

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

October 27, 2015
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.

Minutes

I. Call to order and verification of quorum.

The Chairman, Mr. Buwa Binitie, called the meeting to order at 5:45 p.m. and asked the Interim Secretary to the Board of Directors, Ms. Maria K. Day-Marshall, to verify a quorum. With three members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. The members present included, Mr. Buwa Binitie, Mr. Stephen M. Green, and Mr. Bryan Scottie Irving. Mr. Stanley Jackson joined the meeting at 5:53.

II. Approval of minutes from the October 13, 2015 board meeting.

Mr. Irving made a motion that the minutes be approved as presented. That motion was seconded by Green. The motion was unanimously approved by a chorus of ayes.

III. Vote to close the meeting to discuss the approval of the Portner Flats transaction.

Pursuant to the District of Columbia Administrative Procedure Act, a vote was called to close the meeting in order to discuss, establish, or instruct the Agency’s staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of the Portner Flats transaction. An open meeting would adversely affect the bargaining position or negotiation strategy of the Agency. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Irving and seconded by Mr. Green. The motion was approved by a chorus of ayes.

IV. The meeting re-opened at 6:19 p.m.

V. Consideration of DCHFA Resolution No. 2015-18, an Amended Eligibility Resolution for Portner Flats (\$25,000,000).

Ms. Day-Marshall introduced the Resolution and then introduced Anthony Waddell, Director of Public Finance, who provided a brief overview of the project and the reasons for the requested amendment. The project consists of the acquisition of existing land and buildings, demolition of

existing improvements and the new construction of a mid-rise building containing 96 residential units, which will double the number of affordable units currently at the site. The unit mix will be twenty-three (23) studios, twenty-five (25) one-bedrooms, thirty-six (36) two-bedrooms, and twelve (12) three-bedrooms. The project will be located in the 1400 block of V Street NW, in the Mid City or U Street corridor. The principal developers of the project are Somerset Development Company and Affordable Housing Development Company, LLC. All of the units will be set aside for persons and families earning sixty percent (60%) of the area median income (“AMI”) or less.

The following people were present at the meeting in support of the project: Jim Campbell (Somerset Development, the developer); Sarah Ashcroft (Jonathan Rose Companies); Brian Buczkowski (Eric Colbert & Associates, the architects); and Wanda Simms and Alfreida White (Portner Flats Tenants Association). Mr. Campbell introduced the members of the development team. Mr. Buczkowski presented the renderings of the project. Mr. Campbell interjected that, when designing the project, special care was paid to preserve the aesthetic of the streetscape on V Street.

Ms. Simms and Ms. White both spoke about their positive experience in collaborating with the development team during the Tenant Opportunity to Purchase Act process and how the process has been a very successful one to date.

Mr. Binitie inquired as to what was the unique set of circumstances that has necessitated the increased bond amount from \$20,000,000 in December 2014 to the \$25,000,000 request that is being presented to the Board this evening. Mr. Campbell replied that due to the increased construction volume in the region, Clarke Construction Company, the current proposed contractor, has indicated that there has been a 5 to 10% appreciation in construction costs generally. Mr. Campbell indicated that he had confirmed this trend by speaking to others in the local industry. Another contributing factor was that a decision was made to utilize the VFR technology because, although it is more costly upfront, it is more energy-efficient, and cost savings and energy efficiencies will be realized over time. Mr. Buczkowski added that there were increased excavation costs associated with the need to dig two feet deeper in order to support the garage construction.

Mr. Green and Mr. Binitie both expressed continued concerns about the high per unit costs and suggested that the Developer seek additional bids from general contractors. Mr. Campbell replied that, while he shared the Board’s concern about high construction costs, those additional costs are being borne by the developer of the market rate building, which will be simultaneously constructed on the U Street-facing portion of the lot of the current development rather than by any other public resources.

Mr. Irving asked about the affordable development being built on the back side of the current lot as opposed to the affordable development and the market rate development sharing an entrance.

Mr. Campbell replied that the current residents insisted on having a separate entrance to preserve the sense of community that has developed at the property over the years. He also noted that, unlike a property in New York City that was described as having a “poor door” in an alley, this property will be constructed adjacent to million dollar condominiums on V Street. Ms. Simms confirmed that the design of a separate entrance on the quieter V Street side was, indeed, a result of a strong desire expressed by the tenants. Tenants wanted to have amenities that were more catered to their needs and resources of which they would have exclusive use.

The Board expressed continued concerns regarding the high development costs per unit. Mr. Binitie and other Board Members would like to see additional costs comparisons from at least one other general contractor along with a carefully scrutinized plan and cost review. Mr. Campbell noted that the general contractor will need to coordinate the construction of the market rate building and the affordable building due to the mutual use of the garage as well as electrical supply. Also Mr. Campbell expressed concern regarding the time delays that would arise if the developer must re-bid the entire Guaranteed Maximum Price contract given where the project is with respect to its application to the United States Department of Housing and Urban Development and the fact that tenants have already been relocated offsite. Mr. Campbell agreed to hire a third party independent contractor, someone with a contractor’s license, to provide a comparison and an analysis of construction costs. Staff agreed to ensure that was accomplished prior to presenting the Final Bond Resolution for approval.

The Resolution was ultimately moved by Mr. Jackson and seconded by Mr. Irving. Ms. Day-Marshall called the roll, and with four votes in the affirmative, the Resolution was approved.

VI. Interim Executive Director’s Report.

- An e-mail has been sent inviting Board Members to several upcoming events. Please inform Ms. Day-Marshall if any Board Members would like to attend them.
- The Atlantic transaction closed last week. SOME Benning will be closing this Friday, October 30th.
- Reminder that the continuation of the Board Orientation will be on November 20th from 11 a.m. until 1 p.m.
- The Agency’s holiday party will be on Friday, December 11th.
- The December Board Meetings were tentatively scheduled for the 8th and the 22nd.

VII. Adjournment.

The meeting was adjourned at 7:24 p.m.

Submitted by Maria K. Day-Marshall, Esq., Interim Secretary to the Board of Directors on November 6, 2015.

Approved by the Board of Directors on November 24th, 2015.