

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

January 26, 2021

5:30 p.m.

Minutes

Public Access via Zoom

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, Stephen M. Green, called the meeting to order at 5:32 p.m. and asked the Acting Secretary to the Board of Directors (the “Board”), Mr. Christopher Donald, to verify a quorum. With three members present, the Board had a quorum and the meeting continued.

The following members were present via Zoom: Stephen M. Green, Stanley Jackson, and Heather Howard.

II. Approval of Minutes from the November 10, 2020; November 24, 2020; December 2, 2020; December 8, 2020 and January 7, 2021 Board Meetings.

A motion was made to approve the minutes from the November 10, 2020; November 24, 2020; December 2, 2020; December 8, 2020 and January 7, 2021 board meetings by Ms. Howard. The motion was properly seconded by Mr. Jackson.

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

III. Vote to close meeting to discuss Hill East.

Pursuant to the District of Columbia Administrative Procedure Act, the 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 Hill East. 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. Howard. The motion passed by a chorus of ayes.

The meeting was closed at 5:38 p.m. and re-opened at 6:15 p.m.

IV. Consideration of DCHFA Eligibility Resolution No. 2021-02 for Hill East.

Mr. Rodney Dew, Senior Analyst, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. MLNI underwriting staff requests the approval of an inducement resolution from the DCHFA Board of Directors for the issuance of tax exempt bonds in an amount not to exceed \$71,000,000 to finance a portion of the cost to construct and equip 100 units at Hill East (the "Property").

The project is in the Hill East neighborhood of southeast Washington, D.C. and adjacent to the Stadium-Armory Metro Station. The Property will consist of 100 units of permanent supportive housing ("PSH"), subsidized by the District of Columbia Housing Authority ("DCHA"). All units will be restricted to thirty percent (30%) or less of the area median income ("AMI").

The building will have five (5) stories above grade, and a below grade parking garage. Building amenities will include a large lobby, an administration area for use by the District of Columbia Department of Human Services ("DHS") and its provider, a multipurpose communal lounge on the ground floor, a computer lab, a large teaching kitchen with multiple kitchen stations for hands on resident instructions, a clothing store, a hair and makeup boutique, a bike room and a fitness room.

The capital stack for the development will consist of permanent financing, in the approximate amount of \$53 million, as a DCHFA risk share first mortgage loan, \$18 million in low income housing tax credits ("LIHTC"), and just under \$3 million in deferred developer fees. The total development cost is \$75 million, or \$751,000 per unit. On the operating side, the effective gross income is projected to be approximately \$3.5 million in year one, based on an assumption of five percent vacancy.

Annual operating expenses are projected to be approximately \$713,000, resulting in net operating income of \$2.8 million in year one of stabilization, which supports a permanent mortgage of \$53.28

million, with amortizing debt service of \$1.2 million in year one. The project will be one hundred percent (100%) subsidized by a local rent supplement program (“LRSP”) contract with DCHA.

The project is being evaluated as a risk share permanent loan on the DCHFA’s U.S. Department of Housing and Urban Development (“HUD”) 50/50 risk share program. The sponsor has chosen PNC Bank as a tax credit investor, with credits priced at eighty-five cents for every one dollar of federal tax credits. PNC will also be providing an equity bridge loan through the term of construction. The sponsor has received a letter of intent from Eagle Bank for a thirty (30) month term, with one twelve (12) month extension option.

The managing member for the sponsor will be Hill East Parcel, LLC, which is comprised of Blue Skye Development and Chris Donatelli. Other members of the development team include McCullough Construction as the general contractor, GTM Architects as the architect, and Kettler Management as the property manager.

Mr. Dew concluded the presentation and introduced members of the development team present via video conferencing: Mr. Chris Donatelli, Mr. C.W. Early and Mr. Brian Rogers.

Mr. Donatelli gave a brief overview of the development of the Property thus far.

Mr. Early gave a synopsis of the project’s financing. Mr. Rogers also made comments regarding the project.

Mr. Green stated that the board had presented several questions and comments to Mr. Dew and looked forward to hearing more about the project as it is developed. Mr. Green mentioned concerns associated with the project, including the Agency’s share of financial risk in the project.

Mr. Donald called for a vote to approve DCHFA Eligibility Resolution No. 2021-02 for Hill East. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Ms. Howard. Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

V. DCHFA Annual Meeting and Elections.

Mr. Donald opened the floor for nominations for the role of DCHFA Board Chairperson for 2021. Ms. Howard nominated Mr. Buwa Binitie for the role of Chairperson. Mr. Jackson nominated Mr. Green for the role of DCHFA Board of Directors Vice-Chairperson for 2021. With no other nominations for the role of DCHFA Board Chairperson or the role of DCHFA Board Vice-Chairperson, the floor was closed.

The appointments of Mr. Binitie as Board Chairperson and Mr. Green as Board Vice-Chairperson were each approved by a chorus of ayes.

VI. Acting Executive Director’s Report.

There was no Acting Executive Director’s Report.

VII. Adjournment.

Mr. Donald (on behalf of Mr. Green) called for a motion to adjourn the meeting. Mr. Jackson made a motion to adjourn the meeting and that motion was properly seconded by Ms. Howard.

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

The meeting was adjourned at 6:34 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on March 19, 2021.

Approved by the Board of Directors on March 23, 2021.