

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

**April 27, 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, Stephen M. 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. Mr. Green served as Board Chairperson in the absence of Mr. Buwa Binitie. Mr. Binitie was absent because he recused himself on both matters to be discussed at the meeting. The Board reached a quorum and the meeting continued.

The following members were present via Zoom: Stephen M. Green, Stanley Jackson, Bryan “Scottie” Irving, and Heather Howard.

## **II. Approval of Minutes from the April 13, 2021 Board Meeting.**

A motion was made to approve the minutes from the April 13, 2021 board meeting by Mr. Jackson. The motion was properly seconded by Mr. Irving.

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

## **III. Vote to close meeting to discuss The Clara on MLK.**

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 The Clara on MLK. 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 Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:36 p.m. and re-opened at 5:44 p.m.

## **IV. Consideration of DCHFA Eligibility Resolution No. 2021-08 for The Clara on MLK.**

Mr. Ikeogu "IK" Imo, Senior Director, Housing Investment, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI staff requests a bond inducement resolution approval from the Board for the issuance of tax-exempt bonds in an amount not to exceed \$26,179,000 to finance a portion of the costs of construction and equipping at The Clara on MLK (the "Project").

The Project is the development of eighty-one (81) affordable and workforce housing units near the Anacostia Metro station in Ward 8. The unit mix will consist of three (3) studios, twenty-nine (29) one-bedroom units, twenty-eight (28) two-bedroom units and twenty-one (21) three-bedroom units. The unit mix will consist of twenty (20) units at thirty percent (30%) of area median income ("AMI") and sixty-one units (61) units at fifty percent (50%) of AMI. The units set at thirty percent (30%) AMI will receive a subsidy through the Local Rent Subsidy Program ("LRSP") from the District of Columbia Housing Authority ("DCHA").

The development site, 2311-2323 Martin Luther King Jr. Avenue, SE, is in the Anacostia neighborhood of Southeast Washington, D.C. The building will include 13,085 sq. ft. of underground garage space, including bike storage. Additionally, there will be seventeen (17)

surface level parking spaces at the rear of the building. The building will also include a demonstration kitchen, a fitness room, a living green wall and an Amazon hub.

The capital stack for the Project will consist of permanent financing in the approximate amount of \$9,190,967 as a Freddie Mac Tax Exempt Loan (“TEL”), a \$14,008,973 Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, \$285,124 in interim income and deferred interest fees, \$15,743,245 in low income housing tax credit (“LIHTC”) equity, and a \$1,882,395 deferred developer fee. The total development cost is \$41,110,705 (\$507,540/unit), inclusive of acquisition debt repayment, hard and soft costs, developer and financing fees, reserves and escrows.

The project will be financed through the issuance of \$20,943,559 in DCHFA tax exempt bonds (\$11,752,592 short-term bonds and \$9,190,967 long-term bonds). Both the short and long-term bonds will be cash collateralized with a construction loan and permanent loan, respectively.

The Clara on Martin Luther King Jr. Avenue LLC will be the owner and borrowing entity (“Borrower”) on the transaction. The 0.01% managing member and general partner is The Clara on Martin Luther King Jr. Managing Partners LLC (“Managing Member”). Medina Life is the fifty-one percent (51%) controlling member of the managing member entity and is a 501(c)(3) not-for-profit organization. 2313 Martin Luther King Jr. Ave., Managing Member, LLC, an entity one hundred percent (100%) controlled by Banneker Ventures, is the forty-nine percent (49%) member of the Managing Member. At closing, The Clara on Martin Luther King Jr. Avenue LLC will admit a 99.99% tax credit investor member, Wells Fargo Affordable Housing Community Development Company (“Tax Credit Investor”), into the partnership to facilitate the LIHTC equity investment.

The remaining members of the Project team consist of Hamel Builders as general contractor, DP + Partners as architect, Dantes Partners as development consultant and Faria Management as the property manager.

Mr. Imo concluded the presentation. Ms. Tori Williams from Banneker Ventures joined the meeting. Several board members asked questions concerning the retail space on the first floor. Ms. Williams stated the Project would like to include neighborhood-serving retailers and there is currently a lease with a dine-in restaurant. Ms. Howard asked about soil and ground water contamination. Ms. Williams said presently there were no concerns, and the removal of present contaminants was slated to begin with construction. Mr. Green inquired about community amenities. Ms. Williams stated there would be a fitness center and demonstration kitchen, which will be supported and managed by the restaurant tenant. There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-08 The Clara on MLK. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

Mr. Green made a statement recusing himself from any consideration of the McKinney Act loan for V Street Apartments, after which, he left the meeting. Ms. Howard took the position of Board Chairperson and continued the meeting.

**V. Vote to close meeting to discuss a Second Extension of a McKinney Act Loan for V Street.**

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 V Street. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

Ms. Howard called for a motion to close the meeting. Mr. Jackson made a motion to close the meeting. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:59 p.m. and re-opened at 6:11 p.m.

**VI. Consideration of DCHFA Resolution No. 2021-02 (G) for a Second Extension of a McKinney Act Loan for V Street.**

Mr. Rodney Dew, Senior Analyst, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI underwriting staff recommends the Board adopt a resolution authorizing a McKinney Act loan extension for V Street Apartments (the "Project").

The McKinney loan amount of \$1,000,000 was originally approved in late 2017 to help finance the costs of redevelopment for a twenty-five (25) unit new construction project, located in the Anacostia neighborhood of Southeast Washington, D.C. Of the twenty-five (25) units, there are eleven (11) studios and fourteen (14) one-bedroom units. Two (2) of the units will be set aside for occupants at fifty percent (50%) of the area median income ("AMI"), eighteen (18) units are set aside for sixty percent (60%) of AMI and the remaining five (5) units will be market rate with no restrictions.

The Project is a part of a larger development on 5<sup>th</sup> and Eye Street, where the Peebles Corporation is scheduled to build a mixed-use development containing a hotel and residential condominiums. The MLNI staff is currently updating the deal financials to account for market share since the McKinney Act closing, including the lock-in of the LIHTC floor, steep increases in construction costs and updating the rent schedule. There has been no substantial work done to date, and

drawings for both properties are being completed. V Street Apartments Owner LLC (“Borrower”) continues to renew the utilities permits in hopes that the transaction can move forward soon.

Mr. Dew concluded the presentation. Mr. Dew introduced Mr. Ron Cook of the Peebles Corporation. Mr. Jackson asked how the McKinney loan funds were being spent. Mr. Cook replied the funds had been used for design costs. There were no further questions.

Ms. Howard called for a vote to approve DCHFA Resolution No. 2021-02 (G) for a Second Extension of a McKinney Act Loan for V Street. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote.

The resolution was unanimously approved.

#### **VII. Other Business.**

The Board discussed the Todd A. Lee Scholarship application process and Mr. Donald suggested opening scholarship qualifications to students who reside outside of the District of Columbia but will contribute to District in a meaningful way.

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

There was no Executive Director’s Report.

#### **IX. Adjournment.**

Ms. Howard called for a motion to adjourn the meeting. Mr. Jackson made a motion to close the meeting and the motion was properly seconded by Mr. Irving.

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

The meeting was adjourned at 6:26 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on May 7, 2021.

Approved by the Board of Directors on May 11, 2021.