MHCDO

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President & CEO

June 7, 2000

District of Columbia Zoning Commission
441-4th Street, NW, Suite 210
Washington, DC 20001

RE: Solar Building PUD Case #98-14

Chairman Hood and Commission Members:

As your are aware the applicants in the above-referenced PUD and Rezoning Application will be working with the Marshall Heights Community Development Organization (MHCDO) to secure the production of affordable housing as required in connection with the PUD. MHCDO identified the Banneker Ridge Project in Ward 7, which consists of 27 detached single family homes ranging in size from 1,500 to 1,850 square feet as the project that is in immediate need of housing linkage benefits. The project is underway and MHCDO and its builder, CIH Homes, have six homes under construction with two additional construction starts imminent.

At the time of the original hearing on this application MHCDO, in conjunction with the applicant, determined that the applicant was required to produce approximately 7,500 square feet of affordable housing in a housing opportunity area resulting in production of approximately five houses. MHCDO now understands from the applicant that since the amount of SP Zoning on the site has been increased, the applicant is now required to construct 14,107.75 square feet of housing anywhere in the City or 9,331 square feet of housing in a housing opportunity area. Since the Banneker Ridge houses consist of a minimum of 1,500 square feet, the applicant's requirement will be satisfied with the construction of ten houses or seven houses in a housing opportunity area. Since the Banneker Ridge project is in a housing opportunity area MHCDO and the Applicant have reached an agreement that will result in the production of seven houses, a minimum of 10,500 square feet in total.

MHCDO looks forward to a favorable action on this application because it will facilitate the production of seven affordable houses for new buyers willing to commit to remaining in the City or to move into the City as homeowners and taxpayers.

Sincerely,

Loretta Tate

Loretta Tate
President/CEO, MHCDO

ZONING COMMISSION
CASE No. 98-14C
EXHIBIT No. 114

ZONING COMMISSION
District of Columbia
CASE NO.98-14
EXHIBIT NO.114

TESTIMONY ON CASE #98-14

Chairman Hood, and Commission Members my name is Charles Cotten and I am here this evening as a member of the Board of Directors of the Marshall Heights CDO, a Ward 7 resident, and a person involved in the real estate industry. My purpose in coming before you is to address the issue of the adequacy of housing linkage arrangement negotiated between the applicant in this case and MHCDO, a non-profit developer and builder.

As an organization MHCDO vigorously supports the concept and practice of housing linkage between developments in the downtown areas of the City and neighborhoods in need of new, innovative, and affordable housing. Non-profits such as MHCDO do in underserved and transitional neighborhoods what the marketplace allows builders to do profitably in "hot" real estate areas, that is build homes that people want to buy at prices that meet buyer's needs. The value of housing linkage for non-profits such as MHCDO is that the linkage funds are often the difference between being able to proceed with the project or being in a situation where the costs of production cannot be recaptured in the sales prices due to market constraints and/or the sales prices required would push the project beyond the scope of affordability for the first time buyers MHCDO is trying to serve. The use of linkage funds to facilitate the successful development of a project is particularly critical in the land development phase where lenders require developer equity, and in the sales phase when the linkage funds allow for write downs of the sales price to allow the home to be sold to low/moderate income buyers.

In this particular linkage transaction $280,000 will come to MHCDO to facilitate the development and construction of seven homes in the Banneker Ridge project. The linkage funds will assist MHCDO to write down the land development costs, particularly those associated with the removal of construction rubble left from a prior use of the site as part of the Greenway Apartments. Without the linkage funds from this transaction sales prices would be $10,000 per house higher pushing the sales prices beyond the range of affordability. Without the linkage funds from this application MHCDO is at risk to lose all its own equity investment in the project. This financial risk is the reality of all such projects that a MHCDO undertakes in order to help revitalize, stabilize, and transform transitional areas in its ward, Ward 7.

Banneker Ridge is a special project. This subdivision of 27 single-family homes ranging in size from 1,500-1,875 square feet is the first such subdivision to be built in Ward 7 in over 40 years. Such is its uniqueness that it was the site of a press conference in April of this year held by Congressmen Lazio and Watts and NAHB to introduce the Housing Opportunity Act of 2000 primarily because it offers homeownership opportunities to first time buyers such as policemen, firemen and other civil servants for whom the legislation is designed to assist.

The site plan was designed according to the principles of New Urbanism by Duany-Plater-Zyberk, and was part of an overall neighborhood plan to reduce housing density, increase the housing mix by adding for sale product, and effect economic integration in the Greenway neighborhood. MHCDO, CIH Homes, the DC Housing

Authority, and Edmondson and Gallagher have all made contributions to this effort over the last five years. MHCDO and Edmondson and Gallagher purchased and renovated the Greenway Apartments from the Cafritz Foundation and in the process reduced the density from 840 units to 469 units while converting the complex from 70% one-bedroom units to 75% two and three bedroom units. The DCHA is in the process of renovating its adjacent public housing units and has reduced its overall unit density significantly by selective demolition of buildings that were not longer habitable. The Cafritz Foundation made it possible for MHCDO to take title to the Banneker Ridge site by giving MHCDO a recoverable grant to fund the demolition of the 17 apartment buildings on the current Banneker Ridge site. CIH Homes has worked as MHCDO's builder to design and plan the Banneker Ridge project including the selection of house plans to fit the "old city" neighborhood look that is found in Hillcrest and Penn Branch in Ward 7 and in Mt. Pleasant, AU Park, and Chevy Chase DC in northwest DC. Banneker Ridge is a project that fits all the criteria of a smart growth development. It is a reuse of a site that had outlived its economic value. It is located within walking distance of two Metro stations, Minnesota Ave. and Benning Rd., and at the southern end of the Minnesota Ave. commercial corridor. It is a project that will offer housing opportunities to low/moderate income buyers at prices that are typically available only in the outer suburbs if at all. Projects like Bannkere Ridge are very difficult to do. That is why it is non-profits like MHCDO that attempt them and that is why linkage dollars are so valuable. $280,000 may not seem adequate to some but to MHCDO the $280,000 can be the difference between success and failure, between

doing a project and not doing it. In this case the linkage funds offered by the Applicant are adequate for the project, and will allow MHCDO to build seven new homes of superior quality in a project that I as a Ward 7 resident welcome with pride into my ward. MHCDO humbly requests that the Commission decide this case on its merits not on the issue of the adequacy of the linkage contribution negotiated between the Applicant and MHCDO. The linkage offer is fair, meets the square footage production requirement and will facilitate the successful development of Banneker Ridge.

MHCDO invites all involved in this case to come see for yourselves what is happening at Banneker Ridge, how it is improving the quality of life in Ward 7, and what the linkage funds will help produce. I thank you again on behalf of the Board of Directors of MHCDO for having been given this opportunity to address the Commission on the linkage funds associated with the case before you.

BANNEKER RIDGE
STANDARD DESIGN FEATURES

QUALITY EXTERIOR FEATURES

- **Traditional exterior with rich architectural detail**
- **20-year fiberglass shingles**
- **Maintenance-free vinyl siding and soffits and aluminum fascias and rake boards**
- **Two-car asphalt parking pad in rear**
- **Professionally landscaped grounds**
- **Maintenance-free underground utility services**
- **Solid vinyl tilt-in single-hung windows with insulated glass and mullions**
- **Maintenance-free fiberglass front doors**
- **Rear electric outlet**
- **Front and rear hose bibs**
- **Slate lead walks**

SUPERIOR INTERIOR APPOINTMENTS

- **Two full bathrooms plus powder room**
- **Windows trimmed with colonial wood molding**
- **Colonial wood baseboards and door casings**
- **Colonial raised panel doors**
- **Choice of wall-to-wall designer carpet colors and 3/8 -inch padding**
- **Designer-selected light fixtures**
- **Linen closet**
- **Pre-wired for three telephone and three cable television outlets**
- **Smoke detectors on all levels**
- **Fire-suppression sprinklers on all levels**
- **Full unfinished lower level bonus space**
- **Lower level washer/dryer hookup**
- **Lower level sump pump**

GOURMET KITCHENS OPEN TO FAMILY ROOMS

- **Traditional oak cabinetry**
- **Abundant maintenance-free counter space**
- **State-of-the-art appliances to include:**
    - *** 21 cubic foot frost-free refrigerators with optional ice makers**
    - *** Electric ranges with self-cleaning oven**
    - *** Multi-cycle energy-efficient dishwashers**
    - *** 1/3 horsepower garbage disposal**
    - *** Range hood**
- **High-powered ventless fan**
- **Long-lasting single bowl stainless steel sink**
- **Easy-care no-wax vinyl flooring**

STANDARD DESIGN FEATURES (continued)

LUXURIOUS BATHS

- **Lavish master baths include:**
  - * **Separate showers with glass enclosures in Banneker and Columbia**
  - * **Soaking tub with ceramic tile deck in Columbia**
  - * **Separate toilet room in Banneker and Columbia**
  - * **Double vanity sinks**
- **Ceramic tile shower surrounds**
- **Cultured marble vanity tops**
- **Traditional oak vanities in full baths**
- **Pedestal sink in main level powder room**
- **Easy care no-wax vinyl flooring**
- **Lower level three-piece bathroom rough-in**

ENERGY EFFICIENT DESIGN

- **Energy efficient gas heat and central air conditioning**
- **Energy efficient 52-gallon gas domestic water heaters**
- **Insulated entry door**
- **Energy efficient windows with vinyl frames and insulated glass**
- **Insulation specifications include:**
  - * **R-30 insulation in upper level ceilings**
  - * **R-19 insulation in bay window floors**
  - * **R-13 insulation in main and upper level exterior walls**
  - * **FSK 2" insulation on upper four feet of lower level walls**
- **Water-saving toilets using 1.6 gallons of water per flush**
- **Water saving shower heads and aerators**
- **Washerless faucets**

CUSTOMER ASSURANCE PROGRAM

- **Professional on-site construction supervision**
- **Pre-settlement orientation**
- **90-day customer service visit**
- **Home Buyers Warranty coverage providing two-year systems and ten-year structural insurance**
- **Customer Home Care Kit**

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BANNEKER RIDGE

*SALES PRICES AS OF June 1, 2000**

Avalon	**$139,900**
Banneker	**$149,900**
Columbia	**$159,900**

Prices are expected to increase and are subject to change without notice

* The prices of some homes will be higher due to
the value of premium home sites and attached two-car garages