

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

**January 28, 2025**

**5:30 p.m.**

**Minutes**

Join Zoom Meeting

<https://dchfa.zoom.us/j/88223474672?pwd=zWb1EJxMjCgaERguhalRCSromUgTBQ.1>

Meeting ID: 882 2347 4672

Passcode: 570113

One tap mobile

+16469313860,,88223474672#,,, \*570113# US

+19292056099,,88223474672#,,, \*570113# 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: 882 2347 4672

Passcode: 570113

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

**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, and Mr. Yohance Fuller.

## **II. Vote to close meeting to discuss Agency’s FY24 Mitchell and Titus Audit and Financial Statements, Flats at South Capitol and the Agency’s Pre-Qualified Financial Advisory Services Slate.**

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 the **Agency’s FY24 Mitchell and Titus Audit and Financial Statements** which includes matters regarding the employment and compensation of government appointees, employees, or officials because an open meeting would adversely affect the employment and compensation related issues affecting the Agency. (D.C. Code §2-575(b)(10)).

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 **Flats at South Capitol and the Agency’s Pre-Qualified Financial Advisory Services Slate**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

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

The meeting was closed at 5:40 p.m. and re-opened at 6:19 p.m.

## **III. Presentation of the Agency’s FY24 Mitchell and Titus Audit and Financial Statements.**

Mr. Steve Clinton, Chief Financial Officer, introduced the audit team and had them provide a summary of their report.

The members of Mitchell and Titus included Uzma Malik, Lead Partner, Dan Kenny, Concurring Partner, Venkanna Alkunta, Senior Manager, and Scott Shoop, Audit Supervisor.

Mitchell and Titus issued a clean, unmodified opinion on the 2024 Financial Statements of the Agency. The report showed that there were no corrected or uncorrected statements identified as part of the audit. The audit looked at key accounts such as cash, cash equivalents, and investments including mortgaged back securities. The audit also examined revenue including investment income, interest, and fees. There were no issues identified.

The audit also looked at the classification of net position, overall expenses, and the Agency’s financial statements. There were sufficient disclosures in the notes to the financial statements. The

audit looked at estimates significant to the financial statements. Specifically, the fair market value and loan loss allowance. There were no issues identified.

Mitchell and Titus did not identify any actual or suspected instances of fraud. There were no misstatements, non-compliance with laws or regulations, or issues dealing with management. Ms. Malik concluded the audit presentation and Mr. Green asked the board whether there were any questions.

Mrs. Wellington responded stating that she commended Mr. Clinton and his team for being responsive and timely.

Mr. Clinton gave a brief summary of the Agency's financial statements. In fiscal year 2024, the Agency's total revenues were \$37,000,000 and total expenses were \$26,500,000. The net income was \$11,200,000 before market-to-market adjustments. On the balance sheet, the fiscal year end numbers were \$689,000,000 in assets and \$481,000,000 in liabilities, with a net position of \$207,000,000.

Mr. Clinton concluded the financial presentation.

There were no additional questions.

#### **IV. Credit Review of Flats at South Capitol.**

Mr. James Grisham, Senior Underwriter, Multifamily Lending and Neighborhood Investment ("MLNI") presented the transaction to the Board. MLNI presented Flats at South Capitol for initial credit review.

The transaction was approved for inducement on April 22, 2024. The project is in the Congress Heights neighborhood of Southeast Washington, D.C. and is 1.5 miles away from the Congress Heights Metro Station, which services the Green Line.

The property was comprised of family and formerly homeless tenancies. The unit mix of the development consists of one hundred six (106) units including twenty (20) efficiency units, thirty-four (34) one-bedroom units, twenty (20) two-bedroom units and thirty-two (32) three-bedroom units. Twenty-two (22) units are restricted to thirty percent (30%) of the Area Median Income (AMI) and will benefit from Local Rental Subsidy Program (LRSP) contracts. Seventy-two (72) units are restricted to fifty percent (50%) AMI and the remaining twelve (12) units are restricted to sixty percent (60%) AMI.

The amenities of the proposed project will include washers and dryers, dishwashers, walk-in closets and patios. Additionally, the project will include a club house, fitness center, business center, bike storage, media room and a parking garage. The parking garage will have seventeen (17) below ground parking spaces for residents. Parking will be on a first come, first serve basis at no cost to the residents.

The development will provide one armed special police officer (SPO) to monitor the site. The SPO will patrol at a minimum of forty (40) hours per week with varying shifts daily. The building will have limited access and security cameras that will be actively monitored by a third-party company.

The capital stack for development will consist of permanent financing in the approximate amount of \$10.5 million as a senior loan; \$23.6 million as a D.C. Department of Housing and Community Development (DHCD) Housing Production Trust Fund (HPTF) loan; \$25.4 million in Low Income Housing Tax Credits (LIHTC) equity; \$4.9 million in DC LIHTC equity; and a \$3.1 million deferred developer fee. The total development cost is \$67.6 million, or \$637,000 per unit, including acquisition, hard and soft costs, developer fees, financing fees, reserves, and escrows.

The lead developer is a joint venture partnership between Dantes Partners, Kaye Stern Properties LLC, and NFP Affordable Corporation. The remaining development team members will include McCullough Construction as the general contractor, Torti Gallas Architects as the architect, and Faria Management as the property manager.

Mr. Grisham concluded his presentation and introduced members of the development team.

Those present were Joel Patterson, Dantes Partners; Kaye Stern; Jason Stern and Jesse Stern, NFP Affordable Housing; Rick Edson, McCullough Construction; J.R. Russell, McCullough Construction; Marquida Howard and Andrew Barnes, Faria Management; Adriana Soriano, Community Connections; Chris Jones; and Buwa Binitie.

Mr. Green asked the board whether they had any questions.

Mrs. Wellington asked about the project timeline and what the development team has planned over the next month. Mr. Patterson responded stating that there are building permits that were approved in December 2024 and over the next month they will be completing the commitment process with ACD. They will also be working with the DC Housing Authority (DCHA) on LRSP submission to ensure they have twenty-two (22) units ahead of closing. Additionally, the team will be vacating all residents to begin redevelopment of the site.

Mrs. Wellington asked whether the team had updated pricing. Mr. Patterson responded that they are completing the final set of pricing for closing.

Mr. Fuller asked about the perceived risks around the construction timeline. Mr. Patterson stated that the PUD requirement for a March 27<sup>th</sup> construction start will be met. They are working with their counsel to ensure that there is an outlined approach to work with DHCD to get the TOPA approval.

Mr. Fuller asked about the tenant relocation plan. Mr. Patterson responded that ninety percent (90%) of the residents have Housing Vouchers. They are working with the tenants on their housing applications to get them into a new residence.

Mr. Fuller asked whether there were any concerns with lease up. Mr. Patterson responded that they are planning to deliver the building in 30 months and will begin the lease up process. They typically start the lease up about 120 days prior to conversion. There are currently 22 residents coming from referrals in the Permanent Supportive Housing (PSH) program and the balance will be residents that choose to return or new residents.

There were no additional questions.

Mrs. Wellington recused herself from discussing and voting on the Pre-Qualified Financial Advisory Services Slate. Mrs. Wellington has a family member that works at one of the firms presented in the slate. She did not participate in any discussion or vote on the matter.

**V. Consideration of DCHFA Resolution No. 2025-01(G) regarding the approval of the Agency's Pre-Qualified Financial Advisory Services Slate.**

Ms. Tara Sigamoni, Vice President, Procurement, presented the financial advisory services slate to the board.

The District of Columbia Housing Finance Agency intends to refresh its pre-qualified financial advisory services slate. The Agency initiated a request for proposals to solicit responses from firms interested in providing financial advisory services and other related services.

The objective of the procurement was to update the Agency's current slate of qualified firms from which the Agency may select services on specific transactions. An email invitation to participate in the procurement was sent to identified firms. The Request for Proposal (RFP) was also posted on the Agency's website and the National Council of State Housing Agencies' (NCSHA) website. It was also advertised in The Washington Post and The Washington Informer.

Three responses from Caine Mitter and Associates, Inc, CSG Advisors, Inc., and CFX, Inc. were received. An evaluation committee evaluated the proposals based on the following criteria: Qualifications, financial responsibility, proposed project team, past performance and methodology. All firms met the minimum qualifications and two out of the three firms have extensive experience with the Agency. Caine Mitter and CSG are currently on the Agency's financial advisory slate. CFX is a new recommendation.

The Agency recommends refreshing its current financial advisory slate with Caine Mitter, CSG, and CFX. The current slate of two firms will be increased to three firms as stated. The Agency seeks approval to award the referenced slate for a base period of one year with three one-year option periods to be exercised at the discretion of the Agency. Funding for the service is included in the Agency's budget.

Ms. Sigamoni concluded her presentation.

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

Mr. Green called for a motion to approve DCHFA Resolution No. 2025-1(G) regarding the approval of the Agency's financial advisory services slate. Mr. Irving made a motion and the motion was properly seconded by Mr. Fuller. Mr. Donald took a poll vote. The resolution was unanimously approved.

**VI. Other Business.**

Mr. Donald stated that there will be a strategic session with the board which will cover the Hagans Impact Fund, underwriting standards, and Portfolio Stabilization Grant updates.

**VII. Executive Director's Report.**

There was no Executive Director's Report.

**VIII. Adjournment.**

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

The meeting was adjourned at 6:47 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on February 21, 2025.