

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

October 8, 2019
815 Florida Avenue, NW
Washington, DC 20001
5:30 pm

AGENDA

I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHF A” or the “Agency”) Board Vice Chairman, Stephen M. Green, called the meeting to order at 5:35 p.m. and asked the Secretary to the Board of Directors (the “Board”), Mr. Todd Lee to verify a quorum. With three members present, the Board had a quorum and the meeting continued.

The following members were present: Stephen M. Green, Bryan “Scottie” Irving (telephonic) and Stanley Jackson (telephonic).

II. Approval of the Minutes from the September 10, 2019 and September 13, 2019 Board Meetings.

A motion was made to approve the minutes from the September 10, 2019 and September 13, 2019 board meetings by Mr. Jackson. The motion was properly seconded by Mr. Irving.

The motion passed by a chorus of ayes.

III. Vote to close meeting.

Vote to close meeting to discuss Woodberry Village.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice Chairperson of the Board of Directors, 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 Woodberry Village. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Jackson, seconded by Mr. Irving and was followed by a chorus of ayes.

The meeting was closed by unanimous consent at 5:40 p.m. and resumed at 6:23 p.m.

IV. Consideration of DCHF A Eligibility Resolution No. 2019-22 for Woodberry Village.

DCHFA Underwriter, Ksenia Camacho, presented the transaction and information to the Board and recommended that the Board approve and adopt an inducement resolution for the issuance of tax exempt bonds in an amount not to exceed \$18,171,352 to finance a portion of the costs to rehabilitate 190 units at Woodberry Village (the “Project”).

The unit mix of the Project will be 94 one bedroom units, 95 two bedroom units, and one four bedroom unit. The site was constructed in 1949, and consists of 17 garden-style buildings over five acres.

One hundred twenty-four (124) of the 190 units are covered by a Housing Assistance Payment (“HAP”) contract which will be renewed with a 20-year HAP contract mark-up-to-market. The units covered by the HAP contract will be restricted to 50 percent of AMI or less. The remaining 66 units will be restricted at 60 percent of AMI or less.

The development is located in the Shipley Terrance neighborhood of Southeast Washington, DC, which is 0.6 miles northwest of the Southern Avenue Metro Station which serves the green line and is located in Ward 8.

The capital stack for the Project will consist of permanent financing in the approximate amount of \$21,350,000 million as a Freddie Mac tax exempt loan, \$13.1 million in low-income housing tax credit equity (“LIHTC”), an \$8.6 million seller note, \$2.4 million in deferred developer fee, and \$1.86 million in interim income. The total development cost is \$47,570,000 million or approximately \$250,400 per unit, inclusive of hard and soft costs, developer financing fees, and reserves and escrows.

Woodberry Apartments LP will be the owner and borrowing entity in the transaction. The general partner will be Woodberry Apartments GP LLC which will consist of Woodberry Apartments CRG, controlled by Capital Realty Group’s Moshe Eichler and Sam Horowitz as 50/50 members, and House of David Preservation, Inc. (“House of David”) as a 51 percent majority member. Mr. Eichler and Mr. Horowitz will be the guarantors for the Project. The sponsors do not own other property in the District of Columbia therefore Woodberry Village will be their first project. However, the other properties in their portfolio appear to be well occupied, stable, and meeting debt service reserve obligations. The remaining members of the development team consist of GCS|SIGAL as the general contractor, Atelier Architects as the architect of record, and Capital Realty Group as the property manager.

Ms. Camacho introduced the borrower representatives, Avram “Avi” Fechter from EquityPlus as Scott Fireison as legal counsel to the sponsors from the law firm of Pepper Hamilton LLP.

Ms. Camacho stated that the presentation was concluded and invited the representatives to answer questions from the Board.

Mr. Green asked for an explanation regarding House of David’s expertise and portfolio. Mr. Fireison responded that he has represented House of David for a number of years and they own many multifamily properties and have entered into joint venture agreements with

developers. Mr. Fechter stated that Capital Realty Group has directly ventured with House of David on their projects and House of David takes the lead on social services program coordination and Capital Realty Group heads up the development and project management aspect. Therefore, a model is in place and Mr. Fireison expects that model to continue for the Woodberry Village transaction. Mr. Fechter added that House of David expects to pay out of pocket for the service coordinator and is still learning about the services available to tenants in the District. House of David's history of providing services for other projects includes after school programs, food delivery, and summer programs, etc. For example, for a project located in Richmond, Virginia, House of David plans to create a community center, build a gym, and provide other social services that are applicable to the needs of that location.

Mr. Jackson asked if there was any data available regarding the existing tenant base as it relates to seniors and school age children to help him better understand the services that are needed for Woodberry Village. Mr. Fechter responded that the Project's model is a typical rehabilitation model. Mr. Fechter also added that there is a relocation plan which will include packing, hospitality rooms, and activities outside of the units.

Mr. Jackson inquired whether a local organization could potentially partner with House of David regarding navigation of social services. Mr. Fireison responded that House of David has engaged in discussions with National Housing Trust and ultimately decided not to co-venture due to their symbiotic and longstanding relationship with Capital Realty Group.

Mr. Green called for a motion on the resolution. Mr. Jackson made a motion to approve DCHFA Eligibility Resolution No. 2019-22; that motion was properly seconded by Mr. Irving. The Board took a poll vote because the Agency is committing volume cap.

The motion was unanimously approved by Mr. Green, Mr. Jackson, and Mr. Irving. DCHFA Resolution No. 2019-22 was passed.

V. Other Business.

There was no other business.

VI. Executive Director's Report.

There was no Executive Director's Report.

VII. Adjournment.

Mr. Green called for a motion to adjourn.

A motion to adjourn the meeting was made by Mr. Jackson and seconded by Mr. Irving.

The motion was approved by a chorus of ayes.

The meeting adjourned at 6:36 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on October 18, 2019.

Approved by the Board of Directors on October 22, 2019.