

Chairman Phil Mendelson
at the request of the Mayor

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to authorizing and providing for the issuance, sale, and delivery in an aggregate principal amount not to exceed \$150 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 the KIPP D.C. Public Charter Schools, formerly known as KIPP DC, 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 “KIPP DC Revenue Bonds Project Emergency Declaration Resolution of 2017”.

Sec. 2. The Council finds that:

(1) The KIPP D.C. Public Charter Schools, formerly known as KIPP DC (the “Borrower”), is a nonprofit corporation organized and existing under the laws of the District of Columbia which seeks to have District of Columbia revenue bonds issued and receive a loan of the proceeds from the sale thereof for the financing of the costs of the Project (as defined below), refinancing or reimbursing of all or a portion of the Borrower’s costs of:

1 (A) Refunding the District of Columbia Revenue Bonds (KIPP DC Issue) Series
2 2013A, originally issued in the aggregate principal amount of \$63,070,000 pursuant to provisions
3 of the KIPP DC Revenue Bonds Project Approval Resolution of 2013 (Resolution No. 20-156,
4 adopted by the Council on June 18, 2013);

5 (B) Refunding the District of Columbia Variable Rate Revenue Bonds (KIPP DC
6 Issue) Series 2014, originally issued in the aggregate principal amount of \$38,000,000 pursuant to
7 provisions of the KIPP DC Revenue Bonds Project Approval Resolution of 2013 (Resolution No.
8 20-156, adopted by the Council on June 18, 2013);

9 (C) Refunding the District of Columbia Variable Rate Revenue Bonds (KIPP DC
10 Issue) Series 2015, originally issued in the aggregate principal amount of \$20,000,000 pursuant to
11 provisions of the KIPP DC Revenue Bonds Project Approval Resolution of 2015 (Resolution No.
12 21-30, adopted by the Council on March 3, 2015);

13 (D) Refinancing of certain existing indebtedness, the proceeds of which were used
14 to finance or refinance the costs of the acquisition of a leasehold interest in a facility used primarily
15 as a public charter school campus located at 2600-2620 Douglass Road, S.E., Washington, D.C.;

16 (E) Funding certain working capital costs only related to the costs of the Project, to
17 the extent financeable relating to the Bonds;

18 (F) Funding any credit enhancement costs, liquidity costs or debt service reserve
19 fund relating to the Bonds; and

20 (G) Paying cost of issuance and other related costs to the extent permissible relating
21 to the Bonds (collectively, the "Project").

22 (2) The planned financing will make available funds critically needed to finance,
23 refinance, or reimburse the Borrower for costs of the Project.

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

9 (4) Council approval of the bond resolution authorizing the issuance of up to \$150
10 million of District of Columbia revenue bonds would permit the revenue bonds to be issued
11 promptly to provide maximum savings for the Borrower and enable the project described in this
12 section 2 to be completed.

13 Sec. 3. The Council of the District of Columbia determines that the circumstances
14 enumerated in section 2 hereof constitute emergency circumstances making it necessary that the
15 “KIPP DC Revenue Bonds Project Emergency Approval Resolution of 2017” be adopted after a
16 single reading.

17 Sec. 4. This resolution shall take effect immediately.

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