

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MEETING OF THE BOARD OF DIRECTORS
July 13, 2021
5:30 pm**

Join Zoom Meeting

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I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Vice-Chairperson, Stephen M. Green, called the meeting to order at 5:31 p.m. and asked the Secretary to the Board of Directors (the “Board”), Mr. Christopher Donald, to verify a quorum. The Board reached a quorum and the meeting continued.

The following members were present via Zoom: Stephen M. Green, Bryan “Scottie” Irving, and Heather Howard.

II. Approval of Minutes from the June 8, 2021 Board Meeting.

A motion was made to approve the minutes from the June 8, 2021 Board meeting by Mr. Irving. The motion was properly seconded by Ms. Howard.

Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

III. Vote to close meeting to discuss Liberty Place – Additional Bonds.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice-Chairperson of the Board of Directors called 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 Liberty

Place – Additional Bonds. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mr. Green called for a motion to close the meeting. Ms. Howard made a motion to close the meeting. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:35 p.m. and re-opened at 5:54 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2021-10 for Liberty Place – Additional Bonds.

Mr. Scott Hutter, Deputy Director, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI underwriting staff requests the approval of additional bonds from the Board in an amount not to exceed \$3,125,000 to finance the increased cost of the Liberty Place Apartments project (the, “Project”). The actual proposed bond financing is \$2.5 million in short-term bonds. The Agency issued Multifamily Housing Mortgage Revenue Bonds in the total amount of \$16.8 million for the initial closing of the project in June 2018.

The Project is currently over 92 percent (92%) complete, with a targeted completion date of August 18, 2021. The Project was delayed post-closing due to the discovery of an underground District of Columbia Department of Transportation (“DDOT”) electrical duct bank located within the building's footprint. Extensive revisions to the Project plan were required due to complications resulting from the electrical duct bank. This issue resulted in an 18-month delay, which also caused a significant increase in project costs. Additionally, a fire on the rooftop occurred in March 2021. Repair costs associated with the damages from the fire will be paid through insurance proceeds. The Project is currently over 92% completed with a targeted completion date of August 18, 2021.

Due to the unanticipated delays, project costs have increased by approximately \$5.2 million, thereby increasing the total basis to approximately \$38.7 million. As such, the \$16.8 million of additional short-term bond issuance is below 50 percent (50%) of the current aggregate basis.

After the issuance of the additional bonds, approximately 54 percent (54%) of the aggregate basis will be from bond proceeds, allowing the project to pass the 50% test. The proposed loan structure for the additional bonds is an issuance of short-term bonds in an amount not to exceed \$3.125 million that will be purchased by Truist Bank for the project to meet the 50% test. Further, the additional bonds are supported by an increase in District of Columbia Department of Housing and Community Development (“DHCD”) Housing Production Trust Funds (“HPTF”) in the amount of \$1.9 million and low income housing tax credit (“LIHTC”) equity in the amount of \$1 million, among other sources. At conversion, the construction loan will be repaid, and the Project will have a \$7.3 million permanent Freddie Mac mortgage. Other gaps in the project will result in additional sponsor equity in the form of a deferred developer fee.

Mr. Hutter concluded the presentation, introduced members of the development team present on the Zoom call and opened the floor for questions. Mr. Robert Richardson with IBF Development joined the meeting.

Ms. Howard asked Mr. Richardson about the Project's construction progress. Mr. Richardson responded stating that August 18, 2021 is the target date for substantial completion. Mr. Richardson also stated that the development team is working with Washington Gas to resolve a final outstanding issue.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2021-10 for Liberty Place - Additional Bonds. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Howard. Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

V. Other Business.

No other business was discussed.

VI. Executive Director's Report.

There was no Executive Director's Report.

VII. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Ms. Howard made a motion to close the meeting and the motion was properly seconded by Mr. Irving.

Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

The meeting was adjourned at 6:04 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on July 23, 2021.

Approved by the Board of Directors on July 27, 2021.