

RESOLUTION 19-06

TO APPROVE ALLOCATION OF UP TO FIVE (5) PROJECT BASED VOUCHERS TO CAPPER SQUARE 769N AND AUTHORIZE EXECUTION OF OTHER RELATED DOCUMENTS FOR CAPPER SQUARE 769N

WHEREAS, the District of Columbia Housing Authority (“DCHA”) authorized the Resolution 15-18 on July 8, 2015 to submit the Mixed Finance Development Proposal to HUD and other Related Matters to effectuate the transaction known as Capper Square 769N;

WHEREAS, Capper Square 769N is a 10-story mixed-income, mixed-use building with 143 market rate and 36 affordable residential units. There are two separate condominium projects which achieved financial closing in February 2017 and are close to construction completion;

WHEREAS, Square 769N is one building with two condominium project owners and separate permanent loan financing. The market condominium is financed with permanent loan product from CitiBank, backed by Freddie Mac and a preferred equity contribution obtained through the EB-5 program. The affordable condominium is financed with Housing Production Trust Fund and Low Income Housing Tax Credit equity. No public housing capital funds are used in this development;

WHEREAS, the ACC operating subsidy is the trigger for Davis-Bacon, and the removal of public housing funds by eliminating the ACC on the 36 affordable units would be expected to eliminate the Davis Bacon requirements on the market rate project;

WHEREAS, in order to serve extremely low- and very low-income households at Square 769N, DCHA would need to commit up to five (5) Project-Based Vouchers (PBV) to operate the 36 affordable units, and the units would be operated under the same overall rules that govern the other federally assisted low-income units at the other Capper developments;

WHEREAS, the 36 affordable units will be operated as the other federally assisted public housing units at the other Capper developments and will be required to continue to meet the Low Income Housing Tax Credit requirements that the units be available for households with incomes at or below 60% of AMI;

WHEREAS, DCHA has obtained HUD approval to convert the 36 units from public housing (ACC) to 36 affordable units, to terminate the Mixed-Finance Amendment to the Annual Contributions Contract, and to amend and restate the Regulatory and Operating Agreement, and to amend other associated documents;

WHEREAS, the 8 PBV units will provide slightly more subsidy in the form of rental assistance for all 36 units than the operating subsidy under the public housing program. If the PBV subsidy is not sufficient then cash flow from the market rate units

**Resolution 19-06
To Approve the Allocation of Up to Five) Project-Based
Vouchers to Capper Square 769 and to Authorize
Execution of Other Related Documents for Capper
Square 769N**

will be used to subsidize the affordable units; and

WHEREAS, in March 2018, the Board of Commissioners adopted Resolution 17-32 which authorized the allocation of PBV's to DCHA Redevelopment Projects Barry Farm, Bruce Monroe/Park Morton and Kenilworth. Ninety (90) PBV's were allocated to Bruce Monroe/Park Morton. Up to five (5) of the 90 PBV for Bruce Monroe/Park Morton will be reallocated to Capper Square 769N.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of DCHA hereby approves the allocation of up to five (5) Project Based Vouchers to the Capper Square 769N development, and in accordance with the HUD approval, authorizes the Executive Director to execute the documents necessary to convert the 36 units from public housing to 36 affordable units, with 5 of the 36 units to be subsidized with Project Based Vouchers; and

NOW THEREFORE BE IT FURTHER RESOLVED, all 36 units will be operated under the same overall rules that govern the other federally assisted low-income public housing units.

ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 10th day of April, 2019.

ATTEST:

APPROVED:

Tyrone Garrett
Executive Director/Secretary

Neil Albert
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Kenneth Slaughter
General Counsel