

July 22, 2025

Via IZIS

Anthony Hood, Chairperson
District of Columbia Zoning Commission
441 4th Street, NW, Suite 200-S
Washington, DC 20001

Re: Z.C. Case No. 14-18D: Application for a Time Extension of the Approved First-Stage Planned Unit Development (“**First-Stage PUD**”) and Zoning Map Amendment for Brookland Manor (Square 3954, Lots 3, 4 and 800-804; Square 4024, Lots 1, 800-804; and Square 4025, Lots 1-3, 5, and 800-803) (“**Property**”)

Dear Chairperson Hood:

Mid-City Financial Corporation (“**Applicant**”) hereby requests a two-year time extension of the First-Stage PUD. The First-Stage PUD was initially approved pursuant to Zoning Commission Order No. 14-18 which became effective on November 6, 2015 (the “**Order**”²). The Order was extended for an additional two years in Zoning Commission Order No. 14-18B and is set to expire on August 1, 2025.

The Applicant requests an extension of the First-Stage PUD approval for an additional two years, until August 1, 2027. This extension request will provide the Applicant the opportunity to review, potentially revise, and move forward with Second-Stage PUD applications for the development of the remaining portions of the Property. This extension request is made pursuant to Subtitle Z, Section 705.2 of the Zoning Regulations. The Applicant requests a waiver from Subtitle Z, Section 705.5 to allow a two-year time extension for this second request.

The First-Stage PUD approved approximately 1.9 million square feet of mixed-use development on approximately 20 acres of property in Ward 5. In that application, the Applicant noted that approval of the project provided a unique and exciting opportunity to create a new and revitalized community that corrects some of the mistakes of earlier urban planning concepts, and creates a great place for existing residents, as well as new residents.

¹ Some of the lot numbers have changed since the First-Stage PUD was approved. However, the properties that are subject to the First-Stage PUD approval have not changed.

² The Order also approved the rezoning of the Property from the R-5-A and C-2-A Zone Districts to the C-2-A and R-5-B Zone Districts.

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 PUD provided that:

- (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;
- (b) 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
- (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;
 - (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
 - (3) 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. Time Extension Request and Applicant's Satisfaction of the Standards for Granting Time Extension

As noted in the first time extension application (Zoning Commission Case No. 14-18B), the Applicant has met the timing requirements for the processing of second-stage PUD applications as noted in the Order. The First-Stage PUD became effective on November 6, 2015. As required by the Order, the Applicant filed the first second-stage PUD application within a year of approval of the Order.

In this second time extension application, the Applicant requests that the Commission extend the First-Stage PUD approval until August 1, 2027. This extension request will provide the Applicant the opportunity to review, potentially revise, and move forward with Second-Stage PUD applications for the development of the remaining portions of the Property. The time extension request will also allow the Applicant to finalize a new development timeline, which

better reflects the current and expected economic climate, as well as the District's planning goals for the Property.

1. Service on Parties

This request is being served on the ANC, now ANCs, and the Brookland Manor/Brentwood Village Residents Association (through their previous counsel – The Washington Legal Clinic for the Homeless), the only parties to the First-Stage PUD, on the same day it is filed with the Zoning Commission.

2. No Substantial Change of Material Facts

There have been no substantial changes in any material facts that would undermine the basis for the Commission's original approval of the First-Stage PUD. Those changes that have occurred support the basis for the original approval, including additional residential development in the vicinity of the Property and changes to the Comprehensive Plan. Specifically, the 2021 Comprehensive Plan included an amendment to the Future Land Use Map ("FLUM") designation of the Property to Moderate Density Commercial/Moderate Density Residential and Medium Density Residential. As noted in the OP report in support of the first time extension application, this FLUM designation "more closely reflects the density approved through the PUD".

The proposed mix of uses throughout the Property remains consistent with both the vision of the First-Stage PUD approval, as well as the Comprehensive Plan. The Comprehensive Plan emphasizes the need to ensure housing affordability for all incomes and household sizes. The plans for these parcels support housing affordability by reserving 384 residential units, approximately 22% of the overall number of residential units approved under the First-Stage PUD, as affordable units. This redevelopment also provides a grocery store, open space commitments, services for residents, and other benefits, all in a transit-oriented design with easy access to the Rhode Island Ave-Brentwood Metrorail station that better links the community to transit.

Since the Commission approved the First-Stage PUD the City Council has also adopted modifications to the Comprehensive Plan that, among other things, require that the Commission evaluate zoning actions through the lens of racial equity. The Commission will have the opportunity as part of future Second-Stage PUD applications to review those applications' consistency with the Commission's racial equity evaluation standards.

3. Inability to Obtain Sufficient Project Financing Because of Economic and Market Conditions Beyond the Applicants Control Render the Applicant Unable to Comply with the Time Limits of the Orders

Since the Zoning Commission approved the time extension request in Zoning Commission Case No. 14-18B, the Applicant has diligently pursued various financing opportunities and development partners to move forward with the preparation of second-stage PUD applications consistent with the Order. Unfortunately, new and more stringent DC and federal policies and

adverse market conditions have prevented the Applicant from obtaining sufficient project financing. Those new policies and adverse market conditions include:

- The Applicant was required to undertake a substantial and costly redesign effort, and factor in substantial additional construction and operations costs, in order to satisfy a new requirement established by the DC Council that all DC subsidized buildings must comply with net-zero energy standards.
- The Federal Low-Income Housing Tax Credit (LIHTC) program has also enacted more stringent requirements that have added costs to the development of affordable housing.
- DDOT and the DC Power Line Undergrounding (PLUG) initiative installed additional utilities along Saratoga Avenue, NE that require the Applicant to redesign the public areas adjacent to Saratoga Avenue, NE.
- The Applicant engaged in a significant search effort to find an equity partner or potential purchaser of the approved First-Stage PUD. As late as June of this year, the Applicant was still engaged in discussions with a potential development partner for the First-Stage PUD. However, the continued elevated construction costs and the higher interest rate environment which were noted in the previous time extension application continue to result in huge impediments to development activity on the Property moving forward and that potential development partner decided not to proceed.

All of these factors are outside of the Applicant's control and have prevented the Applicant from being able to continue with the site planning and development of architectural plans necessary for the additional Second-Stage PUDs. Therefore, the Applicant has satisfied this element of the time extension request standard.

Request for Waiver of Subtitle Z, Section 705.5 to Allow a Two-Year Time Extension

Subtitle Z, Section 705.5 limits a second time extension request to one year. As noted above, the Applicant requests a two-year extension of the approval of the First-Stage PUD in this application. The Zoning Regulations grant the Zoning Commission the authority to waive any provisions of Subtitle Z, pursuant to Subtitle Z, Section 101.9, as noted below:

The Commission may, for good cause shown, waive any of the provisions of this subtitle if, in the judgment of the Commission, the waiver will not prejudice the rights of any party and is not otherwise prohibited by law.

The request for a two-year extension reflects the continued difficult development climate, with high interest rates, elevated construction costs, and limited access to capital. These conditions have made it challenging to secure financing, joint venture partners, or buyers, particularly for projects that include the substantial affordable housing component that this project does. The added affordable complexity requires identifying uniquely qualified partners and negotiating partnership structures that meet both market conditions and regulatory expectations. A two-year time extension is necessary to provide the time needed to advance these efforts responsibly and

maintain alignment with the goals of the original PUD. Granting the Applicant's request that this second time extension request be for a period of two years does not prejudice the rights of any party to this case and it is not otherwise prohibited by law.

Exhibits

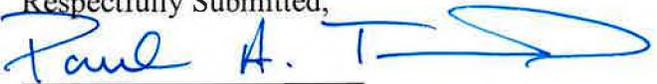
Attached are the following Exhibits:

Exhibit A – Letter of Authorization from the Applicant.

Exhibit B – Zoning Commission Order Nos. 14-18, 14-18A, 14-18A1, 14-18B³

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,

Paul A. Tummonds

³ Please note that ZC Case No. 14-18C granted a time extension for the second-stage PUD approved for Block 7. This time extension application does not impact the second-stage PUD approved on Block 7.

Certificate of Service

I hereby certify that a copy of the foregoing document was sent to the following by first-class mail or email on July 22, 2025.

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