

RESOLUTION 19-11

To Approve the Removing the Mixed Finance Amendment to the Annual Allocations Contract and Authorize the Execution of Other Related Documents for Capper Square 769N

Summary

The purpose of this resolution is to approve the District of Columbia Housing Authority (“DCHA”) removing the Mixed Finance Amendment to the Annual Allocations Contract (“ACC”) on the 36 affordable units at Square 769N. The units will be operated as public housing although no federal ACC operating subsidy will be provided by DCHA.

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TO APPROVE REMOVING THE MIXED FINANCE AMENDMENT TO THE ANNUAL ALLOCATIONS CONTRACT AT 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 three separate condominium projects which achieved financial closing in February 2017 and have achieved construction completion;

WHEREAS, Square 769N is one building with three condominium project owners and separate permanent loan financing. The market/retail condominiums are 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 the construction of this development;

WHEREAS, ACC operating subsidy triggers applicability of 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, it is proposed that DCHA amend and the project owner remove the Mixed Finance Amendment to the Annual Contributions Contract to operate the 36 affordable units; however, in order to serve extremely low and very low income households at Square 769N, the units would be operated under the same overall rules that govern the other federally assisted low-income public housing 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 and Housing Production Trust Fund requirements that the units be available for households with incomes at or below 50% of AMI;

WHEREAS, DCHA has obtained HUD approval 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;

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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**

WHEREAS, the affordable condominium will accept the tenant rents (based on thirty percent (30%) of the tenant's income and any other tenant based subsidy (e.g. tenant based voucher) presented. If the affordable rental component does not generate sufficient revenue, then cash flow from the market rate units will be used to subsidize the affordable units; and

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of DCHA hereby approves removing the Mixed Finance Amendment to the Annual Contributions Contract, and in accordance with the HUD approval, authorizes the Executive Director to execute the related documents to operate the units as public housing without the federal ACC operating subsidy.

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 8th day of May, 2019.

ATTEST:

APPROVED:

Tyrone Garrett
Executive Director/Secretary

Neil Albert
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Kenneth Slaughter
General Counsel