

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
BOARD OF DIRECTORS MEETING**

November 24, 2015
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.

Minutes

I. Call to order and verification of quorum.

The Chairman, Mr. Buwa Binitie, called the meeting to order at 5:42 p.m. and asked the Interim Secretary to the Board of Directors, Ms. Maria K. Day-Marshall, to verify a quorum. With four members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. The members present included Mr. Binitie, Mr. Stephen M. Green, Mr. Bryan Scottie Irving, and Mr. Stanley Jackson.

II. Approval of minutes from the October 27, 2015 and the November 10, 2015 board meetings.

After a motion was made by Mr. Irving, which was seconded by Mr. Jackson, the November 10th minutes were approved by a chorus of ayes. The October 27th minutes were approved as amended to include direction to the staff that the developer of the Portner Flats transaction would need to seek cost estimates from at least one reputable general contractor. The motion to approve the minutes as amended was made by Mr. Green and seconded by Mr. Irving. The amended minutes were approved by a chorus of ayes.

III. Vote to close the meeting to discuss the approval of 4000 Benning Road a/k/a St. Stephens Apartments, an eligibility resolution for the South Capitol Multifamily transaction and a McKinney Act loan associated with the South Capitol Multifamily transaction.

Pursuant to the District of Columbia Administrative Procedure Act, a vote was called to close the meeting in order to discuss, establish, or instruct the Agency’s staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms relating to a final authorizing resolution for 4000 Benning Road a/k/a St. Stephens Apartments, an eligibility resolution for the South Capitol Multifamily transaction, and a McKinney Act loan associated with the South Capitol Multifamily transaction. An open meeting would adversely affect the bargaining position or negotiation strategy of the Agency. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Green and seconded by Mr. Jackson. The motion was approved by a chorus of ayes.

IV. The meeting re-opened at 6:14 p.m.

V. Consideration of DCHFA Resolution No. 2015-20, a Final Authorizing Resolution for 4000 Benning Road a/k/a St. Stephens Apartments (\$10,500,000).

Ms. Day-Marshall introduced the Resolution and then introduced Anthony Waddell, Director of Public Finance, who then introduced Ms. Patience Dean, the Development Analyst for this transaction. The project consists of the new construction of one (1) four-story building located in the Deanwood neighborhood of Washington, D.C. The principal developer of the project is 4000 Benning Road LLC. The managing member, Benning Road Community Partners LLC, is comprised of the Washington Metropolitan Community Development Corporation, Four Points LLC, and the Warrenton Group. The buildings will contain seventy-one (71) units, with the following bedroom mix: fifty-six (56) one-bedroom units and fifteen (15) two-bedroom units. All units will be set aside for persons and families earning sixty percent (60%) of the area median income (the “AMI”) or less.

The following people were present at the meeting in support of the project: Keith Turner and John Gerber of Four Points; Scott Knudson of Wiencek + Associates; Matt Sislen representing Latin American Youth Center; Jimmy Parker of the Warrenton Group; and Pastor Stephen E. Young, Sr. of the Washington Metropolitan Community Development Corporation.

Mr. Turner provided a brief history of Four Points LLC and their relationship with the other members of the development team. He then provided a summary of the project. Mr. Binitie asked whether there would be a different case manager for each of the eighteen (18) permanent supportive housing units. The developer said that they would obtain that information and provide it to staff.

Mr. Irving asked if there would be an entrepreneurship program to complement the job training that is anticipated to be provided at the project. Mr. Turner replied that one had not been considered, but the developer will consider providing such a program.

Mr. Jackson requested clarification of the guarantee structure. Mr. Gerber replied that Four Points LLC will serve as the primary guarantor with W Credit LLC as the standby guarantor.

Approval of the Resolution was moved by Mr. Jackson and seconded by Mr. Green. Ms. Day-Marshall called the roll, and with four votes in the affirmative, the Resolution was approved.

VI. Consideration of DCHFA Eligibility Resolution No. 2015-21 for South Capitol Multifamily (\$30,000,000).

Prior to the introduction of the Resolution and discussion of the project, Mr. Binitie announced that his company, Dantes Partners, is a financial consultant on this project and that he would be recusing himself from discussing and voting on this transaction. He then exited the room.

Ms. Day-Marshall introduced the Resolution for consideration and then introduced Mr. Waddell. Mr. Waddell then introduced Mr. Ed Pauls, the Senior Development Officer, who provided a presentation of the project. The principal developer and sponsor of the project is South Capitol Improvements LLC, which is controlled by the Michaels Development Company (“Michaels”) and City Interests LLC. The project will be located at 4001 South Capitol Street, Southwest, in the Bellevue neighborhood of Washington, D.C. The project will consist of the acquisition of land, the demolition of existing buildings, and the construction of a six-story building totaling one hundred ninety-five (195) units and approximately 5,000 square feet of retail space. The bedroom mix is as follows: twenty-three (23) efficiencies, one hundred ten (110) one-bedrooms, fifty-three (53) two-bedrooms, and nine (9) three-bedrooms. The sponsor has elected to set aside one hundred percent (100%) of the units at or below sixty percent (60%) of the AMI for the bond and tax credit purposes.

The following people were present at the meeting in support of the project: Michael Hodas and Derek Mitchell of City Interests, LLC and Ava Goldman, President of Michaels. Mr. Hodas provided a presentation about the history of the project and displayed renderings of the proposed development. Ms. Goldman then provided a presentation about the history of Michaels and the services that are going to be provided at the project by the management company in conjunction with their consultant partner, Pathways to Housing. The project will also contain both a fitness center and a business center, and Michaels provides scholarship programs at all of their developments.

Mr. Jackson asked the developer to discuss some of the challenges at the site. Mr. Mitchell and Ms. Goldman discussed the environmental challenges at the site that are mostly attributed to the dry cleaning facility that used to exist. Mr. Jackson also inquired about the proposed unit mix and whether the developer-commissioned market study called for more three-bedroom units than the current proposal. Mr. Hodas replied that the proposed unit mix was derived directly from the market study.

Mr. Green expressed a concern about the extent of the services provided given the large number of very low income units. Ms. Goldman explained that at their developments, Michaels provides a vast array of services and for this particular development, they have chosen to work with Pathways to Housing, which is a local service provider. Ms. Goldman also noted that the Department of Health Services has provided a commitment for \$130,000 per year for services and that the operating budget for the project contains an additional \$50,000 per year for services. Mr. Green replied that he would like to hear more detail about the services to be provided when the project is presented to the Board for Final Bond consideration. Mr. Green also emphasized ensuring that the proposed construction company (“Prestige”) understands the importance of

compliance with District's SBE laws. Ms. Goldman noted that Prestige is affiliated with Michaels and understands the importance of compliance with District's SBE laws. Ms. Goldman also noted that one of the proposed property managers for this project formerly worked for Bozzuto in the District and is very familiar with the District's requirements.

Approval of the Resolution was moved by Mr. Jackson and seconded by Mr. Irving. Ms. Day-Marshall called the roll, and with three votes in the affirmative, the Resolution was approved.

VII. Consideration of DCHFA Resolution No. 2015-09(G) for a McKinney Act Loan associated with South Capitol Multifamily (\$1,000,000).

Approval of the Resolution was moved by Mr. Jackson and seconded by Mr. Irving. Ms. Day-Marshall called the roll, and with three votes in the affirmative, the Resolution was approved.

Prior to the Interim Executive Director's report, Mr. Binitie commended staff for the positive press that was published recently about both the Agency's single and multifamily offerings.

VIII. Interim Executive Director's Report.

- On December 5th, the Mayor is going to sponsor a faith-based housing expo at the House of Lebanon at 27 O Street, Northwest, from 10:00 a.m. to 2:00 p.m. The Agency will have representation there.
- The Holiday Party will be held on December 11th from 6:00 p.m. until 10:00 p.m. here at the Agency.

IX. Pursuant to the District of Columbia Administrative Procedure Act, a vote to close the meeting in order to consult with an attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and the Agency, or to approve settlement agreements provided that, upon request, the Agency may decide to waive such privilege. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(4)(A).

A motion to close the meeting for the reasons just enumerated was made by Mr. Jackson and seconded by Mr. Irving. The motion was approved by a chorus of ayes.

The meeting was re-opened at 7:30 p.m.

The meeting was adjourned at 7:31 p.m.

Submitted by Maria K. Day-Marshall, Esq., Interim Secretary to the Board of Directors on December 4, 2015.

Approved by the Board of Directors on December 8th, 2015.