

August 5, 2016

VIA ONLINE FILING

Anthony J. Hood, Chairman
Zoning Commission for the District of Columbia
441 Fourth Street, NW, Suite 210S
Washington, DC 20001

Re: Zoning Commission Case No. 15-15 – Application of JBG/Boundary 1500 Harry Thomas Way, L.L.C. and JBG/Boundary Eckington Place, L.L.C. to the D.C. Zoning Commission for a Consolidated Planned Unit Development and Related Zoning Map Amendment for 1500 Harry Thomas Way, NE (Square 3576, Lot 814) and 1611-1625 Eckington Place, NE (Square 3576, Lots 2001-2008) (the “Property”) – Options For Affordable Component of Project

Dear Chairman Hood and Commissioners:

On behalf of JBG/Boundary 1500 Harry Thomas Way, L.L.C. and JBG/Boundary Eckington Place, L.L.C. (collectively, the “**Applicant**”), the applicants in Zoning Commission Case No. 15-15, we hereby respectfully submit further information regarding the Applicant’s proposed affordable housing component of the project (the “**Project**”). This letter responds to the relevant discussion at the Zoning Commission’s Public Meetings on July 25, 2016 and July 28, 2016.

The Applicant proposes to implement either one of the two options (the “**Options**”, each an “**Option**”) for the Project’s affordable housing component described below, at the direction of the Zoning Commission. After studying each Option, the Applicant would be willing and able to incorporate the Zoning Commission’s preferred Option into the Project.

Option One – All Affordable Units at 60% AMI (Prior Proposal)

The first Option (“**Option One**”) would maintain the affordable housing set aside proposed as part of the Project’s Proposed Action approval. Option One sets aside a minimum of 8% of the residential gross floor area of the Project (excluding penthouse habitable space) for households with an annual income of no more than 60% of the Area Median Income (“**AMI**”) for the Washington, DC Metropolitan Statistical Area (adjusted

for household size). Such set aside would equate to approximately 50,095 square feet of gross floor area (approximately 55 units).

This Option would still require relief from a portion of the Zoning Regulations governing IZ. We note that the Applicant did not request relief from Sections 2603.2-2603.4 in order to circumvent IZ or policies related thereto. The intent was quite the opposite. Such relief would allow for the delivery of more deeply affordable units – at 60% AMI – rather than the AMI levels explicitly set forth in the IZ Regulations. The Applicant would still be required to adhere to highly detailed administrative requirements ensuring delivery of the deeper AMI-level affordable units. As previously described, these affordable units would be governed by an Affordable Housing Covenant between Department of Housing and Community Development (“DHCD”) and the Applicant.

Option Two – Half of Affordable Units at 50% AMI and Half at 80% AMI (New Proposal)

The second Option (“**Option Two**”) would be an equal split of the same 8% of residential gross floor area as affordable housing distributed between 50% and 80% AMI households. Such area would equate to approximately 25,048 square feet of gross floor area set aside for households earning no more than 50% AMI and 25,048 square feet of gross floor area set aside for households earning no more than 80% AMI. Option Two would not require relief from Sections 2603.2, 2603.3, and 2603.4 of the Zoning Regulations and, if the Commission prefers this Option, such relief request is removed by the Applicant.

This affordable housing set aside is in accordance with the AMI levels and percentage mix requested by DHCD on July 18, 2016. The Applicant has discussed this alternative affordable Option with the Office of Planning and both OP and DHCD have indicated support of this proposal.

The Applicant would like to correct the record to note that, prior to our discussion with DHCD on July 18th, the Applicant was attempting to obtain DHCD’s input on the proposed affordable set aside described in Option One. During such outreach, the Applicant received feedback that DHCD had not yet formed a position. Upon learning of DHCD’s preferred AMI distribution on July 18th, the Applicant immediately began studying the 50%/80% AMI split described above but was not able to come to a final determination by the July 25th public meeting. In addition, the Applicant believed the issues regarding the Applicant’s original affordable proposal to be mooted by the Proposed Action on ZC Case No. 04-33G, since such case approved 60% AMI units as part of the updates to IZ.

These Option Two affordable units would be governed by an Inclusionary Zoning Covenant between DHCD and the Applicant (rather than the Affordable Housing Covenant noted above).

Conclusion

Both Options provide a great deal of more deeply affordable units than would otherwise be required by Inclusionary Zoning on site. As such both Options equate to a

significant public benefit. Neither Option undercuts the District's comprehensive housing planning policies and strategy. In fact, both Options align with the Mayor's vision and commitment to create pathways to the middle class by promotion housing opportunities, including home ownership, for DC residents.

Both Options also have an approximately 446 gross square foot requirement to provide affordable space – reserved for households earning no more than 50% AMI. This affordable housing element is in accordance with the requirements related to the habitable penthouse space on the Northwest Structure.

The Applicant appreciates the Commission's and agencies' close review of the Project and respectfully requests that Final Action be taken to approve the Project with the Commission's preferred Option on August 8, 2016 due to adverse timing implications of delay on the underlying transactions.

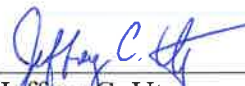
Respectfully submitted,



Jeffrey C. Utz

Certificate of Service

I certify that on August 5, 2016, I delivered a copy of the foregoing document via hand delivery or first class mail to the addresses listed below.


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