

CAPPER / CARROLLSBURG VENTURE

December 30, 2013

Zoning Commission of the
District of Columbia
441 4th Street, N W
Suite 210S
Washington, DC 20001

Re Time Extension Request For Squares 739, 767, and 768-
Zoning Commission Order No 03-121/03-131

Dear Members of the Zoning Commission

Capper Carrollsburg Venture, LLC ("CCV") is the development partner with the District of Columbia Housing Authority ("DCHA") and together we are working to revitalize the former Capper and Carrollsburg public housing communities. When complete, the new Capper/Carrollsburg redevelopment will include over 1700 new residential housing units (including a 1:1 replacement of the original 707 Public Housing units), three office buildings totaling 700,000 square feet of commercial space, a new 28,500 square foot Community Center, approximately 50,000 square feet of retail space and improvements to and replacement of the existing infrastructure network throughout the project.

In conjunction with our request for a time extension for the final three components within the PUD, I have been asked to summarize our accomplishments and investments to date, and to provide the status of components that are in the planning stages.

The first component completed was the Capper Senior building on Square 880. This 162-unit senior building was completed and fully occupied in 2006. All 162 units in the building are replacement Public Housing units. This building was completed first so that existing senior residents living at the original senior building at 601 L Street, SE could relocate directly from that building into the new Capper Senior building without having to move into temporary living arrangements during the construction period. Infrastructure improvements were also completed to accommodate the new building, both at the streetscape and underground utilities.

The second building completed was the 400 M apartment building on Square S-825. This building contains 138 apartment units, all of which are replacement Public Housing units. This building was completed and fully occupied in 2007. Again, corresponding infrastructure improvements were completed at the streetscape and below grade with utility upgrades and improvements.

As these two components moved forward, DCHA applied for and obtained additional funding from the federal and District governments. In 2006, DCHA received authorization from the Mayor and City Council to issue a public infrastructure bond required to repair or replace the underground infrastructure and streetscape, demolish existing structures, prepare parcels for redevelopment, and to provide for community amenities. Additionally, DCHA obtained federal stimulus funds to jumpstart construction or fill financing gaps where required.

After construction of the Capper Senior I and 400 M Street, CCV and DCHA partnered with a private homebuilder, EYA, to build seven squares of mixed-income townhouse product. The value of the land for the market-rate and workforce units was used to help finance the construction of the lower-income units. From 2008 through 2012, 323 townhome units were completed on Squares S-825, 825, 824, 797, 798, 799 and 800. Of the 323 units, 86 units are replacement Public Housing units, 83 workforce for-sale units and 154 market rate for-sale units. All townhouse units are designed to blend seamlessly into the neighborhood fabric of the streetscape. Significant new underground utilities were constructed to serve these units and to upgrade the existing utilities in the area.

Just recently, we have permitted and completed the financial closing for the apartment building to be constructed on the northern portion of Square 882. The building contains 195 apartment units, of which 39 are replacement Public Housing units and 156 are market rate apartment units. Completion and occupancy of this component will occur in the third quarter of 2015. Similar to the financing model used with the townhome development, the value of the land attributable to the market rate units was used to help finance the construction of the Public Housing units. A portion of the aforementioned Stimulus funds and public infrastructure bonds will fund the requisite infrastructure improvements including the construction of 6th Street connecting L Street and M Street.

Construction of the 28,500 square foot Community Center will commence in 2014, also. The building permit has been procured and a Contractor is finalizing the value engineering and predevelopment prior to mobilizing for construction. Financing of these improvements were included in the scope of work contained in the public improvement bonds procured by DCHA in 2006. Delivery of the facility and the start of programming is scheduled for the summer of 2015.

The planning, development, construction and implementation of the improvements outlined above and the planning and predevelopment of the remainder of the Capper PUD including the northern portion of Square 769 and the southern portion of Square 882 (both of which have previously received 2nd stage PUD approval) has required a substantial investment of time, money and resources. To date, over \$292,000,000 has been invested at Capper and it has produced over 800 residential units and the requisite utility improvements and upgrades. Of the 707 replacement Public Housing units, 398 units are completed and occupied and 39 units are currently under construction. With the approval of this extension request, we will continue to plan and develop the remaining 270 Public Housing units throughout the remaining Capper components to ensure the 1:1 replacement of the original Public Housing units.

Sincerely,

A handwritten signature in black ink, appearing to read 'Daniel McCabe', written over a horizontal line.

Daniel McCabe
Senior Development Partner