

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

**September 26, 2017
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.**

Minutes

I. Call to order and verification of quorum

DCHFHA Board Chair, Mr. Buwa Binitie, called the meeting to order at 5:40 p.m. and asked the Secretary to the Board, Mr. Todd A. Lee to verify a quorum. With three members present, the Board of Directors had a quorum, and the meeting continued.

The following members were present at roll call: Buwa Binitie, Sheila Miller, Bryan “Scottie” Irving.

Mr. Binitie then stated for the record, his intention to discuss the DCHFHA FY 2018 Budget before discussing the particular transactions before the Board.

II. Approval of Minutes from September 12, 2017 Board Meeting.

A motion was made to approve the minutes from June the 27th, 2017, by Ms. Miller and properly seconded by Mr. Irving.

III. Vote to close a meeting in order to discuss the Agency's Fiscal Year 2018 Budget

Pursuant to the District of Columbia Administrative Procedure Act, the chair called a vote to close the meeting in order to discuss the Agency's Fiscal Year 2018 Budget, which includes matters regarding the employment and compensation of government appointees, employees, or officials because an open meeting would adversely affect the employment and compensation related issues affecting the Agency. A motion to close the meeting was made by Mr. Irving, seconded by Ms. Miller and was followed by a chorus of ayes.

The meeting was closed by unanimous consent at 5:42p.m and resumed at 6:32p.m.

IV. Consideration of DCHFA Resolution No. 2017-20(G) for the approval of the Agency's Fiscal Year 2018 Budget

The chair called for a vote on the resolution with the caveat that the operating budget increase from \$11,991,189 to \$12,291,189 and that the Agency increase its charitable giving line item by \$300,000.

A motion to approve the resolution was made by Ms. Miller and seconded by Mr. Irving, and was followed by a chorus of ayes. The motion carried.

V. Vote to close the meeting to discuss the approval of the Wah Luck House, Tivoli Gardens, and the Parkway Overlook Apartments transactions.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Binitie called for a vote to close the meeting in order to establish, discuss or instruct the Agency as a public body, its staff or negotiating agents concerning a position to be taken in negotiating the price or other material terms of the Wah Luck House, Tivoli Gardens, and the Parkway Overlook Apartments transactions. A motion to close the meeting was made by Mr. Irving, seconded by Ms. Miller and was followed by a chorus of ayes.

The meeting was closed by unanimous consent at 6:43p.m and resumed at 7:55p.m.

VI. Consideration of DCHFA Eligibility Resolution 2017-22 Wah Luck House

Bobvala Tengen, DCHFA Multifamily Loan Underwriter introduced developer representatives Andrew Agetstein and Wes Gassert.

Mr. Binitie requested details from the developer on the proposed tenant-in-place plan associated with renovation of the subject property, specifically, the scope of construction and the anticipated time of tenant vacancy to accommodate; and whether there are residents who for health related reasons may not withstand the disruption of temporary relocation. Mr. Binitie also inquired on how the project will be staged. Mr. Agetstein spoke to his and Mr. Gassert's prior extensive experience with what he termed "daily relocation." He also discussed the team of architects and general contractors on this project have worked for him on other tenant-in-place projects, and have established a "model" for efficient completion. He then gave an illustrative example in which tenants on a particular floor are asked to vacate their apartments from 8:00a.m. to 4:00p.m. during periods of construction. Mr. Agetstein made mention of US Housing and Urban Development (HUD) requirements relating to the habitability of units, before reiterating the existence of an established "model" for completion of this type of project. He then discussed a contingency whereby units lost by attrition will remain vacant to accommodate longer term (i.e. overnight) relocations that occur as a result of unforeseen circumstances. Mr. Agetstein admitted that given the ongoing transition in ownership to the developer, he had not assessed the number of residents with physical disabilities and in need of extra relocation assistance. He then

discussed that contractors would be prepared to assist with packing and moving household items on behalf of incapable tenants. Mr. Binitie requested that the developer provide the tenant-in-place relocation plan to DCHFA staff.

After calling for additional questions, Mr. Tengen inquired on the location of construction staging. Mr. Agetstein indicated that there is ample space in the community room for staging of materials during construction. He then mentioned that the community space will ultimately be converted to a medical clinic.

Mr. Binitie inquired on the relationship of the developer to the subject property landowner. Mr. Agetstein discussed the means by which the Washington Chinatown Development Corporation (WCDC) received the site from the District of Columbia government, and worked with NHP to erect the subject property. NHP along with its portfolio was sold to Aimco. By virtue of prior employment at Aimco, Mr. Agetstein is familiar with the property. Aimco is now selling the property to the applicant developer. Mr. Agetstein discussed his partner, an unnamed woman who he termed “the Mayor of Chinatown.” Mr. Agetstein then discussed the existing 75-year ground lease to expire in 2056.

Mr. Irving inquired on Certified Business Enterprise (CBE) participation. Mr. Agetstein discussed current efforts to secure bids with CBE participation in mind. Mr. Agetstein has connected the general contractor to local contractors with whom he has worked in the recent past.

The chair called for a vote on the resolution. A motion to close the meeting was made by Ms. Miller, seconded by Mr. Irving. All present members voted in the affirmative. The motion carried.

VII. Consideration of DCHFA Eligibility Resolution 2017-23 Tivoli Gardens

Mr. Binitie referenced DCHFA underwriter presentation made in closed session and stated his intention that the open deliberation begin with an inquiry of the development team.

Calvin Jones III, DCHFA Multifamily Loan Underwriter introduced developer representatives Avi Factor and Reverend Jim Dickerson, also Eric Rome, counsel for the tenant’s association.

Citing the notable number of “over income” tenants, Mr. Binitie inquired on the relocation plan and strategy for the site. Mr. Factor responded that the property is overcrowded. Mr. Binitie requested that the matter be resolved prior to Final Bond.

Mr. Jones then inquired on the logistics related to hospitality units and the need for certain immediate repairs at the site. Mr. Factor responded that immediate repairs would be completed within four weeks, and that the funds to complete that work came out of the developer’s equity. He added that the minor repairs would keep the building safe and habitable through the winter and through funding and commencement of construction.

Mr. Binitie asked whether DCHFA staff has a copy of the completed site's physical needs assessment. Mr. Factor indicated uncertainty of inclusion in his application binder, but pledged to make it available. Mr. Irving expressed his desire to see the document.

At further inquiry by Mr. Binitie, Mr. Factor confirmed that immediate health and safety issues indicated in the report would be immediately addressed, adding that repair of those items was a condition of DC Department of Housing and Community Development (DHCD) funding. Reverend Dickerson indicated that the developer's repair of those health and safety items is roughly one half to three-quarters complete.

Mr. Binitie inquired on the rationale behind the sizing of the property's one-bedroom units, which he termed "small in nature." Mr. Factor responded that the need for larger units to accommodate families at the property necessitated the reduced size of the one-bedroom units. He added that the developer would likely conduct a re-evaluation of family sizes at the property and a "tweaking" of the rehab scope before application for construction financing through DHCD. He expects to have comprehensive information upon which to base tweaks to configuration by the middle of October, 2017.

Mr. Binitie expressed his desire to postpone detailed discussion of unit size and configuration until those items are finalized. He then indicated that an accurate census of current residents notwithstanding, the issues of certification and application of the Uniform Relocation Act (URA) must also be resolved prior to further in-depth conversation. Mr. Binitie then requested that the developer have specific plans to deal with each of the aforementioned issues by the time of Final Bond.

The chair called for a vote on the resolution. A motion to close the meeting was made by Ms. Miller, seconded by Mr. Irving. All present members voted in the affirmative. The motion carried.

VIII. Consideration of DCHFA Eligibility Resolution 2017-24 Parkway Overlook

At Mr. Lee's request, the following members of the development team introduced themselves: Kimberly Black King, Chief Development Officer, DC Housing Authority (DCHA); Kerry Swizer, Deputy Director, DCHA; Thomas Jones, Project Manager, DCHA; Alistair Smith, Project Manager, DCHA.

Mr. Binitie inquired on the status of finding a general contractor, and stated the Board's requirement that a fully executed contract with an owners representative be in place before Final Bond.

Mr. Lee inquired on the status of permits. The question was not immediately answered.

Mr. Irving asked whether on a previous occasion, the developer required assistance with a prior project. Mr. Jones asked whether Mr. Irving was referring to Highland Dwellings. Mr. Binitie

answered in the affirmative. Mr. Jones indicated that the developer terminated the general contractor for non-performance. He added that Wells Fargo, the debt and equity provider on the subject transaction, is comfortable with the deal based on the developer's aforementioned action on the Highland Dwellings transaction. He went on to state that the entire property is leased and the developer intends to achieve permanent financing on the property by year-end 2017. Mr. Binitie inquired on the status of public documents on the Highland transaction. Mr. Jones responded that the developer is aiming for an end of 2017/early 2018 closing of escrow.

In response to the earlier inquiry regarding permitting, Mr. Jones responded that civil permitting was just underway and DC Department of Transportation (DDOT) permits were signed off on. DC Water and DC Department of Energy and Environment (DOEE) approvals were expected within roughly two weeks. Per Mr. Jones, the developer expects completion of permitting by the end of October/early November. Mr. Binitie asked whether the only remaining approval is zoning. Mr. Jones responded in the affirmative.

Mr. Irving recounted the history of the project and its "difficulties in [the] community." He then inquired on the status of contact with past residents and future community residents. Mr. Jones responded that the developer is working with a local nonprofit to engage residents at the property on health and job training. Additionally, with the assistance of 55 project-based vouchers, the developer is working to rehouse 180 former resident families at the property. He added that the developer is working to assess families and determine potential "gang issues," a move that Mr. Irving termed "critical."

Mr. Binitie asked whether the project based vouchers at the site were converted to tenant-based vouchers at tenant relocation. Mr. Smith answered in the affirmative, specifying that the conversion occurred in 2008. The end result is a project with 25 percent project-based voucher units. Former residents holding tenant-based vouchers are given priority.

Mr. Irving stated that this is the second project undertaken by the developer that did not involve a co-developer, and inquired on the reasoning behind the move. Mr. Jones cited the need to raise revenue, and confidence that the developer can develop certain projects on its own, as well as the direction provided by the DCHA Board of Directors.

Mr. Irving then stated for the record, his dissatisfaction with actions taken by the developer Agency, DCHA against individuals at unrelated properties.

Citing the remote location and configuration of the site, Mr. Binitie inquired on planned developer strategies to mitigate/abate criminal activity. Mr. Smith cited creation of a more vibrant community center, planned placement of patios, and the removal of 44 of the site's most difficult to manage units necessitated by a DC Water capital improvement project. He also discussed landscaping, 24 hour security onsite, and cameras.

Mr. Smith then discussed the developer's selection of an owner's representative experienced in tax-credit financed projects, which is contracted to remain on the project through construction closeout. Procurement of a general contractor is ongoing, and Board approval is expected to occur at the October 11, 2017 board meeting.

The chair called for a vote on the resolution. A motion to close the meeting was made by Ms. Miller. Mr. Irving explicitly refused to second the motion.

IX. Vote to close a meeting in order to further discuss DCHFA Eligibility Resolution 2017-24 Parkway Overlook

Mr. Binitie called for a vote to close the meeting. A motion to close the meeting was made by Ms. Miller, seconded by Mr. Irving. All present members voted in the affirmative. The motion carried.

The meeting was closed by unanimous consent at 8:49p.m and resumed at 8:57p.m.

X. Resumed Consideration of DCHFA Eligibility Resolution 2017-24 Parkway Overlook

Mr. Binitie established the following conditions that must be addressed prior to final bond approval: A more robust tenant selection plan; physical (i.e., gates/fencing) to restrict unfettered movement throughout the site. After inquiry by Mr. Smith on whether the Board was requesting street closures. Mr. Binitie responded in the negative.

The chair called for a vote on the resolution. A motion to close the meeting was made by Ms. Miller, seconded by Mr. Irving. All present members voted in the affirmative. The motion carried.

Mr. Lee instructed the development team to work with DCHFA Multifamily Loan Underwriter, Carrie Fischer to integrate the aforementioned conditions into the development plan and presentation.

VIII. Adjournment

Mr. Binitie called for a motion to adjourn.

A motion to adjourn the meeting was made by Ms. Miller and seconded by Mr. Irving.

The motion was approved by a chorus of ayes.

The meeting adjourned at 9:30 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on October 24, 2017.

Approved by the Board of Directors on_____.