

Affidavit of Peter Farrell, Principal of City Interests, LLC

The undersigned, being duly sworn according to law, deposes and says:

1. I am a Principal of City Interests Development Partners, LLC, an affiliate of Lano Parcel 12 LLC (Lano Parcel 12 LLC and affiliated entities controlling portions of the Parkside PUD are collectively, “**Owner**”).
2. Owner is the owner of property located in Square 5055, Lot 26.
3. Owner was an applicant in the First-Stage PUD, which was approved in Zoning Commission Order No. 05-28 and included Square 5055, Lot 26 (“**Property**”).
4. As a Principal, I am responsible for efforts relating to designing, constructing, and financing the development of the Property as a mixed-use development with approximately 1,500 residential units, 750,000 square feet of office use, 300,000 square feet of institutional uses and over 50,000 square feet of retail use on over 15 acres of land (“**Project**”).
5. Since the date of the approval of the First-Stage PUD on April 13, 2007, Owner has been proceeding diligently in good faith with securing Second-Stage PUD approvals in order to realize the Project as it was approved by Z.C. Order No. 05-28 and subsequent modifications, extensions, and Second-Stage PUD applications.
6. Since the approval of the First-Stage PUD in April 2007, the Zoning Commission has approved the following applications:
 - A. Z.C. Case No. 05-28A and Case No. 05-28G: In 2008, The Zoning Commission approved a Second-Stage PUD for Blocks A, B, C. Victory Housing developed an all-affordable senior housing facility consisting of 98 units on Block A. The Applicant partnered with a townhouse developer to construct 100 single-family townhomes on Blocks B and C. The affordable senior housing facility has been constructed and has been operating for almost twelve years, and the senior units are affordable at a mix of 60% and 30% AMI. The townhomes have been constructed and all of them have been sold; 42 of the townhomes were sold to qualified workforce income level households.
 - B. Z.C. Case No. 05-28B: In 2011, the Zoning Commission approved a Second-Stage PUD for the construction of a Unity Health Clinic on a portion of Block I. The approximately 43,000 square foot health center has been constructed and operating for almost ten years.
 - C. Z.C. Case No. 05-28F: In 2011, the Zoning Commission also approved a Second-Stage PUD for the one-acre park at the center of the PUD. The park was completed in December 2014 and is currently maintained by the Applicant or its affiliates.
 - D. Z.C. Case No. 05-28J/K: In 2014, the Zoning Commission approved a Second-Stage PUD for a multi-family building consisting of 186 affordable units on Block

- E. The units are rented to households with an annual income no greater than 60% AMI or 30% AMI depending on the unit. The affordability periods run for a term of 30 years. The building has been constructed and operating since early 2017.
- E. Z.C. Case No. 05-28P: In 2017, the Zoning Commission approved a Second-Stage PUD for a multi-family building consisting of 191 market-rate units on Block J. This building has been constructed and is more than 90% occupied as of the date of this affidavit.
- F. Z.C. Case Nos. 05-28Q, 05-28R/S, and 05-28Z: Beginning in 2017, the Zoning Commission approved Second-Stage PUDs for a mix of multi-family and townhouse buildings on Block F. The Applicant has made progress on all four multifamily buildings on Block F. All of the 25 townhouse units on Parcels 8 and 10 have sold and are occupied, and five sold to qualified workforce income level households. Parcel 8 delivered in September 2024 and is currently welcoming its first residents. Parcel 10 is expected to deliver in early 2025. Permits for Parcel 9A are underway and the permits for Parcel 9B are ready, awaiting only construction financing.
- G. Z.C. Case No. 05-28T: In 2017, the Zoning Commission also approved a Second-Stage PUD for a commercial office building consisting of approximately 500,000 square feet of gross floor area, including ground floor retail, on a portion of Block H. After many years of efforts to secure office tenants were unsuccessful, the Second-Stage PUD lapsed in 2024.
7. The development blocks requiring future Second-Stage PUDs are Block G, Block H and a portion of Block I. All of these blocks are located in Square 5055, Lot 26 and front on Kenilworth Avenue, NE.
8. Despite efforts to secure an office tenant for Block H, the Applicant is now considering alternative uses to spur development on the Property.
9. Accordingly, the Applicant has undertaken detailed planning with respect to Blocks G, H, and I. Importantly, these plans reflect input from existing residents in the Parkside community, including allocation of substantial green space at the entrance to Parkside from the new pedestrian bridge at the Minnesota Avenue Metrorail Station.
10. Further, the Applicant is attracting more attention for residential use as a result of Parkside's designation within an opportunity zone, in combination with the Mayor's initiative for more housing.
11. Since the last PUD time extension for the First-Stage PUD, the Applicant has taken several measures, including:
- A. The Applicant constructed a community playground and amenity area on Block H for residents to enjoy during the construction of Block F and second-stage PUDs for Blocks G, H, and I;

- B. The multifamily building on Parcel 8 delivered in September 2024;
 - C. The multifamily building on Parcel 10 is under construction with an expected delivery date of early 2025;
 - D. An application for a building permit has been filed for the residential building on Parcel 9A. Construction is expected to commence by the second quarter of 2025;
 - E. An application for a building permit has been pulled for the residential building on Parcel 9B. Construction is expected to commence by the second quarter of 2025;
 - F. The Applicant has explored development partnerships with Victory Housing, a prominent hotel developer, an educational provider, and retail anchor tenants; and
 - G. The Applicant has undertaken detailed site planning and related architectural studies in anticipation of those potential development uses.
12. Further, the Applicant has maintained a strong relationship with the nearby Parkside, Mayfair and Eastland Garden neighborhoods throughout the life of the Parkside PUD. With a standing monthly meeting with ANC 7D, the Applicant provides regular updates on the progress of the Parkside PUD and gathers community feedback.
 13. The Applicant plans to continue this clear and frequent communication with the community.
 14. Over 1.17 million square feet of development has been approved through the Second-Stage PUD process and 313,000 square feet is currently under construction or pending commencement of construction.
 15. Not granting this extension request will threaten development of the remaining approximately 1.825 million square feet of development rights as well as jeopardize the holistic vision of the Parkside plan. The three remaining parcels are located in the most prominent position in the PUD, fronting on Kenilworth Avenue, NE. Allowing these parcels to revert to their former zoning designation would prevent the height and density appropriate for their location adjacent to the Metro and along I-295.
 16. As demonstrated in its previous extension requests, the Parkside PUD has been affected by several events that have slowed the development timetable, including the state of the residential, retail and office markets east of the Anacostia River, challenges in obtaining financing for mixed-income and mixed-use development, and the COVID-19 pandemic.
 17. Still, since October 2022, the Applicant has continued to pursue the development of Parkside.
 18. For example, considering the success of the Victory Housing-developed senior affordable housing building on Block A, the Applicant engaged with Victory Housing to discuss development of another senior building on Block I. Although Victory Housing was open to

and excited by the opportunity, due to a lack of funding for senior housing in the District, Victory Housing is unable to move forward at this time.

19. The Applicant has engaged both lodging and large format retail users as occupiers of the undeveloped portions of the PUD. For the lodging user, continued uncertainty around underwriting and financing have brought discussions to a pause. Similarly, the large format retail user is unwilling to move forward amidst current market conditions.
20. Finally, the Applicant continues to have detailed conversations with a K-12 education provider. However, the provider has yet to solidify its interest in light of the highly competitive education market.
21. Notwithstanding these ongoing efforts, the Applicant has continued to actively engage the community, follow through with previous commitments, and site plan the remaining PUD.
22. Stemming from community discussion and dialogue, the Applicant has committed to making permanent some green space on portions of Block H. This green space will encourage additional pedestrian traffic and use of the now fully functional bridge to the Minnesota Metrorail Station.
23. Notably, the Applicant has also completed construction of the playground on Block H, a well-received activation that was agreed to in 2022. More broadly, the community continues to influence the site planning for future Second-Stage applications, as the Applicant remains committed to treating the community as a valued and influential stakeholder.
24. In terms of residential development, Parcel 8 delivered in 2024 and Parcel 10 is currently under construction with an expected delivery of 2025. Permits for Parcel 9A are underway and the permits for Parcel 9B are ready for construction to commence in 2025. On the commercial side, the aforementioned struggles have posed significant challenges, and the Applicant is now open to non-office uses to complete development of the Parkside PUD.
25. The Applicant has also constructed 284 affordable residential units, all of which are available to families with an annual income no greater than 60% AMI and include units available to households earning 30% AMI. Collectively, these efforts signify that the Applicant has every intention of moving forward with the last three blocks of the PUD; it has simply needed to be strategic with its development timeline.

[SIGNATURE PAGE TO FOLLOW]

CITY INTERESTS DEVELOPMENT
PARTNERS, LLC

By: _____

Name: Peter J. Farrell

Title: Principal

Subscribed and sworn to before me this 1st day of October 2024.

Notary Public

DARRYL TAYLOR
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires March 14, 2028

My Commission expires: _____

[Notarial Seal]

