

**BEFORE THE ZONING COMMISSION
OF THE DISTRICT OF COLUMBIA**

**Affidavit in Support of the Applicant's Request for a
Two-Year Time Extension
Z.C. Order Nos. 22-04 and 22-04A
Exhibit A**

I, Jack Sarf, being duly sworn, depose and state as follows:

1. I am Jack Sarf, the managing member of Captain Reed 2640, LLC, Trolley Lot LLC, FR 828 Evarts NE LLC, Eagle 901 LLC, and Franklin & Rocky Properties LLC (collectively, the "Applicant"). The LLC entities comprising the Applicant own property currently known as Lots 862, 863, 864, and 865 in Square 3846 and Lots 834, 835, 836, 837, 838, 839, 840, 841, and 842 in Square 3841 (collectively, the "PUD Site").
2. Pursuant to Z.C. Order No. 22-04, dated October 13, 2022, effective February 24, 2023, (the "Order"), the Zoning Commission (the "Commission") approved an application for a consolidated Planned Unit Development ("PUD") and related Zoning Map amendment from the PDR-2 to the MU-6A and MU-4 zones to develop the PUD Site with a new mixed-use project consisting of two buildings that will be constructed in two phases (the "Project").
3. The first phase of the Project involves the construction of the "Phase I Building" to the west of the realigned Reed Street ("Phase I"). The second phase of the Project involves the construction of the "Phase II-A" Building to the east of the realigned Reed Street ("Phase II-A"), and the construction of the "Phase II-B Building" to the west of the realigned Reed Street ("Phase II-B").
4. The Project will deliver approximately 683 new residential units, including affordable housing units, and approximately 22,159 square feet of PDR/makerspace space in the Brookland neighborhood. The Project will also provide significant public benefits and amenities, including the dedication of a minimum of 15% of the Project's residential gross floor area to affordable housing, contributions to neighborhood organizations, and other community-serving benefits.
5. Pursuant to the Order, approval of Phase I was valid for a period of two years from the effective date of the Order, within which time the Applicant was required to file a building permit application. Approval of Phase II-A and Phase II-B was valid for a period of two years following issuance of the first Certificate of Occupancy for Phase I, within which time the Applicant was required to file building permit applications for both phases. If no Certificate of Occupancy for Phase I was issued within seven years of the effective date of the Order, the approval was to expire unless otherwise extended by the Commission.

6. Pursuant to Z.C. Order No. 22-04A, effective December 27, 2024, the Commission approved a two-year extension of the deadlines set forth in the Order, extending the Phase I building permit and construction commencement deadlines to February 24, 2027 and February 24, 2028, respectively, and extending the expiration date of the overall PUD approval to February 24, 2032 (the “Extension Order”).
7. After the Extension Order was issued, the Applicant completed the remaining demolition work on the PUD Site, razing all existing improvements except for one small building that serves as an office for the Department of Public Works. The District is currently leasing the Phase I and Phase II-B portions of the PUD Site for towing operations.
8. The Applicant has also continued to maintain and secure the PUD Site with perimeter fencing and has addressed landscaping and maintenance issues as they have arisen, including responding promptly to concerns raised by members of the community.
9. Progress on Phase I and the overall Project has been slower than expected. As discussed in the filings supporting the Extension Order, the Applicant's previous development partner withdrew from the Project due to adverse market conditions. Since that time, the Applicant has been actively searching for a new development partner capable of moving the Project forward.
10. The Applicant engaged Northmarq, a nationally recognized real estate brokerage firm specializing in multifamily and commercial development opportunities, to identify a development partner or purchaser for the Project. Since January 2025, Northmarq has actively marketed the PUD Site to local, regional, and national developers, investors, and other groups experienced in large-scale multifamily development.
11. As described in the letter attached as **Exhibit 1**, Northmarq has contacted more than 12,000 prospective purchasers and development partners on the Applicant's behalf and has provided detailed due diligence materials to more than 100 qualified groups. Those efforts have generated meaningful interest in the Project.
12. Northmarq reports that prospective purchasers consistently recognize the value of the approved PUD, the site's proximity to Metro, its phased development potential, and the substantial predevelopment work already completed.
13. While there is meaningful interest in the Project, the Applicant has not yet secured a development partner capable of acquiring the PUD Site and moving the Project forward. As Northmarq explains in its letter (Ex. 1), the primary obstacle has been challenging market conditions, including higher financing and construction costs and a limited number of developers presently able to capitalize and execute large-scale multifamily developments.
14. Northmarq reports that these conditions are affecting multifamily projects throughout the District and have significantly reduced the number of developers able to undertake a project of this scale.

15. Despite these challenges, the Applicant remains fully committed to moving the Project forward and continues to work with Northmarq to identify a qualified development partner. The Applicant is optimistic that, given additional time, it will be able to secure a development partner capable of advancing Phase I toward permitting and construction.
16. The Applicant has also continued to advance the Project's design drawings, which are now nearing 50% completion, and has taken steps to preserve the development potential of the PUD Site.
17. The Applicant believes the requested two-year extension, together with the requested waiver necessary to permit an extension exceeding one year, will provide the additional time needed to secure a development partner, obtain financing, and move the Project and its associated public benefits toward construction and delivery.

[signatures and notaries appear on the following pages]

I solemnly affirm under the penalty of perjury that the contents of this affidavit are true and correct to the best of my personal knowledge.

TROLLEY LOT LLC,
a District of Columbia limited liability company

By:


Name: Jack Sarf
Its: Manager

State of: Virginia)
County of: Fauquier) ss:

Subscribed and sworn to before me this 24th day of August, 2026.


Notary Public #318905

My commission expires: 9/30/26



I solemnly affirm under the penalty of perjury that the contents of this affidavit are true and correct to the best of my personal knowledge.

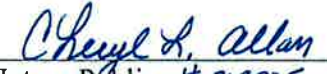
FR 828 EVARTS NE LLC,
a District of Columbia limited liability company

By:


Name: Jack Sarf
Its: Manager

State of: Virginia)
County of: Fauquier) ss:

Subscribed and sworn to before me this 24th day of August, 2026.


Notary Public #318925

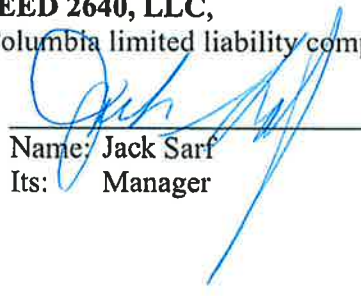
My commission expires: 9/30/26



I solemnly affirm under the penalty of perjury that the contents of this affidavit are true and correct to the best of my personal knowledge.

CAPTAIN REED 2640, LLC,
a District of Columbia limited liability company

By:


Name: Jack Sarf
Its: Manager

State of: Virginia)
County of: Fauquier) ss:

Subscribed and sworn to before me this 24th day of August, 2026.

Cheryl L. Allan
Notary Public # 318905

My commission expires: 9/30/26



I solemnly affirm under the penalty of perjury that the contents of this affidavit are true and correct to the best of my personal knowledge.

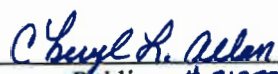
FRANKLIN & ROCKY PROPERTIES LLC,
a District of Columbia limited liability company

By:


Name: Jack Sarf
Its: Manager

State of: Virginia)
County of: Fauquier) ss:

Subscribed and sworn to before me this 24th day of August, 2026.


Notary Public #318905

My commission expires: 9/30/24



I solemnly affirm under the penalty of perjury that the contents of this affidavit are true and correct to the best of my personal knowledge.

EAGLE 901 LLC,
a District of Columbia limited liability company

By:


Name: Jack Sarf
Its: Manager

State of: Virginia)
County of: Fauquier) ss:

Subscribed and sworn to before me this 24th day of August, 2026.


Notary Public #318905

My commission expires: 9/30/26



EXHIBIT 1

NORTHMARQ

INVESTMENT SALES

August 21, 2026

Franklin & Reed Development Opportunity

Reed Street and Franklin Street NE | Washington, DC
Z.C. Order No. 22-04 | Squares 3841 and 3846

TO WHOM IT MAY CONCERN:

Northmarq serves as the exclusive investment sales advisor to Captain Reed 2640, LLC; Trolley Lot LLC; FR 828 Evarts NE LLC; Eagle 901 LLC; and Franklin & Rocky Properties LLC (collectively, the “Owner”) in connection with the potential sale of the Washington, DC development site commonly known as Franklin & Reed.

This letter supports the Owner’s application to extend the property’s Planned Unit Development approval. It provides the Zoning Commission and other reviewing parties with an overview of the Owner’s marketing efforts, buyer feedback, and the capital-market conditions affecting a prospective purchaser’s ability to acquire, finance, and advance the approved project.

Franklin & Reed is a fully entitled, approximately 3.6-acre development opportunity in the Brookland neighborhood. The approved program permits approximately 683 residential units across multiple phases, including a significant affordable-housing component, PDR/maker space, artist live-work units, transportation and streetscape improvements, and other community benefits. The substantially designed first phase contemplates approximately 397 residential units. The Owner has also completed material predevelopment work, including the Reed Street realignment, alley closures and dedications, subdivision activity, and demolition of existing structures.

Owner’s Continued Marketing Efforts

Northmarq began formally marketing the property on behalf of the Owner in January 2025. Since then, our team has conducted direct outreach to a broad but targeted group of local, regional, and national multifamily developers, institutional investors, private investment firms, family offices, affordable-housing developers, and other groups experienced in executing large-scale development projects in the Washington metropolitan area.

The Owner has supported a comprehensive marketing process and made substantial project information available to prospective purchasers, including zoning and entitlement materials, architectural plans, engineering documents, transportation studies, survey and subdivision information, and other relevant diligence materials. The Owner has also remained open to structures intended to broaden the buyer pool, including a sale of the entire site, a sale of the fully designed first phase, and phased or partnership alternatives.

12,000+

PROSPECTIVE PURCHASERS
AND DEVELOPMENT PARTNERS CONTACTED

100+

QUALIFIED GROUPS PROVIDED
DETAILED DILIGENCE MATERIALS

Northmarq has also held substantive discussions with numerous groups regarding potential acquisition, development, and capitalization structures.

These efforts have generated meaningful interest in the property. Prospective purchasers consistently recognize the value of the existing approvals, the site’s proximity to Metro, the ability to use wood-frame construction, the potential to phase development, and the amount of design and engineering work already completed.

However, despite these positive attributes and the Owner’s continued willingness to explore commercially reasonable transaction structures, the marketing process has not yet produced a purchaser that can both close on the property and demonstrate a financeable path to construction within the current approval period.

Current Buyer and Capital-Market Feedback

Based on Northmarq’s direct discussions with prospective purchasers, lenders, and equity sources, the principal challenge has not been a lack of awareness of the opportunity or a lack of effort by the Owner. Rather, the principal challenge is the limited number of buyers presently able to capitalize and execute a development of this scale in Washington, DC.

The prospective buyer pool for large, ground-up multifamily development sites is materially narrower than it was during the period when the project was originally approved. Many otherwise qualified developers have reduced or temporarily suspended acquisitions because of constraints within their existing portfolios, limited discretionary equity, construction-loan maturities, or internal requirements to prioritize projects already under development.

Active groups are underwriting new opportunities using materially more conservative assumptions. Feedback received during the Franklin & Reed marketing process falls into five principal categories:

CATEGORY	MARKET FEEDBACK
Debt	Reduced construction-loan proceeds and loan-to-cost ratios; higher interest carry; and greater requirements for guarantees, reserves, and completion support.
Equity	Higher borrower-equity requirements and increased return thresholds from institutional equity partners.
Construction	Continued uncertainty regarding construction pricing and escalation, together with the complexity of financing and executing a large, multiphase development.
Operations	More conservative rent, lease-up, concession, and occupancy assumptions; elevated supply; and rising insurance, utility, tax, payroll, and maintenance costs.
Regulatory environment	Uncertainty regarding the future legislative, regulatory, and economic environment for rental housing in the District.

These constraints are particularly significant for Franklin & Reed because the approved development requires a purchaser with substantial financial capacity, relevant experience, and established relationships with construction lenders and institutional equity providers. Even interested buyers have had difficulty obtaining sufficient debt and equity commitments to fund both the acquisition and construction.

Washington, DC Development Environment

The challenges affecting the marketing of Franklin & Reed are not unique to the property. In our experience, the market for development land in the District remains significantly constrained. Relatively few ground-up multifamily projects are achieving capitalization, and development site transactions that do occur often involve smaller projects, unusually low land bases, specialized financing, public subsidies, or other circumstances that are not broadly available.

Washington, DC continues to have strong long-term housing fundamentals, an educated workforce, extensive transit infrastructure, and significant barriers to new supply. Nevertheless, prospective investors are balancing those long-term strengths against near-term challenges that directly affect development feasibility.

In addition to higher financing and construction costs, buyers are carefully evaluating uncertainty surrounding federal employment and government contracting, both of which are important components of the regional economy. Prospective investors are also monitoring potential changes to District housing policy, rental regulation, taxation, affordability requirements, operating standards, and other matters that could affect long-term project economics.

The issue is not necessarily the effect of any single existing or proposed policy. Rather, buyers and their capital partners must account for multiple variables over a development period that may extend for several years. When those policy considerations are combined with elevated capital costs, uncertain construction pricing, and more conservative operating projections, investment committees and lenders frequently require additional return or contingency protection. That requirement can make an otherwise desirable project difficult to finance under current conditions.

The Owner's Continued Commitment

The Owner has remained actively engaged throughout the marketing process and has continued to preserve the project's development potential. The property has not been passively held while awaiting improved market conditions. To the contrary, the Owner has invested significant time and resources in entitlement, design, engineering, transportation planning, site preparation, and the evaluation of potential sale and partnership structures.

Following the original PUD approval, the Owner completed several substantial actions to preserve and enhance the site's readiness for redevelopment, including completion of the Horizontal Public Use Agreement with the District Department of Transportation, recordation of the alley-closing and street-dedication plat, processing of the property's subdivision, and the razing of existing structures. These actions have reduced a prospective purchaser's entitlement and predevelopment risk.

The Owner's willingness to market the full site, consider a separate Phase I transaction, and evaluate other transaction structures further demonstrates a good-faith effort to identify a viable path forward. The obstacle has been the ability of prospective purchasers to reconcile acquisition pricing, construction costs, debt proceeds, equity requirements, and projected operating performance within a single financeable business plan.

Market Basis for Additional Time

Based on Northmarq's experience marketing the property and our ongoing discussions with active multifamily developers and capital providers, additional time would materially improve the likelihood that the project can transition to a qualified purchaser or development partner capable of advancing it.

A continuation of the existing approval period would allow the Owner and Northmarq to maintain an active marketing effort while prospective purchasers evaluate changing debt and equity conditions. It would also provide buyers with a more practical period to complete diligence, finalize a project-specific development plan, secure financing, and prepare for construction.

The presence of an approved PUD is an important component of the property's marketability. Preserving that approval maintains the substantial entitlement, design, and planning work already completed and provides prospective purchasers with greater certainty regarding the development program. Conversely, uncertainty regarding the duration of the approvals would further restrict the buyer pool, complicate financing discussions, and potentially delay the property's redevelopment.

In our professional opinion, the delay does not reflect insufficient buyer interest, a lack of effort by the Owner, or a deficiency in the approved project. It reflects a challenging development-capital environment in which relatively few buyers can satisfy the acquisition, construction, and capitalization requirements of a project of this scale.

Franklin & Reed remains a compelling long-term development opportunity. Its approved density, proximity to Metro, phased development potential, wood-frame construction program, affordable-housing component, and completed predevelopment work distinguish it from competing sites. Additional time will preserve these advantages and improve the likelihood of a sale to an investor capable of delivering the approved project and its associated community benefits.

Northmarq will continue its outreach to qualified developers, investors, and capital sources and is available to provide additional supporting information.

Sincerely,

NORTHMARQ

Will Harvey

Senior Vice President | Investment Sales
601 13th Street NW, Suite 500N
Washington, DC 20005
703.477.0710 | wharvey@northmarq.com