DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MEETING OF THE BOARD OF DIRECTORS
November 26, 2024
5:30 p.m.
Minutes

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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. Stephen Green, called the meeting to order at 5:42 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 Henson Ridge Phase I, the Portfolio Stabilization Grant Program, and the Agency's Legal Services Slate.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors will call 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 **Henson Ridge Phase I, the Portfolio Stabilization Grant Program, and the Agency's Legal Services Slate**. 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. 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 5:44 p.m. and re-opened at 6:35 p.m.

III. Consideration of DCHFA Final Bond Resolution No. 2024-08 for Henson Ridge Phase I.

Ms. Kadija Sow, Underwriter, Multifamily Lending and Neighborhood Investment (MLNI) presented the transaction to the board. MLNI presented Henson Ridge Phase I for final bond.

The MLNI team recommended authorization for the issuance of tax-exempt bonds in an amount not to exceed $36,262,000 for Henson Ridge Phase I ("the Project"). The project is located in the Congress Heights Neighborhood of Southeast, DC and is a half of mile away from the Congress Heights Metro Station, servicing the Green Line. The unit mix of the development will be one hundred twenty-four (124) units. The development will consist of eighteen (18) one-bedroom units, thirty (30) two-bedroom units, thirty-eight (38) three-bedroom units, thirty-one (31) four-bedroom units, and seven (7) five-bedroom units, restricted to residents earning thirty percent (30%) and sixty percent (60%) of Area Median Income (AMI). The site consists of thirty-five (35) three-story townhomes, five (5) one-story cottage units, four (4) two-story stacked flats, and one 2,700 SF leasing office.

The proposed redevelopment plan at Henson Ridge Apartments Phase I will require the temporary relocation of all residents to vacant on-site units while renovations occur in their units. It is anticipated that construction and relocation will begin in the Spring of 2025 and the renovation process will take approximately twenty-eight (28) months and be completed in the Spring of 2027. The scope of work proposal includes but is not limited to extensive upgrades such as new roofing, fiber cement siding, windows, doors, HVAC systems, and both interior and exterior finishes. Renovations will take approximately four (4) to six (6) weeks to complete for each phase.

Property amenities will include an upgraded community room, on-site management office, and a playground. Following renovations, two armed guards will patrol the Site for six (6) hours, five (5) nights per week on a rotating schedule. The varied patrol days will serve as a preventative

crime measure. Additionally, security cameras will be placed at each unit and critical areas throughout the Site.

The capital for the development will consist of permanent financing in the approximate amount of $17 million as a first mortgage loan, a $18 million seller note, $2.2 million in interim income, $23.7 million in federal low-income housing tax credits (LIHTC), $4.7 million in D.C. LIHTC and a $1.8 million dollar deferred developer fee. The total development cost is $69 million, which is about $557,000 per unit, inclusive of hard and soft costs, developer and financing fees, reserves and escrows.

The developers for the project are Urban Atlantic and Capitol Housing Partner, a subsidiary of the DC Housing Finance Agency. The remaining members of the development team consist of EquityPlus as the development consultant; Marous Brothers Construction as a general contractor; Wiencek & Associates as architect; and Franklin Johnson as the property manager.

Ms. Sow concluded her presentation and members of the development team introduce themselves. Those present were Bradley Lockhart, Development Manager, Urban Atlantic; Alan Lederman, Development Executive, Urban Atlantic; Andrew Gaffney, Finance Associate, Urban Atlantic; Kelli Brooks, Managing Director of Finance, Urban Atlantic; Rusty Lytle, Director of Preconstruction, Marous Brothers Construction; Jared Freeman, General Manager, Marous Brothers; and Bryan Dickson, New Point Real Estate Capital.

Mr. Green asked for additional information about the contractor. Mr. Freeman stated that Marous Brothers has done work in the District for close to twenty (20) years. Some of the projects include Gibson Plaza Apartment, Highland Terrace, Park Southern Apartments, Maplewood Apartments, and Avalon Apartments.

Mrs. Wellington asked about the property management staffing for the site. Mr. Lockhart responded that property management will likely be on site between 9:00am to 5:00pm. Mr. Lockhart stated that he would have to confirm with the property management team. Mrs. Wellington responded asking about the plan for the security cameras and the overall safety plan for the site. Mr. Lockhart stated that D.C. has security camera rebate program where residents will be provided with Ring cameras that will be registered with MPD. There are also live feeds associated with mobile MPD cameras. There will be security cameras for temporary housing and the management team is working closely with MPD to make sure there is a consistent plan based on property needs.

Mr. Green asked for the economic split between the sponsor and the housing authority. Ms. Brooks responded that they are 50/50 partners.

There were no additional questions.

Mr. Green called for a motion for consideration of DCHFA Final Bond Resolution No. 2024-08 for Henson Ridge Phase I. Mr. Jackson made a motion and the motion was properly seconded by Mrs. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

IV. Consideration of DCHFA Resolution No. 2024-14 (G) for the approval of the Portfolio Stabilization Grant Program.

Sidney Vass, Director, Portfolio and Asset Management (PAM) presented the Portfolio Stabilization Grant Program to the board.

The Portfolio Stabilization Grant is a one-time grant financial assistance program administered by DC Housing Finance Agency to stabilize properties facing operational stress. The grant is available to properties financed through programs such as HPTF, LIHTC, HOME or CDBG. Priority is given to properties on DCHFA's watch list and those with four percent LIHTC financing. To qualify, properties must be in compliance with DCHFA's post-closing requirements and must have had a physical inspection within the last six months or after the receipt of funding.

Ineligible properties include those in bankruptcy, receivership or foreclosure and those with unresolved housing code violations. The grant funds must be used solely to stabilize operations. The funds cannot cover past sponsorship investments. Housing providers must actively pursue rent collections and enforce leases and take action on eviction proceedings for delinquent tenants. Compliance with DCHFA's reporting and inspection requirements are essential, and records must be maintained for five years. To apply, housing providers must submit a range of financial and legal documentation including a business license, W-9, balance sheet and eviction logs.

Mr. Vass concluded his presentation and asked the board if they had any questions.

Mr. Donald stated that the Agency would be developing a FAQ to answer questions about what a successful project would look like under the program and whether there were any adverse tax implications to a grant versus a recoverable loan.

Mrs. Wellington commented that it is great that the Agency is conducting the program as a participant in the ecosystem.

There were no additional questions.

Mr. Green called for a motion for consideration of DCHFA Resolution No. 2024-14 (G) for the approval of the Portfolio Stabilization Grant Program. Mr. Jackson made a motion and the motion was properly seconded by Mrs. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Consideration of DCHFA Resolution No. 2024-15 (G) for the approval of the Agency's Legal Services Slate.

Ms. Tara Sigamoni, Vice President, Procurement, presented the legal services slate to the board.

The Agency intends to refresh its pre-qualified legal services slate. As a result, DCHFA initiated a request for qualifications to solicit responses from firms and individuals from which the Agency may select qualified entities to provide legal services in various areas and to serve on specific transactions based on experience, expertise in public financing structures. The Agency invited entities to submit a qualification statement in any or all of the following areas: bond counsel, issuers counsel, business organization, affordable housing, labor and employment, litigation, tax, procurement, real estate acquisition, board governance and ethics. An email invitation to participate in the procurement was sent to identified firms. The request for qualifications (RFQ) was also published on the Agency's website and in the Washington Post, the Washington Informer and the National Law Journal. The Agency received a total of seventeen (17) responses. An evaluation committee comprised of four (4) agency staff members reviewed the proposals based on the following evaluation criteria: background, proposed project team, scope of services, expertise and experience, responsiveness, past performance, actual or potential conflicts, fees and expenses and other.

At the conclusion, the committee determined the number of firms that qualified to provide legal services to the agency in at least one of the following categories. The Agency intended to issue slates as follows: bond counsel, nine firms; issuers counsel, ten firms; business organization, four firms; affordable housing, six firms; labor and employment, five firms; litigation, six firms; tax, nine firms; procurement, three firms; real estate, seven firms; and board governance and ethics, three firms.

The Agency seeks approval of the evaluation committee's recommendation to refresh and streamline the agency's pre-qualified legal services slate. Information on firm names are available on the agency's website located under the "About" tab. The Agency's General Counsel, Michael Hentrel, made an additional comment.

Mr. Hentrel stated that the Agency has made a pointed effort to make sure that the slate is diverse, equitable, and inclusive. Many of the firms that the Agency is working with have lead attorneys or partners who are persons of color. There are also a significant number of lead partners that are women. The presentation concluded.

Mr. Green asked the board if there were any questions.

There were no additional questions.

Mr. Green called for a motion for consideration of DCHFA Resolution No. 2024-15 (G) for the approval of the Agency's legal services slate. Mrs. Wellington made a motion and the motion was

properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was unanimously approved.

VI. Other Business.

There was no other business.

VII. Executive Director's Report.

Mr. Donald stated that the next board meeting would be on December 12, 2024 and that the strategic planning session would need to be rescheduled.

VIII. Adjournment.

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

The meeting was adjourned at 7:03 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on December 12, 2024.