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September 15, 2025

VIA IZIS

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

**Re: Z.C. Order No. 15-20D
Request for One-Year Extension of Approved Second-Stage PUD
50 M Street, NW (Lot 254 in Square 620) | TBSC Master Owner I, LLC**

Dear Members of the Commission:

On behalf of TBSC Master Owner I, LLC (the “Applicant”), owner of the property located at 50 M Street, NW (Lot 254, Square 620) (the “Property”), we hereby submit this application requesting a one-year extension of the second-stage planned unit development (“PUD”) approval and related deadlines established by Z.C. Order No. 15-20D, which became final and effective on November 10, 2023 (the “Order”).

This application is filed with the Zoning Commission pursuant to Subtitle Z § 705 of the District of Columbia Zoning Regulations (Title 11 DCMR). The required Application Form 106 is being filed concurrently via IZIS. A check in the amount of \$2,008.71 made payable to the D.C. Treasurer for the requisite filing fee, calculated pursuant to Subtitle Z § 1600.10(c), will also be provided to the Office of Zoning at the time of filing.¹ An authorization letter permitting undersigned counsel to act on behalf of the Applicant is also submitted herewith.

For the reasons set forth below, the Applicant respectfully requests that the Commission approve a one-year time extension of the Order, permitting the filing of a **building permit no later than November 10, 2026, and the commencement of construction no later than November 10, 2027**. The Applicant further respectfully requests that the Commission consider this matter at its public meeting scheduled for October 23, 2025, which will allow for the requisite 30-day response period afforded to parties pursuant to Subtitle Z § 705.2(a).

¹ Pursuant to Subtitle Z § 1600.10(c), the fee is the greater of ten percent (10%) of the original hearing fee, which in Z.C. Case No. 15-20D was \$20,087.08 (see Ex. 9F), or \$1,500, up to a maximum of five thousand dollars (\$5,000). Ten percent of the original fee is \$2,008.71, which is the applicable fee.

A. Background

1. The Property (North Parcel) and Approved Project

The Property is known as the “**North Parcel**” of a larger PUD site approved pursuant to Z.C. Order No. 15-20 and subsequent approvals summarized below. The North Parcel is separated from the PUD’s “**South Parcel**” by a private street known as Banner Lane, NW. The overall PUD site is generally bounded by L Street, M Street, First Place, and First Street, NW. Previously, the overall PUD site was occupied by the Sursum Corda Cooperative, a 199-unit townhouse community, together with a 14-unit, four-story apartment building (located at 76 M Street, NW) and two adjoining vacant parcels. All of these improvements have since been demolished, and the South Parcel has since been redeveloped with two apartment buildings containing a total of 561 units.

Under the second-stage PUD approval granted by Z.C. Order No. 15-20D, the North Parcel will be redeveloped with the Northwest Building and the Northeast Building (together, the “**Project**”). The Project will provide approximately 753,497 square feet of gross floor area (GFA), yielding 683 units plus 32 penthouse units for a total of 715 dwelling units. The buildings will range from seven to eleven stories, with heights between 65.42 and 110 feet, and will achieve a density of 6.05 FAR based on a land area of 124,628 square feet. The Project will also provide approximately 353 parking spaces and 296 bicycle parking spaces (256 long-term and 40 short-term). In addition, the Project will allocate nearly 12,000 square feet of GFA to non-residential use, most of which will be located within the Northwest Building. A rendering of the approved Project as viewed from Banner Lane is shown below:



2. Prior Zoning Commission Approvals

Copies of the relevant prior approvals issued by the Zoning Commission are attached as Exhibits A through E, which are summarized below:

- **Z.C. Order No. 15-20**, effective June 17, 2016, approved a first-stage PUD and related Zoning Map amendment from the R-4 Zone District to the C-3-C Zone District. The approval authorized redevelopment of the entire PUD site with approximately 1.3 million square feet of residential use (1,131 units), 49,420 square feet of non-residential space, building heights ranging from 62.5 to 110 feet, an overall density of up to 5.24 FAR, 746 parking spaces, and 199 affordable units, including reserved units for Sursum Corda Households. (**Ex. A**)
- **Z.C. Order No. 15-20A**, effective June 30, 2017, approved a two-year extension of the first-stage PUD approval, requiring that a second-stage PUD application for the South Parcel be filed by June 30, 2019, in which case the first-stage approval for the remainder of the PUD, i.e., the North Parcel, would remain valid until June 30, 2023. (**Ex. B**)
- **Z.C. Order No. 15-20B**, effective September 14, 2018, approved modifications to Condition Nos. B.2.a and B.2.e.i of Z.C. Order No. 15-20, which addressed the timing for certifying to DCRA the list of Sursum Corda households and for notifying those households of any raze permit application for structures on the PUD site. (**Ex. C**)
- **Z.C. Order No. 15-20C**, effective March 13, 2020, approved a modification to the development program for the first-stage PUD for the North Parcel and granted second-stage PUD approval for the South Parcel. The order also included an amended and restated list of public benefits and amenities to be provided with the approved PUD including: (i) affordable housing; (ii) reserved units for former Sursum Corda Households; (iii) minimum unit sizes (52 two-bedroom and 27 three-bedroom units); (iv) landscape and open space improvements; (v) employment and training opportunities; (vi) environmental benefits; (vii) support for neighborhood uses and organizations; and (viii) a commemorative historic element (**Ex. D**; see Decision B at pp. 28-33). All PUD benefits that could have been, or were required to be, delivered prior to development of the North Parcel have been fulfilled upon issuance of the final certificate of occupancy for the South Parcel.
- **Z.C. Order No. 15-20D**, effective November 10, 2023, granted a Modification of Significance and second-stage PUD approval for the North Parcel, thereby authorizing construction of the Project. The Order also clarified the public benefits and amenities, including affordability requirements, commitments to returning Sursum Corda households, sustainability standards (LEED-Silver certification), and the location of commemorative artwork. (**Ex. E**; see Decision B at p. 19).

B. Request for Time Extension

Decision No. E.2 of Z.C. Order No. 15-20D states:

The second-stage PUD approval for the development of the North Parcel shall remain valid for a period of two years from the effective date of this Order. Within such time, an application must be filed for the building permit as specified under the Zoning Regulations. Construction of the Project shall start within three years from the effective date of this Order.

The effective date of Z.C. Order No. 15-20D is November 10, 2023. Accordingly, the deadline to file a building permit application for the Project is November 10, 2025, and the deadline to begin construction is November 10, 2026. Notably, this request constitutes the second extension of the validity periods applicable to the North Parcel, following Z.C. Order No. 15-20A, which extended the first-stage PUD approval to June 30, 2023 (based on the timely filing of a second-stage PUD application for the South Parcel by June 30, 2019).²

Under Subtitle Z § 705.5, an applicant with an approved PUD may request no more than two (2) extensions, not including any granted due to the COVID-19 pandemic, and the regulation further provides that a second extension may be approved for no more than one year. Therefore, the Applicant respectfully requests this second time extension to extend the deadlines applicable to the North Parcel for one year.

C. Eligibility Under and Compliance with Criteria Under Subtitle Z § 705

Pursuant to Subtitle Z § 705.6, a request for an extension of an approval may not be filed more than six (6) months prior to the expiration date of the Order. This request is timely filed within six (6) months of the expiration date of Z.C. Order No. 15-20D, which is November 10, 2025. Under Subtitle Z § 705.2, an applicant may request an extension of the time periods established by a PUD order “**for good cause** upon the filing of a written request, before the expiration of the approval,” upon documenting certain conditions. (Emphasis added.) The Commission may, in its discretion, grant such a request upon determining that the applicant “has sufficiently evidenced compliance” with the criteria set forth in Subtitle Z § 705.2. 11-Z DCMR § 705.3(a). As discussed below, this application satisfies all applicable criteria:

- Subtitle Z § 705.2(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;*

Other than the Applicant, the only other party to the original proceeding was ANC 6E. *See* Z.C. Order No. 15-20, Finding of Fact No. 13; *see also* Z.C. Order No. 15-20D, Finding of Fact No. 1. As indicated in the Certificate of Service submitted herewith, the Applicant served this application on ANC 6E at the time of filing. The Applicant acknowledges the ANC must be allowed thirty (30) days to respond before the Commission considers the application.

² The second-stage PUD application for the North Parcel was filed on March 14, 2022.

- Subtitle Z § 705.2(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*

There has been no substantial change in any of the material facts upon which the Commission approved the second-stage PUD for the North Parcel, including its consistency with the Comprehensive Plan, adopted public policies, and active programs related to the site. The PUD was reviewed under the current Comprehensive Plan, last updated in 2021, and there have been no subsequent changes to the maps or policy statements. Nor have there been changes to the Zoning Regulations that would materially affect the approval; the recent reorganization and renaming of various zones did not alter the substance of the regulations as applied to the Property. Finally, while construction of the two apartment buildings on the South Parcel has since been completed, that development does not undermine the Commission’s justification. In fact, it supports extending the validity of the North Parcel approval so that the entire PUD may be completed as originally envisioned.

- Subtitle Z § 705.2(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.*

Good cause exists under Subtitle Z § 705.2(c)(1) and (3) because financing conditions for residential development remain unusually difficult and beyond the Applicant’s reasonable control. The challenges stem from broader macroeconomic trends and local market conditions. Borrowing costs are still elevated after the Federal Reserve maintained the federal funds rate at 4.25%–4.50% on July 30, 2025,³ which keeps construction-loan benchmarks and spreads high. These financing conditions directly affect developers in the District, where higher debt costs have reduced underwriting flexibility and made it significantly harder to advance new projects. Locally, Washington, D.C. saw only 932 rental units begin construction in 2024, a 79% year-over-year decline and the lowest level in roughly 15 years—evidence that high rates and cost inflation have inhibited lender appetite and slowed closings on feasible terms.⁴ Rising costs have compounded the problem, with even high-profile projects experiencing significant budget pressures.⁵ Market sources report construction costs are increasing at a steady 3%–5% annually, with little relief

³ See [Federal Reserve Board - Federal Reserve issues FOMC statement](#).

⁴ See [D.C. Housing Starts Drop 79% As Investors 'Move Their Money Elsewhere'](#).

⁵ See [The White House is attacking the Fed over its renovations : NPR](#).

expected as labor competition and material prices persist, and further note that these conditions are expected to constrain development in the District, especially in the office and residential sectors, in the coming years.⁶

As detailed in the Affidavit of C. Michael Skena **Ex. F**), these financing and cost conditions have had a direct and material impact on the Applicant. Despite multiple applications, the Applicant has been unable to secure a tax-exempt bond allocation from the D.C. Housing Finance Agency as contemplated in the approved financing plan. Institutional equity remains unavailable for ground-up construction, and higher mortgage interest rates have eliminated the flexibility once available in underwriting. The approved PUD relies on a cast-in-place construction method that, at current achievable rent levels, cannot be financed. The Applicant has pursued financing in good faith by engaging lenders, exploring public tools, and advancing construction drawings, but those efforts stalled as capital sources withdrew or imposed infeasible terms. The combination of elevated borrowing costs, limited equity availability, and rising construction expenses constitutes good cause under Subtitle Z § 705.2(c), as these conditions are outside the Applicant’s control and have prevented timely commencement of construction.

Accordingly, good cause exists to grant a one-year extension under Subtitle Z § 705.2. The financing challenges stem from broader market conditions beyond the Applicant’s control and have prevented compliance with the deadlines in Z.C. Order No. 15-20D. An extension is warranted to preserve the Commission’s approval and allow the Project to proceed once conditions stabilize.

D. No Public Hearing Necessary

Pursuant to Subtitle Z § 705.7, the Commission must hold a hearing on an extension request only if a material factual conflict arises concerning the criteria in Subtitle Z § 705.2. No such conflict exists here, as it is, generally understood that the current market conditions have adversely impacted the construction of new residential projects in the District. Therefore, a public hearing is unnecessary for the Commission to evaluate this request.

E. Community Outreach

The Property is located within ANC 6E and Single-Member District (“SMD”) 6E04, which is currently vacant. As reflected in the attached Certificate of Service, the Applicant has served this request on ANC 6E and its chair and intends to engage the ANC in the course of processing this application. The Applicant will provide any necessary update to the Commission before the request is considered at a public meeting.

⁶ See [Rising Construction Costs Fueling Record Tenant Build-Out Allowances In DC Cresa](#).

F. Conclusion

For the reasons set forth above, this time-extension request satisfies the criteria in Subtitle Z § 705.2. Accordingly, the Applicant respectfully requests a one-year extension of all validity periods applicable to the North Parcel of the approved PUD under Z.C. Order No. 15-20D and asks that the Commission consider this request at its October 23, 2025, public meeting.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: *Leila Batties*
Leila M. Jackson Batties
Christopher S. Cohen

Attachments

cc: Certificate of Service

Certificate of Service

We hereby certify that on September 15, 2025, a copy of the foregoing correspondence requesting a one-year time extension of the validity periods established in Z.C. Order No. 15-20D was served by electronic mail on the following at the addresses listed below.

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