

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY BOARD OF DIRECTORS MEETING

March 14, 2017
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.

Minutes

I. Call to order and verification of quorum.

The Chairman, Mr. Buwa Binitie, called the teleconferenced meeting to order at 5:39 p.m. and asked the Secretary of the Board of Directors, Mr. Todd A. Lee, to verify a quorum. With three members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. The following members were present telephonically: Buwa Binitie, Stephen M. Green, and Stanley Jackson.

Mr. Lee stated that minutes from the previous Board meeting were not available. The Board then commenced consideration of the Park Southern Apartments Eligibility Resolution.

II. Consideration of DCHFA Eligibility Resolution No. 2017-05 for Park Southern Apartments

Mr. Lee began the discussion with a recap of deliberation of the resolution at the March 7, 2017 Board Meeting, which resulted in the postponement of a vote, subject to a site visit by the Board.

Mr. Lee recounted that the Board did in fact conduct a site visit, and was accompanied by members of the borrower development team (Vesta Corporation).

Mr. Lee then requested the inclusion of an amendment to the presentation made by DCHFA Development Analyst, Mr. Boblava Tengen in the closed session of the March 7, 2017 Board Meeting. Said amendment included the addition of the following conditions:

- DCHFA will engage a third party firm, acceptable to DCHFA at its sole discretion, to conduct an inspection and prepare a physical needs assessment. The scope of the physical needs assessment will cover the building structure, the balconies and all major systems. The borrower will be required to place a \$15,000 due diligence deposit with the Agency.

- Borrower will be required to submit a lighting study to DCHFA covering the parking lot and garage areas within 60 days of approval of the initial inducement resolution.
- The borrower will be required to submit to DCHFA plans and cost estimates for exterior building improvements to modernize the project within 60 days of the initial inducement approval.
- The borrower will be required to submit to DCHFA plans for a ratio utilities billing system (RUBS) program within 60 days of approval of the initial inducement.
- The borrower will be required to submit to DCHFA plans for an electrical upgrade from 60 amps to 120 amps within 60 days of approval of the initial inducement.
- The borrower will be required to submit to DCHFA plans to upgrade the laundry facilities within 60 days of the initial inducement approval.
- The borrower will be required to submit to DCHFA a detailed scope of work completed to date along with the corresponding costs covered to date.
- The borrower will be required to submit a detailed relocation plan within 60 days of the approval of the initial inducement.

Mr. Lee indicated that failure to comply with any of the aforementioned conditions will result in a voiding of the approval of the initial inducement.

Mr. Green asked whether the project scope of work would be drawn up by an architect prior to commencement of work. Vesta Corporation President and CEO, Arthur Greenblatt responded that there will be a full set of plans and specifications, which he reported as 60 percent complete at the time of the subject Board Meeting. Mr. Greenblatt assured the Board that DCHFA would receive the plans upon completion. Mr. Green inquired on the identity of the Architect. Mr. Greenblatt could not recall the name of the local architect, but indicated that the construction company, Marous Brothers, has an architectural staff. He reiterated that full plans and specs would be completed before commencement of work.

Explicitly speaking for himself, Mr. Binitie indicated that the benchmark for work to be completed at Park Southern was set by DCHFA-financed work at The Overlook at Oxon Run Apartments. Mr. Greenblatt responded by stating, "that's fine."

Mr. Green explicitly stated for the record, his desire to learn the identity of the architect on the project, which Mr. Greenblatt subsequently pledged to provide.

Mr. Greenblatt indicated that he was dropped from the teleconference and therefore did not hear Mr. Lee's reading of conditions 2 through 4 of the list recited earlier in the meeting. Vesta Executive Vice President, Charles Moran indicated that he heard the conditions and that they were consistent with discussions had with DCHFA prior to the meeting. Mr. Lee stated his intent to provide Mr. Greenblatt with written copy of the aforementioned conditions.

Mr. Green indicated that he was unable to attend the aforementioned site visit, and asked for fellow Board Members' reaction to what they witnessed. Mr. Binitie indicated that the tour was significant in helping him to better understand the existing conditions at the site, as well as the proposed scope of work. Mr. Binitie indicated that based on his observation during the visit, and the lack of renovation since original construction, the proposed scope of work was insufficient. With an emphasis on electrical supply, and the need to better understand the impact of future utility costs at the site, Mr. Binitie indicated that an additional investigation into required investment is required.

Mr. Green asked whether the (RUBS) as condition to approval would result in a reduction in rent or a shift in cost burden from owner to residents. He then discussed potential impact on utility allowances under Low Income Housing Tax Credit rules (LIHTC).

Mr. Binitie indicated that the required study is intended to understand current energy utilization at the site, and the impacts of placing controls in individual units.

Mr. Lee stated his intention to contact Mr. Green to arrange a site visit.

Mr. Binitie stated his desire that the borrower devise plans to execute the recommendations and conditions set by the Board. He also mentioned the efforts of the Agency in the immediate Park Southern neighborhood. Mr. Greenblatt agreed to satisfy all recited conditions.

A motion to approve DCHFA Resolution 2017-05 for Park Southern Apartments was made by Mr. Jackson, and seconded by Mr. Green. Mr. Lee called the roll, and with three affirmative votes, the resolution was approved.

Mr. Green asked when the completed DCHFA audit would be discussed. Mr. Lee responded that discussion of the item would be too difficult to conduct telephonically, and that it would be placed on the Agenda of a subsequent Board meeting. Mr. Lee also indicated that discussion of the multifamily online application would also be moved to a subsequent Board meeting.

XIII. Adjournment

A motion to adjourn the meeting was made by Mr. Green, and seconded by Mr. Jackson. The motion was approved by a chorus of ayes.

The meeting adjourned at 5:58 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on April 11, 2017.

Approved by the Board of Directors on April 11, 2017.