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June 4, 2009

VIA HAND DELIVERY

National Capital Planning Commission
401 9th Street, NW
North Lobby, Suite 500
Washington D.C. 20004

Re: Response to Letters Filed by the Department of Navy and the U.S. Marine Corps and Regarding Case Nos. 03-12G/03-13G and 03-12H/03-13H

Dear Members of the Commission:

On behalf of Capper/Carrollsbury Venture, LLC, together with the District of Columbia Housing Authority ("DCHA") (collectively the "Applicant"), we are writing in response to the letter filed by the Department of Navy (the "Navy"), dated June 1, 2009, and the letter filed by the U.S. Marine Corps (the "Marines"), dated June 3, 2009.

The Applicant hereby agrees to the modification proposed by the Navy. Thus, the Applicant will request that the Zoning Commission revise condition "a" identified in the Applicant's June 1st letter to read as follows:

- a. The Applicant will enter into an agreement with the Navy and/or Marine Corps to permit the Navy and/or Marine Corps to install and maintain surveillance cameras on the roof(s) of the proposed building(s) at the sole expense of Navy and/or Marine Corps.

As indicated in the Navy's letter, since the Applicant has agreed to modify the language of proposed condition "a," the Navy will withdraw its opposition if the Zoning Commission adds these conditions to the zoning approval.

ZONING COMMISSION

District of Columbia

CASE NO.

EXHIBIT NO.

03-12/03-13 H
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With respect to the Marines' letter, the Applicant requests that NCPC recommend favorably on the modifications requested. As noted in the Applicant's June 1st letter, the Applicant has met with the Marines a number of times in the past two months to address the concerns raised in the Marines' letter. Based on these discussions, the Applicant drafted and submitted to the Marines a proposed Memorandum of Understanding that included the conditions listed in the Applicant's June 1st letter to address their stated security concerns. Prior to the submission of the Marines' letter today, the Applicant understood that the parties had reached agreement and that the proposed conditions addressed the Marines' security concerns. In fact, nothing in the Marines' June 3rd letter indicates why the Applicant's proposed conditions are unacceptable, or what remaining security concerns the Marines have.

The Marines, beyond the scope of the proposed modifications which are the subject of this pending application, have requested a delay to accommodate their entirely new planning initiative. However, the Applicant's property is owned by DCHA and is subject to a zoning approval granted pursuant to Z.C. Order No. 03-12/03-13, with NCPC's favorable recommendation, which was issued and became final and effective on October 8, 2004, and authorizes the development the Applicant's site. Such a delay will result in significant damages to the Applicant and this major Hope VI redevelopment project. As noted in the letter prepared by DCHA and attached hereto as Exhibit A, any further delay will:

1. Delay implementation of the PILOT financing which funds the infrastructure for the entire development and will effectively bring the project to a halt because no further infrastructure for any component can be started. The next 3 squares, which includes the 2nd phase of the townhomes (163 units), have 2nd stage approval and have been designed. Commencement of construction depends on prompt installation of infrastructure.
2. The PILOT financing also funds the vertical construction of the Community Center, the permit date and start date for which are conditions of the PUD order. This will delay the design and construction of the Community Center which was a critical issue in the approval.
3. The marketing of the office building will be delayed until the 2nd stage PUD is approved because potential tenants need definitive parameters regarding building size and design before committing to lease obligations.
4. Capper is the largest Hope VI project in the nation that incorporates 1:1 replacement public housing units. Of the 707 original public housing units, we have completed 315 units. An additional 36 units are under construction in the remainder of the 1st phase of the townhouse component. The remaining 356 public housing units would be delayed while awaiting a new planning study.

Finally, with respect to the notice issue, the notice required pursuant to the Zoning Regulations was properly provided. Section 3015.3(a) of the Zoning Regulations requires the Office of Zoning to mail a copy of the hearing notice at least 40 days prior to the hearing to owners of property within 200 feet of the property included in the application. As shown on the

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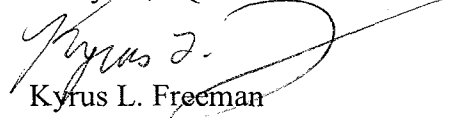
map attached hereto as Exhibit B, the 200 foot radius included both the Washington Navy Yard and the Marines' site. A copy of the D.C. Office of Tax & Revenue records for Squares 801, 881 and 881W and a roster of property owners indicating which property owners are included within such 200 foot radius, and, thus to whom notice was sent is also attached at Exhibit B. In addition, the Office of Zoning published notice of the public hearing in the D.C. Register on January 23, 2008 in accordance with Section 3015.2. The Applicant also posted notice of the hearing on Square 882, including on the L Street frontage, on February 2, 2009 in accordance with Section 3015.2. Thus, proper notice as required pursuant to the Zoning Regulations was provided.

Thank you for your consideration of this matter. The Applicant looks forward to the NCPC's and the Zoning Commission's favorable consideration of this application.

Sincerely,



Wayne S. Quin



Kyros L. Freeman

cc: A.H. Smith, United States Marine Corps
John A. Sears III, Department of the Navy
D.C. Zoning Commission
Steve Cochran, D.C. Office of Planning

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