

December 31, 2012

VIA ELECTRONIC FILING AND HAND DELIVERY

Anthony Hood, Chairperson  
D.C. Zoning Commission  
Office of Zoning  
441 4th Street, N.W., Suite 210  
Washington, DC 20001

Re: **Z.C. Case No. 06-11G/06-12G**  
**The George Washington University (“University”) – Site 75A**  
**Post-Hearing Submission of the University**

Dear Chairman Hood and Members of the Commission:

At the close of the public hearing on the above-referenced case on November 15, 2012, the Commission directed the University to refine the proposed affordable housing commitment and transportation demand management monitoring program, provide a copy of the settlement agreement with the President Condominium, and continue to engage Advisory Neighborhood Commission 2A (“ANC 2A”) in dialogue regarding the proposed eleven-story, 250,000 s.f. commercial office building (“Project”).

1. Affordable Housing Program

As a key public benefit of the PUD, the University will rehabilitate three existing rowhouses located at 2142, 2146, and 2150 F Street NW as affordable housing. The three rowhouses will accommodate a total of seven units, including large two- and three-bedroom units, for a total of approximately 7,209 square feet of affordable housing. The University proffered the affordable housing program (“Program”) in response to a request from the Office of Planning (“OP”) to provide affordable housing consistent with the housing linkage requirements<sup>1</sup> even though the project was not subject to such requirements.

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<sup>1</sup> The housing linkage standards generally require affordable housing units be set aside for households earning up to 95% of the Area Median Income (“AMI”) and set the maximum rent at 35% of household income (“HHI”), exclusive of utilities (meaning that utilities are paid on top of the maximum rent).

At the public hearing, the University testified that the proposed Program exceeded the housing linkage standards in two key respects:

- the University agreed to set aside the units for households earning up to 80% AMI; and
- the University agreed to set the maximum rent at 35% HHI less the standard HUD utility expense (meaning that the maximum rent has been adjusted downward to account for utility expenses).

The University testified that the proposed adjustments balanced the desire of the Department of Housing and Community Development (“DHCD”) for a program that meets the more stringent Inclusionary Zoning (“IZ”) standards with the economic realities of the proposed affordable housing program, which provides larger-than-normal unit sizes and types in an all-affordable standalone project that requires significant capital improvements.

The Commission requested that the University further consider setting maximum rents at 30% HHI, consistent with IZ standards. The University met with representatives of DHCD subsequent to the hearing to discuss the proposed Program and the impact of additional adjustment to maximum rent. During that meeting, DHCD expressed a preference for maximum rents of 30%, inclusive of utilities, based on the agency’s desire to implement uniform standards to streamline the administration of affordable units. For the reasons set forth below, the University is unable to fully accommodate this request, but has developed an enhanced proposal that is responsive to ZC objectives – resulting in lower total housing costs on average for each type of unit while ensuring the economic viability of the Program.

The enhanced Program that the University is proffering at this time is the result of careful consideration of the Zoning Commission’s request. The Program will establish maximum rents at 30% HHI (consistent with IZ) for 80% AMI households but will be exclusive of utilities (consistent with housing linkage). The revised Program is outlined in Exhibit A.

As the Commission is aware, as part of this amenity, the University has already promised to contribute the value of the existing land and buildings (approximately \$2.5 million) and the \$1 million worth of capital improvements necessary to rehabilitate the properties, as well as forego the \$2 million worth of revenue that would have been generated by the properties if operated as a market rate housing project, over the 30-year life of the affordable housing project. The new modifications to the Program result in an additional cost to the University of approximately \$170,000 beyond the prior proposal. The University has not been able to modify the Program to the full extent requested because additional costs would threaten the economic viability of the

Program, which is budgeted to operate at a break-even level on an annualized basis following its inception.

With the proposed change, which will further reduce the maximum rent for each unit type, the University's proposed Program significantly exceeds the housing linkage standards and generally conforms to many of the IZ standards. As shown on Table 1, the total housing cost (including utility expense) for each unit will remain below the total housing cost standard of 38% HHI. This decrease in rent will expand the applicant pool for this Program, allaying a major concern expressed by DHCD.

**Table 1: Affordable Housing Maximum Rents<sup>2</sup>**

Unit size	11/15 Proposal: 35% Rent (Base rent established at 35% HHI less utility expense)			12/31 Proposal: 30% Rent (Base Rent established at 30% HHI). Excludes utilities.		
	Base Rent to Landlord	Base Rent + utilities (Total Housing Cost*)		Base Rent To Landlord	Base Rent + utilities (Total Housing Cost*)	
1 B/R	\$1,834	\$2,007	35-40%	\$ 1,720	\$ 1,893	33-38%
2 B/R	\$2,035	\$2,258	32-39%	\$ 1,935	\$ 2,158	30-38%
3 B/R	\$2,489	\$2,759	32-38%	\$ 2,365	\$ 2,635	31-37%

\* Total housing cost is expressed as a percentage of household income as a range based on number of permitted occupants. Per Section 2213.5(g) of the Inclusionary Zoning Administrative Regulations, the total housing cost should not exceed 38% of household income.

Total housing cost estimates provided above are based on HUD estimated utility allowances (provided by DHCD). The University has committed to the use of energy-efficient construction practices, including the delivery of Energy Star appliances and energy-efficient building systems, which are anticipated to further reduce the total housing costs associated with the affordable units. As a result of the increased affordability, unique nature (mixed sized, including family-style, historic row houses) and desirable location of these units, the University does not anticipate any difficulty in finding qualified tenants for these units and maintaining ongoing occupancy of these seven units.

With the additional change and for the above reasons, the proposed Program represents a significant public benefit of the PUD.

<sup>2</sup> Rents are based on 2012 AMI.

## 2. Transportation Monitoring

At the Commission's request, the University has modified its proposed transportation performance monitoring plan, and the revised plan is attached as Exhibit B. The University's proposed plan sets a vehicle trip reduction goal of 65% from baseline industry estimates ("Trip Reduction Goal"), which exceeds the 33-36% trip reduction estimate for the Foggy Bottom-GWU Metrorail station in the 2005 WMATA Ridership Survey and the 50% trip reduction actually measured at the nearby Square 54 development.

The University will direct the developer of the Project ("Developer") to conduct annual monitoring studies for a period of two to six years. During that time frame, if the average vehicle trip generation meets the Trip Reduction Goal set forth in Exhibit B for two consecutive years, then this goal will have been met and monitoring will cease. If the Trip Reduction Goal is not met, then the Developer will continue to perform monitoring and take additional action as set forth in Exhibit B.

We note that monitoring plans have been adopted for certain projects in the District on an *ad hoc* basis without a published policy or regulations establishing the parameters of such monitoring plans. In the absence of such guidelines, the plan set forth in Exhibit B is a responsible method for conducting reasonable monitoring of post-construction transportation performance for this project.

## 3. Settlement Agreement

As requested, the University's Settlement Agreement with the President Condominium is attached as Exhibit C.

## 4. Dialogue with ANC 2A

For over a year, the University has engaged the President Condominium, ANC 2A, the Foggy Bottom Association ("FBA"), the West End Citizens Association ("WECA"), city agencies, and other stakeholders regarding this project. From the beginning of these discussions, community stakeholders emphasized the importance of addressing the concerns of the only non-university landowner on the square, the President Condominium. Based on these discussions, the University agreed to a series of measures that addressed the concerns of the President Condominium and developed the following proposed benefits and amenities package:

- Agreement with the President Condominium that addressed concerns regarding the impact of the Project, including \$50,000-55,000 in landscaping, buffering, and physical improvements for the benefit of the President Condominium.

- At least 7,000 square feet of affordable housing located within the boundaries of ANC 2A in the 2100 block of F Street NW.
- At least 6,637 square feet of ground-floor retail and service use within the Project.
- Up to \$100,000 for office space for the Foggy Bottom/West End Village.
- Up to \$100,000 to develop and install a real-time transportation information board that will be located near a public transportation node in the Foggy Bottom/West End neighborhood.
- Commitment to achieve the equivalent of LEED Gold certification through sustainable features that include a green roof, a 40% reduction in water usage, and smart energy monitoring.
- Streetscape improvements along Pennsylvania Avenue in front of the Project and improvements to the public alley system.
- Additional tax revenue generated by the construction and use of the proposed Project.

As a result of these benefits and amenities, the proposed Project, will improve the immediate area, the broader Foggy Bottom/West End neighborhood and the District as a whole.

Following the public hearing, the University returned to ANC 2A for further discussion of the Project's public benefits and amenities. ANC 2A adopted a resolution requesting additional benefits and amenities. In response to this request, the University has agreed to provide a total of \$51,000 to support the Francis-Stevens Education Campus. Specifically, the University will fund a \$50,000 fellowship position through the University's Graduate School of Education and Human Development or Columbian College of Arts and Sciences that will fulfill an educational role at the school to be determined by the Francis-Stevens Parent-Teacher Association ("PTA").<sup>3</sup> The University will also contribute \$1,000 to the PTA to support marketing efforts for the school to further increase enrollment. The University also agreed to adopt the language recommended by ANC 2A regarding the proposed benefit for the Foggy Bottom / West End Village.

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<sup>3</sup> As set forth in the University's proposed conditions of approval, in the event that the fellowship position cannot be established, the University will provide the PTA with a \$50,000 contribution to fund an instructional or counseling position. Furthermore, in the event that the Francis-Stevens Education Campus is closed, the University will work with ANC 2A to identify an alternative D.C. public school to receive the proposed benefit.

The revised community benefits package therefore includes a total of over \$300,000 in amenities specifically requested by ANC 2A, including:

- \$50,000-55,000 for landscaping, buffering, and physical improvements for the benefit of the President Condominium.<sup>4</sup>
- \$100,000 for the Foggy Bottom / West End Village;
- \$100,000 for the real-time transportation information board; and
- \$50,000 to fund a fellowship position at the Francis-Stevens Education Campus; and
- \$1,000 for the Francis-Stevens PTA's marketing efforts.

These amenities are all in addition to the proffered affordable housing, ground-floor retail, sustainable design, and other project amenities and public benefits previously outlined.

For reasons already extensively discussed at the public hearing, the University is unable to agree to the subsidized retail requested by ANC 2A. The University actively pursues opportunities to bring neighborhood-serving local retail to locations throughout the Foggy Bottom campus. Such retail opportunities are already a key benefit of the PUD— as the First-Stage PUD explicitly calls for the implementation of a neighborhood-serving retail corridor along I Street, one block from the Project. The build-out of the First-Stage PUD along I Street will deliver the retail opportunities requested by ANC 2A. The retail associated with this project should remain flexible to complement the Class A office use anticipated in the project.

The University will continue to engage ANC 2A and other neighborhood stakeholders in collegial and productive dialogue regarding campus development issues at ANC 2A meetings, association meetings, and other forums. The recent amendments to the Campus Plan / PUD submitted at the request of the Zoning Commission will further promote the Campus Plan Advisory Committee as an additional venue for such discussion.

## 5. Revised Plans

For the Commission's convenience and to promote efficient review of the Project at the permit stage, the University hereby submits a complete updated set of plans that maintain the north-south alley in its existing location, as requested by the President and reduce the amount of

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<sup>4</sup> ANC 2A's December resolution failed to acknowledge the benefits associated with the University's agreement with the President, which will provide approximately \$50,000 - \$55,000 in landscaping and buffering improvements in the interim area adjacent to the President as requested by the President in order to come to agreement regarding this project.

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parking spaces to 154 spaces, as requested by DDOT. See Exhibit D. No other changes have been made to the plans.

Conclusion

The University looks forward to the Commission's consideration and vote on the proposed Project, which will benefit the University, the Foggy Bottom/West End community, and the District as a whole through additional affordable housing, new street-level retail, additional tax revenue for the District of Columbia, and non-tuition driven revenue to support the University's mission. If you have any questions regarding this application, please feel free to contact Maureen at 202-721-1101 or David at 202-721-1137.

Very truly yours,



Maureen Dwyer



David Avitabile

DA/da  
Enclosures

cc: Charles Barber  
Alicia Knight

**CERTIFICATE OF SERVICE**

On December 31, 2012, I caused a copy of the foregoing letter and enclosure to be delivered by hand or by electronic mail to the following:

Paul Goldstein  
D.C. Office of Planning  
1100 4<sup>th</sup> Street, SW, Suite E650  
Washington, DC 20024

Jamie Henson  
Policy and Planning  
District Department of Transportation  
55 M Street SE, 5<sup>th</sup> Floor  
Washington, DC 20009

Advisory Neighborhood Commission 2A  
West End Branch Library  
1101 24<sup>th</sup> Street, NW  
Washington, DC 20037

President, Foggy Bottom Association  
c/o Samira Kristina Azzam  
1001 26th Street, NW #406  
Washington, DC 20037

West End Citizens Association  
c/o Barbara Kahlow  
800 25<sup>th</sup> Street, NW #704  
Washington, DC 20037

Martin Sullivan, Esq.  
Sullivan & Barros, LLP  
1990 M Street, NW Suite 200  
Washington, DC 20036



David Avitabile