

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

March 22, 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 5:37 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, Ms. Heather Howard, and Mr. Bryan “Scottie” Irving.

I. Vote to approve the minutes from the February 24, 2022 Special Board meeting.

A motion was called to approve the minutes of the February 24, 2022 Special Board meeting by Mr. Binitie. Mr. Green 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 the Barry Farm Redevelopment (Building 1B) and Edgewood 611/Gardens Apartments.

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 **Barry Farm Redevelopment (Building 1B)** and **Edgewood 611/Gardens Apartments**. 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. Mr. Irving made a motion to close the meeting. The motion was properly seconded by Ms. Howard. The motion passed by a chorus of ayes.

The meeting was closed at 5:41 p.m. and re-opened at 6:15 p.m.

III. Consideration of DCHFA Eligibility Resolution No. 2022-10 for the Barry Farm Redevelopment (Building 1B).

Ms. Linda Hartman, Multifamily Loan Underwriter, 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 \$33.7 million for Barry Farm Redevelopment (Building 1B) (the “Project”).

The greater Barry Farm site, which includes the Project site, will be redeveloped through the DC Deputy Mayor for Planning and Economic Development’s (“DMPED”) New Communities Initiative (“NCI”) program. The site is in Ward 8, and it is located within 0.2 miles of the Anacostia Metro station and Barry Farm Recreation Center.

The Barry Farm site is currently owned by the DC Housing Authority (“DCHA”). It was previously improved with the former 432-unit Barry Farm Dwellings and 12-unit Wade Road Apartments. The former tenants of Barry Farm Dwellings and Wade Road Apartments were relocated offsite between the second quarter of 2017 and second quarter of 2019. The 12-unit Wade Road Apartments, as well as most of the Barry Farm Dwellings buildings, were demolished between the second quarter of 2018 and January 2021.

Overall, the greater Barry Farm redevelopment will provide 380 replacement public housing units, 520 new units of mixed-income rental housing, a central park and green space, the Barry Farm Cultural and Community Center, and up to 40,000 square feet of ground level commercial/retail space. The Project site will be the first phase of the greater Barry Farm redevelopment. The Project’s owner will have a ground lease with DCHA. The ground lease interest for the Project site will be paid for with a no-interest loan from DCHA (the “Land Loan”).

The Project will be a new construction, age-restricted development with 108 units. There will be 77 replacement public housing units, which consist of the DC Local Rent Supplement Program (“LRSP”) and Project Based Voucher units at the 30 and 50 percent Area Median Income (“AMI”) levels. The remaining 31 units restricted at the 60 and 80 percent AMI levels represent additions to the market.

Property amenities will include community room, fitness center, business center, bike storage area, central laundry facilities, courtyard, and garage parking. In-unit amenities will include a vinyl “wood” plank flooring, quartz countertops, dishwasher, and garbage disposal. The Project site will offer limited access/FOB electronic access entry system, video surveillance, and partial perimeter fencing. Of note, a private security firm will patrol the greater Barry Farm redevelopment site and the cost for the private security will be shared by all Barry Farm phases.

This Project is being evaluated as a private placement transaction. The capital stack for the development will consist of permanent financing in the approximate amount of \$9.80 million as a Senior Mortgage Loan, a \$1 million DMPED Loan, \$25.99 million in federal low income housing tax credit (“LIHTC”) equity, \$4.65 million in District based LIHTC equity, \$2.54 million in Deferred Developer Fee, \$4.79 million as a DCHA NCI Loan, and \$750,000 as a DCHA Land Loan. National Affordable Housing Trust (“NAHT”) is the federal and DC LIHTC investor for the Project.

The total development cost is \$58.52 million, or \$542,000 per unit, inclusive of acquisition debt repayment, hard and soft costs, developer and financing fees, reserves and escrows.

The sponsor for the Project is Preservation of Affordable Housing (“POAH”). The remaining members of the development team consist of Hamel Builders as general contractor, Environmental Design Group as architect, and POAH Communities, LLC as property manager.

Ms. Hartman concluded the presentation, opened the floor for questions, and introduced members of the POAH team present on the Zoom call: Maia Shanklin Roberts, Vice-President of Development; Roger Brown, Managing Director of Real Estate and Kristel Salinas, Project Manager.

Mr. Irving asked about the length of time that Ms. Shanklin Roberts has been involved with the Project and what the team expects long term in terms of community benefit. Ms. Shanklin Roberts responded stating that she has been involved with POAH since January 2022. She also informed the Board that she has a deep understanding of all of the Barry Farm redevelopment, not just Building 1B. Additionally, Ms. Shanklin Roberts mentioned that she is a DC native, so the project is personal for her, and she is particularly invested in its community benefits.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Eligibility Resolution No. 2022-10 for the Barry Farm Redevelopment (Building 1B). Mr. Green made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote because the Agency is reserving volume cap. The resolution was unanimously approved.

IV. Consideration of DCHFA Eligibility Resolution No. 2022-11 for Edgewood 611/Gardens Apartments.

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 the issuance of tax-exempt bonds in an amount not to exceed \$56,660,000 for Edgewood 611/Gardens Apartments (the “Project”).

The project is in the Edgewood neighborhood of Northeast Washington, DC and is 0.6 miles away from the Rhode Island metro station, on the red line. The Project will consist of 300 units with 197 one-bedroom units and 132 two-bedroom units. 103 units will be restricted to

50 percent AMI and will benefit from a project-based Housing Assistance Payments (“HAP”) contract.

The effective gross income is projected to be approximately \$5.2 million in year one, assuming a five percent economic vacancy. Annual operating expenses are projected to be approximately \$3 million or \$10,000 per unit, resulting in a net operating income (“NOI”) of \$2.1 million in year one of stabilization. The projected NOI supports a permanent mortgage of \$36.6 million with a 1.15 amortizing debt service recovered ratio in year one. The capital stack for development will consist of a senior Bellwether Enterprise loan at \$36.6 million, federal LIHTC equity at \$23.8 million, District based LIHTC equity at \$4.7 million, a Developer Fee at approximately \$5 million, a DC Department of Housing and Community Development (“DHCD”) roll-over loan of \$939,000, interim income of \$840,000, and transfer reserves of \$1.2 million. The total development cost is \$97.3 million or approximately \$324,000 per unit.

A notable risk is that the agency will be providing approximately \$47 million in tax-exempt bonds and buy-in cap. As a risk mitigant, Enterprise Community Development Team is experienced, they currently own and operate a portfolio of over \$1 billion with upwards of 2,000 affordable housing units being added to the market since 2010. Their management firm currently owns and manages over 16,000 housing units, which speaks to their capacity to manage multiple projects concurrently. The project does not have any recognized environmental conditions.

The managing number for the sponsor will be ECB Edgewood, 611 Bryant, DP LOC, who is a member of Enterprise Community Development corporation and a to-be-determined unrelated third-party entity. The partner will be a 501(c)(3) organization. A short list of prospective project partners includes Unity Homes, Catholic Charities, Homes for America, and AHC Corporation. DCHFA will ensure that any partner to be administered into the partnership is in good standing with the Agency and is selected prior to final buyout. Enterprise Community Development will serve as a guarantor for this project and lead developer.

Other members of the development team will include Harkens Builders as a general contractor, Miner Feinstein Architects as the architect, and Enterprise as residential property management.

Mr. Holley-Grisham concluded his presentation, opened the floor for questions and introduced members of the development team present on the Zoom call: Jessica Jones, Senior Development Manager; Stacie Birenbach, Senior Director of Real Estate Development; Rob

Fossi, Senior Vice-President of Real Estate Development and Sarah Ingerson, Development Associate.

There were no questions.

Mr. Donald called for a vote to approve DCHFA Eligibility Resolution No. 2022-11 for Edgewood 611/Gardens Apartments. 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 reserving volume cap. The resolution was unanimously approved.

V. Vote to close meeting to discuss the disposition of 815 Florida Avenue NW.

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 disposition of **815 Florida Avenue NW**.

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

The meeting was closed at 6:37 p.m. and re-opened at 7:44 p.m.

VI. Consideration of DCHFA Resolution No. 2022-05 (G) for the Disposition of 815 Florida Avenue NW.

The Board requested additional information regarding the disposition. Mr. Donald explained staff's rationale for decoupling the disposition of the building and the Agency's relocation. Otherwise, Agency staff did not make a presentation regarding this matter and the Board did not consider the resolution.

VII. Other Business.

There were no other business matters.

VIII. Executive Director's Report.

Mr. Donald announced the funeral arrangements for Board member Mr. Stanley Jackson's spouse and mentioned that the Agency sent flowers and would continue to reach out to Mr. Jackson to support him.

Additionally, Mr. Donald noted that the Agency would be presenting at the budget hearing in front of the DC Council. Mr. Binitie requested a copy of the prepared testimony which Mr. Donald agreed to provide.

Mr. Donald informed the Board that the Agency would be procuring a vendor to assist the Agency in its performance of a comprehensive customer satisfaction survey. The survey would address overall customer service, including fees. Mr. Binitie asked whether Board members would be able to participate in the survey as developers. Mr. Donald advised that they should consult with counsel to determine whether participation is appropriate. Mr. Binitie, with Mr. Green's concurrence, expressed support for the survey and mentioned that he wanted to specifically discuss Agency construction management, the benefit of the function and whether it is still needed. Mr. Binitie requested that the construction management fee be a separate agenda item to be discussed at a future Board meeting.

Mr. Donald also informed the Board that the Agency was expecting a robust pipeline due, in part, to the Mayor's commitment of another half a billion dollars to the Housing Production Trust Fund.

He also apprised the Board of a new program, HPAP+, which will go up to about \$200,000 per home buyer. This new program will help potential borrowers who are at 50%- 80% of AMI to be more competitive in terms of purchasing their first home. The details of this program are still being worked out. The Agency is part of the working group for the new program, along with DMPED and DHCD and Mr. Donald will update the Board as the program comes together.

In addition, as a part of her budget, the Mayor created a \$10 million fund and has convened a Black home ownership strike force which will be working to determine how the District can get more African Americans into home ownership. Mr. Donald revealed that the Agency is exploring ways that its Housing Investment Platform ("HIP") program can contribute to this

effort. Agency staff is talking with DMPED about some of its sites and the home ownership opportunities on those sites and opportunities for the Agency to partner with developers in a way that allows those buyers at or below 80% AMI to become homeowners.

Mr. Donald expressed the need for a special meeting to discuss the Agency's financial statements and to provide an update on the Agency's financial audit results. He indicated that Agency staff would be back in touch about dates and times for such a meeting.

Mr. Donald provided an update on the Agency's participation in the Federal Financing Bank (FFB) and informed the Board that the program documents were near execution. He thanked Michael Hentrel, the Agency's General Counsel, and his team for pushing the program across the finish line. The FFB is a new product in the Agency's toolkit and while the rates offered by FFB are not necessarily competitive at the moment, it will be good to have that tool available for future deals.

Mr. Donald and Mr. Binitie had a general discussion about pipeline management and transaction priority. They agreed to have a robust and thoughtful discussion of the pipeline at a future meeting.

Adjournment.

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

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

The meeting was adjourned at 8:06 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on April 22, 2022.