

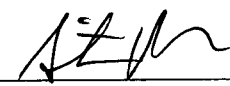
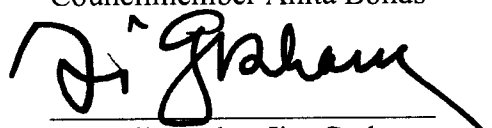


1 
2 Councilmember Vincent B. Orange

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6 Councilmember Marion Barry
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Councilmember Anita Bonds

Councilmember Jim Graham

10
11 A BILL
12

13 _____
14 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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16 _____
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21 Councilmember Vincent B. Orange introduced the following bill, which was referred to the
22 Committee on _____.

23
24 To develop a Ten-Year, \$1,000,000, 000 affordable housing plan that provides for the allocation of
25 \$100,000,000 per annum to increase, build, and modernize affordable housing in the District
26 of Columbia, with \$25,000,000 per annum apportioned for senior housing, \$25,000,000
27 per annum apportioned for housing for the homeless, \$25,000,000 apportioned for
28 apportioned for low income housing restricted to a household earning between \$30,000
29 and \$60,000 annually, \$25,000,000 apportioned for a low income household of 4 persons
30 according to the area median income for a household of 4 persons in the Washington
31 Metropolitan Statistical Area as set forth in the periodic calculation provided by the United
32 States Department of Housing and Urban Development, to provide for the issuance, sale, and
33 delivery of up to \$1 billion in revenue bonds, in one or more series, to finance the
34 construction, reconstruction, renovation, and emergency maintenance of affordable housing
35 facilities; to require the Department of Housing and Community Development to adopt a
36 Ten-Year Housing Plan to guide the expenditure of monies generated from the Bonds; to
37 require the District of Columbia Auditor to report to the public on annual progress with
38 respect to the Ten-Year Housing Plan; and to amend the Law to Legalize Lotteries, Daily
39 Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of
40 Columbia to dedicate up to \$100,000,000 per annum to the repayment of Bonds issued
41 pursuant to this act.

42
43 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
44 act may be cited as the "District of Columbia Affordable Housing Act of 2014".

1 Sec. 2. Findings.

2 The Council finds that:

3 (1) The Legislature finds and declares that having a healthy housing market that provides
4 an adequate supply of homes affordable to Washingtonians at all income levels is critical to the
5 economic prosperity and quality of life in the District of Columbia;

6 (2) The biggest dilemma facing low income residents is securing affordable housing;

7 (3) In 2013, the average cost of a 2-bedroom apartment in D.C. is \$1,400 a month;

8 (4) A 2-bedroom apartment in D.C. is affordable for anyone who makes \$56,480 a year,
9 or \$27.15 per hour;

10 (5) A 2-bedroom apartment in D.C. is affordable for a minimum wage earner making
11 \$8.25 per hour but ONLY if they work 132 hours per week, 52 weeks per year;

12 (6) Homelessness in the District has risen exponentially and is on the verge of a crisis;

13 (7) Nearly 1,000 homeless residents are living in a makeshift shelter at the former D.C.
14 General Hospital;

15 (8) Between 1,200 and 3,000 children are homeless in the District;

16 (9) Section 490 of the Home Rule Act provides that the Council may by act authorize the
17 issuance of District revenue bonds, notes, or other obligations (including refunding bonds, notes,
18 or other obligations) to borrow money to finance, refinance, or reimburse and to assist in the
19 financing, refinancing, or reimbursing of undertakings in certain areas designated in section 490
20 where the ultimate obligation to repay such revenue bonds, notes or other obligations is that of
21 one or more governmental persons or entities.

22 (10) Section 490 of the Home Rule Act provides that revenue bonds may be issued to
23 finance capital projects for housing and projects that will contribute to the health, education,

1 safety, or welfare, of, or the creation or preservation of jobs for, residents of the District, or to
2 economic development of the District.

3 (11) The issuance of Bonds is in accordance with the intent of section 490 of the Home
4 Rule Act and will promote the safety, health and general welfare of District residents.

5 Sec. 3. Definitions.

6 For purposes of this act, the term:

7 (1) "Board" means the District of Columbia Lottery and Charitable Games
8 Control Board established by the Lottery Act.

9 (2) "Bond Counsel" means a firm or firms of attorneys designated as bond counsel
10 periodically by the Mayor.

11 (3) "Bonds" means the District of Columbia revenue bonds, notes, or other obligations
12 (including refunding bonds, notes, and other obligations), in one or more series, authorized to be
13 issued pursuant to this act.

14 (4) "Closing Documents" means all documents and agreements other than Financing
15 Documents that may be necessary and appropriate to issue, sell, and deliver the Bonds
16 contemplated thereby, and includes agreements, certificates, letters, opinions, forms, receipts,
17 and other similar instruments.

18 (5) "District" means the District of Columbia.

19 (6) "Department" means Department of Housing and Community Development.

20 (7) "Financing Documents" means the documents other than Closing Documents that
21 relate to the financing or refinancing of transactions to be effected through the issuance, sale, and
22 delivery of the Bonds, including any offering document, and any required supplements to any
23 such documents.

1 (8) "Home Rule Act" means the District of Columbia Home Rule Act, approved
2 December 24, 1973 (87 Stat. 774; D.C. Official Code § 1-201.01 et seq.).

3 (9) "Lottery Act" means the Law to Legalize Lotteries, Daily Numbers Games, and
4 Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10,
5 1981(D.C. Law 3-172; D.C. Official Code § 3-1301 et seq.), as amended.

6 Sec. 4. Bond authorization.

7 (a) Pursuant to Section 490 of the Home Rule Act, the Mayor is authorized, beginning
8 January 1, 2015, to issue up to one billion dollars (\$1,000,000,000) in bonds to assist in
9 financing, refinancing, or reimbursing costs of undertakings by the District to modernize,
10 renovate, or construct affordable housing facilities in accordance with the Ten-Year Housing
11 Plan developed pursuant to section 14.

12 (b) The Bonds may be issued from time to time, in one or more series, and shall be tax-
13 exempt or taxable as the Mayor shall determine. The Bonds shall be secured by and solely
14 payable from monies deposited in the Lottery and Charitable Game Fund established under
15 section 4 of the Lottery Act; provided that the total amount of monies allocated annually to pay
16 debt service on such Bonds shall not exceed one hundred million dollars (\$100,000,000) per
17 annum.;

18 (c) The Mayor is authorized to pay from the proceeds of the Bonds the costs and
19 expenses of issuing and delivering the Bonds, including, but not limited to, underwriting, legal,
20 accounting, financial advisory, bond insurance or other credit enhancement, marketing and
21 selling the Bonds, printing costs and expenses, and direct costs of preparing the annual report
22 issued by the District of Columbia Auditor pursuant to section 14 of this act.

1 (d) Except as provided in subsection (c) of this section, all proceeds from the issuance of
2 the Bonds shall be transferred to the Department to finance, pursuant to section 14 of this act, the
3 renovation, reconstruction, or modernization of affordable housing facilities or capital
4 improvements to remedy deferred maintenance, including the replacement of roofs, windows,
5 and systems for heating, cooling, or ventilating affordable housing facilities.

6 Sec. 5. Bond details.

7 (a) The Mayor The Mayor is authorized to take any action reasonably necessary or
8 appropriate in accordance with this act in connection with the preparation, execution, issuance,
9 sale, delivery, security for, and payment of the Bonds of each series, including, but not limited
10 to, determinations of:

11 (1) The final form, content, designation, and terms of the Bonds, including a
12 determination that such Bonds may be issued in certificated or book-entry form;

13 (2) The principal amount of the Bonds to be issued and denominations of the
14 Bonds;

15 (3) The rate or rates of interest or the method for determining the rate or rates of
16 interest on the Bonds;

17 (4) The date or dates of issuance, sale, and delivery of, and the payment of interest
18 on the Bonds, and the maturity date or dates of such Bonds;

19 (5) The terms under which the Bonds may be paid, optionally or mandatorily
20 redeemed, accelerated, tendered, called, or put for redemption, repurchase, or remarketing before
21 their respective stated maturities;

22 (6) Provisions for the registration, transfer, and exchange of the Bonds and the
23 replacement of mutilated, lost, stolen, or destroyed Bonds;

1 (7) The creation of any reserve fund, sinking fund, or other fund with respect to
2 the Bonds;

3 (8) The time and place of payment of the Bonds;

4 (9) Procedures for monitoring the use of the proceeds received from the sale of
5 the Bonds to ensure that the proceeds are properly applied and used to accomplish the purposes
6 of the Home Rule Act and this act;

7 (10) Actions necessary to qualify the Bonds under blue sky laws of any
8 jurisdiction where the Bonds are marketed; and

9 (11) The terms and types of credit enhancement under which the Bonds may be
10 secured.

11 (b) The Bonds shall contain a legend, which shall provide that the Bonds are special
12 obligations of the District, are without recourse to the District, are not a pledge of, and do not
13 involve the faith and credit or the taxing power of the District, do not constitute a debt of the
14 District, and do not constitute lending of the public credit for private undertakings as prohibited
15 in section 602(a)(2) of the Home Rule Act.

16 (c) The Bonds shall be executed in the name of the District and on its behalf by the
17 manual or facsimile signature of the Mayor, and attested by the Secretary of the District by the
18 Secretary's manual or facsimile signature. The Mayor's execution and delivery of the Bonds
19 shall constitute conclusive evidence of the Mayor's approval, on behalf of the District, of the
20 final form and content of the Bonds.

21 (d) The official seal of the District, or a facsimile of it, shall be impressed, printed, or
22 otherwise reproduced on the Bonds.

1 (e) The Bonds of any series may be issued in accordance with the terms of a trust
2 instrument to be entered into by the District and a trustee to be selected by the Mayor, and may
3 be subject to the terms of one or more agreements entered into by the Mayor pursuant to section
4 490(a)(4) of the Home Rule Act.

5 (f) The Bonds may be issued at any time or from time to time in one or more issues and in
6 one or more series.

7 Sec. 6. Sale of the Bonds.

8 (a) The Bonds of any series may be sold at negotiated or competitive sale at, above, or
9 below par, to one or more persons or entities, and upon terms that the Mayor considers to be in
10 the best interest of the District.

11 (b) The Mayor or an Authorized Delegate may execute, in connection with each sale of
12 the Bonds, offering documents on behalf of the District, may deem final any such offering
13 document on behalf of the District for purposes of compliance with federal laws and regulations
14 governing such matters and may authorize the distribution of the documents in connection with
15 the Bonds being sold.

16 (c) The Mayor is authorized to deliver the executed and sealed Bonds, on behalf of the
17 District, for authentication, and, after the Bonds have been authenticated, to deliver the Bonds to
18 the original purchasers of the Bonds upon payment of the purchase price.

19 (d) The Bonds shall not be issued until the Mayor receives an approving opinion from
20 Bond Counsel as to the validity of the Bonds of such series and, if the interest on the Bonds is
21 expected to be exempt from federal income taxation, the treatment of the interest on the Bonds
22 for purposes of federal income taxation.

23 (e) The District of Columbia Procurement Practices Act of 1985, effective February 21, 7

1 1986 (D.C. Law 6-85; D.C. Official Code § 2-301.01 et seq.)(“Procurement Act”), and the
2 Financial Institutions Deposit and Investment Amendment Act of 1998, effective March 18,
3 1998 (D.C. Law 12-56; D.C. Official Code § 47-351.01 et seq.)(“Deposit and Investment Act”),
4 shall not apply to any contract the Mayor may from time to time enter into for purposes of this
5 act or the Mayor may determine to be necessary or appropriate for purposes of this act to place,
6 in whole or in part:

- 7 (1) An investment or obligation of the District as represented by the Bonds;
- 8 (2) An investment or obligation or program of investment; or
- 9 (3) A contract or contracts based on A contract or contracts based on the
10 interest rate, currency, cash flow, or other basis, including without limitation interest rate swap
11 agreements; currency swap agreements; insurance agreements; forward payment conversion
12 agreements; futures contracts providing for payments based on levels of, or changes in, interest
13 rates, currency exchange rates, or stock or other indices; contracts to exchange cash flows or a
14 series of payments; and contracts to hedge payment, currency, rate, spread or similar exposure,
15 including, without limitation, interest rate floors, or caps, options, puts, and calls. The contracts
16 or other arrangements may also be entered into by the District in connection with, or incidental
17 to, entering into or maintaining any agreement that secures the Bonds. The contracts or other
18 arrangements shall contain whatever payment security, terms, and conditions as the Mayor may
19 consider appropriate and shall be entered into with whatever party or parties the Mayor may
20 select, after giving due consideration, where applicable, to the creditworthiness of the
21 counterparty or counterparties, including any rating by a nationally recognized rating agency or
22 any other criteria as may be appropriate. In connection with, or incidental to, the issuance or
23 holding of the Bonds, or entering into any contract or other arrangement referred to in this

1 section, the District may enter into credit enhancement or liquidity agreements, with payment,
2 interest rate, termination date, currency, security, default, remedy, any other terms and conditions
3 as the Mayor determines. Proceeds of the Bonds and any money set aside and pledged to secure
4 payment of the Bonds or any contract or other arrangement entered into pursuant to this section
5 may be pledged to and used to service any contract or other arrangement entered into pursuant to
6 this section.

7 Sec. 7. Payment and security.

8 (a) Except as otherwise provided by law, the principal of, premium, if any, and interest
9 on the Bonds shall be payable solely from proceeds received from the sale of the Bonds, income
10 realized from the temporary investment of those proceeds, up to \$100,000,000 per annum in
11 receipts and revenues realized by the District from the Lottery and Charitable Games Fund,
12 income realized from the temporary investment of those receipts and revenues prior to payment
13 to the Bond owners, other moneys that, as provided in the Financing Documents, may be made
14 available to the District for the payment of the Bonds, and other sources of payment (other than
15 the District), all as provided for in the Financing Documents.

16 (b) Payment of the Bonds shall be secured as provided in the Financing Documents and
17 by an assignment by the District for the benefit of the Bond owners of certain of its rights under
18 the Financing Documents and Closing Documents, including a security interest in certain
19 collateral, if any, to the trustee for the Bonds pursuant to the Financing Documents.

20 (c) The trustee is authorized to deposit, invest, and disburse the proceeds received from
21 the sale of the Bonds pursuant to the Financing Documents.

22 Sec. 8. Financing and Closing Documents.

1 (a) The Mayor is authorized to prescribe the final form and content of all Financing
2 Documents and all Closing Documents to which the District is a party that may be necessary or
3 appropriate to issue, sell, and deliver the Bonds. Each of the Financing Documents and each of
4 the Closing Documents to which the District is not a party shall be approved, as to form and
5 content, by the Mayor.

6 (b) The Mayor is authorized to execute, in the name of the District and on its behalf, the
7 Financing Documents and any Closing Documents to which the District is a party by the
8 Mayor's manual or facsimile signature.

9 (c) If required, the official seal of the District, or a facsimile of it, shall be impressed,
10 printed, or otherwise reproduced on the Bonds, the other Financing Documents, and the Closing
11 Documents to which the District is a party.

12 (d) The Mayor's execution and delivery of the Financing Documents and the Closing
13 Documents to which the District is a party shall constitute conclusive evidence of the Mayor's
14 approval, on behalf of the District, of the final form and content of the executed Financing
15 Documents and the executed Closing Documents, including those Financing Documents and
16 Closing Documents to which the District is not a party.

17 (e) The Mayor is authorized to deliver the executed and sealed Financing Documents and
18 Closing Documents, on behalf of the District, prior to or simultaneously with the issuance, sale,
19 and delivery of the Bonds, and to ensure the due performance of the obligations of the District
20 contained in the executed, sealed, and delivered Financing Documents and Closing Documents.

21 Sec. 9. Authorized delegation of authority.

1 To the extent permitted by District and federal laws, the Mayor may delegate to any
2 Authorized Delegate the performance of any function authorized to be performed by the Mayor
3 under this act.

4 Sec. 10. Limited liability.

5 (a) The Bonds shall be special obligations of the District. The Bonds shall be without
6 recourse to the District. The Bonds shall not be general obligations of the District, shall not be a
7 pledge of or involve the faith and credit or the taxing power of the District, shall not constitute a
8 debt of the District, and shall not constitute lending of the public credit for private undertakings
9 as prohibited in section 602(a)(2) of the Home Rule Act.

10 (b) The Bonds shall not give rise to any pecuniary liability for the District and the District
11 shall have no obligation with respect to the purchase of the Bonds.

12 (c) Nothing contained in the Bonds, in the Financing Documents, or in the Closing
13 Documents shall create an obligation on the part of the District to make payments with respect to
14 the Bonds from sources other than those listed for that purpose in section 7.

15 (d) All covenants, obligations, and agreements of the District contained in this act, the
16 Bonds, and the executed, sealed, and delivered Financing Documents and Closing Documents to
17 which the District is a party, shall be considered to be the covenants, obligations, and agreements
18 of the District to the fullest extent authorized by law, and each of those covenants, obligations,
19 and agreements shall be binding upon the District, subject to the limitations set forth in this act.

20 (e) No person, including, but not limited to any Bond owner, shall have any claims
21 against the District or any of its elected or appointed officials, officers, employees, or agents for
22 monetary damages suffered as a result of the failure of the District to perform any covenant,
23 undertaking, or obligation under this act, the Bonds, the Financing Documents, or the Closing

1 Documents, nor as a result of the incorrectness of any representation in or omission from the
2 Financing Documents or the Closing Documents, unless the District or its elected or appointed
3 officials, officers, employees, or agents have acted in a willful and fraudulent manner.

4 Sec. 11. District officials.

5 (a) Except as otherwise provided in section 10(e), the elected or appointed officials,
6 officers, employees, or agents of the District shall not be liable personally for the payment of the
7 Bonds or be subject to any personal liability by reason of the issuance of the Bonds, or for any
8 representations, warranties, covenants, obligations, or agreements of the District contained in this
9 act, the Bonds, the Financing Documents, or the Closing Documents.

10 (b) The signature, countersignature, facsimile signature, or facsimile countersignature of
11 any official appearing on the Bonds, the Financing Documents, or the Closing Documents shall
12 be valid and sufficient for all purposes notwithstanding the fact that the individual signatory
13 ceases to hold that office before delivery of the Bonds, the Financing Documents, or the Closing
14 Documents.

15 Sec. 12. Maintenance of documents.

16 Copies of the specimen Bonds and of the Financing Documents and Closing Documents
17 shall be filed in the Office of the Secretary of the District.

18 Sec. 13. Information reporting.

19 Within 3 days after the Mayor's receipt of the transcript of proceedings relating to the
20 issuance of the Bonds, the Mayor shall transmit a copy of the transcript to the Secretary to the
21 Council and to the Department.

22 Sec. 14. Ten-Year Housing Plan.

1 (a) No later than January 1, 2015, the Department shall adopt a Ten-Year Housing Plan to
2 guide the modernization of District of Columbia affordable housing. For each proposed project,
3 the Ten-Year Housing Plan shall include the scope of work to be done, the estimated project
4 cost, the construction start date, and project completion date.

5 (b) Funds not exceeding \$100,000,000 shall be allocated per annum for the
6 modernization, creation, and maintenance of affordable housing the District as follows:

7 (1) \$25,000,000 apportioned for senior housing;

8 (2) \$25,000,000 apportioned for housing for the homeless;

9 (3) \$25,000,000 apportioned for low income housing restricted to a household
10 earning between \$30,000 and \$60,000 annually;

11 (4) \$25,000,000 apportioned for a low income household of 4 persons according
12 to the area median income for a household of 4 persons in the Washington Metropolitan
13 Statistical Area as set forth in the periodic calculation provided by the United States Department
14 of Housing and Urban Development.

15 (c) No funds transferred to the Department pursuant to this act shall be spent except in
16 accordance with the Ten-Year Housing Plan. The Department may revise the Ten-Year Housing
17 Plan.

18 (d) No later than January 1, 2016, and each year thereafter until the completion of all
19 projects designated in the Ten-Year Housing Plan, the District of Columbia Auditor shall prepare
20 an annual report to the public on the use of the funds during the preceding fiscal year. The report
21 shall include an audit of all expenditures of Bond proceeds and an assessment of whether the
22 District has met the objectives, including the starting and ending dates for each phase of
23 construction and the completion of each project within its appropriated budget and according to

1 technical specifications, established by the Ten-Year Housing Plan. The report shall note all
2 changes to the Ten-Year Housing Plan that alter the objectives or scope of any project.

3 Sec. 15. Conforming amendments.

4 Subsection 4(c) of the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and
5 Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law
6 3- 172; D.C. Official Code § 3-1301 et seq.) is amended to read as follows:

7 “(c) From the Fund, the Board shall first pay for the operation, administration, and capital
8 expenses of the specific forms of gambling operated and licensed by the Board as authorized by
9 this chapter, including the payment of prizes to winners of games, as specified in this chapter
10 pursuant to regulations promulgated by the Board. The Board shall next transfer funds, not to
11 exceed \$100,000,000 per annum, necessary for the repayment of any Bonds issued pursuant to
12 the District of Columbia Affordable Housing Act of 2014. The remainder shall be paid over by
13 the Board, on a monthly basis promptly after the 1st of the month for the preceding month, into
14 the General Fund of the District of Columbia as general purpose revenue funds of the District of
15 Columbia.”.

16 Sec. 16. Fiscal impact statement.

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

20 Sec. 17. Effective date.

21 This act shall take effect following approval by the Mayor (or in the event of veto by the
22 Mayor, action by Council to override the veto), a 30-day period of Congressional review as
23 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

1 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of

2 Columbia Register.

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