

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

June 14, 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 Chairperson, Mr. Buwa Binitie, called the meeting to order at 5:32 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. Brian “Scottie” Irving, Mr. Stanley Jackson, and Ms. Heather Howard.

Prior to voting to close the meeting, Mr. Binitie disclosed that while his company, Dantes Partners, does not have any business affiliation with Belmont Crossing, he has a business friend who is involved in the transaction and was therefore recusing himself from discussing or voting on the transaction.

I. Vote to approve the minutes from the April 26, 2022 and May 10, 2022 board meetings.

A motion was called to approve the minutes of the April 26, 2022 and May 10, 2022 board meetings by Mr. Binitie. Ms. Howard 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.

II. Vote to close meeting to discuss 7428 Georgia Avenue NW and the Consolidation of the Agency’s Single Family Indentures.

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 **7428 Georgia Avenue NW and the Consolidation of the Agency’s Single Family Indentures**. 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. Irving. The motion passed by a chorus of ayes.

Mr. Stephen Green joined the meeting prior to it closing.

The meeting was closed at 5:36 p.m. and re-opened at 5:42 p.m.

III. Consideration of DCHFA Final Bond Resolution No. 2022-18 for 7428 Georgia Avenue Apartments.

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 final bond issuance of tax-exempt bonds for 7428 Georgia Avenue Apartments in an amount not to exceed \$19,200,000 (the “Project”).

The Project is in the Shepherd Park neighborhood of Northwest Washington, DC and is 0.8 miles away from the Takoma Metro Station, which is on the red line.

The unit mix of the proposed development will be 66 units with 10 efficiency units, 34 one-bedroom units, 2 two-bedroom units, and 20 three-bedroom units. 13 units restricted at 30 percent of AMI will benefit from a project based Local Rent Supplement (“LRSP”) subsidy.

The capital stack for the development will consist of a senior JP Morgan Chase Loan at \$8.85 million, DC Department of Housing and Community Development (“DCHD”), Housing Production Trust Fund (“HPTF”) loan at \$11.77 million, Federal low-income housing tax credit (“LIHTC”) equity at \$9 million, DC LIHTC equity at \$1.8 million, a deferred developer fee at approximately \$1.5 million, and an \$875,000 Seller Takeback Note. The total development cost is \$33.85 million or approximately \$513,000 per unit.

The managing member for the sponsor will be Shepherd Park MM, LLC whose sole member is Lock 7 Development, LLC. David Gorman and Patrick Conway, the Principals of Lock 7 Development, will serve as Guarantors for the Project and lead developers.

Other members of the development team include Hamel Builder’s, Inc. as the general contractor, Torti Gallas Urban, LLC as the architect, and Residential One as the property manager.

Mr. Hutter concluded the presentation and introduced Mr. Jordan Bishop from Audubon Enterprises and Mr. David Gorman from Lock 7 Development via Zoom and opened the floor up for questions.

There were no questions.

Mr. Binitie called for a vote to approve DCHFA Eligibility Resolution No. 2022-18 for 7428 Georgia Avenue Apartments. Mr. Jackson made a motion to approve the resolution and it was

properly seconded by Ms. Howard. Mr. Donald took a poll vote because the Agency is issuing volume cap. The resolution was approved.

IV. Consideration of DCHFA Resolution No. 2022-07(G) for the Approval of a Single-Family Indenture Consolidation.

Mr. Steve Clinton, Chief Financial Officer, presented the matter to the Board. The Agency seeks approval of the consolidation of three single family indentures into one single family indenture. The purpose of the consolidation is to save administrative costs and, more importantly, to position the Agency to potentially issue mortgage revenue bonds to support the single-family business at some point in the future. Consolidating the assets will potentially strengthen the execution of one strong indenture.

Mr. Clinton opened the floor for questions. There were no questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2022-07 (G) for the Approval of a Single-Family Indenture Consolidation. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Mr. Irving. The resolution was unanimously approved.

Mr. Binitie recused himself from the discussion and voting on the Belmont Crossing Phase 1 transaction and exited the Zoom call.

V. Vote to close meeting to discuss Belmont Crossing Phase 1.

Pursuant to the District of Columbia Administrative Procedure Act, the Secretary 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 **Belmont Crossing Phase 1**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mr. Donald called for a motion to close the meeting. Ms. Howard 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 5:52 p.m. and re-opened at 6:02 p.m.

VI. Consideration of DCHFA Resolution No. 2022-19 for Belmont Crossing Phase 1.

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 for Belmont Crossing Phase 1 in an amount not to exceed \$62,975,000 (the “Project”).

The Project is in the Washington Highlands neighborhood of Southeast Washington, DC in Ward 8 and is 1.2 miles away from the Congress Heights Metro Station, which is on the green line.

The Project is the first phase of the three-phase redevelopment of Belmont Crossing. The Belmont Crossing property was previously owned by Sanford Capital and there were historical issues with the lack of upkeep for the property.

Belmont Crossing will consist of the demolition of eleven garden style buildings and the new construction of four, four-story elevator serviced buildings. In-unit amenities will include a washer and dryer, central air conditioning, a dishwasher, a full range hood and stove, and a refrigerator. Property amenities will include a business center, a community room, a fitness center, a library, on-site management, picnic areas, a playground, and a service coordinator.

The unit mix of the proposed Project will be 169 units with 68 one-bedroom units, 49 two-bedroom units, 44 three-bedroom units, and 8 four-bedroom units. The 34 units restricted at 30 percent of Area Median Income (“AMI”) will benefit from a subsidy. The LRSP units will be set-aside for Permanent Supportive Housing (“PSH”) tenants.

The capital stack for the development will consist of permanent financing in the approximate amount of \$15.4 million as Fannie Mae M.TEB Loan, a \$44.1 million DC Department of Housing and Community Development Housing Production Trust Fund loan, \$11.15 million in accrued HPTF interest, \$41.7 million in Federal low-income housing tax credit equity, and a \$2.47 million deferred developer fee. The total development cost is \$104.8 million or approximately \$620,000 per unit.

The developers are Gilbane Development Company, MED Developers, Equity Plus, and Housing Help Plus. Gilbane Development Company will serve as Guarantor for the Project and lead developer. Housing Help Plus is the non-profit partner and will serve as the majority owner of the managing member at 51% ownership.

Other members of the development team include Hamel Builders, Inc. as the general contractor, PGN Architect, LLC as the architect, and Winn Residential as the property manager.

Mr. Hutter concluded the presentation and introduced Mr. Alexander Marte and Mr. Blaise Rastello from Gilbane Development Company via Zoom and opened the floor up for questions.

Mr. Green asked about the benefit of using a hybrid preservation deal.

Mr. Marte responded that the purpose is to potentially reduce the necessity for bond volume cap. Mr. Imo added that the District of Columbia is looking to create a program based off a pilot program created by the City of San Jose, whereby a ground lease is utilized to remove the cost of improvements on an acquisition/rehabilitation from the capital stack of a transaction, thereby lowering the 50% Test requirements.

Mr. Green asked whether the pilot program expects to go through a 10801 legislative approval process. Mr. Marte answered in the affirmative and stated that he expects to work with the DHCD. Ms. Howard inquired about the timeline. Mr. Marte responded that he expects to submit a package for DC Council approval in July and prepare for a mid-September closing. Mr. Jackson also asked about the timing scenario. Mr. Marte stated that the best-case scenario for timing is the end of September, and the worst-case scenario is the end of October.

Mr. Green asked for an explanation of how the structure reduces the 50% Test. Mr. Imo responded that the transaction would remove the cost of improvements and replace that with the cost of the ground lease, which in this case is only \$99.

Mr. Green asked about the anticipated interest rate. Mr. Marte responded that he has adjusted his budget to include a 150bps cushion.

Ms. Howard and Mr. Green inquired about the timing of building permits. Mr. Marte and Mr. Blaise responded that there is a plan to submit for building permits and use an expediter.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2022-19 for Belmont Crossing Phase 1. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Howard. Mr. Donald took a poll vote because the Agency is issuing volume cap. The resolution was unanimously approved.

VII. Other Business.

There was no other business.

VIII. Executive Director's Report.

Mr. Donald stated that the Agency is actively working on tools to bring to the market to help single family borrowers and will be providing recommendations to the Board in the near future. Mr. Donald also thanked Mr. Green and Ms. Howard for serving on the Agency's committee to address bond volume cap constraints.

IX. Adjournment.

Mr. Donald called for a motion to adjourn the meeting. Mr. Irving 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 6:24 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on July 8, 2022.