

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

April 12, 2022

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 5:35 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. Buwa Binitie, Mr. Stephen M. Green and Ms. Heather Howard.

I. Vote to approve the minutes from the March 8, 2022 board meeting.

A motion was called to approve the minutes of the March 8, 2022 board meeting by Mr. Binitie. Ms. Howard made a motion to approve the minutes. The motion was properly seconded by Mr. Green. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

II. Vote to close meeting to discuss Carl F. West Estates, an Inducement and McKinney Act Loan Approval for Congress Heights Metro Residential, and the Villages of East River.

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 **Carl F. West Estates, an Inducement and McKinney Act Loan Approval for Congress Heights Metro Residential, and the Villages of East River**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mr. Binitie called for a motion to close the meeting. Ms. Howard made a motion to close the meeting. The motion was properly seconded by Mr. Green. The motion passed by a chorus of ayes.

The meeting was closed at 5:37 p.m. and re-opened at 6:32 p.m.

III. Consideration of DCHFA Resolution No. 2022-05(G) regarding a McKinney Act Loan for Congress Heights Metro Residential.

Mr. Donald stated that only the McKinney Act Loan resolution would be considered for the Congress Heights Metro Residential project.

Mr. James Holley-Grisham, Senior Multifamily Loan Analyst, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI team presents its recommendation to authorize McKinney Act Loan funds in an amount not to exceed \$1,000,000 for Congress Heights Metro Residential Apartments (the "Project").

The Project is in the Randle Heights neighborhood of Southeast Washington, D.C. and is located directly above the southern entrance of the Congress Heights Metro Station.

The unit mix for the proposed development will be one hundred seventy-nine (179) studio, one, two, and three bedroom units, with income restrictions ranging from thirty to eighty percent of the area median income (“AMI”).

The managing member for the sponsor will be New Congress Heights Manager, LLC. The managing member consists of NHT Communities as the sole member and the NHTC Board of Managers and Standard Real Estate serving as non-member representatives.

NHT Communities will serve as the guarantor for the development. Other members of the development team include Grimm and Parker as architect, Harkins Builders as the general contractor and Quantum Real Estate Management, LLC as the property manager.

Mr. Holley-Grisham concluded his presentation and introduced Mr. Edward Pauls and Mr. Kevin White from NHT Communities, and Ms. Ruth Barnwell from the resident association.

Mr. Binitie asked for an explanation of the planned construction process. Mr. Pauls stated that the existing buildings on the property would be demolished and construction for the Project would be staggered, with construction starting on the residential portion of the Project.

Mr. Binitie asked if any occupancy covenants were currently in place. Mr. Pauls stated that current tenants would be given the first offer to move into the units. Additionally, office space on the ground floor will be set aside for neighborhood associations to use. Mr. Binitie asked about construction costs. Mr. Pauls stated that while he was confident that the construction timeline would stay on target, he acknowledged that unanticipated factors could affect the costs of construction, though he believes he has enough flexibility to persevere through any major deviations.

Mr. Binitie called for a vote to approve DCHFA Eligibility Resolution No. 2022-05(G) for a McKinney Act Loan for Congress Heights Metro Residential. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Green. Mr. Donald took a poll vote. The resolution was unanimously approved.

IV. Consideration of DCHFA Resolution No. 2022-12 for the Carl F. West Estates.

Mr. Scott Hutter, Deputy Director, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI team presents its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$67,200,000 for the Carl F. West Estates (the “Project”).

The Project is in the Columbia Heights neighborhood of Northwest Washington, D.C. and is 0.2 miles away from the Columbia Heights Metro Station.

The Project will serve seniors, aged 55 and older and their families. The unit mix of the proposed development will be one hundred seventy-nine (179) units consisting of twelve (12) studios, one hundred ten (110) one-bedroom units, fifty-six (56) two-bedroom units, and one (1) three-bedroom unit. The Project will have forty-three (43) units restricted at thirty percent (30%) of AMI, one hundred nineteen (119) units restricted at fifty percent (50%) of AMI, and seventeen (17) units restricted at eighty percent (80%) of AMI. Twenty-five (25) of the units restricted at thirty percent (30%) of AMI will benefit from the local rent subsidy program (“LRSP”). Eighteen (18) of the subsidized units will also be permanent supportive housing (“PSH”).

The capital stack for the development will consist of permanent financing in the approximate amount of \$18.1 million in the form of a DCHFA Risk-Share First Mortgage Loan, a \$33.4 million Department of Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, \$43.7 million in Federal low income housing tax credit (“LIHTC”) equity, \$8.05 million in District of Columbia LIHTC equity, a \$2.5 million deferred developer fee, a \$2.65 million seller note, and \$2.2 million in developer equity. The total development cost is \$110.6 million or approximately \$618,000 per unit.

Boston Financial Investment Management will be purchasing the federal credits at \$0.95 per credit. Monarch Private Capital will be purchasing the state credits at \$0.70 per credit.

The general partner for the development will be a joint venture between the NCBA Housing Development Corporation and DMA Development.

NCBA Housing Development Corporation will serve as the non-profit JV sponsor and lead developer. Gerry Joseph serves as the development consultant. DMA Development will serve as guarantor for the Project.

Other members of the development team include Coakley and Williams as the general contractor, Wiencek and Associates Architects and Planners as the architect and NCBA Housing Management Corporation as the property manager.

Mr. Hutter concluded his presentation and introduced Dwight Mayes, Gerry Joseph and JoEllen Smith from DMA Development.

Mr. Mayes introduced himself and provided some insight on the development. He stated that the general contractor was Coakley and Williams. Mr. Binitie asked if construction numbers were up to date. Mr. Hutter confirmed that the numbers were current.

Mr. Binitie called for a vote to approve DCHFA Eligibility Resolution No. 2022-12 for the Carl F. West Estates. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Green. Mr. Donald took a poll vote because the Agency is reserving volume cap. The resolution was unanimously approved.

V. Consideration of DCHFA Eligibility Resolution No. 2022-14 for Villages of East River.

Ms. Linda Hartman, Multifamily Loan Underwriter, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$45,355,000 for Villages of East River formerly known as WDC I (the “Project”).

The Board of Directors approved an inducement resolution for the Project on May 9, 2017, which has since lapsed. The not to exceed amount for the present inducement resolution has increased due to construction cost increases.

The Project is an acquisition and rehabilitation of a family-tenancy scattered site development. There are sixteen (16) project sites located throughout the District of Columbia in the Anacostia, Fort Dupont Park and Marshall Heights neighborhoods of Wards 7 and 8.

The unit mix of the Project is seventy-four (74) one-bedroom units and one hundred and twenty-eight (128) two-bedroom units. The current AMI restrictions for the Project are fifty percent (50%) and sixty percent (60%) of the AMI. Eighteen (18) units located in one building have a 20-year HAP contract. The number of units and unit mix at the Project will not change post renovation. However, the AMI restrictions will slightly change, with forty-one (41) units restricted at thirty percent (30%), eighty (80) units restricted at fifty percent (50%) and eighty-

one (81) units restricted at sixty percent (60%) of the AMI. Forty-one (41) of the units restricted at thirty percent (30%) of AMI will be PSH units and operate with LRSP subsidies. These units will be located throughout the Project. The PSH units will be located near at least one of the three new PSH offices. Eighteen (18) units at fifty percent (50%) AMI will operate with project-based Section 8 subsidies.

The proposed renovations will be completed in five phases (3-4 buildings per phase) between October 2022 and November 2024 (approximately twenty-five (25) months). Tenants will be vacated from the targeted buildings in the applicable phase and relocated to other Villages of East River buildings or temporary housing units available at other properties within a two to five-mile radius. Tenant relocations will be short term, approximately six (6) months. Housing to Home will assist with the tenant relocations during the renovation period.

The subordinate debt for the transaction includes HPTF acquisition and renovation loans. National Affordable Housing Trust (“NAHT”) is the federal LIHTC investor for the Project, while Sugar Creek Capital is the DC LIHTC investor for the Project. The total development cost is \$80,100,000, or \$396,000 per unit.

The members of the development team consist of IBF Development and NHT Communities as the sponsors, Hamel Builders as general contractor, Miner Feinstein Architects as architect, and The Franklin Johnston Group as property manager.

Ms. Hartman concluded her presentation and introduced Rob Richardson from IBF Development and Kevin White from NHT Communities. There were no further questions.

Mr. Binitie called for a vote to approve DCHFA Eligibility Resolution No. 2022-14 for the Villages of East River. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Green. Mr. Donald took a poll vote because the Agency is reserving volume cap. The resolution was unanimously approved.

VI. Other Business.

Mr. Binitie requested a presentation regarding the pipeline and construction monitoring fees. Mr. Donald noted that Agency staff was working on the presentation and it would be exhibited soon.

VII. Executive Director’s Report.

Mr. Donald announced that applications for the Todd A. Lee Scholarship Fund are opening soon. Mr. Binitie requested a general discussion of the Agency's projected pipeline and construction fees be added to the Board's upcoming agenda.

VIII. Adjournment.

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

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

The meeting was adjourned at 7:04 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 6, 2022.