

Skyland Town Center

By Skyland Holdings, LLC



APPLICATION TO THE DISTRICT OF COLUMBIA ZONING COMMISSION FOR
REVIEW AND APPROVAL OF A MODIFICATION WITH HEARING TO AN
APPROVED PLANNED UNIT DEVELOPMENT
Square 5633, Lot 22

August 19, 2025

ZONING COMMISSION
District of Columbia
CASE NO. 09-031
EXHIBIT NO. 3

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PREFACE

Skyland Holdings, LLC hereby submits this application to the District of Columbia Zoning Commission for review and approval of a modification to the Planned Unit Development approved in Z.C. Order No. 09-03, and most recently modified in Z.C. Case No. 09-03H. The application requests a modification with hearing to the approved PUD to authorize construction of a new multifamily building featuring 24 condominium (for-sale) units in place of the approved senior multifamily building. The Project (as defined herein) will include a total gross floor area of approximately 38,000 square feet, a height of approximately 54 feet, and approximately 24 parking spaces. While the Applicant is not proposing to make any changes to the landscaped areas and open spaces that were approved in Z.C. Case No. 09-03H, the Application requests a modification to the GAR calculation, as described further below. The Project implements the goals and policies of, and is not inconsistent with, the District of Columbia Comprehensive Plan, including when viewed through a racial equity lens. The Application satisfies the requirements for a PUD under the 2016 District of Columbia Zoning Regulations.

I. INTRODUCTION

Skyland Holdings, LLC (the “**Applicant**”) hereby submits this application (the “**Application**”) to the District of Columbia Zoning Commission (the “**Commission**”) for review and approval of a modification to the Planned Unit Development (the “**PUD**”) approved in Z.C. Order No. 09-03, as modified and extended by Z.C. Order Nos. 09-03A – 09-03H (the “**Approved PUD**”). The most recent modification of the PUD, Z.C. Order No. 09-03H (the “**Order**”), approved 126 townhomes, a community park, and a fully affordable senior multifamily building with ground floor retail on the portion of the Skyland Town Center property that is the subject of this Application. Copies of the Approved PUD orders are attached as

Exhibit C.

The purpose of the Application is to complete the development of the Skyland Town Center with a project that requires no subsidies and can deliver on an accelerated timeline, as soon as next year, with additional home ownership opportunities at a purchase price lower than the market rate townhomes. This Application seeks to modify the PUD to (a) replace the senior multifamily building with a multifamily building featuring 24 condominium (for-sale) units (the “**Project**”), and (b) revise the Green Area Ratio (“**GAR**”) calculation.

II. APPROVED PUD

The Property that is the subject of this Application consists of Lot 22 in Square 5633 (the “**Property**”) and is located in Southeast D.C. to the west of the Hillcrest neighborhood and to the south of the Fairlawn neighborhood. The Property is within the boundaries of Advisory Neighborhood Commission (“**ANC**”) 7B. ANC 8A is situated across Naylor Road, SE and ANC 8B is across Marion Barry Avenue, SE to the west, such that each is also an “Affected ANC” per the Zoning Regulations.

The Approved PUD includes four development “Blocks” for the Property. Block 2 is improved with the Crest apartment building, a 263-unit residential building including 79 affordable units, a CVS, Chase Bank, and other retailers, and Block 3 is improved with a retail shopping center, including a Lidl grocery store, Starbucks, and &pizza, as well as a surface parking lot containing approximately 214 parking spaces. Z.C. Order No. 09-03H approved the development of Blocks 1 and 4 with 126 townhomes and a community park, which are actively in development, and a fully affordable senior multifamily building with ground floor retail. The Applicant is nearing completion of land development activities and anticipates that the first model townhomes will deliver later this year.

III. PROPOSED PUD MODIFICATION

The Project will be the last component of the Approved PUD to be constructed. As shown in the materials included in Exhibit A, all of the 24 condominium (for-sale) units will be 2-bedroom/2-bathroom units, some including a den as well. The units will be large in size, measuring approximately 1,100 – 1,500 square feet. Three units, which account for at least 10% of the residential gross floor area, will be set aside at 80% of the Median Family Income (“MFI”). The building will include approximately 38,000 square feet of gross floor area, a height of approximately 54 feet, and approximately 24 parking spaces. The Building features 24 private balconies and a private shared entrance lobby. The color composition of the façade is intended to complement the adjacent townhomes across the community park.

While the Applicant is not proposing to make any changes to the landscaping and open spaces that were approved in the Order, the Applicant seeks to revise slightly the previously approved GAR calculation from 0.373 to 0.309. Pursuant to the Order, Blocks 1 and 4 of the Approved PUD would provide a total GAR of 0.373, exceeding the minimum 0.25 GAR

required in the MU-7 Zone. As noted on page L-3.0 of the Plans, this previous GAR calculation included both plants and soils located in the mews and yards surrounding the townhomes. The proposed revised GAR calculation, as shown on page L-3.2 of the Plans, excludes the plants in these areas, which include parts of the lots that will be sold to the individual townhome owners. Although the Homeowners Association documents that govern the townhomes will include design guidelines and standards for the upkeep of landscaping on the land owned by each townhome owner, the Applicant believes that it will be more appropriate to only include the soils and not the plantings surrounding the townhomes in the GAR calculation. The Applicant still plans to plant the originally contemplated plantings, but requests that they be excluded for purposes of the GAR calculation. The revised GAR calculation, excluding the plants surrounding the townhomes, results in a score of 0.309, a *de minimis* reduction of only 0.06 from the approved GAR score and still well above the required 0.25 in the MU-7 Zone.

Two important aspects of the Project support its approval: (1) the condominium units offer much-needed mixed-income homeownership opportunities in Ward 7, and (2) the Project can deliver on an accelerated timeline and avoid years of a vacant lot. As described in more detail below and in the Applicant's Comprehensive Plan ("Comp Plan" or "Plan") analysis attached as Exhibit H, the Project advances numerous racial equity goals, particularly through its provision of asset-building opportunities that will strengthen community stability in a low-income area. The new homeownership opportunities are provided on a vacant lot, resulting in no displacement, and in a location with access to adjacent retail and a major thoroughfare. Furthermore, by providing a mix of both affordable and market rate units, the Project will offset the overconcentration of affordable units in Ward 7, another key priority of the Comp Plan.

The Project provides 24 large condominium units, offering much-needed home ownership opportunities in Ward 7 at a more accessible price point than the townhomes and with a housing product – condominiums – that is scarce in this part of the District. As explained further below, the Applicant pursued financing for the affordable senior multifamily building and the necessary subsidies are simply not available and will not soon become available. The reality is that without the modification, the lot will remain vacant for the foreseeable future. Instead, with the approval of the Application, the Project can deliver quickly. The Applicant plans to file for a building permit to construct the Project shortly after obtaining approval from the Commission with construction commencing in 2026 and the condominiums delivering as early as 2027. The would-be vacant lot will instead complete the Town Center and provide much-needed homeownership opportunities in Ward 7 on an accelerated timeline.

A. The Project Provides Home Ownership Opportunities and Supports Retail

The Project will greatly benefit the District by providing new homeownership opportunities in the southeast quadrant of the District, which has the lowest home ownership rate in D.C. with renters occupying approximately 82 percent of the housing units, as of 2018.¹ Recent data reflects that home ownership by Black households is actually decreasing east of the River with 92% of home purchase mortgages going to Black households in 2007, compared with 75% in 2021.² As discussed in the Comp Plan, 49% of white households in the District are owner-occupied while only 35% of Black and 30% of Latino households are owner occupied. 10-A DCMR § 500.5.

¹ Yesim Sayin, *Taking Stock of the District's Housing Stock: Capacity, Affordability, and Pressures on Family Housing*, D.C. POLICY CENTER (March 27, 2018), <https://www.dcpolicycenter.org/publications/taking-stock/>.

² Amanda Michelle Gomez, *The Percentage of Black Homeownership East of the Anacostia River is Declining, New Report Says*, DCIST (Feb. 9, 2023), <https://dcist.com/story/23/02/09/percentage-black-mortgages-falling-east-of-anacostia-river/>.

Home ownership is a key factor in the creation of wealth and economic mobility. With lower price points than the townhomes, the new condominium units will expand the availability of these homeownership opportunities at Skyland Town Center, providing an equitable opportunity for wealth generation in Ward 7. The Housing Element encourages opportunities for upward mobility and “support[ing] paths to homeownership that build and sustain equity and develop assets for the transfer of intergenerational wealth.” § 513.7. The for-sale condominium units will facilitate the upward mobility envisioned by the Comp Plan.

In addition, the Project advances the Comp Plan goals of more evenly distributing affordability across the District. The Comp Plan specifically emphasizes the importance of mixed-income neighborhoods and “encourage[es] affordable housing in high-cost areas and market rate housing in low-income areas.” 10-A DCMR § 504.19. Unlike Northwest D.C., which has mostly market rate units, Ward 7 has an overconcentrated supply of affordable units. For example, since 2015, only 330 affordable units were delivered in Ward 3, compared to 3,668 affordable units in Ward 7 and 6,183 affordable units in Ward 8.³ The Project will contribute to balancing out the housing supply in Southeast D.C. In addition, new condominium construction in Ward 7 is scarce. The condominiums offer a transition both in scale and unit type between the multifamily rental units available at the Crest and the for-sale townhomes, making Skyland Town Center a truly mixed-income community.

The additional home ownership also supports the retail program that is instrumental to a successful town center. Retail lease-up and occupancy remains a challenge at Skyland Town

³ Affordable Housing, OPEN DATA DC (last updated May 19, 2025), <https://opendata.dc.gov/datasets/affordable-housing/explore?filters=eyJNQVJfV0FSRCI6WyJXYXJkIDgiXSwiU1RBVFVTX1BVQkxJQyI6WyJDb21wbGV0ZWQgMjAxNSB0byBEYXRlII19&showTable=true>

Center. The initial ground floor retail program at The Crest (Block 2) has been marketed for over eight years and is currently only 53% occupied and 77% leased. If this last piece of developable land at the heart of the town center remains vacant, it will continue to hinder the Applicant's ability to successfully lease-up and occupy the retail program. Additional home ownership provided by the condominium building will also attract increased retail interest from prospective tenants.

B. The Project Can Deliver on an Accelerated Timeline

The Applicant can deliver the Project quickly. This accelerated timeline will benefit the community by avoiding many years of a vacant lot adjacent to the planned community park which is meant to be a gathering place for the neighborhood.

C. The Applicant Diligently Pursued Financing for the Affordable Senior Multifamily Building, but the Necessary Subsidies Were Not Available

The Applicant had several meetings and conversations with District agencies regarding the lack of, and uncertainty as to when, Housing Production Trust Fund ("HPTF") dollars (or any other District affordable funds) would become available to fund the affordable senior multifamily building. Ultimately, the District encouraged the Applicant to explore alternative options that did not depend on District subsidy. Much of the HPTF is currently being re-directed away from new projects and towards existing affordable properties due to DHCD subsidies that are struggling with collections issues.

The Applicant also reviewed DCHD's most recent 2025 LIHTC Qualified Allocation Plan and identified several factors that would result in a low evaluation score for the proposed senior multifamily building. The evaluation criteria places great weight on a project's location, noting, "another goal of this criteria is to disperse the District's affordable housing supply more

equitably across neighborhoods and Wards, and to counter the systemically racist housing policy of the past which has concentrated affordable housing and discouraged placement of goods, services and amenities in neighborhoods east of Rock Creek Park, particularly in Wards 7 and 8.”⁴

The evaluation criteria also considers “Project Readiness” and deducts points for projects applying for gap financing with a closing timeline greater than 12 months. The proposed senior multifamily building would require gap financing and the closing timeline would exceed 12 months. The evaluation criteria also places great weight on those projects that are leveraged with other public and private funding resources and, to maximize points, notes that applicants should pursue alternative financing sources and use surplus cash flow from market rate units to cross subsidize the affordable units.⁵ The senior multifamily building is all affordable and would not have any market rate units to help subsidize the affordable units and reduce the necessary funding from DHCD. The Applicant also engaged several private subsidy sources, but those groups were similarly not actively lending to affordable District projects at this time due to affordable collection concerns or were only interested in home ownership opportunities. When incorporating these project evaluation metrics, the senior multifamily building is not positioned to receive a strong weighted evaluation score.

Given the Applicant’s commitment to the District, Ward 7 stakeholders, existing residents of the Skyland Town Center, retailers operating at the Town Center, and the new homeowners purchasing a townhome at the Town Center, the proposed condo program is the best path forward

⁴ 2025 Low Income Housing Tax Credit Qualified Allocation Plan, DHCD (July 2025), https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/publication/attachments/DHCD%27s%202025%20Qualified%20Allocation%20Plan%20Draft_0.pdf.

⁵ *Id.*

to complete the Skyland Town Center development. With development of the senior multifamily building halted due to the lack of required subsidies to underwrite the affordable units, approval of the Project will limit construction impacts on the rest of the Skyland community as the condominium building can deliver quickly. Completion of the Project will also create a better sales environment for the townhomes and assure finalization of the 25 years-long development of Skyland Town Center.

D. Zoning Development Standards

A brief summary of the general zoning parameters of the Project is included here:

	Allowable MU-7B	Condo Building
Lot Occupancy	75% (80% IZ)	27%
Gross Floor Area	Resi: 133,888 sf (160,666 sf IZ) Non-Resi: 83,680 sf	40,117 sf
FAR	Resi: 4.0 (4.8 IZ) Non-Resi: 2.5	1.11
Height	65'	54'
Side Yard	2" per foot of height, not less than 5'	13.9' (west) 115.6' (east)
Rear Yard	2.5" per foot of height, not less than 12'	50.4'
Vehicle Parking	7 spaces	24 spaces
Bicycle Parking	25 LT; 4 ST	8 LT; 2 ST
Loading	None required.	None.

E. Flexibility Requested

As part of the PUD process, the Zoning Commission has discretion to grant flexibility from certain development standards. 11-X DCMR §§ 303.1 and 303.11. The Applicant requests flexibility from the long-term bicycle parking location requirements of Subtitle C § 805.1 to locate the long-term bicycle parking external to the building. As shown on the Plans, the long-term bicycle parking will be located within an accessory structure at the rear of the building (the “**Bike Storage Facility**”). The Bike Storage Facility will be secure and easily accessible from the

sidewalk adjacent to Town Center Drive, SE. The structure will be covered and the adjacent landscaping will provide further screening. Given the Project's generous 2-bedroom/2-bathroom units as well as the building's efficient layout, locating the long-term bicycle parking within the building is not feasible. The adjacent Bike Storage Facility will operate like an internal bike storage room with the key features of easy accessibility and security.

In addition to the requested zoning flexibility, the Applicant seeks the following design flexibility, consistent with Subtitle Z § 702.8, as part of the PUD process:

1. Interior Components: To vary the location and design of all interior components, including partitions, structural slabs, doors, hallways, columns, stairways, atria, and mechanical rooms, provided that the variations do not change the exterior configuration of the building as shown on the plans approved by the order;
2. Exterior Materials – Color: To vary the final selection of the colors of the exterior materials based on availability at the time of construction, provided such colors are within the color ranges shown on the plans approved by the order;
3. Exterior Details – Location and Dimension: To make minor refinements to the locations and dimensions of exterior details that do not substantially alter the exterior configuration of the building or design shown on the plans approved by the order. Examples of exterior details would include, but are not limited to, doorways, canopies, railings, and skylights;
4. Number of Units: To provide a range in the approved number of residential dwelling units of plus or minus ten percent (10%), except that (1) the total square footage of the residential dwelling units shall not be reduced, and (2) the number of units and the square footage reserved for affordable housing shall not be reduced;
5. Parking Layout: To make refinements to the approved parking configuration, including layout and number of parking space plus or minus ten percent (10%), so long as the number of parking spaces is at least the minimum number of spaces required by the Zoning Regulations;
6. Signage: To vary the font, message, logo, and color of the approved signage, provided that the maximum overall dimensions and signage materials are

consistent with the signage on the plans approved by the order and are compliant with the DC signage regulations; and

7. **Sustainable Features:** To vary the approved sustainable features of the project, provided the total number of LEED points achievable for the project does not decrease below the minimum required for the LEED standard specified by the order.

F. Outreach Efforts

The Applicant presented the Project to ANC 8B at their May 20, 2025, regular public meeting. The Applicant has reached out to ANC 7B and ANC 8A on multiple occasions and looks forward to presenting the Project at a regular monthly meeting in the near future. The Applicant met with the Office of Planning (“OP”) on April 21, 2025.

G. Development Timetable

At the present time, the Applicant intends to commence construction of the Project in 2026 with delivery of the condominiums anticipated by the end of 2027.

IV. THE MODIFIED PUD CONTINUES TO MEET THE STANDARDS AND REQUIREMENTS FOR PUD APPROVAL

The PUD, as modified by this Application, continues to satisfy the criteria by which the Commission must evaluate a PUD. Pursuant to Subtitle Z § 704.4, the scope of the hearing for a proposed PUD modification shall be limited to the impact of the modification on the subject of the original application, and shall not permit the Commission to revisit its original decision.

As set forth below, the PUD, as modified by this Application, will continue to (i) provide previously approved specific public benefits and satisfy the evaluation and balancing criteria; (ii) be not inconsistent with the Comp Plan and other relevant public policies and programs; (iii) not

result in any unacceptable impacts on the surrounding area or on the operation of District services and facilities. 11-X DCMR § 304.4.

A. The Proposed PUD Modification continues to Provide the Previously Approved Specific Public Benefits and Satisfies the Evaluation and Balancing Criteria

Pursuant to the Order, the Commission approved a set of public benefits and amenities for the Approved PUD. The Table below summarizes each of the currently approved public benefits, as well as how the application modifies the benefits, if at all. As demonstrated in the table, the proposed modifications to the Approved PUD do not impact any of the previously approved public benefits.

Approved Benefit Category and Requirement	Status of PUD Benefit and Impact of Proposed PUD Modification
<u>Superior Landscaping and Preservation of Open Spaces:</u>	<p>The Approved PUD, as modified by the Application, will continue to provide superior landscape that complements the adjacent open space of the community park. In addition, the building features 24 balconies.</p> <p>The requested change to the GAR calculation is minimal and necessary due to the transfer of control from the Applicant to the individual homeowners.</p>
<u>Sustainability:</u>	The Project will commit to LEED Silver certification.
<u>Affordable Housing:</u>	In place of the fully-affordable Senior Building, the Project will offer a 10% IZ set-aside.
<u>Uses of Special Value:</u>	No change. The Applicant has already funded over \$1.5 million in monetary contributions under the Approved PUD, over \$650,000 of which has

	gone towards funding for job training and helping improve access to opportunity in Southeast DC.
<u>Streetscape Improvements:</u> · TDM plan	The TDM Plan for Block 4 will be revised to reflect the new condominium program and sale of the 24 parking spaces.
<u>First Source and CBE Requirements:</u>	No change. The Approved PUD, as modified by the Application, will continue to provide these benefits.
<u>Site Management Supervision:</u>	No change. The Approved PUD, as modified by the Application, will continue to provide these benefits.

The proposed PUD modification does not trigger the need for the Commission to rebalance the relative value of the public benefits with the degree of development incentives requested and any potential adverse effects because the proposed PUD modification does not request any additional development incentives.

B. Not Inconsistent with the Comprehensive Plan and Other Relevant Public Policies

Pursuant to Subtitle X § 304.4(a), the Zoning Commission must find that a PUD is not inconsistent with the Comp Plan. Attached hereto as Exhibit H-1, is an analysis of the Project's consistency with the Comp Plan. Exhibit H-2 details the Project's consistency with the Comp Plan when viewed through a racial equity lens. The Commission has already determined that the Approved PUD is not inconsistent with the Comp Plan. Accordingly, the Comp Plan analysis is limited to the consistency of the proposed modification.

As described above and in Exhibit H, the Project advances a number of policies outlined in the Housing Element and Far Northeast and Southeast Area Element that emphasize the

importance of homeownership opportunities to enhance upward mobility, particularly in low-income areas. The Project also provides mixed-income housing that will help more evenly distribute affordable and market-rate housing in the District. With no displacement, the Project will replace a vacant lot with new for-sale housing situated in a retail corridor, advancing numerous racial equity goals of the Comp Plan.

C. No Unacceptable Impacts on the Surrounding Area, the Environment, or in the Operation of District Services or Facilities

The proposed PUD modification will not cause any unacceptable impacts. The Project includes fewer units than the approved senior multifamily building and, therefore, is unlikely to result in any measurable impacts beyond what has already been considered by the Commission.

V. CONCLUSION

For the foregoing reasons, this Application complies with the standards of the Zoning Regulations applicable to approval of a modification with hearing of an approved PUD; is not inconsistent with the Comprehensive Plan and other adopted public policies; and continues to provide public benefits. The Applicant requests that the Commission set this Application down for a public hearing at its earliest convenience.

Respectfully submitted,

GOULSTON & STORRS PC

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/s/ Lee S. Templin
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