

October 23, 2025

Via IZIS

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

Re: Application of MCF Heritage 1700, LLC (“Applicant”) for a Time Extension for the Consolidated PUD and related Zoning Map Amendment Approved in ZC Order No. 22-09

Dear Chairperson Hood:

The Applicant hereby requests a two-year time extension of the Consolidated PUD and Zoning Map Amendment that was approved in Commission Order No. 22-09 which became effective on October 27, 2023 (the “**Approved PUD**”) for the property located at 1707 8th Street, NW (the “**Property**”). The Applicant requests an extension of the Consolidated PUD approval for two years; that is, until October 27, 2027. This extension request will provide the Applicant the opportunity to obtain sufficient project financing to file a building permit application for the Approved PUD. This extension request is made pursuant to Subtitle Z, Section 705.2 of the 2016 Zoning Regulations. This is the first time extension request for the Consolidated PUD and Zoning Map Amendment.

The Approved PUD

The Property is located in the Northwest quadrant of the District within Ward 2 in the Shaw neighborhood. The Property is located in ANC 6E01 and is adjacent to ANC 1B01. The Approved PUD will create a new residential community with approximately 317 apartments adjacent to the Shaw-Howard University Metro Station and a block away from the 7th Street, NW commercial corridor. The Approved PUD requires 15% of the residential square footage, including cellar space and penthouse space, will be reserved as IZ units. Almost half (48%) of the units (153) will have direct access to outdoor spaces; 106 of the 317 residential units will have balconies, 31 will have terraces, and 16 will have an areaway in order to provide private open space for the future tenants.

The Commission noted, in Conclusion of Law #15 in ZC Order No. 22-09, the following (in pertinent part):

The Commission found the following OP observations particularly compelling:

- The Project is not inconsistent with the Comprehensive Plan Housing Element policies of §510.4a, as the Project would have more three-bedroom units than the

existing buildings on the Property, and about the same total number of affordable units which would now be permanently set aside as affordable;

- The Project furthers policies of the Housing elements, including encouraging private sector provision of housing, higher density near transit, development of underutilized land, and zoning incentives to promote additional affordable housing; and
- The Project's large supply of affordable housing, along with its architectural design and environmental benefits, render the Project not inconsistent with the Convention Center Area Strategic Development Plan, the Duke Plan, and the maps and text of the Comprehensive Plan. Further the Application meets the PUD evaluation standards as outlined in Subtitle X, Chapter 3, including the total package of benefits, inclusive of the IZ proffer, and is commensurate with the degree of flexibility sought by the PUD process. (ZC Order No. 22-09, p. 60.)

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

This time extension request will provide the Applicant the opportunity to obtain sufficient project financing necessary to undertake the additional design and engineering work that is required for the filing of a building permit application for the Approved PUD. This is the first time extension request for Zoning Commission Order No. 22-09.

1. Service on Parties

As noted in the attached Certificate of Service, this request is being served on ANC 6E, ANC 1B, and ONEDC, the parties to ZC Case No. 22-09.

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 Consolidated PUD and Zoning Map Amendment in Case No. 22-09. The Applicant is not aware of any new large-scale development proposed in the general area near the Property, and no changes to the Comprehensive Plan or the relevant Small Area Plans have been proposed or approved since October of 2023.

3. 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

The request for a two-year time extension reflects the continued difficult development climate that currently exists in the District of Columbia and has existed for the past few years. The significant adverse economic and market conditions the Applicant faces include: high interest rates; elevated construction costs; and limited access to capital (which has been exacerbated by the District's high levels of unpaid rent). An April 23, 2025, article in the Washington Business Journal highlighted these difficulties. The article states:

Last year, 932 rental housing units began construction in D.C., according to the Washington D.C. Economic Partnership's annual Development Report. That was down 79% from the 4,474 units that started construction in 2023. Every year before that, going back to 2015, developers started on at least 5,000 units. D.C. has seen a dramatic slowdown in construction starts for all property types, but the pullback from multifamily developers risks further driving up the cost of housing as the city reckons with forecasts of a localized recession.

Developers are facing the same issues of high interest rates and construction costs that have depressed housing starts across the country - the U.S. as a whole experienced a 25% decline in multifamily housing starts last year, according to federal government data.

But local leaders say the downturn is sharper in D.C. because of tenant-friendly policies that have upended the city's rental market and driven investors and lenders away. "It's challenging to get development done at this time," MRP Realty Principal Matt Robinson said. "We have shovel-ready projects that are waiting for the market." The market for financing new housing in D.C. has become frozen, Robinson and other developers have said, in large part due to high levels of unpaid rent that are depleting the income of landlords across the city. (*D.C. Housing Starts Drop 79% As Investors 'Move Their Money Elsewhere'*. Washington Business Journal, Jon Banister, April 23, 2025.)

The Applicant wholeheartedly agrees with the statements made in the article quoted above. However, the Applicant is hopeful that the DC Council's recent passage of the RENTAL ACT will help thaw these frozen market conditions.

In recognition of the well-established adverse economic and market conditions that the Applicant is facing, it is imperative that the Zoning Commission be flexible in granting time extension requests for developers, like the Applicant, that are still intent on creating new housing opportunities in the District of Columbia.

Exhibits

Attached are the following Exhibits:

Exhibit A – Letter of Authorization from the Applicant.

Exhibit B – Zoning Commission Order No. 22-09

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

Certificate of Service

I hereby certify that a copy of the foregoing document was sent to the following by email on October 23, 2025.

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