

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

July 11, 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 Chairperson, Mr. Stephen Green, called the meeting to order at 5:35 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. Stanley Jackson, Ms. Carri Cowan, and Mrs. Heather Wellington.

II. Vote to approve the minutes from the May 23, 2023 Board Meeting.

A motion was called to approve the minutes of the May 23, 2023 board meeting by Mr. Green. Mrs. 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 Edgewood 611/Gardens Apartments and Villages at Parklands.

Pursuant to the District of Columbia Administrative Procedure Act, the 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 Edgewood 611/Gardens Apartments and Villages at Parklands. 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. Jackson made a motion to close the meeting. The motion was properly seconded by Mrs. Wellington. The motion passed by a chorus of ayes.

The meeting was closed at 5:38 p.m. and re-opened at 6:15 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2023-14 for Edgewood 611/Gardens Apartments.

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 \$56,660,000 for Edgewood 611/Gardens Apartments (the "Project" or "Development").

The Project is in the Edgewood neighborhood of Northeast Washington, D.C. and is 0.6 miles away from the Rhode Island Metro Station, which services the Red Line. The unit mix of the proposed Development will be 300 units with 197 one-bedroom units and 103 two-bedroom units. The Project will have 103 units restricted at 50 percent of Area Median Income ("AMI") that will benefit from a project-based Housing Assistance Payment ("HAP") contract.

The projected gross income of the Project is approximately \$5.6 million in the first year, assuming a five percent economic vacancy. Annual operating expenses are projected to be approximately \$3.1 million or \$10,000 per unit, resulting in a Net Operating Income ("NOI") of \$2.4 million within year one of stabilization. The projected NOI supports a permanent mortgage of \$29.8 million with a 1.15 amortizing debt service coverage ratio in the first year.

The capital stack for the Development will consist of a senior Bellwether Enterprise loan at \$36.6 million, \$39.8 million in Federal low-income housing tax credit or ("LIHTC") equity, \$7.3 million in D.C. LIHTC equity, a Deferred Developer fee approximately \$6.3 million, a \$26.4 million Seller's note, \$3.1 million in interim income, \$3.3 million in accrued interest during construction, and transfer reserves of \$695,000. The total development cost is \$117 million or approximately \$390,000 per unit.

A notable risk is that the Agency will be providing approximately \$47 million in tax exempt bond volume cap.

As a risk mitigant, the Enterprise Community Development team has experience. They currently own and operate a portfolio of over \$1 billion with upwards of 2,000 affordable housing units added to the market since 2010. Their management firm currently owns and manages over 16,000 housing units.

The managing member for the sponsor will be ECD Edgewood 611/Gardens GP, LLC whose members are Enterprise Community Development, Inc and NHT Communities, a nonprofit corporation. Enterprise Community Development will also serve as guarantor for the Project and lead developer.

Other members of the development team include Harkins Builders, Inc. as the general contractor, Miner Feinstein Architects as the architect, and Enterprise Residential as the property manager.

Mr. Holley-Grisham completed the presentation, opened the floor for questions and introduced representatives from the sponsor teams present on the Zoom call: Jessica Jones, Project Manager for Enterprise Community Development, Stacie Birenbach, Vice President of Real Estate, Shawn Matthews, Senior Construction Manager, and Joseph Adams, Construction Manager.

Mr. Jackson asked Ms. Jones about the number of residents with school-age children and their plan to mitigate disruption throughout the school year.

Ms. Jones stated over the past year the Sponsor stopped leasing in order for natural attrition to occur in their 611 buildings. Currently, there are 50 vacancies, which are primarily one-bedroom units, but there will need to be off-site units for two bedrooms. However, units are being secured at Rhode Island Row located across the street from Edgewood's campus in order to keep residents within the vicinities of their jobs and school in attempt to minimize disruptions.

Mr. Jackson asked about the specific number of school-age children. Ms. Jones confirmed she did not know the actual number, however, Ms. Birenbach stated there are approximately 55 students.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2023-14 for Edgewood 611/Gardens Apartments. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mrs. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Consideration of DCHFA Final Bond Resolution No. 2023-15 for Villages at Parklands.

Ms. Linda Hartman, Senior 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 \$67,000,000 for Villages at Parklands Phase I (the "Project" or "Development"), which consists of Huntington Village and Orchard Park. The permanent loan for the transaction will be an Immediate Fund Freddie Mac tax-exempt loan.

The Project site is in the Randle Heights neighborhood of Southeast Washington, DC. The Project site is located 0.5 miles from the Congress Heights Metro Station, which services the Green Line. In addition, there are several bus stops located near the Project.

The Project consists of two properties, Huntington Village and Orchard Park located in the greater Villages at Parklands community. Huntington Village and Orchard Park are LIHTC developments in their extended use period, currently operating with three separate HAP contracts. The Project amenities will be renovated. All 461 units will continue to operate with LIHTC restrictions and HAP contracts post renovation.

In-unit amenities for the Project will include wall air conditioning, refrigerators, oven microwaves, dishwashers, carpet, vinyl wood flooring, and blinds. Property amenities will include a central laundry facility, playground, security system, and off-street surface parking.

The Sponsor team for the Project will consist of Dantes Partners, L&M Development Partners, and H Street Community Development Corporation (“HSDC”). Other members of the development team include ETC Companies as general contractor, Soto Architecture & Urban Design as architect, and DP Management LLC d/b/a Faria Management as property manager.

Ms. Hartman completed the presentation, opened the floor for questions and introduced representatives from the sponsor teams present on the Zoom call: Joel Patterson and Jeff Moelis from Dantes Partners.

Mr. Jackson asked Mr. Patterson about bringing on a third-party armed security team to mitigate crime. Mr. Patterson stated that they are planning to have armed security personnel 24 hours a day in each community with assigned security personnel that residents can reach out to in case of emergencies. Security will also collaborate with the local police department to build a relationship to supplement security measures.

Mr. Jackson asked when the third-party security team will provide coverage of the facility. Mr. Patterson stated that a security team would be onsite 24 hours a day. Mr. Green asked if monitoring on the site meant security would be present 24 hours a day. Mr. Patterson responded in the affirmative.

Mr. Green asked about the number of sites in the D.C. that Dantes Partners owns and operates. Mr. Patterson stated that he was unsure of the specific amount, but they operate a number of communities within the District.

Mrs. Wellington asked if the assigned security guards for communities was for resident recognition. Mr. Patterson stated that due to 24/7 monitoring there will be rotating guards; however, they will make sure that there is resident recognition within the shifts of the guards throughout the day.

Mr. Green asked what contractor was being used and their experience working in the District. Mr. Patterson stated the contractor is ETC Companies and it will be their first contract in the District, but the company has worked with them on projects adjacent to the District.

Mr. Green asked about the District of Columbia’s First Source requirement. Mr. Patterson assured the Board that the developer will make sure that everyone involved with the Project understands and acknowledges the District’s First Source requirements.

Mr. Green asked about the justification for the reduction of the property cost. Mr. Patterson stated the reduction in cost was because there will be a non-profit partner so there will be a reduction in property taxes during the operations. Additionally, maintenance, and salaries were adjusted. There will also be a reduction to the staffing of the Project.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2023-15 for Villages at Parklands. Mrs. 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. Vote to close meeting to discuss Contractor Selection for Auditing Services, Multifamily Volume Cap and 815 Florida Avenue Redevelopment.

Pursuant to the District of Columbia Administrative Procedure Act, the 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 Contractor Selection for Auditing Services, Multifamily Volume Cap and 815 Avenue Redevelopment. 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. 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 6:38 p.m. and re-opened at 7:35 p.m.

VII. Consideration of DCHFA Resolution No.2023-4(G) for Contractor Selection for Auditing Services.

Ms. Tara Sigamoni, Vice President, Procurement and Administrative Services, presented the procurement for audit services presentation to the Board. Ms. Sigamoni presented her recommendation to approve the proposed contract for Mitchell Titus to provide the Agency with the combined services of audit for the Agency's Multifamily and Single Family Programs.

Following the responses of those invited to participate in procurement, the Technical Evaluation Panel completed a review of the proposals and clarifications. After the review of the clarifications, Mitchell Titus was the highest-ranked offer or technical price combined. Mitchell Titus also intends to self-contract with a Certified Business Entity ("CBE"). Based on that information, Ms. Sigamoni requested approval to proceed with Mitchell Titus in the base year amount of \$87,000 and approximately \$360,000 for the base contract price plus three optional years.

There were no questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2023-4(G) for the contractor selection for auditing services. Mr. Jackson made a motion to approve the resolution

and it was properly seconded by Ms. Cowan. Mr. Donald took a poll vote. The resolution was unanimously approved.

VIII. Other Business.

There was no other business.

IX. Executive Director's Report.

There was no Executive Director's Report.

X. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Mrs. Wellington 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 7:39 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on August 18, 2023.