

April 10, 2015

VIA ELECTRONIC SUBMISSION

Mr. Anthony J. Hood, Chairman  
D.C. Zoning Commission  
441 4<sup>th</sup> Street NW, Suite 210S  
Washington DC 20001

Re: **Zoning Commission Case No. 14-18 — First-Stage PUD and Zoning Map Amendment Application- Second Supplemental Pre-Hearing Statement of the Applicant**

Dear Chairman Hood and Members of the Zoning Commission:

At the March 16, 2015 public hearing in this case, the Zoning Commission requested that the Applicant address the concerns raised by the Office of Planning (OP) and the Zoning Commission (the "Commission") regarding the consistency of this project with the Comprehensive Plan. The Zoning Commission then re-scheduled this case for a public hearing on May 7, 2015. Mid-City Financial Corporation (the "Applicant") submits the attached information to address those concerns raised by OP and the Commission, as well as provides updated information on the Applicant's tenant relocation and affordable housing plans, and addresses the conditions noted in ANC 5C's resolution in support of this application.

The Applicant remains fully committed to creating a unique, exciting, and transformative project in the Brentwood neighborhood of Ward 5. This project is unique in that the Applicant is seeking a Stage I PUD approval for approximately 20 acres of land that is privately owned. This is not a project using District owned land or District Housing Agency land. This is an exciting project, in that it provides the existing Brookland Manor residents, the surrounding Brentwood community, Ward 5, the Office of Planning and the Zoning Commission the ability to guide the creation of a thriving and inclusive community. A community with a range of housing options for a mix of incomes, with new retail and job opportunities, and with open, inviting and safe public spaces. Finally, and maybe most importantly, this is a transformative project. This project will fix the urban design and site planning mistakes of the past, will create a truly mixed-income community, and will create a significantly safer environment for the existing Brookland Manor residents and future residents of the new Brentwood Village.

### **Overview of Current Application and Revisions to Proposed Zone Districts**

The Applicant believes that it is not necessary to make significant modifications to the overall site plan, urban design and streetscape plan, and proposed mix of uses (from that which was previously proposed in prior submissions) in the project in order to assure consistency with the Comprehensive Plan. No significant changes have been made to those aspects of the plan. However, in response to the concerns raised by OP and the Commission regarding the proposed C-2-B Zone District (along Rhode Island Avenue and extending to Saratoga Avenue) and the C-2-A Zone District's (on the south side of Saratoga Avenue) consistency with the Future Land Use Map and the Generalized Policy Map, the Applicant is amending the Zoning Map Amendment application.

As shown on pages 11 and 26 of the attached Appendix, the Applicant is now proposing the C-2-A Zone District for Blocks 1-3 and the R-5-B Zone District for Blocks 4-8. These changes result in lower building heights and gross floor area on Blocks 1-3 and 5-6. As a result of these changes, the total number of residential units will be approximately 1,760 and the total number of affordable housing units will be 384 (which is approximately 22% of the total number of residential units and more than twice the Inclusionary Zoning requirement). Approximately 181,000 square feet of retail and commercial uses will be included in the project. Updated plans, sections, maps, and renderings are included in the attached Appendix.

Blocks 1, 2, and 3, now proposed to be in the C-2-A Zone District, will continue to be improved with mixed-use buildings with retail and apartment uses. The maximum height of these buildings will be 65 feet (rather than 90 feet), and each block is proposed to have a maximum FAR of 3.0. No changes are proposed for the Community Green, the Pedestrian Walk or the new street grid. Blocks 5 and 6, now proposed to be located in the R-5-B Zone District, will no longer include ground floor retail uses. Blocks 5 and 6 will include 60 foot tall multi-family residential buildings, with a maximum FAR of 3.0. No changes are proposed for Blocks 4, 7, and 8. These blocks will continue to include a mix of apartments, row houses and flats. The total FAR of the project is now 2.8. Detailed Zoning tabulation and parking tabulation charts are provided on pages 68-69 of the Appendix.

The Applicant's previous submissions on how the project satisfies the PUD approval standards of 11 DCMR Section 2403 et seq. are not impacted by the reduction in height and density on Blocks 1-3 and 5-6. In addition, the project's consistency with various elements, goals, and policies of the Comprehensive Plan, discussed in detail on pages 23-43 of the October 1, 2014 submission, are also not impacted by the revised Zone Districts now proposed for the property.

### **Consistency with the Comprehensive Plan's Future Land Use Map and Generalized Policy Map**

As discussed in detail below, the Applicant believes that the project (and the proposed C-2-A and R-5-B Zone Districts) is now fully consistent with all elements of the Comprehensive Plan, including the Future Land Use Map (FLUM) and the Generalized Policy Map (GPM).

This Commission has spent considerable time lately considering how its decisions are to be guided by the various maps, guidelines, policies, and elements that make up the Comprehensive Plan. This Commission has appropriately determined that the Comprehensive Plan provides it with a series of tools that help guide decisions regarding consistency with the Comprehensive Plan. The FLUM, the GPM or specific elements and policies are not in and of themselves determinative of whether a project or proposed Zone District is consistent with the Comprehensive Plan. Rather, the Zoning Commission looks at the Comprehensive Plan in its entirety.

The Applicant believes that the proposed C-2-A District and its location on a portion of the property that is only included in the moderate density residential land use classification on the FLUM is consistent with the Comprehensive Plan. As the Zoning Commission is well aware, the FLUM is not a zoning map and it is not parcel specific. The mixed-use FLUM designation follows the existing land uses on the site, the mixed-use moderate density commercial/moderate density residential land use designation is located on the portion of the site that currently includes the strip shopping center, with the boundary of the mixed-use designation being the one block of 14th Street to the rear of that shopping center. The proposed urban design and site planning of the project removes the one block of 14th Street right-of-way to create a completely new and safer site plan which allows for 15th Street to extend all the way to Rhode Island Avenue, thereby enhancing the pedestrian and vehicular traffic flow through the property. The ability to extend commercial uses along the frontage of the proposed Community Green and along the northern side of Saratoga Avenue are significant benefits of the project, and will encourage a walkable neighborhood community.

In regard to the Generalized Policy Map's designation of the majority of the property in the Neighborhood Conservation Area. The definition of the Neighborhood Conservation Area states, in part:

"Neighborhood Conservation Areas have very little vacant or underutilized land. They are primarily residential in character. Maintenance of existing land uses and community character is anticipated over the next 20 years. Where change occurs, it will be modest in scale and will consist primarily of scattered site infill housing, public facilities, and institutional land uses. Major changes in density over current (2005) conditions are not expected but some new development and reuse opportunities are anticipated."

The existing Brookland Manor is in fact underutilized and more importantly of an era of urban design that has been shown to create unsafe environments for its residents. Numerous Brookland Manor residents and members of the community have submitted letters into the record which note that the existing land uses and community character should not be maintained, and that the planning process for the new Brentwood Village needs to occur with a sense of urgency.

The Applicant also notes that it will work with OP and the community during the Comprehensive Plan Amendment process to amend the Future Land Use Map and the Generalized Policy Map designations for this large property. Through that process, the Applicant is hopeful that the appropriate land use designations for the property can be achieved in order to allow the full and proper amount of density and uses to be developed on the site to achieve the Applicant's, and the community's, goals and desires for the new Brentwood Village community.

### **Discussion of Affordable Housing Program**

It is important to understand that the property currently includes 373 residential units that are subject to an existing Section 8 Housing Assistance Payment (HAP) contract. The Section 8 contract allows residents to live in Brookland Manor while paying a rental amount that is not to exceed 30% of their income. The remainder of the units, approximately 117 units as of April 8, 2015, are "market rate" units with the vast majority of those units occupied by households whose market rents are assisted with DCHA Housing Choice Vouchers.

The Applicant remains committed to retaining the Section 8 contract on the property, so the existing 373 units (with deep affordability) at Brookland Manor will remain in the new Brentwood Village. Therefore, the Applicant will provide for 22% (373 of the total 1,646 multi-family units) of the new rental accommodations to be reserved as affordable units with AMI levels that are significantly below 50% of AMI. An additional 11 for-sale townhomes will be reserved as affordable units that will satisfy the Inclusionary Zoning standards. At the end of the build-out of the new Brentwood Village community, the affordable units will be approximately 22% of the total number of units. In support of the Applicant's affordable housing commitment across the site, the senior citizen building will be 100% assisted, each multi-family building will have at least 10% of the units reserved as affordable housing, and 10% of the townhouses will be reserved as affordable dwellings.

The Applicant has additionally committed to allow all households that reside at Brookland Manor at the commencement of the redevelopment in early 2018 with the right to return to the new Brentwood Village community. The Applicant expects that there will be 424 occupied units at the time that the redevelopment commences in 2018. The expected turnover of 67 units, from 491 occupied units (as of 4/8/15) to 424 (as of 1/1/18), will come from normal turnover, and is based on historic results (78 units turned over in 2012, 79 in 2013, and 47 in 2014).

In regard to the 51 market rate units (the difference between 424 and 373 - occupied by households assisted with DCHA Housing Choice Vouchers and those with no subsidies at all), the Applicant will work with DCHA to ensure that its clients have the opportunity to remain at the property even as the market rents are changed to reflect the newly constructed units. There are also a few market rate residents who do not have DCHA Housing Choice Vouchers. The Applicant will work with these residents to ensure that they also have the opportunity to return to the new Brentwood Village.

To ensure that the existing residents are provided the opportunity to live in the new Brentwood Village community, the Applicant is committed to build an affordable building for senior citizens in the first phase of development. There are currently 163 households in Brookland Manor with one or more residents over sixty-two years of age. This senior citizens building will consist of approximately 200 units and it is expected to be 100% affordable.

Provided that Congress continues to appropriate funds for Section 8 assistance and Housing Choice Vouchers, the preponderance of affordable accommodations will continue to be available to residents at the current 30% of family income standard. These contracts are subject to annual appropriation and have been routinely renewed since enactment in 1968; however, in the unlikely event that Congress phases out such funding, the Applicant's affordable housing commitment will be 20% of the units and will be migrated to the 50 and 80 percent AMI standards outlined below.

- 165 units (10%) are to be set aside at 80% of AMI;
- 164 units (10%) are to be set aside at 50% of AMI; and
- 11 (10%) of 114 for-sale townhomes are reserved for families making the minimum income levels prescribed in the Inclusionary Zoning program.

#### **Discussion of Proposed Tenant Relocation and Construction Phasing Plan**

A detailed description of the Applicant's tenant relocation and construction phasing plan and plans depicting the phasing of construction are attached as Exhibit A. This plan continues to be guided by the following priorities:

- Minimize construction impacts to the residents to ensure that a safe environment exists;
- Building out the project's infrastructure in the most efficient manner possible; and
- Phasing the improvements in a way that maximizes the project's ultimate success, including the creation of 373 new affordable apartments in a revitalized community.

As construction progresses, most existing households will be relocated on site once prior to moving into a new building. A few families may have to be relocated twice as dictated by available accommodations and construction scheduling. The Applicant will pay for all costs associated with relocating tenants on-site and off-site.

#### **Applicant's Decision Regarding Unit Mix in the New Brentwood Village**

The Applicant extensively researched the issue of creating four and five bedroom units and learned that these unit types are not being produced anywhere in the country. The Applicant also asked the National Multi-Housing Council, the largest trade association for the multifamily industry, to research the issue for the Applicant. They came to the same conclusion.

Communities and organizations throughout the country are in agreement that housing very large families in apartment communities is significantly impactful upon the quality of life of households as well as their surrounding neighbors. Therefore, the Applicant does not propose to construct four or five bedroom units in the project.

The Applicant has conducted detailed demographic research of the existing households in the Brookland Manor community and has overlaid that against HUD occupancy standards (i.e. maximum of 2 people per bedroom). The current census of family sizes at Brookland Manor, as of March 30, 2015, is as follows:

501 Occupied units (of which six are occupied by management personnel and MPD officers and four vacated in the first week of April 2015).

- 8 person households – 8
- 7 person households – 5
- 6 person households – 29
- 5 person households – 35
- 4 person households – 58
- 3 person households – 68
- 2 person households – 109
- 1 person households - 189

Based on this research, the Applicant has determined that there are 13 existing households that require four bedroom units and there are no households that require five bedroom units. Of the 13 households, seven of the households are DCHA Housing Choice Voucher holders which affords them flexibility to relocate anywhere in the metropolitan area. The remaining six households are on the Section 8 contract. The Applicant will meet individually with those 13 households in the coming months to work through the various options to determine what their needs and preferences may be. The Applicant expects that the majority of the existing four bedroom and five bedroom units will remain on site until Phases 2B and Phase 3 are constructed because this is where the preponderance of large units exist today. The takeaway is that families who absolutely need larger units will have that option on site in existing units for the next 5+ years.

To ensure that the community continues to be family friendly and inclusive of its existing resident population, the Applicant commits to build sixty-four three bedroom units on site to accommodate existing households that require them. In addition, the for-sale townhouses will consist of three bedroom and possibly four bedroom homes.

### **Response to OP Analysis of Outstanding Issues (from March 13, 2015 OP Report)**

The Office of Planning's March 13, 2015 report in this case analyzed a number of issues that were raised by the Zoning Commission at the set-down meeting for this application. In this

submission, the Applicant addresses those issues that OP determined were not sufficiently addressed prior to the March 16, 2015 public hearing.

#### Affordable Housing Program: Replacement of Deep Subsidies and Options if Federal Funds Are Not Renewed

The Office of Planning and the Brookland Manor Resident Association and its representatives have asked the Applicant to provide 535 new units of affordable housing in this project. The OP report also noted that an alternate replacement schedule with affordability deeper than 50% AMI should be considered if the development does not retain the Section 8 subsidy. OP also noted that it was not supportive of any proposal that would completely eliminate the level of affordability that currently exists on the property.

As noted above, the Applicant expects that a total of 424 households will reside at Brookland Manor upon the commencement of the redevelopment in early 2018: 373 Section 8 affordable units and 51 market rate units (most occupied by tenants assisted by DC Housing Choice Vouchers). As noted above, Brookland Manor does not currently include 535 “affordable” units, rather Brookland Manor includes 373 Section 8 units and 117 “market” rate units with individual tenants paying their rents with supplemental financial assistance in the form of DC Housing Choice Vouchers. The Applicant’s commitment to maintaining the Section 8 contracts in the new Brentwood Village is a significant amenity of the PUD project and protects the level of affordability which currently exists at Brookland Manor. The Applicant also notes that it is not aware of any developer that is able to provide levels of affordability below 50% of AMI without some form of financial subsidy, whether that subsidy comes from the Federal Government or the District Government. The Applicant believes that this affordable housing commitment is more robust in percentage and depth of affordability than any privately owned and funded development in the city today.

#### Existing and Proposed Unit Sizes by Bedroom and Phasing by Household Type

The OP report noted that while the Applicant had provided a table showing the existing bedroom sizes and square footage for each unit type, it had not provided a similar table for the proposed development within each phase. Since this is just a Phase I PUD, the Applicant does not yet know the detailed breakdown of unit sizes and square footage for each unit type in the various Blocks. The Applicant will be able to provide such detail at the Second Stage application for each individual building.

#### Provision of Active Playfields or Playgrounds within the Development

The OP report requested that “the Applicant should provide an analysis of existing facilities in the neighborhood and demonstrate that these would adequately serve the new residents. OP suggests the Applicant review this issue again to provide this new multi-acre community active recreational facilities to serve the new residents without having to travel outside the community.” The Applicant believes that it will be important for residents of the New Brentwood Village to “travel outside of their community” to visit the parks, fields, and

recreation centers that are located within a 10 minute walk of the property. It is the Applicant's experience that the existing facilities are not actively used because of loitering and potentially dangerous activities which currently occur around those facilities. It is the Applicant's hope that with an influx of new residents the current behaviors surrounding those facilities will no longer be tolerated and those parks, fields and recreation centers will be able to flourish.

#### First Source Employment Agreement

The OP report requested that the Applicant address whether it was going to enter into a First Source Agreement or a Certified Business Enterprise (CBE) Agreement. The Applicant will proffer a condition that all Second Stage PUD applications related to the project will include as a condition of approval the requirement that the applicant in that case will enter into a First Source Employment Agreement with the Department of Employment Services (DOES).

#### Status of Discussions with Resident Association

The Applicant met with the Resident Association and its legal representatives most recently on February 25, 2015 and the Applicant agreed to more than a dozen of the demands put forward by the Resident Association by making concessions, clarifying its position/intentions, and otherwise finding common ground. These agreements related to issues surrounding the following principles: building affordable units first, providing an opportunity for every current tenant to return to the property to the extent that they are ever relocated off-site, relocation planning and assistance, long term affordable units, and other related issues to ensure that current residents benefit from the new community. The Applicant and Resident Association are in complete agreement except for two discrete issues: (i) the creation of new four bedroom and five bedroom units; and (ii) the total number of affordable units to be built in the new community. The Applicant's responses to those issues are addressed in detail above and the Applicant reiterates its commitment to allow all households in residence at the commencement of the redevelopment to return to the new Brentwood Village community.

#### Applicant's Response to ANC 5C's Resolution in Support

In a letter dated March 12, 2015, ANC 5C noted their unanimous support for this application, with 18 conditions. These conditions can be generally grouped into six categories: (i) development of the senior citizens building; (ii) Tenants' right to return; (iii) construction management issues; (iv) employment, contracting and retail issues; (v) sale of the townhouses; and (vi) the renaming of Saratoga Avenue. In general, the Applicant believes that the specific issues raised in many of these conditions will be appropriately addressed in the Second Stage PUD applications. The Applicant notes that it has a very strong working relationship with the ANC and fully expects that will continue throughout the development of the new Brentwood Village. The Applicant's responses to the ANC's conditions are as follows:

- Development of the Senior Citizens Building (Condition Nos. 1-2) - The Applicant is committed to developing a senior citizens building on the property as the first project. The Applicant believes that the preponderance of the units will be occupied by existing



Brookland Manor residents, who will be able to stay on the Brookland Manor property until the senior citizens building is ready for occupancy. However, to the extent that additional capacity is available, the Applicant is willing to provide existing residents of the Brentwood neighborhood first preference to those remaining units. The design, interior layout, and facilities included in the senior citizens building will be determined in the Second Stage PUD review.

- Tenants' Right to Return (Condition No. 3) – The Applicant will allow all qualified Brookland Manor residents, at the time that the redevelopment commences, the ability to return to the new Brentwood Village.
- Construction Management (Condition Nos. 4-9, 17) – The Applicant has submitted into the record of this case a general construction management plan that will guide construction activity. The Applicant fully expects that more refined construction management agreements will be implemented for each specific Second Stage PUD application. These specific construction management agreements will address the issues noted by the ANC.
- Employment, Contracting, and Retail Opportunities (Condition Nos. 10-13, 15) – The Applicant has agreed to enter into a First Source Employment Agreement with the Department of Employment Services. The Applicant will also work with small business owners to contract for their services in the development of this project and their ability to open retail stores in the project. In regard to the prohibition of an “ABC” establishment in any portion of the project, the Applicant will work with the ANC to confirm which types of “ABC” establishments they do not want to see in the project. The Applicant believes that the inclusion of restaurants is an important component of this project, and restaurants will want to obtain an ABRA license. The Applicant also has no ability to determine whether 5<sup>th</sup> District MPD officers will be able to work part-time in the retail portion of the project. The Applicant requests that the issue of MPD officers working part-time in the retail portions of the project not be included as a condition of the Zoning Commission’s approval.
- Sale of the Townhouses (Condition Nos. 14-16) - The Applicant agrees to provide all realtor listings for the townhouses to ANC 5C and the Ward 5 Councilmember’s Office. The Applicant is proposing that 10% of the townhouses will be reserved as Inclusionary Zoning units, which will be attractive to first-time homeowners and DC employees (including teachers, police officers and fire fighters).
- Renaming of Saratoga Avenue, SE (Condition No. 18) – The Applicant is fully supportive of any actions that ANC 5C or the Brentwood community decides to take with regard to the renaming of Saratoga Avenue, NE and will work with ANC 5C to facilitate the approval of that through appropriate city agencies and processes.

Mr. Anthony J. Hood  
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**Exhibits**

The following exhibits are attached to this letter:

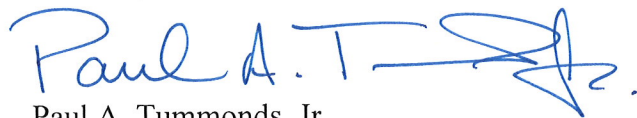
Appendix — Updated plans, elevations, renderings, and Zoning tabulations; and

Exhibit A — Detailed description of the Tenant Relocation and Construction Phasing Plan.

**Conclusion**

The Applicant looks forward to presenting this revised application to the Zoning Commission on May 7, 2015

Sincerely,



Paul A. Tummonds, Jr.

**CERTIFICATE OF SERVICE**

I hereby certify that I sent a copy of the foregoing document to the following addresses on April 10, 2015 by Hand Delivery and First Class Mail:

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(By Hand Delivery)



Paul Tummonds