

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

**September 16, 2021**

**5:30 p.m.**

**Minutes**

**Public Access via Zoom**

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 Chairperson, Buwa Binitie, 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: Buwa Binitie, Stephen M. Green, Heather Howard, Bryan “Scottie” Irving and Stanley Jackson.

**II. Approval of minutes from the August 24, 2021 and August 27, 2021 board meetings.**

A motion was called to approve the minutes of the August 24, 2021 and August 27, 2021 board meetings by Mr. Binitie. Mr. Irving made a motion to approve the minutes. The motion was properly seconded by Ms. Howard.

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

Mr. Binitie read a statement recusing himself from any discussion of The Clara.

**III. Vote to close meeting to discuss 1530 First Street SW.**

Pursuant to the District of Columbia Administrative Procedure Act, the 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 **1530 First Street SW**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

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

The meeting was closed at 5:35 p.m. and re-opened at 5:42 p.m.

**IV. Consideration of DCHFA Final Bond Resolution No. 2021-13 for 1530 First Street SW.**

Mr. John Lawrence, Senior Multifamily Underwriter, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$45.7 million for the 1530 First Street SW project, the (“Project”).

The Project is located in the Buzzard Point neighborhood of Southwest Washington, DC, three blocks west of South Capitol Street and Nationals Stadium. The site borders 1550 First Street, SW,

a seventy-six (76) unit affordable apartment community that received bond financing from DCHFA in January 2020. The Project is situated less than 0.1 miles from public bus transportation and less than 0.5 miles from the Navy Yard metro station.

One hundred percent of the one-hundred-one (101) units are low income housing tax credit (“LIHTC”) restricted. Twenty-one (21) units will be restricted to 30% of Area Median Income (“AMI”) or less and will benefit from the local rent subsidy program (“LRSP”) for permanent supportive housing. The other eighty (80) units will be restricted to 50% of Area Median Income (“AMI”) or less.

The capital stack for the development will consist of permanent financing in the approximate amount of \$25,145,000 as a DCHFA Risk-Share First Mortgage Loan; a \$13.1 million housing production trust fund (“HPTF”) loan; \$26.3 million in LIHTC Equity; and approximately \$3.7 million in deferred developer fee. The total development cost is \$68,188,277 (\$675,131/unit).

This transaction is being evaluated as a risk share permanent loan under DCHFA’s HUD 50/50 risk share program. The sponsor has chosen Raymond James as the tax credit investor with credits priced at \$0.935 for every \$1 of federal tax credits. TM Associates Development, as the Sponsor, has received a construction commitment from Boston Capital Finance for a 30-month term. The commitment will cash collateralize the \$38.1 million bond issuance, which will include \$25.1 million in long term tax-exempt bonds, \$7.9 million in short-term tax-exempt bonds and \$5.0 million of short-term taxable bonds. It will also provide an additional \$7,240,103 of conventional construction loan proceeds as bridge financing.

The managing member is TM Jacob 1530 MM LLC, which consists of TM 1530 LLC and UPO Community Development. REBJ, Inc. will be the guarantor of the Project. Other members of the development team include Gilbane Building Company as General Contractor, PGN Architects as Architect, and TM Associates Management as Property Manager.

The effective gross income (“EGI”) is projected to be approximately \$2.1 million in year one assuming 5% economic vacancy. The EGI includes an LRSP contract rent subsidy for twenty-one (21) units from the DC Housing Authority. Annual operating expenses are projected to be approximately \$708,000, resulting in a net operating income (“NOI”) of \$1.392 million in year one of stabilization. The projected NOI supports a permanent mortgage of \$25.145 million of tax-exempt debt with 1.17x amortizing debt service coverage in year one.

Mr. Lawrence concluded the presentation and opened the floor for questions and introduced Mr. Neil Mutreja and Ari Severe, who joined on behalf of the developer. Mr. Mutreja gave a brief overview of the Project. Mr. Jackson asked if the developer expected to hit their target lease-up

date. Mr. Mutreja said they anticipated leases by the end of the year and for leases to stabilize by the May date.

There were no further discussions.

Mr. Binite called for a vote to approve DCHFA Final Bond Resolution No. 2021-13 for 1530 First Street SW. Mr. Green made a motion to approve the resolution and it was properly seconded by Mr. Jackson.

Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

Mr. Buwa Binitie recused himself and left the meeting. Mr. Green continued conducting the meeting in his absence.

#### **V. Vote to close meeting to discuss The Clara.**

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 The Clara. 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. Mr. Jackson made a motion to close the meeting. The motion was properly seconded by Ms. Howard. The motion passed by a chorus of ayes.

The meeting was closed at 5:52 p.m. and re-opened at 5:59 p.m.

#### **VI. Consideration of DCHFA Final Bond Resolution No. 2021-14 for The Clara.**

Mr. Scott Hutter, Deputy Director, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$26,179,000 for The Clara, the ("Project").

The Project is in the Anacostia neighborhood of Southeast Washington, DC and is three-tenths of a mile from the Anacostia metro station.

The unit mix of the proposed development will be eighty-one (81) units with six (6) efficiencies, twenty-seven (27) one-bedroom units, twenty-four (24) two-bedroom units and twenty-four (24) three-bedroom units. Twenty (20) units, restricted at 30% of AMI, will benefit from a project based LRSP subsidy. The remaining units are unsubsidized and restricted at 50% of AMI. The Project will be constructed as a six-story structure, with two-story concrete podiums on the lower levels and four stories of light wood frame above the podiums. Community amenities will include a business center, central laundry room, a clubhouse, an exercise facility, and on-site management.

The capital stack for the development will consist of a senior Fannie Mae MTEBS loan at \$10.9 million, Department of Housing and Community Development (“DHCD”) funding at \$14 million, LIHTC Equity at \$15.9 million, a deferred developer fee at \$2.46 million, and \$110,000 from a returned commitment fee. The total development cost is \$43.4 million or approximately \$536K/per unit.

The managing member for the sponsor will be The Clara on Martin Luther King Jr. Avenue Managing Member, LLC, which is comprised of Banneker Ventures, Clara Collective LLC, and Medina Life CDC. Omar Karim with Banneker Ventures will serve as guarantor for the Project and lead developer. Medina Life will serve as the non-profit JV sponsor and the Clara Collective is a passive investor entity.

Other members of the development team include Hamel Builders as the general contractor, DP Partners as the architect, and Faria Management as the property manager.

Mr. Hutter concluded the presentation and introduced Omar Karim with Banneker Ventures. Ms. Howard asked when construction is anticipated to start. Mr. Karim responded that construction is expected to start on October 18th and the deal is expected to close on September 29th. Mr. Irving inquired about the general liability insurance levels for the Project. Mr. Karim responded the coverage was \$2 million plus an additional \$10 million umbrella policy. Mr. Karim added that insurance premiums were about \$50,000 a year.

There were no further questions.

Mr. Green called for a vote to approve DCHFPA Final Bond Resolution No. 2021-14 for The Clara. Mr. Jackson 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.

## **VII. Other Business.**

Mr. Donald announced the second board meeting of the month would be held on September 23, 2021. He also congratulated Agency staff for increasing the risk share portfolio by 75% at the end of the fiscal year.

**VIII. Executive Director's Report.**

There was no Executive Director's Report.

**IX. Adjournment.**

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

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

The meeting was adjourned at 6:10 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on October 8, 2021.

Approved by the Board of Directors on October 12, 2021.