

**From:** Noel Khalil

**Sent:** Friday, March 2, 2018 9:39 AM

**To:** Catherine Buell - AHA ([catherine.buell@atlantahousing.org](mailto:catherine.buell@atlantahousing.org)) <[catherine.buell@atlantahousing.org](mailto:catherine.buell@atlantahousing.org)>

**Cc:** Jim Grauley ([JGrauley@columbiaries.com](mailto:JGrauley@columbiaries.com)) <[JGrauley@columbiaries.com](mailto:JGrauley@columbiaries.com)>

**Subject:** FW: East Lake Recapitalization

Dear Catherine,

First let me communicate that the Columbia Residential team values you and your staff. Our mutual organizations have successfully solved many challenges in the past and we are confident we will successfully traverse the challenges associated with The Recapitalization of East Lake as well.

We received your e-mail of March 1 to Laurel Hart and we find the representations in that correspondence to be inconsistent with the rigorous effort made by you and your staff to fully understand [all aspects of the transaction](#) and competently brief the AHA Board Members.

Additionally DCA has been completely clear and consistent (other than continuing to agree to extend deadlines) about the need for AHA Board to act on this proposal. AHA Executive Staff has a full understanding about this transaction and Staff has recommended the transaction to the AHA Board based on the fact there was no additional investment required of AHA and AHA would share in the developer fee, and yield a higher rate on its existing loan, [as well as fostering the AHA public policy goal to increase meaningful participation in Development and Construction activities for DBE/MBE and Section 3 qualified individuals.](#)

This proposal has been reviewed in great detail and has been continually delayed at the AHA Board Final Approval Level.

There have been numerous and detailed discussions with DCA Leadership and Staff going over the the terms of their funds and the timing of their commitment. These occurred first, before and after the Kresge Initiative Application in 2016 and the February 2017 DCA HOME Commitment letter.

Thereafter, on October 9, 2017, a meeting was held at DCA to review the final terms of the structure with AHA and DCA. This meeting was attended by Senior AHA Staff , Senior DCA Staff and the ELHC/Columbia team.

On November 16, 2017, after the AHA Board did not act at its regularly scheduled meeting. DCA then rescinded the funding commitment.

DCA has been incredibly patient because it values the long standing relationship with AHA and left the door open for the East Lake project to re-apply for these funds assuming the AHA Board Approved the transaction.

Columbia Residential has worked closely with AHA Staff on negotiating the structure and business terms. From August through October 2017, the package was prepared and was approved by AHA Real Estate Committee and by AHA Investment Committee. Members of our team appeared at the Board Briefing and made a presentation on October 25, 2017. We were informed that the matter was to be voted on at the November 14, 2017 Board Meeting. The matter was not placed on the agenda on that date.

We continued to work with AHA Staff thru December and January. In January and February 2018 we again worked with AHA Staff to help prepare Committee packages for the AHA Investment Committee and AHA Real Estate Committee and were informed by AHA Staff that the papers as drafted were approved.

We continued to work with your able AHA staff and at the AHA Board Meeting on February 28, 2018 the East Lake papers were not included on the agenda.

It is also of note that the very same deal structure and terms were included in the application for DCA HOME funds and for the RAD conversion applications made in October 2017. Please note that both for DCA HOME funds and

for HUD RAD Conversion Funds that AHA was the applicant of record. AHA Board was consulted and or approved the submittal of these applications at that time.

The East Lake property is in great need of renovation so as to improve the quality of life of its current [residents](#). AHA and East Lake Community Foundation has created a new national standard for a community of excellence. Please let's not lose this opportunity!

Sincerely,

Noel Khalil, CEO  
Columbia Residential