

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

December 16, 2014  
815 Florida Avenue, NW  
Washington, DC 20001  
5:30 pm

**Approved, as Amended Minutes**

**I. Call to order and verification of quorum.**

The Chairperson, Mr. Derek Ford, called the meeting to order at 5:52 PM and asked the Interim Secretary of the Board, Ms. Maria K. Day-Marshall, Esq., to verify a quorum. With four members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. Mr. Ford, Chairperson, Ms. Leila Batties, Vice Chairperson (via telephone), Mr. Stanley Jackson, and Mr. Charles R. Lowery, Jr. were present at the time of roll call.

The Chairperson asked the Board Members present to review the agenda. Ms. Day-Marshall asked that Item I, the Approval of minutes from the December 9, 2014 Board Meeting, Item VIII, Consideration of DCHFA Eligibility Resolution No. 2014-26 for the Cedar Hill Flats and Item IX, Consideration of DCHFA Resolution No. 2014-12(G) for a McKinney Act Loan associated with Deanwood Hills be removed from the agenda. Mr. Stanley Jackson requested the addition of a closed session at the end of the meeting. The Chairperson then asked for a motion to approve the amended agenda. A motion was made by Mr. Charles Lowery, Jr. to approve the agenda as presented and seconded by Mr. Jackson. The agenda was unanimously approved.

**II. Vote to close meeting to discuss the approval of The Grove at Parkside project and bond transaction, and the Portner Flats project and bond transaction.**

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 Grove at Parkside project and bond transaction and the Portner Flats project and bond transaction. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-575(b)(2)).

**III. Re-open meeting.**

A motion to re-open the meeting was made by Mr. Lowery, Jr. and seconded by Ms. Leila Batties, Vice Chairperson. The motion was approved by voice vote.

#### **IV. Consideration of DCHFA Final Bond Resolution No. 2014-24 for The Grove at Parkside.**

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. Waddell introduced Ed Pauls, Senior Development Officer as the development officer for the project. The development team present included Robert Gilbane, Jr., Gilbane Development Company, and Derick Mitchell, CityInterests, LLC.

The project consists of the acquisition and construction of a six story building containing 186 residential units. The project will be located at 600 Kenilworth Terrace, NE in the Kenilworth-Parkside neighborhood. The project will be owned by CIGD Parkside 7, LLC.

On the financing side, total development cost is \$44.4 million and it will be financed with tax exempt bonds, 4% Low Income Housing Tax Credit equity and Housing Production Trust Fund (HPTF) dollars, and a deferred developer fee. On the operating side, the project will receive a real estate tax abatement for the first ten years from the date of the occupancy of the property.

The bedroom mix is as follows: 53 studio apartments, 86 one-bedrooms, 36 two-bedrooms and 11 three-bedrooms for 186 total units. All units will meet the 40 percent at 60 percent of Area Median Income (AMI) test for both tax exempt bonds and 4% Low Income Housing Tax Credits.

With an approximately 16-month long construction period, the project will be completed by the late spring of 2016.

Questions asked by the Board of Directors included the following:

- Please discuss the pedestrian bridge status. The development team responded that a new pedestrian bridge will be constructed, and it will cross over 295 and connect the site to the Minnesota/Benning Metro. The construction of the new bridge will take approximately 16-18 months.
- Who is the master developer for the site? The development team responded that CityInterests is the master developer.
- Please discuss the hyper-amortization. The development team responded that the use of hyper-amortization will allow the project to financially benefit from the tax abatement and pay down a portion of the debt faster.

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.

#### **V. Consideration of DCHFA Eligibility Resolution No. 2014-25 for the Portner Flats.**

Prior to the consideration of DCHFA Final Bond Resolution No. 2014-25 for the approval of Portner Flats, Ms. Batties, Vice Chairperson, disclosed that Holland and Knight served as the zoning attorney for the project and that the final approval of the Planned Unit Development

(PUD) is pending. Ms. Batties recused herself from the discussion and from voting on the project.

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. Waddell introduced Ed Pauls, Senior Development Officer who presented the project on behalf of Mr. Waddell. The development team present included Jim Campbell, Somerset Development, Nancy Hooff, Somerset Development, Anya Kamara, Somerset Development, Marilyn Galvez, Portner Place Tenant Association, Wanda Simms, Portner Place Tenant Association, Alfrieda White, Portner Place Tenant Association, and Zaid Yohannes, Portner Place Tenant Association.

The principal developers of the Portner Flats project are the Somerset Development Company and the Affordable Housing Development Company, LLC. In addition, the developers are partnering with the tenant association.

The project consists of the acquisition of land and existing buildings, and the new construction of a single eight-story building containing 96 residential units. The project is located in the 1400 block of V Street, NW in the Mid City or U Street neighborhood, Northwest D.C. The project owner will be Portner Flats, LLC.

On the financing side, the total development cost of approximately \$33 million will be financed with tax exempt and/or taxable bonds, LIHTC equity, a loan from the Department of Housing and Community Development (DHCD), developer equity and a deferred developer fee.

On the operating side, a housing assistance payment contract with the United States Department of Housing and Urban Development (HUD) currently subsidizes the 48 units that exist on the site. That contract will be transferred to the new building and will be renewed for a 20 year period once the financing closes.

The proposed bedroom mix is as follows: 23 studios, 25 one-bedrooms, 36 two-bedrooms and 12 three-bedrooms for a total of 96 units. All units will meet the 40 percent at 60 percent of AMI test for both tax-exempt bonds and 4% LIHTC.

Questions asked by the Board of Directors included the following:

- Looking at the financial statements of Somerset and then looking at the financial statement for Affordable Housing Development Company, are the financials sufficient for what the DCHFA is financing? Mr. Pauls responded that the team meets the DCHFA standards for working capital and for net worth.
- Please discuss the size of the units. The development team responded that 48 units are replacement housing and the unit mix will remain the same in the new building. The new two-bedroom and three-bedroom units will be slightly larger than the units that exist today.
- Please discuss the services that will be offered. The development team responded that there will be after school programs, a computer literacy program for seniors, social

service referrals, health and wellness classes, community gardening and employment training. The list of services was developed jointly with the tenant association. The development team will set up a tenant endowment fund at closing and will initially seed the fund with \$100,000 with additional funds to be provided annually.

The tenant association stated that they are very pleased with the development team. The tenants association has been working with the development team since 2008. The tenant association is pleased that the development team considered their requests and allowed the entrance to the property to be on V Street NW and not U Street NW. The entrance on V Street NW allows the tenants to have a better quality of life (i.e., safer and less noise). Given that the neighborhood is changing rapidly, the tenant association felt that the development team best represented their desires to remain in the neighborhood and have a safe, affordable place to live.

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 3 votes in the affirmative.

#### **VI. Consideration of DCHFA Resolution No. 2014-13(G) Authorizing the Interim Executive Director to Submit an Application to the U.S. Department of Housing and Urban Development for Level 1 Risk Sharing.**

Ms. Day-Marshall, Interim Secretary to the Board, presented the resolution to the Board of Directors. In addition, Ms. Day-Marshall reviewed a memorandum that outlined and summarized the DCHFA's application to the U.S. Department of Housing and Urban Development (HUD) for Level I Risk Sharing. The memorandum was distributed to the Board Members.

It should be noted that Ms. Day-Marshall, Interim Secretary, agreed to hold the application until after the Board of Directors approved the revised Investment Policy. The Investment Policy will be a component of the application to HUD. Given the various comments to the revised Investment Policy during the last month, the policy will be discussed again at the first meeting in January. Some general questions were discussed by the Board Members, the Attorney to the Board, Mr. Thorn Pozen, the Interim Secretary and the Chief Financial Officer, Mr. Sergei Kuzmenchuk.

After some general questions were asked, the Board of Directors considered the resolution for a vote. A motion to approve the submission of an application to the U.S. Department of Housing and Urban Development for Level 1 Risk Sharing was made by Mr. Lowery, Jr., and seconded by Mr. Jackson. Ms. Batties, Vice Chairperson, abstained from the vote. The Interim Secretary called the roll, and the motion carried with 3 votes in the affirmative.

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

- City Council Roundtable on Certified Small Business Enterprise (CSBE) Compliance – The roundtable was held on Thursday, December 11, 2014 and Ms. Day-Marshall testified at the roundtable.

- 35th Anniversary and Holiday Party – Ms. Day-Marshall thanked the DCHFA staff who helped organize the 35<sup>th</sup> Anniversary and Holiday Party.
- Board Member Appointments – The Chairman, Mr. Ford, was sworn in on December 16, 2014.
- CNHED Annual Meeting and Holiday Mixer – The event will be held on Thursday, December 18, 2014 from noon -2 pm at Arena Stage.
- Annual Meeting – The Annual Meeting will be held on the 2<sup>nd</sup> Tuesday in January, which is January 13, 2015.

### **VIII. Closed Session**

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 consult with an attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and a public body, or to approve settlement agreements; provided that, upon request, the public body may decide to waive the privilege. An open meeting would adversely affect the attorney-client privilege of the Agency. (D.C. Code §2-575(b)(4)(A)).

### **IX. Other Business.**

No other business was discussed.

### **X. Adjournment.**

The meeting adjourned at 9:00 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary to the Board of Directors  
January 9, 2015

Approved, as amended by the Board of Directors on January 13, 2015