

**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. 22-28 and 22-28A**

Exhibit A

I, Richard Ruben, being duly sworn, depose and state as follows:

1. I am Richard Ruben, the managing member of RCM Socap, LLC, which is the managing member of 1100 SOUTH CAPITOL, LLC (the "**Applicant**"), the owner of the property located at 1100 South Capitol Street, S.E. (Square 698, Lots 814 and 817) (the "**Property**").
2. I have been involved with the Property since the Applicant purchased it on July 20, 2004, and I have participated in or overseen various aspects of its entitlement, design, development, and market analysis.
3. Pursuant to Z.C. Order No. 22-28, dated November 17, 2022, and effective February 17, 2023 (the "**Order**"), the Zoning Commission approved a Design Review application authorizing the redevelopment of the Property with a new residential building containing approximately 263 dwelling units, ground-floor and rooftop amenity space, and approximately 162 parking spaces (the "**Project**").
4. Pursuant to the Order, approval of the Project was valid for a period of two years from the effective date of the Order, within which time an application for a building permit was required to be filed. Accordingly, a building permit application was required to be filed by February 17, 2025, and construction of the Project was required to commence no later than February 17, 2026.
5. On August 20, 2024, the Applicant filed a request to extend the validity period of the Order by two years, citing ongoing economic conditions that made development of the Project infeasible. At the time, the multifamily housing market continued to face significant challenges, including elevated construction costs, supply chain disruptions, labor shortages, high interest rates, and constrained lending conditions.
6. Pursuant to Z.C. Order No. 22-28A, effective January 10, 2025 (the "**Extension Order**"), the Zoning Commission extended the validity period of the Order by an additional two years. Accordingly, a building permit application must now be filed by February 17, 2027, and construction of the Project must commence no later than February 17, 2028.
7. Since the Extension Order was issued, the Applicant has continued to encounter significant challenges in advancing the Project. In an effort to better understand the economic forces at play and move the Project forward, the Applicant retained Berkadia

Real Estate Advisors LLC (“**Berkadia**”), a leading commercial real estate advisory and brokerage firm, to market the Project and evaluate opportunities for a sale, joint venture, or other capital solution for the Project.

8. I have reviewed the letter prepared by Berkadia attached hereto as **Exhibit 1** (the “**Berkadia Letter**”). In my judgment, the contents of the Berkadia Letter are consistent with the Applicant's experience and demonstrate that current capital markets conditions affecting new multifamily development generally, including in the District, remain challenging.
9. As described in the Berkadia Letter, the market for ground-up multifamily development sites in the District remains significantly constrained, and relatively few new construction projects are currently achieving capitalization. Existing multifamily buildings in the District have, in a number of cases, traded well below replacement cost over the past year, further compressing achievable land values for new construction. Owners and operators are also navigating slower rent collections and a longer and more costly process for resolving non-paying tenancies, both of which increase perceived operating risk. Reduced federal employment and government contracting activity, a significant component of the regional economy, is an additional factor that prospective purchasers and their capital partners are weighing when underwriting new development in the District. (See Ex. 1.)
10. Berkadia has further advised that current capital markets conditions are adversely affecting new ground-up multifamily development generally, including in the District. Elevated construction and carrying costs, constrained access to institutional debt and equity capital, and rents that have not kept pace with the cost of new construction continue to place pressure on project feasibility nationally. As a result, many multifamily projects, including the Project, face significant challenges in securing financing and generating returns sufficient to justify development. (See Ex. 1)
11. As set forth in the Berkadia Letter, Berkadia conducted an extensive marketing effort for the Project, directly soliciting 144 prospective buyers, developers, and investors, of which 19 executed confidentiality agreements and were granted access to a full diligence deal room. Following a formal call-for-offers process, the Project did not receive any written or binding offer to purchase the Property or to form a joint venture with the Applicant. (See Ex. 1.)
12. Of the groups solicited, 68 declined to pursue the opportunity outright, and only four groups engaged deeply enough in underwriting to provide substantive pricing feedback; in each case, current construction costs, measured against achievable rents, produced a land value ranging from \$0 to the low millions of dollars, a small fraction of the value the Applicant would require to support a viable sale or joint venture. (See Ex. 1.)
13. As evidenced by the Berkadia Letter, the Applicant's inability to proceed with the Project has resulted from extraordinary market conditions beyond its reasonable control. Based on its extensive experience marketing multifamily development sites throughout the District and the results of its marketing process for the Project, Berkadia has concluded

that “the Project is unlikely to be sold, joint-ventured, or financed on terms that would support responsible development until these conditions improve.” Berkadia has further concluded that this outcome reflects prevailing capital markets conditions rather than any deficiency in the Project’s site, design, or entitlements. (*See Ex. 1.*)

14. Although Washington, D.C. continues to offer meaningful long-term strengths, including an educated workforce, extensive transit infrastructure, and substantial barriers to new supply, Berkadia expects that investor interest in District multifamily development will require time to recover. Additional time would materially improve the likelihood that the Project can be responsibly capitalized and successfully executed once market conditions improve. (*See Ex. 1.*)
15. Given the findings set forth in the Berkadia Letter, the Applicant believes that a waiver of the one-extension limitation applicable to Design Review approvals and a second extension of the Order are warranted.
16. Despite the extraordinary market conditions that are preventing the Applicant from moving forward, the Applicant is fully committed to moving forward with the Project as soon as market conditions allow. To further the Project pending resolution of market conditions, the Applicant has taken the following steps:
 - a. Completed schematic design and partial design development drawings for the Project;
 - b. Entered into required agreements, including an Access and Protection Agreement with the adjacent St. Vincent de Paul Church, to allow for construction of the Project;
 - c. Submitted an application to the Office of the Surveyor for the District of Columbia for the creation of a single record lot as is required for development of the Project;
 - d. Prepared drawings and continued coordination with the District Department of Transportation and the Department of Buildings, including obtaining Sheet and Shorting Permit No. SH2300013 and submitting an application to extend such permit (SH2300013) in March of 2026.
17. The Commission's approval would provide the Applicant with additional time to advance this important housing project along the South Capitol Street corridor and bring the Project to fruition when it becomes financially feasible. The Applicant remains committed to the Project and will continue to diligently pursue opportunities to secure financing and move the Project toward construction.

[signature and notary on following page]

I solemnly affirm under the penalties of perjury that the contents of this Affidavit are true and correct the best of my personal knowledge.

1100 SOUTH CAPITOL, LLC
a Delaware limited liability company

By: RCM Socap, LLC
a Delaware limited liability company
its managing member

By:



Name: Richard Ruben

Title: Managing Member

State of New York)
County of New York) ss:

Sworn and subscribed to me this 9th day of September, 2026



Notary Public

My commission expires:

3/21/27

[Notary seal]

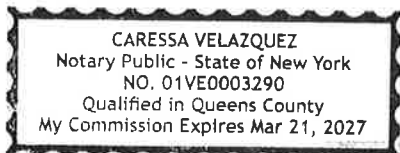


EXHIBIT 1

BERKADIA[®]
Berkadia Real Estate Advisors
4445 Willard Ave, Suite 1200
Chevy Chase, MD 20815

September 1, 2026

Zoning Commission for the District of Columbia
441 4th Street, N.W., Suite 200-S
Washington, D.C. 20001

Re: Second Time Extension and Waiver of the One-Extension Limitation
Z.C. Order Nos. 22-28 and 22-28A; Z.C. Case No. 22-28
1100 South Capitol Street, S.E. (Square 698, Lots 814 and 817)

Dear Members of the Commission:

This letter is submitted on behalf of Berkadia Real Estate Advisors LLC (“Berkadia”) in support of the request by 1100 South Capitol, LLC (the “Applicant”) for a waiver of the one-extension limitation and a second extension of the time period established by the above-referenced Orders for the approximately 263-unit residential development approved for 1100 South Capitol Street, S.E. (the “Property” or the “Project”). This letter is submitted as an exhibit to the accompanying affidavit of Richard Ruben.

Berkadia is one of the largest full-service commercial real estate companies in the United States, and our Washington, D.C. metropolitan investment sales team is one of the most active in the region on multifamily land and development transactions. Earlier this year, the Applicant retained Berkadia to explore a sale, joint venture, or other capital solution for the Project in light of the market conditions that have made it infeasible for the Applicant to proceed with construction on its own. What follows is a summary of the marketing process Berkadia conducted and its results as of the date of this letter.

The Marketing Process

Beginning the week of July 6, 2026, Berkadia identified and directly solicited a comprehensive list of prospective buyers, developers, and institutional investors with a demonstrated history of multifamily land acquisition or development activity in the Washington, D.C. region, and circulated a full diligence “deal room” containing project plans, entitlements, budgets, and related materials to interested parties. Berkadia then issued formal notices calling for offers, with two weeks’ notice on August 4, 2026 and one week’s notice on August 11, 2026, establishing a call-for-offers date of August 18, 2026. The results of that process, as of the date of this letter, are summarized below:

Groups Solicited	Executed CAs / In Diligence	Written or Binding Offers Received
144	19	0
Declined to Pursue ("Passed")	Provided Substantive Pricing Feedback	Call for Offers Date
68	4	August 18, 2026

This comprehensive and disciplined process reached substantially more prospective purchasers than Berkadia would typically solicit for a comparable multifamily development site in a normal market. Notwithstanding that process, the Project has not received a single written or binding offer to purchase the Property or to form a joint venture with the Applicant.

D.C. Market Conditions and Challenges

The challenges reflected in this process are not unique to the Project. In Berkadia's experience, the market for ground-up multifamily development sites in the District remains significantly constrained, and relatively few new construction projects are currently achieving capitalization. Existing multifamily buildings in the District have in a number of cases traded well below replacement cost over the past year, which further compresses achievable land values for new construction. Owners and operators are also navigating a more difficult operating environment, including slower rent collections and a longer, more costly path to resolving non-paying tenancies, both of which increase perceived operating risk. Reduced federal employment and government contracting activity, a significant component of the regional economy, is an additional factor that prospective buyers and their capital partners are weighing as they underwrite new development in the District. Washington, D.C. continues to offer meaningful long-term strengths, including an educated workforce, extensive transit infrastructure, and substantial barriers to new supply, and Berkadia expects investor interest in District multifamily development to recover over time. In the near term, however, these conditions are contributing to more conservative underwriting and higher required returns across the market, which directly affects the feasibility of new ground-up projects such as the Project.

Why the Groups Solicited Declined to Pursue the Opportunity

Of the 144 groups solicited, 68 (nearly half) declined to pursue the opportunity at all. More than 20 of those groups cited a broader, industry-wide pause in new ground-up multifamily land acquisitions amid the current capital markets environment, a pattern Berkadia is observing nationally and not something specific to the District or the Project. At least 14 groups reviewed the Project specifically and concluded that current construction costs and achievable rents do not support a positive land value or an acceptable return in today's environment, including groups that told us directly that they "cannot make the numbers work" or that "costs do not permit development" at current pricing. Several additional groups cited an inability to secure equity capital for ground-up multifamily construction generally at this time, and others declined because they are focused on existing acquisitions or other pipeline rather than new land purchases.

One prospective purchaser explained its decision in terms broadly consistent with the feedback Berkadia received throughout the process: it did not expect sufficient capital to be available for new ground-up concrete construction generally in the near term, though it indicated it would continue to watch the opportunity and revisit if conditions change.

Only four groups engaged deeply enough in underwriting to provide Berkadia with substantive pricing feedback, and each independently reached the same conclusion: the Project cannot be acquired or developed on economically viable terms under current conditions. In each case, current hard and soft construction costs (approximately \$550,000 to \$600,000 per unit), measured against achievable rents, produced a land value ranging from \$0 to the low millions of dollars, and in no case a return on cost that could clear an equity or investment committee threshold. That range is a small fraction of the land value the Applicant would need to realize a viable sale or joint venture.

Current Status

In short, after soliciting 144 prospective buyers, developers, and joint-venture partners over the course of nearly two months, executing confidentiality agreements with 19 of them, and running a formal call-for-offers process, not a single written or binding offer for the Project has been received, and the prospects of securing a sale or joint-venture partner on terms that would support responsible near-term development remain limited.

Conclusion

These results are consistent with, and directly reflect, capital markets conditions that are currently affecting new ground-up multifamily development nationally and that happen to bear on the Project as well: elevated construction and carrying costs, constrained access to institutional debt and equity capital, and rents that have not kept pace with the cost of new construction. The absence of any written offer, notwithstanding the breadth and rigor of this process, reflects the collective judgment of the market's most active multifamily buyers and developers under these conditions, not any gap in outreach or effort. Based on Berkadia's extensive experience marketing multifamily development sites throughout the District of Columbia, and the results of this specific process, it is Berkadia's assessment that the Project is unlikely to be sold, joint-ventured, or financed on terms that would support responsible development until these conditions improve, and that this outcome reflects prevailing capital markets conditions rather than any deficiency in the Project's site, design, or entitlements.

Additional time would materially improve the likelihood that the Project can ultimately be responsibly capitalized and successfully executed once market conditions improve. Please do not hesitate to contact us if we can provide any additional information.

Respectfully submitted,

Berkadia Real Estate Advisors LLC



Brian Crivella

Senior Managing Director, Investment Sales