



2018 JUN 14 PM 1:11
OFFICE OF THE
SECRETARY

MURIEL BOWSER
MAYOR

JUN 14 2018

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Dear Chairman Mendelson:

D.C. Official Code § 42-3171.03(a) requires that prior to disposition of PADD properties, there be a public hearing and a 60-day Council review of a proposed resolution of the terms and conditions of the disposition. I have enclosed, for consideration by the Council of the District of Columbia, the Property Disposition Agreement (PDA) between the Department of Housing and Community Development (DHCD) and Equilibrium Realty Investments LLC, to dispose of the property located at Square: 6163; Lot: 0125; also known as 700 Brandywine St. SE, in Ward 8. The developer has proposed to build a minimum of seven 1-2 bedroom units that will be for rent. Fifty percent (50%) of the units will be affordable at or below 120% of the area median income and 50% will be rented at the market rate.

As always, I am available to discuss any questions you may have regarding the Property Disposition Agreement. In order to facilitate a response to any questions concerning this Property Disposition Agreement, please have your staff contact Latrena Owens, Chief of Staff, DHCD at (202) 442-6972.


I look forward to your favorable consideration of this Property Disposition Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written over a vertical line that extends from the word "Enclosures" below.

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Chairman Phil Mendelson, at the request of the Mayor, introduced the following resolution which was referred to the Committee on _____.

To approve the sale of certain District-owned real property located at 700 Brandywine Street, SE, in Washington, D.C., known for tax and assessment purposes as Lot 0125 in Square 6163.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “700 Brandywine Street, SE Disposition Approval Resolution of 2018”.

Sec. 2. (a) Pursuant to section 433(a)(2) of the Due Process Demolition Act of 2002 (D.C. Law No. 14-114; D.C. Official Code § 42-3171.01 *et seq.* (2012 Repl. and 2017 Supp.)) (the “Act”), the Mayor transmitted to the Council a request for Council authority to dispose by means of negotiated sale the District-owned real property located at 700 Brandywine Street, SE in Washington, D.C., known for tax and assessment purposes as Lot 0125 in Square 6163.

(b) The negotiated sale shall be subject to the following terms and conditions, in addition to such other terms and conditions as the Mayor deems necessary and appropriate:

- (1) The Property shall be sold to Developer(s) selected by the Mayor;
- (2) The Developer(s) shall cause the Property to be developed and leased only to Eligible Tenant(s);

1 (3) The Developer(s) shall cause any Affordable Unit(s) developed and leased to
2 be affordable to persons with incomes at or below 120% of the area median income, as specified
3 by the Mayor;

4 (4) The Developer(s) shall enter into a CBE Utilization and Participation
5 Agreement with the District of Columbia Department of Small and Local Business
6 Development (“DSLBD”);

7 (5) The Developer(s) shall enter into a First Source Employment Agreement
8 with the District of Columbia Department of Employment Services;

9 (6) The Developer(s) shall be current on any obligations outstanding to any
10 agency or entity of the Government of the District of Columbia, whether or not related to the
11 disposition or the Property, including all local taxes and charges affecting Developer(s); and

12 (7) The Developer(s) shall be validly organized, existing and in good standing to
13 do business in the District of Columbia.

14 (c) For purposes of section 2:

15 (1) “Affordable Unit(s)” shall mean a unit to be leased to a household whose
16 income is equal to, or less than, the maximum area median income (“AMI”) percentage set forth
17 for that unit, with AMI being the periodic AMI calculation provided by HUD as a direct
18 calculation without taking into account any adjustments made by HUD for the program it
19 administers.

20 (2) “CBE Utilization and Participation Agreement” means an agreement with
21 the Department of Small and Local Business Development governing certain obligations of the
22 Developer(s) of the Properties under the Small, Local, and Disadvantaged Business
23 Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33, D.C.

1 Official Code § 2-218.01, *et seq.*), as amended, requiring contracting and employment of local,
2 small businesses for at least 50% of all the pre-construction and construction of the
3 improvements contemplated in this resolution.

4 (3) “Developer(s)” means a person, persons, entity, or entities that develop(s)
5 real estate for commercial or residential use.

6 (4) “Eligible Tenant” shall mean a household consisting of one (1) or more
7 individuals who leases a property residential unit as a primary residence and certifies that he,
8 she, or they intend(s) to use the property as his, her, or their primary residence. For all
9 Affordable Unit(s), Eligible Tenant shall also mean a household meeting the income restrictions
10 of an Affordable Unit(s).

11 (5) “First Source Agreement” means an agreement with the District of Columbia
12 Department of Employment Services, governing certain obligations of the Developer(s) of the
13 Properties pursuant to section 4 of the First Source Employment Agreement Act of 1984,
14 effective June 29, 1984 (D.C. Law 5-93; D.C. Official Code § 2-219.03), and Mayor’s Order
15 83-265 (November 9, 1983) regarding job creation and employment generated as a result of the
16 construction contemplated in this resolution.

17 (d) In accordance with § 433(a)(1) of the Act, before disposition of the Property, there
18 shall be a public hearing on the proposed terms and conditions of the disposition after at least 30
19 days public notice.

20 Sec. 3. The Council adopts the fiscal impact statement in the committee report as the
21 fiscal impact statement required by section 602(c)(3) of the Home Rule Act, approved
22 December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(3)).

1 Sec. 4. The Secretary of the Council shall transmit a copy of this resolution, upon its
2 adoption, to the Office of the Mayor and the Chief Financial Officer.

3 Sec. 5. This resolution shall take effect immediately.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Housing and Community Development**



PROPERTY DISPOSITION SUMMARY

Pursuant to DC Official Code § 42-3171.03(a) requires that prior to disposition of PADD properties, there be a public hearing *and* a 60-day Council review of a proposed resolution of the terms and conditions of the disposition.

(A) The proposed contractor, contract amount, unit and Method of Compensation, contract term, and type of contract:

Proposed Contractors:	Equilibrium Realty Investments LLC
Contract Amount:	(\$682,500.00)
Unit and Method of Compensation:	NA
Type of Contract:	Property Disposition Agreement (“PDA”) for purchase of real property
Term of Contract:	PDA shall terminate upon Satisfaction of Terms (as defined in the PDA) or a failure of a condition of Settlement.
Proposed method of transfer:	Special Warranty Deed

(B) Description of the goods and services to be provided:

The Developer has proposed to build a minimum of seven 1-2 bedroom units that will be for rent. Fifty percent (50%) of the units will be affordable at or below 120% of the area median income, and 50% will be rented at the market rate.

(C) A description of the selection process, including the number of offerors, the evaluation criteria and results, and the basis for selecting the proposed contractor:

Pursuant to D.C. Official Code § 42-3171.03 (2012 Supp.), the District offered for sale through a competitive process the Property for the purpose of eliminating or reducing blight by providing for the disposition and development of the Property at the highest bid price at an auction held January 18, 2018 through January 23, 2018 (“PADD Auction”), provided that the successful bidder agrees to develop or rehabilitate a single-family or multi-family affordable workforce housing project approved by the District on the Property in accordance with a property disposition agreement (“PDA”) between the District and the successful bidder. The Developer was the successful bidder at the PADD Auction.

- (D) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and prior performance on contracts with the District government:**

Developer has provided DHCD with documents evidencing their ability to enter into the Contract.

- (E) Performance standards and expected outcomes of the proposed contract:**

The terms of the purchase are subject to the PDA. Upon Council approval of the PDA, the District and the Proposed Developer will proceed to settlement of the transaction, whereby the District will transfer all of its interest in the Property to the Developer through a Special Warranty Deed.

Upon Transfer, the Developer is expected to fully develop and construct the premises in accordance to a schedule provided by the Developer. The evidence of completion shall be a Certificate of Occupancy issued by DCRA.

- (F) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with Sections 47-392.01 and 47-392.02:**

Please see attached financial certification and budget authority.

- (G) A certification that the proposed contract is legally sufficient and has been reviewed by the Office of the General Counsel, including the proposed contractor’s/proposed**

grantor's compliance with District and federal tax laws:

Submission of the proposed Purchase Agreement includes a certification of legal sufficiency by the Office of the General Counsel.

- (H) A certification that the proposed contractor is current with its District and Federal taxes and has worked out and is current with a payment schedule approved by the District or federal government:**

Please see the attached clean hands certificate for the Developer provided by the Office of Tax and Revenue.

- (I) The status of the proposed contractor as a certified local, small or disadvantaged business enterprise (LSDBE).**

The Developer is not a CBE.

- (J) Other aspects of the proposed contract that the Chief Procurement Officer deems significant:**

Not Applicable

- (K) A statement indicating whether the proposed contractor is currently debarred from providing services to any governmental entity (federal, state, or municipal), the dates of the debarment, and the reasons for debarment:**

Please see attached Debarment Affidavit.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
CORPORATIONS DIVISION



C E R T I F I C A T E

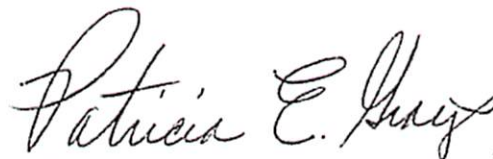
THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Business Organizations Code (Title 29) have been complied with and accordingly, this **CERTIFICATE OF GOOD STANDING** is hereby issued to

Equilibrium Realty LLC

WE FURTHER CERTIFY that the qualified foreign entity is registered to do business in the District; that all fees, and penalties owed to the District for entity filings collected through the Mayor have been paid and Payment is reflected in the records of the Mayor; The entity's most recent biennial report required by § 29-102.11 has been delivered for filing to the Mayor; and the entity's registration has not been terminated. This office does not have any information about the entity's business practices and financial standing and this certificate shall not be construed as the entity's endorsement.

IN TESTIMONY WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of 4/18/2018 11:37 AM

Business and Professional Licensing Administration



PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Muriel Bowser
Mayor

Tracking #: EBAtiZis



Government of the District of Columbia

CERTIFICATE OF CLEAN HANDS

**EQUILIBRIUM REALTY
6151 E 15TH ST
TUCSON, AZ 85711-4605**

EIN :***5103**

As reported in the Citywide Clean Hands system, the above referenced individual or entity has no outstanding liability with the District of Columbia. As of the date herein, you have complied with the following official DC code and therefore are issued this Certificate of Clean Hands.

**TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS AND FEES
CHAPTER 28. GENERAL LICENSE LAW
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. Code § 47-2862 (2006)
§ 47-2862. Prohibition against issuance of license or permit.**

**Authorized By Doris Faulkner
Acting Chief of Collections**

Date: Thursday this 26th day of April 2018 08:37 AM

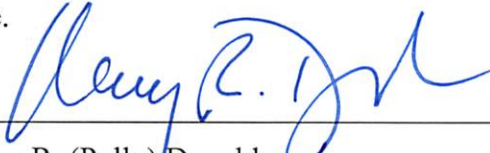
Tracking#: 816015

This document is a certified, complete and true copy.

CERTIFICATIONS

I certify that this proposed property disposition agreement between the Department of Housing and Community Development and Equilibrium Realty Investments LLC, in the amount of six hundred and eighty-two thousand, five hundred dollars (\$682,500.) for the disposition and development of certain parcels is in compliance with the applicable Federal and District of Columbia Regulations and the Department of Housing and Community Development's (DHCD) policies and procedures.

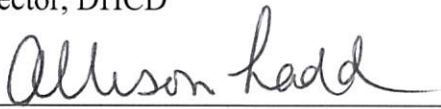
The project is located at 700 Brandywine St. SE, also known as Square: 6163; Lot: 0125 in Ward 8. The disposition/sale of certain vacant land parcels from the Department will be used to build a minimum of seven 1-2 bedroom units that will be for rent. Fifty percent (50%) of the units will be affordable at or below 120% of the area median income, and 50% will be rented at the market rate.



Mary R. (Polly) Donaldson
Director, DHCD

5.30.18

Date

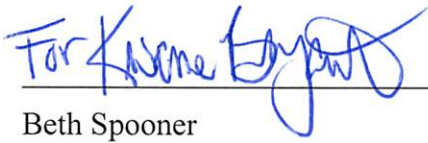


Allison Ladd
Deputy Director

5/29/18

Date

I have reviewed this Grant/Loan/Disposition action and have determined that it is within the District's Financial Plan and Budget for FY _____ and that funds are available to support the action.



Beth Spooner
Agency Fiscal Officer, DHCD

5/30/18

Date

DETERMINATION

I have reviewed this Grant/Loan/Disposition action and have determined that it is within the District's Financial Plan and Budget for FY _____ and that funds are available to support the action.



Cyril Byron, Jr.
Associate Chief Financial Officer

5/31/18

Date

DEBARMENT AFFIDAVIT

I, Sofonias Astatke, HEREBY ATTEST THAT all members of the development team, who are listed below, are not listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.



DEVELOPMENT TEAM

Developer: EQUILIBRIUM REALTY - SOFONIAS ASTATKE

Consultant(s): NONE

Management Agent: EQUILIBRIUM REALTY - SOFONIAS ASTATKE

Attorney: In-House

Civil Engineer(s): NA

Other(s): CONTRACTOR - KOFI CONSTRUCTION - ARCHITECT REDLEF GROUP
~~NR~~ NR OSIN KULO ZULU TENIKA REDLER

I FURTHER ATTEST THAT no principal, major stockholder, officer, or director of a development team member is debarred from participating in a federal procurement or non-procurement program.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

[Handwritten Signature]

Sofonias Astatke - Equilibrium

Owner/Managing Member

Title

4-18-2018

Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Sworn and subscribed to before Me this ____ day of ____, 20__.

Notary Public (Seal)

State of California, County of Los Angeles
Subscribed and sworn to (or affirmed) before me on this 18 day of April, 20 18,
by Sofonias Astatke,
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.
Signature: *[Handwritten Signature]*






GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT




OFFICE OF THE GENERAL COUNSEL

MEMORANDUM

TO: Muriel C. Bowser
Mayor

THRU: Julia H. Wiley 
General Counsel
Office of the General Counsel
Department of Housing and Community Development

FROM: Dionne Joemah 
Deputy General Counsel
Office of the General Counsel
Department of Housing and Community Development

DATE: May 22, 2018

SUBJECT: Proposed Property Disposition Agreement (“PDA”) Between the District of Columbia acting by and through the Department of Housing and Community Development (the “District” or “DHCD”) and Equilibrium Realty, LLC (the “Developer”) to dispose of the property located at Square: 6163; Lot: 0125 also known as 700 Brandywine St., SE, Washington, D.C., in Ward 8 (the “Property”)

Pursuant to the Abatement and Condemnation of Nuisance Properties Omnibus Amendment Act of 2000, effective April 19, 2002 (D.C. Law 14-114; D.C. Official Code § 42-3171.03(a) (2012 Supp.)), the District offered the Property for sale through a competitive process at the highest bid price at an auction held January 18, 2018 through January 23, 2018 (“PADD Auction”). The Developer was the successful bidder at the PADD Auction and has agreed to renovate the existing structure, and create a minimum of seven 1-2 bedroom units that will be for rent. Fifty percent (50%) of the units will be affordable to workforce households earning no more than 120% of AMI, and 50% of the units will be rented at the market rate. A public hearing required by D.C. Official Code § 42-3171.03(a)(1) was held on April 4, 2018 to discuss the terms and conditions of the Property disposition..

The Office of the General Counsel for DHCD has reviewed the attached PDA and has determined that it is legally sufficient. If you have any questions concerning this PDA, please contact Dionne Joemah at 202-442-7133.

cc: Polly Donaldson, Director, DHCD
Allison Ladd, Deputy Director, DHCD
Julia H, Wiley, General Counsel, DHCD
Taura Smalls, Legislative Affairs Specialist, DHCD