

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

November 16, 2023

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 Chairperson, Mr. Stephen 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. The Board reached a quorum and the meeting continued.

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

II. Vote to approve the minutes from the October 4, 2023 Board Meeting.

A motion was called to approve the minutes of the October 4, 2023 board meeting by Mr. Green. Mr. Irving made a motion to approve the minutes. The motion was properly seconded by Mr. Jackson. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

There were no board member recusals for the Barry Farm Building 1A or One Hawaii projects.

III. Vote to close meeting to discuss Barry Farm Building 1A and One Hawaii Apartments.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors called for a motion 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 Barry Farm Building 1A and One Hawaii 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. 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 5:35 p.m. and re-opened at 5:57 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2023-23 for One Hawaii Apartments.

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$33,005,000 for One Hawaii Apartments (the “Project” or “Development”).

The Project was initially presented to the DCHFA Board of Directors on October 25, 2023 for final bond and was deferred to a later date after projects costs were investigated further. DCHFA, with third-party assistance, was able to vet the Project’s construction budget for cost reasonableness.

The Project is located in the Fort Totten neighborhood of Northeast Washington, D.C. The unit mix for the Development consists of seventy (70) units including ten (10) studio units, thirty-eight (38) one-bedroom units, seven (7) two-bedroom units and fifteen (15) three-bedroom

units. Eight (8) units are restricted to thirty percent (30%) of the Area Median Income (“AMI”) and will be reserved for permanent supportive housing tenants.

The capital stack for the Development will consist of permanent financing in the form of a \$6.7 million Freddie Mac taxable loan, a \$25.7 million Department of Housing and Community Development (“DHCD”) Housing Production Trust Fund (“HPTF”) loan, \$26.5 million in low-income housing tax credit (“LIHTC”) equity, \$4.7 million in DC LIHTC equity and a \$2 million deferred developer fee. The total development cost is \$65.9 million, or approximately \$940,000 per unit.

Mr. Hutter completed the presentation, opened the floor for questions and introduced representatives from the sponsor teams present on the Zoom call: Kamilah McAfee, Hiram Brown and Scott Kline with Stratus Development and Erin Cestero from Hamel.

Mr. Jackson asked if there was a greater demand for three-bedroom units. Ms. McAfee stated that the market study and the demands of existing tenants determined the number of three-bedroom units and that existing tenants requested larger units. Ms. McAfee stated that are issues with overcrowding within the surrounding community and the increase in the number of three-bedroom units will address some of that demand.

Mr. Green asked if there was a First Source agreement and if so, were there any exceptions. Mr. Brown stated that there was a First Source agreement. Ms. Cestero stated that there was an alternative plan to address the mandated tracked hours but there were no trade exclusions. She stated that in lieu of tracking the percentage of hours, a training program would be offered through ABC Core Training Program. Graduates of the program would be hired into trades. Mr. Green asked what roles the graduates would be hired into. Ms. Cestero responded that graduates will be asked to specify what trade they are interested in and at a hiring fair, would have an opportunity to speak to subcontractors. Mr. Irving asked if recruitment for the training program had begun. Ms. McAfee stated that it would start soon but confirmed that graduates would be ready to start work prior to the beginning of construction. Mr. Jackson asked the success rate at which graduates are hired. Ms. Cestero that the number of individuals hired is usually above the targeted number.

Mr. Green made a statement about the high construction costs. Mrs. Wellington asked why the LEED Platinum design was chosen. Mr. Brown stated it was specified in the Project’s application to DHCD. Ms. McAfee added that a platinum level design was incentivized in the HPTF requirements and was chosen by the development team to make the Project more competitive.

Mr. Jackson asked about the cost of landscaping and site furnishing. Ms. Cestero said the comparison was based on a basic model, which accounts for the large difference in the premium.

There were no further questions.

Mr. Green called for a motion to approve DCHFA Final Bond Resolution No. 2023-23 One Hawaii Apartments. No motion was made.

Mr. Green made a statement on the record correcting an error on the agenda -- One Hawaii Apartments was presented for final bond and Barry Farm Building 1A was being presented for eligibility.

V. Consideration of DCHFA Eligibility Resolution No. 2023-22 for Barry Farm Building 1A.

Ms. Linda Hartman, Senior Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”), presented the transaction to the Board. MLNI presented its recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$69,078,000 for Barry Farm Building 1A (the “Project” or “Development”).

The Project site is in the Barry Farm neighborhood of Southeast Washington, DC. The Project site is located 0.2 miles from the Anacostia Metro Station. The Barry Farm site is currently owned by DCHA. It was previously improved with the Barry Farm dwellings and the Wade Road Apartments. In 2019, tenants were relocated offsite, and the buildings were demolished. All phases of the greater Barry Farm redevelopment will be designed in accordance with the Barry Farm, Park Chester, and Wade Road Redevelopment Plan. The projected date for construction completion for the greater Barry Farm redevelopment is 2030.

The Project consists of one midrise building with one hundred thirty-nine (139) units. Fifty-one (51) one- and two-bedroom units will operate with project-based subsidies. The remaining units are restricted at sixty percent (60%) and eighty percent (80%) of AMI.

Property amenities will include a community room, on site management office, playground, fitness area and business center. Onsite parking will be available at the Project for residents and commercial tenants.

JP Morgan Chase will be providing the construction loan. National Affordable Housing Trust will be the federal and DC LIHTC investor. The remaining members of the Development team consist of Hamel Builder as the general contractor, Grimm and Parker as architect and Full Committee LLC as property manager.

Ms. Hartman completed the presentation, opened the floor for questions and introduced representatives from the sponsor teams present on the Zoom call: Roger Brown, Evan Watson, Maia Shanklin Roberts, and Jackie Powell from POAH and Andre Gould and Carlos Gray from the District of Columbia Housing Authority (“DCHA”).

Ms. Roberts gave an overview of the Project. Mrs. Wellington stated that the Board would like to see a robust security plan when the transaction is presented for final bond approval.

There were no further questions.

Mr. Green called for a motion to approve DCHFA Final Bond Resolution No. 2023-22 for Barry Farm Building 1A. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mrs. Wellington. Mr. Donald took a poll vote. The resolution was unanimously approved.

Mr. Green requested that the DCHFA staff and the One Hawaii Apartments development team work on a resolution for addressing construction costs.

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. Jackson made a motion to adjourn the meeting, which was seconded by Mrs. Wellington.

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

The meeting was adjourned at 6:33 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on January 19, 2024.