

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

November 13, 2014
815 Florida Avenue, NW
Washington, DC 20001
5:30 pm

Approved, As Amended Minutes

I. Call to order and verification of quorum.

The Chairperson, Mr. Derek Ford, called the meeting to order at 5:42 PM and asked the Interim Secretary of the Board, Maria K. Day-Marshall, Esq., to verify a quorum. With three members present, the Board of Directors (the “Board”) had a quorum and the meeting continued.

The Chairperson asked the Board Members present to review the agenda. The Chairperson asked to move Item X, “Consideration of DCHFA Resolution No. 2014-10(G) regarding the selection of a firm to provide real estate advisory services”, to Item VIII and move Item IX, “Vote to close the meeting to discuss the selection of a firm to perform real estate advisory services for the Agency”, to Item IV. In addition, a new Item, Item XV, “Vote to close the meeting to consult with an attorney to obtain legal advice” was added to the agenda. The remaining agenda would proceed as presented.

A motion was made by Leila Batties, Vice Chairperson, to approve the agenda as presented and seconded by Mr. M. Craig Pascal. The agenda was unanimously approved.

II. Approval of minutes from the October 28, 2014 Board Meeting.

The Chairperson asked the Board Members present to review the draft minutes of the October 28, 2014 meeting. A motion was made by Ms. Batties, Vice Chairperson, to approve the minutes as presented, and seconded by Mr. Pascal. The minutes as presented were unanimously approved.

III. Vote to close the meeting to discuss the approval of the 7611 & 7701 Georgia Avenue project and bond transaction, the Langdon Apartments project and bond transaction, the Ontario Court project and bond transaction and to discuss the selection of a firm to perform real estate advisory services for the Agency.

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 price and other material terms of 7611 & 7701 Georgia Avenue project and bond transaction, the Langdon Apartments project and bond transaction, the Ontario Court project and bond transaction and to discuss the selection of a firm to perform real estate advisory services for the Agency. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-575(b)(2)).

IV. Vote to close meeting to discuss the selection of a firm to perform real estate advisory services for the Agency.

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 price and other material terms regarding the selection of a firm to provide real estate advisory services for the Agency. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-575(b)(2)).

A motion to re-open the meeting was made by Mr. Lowery, Jr., and seconded by Mr. Pascal. The motion was approved by voice vote.

V. Re-open meeting.

The Chairperson reopened the meeting at 6:52 PM.

VI. Consideration of DCHFA Final Bond Resolution No. 2014-19 for 7611 & 7701 Georgia Avenue.

Prior to the consideration of DCHFA Final Bond Resolution No. 2014-19 for the approval of 7611 & 7701 Georgia Avenue, Mr. Pascal, stated that BB&T provided acquisition financing for the transaction; however, the BB&T loan will be paid off with the bond proceeds. Once the bond transaction closes, BB&T will no longer have an interest in the project. The Secretary, Ms. Maria K. Day-Marshall, asked Mr. Pascal if he will receive any financial benefit from the transaction, and Mr. Pascal responded that he would not. Consequently, Mr. Pascal asked that the Board of Directors vote to waive the potential conflict. Ms. Batties, Vice Chairperson, made a motion to allow Mr. Pascal to vote on the matter, and Mr. Stanley Jackson seconded the motion. By voice vote, the motion to waive the potential conflict was approved.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Anthony Waddell to present the matter to the Board. The development team present included Pam Askew, William C. Smith and Company, Clare McCabe, William C. Smith and Company, Sarra Mohamed, William C. Smith and Company, Candida Palacis, 7611 and 7701 Georgia Avenue Northwest Tenants' Association, Helen Ortiz, 7611 and 7701 Georgia Avenue Northwest Tenants' Association, Telma Mendoza, 7611 and 7701 Georgia Avenue Northwest Tenants' Association, and Talia Brock, Tenant Organizer working with 7611 and 7701 Georgia Avenue Northwest Tenants' Association.

The development sponsor of the project is William C. Smith Company, Inc. The 7611 and 7701 Georgia Avenue Northwest Tenants' Association is a 15 percent owner of the sponsor entity, and the tenants association will be responsible for programming and administration of resident services.

The project is located in the Brightwood neighborhood in Ward 4, and the buildings are located at 7611 and 7701 Georgia Avenue, near the Walter Reed Medical Complex. The project consists of the acquisition and substantial rehabilitation of two buildings consisting of 92 units. After the rehabilitation, the project will contain 95 units. The six-story buildings will be updated to modern standards through a capital infusion of approximately \$240,000 per unit in total costs and \$85,000 per unit in fiscal improvements.

The total development cost (TDC) is approximately \$23 million and will be financed with long-term tax exempt bonds, low income housing tax credit equity and deferred developer fee. The sources of funds for the project include, \$10.2 million in long-term bonds and \$1.2 million in short-term bonds, \$5.6 million in equity raised through the syndication of 4% Low Income Housing Tax Credits (LIHTC), \$6.8 million in the Department of Housing and Community Development (DHCD) funds, and \$193,000 in deferred developer fees.

After construction, the building mix will be as follows: 21 efficiencies, 32 one-bedroom units and 42 two-bedroom units, for a total of 95 units. The project will also feature a new community room, new Energy Star appliances, new kitchens, new bathrooms and there will be ten parking spaces. Eight-five percent of the units will be set aside at the 40 percent at 60 percent of AMI level for both bonds and tax credits.

Questions asked by the Board of Directors included the following:

- Please discuss the relocation process. The tenants present at the meeting expressed their pleasure with working with William C. Smith and Company and that the relocation process is going well. The development team responded that there were 17 vacancies in one building when they acquired the property, so they relocated the remaining tenants in the first building into the second building. In addition, other families were moved to a property about two blocks away from 7611 and 7701 Georgia Avenue. The families could stay in the neighborhood and the children could stay in the same schools. And finally, some families moved to a property that they preferred and that suited their individual needs. The development team paid for the moving expenses, the utility expenses and the moving boxes. Also, the development team helped move the families, if they requested assistance. Once the renovations are completed, the families who offsite will move back to the property.
- Please discuss the vision for the community center. The development team responded that they are working with the 7611 and 7701 Georgia Avenue Northwest Tenants' Association on the community center. The community center will be located in the basement, which will be completely renovated. There will be computers, community space and a kitchen. After school programming and a summer program will be available for the children. The 7611 and 7701 Georgia Avenue Northwest Tenants' Association will receive a portion of the development fee, and they will hire staff to manage the activities/services. The development team will provide the renovated space, the kitchen, the computers and the community space amenities.
- Please discuss the parking spaces. The development team responded that there are 10 spaces onsite. Also, there is some street parking located along Georgia Avenue and the metro buses travel up and down Georgia Avenue.

A motion to approve the transaction was made by Mr. Jackson and seconded by Ms. Batties, Vice Chairperson. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

VII. Consideration of DCHFA Eligibility Resolution No. 2014-20 for the Langdon Apartments.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Anthony Waddell to present the matter to the Board. Mr. Anthony Waddell then asked that Mr. Edward Pauls, the Senior Development Officer on the transaction, present the matter to the Board. The development team present included Nik Reid, Avanti Real Estate, Sheola Crodd-Reid, Avanti Real Estate, Ernst Valery, Stuart Alexander and Associates, Lester Cuffie, DC Coalition for Housing Justice, Inc., Alfred Ajiwe, Owa Associates, and Darlene Dancy, DC Coalition for Housing Justice.

The project consists of the construction of a new building containing 33 units located in the Langdon neighborhood of Northeast D.C. The bedroom mix is as follows: 25 one-bedroom units, eight two-bedroom units, for a 33 total units. The principal developer of the project is the Langdon Apartments Affordable Company, LLC which is controlled by a team comprised of Stuart Alexander and Associates, Avanti Real Estate Services, Owa Associates and the D.C. Coalition for Housing Justice.

The total development costs of approximately \$9.8 million will be financed using the proceeds from tax-exempt long and short term bonds, 4% LIHTC syndication proceeds, a DHCD subordinate loan from the Housing Production Trust Fund (HPTF) program and deferred developer fee. On the operating side, 100 percent of the units will be affordable to those earning less than 60 percent of the Area Median Income.

With an approximately one year construction schedule and targeting closing in early 2015, we expect construction on this transaction to be completed in early 2016.

Questions asked by the Board of Directors included the following:

- Please discuss the rationale for the project's unit mix and why the project does not have any three-bedroom units. The development team responded that the lot size is small, and the project was designed to help firefighters, young teachers and service industry workers. Also, smaller-sized families, for example, couples with one child, could live in the two bedroom units.
- Does the project comply with zoning? The development team responded yes.
- Please discuss the garage. The development team responded that there will be one level of covered parking.
- Please discuss the services that will be provided. Lester Cuffie responded that the D.C. Coalition for Housing Justice will provide the tenant services. Various programs including budgeting, credit counseling, employment assistance, wellness program and education will be provided. Also, educational workshops about energy efficiency and

how to save money on utility costs will be convened. Also, homeownership education will be provided.

- Please discuss the sustainability aspects of the project. The development team responded that there will be Energy Star appliances, a green roof and LED lights.

A motion to approve the transaction was made by Mr. Jackson, and seconded by Ms. Batties, Vice Chairperson. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

VIII. Consideration of DCHFA Resolution No. 2014-10(G) regarding the selection of a firm to provide real estate advisory services.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall, Interim Secretary, stated that Green Door Advisors received a total of 95.6 points, and Civitas received a total of 93.20 points. The winning bidder is Green Door Advisors.

A motion to approve the resolution was made by Mr. Jackson and seconded by Ms. Batties. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

(Ms. Batties exited the meeting.)

IX. Consideration of DCHFA Eligibility Resolution No. 2014-21 for Ontario Court.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Waddell to present the matter to the Board. Mr. Waddell then asked that, Mr. Danté Thomas, the Development Officer assigned to the transaction, present the matter to the Board. The development team present included Avi Fechter, Equity Plus Development, Marty Mellett, Jubilee Housing, and Jim Knight, Jubilee Housing.

The principal developer and sponsor of this project is Jubilee Ontario Apartments Limited Partnership, which will be controlled primarily by Jubilee Housing, Inc. The property is located at 2525 Ontario Road Northwest in Ward 1 in the Adams Morgan neighborhood. The project represents the acquisition and rehabilitation of an existing three-story apartment building comprised of 27 affordable housing units.

The current bedroom mix is as follows: six one-bedroom, 18 two-bedrooms, three three-bedroom units, for a total of 27 units. Thirteen of those units are currently subsidized under the District's Local Rent Supplement Program (LRSP) and are restricted to residents earning 30 percent of less of the Area Median Income (AMI). The sponsor will continue with the project's affordability and has elected to set aside 100 percent of the units at or below 60 percent of Area Median Income (AMI).

In terms of the total development cost, the estimated cost is approximately \$10.6 million, and it will be financed by a combination of short and long term tax-exempt bonds issued by the

Agency, 4% LIHTC equity, seller take-back financing, sponsor equity and a deferred developer fee. In terms of the tax-exempt bonds, the short term bonds will be in the amount of \$2 million and the long term bonds will be \$2.4 million.

Questions asked by the Board of Directors included the following:

- Are there any renderings? The development team responded that no renderings have been prepared. The development team then described what renovations will be made to the project.
- Please describe the relationship that the New Community Church will have with the project. Jubilee Housing has known the church for many years. The church is located in the Shaw neighborhood, and they wanted to support the mission of Jubilee Housing. New Community Church will be a partner with Jubilee Housing on the project.

A motion to approve the transaction was made by Mr. Jackson, and seconded by Mr. Pascal. The Interim Secretary called the roll, and the motion carried with 4 votes in the affirmative.

X. Interim Executive Director's Report.

- Upcoming Roundtable – The Agency received a letter from Council Member Vincent Orange requesting that the Agency testify at an upcoming Roundtable about compliance with the Small Business Enterprises (SBE) requirement. Over 80 agencies will be testifying at the Roundtable. The Agency is working closely with the Department of Small and Local Business Development (DSLBD) to create a plan for the Agency's compliance with the new law. The Agency has submitted its expendable budget for FY15. In addition, the Agency is working with DSLBD to determine the best approach to ensuring that Agency-financed projects comply with the 35% of construction costs portion of the new law. Prior to FY15, the Agency did not have to comply with the law, but the Act was recently amended this past year, and now the Agency must comply with the Act.
- Revised Investment Policy – At the next Board Meeting, the staff would like to present the revised investment policy.
- Upcoming Meeting Schedule – the Board will meet on December 9th and December 16, 2014.

XI. Other Business.

- Urban Institute Presentation – The Chairman would like Peter Tatian to present at the next Board Meeting on November 25, 2014.
- Affordable Housing Transition Committee – Polly Donaldson and Carol Thompson Cole are the co-chairs for the Committee.

XII. Vote to close meeting to discuss the extension of the Interim Executive Director's Contract.

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 the appointment, employment,

assignment, promotion, performance evaluation, compensation, discipline, demotion, removal or resignation of government appointees, employees, or officials. An open meeting would adversely affect personnel matters of the public body. (D.C. Code §2-575(b)(10)).

A motion to re-open the meeting was made by Mr. Jackson and seconded by Mr. Lowery, Jr. The motion was approved by voice vote.

XIII. Re-open meeting.

The Chairperson reopened the meeting at 8:25 PM.

XIV. Consideration of on DCHFA Resolution Number 2014-11(G) regarding the extension of contract of the interim executive director and the interim secretary to the Board

A motion to accept the resolution was made by Mr. Lowery, Jr and seconded by Mr. Pascal. The motion was approved by voice vote. The Chairperson called the roll, and the motion carried with 4 votes in the affirmative.

XV. Vote to close the meeting to consult with an attorney to obtain legal advice

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 consult with an attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and a public body, or to approve settlement agreements; provided that, upon request, the public body may decide to waive the privilege. An open meeting would adversely affect the attorney-client privilege of the Agency. (D.C. Code §2-575(b)(4)(A)).

A motion to re-open the meeting was made by Mr. Jackson and seconded by Mr. Lowery, Jr. The motion was approved by voice vote.

XVI. Re-open meeting.

The Chairperson reopened the meeting at 8:34 PM.

XVII. Adjournment.

The meeting adjourned at 8:34 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary to the Board of Directors
November 21, 2014

Approved, as amended, by the Board of Directors on November 25, 2014