



December 23, 2013

District of Columbia Zoning Commission
441 4th Street, N W., Suite 200
Washington, DC 20001

**Re: DCHA and Capper/Carrollsbury Venture, LLC -
Time Extension Request for Squares 739, 767 and 768
Zoning Commission Order 03-12I/03-13I**

Dear Members of the Commission:

This letter is in support of the request from DCHA and Capper/Carrollsbury Venture, LLC for a five-year extension of the first stage approval for Squares 739, 767 and 768

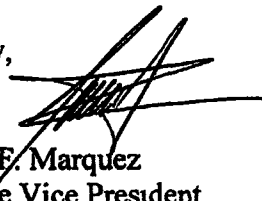
I am Executive Vice President at EagleBank, a local community business bank with eighteen offices in Montgomery County, Maryland; Northern Virginia and Washington DC. The bank focuses on providing superior customer service and financial solutions for the local business community. The bank has \$3.4 billion in assets and multiple consecutive quarters of increasing profits through September of 2013.

EagleBank has a very good and long standing relationship with the owners of Capper/Carrollsbury Venture, LLC. It is familiar with the Capper/Carrollsbury redevelopment and has had many discussions with Urban Atlantic about the residential development throughout the Capper PUD.

While EagleBank is certainly interested in committing funding for this project in the future, we are not yet willing to do so. Although a number of development projects have been able to secure financing in the Washington, DC area, the multi-family sector has continued to face uncertainty. The Washington DC market will be hit with an influx of new rental product in the next 6-18 months, especially in the submarkets in and around SE. This raises concerns about vacancy rates, concessions and absorption. That coupled with uncertainty about interest rates and the economy are making us want to wait and see how the market absorbs the new supply before moving forward with additional financing.

After reviewing the initial underwriting it is our recommendation that additional time to prove out the market and realize the goals of DCHA and Capper/Carrollsbury Venture would be greatly helpful in making this a successful development for all parties, and we therefore support the request for an extension of this approved project.

Sincerely,


Antonio E. Marquez
Executive Vice President

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