I. Call to order and verification of quorum.

District of Columbia Housing Finance Agency (“DCHFA” or the “Agency”) Board Chairperson, Mr. Buwa Binitie, called the meeting to order at 1:00 p.m. and asked the Acting Secretary to the Board of Directors (the “Board”), Mr. Christopher Donald, to verify a quorum. With five members present, the Board had a quorum and the meeting continued.

The following members were present via Zoom: Mr. Buwa Binitie, Mr. Stephen Green, Mr. Scottie Irving, Mr. Stan Jackson, and Ms. Heather Howard.

II. Presentation: Overview of DCHFA Financial Statements.

Mr. Steve Clinton, DCHFA Chief Financial Officer (“CFO”), presented a summary of the Agency’s audited financial statements. Mr. Clinton provided a description of the business lines that detailed where the Agency has transactions, earns revenue, pays bills, and generates wealth. The general fund is the Agency’s primary operating fund, where it earns up-front fees on multi-family business and single-family business, pays bills, and earns interest income. The Agency’s operating income for 2020 was $9.2 million in the general fund.
Next, Mr. Clinton described the bond funds from which the Agency issues bonds, earns spreads, and issuer fees. The difference between bond funds and the general fund is that revenue from bond funds is taken out in a restricted manner, while general fund revenue may be used at the discretion of the Agency. This year, $1.4 billion conduit bond funds have been removed from the balance sheet. The Governmental Accounting Standards Board (“GASB”) has issued Statement No. 91, which provides a single method for government issuers to report conduit debt obligations and related commitments. The Agency has elected to implement the rule this year.

Moreover, the single-family fund made just over one million dollars from interest income and spread income. Additionally, the multi-family fund is used to run the Agency’s risk share program with $200 million in bonds issued for about eighteen deals. The multi-family fund generated about $500,000 in income that is retained within the fund. In total, the Agency has $10.8 million in operating income.

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

Mr. Binitie asked Mr. Clinton to elaborate on the interest expense associated with the multi-family fund. Mr. Clinton responded that the interest expense and the interest earned are pass-through cash flows. There are loans receivable and bonds payable that are offsetting each other.

Mr. Clinton illustrated to the Board the Agency’s net earnings from the general fund that totaled $115 million. He also noted that the single-family fund has generated $21 million in wealth as a result of bonds issued many years ago. The multi-family risk share fund is building wealth at $4.5 million. Overall, the net worth of the Agency is about $142 million, with about $100 million in unrestricted revenue.

Mr. Donald stated that the Agency will return to the Board with a summary of the presentation with Reznick but wanted the Board to review the balance sheet so that it can be submitted to the city.

Mr. Green asked whether it requires the Board to vote. Mr. Donald responded by stating that it does not.

Mr. Binitie opened the floor for further questions, there were no further questions.

III. Other Business.

There was no other business.

IV. Adjournment.

Mr. Binitie called for a motion to adjourn the meeting. Mr. Irving made a motion, and that motion was properly seconded by Ms. Howard.

The motion passed by a chorus of ayes.
The meeting was adjourned at 1:14 p.m.

Submitted by Christopher E. Donald, Secretary to the Board of Directors on March 19, 2021.

Approved by the Board of Directors on March 23, 2021.