DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SPECIAL MEETING OF THE BOARD OF DIRECTORS
December 17, 2021
12:00 p.m.

Minutes

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, Mr. Buwa Binitie, called the meeting to order at 12:02 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. Buwa Binitie, Mr. Stephen M. Green, Ms. Heather Howard, and Mr. Bryan "Scottie" Irving.

II. Approval of minutes from the December 8, 2021 board meeting.

A motion was called to approve the minutes of the December 8, 2021 board meeting by Mr. Binitie. 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.

Mr. Green made a statement on the record recusing himself from any discussion or vote pertaining to Kenilworth 166.

III. Vote to close meeting to discuss Hanover Courts/Tivoli Gardens.

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 **Hanover Courts/Tivoli Gardens**. 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. 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 12:11 p.m. and re-opened at 12:21 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2021-21 for Hanover Courts/Tivoli Gardens.

Mr. Scott Hutter, Deputy Director, 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 $2.5 million for Hanover Courts/Tivoli Gardens ("Project"). The Agency issued Multifamily Housing Mortgage Revenue Series 2020 Bonds in January 2020.

The Project is the acquisition and rehabilitation of Hanover Courts and Tivoli Gardens. The scattered site development has a twinning structure and, thus it consists of a 9% project and 4% project. DCHFA is financing the 4% project only. The unit mix of the 4% project includes forty-nine (49) one-bedroom units, thirty-three (33) two-bedroom units, and eight (8) three-bedroom units for a total of ninety (90) units. Additionally, the 4% project will consist of eight

(8) units restricted at the thirty percent (30%) AMI level, twenty-nine (29) units restricted at the fifty percent (50%) AMI level, and fifty-three (53) units restricted at the sixty percent (60%) AMI level. Of the eight (8) units restricted at the thirty percent (30%) AMI level, four (4) will receive Local Rent Supplemental Program ("LRSP") subsidies with Permanent Supportive Housing ("PSH") wrap-around services.

The proposed loan structure for the additional bonds is an issuance of short-term bonds in an amount not to exceed $2.5 million for the Project to meet the fifty percent (50%) test. The short-term bonds will be cash collateralized by a HUD 221 (d)(4) construction loan. The additional bonds are supported by an increase in federal and DC low-income housing tax credits ("LIHTC") equity and a Federal Home Loan Bank ("FHLB") grant of $500,000. Funds from the Department of Housing and Community Development ("DHCD") Housing Production Trust Fund ("HPTF") proceeds decreased by approximately $1.0 million from initial financing, with the presence of the additional LIHTC equity and FHLB grant.

As of December 2021, the Project is mostly complete. The only remaining task is waterproofing the basement of Tivoli Gardens. The placed in service date is projected for late December 2021 to early January 2022.

Due to extensions in the project schedule and change orders, project costs have increased by approximately $2.0 million. This has increased the total basis of the Project to $34.3 million.

The development team is a partnership of Manna Inc., TM Associates Inc., and EquityPlus Manager, LLC.

Mr. Hutter concluded his presentation and introduced Avi Fetcher from the sponsor team present via Zoom and opened the floor for questions.

There were no questions.

Mr. Binitie called for a vote to approve DCHFA Final Bond Resolution No. 2021-21 for Hanover Courts/Tivoli Gardens. 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.

V. Vote to close meeting to discuss Kenilworth 166.

Mr. Green did not join the closed session and did not participate in any discussion regarding Kenilworth 166. He exited the Zoom meeting during the open session before the discussion and vote.

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 **Kenilworth 166**. 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. Irving 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 12:28 p.m. and re-opened at 1:18 p.m.

VI. Consideration of DCHFA Final Bond Resolution No. 2021-23 for Kenilworth 166.

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 $52.5 million for Kenilworth 166 (the "Project" or "Development"). The Project is located in the Kenilworth Lilyponds neighborhood of Northeast Washington, DC and is three-tenths of a mile away from the Deanwood Metro Station.

The Development will be one hundred sixty-six (166) units located within a forty-two-unit midrise four-story elevator-serviced senior building, a sixty-five (65) unit midrise four-story building, forty-four (44) townhomes and fifteen (15) stacked townhome flats.

Forty (40) units will be restricted at thirty percent (30%) AMI and one hundred twenty-six (126) units will be restricted at fifty percent (50%) AMI. Seventeen (17) units are set aside as Permanent Supportive Housing ("PSH") and will also receive Local Rent Supplement Program ("LRSP") subsidies. Of the seventeen (17) PSH units, seven (7) will be senior tenancy. One hundred one (101) units will operate with Rental Assistance Demonstration ("RAD") subsidy. Finally, forty-eight (48) units will be restricted at fifty percent (50%) AMI and will operate without any project-based subsidy.

In-unit amenities will include stainless steel appliances, gas range/ovens, refrigerator, garbage disposal, dishwasher, built-in microwave, and a washer/dryer in each unit. Select units will include a private patio or balcony area.

Community amenities will include a business center/computer lab, resident lounge/community room, clubhouse, fitness center, central laundry, on-site management, and recreation area.

Additionally, the Project will offer a fresh food market. This space has been offered to a local grocer rent free and is considered a 2,980 square foot Community Service Facility, which is included in low-income housing tax credit ("LIHTC") eligible basis.

The capital stack for the Development will consist of permanent financing in the approximate amount of $20,811,000, a $16,973,133 Housing Production Trust Fund ("HPTF") loan, $34,665,443 in LIHTC equity, a $4,000,000 Development New Communities demolition and infrastructure loan from the Deputy Mayor for Planning and Economic Development, $1,427,205 of interim income earned between the Project being placed in service and the permanent loan conversion, $1,847,747 from other equity sources and $3,881,684 in deferred developer fee. The total development cost is $83,585,625 ($503,528/unit), inclusive of hard and soft costs, developer and financing fees, reserves and escrows.

The managing member for the sponsor will be Kenilworth Revitalization 1 JV, LLC which is comprised of the Michaels Development Company, The Warrenton Group, and the DC Housing Authority ("DCHA"). The Michaels Development Company will serve as guarantor for the Project.

Other members of the development team include Torti Gallas as the architect and Michaels Management Affordable as the property manager.

Mr. Hutter concluded the presentation and introduced members of the sponsor team present via the Zoom – Andre Gould from DCHA and Joe DiSalvo, Chris Earley, and Ken Crawford from the Michaels Development Group.

Mr. Hutter opened the floor for questions. Mr. Binitie asked if the operating agreement between the Michaels Group and The Warrenton Group had been executed. Mr. Crawford responded that it had been executed.

Ms. Howard asked about the experience of the contractor. Mr. Binitie asked how many deals the contractor had performed in Washington, D.C. Mr. DiSalvo responded by providing a background of Michaels Construction and his own experience prior to his time at the company. Mr. Binitie then asked if all subcontractors had been identified for the transaction. Mr. DiSalvo stated approximately seventy percent had been awarded to date. Mr. Irving asked about the numbers for construction. Mr. Binitie asked for clarification on which trades letters of intent had been issued and/or were executed. Mr. DiSalvo and Mr. Earley responded with the appropriate data.

There were no further questions.

Mr. Binitie called for a vote to approve DCHFA Final Bond Resolution No. 2021-23 for Kenilworth 166. 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.

Mr. Irving and Ms. Howard voted yes, and Mr. Binitie voted no.

Mr. Green rejoined the meeting. Mr. Binitie made a statement on the record recusing himself from the Cascade Park and Parcel 42 transactions. He then left the meeting. He was not involved in any discussions or votes related to those two projects.

VII. Vote to close meeting to discuss Cascade Park Apartments.

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 **Cascade Park Apartments**. 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 1:52 p.m. and re-opened at 1:59 p.m.

VIII. Consideration of DCHFA Final Bond Resolution 2021-22 for Cascade Park Apartments.

Mr. James 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 $12.5 million for Cascade Park Apartments (the "Project" or "Development"). The Project is located in the Washington Highlands neighborhood of Southeast Washington, D.C. and is 1.8 miles away from the Congress Heights Metro Station.

The unit mix of the proposed Development will be fifty-nine (59) units with two (2) efficiency units, twenty (20) one-bedroom units, twenty (20) two-bedroom units, eleven (11) three-bedroom units and six (6) four-bedroom units. Nine (9) units restricted at thirty percent (30%) of AMI will benefit from a project based local rent subsidy program ("LRSP") subsidy.

The capital stack for the Development will consist of a Senior Wells Fargo Loan at $5.6 million, Department of Housing and Community Development ("DHCD") Funding at $9.3 million dollars, federal low-income housing tax credit ("LIHTC") equity at $6.4 million, DC LIHTC equity at $1.1 million, a deferred developer fee at $483,000, and a $500,000 grant from the Federal Home Loan Banks ("FHLB"). The total development cost is $23.5 million or approximately $400,000 per unit.

There is a historical record of a leaking underground storage tank at the property, which is a notable risk. The record states that on January 11, 1995, the underground storage tank was closed in place, which included filling the tank with concrete slurry. An environmental contractor completed a ground penetration radar survey on October 20, 2021 and found no evidence of an underground storage tank onsite.

The managing member for the sponsor will be Cascade Park Managing Partners II, LLC, which is comprised of Dantes Partners, The Crosby Family Trust, and H Street CDC, LLC. Dantes Partners will serve as guarantor for the Project and lead developer; H Street CDC, LLC will serve as the non-profit JV sponsor; and The Crosby Family Trust is a passive investor entity. The Crosby Family Trust is a trust for Daniel Crosby, the real estate broker that sold the subject property to Dantes Partners. Daniel Crosby received a percentage of equity rather than a cash commission payment.

Other members of the development team include Hamels Builders as the general contractor, Miner Feinstein as the architect, and Faria Management as the property manager.

Mr. Grisham concluded his presentation and opened the floor to questions. Joel Patterson from the development team at Dantes Partners joined.

There were no questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2021-22 for Cascade Park. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Irving.

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

The resolution was unanimously approved.

Mr. Irving made a statement on the record recusing himself from the Parcel 42 transaction. He then left the meeting. He did not participate in any discussions or votes related to the Parcel 42 transaction.

IX. Vote to close meeting to discuss Parcel 42.

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 **Parcel 42**. 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. Green. The motion passed by a chorus of ayes.

The meeting was closed at 2:07 p.m. and re-opened at 2:26 p.m.

X. Consideration of DCHFA Eligibility Resolution 2021-24 for Parcel 42.

Ms. Linda Hartman, Multifamily Loan 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 $39 million for Parcel 42 ("Project" or "Development").

The Project is located in the Shaw neighborhood in Northwest Washington, D.C. It is located approximately one block from the Shaw-Howard University metro station.

The Project site is currently vacant. The Project will be a new construction development with one hundred ten (110) units. The unit mix will be fourteen (14) efficiencies, seventy-seven (77) one-bedrooms, and nineteen (19) two-bedroom units. Additionally, the Project will offer nine (9) units restricted at thirty percent (30%) of AMI, thirty-eight (38) units restricted at fifty percent (50%) of AMI, fifty-five (55) units restricted at sixty percent (60%) of AMI, six (6) units restricted at eighty percent (80%) of AMI, and two (2) market rate units.

Property amenities will include two elevators, an on-site management office, fitness room, penthouse clubroom, central laundry, and small lounge areas. In-unit amenities will include vinyl wood-flooring, dishwashers, garbage disposals, electric range/ovens, refrigerators, and central air conditioning. Additionally, the Project will offer an ARTS-4 leasable retail space. This retail space will be separated by a glass door from other ground floor areas of the Project. Retail income from the ARTS-4 leasable retail space is not included in the underwriting of the Project. The security for the Project will be a secured intercom entry system.

The sponsor team for the Project will consist of Dantes Partners. P42 Community Partners LLC will be the owner and borrowing entity in the transaction. The borrower consists of P42 Community Partners MM LLC ("Managing Member") and Wells Fargo, ("Investor Member"). The Managing Member of the borrower is further owned by DP P42 LLC, which is controlled by Dantes Partners, AMB Parcel 42 Ventures LLC, Irving Holdings 1964 LLC, and DR Parcel 42 LLC. Key principals of these firms are Buwa Binitie, Max Brown, Bryan Irving, and Martin Ditto. Dantes Partners will be the guarantor of the Project. Other members of the development team consist of Davis Construction as general contractor, Grimm + Parker as architect, and Faria Management as property manager.

Ms. Hartman concluded her presentation and opened the floor to questions. Mr. Stephen Vassor and Mr. Corey Powell from Dantes Partners joined the call.

There were no questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-24 for Cascade Park. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Green.

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

The resolution was unanimously approved.

XI. Other Business.

There were no other business matters.

XII. Executive Director's Report.

There was no Executive Director's report.

XIII. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Ms. Howard made a motion to adjourn the meeting, which was seconded by Mr. Green.

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

The meeting was adjourned at 2:35 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on January [ ], 2022.

Approved by the Board of Directors on January [ ], 2022.