

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

March 13, 2014
815 Florida Avenue, NW
Washington, DC 20001
5:30 pm

APPROVED MINUTES, AS AMENDED

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. With 4 members present, the Board of Directors (Board) had a quorum and the meeting continued.

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 February 25, 2014 board meeting.

The members reviewed the minutes with the following comments.

- Page 1 – Under Interim Executive Director’s Report, Financial Management Software Update – In the second sentence, change updated to update.
- Page 2 - Under Interim Executive Director’s Report, Credit Card Policy – In the third sentence change o to of.

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

III. Vote to close meeting to discuss the approval of the 2321 4th Street 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 the 2321 4th Street 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. Pascal. The Chairperson moved the meeting into a closed session at which time the DCHFA staff presented the projects to the Board of Directors and the Board of Directors asked questions regarding each project.

IV. Re-open meeting.

The Chairperson reopened the meeting at 5:58 PM.

V. Consideration of DCHFA Eligibility Resolution No. 2014-02 for the approval of the 2321 4th Street 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 did not work on the project/case and that she will not financially benefit or otherwise benefit from the approval of the project. Ms. Batties asked that the Board of Directors vote to waive the apparent conflict. The Chairperson asked for a motion to allow Ms. Batties to participate and vote on the 2321 4th Street project and bond transaction. The motion was moved by Mr. Pascal and seconded by Mr. Lowery, Jr. and the motion carried.

Ed Pauls, Senior Development Officer, presented the project along with the development team. The development team representatives included Jim Edmondson, E&G Group, Kenton Drury, E&G Group, Kenneth Brewer, H Street CDC, Eric Jones, H Street CDC, and Avi Fechter, Equity Plus (project consultant).

2321 4th Street consists of the acquisition and construction of a five story building housing 116 units and approximately 5,000 square feet of retail space on the ground floor. The property is currently owned by H Street Community Development Corporation (H Street CDC) and it will be sold to the partnership which includes H Street CDC, E&G Group and the tax credit subsidiary. The 116 unit project will include four studios, 70 one bedroom, 38 two bedroom and four 3 bedroom units. Proposed tenant amenities include a computer room, an exercise room, meeting rooms, an elevated courtyard, a social service providing officer and 24 hour front desk security. Tenant services will be managed by N Street Village and Latin American Youth Center. The total development cost is \$30.2 million. The matter before the Board of Directors was the consideration of an Eligibility Resolution authorizing the issuance of taxable and/or tax-exempt bonds in an amount not to exceed \$18.5 million.

Questions asked by the Board of Directors include the following:

- How did you determine the bedroom mix and the number of 3 bedroom units to include on the site? The development team responded that a market study was performed to help them determine the proper bedroom mix and the demand for their housing unit type and size.

VI. Interim Executive Director's Report.

The Interim Executive Director provided the following updates.

- Parkway Overlook Status – The foreclosure auction will occur on Friday, March 14, 2014 at 11 am at Alex Cooper Auctioneers.
- New webpage - A new Freedom of Information Act (FOIA) webpage was created and now can be viewed on the DCHFA's website homepage. The link is located in the footer of the homepage – www.dchfa.org.
- Refunding Initiative – Staff is working with an outside financial advisor to evaluate the Risk Share Program portfolio. In order for the staff to procure the services of a financial institution to perform the refunding, the staff will be using a clause in the procurement manual that allows the DCHFA to accept unsolicited proposals in order to obtain innovative or unique methods or approaches to accomplish the Agency's mission or goals. The staff will present a more formal presentation and ask for the Board's approval to refund a portion of the portfolio outstanding bonds to reduce the interest rate and provide a savings to the DCHFA. The staff plans to return to the Board of Directors at the first meeting in April.
- Follow up to Requests from the Board of Directors
 - Map – The Agency has a map of projects that needs to be updated to include the last few years of projects that were financed by the DCHFA. Staff will update the map and share it with the Board of Directors.
 - List of HFA Issuances – The Agency has a list of DCHFA issuances since inception, however staff needs to update the list to include the last few years of projects that were financed by the DCHFA. Staff will update the list and share it with the Board of Directors.
 - Project Investments – The Agency has a list of DCHFA investments by Ward, however, staff needs to update the list to include the last few years of projects that were financed by the DCHFA. Staff will update the list and share it with the Board of Directors.
- Credit Card Policy – A draft credit card policy was prepared by staff, and the auditors are currently reviewing it. Once the auditors review the policy, the policy will be brought to the Board for their review and approval.
- Financial Management Software System – The Work Team continues to meet and is currently working on the development of the Request for Proposals for a system.
- McKinney Act Loan Portfolio – There are four loans in default and the DCHFA is working with the borrowers to determine how to bring the loans current.
- Risk Share Portfolio Balance – The Risk Share portfolio balance stands at \$132 million.
- DC Building Finance Corporation – The staff filed the DC Building Finance Corporation paperwork with DCRA to comply with District rules and regulations.

VII. Other Business.

- Fraud Hotline – The Chairperson asked for an update on the Fraud Hotline research. The CFO, Sergei Kuzmenchuk stated that the cost is approximately \$1800 annually and that further information would be shared at future meetings after he concludes his research.

- Quarterly Updates – The Chairperson stated that he would like to continue receiving quarterly updates on government affairs activities, human resources and the financial management software system.
- Search for the Executive Director – The Chairperson stated that Stan Jackson will assist Mr. Lowery, Jr. The team will draft a position description to share with Board of Directors and the search committee/firm.
- Training – HAND and HUD are hosting a training event on housing programs on March 27th.
- Next Meeting – The next meeting will be held on Tuesday, March 25, 2014.

VIII. Adjournment.

The meeting adjourned at 6:49 PM.

Submitted by Maria K. Day Marshall, Esq., Interim Secretary
March 21, 2014

Approved, as amended, by the Board of Directors on March 28, 2014