

## RESOLUTION 10-36

### TO AUTHORIZE USE OF WACHOVIA LINE OF CREDIT TO FUND AN \$800,000 BRIDGE LOAN FOR THE ST. MARTIN'S MIXED FINANCE PROJECT

WHEREAS, in December 12, 2007, the DCHA Board of Commissioners adopted a resolution authorizing a loan of up to \$4 million in Replacement Housing Factor Funds (RHF), the submittal of a mixed finance application to HUD, and the allocation of ten housing choice vouchers to the St. Martin's Apartments project; and

WHEREAS, the St. Martin's Apartments project would not have been able to close on financing necessary to complete the redevelopment unless and until all of the available affordable housing redevelopment rights (AHDR) from CCS Housing-Inc. had been optioned or sold; and

WHEREAS, in order to complete the project and maintain the level of affordable housing envisioned, an additional \$800,000.00 is required which will be supported by control of the AHDR; and

WHEREAS, the Board of Commissioners previously approved a loan from DCHA's replacement housing factor funds; and

WHEREAS, it is proposed that the \$800,000 loan be funded by a bridge loan by DCHA from its existing line of credit with Wachovia Bank; and

WHEREAS, the purchase price of \$800,000 is potentially lower than the value of said AHDRs, thereby providing an opportunity for economic benefit; and

WHEREAS, the second equity payment to the project in the amount of approximately \$8 million is conditioned upon full capitalization of the project's ownership entity; and

WHEREAS, this \$800,000 is required to fully capitalize the ownership entity; and

WHEREAS, CCS Housing-Inc. will pay to DCHA all carrying costs associated with this bridge loan until such time as all the principal has been repaid; and

WHEREAS, upon the approval of by HUD of the use of the replacement factor funds, the bridge loan from the Wachovia Bank line of credit will be repaid in full;

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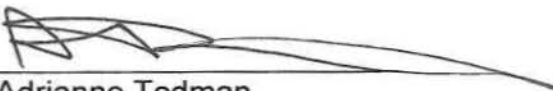
Authorize Use of Wachovia Line  
of Credit to Fund an \$800,000  
Bridge Loan for the St. Martin's  
Mixed Finance Project

NOW THEREFORE BE IT RESOLVED that the Board of Commissioners of the District of Columbia Housing Authority authorizes the use of the Authority's existing Wachovia line of credit to make a bridge loan to CCS Housing Inc for \$800,000 at an interest rate of 125 basis points plus the thirty day LIBOR rate, or such rate as Wachovia may charge DCHA from time to time.

ADOPTED, by the Board of Commissioners and signed in authentication of its passage the 10<sup>th</sup> day of November, 2010.

ATTEST:

APPROVAL:



Adrienne Todman  
Interim Executive Director/Secretary



LaRuby May  
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:



Hans Froelicher  
General Counsel