

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

March 25, 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 5:45 PM and asked the Interim Secretary of the Board, Maria K. Day-Marshall, Esq. to verify a quorum. With 4 members present, the Board of Directors (Board) had a quorum and the meeting continued. Mr. M. Craig Pascal participated via telephone.

The Chairperson asked the Board Members present to review the agenda. Mr. Charles R. Lowery, Jr. requested that the Search for the Executive Director be added under Other Business. At this time, the Chairperson asked for a motion to approve the amended agenda. The motion was made by Ms. Leila Batties, Vice Chairperson, and seconded by Mr. Lowery, Jr. By voice vote, the amended agenda was approved.

II. Approval of minutes from the March 13, 2014 Board meeting.

The members reviewed the minutes with the following comments.

- Page 3 – Consideration of DCHFA Resolution No. 2014-01(G) for the approval of a McKinney Act Loan for the Parcel 42 project and bond transaction – remove the descriptive sentence regarding the project and the Board’s approval.
- Page 4 - Under Interim Executive Director’s Report, Fraud Hotline – Change \$18,000 to \$1800.

The amended minutes were then moved by Ms. Batties, Vice Chairperson, and seconded by Mr. Lowery, Jr. The amended minutes were then approved by voice vote.

III. Vote to close meeting to discuss the approval of a McKinney Act Loan for the Parcel 42 project and bond transaction.

The Chairperson called a vote to close the meeting to discuss the approval of the 2321 4th Street project and bond transaction.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors will call 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 a McKinney Act Loan for the Parcel 42 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 was made by Ms. Batties, Vice Chairperson and seconded by Mr. Lowery, Jr. The Chairperson moved the meeting into a closed session at which time the DCHFA staff presented the project to the Board of Directors and the Board of Directors asked questions regarding the project.

IV. Re-open meeting.

The Chairperson reopened the meeting at 6:13 PM.

V. Consideration of DCHFA Resolution No. 2014-01(G) for the approval of a McKinney Act Loan for the Parcel 42 project and bond transaction.

The Interim Secretary read the resolution into the record and the Chairperson asked for a presentation by staff.

Prior to the presentation, Ms. Batties disclosed that Holland and Knight served as the land-use counsel for the underlying approval of the project. Ms. Batties stated that she would recuse herself from voting and from the discussion of the project because the land use and zoning work is not completed and because she wanted to remove any apparent conflict.

Tony Waddell, Director of Public Finance stated that Patience Dean, Development Analyst served as the development officer on the project. Ms. Dean presented the project along with the development team. The development team representatives present at the meeting included Josh Kern, Marullus Williams, and Eric Fidler of TenSquare.

The matter before the Board of Directors was the consideration of a McKinney Act Loan in an amount not to exceed \$750,000 for the Parcel 42 project. Parcel 42 development will add new affordable housing to a rapidly gentrifying Shaw neighborhood. The 105 units that comprise the project will consist of a mix of 28 efficiency, 42 one bedroom and 35 two bedroom residential units above 5,000 square feet of retail space. 20% of the 105 units will be set aside for households earning up to 50% of Area Median Income (AMI). The remaining 84 units will be priced at market rate. Community assets will include a rooftop pool, a restaurant located on the ground floor, a fitness center, in unit washer and dryer, and a 24 hour concierge services. The nine story building will contain 38 underground parking spaces. These spaces will cost residents a monthly rate of \$190 and will be assigned on a first come, first serve basis. Permanent financing for the project is estimated at \$33.9 million and will consist of a combination of taxable and/or tax-exempt bonds, low income housing tax credit equity, sponsor equity and deferred developer's fee. The McKinney Act loan funds will be used to pay fees associated with third party reports, design, entitlement, and permitting of the site in preparation for the commencement of construction. Based on the McKinney Act guidelines, three units will be rent restricted to families earning 50% AMI for ten years.

Questions asked by the Board of Directors include the following:

- Is the unit mix fixed? The development team responded yes, due to the market research performed the unit mix is fixed.
- What is Chapman Development's role? The development team responded that Chapman Development is serving as a fee developer.
- When will construction begin? The development team responded that they hope to break ground in 12 months.
- When do you expect to have site control? The development team responded that they expect to have site control within 45 days.
- Aside from the amenities stated in the memo, will there be additional amenities offered to the residents? The development team responded that there will be an incubator site for a restaurant and another organization will help with job readiness and workforce development. They are working with Howard University, One DC and University Legal Services as well.

A motion was made by Mr. Lowery, Jr. and seconded by Mr. Pascal. The Interim Secretary called the role and the motion carried with 3 votes in the affirmative and one abstention, Ms. Batties, Vice Chairperson.

VI. Approval: DCHFA Credit Card Policy & Procedures and Statement of Responsibility

The Chairperson asked the Board to discuss the DCHFA Credit Card Policy and Statement of Responsibility that was included in their Board packages. Several matters were discussed including the approval process, the number of credit cards, the oversight of the credit card usage and best practices associated with other entities using credit cards. Once the matter was fully discussed the Board of Directors requested the following global change to the DCHFA Credit Card Policy and Procedures, change the number of credit cards language to the following: Issue one credit card with two authorized credit card holders or users. Regarding the Statement of Responsibility, the following change was requested: In the event that the authorized card holder or user is the Executive Director, the Chairperson of the Board will approve his/her usage.

A motion to accept the amended DCHFA Credit Card Policy and Procedures and the amended Statement of Responsibility was made by Ms. Batties, Vice Chairperson and seconded by Mr. Lowery, Jr. The Interim Secretary called the role and the motion carried 4-0. Mr. Lowery, Jr., asked to receive a copy of the amended DCHFA Credit Card Policy and Procedures and the amended Statement of Responsibility at the next meeting.

VII. Discussion: Affordable Housing Needs

Ms. Batties, Vice Chairperson, requested that the Board of Directors discuss the DCHFA's mission and the type of projects the DCHFA finances, at a future meeting. The Chairperson stated that the topic could be discussed at a Board Retreat where the Interim Executive Director and Public Finance staff were present. A meeting/retreat will be arranged in the near future.

VIII. Interim Executive Director's Report.

The Interim Executive Director provided the following updates.

- Parkway Overlook – The DCHFA was the successful bidder at the foreclosure auction on March 14, 2014. The DCHFA will record title by mid April. Once the title is recorded, the DCHFA will work to dispose of the property as soon as possible.
- HomeSaver Program – In November 2013, the DCHFA stopped accepting applications for the program. Currently, there is approximately \$2.3 million in “excess” funds remaining. Staff is evaluating the creation of a tax lien extinguishment program. Additional updates will be provided at future meetings.
- Budget Process Reports – Sergei Kuzmenchuk, Chief Financial Officer distributed the 1st quarter of FY14 budget process reports. The Chairperson asked that the Board review the materials and be prepared to discuss them more fully at the next Board meeting.
- Government Affairs Update – Nkosi Bradley, Director of Government Affairs, distributed a presentation to the Board. The Chairperson asked that the Board review the materials and be prepared to discuss them more fully at the next Board meeting.

IX. Other Business.

- Search for the Executive Director – Mr. Lowery, Jr. requested that the Board of Directors arrange a “special meeting” to discuss the matter. The Chairperson agreed and asked that Mr. Lowery, Jr., work with the members to determine a date.
- Annual Report – The Chairperson asked the status of the Annual Report for FY13. The Interim Executive Director and staff stated that the report should be available by mid April.
- Smith Research and Grading Conference – Interim Executive Director presented on a panel at the conference in March. The presentation included information regarding the Districts demographics, the DCHFA's role in preserving and producing affordable housing, the Mayor's commitment to affordable housing and types of projects that the DCHFA finances.
- NALHFA Conference – Allison Ladd, Associate Executive Director will be attending the conference in early April. The Interim Executive Director may attend as well.

X. Adjournment.

The meeting adjourned at 7:20 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary
April 4, 2014

Approved, by the Board of Directors on April 8, 2014