

INTENTIONAL DEVELOPMENT

DCHFA
Fiscal Year 2023
Annual Report



Table of Contents

4

Our Agency
Mission Statement/Values

6

Message from Board
Chairman Stephen M. Green

7

Message from
Executive Director/CEO
Christopher E. Donald

8

DCHFA Board of Directors
DCHFA Staff

Community & News

12

Lee Legacy Scholarship
+ Property Updates

13

DCHFA Honors

14

Charitable
Contribution Program



15

Baldwin Du Bois Panel
Discussion Series

17

News & Media | New
Partnership: DCHFA
Partners with BondLink

News & Media | DCHFA
Upgraded to “AA-” from
“A+” by S&P 500

18

News & Media | DCHFA
in the News

Multifamily Lending & Neighborhood Investments

22

Projects Financed in FY 2023

24

Projects Delivered in FY 2023:
MDX Flats

26

Projects Delivered in FY 2023:
2442 MLK Apartments



Projects Delivered in FY 2023:
Rise at Temple Courts

30

Projects Delivered in FY 2023:
Takoma Place Apartments



Projects Delivered in FY 2023:
The Strand Residences

34

Projects Delivered in FY 2023:
The Residences at Kenilworth Park

36

HUD Level I 50/50 Risk Share

37

Portfolio and Asset Management

38

Housing Investment Platform

Single-Family Programs



DC Open Doors 10th Anniversary

DC Open Doors

44

Home Purchase Assistance Program

45

DC4ME

46

Auditor's Letter

50

Financial Report

Our Agency

Fiscal Year 2023 (FY 2023) marked the District of Columbia Housing Finance Agency's (DCHFA or "the Agency") 44th year serving the housing needs of Washington, D.C., residents. DCHFA was established on March 3, 1979, to stimulate and expand homeownership and rental housing opportunities in the District. DCHFA's flagship homeownership program, DC Open Doors, co-administration of the Home Purchase Assistance Program, and DC4ME, have all enabled the Agency to continue to provide opportunities for renters to become D.C. homeowners. DCHFA is seeking public and private financial and development partners to finance projects that will build and preserve existing, quality and affordable rental housing in the District.

Mission Statement

The Agency's mission is to advance the District of Columbia's housing priorities by investing in affordable housing and neighborhood development to provide pathways D.C. residents can use to transform their lives. DCHFA accomplishes its mission by delivering the most efficient and effective sources of capital available in the market to finance rental housing and create opportunities for homeownership.

VALUES

Excellence

Leadership

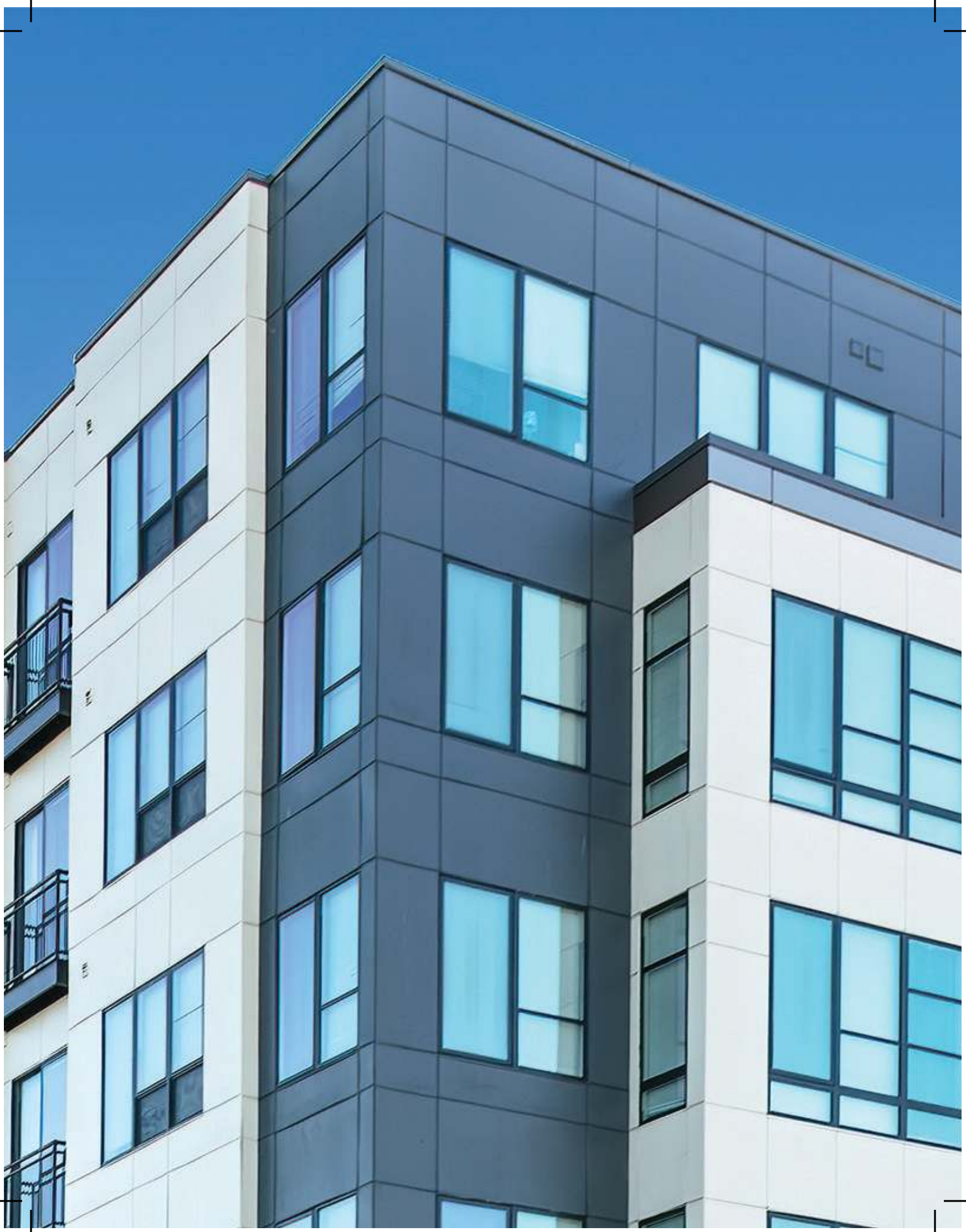
Integrity

Innovation

Collaboration

Community Focus





“The members of the Board of Directors and I are committed to supporting the Agency’s efforts to enhance the lives of those who call the District home.”

Message from Board Chairman **Stephen M. Green**

FY 2023 marks my eighth year of service to DCHFA’s Board of Directors. My colleagues and I provide oversight of the Agency’s activities while promoting and assisting Executive Director Christopher E. Donald and the staff with furthering the mission of DCHFA. The staff of DCHFA remains committed to the Agency’s mission of advancing the District of Columbia’s housing priorities, for affordable rental housing,

neighborhood development and opportunities to become homeowners. With every development that the Board reviews and approves, we are impacting the lives of District residents. Our work is not limited to approving financing decisions. The Board is a partner of DCHFA’s staff. The members of the Board of Directors and I are committed to supporting the Agency’s efforts to enhance the lives of those who call the District home.



Message from Executive Director Christopher E. Donald

Being intentional means taking purposeful and deliberate actions. The Agency is committed to the well-being of all Washingtonians. We know that beautiful, affordable and healthy housing are essential elements to strong communities. At DCHFA we are intentional about delivering these opportunities to prospective renters and homeowners. We are focused on intentionally building community and providing homes for the people who live in the District and making it possible for them to remain in their neighborhoods. Our goal, as we work in collaboration with developers, lenders and housing counselors, is to intentionally enhance the lives of Washingtonians. We are deeply committed to the transformation of spaces that reflect the character of existing neighborhoods and can

accommodate new residents as well. Development should address more than physical infrastructure and engage people around issues of safety, education, mental health and economic opportunity.

DCHFA's intentionality extends to working toward Mayor Bowser's housing goal of 12,000 new affordable units in the District by 2025. This was a bold goal set by the mayor that we are close to achieving. It is my privilege to continue to contribute to these goals and to lead DCHFA. It is my duty to continue to be deliberate in our work to continue the transformation of our city. On behalf of DCHFA's staff and Board of Directors, I thank Mayor Bowser and the Council for its leadership and support of our Agency. I present to you Intentional Development, DCHFA's Fiscal Year 2023 annual report.



“We are focused on intentionally building community and providing homes for the people who live in the District and making it possible for them to remain in their neighborhoods.”

DCHFA Board of Directors

Stephen M. Green,
Chairman

Heather Wellington,
Vice Chairwoman

Stanley Jackson,
Member

Bryan “Scottie” Irving,
Member

Carri Robinson,
Member

Christopher E. Donald,
Secretary



DCHFA Staff

OFFICE OF EXECUTIVE DIRECTOR

Christopher E. Donald,
Executive Director/CEO
Nikol Nabors-Jackson,
Chief of Staff

Yolanda McCutchen,
Vice President, Public
Relations

Susan Ortiz, Public Relations
Associate*

Heather A. Hart, SHRM-CP,
PHR, Vice President, Human
Resources

Lindsey Smith, Human
Resources Specialist

Thurston Ramey,
Vice President, Technology
& Business Intelligence

Gregory Graham, Manager,
Technology

Levent Arikok, IT Customer
Support Manager

Eric Bunn, IT Coordinator I

Keami Estep, Senior
Manager, Procurement and
Corporate Resources*

Tara Sigamoni, Vice President,
Procurement & Administrative
Services

Marcus Thompson,
Facilities Manager

Eric Jackson, Administrative Services Manager
 Cheryl Roberts, Receptionist
 Ashley Brown, Community and Stakeholder Engagement Manager
 Karen Harris, Executive Assistant

OFFICE OF THE GENERAL COUNSEL

Michael L. Hentrel, General Counsel
 Tracy G. Parker, Deputy General Counsel
 Brittney Jordan, Senior Counsel
 Jasmine Jackson, Counsel
 Lillian Johnson, Records Administrator

MULTIFAMILY LENDING & NEIGHBORHOOD INVESTMENTS

Ikeogu Imo, Senior Vice President*
 Michael Durso, Director, Business Development
 Scott Hutter, Director
 Linda Hartman, Senior Multifamily Loan Underwriter
 Solomon Hughes, Multifamily Loan Underwriter*
 James Holley-Grisham, Multifamily Loan Underwriter
 Kadija Sow, Multifamily Loan Underwriter

PORTFOLIO & ASSET MANAGEMENT

Jeff Cooper, Senior Vice President
 Sidney Vass, Director
 Clarence Watson, Senior Asset Manager*
 Fredericka Earle, Asset Manager
 Kyla Peck, Compliance Specialist
 Birol Yilmaz, Senior Construction Engineer/Monitor
 Sue Ghazi, Construction Engineer/Monitor
 Seyoum Gizaw, CPA, Project Budget Analyst
 Kelley Brown, Construction Coordinator

OFFICE OF THE CHIEF FINANCIAL OFFICER

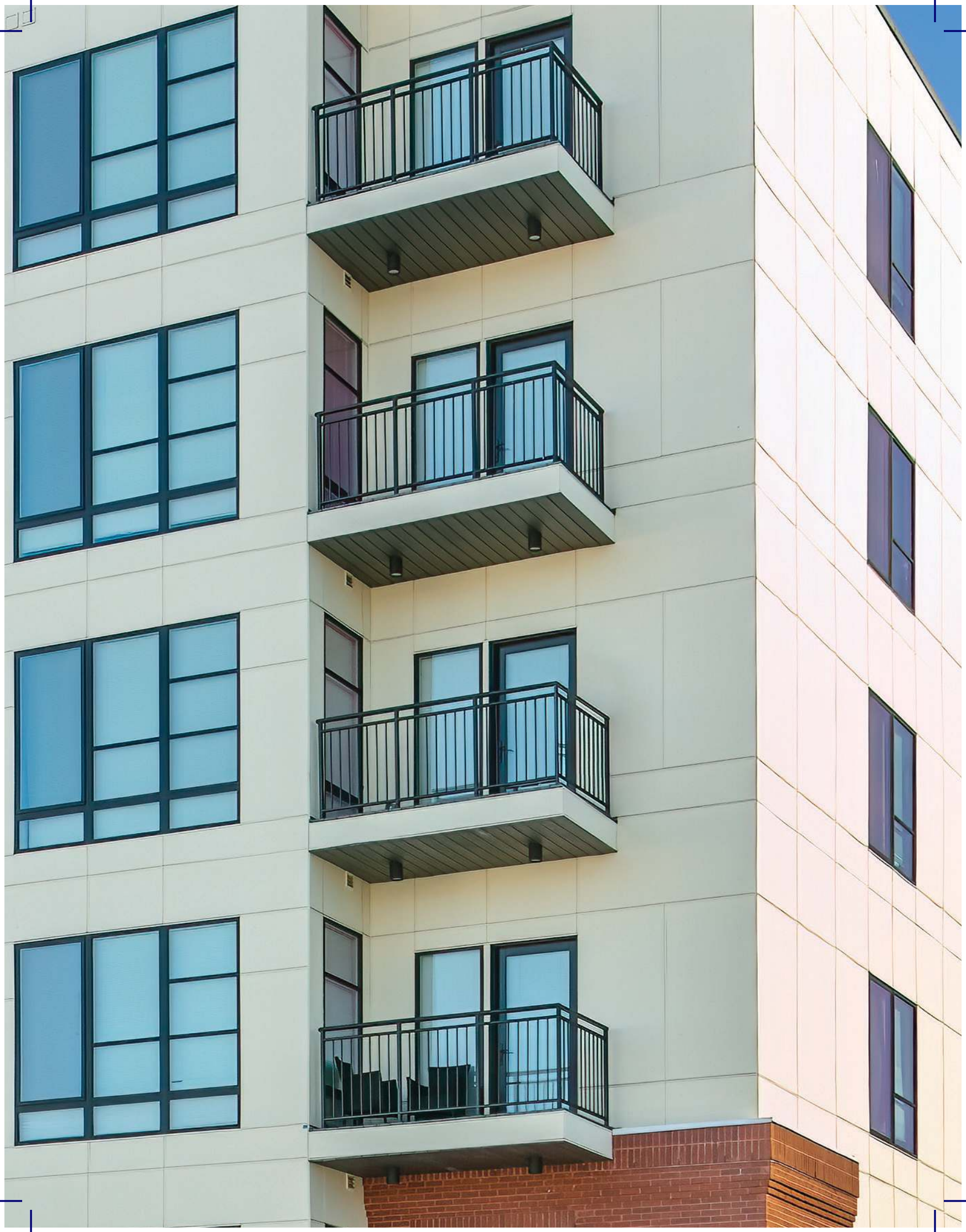
Steve Clinton, Chief Financial Officer
 Rosemarie Warren, Vice President, Accounting/Controller
 Henry Jones, Vice President, Treasury Operations
 Matthew Pleasant, Director, Portfolio Operations
 Rong Liu, Accounting Manager

Yan Ji, Financial Analyst
 Jackie Langeluttig, Senior Loan Servicing Specialist
 Adriana Dixon, Accounting Assistant

SINGLE-FAMILY PROGRAMS

Wendi Redfern, Senior Vice President*
 Tikisha Wilson, Director
 Bill Milko, Business Development Manager*
 Zein B. Shukri, Lead Single-Family Underwriter
 Tracy Wright, Single-Family Underwriter
 Tanisha Darden, Single-Family Underwriter
 Lisa Pugh, Loan Closer/Post Closer (formerly Lisa Davis)
 Tahsin Bakar, Single-Family Underwriter
 Consuela Smiley, Senior Loan Processor*
 Tiffany Ingram, Senior Loan Processor*
 Kim Norwood-Ellerson, Customer Service Administrator

An asterisk (*) indicates someone who is no longer employed by the Agency but who was employed during FY 2023.



A low-angle photograph of a modern building with a light-colored, grid-patterned facade and dark windows. The building is set against a clear, bright blue sky. The text 'Community & News' is overlaid on the right side of the image.

Community & News

Lee Legacy 2023

Todd A. Lee Scholars



Taylor Campbell,
Howard University

“I believe that education is key in helping Black individuals secure financing and overcome the challenges they face in this arena. I want to work with commercial real estate owners to help address these issues while also ensuring that the contracts they are using are fair and equitable. Ultimately, I envision myself owning a real estate development agency where I will serve as an in-house lawyer responsible for reviewing real estate contracts. I hope to use my position to ensure that contracts are free from discrimination and help to reduce the disparities that currently exist in the housing market, especially in affordable housing.”



Jimmie Robinson,
Georgetown University

“Legacy is extremely important to me, which is why my primary career goal is to carry out my family’s legacy of serving others through ministry and community development. One of the first steps in accomplishing this goal would be to utilize my education and experience to support other faith-based institutions in developing affordable housing.”

**The impact of
Todd’s tenure
at DCHFA
is present
throughout the
District.**



Cameron Harrison,
University of Kentucky

“My career goal is to make a positive impact in my community through real estate. I seek to improve the living, learning, and creative spaces for our city to improve the quality of life for long-term residents as well as new residents.”



Bria Snell,
Louisiana State University

“My goals are to continue my nursing school journey and graduate and become a nurse that specializes in cardiology or labor and delivery. I plan to travel, hopefully even internationally, and gain an abundance of experience.”



Dajhon Williams,
Old Dominion University

“By empowering individuals with the knowledge and skills required to navigate the digital world, I hope to bridge the digital divide and create equal opportunities for all. Beyond my aspirations in the technology sector, I also aim to venture into the real estate industry, owning numerous properties and leasing out commercial spaces. This ambition stems from a desire to create stable, long-term income sources and contribute to the economic growth of my community. By investing in real estate, I can provide high-quality commercial spaces for local businesses, fostering entrepreneurship and job creation in the area.”



Mai Graves,
Florida A&M University

“After college I want to work at an architecture firm and eventually merge my passion for fashion with the design principles of architecture into my own profession.”



Natalie Washington,
Howard University

“My goal is to alleviate housing issues faced by residents of the District of Columbia. These include finding ways to close the widening gap between the thousands of vacant, abandoned and dilapidated single- and multi-family homes around the city and the long waiting list of low-income families who need affordable housing. To this day, I have never been a homeowner, but I want to help families around the District with moving into safe, clean and comfortable spaces on their way toward homeownership. They say that this is nearly impossible in D.C. with the rising housing prices, but I believe that in my city, anything good is possible.”

DCHFA Honors

National Association of
Local Housing Finance
Agencies 2023 Awards of
Excellence Single-Family
Excellence – The Douglas
Townhomes.



Charitable Contribution Program

Through the Agency’s Charitable Contribution Program, in FY 2023, DCHFA contributed and/or supported 31 District organizations and programs, including the Todd A. Lee scholars. The primary target themes supported in FY 2023 were Supporting Neighborhood Amenities and Events and Academic or Vocational Enrichment for both school-age students and adult learners.

The Agency’s focus on

education includes exposing students to the affordable housing industry. In July 2023, DCHFA hosted a cohort from Tulane University’s Master’s in Real Estate Development program. Staff members from Multifamily Lending and Neighborhood Investments and the Office of the General Counsel shared information on DCHFA’s products, the real estate industry in D.C. and a day in the life of a DCHFA underwriter.



VARIOUS EVENTS ANC 7F



COLLEGE TRACK FY23 DCHFA FINAL REPORT



2023 AYF NATIONAL CHAMPIONSHIP
ROSEDALE TIGERS ATHLETIC CLUB

The Charitable Contribution Program supported both school-age students and adult learners.

Baldwin Du Bois Panel Discussion Series

DCHFA launched the Baldwin Du Bois Panel Discussion Series during Black History Month, February 2023, to bring together affordable housing and real estate industry leaders for opportunities to discuss diversity and access in real estate development, with a focus on affordable housing. The panel focuses on diversity and access in

real estate development with a specific focus on affordable housing. The issue of diversity and equity is one that we own collectively as practitioners and change-maker in our society: affordable housing requires us to serve diverse populations with varying needs. By increasing awareness and actively exchanging ideas, we can

evolve the marketplace to meet the challenge. Baldwin Du Bois was chosen as the moniker because each man was a public intellectual and keen social observer of our great nation. James Baldwin brought a searing analysis of American history and politics during the peak of the Civil Rights Movement through his writing as a novelist. His perspective,





informed by his identity as a gay Black man, often challenged the hegemony of the American democratic system and its lack of an invitation to all Americans for full participation. He wrote, he spoke and he thought about how America could and should fulfill its legacy to all its citizens.

W. E. B. Du Bois was an erudite academician, a sociologist by training and an activist by choice. In his epic tome, “The Souls of Black Folk,” Du Bois explored the schizophrenia of being Black in America. What does it mean to embody the promise of its ideal and yet be excluded based on the color of one’s skin. Du Bois’s work as a founding member of the NAACP, the original publisher of “The Crisis,”

the organization’s magazine, and his sheer presence in the canon of academic thought herald him as one of the great intellectuals of the 20th century. It is upon this ground that we stand to discuss, debate, explore and celebrate all that it means to participate and identify opportunities in our chosen field of real estate finance and development in the public space.

Building Blocks: Preparing the Next Generation of Emerging Developers was the first discussion in the series. The target audience was young and emerging developers, and the panel featured successful and seasoned real estate professionals who provided insight and counsel on charting a clear path to success to the standing-room-only crowd.

The second event was *Education, Certifications & Organizations for Next Gen Developers in D.C.* This panel focused on how to prepare to enter the world of development — what subject matter you should study, the certifications that are worth your time, organizations that will strengthen your network with impactful connections and more. The panelists included deans and department chairs from the University of Maryland, Johns Hopkins University and George Mason along with early career professionals, including a recipient of the Todd A. Lee scholarship and a former DCHFA intern who is currently an early career professional in affordable housing.

DCHFA Partners with BondLink



FY 2023 was the year the Agency emphasized its commitment to financial transparency and engagement. DCHFA established a partnership with BondLink, a cloud-based investor relations and debt management platform for the municipal bond market. The partnership led to the launch of DCHFABonds.com, a free transparency website that informs investors about the valuable data and documents that detail the credit features of DCHFA's programs.

DCHFA Upgraded to “AA–” from “A+” by S&P 500

DCHFA's credit rating was upgraded by the S&P 500 on April 21, 2023, from A+ to AA–. As DCHFA strives to increase the supply of affordable housing in the District of Columbia, this rating upgrade proves that the Agency is showing consistent financial results year over year. This was the Agency's second rating upgrade in five years.

S&P gave four main reasons for the upgrade:

- Financial strength, as measured by nearly \$167 million in equity, net equity-to-assets ratio of 27.5% in FY 2022 and 25.6% on a five-year average.
- Above-average profitability compared with peers, as measured by a five-year average return on average assets of 2.8%, net interest margin of 0.8% and low-risk asset base, which consists of mortgages either insured by the government and private mortgage insurance providers or backed by Ginnie Mae, Fannie Mae or Freddie Mac mortgage-backed securities.
- Strong liquidity, with a short-term investments-to-total-assets ratio of 22.6% and total-loans-to-total-assets ratio of 37.7% in FY 2022.
- Strong management team and Board members with a track record of adapting the Agency's programs through strategic initiatives that increased the Agency's asset base through difficult circumstances.

S&P's outlook for the Agency is as follows: "We believe DCHFA's strategic initiatives have and will continue to lead to stabilized financial ratios and will position the Agency well to maintain its credit quality even during a downturn. Therefore, we do not expect to change the rating within the two-year outlook period."

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DCHFA in the News



2022

OCTOBER

NHP Ribbon-Cutting for D.C.'s Ward 8 Housing Project - Commercial Construction and Renovation (ccr-mag.com)

Foulger-Pratt Breaks Ground on \$101M Affordable Housing Project in Northeast D.C. (rebusinessonline.com)

RailField Sells Suburban DC Affordable Community – Multifamily Real Estate News (multihousingnews.com)

Foulger-Pratt Launches Affordable Housing Division With Groundbreaking of 148-Unit Paxton Apartment Community in DC Market (multifamilybiz.com)

NOVEMBER

Eastern Branch Boys & Girls Club Could Be Converted To Condos (bizjournals.com)

DECEMBER

5 Major Housing Projects Going Up In NoMa, D.C.'s New Construction Leader (bisnow.com)

DCHFA Funds \$105M DC Affordable Project – Multifamily Real Estate News (multihousingnews.com)

DC Agency Issues Funds for \$105 Million Housing Project in Park View (costar.com)

DCHFA Provides \$83M for Ward I Affordable Housing (commercialobserver.com)

D.C. Housing Finance Agency Funds Ward 1 Park View Project - (washingtoninformer.com)

2023

JANUARY

DCHFA Provides \$125M in Financing for 2 Affordable Developments in DC - (commercialobserver.com)

DC Agency Funds \$125M for 2 Communities - Multifamily Real Estate News (multihousingnews.com)

DCHFA funding new affordable housing in Washington Heights, River Terrace - Washington Business Journal (bizjournals.com)

The District of Columbia Housing Finance Agency Funds 142-Unit Affordable Housing Community in Park View Neighborhood (multifamilybiz.com)

FEBRUARY

DC's Tools to Create and Preserve Affordable Housing (dcfpi.org)

Developers Break Ground on Adjacent D.C. Communities (multifamilyexecutive.com)

MARCH

Latest News EagleBank Provides \$25MM in Construction Financing (Businessfortnight.com)

D.C. Issues Bonds for Building of Ward 8 Apartment Complex (washingtoninformer.com)

The Stacks, Brooklyn Bowling and a Vermeer: The 5 Developments on the Boards for Buzzard Point (urbanturf.com)

Enterprise Closes on Debut Project of Let's Build Accelerator, Multifamily Apts. in DC's Ward 8 (citybiz.com)

DCHFA Finances Affordable Housing Development in Ward 8 With \$45M (commercialobserver.com)

Affordable DC Housing Nets \$23M in Tax Equity - Multi-Housing News (multihousingnews.com)

APRIL

Enterprise Community Partners inks first D.C. deal in accelerator program - Washington Business Journal (bizjournals.com)

First-Timer Primer: DC's Home Buyer Assistance Programs (urbanturf.com)

Low-Income Housing Tax Credits News Briefs - April 2023 (novogradac.com)

DCHFA Provides Financing for Construction of 86 New Affordable (MultifamilyBiz.com)

MAY

Enterprise Partners With Baltimore Developer, Invests \$3M In Upton Project (bisnow.com)

JUNE

Arlington Partnership to Build \$61M Affordable Housing in DC's Fort Totten (commercialobserver.com)

D.C. Housing Finance Agency Allots \$30M for Fort Totten Senior Apartments - The Washington Informer (washingtoninformer.com)

Fort Totten senior housing development lands financing Washington Business Journal (bizjournals.com)

2023 Homeownership Supplement (washingtoninformer.com)

This Week's D.C. Deal Sheet (June 6, 2023) (bisnow.com)

Development Brings Affordable and Supportive Housing to Washington, D.C. (housingfinance.com)

DCHFA Issues \$63.2M In Bonds for Ward 8 Housing Project (washingtoninformer.com)

DCHFA Provides \$63M in Financing for Affordable Apartments Rehab in Ward 8 (commercialobserver.com)

HFA Lines Up Funds for \$134M Rehab in DC - Multi-Housing News (multihousingnews.com)

DCHFA Provides \$63M to Rehabilitate Washington Highlands 394 Affordable Apartments (connectcre.com)

DCHFA Provides \$63.2M Financing for Redevelopment of Affordable Housing Community in D.C. (rebusinessonline.com)

DC Issues Tax Credits Backing Affordable Housing Renovations (multihousingnews.com)

JULY

Mary's House to begin construction at Imani Woody's former home - Washington Business Journal (bizjournals.com)

River Terrace Community to Soon Receive Affordable Housing (washingtoninformer.com)

The Huge Plans on the Boards for Congress Heights (urbanturf.com)

Groundbreaking ceremony launches first D.C. LGBTQ seniors home - LGBTQ News, Politics, LGBTQ Rights, Gay News (washingtonblade.com)

AUGUST

D.C. agency inks financing deals for big affordable housing developments (bizjournals.com)

D.C. Finances Affordable-Housing Projects in Wards 1, 8 - The Washington Informer This Week's D.C. Deal Sheet (August 8, 2023) (bisnow.com)

Enterprise Community Development to invest \$121M in Northeast D.C. apartment renovations (bizjournals.com)

Riggs Crossing project set to provide affordable housing for seniors in Ward 4 (afro.com)

Enterprise Lands \$55M for DC Renovations (multihousingnews.com)

SEPTEMBER

What size down payment you need to buy a home (cnbc.com)

BondLink continues making inroads in muni world (bondbuyer.com)

DCHFA Provides \$51M for Affordable Housing Serving Seniors & 'Grandfamilies' (commercialobserver.com)

This Week's D.C. Deal Sheet (September 9, 2023) (bisnow.com)

Urban Atlantic Secures \$69M Financing For Affordable Senior Project In Upper Northwest (bisnow.com)

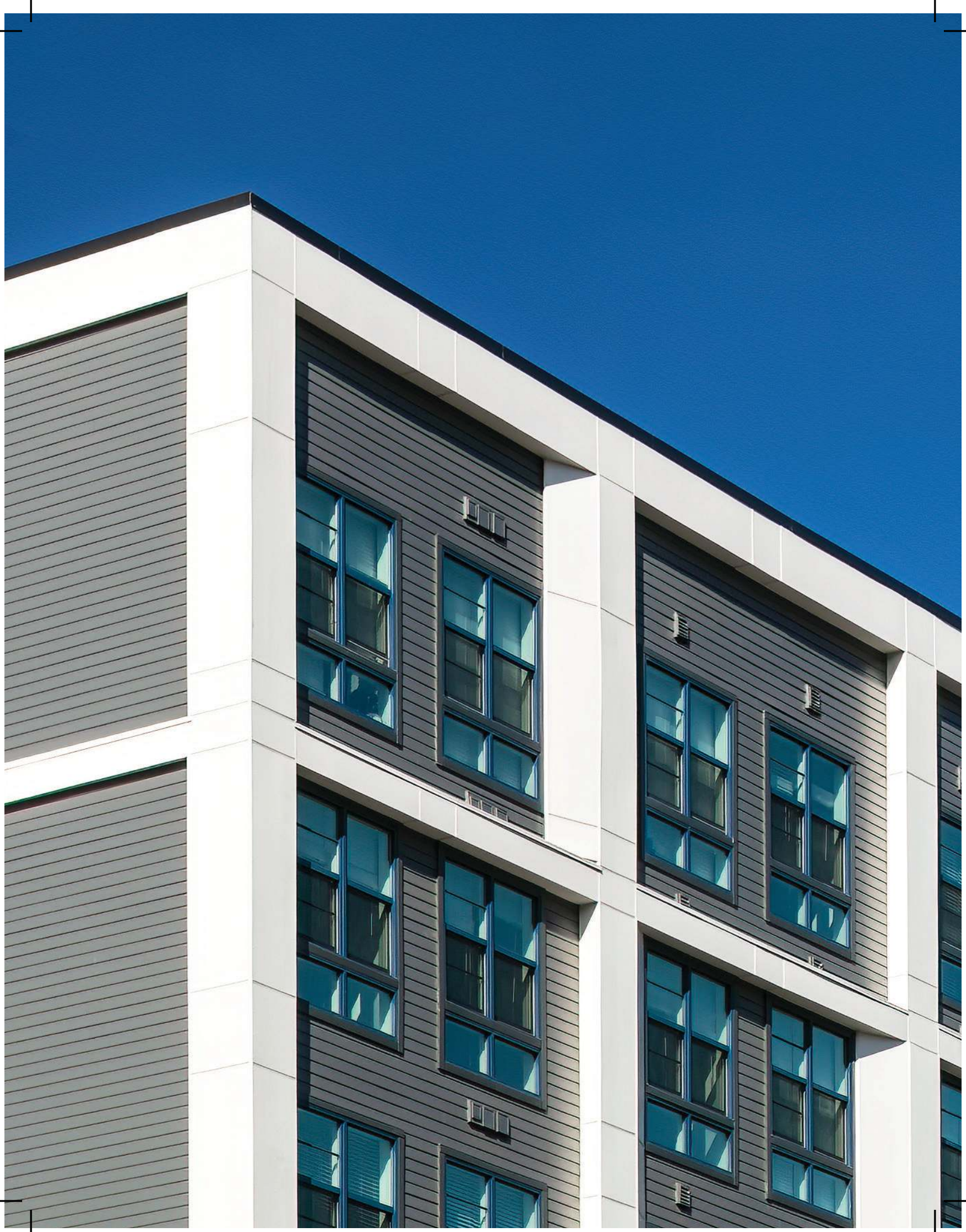
D.C. Development Will Be Home to Grandfamilies (housingfinance.com)

Friendship Heights affordable senior housing project to start construction (bizjournals.com)

DC Affordable Senior Housing Receives Financing - Multi-Housing News (multihousingnews.com)

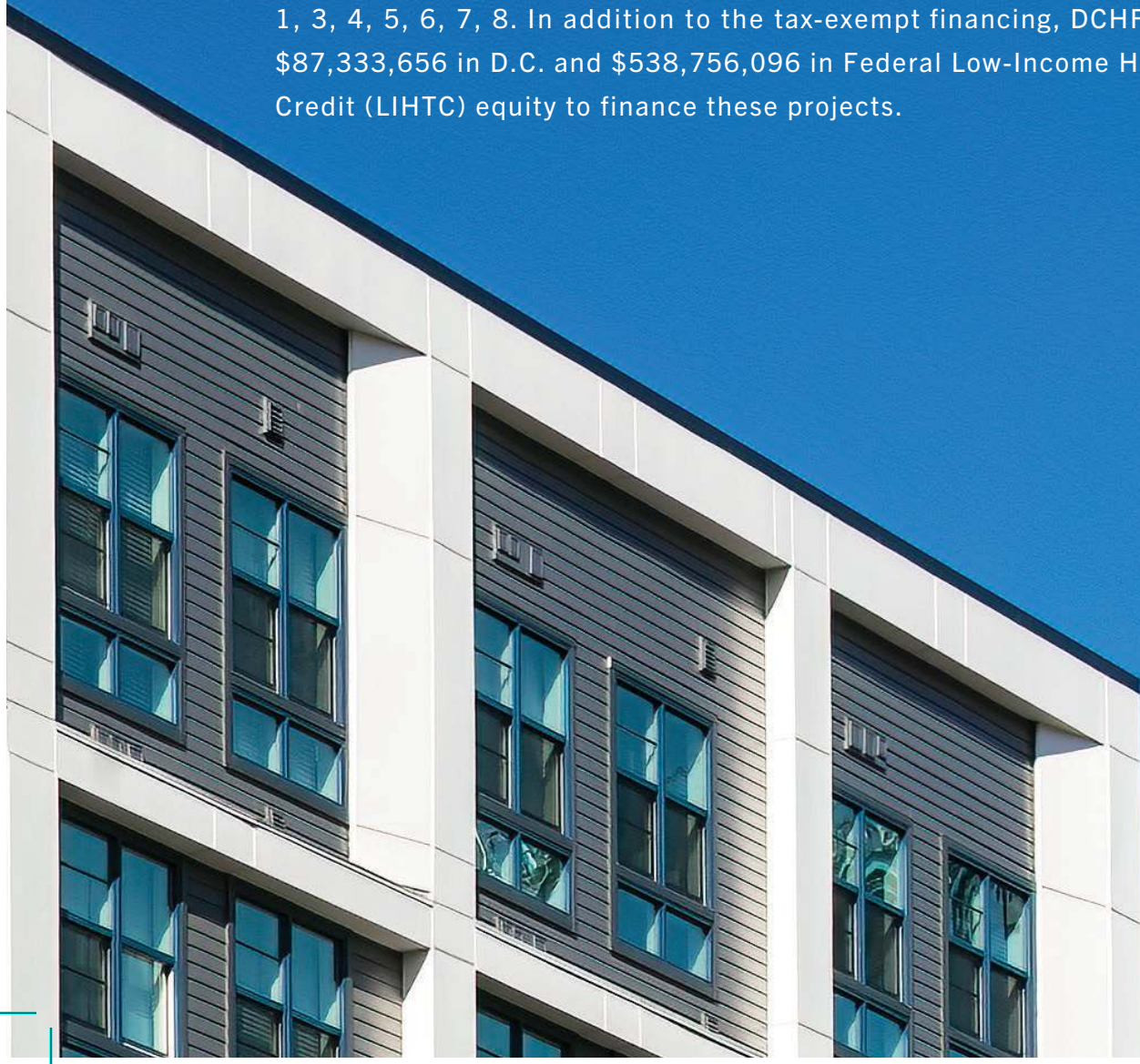
Who qualifies for home buyer assistance (washingtonpost.com)

This Week's D.C. Deal Sheet (September 9, 2023) (bisnow.com)



Multifamily Lending & Neighborhood Investments

In FY 2023, DCHFA issued \$682,748,508.00 in bond financing for the development or redevelopment of 2,683 affordable housing units in Wards 1, 3, 4, 5, 6, 7, 8. In addition to the tax-exempt financing, DCHFA underwrote \$87,333,656 in D.C. and \$538,756,096 in Federal Low-Income Housing Tax Credit (LIHTC) equity to finance these projects.



Projects Financed in FY 2023



**EucKal,
Ward 1**
Rehabilitation



**Park Morton (Phase 1),
Ward 1**
New Construction



**Lisner Home Independent
Affordable, Ward 3**
New Construction



**Riggs Crossing Senior
Residences (Fort Totten
Senior), Ward 4**
New Construction



**Edgewood 611/Edgewood
Gardens Apartments,
Ward 5**
Rehabilitation



**Villages of East River,
Wards 7 and 8**
Rehabilitation



**Worthington Woods
Apartments, Ward 8**
Rehabilitation



**Alabama Avenue
Apartments, Ward 8**
New Construction



**Ontario Place,
Ward 1**
New Construction



**Carl F. West Estates,
Ward 1**
New Construction



**Faircliff Plaza East,
Ward 1**
New Construction



**Northwest One (Phase II),
Ward 6**
New Construction



**H.R. Crawford Gardens
Apartments, Ward 7**
New Construction



**3450 Eads Street,
Ward 7**
New Construction



**Barnaby & 7th (Belmont
Crossing Phase I), Ward 8**
New Construction



**Villages at Parklands,
Ward 8**
Rehabilitation

**The District is
over halfway
to achieving the
goal of 12,000
affordable units
by 2025.**

Projects Delivered in FY 2023

MDX Flats (1550 First Street)

Ward 6, New Construction

76 apartment homes

Reserved for tenants earning 50%
of area median income (AMI) or less

\$43.7 million total development costs

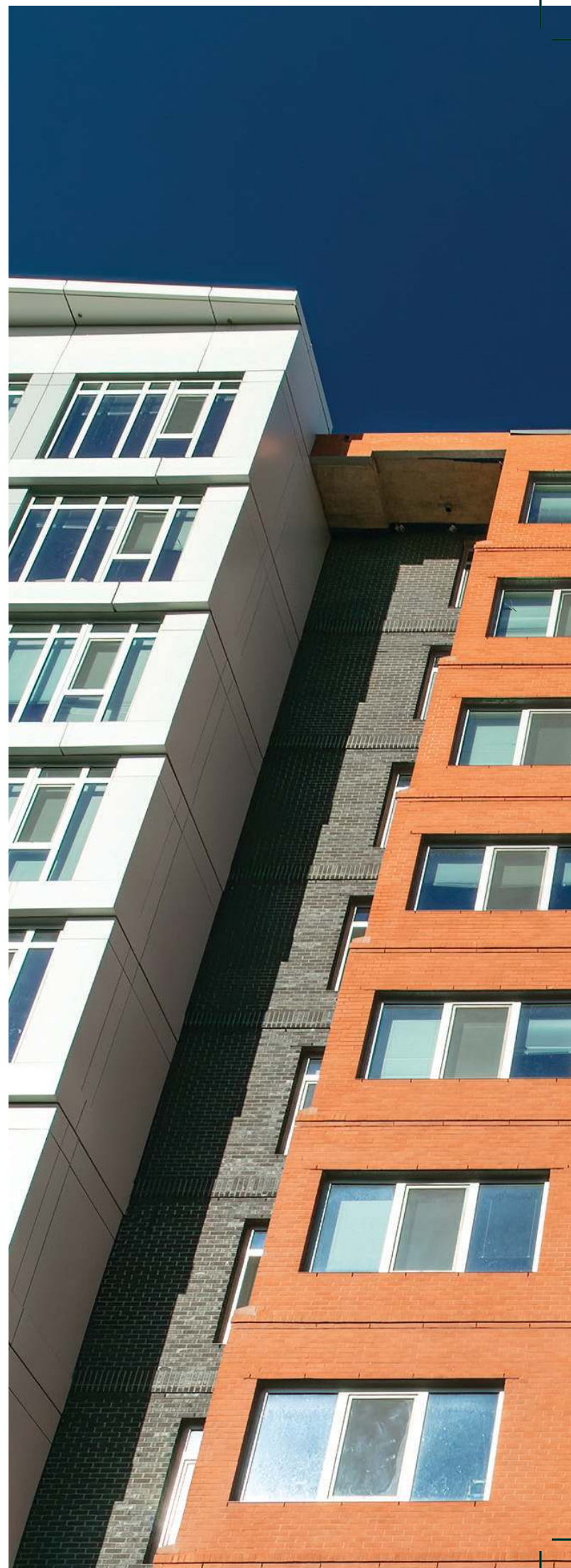
\$21.6 million bond financing

\$14.3 million LIHTC equity

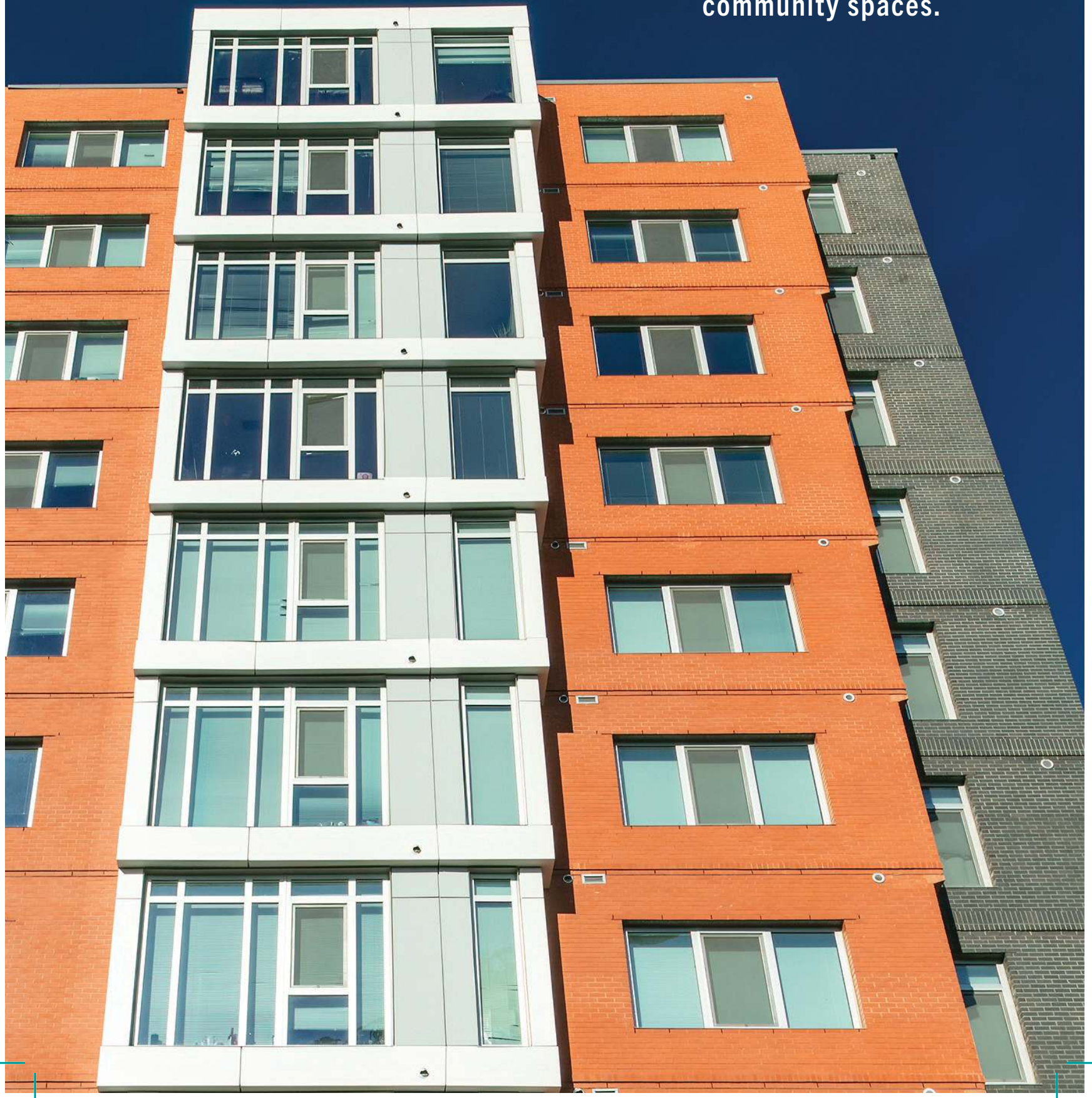
\$13.8 million Housing Production

Trust Fund (HPTF) loan

Developers | TM Associates and United
Planning Organization Community
Development Corporation



MDX Flats offers modern interiors and vibrant community spaces.





THE BRIDGE



2442 MLK Apartments

Ward 8, New Construction

112 apartment homes

Reserved for tenants earning
30%-50% of AMI

\$52.6 million total development costs
\$27 million in tax-exempt bond financing
\$20.6 million LIHTC equity
\$16.5 million HPTF loan

Developers | MidAtlantic Realty Partners
and Taylor Adams Associates

Rise at Temple Courts (Northwest One Phase I)

Ward 6, New Construction

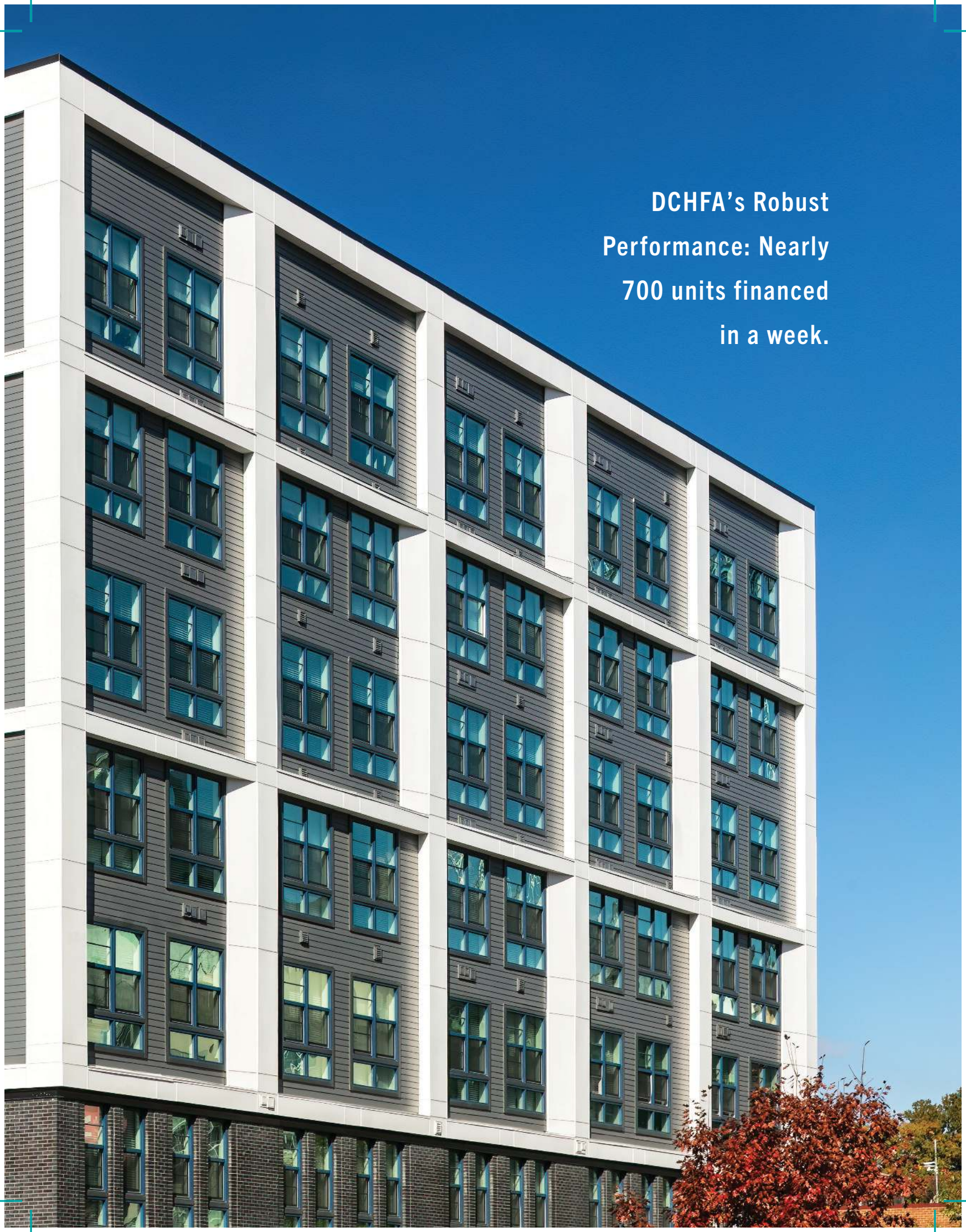
212 apartment homes

Reserved for residents earning
30% and 60% of AMI or less

\$103 million total development costs
\$45 million tax-exempt bond financing
\$37.8 million federal LIHTC equity
\$39 million New Communities Initiative loan

Developers | MidAtlantic Realty Partners,
Taylor Adams Associates, and CSG Urban
Partners





**DCHFA's Robust
Performance: Nearly
700 units financed
in a week.**



1110





Takoma Place Apartments

Ward 4, Rehabilitation

106 units

Reserved for residents earning
60% of AMI or less

\$39.1 million total development costs

\$18.1 million bond financing

\$12 million LIHTC equity

\$13.7 million HPTF loan

Tenant Opportunity to Purchase

Act redevelopment

Developers | NHP Foundation

The Strand Residences provides support for local businesses and offers communal amenities for residents.

The Strand Residences

Ward 7, New Construction

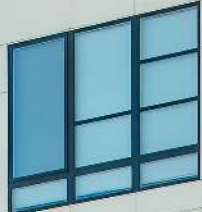
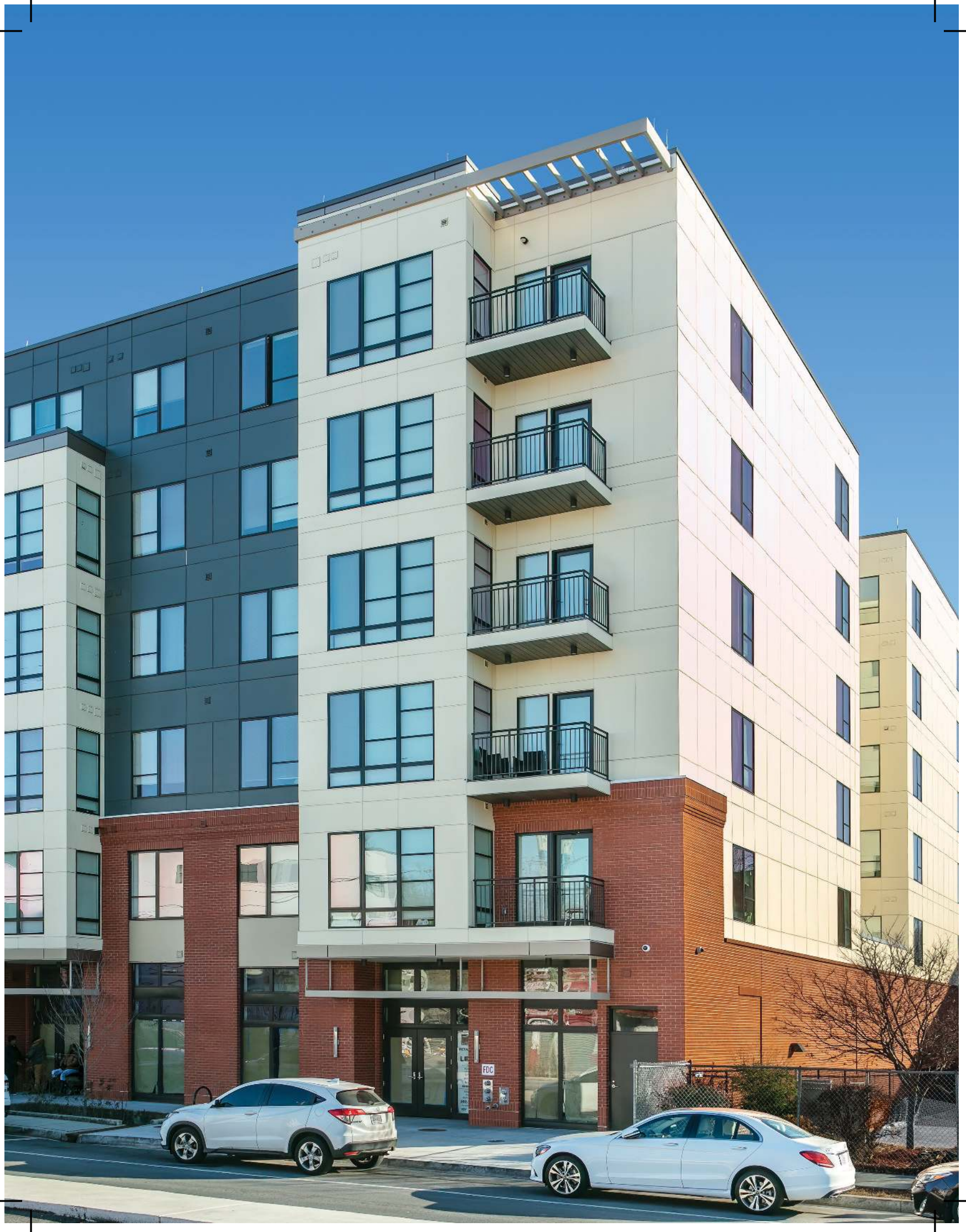
86 units

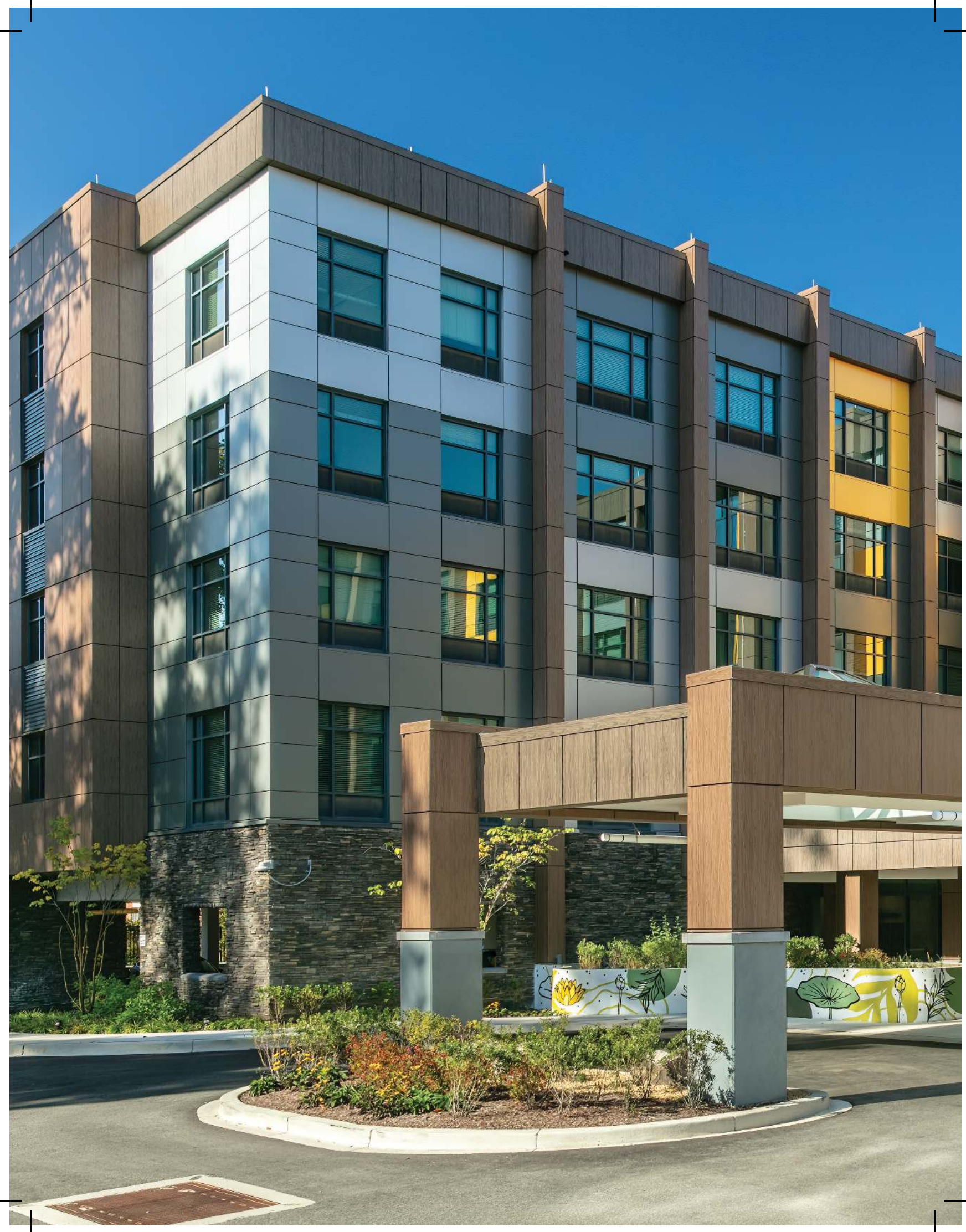
Reserved for residents earning 30% and 60% of AMI

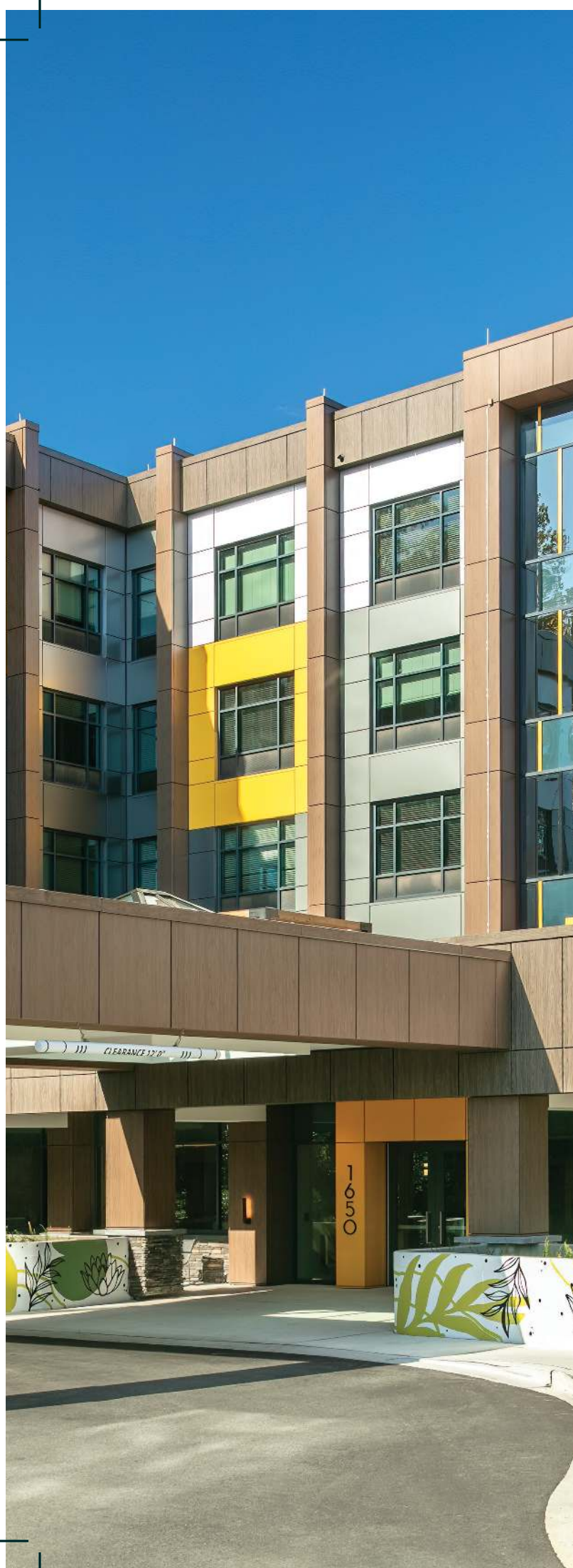
\$37.6 million total development costs
\$19.5 million bond financing
\$8.5 million Freddie Mac tax-exempt loan
\$15.6 million Pre-Development Loan

Developers | The NHP Foundation, The Warrenton Group, and WA Metropolitan CDC









The Residences at Kenilworth Park

Ward 7, New Construction

157 units

Reserved for seniors age 60 and above, earning 60% or less AMI

\$84.7 million total development costs

\$58 million bond financing

\$20.4 million LIHTC equity

Developers | Foundation Housing, Gragg Cardona Souadi, The Carding Group, and HallBridge Partners



HUD Level I 50/50 Risk Share

The Department of Housing and Urban Development (HUD) Level I 50/50 Risk Share program provides an alternative financing option for developers who preserve affordable housing. DCHFA recognizes the importance of rehabilitating existing properties as much as creating new housing in

the District of Columbia. The Federal Housing Administration assumes a portion of the risk and delegates loan processing and asset management functions to DCHFA, a qualified participating entity. FY 2023 was the Agency's sixth year as a 50/50 Risk Share lender.

Financed
Carl F. West Estates,
Ward 1
New Construction

Delivered
The Ethel (Hill East),
Ward 7
New Construction

**Proud addition
of grandfamily
development to
portfolio.**



Portfolio and Asset Management

DCHFA's Portfolio and Asset Management division is responsible for monitoring all multifamily developments that the Agency finances.

As of the end of September 2023, DCHFA's multifamily portfolio consists of 201 multifamily properties, a total of 28,279 units.

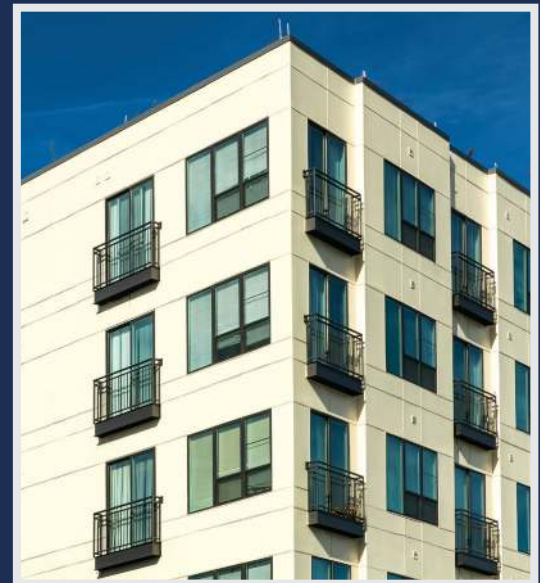
DCHFA's portfolio includes all active and inactive multifamily loans and LIHTC developments for which the Agency provides compliance and monitoring support.



Carl F. West Estates, Ward 1 project.



The Ethel (Hill East), Ward 7 project.





Housing Investment Platform

DCHFA established the Housing Investment Platform (HIP) as a resource for innovative investments that will increase the Agency's support for the District's housing market outside of the traditional bond and tax credit financing.

HIP Single-Family Homeownership Units by Ward	
Ward 6	4
Ward 7	42
Ward 8	33
TOTAL	79



HIP's Single-Family Investment Fund provides joint venture capital to emerging developers for the creation of for-sale workforce housing in the District. In addition, HIP fosters neighborhood stabilization through homeownership opportunities while supporting developers with capacity-building opportunities.

An investment from HIP significantly reduces the amount of capital a developer needs to contribute to the project, but in return, the developer agrees to market and sell the new single-family homes to households earning workforce incomes of 80%-120% of the Washington, D.C., median family income.

To date, the HIP program has invested in six different urban infill projects, which has created a pipeline of 79 single-family homeownership opportunities. To date, 30 units have been completed and sold to homebuyers. Another 22 units are scheduled for delivery in FY 2024. The remaining 27 units will be delivered in FY 2025.





Single-Family Programs

DCHFA's Single-Family Programs division creates homeownership opportunities in the District by providing low-cost single-family mortgages and down payment assistance, made possible through the issuance of mortgage-backed securities. The Agency offers a variety of programs for current and potential homeowners, with the goal of expanding and retaining homeownership opportunities in the District.

DC Open Doors 10th Anniversary



During Homeownership Month in June 2023, DCHFA celebrated the 10th anniversary of the DC Open Doors program, DCHFA’s flagship homeownership resource. DC Open Doors makes homeownership in Washington, D.C., affordable by offering qualified buyers home

purchase loans and down payment and closing cost assistance. The program offers deferred repayable loans for a homebuyer’s minimum down payment requirement in addition to first trust mortgages for the purchase of a home. Qualified first-time



DC Open Doors

Below is a list of DC Open Doors highlights from 2023. The program funded 128 mortgage loans in the amount of \$26,095,649.00, with an additional \$294,889.00 in down payment assistance.

Number of total closed loans: **110 (28 with down payment assistance)**

Average purchase price: **\$383,434**

Average first trust loan amount: **\$240,211**



and repeat homebuyers are eligible for the program. DC Open Doors can be accessed by working with one of our participating lenders who offers DCHFA's mortgage loan products. In its 10-year existence, DC Open Doors has lent \$561 million dollars in

first trust loans and \$14 million in down payment assistance efforts that have helped over 1,800 people become D.C. homeowners, with most of the homes purchased in Ward 7.

Average down payment assistance loan amount:
\$10,531

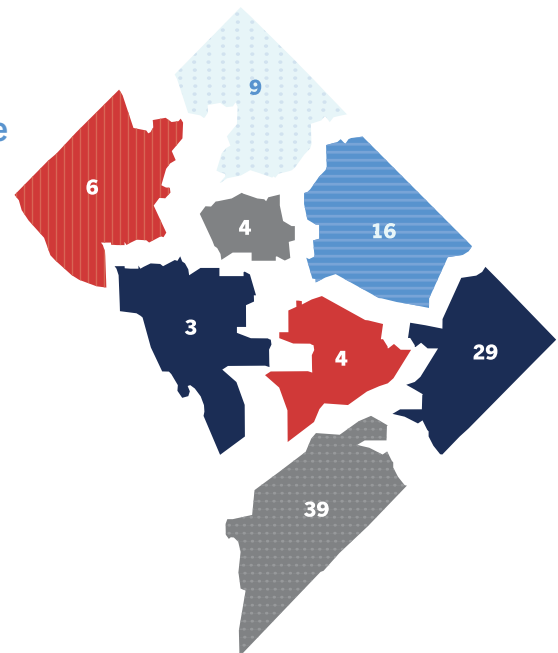
Average age of homebuyer: **37**

Average number in household: **1**

Average borrower income:
\$70,056

DC Open Doors Mortgage Assistance Loans by Ward

- Ward 1 = 4
- Ward 2 = 3
- Ward 3 = 6
- Ward 4 = 9
- Ward 5 = 16
- Ward 6 = 4
- Ward 7 = 29
- Ward 8 = 39

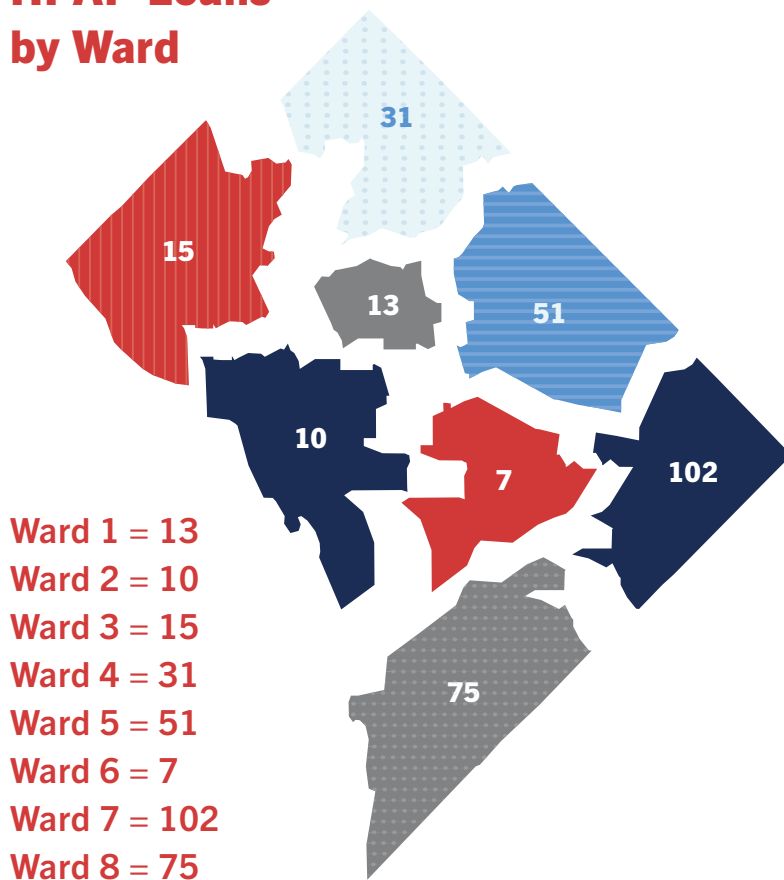


Home Purchase Assistance Program

DCHFA is a co-administrator of the District of Columbia’s Department of Housing and Community Development’s (DHCD) DC Home Purchase Assistance Program (HPAP). The Agency works in tandem with the Greater Washington Urban League and community-based organizations to get prospective homebuyers through the HPAP process and into the D.C. home of their dreams.

In FY 2023, DCHFA closed 304 HPAP loans for first-time homebuyers for a total of \$43,489,988.00 funded.

HPAP Loans by Ward



HPAP FY 2023 Highlights

Notice of Eligibility (NOE) applications received: **1,088**

NOEs issued: **672**

Total closed loans: **304**

Average purchase price: **\$371,288**

Average loan amount: **\$143,059**

Average age of homebuyer: **40**

Average household size: **2**

Average household income: **\$68,847**

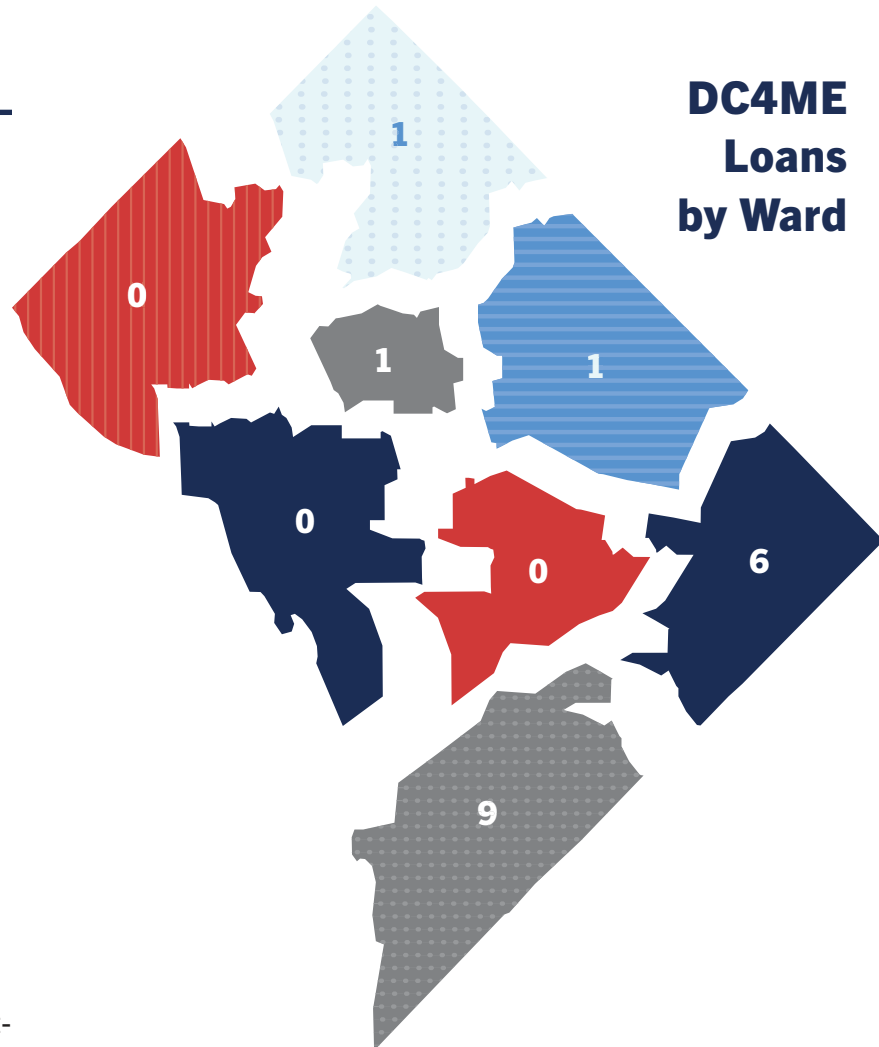


Katherine Scarlett, a first-time buyer, purchased her dream home in Ward 5 using HPAP funds during the 2023 fiscal year.

DC4ME

DCHFA launched DC4ME in 2019 to provide D.C. government employees mortgage assistance in the form of a 0% deferred subordinate loan. Qualified District government employees can receive a reduced interest rate first trust mortgage with optional down payment assistance.

DC4ME is offered to full-time District government employees, including those who may not meet the criteria for the Employer-Assisted Housing Program that DHCD administers. Under DC4ME, all D.C. government-based instrumentalities, independent agencies, D.C. public charter schools, and organizations that fall under the oversight of the Council of the District of Columbia qualify for the program.



DC4ME Loans by Ward

Total closed loans:
18 (0 with down payment assistance)

Total loan amount:
\$4,869,170

Total down payment assistance amount:
\$0

DC4ME Loans by Ward

- Ward 1 = 1
- Ward 2 = 0
- Ward 3 = 0
- Ward 4 = 1
- Ward 5 = 1
- Ward 6 = 0
- Ward 7 = 6
- Ward 8 = 9



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
District of Columbia Housing Finance Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of September 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Agency as of and for the year ended September 30, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 29, 2022.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

80 Pine Street
New York, NY 10005
T +1 212 709 4500
F +1 212 709 4680
mitchelltitus.com



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency’s basic financial statements as of and for the year ended September 30, 2023. The combining statements of net position, combining statements of revenues, expenses and changes in net position, combining statements of cash flows, and schedules of cash/cash equivalents, investments and mortgage-backed securities by Program (the “supplementary information”) on pages 50 through 53 as of and for the year ended September 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information as of and for the year ended September 30, 2023 has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as of and for the year ended September 30, 2023 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**MITCHELL TITUS**

The supplementary information as of and for the year ended September 30, 2022 was subjected to the auditing procedures applied by another auditor who indicated in their report dated December 29, 2022 that the supplemental information as of and for the year ended September 30, 2022 was fairly stated, in all material respects, in relation to the 2022 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the District of Columbia Housing Finance Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Mitchell Titus, LLP

December 29, 2023

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Statements of Net Position

As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
<i>Unrestricted current assets</i>		
Cash and cash equivalents	\$ 34,534,966	\$ 38,181,423
Investments	28,535,840	15,165,142
Other receivables	3,476,949	3,312,419
Accrued interest receivable	1,025,594	567,220
Prepaid expenses	266,907	212,990
Total unrestricted current assets	<u>67,840,256</u>	<u>57,439,194</u>
<i>Restricted current assets</i>		
Cash and cash equivalents	55,740,200	57,636,470
Investments	56,420,367	11,035,000
Accounts receivable - HPAP program	20,360,772	2,892,860
Mortgage-backed securities at fair value	36,965	-
McKinney Act loans receivable, net	750,000	1,585,808
Accrued interest receivable	1,568,761	872,833
Total restricted current assets	<u>134,877,065</u>	<u>74,022,971</u>
Total current assets	<u>202,717,321</u>	<u>131,462,165</u>
NON-CURRENT ASSETS		
<i>Unrestricted non-current assets</i>		
Investments	65,250,605	51,993,809
Mortgage and construction loans receivable, net	6,379,253	6,078,723
Total unrestricted non-current assets	<u>71,629,858</u>	<u>58,072,532</u>
<i>Restricted non-current assets</i>		
Investments held in trust	149,149,473	140,828,738
Investments in joint ventures	1,908,454	1,345,435
Mortgage-backed securities at fair value	10,455,150	12,389,739
Mortgage and construction loans receivable, net	232,337,244	196,796,048
Loans receivable	1,627,381	1,724,282
McKinney Act loans receivable, net	-	-
Total restricted non-current assets	<u>395,477,702</u>	<u>353,084,242</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCYStatements of Net Position *(continued)*

As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CAPITAL ASSETS		
Land	\$ 573,000	\$ 573,000
Depreciable and amortizable capital assets	6,859,524	6,586,553
Less: Accumulated depreciation and amortization	<u>(5,402,622)</u>	<u>(4,854,503)</u>
Total capital assets, net	<u>2,029,902</u>	<u>2,305,050</u>
Total non-current assets	<u>469,137,462</u>	<u>413,461,824</u>
Total assets	<u><u>\$ 671,854,783</u></u>	<u><u>\$ 544,923,989</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
<i>Current liabilities payable from unrestricted assets</i>		
Accounts payable and accrued liabilities	\$ 174,975	\$ 242,992
Accrued salary and vacation payable	602,002	558,674
Lease liability	39,221	36,940
Unearned income	<u>15,985,601</u>	<u>5,460,680</u>
Total current liabilities payable from unrestricted assets	<u>16,801,799</u>	<u>6,299,286</u>
<i>Current liabilities payable from restricted assets</i>		
Accounts payable and accrued liabilities	218,728	105,204
Project funds held for borrower and other liabilities	124,595,451	92,257,734
Interest payable	715,506	838,230
Current portion of loan payable	9,956,367	2,780,425
Current portion of bonds payable	<u>2,065,063</u>	<u>1,932,930</u>
Total current liabilities payable from restricted assets	<u>137,551,115</u>	<u>97,914,523</u>
Total current liabilities	<u>154,352,914</u>	<u>104,213,809</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCYStatements of Net Position *(continued)*

As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NON-CURRENT LIABILITIES		
<i>Non-current liabilities payable from unrestricted assets</i>		
Lease liability	\$ 78,540	\$ 118,885
Total non-current liabilities payable from unrestricted assets	<u>78,540</u>	<u>118,885</u>
<i>Non-current liabilities payable from restricted assets</i>		
Bonds payable - less current portion	<u>326,987,517</u>	<u>276,068,929</u>
Total non-current liabilities payable from restricted assets	<u>326,987,517</u>	<u>276,068,929</u>
Total non-current liabilities	<u>327,066,057</u>	<u>276,187,814</u>
Total liabilities	<u>481,418,971</u>	<u>380,401,623</u>
NET POSITION		
Net investment in capital assets	<u>1,819,578</u>	<u>2,149,225</u>
<i>Restricted for</i>		
Bond Fund, collateral and Risk Share Program	33,729,290	30,607,809
McKinney Act Program	<u>9,545,342</u>	<u>9,624,933</u>
Total restricted net position	<u>43,274,632</u>	<u>40,232,742</u>
Unrestricted net position	<u>145,341,602</u>	<u>122,140,399</u>
Total net position	<u>190,435,812</u>	<u>164,522,366</u>
Total liabilities and net position	<u>\$ 671,854,783</u>	<u>\$ 544,923,989</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Statements of Revenues, Expenses and Changes In Net Position
For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Investment interest income	\$ 4,919,657	\$ 2,390,291
Mortgage-backed security interest income	482,451	569,957
Interest on mortgage and construction loans	6,293,299	5,226,898
Construction and development admin fees	4,078,138	2,275,851
Financing fee income	12,927,765	5,845,154
Tax credit fee income	3,251,154	1,408,631
Bond administration fee income	8,997,570	7,370,384
McKinney Act interest revenue	439,962	295,733
Application and commitment fees	693,024	263,660
Legal fees	792,208	537,624
Gain on sale of single family loans	402,682	1,578,235
Mortgage prepayment income	25,050	1,339,227
Project revenue	2,938,856	5,203,638
Other	1,091,794	1,515,410
Total operating revenues	<u>47,333,610</u>	<u>35,820,693</u>
OPERATING EXPENSES		
General and administrative	4,329,223	4,537,753
Personnel and related costs	8,223,552	7,172,594
Interest expense	8,499,265	7,922,002
Depreciation and amortization	548,119	336,970
Trustee fees and other expenses	24,662	29,043
Total operating expenses	<u>21,624,821</u>	<u>19,998,362</u>
Operating income	<u>25,708,789</u>	<u>15,822,331</u>
NON-OPERATING REVENUES/(EXPENSES)		
<i>Federal and city grant programs</i>		
Grant program revenue	45,462,996	8,125,894
Grant program expenses	(45,459,031)	(8,125,894)
Increase (decrease) in fair value of mortgage-backed securities and investments	200,692	(6,857,488)
Total non-operating (expenses)/revenues	<u>204,657</u>	<u>(6,857,488)</u>
Change in net position	25,913,446	8,964,843
Net position, beginning of year	<u>164,522,366</u>	<u>155,557,523</u>
Net position, end of year	<u>\$ 190,435,812</u>	<u>\$ 164,522,366</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

Statements of Cash Flows

For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received on loans	\$ 6,293,299	\$ 5,173,438
Administrative and financing cash receipts	27,324,175	15,491,389
Other cash receipts	50,669,075	(32,082,256)
Payments to vendors	(3,848,846)	(12,101,891)
Payments to employees	(8,180,224)	(7,222,511)
Net mortgage and construction loans principal receipts (disbursements)	(35,841,726)	6,999,129
Principal and interest received on mortgage-backed securities	2,278,419	(870,371)
Principal and interest received on McKinney Act loans	754,095	-
Other cash payments	-	(29,043)
Net cash provided by (used in) operating activities	<u>39,448,267</u>	<u>(24,642,116)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interest paid on bonds and loans	(8,630,215)	(7,712,427)
Proceeds from bond issuances and loans	72,103,878	47,743,776
Principal payments on issued debt and loans	(13,868,991)	(49,873,632)
Bond premium	8,226	45,558
Grant program cash receipts	27,995,084	6,751,141
Grant program cash disbursements	(45,459,031)	(8,125,894)
Net cash provided by (used in) non-capital financing activities	<u>32,148,951</u>	<u>(11,171,478)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(272,970)	(248,147)
Principal payments on lease from operations	(38,064)	(36,940)
Net cash used in capital and related financing activities	<u>(311,034)</u>	<u>(285,087)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in joint ventures	(563,018)	(363,767)
Interest received on investments	3,765,355	2,390,291
Maturities and sales of investments	22,260,000	190,440,267
Purchase of investments	(102,291,248)	(131,597,212)
Net cash (used in) provided by investing activities	<u>(76,828,911)</u>	<u>60,869,579</u>
Net (decrease) increase in cash and cash equivalents	(5,542,727)	24,770,898
Cash and cash equivalents, beginning of year	<u>95,817,893</u>	<u>71,046,995</u>
Cash and cash equivalents, end of year	<u>\$ 90,275,166</u>	<u>\$ 95,817,893</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 34,534,966	\$ 38,181,423
Restricted cash and cash equivalents	<u>55,740,200</u>	<u>57,636,470</u>
Total cash, cash equivalents and restricted cash	<u>\$ 90,275,166</u>	<u>\$ 95,817,893</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCYStatements of Cash Flows *(continued)*

For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF OPERATING INCOME TO		
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Operating income	\$ 25,708,789	\$ 15,822,331
<i>Adjustments to reconcile operating income to net cash</i>		
<i>provided by (used in) operating activities</i>		
Depreciation and amortization	548,119	336,970
Gain on disposal of assets	-	18
Provision for uncollectible loans	521,675	-
Interest on bonds/loans	8,613,763	7,712,427
Provision for uncollectible interest revenue	-	31,339
Decrease (increase) in mortgage and construction loans	(35,841,726)	6,999,129
Decrease (increase) in mortgage-backed securities	1,795,968	(1,566,766)
Interest received on investments	(3,765,355)	(2,390,291)
<i>Effects of changes in operating assets and liabilities</i>		
<i>Asset/(liability) adjustment</i>		
<i>Decrease (increase) in assets</i>		
Accrued interest receivable	(1,154,302)	(254,094)
Other current assets	(53,917)	89,976
Other receivables	246,504	201,145
<i>Increase (decrease) in liabilities</i>		
Accounts payable and accrued liabilities	88,835	(1,702,729)
Unearned income	10,524,921	2,124,574
Project funds held for borrower and other liabilities	32,337,717	(52,255,720)
Accrued interest payable	(122,724)	209,575
Net cash provided by (used in) operating activities	<u>\$ 39,448,267</u>	<u>\$ (24,642,116)</u>

The accompanying notes are an integral part of these financial statements.



Written by Keme Arigbe, Public Relations Associate, DCHFA

Edited by DCHFA PR (Yolanda McCutchen, Vice President,
Keme Arigbe and Amarie Betancourt, Intern)

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