

RESOLUTION 19-08

To Approve the Use of Local Subsidies to Support the Creation of Affordable Housing in the District of Columbia for the Providence Place New Communities Initiative Project

Summary

The purpose of this resolution is to approve District of Columbia Housing Authority (“DCHA”) operating subsidies for FY 2019, under the Local Rent Supplement Program (“LRSP”) for projects through Deputy Mayor for Planning and Economic Development (“DMPED”) for the Providence Place project under the New Communities Initiative (“NCI”).

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TO APPROVE THE USE OF LOCAL AND FEDERAL SUBSIDIES TO SUPPORT THE CREATION OF AFFORDABLE HOUSING IN THE DISTRICT OF COLUMBIA FOR THE PROVIDENCE PLACE NEW COMMUNITIES INITIATIVE PROJECT

WHEREAS, the District of Columbia Housing Authority (DCHA) seeks to increase the supply of affordable housing in the District of Columbia;

WHEREAS, the 2019 Budget adopted by the Council of the District of Columbia and approved by the Congress authorized \$875,000 of project-based Local Rent Supplement Program (LRSP) funds specifically for New Communities Initiative (NCI) projects;

WHEREAS, on January 18, 2018, District of Columbia Council approved the Office of the Deputy Mayor for Planning and Economic Development (DMPED) to enter into a Development Loan Agreement for \$9,500,000 to fund the development of the Providence Place project located in the Deanwood neighborhood of Northeast, Washington, DC; DMPED plans to provide an additional \$300,000 in NCI capital funding;

WHEREAS, the Providence Place project is proposed to include one four-story 93-unit building with one, two, three- and four-bedroom units for residents making 60 percent of the area median income; there will be 35 replacement units set aside for residents of Lincoln Heights/Richardson Dwellings;

WHEREAS, DMPED and the developer have advised that they wish to pursue NCI LRSP project-based operating subsidy for the Providence Place project;

WHEREAS, DCHA has performed the initial underwriting of the Providence Place project, and based on this review, and operating in collaboration with DMPED and the lender, Wells Fargo, and other entities, DCHA seeks to pursue approval of the allocation of LRSP NCI operating funds for this project. The bond and tax credit financial closing is currently anticipated for April, 2019;

WHEREAS, based on its review, DCHA has recommended an allocation of DCHA operating subsidies from the NCI designated LRSP for 35 replacement units at the Providence Place project; said units will serve families with incomes up to 30% of area median income;

WHEREAS, the award of DCHA LRSP operating subsidy pursuant to this Resolution is subject to final underwriting and review by DCHA and the satisfaction by the developer of the LRSP program requirements; and

WHEREAS, DCHA also seeks to authorize any required submissions to the

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Council of the District of Columbia and to obtain any required regulatory approvals as necessary.

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of DCHA hereby authorizes the use of Local Rent Supplement Program Project/Sponsor-Based assistance operating subsidies for up to 35 replacement units at the Providence Place project; such amount shall be provided pursuant to the funds specifically allocated by the Council of the District of Columbia for NCI projects and any conditions identified in the DCHA notice of award.

BE IT FURTHER RESOLVED, the Board of Commissioners hereby authorizes the Executive Director of DCHA to take all such action, to execute all such required documents, and to make any required submissions to the Council of the District of Columbia and any other required submissions.

BE IT FURTHER RESOLVED, such award is subject to final underwriting and review by DCHA, the satisfaction by the developer of the program requirements, and any conditions identified in any DCHA notice of award.

ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 13th day of March, 2019.

ATTEST:

APPROVED:

Tyrone Garrett
Executive Director/Secretary

Neil Albert
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Kenneth Slaughter
General Counsel