

MEMORANDUM

TO: District of Columbia Zoning Commission

FROM: Matt Jesick, Development Review Specialist
MBR for Radhika Mohan, Deputy Director, Development, Design and Historic Preservation

DATE: May 4, 2026

SUBJECT: ZC #21-20C, Time Extension
Steuart South Capitol Design Review

I. BACKGROUND AND RECOMMENDATION

In 2022, the Zoning Commission (ZC) approved a design review application for a residential building with ground floor retail at the intersection of South Capitol and S Streets, SW (ZC #21-20). In 2023 and 2024, the Commission also approved a modification and a two-year time extension (ZC #21-20A and #21-20B). The approved design review application spanned the entire S Street frontage between South Capitol and Half Street and is intended to be the first phase of a project that would eventually occupy the entire square. Future design review applications will be submitted for the north side of the block.

The applicant now requests a further time extension (#21-20C), and a modification without hearing (#21-20D). This memo analyzes the time extension request, and a separate memo addresses the modification and is submitted to the record of that case. The applicant has demonstrated good cause for the time extension and waiver to approve a second extension for a design review case, and the waiver should not prejudice any party. The Office of Planning (OP), therefore, recommends **approval** of the requested time extension as well as the associated waiver.

II. APPLICATION-IN-BRIEF

Applicant	Steuart Investment Company
Location of Project	1 S Street, SW; Square 662, Lot 16; Ward 6, ANC 6D
Proposal	According to the written statement the applicant requests the following: (1) A two-year time extension; (2) A Waiver of the maximum of 1 time extension for design reviews;
21-20 Effective Date	April 8, 2022
21-20B Order Expiration (first time extension)	April 8, 2026

Proposed Expiration Date	April 8, 2028
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III. 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 April 9, 2026 and has been in the public record since filing. The application contains a statement that it was served on ANC 6D. There are no other parties to the original 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 design review was approved pursuant to Subtitle K § 512 and Subtitle X § 604. Since the time of the original approval and the first modification, there have been no changes to the Regulations that would impact the subject site or the Commission’s evaluation of the project.

Comprehensive Plan – There has been no change to the Comprehensive Plan since the approval of 21-20.

Surrounding Development – The immediate surrounding built environment remains largely unchanged from the time 21-20 was approved. Two blocks to the north, on the north side of Potomac Avenue, a new large scale apartment building has been constructed, but that type of development was anticipated at the time of the original review of this project.

- (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 2A of application 21-20C, p. 1, the time extension is needed “to allow the Applicant additional time to obtain financing for the Project due to the continuing challenges in the market conditions for commercial real estate development in the District.” Pages 7 and 8 of the exhibit describe how the applicant is committed to the project and has invested in pre-construction costs totaling more than six million dollars. The exhibit states that:

“Despite this significant investment by the applicant to move the Project forward, the ongoing challenges affecting commercial real estate development in the District — namely, sustained elevated construction costs and an exceedingly challenging financing market — have created difficulties in securing construction financing for the Project.”

- (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 has 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.

IV. TIME EXTENSION WAIVER REQUEST

The applicant requests a waiver from the limit that design review cases may only be granted a single time extension. ZC 21-20B already granted a first time extension for this project. Subtitle Z § 705.4 states that “*Only one (1) extension, not including any granted due to the COVID-19 pandemic under Subtitle Z §§ 702.1-702.3 or 705.9, may be requested for a design review development approval.*”

However, the Commission is authorized to waive this rule pursuant to Subtitle Z § 101.9 which provides that “*The Commission may, for good cause shown, waive any of the provisions of this subtitle if, in the judgment of the Commission, the waiver will not prejudice the rights of any party and is not otherwise prohibited by law.*”

Exhibit 2A of ZC 21-20C, p. 8, states the reasons why the applicant believes there is good cause for a second extension. They indicate that while they have continued to move forward as far as possible on the project, the development “*continues to be severely impacted by the adverse market conditions affecting commercial real estate development, including sustained elevated*

construction costs and ongoing challenges in the financing market for development in the District.” The applicant also notes that the first time extension was necessary due to significant coordination with DDOT regarding improvements to the public space around the site. The written statement says that the coordination with DDOT continues.

OP finds that granting a second extension should not prejudice any party. The applicant states that they have been in communications with the ANC, the only party to the prior applications. Also, the time extension should serve to keep the project moving forward toward getting necessary government approvals and the required financing. Not granting the extension could harm the community by further delaying the ultimate development of the site, and delaying realization of the project’s positive impacts on the neighborhood, including housing, affordable housing, and improved streetscape and urban design. **OP therefore recommends approval of the waiver.**

V. COMMENTS OF OTHER DISTRICT AGENCIES

As of the date of this report, the record does not contain comments from other District agencies.

VI. ANC COMMENTS

The property is within ANC 6D. As of the date of this report the record does not contain comments from the ANC.

VII. VICINITY MAP

