

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

August 26, 2014
815 Florida Avenue, NW
Washington, DC 20001
5:30 pm

Approved Minutes

I. Call to order and verification of quorum.

The Chairperson, Derek Ford, called the meeting to order at 5:42 PM and asked the Interim Secretary of the Board, Maria K. Day-Marshall, Esq. to verify a quorum. Ms. Leila Batties, Vice Chairperson was not present during the roll call. With four members present, the Board of Directors (Board) had a quorum and the meeting continued. Mr. Charles Lowery, Jr. participated via telephone.

Ms. Leila Batties, Vice Chairperson, joined the meeting at 5:47 PM.

The Chairperson asked the Board Members present to review the agenda. Hearing no amendments to the agenda, by voice vote, the agenda was unanimously approved, as presented.

II. Approval of minutes from the August 12, 2014 board meeting.

The Chairperson asked the Board Members present to review the draft minutes of the August 12, 2014 meeting. A motion was made by Mr. Stanley Jackson to approve the minutes, as presented, and seconded by Mr. M. Craig Pascal. The minutes were unanimously approved.

III. Vote to close meeting to discuss the approval of the North Capitol Commons project and bond transaction.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors 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 the price and other material terms of the North Capitol Commons project and bond transaction. An open meeting would adversely affect the bargaining position or negotiation strategy of the public body. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Stanley Jackson and seconded by Mr. M. Craig Pascal. The motion was approved by voice vote. The Chairperson moved the meeting into a closed session at which time the DCHFA staff presented the matters to the Board of Directors, and the Board of Directors asked questions regarding the matters presented.

IV. Re-open meeting.

The Chairperson reopened the meeting at 5:58 PM.

V. Consideration of DCHFA Final Bond Resolution No. 2014-11 for North Capitol Commons.

Prior to the consideration of DCHFA Eligibility Resolution No. 2014-11 for the approval of North Capitol Commons, Ms. Leila Batties, Vice Chairperson, stated that Holland & Knight, LLP handled the BZA case for the project in 2012 and that the matter was closed. In addition, since the matter was closed, Ms. Batties, Vice Chairperson, stated that there is no financial interest to her, through the firm, regarding the matter before the Board.

Mr. M. Craig Pascal made a motion that the potential conflict be waived, and that motion was seconded by Mr. Stanley Jackson. By voice vote, the motion carried, and Ms. Batties, Vice Chairperson, was permitted to participate in the discussion and vote on the matter.

Ms. Day-Marshall, Interim Secretary to the Board, introduced the resolution to the Board for their consideration. Ms. Day-Marshall then introduced Mr. Anthony Waddell to present the matter to the Board. Mr. Anthony Waddell then asked that Mr. Edward Pauls, the Senior Development Officer on the transaction, present the matter to the Board. Representatives from the development team that were present at the meeting included Becky Foster, McCormack Baron Salazar, Mary Kellers, McCormack Baron Salazar, Chapman Todd, Community Solutions, Scott Cockerham, Ballard Spahr LLP, and Michael McKenzie, McKenzie and Associates.

The North Capitol Commons project consists of the reconstruction of a 124-unit apartment building at the proposed address of 1005 North Capitol Street, N.E. The total development cost is approximately \$32.6 million, of which the Agency will finance approximately \$16.75 million with tax-exempt bonds. Additional sources of funds include \$9.8 million in 4% Low Income Housing Tax Credit Equity, \$7 million in HOME funds from the Department of Housing and Community Development (DHCD), \$1.2 million in grants funds from DHCD (Department of Behavioral Health (DBH) funds), \$4.1 million in grants/contracts from the Department of General Services (DGS), and \$4 million in various grants from foundations and deferred developers fee.

Again, the project will consist of 123 studio apartments and 1 one-bedroom unit for the manager. An operating subsidy will be provided for 60 units that will be subsidized by the Veteran Affairs Supportive Housing (VASH) program, which is a partnership of the Department of Housing and Urban Development (HUD), the Department of Veterans Affairs (VA) and the D.C. Housing Authority (DCHA). In addition, 17 units will be subsidized by the Local Rent Supplement Program (LRSP), and those units will be designated for use by DBH clients. Tenants residing in the 77 units with operating subsidy will have incomes that are at or below 50% of the Area Median Income (AMI) level and the tenants will pay 30% of their income as rent. The remainder of the units (46 units) will be for tenants with incomes at or below 60% of the AMI.

The goal is to have the project completed in the spring of 2016, with tenants moving in shortly thereafter.

Questions asked by the Board of Directors included the following:

- How large is the retail space? The development team responded that the retail space is approximately 2500 square feet.
- What type of retail are you considering? The development team responded that they are still determining the best type of retail for the space. The development team does not plan to have a fast food restaurant or liquor store occupy the space.
- Please explain the DGS contract to Community Solutions. The development team responded that the funds were allocated several years ago to the project and another project to assist veterans from becoming homeless.
- What is the property management company's experience with services for veterans? The development team responded that they have partnered with The Salvation Army in another community where they are serving homeless veterans.
- What is the on-going relationship between case managers and Community Solutions? Tenants with case management services will be referred to the project from both DBH and the VA. It is anticipated that multiple case managers will be at the project at one time to provide various services to the tenants.
- Who will reside in the 46 affordable housing units? The development team responded that any qualified person/family can reside in the "non-permanent supportive housing units". The person/family would have to have an income at or below 60% of AMI.
- How will you select the veterans who can reside in the building? The development team responded that the referrals will come from the VA and will not necessarily be District-specific. However, it is expected that many of the veterans will come from a pool of several hundred homeless veterans in the District.

A motion to approve the transaction was made by Ms. Batties, Vice Chairperson, and seconded by Mr. Pascal. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

VI. Interim Executive Director's Report.

- **Yards Parcel N** – The Yards Parcel N transaction closed on August 12, 2014.
- **North Capitol Commons** – The North Capitol Commons transaction is scheduled to close this week.
- **Fraud Hotline** – The Fraud Hotline is in the implementation stage and the posters/brochures have been designed. The selected theme is "Integrity in Action". Tracy Parker, Associate General Counsel, will serve as the back up to Thorn Pozen with regard to the Fraud Hotline. The test incident report has been approved. The phone greeting has been selected and approved.
- **HomeSaver Program – Tax Lien Extinguishment Program** – The HomeSaver Program – Tax Lien Extinguishment Program launched on August 18, 2014. Briefing letters were sent to the Mayor, the Deputy Mayor

and the DC Council informing them of the launch. Briefings are being scheduled with Councilmember Bonds, Bowser and Evans who have taken a particular interest in tax lien extinguishment and we have offered briefings to other Councilmembers.

- **FY15 Budget** – The FY15 Budget will be presented to the Board at the September 9, 2014 Board Meeting. The goal is to have the FY15 Budget approved at the September 23, 2014 Board Meeting.
- **Real Estate Advisory RFP** – The responses are due back on September 26, 2014 and we have received several responses to the RFP.
- **Financial Management and Accounting Software RFP** – The RFP was posted on August 24, 2014 and the responses are due on November 19, 2014.
- **Parkway Overlook Security and Protective Services RFP** – The responses were due on August 25, 2014 and we received four responses.
- **Revised Scoring Review** – Requested to have the follow-up meeting in October due to the schedule of deals to be closed during the month of September. The Board agreed with the request to move the discussion to October.
- **Possible Meeting on September 16, 2014** – A meeting may be necessary to present a Final Bond Resolution for a project that may close before the end of September. An update will be provided at the next meeting.

VII. Other Business.

- **Update – DCHFA Government Affairs** – In lieu of an official report due to one staff member being on vacation and another staff member having a medical emergency, the Interim Executive Director provided two updates. The first was regarding an upcoming Roundtable on Affordable Housing to be convened by Councilmember Barry on August 28, 2014. The title of the Roundtable is the “Fear or Opportunity? Defining Affordable Housing”. Housing Directors were asked to attend and the Interim Executive Director will be in attendance. Second, the Interim Executive Director restated the HomeSaver Program – Tax Lien Extinguishment government affairs activities that she stated in her Interim Executive Director’s Report.
- **Update - Parkway Overlook** – The Interim Executive Director recently spoke to city officials, including the Mayor, regarding the Agency’s desire to dispose of the property prior to the end of the fiscal year. Given the discussions, all parties are working towards that goal. DHCD and DCHA are negotiating the pre-development loan. Comments on the draft purchase and sale agreement are due any day from DCHA. The Agency is awaiting a draft easement agreement from WASA, and we are in discussions with them.
- **Update – FY 2014 Third Quarter Budget Progress Report** - Tatsiana Kurlovich, Controller, discussed the FY2014 Third Quarter Budget Progress Report and stated that the Agency ended the third quarter with a net of \$167,000. Due to the cost savings measures, (mainly personnel savings) performed by the staff, the third quarter netted a profit. Some general

questions were asked by the Board and answered by the Interim Executive Director, the Controller and staff.

- **NCSHB Conference** – The Chairperson attended the conference and provided an update to the Board Members about the conference activities and speakers. Next year the NCSHB Conference will be held in Annapolis, MD and the DCHFA Board will be the host.
- **NCSHA Annual Conference** – The conference will be in Boston, MA on October 18-21, 2014.

VIII. Adjournment.

The meeting adjourned at 7:05 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary to the Board of
Directors
September 5, 2014

Approved by the Board of Directors on September 9, 2014