

November 10, 2017

**VIA IZIS**

Anthony Hood, Chairperson  
Zoning Commission for the District of Columbia  
441 Fourth Street, NW, Suite 200S  
Washington, DC 20001

**Re: Z.C. Case No. 17-12  
The Yards: Text and Map Amendments to the SEFC Zones  
Supplemental Prehearing Submission**

Dear Chairperson Hood and Members of the Commission:

On behalf of Forest City SEFC LLC (the “**Applicant**”), we hereby submit the Applicant’s supplemental prehearing submission for the above-referenced application.

Briefly, the applicant seeks to amend the SEFC-1 zone to better meet the SEFC Master Plan goals for commercial office use. The existing zoning falls short of these goals due to a number of factors, including an increase in non-office, non-residential uses such as retail and cultural uses, which count against the overall non-residential FAR cap and an inability to create adequate CLD pairs to transfer office density to the proposed office parcels. The Applicant has proposed these amendments as a part of a concerted effort to move forward with commercial office development in the Yards, consistent with the approved Master Plan.

In the Applicant’s August 16 prehearing submission, the Applicant provided a preliminary analysis of the potential impact of the text amendment on housing and affordable housing in the Southeast Federal Center as well as provided further information regarding the anticipated uses on Parcel E. The Applicant provides the following further updates in anticipation of the public hearing.

**Housing and Affordable Housing**

As explained in the August 16 filing, the proposed amendments will not impact the production of housing and affordable housing in The Yards. Current forecasts anticipate approximately 2,100 housing units in The Yards, which is in line with the

estimate of 2,000 units in SEFC master planning documents. The proposed amendment also makes no changes to the existing commitment that twenty percent (20%) of the rental residential units in The Yards be reserved as affordable for households earning up to 50% of the area median income, which is set forth in the Applicant's development agreement with the District of Columbia ("**Development Agreement**").

Since the filing of the application, the Applicant has engaged ANC 6D in further discussion regarding the unit mix within The Yards, with a particular focus on the Applicant's proposed changes restoring the 3-bedroom commitment to the amount originally approved by the Commission in 2015 (8% of the utilized residential bonus density). ANC 6D expressed a desire to ensure that the new neighborhood's housing stock remains attractive and contributes to the provision of housing for all types of households, including families. As a part of the dialogue, the Applicant determined that of the 1,326 units already complete or under construction in The Yards, approximately 28% consist of two-bedroom or larger units. Moreover, of the 715 units that are already occupied, approximately 105 children live within The Yards. As a result, The Yards enjoys a number of families, including within its affordable housing units.

Both the Applicant and ANC 6D recognized that the provision of 3-bedroom units alone does not, by itself, ensure housing that is attractive and affordable for families. **Accordingly, the Applicant has proposed to ANC 6D that it will set aside the 8% of the residential bonus density as affordable 3-bedroom units, with the amount of affordability consistent with the terms of the Development Agreement.** ANC 6D agreed with this proposal and voted to support the text amendment at its October 16 public meeting. The revised proposed text attached as Exhibit A reflects this additional commitment.

### **Parcels D, E, and K and Development Context**

As explained in earlier filings, the current SEFC zoning relies on creating CLD "pairs" that transfer nonresidential density from the east side of The Yards to the west side of The Yards, where commercial office density is planned around the Metrorail station and 1 ½ Street. This CLD system presupposed, however, that the eastern part of The Yards known as Parcels D, E, and K would be developed as largely residential development and with minimal nonresidential uses, so that the maximum amount of commercial density could be transferred to Parcels A, F, and G over in Yards West.

As the eastern part of The Yards has developed, however, a number of factors have led to an anticipated increase in nonresidential use in that area:

- One major reason is a greater amount of retail use than previously anticipated. Parcel D (now known as "1212") includes not only residential apartments but also multiple levels of retail use, including a Harris Teeter grocery store. Parcel K (now known as the "Boilermaker Shops") has also been devoted to a

significant amount of retail use that best fits within the historic structure. This significantly reduces the amount of commercial density available to be transferred to Yards West.

- Another reason is that Parcels E1 and E2 are the site of existing historic structures (Buildings 202 and 74). These structures present physical, structural, and environmental constraints that likely preclude conversion to residential use. Accordingly, much like the historic structure that was converted into the Boilermaker Shops, these buildings will also need to be adaptively reused for nonresidential uses, which will again reduce the amount of commercial density available to be transferred to Yards West.
- And finally, the location of Parcels E3 and E4, which are adjacent to the Navy Yard, creates security, safety, and historic context issues for future development. Although residential development of these parcels is still an alternative, the most appropriate use may be nonresidential rather than residential use since any residential use on Parcels E3 and E4 would be somewhat separated from the rest of the residential core of the neighborhood. Again, nonresidential development here would reduce the amount of commercial density available to be transferred to Yards West.

Accordingly, the proposed text amendments will permit Yards West to be developed to the full commercial office potential anticipated in the Master Plan by decoupling this future commercial office development from the development context that has shaped the northeastern portion of The Yards.

The text amendments will also facilitate necessary flexibility for the development of Parcel E with the most appropriate uses that work within the context described above. Over the past year, the Applicant has been engaged in discussions with a potential cultural use for Parcels E3 and E4 that would have worked well within the considerations outlined above. The proposed cultural use is, however, on hold at the moment. The Applicant is continuing to explore other potential uses for those portions of Parcel E, and the proposed text amendment will continue to permit a range of potential residential and nonresidential uses for these development parcels.

### **Conclusion**

The Applicant looks forward to presenting this application at the December 7, 2017 public hearing. Please feel free to contact Dave Avitabile at (202) 721-1137 if you have any questions regarding this application. We look forward to the Commission's consideration of this matter.

Respectfully submitted,



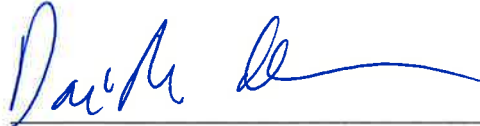
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David M. Avitabile

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## Certificate of Service

I certify that on November 10, 2017, I delivered a copy of the foregoing document via hand delivery, first class mail, or electronic mail to the addresses listed below.



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