

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

October 8, 2013  
815 Florida Avenue, NW  
Washington, DC 20001

APPROVED MINUTES

**I. Call to order and verification of quorum.**

The Chairperson, Derek Ford, called the meeting to order at 5:30 PM and asked the Secretary of the Board, Harry D. Sewell to verify a quorum. With 5 members present, the Board of Directors (Board) had a quorum and the meeting continued.

The Chairperson asked the Board Members present to review the agenda. At this time, Leila Batties, Vice Chairperson, asked the Chairperson to amend the agenda and move the Credit Card Review Process Update Discussion to a separate agenda item. The Chairperson agreed and added the requested item as agenda item IX and moved Adjournment to the last agenda item. Upon hearing no further amendments to the agenda, the Chairperson asked for a motion, made by Ms. Batties and a second, made by Charles Lowery, Jr. The agenda was approved, as amended.

**II. Vote to close meeting to discuss the approval of a Final Bond Resolution for the Trinity Plaza project and bond transaction and an Eligibility Resolution for the 7611 & 7701 Georgia Avenue Apartments project and bond transaction.**

Once a quorum was verified, the Chairperson called a vote to close the meeting to discuss the Final Bond Resolution for the Trinity Plaza project and bond transaction and the Eligibility Resolution for the 7611 & 7701 Georgia Avenue Apartments project and bond transaction.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors will call a vote to close the meeting in order to discuss, establish, or instruct the public body's staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of the Trinity Plaza project and bond transaction and the 7611 & 7701 Georgia Avenue Apartments project and bond transaction. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-405(b)(2)).

A motion was made by Ms. Batties and seconded by Craig Pascal. The Chairperson moved the meeting into a closed session at which time DCHFA staff presented both projects to the Board of Directors and the Board of Directors asked questions regarding each project.

### **III. Re-open meeting.**

The Chairperson reopened the meeting at 6:24 PM.

### **IV. Consideration of DCHFA Final Bond Resolution No. 2013-10 for the approval of the Trinity Plaza project and bond transaction.**

The Secretary read the resolution into the record and the Chairperson asked for a presentation by staff.

Prior to the presentation, Stanley Jackson disclosed that he has a personal and business relationship with the developers. Mr. Jackson stated that he worked with the developers for a number of years; however, Mr. Jackson has no financial interests today or at any time as it relates to the project before the Board of Directors.

The Chairperson asked Thorn Pozen, Outside Legal Counsel to the Board to ask two questions of Mr. Jackson. First, is there any financial benefit that would or could possibly come to you by virtue of voting for or against this resolution before you? Mr. Jackson replied no. Secondly, Mr. Pozen asked Mr. Jackson, is there any non financial benefit that could come to you for the purposes of voting for or against this resolution? Mr. Jackson responded no.

Once the questions were asked and answered by Mr. Pozen, the Chairperson asked for a motion to allow Mr. Jackson to participate and vote on the Trinity Plaza project and bond transaction. The motion was moved by Mr. Pascal and seconded by Ms. Batties and the motion carried.

Ed Pauls, Senior Development Officer presented the Trinity Plaza project and bond transaction to the Board of Directors. Mr. Pauls recognized Patience Dean for her assistance with the project's underwriting and drafting of the underwriting memo. The resolution before the Board of Directors is requesting the Board to adopt a Final Bond Resolution authorizing the issuance of tax-exempt bonds in an amount not to exceed \$10,920,000 to finance a portion of the costs to acquire the land and construct Trinity Plaza. The project will contain 49 units of affordable housing and ground floor retail and the project is located in Ward 8.

The Board of Directors asked questions including:

- Was there a study done in the neighborhood to see if there was a need for three bedrooms since the breakdown of units is 14 one-bedroom, 33 two-bedroom and 2 three-bedroom units? The developer responded by stating that Lydia's House performs housing counseling and they are come in contact with many potential tenants that would like two-bedroom units and there are a lot of seniors in the community that are looking for one-bedroom units.

- Are you planning to hire people from the community? The developer responded yes. Columbus Property Management will be hiring three people for this building to staff the building. In addition, the developer plans to work with the CDC and Lydia's House on local neighborhood referrals.
- When do you expect to begin construction? The developer responded several days after the government shutdown ends. The developer will issue a notice to proceed the day after closing and then Hamel will begin. The construction period is approximately 13 months. This is because the developer is not going underground but rather building slab on grade.
- What is the square footage of the ground floor retail? The developer responded by stating that the square footage is 5300 square feet and it is split up into three units. One of the units will be occupied by Lydia's House and they will carry on their housing counseling services there. Additional letters of intent with other potential retail tenants, including an independent pharmacy, a café and/or nail salon are also being considered.
- Is the primary demographic for this project, seniors? The developer responded no but we know that there is a senior population there that is trying to access decent and affordable housing and they are interested in being tenants there. Other interested tenants may come from Maryland because they want to relocate to the city.

As a note, both Mr. Lowery and Mr. Pascal acknowledged George and Evelyn Brown, for they work in the community and their contributions to the city.

Development team representatives present at the meeting included Patrice Sheppard, Executive Director of the Far Southwest-Southeast Community Development Corporation, Pastor Eugene Sheppard, Founder and Director of Lydia's Housing and the Living Word Church, Evelyn Brown, Chairperson of the Lydia House Board, Elizabeth Everhart from Mission First Housing Development Corporation.

The resolution was then moved by Mr. Jackson and seconded by Ms. Batties. After a roll call vote, the resolution passed 5-0.

**V. Consideration of DCHFA Eligibility Resolution No. 2013-11 for the approval of the 7611 & 7701 Georgia Avenue Apartments project and bond transaction.**

The Secretary read the resolution into the record and the Chairperson asked for a presentation by staff.

Prior to the presentation, Mr. Pascal disclosed that his bank might be considered for interim financing for this transaction. However, this is no transaction between the project and the bank at this time. In addition, Mr. Pascal stated that his bank does not anticipate being involved with the bond transaction or have an equity position in the project.

The Chairperson again asked Mr. Pozen, Outside Legal Counsel to the Board to ask two questions of Mr. Pascal. First, is there any financial benefit that would or could possibly come to you by virtue of voting for or against this resolution before you? Mr. Pascal replied no. Secondly, Mr. Pozen asked Mr. Pascal, is there any non financial benefit that could come to you for the purposes of voting for or against this resolution? Mr. Pascal responded no.

Once the questions were asked and answered by Mr. Pozen, the Chairperson as for a motion to allow Mr. Pascal to participate and vote on the 7611 and 7701 Georgia Avenue project and bond transaction. The motion was moved by Ms. Batties and seconded by Mr. Jackson and the motion carried.

The remainder of this agenda item's discussion was interpreted into Spanish for the tenants that were present at the meeting.

Denise Nelson, Development Officer presented the 7611 and 7701 Georgia Avenue project and bond transaction to the Board of Directors. The resolution before the Board of Directors is requesting the Board to adopt an Eligibility Resolution authorizing the issuance of tax-exempt and/or taxable bonds in an amount not to exceed \$11,880,000 to finance a portion of the costs to acquire the land and rehabilitate 7611 and 7701 Georgia Avenue project. The project will contain 92 units of mixed income housing and is located in Ward 4.

The Board of Directors asked questions including:

- Please tell us a brief history of the project and how we got to this point. The developer responded that the building entered into the TOPA process when the former owners entered into a third-party purchase agreement with an entity out of Pittsburgh in 2012. The tenants were exploring an option to become a cooperative but at that time, the financing wasn't available for a cooperative. After considering the cooperative approach, the tenants then explored a partnership with another development team but that did not work either. In May 2013, the tenant association approached William C. Smith + Co. and together, the development team was able to close on the TOPA deal before the deadline and now the project can be preserved as affordable housing.
- Please share more details regarding the MOU between the tenant association and the William C. Smith + Co. The developer responded that the tenant association knew William C. Smith + Co.'s reputation and that they moved forward quickly to meet the TOPA deadline. The tenant association would retain a small ownership stake and receive a portion of the developer's fee for certain community activities on the property. In addition, the tenant association would also receive a small portion of any residual cash flow. The MOU was negotiated by the tenant association board and then every tenant in the building was able to vote on the MOU. The decision was near unanimous. In addition to the information mentioned above, William C. Smith + Co. also discussed the full

scope of the renovation and the relocation strategy for the project with the tenant association.

- Where are the nearby properties that the tenants can relocate to? The developer responded that the tenants can relocate to a property of their choosing. One example of a property near the project is Twin Oaks at 3800 14<sup>th</sup> Street NW and another is 1401 Sheridan Street NW.
- What are the relocation options? The developer responded that the tenants can choose where they want to relocate to during the renovations. Also, the developer will assist with packing and will pay for the moving costs. The tenants will not have to pay an application fee or credit check fee and the developer will pay for any utility costs that the tenants incurring because of the move. The developer will also pay for the tenant to move back into the property after renovation.
- Regarding the relocation time period, the tenants will be relocated for 18 months, correct? The developer responded yes, but some periods will be less than 18 months because some relocation move will be from one building to another and not into a new development entirely.
- Will the tenants be able to return to their original units? The developer responded that it is possible but that the goal of the relocation plan is to only move the tenants one time to minimize the impact as much as possible. If some tenants are neighbors who help each other out from time to time, the developer will do all that they can to accommodate their requests to live near one another.
- How does the tenant association stay intact? The developer responded that there is a strong tenant association and that the Harrison Institute will continue to assist the tenant association along with the Latino Economic Development Corporation (LEDC).
- What is the economic interest deed line item in the sources and uses? The developer responded that the economic interest deed cost is due to the costs associated with admitting a tax credit investor into the partnership. The current LLC that owns the property will have to admit the tax credit investor into the partnership and sell 99.99% of the project to the investor, as with all tax credit projects. The economic interest deed fee will be paid to the District of Columbia.

The tenant association representatives, through an interpreter, spoke about their support for the development team and for the project. The members expressed their desire to keep their building affordable and that they wanted to have a renovated, safe place to call home. The tenant association produces a newsletter that is distributed regularly and the Board of the tenant association works to ensure that all tenants are informed of matters related to the community. The tenants expressed that William C. Smith + Co. and the tenant association are a team. In closing, the tenants said that they were glad that the project was moving forward and that they were looking forward to getting the project completed.

Development team representatives included Clare McCabe, William C. Smith + Co., Scott Pinover, Pam Askew, William C. Smith + Co., John Mangin from the Harrison Institute at Georgetown Law Center and attorney for the Tenant Association, Helen Ortiz,

President of the Tenant Association, Thelma Mendoza, Officer for the Tenant Association, and Tamira Ramirez from LEDC.

The resolution was then moved by Ms. Batties and seconded by Mr. Jackson. After a roll call vote, the resolution passed 5-0.

## **VI. Executive Director's Report.**

- Parkway Overlook Update
  - Continued discussions with DC WASA regarding their easement request that will result in the demolition of some units and the construction of a access road. The Board would like to have input into the aesthetics related to the DC WASA easement and access road.
  - Given various reasons, the DCHFA will pursue a foreclosure auction whereby the DCHFA will become owner of record for Parkway Overlook. Once the DCHFA is the owner of record, the disposition options will be discussed.
  - At the request of the Congresswoman Eleanor Holmes Norton, the Executive Director met with her staff to discuss the HUD insurance claim and the project in general.
  - No decision has been made by HUD, however, HUD staff was affected by the government shutdown so this could be impacting HUD's decision timeline.
  
- Shutdown Plan Update
  - Shutdown team was formed to manage the shutdown plan. Team was comprised of the Executive Director, Deputy Executive Director, Chief Financial Officer and Associate Executive Director. The Associate Executive Director served as lead negotiator for the agency.
  - After some research and discussions, the shutdown plan for the agency enabled 100% of the operations to remain open. The members of the Board of Directors were included in the shutdown plan. The primary rationale used to allow operations to stay open was that revenue bond proceeds are not subject to the anti-deficiency act.
  - Approximately \$750,000 was identified as pure revenue bond proceeds and this will allow the agency to operate for approximately 5 weeks.

- Minutes/Transcripts/Stenographer
  - A court stenographer will attend and transcribe all meetings, including the open and closed portion of the meetings.
  - Sample minutes are provided in the board package for your review. Suggestions and comments are welcome.
  - Minutes will be drafted after each meeting because the transcript does not take the place of minutes.
  - All meetings will be recorded.
  - Only the open meetings' audio recordings, transcripts or minutes can requested by the public or through the Freedom of Information Act (FOIA).
  - Regarding the closed portion of the meeting, staff will check with Boards and Commissions regarding how to maintain an official record of the closed session, in addition to the audio recording.
  
- Moody's Investors Service
  - The rating agency has notified the agency and has given public notice that the agency is being reviewed for an upgrade. It is anticipated that the Moody's team will meet with the agency staff in the next 60-90 days.
  - This upgrade will complement the upgrade the agency recently received by Standard and Poor's.

**VII. Other Business.**

- Revised Bylaws of the Agency - The Chairman asked if the draft bylaws were approved. The Secretary answered no but that the approval of the Revised Bylaws would be added to the agenda for the next meeting. Copies of the clean and black lined version would be included in the next Board package and distributed electronically by the Secretary.
- NCSHA Conference – Some staff and two Board Members will be attending the upcoming NCSHA Conference.
- Update on Government Affairs – The Chairman requested an update on Government Affairs activities at the next meeting.
- Next Meeting – tentatively scheduled for Tuesday, October 29, 2013

**VIII. Credit Card Review Process Update Discussion and Vote to close meeting to discuss the Credit Card Usage.**

The Chairperson called a vote to close the meeting to discuss the credit card usage. The reason for closing the meeting is stated below.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors will call a vote to close the meeting in order to discuss a matter regarding the employment and compensation of government appointees, employees, or

officials. An open meeting would adversely affect the employment and compensation related issues affecting the Agency. (D.C. Code §2-405(b)(10)).

A motion was made by Ms. Batties and seconded Mr. Jackson. The Chairperson then moved the meeting into a closed session.

**IX. Re-open meeting.**

Upon the conclusion of the closed meeting, the Chairperson reopened the meeting.

**X. Adjournment.**

The meeting adjourned at 8:00 PM.

Submitted by Harry D Sewell, Secretary  
October 25, 2013

Approved by the Board of Directors on October 29, 2013