

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

December 13, 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, Mr. Stanley Jackson, and Ms. Heather Wellington.

II. Vote to approve the minutes from the November 15, 2022 board meeting.

A motion was called to approve the minutes of the November 15, 2022 board meeting by Mr. Green. Mr. Jackson 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.

III. Vote to close meeting.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice Chairperson of the Board of Directors will call 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 **3450 Eads Apartments, a Predevelopment Loan Program, and an Industrial Bank Line of Credit Increase**. 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. Irving 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 5:38 p.m. and re-opened at 6:28 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2022-38 for the approval of 3450 Eads Apartments.

Ms. Linda Hartman, Senior 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 for 3450 Eads Apartments in an amount not to exceed \$21,135,000 (the “Project”).

The project site is located in the River Terrace neighborhood of Northeast Washington DC in Ward 7. The Project site is approximately 0.6 miles southwest of the Minnesota Avenue Metro Station.

The project will consist of one four-story mid-rise elevator service building. The unit mix of the 49-unit project will include 32 one-bedroom units, 9 two-bedroom units, and 8 three-bedroom units. The project units will be restricted to residents earning 30, 50, 60, and 80 percent of Area Median Income (“AMI”) or less.

In-unit amenities will include vinyl wood plank flooring, central air conditioning, walk-in closets, washers and dryers, dishwashers, disposals, microwaves, ovens, and refrigerators. Property amenities will include a community room, as well as on-site management.

Ms. Hartman concluded the presentation and introduced via Zoom, Mr. Adrian Washington, Ms. Michaela Kelinsky, and Mr. Vince Harriman from the Neighborhood Development Company.

Ms. Wellington inquired about the status of the construction contract and the early release of materials as it relates to construction costs. Mr. Harriman stated that the construction contract is finalized. Mr. Green asked what happens if there are material price increases. Mr. Harriman replied that the contract has a contingency of just over \$2 million along with language that addresses both small and large price escalations. Mr. Irving inquired about the critical path of the construction items as it relates to early releases and storing materials. Mr. Harriman and Ms. Kelinsky both responded that they do not expect to store a substantial amount of materials and that they are looking to bind prices with their early releases. Mr. Irving noted that he would like the sponsor to be aware that he suggests that as much material be on site as possible in order to account for the unforeseen. Mr. Harriman responded that he is not opposed to storing materials. Mr. Jackson asked the sponsor to clarify whether they are hedging against any unexpected construction cost increases and whether any increases would affect the residential

amenities. Mr. Harriman did not foresee any negative impact to the ability to offer residential amenities. Mr. Green asked if the project plans to drill one deep well or several wells and for the sponsor to expand on the type of air conditioning units. Mr. Harriman responded that the plan is to drill 40 wells and that all air conditioning units will be electric.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2022-38 for 3450 Eads Apartments. Ms. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was approved.

V. Consideration of DCHFA Resolution No. 2022-14(G) Approving an Industrial Bank Line of Credit Increase.

Mr. Steve Clinton, Chief Financial Officer, presented the presentation to the Board for the Agency to increase its Industrial Bank Line of Credit from \$5 million to \$10 million in order to facilitate the funding of the DC Department of Housing and Community Development's ("DHCD") Home Purchase Assistance Program ("HPAP"). The line of credit increase will forward fund the HPAP loans, and the Agency will obtain reimbursement from DHCD. In October 2022, the HPAP program implemented a significant increase in the allowable loan limits. As a result, the average loan size in the first couple of months of the fiscal year have increased from \$60,000 to \$160,000. Therefore, increasing the Agency's line of credit will allow the HPAP program to continue to operate.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2022-14(G) for the approval of an Industrial Bank line of credit increase for the HPAP program. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Ms. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

VI. Consideration of DCHFA Resolution No. 2022-15(G) Approving a Pre-Development Loan Program.

Mr. Christopher Donald, Executive Director/CEO, presented the presentation to the Board for the creation of a second pre-development fund in the amount of \$11 million to promote diversity, equity and inclusion in order to support the Mayor's effort for geographic diversity and equitable distribution in affordable housing.

The new fund will have a maximum loan limit of \$2 million for Certified Business Entities ("CBE") and a maximum loan limit of \$2 million for areas targeted by the Mayor in the equity housing report.

Mr. Green asked for an explanation of the availability of funds by sponsor type and geography. Mr. Donald responded that for CBEs, a loan of up to \$2 million can be obtained, regardless of geography. For other sponsors and developers, they can obtain a maximum loan of \$2 million for geographically targeted areas. For the balance of other sponsors, without regard to geographic areas, the maximum loan amount will remain at \$1 million.

Mr. Green inquired about the definition of a CBE. Mr. Michael Hentrel, General Counsel, Office of the General Counsel, referred Mr. Green to the Agency's DEI policy that was previously approved by the Board, in which a CBE is defined as a for profit business that is headquartered in Washington, D.C., and has been certified by the DC Department of Small and Local Business Development.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2022-15(G) for the approval of a predevelopment loan program. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

Mr. Irving properly recused himself from the discussion and voting on Northwest One Phase II in accordance with the Agency's Board Conflicts procedure. Mr. Irving then exited the meeting and did not discuss nor vote on Northwest One Phase II and did not return to the meeting.

VII. Vote to close meeting.

Pursuant to the District of Columbia Administrative Procedure Act, the Vice Chairperson of the Board of Directors will call 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 **Northwest One Phase II**. 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. Wellington. The motion passed by a chorus of ayes.

The meeting was closed at 7:00 p.m. and re-opened at 7:13 p.m.

VIII. Consideration of DCHFA Eligibility Resolution No. 2022-39 for the approval of Northwest One Phase II.

Mr. Scott Hutter, 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 Northwest One Phase II in an amount not to exceed \$51,400,000 (the "Project").

The project site is located in the Sursum Corda neighborhood of Washington DC and is approximately 0.6 miles southwest of the NoMa-Galludet Metro Station.

The Project will consist of 212 affordable housing units in one mid-rise six-story building. The unit mix of the Project will consist of 12 efficiency units, 82 one-bedroom units, 63 two-bedroom units, 44 three-bedroom units, and 11 four-bedroom units. Approximately, 83 units will operate with Local Rent Supplement Program ("LRSP") subsidies from the District of Columbia Housing Authority ("DCHA"). Additionally, 11 of the 83 units will be Permanent Supportive Housing ("PSH") units that will operate under the PSH program.

The capital stack for the Project will include, but it is not limited to, permanent financing in the approximate amount of \$21.2 million as a First Mortgage Loan and \$41.3 million as a DC

Department of Planning and Economic Development (“DMPED”) New Communities Initiative loan. The total development cost is \$104 million, or approximately \$491,000 per unit.

The sponsor team for the Project will consist of a joint venture partnership between MRP, Taylor Adams Associates, and CSG Urban Partners. Other members of the development team include McCullough Construction as general contractor, Rashid Architects as architect, and Kettler as property manager.

Mr. Hutter concluded the presentation and introduced the sponsor team via Zoom: Mr. David Jannarone from Taylor Adams, Ms. Simone Goring-Devaney from CSG Urban Partners, Mr. Matthew Robinson with MRP, and Mr. Jordan Bishop from Audubon Enterprises.

Mr. Robinson stated the team’s excitement about the project. The Board and the sponsor team discussed the history of the development and the tragedy that had occurred there when a young person lost their life. Mr. Green inquired about the operating subsidy risk. Mr. Hutter responded that the reserve will be used in the event that other funding goes away. Mr. Green inquired about environmental risks. Mr. Robinson responded that there is an expectation to encounter some contaminated soil and that the sponsor has budgeted for that work.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2022-39 for Northwest One Phase II. Ms. Wellington made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was approved.

IX. Other Business.

There was no other business.

X. Executive Director’s Report.

There was no Executive Director’s Report.

XI. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Ms. Wellington 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 7:25 p.m.

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