

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

October 11, 2016
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 5:39 p.m. and asked the Secretary to the Board of Directors, Mr. Todd A. Lee, to verify a quorum. With five members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. The members present included Mr. Binitie, Mr. Stephen M. Green, Ms. Sheila Miller, Mr. Bryan “Scottie” Irving, and Mr. Stanley Jackson.

II. Vote to close the meeting to discuss the approval of the Deanwood Hills transaction.

Pursuant to the District of Columbia Administrative Procedure Act, a vote was called to close the meeting 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 Deanwood Hills transaction. An open meeting would adversely affect the bargaining position or negotiating 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 Ms. Miller. The motion was approved by a chorus of ayes.

The meeting was closed at 5:41 p.m.

The meeting was re-opened at 6:17 p.m.

III. Consideration of DCHFA Resolution No. 2016-17 for the Deanwood Hills transaction.

Mr. Lee introduced the resolution and then introduced Ms. Carrie Fischer, Development Officer, who provided a brief summary of the project. The principal developer and sponsor of this project is Deanwood Hills, LLC which is a joint venture partnership between Pennrose Properties (“Pennrose”) and the Warrenton Group. Additional members of the development team include: Torti Gallas and Partners (“Torti”) as the architect of record; Harkins Builders as general contractor; and Pennrose Management Company as the property manager. The project, which is located in the Deanwood neighborhood of Ward 7, consists of the acquisition and construction of a 150-unit apartment building. Fifty (50) of these units will be replacement units for the Lincoln Heights and Richardson Dwellings New Communities Initiative.

The total capital stack is as follows: \$10.73 million in short term DCHFA tax-exempt obligations; \$6.1 million in long term DCHFA tax-exempt obligations; \$14.18 million in equity raised through the syndication of low-income housing tax credits; \$9.5 million from a DMPED

loan; \$2 million from a DC Housing Authority loan; \$1.5 million from a Citi Community Capital loan; and \$1.72 million in deferred developer fee.

On the operating side, the 50 public housing replacement units will be subsidized by an Annual Contributions Contract for a term of 40 years. One hundred percent of the units will be set aside at the 40 percent at 60 percent AMI levels for both bonds and tax credits.

The bedroom mix is as follows: six (6) studio units; sixty-eight (68) one-bedroom units; forty-five (45) two-bedroom units; twenty-eight (28) three-bedroom units; and three (3) four-bedroom units for a total of 150 units. Of the fifty (50) replacement units for the Lincoln Heights and Richardson Dwelling Public Housing Development, forty (40) will be set aside for households earning thirty percent (30%) of AMI and ten (10) will be set aside for households earning sixty percent (60%) of AMI.

Amenities offered at the project will include a fitness room, community room with cyber café, a teen lounge, two private courtyards, an extensive green roof, a public tot lot, and surface parking for seventy-five (75) vehicles and storage for fifty (50) bicycles.

Pennrose Management Company will offer on-site tenant services which will be spearheaded by a supportive services coordinator. Some anticipated services include: health and wellness focused programming; financial education; food box delivery for seniors; and anti-bullying and crime prevention programs.

Members of the development team who were present in support of the project included the following: Ivy Dench-Carter and Sakinah Linder from Pennrose, Christopher Stennett and Warren Williams of The Warrenton Group, Sherief Elfar of Torti, and Olivia Shay-Byrne of K&L Gates, Bond Counsel.

Mr. Elfar gave a brief presentation demonstrating the physical design elements of the building.

Mr. Green asked about the status of the HUD approval. Ms. Dench-Carter indicated that the Housing Authority sent an e-mail earlier in the day saying that the HUD approval is imminent and that she expects that it will be received within the next week or two.

Mr. Binitie asked the team if they were confident in the rents that are projected to be charged at the property. Ms. Dench-Carter indicated that her property management team revisits rents every three months and any adjustments to the projections that are necessary will be considered. Ms. Risha Williams, Director of Compliance and Asset Management, confirmed that the projected rents are comparable to those being charged at a nearby property in the Agency's portfolio.

Mr. Green asked about the seemingly high level of developer fee that is being deferred on this transaction. Ms. Dench-Carter replied that the deal is quite cash constrained and that all of the capital providers, the contractor, and the development team are working together to make the deal work.

A motion to approve the resolution was made by Mr. Green and seconded by Mr. Jackson. The roll was called, and with five affirmative votes, the resolution was approved.

IV. Executive Director's Report

- During Fiscal Year 2016 the Agency underwrote \$262 million in tax-exempt bonds and \$151 million in low-income housing tax credits, which financed almost 2,100 units of housing in the District of Columbia.
- So far this calendar year, the Agency has used all of its 2013 volume cap carryforward. The Agency still has approximately half a billion dollars' worth of volume cap.
- Single family is probably about one million dollars away from reaching the \$200 million mark. Single family closed \$61 million during FY 2016, which financed 205 new homeowners in the District.
- Staff intends to celebrate reaching the \$200 million milestone on November 9, 2016 at 5:30 pm at the Agency.
- The Agency has begun the audit process with CohnReznick with a goal of completing the financial audits by December 31st.

V. Vote to close the meeting in order to consult with the Board's attorney.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairman called for 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 such privilege. An open meeting would adversely affect matters related to the Agency.

A motion was made by Mr. Green and seconded by Mr. Jackson. The motion was approved by a chorus of ayes.

The meeting was closed at 6:51 p.m.

The meeting resumed at 7:10 p.m.

Mr. Binitie called for a motion to approve the hiring of John McLaughlin of Marcum Accountants and Advisors for litigation services as it pertains to the DC Housing Finance Agency's current lawsuit. The action was moved by Mr. Green and seconded by Mr. Jackson. The action was approved by a chorus of ayes.

X. Adjournment.

A motion to adjourn the meeting was made by Mr. Green and seconded by Ms. Miller. The motion was approved by a chorus of ayes.

The meeting was adjourned at 7:13 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on November 13, 2016.

Approved by the Board of Directors on November 17, 2016.