

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

April 9, 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, Mr. Bryan “Scottie” Irving, and Mr. Stanley Jackson.

II. Vote to approve the minutes from the February 22, 2024 and March 12, 2024 Board Meetings.

A motion was called to approve the minutes of the February 22, 2024 and March 12, 2024 board meetings by Mr. Green. Mr. Jackson made a motion to approve the minutes. The motion was properly seconded by Mrs. Wellington. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

III. Vote to close meeting to discuss NoMa-Union Market Affordable.

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 NoMa-Union Market Affordable. 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 5:36 p.m. and re-opened at 6:37 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2024-02 for NoMa-Union Market Affordable.

Mr. James Grisham, Multifamily Loan Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$52,500,000 for NoMa Union Market Affordable (the “Project” or “Development”).

The Project is in the NoMa neighborhood of Northeast Washington, D.C., a quarter mile away from the NoMa-Gallaudet University metro station, which services the Red Line. The Project will be a newly constructed high rise building with twelve (12) stories and a habitable penthouse. The unit mix of the Development will consist of one hundred fifteen (115) residential units, with eleven (11) studio units, fifty-one (51) one-bedroom units, thirty-two (32) two-bedroom units, and twenty-four (24) three-bedroom units. The Project will restrict fifty-seven (57) units to fifty percent (50%)

of Area Median Income (“AMI”). All of the units restricted to thirty percent (30%) AMI or less will benefit from Local Rent Supplement Program (“LRSP”) contracts. Additionally, twenty-three (23) LRSP contracted units will be reserved permanently for affordable housing.

Property amenities will include a fitness room, a toddler play area, a learning center, a clubhouse, and on-site management offices. In-unit amenities will include granite counter tops and in-unit washers and dryers.

The capital stack for the Development will consist of permanent financing in the approximate amount of \$19.8 million as a DCHFA Risk-Share loan, a \$31.6 million District of Columbia Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, \$31.1 million dollars in Federal low income housing tax credit (“LIHTC”) equity, \$6.4 million dollars in DC LIHTC equity, \$8.4 million dollars in capitalized interest associated with the tax-exempt bond investment proceeds, \$2.6 million in deferred interest on the HPTF loan, a \$3 million dollar DC Green Bank loan, \$175,000 in solar ITC equity, and a \$5 deferred development loan.

The total development cost is \$109 million dollars or \$951,000 per unit, inclusive of acquisition, hard and soft costs, developer and financing fees, and reserves and escrows. The NRP Group and Marshall Heights Community Development Organization will be developers for the Project. The NRP Group is the lead developer and is a vertically integrated general contractor and property manager. Other members of the development team include Michael Graves Architecture, as the architect.

Mr. Grisham completed the presentation, opened the floor for questions and introduced representatives from the Development team present on the Zoom call: Babatunde Oloyede, President and CEO of Marshall Heights Community Development Organization (“MHCDO”), Nkosi Bradley, MHCDO Program Manager, Chris Marshall, NRP Group, Noah Burgett, NRP Group, Alyson Cameron, NRP Group, and Bridget McCarthy, BMAC Consulting.

Mr. Jackson asked for the reasoning behind the decision to not have parking on the premises and what accommodations would be made for residents. Mr. Marshall responded that the Project site restricts the ability to efficiently create below-grade parking. Mr. Marshall stated that the Project is in the vicinity of several public transit options and is walkable. Mr. Marshall also stated the DC Office of Planning has required the developer to provide residents with multi-faceted transportation.

Mr. Green asked the total development cost of the Project. Mr. Marshall responded that the total development cost is \$109,000,000 dollars which is approximately \$950,000 per unit. Mr. Green asked for the reason for the high development cost. Mr. Marshall stated the construction of the building is with steel and concrete, which is relatively high in cost. Mr. Marshall also stated that the financing structure also led to additional costs. Mr. Green then asked how much of the capitalized interest contributed to the pre-unit development cost. Mr. Marshall responded the per unit interest is over \$150,000 per unit.

Mrs. Wellington asked about how the retail space was being developed. Mr. Marshall responded that the retail space would be a separate tax lot, with the exterior of the building shell being owned

and maintained by the Owner, allowing tax credit equity to be earned. The space will be delivered as a cold, dark shell with the minimum heating and lighting needed to meet code.

Mrs. Robinson asked about the Development team's strategy for recruitment and selection of a property manager. Mr. Marshall responded that DC LIHTC experience is a pre-requisite for the property manager. Further, the property manager must have positive working relationships with its current tenants.

Mr. Green asked if the Development team currently had a project manager. Mr. Marshall responded they did not but stated it would be hiring one soon. Mr. Oloyede followed up stating MHCDO has property management experience within the District. Mr. Green asked the reason MHCDO was not the proposed property manager for the Project. Mr. Oloyede responded they would provide assistance and expertise to the Project but because NRP Group is vertically integrated, it will hire onsite property managers and MHCDO will be a part of the strategic planning for the property management and oversight for the Project.

Mrs. Robinson followed up stating that several members of the team need DC LIHTC experience. Mr. Oloyede responded MHCDO has the experience but is looking to partner with a local minority business property management firm that can provide additional support.

Mrs. Wellington asked about the plan to stay on schedule for construction, taking into consideration delays, market conditions and electronic components. Mr. Marshall responded that the NRP Group's construction schedule has allotted additional time to allow for delays related to the issues mentioned but stated but the question would be more appropriately addressed by the general contracting team.

There were no further questions.

Mr. Green stated the DCHFA Board of Directors will need additional information before calling a motion to the floor. The Board did not call a motion or vote on DCHFA Final Bond Resolution No. 2024-02 for NoMa-Union Market Affordable.

VI. Other Business.

Mr. Donald acknowledged and thanked DCHFA staff for their support and assistance with the successful Baldwin DuBois event, As We Rise. Mr. Donald also stated that the budget hearing for the Agency will be the first week of May and information regarding the hearing would be sent to the Board.

VII. Executive Director's Report.

There was no Executive Director's Report.

VIII. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Mr. Irving 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 7:06 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 10, 2024.