

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

July 9, 2024

5:30 p.m.

Minutes

Join Zoom Meeting

<https://dchfa.zoom.us/j/86389449603?pwd=QnNRemNpOEQ5Mi9nViVpMkkwVUh5dz09>

Meeting ID: 863 8944 9603

Passcode: 038938

One tap mobile

+13126266799,,86389449603#,,,*038938# US (Chicago)
+16469313860,,86389449603#,,,*038938# US

Dial by your location

- +1 312 626 6799 US (Chicago)
- +1 646 931 3860 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
 - +1 305 224 1968 US
 - +1 309 205 3325 US
 - +1 507 473 4847 US
 - +1 564 217 2000 US
 - +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
 - +1 689 278 1000 US
 - +1 719 359 4580 US
 - +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
 - +1 360 209 5623 US
 - +1 386 347 5053 US

Meeting ID: 863 8944 9603

Passcode: 038938

Find your local number: <https://dchfa.zoom.us/u/kbFOLxs0yz>

I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Chairperson, Mr. Stephen Green, called the meeting to order at 5:30 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 Green, Mrs. Heather Wellington, Mr. Bryan “Scottie” Irving, and Mr. Stanley Jackson.

II. Vote to close meeting to discuss Benning Road Metro Affordable, 1800 Columbia Road, and Contractor Selection of Bald Cypress Media.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors called for a motion 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 Benning Road Metro Affordable, 1800 Columbia Road, and a contract with Bald Cypress. An open meeting would adversely affect matters related to the Agency. (Code §2-575(b)(2)).

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 Mr. Jackson. The motion passed by a chorus of ayes.

The meeting was closed at 5:35 p.m. and re-opened at 6:23 p.m.

III. Credit Review for Benning Road Metro Affordable.

Mr. James Grisham, Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented Benning Road Metro Affordable (the “Project”) for credit review. The transaction was induced by the Board of Directors on April 22, 2024.

The Project is located in the Benning neighborhood of Northeast Washington D.C. approximately 500 feet away from the Benning Road Metro Station which services the Blue line. The site of the Project consists of two adjacent parcels that are currently improved with a vacant business office and a parking lot, which will be razed. The proposed Project will consist of a newly constructed high-rise building with nine (9) stories and a habitable penthouse.

The unit mix of the Project will consist of a total of one hundred nine (109) units, fifty-two (52) one-bedroom, twenty-seven (27) two-bedroom, and twenty-two (22) three-bedroom units. Twenty-two (22) units will be restricted to residents earning thirty percent (30%) of the Area Median Income (“AMI”) or less. Sixty-five (65) units will be restricted to residents earning fifty percent (50%) AMI or less, and the remaining twenty-two (22) units will be restricted to residents earning eighty percent (80%) AMI or less. All residents restricted to thirty percent (30%) AMI will benefit from Local Rent Supplemental Program (“LSRP”) assistance and are designated as permanent supportive housing (“PSH”) units.

Notable in-unit amenities will include balconies and in-unit washers and dryers. Community amenities will include a fitness center, multipurpose learning and gathering space to host educational and community events for the residents. Additionally, the Project will provide a front lawn for residents that will include an outdoor playground, multiple sitting areas, bicycle parking, a dog relief area, and green spaces. The front lawn and playground will be fenced in with a limited control access entry.

The capital stack for the Project will include permanent financing in the approximate amount of \$10.5 million and a private placement loan with Key Bank of \$36.1 million Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan; \$30.6

million in federal low-income housing tax credit (“LIHTC”) equity; \$6.3 million in D.C. LIHTC equity; and \$2.5 million in deferred developer fees. The total development cost is \$86.2 million or approximately \$791,000 per unit, including acquisition, developer and financing fees, reserves, and escrows.

The development team includes Marshall Heights Community Development Organization as a nonprofit sponsor, NRP Construction as the general contractor, Michael Graves Architecture and Design as the architect, and NRP Management as the property manager.

Mr. Grisham completed the presentation, opened the floor for questions and introduced representatives from the development team present on the Zoom call: Chris Marshall, Erick Waller, and Ms. Walker.

Mr. Jackson asked whether the Project is pet friendly. Mr. Marshall responded in the affirmative stating that all communities are pet friendly. Mr. Jackson also asked whether there is any different pricing for emotional support animals versus non-emotional support animals. Mr. Waller responded that the additional pet rent is between \$15-\$20 a unit per month for animals that are not emotional support animals; however, a vast majority of their portfolio has emotional support animals. Ms. Walker clarified it is typically \$20 per pet per month.

Mr. Green stated the Project will likely face a vacancy and collection loss due to the District experiencing a large amount of vacancy and collection losses. Mr. Green further stated that the District collection losses are unsustainable. Thus, there is uncertainty regarding future vacancy and collection losses. However, currently the vacancy and collection loss numbers are north of ten percent (10%) so this issue should be monitored.

Mr. Green asked if the vacancy and collection loss number climbs to fifteen percent (15%), how long will the operating reserve last. Mr. Green added that the underwriting figures could double as the collection losses climb. Mr. Green reiterated that the Board’s questions related to losses need not be answered at the moment, however, it should be monitored.

Mr. Green asked for an update regarding the developer’s Florida Avenue project. Mr. Marshall responded that the Florida Avenue project closed on June 13, 2024 and a groundbreaking ceremony will be scheduled in August.

There were no additional questions.

The project passed credit review.

IV. Consideration of DCHFA Resolution No. 2024-05(G) for a McKinney Act Loan for 1800 Columbia Road.

Ms. Linda Hartman, Senior Loan Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the issuance of McKinney Act Loan funds in an amount not to exceed \$1,000,000 for 1800 Columbia Road (the “Project” or “Development”). The Project is located in Ward 1 in the Adams Morgan neighborhood situated near the corner of Columbia Road Northwest and 18th Street Northwest, two (2) major commercial corridors in Adams Morgan. Additionally, the Project site has access to major bus lines, and is within a ten (10) to twenty (20)

minute walk from the Woodley Park-Zoo/Adams Morgan and Dupont Circle Metro Stations, which services the Red Line.

The Project site is currently improved with a vacant office building. Prior to the Project's construction, the existing structure will be demolished.

The Project will be a new high-rise new construction development that will consist of fifty (50) affordable housing units, a penthouse for social services programming, and two (2) ground-floor commercial spaces. The Project's studio through three-bedroom affordable housing units will be restricted at thirty-percent (30%), fifty-percent (50%), and eighty-percent (80%) of the AMI; however, eight (8) of the thirty percent (30%) AMI units will operate with LRSP subsidies, of which four (4) units at the Project will be PSH units.

Additionally, the Project will offer an underground garage with approximately twenty-five (25) parking spaces and a 40,000 square foot plaza that can be utilized for various activities, such as a farmers market, concerts, and other community events.

The development team for the Project consists of Jubilee Housing as the developer, Bozzuto Construction as the general contractor, Eric Colbert & Associates as the architect, Jubilee Housing as the property manager, and EquityPlus as construction manager and financial consultant.

Ms. Hartman completed the presentation, opened the floor for questions and introduced representatives from the Development team present on the Zoom call: Jim Knight, Jubilee Housing, Bob Mannon, Jubilee Housing, and Avram Fechter, EquityPlus.

Mr. Green asked if the Project would include a hydro plant setup. Mr. Knight responded in the negative.

Mr. Green asked about the status of the construction. Mr. Knight responded that the Project is on schedule.

Mr. Green asked about ongoing litigation and the likelihood and timing of any potential settlement. Mr. Knight stated that the site was owned by Truist Bank and the plaza has always been a gathering space for the Adams Morgan community. Mr. Knight believes that an agreement can be reached with the residents and that the goals of all parties can be reached.

Mrs. Wellington asked about the nature of some of the interim uses for the Project site. Mr. Knight stated that the interim plan is to provide office space for Jubilee employees.

Mr. Green asked Mr. Hutter to clarify if the \$2 million of their pre-development capital stack was for interim programming. Mr. Hutter responded in the affirmative. Mr. Green responded that office space there is not interim programming. Mr. Knight responded to Mr. Hutter that they are spending \$400,000 to temporarily stabilize the site in order to be able to receive tax credits in the future. Mr. Knight also stated that the plan is to operate the plaza consistent with the settlement agreement and easement terms, which will be a cost savings and that a majority of the \$2 million pre-development budget is for architectural design.

Mr. Fechter stated no DCHFA funds will be used to pay for Jubilee's working capital resident services delivery needs. Furthermore, Mr. Fechter reassured that the McKinney Act money will be purely spent on normal pre-development architecture, permits, and similar items.

Mr. Green asked how does the \$2 million get repaid. Mr. Fechter stated that the building itself appraised for over \$9 million so there will be a recapitalization of the pre-development stack when the limited partner purchases the building.

There were no additional questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2024-05(G) McKinney Act loan for 1800 Columbia Road. Mrs. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Consideration of DCHFA Resolution No.2024-06(G) for Contractor Selection of Bald Cypress Media.

Ms. Tara Sigamoni, Vice President, Procurement and Administrative Services, presented the procurement contract award to Bald Cypress Media to assist the Agency with its long-term event planning services.

The Agency initiated a competitive procurement by releasing a Request for Proposals ("RFP") in order to fulfill the Agency's need to acquire the services of a contractor to assist in the planning and coordination of events that highlight the Agency's mission and provide assistance to first-time and repeat homebuyers in the District.

Several of the events educate the public and external stakeholders about the Agency, the affordable housing industry, and available homeownership opportunities. The event planner will work on all aspects of the events including but not limited to securing venues and speakers, managing outreach and event awareness, and coordinating logistics for panelists. The events will be executed annually, and a proposed list of events is attached.

In accordance with the Agency's procurement guidelines, the RFP was released to the public through advertising in the Washington Post and the Washington Informer and solicitation on the Agency's website.

Proposals were received from three (3) firms, which are all certified business enterprises ("CBE"). Following the responses, the Technical Evaluation Panel completed a review of the proposal. After the review of the proposal the standing of the offers were: Bald Cypress Media with a total of 91 points, Team MG Events with a total of 58.63 points, and D.C. Events Planner with a total of 18.99 points.

The Agency intends to use the services of the selected contractor to assist with providing approximately twelve (12) events in an amount not to exceed \$170,000 for the base year, \$178,000

for option year one, and \$182,000 for option year two. Based on that information, Ms. Sigamoni requested approval to award the contract to Bald Cypress Media for the initial base year amount.

Ms. Sigamoni completed the presentation and opened the floor for questions.

Mr. Green asked a question regarding what the twelve (12) events were. Ms. Sigamoni responded that there will be groundbreakings, ribbon-cuttings, and single-family ownership events. Mr. Green asked a clarifying question regarding whether the Agency pays for groundbreakings and ribbon-cuttings. Ms. Sigamoni responded in the affirmative stating that usually the Agency covers the costs of such events.

There were no additional questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2024-06(G) for the selection of Bald Cypress to provide event planning services to the Agency. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Mrs. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

VI. Other Business.

Mr. Micheal Durso, Director, Business Development, provided the Board with an update regarding the first reading and review of Land Disposition and Development Agreement (“LDDA”). Mr. Durso stated that he is working through the documents and once complete, he will present the LDDA to the Board for a first reading, review, and input.

Mr. Donald noted that the upcoming months will be busy for the Agency. Mr. Donald stated that the Agency is planning a budget review on August 27, 2024 with a ratification date set for September 10, 2024. Mr. Donald further stated that in the next thirty (30) days there will be a portfolio and delinquency review and that a special board meeting may be scheduled to accommodate the activity. Lastly, Mr. Donald stated that the Agency is updating certain materials for discussion at the August 13th Board meeting and also expects to present a single-family pilot program for approval.

VII. Executive Director’s Report.

There was no Executive Director’s Report.

VIII. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Mrs. Wellington made a motion to adjourn the meeting, which was seconded by Mr. Jackson. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

The meeting was adjourned at 6:58 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on August 9, 2024.