

RESOLUTION 17-34

TO AUTHORIZE ENERGY CAPITAL IMPROVEMENT PROGRAM (ECIP) PHASE 2 FINANCING

WHEREAS, pursuant to Resolution 16-04, the DCHA Board of Commissioners authorized the implementation of ECIP, a comprehensive energy program, which entailed comprehensive deployment of energy conservation measures ("ECM"s) to achieve: 1) replacement upgrading and modernization of aging equipment and infrastructure; 2) reduction of energy consumption and costs; 3) reduction of costs of operations, emergency repair and maintenance; 4) production of clean renewable energy including solar; 5) installation of cutting-edge technology such as fuel cells; 6) reduction of carbon; 7) increase in DCHA staff and client capabilities; and 8) implementation of a model resident engagement and support program;

WHEREAS, Resolution 16-04 further authorized financing for ECIP 2, on terms more particularly set forth therein, including:

- ECIP 2 -Projected amount: \$104 million (including \$87 million to fund ECIP 2 ECMs, and \$17 million to refinance the remaining principal balance of the ECIP 1 financing).
- Interest rate: 3.68%
- Equipment lease term: Twenty (20) years
- Lien/Security Interest: None (on real or personal property)

WHEREAS, upon consideration of DCHA's comprehensive energy programming needs and costs, and portfolio needs, DCHA staff has determined that it would be advisable to make changes to the ECIP 2 financing structure, as follows;

DCHA will enter into several equipment leases, similar in form to ECIP 1 to facilitate multi-tranche equipment financing upon the following revised business terms:

- ECIP 2 - Projected aggregate amount: Up to \$89.4 million (including \$3.6 million to refinance the remaining principal balance of the ECIP 1 debt)
- First tranche amount: \$30 million
- First tranche Interest rate: 4.05%* for the initial project cost
- Equipment lease term: One (1) (Each applicable equipment lease will have a term of one (1) year, renewable for every year of the 12-year financing term)
- Subsequent tranche aggregate amount: Up to \$54.9 million
- Subsequent tranche Interest Rate: $\leq 4.05\%$ (*Grant Management has agreed that if it cannot provide a rate $\leq 4.05\%$, then DCHA shall have no obligation to enter into any agreement for any future tranche.)
- Lien/Security Interest: None (on real or personal property)

RESOLUTION 17-34

To Authorize Implementation of
Energy Capital Improvement
Program (ECIP) Phase 2;
And Related Financing

WHEREAS, ECIP 2's comprehensive deployment of energy conservation measures ("ECM"s) will provide: 1) replacement, upgrading and modernization of aging equipment and infrastructure; 2) reduction of energy consumption and costs; 3) reduction of costs of operations, emergency repair and maintenance; 4) production of clean renewable energy including solar; 5) reduction of carbon; 6) increase in DCHA staff and client capabilities; and 7) implementation of a model resident engagement and support program;

WHEREAS, DCHA would renew and/or extend certain contracts that it entered into in connection with ECIP 1 to implement ECIP 2 pursuant to HUD Guidance, which provides that "...[a]n existing EPC [energy performance contract, such as the ECIP 1 Equipment Lease, and DCHA's contract with ThinkBox, LLC for measurement and verification services] may be extended without the re-procurement of energy performance contractors for only those specific projects included in the original EPC and provided that there are additional energy conservation improvements added." *Guidance on Energy Performance Contracts, PIH Notice 2011-36* (July 8, 2011);

WHEREAS, in addition to the preliminarily negotiated business terms, DCHA will ensure a structure that could accommodate to the greatest extent possible any future re-engineering, or financial repositioning of DCHA's portfolio, including, for example, a conversion under HUD's Rental Assistance Demonstration program; and

WHEREAS, the Board of Commissioners hereby finds and determines that the adoption of this Resolution is in the best interests of the public that is served by DCHA.

NOW, THEREFORE, BE IT RESOLVED, That the Board of Commissioners of DCHA does hereby adopt this Resolution 17-34 to amend its authority under Resolution 16-04, and to authorize: (i) the implementation of DCHA's ECIP 2 plan, altered as necessary and advisable to address DCHA's comprehensive energy programming needs and long term portfolio considerations, and in connection therewith; (ii) the Executive Director to negotiate and enter into such term sheets, financing documents and arrangements as may be required, on such terms as the Executive Director may deem necessary and advisable, consistent with revised business terms set forth in this resolution (including with respect to any subsequent tranche of financing, whether with Grant Capital Management or such other financing party as DCHA shall identify or procure); (iii) the Executive Director to take, or cause to be taken such other steps as shall be necessary to implement ECIP 2, and undertake the required financing, including execution and delivery of required program and/or financing documents, consistent with this resolution and DCHA's MTW authority; and (iv) the Executive Director to execute such renewals and/or extensions of contracts related to ECIP 1 as are necessary to implement ECIP 2, including, in particular, DCHA's contracts with ThinkBox, LLC for ECM construction and commissioning management (during construction 2017-2019) and ongoing measurement and verification services (post

RESOLUTION 17-34

**To Authorize Implementation of
Energy Capital Improvement
Program (ECIP) Phase 2;
And Related Financing**

construction), in an aggregate amount not to exceed Fifteen Million Dollars (\$15,000,000.00), over the twelve-year duration of ECIP 2;

AND BE IT FURTHER RESOLVED, That except as expressly amended by this resolution, the authority under Resolution 16-04 remains in full force and effect, unaffected hereby.

ADOPTED by the Board of Commissioners and signed in authentication of its passage the 13th day of December 2017.

ATTEST:

APPROVAL:

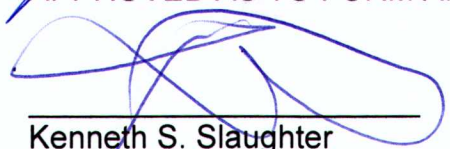


Tyrone Garrett
Executive Director/Secretary



Neil Albert
Chairman

APPROVED AS TO FORM AND SUFFICIENCY:



Kenneth S. Slaughter
General Counsel

RESOLUTION

17-34