

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

October 12, 2021

5:30 p.m.

Minutes

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, Mr. Stephen M. Green, called the meeting to order at 5:35 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: Mr. Stephen M. Green, Ms. Heather Howard, and Mr. Bryan “Scottie” Irving.

II. Approval of minutes from the September 16, 2021 and September 23, 2021 Special Board Meetings.

A motion was called to approve the minutes of the September 16, 2021 and September 23, 2021 special board meetings by Mr. Green. Ms. Howard made a motion to approve the minutes. The motion was properly seconded by Mr. Irving. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

Mr. Binitie was not present at the Board meeting and formally recused himself from any discussion or voting related to the Cascade Park transaction.

III. Vote to close meeting.

Vote to close meeting to discuss **Hanover Courts and Tivoli Gardens Supplemental, a contract renewal with Goldblatt Martin Pozen, and Cascade Park Apartments.**

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green 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 **Hanover Courts and Tivoli Gardens Supplemental, a contract renewal with Goldblatt Martin Pozen, and Cascade Park Apartments.** 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. Ms. Howard 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 5:38 p.m. and re-opened at 6:09 p.m.

Mr. Stanley Jackson entered the meeting at the beginning of the close portion.

IV. Consideration of DCHFA Eligibility Resolution No. 2021-17 for Hanover Courts and Tivoli Gardens Supplemental.

Mr. Scott Hutter, Deputy Director, Multifamily Neighborhood Lending & Investments ("MLNI"), presented the transaction to the Board. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$2,500,000 to finance the increased

costs for the Hanover Courts and Tivoli Gardens project (the “Project” or “Development”). The Agency issued Multifamily Housing Mortgage Revenue Series 2020 Bonds in an amount of \$16,900,000 for the initial close of the Project in January 2020.

The project is an acquisition rehabilitation of Hanover Courts and Tivoli Gardens. The standard site development has a twinning structure, and that consists of a nine percent (9%) and a four percent (4%) project. DCHFA is financing the four percent (4%) project only. The unit mix of the four percent (4%) project includes forty-nine (49) one-bedroom units, thirty-three (33) two-bedroom units, and eight (8) three-bedroom units for a total of ninety (90) units. Additionally, the four percent (4%) project will consist of eight (8) units restricted at thirty percent (30%) of the area median income (“AMI”) or below, twenty-nine (29) units restricted at fifty percent (50%) AMI or below, and fifty-three (53) units restricted at sixty percent (60%) of AMI or below. Of the eight (8) units restricted at thirty percent (30%) AMI or below, four (4) units will receive a local grant supplement program subsidy with permanent supportive housing wraparound services.

The development team is a partnership of Manna Incorporated, TM Associates Incorporated, and EquityPlus Manager LLC. Due to the unanticipated delays and cost overruns, the project costs have increased by \$2 million dollars, thereby increasing the total basis to \$34.3 million dollars for the Project. As such, the \$16.9 million dollars of initial short-term bonds is below the fifty percent test.

The proposed structure for the additional bonds is the issuance of short-term bonds in an amount not to exceed \$2.5 million dollars. The short-term bonds will be cash collateralized by a HUD 221(d)(4) construction loan. The additional bonds are supported by an increase in federal and DC low-income housing tax credits, as well as a Federal Home Loan Bank grant. The DC Department of Housing and Community Development funds proceeds decreased by \$1 million from the initial financing due to the presence of new sources of funds.

Mr. Hutter introduced Avram Fechter from EquityPlus Manager LLC and opened the floor for questions. Mr. Fechter stated that the project does not want to trigger the fifty percent test and included that the building has been reconfigured to fit the household sizes that are already in the building, resulting in less overcrowding.

Mr. Green asked Mr. Fechter to confirm that more debt will be issued but it will be paid off once the Project converts from short term to long term. Mr. Fechter confirmed in the affirmative. Ms. Howard inquired about the PEPCO approval. Mr. Fechter responded that the Project received approval last week.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-17 for Hanover Courts and Tivoli Gardens Supplemental. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Ms. Howard.

Mr. Donald took a poll vote.

The resolution was unanimously approved.

Mr. Donald noted for the record that Chairperson Buwa Binitie is affiliated with Cascade Park Apartments and was not present for the meeting, has not participated in any discussion regarding the Project, and will not vote on the Project.

V. Consideration of DCHFA Eligibility Resolution No. 2021-18 for Cascade Park Apartments.

Mr. James Holley-Grisham, Senior Multifamily Loan Analyst, Multifamily Neighborhood Lending & Investments (“MLNI”), presented the transaction to the Board. The MLNI team presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$12,535,000 for Cascade Park (the “Project” or “Development”). The Project is in the Washington Highlands neighborhood of Southeast Washington, DC and 1.8 miles from the Congress Heights Metro Station, which is on the Green Line.

The unit mix of the proposed Development will be fifty-nine (59) units with two (2) efficiency units, twenty (20) one-bedroom units, twenty (20) two-bedroom units, eleven (11) three-bedroom units, and six (6) four-bedroom units. Nine (9) units will be restricted to thirty percent (30%) of AMI or will benefit from a project based local rent supplement program (“LRSP”) subsidy. The remaining units are unsubsidized and restricted to eighty percent (80%) of AMI or below. Community amenities will include community spaces, laundry facilities, a children’s play area, and on-site management with robust resident services.

The capital stack for the Development will consist of a Senior Wells Fargo Loan at \$5.4 million dollars, DHCD funding at \$9 million dollars, federal low-income housing tax credit (“LIHTC”)

equity at \$6.5 million dollars, DC LIHTC equity at \$1.1 million dollars, a deferred developer fee of \$774,000 dollars, and \$500,000 dollars from a Federal Home Loan Bank (“FHLB”) grant. The total development cost is \$23.49 million dollars or \$400,000 dollars per unit.

The managing member for the Sponsor will be Cascade Park Managing Partners II, LLC, which is comprised of Dantes Partners, The Crosby Family Trust, and H Street CDC, LLC. Dantes Partners will serve as Guarantor for the Project and lead developer. H Street CDC, LLC will serve as the non-profit JV sponsor and The Crosby Family Trust is a passive investor entity.

Other members of the development team include Hamel Builders as the General Contractor, Miner Feinstein as the Architect, and Faria Management as the Property Manager.

Mr. Grisham concluded the presentation and introduced Joel Patterson from Dantes Partners via the Zoom call.

Mr. Grisham opened the floor for questions. Ms. Howard stated that the Project has some environmental concerns and expects the budget to reflect the ability to address those concerns. Mr. Patterson stated that the Project will account for remediation issues. Mr. Green asked Mr. Patterson to address the relocation plan. Mr. Patterson responded the relocation plan consists of in-place relocation with temporary units that will be available in all five (5) of the buildings and that ninety percent (90%) of the residents will remain on-site in temporary vacant units during the renovation process. Mr. Jackson inquired about the number of current vacancies in the building. Mr. Patterson responded that the property is currently thirty percent (30%) vacant, which translates into forty (40) vacant units across all five (5) properties. Mr. Green asked about the amenities that will be available for the Project. Mr. Patterson responded that there is a current memorandum of understanding with the United Planning Organization (“UPO”) to provide resident services and that there will be a separate contract through the LRSP program to provide services to the nine (9) permanent supportive housing units. Mr. Green also asked how much the UPO services are expected to cost. Mr. Patterson responded that \$20,000 annually will be provided for social services, which will include training opportunities, financial literacy programs, employment training, and a host of other services offered through UPO.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Eligibility Resolution No. 2021-18 for Cascade Park 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.

VI. Consideration of DCHFA Resolution No. 2021-05(G) for the renewal of a contract with Goldblatt Martin Pozen.

Mr. Michael L. Hentrel, General Counsel, presented the contract renewal to the Board. In 2013, the District of Columbia Housing Finance Agency (the “Agency”) selected Goldblatt Martin Pozen to serve as outside legal counsel to the Agency’s Board of Directors. Mr. Thorn Pozen has provided timely and effective legal services to the Board of Directors. The Agency desires to renew Mr. Pozen’s yearly contract. The contract will be for an hourly rate of \$425 and not to exceed a monthly amount of \$4500. The Agency recommends the Board approve the renewal of a contract with Goldblatt Martin Pozen for one (1) year for an hourly rate of \$425 and not to exceed a monthly amount of \$4500.

Mr. Hentrel opened the floor to questions. Mr. Green requested confirmation that the hourly rate and month cap are the same as the contract from the previous fiscal year. Mr. Hentrel responded in the affirmative. There were no further questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2021-05(G) for a contract renewal with Goldblatt Martin Pozen. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Jackson.

Mr. Donald took a poll vote.

The resolution was unanimously approved.

VII. Other Business

Mr. Donald informed the Board that Ms. Keami Estep, Director of Procurement, would provide an update on the 815 Florida Avenue NW redevelopment process.

Ms. Estep stated that the Agency is currently evaluating proposals that have been submitted by the development team partners. The packages are being evaluated and the Agency expects to present a recommendation to the Executive Director in November 2021 with the desire to present to the Board in December 2021. Mr. Green recommended that the Board be provided with at least a summary of all of the proposals submitted.

Mr. Donald re-introduced the Agency’s newest staff member, Ms. Linda Hartman.

VIII. Executive Director's Report.

There was no Executive Director's report.

IX. Adjournment.

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

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

The meeting was adjourned at 6:36 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on November 5, 2021.

Approved by the Board of Directors on November 9, 2021.