

RESOLUTION 16-04

TO AUTHORIZE IMPLEMENTATION OF ENERGY CAPITAL IMPROVEMENT PROGRAM (ECIP) PHASE 2; AND RELATED FINANCING

WHEREAS, pursuant to Resolution 05-38, District of Columbia Housing Authority (“DCHA”) submitted to the US Department of Housing and Urban Development (“HUD”) its plan to launch a comprehensive energy improvement conservation program covering approximately 7,000 units, at thirty-eight (38) of DCHA’s public housing properties (“ECIP 1”);

WHEREAS, ECIP 1 tapped private financing to support: construction of energy improvements; and upgrades and modernization of equipment and infrastructure, with the objectives: (i) to reduce DCHA energy consumption cost, as well as costs associated with maintenance and emergency repairs; and (ii) to build DCHA staff capacity;

WHEREAS, to date ECIP 1 has achieved \$7,000,000 in annual cost savings;

WHEREAS, pursuant to Board of Commissioners Resolution 07-20, DCHA’s subsidiary and instrumentality Construction Services Administration, LLC (“CSA”) has served the energy services company (“ESCO”), responsible for actual implementation of ECIP 1, thereby expanding DCHA staff capacity;

WHEREAS, pursuant to Board of Commissioners Resolution 07-19, DCHA financed the cost of the ECIP 1 improvements by entering into an Equipment Lease/Purchase Agreement with First Municipal Credit Corporation;

WHEREAS, pursuant to Board of Commissioners Resolution 15-12, DCHA submitted to HUD its application for approval of its Energy Capital Improvement Program – Phase 2 (“ECIP 2”) plan, and, on October 6, 2015, HUD notified DCHA that it had requisite authority under its Moving to Work (“MTW”) Agreement to implement its ECIP 2 plan;

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) 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, to finance the ECIP 2 plan, DCHA plans enter into an equipment lease arrangement, similar to ECIP 1;

RESOLUTION 16-04

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

WHEREAS, has preliminarily negotiated the basic business terms of a tax exempt lease purchase with Grant Capital Management (successor company to First Municipal Credit Corp.), as follows:

- 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)
- Term: Twenty (20) years
- Interest Rate: 3.68%* (*If closing were today. Actual rate will be based on industry standard indices, and set at closing).
- Security Interests on DCHA Property: None;

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;

WHEREAS, CSA is positioned to continue to perform services as ESCO, and would continue to do so in connection with ECIP 2; 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 16-XX to authorize: (i) the implementation of DCHA's ECIP 2 plan, 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 basic business terms set forth in this resolution and the applicable requirements of DCHA's Moving to Work ("MTW") authority; and (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 .

Page 3

RESOLUTION 16-04

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

ADOPTED by the Board of Commissioners and signed in authentication of its
passage the 9^h day of March 2016.

ATTEST:

APPROVAL:

Adrienne Todman
Executive Director/ Secretary

Terri Thompson
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Kenneth S. Slaughter
General Counsel

{0016211 -}