COZEN O'CONNOR

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August 24, 2026

VIA IZIS

Anthony J. Hood, Chairperson
District of Columbia Zoning Commission
441 4th Street NW, Suite 210-S
Washington, DC 20001

Re: ZC Case 22-32 - Request for Two Year Time Extension of Approved Planned Unit Development and Related Zoning Map Amendment for 1232 4th Street NE (Square 772, Lot 17)

Dear Chairperson Hood and Members of the Zoning Commission:

Pursuant to Subtitle Z § 705.2, the Applicant 1232 Shift Cubed Partners, LLC (the "**Applicant**") hereby requests a two-year time extension of the period to begin construction under Z.C. Order 22-32 (the "**Order**"). The Order is enclosed at **Exhibit A**. The Order approved a consolidated planned-unit-development ("**PUD**") and related zoning map amendment for the re-development of 1232 4th Street NE (the "**Property**") with a residential building that includes 96 all-affordable dwelling units (the "**Project**").

This is the Applicant's first extension request for the Order. While the Applicant obtained Building Permit B2501156 (the "**Building Permit**") for the Project, the Applicant has been unable to finalize construction financing for this all-affordable development. Accordingly, the Applicant requests a two-year extension of the construction commencement date from November 24, 2026 to November 24, 2028 in order to finalize construction financing.

I. Background

The Property is an 8,892 sq. ft. interior lot located in the NoMa neighborhood and a block from the Union Market District. The Property has frontage on 4th Street NE and is just to the south of Florida Avenue NE. As an interior lot, the Property abuts an 11-story mixed-use development and a four-story building used by a charter school. A 30-foot-wide alley is located to the rear of the Property. The surrounding NoMa and Union Market areas are primarily high-density, mixed-use neighborhoods with multi-family residential, retail and restaurant uses.

The Order approved the Applicant's proposal to raze the existing two-story industrial building and construct a new 10-story plus penthouse residential building with 96 dwelling units. As part of the Order, the Zoning Commission also approved a related zoning map amendment from the PDR-1 zone to the MU-9 zone as well as flexibility from the zoning standards for rear

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yard, side yard, vehicular parking, loading and minimum land area. The primary benefit proffered by the Applicant is that all 96 dwelling units will be affordable to income levels at or below 60% Median Family Income ("**MFI**"), including 20% of units at or below 30% MFI. After the initial 40-year control period, the Project will have a 15% Inclusionary Zoning set aside. Additionally, the Project will include PDR space on the ground level.

The Order became final and effective on November 24, 2023. As required to vest the Order, the Applicant applied for the Building Permit in August 2025. The Building Permit was issued in July 2026. However, as explained in more detail below, construction of the Project will not commence by the deadline of November 24, 2026 and, therefore, the Applicant requests this two-year time extension.

II. The Commission Should Grant the Requested Time Extension

A. Standard of Review of Time Extension Request

Pursuant to 11-Z DCMR § 705.2, the Zoning Commission is authorized to extend the time period for an approved PUD application for good cause, provided the following conditions are met:

1. The extension request is served on all parties to the application by the applicant, and all parties are allowed thirty (30) days to respond;
2. 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
3. The applicant demonstrates with substantial evidence that there is good cause for such extension, as provided in 11-Z DCMR § 705.2(c).

To demonstrate "good cause," the Zoning Regulations require evidence of one or more of the following:

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. Applicant's Satisfaction of the Standards for Granting Time Extension

The Applicant meets the standards for the requested two-year time extension, as follows:

1. *Service on Parties*

The only parties to the original application were the Applicant and Advisory Neighborhood Commission 6C ("**ANC 6C**"). The Applicant will serve this request on ANC 6C, as reflected in the attached certificate of service.

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 PUD application. There are no changes to the Zoning Regulations or the Comprehensive Plan that would adversely impact the material facts upon which the Zoning Commission based its original approval. The buildings adjacent to the Property are in the same condition as described in the original application. The primary benefits of the PUD – all-affordable dwelling units and PDR space – will continue to be provided once the Project is constructed. The Commission's review of the Project pursuant to the PUD criteria remains intact.

3. *Good Cause Shown*

The Applicant satisfies the good cause standard of Subtitle Z § 705.2(c)(1) because, despite diligent efforts to secure financing, changing economic and market conditions have made it difficult to obtain the necessary capital for the Project. As an all-affordable development, the Project requires a complicated mix of public and private financing. Since the approval the Order in November 2023, the Applicant has taken the following steps to diligently pursue development of the Project:

- The Applicant advanced the design of the project to 100% construction drawings;
- The Applicant prepared and filed an application for the Building Permit in August 2025, prior to the vesting deadline in the Order;
- The Building Permit was issued in July 2026;
- The Applicant applied for and received an award for 9% Low Income Housing Tax Credit ("LIHTC") from the D.C. Department of Housing and Community Development ("DHCD");
- The Applicant has engaged with the D.C. Housing Finance Agency ("HFA") to secure tax-exempt bond financing and a 4% LIHTC award. The HFA conducts a competitive process that requires a showing of project readiness and coordination with multiple parties to underwrite and close on the bond transaction;
- The Applicant has conducted outreach to various equity investors, including attending investor conferences throughout the country; and
- Although there are several interested investors, the earliest they would invest in a project within the District of Columbia is 2027.

See Affidavit from Emmanuel Egoegonwa (**Exhibit B**).

Despite these efforts, the Applicant was ultimately unable to finalize the Project's construction financing due to circumstances beyond its reasonable control. As the Commission has seen with many recent time extension requests, the national and local real estate markets continue to experience significant instability, including high construction costs, increased interest rates, labor shortages, and supply chain disruptions. Additional factors specific to the Washington, DC market, such as the substantial reduction in the federal workforce, have further impacted investor sentiment. All of these factors contribute to a challenging investment environment that is further amplified for affordable housing developments reliant on complex financing structures and increasingly limited public funding sources.

Based on the foregoing, the Applicant has made consistent and good faith efforts to advance the Project and obtain financing over the past three years. Despite facing both financial challenges beyond its control, the Applicant remains fully committed to moving the Project forward. Granting the requested extension will allow the Applicant to close on construction financing and break ground on the all-affordable Project.

Conclusion

In light of this demonstration of good cause and for the reasons stated herein, the Applicant respectfully requests that the Zoning Commission approve a two-year extension of the deadline to begin construction such that construction must begin no later than November 24, 2028. In accordance with Subtitle Z § 705.2, the Applicant respectfully requests that this extension request be considered by the Zoning Commission at its meeting on September 24, 2026, which is more than 30 days after service of the subject request.

Sincerely,

COZEN O'CONNOR

Eric J. DeBear

Certificate of Service

I hereby certify that on the 24th day of August, 2026, a copy of the application with attachments was served, via email, as follows:

D.C. Office of Planning
c/o Crystal Myers
1100 4th Street SW, Ste. E650
Washington, DC 20024
Crystal.Myers@dc.gov

Advisory Neighborhood Commission 6C
Karen Wirt, Chair
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