

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

**April 13, 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 Chairperson, Buwa Binitie, 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: Buwa Binitie, Stephen M. Green, Stanley Jackson, Bryan “Scottie” Irving, and Heather Howard.

**II. Approval of Minutes from the March 23, 2021, Board Meeting.**

A motion was made to approve the minutes from the March 23, 2021, board meetings by Mr. Irving. The motion was properly seconded by Ms. Howard.

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

Prior to closing the meeting to discuss the transactions, Mr. Binitie stated that his company, Dantes Partners, is directly involved with the development of Delta Towers and Capitol Vista. Therefore, he will remain in the closed portion of the meeting to discuss Liberty Place and 1530 First Street SW and will recuse himself from deliberations and voting for Capitol Vista and Delta Towers and leave the meeting.

**III. Vote to close meeting to discuss Liberty Place Supplemental and 1530 First Street SW.**

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors 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 Liberty Place Supplemental and 1530 First Street SW. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Mr. Binitie 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 5:37 p.m. and re-opened at 6:11 p.m.

**IV. Consideration of DCHFA Supplemental Eligibility Resolution No. 2021-06 for Liberty Place.**

Mr. Ikeogu “IK” Imo, Senior Director, Housing Investment, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI staff requests a supplemental bond inducement resolution approval from the Board for the issuance of tax-exempt bonds in an amount not to exceed \$3.125 million to finance the increased costs of the Liberty Place Apartments project (the “Project”). The Agency issued Multifamily Housing Mortgage Revenue Bond Series 2018 A bonds in the total amount of \$16,800,000 for the initial closing of the project in June 2018.

The unit mix at the Project will consist of eight (8) studios, fifty-six (56) one-bedrooms, and seven (7) two-bedroom units, for a total of seventy-one (71) units. The site will have one (1) high-rise building with two (2) elevators and nine (9) stories. The Project will have fourteen (14) units set aside for households earning 30% of AMI or less, and seven (7) of these units will be Permanent Supportive Housing (“PSH”) units targeted to formerly homeless veterans and coupled with supportive services. The seven units will receive project-based, Local Rent Supplement Program (“LRSP”) housing vouchers. Four (4) units will serve residents with incomes at 80% of AMI or less and the remaining fifty-three (53) units will serve residents with incomes at 50% of AMI or less. The development team is a partnership of Mount Carmel Baptist Church, Quadrangle Development Corporation, and the Wilkes Company (collectively “MQW”).

The Project is currently over seventy percent (70%) complete with a target completion date of July 1, 2021; however, the Project was delayed post-closing by the discovery of an underground DC Department of Transportation (“DDOT”) electrical duct bank located within the building’s footprint. It took approximately eighteen (18) months to resolve the issue through a revision of the building’s foundation plan.

An easement was created when the property was originally transferred from the District to MQW and provided DDOT with a 15-foot inspection, repair, and maintenance easement onto the Liberty Place property from the I-395 tunnel wall which sits at the eastern edge of the Liberty Place property. However, it was later discovered that DDOT has additional infrastructure (duct bank and footers) that extend underground beyond the 15-foot easement area and onto the land that is now privately-owned by Liberty Place. Part of the DDOT duct bank and tunnel footers are situated in the path of Liberty Place’s designed foundation.

Due to the unanticipated delays, project costs have increased by approximately \$5.2M thereby increasing total basis to \$38,731,408 for the Project. As such, the \$16,800,000 of initial short term bond issuance is below 50% of the current total basis.

The proposed loan structure for the additional bonds is an issuance of short-term bonds in an amount not to exceed \$3.125 million. The bonds will be purchased by Truist in order for the Project to meet the 50% test. The additional bonds are supported by an increase of Housing Production Trust Fund (“HPTF”) and Low-Income Housing Tax Credits (“LIHTC”) equity amongst other sources.

At conversion, the construction loan will be repaid, and the Project will have a \$7,314,000 permanent Freddie Mac mortgage loan. This permanent loan is \$464,000 larger than initially contemplated. In addition to help bridge increased costs, the DC Department of Housing and Community Development (“DHCD”) provided an additional \$1,937,575 in HPTF subordinated loan to the Project. The tax credit investor, Truist, will issue \$1 million in LIHTC equity. Ultimately, any gaps in the Project will result in additional sponsor equity remaining in the Project.

Mr. Imo concluded the presentation. The sponsors were unable to join the Zoom call. Mr. Binitie stated that the deal was straightforward and therefore he felt comfortable voting on the transaction and the Board concurred.

Mr. Binitie called for a vote to approve DCHFA Supplemental Eligibility Resolution No. 2021-06 Liberty Place Apartments. 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. Consideration of DCHFA Eligibility Resolution No. 2021-07 for 1530 First Street SW.**

Mr. Ikeogu “IK” Imo, Senior Director, Housing Investment, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI underwriting staff requests an initial bond inducement resolution approval from the Board for the issuance of tax-exempt bonds in an amount not to exceed \$54,592,446 to finance a portion of the costs of the 1530 First Street SW project (the “Project”).

The Project is owned fee simple by Manna LLC, a sole proprietor, controlled by Mr. Mohan Jacob. The property was initially intended for commercial development. Mr. Jacob contacted REBJ, Inc. (and parent company TM Associates Development) to partner on the development of the site post the latter’s award to develop an adjacent property at 1550 First Street SW. Based on prior collaboration, TM Associates Development introduced United Planning Organization (“UPO”) to the partnership as an onsite supportive housing services provider.

The development team plans to construct a one hundred one (101) unit ground up affordable housing community. The unit mix of the Development will be comprised of forty-six (46) one-bedroom units, thirty-seven (37) two-bedroom units, ten (10) three-bedroom units, and eight (8) four-bedroom units.

The Project will be located at the intersection of 1st and Q Street in the Southwest quadrant of the District, also known as the Buzzard’s Point neighborhood. Anticipated in-unit amenities include: balcony/patio; individually controlled HVAC units; dishwasher; microwave; washer/dryer; blinds; coat closet; granite countertops and plank flooring. The property amenities include: community room; courtyard; elevator; garage; neighborhood network; off-street parking; on-site management; picnic area and service coordination.

The capital stack for the Project will consist of permanent financing in the approximate amount of \$23,054,206 as a DCHFA First Mortgage Loan, a \$14,104,222 DHCD HPTF loan, \$25,791,427 in LIHTC equity, and a \$4,177,966 Deferred Developer Fee. The total development cost is

\$67,127,821 (\$644,632/unit), inclusive of acquisition costs, hard and soft costs, developer and financing fees, reserves, and escrows.

The Project will be financed through the issuance of \$43,673,957 in DCHFA tax exempt bonds (\$20,619,751 short term bonds and \$23,054,206 long term bonds). Both the short- and long-term bonds will be cash collateralized with a construction loan and permanent loan, respectively. This transaction is also being considered for a risk share execution and will be updated once determined.

The sponsors selected Raymond James Tax Credit Fund (“RJTCF”) as LIHTC investor for the transaction.

The MLNI staff has underwritten the Project’s net operating income (“NOI”) to \$1,369,542 which supports a permanent mortgage of \$23,054,206 with an amortizing debt service coverage ratio (“DSCR”) of 1.15x in Year 1. One hundred percent (100%) of the units set aside at a maximum fifty percent (50%) of AMI or less.

Mr. Imo concluded the presentation. The sponsors were unable to join the Zoom call. Mr. Binitie stated that the deal was straightforward and therefore he felt comfortable voting on the transaction and the Board concurred.

Mr. Binitie called for a vote to approve DCHFA Eligibility Resolution No. 2021-07 for 1530 First Street SW. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

Mr. Binitie exited the meeting because he recused himself from Capitol Vista and Delta Towers. Therefore, Mr. Green called a vote to close the meeting to discuss those transactions.

#### **VI. Vote to close meeting to discuss Capitol Vista and Delta Towers.**

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors 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 Capitol Vista Supplemental and Delta Towers Supplemental. 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 6:30 p.m. and resumed at 6:39 p.m.

## **VII. Consideration of DCHFA Supplemental Eligibility Resolution No. 2021-05 for Delta Towers.**

Mr. Rodney Dew, Senior Analyst, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The Multifamily Lending and Neighborhood Investments (“MLNI”) underwriting staff recommends the Board approve a supplemental bond inducement and authorize the issuance of tax-exempt bonds in an amount not to exceed \$2,415,000 as an increase to the U.S. Department of Housing and Urban Development (“HUD”) 50/50 Risk Share permanent loan to finance an increase in Housing Assistant Payments (“HAP”) rents since the initial bond closing (the “Project”). This results in a 4.3% increase to the total bonds issued for this Project. The developer will be using the additional proceeds to payout a portion of its deferred fee. Therefore, \$2,588,631 in deferred developer fee will remain to be paid out through cash flow. The additional bonds will be privately placed by Wells Fargo as the original investor and will be priced in line with the initial issuance.

The Project is an age restricted development consisting of one hundred seventy-nine (179) units located at 808 Bladensburg Road, NE (Square 32079, Lot 181) along the H Street corridor of Northeast Washington, DC. The Project delivered in late 2020 and is expected to convert in August 2021.

The previous structure was built in 1980 and is currently owned by Delta Housing Corporation, consisting of a HAP contract for one hundred forty-nine (149) units and is 100% occupied. The development team entered into a joint venture agreement with Delta Housing Corporation on June 6, 2016 to act as its developer and co-owner of the Project. The new building structure was an improved parking lot that served the old Delta Towers building located on an adjacent and contiguous lot. The development strategy accomplished several things, most importantly, replacing an aging building that has reached the end of its useful life. The new development not only preserved the existing units but also introduced thirty (30) new affordable units.

Mr. Dew concluded the presentation and introduced Mr. Joel Patterson as a member of the development team present via Zoom. Mr. Green asked if there were any questions. There were no further questions from the Board.

Mr. Green called for a vote to approve DCHFA Supplemental Eligibility Resolution No. 2021-05 for Delta Towers. 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.

As noted previously, Mr. Binitie recused himself earlier from the meeting and did not participate in the discussion or voting for Delta Towers. The resolution was approved by the remaining Board members.

## **VIII. Consideration of DCHFA Supplemental Eligibility Resolution No. 2021-04 for Capitol Vista.**

Mr. Rodney Dew, Senior Analyst, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The Multifamily Lending and Neighborhood Investments (“MLNI”) underwriting staff recommends that the Board approve a supplemental bond inducement and authorize the issuance of tax-exempt bonds in an amount not to exceed \$1,500,000 as an increase to the HUD 50/50 Risk Share permanent loan to finance an increase in maximum LIHTC rents since bond closing, a six percent (6%) increase to the total bonds issued for this project. The developer will be using the additional proceeds payout a portion of its deferred fee. \$2,190,454 deferred developer fee will remain to be paid out through cash flow. The additional bonds will be privately placed by Wells Fargo with the original investor and will be priced in line with the initial issuance.

The development team entered into a Land Disposition and Development Agreement (“LDDA”) with the District, which requires the development team to make an initial payment of \$1,850,000 at closing. The LDDA entails a 99-year ground lease for the site with the affordability maintained for the term of the lease.

The project is the redevelopment of a District owned vacant parcel. The redevelopment consists of one (1) 12-story building with one hundred four (104) luxury affordable units located at 810 New Jersey Avenue, NW (Square 563N, Lot 2-6 and 800-805). The Project has a unit mix of eleven (11) studios, sixty-two (62) 1-bedrooms and thirty-two (32) 2-bedroom units. Building amenities include a rooftop terrace and approximately 3,200 square feet of retail space.

Mr. Dew concluded the presentation and introduced Mr. Joel Patterson as a member of the development team present via Zoom.

Mr. Green asked if there were any other questions. There were no further questions from the Board.

Mr. Green called for a vote to approve DCHFA Supplemental Eligibility Resolution No. 2021-04 for Capitol Vista. 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.

As noted previously, Mr. Binitie recused himself earlier from the meeting and did not participate in the discussion or voting for Delta Towers. The resolution was approved by the remaining Board members.

## **IX. Executive Director’s Report.**

There was no Executive Director’s report.

**X. Other Business.**

There was no other business.

**XI. Adjournment.**

Mr. Irving 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 6:47 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on April 23, 2021.

Approved by the Board of Directors on April 27, 2021.