

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

**January 9, 2018**

**815 Florida Avenue, NW**

**Washington, DC 20001**

**5:00 p.m.**

**Minutes**

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

DCHFA Board Chair, Mr. Buwa Binitie, called the meeting to order at 5:32 p.m. and asked the Secretary to the Board, Mr. Todd A. Lee to verify a quorum. With five members present, the Board of Directors had a quorum, and the meeting continued.

The following members were present at roll call: Buwa Binitie, Stephen Green (telephonically), Sheila Miller, Bryan “Scottie” Irving (telephonically), Stanley Jackson (telephonically).

**II. Approval of Minutes - November 14, 2017, November 28, 2017, December 1, 2017, December 12, 2017, and December 19, 2017.**

After calling for comments on each submission, and receiving none, a motion to approve the minutes from November 14, 2017, November 28, 2017, December 1, 2017, December 12, 2017, and December 19, 2017 was made by Mr. Jackson and properly seconded by Ms. Miller. The minutes were approved by a chorus of ayes.

**III. DCHFA Annual Meeting and Elections**

Mr. Lee opened the floor for nominations from the Board for its Chair during Calendar Year 2018. Mr. Jackson nominated Mr. Binitie for Board Chair, which Mr. Irving, Mr. Green, and Ms. Miller properly seconded. The motion passed by a chorus of ayes.

Mr. Binitie thanked his colleagues for their vote.

Mr. Lee opened the floor for nominations from the Board for its Vice Chair during Calendar Year 2018. Mr. Irving nominated Mr. Green for Board Chair, which Mr. Jackson, Mr. Green, and Ms. Miller properly seconded. The motion passed by a chorus of ayes.

Mr. Green thanked his colleagues for their vote.

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

Counsel to the Board, Mr. Thorn Pozen informed the Board of his desire to present in closed session. Mr. Binitie agreed to conduct that portion of the meeting after the Executive Director's report and before adjournment.

Mr. Lee informed the Board of his intention to present a summary of the Agency's activity during Calendar Year 2017 by having various members of Agency staff present.

Ms. Yolanda McCutchen, DCHFA Director of Public Relations presented.

She provided a chart of metrics on mentions in social and traditional media. Spikes in mentions peaked in June in connection with Homeownership Month activity conducted individually and in partnership with other entities (i.e., DC Department of Housing and Community Development (DHCD) and MANNA Inc.).

End of the year activity was high due to advocacy regarding the federal threat of private activity bonds. Overall the Agency was featured in 36 news articles, which were shared via social media, DCHFA's website.

Also, over the course of 2017 the Agency increased its community outreach events beyond simply being sponsors of partner events. The Agency provided Thanksgiving meals to homeless individuals, and assisted Board Member Irving in staging for its Thanksgiving Day community outreach. At the end of the year DCHFA held a brunch for senior citizens.

The Agency supported two local players' trip to the National Football Youth League tournament in Florida.

The Single Family Programs staff participated in the D.C. State Fair, Ward 8 Day, and The District of Columbia Housing Expo.

Director Lee was on a number of speaker panels throughout the year. The year culminated in Mr. Lee's selection as one of *Washington Business Journal's* 2018 minority business leader honorees. That ceremony will occur in March, 2018.

Mr. Lee introduced DCHFA Chief Administration Officer, Fran Makle.

Ms. Makle discussed the following accomplishments of the department:

- Created new electronic processes in Finance to replace paper processes for ordering wires and ACH's for DC Open Doors, HPAP, and HomeSaver
- Implemented automated timesheet system
- Implemented HR Applicant Tracking System
- Approval of Agency Procurement Policy
- Hired a new Procurement Officer and completed 6 procurements
- Implementation of groups 1 & 2 of Emphasys
- Implementation and go-live of Asana workflow management system

Mr. Binitie inquired on what in the presentation represented what he termed "\$900,000 software." Ms. Makle clarified that the Emphasys system is the item to which he referred and that the following six modules have been installed: the general ledger, accounts payable, SMARTS Network, Quick Reports, e-documents, trustee reconciliation and investments. She expressed her belief that the old system (Solomon), which was running in tandem with Emphasys, will be discontinued within the month. She continued that in the upcoming months the Agency will bring on investment trustee reconciliation and investment software so that all of its investments will be monitored through a single platform. The two functions are currently performed manually.

Mr. Binitie inquired on how the Asset Manager position relates to the Agency's software procurement plan/rollout. Ms. Makle responded that the Agency is preparing to execute an RFP for compliance software to be used by the Compliance and Asset Management (CAM) division.

Mr. Binitie, Ms. Makle, and DCHFA Director Government Affairs discussed the potential for creating a technological “bridge” between the Emphasys system and the ultimately selected CAM software.

Mr. Lee introduced Ted Blake, DCHFA Chief Financial Officer.

Mr. Blake discussed the following accomplishments of the department:

- Total Assets of \$1.375 billion
- Debt Portfolio now stands at \$1.141 billion
- Bonds issued: \$193 million
- Combined Net Position increased by \$8.1 million or 8% growth over 2017
- Total Net Position now stands at \$113 million which is 8% higher than FY16
- Net Assets as a percentage of Total Assets is 8.2% up from 7.6% in 2016
- Operating Income as a percentage of Total Assets was 0.77% for FY17
- Established a new parity indenture
- FY 2017 General Audit
- All materials submitted to CohnReznick
- Draft statements released & subsequently provided timely to DC government on draft basis
- Expect final release by CohnReznick by January 12<sup>th</sup>
- Audited financial statements were generated by Emphasys, the Agency’s new financial management system
- Hardest Hit Fund (HHF) Program Audits - ongoing
- Office of Inspector General for the Troubled Asset Relief Program (SIGTARP) Audit - ongoing

- Single Family Home Purchase Assistance Program (HPAP) Audit - ongoing
- Executed a \$34.4 million refunding transaction under the new parity indenture that will yield a net present value savings of \$6.73 million to the Agency

Mr. Lee indicated that the Agency has 120 days from the end of the fiscal year to complete its audit report. There is a target completion deadline of January 12th, which the Agency expects to meet.

Mr. Binitie thanked Mr. Blake for his presentation.

Mr. Lee introduced Lisa Hensley, Senior Vice President of Single Family Programs.

Ms. Hensley discussed the following accomplishments of the department:

- Single Family closed 161 DC Open Doors loans, 81 HPAP loans, and 90 standalone Mortgage Credit Certificates
- Wards 7 and 8 were the most active for the DC Open Doors and HPAP products. Standalone MCCs were most active in Wards 1 and 5
- Average income for DC Open Doors and Standalone MCCs was approximately 80% of AMI, and approximately 50% AMI for HPAP

Mr. Binitie asked whether the rate of HPAP applicants at 50% AMI is tied to restrictions on the funding source. Ms. Hensley confirmed that the Agency's administration of HPAP funds is limited to receipt by low and very low income applicants.

Mr. Binitie inquired on the volume of HPAP funds administered over the same period by the Urban League of Greater Washington. Ms. Hensley indicated that she did not have the answer to that question. Ms. Hensley discussed that the Agency didn't have its first settlement until June and that roughly 10 of its closings were conducted where the Greater Washington Urban League could not fund those loans.

Mr. Binitie inquired on the refunding time for the DC Department of Housing and Community Development (DHCD). Ms. Hensley responded 60 days. Mr. Binitie inquired on the adequacy

of that timeline. Ms. Hensley indicated that the turnaround time is adequate. Mr. Binitie affirmed for the record that the turnaround time is indeed “relatively good.”

Ms. Hensley then stated that of 328 applications, 81 transactions ultimately closed.

Mr. Binitie thanked Ms. Hensley.

Mr. Lee introduced Mr. Donald, Senior Vice President Multifamily Lending and Investments, who then discussed the following accomplishments of the department:

- The legacy Risk Share portfolio consists of 17 loans with a total outstanding balance of \$71.0 million
- As of 12/31/17, two loans (Euclid Street and Chaplin Street) are on the Severe Watch list (DCSR <1.0x). The outstanding balance is \$2.2 million and represents 3.06% of the entire portfolio
- An additional five loans with a combined outstanding balance of \$33.5 million (47.15% of the portfolio) are on the Pre-Watch list (non-DSCR issues)
- The legacy Risk Share portfolio consists of 17 loans with a total outstanding balance of \$71.0 million
- An additional five loans with a combined outstanding balance of \$33.5 million (47.15% of the portfolio) are on the Pre-Watch list (non-DSCR issues)
- In 2017 Multifamily was approved to be a HUD Level 1 50/50 Risk Share Lender
- In 2018, the Agency anticipates closing its first Risk share transaction (Woodmont Crossing Apartments – 176 units; \$26.4 million)
- In addition to Woodmont, the Agency’s Risk Share pipeline is as follows:
  - Delta Tower (179 units)
  - Capital Vista (104 units)
  - Southern Ave (150 units)

- Bruce Monroe (189 units)
  - 1550 First Street SW (78 units)
  - St. Elizabeth East Housing (252 units)
  - Hill East Apartments (91 units)
- Total: \$211 million in estimated permanent financing insured by HUD

Mr. Lee transitioned the topic of conversation to the Agency's Housing Investment Platform (HIP), on which Mr. Donald presented.

Per Mr. Donald:

- HIP closed the first single family investment in August 2017

Elvans Road is approximately 65% complete, on budget and ahead of schedule. Mr. Donald stressed that the selected Developer has a record of producing high end housing types and the homes under construction at Elvans Road are a departure from typical housing of the sort (i.e., workforce).

Expected completion: Late winter/Early Spring

- Ms. Miller asked whether the homes at Elvans Road have been sold. Mr. Donald responded that the presale process is ongoing. Mr. Lee indicated that the Agency receives a significant number of calls from individuals seeking to purchase one of the homes.
- Mr. Donald discussed positive feedback from various District Government entities on the program.

Mr. Donald continued:

- HIP was selected to develop two sites for the Vacant to Vibrant (V2V) initiative
- HIP V2V sites are located in Anacostia (Ward 8) and Rosedale (Ward 6)
- DCHFA will select a slate of Developer partners for select opportunities for public/private partnerships to develop workforce housing

Per Mr. Lee, The RFQ closed on the January 5, 2018.

Seven submissions were received, which the Agency is in the process of reviewing.

- HIP has a robust pipeline of 2 projects in production that will deliver 21 townhomes affordable to workforce incomes
- Projects and units are currently located in Wards 7 and 8
- HIP has invested nearly 20% of the fund's capital and is actively 5 underwriting transactions for future approval by the Board

Mr. Irving referenced a DHCD informational scheduled for the night of the Board Meeting (1/9), and inquired whether DCHFA was slated to participate in that event. Mr. Lee responded that he was scheduled to speak at the event.

Mr. Lee commended the staff for its work in 2017. He indicated that he was not prepared to discuss goals for 2018, but shared his intention to focus in large part on processes, policies, and procedures, and indicated that Risha Williams, Senior Director of Community Engagement will spearhead that effort. Mr. Binitie asked whether that work will include review of the processes associated with closing agency transactions. Mr. Lee answered in the affirmative.

Mr. Binitie commended the work of the Agency. Mr. Green associated himself with Mr. Binitie's statement. Mr. Jackson and Ms. Miller echoed the sentiments Mr. Green. Mr. Lee thanked the Board for its praise, and commended the Board's work in support of the Agency.

#### **V. Vote to close the meeting to consult with the Board's attorney**

Pursuant to the District of Columbia Administrative Act, Mr. Binitie called 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 the public body or to approve settlement agreements provided that upon request the public body may decide to waive the privilege. And open meeting would adversely affect matters related to the agency.

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

The meeting was closed at 6:20 p.m. and resumed at 6:28 p.m.

## **VI. Adjournment**

Mr. Binitie called for a motion to adjourn.

A motion to adjourn the meeting was made by Ms. Miller and seconded by Mr. Jackson.

The motion was approved by a chorus of ayes.

The meeting adjourned at 6:28 p.m.

Submitted by Todd A. Lee, Secretary to the Board of Directors on January 23, 2018.

Approved by the Board of Directors on January 23, 2018.