

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

April 11, 2023

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 5:33 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. Stan Jackson and Ms. Heather Wellington.

II. Vote to approve the minutes from the February 28, 2023 board meeting.

A motion was called to approve the minutes of the February 28, 2023 board meeting by Mr. Green. Mr. Irving made a motion to approve the minutes. The motion was properly seconded by Mr. Jackson. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

Mr. Green made a statement on the record recusing himself from the Lisner Senior Independent project. Mr. Green stated that he worked with the development team on other projects outside of the District of Columbia. Mr. Green had no financial interest in Lisner project but recused himself out of an abundance of caution.

III. Vote to close meeting to discuss Edgewood V.

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 **Edgewood V**. 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. 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 5:38 p.m. and re-opened at 6:02 p.m.

IV. Consideration for DCHFA Eligibility Resolution No. 2023-08 for Edgewood V.

Mr. James Holley-Grisham, Underwriter, 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 \$67,330,000 for Edgewood V Apartments (the “Property” or “Development”).

The project is in the Edgewood neighborhood in Northeast Washington, D.C. and is 0.6 miles away from the Rhode Island Metro Station, which serves the Red Line. The Property is a senior building for seniors 61 years old or older. The Development will consist of one hundred fifty-one (151) units comprised of eleven (11) studios, one hundred thirty-five (135) one-bedrooms and five (5) two-bedrooms. Of those units, fifty (50) are restricted to fifty percent (50%) of the Area Median Income (“AMI”) and ninety-six (96) units are restricted to thirty percent (30%) of the AMI. Fifty-six (56) units will benefit from the District of Columbia Housing Authority (“DCHA”) Local Rent Subsidy Program (“LRSP”), with sixteen (16) of the LRSP units reserved for permanent supportive housing.

Unit amenities will include fully equipped kitchens, slip resistant flooring and central heating and cooling. The units will include universal design features to prevent falls and all units will be fully accessible. Property amenities will include free high speed internet access in the common room, a fitness room, a community room, a cafeteria, central laundry, private office space for service providers to meet with residents and communal areas for entertainment.

The capital stack for the Development will consist of \$10.7 million as a 221 deferred construction development loan, a \$24.9 million Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, a \$13.2 million seller note, \$4.1 million in U.S. Housing and Urban Development (“HUD”) Section 202 Capital advance funds, a \$7.7 million sponsor loan, \$4.6 million in GIC income, \$225,000 in solar investment tax credits, \$597,000 in accrued interest, \$46.3 million in federal low income housing tax credits (“LIHTC”), \$25,000 in sponsor equity and a \$1.8 million deferred developer fee. The total cost of the Development is \$122 million or approximately \$815,000 per unit.

The lead developer is Enterprise Community Development, along with Bozzuto as the general contractor, Wiencek and Associates as the architect and Enterprise Residential as the property manager.

Mr. Grisham concluded his presentation and introduced the members of the development team: Ms. Stacie Birenbach, Mr. Dan Groszek and Mr. Luke Patton.

Mr. Patton and Ms. Birenbach gave an overview of the Property. Mr. Green asked how many units would benefit from a subsidy. Mr. Patton replied that one hundred six (106) units would receive subsidies. Mr. Green asked if the development team responded to a HUD request for production (“RFP”) for the Section 202 program. Mr. Patton stated that the development team responded to the FY 2020 RFP. Mr. Patton explained that HUD was using funds to create new housing via the Section 202 program. Mr. Patton also added that fifty (50) units would receive project-based rental assistance (“PRAC”), which will be converted to Section 8.

Ms. Wellington asked about the timeline for permits. Mr. Groszek replied that the Project is currently going through third party review and finalizing comments. Permits are expected to be submitted at the end of April.

Mr. Jackson asked how far of a distance will adult daycare participants be traveling and how the Property will provide additional services for seniors with impairments. Ms. Birchbach responded that the adult daycare will be leased to a third-party provider, that will be tasked with operating the daycare. Mr. Patton stated that the Property has accessibility design features throughout, including handrails in the hallways and a washer/dryer hookup in each unit, should a resident have difficulty accessing the common facilities on each floor.

Mr. Jackson asked if there had been any challenges finding certified business enterprises (“CBE”). Mr. Groszek replied that the architect and the civil engineer are CBEs. Mr. Groszek explained that Bozzuto had experienced some difficulty finding CBE and First Source contractors, so the development had been working with the District of Columbia Department of Employment Services (“DOES”) to have an alternative first source plan in place for trades where qualified subcontractors could not be located. Mr. Jackson asked which trades were the most challenging. Mr. Groszek replied that concrete, electrical and fire sprinklers proved to be most difficult.

Mr. Green asked for an overview of the capital stack. Mr. Patton went over the details of the financing sources for the Property. Mr. Green asked Mr. Donald if the per unit cost of the Development was within the range of other projects financed by the Agency within the last twelve (12) months. Mr. Donald replied it was on the higher end. Mr. Green asked for Mr. Donald's perspective on what contributed to the higher costs. Mr. Donald stated that structural requirements for Section 202 funding led to increases in costs. Mr. Groszek explained the construction of the storm water management system.

There were no further questions.

Mr. Green called for a vote to approve the DCHFPA Eligibility Resolution No. 2023-08 for Edgewood V. 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.

Mr. Green repeated his recusal statement and left the meeting. He did not participate in any discussions or votes pertaining to the Lisner Senior Independent project.

V. Vote to close meeting to discuss Lisner Senior Independent.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Jackson 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 Lisner Senior Independent. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mr. Jackson called for a vote to close the meeting. Ms. Wellington made a motion to close the meeting, which was properly seconded by Mr. Irving. The meeting closed at 6:36 p.m. and reopened at 6:54 p.m.

VI. Consideration for Eligibility Resolution No. 2023-07 for Lisner Senior Independent.

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment presented the transaction. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$42,340,000 for Lisner Senior Independent (the “Development” or “Project”).

The Project will be available to tenants 62 years old and older and will consist of ninety-three (93) one-bedroom units. Fifty-two (52) units will be restricted to thirty percent (30%) AMI and forty-one (41) units will be restricted to fifty percent (50%) of AMI. Nineteen (19) of the units restricted at thirty percent (30%) will operate with a LRSP subsidy.

In-unit amenities will include vinyl imitation flooring, in-unit washer/dryers and central air conditioning. Community amenities will include a great room, a lounge, a solarium, a game room, a computer center, a fitness center and a salon space. The Project will also have office space onsite for property management and case management services. The Project will also benefit from eighty-five (85) below-grade parking spaces.

The capital stack for the project will consist of a \$10.8 million first mortgage loan, a \$33.1 million DHCD HPTF loan, a \$1.4 million DHCD accrued interest loan, a \$5.1 million seller note, \$20.1 million in federal LIHTC equity, \$3.8 million in D.C. LIHTC equity and a \$2.4 million deferred developer fee. The total cost of the Development is \$76.7 million or \$824,000 per unit.

Urban Atlantic Development and Lisner-Louise-Dickson-Hurt Home will be the developers of the Project. Other members of the development team include Bozzuto Contracting Company, LLC as the general contractor, Wiencek and Associates, Architects and Planners as the architect and Winn Residential as the property manager.

Mr. Hutter concluded the presentation and introduced members of the development team: Mr. Chris Vernick, Mr. Todd Chapman, Ms. Vicki Davis, Ms. Kelli Brooks, Mr. Avi Fetcher and Mr. Ward Orem.

Mr. Vernick gave an overview of the Project. Mr. Jackson asked why the Project had so many parking spaces if it was located close to public transportation. Ms. Davis replied that the Project

was sensitive to possible neighborhood opposition and noted that parking was a topic of concern. To that end, parking spaces were being provided for staff as well as residents. Mr. Jackson asked about marketing to attract potential tenants. Mr. Vernick stated that the management company had a lot of experience in the District of Columbia and would be able to attract individuals from various parts of the city. Mr. Orem added that Lisner had a long history in the District of Columbia and many District residents are familiar with the quality of care and services that they provide. He stated that individuals whose family members were previously housed at Lisner are inquiring about the independent apartments.

Ms. Wellington asked about the reserve for thirty percent (30%) units and if there would be any restrictions on the reserve. Mr. Vernick said the reserve was to help the Project through the lease-up process, would potentially be in place for fifteen (15) years and would be replenishable. Ms. Wellington asked if the current property markets in all eight wards. Mr. Orem replied that it did.

Mr. Irving asked if there would be enough funding to manage and maintain the existing building over the next fifteen (15) years. Ms. Brooks stated that the new building is a separate, financial asset and that it would be a separate standalone structure. Mr. Irving expressed the desire to see CBEs utilized in Ward 3.

Ms. Wellington asked when permits would be received. Mr. Vernick replied that permits were expected in June.

There were no further questions.

Mr. Jackson called for a vote to approve the DCHFA Eligibility Resolution No. 2023-07 for Lisner Senior Independent. 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.

VII. Executive Director's Report.

There was no Executive Director's Report.

VIII. Other Business.

There was no other business.

IX. Adjourn

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

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

The meeting was adjourned at 7:20 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 19, 2023.