

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

September 23, 2014
815 Florida Avenue, NW
Washington, DC 20001
5:30 pm

Approved Minutes

I. Call to order and verification of quorum.

The Chairperson, Derek Ford, called the meeting to order at 5:37 PM and asked the Interim Secretary of the Board, Maria K. Day-Marshall, Esq., to verify a quorum. Mr. Stanley Jackson participated via telephone. With five members present, the Board of Directors (the “Board”) had a quorum and the meeting continued.

The Chairperson asked the Board Members present to review the agenda. The Interim Executive Director asked to remove the agenda item associated with the Brightwood Portfolio. The agenda was unanimously approved, as amended.

II. Approval of minutes from the September 9, 2014 board meeting.

The Chairperson asked the Board Members present to review the draft minutes of the September 9, 2014 meeting. Two changes were requested by the Board Members and they are stated below.

- Page 2 – In the 3rd paragraph, 3rd sentence, change the word “used” to “use”.
- Page 5 – In the 2nd paragraph, penultimate sentence, add the word “by” after the word “seconded”.

A motion was made by Ms. Leila Batties, Vice Chairperson, to approve the minutes, as amended, and seconded by Mr. Stanley Jackson. The minutes, as amended, were unanimously approved.

III. Vote to close meeting to discuss the approval of the Highland Dwellings project and bond transaction, the 2321 4th Street project and bond transaction, and the renewal of the contract with Goldblatt Martin Pozen LLP to serve as legal counsel to the Agency’s Board of Directors.

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 price and other material terms of the Highland Dwellings project and bond transaction, the 2321 4th Street project and bond transaction, and the renewal of the contract with Goldblatt Martin Pozen LLP to serve as legal counsel to the Agency’s Board of Directors. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Ms. Batties, Vice Chairperson, and seconded by Mr. Charles Lowery, Jr. The motion was approved by voice vote. The Chairperson moved the meeting into a closed session at which time the DCHFA staff presented the matters to the Board of Directors, and the Board of Directors asked questions regarding the matters presented.

IV. Re-open meeting.

The Chairperson reopened the meeting at 6:17 PM.

V. Consideration of DCHFA Final Bond Resolution No. 2014-13 for Highland Dwellings.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Anthony Waddell to present the matter to the Board. Mr. Anthony Waddell then asked that Mr. Ed Pauls, the Senior Development Officer on the transaction, present the matter to the Board. The development team present included Steve Green, DC Housing Authority, Kerry Smyser, DC Housing Authority, Thomas Jones, DC Housing Authority, and Nydia Pouyes, Ballard Spahr (DC Housing Authority's counsel).

The Highland Dwelling project consists of the acquisition, substantial rehabilitation of the existing units and the new construction of a multi-family apartment complex. The property was originally constructed in 1942 and is located in the Washington Highlands neighborhood at 400 Atlantic Street, Southeast. The existing 208-unit, 59-building complex is currently in poor condition. An infusion of about \$196,000 per unit in capital improvements, including significant site improvements, will greatly improve the living condition of the property's current and future occupants.

The total development cost of approximately \$64.35 million will be financed with short- and long-term tax-exempt bonds; low income housing tax credit equity; grants from the Federal Government; DC Housing Authority program funds; and deferred developer fees. The project will be operated as public housing, and the units will be subsidized by the Moving to Work subsidy and Annual Contributions Contract (ACC) funds.

The bedroom mix is as follows: 51 one-bedroom units, 79 two-bedroom units, 51 three-bedroom units, six four-bedroom units, 10 five-bedroom units, and 11 six-bedroom units, for a total of 208. All units will meet the 40 percent at 60 percent of AMI test for both bonds and tax credits.

The closing is targeted for the end of the month.

Questions asked by the Board of Directors included the following:

- Please discuss the time that has lapsed since the residents were relocated and how long it will take for the residents to be able to return to the property. The development team responded that on average the tenants will have been relocated from their homes for two years or less. The development team stated that they are committed to having all of the

residents that lived on the site move back to the renovated site. Anecdotally, the development team stated that some residents that were relocated to other DC Housing Authority owned properties are happy in their new homes and they may not return to Highland Dwellings. The DC Housing Authority holds monthly resident association meetings and about 30 residents attend the meetings. Also, the DC Housing Authority maintains a list of all residents that were relocated off the site and will reach out to them as the site is renovated.

- How much has the DC Housing Authority spent on the project already? The development team responded that the funds already spent are mainly federal dollars and those funds are a direct investment into the project.
- Please discuss the relocation expenses. The development team responded that approximately \$2,900 per unit is allocated for relocation, and that the remaining relocation budget will be enough to cover the relocation expenses. The relocation budget will generally pay for moving expenses and transportation costs.
- Please discuss the tenant services. The development team responded that there will be a community garden, health and wellness activities, after school programs, food drives, and clothing drives.
- Will there be any solar panels? The development team responded no, not at this site.

A motion to approve the transaction was made by Ms. Batties, Vice Chairperson, and seconded by Mr. Lowery, Jr. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

VI. Consideration of DCHFA Final Bond Resolution No. 2014-14 for 2321 4th Street.

Prior to consideration of DCHFA Eligibility Resolution No. 2014-11 for the approval of Beacon Center, Ms. Leila Batties, Vice Chairperson, stated that Holland & Knight, LLP represents H Street CDC and that she receives no personal benefit from the relationship, and asked that the Board of Directors vote to waive the perceived conflict. Mr. M. Craig Pascal made a motion to allow Ms. Batties to vote on the matter and Mr. Stanley Jackson seconded the motion. By voice vote, the motion was approved.

Mr. Pascal stated that BB&T has a depository relationship with H Street CDC; however, he is not personally involved with the transaction and receives no benefit from the relationship. Consequently, Mr. Pascal asked that the Board of Directors vote to waive the perceived conflict. Ms. Batties, Vice Chairperson, made a motion to allow Mr. Pascal to vote on the matter and Mr. Lowery, Jr. seconded the motion. By voice vote, the motion was approved.

Mr. Jackson stated that H Street CDC is an investor in another project with him and that he has no involvement in this project. He asked that the Board of Directors vote to waive the perceived conflict. Ms. Batties, Vice Chairperson, made a motion to allow Mr. Jackson to vote on the matter, and Mr. Pascal seconded the motion. By voice vote, the motion was approved.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Anthony Waddell to present the matter to the Board. Mr. Anthony Waddell then asked Mr. Ed Pauls, the Senior Development

Officer on the transaction, to present the matter to the Board. The development team present included Kenton Drury, E&G Group, Melissa Steele, E&G Group, Kenneth Brewer, H Street CDC, Eric Jones, H Street CDC, Johann Lashley, H Street CDC, and Kynai Johnson, Latin American Youth Center.

The project consists of the acquisition and construction of a five-story building containing 116 residential units and approximately 5,000 square feet of retail space on the ground floor. The project will be located at 2321 4th Street, Northeast, in the Edgewood neighborhood of Washington, D.C.

The total development cost of \$32.3 million will be financed with tax exempt bonds, low income housing tax credit equity, a loan from the Department of Housing and Community Development (DHCD), a grant from the Department of Behavioral Health, a loan from the sponsor, and a loan from the current developer. There will be a Local Rent Supplement Program (LRSP) contract for 20 units of permanent supportive housing. The other 96 units will not be subsidized.

The bedroom mix is as follows: four studios, 70 one bedrooms, 38 two bedrooms, four three bedrooms, for a total of 116 units. All units will meet the 40 percent at 60 percent of AMI test for both bonds and tax credits.

The closing is targeted for the end of the month.

Questions asked by the Board of Directors included the following:

- Please discuss the parking and the bicycle spots. The development team responded that there are 32 parking spaces and 60 bicycle spots. The Board of Zoning Adjustments allowed the reduced parking requirement because of the site's proximity to the metro.
- Please discuss the Latin American Youth Center's role. The development team responded that the LAYC assists youth through transitional housing and extended housing programs. The LAYC youth can also receive case management services, attend life skills classes and other health and wellness classes.

The Board of Directors asked the development team to ensure the inclusive advertising and marketing of the project.

A motion to approve the transaction was made by Mr. Pascal and seconded by Mr. Jackson. The Interim Secretary called the roll, and the motion carried with 4 votes in the affirmative. Ms. Batties did not vote on the matter, as she had to leave the meeting prior to the vote.

VII. Consideration of DCHFA Resolution No. 2017-07(G) regarding the renewal of a contract with Goldblatt Martin Pozen LLP to serve as legal counsel to the Agency's Board of Directors.

A motion to approve the transaction was made by Mr. Jackson and seconded by Mr. Lowery, Jr. The Interim Secretary called the roll, and the motion carried with 4 votes in the affirmative.

VIII. Vote to close meeting to discuss the Agency's Fiscal Year 2015 Budget.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors will call a vote to close the meeting in order to discuss the Agency's Fiscal Year 2015 Budget which includes matters regarding the employment and compensation of government appointees, employees, or officials. An open meeting would adversely affect the employment and compensation related issues affecting the Agency. (D.C. Code §2-575(b)(10)).

A motion to approve the transaction was made by Mr. Jackson and seconded by Mr. Lowery, Jr. The motion was approved by voice vote.

IX. Re-open meeting.

The Chairperson reopened the meeting at 8:00 PM.

X. Consideration of DCHFA Resolution No. 2014-08(G) for the approval of the Agency's Fiscal Year 2015 Budget.

A motion to approve the transaction was made by Mr. Pascal and seconded by Mr. Jackson. The Interim Secretary called the roll, and the motion carried with 4 votes in the affirmative.

XI. Interim Executive Director's Report.

- Coalition for Nonprofit Housing and Economic Development (CNHED) Event – On October 23, 2014 there will be an event honoring Bob Pohlman, the Executive Director of CHNED. The Interim Executive Director asked Board Members to let her know if they would like to attend.
- Update on HomeSaver Program – A recent U.S. Treasury report was shared with the Board of Directors and Ms. Carisa Stanley, Director, Single Family Programs, explained the report to the Board of Directors. In addition, the DCHFA staff will be briefing Councilmember Anita Bonds on Monday, September 29, 2014, on the HomeSaver Program – Phase II – Tax Lien Extinguishment Program. Also, Councilmember Jim Graham sent a letter to the DCHFA in support of the program.
- The Metro Village Groundbreaking will be held on September 24, 2014, at 9:30 am.
- The DCHFA management team will attend management training on September 25, 2014.
- Congratulations and accolades were provided to Ms. Stanley who accepted a new position and will be leaving the Agency at the end of the month.

XII. Other Business.

- Real Estate Consultant RFP – The RFP closed on September 26, 2014.
- RFP for Security Services at Parkway Overlook – A spreadsheet of the submitted proposals was distributed to the Board of Directors.

- Update - Parkway Overlook – Settlement is scheduled for September 30, 2014. The DC Housing Authority and the DCHFA are reviewing the documents in preparation for the settlement. The DCHFA is going to provide a Seller’s Note with a 3 year term, in the amount of \$4.975 million and a \$25,000 deposit will be provided to the DCHFA. The DCHFA will suspend negotiations with the DC Water and Sewer Authority and the DC Housing Authority will continue negotiations related to a request for an easement. In addition, the DHCD is working on the documents to provide the predevelopment funds to the DC Housing Authority.
- NCSHA Conference will be held in Boston, MA from October 18-21, 2014.
- The next meeting is scheduled for October 14, 2014.

XIII. Adjournment.

The meeting adjourned at 7:51 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary to the Board of Directors
September 19, 2014

Approved by the Board of Directors on October 14, 2014