

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

**October 25, 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. Stephen Green, Mr. Bryan “Scottie” Irving, Ms. Heather Howard and Mr. Stanley Jackson.

**II. Vote to close meeting to discuss One Hawaii, H.R. Crawford Gardens, and The Residences at Kenilworth Park – Additional Bonds.**

Pursuant to the District of Columbia Administrative Procedure Act, the Vice 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 **One Hawaii, H.R. Crawford Gardens, and The Residences at Kenilworth Park – Additional Bonds**. 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. 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 5:39 p.m. and re-opened at 6:25 p.m.

**III. Consideration of DCHFA Eligibility Resolution No. 2022-28 for One Hawaii.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the transaction to the Board. MLNI recommends authorizing the issuance of tax-

exempt bonds in an amount not to exceed \$33,005,000 for One Hawaii Apartments (the “Development” or “Project”).

The Project is in the Fort Totten neighborhood of northeast Washington, D.C. and is nine-tenths of a mile away from the Fort Totten Metro Station, which services both the Green and the Yellow Lines. The unit mix of the Development consists of 70 units, including 10 studio units, 38 one-bedroom units, seven two-bedroom units, and 15 three-bedroom units. Eight units are restricted to 30 percent of AMI and will benefit from D.C. Housing Authority Local Rent Supplement Program (“LRSP”) contract rents.

The capital stack for the development will consist of a senior permanent loan at approximately \$8.66 million, federal low-income housing tax credit (“LIHTC”) equity at \$24 million, D.C. LIHTC equity at \$4.2 million, District of Columbia Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) funding at \$15.6 million, solar IT equity at \$250,000, a Wesley sponsor loan at \$1.3 million, and a deferred developer fee of \$2 million. The total development cost is \$56.3 million or approximately \$805,000 per unit.

Wesley Housing Development will serve as the lead developer. Other members of the development team include WTS Construction as the general contractor, Bonstra Haresign Architect as the architect, and Wesley Property Management as the property manager.

Mr. Hutter concluded the presentation, opened the floor for questions and introduced members of the development team present on the Zoom call: Jared Lang and Kamilah McAfee from Wesley Housing Development.

There were no questions.

Mr. Donald called for a vote to approve DCHFA Eligibility Resolution No. 2022-28 for One Hawaii. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Ms. Howard. Mr. Donald took a poll vote because volume cap was used. The resolution was approved.

#### **IV. Consideration of DCHFA Eligibility Resolution No. 2022-29 for H.R. Crawford Gardens.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the transaction to the Board. MLNI recommends authorizing the issuance of tax-exempt bonds in an amount not to exceed \$31,000,000 for H.R. Crawford Gardens (the “Development” or “Project”).

The Project site is in the Deanwood neighborhood in northeast Washington, D.C., and will consist of 76 affordable housing units in a six-story building. The Project will provide 61 senior units, and 15 units set aside for families under the permanent supportive housing program (“PSH”).

The unit mix will consist of 53 one-bedroom units, and 23 three-bedroom units. The units of the project will be restricted at 30 and 50 percent of AMI, 16 units at 30 percent of AMI will be PSH units that will operate with LRSP subsidies.

The capital stack for the project will include permanent financing in the approximate amount of \$8.1 million as a first mortgage loan, \$16.7 million as a DHCD HPTF loan, \$21.3 million as federal LIHTC equity, \$4 million as D.C. LIHTC equity, and \$1.5 million deferred developer fee. The total development cost is \$51.7 million or approximately \$680,000 per unit.

The sponsor team for the project will consist of Legacy Real Estate Development, LLC and CRP Affordable Housing and Community Development, LLC in a joint venture.

Other members of the development team consist of TM Associates as the development consultant, Bozzuto Construction as the general contractor, Sono Architecture and Urban Design as the architect, and TM Associates Management as the property manager.

Mr. Hutter concluded the presentation, opened the floor for questions and introduced members of the development team present on the Zoom call: Ari Severe from TM Associates and Donahue Peebles III from Legacy Real Estate Development, LLC.

Mr. Green asked about tax credit applicability to grandparents raising their grandchildren or grand families. Mr. Severe answered that as long as guardianship or legal custody is established then the grand family qualifies as a family for the purpose of tax credit certification.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2022-29 for H.R. Crawford Gardens Project. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote because volume cap was being used. The resolution was approved.

**V. Consideration of DCHFA Eligibility Resolution No. 2022-30 for The Residences at Kenilworth Park – Additional Bonds.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the transaction to the Board. MLNI recommends authorizing the issuance of tax-exempt bonds in an amount not to exceed \$6,095,000 for The Residences at Kenilworth Park Additional Bonds (the “Development” or “Project”).

The Agency issued \$52.5 million in tax exempt bonds at the initial closing of the project in August 2020. The Residences at Kenilworth Park is a new construction affordable assisted living project located in the Kenilworth neighborhood in Washington, D.C. The Project consists of a five-story mid-rise building restricted to seniors making 60 percent of AMI or less.

The project developers are Foundation Housing, Gragg Cardona Partners, the Carding Group, and Hallbridge Partners. The project experienced nine months of construction delays due to unanticipated issues associated with permitting and the installation of utilities. Additionally, there were significant cost increases associated with the construction budget, unanticipated groundwater discharge and remediation for soils, architectural and engineering work,

additional permitting and tap fees, and additional interest charges to the project expansion, which resulted in over \$8 million in cost overruns. The additional bond issuance will allow for additional federal LIHTC equity and state LIHTC equity to assist in solving the significant funding gaps.

Mr. Hutter concluded the presentation, opened the floor for questions and introduced members of the development team present on the Zoom call: Gragg Cardona, Oussama Souadi, and Vance Gragg with Gragg Cardona Partners as well as Michael Best and Kimberly Price with the Carding Group.

There was a discussion led by Mr. Green regarding the impacts of the District's heritage tree law relating to the Project.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2022-30 for The Residences at Kenilworth Park – Additional Bonds. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote because volume cap was being used. The resolution was approved.

**VI. Vote to close meeting to discuss Takoma Place – Additional Bonds.**

Mr. Green noted for the record that the sponsor for Takoma Place – Additional Bonds is an organization where he is employed. Mr. Green recused himself from discussion and vote on the transaction and exited the Zoom call.

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 **Takoma Place – Additional Bonds**. 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. Mr. Jackson 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 6:28 p.m. and re-opened at 6:33 p.m.

**VII. Consideration of DCHFA Final Bond Resolution No. 2022-27 for Takoma Place – Additional Bonds.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the transaction to the Board. MLNI recommends to authorize the issuance of tax-exempt bonds in an amount not to exceed \$3,000,000 for the Takoma Place – Additional Bonds project (the “Development” or “Project”).

The Agency issued \$18.125 million in tax exempt bonds for the initial closing of the Project in December 2018. Takoma Place is an acquisition rehabilitation project located in the Brightwood neighborhood in Washington, D.C. The site consists of seven garden-style buildings restricted to residents making 60 percent of Area Median Income (“AMI”) or less. The Project developer is the NHP Foundation. The Project experienced cost overruns and 17 months of construction delays due to unanticipated foundation work, framing work, and plumbing work, as well as the refusal of a tenant to be relocated to a hospitality unit causing scheduling delays and utility improvement delays.

The total Project cost increased by approximately \$5.6 million in cost overruns, and the project is currently not meeting the 50 percent test requirements. The supplemental bond issuance will allow the Project to carry all costs within the partnership. Additionally, the Project will be eligible to receive D.C. LIHTC equity in an amount of approximately \$2.3 million. The proposed LIHTC equity's syndicator is Rise Impact Partners.

Mr. Hutter concluded the presentation, introduced members of the development team present on the Zoom call, and opened the floor for questions. Joel Wiedorfer and Evan Eyo from the NHP team joined the call as representatives of the development team.

There were no further questions.

Mr. Donald called for a motion to approve DCHFA Final Bond Resolution No. 2022-27 for Takoma Place – Additional Bonds. Mr. Donald took a poll vote because volume cap was being used. The motion and resolution were unanimously approved.

#### **VIII. Other Business.**

There was no other business.

#### **IX. Executive Director's Report.**

Mr. Donald shared that DCHFA staff attended the National Council of State Housing Agencies Annual Conference & Showplace last week. He noted that Yolanda McClutchen, VP Public Relations presented at a session for communications professionals from across the country and spoke about public relations strategies that the Agency executes. Additionally, Mr. Donald expressed appreciation for the resources in the District that aid in creating and preserving affordable housing such as the HPTF program.

#### **X. Adjournment.**

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

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

The meeting was adjourned at 7:00 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on November 11, 2022.