

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

June 14, 2016
815 Florida Avenue, NW
Washington, DC 20001
5:30 p.m.

Minutes

I. Call to order and verification of quorum.

The Chairman, Mr. Buwa Binitie, called the meeting to order at 5:39 p.m. and asked the Acting Secretary to the Board of Directors, Mr. Todd A. Lee, to verify a quorum. With three members present, the Board of Directors (the “Board”) had a quorum, and the meeting continued. The members present included Mr. Binitie, Mr. Stephen M. Green, and Mr. Bryan Scottie Irving.

II. Approval of the Minutes from the May 10, 2016 and May 26, 2016 Board Meetings.

Mr. Green made a motion to approve both sets of minutes as they were presented to the Board, which was seconded by Mr. Irving. The minutes were then approved by a chorus of ayes.

III. Vote to close the meeting to discuss the approval of the Portner Flats and Beacon Center transactions.

Pursuant to the District of Columbia Administrative Procedure Act, a vote was called to close the meeting to discuss, establish or instruct the Agency’s staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of the Portner Flats and Beacon Center transactions. An open meeting would adversely affect the bargaining position or negotiating strategy of the Agency. (D.C. Code §2-575(b)(2)).

A motion to close the meeting was made by Mr. Green and seconded by Mr. Irving. The motion was approved by a chorus of ayes.

The meeting was re-opened at 5:56 p.m.

III. Consideration of DCHFA Resolution No. 2016-09, an Amended Eligibility Resolution for the Portner Flats transaction.

Mr. Lee introduced the resolution and then introduced Mr. Anthony Waddell, Director of Public Finance. Mr. Waddell provided a brief summary of the transaction. The project consists of the acquisition of existing land and buildings, the demolition of the existing improvements, and the new construction of an eight (8) story building containing ninety-six (96) residential units, a landscaped courtyard, and a green roof. The project will be located in the 1400 block of V Street, Northwest in the U Street neighborhood. The principal developers of the project are Somerset

Development Company and the Jonathan Rose Companies. The project will be owned by Partner Flats, LLC. The contractor will be Clark Construction Group. Eagle Point Management will be the property manager. Eric Colbert & Associates, PC will be the architect of record.

The Agency intends to issue \$27 million in cash collateralized bonds that will be sold through a public offering by Blaylock Beal Van, LLC. A portion of the cash collateral will be proceeds from the seller note. At construction completion, the bonds will be redeemed by the proceeds from the sale of Ginnie Mae mortgage backed securities, credit enhanced by FHA 221(d)(4) mortgage insurance. Prudential is the construction and HUD permanent lender and will be the source of the FHA loan. Boston Financial Investment Management has been selected as the LIHTC syndicator and will be admitted to the LLC at closing.

The project will consist of the new construction of ninety-six (96) units in the following unit mix: twenty-three (23) studios, twenty-five (25) one bedrooms, thirty-six (36) two bedrooms, and twelve (12) three bedrooms, for a total of ninety-six (96) units. Forty-eight (48) of the units will receive rental assistance under a Housing Assistance Payment (HAP) contract, which will be extended for twenty (20) years. All units will meet the sixty percent (60%) of the Area Median Income test for both tax credits and bonds.

Members of the development team who were present in support of the project included: James Campbell, Nancy Hooff and William Whitman of Somerset Development Company; and Ms. Alfreida White and Ms. Wanda Simms, President and Vice President of the tenants association. Mr. Whitman also noted that the end tax creditor investor, Capital One, approved the transaction earlier that day.

A motion to vote to approve the Resolution was made by Mr. Green and seconded by Mr. Irving. The roll was called, and with three votes in the affirmative, the Resolution was approved.

IV. Consideration of DCHFA Resolution No. 2016-10, an Amended Eligibility Resolution for the Beacon Center transaction.

Mr. Lee introduced the resolution and then introduced Mr. Anthony Waddell, Director of Public Finance. Mr. Waddell then introduced Mr. Martin Lucero, the Development Officer for this transaction, who provided a brief summary of the transaction. The master development will consist of a single newly constructed mixed-use building with three distinct components, each with its own financing plan and distinct owner. The housing component of the master development will be referred to as the project.

The principal developer and sponsor of the project is Beacon Center Housing, LLC (the “Sponsor”), a single purpose entity controlled jointly by The Community Builders, Incorporated (“TCB”), an affordable housing developer, and Emory Beacon of Light (“EBOL”), a non-profit entity specializing in community development that is an affiliate of the Emory United Methodist Church. The project will be located at 6100 Georgia Avenue Northwest, in the Brightwood neighborhood of Washington, D.C. and will include ninety-nine (99) units of affordable housing and ninety-seven (97) parking spaces. The bedroom mix will include seven (7) studio units, sixty-one (61) one bedroom units, twenty-seven (27) two bedroom units, and four (4) three bedroom units. The Sponsor has elected to set aside one hundred percent (100%) of the units at or below sixty percent (60%) of Area Median Income, including eighteen (18) units that will be further restricted at thirty percent (30%) of Area Median Income for permanent supportive housing.

In addition to the Sponsor, the development team includes Ellisdale Construction and Development as the general contractor, The Community Builders will serve as the property management agent, and Torti Gallas and Partners, Inc., will be the architects of record. The following people attended the meeting on behalf of the Sponsor: Ms. Gina Merritt, development consultant, Ms. Hazel Broadnax of EBOL, and Stephanie Pearson on behalf of TCB.

Mr. Binitie then disclosed that he works with TCB on another development project and that he received no benefit from participating in the consideration of the financing of this project. He asked that any potential conflict of interest be waived so that he could participate. Mr. Green moved that any potential conflict be waived, which was seconded by Mr. Irving. The motion carried by a chorus of ayes.

Mr. Green then made a motion that the Resolution be approved, which was seconded by Mr. Irving. Mr. Lee then called the roll, and with all votes in the affirmative, the motion carried and the Resolution was approved.

V. Consideration of DCHFA Resolution No. 2016-09(G) Regarding the Authorization of the Acting Executive Director to Execute Documents Related to the Agency’s Money Purchase Pension Plan.

Ms. Heather Hart, Human Resources Officer, provided a brief explanation of the history of the Agency’s current dormant Money Purchase Pension Plan (“MPPP”) and explained that half of the participants in the MPPP are current Agency employees, all of whom have elected to roll their portion of the MPPP funds into the Agency’s current 457 plan. Other participants in the Agency’s MPPP who are not current Agency employees have been presented with options of what they wish to do with their respective portions of the MPPP. The Resolution that is being presented to the Board for consideration would give the Acting Executive Director authority to execute documents related to the MPPP, and staff intends to have the documents executed to terminate the plan. A motion to approve the Resolution was made by Mr. Green and seconded by Mr. Irving. The roll was called, and the Resolution was unanimously approved.

Acting Executive Director's Report.

- The Financial Management unit was able to close the books for the multifamily and single family business for the first two quarters. The Agency made an estimated profit of \$2.4 million for the first two quarters. Staff will present a more formal presentation with respect to the Agency's financial performance when the general fund is closed. Staff intends to present the Agency's financial performance to the Board on a quarterly basis.
- On June 9th, Councilmember Anita Bonds, Chair of the Council's Housing and Community Development Committee, conducted a confirmation hearing. The Agency's Acting Executive Director as well as two new Board member appointees provided testimony. A legislative session is scheduled for June 28th where it is anticipated that the Acting Executive Director and the Board Member appointees will be confirmed.
- Homeownership month has been branded as June Bloom. Mr. Lee shared with Board Members the master calendar of events which includes the following: groundbreakings, ribbon-cuttings, the DC Housing Expo and Home Show, the launch of the Agency's Mortgage Credit Certificate Program, and the Agency's June 25th House Crawl event. Additional details about the House Crawl event will be forwarded to the Board Members.

Mr. Binitie commended staff efforts for the Agency having a strong presence at the DC Housing Expo and Home Show.

The meeting was adjourned at 6:22 p.m.

Submitted by Todd A. Lee, Acting Secretary to the Board of Directors on July 8, 2016.

Approved by the Board of Directors on July 12, 2016.