

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

**November 9, 2021**

**5:30 p.m.**

**Minutes**

Join Zoom Meeting

<https://dchfa.zoom.us/j/83978377981?pwd=REw0MTlBNXdidXhBc2lGckU4czBlQT09>

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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, Mr. Stephen M. Green, called the meeting to order at 5:33 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: Mr. Stephen M. Green, Ms. Heather Howard, and Mr. Bryan “Scottie” Irving.

## **II. Approval of minutes from the October 12, 2021 Board meeting.**

A motion was called to approve the minutes of the October 12, 2021 board meeting by Mr. Green. Ms. Howard made a motion to approve the minutes. The motion was properly seconded by Mr. Irving. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

## **III. Vote to close meeting.**

Vote to close meeting to discuss **Terrace Manor**.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green 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 **Terrace Manor**. 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 5:48 p.m.

## **IV. Consideration of DCHFA Eligibility Resolution No. 2021-19 for Terrace Manor.**

Ms. Linda Hartman, Multifamily Loan Underwriter, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI team recommends the authorization of the issuance of tax-exempt bonds in an amount not to exceed \$36.990 million for Terrace Manor (the, "Project").

The Project is in the Randle Heights neighborhood of Ward 8 in Southeast Washington, DC. It is located approximately 0.7 miles from the Southern Avenue metro station, which services the Green Line. The metro station is not easily accessible by foot; however, it is accessible by Bus Route 32. The Project site is located within 0.1 miles of the Route 32 bus stop.

The Project will be a new construction development with one hundred thirty (130) units. The unit mix of the proposed Project will consist of seventy-five (75) one-bedroom, forty-seven (47) two-bedroom, and eight (8) three-bedroom units. It will replace the sixty-one (61) units at the former Terrace Manor development, as well as create sixty-nine (69) new units in the market. Fourteen

(14) units at the Project will be restricted at 30 percent of area median income (“AMI”). The 30 percent AMI units will operate with the Local Rent Supplement Program (“LRSP”) subsidies from the District of Columbia Housing Authority (“DCHA”). The supportive services for these units will be paid by District of Columbia Department of Human Services (“DHS”). Additionally, the Project will also offer one hundred sixteen (116) unsubsidized units restricted at 50 and 60 percent of AMI.

Property amenities will include free garage parking spaces, bike storage spaces, community room/business center, 24-hour front desk, fitness center, elevators, various resident services, and on-site management. Resident services will include free shuttle service and access to the Village of Parkland Splash Park, which is owned by WC Smith. The security amenities, in addition to the 24-hour front desk, will include a buzzer intercom system, limited access, perimeter fencing, and video surveillance. In-unit amenities will include blinds, central air-conditioning, coat closets, dishwashers, garbage disposals, microwaves, ovens, refrigerators, and in-unit washer/dryers.

This transaction is being evaluated as a risk share permanent loan under DCHFA’s HUD 50/50 Risk Share program. The capital stack for the Project will consist of permanent financing in the approximate amount of \$18.985 million as a DCHFA Risk-Share First Mortgage Loan, a \$16.538 million DHCD Housing Production Trust Fund loan, \$26.182 million in federal low income housing tax credit (“LIHTC”) equity, \$4.652 million of the District of Columbia LIHTC equity, and \$17,000 in Deferred Developer Fee. The total development cost is \$66.375 million, or \$511,000 per unit, inclusive of acquisition debt repayment, hard and soft costs, developer and financing fees, reserves and escrows. The federal LIHTC equity investor is Wells Fargo Affordable Community Lending and Investment.

The sponsor team for the entire project will consist of WC Smith and Anacostia Economic Development Corporation (“AEDC”). The general partner is Terrace Manor GP LLC. It consists of AEDC Terrace Manor LLC, the managing member (“Managing Member”), WCS Group Terrace Manor Investment LLC, and Smith Terrace Manor Investment LLC. WC Smith will be the guarantor of the Project. Other members of the development team consist of WCS Construction, LLC as General Contractor, Stoiber + Associates as Architect, and WC Smith as Property Manager.

Ms. Hartman introduced members of the sponsor team present via the Zoom call and opened the floor for questions: Sarra Mohamed, Allison Ritz, Xavier Rathlev, Clare McCabe, and Ryan Lepine with WC Smith; Monica Jackson, President of the Terrace Manor Tenant Association; and Oke Anyaegbunam with AEDC.

There were no questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-19 for Terrace Manor. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Howard.

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

The resolution was unanimously approved.

Mr. Donald noted for the record that Board member Mr. Stanley Jackson is affiliated with the Terrace Manor project and is recused. Mr. Jackson was not present for the meeting and has not participated in any discussion regarding the Project and will not vote on the Project.

**V. Vote to close meeting.**

Vote to close meeting to discuss **7428 Georgia Avenue**.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green 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 **7428 Georgia Avenue**. 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 5:58 p.m. and re-opened at 6:09 p.m.

## **VI. Consideration of DCHFA Eligibility Resolution No. 2021-20 for 7428 Georgia Avenue.**

Mr. James Holley-Grisham, Senior Multifamily Loan Analyst, 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 \$15,160,000 for 7428 Georgia Avenue Apartments (the “Project” or “Development”). The Project is in the Shepherd Park neighborhood of Northwest Washington, DC and is 0.8 miles away from the Takoma Metro Station on the Red Line.

The unit mix of the proposed Development will be sixty-six (66) units with ten (10) efficiency units, thirty-four (34) one-bedroom units, two (2) two-bedroom units, and twenty (20) three-bedroom units. Thirteen (13) units restricted at 30 percent of AMI will benefit from a project based LRSP subsidy. Community amenities include a bike storage, a club room, a fitness room, and on-site management with robust resident services.

The capital stack for the Development will consist of a senior JP Morgan Chase loan at \$8.4 million, DHCD HPTF funding at \$11 million, federal LIHTC equity at \$8.2 million, District of Columbia LIHTC equity at \$1.6 million, a Deferred Developer Fee at \$1 million, and a \$875,000 Seller Takeback Note. The total Development cost is \$31.7 million or approximately \$481,000 per unit.

The managing member for the Sponsor will be Shepherd Park MM, LLC whose sole member is Lock 7 Development, LLC. David Gorman and Patrick Conway, the Principals of Lock 7 Development, will serve as Guarantors for the Project and lead developers.

Other members of the development team include Hamel Builder’s, Inc. as the General Contractor, Torti Gallas Urban, LLC as the Architect, and Residential One as the Property Manager.

Mr. Grisham concluded the presentation and introduced members of the sponsor team present via the Zoom call: Patrick Conway with Lock 7 and Jordan Bishop with Audubon Enterprises.

Mr. Grisham opened the floor for questions. There were no questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-20 for 7428 Georgia Avenue. 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.

## **VII. Other Business**

Mr. Donald presented an analysis to the Board regarding development and construction costs of multifamily projects financed by the Agency. Mr. Donald stated that project costs have increased, and the multifamily team is researching the factors behind the rising costs. Mr. Irving thanked Mr. Donald for sharing the information and noted that the higher costs are a result of the pandemic and material construction costs.

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

There was no Executive Director's report.

## **IX. Vote to close meeting to consult with an attorney.**

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green called 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 a public body, or to approve settlement agreements; provided, that, upon request, the public body may decide to waive the privilege. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(4)(A)).

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

Agency staff exited the Zoom meeting.

The meeting was closed at 6:19 p.m. and re-opened at 6:44 p.m.

## **X. Adjournment.**

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

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

The meeting was adjourned at 6:46 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on November 24, 2021.

Approved by the Board of Directors on November 30, 2021.