

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

December 12, 2024

5:30 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. Stephen Green, called the meeting to order at 5:35 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. Yohance Fuller.

Mr. Donald introduced Mr. Fuller to the Chair and stated that it is his first meeting.

II. Vote to close meeting to discuss Belmont Crossing Phase II, 2911 Rhode Island Avenue, and the 2024 Multifamily Pipeline Inducement Extensions.

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 Belmont Crossing Phase II, 2911 Rhode Island Avenue, and the 2024 Multifamily Pipeline Inducement Extensions. 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. Mrs. Wellington made a motion to close the meeting. The motion was properly seconded by Mr. Fuller. The motion passed by a chorus of ayes.

The meeting was closed at 5:36 p.m. and re-opened at 6:24 p.m.

III. Vote to approve minutes from the November 12, 2024 and November 26, 2024 board meetings.

Mr. Green called for a motion to approve the November 12, 2024 and November 26, 2024 board meeting minutes. Mrs. Wellington made a motion to accept the minutes. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

Mr. Green stated for the record that he will be recusing himself from voting on the Multifamily 2024 Pipeline Inducement Extensions. He was not present and did not vote on the resolutions.

IV. Consideration of DCHFA Final Bond Resolution No. 2024-09 for Belmont Crossing Phase II.

Mr. James Grisham, Senior Underwriter, Multifamily Lending and Neighborhood Investment (MLNI) presented the Belmont Crossing Phase II transaction to the Board for final bond.

The transaction was approved for inducement on April 22, 2024. The project is in the Washington Highlands neighborhood of Southeast Washington, D.C. and is 0.3 miles away from the Congress Heights Metro Station which services the Green Line.

The property was comprised of family and formerly homeless tenancies. The unit mix of the development consists of 229 units including thirty-nine (39) studio units, seventy (70) one-bedroom units, eighty-seven (87) two-bedroom units, and thirty-three (33) three-bedroom units. Seventy (70) units are restricted to thirty percent (30%) of the Area Median Income (AMI) and will benefit from RSP contracts. One hundred thirteen (113) units are restricted to fifty percent (50%) of the AMI and the remaining forty-six (46) units are restricted to eighty percent (80%) of the AMI.

The sponsor has elected to proceed with income averaging set asides which allows for eighty percent (80%) AMI units to receive tax credits so long as the average AMI for the entire building is below sixty percent (60%).

The project amenities will include a business center, a fitness center, a courtyard, on-site management, and on-site service coordinator. Security features at the site will include limited access via a key fob, security guards, and an intercom system.

The total development cost of the project is \$135 million or \$592,000 per unit inclusive of acquisition, hard and soft costs, developer fees, financing fees, as well as the escrows. The redeveloper is Gilbane Development Company and other members of the development team include Bozzuto Construction as general contractor, Wiencek and Associates as the architect and Faria Management as the property manager.

Mr. Grisham concluded his presentation and members of the development team were introduced. Those present were Alexander Marte, Senior Development Manager, Gilbane; Bob Tengen, Senior Development Manager, Gilbane; Joel Alba, Senior Project Manager, Gilbane; Avi Fetcher, EquityPlus; Grant Petracca, Gilbane; Bruce Finland, MED Developers; John Heagy, Bozzuto Construction; Matt Bland, Vice President of Operations, Bozzuto; Chapman Todd, Jaydot; Max Finland, Housing Help Plus; Andrew Barnes, Director of Community Management, Faria Management.

Mr. Green asked for more information about the relocation of residents and how many residents are expected to return. Mr. Marte responded that they relocated 135 tenants and are expecting 88 tenants to return for Phase I. Mr. Marte stated that they have updated tenants on relocation and are providing boxes and a moving company to help with the process.

Mr. Green asked Mr. Marte for his thoughts on the economy vacancy issue. Mr. Marte stated that since the property is new, he is hopeful that tenants will pay their rent on time. Mr. Marte stated that they are aware of the economic vacancy rates in D.C. and are working with investors to figure out how to get to a point where they can convert.

Mr. Fuller asked for more information about the lease-up plan for the Permanent Supportive Housing (PSH). Mr. Todd responded stating that referrals for the supportive housing will come through the District's coordinated entry for tenants who have expressed interest. They have identified if there are barriers to people coming in and they will be working with Faria to get tenants through the HFA LRSP process.

Mr. Green stated that issue of economic vacancies has been a problem across the District and that there needs to be some cushion against the turbulence. He stated that there may be a way to mitigate

it on an annual basis. Mr. Tengen responded that the Belmont Phase II project is unique because there are well below market rents for returning residents. He stated that the rents are trending towards thirty two percent (32%) AMI level. Mr. Green commented that he hopes it all works out and that developers guard against the problem so that public resources are not exhausted.

There were no additional questions.

Mr. Green called for a motion for consideration of DCHFA Final Bond Resolution No. 2024-09 for Belmont Crossing Phase II. Mr. Irving made a motion and the motion was properly seconded by Mr. Fuller. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Consideration of DCHFA Final Bond Resolution No. 2024-10 for 2911 Rhode Island Avenue.

Ms. Kadija Sow, Underwriter, Multifamily Lending and Neighborhood Investment (MLNI) presented the 2911 Rhode Island Avenue transaction to the Board for final bond.

The transaction was approved for inducement on April 22nd, 2024. The project is in the Woodbridge neighborhood of Northeast D.C. It is located near Metro bus stops which provides access to the Rhode Island Avenue, Brentwood, and Brookland-CUA metro stations that service the Red Line.

The site is currently vacant and the project will consist of one mid-rise building with five stories and a penthouse. The unit mix of the development will be a total one hundred (100) studio, 1-, 2-, and 3-bedroom units. The project units will be restricted at thirty percent (30%), fifty percent (50%), and eighty percent (80%) of the Area Median Income. Of note, twenty-one (21) units of the project will be PSH units that will operate with LRSP subsidies.

Property amenities will include a gym, lounge areas, and a business/community center. Additionally, the project will offer 34 parking spaces and a bike room with 46 spaces. Furthermore, the security for the project will include actively monitored cameras throughout the development and two patrol officers providing coverage between 5 p.m. and 12 p.m. during the week, including weekends.

The capital stock for the project includes but is not limited to a \$50 million HUD 221(d)(4) loan which will be a construction to permanent loan; a \$26.1 million HPTF loan; \$20.4 million in federal LIHTC equity, and a \$4.1 million in D.C. LIHTC equity.

The sponsor for the project is Lincoln Westmoreland Housing. The remaining members of the development team consists of Hamel Builders, a federal contractor; PGN Architects is the architect; the CT Group as property manager; and KeyUrban as the development consultant.

Ms. Sow concluded her presentation and members of the development team were introduced. Those present were Dahn Warner, KeyUrban; David Jacobs, President, Lincoln Westmore Housing Board; Sharon Bartholemew, Vice President, Lincoln Westmore Housing Board; Tanya Holt, Regional Manager, CT Group; Oscar Maccio, Hamel Builders; Avi Fetcher, EquityPlus; Nadim van de Fliert, KeyUrban; William Chin, KeyUrban; Chapman Todd, Jaydot.

Mr. Fuller asked for more information about the HUD 221(d)(4) loan and how it will impact the long-term financial sustainability of the project. Mr. Fetcher responded that the loan is not different in size from Fannie, Freddie, or private place bond. He stated that the loan tends to come earlier in the deal and that has been reflected in the underwriting from the beginning.

Mr. Fuller asked about mechanisms that will be put in place to mitigate rent collection loss. Mr. Fetcher responded that they would have operating deficit reserves and debt service reserves that they will be able to draw upon at the beginning of lease-up. He stated that they will be aggressive in their credit checks and background checks for leasing when new people come in. He also commented that Lincoln Westmore has been performing better than average in the District in terms of managing the issue.

Mr. Fuller asked about the deferred developer fee and how it would be paid overtime. Mr. Fetcher responded that DCHFA's underwriting requirements make them size the deferred fee to being repaid from twelve years of projected cash flow.

There were no additional questions.

Mr. Green called for a motion for consideration of DCHFA Final Bond Resolution No. 2024-10 for 2911 Rhode Island Avenue. Mrs. Wellington made a motion and the motion was properly seconded by Mr. Fuller. Mr. Donald took a poll vote. The resolution was unanimously approved.

Mr. Green recused himself from participation in any discussion or vote on the 2024 Pipeline Inducement Extensions.

VI. Consideration of DCHFA Resolution Nos. 2024-11 through 2024-18 for the approval of the 2024 Multifamily Pipeline Inducement Extensions.

Mr. Marcus Ervin, Senior Vice President, Multifamily Lending and Neighborhood Investments, presented the 2024 Pipeline Inducement Extensions to the board.

The Agency is requesting board approval of the 180-day inducement resolution extension for two affordable housing projects and DCHFA's multifamily 2024 pipeline. These extensions are critical to resolving pending governmental funding approvals, private financial challenges in coordination with agencies. Without these extensions, we risk re-application and further delays pushing closings into 2026 and jeopardizing much needed affordable housing developments across the District.

Approval of these extensions will keep projects on track, allow time to address outstanding issues and ensure the Agency can deliver DCHFA's mission and goals.

Mr. Ervin concluded his presentation and asked the Board for any questions.

There were no additional questions.

Mrs. Wellington called for a motion for consideration of DCHFA Resolution Nos. 2024-11 through 2024-18 for the approval of the 2024 Multifamily Pipeline Inducement Extensions. Mr. Irving made a motion and the motion was properly seconded by Mr. Fuller. Mr. Donald took a poll vote. The resolution was unanimously approved.

VII. Other Business.

There was no other business.

VIII. Executive Director's Report.

There was no Executive Director's Report.

IX. Adjournment.

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

The meeting was adjourned at 7:07 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on January 28, 2025.