GOVERNMENT OF THE DISTRICT OF COLUMBIA
ZONING COMMISSION

[placeholder for District of Columbia flag]

ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA
ZONING COMMISSION ORDER 22-04B
Z.C. Case No. 22-04B
Captain Reed 2640, LLC, Trolley Lot LLC, FR 828 Evarts NE LLC, Eagle 901 LLC, and Franklin & Rocky Properties LLC
(Two-Year Time Extension for Approved Consolidated Planned Unit Development and Related Map Amendment @ Squares 3846 and 3841
October 8, 2026

Pursuant to notice, at its public meeting on October 8, 2026, the Zoning Commission for the District of Columbia (the "Commission") considered the application (the "Application") of Captain Reed 2640, LLC, Trolley Lot LLC, FR 828 Evarts NE LLC, Eagle 901 LLC, and Franklin & Rocky Properties LLC (collectively, the "Applicant") requesting an extension of the validity periods for the consolidated planned unit development ("PUD") and related Zoning Map amendment approved for certain property located in Squares 3846 and 3841 (the "Property').

The PUD was originally approved pursuant to Z.C. Order No. 22-04, effective February 23, 2023, and subsequently extended by Z.C. Order No. 22-04A, effective December 27, 2024 (the "Extension Order"). The Application sought to extend the deadlines established by the Extension Order by two years. Pursuant to Subtitle Z § 101.9, the Application also requested a waiver of the one-year limitation set forth in Subtitle Z § 705.5.

The Commission reviewed the Application pursuant to the Commission's Rules of Practice and Procedure, which are codified in Subtitle Z of the Zoning Regulations (Title 11 of the District of Columbia Municipal Regulations, to which all subsequent citations refer unless otherwise specified). For the reasons stated below, the Commission **APPROVES** the Application.

FINDINGS OF FACT

I. BACKGROUND

The Property

1. The Property is located is located in the Northeast quadrant of the District in Ward 5, and in the southeastern portion of the Brookland neighborhood. The Property has a total land area of approximately 156,742 square feet, generally located on the south side of Franklin Street, N.E. bounded by the WMATA tracks to the west and a north-south public alley on the east (which is located to the west of 10th Street, N.E.).

2. A portion of Reed Street (Alley), N.E., as well as other public alleys, previously traversed through the PUD Site, but were closed by virtue of the Reed Street Realignment Act of 2023 (DC Law No. 25-15).

ZONING COMMISSION
District of Columbia
CASE NO. 22-04B
EXHIBIT NO. 6

3. After filing the first time extension request, which was processed as Z.C. Case No. 22-04A, the Applicant recorded subdivision plats creating two record lots within the Property: Lot 88 in Square 3846 ("Lot 88") and Lot 79 in Square 3841 ("Lot 79").

Original PUD Approval / The Project

4. Pursuant to the Order, the Commission approved a Consolidated PUD and a PUD-related map amendment from the PDR-2 to the MU-6A and MU-4 zones. The approval allows the construction of a new, mixed-use development comprised of two buildings (with three massings), generating approximately 683 new residential units (the "Project").

5. The Project will devote approximately 22,159 square feet to PDR/makerspace use, including non-residential use and three affordable artist live-work units reserved for local artists with a maximum Median Family Income not exceeding 60%. The Project will also provide various outdoor amenities including courtyard spaces, swimming pools, outdoor dining and fire features, and private patios.

Phasing

6. The PUD will be delivered in two phases, with realigned Reed Street, N.E. bifurcating the Project. The portions of the Project west of realigned Reed Street, N.E., comprising the Phase I Building and the Phase II-B Building (together, the "West Building"), will be developed on Lot 88. The portion east of realigned Reed Street, N.E., comprising the Phase II-A Building (the "East Building"), will be developed on Lot 79.[1]

7. The first phase of the Project ("Phase I") involves construction of the Phase I Building, which comprises the southern portion of the West Building.

8. The second phase of the Project ("Phase II") involves construction of the East Building ("Phase II-A") and the remaining portion of the West Building ("Phase II-B").

Current Deadlines Under the Extension Order

9. Under the Original Order, the Applicant was required to file a building permit application for Phase I by February 24, 2025, and begin construction of Phase I by February 24, 2026. The deadlines for Phase II-A and Phase II-B were tied to issuance of the first certificate of occupancy for Phase I, and the overall PUD approval was set to expire if no certificate of occupancy for Phase I was issued by February 24, 2030.

10. Under the Extension Order, the Commission granted a two-year extension of the deadlines applicable to Phase I, requiring the Applicant to file a building permit application for Phase I no later than February 24, 2027, and begin construction no later than February 24, 2028.

11. The Extension Order did not change the deadlines applicable to Phase II. Approval of Phase II-A and Phase II-B remains valid for two years following issuance of the first certificate of occupancy for Phase I, within which the Applicant must file building permit applications

[1] *See* Original Order, Findings of Fact Nos. 26-31 (describing the Project's phasing and identifying the Phase I, Phase II-A, and Phase II-B Buildings).

for both phases. Construction of Phase II-A and Phase II-B must begin within three years following issuance of the first certificate of occupancy for Phase I.

12. The Extension Order further extended the overall validity of the PUD such that, if no certificate of occupancy for Phase I is issued by February 24, 2032, the PUD approval will expire unless otherwise extended by the Commission.

Parties and Notice

13. The parties to the original application were the Applicant and Advisory Neighborhood Commission ("ANC") 5B, the ANC in which the Property was located at the time of the original approval, and thus the "affected" ANC pursuant to Subtitle Z § 101.8. On January 1, 2023, the boundaries of the District's ANCs were modified, however the Property remains within the boundaries of ANC 5B.

14. On August 25, 2026, the Applicant served the Application on ANC 5B, thus providing the ANC with sufficient time to respond, as required by Subtitle Z § 705.2(a). The Applicant also served the Office of Planning ("OP") and the District Department of Transportation ("DDOT"), as evidenced by the Certificate of Service submitted with the Application. (Exhibit ["Ex."] 2.)

II. THE APPLICATION

15. On August 25, 2026, the Applicant timely filed the Application requesting a two-year extension of the validity periods established under the Original Order, as extended by the Extension Order, such that the Applicant would be required to file a building permit application for Phase I no later than February 24, 2029, and begin construction of Phase I no later than February 24, 2030. The Application also requested that the overall PUD expiration date, tied to issuance of the first certificate of occupancy for Phase I, be extended to February 24, 2034. (Ex. 1-2D.)

16. The Application asserted that it satisfied the requirements of Subtitle Z § 705.2 because:
    - The Applicant served the extension request on all parties to the underlying application and all parties were allowed 30 days to respond;
    - There has been no substantial change in any material facts upon which the Commission based its original approval of the Order; and
    - Good cause exists under Subtitle Z § 705.2(c)(1) because, despite diligent, good-faith efforts, the Applicant has been unable to obtain sufficient financing to advance the Project due to economic and market conditions beyond its reasonable control, including:
        - Elevated interest rates, persistent inflationary pressures, and rising construction costs, which continue to impede real estate development nationally and in the District;
        - Reduced investment in new multifamily development in the District due to higher borrowing costs, increased development expenses, and reduced investor demand;

- A significant slowdown in new construction and residential development activity in the District; and
- Continued financing and capitalization challenges that have hindered the Applicant's efforts to secure a viable replacement development partner for the Project.

(Ex. 2.)

17. Despite the foregoing economic and market challenges, the Applicant has continued to advance the Project. Since issuance of the Extension Order, the Applicant has completed the permitted demolition work, except for a small office building on Lot 88, and continued to secure and maintain the Property in response to community feedback. (*Id.*)

18. The Application included a supporting affidavit from Jack Sarf (the "Sarf Affidavit"), describing the market and financing challenges affecting the Project and the Applicant's efforts to secure a replacement development partner. A letter from the Applicant's broker describing its marketing efforts and related challenges was attached to the Sarf Affidavit. (Ex. 2A.)

19. The Application also requested a waiver of the one-year limitation under Subtitle Z § 705.5, asserting that good cause exists under Subtitle Z § 101.9. Specifically, the Project is a large, multi-phase redevelopment that will deliver significant public benefits and amenities, and a one-year extension would provide insufficient time to secure a development partner, complete financing arrangements, and advance the Project toward construction. (*Id.*)

III. RESPONSES TO THE APPLICATION

20. OP submitted a report dated September 25, 2026 (Ex. 5) (the "OP Report") recommending approval of the Application and the requested waiver. OP concluded that:
- The Application was served on ANC 5B, which was afforded 30 days to respond;
- There had been no substantial change in any material fact upon which the Commission based its original approval of the PUD that would undermine the Commission's justification for that approval;
- The Applicant demonstrated justification for the extension based on ongoing financing challenges, including higher interest rates, inflation, and rising construction costs, while continuing to advance the Project through demolition, design work, site maintenance, and efforts to secure a replacement development partner; and
- The requested two-year waiver is justified by market conditions and the size and complexity of the Project.

21. The Applicant's Statement in Support (Ex. 2) indicated that, before filing the Application on August 25, 2026, the Applicant informed the Single-Member District ("SMD") representative for ANC 5B04 of the requested extension and explained the above-described market challenges and the benefit of having another approved time extension. At the time of filing, the Applicant also anticipated it would have an opportunity to present updates regarding the Project to the full ANC at an upcoming meeting. ANC 5B did not submit a

written report to the case record; however, the ANC received notice of the Application in accordance with Subtitle Z § 705.2(a).

CONCLUSIONS OF LAW

1. Subtitle Z § 705.2 authorizes the Commission to extend the time period of an order upon determining that the time extension request demonstrated satisfaction of the requirements of Subtitle Z § 705.2 and compliance with the limitations of Subtitle Z §§ 705.3, 705.5, and 705.6.

2. The Commission concludes that the Applicant has satisfied Subtitle Z § 705.2(a) by demonstrating that it served the Application on ANC 5B, the only other party to the underlying proceeding, and afforded ANC 5B the required 30-day period to respond.

3. The Commission concludes that the Application satisfies Subtitle Z § 705.2(b), and that no substantial change has occurred to any of the material facts upon which the Commission based its original approval of the PUD that would undermine the Commission's justification for that approval.

4. Subtitle Z § 705.2(c) requires that an application demonstrate with substantial evidence one or more of the following criteria:
   a. *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;*
   b. *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*
   c. *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.*

5. Based on the evidence in the record, the Commission concludes that the Application satisfies Subtitle Z § 705.2(c)(1). The Applicant has been unable to obtain sufficient financing to advance the Project due to economic and market conditions beyond its reasonable control, including higher interest rates, inflation, and rising construction costs, which have also hindered the Applicant's efforts to secure a replacement development partner. Despite these challenges, the Applicant has continued to advance the Project through demolition, design work, site maintenance, and efforts to identify prospective development partners. Accordingly, the Commission finds that good cause exists to grant the requested time extension.

6. Subtitle Z § 101.9 authorizes the Commission, for good cause shown, to waive any provision of Subtitle Z where the waiver will not prejudice the rights of any party and is not otherwise prohibited by law.

7. The Commission finds that good cause exists to waive the one-year limitation of Subtitle Z § 705.5. Given the size and complexity of the approved, multi-phase Project, current market conditions, and the time necessary to secure a development partner, a one-year extension would provide limited practical relief. The Commission further finds that additional time is appropriate to facilitate implementation of the Project and delivery of its significant public benefits and amenities, including new housing and affordable housing, and enhanced transportation and pedestrian connectivity. The Commission further finds that the requested waiver will not prejudice the rights of any party. Accordingly, the Commission finds it appropriate to exercise its authority under Subtitle Z § 101.9 and grant the requested two-year extension.

"Great Weight" to the Recommendation of OP

8. The Commission is required to give "great weight" to the recommendations of OP pursuant to § 5 of the Office of Zoning Independence Act of 1990, effective September 20, 1990 (D.C. Law 8-163; D.C. Official Code § 6-623.04 (2018 Repl.)) and Subtitle Z § 405.9 (*Metropole Condo. Ass'n v. District of Columbia Bd. of Zoning Adjustment*, 141 A.3d 1079, 1087 (D.C. 2016)).

9. The Commission finds OP's recommendation to approve the Application persuasive and concurs in that judgment.

"Great Weight" to the Written Report of the ANC

10. The Commission must give "great weight" to the issues and concerns raised in the written report of an affected ANC that was approved by the full ANC at a properly noticed public meeting pursuant to § 13(d) of the Advisory Neighborhood Commission Act of 1975, effective March 26, 1976 (D.C. Law 1-21; D.C. Official Code § 1-309.10(d) (2012 Repl.)) and Subtitle Z § 406.2. To satisfy the great weight requirement, the Commission must articulate with particularity and precision the reasons why an affected ANC does or does not offer persuasive advice under the circumstances (*Metropole*, 141 A.3d 1087). The District of Columbia Court of Appeals has interpreted the phrase "issues and concerns" to encompass only legally relevant issues and concerns." (*Wheeler v. District of Columbia Bd. of Zoning Adjustment*, 395 A.2d 85, 91 n.10 (D.C. 1978) (citation omitted)).

11. As previously noted, ANC 5B did not file a response to the Application.

DECISION

In consideration of the case record and the Findings of Fact and Conclusions of Law herein, the Commission concludes that the Applicant has satisfied its burden of proof and therefore **APPROVES** a waiver of Subtitle Z § 705.5 and thus another two-year extension of Z.C. Order No. 22-04, as follows:

- File a building permit application for Phase I of the Project no later than **February 24, 2029**; and
- Begin construction of Phase I of the Project no later than **February 24, 2030**.

Furthermore, as a result of the Commission's approval herein, the phasing and validity for the Project is now conditioned as follows:

- Approval of Phase II-A and Phase II-B of the Project shall remain valid for a period of two years following issuance of the first Certificate of Occupancy for Phase I. Within that time, the Applicant shall file building permit applications for both Phase II-A and Phase II-B. The Applicant shall begin construction of both Phase II-A and Phase II-B within three years of issuance of the first Certificate of Occupancy for Phase I; and
- If no Certificate of Occupancy for Phase I is issued by **February 24, 2034**, the approval shall expire, unless otherwise extended by the Zoning Commission.

Final Action
VOTE (October 8, 2026): **5-0-0** (Christine Bruins, Anthony J. Hood, Robert Miller, Gwen Wright, and Joseph Imamura to **APPROVE**)

In accordance with the provisions of Subtitle Z § 604.9, this Order No. 22-04B shall become final and effective upon publication in the District of Columbia Register, that is, on _____, 2026.

BY THE ORDER OF THE D.C. ZONING COMMISSION
A majority of the Commission members approved the issuance of this Order.

ANTHONY HOOD	**SARA A. BARDIN**
CHAIRMAN	**DIRECTOR**
ZONING COMMISSION	**OFFICE OF ZONING**

IN ACCORDANCE WITH THE D.C. HUMAN RIGHTS ACT OF 1977, AS AMENDED, D.C. OFFICIAL CODE § 2-1401.01 *ET SEQ.* (ACT), THE DISTRICT OF COLUMBIA DOES NOT DISCRIMINATE ON THE BASIS OF ACTUAL OR PERCEIVED: RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, AGE, MARITAL STATUS, PERSONAL APPEARANCE, SEXUAL ORIENTATION, GENDER IDENTITY OR EXPRESSION, FAMILIAL STATUS, FAMILY RESPONSIBILITIES, MATRICULATION, POLITICAL AFFILIATION, GENETIC INFORMATION, DISABILITY, SOURCE OF INCOME, OR PLACE OF RESIDENT OR BUSINESS. SEXUAL HARASSMENT IS A FORM OF SEX DISCRIMINATION WHICH IS PROHIBITED BY THE ACT. IN ADDITION, HARASSMENT BASED ON ANY OF THE ABOVE PROTECTED CATEGORIES IS PROHIBITED BY THE ACT. DISCRIMINATION IN VIOLATION OF THE ACT WILL NOT BE TOLERATED. VIOLATORS WILL BE SUBJECT TO DISCIPLINARY ACTION.

DRAFT