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June 20, 2017

VIA IZIS

Chairman Anthony Hood
District of Columbia Zoning Commission
441 4th Street NW, Suite 200
Washington, DC 20001

Re: ZC Case No. 16-20 – Consolidated PUD Application for 3450 Eads Street, NE
Applicant's Posthearing Submission

Dear Chairman Hood and Members of the Commission:

In response to issues raised at the public hearing held on May 4, 2017, the Applicant submits the following information and materials.

I. Additional Community Dialogue

Following the public hearing, the Applicant met with representatives of ANC 7D on May 25, 2017 to discuss issues and concerns raised by the ANC at the public hearing, in an effort to develop a mutually acceptable resolution of those issues. Based on those discussions, the Applicant prepared a draft Community Benefits Agreement, attached as Exhibit A, which addressed many of the issues raised in the May 25 meeting. The draft Community Benefits Agreement was sent to ANC 7D a week in advance of its June public meeting.

At the ANC's public meeting on June 13, 2017, the ANC declined to comment on the proposed Community Benefits Agreement or any of its proposed terms. Instead, the ANC chose to reiterate its general opposition to the Project. Although the Applicant is disappointed that it was unable to reach consensus, it has nevertheless agreed to undertake many of the benefits and mitigation measures offered in the CBA.

II. Building Design

In response to issues and comments raised at the public hearing, the Applicant offers the following design modifications and responses.

Brick Color

At the hearing, the Commission recommended the Applicant consider changes to the brick color of the project, including its bay windows. In response, the Applicant has revised the project design to rely on a palette of two, rather than three, brick colors. The revised design is shown on the plans attached as Exhibit G.

Perspectives

Also included in Exhibit G are perspectives of the building set within the context of the existing buildings and structures, which were requested by the Commission.

Rooftop Screening

As requested by the Commission, the Applicant has confirmed that both rooftop units are enclosed by a screen wall that is connected to and shares the same design as the adjacent penthouse structure. The Applicant has also changed the cladding for the roof structures to a dark panel. The revised roof plans are included in Exhibit G.

Outdoor Rooftop Terrace

At the hearing, the Commission requested that the Applicant study consider whether it should include an outdoor roof terrace on one of the building's roofs as an amenity for the building's residents. The Applicant also discussed the roof deck option with its residential operator, who responded that none of their senior communities incorporate rooftop decks and while their non-age restricted properties do have roof decks, they are typically "restricted access", which means they are open for regular functions and special events, but they are supervised by management. Based on this analysis, the Applicant has concluded that a roof terrace would be of limited value for this project.

Nevertheless, the Applicant fully explored whether a roof terrace could be accommodated on the building as a potential building amenity. Unfortunately, the project's enhanced stormwater management requirements, which are dictated by the Anacostia Waterfront Development Zone ("AWDZ") standards that apply to the property, preclude the location of a roof terrace on the building. To meet the AWDZ standards, the Applicant must devote as much of the roof area on both roofs to green roof as possible. The Applicant and its civil engineer reviewed the potential to use other stormwater management features on either the roofs or ground level of the building to make up a reduction in green roof area, but the Applicant's civil engineer concluded that the ground floor options have been maximized and a deeper green roof structure on the roof would present structural problems.

The Applicant also explored improving the efficiency of the existing roof equipment with its mechanical engineer, but concluded that the only way to achieve enough roof area to accommodate a reasonable (750 SF) roof terrace was to switch to a variable refrigerant flow (“VRF”) system. This would reduce the roof area needed for individual condensers and free up area for a roof terrace. However, a VRF system is considerably more expensive, and the Applicant could not accommodate its cost within the financing limits and guidelines set for low-income housing tax credit affordable housing projects. (Furthermore, as discussed in greater detail below, the Applicant will achieve similar benefits to the improved efficiency of a VRF system with a higher-quality building envelope that will reduce energy demand.)

Therefore, given the intensive AWDZ standards for stormwater management and other project constraints, the Applicant has concluded that a roof terrace cannot be accommodated within the project.

Solar Panels

At the hearing, the Commission also requested that the Applicant study the potential for integrating solar panel technology into the project. Following the hearing, the Applicant discussed potential solar panel options with the Department of Energy and the Environment (“DOEE”) and a solar consultant recommended by DOEE. The conversations with DOEE and DOEE’s recommended solar consultant were extraordinarily encouraging and helpful regarding the solar technologies and incentives that are available as well as under development. Among other things, the consultant noted a change in the market from solar equipment that is purchased and installed by the property owner to solar equipment that is installed and operated by a third-party operator pursuant to a power purchase agreement. Such an arrangement works much better from a project financing perspective, since it does not place the burden of the cost of the equipment on the operating cost of the project, but still allows the project to reap its benefits. However, for much the same reasons as the roof deck, the Applicant cannot integrate solar technology onto the roof of the project at this time—all of the roof area that is available is devoted to green roof that needed to meet the AWDZ’s stormwater management standards.

With that said, through further discussions with DOEE, the Applicant further evaluated the AWDZ’s energy performance standards and concluded that additional measures should be incorporated into the project that will deliver the very high-performance building envelope required to meet AWDZ’s standards. These additional measures will reduce the energy demand of the project, which achieves similar benefit as adding solar panels (i.e. one approach reduces energy demand as a whole, while the other approach meets a portion of the demand through a sustainable and renewable source).

Furthermore, recognizing that solar technology is continually evolving, the Applicant will commit to include a vertical chase within the building to the roof to support the addition of solar technology, should an option that works compatibly with a green roof become available in the future.

III. Zoning Map Amendment

As requested by the community and by members of the Commission, the Applicant has considered whether an alternative zone category to the MU-7 Zone Category could be sought. The Applicant is prepared to accept rezoning to the MU-5-A Zone District, in lieu of the MU-7 Zone District. The MU-5-A Zone District will not result in any significant changes to the building design. A revised zoning tabulation based on the MU-5-A Zone District is included in Exhibit G.

IV. Transportation

In response to issues and comments raised at the public hearing, the Applicant offers the following information and responses related to transportation.

Supplemental Transportation and Parking Study

As requested by the community and by members of the Commission, the Applicant worked with DDOT to scope and conduct an analysis of the impact of the project on parking, curbside management, and other transportation conditions in the surrounding neighborhood. The supplemental transportation and parking study is attached as Exhibit B. Briefly, it concludes that:

- The property has adequate access to transit, bicycle, and pedestrian facilities, which results in safe and effective non-automobile access. The proposed extension of the DC Streetcar along Benning Road, with a stop planned one block north of the property, will further enhance non-automobile transportation options.
- The proposed plan to create curbside passenger drop-off area in front of the project on Eads Street will not result in a net loss of on-street parking spaces.
- There is a sufficient supply of on-street parking in the immediate area to accommodate local residents.
- Even after the redevelopment of the PUD site, there is a sufficient supply of on- and off-street parking to accommodate local businesses, including the nightclub.

As a result, the evidence demonstrates clearly that the redevelopment of the existing site into a 70-unit building with 17 parking spaces will not result in an unacceptable loss of on-street and off-street parking supply in the area for surrounding residents and local businesses. In particular, the study showed that on a given weekday evening, over 50% of on-street parking spaces on the 3400 block of Eads Street and in the overall area are available, and even on a weekend night when the nightclub is in operation, at least 30% of on-street parking spaces in the 3400 block of Eads Street and in the overall area are available.

Public Alley Conditions

At the hearing, the Commission inquired about the condition of the existing public alley. To the extent that alley conditions require further attention by either DDOT or the Applicant, the alley closing process will provide the parties with an opportunity to evaluate and, if necessary, address those conditions.

Residential Permit Parking

As noted in the parking study, the 3400 block of Eads Street is subject to the residential parking permit (“RPP”) program. As a condition of approval, the Applicant is willing to agree to prohibit its tenants from participating in the RPP program. The Applicant proposes to notify tenants of this restriction and enforce it through a lease provision or similar mechanism. Since the parking study demonstrates that any spillover parking from the project will not have adverse impacts because of the relatively ample parking supply, the Applicant submits this as a proffered public benefit of the project.

Shuttle Service

For the convenience of tenants of the project who do not have a car, the Applicant will establish and provide a shuttle service that will provide transportation to and from typical convenience destinations (e.g. a grocery store or pharmacy as well as direct access to a Metrorail or DC Streetcar station). Given the relatively ample non-automobile transportation options already available, the Applicant submits this as a proffered project amenity.

V. Construction Management

As discussed at the public hearing, the Applicant will adhere to a Construction Management Plan to address the potential impacts of construction of the project. A copy of the proposed Construction Management Plan is attached as Exhibit C. Among other measures, the proposed plan calls for geotechnical analysis of the property prior to any excavation and construction activity, and the monitoring and mitigation of that activity on nearby residential properties.

VI. Security

In response to concerns raised about public safety surrounding the project, the Applicant proposes to undertake the following measures:

- Install security camera equipment intended to help monitor the surrounding neighborhood, and provide the Metropolitan Police Department with access to data from the cameras to assist in improving neighborhood safety.
- Install exterior lighting to support the effectiveness of the cameras and act as a general deterrent.

The Applicant will proffer these items as conditions of approval.

VII. Community Room

As requested by the Commission, the Applicant has developed guidelines for the use of the proposed community room, which are attached as Exhibit D.

VIII. Notification to ANC 7D of Public Benefits

To help further awareness of the public benefits created by the project to the residents of River Terrace and other residents of ANC 7D, the Applicant commits to:

- Host a job fair in coordination and partnership with ANC 7D and the appropriate District agencies to identify qualified candidates for construction job openings.
- Include residents of River Terrace and ANC 7D in the marketing plan for the affordable housing selection for the project.

The Applicant will incorporate these commitments into the existing job creation and affordable housing public benefits.

IX. Project Impacts

The Applicant submits the following responses to issues regarding alleged potential impacts of the project.

Concentration of Poverty

At the hearing, members of the community alleged that the project's levels of housing affordability would "concentrate poverty in the neighborhood. For frame of reference, the bulk

of the project will be restricted to households earning 30-50% of the Area Median Income, which is generally income up to \$38,000 - \$43,000 per year, depending on size of household. The remainder of the project will be restricted to households earning 0-30% of the Area Median Income, which is generally income up to \$23,000 - \$26,000 per year, depending on size of household.

The Applicant pulled the data from the 2011-2015 American Community Survey for Census Tract 96.04 (which generally aligns with the boundaries of River Terrace), which is attached as Exhibit E. The ACS shows there are approximately 993 households in the River Terrace neighborhood. Of these, approximately 261 households are in the \$0 - \$24,999 range for household yearly income, which roughly corresponds to the 30% AMI band. And approximately 201 households are in the \$25,000 – 44,999 range, which roughly corresponds to the 50% AMI band. The table below illustrates the impact of the project on the percentage of households in each band:

	Existing Conditions	Project	Future Conditions with Project
\$0 - \$24,999 / year (0-30% AMI band)	261 households (26%)	14 units	275 households (26%)
\$25,000 – 44,999 / year (30-50% AMI band)	201 households (20%)	56 units	257 households (24%)
Total	462 households (47%)	70 units	532 households (50%)

In short, the project will not “concentrate poverty” in the neighborhood. To the contrary, the neighborhood will continue to maintain existing proportions of mixed-income housing opportunities, with half of all households within 50% of the Area Median Income and a quarter of all households within 30% of the Area Median Income. Furthermore, as property values in River Terrace continue to rise (as described in the June 14, 2017 Washington Post article on the River Terrace neighborhood included in Exhibit E), this project will ensure a continued supply of affordable housing in the community.

Environmental Impacts

At the hearing, it was alleged that the property is contaminated and requires remediation. Prior to purchase, the Applicant secured a Phase I Environmental Assessment, which is attached as Exhibit F. The analysis concluded that there was no evidence of the presence or likely presence of hazardous substances or petroleum products in, on, or at the property, and therefore no further environmental investigation is warranted.

Furthermore, the redevelopment of the property in itself will not cause or exacerbate the impact of any hazardous material. To the contrary, if such material were found, the Applicant would be required to properly identify and dispose of the material according to established laws and regulations, so the redevelopment of the Property would actually address the identified concern.

X. **Updated Benefits and Amenities Package**

With the additional measures outlined above, the Project will provide the following public benefits and project amenities (measures updated from the supplemental pre-hearing submission are in bold):

- **Housing and affordable housing (X § 305.5(f) & (g))**: The project is an all-affordable senior housing redevelopment of an existing vacant site that will create 70 new affordable housing units for seniors—a remarkable benefit for housing and affordable housing in the District of Columbia in multiple ways:
 - The overall amount of housing exceeds what could be provided as a matter of right on the Property
 - The amount of affordable housing significantly exceeds the minimum inclusionary zoning requirements, both in terms of amount of setaside and in terms of the levels of affordability:
 - 20% of the units will be set aside for households earning up to 30% of the area median income
 - The remaining 80% of the units will be set aside for households earning up to 50% of the area median income.
 - **The project reserves 100% of its units for seniors, which is a specific benefit enumerated in the Zoning Regulations. (*The previous commitment was to 80% of the units for seniors.*)**
 - **Finally, the Applicant has agreed to include residents of River Terrace and ANC 7D in the marketing plan for the affordable housing selection for the project.**

- Site planning and efficient and economical land utilization (X § 305.5(c)): The redevelopment of the Property represents a significant improvement over existing conditions (a surface parking lot). Among other features, the Applicant has voluntarily set back the building from the property line in order to create additional perceived space for the streetscape along the Project's frontage, which provides a transition to the building restriction line-mandated setback across the alley to the west.
- Employment and training opportunities (X § 305.5(h)):
 - The Applicant will participate in a First Source Employment Agreement as a part of the construction of the Project. Note that the First Source Agreement is also tied to the Applicant's public financing on the Project. As such, the Applicant expects to negotiate and execute such Agreement in conjunction with the Applicant's closing on public financing to undertake the Project.
 - **In addition, the Applicant will host a job fair in coordination and partnership with ANC 7D and the appropriate District agencies to identify qualified candidates for construction job openings.**
- Building space for special uses (X § 305.5(i)): The Project includes a 1,250-square foot community room that will be available to RTCO and other community organizations for meetings and events. This space has been provided in direct response to community concerns about the cost of meeting space in other available venues. For example, meeting space at the River Terrace Educational Campus is available, but costs \$300 per meeting. The community room has been designed to that it can be accessed directly by authorized users (such as officers from RTCO). The Applicant has developed guidelines for this proposed use.
- Streetscape improvements (X § 305.5(l)): The Project will include not only new sidewalks and tree planting zones within the Eads Street right-of-way but also a planting area and amenity zone located in the front setback area that enhances the residential character of the streetscape. This setback area is not required by the Zoning Regulations, a building restriction line, or any other regulations; it is provided solely as a benefit of the Project.
- Uses of special value (X § 305.5(q)): Although RTCO's members have not supported the project, the Applicant remains willing to provide RTCO with a contribution of \$47,000 to support ongoing community beautification and community gathering activities, should the Commission conclude that this is an appropriate public benefit.

- **Other transportation-related public benefits and project amenities (X § 305.5(r)):**
 - **The Applicant will restrict its residents from participating in the District's RPP program through a lease provision or similar mechanism.**
 - **The Applicant will provide shuttle service for building residents to and from typical convenience destinations. The shuttle will operate at least twice a week and carry a minimum of ten passengers.**

- **Other site planning and security-related public benefits and project amenities (X § 305.5(r)):**
 - **Install security camera equipment intended to help monitor the surrounding neighborhood, and provide the Metropolitan Police Department with access to data from the cameras to assist in improving neighborhood safety.**
 - **Install exterior lighting to support the effectiveness of the cameras and act as a general deterrent.**

These amenities and benefits are commensurate with the height, density, and development flexibility requested for the Project.

Conclusion

The materials included in this posthearing submission address the comments and requests for additional information from the public hearing. The Applicant looks forward to a decision on this application at the Zoning Commission's July 10, 2017 public meeting.

Sincerely,



David M. Avitabile



David A. Lewis

Enclosures

Certificate of Service

The undersigned hereby certifies that copies of the foregoing document will be delivered by electronic mail, first-class mail, or hand delivery to the following addresses on June 20, 2017.

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