

A RESOLUTION

22-353

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

December 5, 2017

To declare the existence of an emergency with respect to the need to authorize and provide for the issuance, sale, and delivery in an aggregate principal amount not to exceed \$50 million of District of Columbia revenue bonds in one or more series, and to authorize and provide for the loan of the proceeds of such bonds to assist Provident Group – Howard Center, Inc. and Provident Group – Howard Center, LLC, or either of them, in the financing, refinancing, or reimbursing of costs associated with an authorized project pursuant to section 490 of the District of Columbia Home Rule Act.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Howard Center Revenue Bonds Project Emergency Declaration Resolution of 2017”.

Sec. 2. (a) The Provident Group – Howard Center, Inc., a nonprofit corporation organized and existing under the laws of the District of Columbia and the Provident Group – Howard Center, LLC, a limited liability company organized and existing under the laws of the District of Columbia (“Borrower”), seek to have District of Columbia revenue bonds issued and receive a loan of the proceeds from the sale for the financing, refinancing, or reimbursing of all or a portion of the Borrower’s costs of:

(1) The acquisition from Howard University of long term leasehold interests in the site located at 2225 Georgia Avenue, N.W., comprising approximately 19,769 square feet of land (“Site”), and the use of the acquisition price by Howard University to finance a portion of its capital plan with respect to the facilities on its Main Campus (as defined in Howard Center Revenue Bonds Project Emergency Approval Resolution of 2017);

(2) The renovation of the existing approximately 90,157 square feet building located on the Site into a mix of approximately 165 dormitory and housing units, and functional meeting and event space to be utilized by Howard University;

(3) The purchase of certain equipment and furnishings, all located at the Site, together with other related property, real and personal;

(4) Funding certain working capital costs;

(5) Funding any credit enhancement costs, liquidity costs or debt service reserve fund; and

(6) Paying Issuance Costs and other related costs to the extent permissible.

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(b) The planned financing will make available funds critically needed to finance, refinance, or reimburse the Borrower for costs of the project described in subsection (a) of this section.

(c) H.R. 1, the Tax Cuts and Jobs Act, released by the House Ways and Means Committee on November 2, 2017, proposes to eliminate the exemption of interest from federal income taxes for qualified private activity bonds described in section 141(e) of the Internal Revenue Code, of 1986, as amended, including qualified 501(c)(3) bonds such as the District of Columbia revenue bonds. The effective date of the elimination of the exemption under the proposed legislation is currently December 31, 2017. To ensure that the Borrower is able to benefit from District of Columbia revenue bonds, the issuance date of the bonds needs to occur as soon as possible.

(d) Council approval of the bond resolution authorizing the issuance of up to \$50 million of District of Columbia revenue bonds would permit the revenue bonds to be issued promptly to provide maximum savings for the Borrower and enable the project described in subsection (a) of this section to be completed.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in section 2 constitute emergency circumstances making it necessary that the Howard Center Revenue Bonds Project Emergency Approval Resolution of 2017 be adopted on an emergency basis.

Sec. 4. This resolution shall take effect immediately.