

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

January 10, 2023

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 Vice 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, Mr. Bryan “Scottie” Irving, Mr. Stan Jackson and Ms. Heather Wellington.

II. Vote to approve the minutes from the November 29, 2022 Special Board Meeting and the December 13, 2022 Board Meeting.

A motion was called to approve the minutes of the November 29, 2022 and December 13, 2022 board meetings by Mr. Green. Ms. Wellington made a motion to approve the minutes. The motion was properly seconded by Mr. Irving. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

III. Vote to close meeting to discuss The Residences at Kenilworth Park – Additional Bonds and the extension of the McKinney Act Savings Loan for Predevelopment Costs for Mary’s House for Older Adults.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice Chairperson of the Board of Directors called 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 **The Residences at Kenilworth Park – Additional Bonds and the extension of the McKinney Act Savings Loan for Predevelopment Costs for Mary’s House for Older Adults**. 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. Ms. Wellington 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 5:35 p.m. and re-opened at 6:00 p.m.

Mr. Thorn Pozen, Counsel for the Board of Directors, made a statement on the record stating the Board would have its annual meeting in February to allow the new Board member to attend after their confirmation.

IV. Consideration of DCHFA Final Bond Resolution No. 2023-01 for The Residences at Kenilworth Park – Additional Bonds.

Mr. James Holley-Grisham, 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 \$6,100,000 (the “Project” or “Development”).

The Agency issued multi-family housing mortgage revenue series 2020 tax exempt bonds in a total amount of \$52,200,000 at the initial closing of the Project in August 2020. The Residence at Kenilworth Park is a new construction affordable assisted living project located in the Kenilworth neighborhood of Washington, D.C.

The site consists of a five-story mid-rise building restricted to seniors making sixty percent (60%) or less of the area median income (“AMI”). The Project developers are Foundation Housing, Gragg Cardona Partners, the Carding Group and HallBridge Partners. The Project is currently ninety-nine percent (99%) complete and has received a temporary certificate of occupancy as of December 8, 2022. The Project plans to receive a final certificate of occupancy in February 2023 following the approval of the supplemental bond issuance. Construction of the Project was nine months behind schedule due to unanticipated delays associated with permitting for the installation of utilities. Additionally, a tree was designated a heritage tree from the Urban Forestry Division of The District Department of Transportation. The tree was relocated. The relocation of the tree caused additional soil remediation. The overall costs resulted in \$8,000,000 in cost overruns.

The proposed loan structure for the additional bonds is an issuance of short-term bonds in an amount not to exceed \$5,840,000 for the Project to receive additional low-income housing tax credits (“LIHTC”) equity due to the four percent (4%) floor. The short-term bonds will be cash collateralized by systemic capital management construction to permanent loan. The additional

bonds are supported by an increase in federal LIHTC equity. Additionally, the Project will be eligible for DC LIHTC equity from the syndicator, AHP.

Mr. Grisham concluded the presentation, opened the floor for questions and introduced the development team – Mr. Oussama Saoudi from Gregg Cardona Partners.

Mr. Green asked how the additional bond issuance will be repaid. Mr. Oussama stated legislation passed by Congress in 2020 enabled the Project to access additional federal and state LIHTC equity. The additional equity will be used to retire the short-term bonds.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Final Bond Resolution No. 2023-01 for The Residences at Kenilworth Park – Additional Bonds. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Consideration of DCHFA Resolution No. 2023-01(G) for an extension of the McKinney Act Savings Loan for Mary’s House for Older Adults.

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the resolution to the Board. MLNI presented its recommendation to authorize a one-year extension to the Mary’s House for Older Adults McKinney Act Loan.

The project initially received McKinney Act loan funds in the amount of \$1,000,000 on May 26, 2020. The McKinney Act loan was funded on September 2, 2020, with the loan having a maturity date of September 2, 2022.

The project is located at 401 Anacostia Road SE, in the Fort Dupont neighborhood. The unit mix will consist of fifteen (15) single-room occupancy units, including three (3) units at thirty percent (30%) of AMI, ten (10) units at fifty percent (50%) of AMI and two (2) units at sixty percent (60%) of AMI. The project is targeted towards seniors, including lesbian, gay, bisexual, transgender and queer (“LGBTQ”) individuals. The project is a high priority for the Mayor’s Office of LGBTQ Affairs and the District of Columbia Housing Authority (“DCHA”).

The project was initially expected to close in August 2022. However, the project's general contractor abruptly backed out of the project, causing the development team to find a new general contractor. The project now has a projected closing date of the first week of February 2023. The McKinney Act loan will have a new maturity date of September 2, 2023.

Mr. Hutter concluded the presentation and introduced Dr. Gina Merritt and Ms. Rozanne Look from the development team.

Mr. Green asked if there were any changes in construction costs now that the project had a new general contractor.

Dr. Merritt stated that a preliminary budget had been received from the general contractor and the costs were approximately ten percent (10%) higher than their previous construction contract. Those costs are expected to be covered with additional tax credits from the Department of Housing and Community Development ("DHCD").

Ms. Wellington asked when construction was expected to commence. Dr. Merritt stated construction would likely start in February. Mr. Irving asked if the project had permits and would be able to start as soon as construction financing had closed. Dr. Merritt stated that permits were mostly completed but that a neighborhood notification for storm drain access on a neighbor's property still needed to occur. Dr. Merritt stated that an easement had been recorded so that the project might access the adjoining property but that a neighborhood notification was included in the agreement with the owner. Dr. Merritt further explained that in order to construct parking spaces in the basement, property adjacent to the project was needed for construction staging.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2023-01(G) for extension of the McKinney Act Savings Loan for Mary's House for Older Adults. Ms. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote. The resolution was approved.

VI. Other Business.

There was no other business.

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. Jackson 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 6:19 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on February 10, 2023.