

RESOLUTION 10-38

TO AUTHORIZE THE SALE OF LAND AND THE ALLOCATION OF 38 ACC-ASSISTED UNITS TO A PROJECT UNDERTAKEN BY SQUARE 882 LLC, AN ENTITY ESTABLISHED BY THE DISTRICT OF COLUMBIA HOUSING AUTHORITY FOR THE PURPOSE OF OWNING THE 195 MULTIFAMILY RENTAL UNITS ON SQUARE 882N

WHEREAS, under the District of Columbia Housing Authority Act of 1999, as amended, the District of Columbia Housing Authority (“DCHA”) is empowered and authorized, among other things, (A) to construct, improve, operate, lease, and maintain housing and related facilities for persons of low- and moderate-income, and housing and related facilities for people with disabilities; and housing, community facilities, and other properties intended to support or contribute to the financial viability of such housing and related facilities (“Housing Properties”): (i) owned, operated, or managed by the Authority, or (ii) the development or administration of which is assisted by DCHA, including mixed-income communities; and other improvements related to or supporting any or all of the foregoing; (B) to sell and dispose of real property; (C) to provide grants and loans in connection with the development, construction, operation, leasing or sale of Housing Properties; and (D) to establish nonprofit and for-profit corporations, partnerships, limited liability companies, and other entities to act in furtherance of its purposes; and

WHEREAS, the core mission of DCHA is to provide decent, safe, and sanitary dwellings and related facilities; and

WHEREAS, DCHA and Capper Carrollsburg Venture, LLC (“CCV”), the duly procured developer, have been actively implementing the Capper/Carrollsburg HOPE VI revitalization plan (“Revitalization Plan”); and

WHEREAS, a portion of the Revitalization Plan provides for the financing and construction of 707 replacement public housing units at the site; and

WHEREAS, DCHA has completed construction of 339 of the 707 public housing units required under the Capper Carrollsburg HOPE VI Revitalization Plan and is in predevelopment of an additional 47 public housing units as part of the Capital Quarters Town Homes Phase 2 component; and

WHEREAS, DCHA and CCV propose to combine a FHA insured mortgage loan and a Build America Bond to finance construction of a 195 unit multifamily building on Square 882N (the “Project”), of which 38 units will be public housing units (“ACC-Assisted Units”) and through a DCHA controlled entity, known as Square 882 LLC, to own all of the units and the land on which the units are constructed; and

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And The Allocation of 38 ACC-Assisted
Units To A Project Undertaken By Square
882 LLC, An Entity Established By The
District of Columbia Housing Authority
For The Purpose Of Owning The 195
Multifamily Rental Units On Square 882

WHEREAS, DCHA is the owner of the land located at 700 block of L Street, SE (the "Land") upon which the Project is to be constructed and desires to sell the Land to Square 882 LLC at a price of approximately \$10,170,000 (an amount equal to the fair market value thereof determined by a third party appraiser and approved by HUD) with the purchase price paid by Square 882 LLC by delivery of a promissory note in the amount thereof secured by a second mortgage subordinate to the mortgage granted to secure the FHA insured loan; and

WHEREAS, at the invitation of the HUD Multifamily division, DCHA as sponsor and Square 882 LLC as borrower submitted an application for a firm commitment of a FHA insured non-recourse mortgage loan in an amount of \$46,241,900 to finance the Project; and

WHEREAS, Square 882 LLC will grant a mortgage on the entire Project to the FHA lender to secure the FHA insured loan; and

WHEREAS, the Build America Bonds will be revenue bonds issued by the District of Columbia Housing Finance Agency and payable solely from a GNMA mortgage backed security secured by the FHA insured loan made to the Project and will not be an obligation payable by DCHA; and

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the sale of the Land to Square 882 LLC and the allocation of 38 ACC-Assisted Units to the Project which will include UFAS units as required by applicable law.

BE IT FURTHER RESOLVED that the Board of Commissioners hereby authorizes the Interim Executive Director to execute and deliver on behalf of DCHA a purchase contract and deed for the Land, a regulatory and operating agreement with respect to the ACC-Assisted Units and any documents reasonably required in connection therewith and with the financing and the issuance of Build America Bonds as shall be consistent with this Resolution and to take any and all other actions as shall be necessary or desirable to carry out and effectuate the transactions contemplated by this Resolution.

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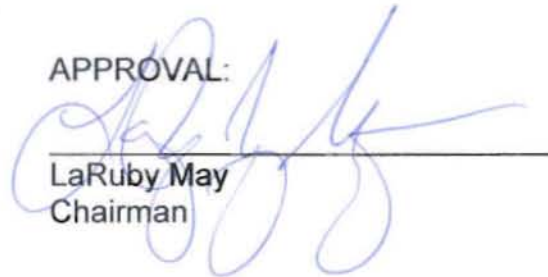
ADOPTED, by the Board of Commissioners and signed in authentication of its
passage on the 10 day of November, 2010.

ATTEST:



Adrienne Todman
Interim Executive Director/Secretary

APPROVAL:



LaRuby May
Chairman

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:



Hans Froelicher
General Counsel