

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

March 14, 2023

5:30 p.m.

Minutes

Join Zoom Meeting

<https://dchfa.zoom.us/j/82306508049?pwd=aXl6SW9NSlJSTC8rODI5T0Y1NFVldz09>

Meeting ID: 823 0650 8049

Passcode: 037380

One tap mobile

+13017158592,,82306508049# US (Washington DC)

+13092053325,,82306508049# US

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 646 931 3860 US

+1 929 205 6099 US (New York)

+1 305 224 1968 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

Meeting ID: 823 0650 8049

Find your local number: <https://dchfa.zoom.us/j/82306508049>

I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFHA” or the “Agency”) Board Vice Chairperson, Mr. Stephen Green, called the meeting to order at 5:31 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, and Ms. Heather Wellington.

II. Vote to approve the minutes from the February 14, 2023 Board Meeting.

A motion was called to approve the minutes of the February 14, 2023 board meeting 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 Agency's website design maintenance and hosting services contract, and extension approval requests for Edgewood 611/Garden Apartments and Carl F. West Estates.

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 **Agency's website design maintenance and hosting services contract, and extension approval requests for Edgewood 611/Garden Apartments and Carl F. West Estates**. 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. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:36 p.m. and re-opened at 6:06 p.m.

IV. Consideration of DCHFA Resolution No. 2023-02 (G) for the Agency’s website redesign, maintenance, and hosting services contract.

Ms. Yolanda McCutchen, Vice President, Public Relations, presented the contract to the Board. In April 2022, DCHFA initiated a competitive procurement by releasing a request for proposals (“RFP”) to fulfil the Agency's need to hire a firm to redesign the Agency's website and provide maintenance and hosting services for the website. The Agency is seeking to improve the security, usability, structure, and the content of its current website, which was last redesigned in 2017.

Eleven proposals were submitted for evaluation by the May 2022 deadline. Due to the large number of responses and the extensive nature of the proposals it was determined that the scoring committee would evaluate them in phases. The review process of all proposals began in June 2022 and concluded in August 2022. Two firms, Riverdale International, Inc. and TechArk Solutions (“TechArk”), received the highest scores. The DCHFA Scoring Committee decided to conduct interviews with the two highest scoring firms prior to making a final decision. Following the conclusion of both interviews, TechArk was determined to have the highest score because the company was the most responsive to the RFP and presented the most feasible option to address the Agency's needs.

On behalf of the Scoring Committee, Ms. McCutchen recommends that TechArk be awarded the contract to redesign DCHFA's website in an amount not to exceed \$66,800 and provide hosting and maintenance services for the website for an annual hosting fee of \$1,800 and a monthly maintenance fee of \$750. Ms. McCutchen concluded the presentation and opened the floor for questions.

Mr. Green asked if TechArk is experienced in working with public entities. Ms. McCutchen responded stating yes, TechArk’s client base includes government agencies and a housing

authority. Mr. Green also asked if TechArk is a diverse company. Ms. McCutchen stated that TechArk's senior team included diverse individuals.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2023-02 (G) for the Agency's website redesign, maintenance, and hosting services contract. 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 unanimously approved.

V. Consideration of DCHFA Eligibility Extension Resolution No. 2023-05 for Edgewood 611/Gardens.

Mr. James Holley-Grisham, Multifamily Loan Underwriter, Multifamily Lending and Neighborhood Investment ("MLNI"), presented the transaction to the Board. MLNI presented its recommendation to authorize the extension of the inducement resolution for Edgewood 611/Gardens Apartments for tax exempt bonds in an amount not to exceed \$56,660,000 (the "Project" or "Development"). The project is in the Edgewood neighborhood of Northeast Washington, DC, and is 0.6 miles away from the Rhode Island Metro Station, which is on the Red Line.

The Project is experiencing delays due to the following issues. First, the high-rise building is currently master metered, and the HVAC system is powered by a gas-powered boiler. The sponsor is proposing a new electric through wall package, and thermal heat pump HVAC system in each unit, which requires an electrical upgrade to the property. The sponsors were informed by the general contractor in July 2022 that there were extensive delays in ordering an electrical switchgear. After reviewing all options with the construction management team, the consensus is to have the electrical engineer re-sequence the installation of the switchgear by using the existing building systems for a longer period of time during construction until the switch gear is delivered. This change of sequencing caused a two-month delay in mechanical, electrical, and plumbing drawings, which then delayed the progress for the construction contract and building permits. Secondly, the project was initially induced with a Fannie Mae M.TEB permanent loan, with Capital One providing both the construction loan and tax credit equity. Currently, the sponsors plan to restructure the financing as a direct bond purchase

facilitated by Bellweather Enterprise, with Arc70 as the bond buyer. Lastly, given the delays in the project many of the due diligence items expired. Therefore, the sponsor must update all third party reports for the lender, further delaying the project.

Notable changes to the capital stack include an increase in total development uses by approximately \$10.6 million. Also, construction pricing increased by \$4.5 million, soft costs increased by \$2.6 million, and financing costs also increased by \$2.6 million. Additional sources include an increase in the projected loan due to an increase in both federal and DC housing tax credit equity -- approximately \$12 million.

Mr. Holley-Grisham concluded the presentation, opened the floor for questions and introduced the Enterprise team: Jessica Jones, Project Manager and Stacie Birenbach, Vice-President, Real Estate Development.

Ms. Wellington asked if the switchgear was ordered. Ms. Jones stated that the team is awaiting a letter from the contractor for early materials release by the end of the week. A conversion continued regarding the switchgear and permit process.

Mr. Green asked about the scope of the renovation. Ms. Jones stated the project includes a new HVAC systems, new appliances, new flooring, elevator modernization, a new sprinkler system, and hallway painting.

Mr. Irving asked about the switchgear timing and inquired about the general contractor. Ms. Jones responded that the general contractor is Harkins Builders. Mr. Irving noted that the development team should ask Harkins Builders if there is a delayed project in their portfolio that may have a switchgear to fit the Edgewood project.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Extension Resolution No. 2023-05 for Edgewood 611/Gardens. 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 unanimously approved.

VI. Consideration of DCHFA Eligibility Extension Resolution No. 2023-06 for Carl F. West Estates.

Ms. Linda Hartman, Senior Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the extension of the inducement resolution for the issuance of tax-exempt bonds in an amount not to exceed \$67,500,000 for Carl F. West Estates (the “Project” or “Development”).

The eligibility resolution for Carl F. West Estates was adopted on April 12, 2022, and is set to expire on April 12, 2023. The project will be located at the southeast corner of the intersection of Harvard Street Northwest and 14th Street Northwest, directly adjacent to existing Samuel J. Simmons and CBA Estates Apartments, located at 2801 14th Street, Northwest, in Ward 1. The Project is in the Columbia Heights neighborhood, approximately 0.2 miles away from the Columbia Heights Metro Station, which services the Green and Yellow Line. This project will serve seniors aged 55 and older, as well as grand-families.

The unit mix of the proposed development will be 179 units, with studio, one-bedroom, two-bedroom, and three-bedroom units restricted at 30 percent, 50 percent, and 80 percent of Area Median Income (“AMI”). Twenty-five units restricted at 30 percent of AMI will benefit from District of Columbia Housing Authority (“DCHA”) Local Rent Supplement Program (“LRSP”) subsidies. Additionally, eighteen of the subsidized units will be Permanent Supportive Housing (“PSH”).

The Carl F. West Estates transaction is in the final bond stage three process. Currently, there are weekly working group conference calls established for the transaction. Additionally, the MLNI underwriting staff is working with the sponsor team on a final bond stage three checklist and riskshare process with the U.S. Department of Housing and Urban Development (“HUD”).

The 180-day extension request of the eligibility resolution is reasonable, given that it provides flexibility to the transaction if there are any delays related to the delivery of the final bond stage three checklist items, such as building permits. The extension will help to complete a new construction development in Ward 1 that will provide 179 units to seniors age 55 and older, as well as grand-families.

Ms. Hartman concluded the presentation and introduced members the sponsor team present for the Zoom call: Gerry Joseph representing Browne Development Associates, and Dwight

Mayes representing the National Caucus and Center for Black Aging Housing Development Corporation.

Ms. Wellington asked about the status of permits. Mr. Mayes stated that the team expects to receive permits by the end of March.

Mr. Irving asked if there are existing buildings at the Project site. Mr. Mayes responded yes that the Samuel J. Simmons building exists on the site and was refinanced in December 2020. The site where Carl F. West Estates will be built is currently a parking lot adjacent to the Samuel J. Simmons site.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Eligibility Extension No. 2023-06 for Carl F. West Estates. 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 unanimously approved.

VII. Other Business.

There was no other business.

VIII. Executive Director's Report.

There was no Executive Director's Report.

IX. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Mr. Irving made a motion to adjourn the meeting, which was seconded by Ms. Wellington.

Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

The meeting was adjourned at 6:32 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 5, 2023.