

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“Memorandum”) is entered into this 7th day of May, 2018, by and between THE WARRENTON GROUP (“Developer”), and the DEANWOOD CITIZEN’S ASSOCIATION (“DCA”).

RECITALS

A. On October 6, 2017, Developer filed ZC Case No. 17-19 with the District of Columbia Zoning Commission for approval of a consolidated planned unit development (“PUD”) and a related map amendment from the MU-3 Zone to the MU-4 Zone for the Property located at 5110-5140 Nannie Helen Burroughs Avenue, and more particularly described as Square 5197, Lots 1, 64, 65 and 73 (the “Property”) (the “Application”).

B. Developer proposes to redevelop the Property as mixed used development on two parcels. Parcel 1 consists of approximately 71,891 square feet, and will be improved with a building containing approximately 9,900 square feet of retail at the ground level; approximately 174,900 square feet of residential, generating approximately 151 units; and 143 covered parking spaces. The maximum building height will be 65 feet and the density will be 3.56 floor area ratio (“FAR”). Parcel 2 consists of approximately 13,619 square feet, and will be improved with a building containing approximately 6,000 square feet of retail at the ground level; approximately 39,200 square feet of residential generating approximately 32 units; and three surface parking spaces. The maximum building height will be 63 feet and the density will be 3.32 FAR.

C. The PUD process ensures that the project provides appropriate and adequate project amenities and public benefits for area residents and the community.

UNDERSTANDING OF THE PARTIES

The Developer and DCA agree that the Developer shall proffer the following PUD benefits and amenities in connection with the approval of the Application:

1. Affordable Housing (X-§ 305.5(g)). Of the 183 units proposed for the PUD, 61 units shall be replacement units for the Lincoln Heights and Richardson Dwellings communities. Further, approximately 168,100 square feet of gross floor area shall be devoted to households with incomes not exceeding 60% of MFI and approximately 97,300 square feet of gross floor area shall be devoted to households with incomes at 30% of MFI. The mix of units for the PUD shall include 32

three-bedroom units, 6 four-bedroom units, and 2 five-bedroom units in order to accommodate families.

2. Employment and Training Opportunities (X-§ 305.5(h)).
 - a. First Source Agreement. Prior to the issuance of a building permit, the Applicant shall enter into a First Source Employment Agreement with the Department of Employment Services (“DOES”), which requires that the Developer use DOES as its first source for recruitment, referral and placement of new hires or employees for the new jobs created by the project, and will hire 51% of District of Columbia residents for all new jobs created; and 51% of apprentices employed in connection with the project shall be District residents registered in programs approved by the District of Columbia Apprenticeship Council.
 - b. Certified Business Enterprise (“CBE”) Agreement. Prior to the issuance of a building permit, the Applicant shall enter into a CBE Agreement with the District Department of Small and Local Business Development to ensure that a preference is made to District-based firms pursuing District government issued procurement opportunities. In accordance with the CBE Agreement, the Developer shall expend funds contracting and procuring goods and services from CBEs in the amount equivalent to no less than 35% of the Adjusted Development Budget for the project.
 - c. Job Fair. Prior to the issuance of a building permit for the PUD, the Applicant shall host a job fair for residents of the Deanwood neighborhood and the Lincoln Heights and Richardson Dwelling communities. After construction of the project has begun, and prior to the issuance of a certificate of occupancy for the PUD, the Developer shall host two additional job fairs for residents of the Deanwood neighborhood and the Lincoln Heights and Richardson Dwelling. The job fairs shall include applications for training and employment opportunities related to the construction and operation of the PUD.
3. Environmental Benefits (§ 305.5(k)). The PUD shall meet the requirements of the *Enterprise Green Communities* standard for residential buildings. It shall employ environmentally sustainable strategies as called for in the Green Communities standard such as high efficiency mechanical systems, lighting, and windows; low flow plumbing systems; and energy star appliances; low emitting and recycled construction materials; pervious pavement; an extensive upper green roof and an

intensive green roof at the courtyard. The Applicant shall promote a healthy environment for the buildings' residents by using safe non-toxic materials and properly ventilated spaces to prevent exposure to mold and other contaminants.

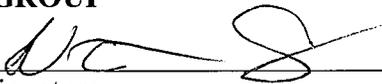
4. Uses of Special Value to the Neighborhood or the District as a Whole ((§ 305.5(q)).

- a. Retail Tenant Search. The Applicant agrees to have a grocery store retailer as a primary focus of its retail tenant search. In the event the Applicant cannot attract a grocer to the Property, the Applicant agrees to market a portion of the retail space to a drug store and/or a fast casual restaurant.
- b. Space for Local Business. The Applicant shall set aside approximately 1,200 square feet of the ground floor retail/commercial space for neighborhood serving retail or services, with preference being given to a business or organization owned and/or operated by a Ward 7 SBE or CBE.
- c. Community Benefits Fund. Prior to the issuance of a building permit for the project, the Applicant shall have entered into an agreement for the creation of a community benefits fund (the "Fund"). The purpose of the Fund is to provide grant monies and/or loans to fund façade improvements to buildings and business within the boundaries of ANC 7C. Under the agreement the Applicant shall contribute \$100,000 to the Fund. Said contribution may be paid in either a lump sum or in three (3) annual payments of \$33,333 per year. The initial payment to the fund shall occur prior to the issuance of a building permit for the project.
- d. Community Leadership Meetings. The Applicant shall meet monthly with community leadership to discuss updates on the development. The community leadership includes residents in proximity to the Property and organizations within the boundaries on ANC 7C, including but not limited to representatives of the Lincoln Heights, Richardson Dwellings, and Deanwood communities. The agenda, minimally, will cover updates on the following:
 - i. Construction
 - ii. Employment
 - iii. Retail Tenant Selection Process
 - iv. Community Benefits Fund

As part of its on-going engagement with community leadership, the Applicant is committed to the following:

- In order to be transparent in the commercial tenant selection process, share the decision criteria, process and financial data used for soliciting and selecting commercial and retail tenants.
- Solicit retail requirements from community leadership prior to entering any formal selection process for commercial and retail tenants.
- Collaborate with community leadership during the status meetings to brand, or name the new property.
- Work with CBEs and community leadership to meet and exceed the hiring requirements under the First Source Agreement.

THE WARRENTON GROUP

By: 
Signature

Warren C. Williams
Printed Name

Its: President + CEO

DEANWOOD CITIZENS ASSOCIATION

By: 
Signature

Jamar Wells
Printed Name

Its: V.P. Deanwood Citizens Association