

**MEMORANDUM**

**TO:** District of Columbia Zoning Commission  
**FROM:** *JLS*  
 Jennifer Steingasser, Deputy Director  
**DATE:** March 26, 2018  
**SUBJECT:** **Public Hearing Report** for ZC #02-38I, Waterfront M Street Buildings  
 375 and 425 M Street, SW  
 First Stage PUD Modification and Second Stage PUD

**I. SUMMARY RECOMMENDATION**

Forest City has submitted an application for a first stage PUD modification and a second stage PUD in order to construct two apartment buildings with ground floor retail, as well as some office and community center space, at the Waterfront metro station, on sites that were originally approved for office buildings. The main purpose of the first stage modification is to allow both buildings to be predominantly residential whereas the original approval was for office buildings. The applicant seeks no new zoning flexibility. The proposal is not inconsistent with the Comprehensive Plan, would not result in unacceptable impacts on the area or on city services, and includes public benefits and project amenities that balance the flexibility requested. The Office of Planning (OP), therefore, can recommend approval of the application once the items noted in this report have been addressed, and subject to the following condition:

- For the life of the project, the buildings shall reserve no less than 32,400 square feet of space for office uses, as “office” is defined at Exhibit 13, p. 27, paragraph 9.

**II. APPLICATION-IN-BRIEF**

<b>Location</b>	375 M Street, SW – Square 542, Lot 826 – Northeast corner of 4 <sup>th</sup> and M 425 M Street, SW – Square 542, Lot 825 – Northwest corner of 4 <sup>th</sup> and M Ward 6, ANC 6D
<b>Property Size</b>	375 M Street – 46,780 sf 425 M Street – 61,064 sf
<b>Applicant</b>	Forest City et al.
<b>PUD Zoning</b>	C-3-C (1958 Zoning Regulations)
<b>Comprehensive Plan Generalized Policy Map</b>	Land Use Change Area; Enhanced/New Multi-Neighborhood Center

<b>Comprehensive Plan Future Land Use Map</b>	Mixed Use High Density Residential / High Density Commercial	
<b>Approved Use</b>	Office with ground floor retail	
	<i>425 M Street</i>	<i>375 M Street</i>
<b>Height</b>	127'	127'
<b>Floor Area</b>	322,785 sf (office and retail)	339,815 (office and retail)
<b>FAR</b>	0.55	0.58
<b>Total PUD FAR as currently approved<sup>1</sup></b>	2.11 Residential 2.22 Commercial 4.33 Total	
<b>Proposed Use</b>	Residential with ground floor retail, some second floor office and a community center	
	<i>425 M Street</i>	<i>375 M Street</i>
<b>Site Area</b>	46,768 sf	61,065 sf <sup>2</sup>
<b>Height</b>	127'	127'
<b>Floor Areas: Residential</b>	300,847 sf	281,420 sf
<b>Office</b>	-	32,400 sf
<b>Retail</b>	21,103 sf	18,830 sf
<b>Community Center</b>	-	6,000 sf
<b>Total</b>	321,950 sf	338,510 sf
<b>Units</b>	310	285
<b>Lot Occupancy<sup>3</sup> (relative to the building site)</b>	73%	60%
<b>FAR (relative to entire PUD)</b>	0.54	0.58
<b>FAR (relative to the bld. site)</b>	6.88	5.54
<b>Total PUD FAR with this modification</b>	3.10 Residential 1.23 Commercial 4.33 Total	

<sup>1</sup> 02-38A did not define FAR for individual sites not part of that second stage PUD.

<sup>2</sup> Includes a portion of the Metro plaza.

<sup>3</sup> Lot occupancy at the ground floor. 02-38A established the overall lot occupancy for the entire PUD at 58%.

<b>Car Parking<sup>4</sup></b>	Office	n/a	Office	20
	Retail	24	Retail	20
	Residential	155	Residential	172
	Community Ctr.	n/a	Community Ctr.	8
	<u>Total</u>	<u>179</u>	<u>Total</u>	<u>220</u>
<b>Loading</b>	Two 30' berths and one 20' delivery space per building			
<b>Requested Flexibility</b>	No zoning flexibility requested; The applicant requests design and use flexibility as noted on pp. 26 and 27 of Exhibit 13, and pp. 13 and 14 of Exhibit 62.			

### III. SUMMARY OF OP AND COMMISSION COMMENTS

The following summarizes OP comments from the time of setdown and their current status.

OP Comment	Applicant's Response	Resolved?
Examine the design and massing of the façades facing each other across 4 <sup>th</sup> Street and possibly make them more symmetrical.	The design of the buildings have been made symmetrical across 4 <sup>th</sup> Street, with both buildings having a two-story base at the corner of 4 <sup>th</sup> and M.	Yes.
Provide renderings showing the M Street streetscape, as well as aerial renderings of the proposed buildings and their surroundings.	The updated plans, Exhibit 62A, contain a variety of renderings on Sheets 16 – 37.	Yes.
Show on the plans the new location for the WMATA vault currently located where the west private street would meet M Street.	The plans have been updated to include the vault. See, for example, Sheet C7 of Exhibit 62A.	Yes.
The plans should show the locations of the IZ units within the buildings.	The applicant provided locations for IZ units at Exhibit 13H.	Yes.
Provide a breakdown of the unit types by number of bedrooms.	Sheet 4 of Exhibit 62A provides a range for the number of each size of unit.	Yes.

<sup>4</sup> 02-38A established 1,087 parking spaces as the minimum required for the entire PUD, but did not establish minimums for individual buildings. OP has asked the applicant to summarize the existing parking totals for the entire site.

<b>OP Comment</b>	<b>Applicant's Response</b>	<b>Resolved?</b>
<p>Requests for design flexibility should be refined to ensure minimal deviation from the plans approved by the Commission, should the application be approved.</p>	<p>The applicant proposed refined flexibility language at page 27 of Exhibit 13.</p>	<p>Yes. The proposed language would seem to narrow the scope of changes that could be made at the time of permit. OP will continue to work with OAG to review the proposed flexibility.</p>
<p>Provide more information on materials and design details as noted in the report.</p>	<p>The application materials now include additional detail about the architecture.</p>	<p>Partially. OP had requested information about the depth of mullions, window reveals and related details that add depth and texture to the building façades. As of this writing that information has not been submitted to the record.</p>
<p>The applicant should examine interim uses for the retail spaces, if they are not immediately leased to retail uses.</p>	<p>The applicant's retail study encourages the use of interim retail uses.</p>	<p>Partially. The applicant should commit to using an interim-retail strategy to avoid dead retail space, should long-term tenants not be signed immediately.</p>
<p>OP encourages the applicant to examine the provision of more 3BR IZ units, and more overall IZ floor area.</p>	<p>The applicant has increased the number of 3BR IZ units from 4 to 5. The total IZ floor area is still proposed to be 8% of the total residential floor area. IZ units would be reserved at the 60% MFI level.</p>	<p>Partially. The applicant has increased the number of 3BR IZ units from 4 to 5 however, OP and DHCD continue to recommend more 3BR units, more total IZ floor area, and a lower MFI level for at least a portion of the units.</p>
<p>The design should include more private balconies.</p>	<p>According to page 18 of Exhibit 13, the number of balconies was increased from 16.8% of units at setdown to 30.9%.</p>	<p>No. Façades of the buildings could accommodate many more balconies. For example, on both buildings, very few units on the north side have balconies, despite the long façades having no impediment to their inclusion.</p>

The following table summarizes the Commission’s comments from setdown and the applicant’s responses.

<b>ZC Comment From Setdown</b>	<b>Applicant Response</b>
Provide additional IZ floor area.	The application continues to propose 8% IZ floor area.
Provide additional 3BR units, including IZ units.	The applicant has increased the number of 3BR IZ units from 4 to 5. No market rate 3BR units are proposed.
Provide a breakdown of unit types by number of bedrooms	Sheet 4 of Exhibit 62A provides a range for the number of each size of unit.
Provide more balconies.	According to page 18 of Exhibit 13, the number of balconies was increased from 16.8% of units at setdown to 30.9%.
The concerns of the ANC, that the amount of office space is too small, need to be explored and addressed in dialogue with the ANC.	The applicant has continued their discussions with the ANC as well as with nearby neighbors. See Exhibit 62, p. 5 for a discussion of the community engagement process.
The design should achieve LEED Gold or provide a rationale why Gold is not achieved.	According to Sheets C17 and C18 of Exhibit 62A, it appears that the design would only achieve a LEED Silver rating. Exhibit 13, pg. 25, states that the applicant had been working with DOEE and would provide an update on its environmental design prior to the public hearing. The written statement at Exhibit 62 does not discuss the LEED score for the buildings.
Explore installation of solar panels.	The application materials do not discuss the provision of solar panels.
Refine architecture at the intersection of M and 4 <sup>th</sup> Streets.	The design of the buildings have been made symmetrical across 4 <sup>th</sup> Street, with both buildings having a two-story base at the corner of 4 <sup>th</sup> and M.

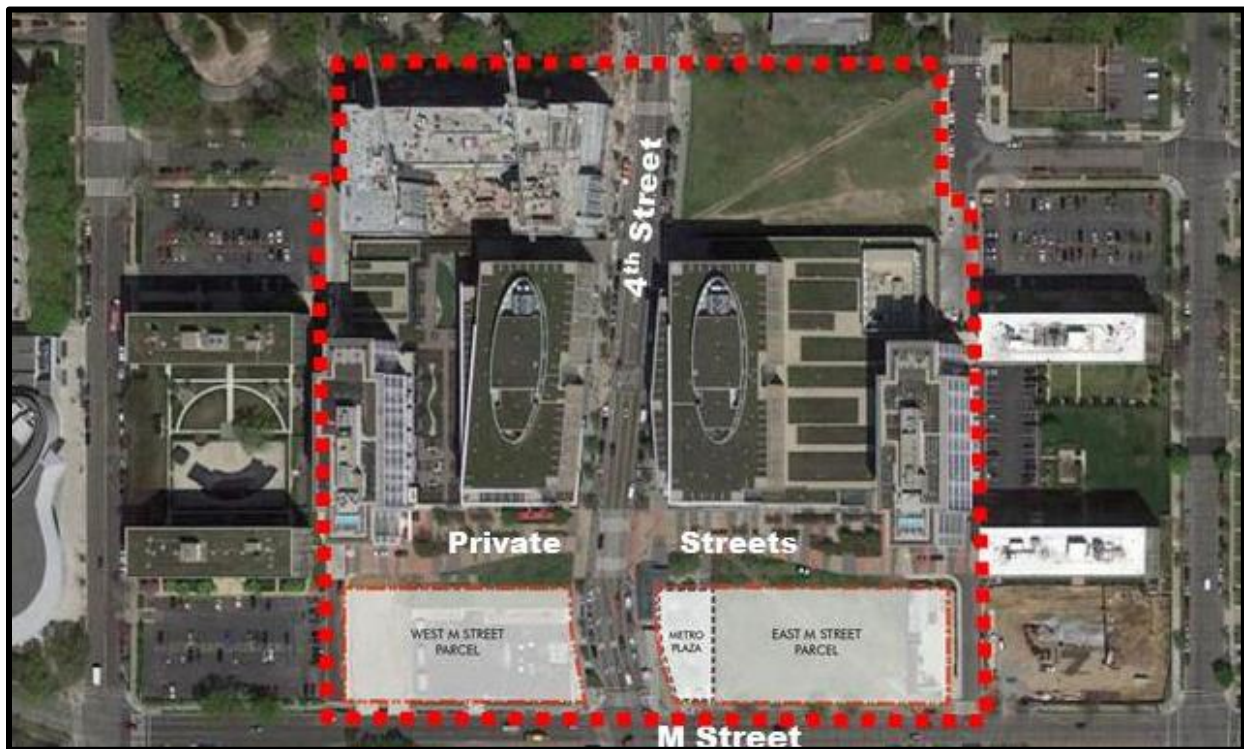
#### **IV. BACKGROUND**

The subject PUD began as Zoning Commission #02-38, which was approved as a first stage PUD in 2003. The total site area for that PUD, known as Waterfront, is 584,655 sf, or 13.42 acres. A major modification of the first stage, and a second stage PUD (together 02-38A) were approved in 2007. That second stage PUD encompassed the middle four buildings on the site – two apartment buildings on the east and west sides of the project, and two office buildings fronting 4<sup>th</sup> Street. ZC #02-38D was a second stage PUD for the northwest building on the site, which the Commission approved in 2013. The northeast building is planned to be a residential building. The M Street buildings (the buildings subject to this application) were approved in 02-38A as office buildings with ground floor retail.

## V. SITE AND AREA DESCRIPTION

The subject sites are portions of the overall Waterfront PUD site. The PUD, ZC #02-38 et seq., is centered around 4<sup>th</sup> Street, SW between M and I Streets, and the PUD is anchored by the Waterfront metro station at 4<sup>th</sup> and M. The sites for this application are at the metro, on either side of 4<sup>th</sup> Street, with M Street forming their southern edge. The lots are bound on the north by private streets which currently provide access to the existing apartment buildings on the east and west sides of the project, as well as the south sides of the commercial buildings fronting 4<sup>th</sup> Street.

The surrounding neighborhood is a mix of apartment buildings, rowhouses and institutional uses. Many apartment buildings are 90 feet tall or of a similar height. New apartment buildings are under construction immediately to the east and west of the subject site. Rowhouses and apartment buildings form the existing development across M Street from the proposed buildings (Tiber Island and Carrollsburg Square). The neighborhood has a patchwork of zone districts, some of which are vested under the 1958 Regulations, including C-3-C and R-5-D. Rowhouses tend to be zoned R-3 and older apartment buildings are usually zoned RA-2 or RA-4.



■ ■ ■ ■ ■ ■ ■ ■ ■ ■ PUD Boundary

## VI. PROJECT DESCRIPTION

### Uses

The applicant proposes to modify the first stage PUD, which called for office buildings with ground floor retail on the subject sites. The current proposal is for residential buildings with ground floor retail, second floor office in the east building, and, with the latest submission, a community center on the ground floor and second floor of the east building. The residential and retail program remains similar to the original proposal, but the office and community center uses have changed since setdown, as shown in the table below.

		425 M Street	375 M Street	Total
<b>Proposal at Setdown</b>	Office	19,450 sf	18,660 sf	38,110 sf
	Community Center	n/a	n/a	0 sf
<b>Current Proposal</b>	Office	0 sf	32,400 sf	32,400 sf
	Community Center	n/a	6,000 sf	6,000 sf

The Office of Planning, in an attempt to enhance the daytime foot traffic in the area, and to provide neighborhood-serving office space, requested prior to setdown that the second floor of each building be dedicated to office space. The current proposal provides the entire second floor of the east building for office use as well as space for a community center. According to Exhibit 62, p. 6, the community center would be operated by a third party acceptable to both the applicant and the ANC, and the use is characterized as follows:

The community center will be programmed to have activities and events during day and evening hours [...] for various activities, including to socialize, use workspaces, practice yoga, or take computer classes. The community center may also offer cooking classes that prepare lunches, dinners, or special afternoon teas. The community center could host lecture series and encourage discussion groups as well. In the evenings and/or on weekends, the community center could host meetings and small concerts. In the studio spaces, there may be classes for people to explore the arts. In the garden space, there may be a league of regular checkers, chess, and scrabble players who have round robin games. There may even be enough interest for a theatrical group and amateur theater.

OP believes that the community center would be a valuable use for the neighborhood and could assist the office space in driving daytime foot traffic. In order to ensure that adequate office space is provided to ensure the goal of creating a true neighborhood center, OP proposes the following condition of approval:

- For the life of the project, the buildings shall reserve no less than 32,400 square feet of space for office uses, as “office” is defined at Exhibit 13, p. 27, paragraph 9.

At the time of setdown OP asked the applicant to explore ways that retail spaces could be leased to interim uses in order to avoid blank façades existing over long periods of time, as occurred at the 4<sup>th</sup> Street office buildings. Page 29 of Exhibit 62C, the retail study, states that “The project should employ an aggressive temporary tenant campaign immediately...” The applicant should commit to using an interim-retail strategy to avoid dead retail space, should long-term tenants not be signed immediately upon completion of the proposed buildings. In addition to traditional retail, uses such as arts, artisan or maker uses could also occupy the space, which would directly support the policies of the Southwest Neighborhood Plan.

### **Urban Design**

As seen on Sheet 25 of Exhibit 62A, the buildings would frame the view up 4<sup>th</sup> Street from south of M Street. Since setdown the design has been improved to make the buildings more symmetrical across 4<sup>th</sup> Street, while retaining their individual architectural characters.

The massing of the proposed residential buildings is very similar to the approved office buildings, with the major difference being the open court facing M Street. The renderings showing the M Street streetscape demonstrate that, even with the large courts, M Street would still benefit from a substantial streetwall and sense of enclosure. See Sheets 20 and 22. Also, the north-south wings of the proposed buildings would reflect the form of the historic towers in Carrollsburg and Tiber Island on the south side of M Street.

The design would also relate the new buildings to the existing buildings in the PUD. Sheet 55 shows the elevations facing 4<sup>th</sup> Street for the entire PUD, and demonstrates that the projecting bays on the proposed buildings would be at approximately the same height as the roofs of the existing 4<sup>th</sup> Street office buildings.

Another difference between the approved massing and the proposed massing is the setback from M Street. The entire south façade of the approved buildings would have been set back from M Street. In the current proposal portions of the buildings would extend out to the property line. The ground floor, however, would maintain the setback, and upper story courts add variety to the façade.

### **Site Plan and Architecture**

As approved in the first stage PUD, each building would be 127 feet tall with a two-story base extending out on the east side of the east building and west side of the west building. The apartment buildings would have an extra floor within that height, as well as communal habitable space at the penthouse level. The massing would feature a large court fronting on M Street, in contrast to the filled-out massing of the office buildings.

Each building’s main residential entrance would be at the corner of the building closest to the metro escalator, fronting on 4<sup>th</sup> Street. Secondary entrances would face north onto the private streets and provide access to loading areas, a stair and elevator, and bike storage rooms. In the



east building, the applicant should clarify the plans to show how the bike storage room would be connected to the lobby area through the interior of the building.

In each building, ground floor retail would face 4<sup>th</sup> Street, wrap the corner, and line the entire M Street frontage, except in the east building, which would also have office and community center entrances on M. The entrances should help to activate that frontage. The sides of the buildings opposite 4<sup>th</sup> Street would have the loading and vehicular parking access. Since the time of setdown, the loading configuration has been revised to move the entrance farther south, and also to allow front-in—front-out truck movements. In the approved PUD, parking access had been approved to come directly off of M Street, so the new design would improve upon the original. The private streets wrap the buildings and become de facto alleys serving the PUD.

The community center would have about 2,300 square feet on the ground floor of the east building, and about 4,000 square feet on the second floor, according to the plans on Sheets 41 and 42. Office would occupy the remainder of the second floor of the east building. Floors three through twelve would be entirely residential. In the west building, floors two through twelve would be entirely residential, except for the two-story retail space at the corner of 4<sup>th</sup> and M.

Terraces and courtyards would be provided at the second, third and fourth floors, including a dog run at the west building's second floor. The penthouse levels would feature community amenities, including pools, but no private habitable space. At the time of setdown the plans indicated that the green roofs, including terraces at lower levels, would total 32,060 square feet.

According to page 18 of Exhibit 13, the percentage of units that have balconies is 30.9%. According to OP's calculations the present design in Exhibit 62A provides balconies or private terraces to approximately 36% of the units. OP encourages the applicant to include more balconies in the design, as they make units more livable, add eyes on the street and other public spaces, and add a level of activity to the public realm. Façades of the buildings appear to be able to accommodate many more balconies. For example, on both buildings, very few units on the north side have balconies, despite the long façades having no apparent impediment to their inclusion. Also note that while Sheet 46 is titled "Tenth – Twelfth Floor Plan", the balconies overlooking 4<sup>th</sup> Street and the northern street are only located at the 10<sup>th</sup> floor.

At the time of setdown OP had requested additional information about the materials and design details of the project, most of which has been provided, including significant additional information about materials. Please note that the applicant has confirmed that the GFRC façade panel, which tends to appear white in the renderings, would actually be a soft grey as shown on Sheet 73. OP had requested information about the depth of mullions, window reveals and related details that add depth and texture to the building façades. As of this writing that information has not been submitted to the record. The applicant stated in an email to OP that those details have not yet been developed, but they have been routinely provided on other recent PUDs. OP supports the design direction indicated for the wall systems on Sheets 74-76 and 94-96, but additional detail would confirm that the buildings would have adequate texture and visual interest on their façades.

**Inclusionary Zoning**

The applicant is proffering that 8% of the residential floor area would be dedicated to IZ units affordable to households earning 60% of the MFI. The original PUD required affordable housing distributed in the existing east and west residential towers and the northeast building. DHCD has indicated that much of that affordable housing would expire after a 20-year term.

With the conversion of the subject office buildings to residential, it is required that they include affordable housing. The physical distribution of the proposed IZ units is shown at Exhibit 13H. The application states that five 3-bedroom units would be IZ units, an increase of one from the time of setdown. OP continues to encourage the applicant to examine increasing that number to provide more affordable housing for families, increase the total amount of affordable housing, and provide some housing at 50% MFI. The following table summarizes the market rate and IZ floor area distribution.

<b>Residential Unit Type</b>	<b>Floor Area (sf)</b>	<b>Percentage of Total</b>	<b>Units</b>	<b>Affordable Control Period</b>	<b>Affordable Unit Type</b>
Total Res. Floor Area (Net SF)	490,601	100%	595		
Market Rate (Net SF)	451,371	92%	547*		
IZ – 60% MFI (Net SF)	39,230	8%	48*	Perpetuity	For Rent
IZ – 50% MFI (Net SF)	0	0%	0	-	-
Affordable / Non IZ	n/a	-	-	-	-

\* Estimated by OP

**VII. COMPREHENSIVE PLAN POLICIES**

The Commission determined that the approved first stage PUD was not inconsistent with the Comprehensive Plan. The change in proposed use from office to residential would not be inconsistent with major policies from the Land Use, Transportation, Housing, Economic Development, Urban Design, and Lower Anacostia Waterfront / Near Southwest elements of the Comprehensive Plan. Please refer to Attachment 1 for a complete listing of relevant policies from those elements of the Plan. The proposed change in primary use would not be inconsistent with, and would further housing objectives, including the provision of affordable housing. However, in order to more fully meet the affordable housing goals of the Plan, the applicant is encouraged to provide an increased commitment to IZ units, including a larger overall percentage, more family-sized units, and a deeper level of affordability for some units. Retaining ground floor retail and neighborhood-serving office space would further Economic Development and Lower Anacostia Waterfront / Near Southwest Area element policies.

## VIII. COMPREHENSIVE PLAN LAND USE MAPS

The Comprehensive Plan's Generalized Policy Map describes the subject site as a Land Use Change Area, and as appropriate for an Enhanced / New Multi-Neighborhood Center. The site is also located within the Central Employment Area.

Land Use Change Areas are anticipated to become "high quality environments that include exemplary site and architectural design and that are compatible with and do not negatively impact nearby neighborhoods (Comprehensive Plan, § 223.12). In Land Use Change Areas the expected mix of uses is shown on the Future Land Use Map.



Multi-neighborhood centers:

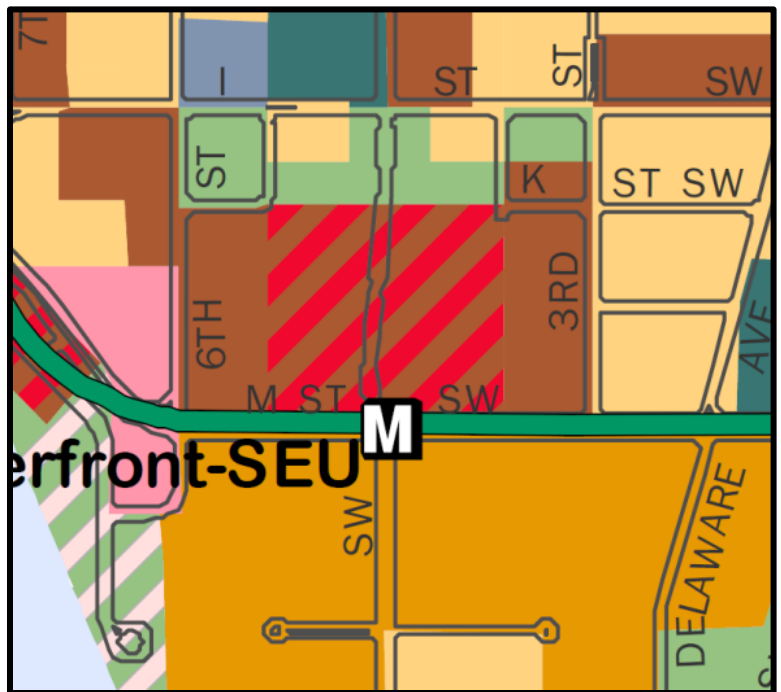
"contain many of the same activities as neighborhood centers but in greater depth and variety. Their service area is typically one to three miles. These centers are generally found at major intersections and along key transit routes. These centers might include supermarkets, general merchandise stores, drug stores, restaurants, specialty shops, apparel stores, and a variety of service-oriented businesses. These centers also may include office space for small businesses, although their primary function remains retail trade" (§ 223.17).

The Central Employment Area is defined as:

"...the business and retail heart of the District and the metropolitan area. It has the widest variety of commercial uses, including but not limited to major government and corporate offices; retail, cultural, and entertainment uses; and hotels, restaurants, and other hospitality uses. The Central Employment Area draws patrons, workers, and visitors from across the region" (§ 223.21).

The Future Land Use Map (FLUM) indicates that the site is appropriate for mixed use High Density Residential and High Density Commercial. The Comprehensive Plan defines those categories as follows:

*High Density Residential* – This designation is used to define neighborhoods and corridors where high-rise (8 stories or more) apartment buildings are the predominant use. Pockets of less dense housing may exist within these areas. The corresponding Zone districts are generally R-5-D and R-5-E, although other zones may apply. (§ 225.6)



*High Density Commercial* – This designation is used to define the central employment district of the city and other major office employment centers on the downtown perimeter. It is characterized by office and mixed office/retail buildings greater than eight stories in height, although many lower scale buildings (including historic buildings) are interspersed. The corresponding Zone districts are generally C-2-C, C-3-C, C-4, and C-5, although other districts may apply. (§ 225.11)

OP finds that the project would not be inconsistent with the Comprehensive Plan land use and policy maps.

## **IX. SOUTHWEST NEIGHBORHOOD PLAN**

The Southwest Neighborhood Plan is a small area plan (SAP) adopted by Council on July 14, 2015. Like all SAPs, the content of the Southwest Neighborhood Plan refines and supplements the Comprehensive Plan and provides more detailed guidance for a particular neighborhood than the Comprehensive Plan.

The Southwest Neighborhood Plan (SNP) seeks to reinforce the idea that 4<sup>th</sup> Street between M and I Streets should be the heart of the neighborhood and act as a town center, providing a range of retail with an active street atmosphere (SNP, p. 100). The SNP states that an increase in the population immediately surrounding 4<sup>th</sup> Street will “strengthen the market position and overall vitality of the town center” (ibid., p. 101). It also states that retail in this particular area would be locally focused, rather than destination retail or entertainment such as the Wharf or Capitol Riverfront areas (ibid.). The applicant’s retail study, Exhibit 62C, prescribes an ideal mix of

uses for the proposed buildings and the PUD as a whole in order to maximize the amount of activity and pedestrian traffic in the area. Policy TC.7 on page 104 of the SNP also encourages “pop-up retail and temporary creative uses in vacant spaces and parcels as a means to enliven a space, maintain retail continuity along 4<sup>th</sup> Street, promote small and local retailers and activate the main street.”

The SNP also addresses the idea of residential versus office use on the subject properties. The plan states that the approved amount of office space may be difficult to lease, and that “the developer should have the flexibility to request a modification to the approved Planned Unit Development to incorporate residential uses within the buildings” (SNP, p. 52). The proposal is not inconsistent with the policies of the Southwest Neighborhood Plan.

## **X. PUD FLEXIBILITY**

To construct as proposed, the application requires no zoning flexibility other than what was already granted in the first stage PUD, such as the PUD-related zoning of C-3-C and the allowable height of 127’. The applicant requests design and use flexibility as noted on pp. 26 and 27 of Exhibit 13, and pp. 13 and 14 of Exhibit 62. As requested at the time of setdown, the applicant proposed revisions to more tightly limit the extent of changes that could be made at the time of building permit. OP will continue to work with OAG to review the proposed flexibility.

## **XI. PURPOSE AND EVALUATION STANDARDS OF A PUD**

The purpose and standards for Planned Unit Developments are outlined in 11 DCMR, Subtitle X, Chapter 3. The PUD process is intended to:

- “provide for higher quality development through flexibility in building controls, including building height and density, provided that a PUD:
- (a) Results in a project superior to what would result from the matter-of-right standards;
  - (b) Offers a commendable number or quality of meaningful public benefits; and
  - (c) Protects and advances the public health, safety, welfare, and convenience, and is not inconsistent with the Comprehensive Plan” (§ 300.1).

The applicant is requesting a first-stage PUD modification and a second-stage PUD. In order to approve the project, the Commission must find that it would not be inconsistent with the Comprehensive Plan, would not result in unacceptable impacts on the area or on city services, and includes public benefits and project amenities that balance the flexibility requested and any potential adverse effects of the development (§§ 304.3 and 304.4). In the Order for the existing approval, the Commission found that the PUD would meet these approval requirements (ZC #02-38A, Exhibit 106). Because the overall density would remain nearly identical to the current approval, OP continues to find that the standards for approval would be met. However, given OP’s own analysis and the comments provided by DHCD, the project’s contribution toward achieving the affordable housing goals of the

Comprehensive Plan would be more fully achieved through a greater contribution toward Inclusionary Zoning units, as described in this report.

## **XII. PUBLIC BENEFITS AND AMENITIES**

Subtitle X Section 305 of the Zoning Regulations discuss the definition and evaluation of public benefits and amenities. “Public benefits are superior features of a proposed PUD that benefit the surrounding neighborhood or the public in general to a significantly greater extent than would likely result from development of the site under the matter-of-right provisions of this title” (§ 305.2). “A project amenity is one (1) type of public benefit, specifically a functional or aesthetic feature of the proposed development that adds to the attractiveness, convenience, or comfort of the project for occupants and immediate neighbors” (§ 305.10). Section 305.5 lists several potential categories of benefit proffers, and “A project may qualify for approval by being particularly strong in only one (1) or a few of the categories in [that] section, but must be acceptable in all proffered categories and superior in many” (§ 305.12). The Commission “shall deny a PUD application if the proffered benefits do not justify the degree of development incentives requested (including any requested map amendment)” (§ 305.11).

Amenity package evaluation, therefore, is partially based on an assessment of the additional development gained through the application process. In this case, the benefits and amenities were established during the previous PUD approvals, which rezoned the property from a base zone of C-3-B, to a mix of C-3-B and C-3-C (#02-38), and then entirely to C-3-C (#02-38A). With the current application, the chief additional development right sought through the PUD process is the ability to convert the buildings from office to residential. At the M Street buildings, the floor areas would slightly decrease from the previous approval – from 322,700 sf to 321,950 sf at the west building and from 339,000 sf to 338,510 sf in the east building.

Beginning on page 28 of Exhibit 2, the application lists benefits that “have already been delivered or are in the process of being delivered”. Those are summarized in the following table:

<b>Item #</b>	<b>Applicant’s Benefit or Amenity – Already Delivered or In-Process</b>
1.	The Re-opening of 4th Street, SW, as a dedicated public right-of-way to break down the super block previously in place, to restore the street grid, improve traffic flow and serve as a neighborhood town center
2.	Construction of 895 residential units, with approximately 11.8% being affordable
3.	Construction of more than 90,000 square feet of retail space, with more than 10,000 square feet provided for small and local retail users, and including a 55,000 sf Safeway
4.	Maintenance of the Safeway, CVS Pharmacy, and Bank of America on-site throughout the initial construction
5.	Delivery of over 50,000 square feet of public open space
6.	Construction and maintenance of the public park property to the north of the PUD Site

The applicant also lists benefits and amenities, some of which are newly proffered, that would be implemented with construction of the currently proposed buildings. In the Order for case #02-38A, the Commission found that the amount of benefits and amenities provided were sufficient given the amount of flexibility sought through the PUD process. OP finds that the current list of benefits is generally commensurate with the degree of flexibility sought through the application, but in the table below suggests ways in which some of the benefits could more fully balance the proposed flexibility.

Item #	Applicant's Benefit or Amenity – To be Achieved With Construction of M Street Buildings	OP Comments
1.	Accomplishing major urban design benefits and improvements; Creating and improving the town center. (X § 305.5(a))	OP concurs that the urban design of the project, which has been improved since setdown, would be a benefit to the overall PUD and the neighborhood.
2.	Adding more retail and service uses on the PUD Site, up to a total of approximately 130,000 sf, not including the Northeast building. (X § 305.5(r))	The additional retail/service space would help to create this area as a town center for the Southwest neighborhood, in conformance with the Southwest Neighborhood Plan.
3.	Incorporating sustainable design features; The Applicant will design the East and West M buildings to include no fewer than the minimum number of points necessary to achieve LEED v4 Silver. (X § 305.5(k))	The applicant should consider ways to achieve a higher LEED rating, and should commit to actual certification; The applicant should also examine the use of solar panels on the project.
4.	Introducing elements of the Transportation Management Plan. (X § 305.5(o))	In order to count as a benefit, the applicant should clarify that the TMP goes beyond what is required for simple mitigation.
5.	Providing employment and training opportunities; For construction of the East and West M buildings, the Applicant will (i) enter into a First Source Employment Agreement, in order to promote and encourage the hiring of District residents (Exhibit 2K); and (ii) enter into a Certified Business Enterprise Agreement, in order to utilize local, small, and disadvantaged businesses (Exhibit 2L). (X § 305.5(h))	At Exhibit 13, p. 25, and Exhibit 13I, the applicant discusses the success to date of their compliance with these programs. Continued use of the programs would represent a valuable amenity item.
6.	The Applicant proposes to convert the majority of the East and West M Street buildings to residential use, with a minimum of 8% of the residential gross floor area in each building being devoted to households earning up to 60% of the MFI. Of the 8%, the applicant will set aside a minimum of five	OP encourages the applicant to examine increasing that number of 3BR IZ units to provide more affordable housing for families. OP also encourages the applicant to increase the total IZ floor area, consistent with other recent PUDs.

	three bedroom units. (X § 305.5(f) and (g)).	
7.	Provision of a community center: - 6,000 sf rent-free for 30 years; - Pay all property taxes and operating expenses, except for electricity and cable/internet; - Up to \$500,000 for interior design and fit-out; - Up to \$50,000 for furniture, fixtures and equipment; - Up to \$15,000 for start-up costs; - Access to the second floor terrace.	OP concurs that this would be a valuable amenity for the neighborhood.

### **XIII. AGENCY COMMENTS**

OP received an email from WMATA stating that they had no comment on the application and were working with the applicant on easements. DHCD provided a comment requesting that additional family-sized IZ units, additional overall IZ floor area, and a deeper level of affordability be provided. Please refer to Attachment 2. As of this writing OP has received no other comments from referral agencies.

### **XIV. ATTACHMENTS**

1. Comprehensive Plan Policies
2. DHCD Comments

JS/mrj



## **Attachment 1 Comprehensive Plan Policies**

The proposal would further the following policies of the Comprehensive Plan. The project could more fully meet the policies of the Housing Element through a greater IZ contribution.

### ***Land Use Element***

#### **Policy LU-1.3.1: Station Areas as Neighborhood Centers**

Encourage the development of Metro stations as anchors for economic and civic development in locations that currently lack adequate neighborhood shopping opportunities and employment. The establishment and growth of mixed use centers at Metrorail stations should be supported as a way to reduce automobile congestion, improve air quality, increase jobs, provide a range of retail goods and services, reduce reliance on the automobile, enhance neighborhood stability, create a stronger sense of place, provide civic gathering places, and capitalize on the development and public transportation opportunities which the stations provide. This policy should not be interpreted to outweigh other land use policies which call for neighborhood conservation. Each Metro station area is unique and must be treated as such in planning and development decisions. The Future Land Use Map expresses the desired intensity and mix of uses around each station, and the Area Elements (and in some cases Small Area Plans) provide more detailed direction for each station area.

#### **Policy LU-1.3.2: Development Around Metrorail Stations**

Concentrate redevelopment efforts on those Metrorail station areas which offer the greatest opportunities for infill development and growth, particularly stations in areas with weak market demand, or with large amounts of vacant or poorly utilized land in the vicinity of the station entrance. Ensure that development above and around such stations Eastern Market Metrorail Station emphasizes land uses and building forms which minimize the necessity of automobile use and maximize transit ridership while reflecting the design capacity of each station and respecting the character and needs of the surrounding areas.

§ 307.2      Infill development on vacant lots is strongly supported in the District of Columbia, provided that such development is compatible in scale with its surroundings and consistent with environmental protection and public safety objectives. In residential areas, infill sites present some of the best opportunities in the city for "family" housing and low-to-moderate-density development...

§ 307.3      In both residential and commercial settings, infill development must be sensitive to neighborhood context. High quality design standards should be required, the privacy of neighboring structures should be respected, and density and scale should reflect the desired character of the surrounding area.

### ***Transportation Element***

§ 403.1 ...In general, the demands on our transportation system are reduced when homes are located close to places of employment and shopping. People spend less time traveling and overall quality of life may be improved. The transportation system as a whole benefits when more compact residential and employment areas are situated along major transit routes. Travel times are reduced and there is better use of public transportation investments.

### ***Housing Element***

#### **Policy H-1.1.3: Balanced Growth**

Strongly encourage the development of new housing on surplus, vacant and underutilized land in all parts of the city. Ensure that a sufficient supply of land is planned and zoned to enable the city to meet its long-term housing needs, including the need for low- and moderate-density single family homes as well as the need for higher-density housing.

#### **Policy H-1.1.4: Mixed Use Development**

Promote mixed use development, including housing, on commercially zoned land, particularly in neighborhood commercial centers, along Main Street mixed use corridors, and around appropriate Metrorail stations. 503.5

#### **Policy H-1.2.1: Affordable Housing Production as a Civic Priority**

Establish the production of housing for low and moderate income households as a major civic priority, to be supported through public programs that stimulate affordable housing production and rehabilitation throughout the city.

#### **Policy H-1.3.1: Housing for Families**

Provide a larger number of housing units for families with children by encouraging new and retaining existing single family homes, duplexes, row houses, and three- and four-bedroom apartments.

### ***Economic Development Element***

#### **Policy ED-2.1.4: Diversified Office Options**

Diversify the tenant base by attracting both high-end, mid-range, and low-end office space users, and by supporting a range of office space types. Recognize that while many firms seek to be located in the District, some may prefer lower end space over premium Downtown office space.

Policy ED-2.1.6: Local-Serving Office Space

Encourage the development of small local-serving offices within neighborhood commercial districts throughout the city to provide relatively affordable locations for small businesses and local services (such as real estate and insurance offices, accountants, consultants, and medical offices).

***Urban Design Element***

Policy UD-1.4.1: Avenues/Boulevards and Urban Form

Use Washington's major avenues/boulevards as a way to reinforce the form and identity of the city, connect its neighborhoods, and improve its aesthetic and visual character. Focus improvement efforts on avenues/boulevards in emerging neighborhoods, particularly those that provide important gateways or view corridors within the city. 906.6

Policy UD-2.2.1: Neighborhood Character and Identity

Strengthen the defining visual qualities of Washington's neighborhoods. This should be achieved in part by relating the scale of infill development, alterations, renovations, and additions to existing neighborhood context.

***Lower Anacostia Waterfront / Near Southwest Area Element***

Policy AW-1.1.3: Waterfront Area Commercial Development

Encourage commercial development in the Waterfront Area in a manner that is consistent with the Future Land Use Map. Such development should bring more retail services and choices to the Anacostia Waterfront as well as space for government and private sector activities, such as offices and hotels. Commercial development should be focused along key corridors, particularly along Maine Avenue and M Street Southeast, along South Capitol Street; and near the Waterfront/SEU and Navy Yard metrorail stations. Maritime activities such as cruise ship operations should be maintained and supported as the waterfront redevelops.

Policy AW-2.1.6: Waterside Mall

Support the redevelopment of Waterside Mall with residential, office, and local-serving retail uses. The site should be strengthened as a retail anchor for the surrounding Southwest community. Its redesign should restore 4<sup>th</sup> Street, SW as part of the city street grid, and improve aesthetics, circulation, and connectivity to surrounding uses. 1911.12

## Attachment 2 DHCD Comments

### Jesick, Matthew (OP)

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**From:** Bulmash, Gene (DHCD)  
**Sent:** Tuesday, March 20, 2018 4:08 PM  
**To:** Jesick, Matthew (OP)  
**Cc:** Pelletiere, Danilo (DHCD)  
**Subject:** Waterfront Station PUD - ZC #02-38I

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Matt,

I just noticed an article in Urban Turf about the applicant's latest submission and wanted to follow up on our previous correspondence.

It appears the applicant's latest proposal is merely to meet the IZ requirement of 8% of residential square footage set aside at 60% MFI and now to provide 5 3-bedroom IZ units. The applicant is claiming that the previous portions of the PUD exceed the affordable housing requirements, but those units are only affordable for 20 years from when approved, so may be expiring soon. At the expiration of the 20 years (the ZC Order in #02-38A is dated 2008, so we may be ½ way through), the currently affordable units would become market-rate units.

DHCD respectfully requests that this application for modification be considered on its own merits, as presumably the previously provided affordable housing was in exchange for benefits received in earlier PUD approvals. In addition, any affordable units provided now should be affordable for the life of the building, pursuant to current IZ requirements.

DHCD requests 10% of residential square footage to be set aside as IZ, which would be for the life of the building, with ½ being at 50% MFI & ½ being at 60% MFI, in addition to any 3-bedroom IZ units.

Let me know if you have any questions and/or want to discuss this further. Thanks & cheers,

**Gene Bulmash, Inclusionary Zoning Program Manager and  
Interim Rental Conversion and Sale Administrator**

District of Columbia Department of Housing and Community Development

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