

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

**November 29, 2022**

**5:30 p.m.**

**Minutes**

Join Zoom Meeting

<https://dchfa.zoom.us/j/88986904897?pwd=ZGVlWkxCRTdqMEVtVWVRIakJOUkZvZz09>

Meeting ID: 889 8690 4897

Passcode: 777264

One tap mobile

+16469313860,,88986904897# US

+19292056099,,88986904897# US (New York)

Dial by your location

+1 646 931 3860 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 309 205 3325 US

+1 312 626 6799 US (Chicago)

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

+1 689 278 1000 US

+1 719 359 4580 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 360 209 5623 US

Meeting ID: 889 8690 4897

Find your local number: <https://dchfa.zoom.us/j/88986904897>

**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 5:34 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 and Ms. Heather Wellington.

Mr. Irving made a statement on the record recusing himself from the Northwest One Phase II transaction. The deal was consequently tabled due to a lack of quorum.

Prior to the meeting, Mr. Jackson properly recused himself from the Worthington Woods transaction in accordance with the Agency’s Board Conflicts procedure. He was not present for any discussions relating to the transaction.

**I. Vote to close meeting to discuss Faircliff Plaza East, Fort Totten Senior and Worthington Woods.**

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 **Faircliff Plaza East, Fort Totten Senior and Worthington Woods**. 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. Wellington. The motion passed by a chorus of ayes.

The meeting was closed at 5:37 p.m. and re-opened at 6:17 p.m.

**II. Consideration for DCHFA Eligibility Resolution No. 2022-35 for Worthington Woods.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the

issuance of tax-exempt bonds in an amount not to exceed \$67,000,000 (the “Project” or “Development”).

The Project is located in the Washington Highlands neighborhood of Southeast Washington, D.C. The Project will have 394 units consisting of 6 efficiencies, 162 one-bedroom units, 220 two-bedroom units and 6 three-bedroom units that will be restricted to 30, 50 and 60 percent of the area median income (“AMI”). In-unit amenities will consist of blinds, ceiling fans and air conditioning. Property amenities will include a playground, onsite management, onsite tenant services, central laundry facilities and service parking.

The capital stack of the Development will consist of a senior loan for \$26.1 million, a Department of Community Development (“DHCD”) loan for \$36.1 million, federal low income housing tax credit (“LIHTC”) equity for \$48.1 million, DC LIHTC equity for \$9.6 million, a deferred developer fee in the amount of \$5.1 million and interim income of \$2.9 million. The total development cost is \$130.7 million or approximately \$332,000 per unit. The Development sponsors will consist of a joint venture between Montgomery Housing Partnership and Anacostia Economic Development Corporation. Other members of the development team include Bozzuto Contractors, as the general contractor, EDG Architects as the architect and RES1 as the property manager.

Mr. Hutter concluded the presentation, opened the floor for questions and introduced members of the development team – Don Hague, Gerry Joseph, and Tony Wendell.

Mr. Hague detailed the improvements that were planned for the Project including transition to a HVAC system and building a community center. Mr. Green asked if the community center would be a separate building. Mr. Hague replied that it would be a separate facility located 3,200 feet from the Project. Mr. Green asked if individual HVAC units would be installed. Mr. Hague confirmed that they would. Mr. Green asked if any upgrades needed to occur in order to incorporate the changes to the HVAC system. Mr. Hague stated that a comprehensive electrical upgrade was completed to change to an HVAC system. Mr. Hague explained that the system would operate on individual heat pumps and described how the system would be constructed. Mr. Irving asked about the status of the switch gears and how water drainage for the HVAC system was being addressed. Mr. Hague stated that switch gears had been ordered and were expected by May 2023. He also stated the HVAC units would have adequate piping

to allow for drainage, and that preventative maintenance had been considered to make sure that the lines remained free of blockages.

Mr. Green asked about the relocation plan. Mr. Hague stated that leasing stopped one year ago and that a relocation consultant was retained to communicate with residents. Residents will be provided with all materials necessary to pack and will then be relocated in clusters. Mr. Hague explained that all efforts will be made to keep families with children in the same school districts. Residents would continue to pay the same amount of rent. If the relocation unit has a higher rent, the Development team will pay the difference.

Ms. Wellington asked about the security guard detail on the site. Mr. Hague replied that security guards will walk the perimeter, monitor the entrances and parking lot, and update the management team on any issues.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Final Bond Resolution No. 2022-35 for Worthington Woods. Ms. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote. The resolution was unanimously approved.

### **III. Consideration for DCHFA Eligibility Resolution No. 2022-36 for Fort Totten Senior.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the resolution to the Board. MLNI presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$35,640,000 (the “Project” or “Development”). The Project is located in the Fort Totten neighborhood of Northeast Washington D.C.

The Project will have a senior tenancy. The unit mix will consist of 93 units, including 3 studio units, 43 one-bedroom units and 47 two-bedroom units, out of which 52 units will be restricted at 30 percent of AMI and 41 units will be restricted at 50 percent of AMI. There will be 39 units set at 30 percent of AMI benefiting from the local rent subsidy program (“LRSP”).

In-unit amenities will include refrigerators, ovens, garbage disposals, dishwashers, microwaves, in-unit washers and dryers, walk-in closets and a Juliette balcony or patio. All units will benefit from free internet. Project amenities will include a meeting room, exercise room, wellness suite, library, onsite resident services coordinator, onsite maintenance and onsite management.

The capital stack for the Development will consist of permanent financing in the approximate amount of \$5.4 million as a Fannie Mae M-TEB loan originated by Grand Bid Drill State Capital, a \$25.5 million DHCD Housing Production Trust Fund (“HPTF”) loan, a \$1.9 million sponsor loan, \$18.8 million in federal LIHTC equity, \$3.1 million in DC LIHTC equity, \$180,000 in solar renewable energy certificates, \$150,000 in HPTF capitalized interest, \$75,000 in a Metropolitan Washington Council of the Government grant and a \$1.55 million deferred developer fee.

The total development cost is \$57.8 million or approximately \$620,000 per unit. The lead developer is the Arlington Partnership for Affordable Housing (“APAH”). Other members of the development team include Donahoe Construction as the general contractor, 40N Dallas as the architect and SL Nusbaum as the property management company.

Mr. Hutter concluded the presentation and introduced Ms. Carmen Romero, Mr. Mike Chiappa, Mr. Mitch Crispell and Ms. Joanna Shin from the development team.

Ms. Romero introduced Arlington Partnership for Affordable Housing and provided a background of the development team.

Mr. Green asked about the company structure. Mr. Crispell explained that AFA purchased land for the Project from another development company and stated that one of the sellers will also become a member of the general partnership at the end of construction.

Mr. Green asked if there were ongoing site improvements. Mr. Crispell stated that a pad-ready site was currently being created, which would shorten the construction period. Mr. Green asked how the pad-ready site would factor into excavation for the garage. Mr. Crispell stated that all utilities would be brought to the property line and a street had been paved, providing a right of way. Mr. Green asked what the value of the land was. Mr. Crispell stated that it was worth \$6 million, which included site preparation and entitlement processes. Mr. Green asked when construction was expected to start. Mr. Crispell replied that construction would begin at the

end of February. Mr. Green asked if permits had been secured. Mr. Crispell replied that permits had mostly been finalized.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2022-36 for Fort Totten Senior. Ms. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote. The resolution was approved.

#### **IV. Consideration for DCHFA Final Bond Resolution No. 2022-34 for Faircliff Plaza East.**

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the resolution to the Board. The MLNI presented their recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$56,285,000 for Faircliff Plaza East project (the “Development” or “Project”).

The Project consists of two buildings located in the Columbia Heights neighborhood in Northwest Washington, D.C. The Project will offer 125 units, which will be comprised of 46 one-bedroom units, 40 two-bedroom units and 39 three-bedroom units. Units will be restricted at 30 percent, 50 percent and 60 percent of AMI.

In-unit amenities will include central air conditioning, blinds, ceiling fans, coat closets, microwaves, garbage disposals, ovens and refrigerators. Community amenities include a courtyard with a playground, rooftop, event room, community meeting room, computer lab, community garden, central laundry facilities and underground garage parking.

The capital stack for the development includes permanent financing in the amount of \$36.8 million as a U.S. Department of Housing and Urban Development (“HUD”) 221(d)(4) loan from Capital One, a \$17.2 million DHCD HPTF loan, \$39.9 in federal LIHTC equity and a \$8.3 million deferred developer fee. The total development cost is \$103 million or approximately \$825,000 per unit.

The development team is a joint venture between Somerset Development, Jonathan Rose and Housing Up. Somerset and the Rose Company will serve as guarantors for the Project. Other members of the development team included John Moriarty and Associates as the general

contractor, Eric Colbert and Associates as the architect and Habitat America as the property manager.

Mr. Hutter concluded his presentation and introduced Ms. Anya Kamara and Mr. Patrick McAnaney from Somerset and Mr. Andrew Foley from Jonathan Rose Companies.

Mr. Green asked if any representatives from Housing Up were joining the meeting. Mr. McAnaney stated that a representative was unable to join. Mr. Green suggested that if the entire team was not present, the resolution should be moved to another meeting. Mr. McAnaney requested the transaction be considered due to the December 21, 2022 projected closing date. Mr. McAnaney reached out to a representative of Housing Up – Mr. Chapman Todd -- who later joined.

Ms. Kamara provided background of the Project. Mr. Irving noted that pest control was an important issue for the project. He asked when demolition of the building would commence. Mr. Foley stated the final raze letter had been received and demolition would begin after closing on December 21, 2022. Mr. Foley also stated that they would be monitoring the pest control situation very closely.

There were no further questions.

Mr. Green called for a vote to approve DCHFPA Final Bond Resolution No. 2022-34 for Faircliff Plaza East. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Wellington. Mr. Donald took a poll vote because volume cap was being used. The resolution was approved.

#### **V. Other Business.**

There was no other business.

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

Mr. Donald stated that Agency staff had coordinated sessions with developers and operators to understand current marketplace conditions. He stated that an update would be provided to the Board at a later date. Mr. Donald informed the Board that a break-in had occurred at the Agency's headquarters. Mr. Donald stated that the Agency was looking to create an

additional fund to help administer Mayor Muriel Bowser's housing production goals. He also stated that the McKinney Act Loan guidelines would be amended to allow awards of up to \$2 million. Finally, Mr. Donald announced the Agency holiday party would be Thursday, December 1, 2022.

Mr. Pozen made a statement on the record that Mr. Jackson had followed the Board Conflict process prior to the meeting and recused himself from the Worthington Woods transaction. Mr. Jackson was not present for the duration of the meeting and did not participate in any discussions of the Worthington Woods transaction.

## **VII. Adjournment.**

Mr. Donald called for a motion to adjourn the meeting. Ms. Wellington 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 7:16 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on January 6, 2023.