

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

**September 23, 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 5:34 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, Mr. Bryan “Scottie” Irving, and Mr. Stanley Jackson.

**II. Vote to close meeting.**

(A) Vote to close meeting to discuss the Agency’s Fiscal Year 2022 Budget.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green called a vote to close the meeting in order to discuss the **Agency’s Fiscal Year 2022 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. (D.C. Code §2-575(b)(10)).

(B) Vote to close meeting to discuss **SOME 1515 North Capitol Apartments and Waterfront Station II**.

Pursuant to the District of Columbia Administrative Procedure Act, Mr. Green also 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 **SOME 1515 North Capitol Apartments and Waterfront Station II**. 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 5:37 p.m. and re-opened at 6:40 p.m.

**III. Consideration of DCHFA Resolution No. 2021-04 (G) for the for the approval of the Agency’s Fiscal Year 2022 Budget.**

Mr. Steve Clinton, the Agency’s Chief Financial Officer presented the Agency’s Fiscal Year 2022 Budget. The Agency is seeking the approval of the Fiscal Year 2022 budget, which consists of \$13.7 million in expenses, \$700,000 in capital expenditures, \$20.2 million in revenue, and approximately \$6.6 million in net income. The nature of the revenue is based on a projection of \$250 million of multifamily volume, \$65 million of single-family volume, and steady interest rates

based on the current, low-interest rate environment. The expenses are rooted in increases in the compensation costs and employee benefit costs. DCHFA's professional services account for notable increases in the Agency's budget.

Mr. Clinton opened the floor for questions. Mr. Jackson asked about updated information regarding the status of the Agency's building redevelopment effort. Mr. Donald confirmed that staff will present updated information for the Board in the future. Mr. Green stated the performance of the Agency has been good, however, he has a concern about the increase in professional services costs. He stated that he expects the costs for professional services to decrease in the next fiscal year.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2021-04 (G) for the approval of the Agency's Fiscal Year 2022 Budget. 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.

#### **IV. Consideration of DCHFA Final Bond Resolution No. 2021-15 for SOME 1515 North Capitol Apartments.**

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 \$42,000,000 for So Others Might Eat ("SOME") North Capitol Street NE (the, "Project" or "Development"). The Project is in the NoMa neighborhood of Northeast Washington, DC, and it is located a half mile from the NoMa Gallaudet Metro Station, which is on the Red Line.

The Project in total offers one hundred thirty-eight (138) furnished efficiency units and one-bedroom unit. Seventy-five (75) efficiency units will be restricted at thirty percent of area median income ("AMI") and will benefit from a project based Local Rent Supplement Program ("LRSP") subsidy. Sixty-one (61) units will be restricted at 50 percent or below of AMI without an operating

subsidy. Finally, two (2) efficiency units will be for resident night managers and one (1) one-bedroom unit will be for a resident night manager.

The building's management staff will consist of one (1) property manager, one (1) assistant property manager, one (1) administrative assistant, two (2) dedicated porters, and three (3) night managers that will live in the building's staff units.

Each unit will be fully furnished and will include a television. Additionally, units will have a private bathroom and kitchenette, and a refrigerator/freezer and cooktop. Building amenities will include a computer lab, bicycle parking, classroom, fitness room, a full community kitchen, several community rooms for programming, and shared laundry rooms on each floor. Security will include video cameras and access control to the building. SOME will be performing comprehensive resident services including case management, life skills training, assistance with activities of daily living, and assistance with addiction and/or mental health issues.

The capital stack for the Development will consist of a senior Freddie Mac Tax Exempt Loan otherwise known as TEL at \$16.95 million, DC Department of Housing and Community Development ("DHCD") Housing Production Trust Funds ("HPTF") at \$20.3 million, a sponsor loan at \$6 million, a Department of Behavioral Health Grant at \$820,000, low income housing tax credit ("LIHTC") equity at \$20.3 million and a deferred developer fee at \$3.45 million. The sponsor loan is structured as soft debt and will carry a nominal interest rate. The total development cost is \$68.4 million, or approximately \$503,000 per unit.

The sponsor will be SOME. Other members of the development team include Clark Construction Group as the General Contractor, Eric Colbert and Associates as the Architect, and SOME as the Property Manager.

Mr. Hutter concluded the presentation and introduced members of the sponsor team present via the Zoom call: Bobvala Tengen, Senior Project Manager, SOME, Madison Neimer, Assistant Project Manager, and Julia Moran Morton, Chief Housing Development Officer, SOME.

Mr. Hutter opened the floor for questions. Mr. Green asked about the Project's environmental insurance. A discussion followed regarding environmental testing at the Project site due to its proximity to a gas station. Ms. Morton explained that the gas station has moved, and the owners had a requirement to remediate any soil contamination, so the environmental risks are no longer much of a concern. Mr. Jackson asked if the sponsors have met with the DC Department of Energy

and the Environment and informed the sponsors of a concept of the “responsible party provision” that may apply. Ms. Moran responded that there is a requirement for the gas station owners to address any soil contamination and there will be environmental insurance on the Project as secondary protection. Mr. Green asked about the cost on an annual basis for services. Mr. Tengen responded that the sponsors expect to spend between \$1,500 and \$1,800 per unit annually on services.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2021-15 for SOME 1515 North Capitol Apartments. Mr. Irving 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 Final Bond Resolution No. 2021-16 for Waterfront Station II.**

Linda Hartman, MLNI Multifamily Loan Underwriter, 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 \$18,750,000 for Waterfront Station II (the, “Project” or “Development”). The Project is in the Southwest neighborhood of Washington, DC, and it is located less than 0.1 miles from the Waterfront Metro Station, which is on the Green Line.

The Project in total offers four hundred fort-nine (449) mixed-income units and ground floor retail space. It consists of Waterfront Station, Waterfront Station II, and a 28,000-square-foot ground floor retail space. The residential components of the project consist of a legally separated market rate project, nine percent low income housing tax credit (“LIHTC”) project, and four percent LIHTC project. DCHFA is financing the four percent LIHTC project.

The property will offer stainless steel kitchen appliance packages, dishwashers, and washers and dryers in its residential units. Site amenities will include a co-working area, entertainment lounge, courtyard lounge, fitness center, swimming pool, grills, and rooftop deck. There is an easement that will allow all tenants in the four percent and nine percent LIHTC units to access all site amenities.

The overall development consists of four hundred forty-nine (449) residential units. The unit mix of the proposed four percent project will be ninety-four (94) units with twenty-four (24) efficiencies, sixty-three (63) one-bedroom units, and seventy-four (74) two-bedroom units. All of the units are unsubsidized, and they are restricted at thirty and fifty percent of the area median income (“AMI”).

The capital stack for the Development will consist of a senior Fannie Mae Multifamily Tax-Exempt Mortgage, also known as M.TEM, at \$3.8 million, Sponsor Loan at \$18.5 million, and LIHTC equity at \$10.1 million. The sponsor loan is structured as soft debt and will carry no interest. The total development cost is \$32.5 million, or approximately \$346,000 per unit.

The sponsor team for the entire project will consist of Lamont Hoffman of Hoffman & Associates, AHC Incorporated, City Partners, and Paramount Development. The four percent LIHTC entity will consist of AHC Incorporated as the managing member and developer and The Richman Group as the LIHTC equity investor. Other members of the development team include Clark Construction Group as the General Contractor, Torti Gallas Urban, Inc. as the Architect, and Bozzuto as the Property Manager.

Ms. Hartman concluded her presentation and introduced members of the sponsor team present on the Zoom call: Alan Goldstein with AHC, Ryan Dring, Senior Manager of Capital and Asset Management with Hoffman and Associates, and Meri Baroni Development Manager with Hoffman and Associates.

Ms. Hartman opened the floor for questions. Mr. Green asked for confirmation of the sponsor loan amount. Mr. Hutter responded that the sponsor loan amount is \$18.5 million. Mr. Goldstein confirmed the sponsor loan amount and explained that the Project will not be utilizing HPTF. Discussion continued regarding cross subsidizing the affordable units with resources from the market rate component.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2021-16 for Waterfront Station II. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Jackson.

Mr. Donald took a poll vote because the Agency is committing volume cap.

The resolution was unanimously approved.

**VI. Other Business.**

There was no other business.

**VII. Executive Director's Report.**

There was no Executive Director's report.

**VIII. Adjournment.**

Mr. Green called for a motion to adjourn the meeting. Mr. Irving 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 7:11 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on October 8, 2021.

Approved by the Board of Directors on October 12, 2021.