

RESOLUTION 25-30

To Authorize and Obtain A \$15M Line of Credit with KeyBank
to Support Predevelopment Activities in The Bond-Funded Renovation Project

SUMMARY

The purpose of this resolution is to authorize the Executive Director to enter into a Line of Credit with KeyBank for the purpose of funding eligible pre-development expenses associated with the expenditure of the renovations of 19 District of Columbia Housing Authority (DCHA) properties to be funded with the Industrial Revenue Bonds (IRB) previously approved by the Board of Commissioners.

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WHEREAS, the mission of the District of Columbia Housing Authority (DCHA) is to provide quality affordable housing to extremely low- through moderate-income households, foster sustainable communities, and cultivate opportunities for residents to improve their lives; and

WHEREAS, federal and local capital funds that can be used for capital improvements on DCHA's public housing portfolio are severely insufficient to meet all the modernization, rehabilitation, and redevelopment needs of an aging public housing stock in the District of Columbia, and funding priorities for Congress and the budget challenges at the District level pose a challenge to anticipate future capital funding; and

WHEREAS, on February 19, 2025, DCHA through its affiliate nonprofit entity, DC Housing Solutions, Inc., submitted to DMPED an application for Industrial Revenue Bonds with a face value of \$700 Million to modernize up to nineteen public housing properties in DCHA's portfolio; and

WHEREAS, on June 11, 2025, at its regularly scheduled meeting the Board of Commissioners, through Resolution 25-16, ratified the submission of the application for Industrial Revenue Bonds (IRBs) for \$700M to modernize up to 19 public housing properties in DCHA's real estate portfolio to achieve 20-year viability in each of the properties; and

WHEREAS, on July 1, 2025, the City Council of the District of Columbia unanimously authorized the issuance by the Office of the Deputy Mayor for Planning and Economic Development of \$700M in IRBs for the benefit of up to nineteen public housing properties throughout the District of Columbia; and

WHEREAS, Resolution 25-16 was also an "official intent resolution" within the meaning of Section 1.150-2 of the Income Tax Regulations prescribed by the U.S. Treasury Department allowing DCHA will seek reimbursement of such project costs at the financial closing of the IRBs, and DCHA continues to incur pre-development costs associated with the planned modernization project of the 19 identified public housing properties; and

WHEREAS, DCHA staff has calculated the initial pre-development budget for the IRB program to be approximately \$10M for the first nine properties and have projected that the project, will require access of up to \$15M in pre-development funds to support the modernization of the 19 public housing properties; and

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WHEREAS, DCHA has been working with KeyBank on preparing an application to obtain a rating from Standard & Poor's (S&P) for the purpose of demonstrating to investors in the capital markets the credit worthiness and strength of the financial management systems at DCHA with the expectation that a good bond rating will result in reduced interest rates for the IRBs and other future DCHA bond issuances; and

WHEREAS, KeyBank has worked with many housing authorities throughout the nation and created a financing vehicle that is tailored to the financial organization of housing authorities, and KeyBank is the District's key underwriter for the IRBs, and having KeyBank as a financial partner for the Line of Credit improves the lending rates and terms and conditions for the LOC; and

WHEREAS, the Line of Credit will be drawn solely to pay for eligible pre-development costs associated with the 19 public housing properties whose modernization will be funded with IRBs, DCHA's Office of Financial Management (OFM) will manage the Line of Credit and release funds from the LOC solely for costs eligible for reimbursement under the Intent Resolution and authorized solely by the Executive Director.

NOW, THEREFORE, BE IT RESOLVED, the DCHA Board of Commissioners hereby adopts Resolution 25-30 and authorizes the Executive Director to complete negotiations with KeyBank for a Revolving Line of Credit of an amount up to \$15,000,000 (Fifteen Million Dollars) to be used exclusively for IRB eligible pre-development costs and execute all such documents necessary to complete the transaction authorized by this Resolution.

BE IT FURTHER RESOLVED, DCHA's OFM will establish policies and procedures for accessing the funds, ensuring that the cost to be paid with the LOC are eligible for reimbursement from bond proceeds, and ensure an accurate accounting of all disbursed funds.

BE IT FURTHER RESOLVED, that DCHA's Office of General Counsel will negotiate all documents and instruments at such terms and conditions beneficial to DCHA and consistent with best business practices.

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ADOPTED by the Board of Commissioners and signed in authentication of its
passage on the 8th day of October 2025.

ATTEST:

APPROVAL:

Keith Pettigrew
Executive Director

Raymond A. Skinner
Chairperson

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Amy Glassman
Senior Vice President & General Counsel