

Declaration of Christopher VanArsdale, Administrative Manager for Dance Loft Ventures, LLC

The undersigned, being duly sworn according to law, deposes and says:

1. I am the Administrative Manager of Dance Loft Ventures, LLC (the "**Applicant**"), and I am authorized to make this declaration on behalf of the Applicant.
2. The Applicant is the owner, or controls the development, of the properties commonly known as 4618 14th Street, N.W., Washington, D.C. (Square 2704, Lots 64, 815, 819, 821, 823, 828, 830, 831, 832, and 833) (collectively, the "**Property**").
3. On September 8, 2022, the Zoning Commission for the District of Columbia approved a Consolidated Planned Unit Development and related Zoning Map amendment for the Property in Z.C. Order No. 21-18 (the "**Order**"), which became final and effective on February 10, 2023.
4. The Order approved the redevelopment of the Property with a mixed-use project consisting of approximately 113,546 square feet of gross floor area, including approximately 101 residential units, approximately two-thirds of which are affordable at a mix of 30%, 50%, and 60% of median family income, as well as ground-floor arts, assembly, and retail uses (the "**Project**").
5. The Project is designed to permanently accommodate Dance Loft on 14, a long-standing nonprofit community performing arts organization, while also delivering affordable and family-sized housing consistent with the public benefits approved by the Zoning Commission.
6. In accordance with the Order, the Applicant filed an application for a building permit for the Project on August 25, 2023 (B2310081) in satisfaction of the condition of the Order requiring filing a building permit application within two years of the effective date of the Order.
7. Since approval of the Order, the Applicant has continued to advance the Project in good faith, including refining design documents, coordinating with District agencies, and exploring available financing sources necessary to implement the approved PUD.
8. Despite these efforts, the Applicant has been unable to commence construction of the Project within three years of the effective date of the Order due to factors beyond the Applicant's reasonable control, including significant increases in construction costs, elevated interest rates, and reduced availability of public subsidy for newly constructed affordable housing.
9. Because of the Project's substantial affordable housing component and nonprofit arts use, the Project requires District financial subsidies, including funding historically available through the Housing Production Trust Fund ("**HPTF**"), to be financially feasible.
10. HPTF subsidy is available only during certain windows of time when the District Department of Housing and Community Development ("**DHCD**") issues requests for applications for funding.
11. DHCD's requests are sometimes issued only once per year. That timing limits the Applicant's ability to move quickly toward construction.
12. The Applicant has expended significant resources seeking a building permit to be ready to commence construction when subsidy is available to commence construction of the Project.

13. Since approval of the Order, the amount of public funding available for newly constructed affordable housing has declined, and a greater share of available District housing resources has been directed toward preservation of existing affordable housing, materially affecting the Applicant's ability to secure sufficient project financing.
14. As a result of inflation in construction materials following the pandemic, anticipated construction costs for the Project have increased approximately 35% relative to the Applicant's expectations of the cost of constructing such project at the time of approval in September 2022.
15. Interest rates for construction financing for real estate projects have also increased dramatically and continue to hover between six and nine percent (6-9%), compounding the already high costs of construction.
16. No material facts underlying the Zoning Commission's approval of the PUD have changed, and the Project continues to be consistent with the Comprehensive Plan, the Rock Creek East Area Element, and the Central 14th Street Vision Plan and Revitalization Strategy.
17. The Applicant remains optimistic that a two-year extension, until February 2028, will give it ample time to secure construction financing and move forward with the Application.

[SIGNATURE PAGE TO FOLLOW]

By: 
Name: Christopher VanArsdale
Title: Administrative Manager