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VIA IZIS

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

Re: Z.C. Case No. 19-29: Application of UM 1348 4th Street NE, LLC and 1250 4th ST (EDENS), LLC (the "**Applicant**") for a new Consolidated PUD and related Zoning Map Amendment (the "**Application**") for 1346-1348 4th Street, NE (Square 3587, Lots 3 and 7) (collectively, the "**Property**") – **Post-Hearing Submission**

Dear Chairman Hood and Commissioners:

On behalf of the Applicant, we submit this post-hearing submission in response to requests from the Commission at the January 10, 2022 public hearing for the Application.

1. **Updated Letter from ANC 5D**: The Applicant has been in communication with the ANC 5D01 Single Member District Commissioner and the ANC 5D Chair relating to updated input from ANC 5D for the Application. The ANC Commissioners stated that the ANC will deliver an updated letter to the Commission re-affirming the ANC's support for the Application prior to the Commission's final action determination on the Application.

2. **Further Outreach to ANC 5C**: The Applicant has again requested an opportunity to discuss the Application with the ANC 5C05 Single Member District Commissioner and the ANC 5C Chair.

3. **0-30% MFI Unit**:

   a. The Applicant shares the Zoning Commission's goal to increase the supply of affordable housing in the District – particularly in Ward 5. The project's 13% set aside with a significant portion of 50% MFI residential units (2% of the project) is intended to push the boundaries towards such goal (Note that in addition to the 2% set aside of 50% MFI residential units, there are additional 50% MFI residential units created by habitable roof structure area). The 13% set aside represents the highest IZ set aside component in any Union Market PUD to date and is a high water mark for an IZ set aside for market-based (i.e.,

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unsubsidized) PUDs City wide. The Applicant arranged the 13% set aside concept using an approach that pushes the financial feasibility of the project based on detailed feedback from OP, DHCD and initial Zoning Commission review. The Applicant also invested in creating family-sized units, which will include IZ units.

b. At the Commission's suggestion, the Applicant has investigated the feasibility of including a 0-30% MFI unit (i.e., a "deeply affordable" unit) in the Project. The Applicant has been in close contact with affordable housing providers relating to this question, including public housing providers, private developers, and public-private agencies specializing in affordable housing throughout the City, in an effort to determine whether a deeply affordable unit could be provided in the project.

Based on the Applicant's detailed discussions with these affordable housing providers and further research into this affordable housing typology, the Applicant has determined that incorporating a 0-30% MFI unit in this project is not feasible. The following concepts are particularly important considerations regarding the inclusion of 0-30% MFI units in a project:

i. Administrative challenges – 0-30% MFI units are not considered Inclusionary Zoning units and are instead administered through a different process than the 50% and 60% MFI units planned for the project, including separate lotteries and governed by separate covenants. A sufficient scale of the deeply affordable unit type is required in order to effectively administer these units with this alternative, parallel process. Typically, providers of deeply affordable units would require that such scale exists in order to allocate their resources to a project. Without scale, a 0-30% MFI unit would likely have difficulty achieving efficient administration and continuous occupancy.

ii. Occupancy challenges – Residents of 0-30% MFI units are certified through a different process with the City than those residents associated with IZ units. Based on feedback from affordable housing providers, tenants working to certify for deeply affordable units often do not meet initial and ongoing credit and background checks required by property managers. This creates a concern that the 0-30% MFI unit would often remain unoccupied, particularly when combined with the administration issue described above. While there is a significant financial impact to a project to incorporate a deeply affordable unit, the prospect of not filling such unit would be even more financially harmful.

iii. Wrap around services – Importantly, deeply affordable units also typically have "wrap around services" associated with them, such as job training, resume writing, counseling, and advocacy, among others.

In this case, the deeply affordable unit would be isolated in the building and would otherwise be without such on-site services available in the project. According to affordable housing providers consulted for this study, it would not be advisable to provide such 0-30% MFI unit on a one-off basis and without the typical on-site services.

As a result of such research and for the reasons stated above, the Applicant has concluded that it is not feasible in this instance to include a 0-30% MFI residential unit in the project due to the adversities and challenges described above. As the Commission is aware, deeply affordable units universally require a public subsidy to produce in order to counter these substantial issues, and this project does not include any public subsidy. The Applicant shares the Zoning Commission's goal to increase and diversify the supply of housing in the District and will continue to examine the feasibility of deeply affordable units in future PUDs under the consideration that public subsidy and up-front planning are required to finance, design, and produce such units.

4. **Street-Level Views**: Attached as **Exhibit A** are two three-dimensional views of the ground level and public space design for the project specifically located within the "plaza" areas along 4th Street, NE. These images demonstrate that the streetscape will be designed to create a consistent and enhanced public-private experience to encourage pedestrian interaction and use. As discussed at the January 10th hearing, these pockets of publicly-available space assist the project to integrate and incorporate the property's significant slope along 4th Street, NE. The height and dimensions of the proposed canopies are also illustrated in these images to convey the building's interaction with these unique and creative opportunities for communal gathering. When combined with the enhanced 4th Street curbless street design, the private space created by pulling the buildings away from 4th Street will provide an interactive zone where public and private space will fuse into one.

5. **Modified Roof Level Shading Structure**: Attached as **Exhibit B** are revised roof level concept drawings showing that the Applicant has removed the temporary canopy structure that gave the appearance of additional building height at the south of the project. The Applicant's design team reworked the project's southern roof level concept to incorporate the suggestions from the Zoning Commission. As a result, the previously-proposed temporary canopy structure is proposed to be replaced with rooftop trees and a non-structural and removable canopy that can be retracted to within the 1:1 rooftop setback. Additionally, the Applicant will incorporate removable, clearly non-structural elements such as removable sail canopies and umbrellas. The proposed roof level trees in particular satisfy the multiple goals of providing shade for patrons of the roof top spaces, further enhancing the building's sustainability goals, and advancing the District's goals to increase its tree canopy. The Applicant would retain the same flexibility relating to the roof level as previously proposed. The Applicant appreciates the Zoning Commission's review of, and input on, this concept.

The Applicant requests the ability to file after proposed action a consolidated set of final plans reflecting the revised penthouse design and the modifications to the western façade introduced at the public hearing. Such consolidated set of final plans will allow for a more streamlined and efficient building permit review process.

Respectfully submitted,

/s/ Jeffrey C. Utz

/s/ David A. Lewis

Enclosures

Certificate of Service

I certify that on or before January 18, 2022 (except as noted below), I delivered a copy of the foregoing document and attachments via e-mail or first-class mail to the addresses listed below.

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