

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

April 8, 2025

5:30 p.m.

Minutes

Join Zoom Meeting

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Meeting ID: 835 6136 4428

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I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Acting Board Chairperson, Mrs. Heather Wellington, called the meeting to order at 5:33 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: Mrs. Heather Wellington, Mr. Bryan “Scottie” Irving, Mrs. Carri Robinson and Mr. Yohance Fuller.

Mr. Donald started the meeting by introducing Jennifer Schwartz, Director of Policy for the National Council of State Housing Agencies (NCSHA). Ms. Schwartz made a presentation on new affordable housing policies and provided updates on industry changes.

Ms. Schwartz stated that the Affordable Housing Credit Improvement Act was reintroduced in Congress today. The act would expand and strengthen the Low-Income Housing Tax Credit program.

The act includes provisions like expanding the nine percent (9%) housing credit authority by fifty percent (50%) and lowering the bond financing threshold, which is important in the District of Columbia because it will enable the Agency to finance four percent (4%) deals within the existing bond authority.

The current year is important year for tax policy because most of the provisions of the Tax Cuts and Jobs Act of 2017 expire at the end of this calendar year. Republican leaders in Congress are very motivated to pass major tax legislation this year. Ms. Schwartz stated this will be NCSHA’s opportunity to get some of the housing tax provisions included into any tax legislation proposed to Congress.

NCSHA is focused on advocating for maintaining private activity bond tax exemption. Also, Ms. Schwartz stated that there is a focus on increasing the nine percent (9%) program, lowering the bond financing test, and the basis boosts.

Congress passed a continuing resolution for all Department of Housing and Urban Development (HUD) programs through the end of the fiscal year on September 30, 2024. Currently, Congress is working on the appropriations bill for fiscal year 2026. Ms. Schwartz stated there is some concern about the funding for programs like Home Investment Partnerships (HOME), however, during the previous Trump administration, Congress did not terminate the program. Alternatively, there have been talks among Democrats and Republicans to improve the HOME program and the Community Development Block Grant Program (CDBG).

Ms. Schwartz expressed concerns regarding staffing cuts at HUD and how they would impact the implementation of HUD programs. Ms. Schwartz also stated that NCSHA supports the Neighborhood Homes Investment Act, which would create a new program to be administered by housing finance agencies. The presentation concluded and Mr. Donald asked if members of the board had any questions.

There were no additional questions.

II. Vote to approve minutes from the March 11, 2025 board meeting.

Mrs. Wellington called for a motion to approve the March 11, 2025 board meeting minutes. Mrs. Robinson made a motion to accept the minutes. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

III. Vote to close meeting to discuss Harvard Court Apartments.

Pursuant to the District of Columbia Administrative Procedure Act, the Acting 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 **Harvard Court Apartments**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mrs. Wellington called for a motion to close the meeting. Mrs. Robinson 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 5:59 p.m. and re-opened at 6:19 p.m.

IV. Consideration of DCHFA Second Eligibility Resolution No. 2025-02 for Harvard Court Apartments.

Mr. James Grisham, Senior Underwriter, Multifamily Lending and Neighborhood Investments (MLNI), presented the transaction to the Board.

The MLNI division recommends the authorization of an increase to the bond allocation for Harvard Court Apartments to \$48.1 million. This project was presented for credit review January 14, 2025. The development scheme has not materially changed, however, the financing structure was updated to correct a prior omission of bond reinvestment proceeds and to reflect the modest increase in construction cost, which impacts both eligible basis and amount of tax-exempt bonds needed to meet the Internal Revenue Service (IRS) fifty percent (50%) test.

The updated construction cost projections, including the bond reinvestment proceeds into the deal, increases the total development cost by \$7.8 million or approximately eight percent (8%). Several projects in the past have needed to receive supplemental bond issuances due to insufficient bond allocations associated with their increased project cost, and the MLNI division believes that a preemptive increase to the project's tax-exempt bond issuance is well supported.

The original approved bond issuance with the updated aggregate basis reflects fifty-two percent (52%) on the fifty percent test (50%). This provides limited cushion for any rising project cost during the construction period and significantly increases the likelihood that the project will need a supplemental bond issuance. The MLNI division proposes an increase to the bond issuance to

allow for fifty-four percent (54%) on the fifty percent (50%) test and a five percent (5%) cushion for cost increases in advance of financial closing. The final bond issuance will be sized to reflect fifty-four percent (54%) on the fifty percent (50%) test. Rightsizing will happen when the guaranteed maximum price contract is finalized and the project has rate locked.

Mr. Grisham concluded his presentation and introduced members of the development team.

Those present were Brett Ruby, Senior Project Manager; NHP Foundation; John Welsh, Senior Vice President; NHP Foundation; Paul Jones, Columbia Height Village Tenants Association; Cynthia Hall, Columbia Heights Village Tenants Association; David Eubanks, Change All Souls Development Corporation; Efrem Levy, Counsel; J.R Russell, McCullough Construction.

Mr. Fuller asked when the team would receive the sponsor's 2023 audited financials. Mr. Ruby responded that the financials have been addressed but he could provide them to Mr. Fuller.

Mr. Fuller asked the development team for its contingency plan to address inflation before the Guaranteed Maximum Price (GMP) is finalized. Mr. Ruby responded that NHP has requested an addition \$500,000 of Housing Production Trust Fund (HPTF) funding from the Department of Housing and Community Development (DHCD). They have also capitalized a tariff pricing contingency of about \$1.7 million for additional cushion.

Mrs. Robinson asked whether the McCullough team has started to consider the potential effects on construction associated with a rise in tariffs. Mr. Ruby responded that they are working on quantifying the risks with regards to tariffs on materials and identifying alternative suppliers.

Mrs. Wellington asked what made the general contractor comfortable with the contingency plan for the tariffs without speaking to the tradesmen. Mr. Ruby responded that he does not have that information but that they have been having ongoing discussions and with the contingent funds arranged, they felt well protected.

Mrs. Wellington stated that these are unprecedeted times and that she is aware that it is hard to figure out how to proceed with the changes but they do want to make sure the general contractor is able to have some type of measurement behind it.

There were no additional questions.

Mrs. Wellington called for a motion to approve DCHFA Second Eligibility Resolution No. 2025-02 for Harvard Court Apartments. Mr. Fuller made a motion and the motion was properly seconded by Mrs. Robinson. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Vote to close meeting to for a personnel matter.

Pursuant to the District of Columbia Administrative Procedure Act, the Acting Board Chairperson is calling a vote to close the meeting in order to discuss the appointment, employment, assignment, promotion, performance evaluation, compensation, discipline, or resignation of government

employees, appointees, or officials. The agency plans to discuss a **personnel matter**, and an open meeting would adversely affect personnel matters related to the agency.

Mrs. Wellington called for a motion to close the meeting. Mrs. Robinson 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 6:30 p.m. and re-opened at 6:48 p.m.

VI. Other Business.

There was no other business.

VII. Executive Director's Report.

There was no Executive Director's Report.

VIII. Adjournment.

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

The meeting was adjourned at 6:49 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 22, 2025.