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October 7, 2026

VIA IZIS
Zoning Commission for the District of Columbia
441 4th Street, NW, Suite 210-S
Washington, DC 20001

Re: Z.C. Order Nos. 15-20D and 15-20E
Request for Time Extension of Second-Stage PUD Approval for North Parcel
50 M Street, NW (Lot 254 in Square 620) | TBSC Master Owner I LLC

Dear Members of the Commission:

On behalf of TBSC Master Owner I LLC (the "Applicant"), owner of the property located at 50 M Street, NW (Lot 254 in Square 620) (the "North Parcel"), we hereby submit this application requesting a two-year extension of the second-stage planned unit development ("PUD") for the North Parcel, originally approved in Z.C. Order No. 15-20D and subsequently extended in Z.C. Order No. 15-20E.

For reasons described below, the Applicant seeks to extend the deadline to file a building permit application to November 10, 2028, and the deadline to commence construction to November 10, 2029. This is the Applicant's second request to extend the validity periods established by the second-stage PUD approval for the North Parcel.[1] Because the requested extension exceeds the one-year limitation set forth in Subtitle Z § 705.5, the Applicant also requests the waiver described in Section E below.

A. Filing Requirements and Supporting Documentation

This time extension request is filed pursuant to Subtitle Z § 705.2 of Title 11 of the District of Columbia Municipal Regulations (the "Zoning Regulations"), which permits the Commission to extend the validity period of an approval for good cause shown, provided the request is filed before the approval expires and is supported by appropriate documentation. The required Form 106 is being submitted concurrently through IZIS. A check in the amount of $2,008.71, payable to

[1] Z.C. Order No. 15-20A approved a two-year extension of the first-stage PUD approval originally granted in Z.C. Order No. 15-20. The second-stage PUD approval for the North Parcel was subsequently approved in Z.C. Order No. 15-20D and is governed by separate validity periods and deadlines.

the DC Treasurer and representing the applicable filing fee under Subtitle Z § 1600.10(c), will be provided to the Office of Zoning under separate cover.[2]

The following materials are provided in support of the request:

- an affidavit from Ryan McKenna, a representative of the Applicant, detailing the justifications for the requested two-year extension and waiver (the "McKenna Affidavit") (**Exhibit A**);
- an internal market study analyzing current multifamily development feasibility conditions in the District since 2021 (the "Market Study") (**Exhibit B**);
- certificates of occupancy that have been issued for the first phase of the PUD constructed on the South Parcel (**Exhibit C**);
- copies of Z.C. Order Nos. 15-20D and 15-20E;
- a letter from the Applicant authorizing Holland & Knight LLP to file and process the application; and
- a signed Application Form 100.

B. Background

1. The PUD Site and Successful Redevelopment of South Parcel

The North Parcel is part of a larger PUD site originally granted first-stage approval pursuant to Z.C. Order No. 15-20, as modified and extended by the subsequent approvals summarized below. The North Parcel is separated from the PUD's "South Parcel" by a private street known as Banner Lane, NW. The overall PUD site is generally bounded by L Street, M Street, First Place, and First Street, NW.

Prior to redevelopment, the South Parcel was occupied by the Sursum Corda Cooperative, a 199-unit townhouse community, together with a 14-unit apartment building located at 76 M Street, NW, and two adjoining vacant parcels. Those improvements have since been demolished, and the South Parcel has been successfully redeveloped with two multifamily residential buildings containing a total of 581 dwelling units, 304 below-grade parking spaces, and 122 units reserved for former Sursum Corda households. The Southwest Building, located at 44 Banner Lane, NW, contains 365 dwelling units, including 51 reserved units. The Southeast Building, located at 22 Banner Lane, NW, contains 216 dwelling units, including 71 reserved units. Certificates of occupancy have been issued for both buildings. (**Exhibit C**).

2. Zoning Commission Approval History

Copies of the prior approvals issued by the Zoning Commission for the overall PUD site are submitted herewith and are summarized below:

- **Z.C. Order No. 15-20**, effective June 17, 2016, approved a first-stage PUD and related Zoning Map amendment from the R-4 Zone District (now RF-1) to the C-

[2] Pursuant to Subtitle Z § 1600.10(c), the applicable filing fee is $2,008.71, which represents 10% of the $20,087.08 hearing fee paid in Z.C. Case No. 15-20D and exceeds the $1,500 minimum fee. (*See* Ex. 9F.)

3-C Zone District (now MU-9B) for the overall PUD site. The approval authorized approximately 1.3 million square feet of residential development (1,131 units), approximately 49,420 square feet of non-residential use, an overall density of up to 5.24 FAR, building heights ranging from 62.5 to 110 feet, 746 parking spaces, and 199 affordable units, including units reserved for former Sursum Corda households.

- **Z.C. Order No. 15-20A**, effective June 30, 2017, approved a two-year extension of the *first-stage* PUD approval, requiring that a second-stage PUD application for the South Parcel be filed by June 30, 2019, in order for the first-stage approval applicable to the North Parcel to remain valid until June 30, 2023.

- **Z.C. Order No. 15-20B**, effective September 14, 2018, approved modifications to certain conditions of the first-stage PUD approval governing certification of the Sursum Corda household list and notification requirements related to raze permit applications.

- **Z.C. Order No. 15-20C**, effective March 13, 2020, approved a modification to the North Parcel development program and granted second-stage PUD approval for the South Parcel. The order also adopted an amended public benefits and amenities package, including (i) affordable housing; (ii) reserved units for former Sursum Corda Households; (iii) minimum unit sizes (52 two-bedroom and 27 three-bedroom units); (iv) landscape and open space improvements; (v) employment and training opportunities; (vi) environmental benefits; (vii) support for neighborhood uses and organizations; and (viii) a commemorative historic element (*see* Decision B at pp. 28-33). **All PUD benefits that could have been, or were required to be, delivered prior to development of the North Parcel have been fulfilled upon issuance of the final certificate of occupancy for the South Parcel**.

- **Z.C. Order No. 15-20D**, effective November 10, 2023, approved a Modification of Significance to the first-stage PUD **and granted second-stage PUD approval for the North Parcel**. The approval authorized construction of the Project and clarified various public benefits and amenities, including affordability requirements, commitments to returning Sursum Corda households, LEED-Silver certification, and the location of commemorative artwork.

- **Z.C. Order No. 15-20E**, effective January 16, 2026, approved a one-year extension of the validity periods established by the North Parcel's second-stage PUD approval in Z.C. Order No. 15-20D. The Commission found that the Applicant had demonstrated good cause based on financing and market conditions beyond its reasonable control. As a result, the deadline to file a building permit application was extended to November 10, 2026, and the deadline to commence construction was extended to November 10, 2027.

3. Approved Project for the North Parcel and Remaining Public Benefits

Under the second-stage PUD approval granted by Z.C. Order No. 15-20D, the North Parcel will be redeveloped with the Northwest Building and the Northeast Building (together, the "Project"). The Project will provide approximately 753,497 square feet of gross floor area (GFA), yielding 683 units plus 32 penthouse units for a total of 715 dwelling units. The buildings will range from seven to eleven stories, with heights between 65.42 and 110 feet, and will achieve a density of 6.05 FAR based on a land area of 124,628 square feet. The Project will also provide approximately 353 parking spaces and 296 bicycle parking spaces (256 long-term and 40 short-term). In addition, the Project will allocate nearly 12,000 square feet of GFA to non-residential use, most of which will be located within the Northwest Building. A rendering of the approved Project as viewed from Banner Lane is shown below:



See Public Record for Z.C. Case No. 15-20D, Ex. 23A5 (Sheet A-82) (Promenade View from Banner Lane)

The North Parcel is also critical to completing the substantial public benefits and amenities approved as part of the overall PUD. Indeed, the Commission expressly found that redevelopment of the North Parcel "will facilitate the full delivery of any outstanding public benefits and amenities." Z.C. Order No. 15-20D, COL No. 11. Those remaining benefits include additional affordable and mixed-income housing, neighborhood-serving retail and service uses, publicly accessible open space, the completion of the central pedestrian promenade connecting M Street and L Street, transportation and pedestrian improvements required by the PUD, and environmental benefits associated with LEED-Silver development. Completion of the North Parcel will also advance the broader objective of creating a cohesive mixed-income community envisioned through the Sursum Corda redevelopment. *See id.*, COL Nos. 8, 10-11; FF Nos. 24, 30.

C. Updates Since Approval of Second-Stage PUD for North Parcel

Over the last two years, the Applicant and its advisors have evaluated a range of capitalization, financing, development, and disposition alternatives for the Project. These efforts included engagement with lenders, capital partners, brokers, prospective investors, and other market participants, as well as analyses of development feasibility, market conditions, and potential transaction structures. The Applicant also retained Newmark Multifamily Capital Markets ("Newmark") to market the Project and evaluate financing and investment opportunities. Although the Applicant remains committed to implementing the approved development program, elevated construction costs, higher interest rates, and constrained capital markets have necessitated continued exploration of alternative paths forward. The Applicant continues to pursue a viable strategy that will enable the Project to move toward permitting and construction.

D. Request for Second Extension and Justification

For a PUD approval, an applicant may request an extension of the validity period for good cause by filing a written request within six months of the approval's expiration date and demonstrating compliance with the criteria set forth in Subtitle Z § 705.2. 11-Z DCMR §§ 705.1, 705.2, 705.6. The Zoning Commission may grant an extension of up to two (2) years upon a showing that the requirements of Subtitle Z § 705.2 have been satisfied. 11-Z DCMR § 705.3. The second extension, if granted, may not exceed one (1) year. 11-Z DCMR § 705.5.

For reasons described below, the Applicant seeks to extend the deadline to file a building permit application to November 10, 2028, and the deadline to commence construction to November 10, 2029.

- **Subtitle Z § 705.2(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;*

The parties to the original application were the Applicant and ANC 6E. *See* Z.C. Order No. 15-20, Finding of Fact ("FF") No. 13; *see also* Z.C. Order No. 15-20D, FF No. 1. As reflected in the Certificate of Service, the Applicant served this application on ANC 6E at the time of filing. The Applicant also acknowledges that ANC 6E must be allowed thirty (30) days to respond before the Commission considers this application.

- **Subtitle Z § 705.2(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*

There has been no substantial change in any of the material facts upon which the Commission based its second-stage PUD approval for the North Parcel. Although the Zoning Regulations have since been reorganized and certain zone names have changed, those amendments did not materially alter the regulations applicable to the Property or the approved development.

The PUD was reviewed under the current Comprehensive Plan, which was last updated in 2021. There have been no subsequent changes to the PUD site's Future Land Use Map designation as Mixed-Use (High Density Residential / Medium Density Commercial), its Generalized Policy

Map designation within the Central Washington Area, or relevant policies that would undermine the second-stage approval for the North Parcel. The Project would also advance the objectives of the Mid-City East Small Area Plan, which specifically supports the redevelopment of Sursum Corda through a mixed-use PUD with additional housing, affordable housing, improved connectivity, and community amenities. *See* Z.C. Order No. 15-20D, Findings of Fact Nos. 13, 29; COL No. 7.

While construction of the South Parcel has since been completed, that fact does not undermine the basis for the Commission's approval. Rather, it further promotes the long-planned redevelopment of the site. In addition, there have been no material changes to the surrounding area since the Commission approved the second-stage PUD for the North Parcel. Together, these circumstances support the requested extension so that the full public benefits, affordable housing commitments, and community-serving improvements approved with the PUD can be delivered. *See* Z.C. Order No. 15-20D, COL No. 7-10.

- **Subtitle Z § 705.2(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.

There is good cause for the Commission to grant the requested extension pursuant to Subtitle Z § 705.2(c)(1). As explained in the McKenna Affidavit (Ex. A) and corroborated by the attached letter from Christine Espenshade, Vice Chairman of Newmark (Exhibit 1 to Ex. A) (the "**Newmark Letter**"), economic and market conditions beyond the Applicant's control have made it difficult to obtain financing for the Project despite diligent, good-faith efforts to do so.

Macroeconomic challenges, including elevated interest rates, rising construction and financing costs, weakened market conditions, and reduced investor demand, have made new multifamily residential development in the District increasingly difficult.[3] As a result, development activity has slowed substantially. In 2025, only 1,933 housing units broke ground in the District, less than half the level reached during each year preceding 2024 over the prior decade.[4] In addition, as reflected in the Market Study (Ex. B), multifamily rents in the District have remained relatively

[3] *See* Construction Costs Rise 6.2% Through April, *Bisnow* (May 13, 2026).

[4] *See* Construction In D.C. Plummets To 15-Year Low Point, *Bisnow* (Apr. 7, 2026).

flat since 2021 while construction and financing costs have increased substantially over the same period.

Despite these circumstances, the Applicant remains committed to delivering the Project when financing becomes feasible. That commitment is demonstrated by the successful completion and occupancy of the South Parcel, which reflects the Applicant's substantial investment in the PUD site and the broader Sursum Corda redevelopment. The North Parcel is intended to serve as the final phase of that redevelopment effort.

The Applicant continues to pursue financing by engaging with lenders, investors, and capital markets professionals, exploring public financing tools, and evaluating alternative capital structures. Despite these efforts, financing remains unavailable on terms that would support construction of the approved Project. The Applicant has been unable to secure a tax-exempt bond allocation through the DC Housing Finance Agency, and the approved cast-in-place construction program is not financially viable at currently achievable rent levels.

Ultimately, the Applicant's inability to proceed results from economic and market conditions beyond its reasonable control, rather than any lack of diligence or commitment. The Applicant's request for another time extension therefore satisfies the requirements of Subtitle Z § 705.2(c)(1).

E. Justification for Waiver Request

As part of this application, the Applicant requests a waiver of the limitation set forth in Subtitle Z § 705.5, which does not allow a second extension of a PUD approval to exceed one year. Good cause exists for the Commission to grant the requested waiver pursuant to Subtitle Z § 101.9.[5]

The requested waiver is also supported by the unique circumstances of this PUD. The North Parcel represents the final phase of a long-approved redevelopment effort for which the South Parcel has already been completed and occupied. In approving the North Parcel, the Commission specifically found that its redevelopment will lead to the full delivery of the remaining PUD benefits. *See* Z.C. Order No. 15-20D, COL No. 11. Thus, the requested extension will provide a reasonable opportunity to complete the North Parcel once financing becomes available.

Granting the requested waiver to allow a two-year extension is therefore appropriate given the persistent market conditions that continue to impede new multifamily development in the District. The waiver will not prejudice the rights of any party and will allow the Project and its associated public benefits to be delivered.

F. Community Outreach

The North Parcel is located within ANC 6E and Single-Member District ("SMD") 6E04, represented by Commissioner Julia Fielder. As reflected in the attached Certificate of Service, the Applicant has served this request on Commissioner Fielder, ANC 6E, and its Chair, Commissioner

[5] Pursuant to Subtitle Z § 101.9, the Commission may waive any provision of Subtitle Z for good cause shown, provided that the waiver will not prejudice the rights of any party and is not otherwise prohibited by law.

Ahmad Abu-Khalaf. The Applicant will coordinate with ANC 6E during review of this application and will provide an update to the Commission prior to consideration of the request, if necessary.

G. No Public Hearing Necessary

Pursuant to Subtitle Z § 705.7, the Commission must hold a hearing on an extension request only if a material factual conflict exists regarding the criteria set forth in Subtitle Z § 705.2. No such conflict exists here. As discussed above, the financing and market conditions affecting the Project are broadly impacting multifamily residential development throughout the District and have formed the basis for several recent extension requests. *See, e.g.*, Z.C. Order No. 20-06E; Z.C. Case No. 06-10J (approved at the Commission's September 10, 2026, public meeting). Accordingly, a public hearing is unnecessary for the Commission to evaluate this request.

H. Conclusion

Accordingly, the Applicant respectfully requests that the Commission grant a two-year extension of the validity periods applicable to the North Parcel and a waiver of the one-year limitation in Subtitle Z § 705.5, thereby extending the deadline to file a building permit application to **November 10, 2028**, and the deadline to commence construction to **November 10, 2029**.

Respectfully submitted,

HOLLAND & KNIGHT LLP

By: Leila Batties
Leila M. Jackson Batties

By: Christopher S. Cohen

Exhibits & Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE

We hereby certify that on October 7, 2026, a copy of the foregoing time extension application was served by electronic mail on the following at the addresses stated below.

D.C. Office of Planning
Radhika Mohan: radhika.mohan@dc.gov
Maxine Brown-Robers: maxine.brownroberts@dc.gov
Karen Thomas: karen.thomas@dc.gov

District Department of Transportation
Erkin Ozberk: erkin.ozberk1@dc.gov
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Commissioner Ahmad Abu-Khalaf
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