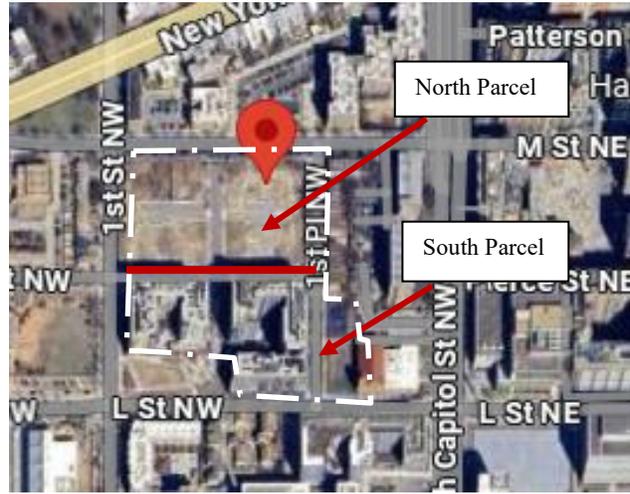
LOCATION AND SITE DESCRIPTION

Address	50 M Street, NW - Area between M Street, NW, Pierce Street, NW, First Street, NW and First Place, NW.
Applicant	TBSC Master Owner I, LLC
Legal Description	Square 620, Lot 254
Ward/ANC	Ward 6/ANC-6E
Project Summary	The former development has been demolished and the PUD site is divided into a North Parcel and a South Parcel. The South Parcel has been redeveloped with two apartment buildings containing a total of 561 units. The North Parcel, the subject of this extension request, would be redeveloped with a Northwest Building and the Northeast Building with a total of 683 units plus 32 penthouse units for a total of 715 dwelling units. The buildings would range from seven to eleven stories, with heights between 65.42 and 110 feet, and a density of 6.05 FAR. In addition, the development would have approximately 12,000 square feet of non-residential use, most of which will be located within the Northwest Building.
Order Effective Date	November 10, 2023
Previous Extension	None
Order Expiration Date	Building permit, no later than November 10, 2025; and Commencement of construction, no later than November 10, 2026.
Extension Request	Building permit, no later than November 10, 2026; and Commencement of construction, no later than November 10, 2027.

PHOTOS OF SITE



Photograph of Site in 2016



Current Photograph of Site, 2025

EVALUATION OF THE EXTENSION REQUEST

ZC Order 15-20D, Condition E, Miscellaneous states:

- 1. The second-stage PUD approval for the development of the North Parcel shall remain valid for a period of two years from the effective date of this Order. Within such time, an application must be filed for the building permit as specified under the Zoning Regulations. Construction of the Project shall start within three years from the effective date of this Order.*

Subtitle Z § 705.2 allows for the extension of a PUD for “good case” shown upon the filing of a written request by the applicant before the expiration of the approval and documenting the following:

- (a) The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond;*

The application submitted to the Zoning Commission is dated September 15, 2025 and has been in the public record since filing. As shown on the Certificate of Service in Exhibit 2, ANC-6E has been served.

- (b) There is no substantial change in any of the material facts upon which the Zoning Commission based its original approval of the application that would undermine the commission’s justification for approving the original PUD; and*

Zoning Regulations

The PUD was approved under the ZR-58 Regulation (C-3-A zone). The ZR-16 Regulations did not impact the material facts upon which the Zoning Commission based its original approval. Similarly, there has been no change in the Zoning Regulations since ZC Order 15-20D.

Comprehensive Plan

At the time of approval of the First Stage PUD the Future Land Use Map designated the area for moderate density residential and Parks, Recreation, and Open Space while the Generalized Policy Map designated the site as a Land Use Change Area. The 2021 Future Land Use Map designates the site for high density residential and medium density commercial while the Generalized Policy Map identifies the site as being within the Central Washington Area. The 2021 Maps are reflective of the recommendation of the Mid-City Small Area Plan which identifies high density residential and medium density commercial uses as appropriate for the property.

The Second Stage approved by ZC Order 15-20D found that the proposed development was not inconsistent with the Comprehensive Plan and Maps. There have been no changes to the Comprehensive Plan since approval of the Second Stage PUD.

Surrounding Development

There have been no other recorded changes in the square or its immediate surroundings that would impact the Commission's decision.

(c) *The applicant demonstrates with substantial evidence one or more of the following criteria:*

1. ***An inability to obtain sufficient project financing for the development, following an applicant's diligent good faith efforts to obtain such financing, because of changes in economic and market conditions beyond the applicant's reasonable control;***
2. ***An inability to secure all required governmental agency approvals for a development by the expiration date of the order because of delays in the governmental agency approval process that are beyond the applicant's reasonable control; or***
3. ***The existence of pending litigation or such other condition, circumstance, or factor beyond the applicant's reasonable control that renders the applicant unable to comply with the time limits of the order.***

The Applicant states that they are unable to proceed with the development at this time due to financing conditions for residential development which are the result of local market conditions and broader macroeconomic trends which are beyond the applicant's control and which combine to make it difficult to meet the time limits of the Order. The Applicant presents the following factors which have combined to prevent the timely commencement of construction:

1. Borrowing costs are still elevated after the Federal Reserve maintained the federal funds rate at 4.25%–4.50% on July 30, 2025, which keeps construction-loan benchmarks and spreads high. These financing conditions directly affect developers in the District, where higher debt costs have reduced underwriting flexibility and made it significantly harder to advance new projects. Locally, the District has had only 932 rental units begin construction in 2024, which is a 79% year-over-year decline and the lowest level in roughly 15 years. This is due to the higher interest rates and cost inflation which have inhibited lenders from making loans and have slowed closings on feasible terms. The problem is compounded by rising costs resulting in even high-profile projects experiencing significant budget pressures.
2. Construction costs are increasing at a steady 3%–5% annually, with little change expected as labor competition and material prices persist. It is expected that these conditions will

continue to constrain development in the District, especially in the office and residential sectors, in the coming years.

3. The Applicant has been directly impacted by financing and cost. Despite multiple applications, they have been unable to secure a tax-exempt bond allocation from the D.C. Housing Finance Agency as was contemplated in the approved financing plan. Institutional equity remains unavailable for ground-up construction, and higher mortgage interest rates have eliminated the flexibility once available in underwriting.
4. The approved PUD relies on a cast-in-place construction method that, at current achievable rent levels, cannot be financed. The Applicant states that they have pursued financing by engaging lenders, exploring public tools, and advancing construction drawings, but those efforts stalled as capital sources withdrew or imposed infeasible terms.

In consideration of the evidence presented, OP recommends **approval** of the requested one-year time extension for ZC Order 15-20D, Sursum Corda North Parcel, to file for a Building Permit, no later than November 10, 2026; and commencement of construction, no later than November 10, 2027.