

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

June 24, 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 5:37 PM and asked the Vice Chairperson, Leila Batties to chair the meeting since Mr. Ford was out of town and participating in the meeting via telephone. Ms. Batties agreed to chair the meeting and then asked the Interim Secretary of the Board, Maria K. Day-Marshall, Esq. to verify a quorum. With 5 members present, the Board of Directors (Board) had a quorum and the meeting continued.

The Vice Chairperson asked the Board Members present to review the agenda. Hearing no changes, the Vice Chairperson asked for a motion to approve the agenda, as presented. The motion was made by Mr. Stanley Jackson, and seconded by Mr. M. Craig Pascal. By voice vote, the agenda was approved.

**II. Approval of minutes from the May 13, 2014 board meeting.**

The Vice Chairperson asked the Board Members present to review the draft minutes. Hearing no changes to the minutes, the Vice Chairperson asked for a motion to approve the draft minutes, as presented. The motion was made by Mr. Ford, and seconded by Mr. Jackson. By voice vote, the minutes were approved.

**III. Vote to close meeting to discuss the approval of the Eastbrooke Apartment Homes at Beulah Crossing project and bond transaction**

Pursuant to the District of Columbia Administrative Procedure Act, the Vice 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 Eastbrooke Apartment Homes at Beulah Crossing 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 Mr. Pascal and seconded by Mr. Ford. The Vice Chairperson moved the meeting into a closed session at which time the DCHFA staff presented the matter to the Board of Directors, and the Board of Directors asked questions regarding the matter.

#### **IV. Re-open meeting.**

The Vice Chairperson reopened the meeting at 5:56 PM.

As the public attendees joined the meeting, the Chairperson asked for the staff present in the meeting to introduce themselves.

#### **V. Consideration of DCHFA Final Bond Resolution No. 2014-06 for the approval of the Eastbrooke Apartment Homes at Beulah Crossing.**

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 and Ed Pauls to present the matter to the Board.

Mr. Pauls, Senior Development Officer presented the project and his recommendation to the Board of Directors. Mr. Pauls introduced a member of the development team, Ray Nix from UrbanMatters Development Partners.

The matter before the Board of Directors was the consideration of a DCHFA Final Bond Resolution, in an amount not to exceed \$10.5 million to finance the Eastbrooke Apartment Homes at Beulah Crossing. The project consists of the new construction of a four-story, 39 unit apartment building with a total development cost of approximately \$9.8 million of which will be covered by \$4.85 million in bonds issued by the Agency. Additional sources of funds include 4% Low Income Housing Tax Credit Equity, a DHCD Housing Production Trust Fund loan, and deferred developer's fee.

The bedroom mix is as follows, 11 one-bedroom units, 17 two-bedroom units, 11 three-bedroom units, for 39 units total. All 39 units will meet the 40 percent at 60 percent AMI test for both the tax-exempt bonds and the housing tax credits. It is anticipated that the construction will be completed by the late summer of next year, with lease-up completed by the end of 2015.

Mr. Nix presented the development team's experience and stated the project's history along with additional project information that complimented staff's presentation of the project.

Questions asked by the Board of Directors included the following:

- What is the construction period? Mr. Pauls responded that the construction period is approximately 13-14 months.
- Please explain your market study and your analysis of the market. The development team responded that several market studies were performed over the years and all of them supported family sized units in the neighborhood. In addition, the competitive solicitation that the development team won required a significant amount of two and three bedroom units.

- Please discuss the CBE participation for the project. The development team responded that they have already analyzed their CBE participation for the project and that they will exceed the minimum requirements, from the interior designers to the civil engineers.
- Please discuss the marketing of the homeownership project close to Eastbrooke Apartment Homes. The development team stated that over 1200 people visited the project since 2011.
- Please discuss the parking on the site. The development team responded that the project will include 20 surface parking spaces and that the project received a variance from Board of Zoning Adjustment for the parking requirement.

A motion was made by Mr. Pascal and seconded by Mr. Jackson. The Interim Secretary called the roll, and the motion carried with 5 votes in the affirmative.

## **VI. Caine Mitter Presentation – Post sale analysis of multifamily pass through refunding.**

The Interim Executive Director provided introductory remarks and introduced Tom Caine and Bronson Martin from Caine Mitter. In her remarks, the Interim Executive Director stated that the DCHFAs recently closed a multifamily pass-through refunding transaction which was the third of its kind in the nation. Ms. Day-Marshall stated that it was a very successful transaction, and the financial advisor, Caine Mitter is going to share a post sale analysis with the Board of Directors.

Mr. Caine provided an overview of the refunding transaction. Mr. Caine stated that transaction was a \$42 million refunding that the DCHFAs refunded all the bonds and that the original bond issues that had been issued to fund FHA risk sharing programs, and that all of the bonds were callable at that time. The bonds were managed by Barclays, and the bond issue was managed by Barclays and it was set up as a pass-through. The sale was a successful sale and the DCHFAs will recover a long term cost savings. The DCHFAs transaction was third of its type in the country.

As the matter concluded, the Interim Executive Director applauded the staff who worked on the transaction, Sergei Kuzmenchuk, Risha Williams, Mike Winter and Lillian Johnson.

## **VII. Update – Financial Management Software RFP.**

The Interim Executive Director introduced Fran D. Makle, Deputy Executive Director to present the update. Ms. Makle yielded her time to allow Mr. Kuzmenchuk, Chief Financial Officer to provide the update. Mr. Kuzmenchuk discussed the team effort associated with preparing the solicitation and further stated that the business processes have been inventoried. The business processes have been shared with CohnReznick, who serves as a consultant to the DCHFAs. It is anticipated that the solicitation will be available in a couple of weeks for review with the goal of releasing the solicitation by the end of July. A discussion about the pricing of the software was held when the update concluded.

## **VIII. Interim Executive Director's Report.**

- Second Quarter FY 2014 Budget Progress Report - Ms. Day-Marshall stated that second quarter FY14 budget progress report was included in the Board Package. The Chairman asked that the Board discuss the report at the next meeting so that the Board will have time to review the report, prior to asking questions. Ms. Day-Marshall shared that there are about five multifamily transactions that will close in the 4<sup>th</sup> quarter. Some of the projects were delayed due to confirming other funding sources or other reasons.
- Homeownership Month – June – Ms. Day-Marshall stated that June was Homeownership Month and that the DCHFA participated in several events and speaking engagements. In addition, the DCHFA hosted its first House Crawl on June 14, 2014. The DCHFA rented two Circulator buses and toured four houses that were within the DC Open Doors funding parameters. In addition, an information session about DC Open Doors was held at the end of the House Crawl. The Chairperson thanked staff that attended the events and worked on the House Crawl.
- FY13 Annual Report – Ms. Day-Marshall stated that copies were provided in the Board Package.
- NCSHB Conference – Ms. Day-Marshall stated that conference brochure was included in the Board Package.

## **IX. Other Business**

- Parkway Overlook Update– Ms. Day-Marshall stated that the DC Housing Solutions, the nonprofit affiliate of the DC Housing Authority, approved a resolution to create a subsidiary for Parkway Overlook to participate, to own the property and to execute a loan agreement with DHCD for the acquisition and predevelopment funds. In addition, on June 17<sup>th</sup>, representatives from DC Housing Solutions performed a site visit at Parkway Overlook, in anticipation of developing a scope of work for the architectural services. Finally, the DCHFA is about 90 percent done with the drafting of the purchase and sale agreement. At the conclusion of the update, the Vice Chairperson stated that the Chairman would like a discussion about the project's financials in a closed session at the next meeting.
- RFP for Real Estate Advisory Services – The Vice Chairperson stated that she is working with the Interim Executive Director to develop a solicitation for real estate advisory services.
- Scoring – The Chairperson asked that staff provide an update to the Board regarding the scoring criteria for the multifamily rental transactions.

## **X. Adjournment.**

The meeting adjourned at 7:07 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary  
July 3, 2014

Approved by the Board of Directors on July 9, 2014