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May 6, 2025

**VIA IZIS**

Anthony J. Hood, Chairperson  
District of Columbia Zoning Commission  
441 4<sup>th</sup> Street, NW, Suite 200-S  
Washington, DC 20001

**Re: Z.C. Case No. 16-02E – Application for Two-Year Time Extension of Design Review and related PUD Modification (Square 665, Lot 27) (the “Property”)**

Dear Chairperson Hood:

H&A DCU JV, LLC (the “**Applicant**”) hereby requests a two-year time extension of the order granting design review approval to construct a mixed-use building containing approximately 455 residential units, as well as office, entertainment and retail uses (the “**Project**”), which was approved pursuant to Z.C. Order No. 16-02D (the “**Design Review Order**”). The design review application was approved simultaneously with a related modification to the Planned Unit Development (“**PUD**”) approved in Z.C. Order No. 16-02C (the “**PUD Modification Order**”) (the Design Review Order and PUD Modification Order, collectively, the “**Orders**”). Copies of the Orders are attached as Exhibit C. This extension request is made pursuant to Subtitle Z, Section 705.2 of the Zoning Regulations.

This is the first time extension request for the Project. The Applicant has satisfied the permit vesting deadline but requests a two-year extension of the construction commencement date to July 1, 2027. The extension will give the Applicant additional time to secure construction financing so that it may proceed with construction of the Project.

**Background**

The Property, known as Parcel B, is a currently vacant lot located in the Buzzard Point neighborhood of Southwest DC. It is bounded by Half Street, SW to the east, S Street, SW to the south, First Street, SW to the west, and a park to the north that fronts on Potomac Avenue, SW. Audi Field is located immediately to the west of the Property across First Street, SW. The Navy Yard and Waterfront Metrorail Stations are both less than one mile from the Property. The Property

is located in the CG-4 Zone District. The Property is within the boundaries of Advisory Neighborhood Commission (“ANC”) 6D.

The Project consists of a twelve-story, mixed-use building containing approximately 508,298 square feet of gross floor area and a maximum height of 130 feet. The uses include approximately 455 residential units, of which 30 percent are affordable at a mix of 30%, 50%, and 60% of the Median Family Income (“MFI”); approximately 41,043 square feet of office use; approximately 39,661 square feet of entertainment use; approximately 10,790 square feet of retail/restaurant use; and approximately 305 vehicle parking spaces and 178 long-term bicycle spaces in a below-grade garage.

The Project is located adjacent to the PUD that was approved to facilitate the construction of Audi Field in Z.C. Order No. 16-02 (“**Original Order**”). Although Parcel B is located outside of the boundaries of the PUD, the Original Order required that the development of Parcel B be approved through the design review process. In connection with the design review approval, the Applicant secured approval for modifications to the approved PUD to facilitate the construction of certain Project-related surface improvements (such as the reconfiguration of 1<sup>st</sup> Street and the Potomac Avenue Plaza) that were located within the boundaries of the PUD. Although the PUD Modification order did not contain any express condition regarding the timing of the filing of the permit or commencement of construction for the improvements within the PUD boundaries, the Applicant requests that the Commission affirm extension of the PUD Modification Order as a part of this extension request, since the PUD Modification Order and Design Review Order are inextricably linked.

### **Affirmative Actions Taken**

Since approval of the Orders, the Applicant has diligently pursued the Project.

- The Applicant advanced the building design for the Project and filed permit applications to construct the Project.
- The Applicant has diligently pursued agreements with occupants for the commercial components of the Project, including a lease for the anchor entertainment space and ongoing discussions regarding the office space within the Project.
- The Applicant diligently pursued financing of the Project, securing multiple public financing awards related to the all-affordable senior housing portion of the Project.

However, the Project requires a significant amount of private financing for the market-rate commercial and residential portions of the Project, and the Applicant has been unable to secure such financing due to uncertainty in the financial markets that has led to hesitation from investors. The resulting delays have also resulted in the lapse of the awarded public financing. Accordingly, the Applicant requires more time to secure the financing required to construct the Project.

### **The Commission Should Grant the Requested Time Extension**

#### A. Standards of Review of Time Extension Request

The standards for a time extension are enumerated in Subtitle Z, Section 705.2 of the Zoning Regulations. The Commission is authorized to extend a Design Review approval or PUD, provided that:

- “The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond;
- There is no substantial change in any of the material facts upon which the Commission based its original approval of the application that would undermine the Commission’s justification for approving the original application; and
- The applicant demonstrates with substantial evidence one (1) or more of the following criteria:
  - 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;
  - 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
  - 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.”

#### B. Applicant’s Satisfaction of the Standards for Granting Time Extension

The Applicant requests that the Commission extend the Applicant’s deadline to commence construction for the Project by two years, to July 1, 2027. As outlined below, the Applicant meets the standards for the requested extension.

##### 1. Service on Parties

This request is being served on ANC 6D, as an “affected ANC” and the only party to the Application, on the same day it is filed with the Zoning Commission. The Applicant requests that the Commission not place this request on its meeting agenda until the 30-day period has lapsed.

2. No Substantial Change of Material Facts

There has been no substantial change in any material facts that would undermine the basis for the Commission’s approval of the design review application. There are no changes to the Zoning Regulations or the Comprehensive Plan that would adversely impact the material facts upon which the Zoning Commission based its original approval. The Commission’s review of the Project pursuant to the design review guidelines of the CG Zones remains intact.

3. Good Cause Shown

The Applicant satisfies the good cause standard of Subtitle Z, Section 705.2 because the Applicant has been unable to obtain financing for the Project, despite diligent good faith efforts to lease and finance the Project, because of changes in economic and market conditions beyond the Applicant’s reasonable control. As detailed on the affidavit attached as Exhibit D (“**Affidavit**”), the Applicant has expended approximately \$9,050,000 on the advanced design, permitting, and other efforts to progress towards commencement of construction.

*Design Efforts*

Following approval of the Project in early 2022, the Applicant advanced and finalized the design plans for the Project to 100% construction drawings. Among other applications, a permit application for the civil site improvements (BCIV2300049) was filed in late 2022 and the building permit application for the Project (B2305968) was filed four months later in April 2023. The building permit has proceeded through numerous rounds of comments.

*Leasing Efforts*

The Applicant has diligently pursued occupants for the commercial components of the Project. In late 2022, the Applicant negotiated and executed a lease with Brooklyn Bowl as the anchor tenant for the Project’s entertainment and retail component.<sup>1</sup> Since approval in early 2022, the Applicant has also continued to advance discussions with Volunteers of America National Services (“**VOANS**”) regarding its planned occupancy within the commercial office space.

*Financing Efforts*

Since early 2022, the Applicant has diligently pursued the complex network of public and private financing needed to construct the Project. Because of the Project’s outsized affordable housing component, the initial focus was on public financing for the affordable housing. To date, the Applicant and its partners have secured a number of public funding sources for the all-affordable senior housing portion of the Project, including an \$18 million Housing Production Trust Fund award from the District of Columbia Department of Housing and Community

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<sup>1</sup> Keely Bastow, *A Huge Bowling Alley and Concert Venue is Headed to Southwest DC*, WASHINGTONIAN, Nov. 3, 2022, <https://www.washingtonian.com/2022/11/03/a-huge-bowling-alley-and-concert-venue-is-headed-to-southwest-dc/>.

Development (“**DHCD**”) in 2022,<sup>2</sup> \$32 million in low-income housing bonds issued by the District of Columbia Housing Finance Agency (“**DCHF**A”), and a 10-year tax abatement for the portion of the Property intended to accommodate the planned relocation of VOANS’ headquarters to the Project.<sup>3</sup>

The Applicant has likewise diligently pursued private financing to construct the Project. However, given the current volatility of the markets, high interest rates, and high construction costs, negotiations to attract equity investors are still in progress. Further, as a result of the delays in securing the necessary investors to proceed with the Project, the public financing that was awarded and is required to construct the all-affordable senior affordable housing components of the Project has lapsed.<sup>4</sup> Given these factors, the Applicant has been unable to secure the necessary financing to commence construction, despite its best efforts.

**Exhibits**

Attached hereto are the following exhibits:

Exhibit A	Application Signature Form
Exhibit B	Letters of Authorization
Exhibit C	Z.C. Order Nos. 16-02C and 16-02D
Exhibit D	Affidavit in Support of Time Extension

**Conclusion**

For the foregoing reasons, the Applicant requests that the Commission grant the requested time extension. Please feel free to contact the undersigned if you have any questions or comments regarding this application.

Respectfully Submitted,

/s/ David M. Avitabile  
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David M. Avitabile

/s/ Lee S. Templin  
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Lee S. Templin

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<sup>2</sup> Aja Drain, *As Part of Historic Investment, Bowser Announces Funding for 11 New Affordable Housing Projects*, DCIST, Aug. 11, 2022, <https://dcist.com/story/22/08/11/mayor-bowser-announces-11-affordable-housing-projects-with-housing-production-trust-fund/>

<sup>3</sup> D.C. Law 25-0059 (2023), <https://lims.dccouncil.gov/Legislation/B25-0188>

<sup>4</sup> The Applicant anticipates it will be able to reapply for and secure these elements when the Project is ready to proceed.

## Certificate of Service

The undersigned hereby certifies that copies of the foregoing documents were delivered by electronic mail to the following addresses on May 6, 2025.

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/s/ Lee S. Templin

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