District of Columbia
Office of Planning

**MEMORANDUM**

**TO:** District of Columbia Zoning Commission

**FROM:** Joshua Mitchum, Development Review Specialist
MBR
Maxine Brown-Roberts, Associate Director, Development Review

**DATE:** September 28, 2026

**SUBJECT**: ZC 23-28A: 2-Year Time Extension to ZC Order 23-28 (Design Review of Hill East Parcels B-1 & B-2) (Square 1112-E, Lots 809 & 815)

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## I. RECOMMENDATION

The Office of Planning (OP) recommends **approval** of requested two-year time extension of ZC Order 23-28 for the development of Parcels B-1 & B-2 at Hill East (See Attachment 1 – Site Location) . The requested extension would allow additional time in which the applicant has to file for a Building Permit and for the commencement of construction.

## II. APPLICATION-IN-BRIEF

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|---|---|
| **Project Location:** | Bounded by Burke Street, SE, 20th Street, SE, and Independence Avenue, SE. |
| **Applicant:** | Blue Sky Construction LLC, represented by Holland & Knight LLP |
| **Legal Description:** | Square 1112-E; Lots 809 & 815 |
| **Ward / ANC:** | Ward 7 / ANC 7F |
| **Zoning:** | HE-2, Hill East Zones |
| **Order Approval:** | November 29, 2024 |
| **Order Expiration:** | November 29, 2026 |
| **Extension Request:** | • **Building Permit Filing: From November 29, 2026 to November 29, 2028**<br>• **Commencement of Construction: From November 29, 2027 to November 29, 2029** |

## III. BACKGROUND

On April 8, 2024, the Zoning Commission (ZC) held a public hearing on Design Review application ZC 23-28 and approved the application through ZC Order No. 23-28, which became final and effective on November 29, 2024. The Order approved the design of buildings on Parcels B-1 and B-2. Parcel B-1 would be improved with a residential apartment building containing approximately 373,157 square feet of gross floor area and 350 dwelling units. Parcel B-2 would be improved with a mixed-use building containing approximately 172,867 square feet of gross floor area, which includes approximately 14,044 square feet of ground floor retail space and 144 dwelling units.



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CASE NO. 23-28A
EXHIBIT NO. 5

The applicant is now seeking a time extension of ZC Order 23-28 and a Modification Without Hearing through application ZC 23-28B which will be addressed in a separate report.

## IV. EVALUATION OF THE EXTENSION REQUEST

Subtitle Z § 705 allows for the extension of ZC Orders s follows:

*705.2 An applicant may request an extension of the time periods of an order for good cause upon the written request, before the expiration of the approval, 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 filings (Exhibits 1 and 2) indicate that the request was filed prior to the expiration of the order and was served on the both ANC 7F and 7D who were the only parties to the original case.

*(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;*

**Comprehensive Plan**

Since the approval of Order 23-28, there have been no changes to the 2016 Comprehensive Plan that would change the material facts upon which the Zoning Commission based its original approval.

**Zoning Regulations**

Since the initiation of this project, there have been no changes to the Zoning Regulations, specifically to Subtitle K, Chapter 4 (Hill East Zones), that would change the material facts upon which the Zoning Commission based its original approval.

**Surrounding Development**

Since the proposed development was approved, no other large scale development that would affect the material facts on which the developments on Parcels B-1 and B-2 has taken place in the vicinity of the site or within Hill East.

*(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;***

The Applicant has stated that, despite good faith efforts, they have been unable to secure financing due to ever-changing economic and market conditions. The Applicant further cites that affordable housing developments in particular have been constrained by "shrinking pools of tax credit investors, limited gap financing, and broader instability in the capital stack". The Applicant also notes that they have pursued alternative financing mechanisms through District agencies such as DCHD and DCHFA.

Despite the aforementioned challenges, the Applicant states that they are working with its design team to refine the project in order to make itself more attractive to potential investors (OP would note that these refinements are reflected in the aforementioned Modification Without Hearing application ZC 23-28B). Furthermore, the Applicant also notes that it believes that the public investment and anticipated revitalization of the nearby RFK Stadium site support the long-term viability of the project amongst the overall continued redevelopment of the Hill East area.

*(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*

Not applicable to the subject application.

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

Not applicable to the subject application.

In conclusion, the Applicant has shown good cause for the granting of the time extension request as a result of an inability to obtain financing to move the project forward. The delay in financing has subsequently delayed the preparation of building plans required to file for building permits. OP would therefore recommend that the Zoning Commission approve the requested 2-year time extension.

## V. OTHER DISTRICT AGENCY COMMENTS

As of the filing of this report, comments from other agencies have not been submitted to the record.

## VI. ADVISORY NEIGHBORHOOD COMMISSION COMMENTS

As of the filing of this report neither ANC-7F norANC-7D have submitted comments to the record.

Attachment 1 – Site Location

## Site Location

