

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

October 18, 2022

5:30 p.m.

Minutes

Join Zoom Meeting

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I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Vice Chairperson, Mr. Stephen Green, called the meeting to order at 5:31 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, Mr. Bryan “Scottie” Irving, Ms. Heather Howard and Mr. Stanley Jackson.

I. Vote to approve the minutes from the September 28, 2022 board meeting.

A motion was called to approve the minutes of the September 28, 2022 board meeting by Mr. Irving. The motion was properly seconded by Ms. Howard. Mr. Donald took a voice vote. The motion passed by a chorus of ayes.

II. Vote to close meeting to discuss an extension of the Agency’s Co-Administration of the DHCD Homebuyer Program, the renewal of the Goldblatt Martin Pozen contract and the Euclid – Kalorama Apartments 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 **an extension of the Agency’s Co-Administration of the DHCD Homebuyer Program, the renewal of the Goldblatt Martin Pozen contract and the Euclid – Kalorama Apartments transaction.** 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. 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 5:36 p.m. and re-opened at 6:16 p.m.

III. Consideration for DCHFA Resolution No. 2022-11(G) for an extension of the Agency’s Co-Administration of the DHCD Homebuyer Program.

Ms. Wendi Redfern, Senior Vice President, Single Family Programs, presented the transaction to the Board. Single Family Programs presented its recommendation to authorize the extension of the sub-recipient grant agreement for the Home Purchase Assistance Program (“HPAP”).

Since 2016, DCHFA and the Department of Housing and Community Development (“DHCD”) have executed annual agreements that allow DCHFA to act as a co-administrator of HPAP. This extension will allow DCHFA to continue to serve as co-administrator, facilitating HPAP and distributing grant funds accordingly.

The proposed grant allocation for FY 2023 is \$10,125,220. The HPAP program allows District residents to access much needed down payment assistance towards the purchase of their first home. Beginning October 1, 2022, Mayor Muriel Bowser’s administration increased HPAP’s maximum assistance amount from \$84,000 to \$206,000 per household. This significant increase was designed to allow borrowers at 110% of Area Median Income (“AMI”) or below to successfully gain access to the District’s competitive housing market.

In FY 2021, the Agency assisted 165 first-time homebuyers, while in FY 2022, the Agency assisted 125 first-time homebuyers, totaling \$15.3 million in loan fund distribution. In FY 2022, the average down payment assistance amount funded per borrower was \$59,000. Around 69% of HPAP borrowers were African-American, with 50% of that amount being African-American women. The Agency projects that HPAP will assist approximately 150 first-time homebuyers in FY 2023.

Ms. Redfern concluded the presentation and opened the floor for questions.

Mr. Green asked how much the maximum down-payment assistance amount had increased. Ms. Redfern stated it increased from \$84,000 to \$206,000. Mr. Irving asked about the demographic makeup of HPAP recipients. Ms. Redfern stated 69% of HPAP recipients were African-American, with 50% of that amount being African-American women. Mr. Irving asked if HPAP recipients were new District residents. Ms. Redfern stated a program requirement was being a District resident, but there were no stipulations on how long a recipient had to be a District resident. Mr. Jackson asked if a significant portion of recipients were in Wards 7 and 8. Ms. Redfern answered yes. Mr. Green asked if the increase in the down-payment assistance amount would help to offset the increase in mortgage interest rates. Ms. Redfern stated that it was too premature to determine whether the increased assistance

would help. Mr. Irving asked if the Agency was aggressively marketing the changes to HPAP. Ms. Redfern stated the Agency's public relations team was heavily promoting the program, which had generated significant responses from the community.

There were no further questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2022-11(G) for an extension of the Agency's Co-Administration of the DHCD Homebuyer Program. 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.

IV. Consideration for DCHFA Resolution No. 2022-12(G) for the renewal of the Goldblatt Martin Pozen contract.

Mr. Michael Hentrel, General Counsel, Office of the General Counsel ("OGC"), presented the resolution to the Board. The General Counsel presented his recommendation to ratify the contract renewal for Goldblatt Martin Pozen LLP.

In 2013, the Agency selected Goldblatt Martin Pozen LLP to serve as outside legal counsel to the Agency's Board of Directors. Mr. Thorn Pozen of Goldblatt Martin Pozen LLP has provided timely and effective legal services to the Board.

The Agency desires to renew the yearly contract. The contract was for an hourly rate of \$425, not to exceed a monthly amount of \$4,500. The Agency recommended that the Board approve the renewal for one year, with the same monthly rate.

Mr. Hentrel concluded the presentation and opened the floor to questions.

There were no questions.

Mr. Green called for a vote to approve DCHFA Resolution No. 2022-12(G) for the renewal of the Goldblatt Martin Pozen contract. Mr. Jackson made a motion to approve the resolution and it was properly seconded by Mr. Irving. Mr. Donald took a poll vote. The resolution was approved.

V. Consideration for DCHFA Final Bond Resolution No. 2022-26 for Euclid – Kalorama Apartments.

Mr. Scott Hutter, Director, Multifamily Lending and Neighborhood Investments (“MLNI”), presented the resolution to the Board. The MLNI presented their recommendation to authorize the issuance of tax-exempt bonds in an amount not to exceed \$34,700,000 for the Euclid-Kalorama project (the “Development” or “Project”).

The Project consists of two buildings located in the Adams Morgan and Columbia Heights neighborhood in Northwest Washington, D.C. The Project will offer 50 units, which will be comprised of 20 one-bedroom units, 15 two-bedroom units, 13 three-bedroom units and 2 four-bedroom units.

The capital stack for the development includes permanent financing in the amount of \$16,500,000 as a U.S. Department of Housing and Urban Development (“HUD”) 221(d)(4) loan, a \$16,200,000 subordinate loan, \$21,200,000 in federal low-income housing tax credit (“LIHTC”) equity and \$4,400,000 in District of Columbia state LIHTC equity. The total development cost is \$65,800,000. Other members of the development team include Whiting Turner as the general contractor, EquityPlus as the development consultant, PGN Architects as the architect and Jubilee Management as the property manager.

Mr. Hutter concluded his presentation, opened the floor for questions, and introduced Mr. Jim Knight from Jubilee and Avi Fechter from EquityPlus.

Ms. Howard asked if any timing accommodations had been made to the construction schedule. Mr. Knight responded that the developer has been in contact with Whiting Turner and has put into place adequate construction contingency for the Project, as well as anticipating extended lead times. Mr. Irving inquired if cost escalations had been anticipated. Mr. Fechter responded that the construction contract with Whiting Turner does have allowances for cost escalations and stated that the development team built in as much price cushion as possible, while still preserving the deal.

Mr. Knight added that the location of the Project and the size of the units has added significantly to the cost. He stated that there was value in building a project in a neighborhood with substantial amenities.

There were no further questions.

Mr. Green called for a vote to approve DCHFA Final Bond Resolution No. 2022-26 for the Euclid-Kalorama Project. Mr. Irving made a motion to approve the resolution and it was properly seconded by Ms. Howard. Mr. Donald took a poll vote because volume cap was being used. The resolution was approved.

VI. Vote to close meeting to discuss the MOA with DMPED and DHCD for the Volume Cap Allocation Program.

Mr. Green recused himself from the consideration of the memorandum of agreement (“MOA”) with the Office of the Deputy Mayor for Planning and Economic Development (“DMPED”) and DHCD for the Volume Cap Allocation Program. He left the meeting and did not participate in any discussions or votes pertaining to the resolution.

Pursuant to the District of Columbia Administrative Procedure Act, the Secretary 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 MOA with DMPED and DHCD for the Volume Cap Allocation Program**. An open meeting would adversely affect matters related to the Agency. (D.C. Code §2-575(b)(2)).

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

The meeting was closed at 6:35 p.m. and re-opened at 6:48 p.m.

VII. Consideration for DCHFA Resolution No. 2022-13(G) for the MOA with DMPED and DHCD for the Volume Cap Allocation Program.

Mr. Donald, Executive Director and CEO, presented the resolution to the Board. The Agency recommends the ratification of the resolution to manage the allocation of 4% LIHTC and tax-exempt bonds.

Mayor Muriel Bowser's administration's increased investment in the HPTF has created circumstances where there is not enough volume cap to keep up with the investment amount. As a result, volume cap has become a scarce resource. From 2022 to 2024, the Agency anticipates at least \$2.3 billion in requests for bonds and tax credits, with only \$1.7 billion available to fund those requests. The District government seeks to unify the process for funding.

Twice a year, sponsors will be able to submit their projects to DHCD to be evaluated based on a revised qualified allocation plan ("QAP"). Based on that evaluation, projects will be forwarded to the Agency to be funded. Once the project is received, the Agency will score the project to determine if the project is ready to proceed with bond financing. Projects will have a maximum bond allocation amount of \$67,000,000.

All deals induced before September 1, 2022 will move forward without evaluation of the project against the revised QAP. Any transactions induced after September 1, 2022 subject to the revised QAP.

Mr. Donald concluded his presentation and opened the floor for questions.

There were no questions.

Mr. Donald called for a vote to approve DCHFA Resolution No. 2022-13(G) for the MOA with DMPED and DHCD for the Volume Cap Allocation Program. Ms. Howard made a motion to approve the resolution and it was properly seconded by Mr. Jackson. Mr. Donald took a poll vote. The resolution was approved.

VIII. Other Business.

There was no other business.

IX. Executive Director's Report.

There was no Executive Director's Report.

X. Adjournment.

Mr. Donald called for a motion to adjourn the meeting. Mr. Jackson 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 6:53 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on November 11, 2022.