

MEMORANDUM

TO: District of Columbia Zoning Commission

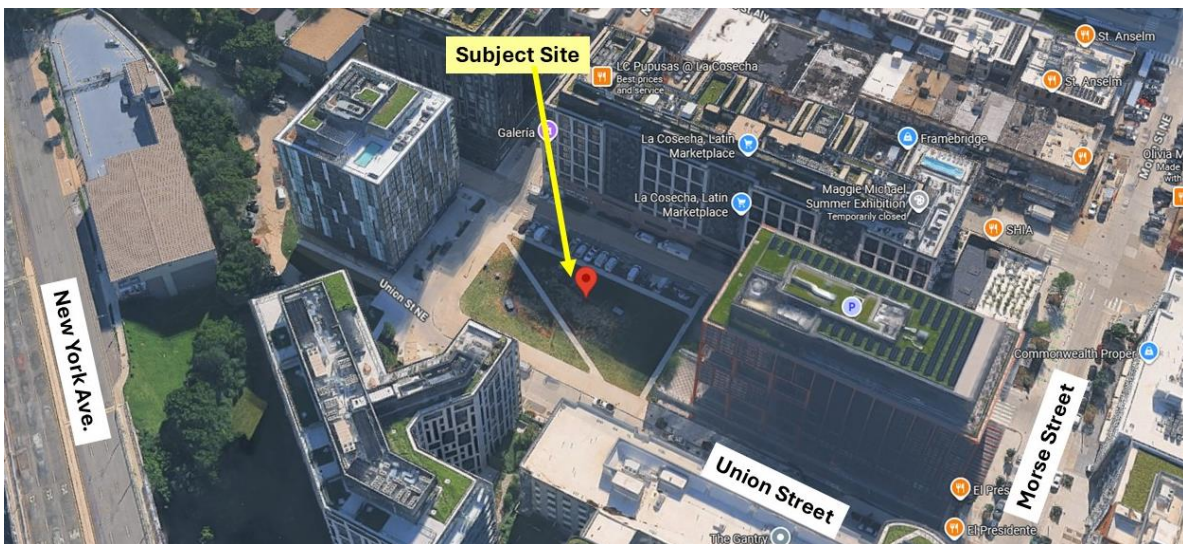
FROM: *MRT* Matthew Jesick, Development Review Specialist
Radhika Mohan, Deputy Director, Development Review, Historic Preservation, and Urban Design

DATE: March 16, 2026

SUBJECT: ZC #15-27C – Market Terminal Building C2 – Extension Request for a PUD Application

I. BACKGROUND AND RECOMMENDATION

Address, Legal Description, Ward / ANC	1275 Union Street, NE; Square 3587, Lot 834; Ward 5 / ANC 5D
Applicant	350 Morse CPK Owner C2, LLC
PUD-Related Zone	MU-9 (High Density Mixed Use)
Project Summary	Building C2 is one part of the larger Market Terminal PUD within the Florida Avenue Market. Most recently for this particular site, the Commission approved a PUD modification to permit a residential building with ground floor retail. The building would be 130 feet tall, and include about 232 residential units as well as 5,600 sf of retail.
15-27G Order Effective Date	May 10, 2024
Original Order Expiration (Deadline to submit bld. permit application)	May 10, 2026
Proposed Order Expiration	May 10, 2028
Recommendation	Approval of the two-year time extension.



Existing Site Condition

II. EVALUATION OF THE EXTENSION REQUEST

Subtitle Z § 705.2

The extension of a Zoning Commission approval is allowed for “good cause” shown upon the filing of a written request by the applicant before the expiration of the approval, provided that the Zoning Commission determines that the following requirements are met:

- (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 February 18, 2026 and has been in the public record since filing. The application contains a statement that it was served on ANC 5D, as well as other parties to the prior application.

- (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 application; and**

There have been no substantial changes in the material facts upon which the Commission based its original approval.

Zoning Regulations – The modification was approved pursuant to Subtitle X §§ 304.3 and 304.4 of the Regulations. Since the time of that approval, there have been no changes to the Regulations that would impact the subject site or the Commission’s evaluation of the PUD.

Comprehensive Plan – There has been no change to the Comprehensive Plan since the approval of 15-27G.

Surrounding Development – The surrounding built environment remains unchanged from the time 15-27G was approved.

- (c) **The applicant demonstrates with substantial evidence one (1) 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;**

According to Exhibit 2, p. 5, the applicant has been unable to secure financing for the project. They state that “elevated interest rates, significantly more conservative lender underwriting, and uncertainty surrounding near-term economic conditions have collectively reduced appetite for ground-up construction equity and debt capitalization options across the multifamily sector.”

The applicant has also stated in an affidavit (Ex. 2C) that they have delivered multiple buildings in the PUD and are fully invested in the project, but that they have “experienced immense difficulty securing financing for the Project due to the current market conditions.”

- (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;**

N/A

- (3) **The existence of pending litigation or such other condition, circumstance or factor beyond the applicant’s reasonable control which renders the applicant unable to comply with the time limits of the order.**

N/A

The applicant has shown good cause for the granting of the extension as a result of an inability to obtain financing to move the project forward. The delay in financing delayed the preparation of plans necessary for the filing of permits. OP therefore recommends granting the requested two-year time extension in which to file a building permit.

III. ANC COMMENTS

The property is in ANC 5D. At the time of this report there are no comments from the ANC.

IV. COMMUNITY COMMENTS

No community comments were submitted to the record as of the date of the filing of this report.