

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

November 19, 2019

815 Florida Avenue, NW

Washington, DC 20001

5:30 p.m.

Minutes

I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Chairman, Buwa Binitie, called the meeting to order at 5:34 p.m. and asked the Secretary to the Board of Directors (the “Board”), Mr. Todd Lee to verify a quorum. With four members present, the Board had a quorum, and the meeting continued.

The following members were present telephonically: Buwa Binitie, Stephen M. Green, Bryan “Scottie” Irving, and Stanley Jackson.

II. Vote to close meeting to discuss Savannah Apartments.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice-Chairman 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 Savannah Apartments Inducement and a Savannah Apartments McKinney Act Loan. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

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

The meeting was closed at 5:36 p.m. and re-opened at 5:42 p.m. The Skyline Apartments transaction was removed from the Agency agenda at the beginning of the closed portion of the meeting.

III. Consideration of DCHFA Eligibility Resolution No. 2019-29 for Savannah Apartments and DCHFA Resolution No. 2019-15(G) for a McKinney Act Loan for Savannah Apartments.

Ksenia Camacho, Multifamily Loan Underwriter, presented the transaction to the Board. Ms. Camacho requested the approval for the issuance of tax-exempt bonds in an amount not to exceed \$13,125,000 to finance a portion of the costs to acquire and rehabilitate 65 units at Savannah Apartments (the “Development” or the “Property”). Ms. Camacho also presented a McKinney Act loan for Savannah Apartments for approval in the amount of \$490,000.

Savannah Apartments is a 65-unit apartment community consisting of three buildings, built in 1947. The property’s unit mix is comprised of 56 two bedroom units and nine three bedroom units. The property is currently unrestricted.

The seller of the property notified the tenants of sale in early 2017. The tenants organized and exercised their Tenant Opportunity to Purchase Act (TOPA) rights in June 2017, securing a loan to cover the purchase contract from the Institute of Community Economics, a loan fund affiliated with the National Housing Trust Enterprise (NHTE). NHTE was selected by the tenant association, and acquired the property on April 13, 2018. NHTE plans to fully renovate the property, as well as introduce affordability restrictions which will create new affordable housing units.

NHTE acquired the property for an estimated \$6,800,000 inclusive of \$4,600,000 for the current asset and \$2,200,000 for the land.

The estimated capital stack will consist of permanent financing in the amount of \$4,682,190 in bonds, an \$8,207,976 Department of Housing and Community Development Housing Production Trust Fund loan, \$6,537,450 in low income housing tax credit, or “LIHTC” equity, \$500,000 in a Share Fund Acquisition & Community Building Loan, \$700,000 in a Douglass Community Land Trust loan, \$405,000 in acquisition net operating income, \$180,000 in interim income, \$346,326 in accrued interest, and \$653,215 in deferred developer fee. The total development cost is \$22,212,157 (\$341,725/unit), inclusive of acquisition debt repayment, hard and soft costs, developer and financing fees, reserves and escrows.

The remaining members of the development team consist of Hamel Builders as the General Contractor, Stoiber & Associates as the Architect and Quantum as the Property Manager.

NHTE was founded in 1999 as a joint effort between the National Housing Trust and the Enterprise Community Partners. It is a 501(c)(3) non-profit organization whose mission is to preserve and improve affordable, multifamily housing, throughout the United States, particularly federally assisted apartment properties. Since NHTE was founded it has preserved over 7,000 units in over 30 properties in ten states and the District of Columbia. The organization's portfolio currently includes 11 properties with 994 units in Washington, DC. NHTE has developed several DCHFA financed projects, including Galen Terrace, 1111 Mass Place, Meridian Manor and Villages of East River. Per DCHFA's Portfolio and Asset Management team, all of NHTE's properties are in compliance.

Ms. Camacho concluded the presentation and introduced a member of the development team, Mr. Edward Pauls from NHTE. Ms. Camacho then opened the floor for questions.

Mr. Green inquired about the timing of closing the transaction. Mr. Pauls stated that he expects to return to the Board for a final bond approval in March 2020. Mr. Green also asked whether the 50% test was going to be met. Mr. Pauls responded that currently it is at 54% and while that is tight, it is still early in the process.

Mr. Jackson asked about the tenant relocation plan and tenant services. Mr. Pauls informed the Board that there will be approximately ten swing units and that a consultant will be hired to assist with the relocation plan. He also added that the project is able to afford a community center for activities. Tax credit pricing has improved, so now the project has enough funds to include a community center and applicable programming.

There were no other questions related to the resolutions.

Mr. Binitie called for a motion to approve DCHFA Eligibility Resolution No. 2019-29 for Savannah Apartments and DCHFA Resolution No. 2019-15 (G) for a McKinney Act loan for Savannah Apartments. Mr. Irving made a motion to approve the resolutions, and that motion was properly seconded by Mr. Green.

Mr. Lee took a poll vote because the Agency is committing volume cap. Both resolutions were unanimously approved.

IV. Other Business.

No other business was discussed.

V. Executive Director's Report.

- Due to the holidays, the December board meeting dates will be rearranged.
- The Agency's newest Board member, Heather Howard, was confirmed by the DC Council.
- Training for the Board's new software, BoardBookIt, will be scheduled soon.

VI. Adjournment.

Mr. Green made a motion to adjourn the meeting, that motion was properly seconded by Mr. Jackson.

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

The meeting was adjourned at 6:07 p.m.