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**CITY OF DALLAS HOUSING FINANCE CORPORATION** AM 11:00  
City Hall (Green Elevators) – L1EN, Conference Room D  
1500 Marilla Street, Dallas, Texas 75201  
CITY SECRETARY  
DALLAS, TEXAS

**Present:**

Sherman Roberts, President	James Armstrong III, Director	Joe Carreon, Director
Clint V. Nolen, Vice President	Ryan Garcia, Director	Jim Harp, Director
Marcy Helfand, Secretary	Brad Nitscheke, Director	Eric Anderson, Director
Andrew Moore, Treasurer		

**Not Present:**

Trent Hughes, Director

**Sherman Roberts, President and Board Member, presided over the City of Dallas Housing Finance Corporation (DHFC) meeting held on February 13, 2018, in L1EN, Conference Room D, 1500 Marilla Street, Dallas, Texas 75201.**

**1. Approval of the Minutes for the January 9, 2018 Meeting – Sherman Roberts, President**

Motion to approve the minutes subject to corrections. Board approved unanimously 10-0. The amended minutes were provided to the Board members.

**2. Discussion and possible approval on the audited financial statements for the DHFC for the period ending December 31, 2016 – Matt Stille, Managing Partner, CohnReznick, LLP**

Mr. Stille explained the particulars of the audit, that DHFC stands at 7.78 million; liabilities at approximately 1.28 million, and statement of revenues at approximately 2.44 million and headed in a positive direction. Mr. Stille indicated that the fraud claim with respect to the Riverside project was resolved.

The Board addressed questions to Mr. Stille; (1) Did CohnReznick do the tax return for Providence at Mockingbird? Mr. Stille indicated yes, plus confirmed that CohnReznick completed audits for Jubilee Seniors, Providence at Mockingbird, and Riverside projects; (2) Did CohnReznick prepare the tax return for Bruton Apartments? Mr. Stille responded no and stated that may be Novogradac prepared these. Mr. Stille also indicated that 2017 came with challenges.

The Board asked Mr. Stille what can DHFC do going forward to expedite audits. Mr. Stille indicated that the audits need to be timely and if DHFC can get them the requested information expeditiously it would be helpful. Mr. Stille suggested to the Board that DHFC establish a separate audit committee that is knowledgeable about tax information. This committee it can be located within the organization. The Board advised Mr. Stille that he could contact them directly if CohnReznick is not getting the requested information needed for audits or tax returns from DHFC staff in a timely manner.

Director Helfand asked a question related to the receipt of payables on page 22 of the audit for Bruton Apartments specifically, why the cash flow is coming to the partnership and has DHFC received it? It was determined that DHFC needed more internal control to manage the money coming in and going out. Joe Nathan Wright located an error in the audit on page 18 and in note 5 for Providence at Mockingbird: the Trustee for the bonds is Wells Fargo Bank rather than Wilmington Trust, N.A.

Director Harp left the meeting prior to discussion and vote on this matter. Motion to approve the audited financial statements presented by Matt Stille, Managing Partner of CohnReznick subject to corrections noted by Joe Nathan Wright was made by Director Anderson and seconded by Vice President Nolen. Board approved unanimously 9-0.

**3. Update from subcommittees: DHFC Organization and Providence at Mockingbird - Clint Nolen, Subcommittee Chairman**

Chairman Nolen explained that goals were outlined at the first DHFC subcommittee meeting and tasks were assigned to subcommittee members. He asked the DHFC Board to refer to the binder for assigned tasks. The subcommittee is taking a broader look at whether to rehab or sell the multifamily property known as the Providence at Mockingbird. After reviewing the latest financials and proformas, gathering legal paperwork, and assigning tasks at the next meeting a determination will be made to this effect.

There was no action taken on this item; it was for informational purposes.

**4. Update on construction closing of Flora Lofts Project - Phill Geheb, Attorney, Munsch Hardt Kopf & Harr, P.C.**

Mr. Geheb explained the details of the project which consist of three parts with fifteen different sources of financing, DHFC is the bond issuer; awaiting Freddie Mae approval of the condominium regime declaration; the builder is Balfour Beatty; awaiting City Council approval of TEFRA hearing on February 28, 2018; and anticipated final bond documents to DHFC by March 1, 2018 for DHFC approval at March 13, 2018 board meeting. Mr. Geheb hoped that no special DHFC meeting would need to be called. The board indicated that they would accommodate if this was needed.

Director Nitschke recused himself and left the meeting room for this item. There was no action taken on this item; it was for informational purposes.

**5. Update on Market Value Analysis (MVA) - Peer Chacko, Director of Planning and Urban Design**

Mr. Chacko briefed the board on the MVA, a citywide assessment that focuses on residential properties in the City. It is made up of census block groups that give a picture of what the market looks like and it is broken down into 9 indicators or variables; (1) sales price, (2) homeowner rates, (3) weak to high and stronger markets, (4) construction activity, (5) structural code structures, (6) foreclosure filings (7) public concentration of vacant units (8) subsidized housing, and (9) rehab permitting. MVA handouts were provided to the board and other attendees. David Noguera, Housing and Neighborhood Revitalization Director also elaborated on the MVA and indicated that the Housing and Neighborhood Revitalization, Planning and Urban Design, and Transportation Departments are working together to enhance the MVA with overlays.

There was no action taken on this item; it was for informational purposes.

**6. Adjourn – Sherman Roberts, President**

With no further discussion, President Sherman adjourned the meeting of the City of Dallas Housing Finance Corporation on Tuesday, February 13, 2018.

These minutes were approved by the City of Dallas Housing Finance Corporation Board of Directors on the 15th day of March, 2018.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

- 1) Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meeting Act.
- 2) The purchase, exchange, lease or value of real property, if the deliberation in any open meeting would have a detrimental effect on the position of the city in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
- 3) A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

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- 4) Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
- 5) The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
- 6) Deliberations regarding Economic Development negotiations. Section 551.087 of the Texas Open Meetings Act.
- 7) Deliberations of security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. Section 551.089 of the Texas Open Meetings Act.

Approved:

A handwritten signature in black ink that reads "Sherman Roberts". The signature is written in a cursive style with a horizontal line underneath the name.

Sherman Roberts, President