

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

July 23, 2015
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.

Minutes

I. Call to order and verification of quorum.

The Presiding Member, Mr. Stanley Jackson, called the meeting to order at 5:44 p.m. and asked the Designee for the Interim Secretary to the Board, Ms. Fran D. Makle, to verify a quorum. With four members present, the Board of Directors (“the Board”) had a quorum, and the meeting continued. The members present included Mr. Stanley Jackson, Mr. Buwa Binitie, Mr. Stephen M. Green, and Mr. Scottie Irving.

II. Vote to close the meeting to discuss the approval of the Square 50 – West End 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 Square 50 – West End 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. Green and seconded by Mr. Irving. The motion was approved by voice vote.

III. The meeting re-opened at 5:58 p.m.

IV. Consideration of DCHFA Final Authorizing Resolution No. 2015-11 for Square 50-West End.

Mr. Binitie announced that his company, Dantes Parnters, is a co-developer on the project and would be receiving a fee for their work on this transaction. He then removed himself from the room, did not participate in the discussion nor did he participate in the consideration of the Resolution.

Ms. Makle introduced Mr. Waddell, Director of Public Finance, who then introduced Edward Pauls, Development Officer for the Square 50 – West End transaction. Mr. Pauls provided a brief overview of the project. The ownership will be controlled by EastBanc, Inc., Dantes Partners,

WC West End, LLC, L.S. Caldwell & Associates, Inc., Autopark, Inc., and Jayco West End, LLC. The Agency is being asked to finance the acquisition and construction of the residential component of a nine-story building located in the West End neighborhood of D.C. at the proposed address of 1211 23rd Street, N.W. in Ward 2.

Upon construction completion, the project will consist of 55 affordable housing units and 6 market rate units. The other components of the building will be a fire station and a squash court/fitness center. These components will be separately financed and will close at the same time as the residential component. \$ 6.2million in short-term and \$7.1 million in long-term tax-exempt bonds will be purchased by J.P. Morgan Chase Bank. Wells Fargo will be the low income housing tax credit investor. The bedroom mix is as follows: 12 studios, 44 one-bedrooms, and 5 two-bedrooms for a total of 61 units. Three of the one-bedroom units will be subsidized by the D.C. Housing Authority's Local Rent Supplement Program, and those units will be rented to families or individuals earning incomes at or below 30 percent of the Area Median Income (AMI).The sponsor has elected to set aside 90 percent of units at or below 60 percent of AMI for bond and tax credit purposes.

The following people were present at the meeting in support of the project: Charles Treece of Ballard Spahr LLP and Michael McKenzie of McKenzie & Associates, P.C. as Co-Bond Counsel, Jose Nuñez of the Department of Housing and Community Development (DHCD), and Kent Neumann of Eichner, Norris & Neumann PLLC, co-counsel for the Borrower. On behalf of the development team, Corey Powell of Dantes Partners and Benjamin Sonnett of EastBanc, Inc. attended to answer questions and provide a brief presentation.

Mr. Green inquired about the Management Company, Equity Management. Mr. Powell replied that the company is based in Columbia, MD, has been in business over 20 years and that John Potvin is the President. In response to Mr. Green's question about replacement reserves, Mr. Pauls replied that the requirement will be \$300 per unit per year. There was also a discussion among Mr. Pauls, Mr. Powell and Mr. Green about how the various tenants of the building will share expenses for maintenance of the building.

Mr. Irving asked about Small Business Enterprise (SBE) participation on this transaction. Mr. Sonnett replied that the Certified Business Enterprise Agreement was executed by the developer in 2011, prior to the recent amendments to the District's Small, Local and Disadvantaged Business Enterprise Development and Assistance Act. Mr. Irving stressed that he would like to see as many SBEs as possible work on this transaction. Mr. Sonnett agreed to pass that message along to Clark Construction. Mr. Irving also stressed that the management company should endeavor to employ District residents to the greatest extent possible.

The Resolution was moved by Mr. Green and seconded by Mr. Irving. Ms. Makle called the roll, and with three votes in the affirmative and one abstention by Mr. Binitie, the Resolution was approved.

VI. Interim Executive Director's Report.

- National Council of State Housing Boards will meet in August in Annapolis. Prior Board Members were instrumental in having the meeting brought to the region, so Board Members were encouraged to participate and to contact Ms. Day-Marshall, Interim Executive Director, if they wished to attend.
- Mr. Waddell participated on a panel at the East of the River Development Symposium on July 21st.
- Single Family update: DC Open Doors has closed approximately \$125 million in loans.
- Members of the Single Family staff traveled to Minnesota to visit with U.S. Bank, the Servicer for DC Open Doors.
- Board Members received a Board Orientation binder and staff would like to schedule an orientation training, preferably in August. Ms. Day-Marshall will try to coordinate the Board's schedules.

VII. Vote to close the meeting in order to consult with the Board's Attorney, Thorn Pozen.

Pursuant to the District of Columbia Administrative Procedure Act, the meeting was closed to 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 matters related to the Agency. (D.C. Code §2-575(b)(4)(A)).

The meeting was closed at 6:32 p.m. and re-opened at 6:40 p.m.

VIII. Adjournment.

The meeting was adjourned at 6:41 p.m.

Submitted by Maria K. Day-Marshall, Esq., Interim Secretary to the Board of Directors on August 13, 2015.

Approved by the Board of Directors on August 17th, 2015.