

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY  
EMERGENCY MEETING OF THE  
BOARD OF DIRECTORS  
April 2, 2019  
815 Florida Avenue, NW  
Washington, DC 20001  
2:30 p.m.**

**Minutes**

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

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Chairman Buwa Binitie called the meeting to order at 2:30 p.m. and asked the Secretary to the Board of Directors (the “Board”), Mr. Todd Lee to verify a quorum. With four members present, the Board had a quorum, and the meeting continued.

The following members participated via teleconference: Buwa Binitie, Chairman, Stephen M. Green, Vice-Chairman, Sheila Miller, Stanley Jackson and Bryan “Scottie” Irving.

**II. Vote to close meeting to discuss Maycroft Apartments.**

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors, Mr. Binitie 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 **Maycroft Apartments**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Jackson, seconded by Mr. Green and was followed by a chorus of ayes.

The meeting was closed by unanimous consent at 2:34 p.m., and reopened at 2:50 p.m.

**III. Consideration of DCHFA Final Bond Resolution No. 2019-05 for Maycroft Apartments.**

DCHFAs Underwriter, Kristin Chalmers, presented the resolution and the information to the Board.

The Multifamily Lending and Neighborhood Underwriting (MLNI) staff has informed Jubilee Housing Inc. (“Jubilee”) of the Agency’s decision to table the Final Bond Resolution until further assurances can be made to mitigate the conversion risks for the Maycroft Apartments project. As discussed at the March 26, 2019 Board Meeting, MLNI has addressed the primary issues currently surrounding the project as follows:

1. Davis Bacon Change Order and Cost Overruns – the Davis Bacon Change Order will be paid by proceeds from the Supplemental Bond. The Supplemental Bond will be financed by a \$1.5 million Home Grant from the District of Columbia Department of Housing and Community Development (“DHCD”) and Sponsor equity.
2. Complying with the 50% Test required for tax-exempt bonds – all proceeds from the Supplemental Bond will be used for project costs in order to meet the 50% Test required for tax-exempt bonds issued by the Agency.
3. Mitigating Conversion Risk – the project is currently locked into LRSP subsidy at 2013 rent levels. The project needs to receive LRSP subsidy at 2016 rent levels to support permanent debt in order to convert to a permanent loan. The Agency has resolved to address this issue as follows:
  - a. Approximately \$1.4 million in tax credit equity that is coming into the deal this week will be held in a subaccount under the original Trust Indenture. The subaccount funds will not be released until either: i) Rental Achievement, which entails maintaining a debt service coverage ratio of 1.15 for 90 consecutive days; or ii) LRSP subsidy is increased to 2016 levels as part of the Budget Support Act.
  - b. If LRSP subsidy is not increased for the subject property and/or Rental Achievement is not reached, the funds held in the subaccount will be used to curtail principal on the senior long term bonds.
  - c. Upon resizing, if the property is 100% occupied as Jubilee expects given its robust pipeline of tenants and LRSP subsidy is not increased as part of the Budget Support Act, debt service coverage of 1.15 will be achieved.

In conclusion, the Supplemental Bond issuance will fund all cost overruns, enable the transaction to meet the 50% Test, and allow for a subaccount to hold funds for the purposes of principal curtailment if resizing is necessary.

Mr. Lee called for a motion on the resolution. Mr. Jackson made a motion to approve DCHFA Final Bond Resolution No. 2019-05; that motion was properly seconded by Mr. Green. Mr. Lee said the Board took a poll vote because the Agency is committing volume cap.

The motion was voted on by Mr. Binitie, Mr. Irving, Mr. Jackson, and Mr. Green. The motion was approved by a chorus of Ayes.

#### **IV. Other Business**

There was no other business.

#### **V. Executive Director's Report**

There was no Executive Director's Report.

#### **VI. Adjournment**

Mr. Lee called for a motion to adjourn.

A motion to adjourn the meeting was made by Mr. Binitie and seconded by Mr. Green.

The motion was approved by a chorus of ayes.

The meeting adjourned at 3:00 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on April 19, 2019.

Approved by the Board of Directors on April 23, 2019.