

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

May 14, 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 5:30 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, Mrs. Carri Robinson, and Mr. Bryan “Scottie” Irving.

II. Vote to approve the minutes from the March 26, 2024 and April 9, 2024 Board Meetings.

A motion was called to approve the minutes of the March 26, 2024 and April 9, 2024 board meetings by Mr. Green. A motion was made by Mr. Irving to approve the minutes. The motion was properly seconded by Mrs. Robinson. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

III. Vote to close meeting to discuss The Edmonson (aka Barry Farm Bldg 1A) and Henson Ridge I.

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 a final bond resolution for The Edmonson, formally known as Barry Farm Building 1A, and a credit review for Henson Ridge I. 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. Mrs. Wellington made a motion to close the meeting. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:40 p.m. and re-opened at 6:16 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2024-05 for The Edmonson (aka Barry Farm Bldg 1A).

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 approval of a final bond resolution in an amount not to exceed \$69.78 million for The Edmonson (the “Project” or “Development”). The Board approved an Eligibility Inducement Resolution for the transaction on November 16, 2023.

The Project is located in the Barry Farm neighborhood in Ward 8 approximately two-tenths of a mile from the Anacostia Metro Station and Barry Farm Recreation Center. Ward 8 is one of the four targeted neighborhoods of the District of Columbia Deputy Mayor for Planning and Economic Development’s (“DMPED”) New Communities Initiative program.

The Project site is currently owned by the District of Columbia Housing Authority (“DCHA”) and was previously improved by four hundred thirty-two (432) unit Barry Farm Dwellings and twelve

(12) unit Wade Road Apartments, which have been demolished. The former tenants of those developments have been relocated since 2019 to an offsite location.

All phases of the greater Barry Farm redevelopment site will be designed to accomplish the Barry Farm, Park Chester, and Wade Road Redevelopment Plan that was approved by the D.C. Council in 2006. The greater Barry Farm community will offer mid-rise buildings with ground floor commercial space, community amenities, and parking for residential and commercial tenants; however, it should be noted the Project site is located in an area with limited community amenities and food options such as restaurants and grocery stores.

Overall, the greater Barry Farm redevelopment will provide three hundred eighty (380) replacement public housing units, five hundred twenty (520) new units of mixed-income rental housing, a central park, the Barry Farm Cultural and Community Center, and up to forty thousand (40,000) square feet of ground level commercial space. The greater Barry Farm redevelopment is expected to be completed in 2030.

The first phase of the greater Barry Farm redevelopment is The Asberry, which is currently under construction. The Asberry, located adjacent to the Project, will be a newly constructed one hundred and eight (108) unit mid-rise building that targets seniors with ground level parking and commercial space.

The Project is the second phase of the greater Barry Farm redevelopment site. The Project is a newly constructed mid-rise building with one hundred thirty-nine (139) units, twenty-two thousand (22,000) square feet of ground level commercial space, and on-site parking for both residential and commercial tenants.

The unit mix of the Development is fifty (50) one and two-bedroom replacement public housing units that will operate with project-based subsidies. The remaining units will be restricted at sixty percent (60%) and eighty percent (80%) of Area Median Income (“AMI”).

Property amenities will include a community room, on-site management office, playground, fitness room, and business center. As mentioned, on-site parking will be available for both residential and commercial tenants. However, garage parking spaces for residential tenants will be available on a first come, first served basis.

JPMorgan Chase will provide the construction loan and function as the DUS lender for the Fannie M-TEBs loan. In addition, the National Affordable Housing Trust (“NAHT”) will be the federal low-income housing tax credit (“LIHTC”) and DC LIHTC equity investor.

The development team for the Project consists of Preservation of Affordable Housing (“POAH”) and DCHA. Other members of the development team will include Hamel Builders as the general contractor, Grimm + Parker as the architect, and POAH Communities, LLC as the property manager.

Ms. Hartman completed the presentation, opened the floor for questions and introduced representatives from the Development team present on the Zoom call: Kristel Salina, Project Manager, POAH, Jackie Powell, Senior Development Associate, POAH, Maia Roberts, Vice President of Development, POAH, Felicia Dawson, Vice President of Strategic Partnerships for Poor Communities, POAH, Davida Marks, Regional Manager Supervisor, POAH, Evan Watson,

Design Constant Project Manager, POAH, Oscar Maccio, Principal, Hamel, Carlos Gray, Development Manager for Barry Farm, DCHA, and Sheila Miller, Director of Capital Programs, DCHA.

Mrs. Wellington asked the timeline for the Project. Ms. Hartman responded that a Limited Notice to Proceed (“LNTP”) was issued at the end of April for a May 1st start date; however, the actual closing is anticipated for May 29, 2024. Following closing, a Notice to Proceed (“NTP”) will be immediately issued with an anticipated Project completion date of December 2026.

Mrs. Wellington asked a follow-up question to Hamel Builders regarding their plans to stay on time and on budget given material construction issues in the market. Mr. Maccio stated that their preconstruction team has already completed a bid-out process and they had a strong participation of subcontractors and suppliers from Wards 7 and 8. Furthermore, because they have the LNTP they are securing commitments for items such as concrete and a geothermal system. Mr. Maccio stated they are still having discussions with the electrician regarding the gear and meter but are monitoring those concerns. However, because the Project construction timeframe is thirty (30) months there is enough time to get gear and meter statistics without affecting the completion of the Project.

Mrs. Wellington asked for clarification on whether they would have enough time to complete everything. Mr. Maccio responded in the affirmative.

Mrs. Wellington asked how busy Hamel Builders is in the District. Mr. Maccio stated that he was not exactly certain, however, they are working on Ridgecrest, Cascade, The Clara, and Park Morton. Mr. Green asked for clarification that Hamel Builders is working on four (4) projects in the District. Mr. Maccio responded in the affirmative but also stated that he may be forgetting some now but will provide a more specific number to the Board.

Mrs. Wellington stated that she would like to know the number of projects to make sure Hamel Builders is adequately resourced, delivering products on time, and on budget without the need for additional funding from the Agency. Mr. Maccio responded that they have been involved in the preconstruction of the Project and their team is ready and have been able to place the project manager under the same project executive overseeing the first phase. Mr. Maccio also stated that another benefit is their staff will transition from the first phase to the second phase of the project and has knowledge of passive housing and delivering a high performing building.

Mrs. Robinson asked about their budget and schedule for The Clara. Mr. Maccio stated that The Clara had several setbacks including its gear and meter sockets; thus, The Clara has exceeded its projected budget and completion timeline, but they are in negotiations to close that project.

Mrs. Robinson asked a follow-up question regarding how they would approach the switch gear issue differently. Ms. Roberts responded that Polis Design and Construction has their own internal design construction team, and they have \$13 million in contracts signed with electrical subcontractors. Ms. Roberts also added that The Asberry had a similar issue; however, they were able to collaborate with the electrical subcontractor to ensure that the switch gear and electrical work were put in a place that did not affect the critical path of that project.

Mr. Green clarified that the question to Mr. Maccio was regarding the issues at The Clara. Ms. Roberts stated that she understood but wanted to provide additional information about what POAH

has and can do to assist in supporting Hamel Builder to ensure that they remain on schedule and on budget. Mr. Maccio responded that The Clara was designed with a particular bus fee system that required a certain switch. Thus, after months of waiting and receiving little updates, they were able to find an alternative and are completing the project.

Mr. Green apologized for interjecting Ms. Roberts and stated that the information was useful; however, because of the unusual design there may be production issues with the switch equipment. Ms. Roberts responded in agreement. Mrs. Wellington thanked Ms. Roberts for the background information about POAH because it provided additional assurance with Hamel Builders and the Project.

Mrs. Robinson asked whether Hamel Builders is taking best practices from previous projects and applying them to future projects. Mr. Maccio responded in the affirmative stating that they try to maintain a log between projects of lessons learned to ensure that those issues do not reoccur.

Mr. Irving asked the average percentage of Certified Business Enterprise (“CBE”) participation and labor hires on their jobs. Mr. Maccio stated that he would have to follow up regarding the specifics; however, on average, about forty percent (40%) of hires are CBEs. Mr. Maccio further stated that the first phase has a program to train residents at the Barry Farm Recreation Center and is working with the DC Department of Employment Services (“DOES”) to train and place residents into the Project.

Mr. Irving asked a follow-up question about whether that measure with DOES was an alternative plan or a plan to add to their hiring. Mr. Maccio responded it is an alternative plan that proposes subcontractors meet requirements. Mr. Irving responded they want to grow on the successes; therefore information about the number of deals Hamel has done, whether Hamel reached or exceeded their CBE participation requirements, and the total number of DC laborers hired is important.

Mr. Maccio stated that it is important as a company to grow; however, they only supervise so they are only as efficient as their resources but can follow-up with more specifics such as subcontractors that can attest to their growth. Mr. Maccio further stated they assist smaller companies by providing assistance to subcontractors such as providing quicker pay to meet their payroll obligations and offering joint checks so materials can be promptly bought.

Ms. Roberts added that they are concerned about CBE Ward 8 engagement on site, but they are at fifty six percent (56%) CBE combined and their goal is to exceed CBE requirements.

Mr. Irving asked DCHA whether they were co-developers on this Project. Mr. Gray responded in the affirmative. Mr. Irving asked a follow-up question regarding whether they had any business with Hamel Builders outside of this Project. Mr. Gray stated that Hamel Builders employees are working on Park Morton; however, their relationship extends to other projects including Arthur Capper in Navy Yard.

Mr. Irving responded that it has been a positive hiring relationship. Mr. Gray responded in agreement and stated that for The Asberry, the CBE hiring goal was thirty-five percent (35%) and they are currently at 42.5% and they are above all of their CBE hiring goals for the first project phase.

Mr. Irving asked whether Hamel Builders did site work for the infrastructure. Mr. Gray responded in the affirmative.

There were no additional questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2024-05 for The Edmonson (aka “Barry Farm Building 1A”). Mr. Irving made a motion to approve the resolution and it was properly seconded by Mrs. Robinson. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Credit Review for Henson Ridge I.

Ms. Kadija Sow, Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented Henson Ridge I for credit review. The transaction was approved by DCHFA Board of Directors for inducement on April 22, 2024.

The Project is located in the Congress Heights neighborhood of Southeast D.C. approximately 0.5 miles from the Congress Heights Metro which services the Green line. The Project will consist of thirty-five (35) three-story townhomes, five (5) one-story cottage units, four (4) two-story stacked flats, and a two thousand seven hundred (2,700) square foot leasing office. The unit mix of the Project be one hundred twenty-four (124) units, including eighteen (18) one-bedroom units, thirty-two (32) two-bedroom units, thirty-eight (38) three-bedroom units, thirty-one (31) four-bedroom units, and seven (7) five-bedroom units. Sixty-eight (68) units will be restricted to thirty percent (30%) Area Median Income (“AMI”) and fifty-six (56) units will be restricted to sixty percent (60%) AMI or less.

Property amenities include an upgraded community room, on-site management office, and a playground. Major aspects of the renovation to each unit includes but is not limited to replacements, roofing, siding, heating, ventilation, central air conditioning, hot water heaters, new lighting, water fixtures, appliances, cabinetry, vanities, bathtubs, and shower replacements. In addition, new solar panels will be installed at the Project.

The security operating at the Project will include two (2) armed guards who will patrol the site for six (6) hours for five (5) nights each week on a rotating schedule. The varied patrol days is a measured to deter pre-meditated crime. In addition, cameras will be installed at the entrance of each unit and throughout critical areas and will be monitored by property management.

The rehabilitation at Henson Ridge Apartments Phase I will require a temporary relocation of all residents to a vacant on-site unit during the renovation to their units. Construction and relocation are anticipated to begin in Fall 2024. The renovation process will take approximately twenty-eight (28) months with a completion date of Spring 2026. Construction will occur on six (6) apartments per phase for the twenty-eight (28) months of anticipated construction. Renovations will take approximately four (4) to eight (8) weeks to complete each phase of six (6) apartments. Currently, there are one hundred and nine (109) school-aged children and thirty-seven (37) senior citizens that reside at the property and the developer will ensure that these individuals will remain in an on-site relocation unit during the rehabilitation process.

The capital stack for the development will include permanent financing in the approximate amount of \$17 million as a first mortgage loan, an \$8 million seller note, a \$7.2 million assumable DCHA

mortgage, \$800,000 in accrued interest on a DCHA loan, \$1.7 million in solar and 45L credits, \$2.3 million in interim income, \$25.2 million in federal LIHTC equity, \$5 million in DC LIHTC, and a \$4.5 million deferred developer fee. The total development cost is \$72.6 million or approximately \$585,000 per unit.

The Development team for the Project consists of Urban Atlantic and Capital Housing Partners, a subsidiary of DCHA. Other members of the Development team will include Equity Plus as the development consultant, Marous Brothers as the general contractor and architect, and Franklin Johnson as the property manager.

Ms. Sow completed the presentation, opened the floor for questions and introduced representatives from the Development team present on the Zoom call: Alan Lederman, Managing Director, Urban Atlantic, Bradley Lockhart, Development Manager, Urban Atlantic, Kelly Brooks, Director of Finance, Urban Atlantic, Leigh Buchanan, Finance, Urban Atlantic, Drew Wadsworth, Asset Management, Urban Atlantic, Chapman Todd, Jaydot, Bryan Dickson, Newpoint Real Estate Capital, Aubrey Fector, Equity Plus, Jeff Lyons, Consultant, DCHA, Alexander Serna, DCHA, and Rusty Little, Marous Brothers.

Mrs. Robinson asked about the total development cost particularly regarding the high relocation cost. Mr. Lederman responded that due to the significant effort to relocate residents on site there will be two (2) full time staff to integrate with tenants and meet their needs and requirements throughout the relocation process. The staff will coordinate with tenants regularly to ensure they are progressing with the relocation process such as assisting them with packing if not already completed.

Mrs. Robinson responded that \$1 million dollars was expensive for an onsite relocation. Mrs. Robinson further stated that there should be a clarification or improvement on that matter. Mr. Green also followed up stating that the expenses either need to be justified or lowered. Mr. Lederman stated they would discuss with the vendor and follow up with additional information regarding the staff and cost of labor.

Mr. Green asked who has the right of first refusal. Mr. Lederman responded that the right of first refusal belonged to DCHA.

Mr. Green asked Newpoint what their role in the transaction was. Mr. Dickson stated that Newpoint is the construction to the permanent lender. Mr. Green asked who the private placement is going to be placed with. Mr. Dickson responded that Newpoint will purchase the bonds.

Mr. Green asked Mr. Dickson who the permanent lender would be. Mr. Dickson responded that due to the product design there are two (2) phases – during the construction loan period, Newpoint will place the bonds on their balance sheet. At stabilization, the borrower will have the option to convert to a 223(f) mortgage. However, if the developer decides to not convert to the 223(f) mortgage, then the developer has the option to continue with the original private placement from the beginning of construction. Mr. Green clarified that 223(f) is a Housing and Urban Development (“HUD”) insurance program in which they provide insurance and security. Mr. Green asked whether HUD becomes the long-term lender. Mr. Dickson responded in the affirmative stating the borrower has all the benefits associated with having the HUD mortgage in place.

There were no further questions.

Mr. Green stated that the matter does not require a vote but does require the Development team to return for final bond.

VI. Other Business.

Mr. Donald acknowledged Brittney Jordan's departure from the Agency. Mr. Donald congratulated, thanked, and wished Ms. Jordan well on her future success.

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. Robinson 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 7:08 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on June 7, 2024.