

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

August 13, 2024

5:30 p.m.

Minutes

Join Zoom Meeting

<https://dchfa.zoom.us/j/83665996208?pwd=RWJzc3JKTG1Pd2VxQTQzUVVzcktCdz09>

Meeting ID: 836 6599 6208

Passcode: 713370

One tap mobile

+16469313860,,83665996208#,,,*713370# US

+19292056099,,83665996208#,,,*713370# US (New York)

Dial by your location

- +1 646 931 3860 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
 - +1 305 224 1968 US
 - +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)
- +1 669 900 6833 US (San Jose)
 - +1 689 278 1000 US
 - +1 719 359 4580 US
 - +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
 - +1 360 209 5623 US
 - +1 386 347 5053 US
 - +1 507 473 4847 US
 - +1 564 217 2000 US
 - +1 669 444 9171 US

Meeting ID: 836 6599 6208

Passcode: 713370

Find your local number: <https://dchfa.zoom.us/u/kcBqsYE0V9>

I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Chairperson, Mr. Stephen Green, called the meeting to order at 5:35 p.m. and asked the Secretary to the Board of Directors (the “Board”), Mr. Christopher Donald, to verify a quorum. The Board reached a quorum and the meeting continued. The following members were present via Zoom: Mr. Stephen Green, Mrs. Heather Wellington, Mr. Bryan “Scottie” Irving, Mrs. Carri Robinson, and Mr. Stanley Jackson.

I. Vote to approve minutes from the July 9, 2024 board meeting.

Mr. Stephen Green asked the board members if they had any additions or deletions to the July 9, 2024 minutes. Mr. Irving made a motion to accept the minutes. The motion was properly seconded by Mr. Jackson. The motion passed by a chorus of ayes.

II. Vote to close meeting to discuss updates to the McKinney Act Loan Guide.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors called for a motion to close the meeting to discuss, establish, or instruct the public body's staff or negotiating agents concerning the position to be taken in negotiating updates to the McKinney Act Loan Guide. An open meeting would adversely affect matters related to the Agency. (DC Code §2-575(b)(2)).

Mr. Green called for a motion to close the meeting. Mr. Jackson made a motion to close the meeting. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 5:39 p.m. and re-opened at 6:17 p.m.

Mr. Donald stated that a recusal for The Clara – Supplemental needed to go on the record.

Mrs. Robinson recused herself from The Clara – Supplemental matter to avoid conflict of interest or any appearance thereof. Mrs. Robinson left the meeting. She did not take part in any discussion or votes related to The Clara- Supplemental bond transaction.

III. Vote to close meeting to the Final Bond Resolution for The Clara–Supplemental Bonds.

Pursuant to the District of Columbia Administrative Procedure Act, the Chairperson of the Board of Directors called for a motion to close the meeting to discuss, establish, or instruct the public body's staff or negotiating agents concerning the position to be taken in negotiating the Final Bond Resolution for The Clara - Supplemental. An open meeting would adversely affect matters related to the Agency. (DC Code §2-575(b)(2)).

Mr. Green called for a motion to close the meeting. Mr. Jackson made a motion to close the meeting. The motion was properly seconded by Mr. Irving. The motion passed by a chorus of ayes.

The meeting was closed at 6:20 p.m. and re-opened at 6:31 p.m.

IV. Consideration of DCHFA Final Bond Resolution No. 2024-07 for The Clara–Supplemental Bonds.

Ms. Linda Hartman, Underwriter, Multifamily Lending and Neighborhood Investment (“MLNI”) presented the transaction to the Board. MLNI presented The Clara–Supplemental Bonds for final bond resolution.

The MLNI team recommends that the Board approve a resolution in the amount not to exceed 2.04 million dollars. The supplemental short term bond proceeds will cover the increase in aggregate basis for The Clara and ensure that the project passes the fifty percent (50%) test.

The Clara is located in the Anacostia neighborhood, approximately 0.2 miles northeast of the Anacostia Metro. The project is a six-story new construction property with 81 affordable one, two, and three-bedroom units restricted at thirty percent (30%) and fifty percent (50%) of Area Median Income (“AMI”).

The Clara has cost overruns of approximately 5.2 million dollars, which were primarily driven by the timing extension costs related to a change in the electrical equipment and additional costs related to the extension of the construction loan. Due to the cost overruns, it is failing the 50% Test, per a July 2024 preliminary fifty percent (50%) test completed by Novogradac and Company.

The MLNI department recommends a supplemental bond issuance of \$2.0 million dollars, which results in a total tax-exempt bond issuance amount of \$22.211 million dollars. This will provide enough bonds for the project to pass the fifty percent (50%) test. This bond issuance amount has been approved by all financing partners.

The MLNI department recommends the Board approve the supplemental bond issuance to assist in solving this significant funding gap.

Ms. Hartman concluded her presentation and introduced the representatives of Banneker Ventures, Hamel Builders, and Winn Companies.

Mr. Green asked Mr. Omar Karim for details regarding the timeframe and stabilization of the project.

Mr. Karim stated that construction is complete and ready for residents to move in. He also stated that if the resolution is approved, he expects to close on the purchase of bonds on Thursday and receive the Certificate of Occupancy. Mr. Karim expects stabilization to occur within the next 90 days and convert to a permanent loan in January or February.

Mr. Green asked Mr. Kent Neumann, Tiber Hudson, how his law firm was becoming a bond trader.

Mr. Neumann responded that he was buying the bonds personally.

Mr. Green asked Mr. Michael Hentrel, General Counsel, DC Housing Finance Agency, how to correct the technical issue in the board memo stating that Tiber Hudson was purchasing the bonds.

Mr. Hentrel responded that the board memo could be amended for the record.

Mrs. Wellington asked whether the technical error could impact any of the underwriting or what was reviewed. Mr. Green responded that he doubts it.

Mr. Neumann stated that his accountant advised him to purchase the bonds individually as opposed to purchasing the bonds as a law firm.

Mr. Green asked if any members of the board had any additional questions.

There were no additional questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2024-07 for The Clara—Supplemental Bonds. Mr. Irving made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was unanimously approved.

V. Other Business.

Mr. Donald asked for the Board's availability regarding a future strategic session. He stated that a survey will be sent out to determine schedules.

Mr. Green asked whether the Agency needed to keep the August 27, 2024 board meeting on the schedule. Mr. Donald responded stating that the Agency intends to use the meeting to have an initial budget review. He also stated that there were potentially two transactions that may be presented at the September 10, 2024 board meeting and that there will be a vote for the budget on that date. The last meeting of the fiscal year will be for the approval of a slate.

VI. Executive Director's Report.

There was no Executive Director's Report.

VII. Adjournment.

Mr. Green called for a motion to adjourn the meeting. Mr. Jackson made a motion to adjourn the meeting, which was seconded by Mrs. Wellington. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

The meeting was adjourned at 6:42 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on September 10, 2024.