

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY**  
**MEETING OF THE BOARD OF DIRECTORS**  
**August 22, 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 5:38 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, Mrs. Heather Wellington, and Ms. Carri Cowan.

## **II. Vote to close meeting to discuss McKinney Act loans for Berean Baptist, Green Valley Apartments, and 1232 4<sup>th</sup> Street, N.E.**

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 McKinney Act loans for Berean Baptist, Green Valley Apartments, and 1232 4th Street, N.E. 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 Ms. Cowan. The motion passed by a chorus of ayes.

The meeting was closed at 5:41 p.m. and re-opened at 6:43 p.m.

## **III. Consideration of DCHFA Resolution No. 2023-05(G) for a McKinney Act Loan for Green Valley Apartments.**

Ms. Kadija Sow, Underwriter, Multifamily Lending and Neighborhood Investment ("MLNI") presented the transaction to the Board. MLNI presented its recommendation to authorize the approval of a McKinney Act loan in an amount not to exceed \$1,000,000 for Green Valley Apartments (the "Project" or "Development").

The Project site is in the Langdon neighborhood of NE Washington, DC in Ward 5. The project site is in walking distance of a bus station. Additionally, the Brookland metro station, which serves the red line is located 1.8 miles from the Site. The Project is located near Langdon Park Recreation Center, Chuck Brown Memorial Park, and Model Cities Senior Wellness Center.

The Project will be an acquisition/rehabilitation, and is currently owned by Second New Saint Paul Housing Church. The unit mix of the development consists of 100 units including 81 student units and 19 one-bedroom units for senior tenants aged 55+. The Development team anticipates 100% of the units will operate under a HAP contract.

In-unit amenities will include balconies, carpeted flooring, central air conditioning, ovens, refrigerators, and garbage disposals. Property amenities include a business center, central laundry facility, courtyard, recreation center, and a library.

The lead developer will be the Orlean Company LLC which will be forming a joint venture with Second New St Paul Housing Incorporated, the non-profit entity. The Orlean Company has been developing residential and commercial properties since 1954. Headquartered in Beachwood, Ohio, the Orlean Company has completed 11 low income housing tax credit ("LIHTC") redevelopment projects.

Other members of the development team will include Harkins Construction as the general contractor, ABC Management as the Property Manager, and Miner Feinstein Architect as the architect.

Ms. Sow concluded the presentation opened the floor for questions and introduced members of the Development team present on the Zoom call: Spencer Yasinow, Orlean Company, Gerry Joseph and Joseph Browne, Development Associates.

Mrs. Wellington asked the development team to discuss the company's history in the District. Mr. Yasinow stated that The Orlean Company is under the same umbrella as ABC Management, and has been managing Green Valley for over 20 years. Mr. Yasinow also stated for the record that the corporate structure includes the New St. Paul Housing Corporation, the long-term owner, which will continue to be the majority member of the managing member and they will have the right of first refusal at the end of the compliance period to acquire the limited partner interest.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2023-05(G) for a McKinney Act Loan for Green Valley Apartments. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Cowan. Mr. Donald took a poll vote. The resolution was approved by Ms. Cowan, Mr. Irving, and Mrs. Wellington. Mr. Green voted no. The motion carried and the resolution was approved.

#### **IV. Consideration of DCHFA Resolution No. 2023-06 (G) for a McKinney Act Loan for 1232 4th Street NE.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment ("MLNI") presented the transaction to the Board. MLNI presented its recommendation to authorize the approval of a McKinney Act loan in an amount not to exceed \$1,000,000 for 1232 4<sup>th</sup> Street NE (the "Project" or "Development").

The Project is in the NoMa neighborhood of Northeast Washington, DC between M Street NE, and Florida Avenue NE. The Project is within a 0.2 mile walk of the NoMa-Gallaudet Metro station, which serves the Red Line. Also, the Project is 1.2 miles from Washington Union Station, which services Amtrak and numerous bus terminals. According to the Walk Score, the Project is considered a "walkers paradise" with a score of 96.

The Project Site is currently owned by 1232 Shift Cubed Partners LLC. 1232 Shift Cubed Partners LLC (the "Sponsor") is a newly formed entity that is owned by Shift Catalyst, LLC, and Cubed Holdings, LLC. On August 12, 2022, 1232 Shift Cubed Partners LLC acquired the Project from The Nathaniel Lewis Family Legacy Trust for \$9,000,000.

The Proposed Project is in the preliminary drawings phase, and the current unit mix consists of 96 units. Of the 96 units, 29 will be efficiency units, 56 will be one-bedroom units, and 11 will be two-bedroom units. The 96 units will average 652 square feet respectively.

Furthermore, the Project will consist of one midrise 10-story building, which will be restricted to residents earning 30% and 50% of Area Median Income ("AMI") or less. A total of 23 units

will be set aside for residents within the income band of 30% AMI. The remaining 73 units will be set aside for residents within the income band of 50% AMI.

The Project amenities will encompass a green roof, leasing office, a residential lobby, bicycle storage space, a mail room, a tenant services office for United Planning Organization (UPO), and “maker space.” The proposed 614 square feet of maker space will allow all residents to connect, create, and learn. Furthermore, the maker space is considered a community amenity for LIHTC purposes and will be included in eligible basis.

The in-unit amenities at the Project will include luxury plank vinyl, dishwashers, microwaves, ovens, refrigerators, washer and dryers, closets, and central air conditioning.

The borrower’s proposed development plan is to finance pre-development activities with approximately \$1,000,000 in McKinney Act Loan funds, and \$2,013,521 in Capital Impact Partners predevelopment financing. The borrower anticipates applying for Housing Production Trust Fund (“HPTF”) financing in the Summer 2024 Notice of Funding Availability from the District of Columbia Department of Housing and Community Development (“DHCD”).

Funds in the amount of t \$250,000 will be available upon McKinney Loan closing. The remaining \$750,000 will not become available until after the Project is awarded HPTF funds.

When HPTF Funds are awarded, the Project will proceed with further pre-development activities while applying for DCHFA tax-exempt bonds and 4% tax credits. The projected financial closing is in fall 2025, and the McKinney Act Loan funds would be required to be repaid at financial closing.

The managing members of 1232 Shift Cubed Partners, LLC will be Shift Catalyst, LLC, and Cubed Holdings, LLC. Both Shift Catalyst, LLC and Cubed Holdings, LLC will have 50/50 ownership of 1232 Shift Cubed Partners, LLC. Shift Catalyst LLC is a certified benefit corporation. Cubed Holding, LLC is an entity controlled 100% by Cubed Partners, LLC. Cubed Partners, LLC is an emerging minority boutique real estate investment firm based in the District of Columbia. Cubed Partners, LLC is owned by Emmanuel Egoegonwa and Ikeogu Imo. Other members of the development team include Mutreja Development LLC as the development Consultant, Michael Graves Architecture + PGN Architects as the architect, and Hamel Builders is the anticipated general contractor for the Project.

Mr. Hutter concluded the presentation, opened the floor for questions and introduced members of the Development team present on the Zoom call: Neil Mutreja, Mutreja Development LLC, Manny Egoegonwa, Managing Partner of Cubed Partners, and Alison Carey, Shift Capital.

There were no questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2023-06(G) for a McKinney Act Loan for 1232 4<sup>th</sup> Street NE. Mr. Irving 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.

**V. Consideration of DCHFA Resolution No. 2023-07 (G) for a McKinney Act Loan for Berean Baptist.**

Ms. Kadija Sow, Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”) presented the transaction to the Board. MLNI presented its recommendation to authorize the approval of a McKinney Act loan in an amount not to exceed \$1,000,000 for Berean Baptist (the “Project” or “Development”).

The project is in the Brightwood Park neighborhood of NW Washington DC in Ward 4 and is located within walking distance from many community amenities such as: Emery Heights Community Center, Emery Heights Park, and Walmart. The Development is located 0.1 miles from the nearest bus line and the Georgia Avenue/Petworth Metro station, is located 1.7 miles from the Development.

The Development is currently owned by Berean Baptist Church. The property will be sold to a yet to be formed special purpose entity, which is a joint venture between HEP Development LLC and Berean Baptist Church for \$2.89MM.

The proposed Project will include the demolition of the existing church and the construction of a four-story plus penthouse midrise building that will include both the residential portion and the new church space. The church space will be on the ground floor and will be legally separated from the residential space. The church space will be separately financed. The upper three floors and the penthouse will consist of 34 units, including 27 one-bedroom units and seven two-bedroom units for seniors aged 55+. Lastly, the Project will have a below grade garage with 25 parking spaces, 12 spaces will be set-aside for church parishioners and the remaining 13 spaces will be available for residents on a first come first served basis. Given the project is in the predevelopment stage, amenities have not been determined yet.

The lead developer for the transaction will be HEP Development LLC, which will form a joint venture with Berean Baptist Church, the non-profit entity. HEP Development LLC is an affiliate of HEP Construction, which is headquartered in Washington, DC. Other members of the development team will include PGN Architects as the architect and Boundary Street Partners as the development consultant. The general contractor and property manager have not been selected at this time.

Ms. Sow concluded the presentation, opened the floor for questions and introduced members of the Development team present on the Zoom call: Christopher Miller, H2 Development and Mohammad Khokhar, HEP Construction.

There were no questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2023-07(G) for a McKinney Act Loan for Berean Baptist. Mrs. Wellington 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.

## **VI. Vote to close meeting to discuss Lisner Senior Independent Living.**

Chairperson Green stated for the record that he did not have a financial interest in the Project and that he previously recused himself from discussion or vote regarding Lisner Senior Independent Living and out of an abundance of caution will recuse himself again. Chairperson Green exited the meeting and did not participate in the discussion or vote on the transaction.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice-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 negotiating **Lisner Senior Independent Living**. 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. Ms. Cowan 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 7:01 p.m. and re-opened at 7:10 p.m.

## **VII. Consideration of DCHFA Final Bond Resolution No. 2023-17 for Lisner Senior Independent Living.**

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 \$42,340,000 for Lisner Senior Independent Living (the "Project" or "Development"). The Project is in the Friendship Heights neighborhoods of Northwest Washington, DC and is 0.2 miles away from the Friendship Heights Metro Station, which services the Red Line.

The unit mix of the Project consists of 93 one-bedroom units. The Area Median Income ("AMI") restrictions at the Project will include 52 units at 30% AMI and 41 units at 50% AMI. The units reserved for residents earning 30% AMI or less will benefit from Local Rent Supplement Program ("LRSP") subsidies from the District of Columbia Housing Authority ("DCHA"). Additionally, nineteen of the 52 units at 30% AMI will be Permanent Supportive Housing ("PSH") units.

According to the Affirmative Fair Housing Marketing Plan provided by the development team, some minority groups are least likely to apply to live in the project due its location. Therefore, the development team plans to have targeted advertisements to attract residents from African American and Hispanic minority groups as well as persons with disabilities. The plan includes but is not limited to advertisements in the Washington City Paper, Washington Hispanic, and the DC Housing search website. Additionally, the development team plans to have signage around the site, and reach out to a variety of community organizations to further expand the diversity of the residents.

In-unit amenities at the Project will include luxury plank vinyl flooring, dishwashers, garbage disposals, microwaves, ovens, refrigerators, pull cords, grab bars, washer and dryers, and central air conditioning.

Project amenities will include a community room with television for entertainment and activities, a lounge and solarium with views to the interior courtyard, a hobby and game room, computer center, fitness center, salon space, and a lounge area near the elevators on each floor. Also, the Project will have office space on-site for a property management and a case management office for PSH case managers.

The capital stack for the Development will consist of permanent financing in the approximate amount of \$15.8 million dollars as a private placement first mortgage Loan, a \$26.4 million-dollar Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, \$950,000 in accrued interest, \$19.5 million dollars in Federal Low Income Housing Tax Credit, or (“LIHTC”) equity, \$3.6 million dollars in DC LIHTC equity, approximately \$216,225 in Solar / 45L tax credit equity, and a \$3.2 million deferred developer Fee. The total development cost is \$69.2 MM dollars or \$744,464/unit, inclusive of hard and soft costs, developer and financing fees, reserves, and escrows.

Urban Atlantic Development, LLC, and Lisner-Louise-Dickerson-Hurt Home will be the developers for the Project. Other members of the development team include Bozzuto Contracting Company, LLC as general contractor, Wieneck + Associates, as the architect, Equity Plus as the development consultant, and WinnResidential as property manager.

Mr. Holley-Grisham concluded his presentation, and introduced members of Development team present on the Zoom call: Chris Vernick, Urban Atlantic, Ward Orem, CEO of the Lisner Home, Chapman Todd, Jaydot, Vicki Davis, Urban Atlantic, Kelli Brooks, Urban Atlantic, Lee Buchanan, Urban Atlantic, Avi Fechter, Equity Plus.

Ms. Cowan asked the Development team to discuss their marketing plan as it relates to targeting diverse residents. Mr. Orem answered stating that the resident population is diverse and has representation from all wards in the city. Mr. Orem noted for the record that the client base is around 75% to 30% or below AMI, primarily from minority populations consisting of African American, Hispanic, and there are Caucasian residents as well. Mr. Orem also stated that marketing tends to be word of mouth.

Mrs. Wellington asked the Development team to discuss the construction timeline. Mr. Vernick stated the targeted closing date is September 7, 2023. Mr. Vernick noted that the team has released Bozzuto to start the switchgear, he also mentioned that part of the project will include relocating an existing heritage tree.

Mr. Irving stated that the Project is important for Ward 3, and that he looks forward to seeing more similar developments in the ward.

There were no further questions.

Mrs. Wellington called for a vote to approve DCHFA Final Bond Resolution No. 2023-17 for Lisner Senior Independent Living. Mr. Irving 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.**

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

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

The meeting was adjourned at 7:26 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on September 22, 2023.