

## **MEMORANDUM**

**TO:** District of Columbia Zoning Commission

**FROM:** Crystal Myers, Development Review Specialist  
*JLS*  
 Jennifer Steingasser, Deputy Director, Development Review & Historic Preservation

**DATE:** March 18, 2022

**SUBJECT:** Setdown Report: Petition for a Map Amendment to Rezone 1207 H ST. NE from NC-14 to NC-15.

### **I. RECOMMENDATION**

The Office of Planning recommends that the Zoning Commission **set down** this petition for a map amendment to rezone 1207 H St. NE. from NC-14 to NC-15.

The proposal is intended to implement changes to the recently updated Comprehensive Plan (2021) and would not be inconsistent with the Comprehensive Plan and would be appropriate for IZ Plus.

### **II. PETITION-IN-BRIEF**

<b>Petitioner</b>	Goulston & Storrs on behalf of WCP 1207 H Street LLC
<b>Proposed Map Amendment:</b>	NC-14 to NC-15
<b>Address and Legal Description</b>	Square 1004; Lot 342
<b>Ward and ANC:</b>	Ward 6/ANC 6A
<b>Property Size:</b>	33,345 sq.ft
<b>Future Land Use Map Designation:</b>	Mixed Use (Medium Density Residential / Medium Density Commercial)
<b>Generalized Policy Map Designation:</b>	Main Street Mixed Use Corridor

### III. SITE AND AREA DESCRIPTION

The subject site is the location of a longstanding Autozone store and its associated parking lot. It is a large lot bounded by H St. NE to the north, 12<sup>th</sup> St. NE to the west, RF-1 rowhouses to the south, and commercial establishments to the east. The site is surrounded by a mix of uses and is located on a split-zoned block where the northern half is zoned NC-14 and the southern half is zoned RF-1.

The subject site is on H St. NE and near higher NC-zoned properties. West of the site, across 12<sup>th</sup> ST NE, are NC-16 and NC-17 zoned properties. The property immediately across 12<sup>th</sup> ST NE at 1101-1125 H St. NE was recently rezoned from NC-16 and MU-4 to NC-17, (ZC 19-25).



### IV. DEVELOPMENT CAPACITY OF EXISTING AND PROPOSED ZONES

The Applicant is requesting a map amendment to rezone the subject site from NC-14 to NC-15. Both zones are H Street Northeast Neighborhood Mixed Use Commercial Arts sub-district zones. These zones are intended to *encourage arts and entertainment uses and a scale of development and a mixture of building uses that is generally compatible in scale with existing buildings*, ((11DCMR Subtitle H§ 900.8).

Existing NC-14 Zoning: *The NC-14 zone is intended to permit mixed-use development at a moderate density with an emphasis on arts and arts-related uses.*

Proposed NC-15 Zoning: *The NC-15 zone is intended to permit mixed-use development at a medium density with an emphasis on employment and the provision of arts and arts-related uses.*

**Comparison Zoning Chart: Development Standards and Uses**

	<b>Existing Zone: NC-14</b>	<b>Proposed Zone: NC-15</b>
IZ	10%/ 8% (Type I) of res. gfa or 75%/ 50% (Type I) of bonus density utilized	10% /8% (Type I) of res. gfa or 75%/50% (Type I) of bonus density utilized
IZ Plus		20% or 14% (Type I) of res.
H§ 902: Floor Area Ratio (FAR)	Total FAR: 2.5 max; 3.0 with IZ Max permitted Non-residential: 1.0	Total FAR: 4.0 max; 4.8 with IZ Max permitted Non-residential: 1.0
H§ 903.1: Height	50 ft. max.	65 ft. max.
H§ 903.2: Penthouse Height	12 ft. max. 15 ft. (mechanical)	12 ft max. 18 ft. 6 in (mechanical)
H§ 905: Rear Yard	15 min.	12 ft. min.
H§ 908: Green Area Ratio	3.0 min.	2.5 min.
H§ 511: Matter of Right Uses	<u>NC-use group A</u> (includes single and multiple dwelling housing, eating/drinking establishments, lodging, service uses)	<u>NC-use group C</u> (includes single and multiple dwelling housing, eating/drinking establishments, lodging, service uses)

**V. IZ PLUS EVALUATION**

An IZ Plus set-aside requirement would be appropriate pursuant to Subtitle X § 502 because:

1. The map amendment would rezone the properties to NC-15, which allows a higher maximum permitted FAR than the existing NC-14 zone; and
2. The 2019 Housing Equity Report<sup>1</sup> prepared by the Office of Planning and the Department of Housing and Community Affairs reports that:
  - a. There is only 3.5 percent of the District's total number of affordable housing units as of 2018 in this planning area; and
  - b. The Capitol Hill Planning Area has a shortage of 1,120 units with a total production goal of 3,270 units by 2025.

IZ Plus requires a higher affordable housing set-requirement than Regular IZ. It has a set-aside requirement that is based on either a sliding-scale correlated to the total floor area built or to the amount of IZ bonus density built.

Map Amendment cases are evaluated on whether the proposed new zone is consistent with the Comprehensive Plan. There is not a specific development project as there is with a Planned Unit Development. Below, OP has provided two examples to demonstrate possible IZ Plus set-aside requirements pursuant to Subtitle C § 1003.3 if a new stick-built (non-Type I construction) apartment building with ground floor retail were built on the 33,345 square feet subject property under the NC-15 zone.

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<sup>1</sup> [Housing-Equity-Report](#)

Example 1 – Utilizes IZ Bonus Density

FAR Built:	4.8 IZ FAR (160,056 sq.ft.)
Residential FAR Built	3.8 IZ FAR (126,711)
Regular IZ Set-Aside Requirement:	15.78% or 20,007 (75% of bonus density)
Regular IZ Dwelling Units <sup>2</sup> :	20 units
Percent Increase in Total FAR Built <sup>3</sup> :	92%
IZ Plus Set-Aside Requirement:	20% (25,342 sq.ft.)
IZ Plus Dwelling units:	25 units

Example 2 – Does Not Utilize IZ Bonus Density

FAR Built:	4.0 FAR (133,380 sq.ft. max)
Residential FAR Built	3.0 FAR (100,035 sq.ft. max)
Regular IZ Set-Aside Requirement:	10% or 10,003.5 sq. ft.
Regular IZ Dwelling Units:	10 units
Percent Increase in Total FAR Built:	60%
IZ Plus Set-Aside Requirement:	16% or 16,006.6 sq. ft.
IZ Plus Dwelling units:	16 units

In the examples above, the set-aside requirement would be 16 and 20 percent respectively, which would exceed the regular IZ requirement. The amount of residential floor area built in any future development under the NC-15 zone would determine the actual IZ Plus set-aside requirement. However, given the increase in maximum FAR permitted by the zone change, it is likely that under most development scenarios the set-side requirement could be close to 20 percent.

## **VI. COMPREHENSIVE PLAN**

### **COMPREHENSIVE PLAN MAPS**

The Guidelines for Using the Generalized Policy Map and the Future Land Use Map in the Framework Element state that the “Generalized Policy Map and Future Land Use Map are intended to provide generalized guidance for development and conservation decisions and are considered in concert with other Comprehensive Plan policies.” Additionally, “the zoning of any given area should be guided by the Future Land Use Map, interpreted in conjunction with the text of the Comprehensive Plan, including the Citywide Elements and the Area Elements.”

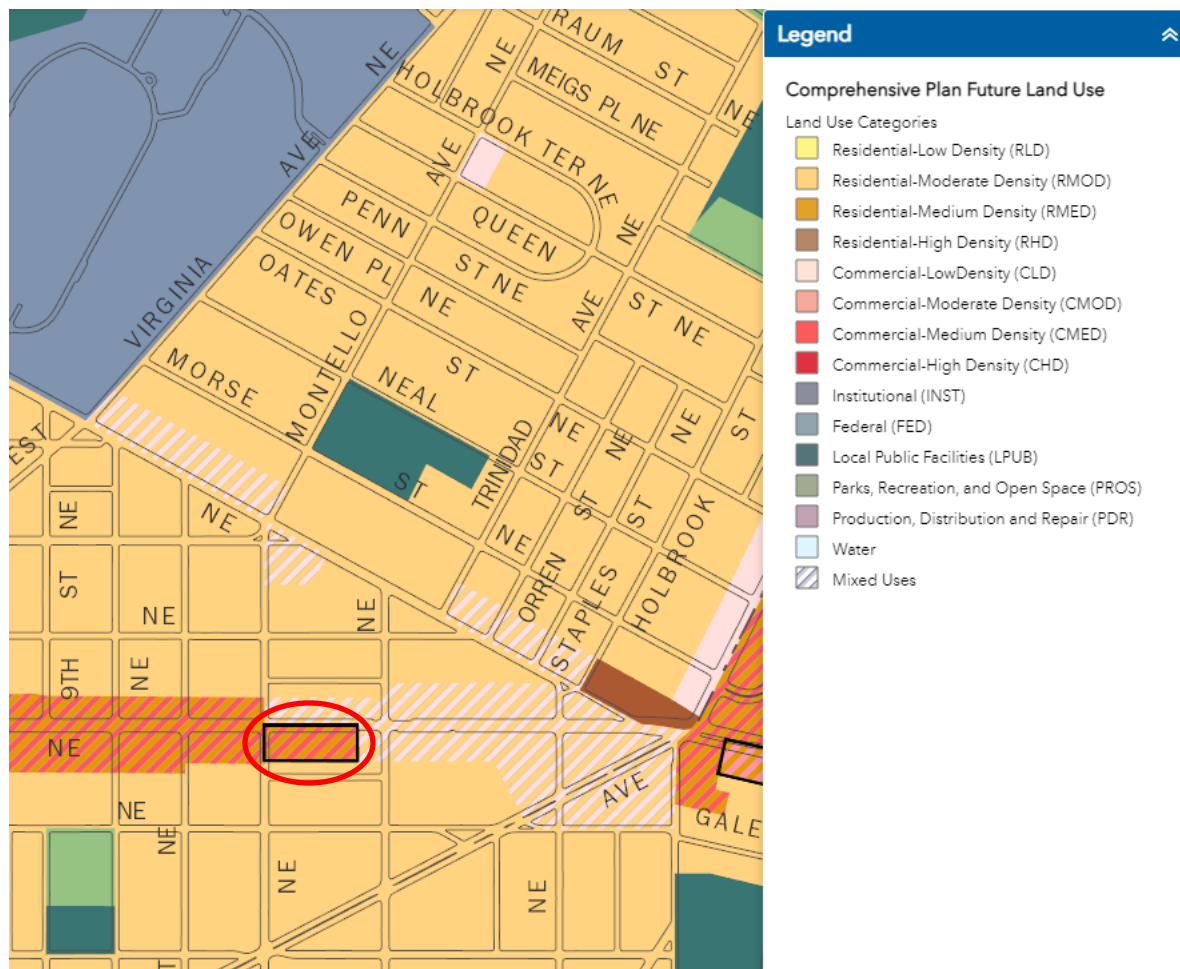
As described below, the proposed zoning map amendment would be not inconsistent with the Future Land Map, the Generalized Policy Map, or with the text of the Comprehensive Plan.

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<sup>2</sup> The OP typically uses a density factor 1,000 sq. ft. to estimate number of dwelling units.

<sup>3</sup> The percent increase between the maximum permitted FAR of the existing/prior zone (NC-14), not including IZ bonus density, and the total FAR built in the IZ Plus Development.

### **Generalized Future Land Use Map (FLUM)**



In the recent Comprehensive Plan update, the subject site's Future Land Use Map (FLUM) designation was changed from moderate density residential and low-density commercial to medium density residential and medium density commercial.

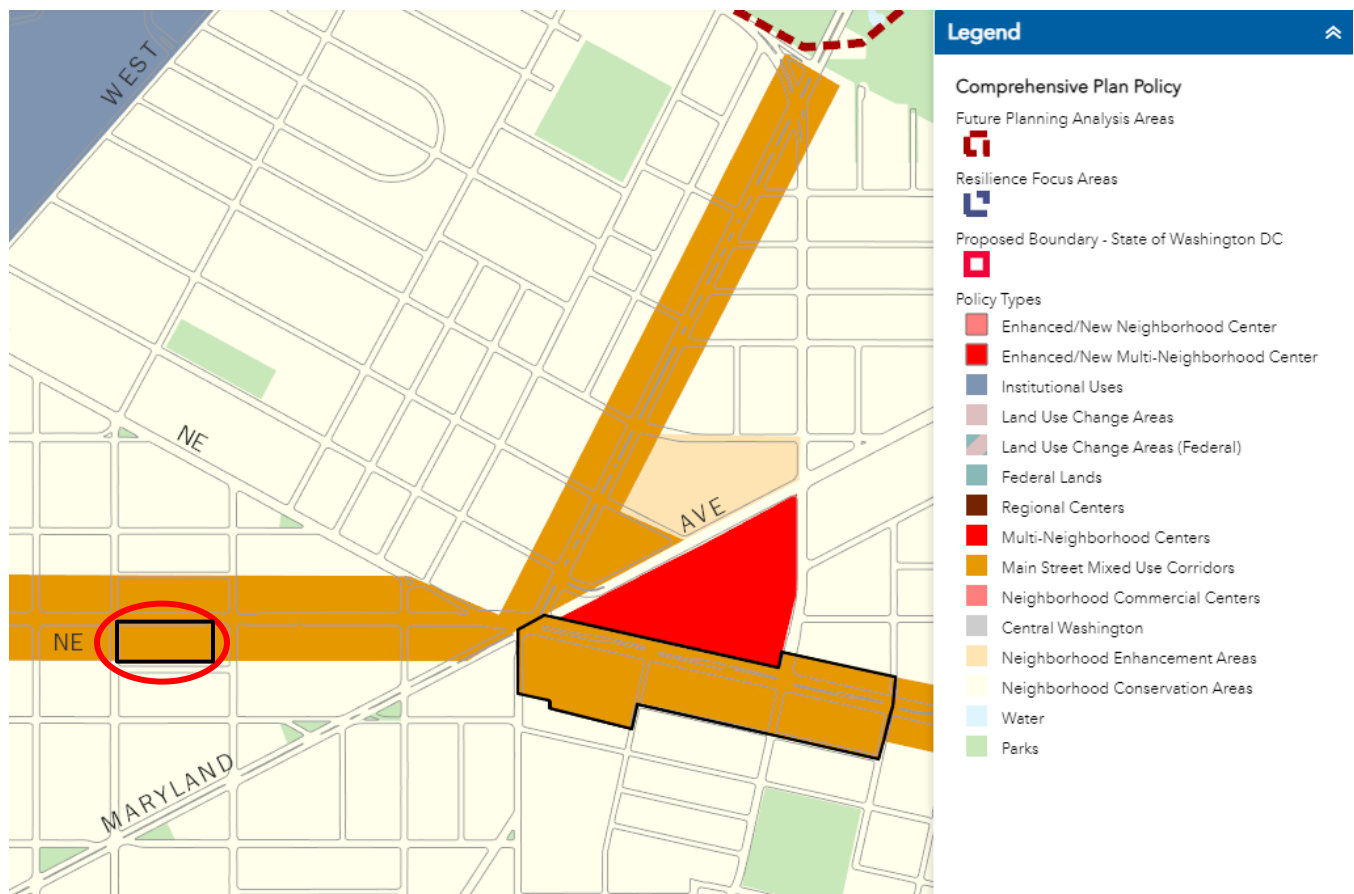
**Medium Density Residential:** This designation is used to define neighborhoods or areas generally but not exclusively, suited for mid-rise apartment buildings. The Medium Density Residential designation also may apply to taller residential buildings surrounded by large areas of permanent open space. Pockets of low and moderate density housing may exist within these areas. Density typically ranges from 1.8 to 4.0 FAR, although greater density may be possible when complying with Inclusionary Zoning or when approved through a Planned Unit Development. The RA-3 Zone District is consistent with the Medium Density Residential Category, and other zones may also apply. 227.7

**Medium Density Commercial:** This designation is used to define shopping and service areas that are somewhat greater in scale and intensity than the Moderate Density Commercial areas. Retail, office, and service businesses are the predominant uses, although residential uses are common. Areas with this designation generally draw from a citywide market area. Buildings are larger and/or taller than those in Moderate Density Commercial

*areas. Density typically ranges between a FAR of 4.0 and 6.0, with greater density possible when complying with Inclusionary Zoning or when approved through a Planned Unit Development. The MU-8 and MU-10 Zone Districts are consistent with the Medium Density category, and other zones may also apply. 227.12*

The FLUM designation on the property was changed to encourage medium density development on the site. The proposed NC-15 medium density zone would be more in line with the Comprehensive Plan's medium density recommendation than the moderate density NC-14 zoning on the site today. Therefore, it would not be inconsistent with the FLUM.

### **Generalized Policy Map**



The Generalized Policy Map indicates that the subject site is within the Main Street Mixed Use Corridor policy area.

### **Main Street Mixed Use Corridors**

*These are traditional commercial business corridors with a concentration of older storefronts along the street. The area served can vary from one neighborhood (... 14th Street Heights or Barracks Row) to multiple neighborhoods (e.g., Dupont Circle, H Street, or Adams Morgan). Their common feature is that they have a pedestrian- oriented environment with traditional storefronts. Many have upper-story residential or office uses, some corridors are underutilized, with capacity for redevelopment. Conservation and enhancement of these corridors is desired to foster economic and housing opportunities and serve neighborhood needs. Any development or redevelopment that occurs should support transit use and enhance the pedestrian environment, 225.14*

The proposed map amendment would permit medium density mixed use development on a transit-oriented site in the H Street neighborhood so it would not be inconsistent with the Main Street mixed use corridor guidance.

## **COMPREHENSIVE PLAN WRITTEN ELEMENTS**

### **The Comprehensive Plan Analysis Through a Racial Equity Lens**

The Comprehensive Plan (2021) update recognizes that advancing equity requires a multifaceted policy approach. While the Comprehensive Plan update addresses equity in narrower terms, such as “equitable development,” it recognizes that many areas of policy must be brought to bear on the challenge:

*Equitable development is a participatory approach for meeting the needs of underserved communities through policies, programs and/or practices that reduce and ultimately eliminate disparities while fostering places that are healthy and vibrant. Equitable development holistically considers land-use, transportation, housing, environmental, and cultural conditions, and creates access to education, services, health care, technology, workforce development, and employment opportunities. As the District grows and changes, it must do so in a way that encourages choice, not displacement, and builds the capacity of vulnerable, marginalized, and low-income communities to fully and substantively participate in decision-making processes and share in the benefits of the growth, while not unduly bearing its negative impacts. 213.7*

The direction to consider equity “as part of its Comprehensive Plan consistency analysis” indicates that the equity analysis is intended to be based on the policies of the Comprehensive Plan and part of the Commission’s consideration of whether a proposed zoning action is not inconsistent with the Comprehensive Plan.

Equity is conveyed throughout the Comprehensive Plan, particularly in the context of zoning, where the provision of affordable housing, avoiding displacement of existing residents, and creating access to opportunity is a priority.

The Comprehensive Plan recognizes that without increased housing, the imbalance between supply and demand will drive up housing prices in a way that creates challenges for many residents, particularly low-income residents. The Comprehensive Plan further recognizes the importance of inclusionary zoning requirements in providing affordable housing opportunities for households of varying income levels.



The rising cost of housing in the District limits the ability to provide housing for a variety of household types, including family and senior housing, rental and ownership housing, and housing for all income levels. Given the land use characteristics of the District, only a small amount of the total land area (28.1 percent) is dedicated to residential use (§ 205.3). Scarcity of land increases the cost of new housing, limits the availability of housing, and intensifies housing cost burdens, particularly for lower- and middle-income households. The Comprehensive Plan states that “residents of color are a majority of lower-income households in the District and, therefore, face a disproportionate share of the problems caused by housing insecurity and displacement” (206.4).

According to the American Community Survey the population of the Capitol Hill Planning Area (“Planning Area”), where the subject property is located, is predominately white. The Black population is 28.4 percent, and the Hispanic/Latin origin population is 7 percent. The median household income in the Planning area is \$133, 877 which is higher than the District’s \$131,164.

The cost of housing in the Capitol Hill planning area is also higher than the District average. The median home value in Capitol Hill is \$772,310 which is significantly higher than the District-wide median of \$646,500. The proposed map amendment has the potential to increase the total supply of housing units and affordable units in the Planning Area, which could help alleviate the pressure on housing costs and make the area more accessible to lower income households.

The proposed NC-15 zone has an incentive for residential use. The maximum permitted density is 4.8 FAR which includes the bonus for inclusionary zoning. However, only 1.0 FAR may be used for non-residential purposes thus in order to achieve the maximum density the project must be predominantly residential.

The Comprehensive Plan defines affordable housing as housing available to households earning 80 percent or less of the median family income (“MFI”) (§ 304.3). Overall, the map amendment has the potential to create additional affordable housing through an IZ Plus set-aside requirement. It is likely that the NC-15 zone could require a 20 percent set-aside requirement resulting in up to 25 affordable housing units. The IZ program requires affordable housing units to be available to households earning either no more than 60 percent MFI for rental housing or 80 percent MFI for ownership housing.

The potential affordable housing units that could be created under the requested NC-15 zone is substantially higher than if the property were developed by-right under the existing NC-14 zone. Making room for affordable housing has the potential to benefit non-white populations who on average have lower incomes than white residents.

### **Citywide Elements of the Comprehensive Plan**

The proposed map amendment is not inconsistent with the following policies of the Citywide Elements of the Comprehensive Plan and would primarily further the policies of the Land Use, Transportation, Housing, and Environment Elements.

#### **Land Use**

***Action LU-1.4.B: Zoning Around Transit:*** With public input, develop and use zoning incentives to facilitate new and mixed-use development, and particularly the provision of new housing, and new affordable housing in high opportunity areas to address more equitable distribution.

307.20

***Policy LU-1.5.1: Infill Development:*** Encourage infill development on vacant land within Washington, DC, particularly in areas where there are vacant lots that create gaps in the urban fabric and detract from the character of a commercial or residential street. Such development



*should reflect high-quality design, complement the established character of the area and should not create sharp changes in the physical development pattern. 308.6*

***Policy LU-2.4.5: Encouraging Nodal Development:*** *Discourage auto-oriented commercial strip development and instead encourage pedestrian-oriented nodes of commercial development at key locations along major corridors. Zoning and design standards should ensure that the height, mass, and scale of development within nodes respects the integrity and character of surrounding residential areas and does not unreasonably impact them. 313.13*

The proposed NC-15 zone would not be inconsistent with the land use element. The subject property is adjacent to the H Street Streetcar line and an X2 bus stop. Rezoning the property to NC-15 would allow for the redevelopment of an auto-oriented retail establishment and its associated parking area into a denser mixed-use development at a transit-oriented and pedestrian-oriented node on the H St. corridor.

### **Transportation**

***Policy T-1.1.4: Transit-Oriented Development:*** *Support transit-oriented development by investing in pedestrian-oriented transportation improvements at or around transit stations, major bus corridors, and transfer points. Encourage development projects to build or upgrade the pedestrian and bicycle infrastructure leading to the nearest transit stop to create last-mile connections. Pedestrian movements and safety should be prioritized around transit stations. 403.10*

***Action T-2.3.B: Bicycle Facilities:*** *Wherever feasible, require large, new commercial and residential buildings to be designed with features such as secure bicycle parking and lockers, bike racks, shower facilities, and other amenities that accommodate bicycle users. Residential buildings with eight or more units shall comply with regulations that require secure bicycle parking spaces. 410.16*

The proposed NC-15 zone would not be inconsistent with the transportation element. The proposed zone would be more in line with the guidance for higher density transportation-oriented development. It should also encourage redevelopment on the site, which would be done under the current regulations and DDOT standards. These include meeting off-street parking requirements, minimizing the number of curb cuts on the site, and providing on-site bicycle facilities. Complying with these current requirements would make the site safer and more usable for pedestrian and bicycle transportation.

### **Housing**

***Policy H-1.1.1: Private Sector Support:*** *Encourage or require the private sector to provide both new market rate and affordable housing to meet the needs of present and future District residents at locations consistent with District land use policies and objectives. 503.3*

***Policy H-1.1.2: Production Incentives:*** *Provide suitable regulatory, tax, and financing incentives to meet housing production goals, prioritizing affordable housing production in support of the targets in Policy H-1.2.2. These incentives should continue to include zoning regulations that permit greater building area for commercial projects that include housing than for those that do not, and relaxation of height and density limits near transit. Strongly encourage incentives and strategies that result in the production of more deeply affordable*

*housing, such as the use of income averaging across a range of affordable housing income levels. 503.4*

***Policy H-1.1.4: Mixed-Use Development:*** *Promote moderate to high-density, mixed-use development that includes affordable housing on commercially zoned land, particularly in neighborhood commercial centers, along Main Street mixed-use corridors and high-capacity surface transit corridors, and around Metrorail stations. 503.6*

***Policy H-1.2.7: Density Bonuses for Affordable Housing:*** *Provide zoning incentives, such as through the PUD process, to developers proposing to build affordable housing substantially beyond any underlying requirement. Exceeding targets for affordable housing can refer to exceeding the quantity or depth of affordability otherwise required. The affordable housing proffered shall be considered a high priority public benefit for the purposes of granting density bonuses, especially when the proposal expands the inclusiveness of high-cost areas by adding affordable housing. When density bonuses are granted, flexibility in development standards should be considered to minimize impacts on contributing features and the design character of the neighborhood. 504.15*

The proposed NC-15 zone would not be inconsistent with the Housing element. As a medium density mixed-use zone, it would encourage medium density on this Main Street mixed use corridor site. The zone's additional density with the bonus IZ plus density could encourage the private sector to develop this transit-oriented site with more market rate and affordable housing units than could be provided today. As set forth in the 2019 Housing Equity Report ([HousingEquityReport.pdf](#)) affordable housing on this site would help the District increase the amount of affordable housing units in the Capitol Hill area, which today has a production goal of 1,440 new affordable units for a total of 3220 affordable units by 2025.

### **Capitol Hill Area Element**

***Policy CH-1.1.3: Upgrading Commercial Districts:*** *Reinforce and upgrade the major commercial districts of Capitol Hill, including the H Street NE and Benning Road NE corridors, the Pennsylvania Avenue SE corridor, 7th Street SE, 8th Street SE, and Massachusetts Avenue NE between Union Station and Stanton Park. Support the further development of these areas with corridor-appropriate retail services, provided that such uses are compatible with surrounding land uses and the historic architecture and scale of the shopping districts themselves. Support the retention of existing neighborhood-serving businesses in these areas through programs that provide technical and financial assistance to small, locally owned establishments. 1507.4*

***Policy CH-1.1.4: Directing Growth:*** *Direct growth in the Capitol Hill Planning Area to commercially zoned land, with a particular emphasis on the H Street NE/Benning Road NE corridor and to infill opportunities in residential zones. Along the commercial corridors in this area, mixed-use development combining ground floor retail and upper story residential uses should be supported, along with streetscape improvements that improve visual and urban design qualities and enhance pedestrian, bus, and auto circulation. In the residential zones, the scale of development should be sensitive to adjacent buildings and uses. All development should reflect the capacity of roads, infrastructure, and services to absorb additional growth. 1507.5*

***Policy CH-2.1.1: H Street NE Revitalization:*** *Support the revitalization of the H Street NE corridor between North Capitol Street and 17th Street NE in a manner that is consistent with the approved 2003 H Street NE Strategic Development Plan. This plan recommended the development of four thematic areas along the H Street NE corridor...An Arts and Entertainment District, extending from 12th Street to 15th Street. This area builds on the established Atlas Theater, Joy of Motion Dance Center and other cultural anchors. New arts and cultural uses are encouraged, as are*

*complementary specialty retail uses, sit-down restaurants, arts-related retail, and other community services. Moderate and medium-density residential and office space, including live-work space, also is encouraged in this area...1507.6*

The proposed NC-15 zone would not be inconsistent with the Capitol Hill Area Element. The proposed new zone could help to revitalize H St. NE by encouraging it to redevelop from auto retail and parking to a medium density mixed use development.

## **VII. SMALL AREA PLAN**

### **2003 H Street NE Strategic Development Plan**

The subject site is within the *H Street NE Strategic Development Plan*, approved by District Council in 2004. The plan considers the site a part of its Arts and Entertainment District, which is described as, *...the area from 12<sup>th</sup> to 15th Street will provide art, entertainment and cultural activities to the residents and visitors of H Street. These cultural activities will be supported by complementary specialty retail uses such as sit-down restaurants, art galleries, art related retail, and other community services. Residential and office uses will be encouraged on upper floors of developments, providing opportunities for live-work space for artists, performers, and professionals.*

The proposed NC-15 zone would not be inconsistent with the H Street NE Strategic Development Plan. The proposed zone would provide the level of density necessary to support either the type of arts and entertainment uses envisioned for the area or the residential and commercial development necessary to support arts and entertainment uses.

## **VIII. RECOMMENDATION**

OP recommends that the Commission **set down** the proposed map amendment as it is not inconsistent with the policies and goals of the Comprehensive Plan and the Small Area Plan, as summarized in this report.