

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF HEALTH CARE FINANCE

DISTRICT OF COLUMBIA DEPARTMENT  
OF HOUSING AND COMMUNITY DEVELOPMENT  
HOUSING PRODUCTION TRUST FUND ADVISORY MEETING

HOUSING RESOURCE CENTER  
1800 MARTIN LUTHER KING, JR., AVENUE, S.E.  
WASHINGTON, D.C. 20020

MONDAY, JULY 14, 2014  
10:07 a.m. to 12:28 p.m.

2	<p>1 ATTENDEES:</p> <p>2 On Behalf of the Board:</p> <p>3 David C. Bowers, Chairman</p> <p>4 Michael Kelly (Ex-Officio Member)</p> <p>5 Sue Ann Marshall (TCP)</p> <p>6 Ornament Newsome (LISC)</p> <p>7 Jacqueline V. Prior (Cafritz)</p> <p>8 David J. Roodberg (CNHED)</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>	4	<p>1 PROCEEDINGS</p> <p>2 (10:07 a.m.)</p> <p>3 CHAIRMAN BOWERS: Good morning</p> <p>4 everybody. It is 10:07 a.m. Reminder, our</p> <p>5 clocks on the wall are about four minutes fast.</p> <p>6 So we welcome everyone to the District of</p> <p>7 Columbia Housing Production Trust Fund Advisory</p> <p>8 Board Meeting.</p> <p>9 It's Monday, July 14th, 2014. I am</p> <p>10 David Bowers, the Chair of the Board. I want to</p> <p>11 call this meeting to order.</p> <p>12 I want to welcome everybody here.</p> <p>13 Again, by way of reminder, just ask if you do</p> <p>14 have a cell phone, if you wouldn't mind putting</p> <p>15 it on silent or vibrate for us. Thank you.</p> <p>16 Let me make sure we have a quorum</p> <p>17 here. So I'm going to ask if members of the</p> <p>18 Board would please just state your name and that</p> <p>19 you're present so we can establish our quorum.</p> <p>20 David, why don't we start with you.</p> <p>21 MR. ROODBERG: David Roodberg,</p> <p>22 present.</p>
3	<p>1 ATTENDEES: (Continued)</p> <p>2 On Behalf of the Participants:</p> <p>3 Oke Anyaegbunam (DHCD)</p> <p>4 Milton Bailey (Chief of Staff, DHCD)</p> <p>5 Hank Brothers (H&amp;K)</p> <p>6 Chris Dickersin-Prokopp (Strategic</p> <p>7 Program Specialist DHCD)</p> <p>8 Beatrix Fields (Senior Legislative</p> <p>9 Specialist)</p> <p>10 Brandi V. Gladden (DHB)</p> <p>11 Michael Kharfen (DOH HAHSTA)</p> <p>12 Nikol Nabors Jackson (COO, DHS)</p> <p>13 Vonda J. Orders (OAG DHCD)</p> <p>14 Leona Redmond (Seniors Organized for</p> <p>15 Solutions Now)</p> <p>16 Leyla Sarigol (DHCF)</p> <p>17 Claudia Schlosberg (DHCF)</p> <p>18 Nathan Simms (Deputy Director of DHCD)</p> <p>19 A. Dallas Williams (Deputy</p> <p>20 Administrator, DHS)</p> <p>21</p> <p>22</p>	5	<p>1 MS. MARSHALL: Sue Marshall.</p> <p>2 MS. PRIOR: Jacqueline Prior.</p> <p>3 MS. NEWSOME: Oramenta Newsome.</p> <p>4 CHAIRMAN BOWERS: Okay. And I am</p> <p>5 David Bowers. So we have five of our members</p> <p>6 here, so we have a quorum. We shall proceed.</p> <p>7 And if other members enter as the meeting is</p> <p>8 going forward, I will note that for the record.</p> <p>9 If there is no objection, what I'm</p> <p>10 going to do is we're going to move a couple</p> <p>11 things, Board members, on the agenda around a</p> <p>12 little bit. Item Number 2 we will move towards</p> <p>13 the end.</p> <p>14 The Item Number 3, am I understanding,</p> <p>15 Director -- I'm going to ask the Director to say</p> <p>16 a word of welcome as we always do.</p> <p>17 Nathan, are you all here for the</p> <p>18 entirety? Is it better if we move you to the</p> <p>19 end or get to you now?</p> <p>20 MR. SIMMS: Get to us now. We have a</p> <p>21 meeting at 10:30.</p> <p>22 CHAIRMAN BOWERS: Okay. So we'll go</p>

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1 ahead and go right to that. So why don't we go  
 2 straight to Item 3 on the agenda.  
 3 Director, I'll turn it over to you for  
 4 any words of welcome or anything else you'd like  
 5 to say, and then, Nathan, we'll turn it over to  
 6 the Director, you and Nathan, and we'll work  
 7 around Item Number 3.  
 8 DIRECTOR KELLY: Great. Thank you,  
 9 Mr. Chairman. Good morning everybody?  
 10 (Good morning.)  
 11 DIRECTOR KELLY: Well, yeah. Just a  
 12 welcome again to the Department of Housing and  
 13 Community Development. A couple of updates.  
 14 There was probably arguably the most successful  
 15 housing fair that we at DHCD had last --  
 16 We have over 2500 residents,  
 17 incredible workshops, and I want to thank  
 18 everybody that was a part of that. And I think  
 19 the work really does talk about the incredible  
 20 need and incredible responses that the city has  
 21 to offer for those who need housing.  
 22 A quick update. I had a conversation

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1 with the mayor just last week in terms of update  
 2 on how we're doing on our pipeline, etcetera.  
 3 The mayor was very please at what  
 4 we're up to here. The one challenge is one that  
 5 we all know about and was actually wrestled with  
 6 a little bit is capacity.  
 7 So he's asked us to really make sure  
 8 that as we start to, you know, grow the program  
 9 around affordable housing that we actually make  
 10 sure that folks in the district, that we grow  
 11 capacity for developers, grow capacity for the  
 12 financiers, and anyone else that is involved in  
 13 this process.  
 14 So that's a challenge that has stated  
 15 here, and I mentioned that to the mayor, but it  
 16 was actually something that the Advisory Board  
 17 had taken on as a challenge.  
 18 Prior to getting to actually the  
 19 leveraging piece, which we're very proud of, I  
 20 do want to also just remind everybody that we  
 21 have our first set of property acquisition  
 22 disposition solicitations, and with your

8

1 permission, maybe you'd like to have Nathan go  
 2 for a double?  
 3 Do a quick update of where we are with  
 4 what we're lovingly calling SAFI 2.0, our  
 5 capital acquisition, and then a quick update  
 6 with everybody in which we really have a very  
 7 exciting new product we want to share with the  
 8 Advisory Board.  
 9 CHAIRMAN BOWERS: That'll be great.  
 10 Thank you. Nathan?  
 11 MR. BAILEY: And if I may?  
 12 CHAIRMAN BOWERS: Milton.  
 13 MR. BAILEY: Also, Director Kelly had  
 14 mentioned the meeting with the mayor. Also  
 15 under that is that what the mayor asked was that  
 16 we prepare a recommendation as it relates to  
 17 marketing the program both within our borders  
 18 and outside of our borders.  
 19 I know that this Board has been  
 20 looking at how we might build capacity with  
 21 respect to our local homegrown talent.  
 22 To the extent that this project that

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1 we are working on with the mayor is an immediate  
 2 project, if you have ideas, please use my  
 3 E-mail.  
 4 Send them to me on what are priorities  
 5 and how we might go about doing that without  
 6 displacing our homegrown talent by bringing in  
 7 developers from Baltimore, Maryland, Virginia,  
 8 New York, Delaware, wherever they come from to  
 9 take money out of the city and back to their  
 10 shops or back to their states.  
 11 That is not something that we want to  
 12 do. But we need salient recommendations on how  
 13 we can improve the capacity of our local  
 14 developers, both for profit and nonprofit. How  
 15 that would look and how we would also expand the  
 16 program beyond our borders.  
 17 Do you concur in that, Mr. Kelly?  
 18 DIRECTOR KELLY: Yes.  
 19 CHAIRMAN BOWERS: Let me ask question,  
 20 if I can, on that related to you and the staff,  
 21 the DHCD staff before we go on to formal  
 22 presentations.

10	<p>1 There are a couple of things you all 2 can share now and/or at future meetings about 3 specific capacity issues that you all find for 4 developers who come through, issues that get 5 raised. 6 MR. SIMMS: I think in terms of -- 7 CHAIRMAN BOWERS: I'm sorry. And this 8 is Nathan Simms. 9 MR. SIMMS: Okay, I'm sorry. 10 Nathan Simm, DHCD. I think we see a limited 11 amount, you know, somewhere between probably 10 12 and 15 developers on a regular basis. 13 That is not reflective of all the 14 developers in the district, so I think it's 15 twofold in terms of what we need to determine 16 what are some of the impediments from that side, 17 you know, from the development community in 18 terms of doing business with DHCD. 19 But the other part is with certain 20 organizations it affects our ability in terms of 21 NOFAs is, if you have one or two deals or maybe 22 even three deals, that pretty much ties up the</p>	12	<p>1 MR. SIMMS: Sure. 2 CHAIRMAN BOWERS: -- and then if we 3 have time before you all have to scoot out, the 4 Number 5 on the update on the pipeline report. 5 MR. SIMMS: Sure. And staff are 6 making copies of this presentation right now, -- 7 CHAIRMAN BOWERS: Okay. 8 MR. SIMMS: -- so this is just kind of 9 a summary sheet. 10 So one of the things that we had 11 talked about early on was how do we maximize the 12 Housing Production Trust Fund, and then we 13 talked about obviously how we can move deals 14 faster through the process. 15 So one of the things that we bought, 16 which we believe very strongly will help, is 17 putting dollars -- making dollars available, 18 leveraging those opportunities with the lending 19 community to provide acquisition and 20 redevelopment dollars. 21 So we started with a few meetings, 22 which have been pretty good. I think we're up</p>
11	<p>1 development team. There isn't much more in 2 terms of what can be done. So that becomes 3 problematic. 4 But our job is to, you know, maximize 5 the dollars in the fund and get deals either 6 preserved or constructed. So that's kind of the 7 major piece. 8 And I know we've talked about balance 9 sheet a little bit, but I think it's the ability 10 to attract more capital from a lending 11 standpoint, lenders viewing in a way that 12 they're stretched and they're at their capacity, 13 and no one's going to put additional dollars at 14 risk. 15 CHAIRMAN BOWERS: With that, why don't 16 we actually transition into, Nathan, because 17 some of these issues will also come up kind of 18 Items Number 3 and Number 5. I know you all 19 have to leave. 20 MR. SIMMS: We may be back. 21 CHAIRMAN BOWERS: Okay. So why don't 22 we start off with the leveraging options, --</p>	13	<p>1 to like five now, which had been really 2 productive. So we proposed doing an acquisition 3 and predevelopment loan fund. 4 We're seeking to make at least 5 \$100 million available in both public and 6 private capital to help predevelopment and 7 acquisition activity for affordable housing in 8 the district. 9 This will accommodate a number of 10 different types, and obviously we have the site 11 acquisition financing initiative, which is SAFI, 12 but we wanted to go a little bit more deeper in 13 terms of being able to leverage various types of 14 transactions. 15 So this will accommodate both the 16 tenant opportunity to purchase and the 17 district's opportunity to purchase traditional 18 SAFI applicants as well as permanent supportive 19 housing. 20 So the DHCD has proposed trying to do 21 an RFP sometime probably this fall to have 22 designated lenders selected under the program.</p>

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1 We would make -- we would pledge at least  
 2 \$25 million to this effort.  
 3 We are trying to provide credit  
 4 enhancement in the form of either loan loss  
 5 reserve or an opportunity for lenders to mix in  
 6 our capital with their capital to bring the cost  
 7 down and get deployed quicker.  
 8 So that this will help developers who  
 9 are looking to acquire relatively quickly have  
 10 ongoing capital expenses who often take  
 11 buildings that are occupied that have a lot of  
 12 different -- or maybe it's issues that you  
 13 cannot necessarily take care of right away that  
 14 will help with that.  
 15 So the district has proposed taking  
 16 25 percent of the top loss. One of the things  
 17 that we've encouraged is participant lender  
 18 participation and cold lending between first and  
 19 second trust lenders.  
 20 So this allows -- more transactions  
 21 are getting more expensive, and obviously a lot  
 22 of people already know that. So it may require

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1 in some instances more than one lender to come  
 2 together to kind of leverage that risk.  
 3 So we've had a number of different  
 4 lending institutions at the table. There have  
 5 been very good conversations back and forth  
 6 really about it. We certainly want to kind of  
 7 fill in the gaps where we can to help people  
 8 move a lot quicker through the process, as I  
 9 said.  
 10 We would have this over kind of a  
 11 five-year period for the participating lenders  
 12 to deploy the capital. We would revisit at the  
 13 end of the five years of re-upping the initial  
 14 investment or increasing that initial  
 15 investment.  
 16 We certainly recognize that we left  
 17 the flexibility based on the discussions that we  
 18 had that we knew that some people would, in  
 19 terms of the loan loss, they may want to just  
 20 set it aside in a separate account.  
 21 Or some people want to lend it, as I  
 22 mentioned. We think that this will help. We

16

1 left that flexibility to allow people to make  
 2 some decisions.  
 3 In terms of the specifics for  
 4 non-profit developers, we have proposed going up  
 5 to 120 percent of loan to value, for for-profit  
 6 developers 95 percent of loan to value. We  
 7 think that that is pretty much the sweet spot.  
 8 It helps get the projects ready to  
 9 move to a point where they're acquiring, they're  
 10 able to make their proper assessments, their  
 11 capital needs assessment.  
 12 Begin to kind of figure out what  
 13 they're financing options to be able to move to  
 14 permanent financing and perhaps get financing  
 15 from DHCD.  
 16 In terms of the designated  
 17 underwriting parameters, I mean, certainly the  
 18 developer would have to be -- well, they would  
 19 have funding opportunities for appraisal based  
 20 on environmental physical needs, assessment.  
 21 They would obviously have to provide  
 22 an operating per forma and for permanent sources

17

1 and use and other critical factors.  
 2 We recognize that that's early in the  
 3 process, but the benefit to it is, you are  
 4 starting to think about what your end product  
 5 could be, in most cases.  
 6 And obviously we know in development  
 7 what you started out thinking it could be, may  
 8 not turn into that at the end of the day, but  
 9 you have an early enough opportunity to have  
 10 your plan A, your plan B, your plan C, and  
 11 everything becomes a little bit more sure up.  
 12 Resources are obviously -- can be  
 13 scarce, so if you don't -- if you have a  
 14 scenario where you're looking for various  
 15 subsidies and those subsidies aren't available,  
 16 at least you can have another scenario where  
 17 those subsidies aren't available, your deal  
 18 could still work in some form or fashion. It  
 19 doesn't kill your deal.  
 20 In terms of the term, the term would  
 21 be up to three years. DHCD, similar to this  
 22 SAFI product, we would have ten-day period to

18	<p>1 review and approve once it was submitted.</p> <p>2 And we think that at the end of the</p> <p>3 day this provides a hopeful discussion, not only</p> <p>4 with the lenders up front, but the developers.</p> <p>5 So -- which we've been doing a lot of</p> <p>6 lately and frankly what we should be doing. So</p> <p>7 that we can start having the conversations early</p> <p>8 on from when the deal originally comes through</p> <p>9 the door with the participating lender, with the</p> <p>10 developer as well, as well as the developer and</p> <p>11 the permanent financier as it's getting close to</p> <p>12 permanent.</p> <p>13 CHAIRMAN BOWERS: Nat, a couple</p> <p>14 questions just for clarity, and then I'll open</p> <p>15 up the questions from the Board members.</p> <p>16 MR. SIMMS: Okay.</p> <p>17 CHAIRMAN BOWERS: One, that max</p> <p>18 three-year term, is there a one-year option with</p> <p>19 that?</p> <p>20 MR. SIMMS: Correct, yes.</p> <p>21 CHAIRMAN BOWERS: Okay. And then also</p> <p>22 just for the record, can you explain how -- you</p>	20	<p>1 CHAIRMAN BOWERS: One last question,</p> <p>2 just for clarity and before I open it up to the</p> <p>3 Board.</p> <p>4 So is it expected that this will be a</p> <p>5 one-time pledge, like \$25 million out of the</p> <p>6 trust fund, or is it expected that there may be</p> <p>7 pledges from future trust fund allocations to</p> <p>8 this, or is that to be determined?</p> <p>9 MR. SIMMS: I think it's to be</p> <p>10 determined. Part of the discussions that we've</p> <p>11 had is -- so we can be victims of our own</p> <p>12 success, right?</p> <p>13 So we can lend so much and still have</p> <p>14 time on the loans where we're not recycling the</p> <p>15 dollars I think fast enough.</p> <p>16 So it's a real possibility that at</p> <p>17 some point in the future we may have to do that,</p> <p>18 depending on how quickly the deals move through.</p> <p>19 Though we anticipate that may not be</p> <p>20 an issue because if we're kind of -- more and</p> <p>21 more the emphasis up front in decisions to be</p> <p>22 made early on, that should lead to a deal that's</p>
19	<p>1 mentioned there'll be \$125 million of trust fund</p> <p>2 money that'll be pledged to this fund. Explain</p> <p>3 how that gets us to \$100 million on the private</p> <p>4 side or up to.</p> <p>5 MR. SIMMS: Sure. So we would be --</p> <p>6 in the RFP would specifically say that the</p> <p>7 district is looking to leverage a fund up to</p> <p>8 \$100 million, and then the participating --</p> <p>9 Or lenders that were interested in</p> <p>10 participating in the structure would come back</p> <p>11 and say how much they could contribute to the</p> <p>12 effort.</p> <p>13 So we know, based on the conversations</p> <p>14 that we had, that some could probably easily do</p> <p>15 75 to 100 million on their own. Others may be</p> <p>16 able to do 5 to 10 million.</p> <p>17 So we want to create enough space and</p> <p>18 enough flexibility within the system to be able</p> <p>19 to do that. But we expect -- we fully expect</p> <p>20 that the lenders that would be interested would</p> <p>21 be able to leverage a huge portion of that</p> <p>22 component.</p>	21	<p>1 more ready for the takeout to take place a lot</p> <p>2 earlier in the process.</p> <p>3 CHAIRMAN BOWERS: Board members, any</p> <p>4 questions from Board members, comments, or</p> <p>5 questions? Jackie Prior.</p> <p>6 MS. PRIOR: What would the process be</p> <p>7 for the developers to access the fund?</p> <p>8 MR. SIMMS: So, I mean, it's similar</p> <p>9 to, I mean, similar to SAFI. I mean, we have</p> <p>10 designated lenders. They would be able to go</p> <p>11 and apply.</p> <p>12 MS. PRIOR: They go to the lenders?</p> <p>13 MR. SIMMS: Correct.</p> <p>14 CHAIRMAN BOWERS: And, Nathan, you</p> <p>15 just said one difference. Folks, for the</p> <p>16 record, we should say one difference between</p> <p>17 this proposed program and SAFI is that for</p> <p>18 profits and nonprofits could come in on their</p> <p>19 own. Now, for profits under SAFI can only come</p> <p>20 in as a 49 percent partner.</p> <p>21 MR. SIMMS: Correct.</p> <p>22 CHAIRMAN BOWERS: Other questions,</p>

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1 comments, suggestions from Board members? So --

2 Yes, Director Kelly.

3 DIRECTOR KELLY: This is the first --

4 this is kind of the initial rollout here. This

5 is still hot off the presses here.

6 We'll be looking to have a fall

7 implementation between now and then, and into

8 the fall we'll be looking at a series of

9 workshops and opportunities to really let the

10 folks know that this tool is out there.

11 CHAIRMAN BOWERS: A couple of issues

12 that came up in the meeting I wanted to bring up

13 here for the Board.

14 One, there was some discussion in the

15 meeting where Milton and I were at with the

16 department last week with some of the lenders

17 about potential matrix of some sort or a

18 check box be made of kind of what generally

19 speaking parameters might be that the department

20 would be comfortable with.

21 So that lenders, as they're looking at

22 taking things to their loan committees, you

23

1 know, the notion of, it'd be great if they could

2 have a commitment from DHCD that says we'll do

3 take out, we know the department's not able to

4 do that. But shorter that are there some things

5 that could give people at least more comfort?

6 So there are two things that got

7 discussed. One was -- well, one issue was the

8 per-unit subsidy amount.

9 And so I wanted to get an update for

10 the Board in the sense of from a permanent

11 subsidy standpoint, which is not always, but

12 typically being provided out of trust fund

13 dollars.

14 What's the kind of latest state of

15 play or thinking about if there would be a

16 per-unit subsidy amount cap; and, if so, what

17 that might be for this program?

18 MR. SIMMS: I think we are certainly

19 looking at doing that. I think we have enough

20 information to be able to make some sound

21 determinations.

22 We have to kind of look through it a

24

1 little bit further, look at the various types of

2 transactions that we see because we're seeing a

3 more coordinated effort in terms of, you know,

4 more 30 percent, which is the goal of the trust

5 fund.

6 It's also the goal in terms of where

7 we're seeing in terms of permanent support of

8 housing 30 percent and below. So the question

9 really becomes, you know, what would your

10 per-unit subsidy be in terms of if it's not

11 subsidized versus it is subsidized?

12 So we can look at that information I

13 think in a way that gets us to a per-unit -- I

14 say per-unit maximum, but I think we still want

15 to give some flexibility because, I mean, we are

16 not going to see every transaction.

17 We don't want to necessarily kind of

18 box people in, but we do want to give some

19 general parameters in terms of where we want to

20 go.

21 CHAIRMAN BOWERS: And it'd be helpful

22 for, I mean, for the Board to be able, as the

25

1 department thinks through that, to get some

2 sense of what those may be.

3 And I think one of the challenges for

4 all of us to think about is that there are

5 per-unit costs that when people see them they

6 get sticker shock.

7 But even in the context of what we're

8 talking about here today, for the trust fund

9 requirements, for the 40 -- 30 to 40, 31 to 51,

10 in order to serve people who are very well low

11 income.

12 Particularly in such a high cost city,

13 particularly in some of our very high cost

14 neighborhoods, in order to do that just by

15 definition there's going to be a high per-unit

16 subsidy cost most likely.

17 Now, where that subsidy comes from,

18 you know, typically it's going to come from

19 government. It doesn't have to, but generally

20 speaking that's where at least part of that

21 subsidy will come from.

22 I think all of us need to start to

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1 wrap our heads around, what's the per-unit  
 2 subsidy cost that we may be comfortable with  
 3 coming from trust fund for deals.  
 4 Particularly as we've seen -- and I  
 5 know there's a pipeline report on for the agenda  
 6 today. We've seen over the last year that  
 7 there's not a lot of pipeline coming in and  
 8 serving the extremely low and very-low income.  
 9 So potentially if developers knew  
 10 there was going to be subsidy available to serve  
 11 those deals, maybe we might see more pipeline.  
 12 So that's one of the issues I think we'll -- so  
 13 it'll be great as you all are working that out  
 14 for us to be able to take a look at that.  
 15 One last question on this before you  
 16 all go to your 10:30. If you all are able to be  
 17 back, we'll get to number 5.  
 18 MR. SIMMS: Yes.  
 19 CHAIRMAN BOWERS: Which is, the  
 20 conversation, the suggestion I brought up, and  
 21 someone may have co-signed on this in the  
 22 meeting last week.

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1 Is it possible, Director, to have in  
 2 future RFPs some points for transactions that  
 3 have gotten money from the acquisition fund so  
 4 whatever the number of points are.  
 5 But some sort of points in the RFP so  
 6 that if someone comes through and gets a loan  
 7 from one of the acquisition program lenders that  
 8 in a future RFP when they come in for permanent  
 9 subsidy or just construction financing there may  
 10 be some points there?  
 11 The thought being that, one, it sends  
 12 some comfort to lenders for their loan  
 13 committees that, okay, there's no guarantee, but  
 14 we know it's been prioritized in an  
 15 institutional way.  
 16 And then the second thing, kind of all  
 17 other things being equal, if they're equal,  
 18 there's a sense that investment from the trust  
 19 fund on the front end can also be supported on  
 20 the back end.  
 21 Is that something that could be done;  
 22 and if so, is there any sort of formal process

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1 that would need to be taken to do that?  
 2 DIRECTOR KELLY: There will be a  
 3 formal process, but it clearly meets with the  
 4 spirit of our creative degree of approach to  
 5 this.  
 6 So, Mr. Chairman, that is clearly  
 7 something that we still need to think through  
 8 the mechanics of it, but it is embedded in the  
 9 theory here that we want to make sure that the  
 10 predevelopment roles and acquisition roles and  
 11 including financing, and that there's a circle  
 12 of life that goes out with the lenders.  
 13 CHAIRMAN BOWERS: Any members of the  
 14 Board have any objection to that being kind of a  
 15 formal recommendation from this Board to the  
 16 department to have points in the future RFPs for  
 17 the acquisition loan program? Anybody have any  
 18 objections to that on the Board?  
 19 Okay, no Board members put their hand  
 20 up. Let me try that again.  
 21 MS. PRIOR: How many pages is the  
 22 handout.

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1 MR. SIMMS: Four.  
 2 MS. PRIOR: I have two.  
 3 CHAIRMAN BOWERS: So there are two.  
 4 All right, so we're going to -- we maybe missing  
 5 a couple of pages.  
 6 MS. NEWSOME: Just to clarify on that  
 7 because the point being, if an applicant has  
 8 been through the -- what do we call it, ALP?  
 9 CHAIRMAN BOWERS: Uh-huh.  
 10 MS. NEWSOME: And the closing has  
 11 happened and you are now looking at getting  
 12 construction coming in from DHCD, you have  
 13 stated relative to an RFP as opposed to just a  
 14 flow of loans coming in.  
 15 So I was under the impression that if  
 16 I closed, that's one that's flowing now into you  
 17 for construction as permanent versus a RFP where  
 18 the ones who have closed under the ALP are  
 19 competing against each other for construction  
 20 and permanent financing.  
 21 CHAIRMAN BOWERS: And let me say, I  
 22 should have been saying NOFA. I was saying RFP

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1 and I meant to say NOFA. But, yes.  
 2 MS. NEWSOME: So at this point have  
 3 you even had that discussion? Because I sort of  
 4 was under the impression that it's a flow; it's  
 5 a pipeline. It's not a point in time where you  
 6 open a NOFA, and close a NOFA, and they're all  
 7 competing against each other.  
 8 MR. SIMMS: I think the goal as part  
 9 of this is that we established kind of a  
 10 manageable pipeline amongst the participating  
 11 lenders, and that each deal at some point is  
 12 going to be running to go towards permanent  
 13 financing.  
 14 But I think it's helpful for everybody  
 15 to know, okay, well, here's the universe of  
 16 deals that are out here the could potentially  
 17 come in under a NOFA.  
 18 And I think to the Chairman's point,  
 19 which is, you know, something we have to look at  
 20 in terms of points or whatever. But I think the  
 21 main thing that we've been pushing for really is  
 22 readiness.

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1 And I think through this exercise you  
 2 would have projects that would be more  
 3 shovel-ready, if you will, so that would lead I  
 4 think to a stronger likelihood of getting in the  
 5 front door.  
 6 DIRECTOR KELLY: And I hear what  
 7 you're saying. In the current TOPA world, it's  
 8 off schedule. We will not refund things based  
 9 on how good the project is, irrespective of our  
 10 spreading super universe fund availability.  
 11 There is an issue, though, after the  
 12 acquisition, how good is the final product? And  
 13 that's going to require another level of  
 14 underwriting, another level of review.  
 15 So we still need to think through  
 16 this, and I think one thought could very well  
 17 be, to the Chairman's point, that at some point  
 18 these projects do meet the threshold, meet the  
 19 kind of criteria that they would fill within  
 20 NOFA standards.  
 21 CHAIRMAN BOWERS: So I guess just to  
 22 be --

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1 Jackie, go ahead.  
 2 MS. PRIOR: But they still have to go  
 3 through the NOVA?  
 4 MR. SIMMS: Yeah. I mean, so this has  
 5 been part of our conversation. I mean, in one  
 6 instance it may be part of the conversation and  
 7 early on have been some kind of ruling  
 8 application for us.  
 9 But we are proceeding in which it is  
 10 possible. But when you're moving in a  
 11 consolidated fashion in terms of the  
 12 coordination of resources or the MOU amongst all  
 13 the various agencies, this is the directive of  
 14 how the NOFA process is the procurement vehicle  
 15 for which the other agencies can deploy their  
 16 resources.  
 17 So that's kind of the trick in all of  
 18 this. But I think it still can be -- I don't  
 19 think it's a problem with it.  
 20 I think it's just that a lot of these  
 21 things can be flushed out probably earlier --  
 22 will be flushed out earlier on. So we should

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1 have stronger projects -- we have stronger  
 2 projects now, but I think we should have  
 3 stronger projects going forward.  
 4 CHAIRMAN BOWERS: So is it accurate to  
 5 say that projects that get funded under this  
 6 under a working name has been -- we laugh about  
 7 the AFL (acquisition loan program)?  
 8 MR. SIMMS: We're not married to that,  
 9 for the record.  
 10 CHAIRMAN BOWERS: So if a project were  
 11 to get funded under the acquisition loan  
 12 program, is it accurate to say that it would,  
 13 indeed, have an opportunity to come in through a  
 14 NOFA, subsequent NOFA? That's all what -- that  
 15 opportunity kind of will be there, period. Next  
 16 sentence.  
 17 MR. SIMMS: That's right.  
 18 CHAIRMAN BOWERS: There may also be  
 19 opportunities to be determined by the department  
 20 for projects to come in outside of the NOFA  
 21 process.  
 22 That all would be determined, but that

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1 at a minimum projects will have an opportunity  
 2 to come in through the NOFA process; is that  
 3 right?  
 4 MR. SIMMS: I think it's possible. I  
 5 think the fact that we're -- I mean, the  
 6 emphasis for new construction is, you know, the  
 7 current five percent set aside for permanent  
 8 supportive housing units.  
 9 So like I said, it makes it almost  
 10 difficult to be able to say that that unit is  
 11 not going to need some form of supportive  
 12 services, wrap-around services, some subsidy to  
 13 go along with it.  
 14 I would say if there is the complete  
 15 outlier that has -- which some have -- you know,  
 16 they have it under control, they don't need any  
 17 additional resources.  
 18 If we went to kind of a rolling  
 19 application kind of status, I mean, there could  
 20 be that opportunity for, you know, to just fund  
 21 something where it's just requesting DHCD fund  
 22 it.

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1 CHAIRMAN BOWERS: Got you. That's  
 2 right. Thank you.  
 3 And so the Board members, back to the  
 4 question of, does the Board have any objection  
 5 to having a recommendation on the record that  
 6 the department consider having some level of  
 7 points in NOFAs for projects that come through  
 8 the acquisition loan program?  
 9 Does anyone have objection to that on  
 10 the Board? We need a formal vote on that.  
 11 Anyone want to make a -- or are we okay kind of  
 12 by consent? Okay.  
 13 So seeing no objection, for the  
 14 record, we'll say that the Board is recommending  
 15 that the department consider having points in  
 16 future NOFAs for projects that receive funding  
 17 under the acquisition loan program.  
 18 Obviously all that would be determined  
 19 by the department in future conversations.  
 20 Okay? Thank you, thank you.  
 21 MS. FIELDS: A note. You received a  
 22 copy of a draft. Unfortunately it was

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1 incorrectly copied. It's four pages. We're  
 2 going to replace whatever you have.  
 3 CHAIRMAN BOWERS: Okay, thank you.  
 4 Bea. Not a problem.  
 5 Thank you, Nathan. If you get a  
 6 chance to come back, we'll hit number 5.  
 7 MR. SIMMS: We'll be back.  
 8 CHAIRMAN BOWERS: Thank you.  
 9 Let me turn over now for Item Number 4  
 10 to Sue Marshall I think who'll introduce Item  
 11 Number 4 on our agenda for us.  
 12 MS. MARSHALL: Thank you, David, and  
 13 good morning everybody.  
 14 (Good morning.)  
 15 MS. MARSHALL: To continue the  
 16 conversation about leveraging and in the context  
 17 of better coordination of resources, we've  
 18 invited representatives of four district  
 19 agencies under the purview of  
 20 Deputy Mayor Otero.  
 21 And this is for also a continuation of  
 22 our conversation about the demand side where we

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1 focus on the end users of the product coming out  
 2 of the pipeline.  
 3 So we have representatives from the  
 4 Department of Behavioral Health, which used to  
 5 be the Department of Mental Health,  
 6 Brandi Gladden. And Brandi is the senior deputy  
 7 director for housing.  
 8 We have from the Department of Human  
 9 Services Nikol Nabors-Jackson, who is the chief  
 10 operating officer.  
 11 We have Michael Kharfan from the  
 12 Department of Health, a senior deputy director  
 13 for a variety of areas.  
 14 And also Claudia Schlosberg and her  
 15 associate from the Department of Health Care  
 16 Finance. So please.  
 17 CHAIRMAN BOWERS: That's great.  
 18 MS. MARSHALL: And actually, let me  
 19 tell you what they were asked to do. They were  
 20 asked to talk to us about leveraging possibility  
 21 within their portfolio.  
 22 Specifically related to the RFP, and

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1 to the extent that it's relevant, funding that  
 2 you have made available in the past for the same  
 3 focuses.  
 4 CHAIRMAN BOWERS: Great. Thank you.  
 5 Sue.  
 6 And what we'll ask you all to do is  
 7 take about five minutes, and we'll go around the  
 8 horn, let each of you all make your  
 9 presentation, and then open it up to questions  
 10 from the Board.  
 11 Ms. Gladden, is it okay if we begin  
 12 with you, please?  
 13 MS. GLADDEN: Yes.  
 14 CHAIRMAN BOWERS: Thank you.  
 15 MS. GLADDEN: Good morning.  
 16 (Good morning.)  
 17 MS. GLADDEN: Thank you, Ms. Marshall,  
 18 for the introduction.  
 19 Essentially for our agency we serve  
 20 individuals in the District of Columbia who have  
 21 a diagnosed mental illness and could also be  
 22 struggling -- and/or are struggling with

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1 substance abuse and recovery.  
 2 And I think across the board -- no pun  
 3 intended -- but across the board in the district  
 4 affordable housing is an extreme challenge.  
 5 And when you look at our population  
 6 who are vulnerable due to their mental illness,  
 7 the relationship that we have with our service  
 8 providers who work with our consumers to provide  
 9 services and supports to help them attain  
 10 housing and then maintain housing.  
 11 So for us, for our agency, as I'm sure  
 12 for all the other governmental agencies, getting  
 13 a maximum return on the dollars that we are  
 14 investing into the development of housing and  
 15 being able to get out of that investment  
 16 affordable housing.  
 17 Working with the developers and the  
 18 service providers that are attached to the  
 19 development projects to make sure that the  
 20 recipients of those housing --  
 21 Or the consumers who will be going  
 22 into those housing units through our agency and

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1 working with the providers and developer and  
 2 service providers on site at some of those  
 3 projects, that they get the services that they  
 4 need so that they can address the issue of  
 5 housing as a part of their recovery.  
 6 So this is really important for the  
 7 money that we're putting in to get the maximum  
 8 number of affordable units allocated to our  
 9 agency in accordance with our investment.  
 10 CHAIRMAN BOWERS: That's great. Thank  
 11 you.  
 12 Ms. Nabors-Jackson?  
 13 MS. NABORS-JACKSON: Sure.  
 14 Good morning everyone.  
 15 (Good morning.)  
 16 MS. NABORS-JACKSON: So the  
 17 Department of Human Services -- and I'm also  
 18 joined by our deputy administrator for the  
 19 Family Services Administration, Mr. Dallas  
 20 Williams. He oversees our permanent supportive  
 21 housing program.  
 22 And we have a lot of exciting projects

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1 that we put our dollars into so that they go as  
 2 far as they can, and that we get a good return  
 3 on investment.  
 4 Clearly, the best return on investment  
 5 is when we are able to house and subsidize a  
 6 chronically homeless person who is very  
 7 vulnerable.  
 8 And when finally housed is able to  
 9 stay in their housing and not either drain the  
 10 medical system, the emergency rooms, and all of  
 11 the other places of attribution where the money  
 12 for that customer would otherwise go.  
 13 In FY 14 our permanent supportive  
 14 housing budget was \$28.3 million, and in FY 15  
 15 our permanent supportive housing budget will be  
 16 \$34.7 million, with a majority of that money  
 17 going to rental subsidies, which are paid  
 18 through the community partnership for our  
 19 individuals and families that are housed.  
 20 And then you'll see that bump from 15,  
 21 which is the majority of it is about a  
 22 \$4.6 million bump for homeless veterans. 1

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1 think that that's put out a challenge that  
 2 veterans be housed.  
 3 The administration and the district  
 4 stepped up to the plate, and so there's about  
 5 4.6 million additional dollars in the  
 6 FY15 budget.  
 7 With regard to the consolidated RFP,  
 8 that is probably the place where we have the  
 9 opportunity to leverage dollars.  
 10 And in the FY13 consolidated RFP we  
 11 put in about \$1.75 million for the social  
 12 services components of -- as Sue said, when the  
 13 demand side is there and the customers are  
 14 finally moved in, our money goes towards the  
 15 services that customers would receive through  
 16 case management.  
 17 And then similarly in the  
 18 FY14 consolidated RFP we put about \$2.1 million  
 19 for social services.  
 20 And so we hope, you know, barring any  
 21 budget constraints, that we would continue in  
 22 that same vein because we realize that the

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1 social services component of the bricks and  
 2 mortar are what keeps people in their units.  
 3 So that's the funding that we bring to  
 4 the table to leverage. And as always, I'm  
 5 looking forward to any other funding that comes  
 6 any of our collective ways I think in our  
 7 cluster to continue to leverage and partner so  
 8 that units become available for our population.  
 9 CHAIRMAN BOWERS: That's great. Thank  
 10 you.  
 11 Mr. Kharfan?  
 12 MR. KHARFAN: Good morning. I thank  
 13 you, Sue, for the introduction. We do cover a  
 14 bunch of diseases, but I think the topical one  
 15 here is HIV because we administer the  
 16 Housing Opportunities for People with AIDS  
 17 program (HOPWA).  
 18 Which is about a \$12.5 million grant  
 19 to the district, which we also share with  
 20 suburban Maryland, northern Virginia, and one  
 21 county in West Virginia that we are the  
 22 administrative agent for.

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1 This program has kind of been sort the  
 2 stealth program in the housing field, or as I  
 3 like to say it, we're in the appendix.  
 4 And we're currently benefitting from  
 5 some technical assistance from HUD to get us  
 6 into the main part of the consolidated plan as a  
 7 way to how we, too, can better leverage the  
 8 resources that we have and work within our  
 9 cluster, and we're in collaboration with DHCD.  
 10 Currently for the district we support  
 11 about 350 households with tenant-based rental  
 12 assistance. The definition is for persons  
 13 living with HIV/AIDS.  
 14 We also provide short-term assistance  
 15 for those who may need just a payment in order  
 16 to prevent homelessness, and that's been about  
 17 220 households per year.  
 18 We also fund a number of  
 19 community-based providers for transitional  
 20 housing and emergency housing. The emergency  
 21 housing is for 90 days, the transitional housing  
 22 is for 2 years.

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1 And we're currently looking at that  
 2 program to see, given the changes that are going  
 3 on in the broader spectrum with respect to  
 4 transitional housing as to our program can align  
 5 better with those directions that are coming  
 6 from the hard back and other housing policy.  
 7 We also manage a small program called  
 8 Shelter Plus Care, which is for those who are  
 9 chronic homelessness who are living with HIV,  
 10 and that's both tenant- and congregate-based  
 11 assistance.  
 12 And we are -- we contributed into the  
 13 2013 NOFA \$2.1 million in capital dollars. This  
 14 was our first real contribution to the NOFA, and  
 15 then this current year '14 we contributed  
 16 another \$1.2 million for capital subsidy.  
 17 This is a new area for us, and where  
 18 we are at in terms of our needs is that we have  
 19 currently approximately 1100 to 1200 people on a  
 20 waiting list for assistance for our program.  
 21 Which, based on the turnover over  
 22 about 10 to 12 per year in terms of our tenant

46	<p>1 assistance, means it's effectively a 100-year</p> <p>2 waiting list, which is not a true waiting list</p> <p>3 effectively.</p> <p>4 So we are now trying to, through this</p> <p>5 technical assistance, to really redesign how our</p> <p>6 program is oriented, how we can work more</p> <p>7 collaboratively.</p> <p>8 Because in many cases I think some of</p> <p>9 the housing needs that we have is not really</p> <p>10 related to the person's HIV status because today</p> <p>11 with medications people can live standard life</p> <p>12 spans.</p> <p>13 So now we have people who have been on</p> <p>14 tenant assistance for 12, 15 years due to the</p> <p>15 fact that their medication is that effective.</p> <p>16 But now they're aging and they're having other</p> <p>17 co-occurring conditions: behavioral health</p> <p>18 conditions, chronic conditions. So how can we</p> <p>19 look at the housing continuum for these</p> <p>20 individuals?</p> <p>21 And so we're very excited about where</p> <p>22 the direction is for this program. It really</p>	48	<p>1 \$2.3 billion on provider payments for health</p> <p>2 care. We cover one-out-of-three district</p> <p>3 residents.</p> <p>4 We provide a range of services. We</p> <p>5 fund a great deal of mental health care. We</p> <p>6 provide substance abuse treatment. We provide</p> <p>7 treatment for people with HIV/AIDS and sexually</p> <p>8 transmitted diseases.</p> <p>9 About 34 percent of our budget is</p> <p>10 spent on long term care, about 4 percent is</p> <p>11 spent on mental health. We get a 70-percent</p> <p>12 match rate from the federal government. So for</p> <p>13 every dollar we spend, we get 70 cents back from</p> <p>14 the federal government.</p> <p>15 Some of you may be aware that with</p> <p>16 health care reform we expanded coverage to</p> <p>17 childless adults. We added about 45, 50,000</p> <p>18 individuals to our rolls from about 2010 to the</p> <p>19 present.</p> <p>20 For that group only, we are getting</p> <p>21 100 percent federal match beginning January 1</p> <p>22 under the terms of the Affordable Care Act.</p>
47	<p>1 has not had any major policy or program change</p> <p>2 since it started in 1991, so we're looking</p> <p>3 forward to what we can do in better</p> <p>4 collaboration, particularly towards the</p> <p>5 consolidated plan for next year.</p> <p>6 CHAIRMAN BOWERS: That's great. Thank</p> <p>7 you, sir.</p> <p>8 Ms. Schlosberg?</p> <p>9 MS. SCHLOSBERG: Thank you. So I'm</p> <p>10 the Acting Medicaid Director for the District of</p> <p>11 Columbia Health Care Finance.</p> <p>12 Leyla Sarigol is with our long term</p> <p>13 care administration and is responsible for</p> <p>14 overseeing a program called Money Follows the</p> <p>15 Person.</p> <p>16 And I asked her to join me because so</p> <p>17 much of what she does involves finding, looking</p> <p>18 for housing for individuals who are trying to</p> <p>19 transition from nursing homes to community.</p> <p>20 I think most of you know that the</p> <p>21 Medicaid program is a very large program in the</p> <p>22 District of Columbia. We spent in FY13</p>	49	<p>1 The Medicaid program doesn't really</p> <p>2 pay for housing. The only type of housing that</p> <p>3 we actually pay for is nursing homes because</p> <p>4 it's part of the per diem rate, the way we pay</p> <p>5 for nursing facility care.</p> <p>6 And as a result of that, what we see</p> <p>7 is a lot of inappropriate utilization of nursing</p> <p>8 facility care. We have people in nursing homes</p> <p>9 who don't meet the level of need and do not need</p> <p>10 to be there, but they are there.</p> <p>11 They're either placed there coming out</p> <p>12 of a hospital or after an acute care episode</p> <p>13 because they can't return to their home or they</p> <p>14 lost their home.</p> <p>15 And they then get stuck and can't get</p> <p>16 out. And they have no -- there are so few</p> <p>17 affordable housing choices and affordable</p> <p>18 accessible housing choices.</p> <p>19 I like to tell the story of a friend</p> <p>20 of mine who's now 88 who lived in</p> <p>21 Columbia Heights in an apartment he'd had for</p> <p>22 years. I think he was spending about \$500 --</p>

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1 maybe \$400 a month for this unit. It was a  
 2 fourth-floor walk-up.  
 3 He had a health issue that sent him to  
 4 the hospital. It was not major, but the doctor  
 5 referred him to a nursing facility -- actually,  
 6 it was Maryland -- for some short-term rehab.  
 7 And because they didn't think it was  
 8 safe for him to return to a fourth-floor  
 9 walk-up, he lost that apartment. He spent the  
 10 next 18 months in a nursing home in Maryland at  
 11 a cost of about \$40,000. I think it was  
 12 29,000 -- it was like a ridiculous amount of  
 13 money.  
 14 Anyway, I finally was able to get him  
 15 back to the district to the Lisner-Louise Home,  
 16 but he spent 18 months in a nursing home  
 17 unnecessarily. We do have people like that.  
 18 The other thing is, we're under a  
 19 mandate under Title II of the Americans with  
 20 Disabilities Act -- all agencies are in the  
 21 district -- to provide services to people in the  
 22 most integrated setting, which for most people

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1 it's not a nursing home.  
 2 So we actively try to develop programs  
 3 and support people in the community, but a major  
 4 barrier for us is the lack of affordable  
 5 accessible housing.  
 6 I did do a little bit of a bullet  
 7 point. There were some numbers here about the  
 8 number of people waiting. Where is it, where is  
 9 it? You can speak to that.  
 10 MS. SARIGOL: Yeah, so --  
 11 MS. SCHLOSBERG: The screening data,  
 12 yeah.  
 13 So we looked at -- we've done --  
 14 working with the Executive Office of the Mayor  
 15 and other agencies, particularly with our Aging  
 16 and Disability Resource Center.  
 17 We are looking at individuals in  
 18 nursing homes and screening them to determine  
 19 their desire to live in a community as well as  
 20 whether it's feasible to move them into a  
 21 community-based setting.  
 22 Screening data through early 2014

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1 consistently shows that over 80 percent of  
 2 nursing facility residents who want to move to  
 3 the community need subsidized housing to do so.  
 4 That was 605 people out of 727.  
 5 And, again, we had some vouchers. I  
 6 think we had about 50 housing vouchers, and  
 7 Leyla can speak to the details of that. I think  
 8 we used all but 6; is that correct?  
 9 MS. SARIGOL: Yes, uh-huh.  
 10 MS. SCHLOSBERG: But then even having  
 11 a voucher doesn't necessary mean you get access  
 12 to housing.  
 13 I notice that -- I mean, and I don't  
 14 know if this is a throw back to the fact that  
 15 the Department of Health Care Finance was part  
 16 of the Department of Health, but now we are  
 17 independent of the Department of Health. But we  
 18 apparently are not involved in this consolidated  
 19 RFP.  
 20 And we do not get housing units or  
 21 vouchers -- we don't get housing assigned to us,  
 22 even though we really do provide the bulk of

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1 funding for supportive care. We operate the  
 2 EPD waiver as well as the waiver for Individuals  
 3 with Intellectual Disabilities.  
 4 CHAIRMAN BOWERS: Please state what  
 5 the EPD waiver is.  
 6 MS. SCHLOSBERG: Elderly and --  
 7 persons who are Elderly and Persons with  
 8 Physical Disabilities waiver.  
 9 Which is a waiver program that serves  
 10 about 3,000 individuals now, but, again, we  
 11 are -- within the Department of Health, we're  
 12 really looking at how we can more appropriately  
 13 finance and shift money to the community.  
 14 The other thing that we see within our  
 15 data is that we also have -- I think I heard you  
 16 mention from the Department of Mental Health --  
 17 inappropriate hospital utilization, particularly  
 18 for people with psychiatric illness.  
 19 A lot of those folks access our  
 20 emergency rooms, and they end up being admitted  
 21 inpatient. We haven't done the -- we've done a  
 22 lot of review of our data, and it does appear

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1 that a number of those admissions are probably  
 2 more social admissions.  
 3 That is, they don't know what to do  
 4 with folks, so rather than send them back out  
 5 onto the street they admit them.  
 6 These are folks -- not in every case,  
 7 but based on the data that we're reviewed -- low  
 8 acuity issues, but they spend a lot of time  
 9 inpatient.  
 10 And the anecdotal information I'm  
 11 getting from hospitals is that they're seeing  
 12 increases in folks coming to the emergency room  
 13 and at risk of admission because there are not  
 14 appropriate places for people to be housed.  
 15 We have seen in our data individuals  
 16 who leave one hospital setting in the morning  
 17 and go to another hospital in the afternoon and  
 18 are admitted.  
 19 And literally have spent more -- the  
 20 majority of their days inpatient in our  
 21 hospitals. And that is a very costly and  
 22 inappropriate use of our inpatient facilities.

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1 So we're here to learn, we're here to  
 2 participate and hopefully to be more involved,  
 3 because housing is -- affordable accessible  
 4 housing is something that is very important to  
 5 us.  
 6 CHAIRMAN BOWERS: Thank you very much  
 7 to all the presenters.  
 8 One quick question for clarity for  
 9 Ms. Gladden and then open up to Board members  
 10 any questions or comments.  
 11 Ms. Gladden, does DMB (Department of  
 12 Behavioral Health) provide any money in  
 13 consolidated RFP?  
 14 MS. GLADDEN: Yes. We have provided I  
 15 think over \$20 million since the beginning of  
 16 our collaboration with DHCD. And our own  
 17 housing program within the agency this year has  
 18 funded \$7.9 million. And we also have a small  
 19 grant from HUD for Shelter Plus Care, which is  
 20 \$200 million.  
 21 CHAIRMAN BOWERS: And that 7.9 million  
 22 that you all have for kind of your own program.

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1 is that rent subsidy or --  
 2 MS. GLADDEN: Yes, yes.  
 3 CHAIRMAN BOWERS: Okay. Questions,  
 4 comments from Board members?  
 5 David.  
 6 MR. ROODBERG: Yes. I think I know  
 7 the genesis of this was the lower percentage  
 8 than desired applying for below 30 percent of  
 9 median income with the NOFA trying to meet that  
 10 standard.  
 11 And we don't know the exact answer,  
 12 but I think a theory behind that was that the  
 13 concern that developers have of providing  
 14 services. That there's a large number that need  
 15 services.  
 16 And so the question, I guess, is how  
 17 to -- you know, there's obviously some funds  
 18 available. But how to bring that communication  
 19 together and maybe bring the knowledge together  
 20 and how to bring developers and access to the --  
 21 I mean, instead of I guess you have  
 22 people who are operating within some of these

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1 different organizations.  
 2 But it's not accessible to the  
 3 developer who's trying to go in saying I know  
 4 that I'm going to provide "X" number of units  
 5 because I can provide "X" number of people  
 6 serving the needs. And who's the service  
 7 provider? And how do we know that we can do  
 8 this?  
 9 And, Sue, you're smiling a little bit.  
 10 You may be able to help, you know, address that  
 11 a little bit as well. Because that's a concern  
 12 from the developer point of view is I can, you  
 13 know, "X" number of units.  
 14 But who's coming? Who provided  
 15 services? How that's happening, and it's a very  
 16 diverse where all these funds are.  
 17 And so I don't think there's a tie in.  
 18 And DHCD may be able to be the central point as  
 19 well saying, okay, we need "X" number of more  
 20 units. I'm bringing the funds from these  
 21 different places.  
 22 So that's long-winded, and I threw a

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1 couple questions in there, but, you know, an  
 2 assumption.  
 3 MS. PRIOR: And I can add to that. My  
 4 question is, what are the services?  
 5 CHAIRMAN BOWERS: Yeah. I'll go to  
 6 Sue.  
 7 MS. MARSHALL: The reason I was  
 8 smiling is I made a note to myself in listening  
 9 to Nikol because the majority of the money that  
 10 the community partnership spends comes either  
 11 from the Department of Human Services, smaller  
 12 amount from DBH, but that's already well  
 13 coordinated.  
 14 To have a conversation about how do we  
 15 use more of the dollars that come through the  
 16 community partnership to do what Nikol said they  
 17 have done at the million-dollar level because  
 18 it's a much higher level of resources.  
 19 And the services run the gambit from  
 20 your standard case management, and one of the  
 21 things we're talking a lot about in this context  
 22 is how to make sure that our services are more

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1 focused on housing retention than your  
 2 traditional social services.  
 3 One of the reasons we have this  
 4 exchange is to begin this conversation and to  
 5 make sure we all get to know each other, so that  
 6 in our natural rhythms we begin to talk to each  
 7 other about how to better coordinate.  
 8 CHAIRMAN BOWERS: All right.  
 9 MR. ROODBERG: I think it needs to be  
 10 done somehow a mechanism earlier in the process,  
 11 if DHCD's looking for this under 30-percent  
 12 median and people who need services.  
 13 You know, somebody is submitting --  
 14 most people don't know, you know, whether, you  
 15 know, it's partnering with somebody like you  
 16 who's bringing it in, but most people aren't  
 17 aware of how to bring those services and how to  
 18 bring those dollars to the table.  
 19 MS. MARSHALL: And another part of it,  
 20 and one of the reasons I'm some invested in this  
 21 process is that I believe the other half of that  
 22 discussion is marrying our clients to the units

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1 that are coming out of the pipeline.  
 2 And I think that's really where the  
 3 most productive conversation will take place.  
 4 So I'm really looking forward to the pipeline  
 5 report.  
 6 Again, in an effort to become more  
 7 familiar with what's coming out of the pipeline  
 8 with what timing, so that it's not a generic  
 9 exercise, it's an exercise specific to units  
 10 being developed.  
 11 CHAIRMAN BOWERS: So before  
 12 Ms. Schlosberg had a comment, let me ask a  
 13 question or questions.  
 14 To build on David's point, I'm  
 15 wondering if there's a both/and, right?  
 16 So there's a need to marry clients to  
 17 units on the back end. What I'm hearing, David,  
 18 in your comment and question is that there is  
 19 a -- we may not get the units that would serve  
 20 the clientele vis-a-vis like the pipeline where  
 21 we've seen not a lot of units.  
 22 Those income points, if the developers

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1 don't know that there are providers and dollars  
 2 for the provision of those services on the front  
 3 end. We'll see a lot of 50- 60-percent units as  
 4 opposed to 20- 30-percent units.  
 5 So I guess ones of the questions --  
 6 this is for the entire -- for anyone around the  
 7 table -- is there a process whereby the  
 8 social -- I heard, for example, you know, like  
 9 numbers that were put out in terms of people who  
 10 need affordable housing.  
 11 Is there some sort of coordinated way  
 12 at the agency level and then across the agencies  
 13 that says, we have "X" number of clients who  
 14 need units at these price points.  
 15 And then the second question, I guess,  
 16 on that is, is that information then shared at  
 17 the DHCD level such that as DHCD is working its  
 18 NOFAs, there's a sense that it can share with  
 19 the development community, we're putting out  
 20 "X" millions of dollars.  
 21 By the way, we need "X" number of  
 22 units that serve these populations either at

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1 these income points or with this need of service  
 2 provision.  
 3 MR. ROODBERG: And one quick add-on to  
 4 that is, and what are the services provided?  
 5 CHAIRMAN BOWERS: Ms. Schlosberg.  
 6 MS. SCHLOSBERG: So let me respond,  
 7 and I, you know, I haven't seen Sue in a long  
 8 time, but we used to work on a lot of these  
 9 issues years ago. And a couple things.  
 10 If there is a need for this group to  
 11 understand the need that's out there for  
 12 affordable assessable units for people whose  
 13 income is 30 percent or whatever, I think as  
 14 agencies we can commit to pulling those numbers  
 15 together. I think we see that need every day.  
 16 So if that's --  
 17 MR. ROODBERG: I think we understand  
 18 the needs there.  
 19 MS. SCHLOSBERG: Okay.  
 20 MR. ROODBERG: It's the service side  
 21 that's provided with that.  
 22 MS. SCHLOSBERG: So the services run

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1 the gambit, and, you know, but -- and they  
 2 change. They're dynamic.  
 3 A person who may have a substance  
 4 abuse and mental health issue, but gets their  
 5 mental health or their substance abuse under  
 6 control may have a need for ongoing mental  
 7 health services. And then they get older, and  
 8 so then they need a different set of services.  
 9 So I think that, you know, certainly  
 10 in my career in working on these type issues, we  
 11 have not wanted to build rigid service models  
 12 that are connected to bricks and mortar because  
 13 we know those needs are dynamic and change.  
 14 What my agency funds, what DHHS  
 15 provides, what DBH and DOI provide is a fairly  
 16 robust array of services. You know, sometimes  
 17 we don't connect them up.  
 18 You know, we need stronger case  
 19 management, whatever, but there is a very, very  
 20 strong, robust, social services network in the  
 21 District of Columbia.  
 22 And a lot of dollars are committed to

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1 those services. So maybe it's an issue of  
 2 education and how those things can get plugged  
 3 in.  
 4 There's sort of one exception that I  
 5 make with respect to the sort bricks and mortar  
 6 model, which is assisted living, and I forgot to  
 7 mention that in my remarks.  
 8 There are a number of private  
 9 residential assistive living types of facilities  
 10 in the district, you know, and if you have the  
 11 money, you can go live there. There are only  
 12 three assistive living facilities that take  
 13 individuals who are low income.  
 14 And our waiver program we do provide a  
 15 subsidy payment to help pay for the service wrap  
 16 around. We are, in fact, planning to increase  
 17 that subsidy level because it's just inadequate.  
 18 In the hope that we will get more  
 19 developers interested in either creating  
 20 assistive living units, you know, projects or  
 21 making units in existing assistive living units  
 22 available to individuals who are elderly or

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1 disabled and then who are low income and who  
 2 need that type service.  
 3 So that's sort of one of my exceptions  
 4 in terms of bricks and mortar and social  
 5 services that we generally want to plug and  
 6 play, if you will, in terms of what people need.  
 7 And it's also some part of what the  
 8 mandate is under Olmstead and Title II. You  
 9 know, we can't create many institutions in the  
 10 community.  
 11 CHAIRMAN BOWERS: Ms. Schlosberg, you  
 12 mentioned that you all could quantify the needs,  
 13 and I heard David's services.  
 14 In terms of number of units needed and  
 15 types of services needed, can a developer go  
 16 anywhere in the district currently and get that  
 17 information in one place?  
 18 Is there a place that if I'm a  
 19 developer, nonprofit or for profit, and I wanted  
 20 to know how many units are needed let's say  
 21 below 30 percent and the types of services that  
 22 are needed for those units, is there a place to

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1 go for that information?

2 MS. SCHLOSBERG: I don't know. Nikol,

3 you need --

4 MS. NABORS-JACKSON: I think the

5 closest place is probably the strategic plan as

6 outlined by the Inner Agency Counsel on

7 Homelessness. And that's always being updated

8 to incorporate what the needs are.

9 So we probably need to go back and

10 look at it -- because mostly the Human Services

11 agencies as well as DHCD sit on the ICH -- go

12 back and look to see if that information is

13 updated with what the need is.

14 And perhaps it doesn't drill down as

15 far as what the specific services are, but you

16 know that there are general buckets of services

17 that clients that are proved to be eligible for

18 PSH need, which is usually mental health

19 services, some substance abuse services, but

20 some type of long term case management.

21 Even though, as Claudia said, there

22 are different improvements or changes that

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1 customers may usually be qualified for PHS. You

2 need those type of services.

3 MS. SCHLOSBERG: And I'll say with

4 respect to looking at just, I mean, what we see

5 among elderly and people with disabilities, if

6 they're at risk -- if they're housed now, they

7 may be at risk of losing their housing.

8 And, in fact, we were just asked to

9 look at our data in terms of individuals who may

10 be on Medicaid who are maybe losing their

11 housing because of tax issues, or they haven't

12 paid their tax bill, or those kinds of things.

13 And, you know, we're still looking at

14 that data. But, you know, we've got quite a few

15 hits, and so, you know, again, these are

16 low-income people, older people who are at risk

17 of losing their housing because of finance

18 issues.

19 There's need out there. And I used to

20 say this when I was working on Dixon issues is,

21 you know, I don't think I have to worry about

22 over building the number of units.

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1 MR. KHARFAN: On the HIV side, I mean,

2 one of the things that I've discovered in the

3 past, and I worked on HIV housing 25 years ago

4 when it was always temporary because sadly

5 enough people just died. People are not dying,

6 which is good news.

7 But we have no permanent support of

8 housing program, so when we started this work

9 with DHCD and the notion of, well, we're going

10 to contribute to the capital side. And the

11 expectation was, well, there's the -- we'll be

12 the attached services to the project.

13 We had no separate -- we have no

14 dedicated funding for permanent supportive

15 housing. So that's one of the things we need to

16 look at.

17 Because the program never envisioned

18 it in 1991 that there was a need for permanent

19 housing. It was always considered almost

20 transitional.

21 So now we see that. We see people

22 across the spectrum. People who are working,

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1 who have -- or maybe if we're given some support

2 to get to employment that we could move them

3 from housing assistance.

4 And then there are those that are

5 going to fit in the category they're basically

6 in place. Now, we do have a robust, as Claudia

7 referenced, a robust set of services, but

8 they're not attached to the -- they're attached

9 to the person, not to the place.

10 And also the other is, and this is,

11 again, part of our formulating of this -- of our

12 approach or strategic approach, which has not

13 been to necessarily create AIDS housing again.

14 You know, we're not looking to do AIDS Plaza.

15 Our approach is much more that

16 we're -- these are people living with a chronic

17 condition and therefore looking at it in an

18 integrated approach rather than in a stand-alone

19 approach.

20 And, again, because the issues that

21 they may have can vary if it's in a

22 supportive -- if they require those kinds of

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1 range of services.

2 CHAIRMAN BOWERS: Jackie or Milton and

3 then David.

4 MS. PRIOR: Yeah. I'm interested in

5 hearing about -- with more detail -- about what

6 the services are that are provided to people who

7 are not PSH, but they're low income, which quite

8 frankly is an economic issue rather than the

9 kinds of issues that PSH should have.

10 What are the services that help people

11 achieve some economic stability, obtain economic

12 stability, whether that's jobs or something

13 else?

14 MS. NABORS-JACKSON: And just for

15 clarity, are you talking about people who might

16 be in something like rapid re-housing?

17 MS. PRIOR: Right, yes.

18 MS. NABORS-JACKSON: Or something

19 where the subsidy is not permanent?

20 MS. PRIOR: Right. Or some people who

21 are in D.C. General.

22 MS. NABORS-JACKSON: Sure. That's

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1 quite a conversation. --

2 MS. PRIOR: Yes.

3 MS. NABORS-JACKSON: -- so let's look

4 at that.

5 Anybody read the news article

6 yesterday about D.C. General or heard recent

7 statistics about at least on the family side the

8 age of our families that are coming into

9 shelter, and that about 47 percent are 18 to 24?

10 When you talk about the need or the

11 type of work that's done with a population like

12 that, it looks different from what you would do

13 with clients that are in permanent supportive

14 housing to the degree that you're trying to work

15 with a family or an individual who might be

16 temporarily subsidized to bring in some income.

17 Because clearly after a certain amount

18 of time you're going to be able -- you're going

19 to have to afford where you are living or make

20 choices about other places that you can live.

21 And so a lot of the work -- I think

22 Sue mentioned it, housing retention. The kind

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1 of shifting away from traditional

2 social services like, you know, lifting

3 depression, other things like they focused on.

4 What you have to do in order to be a

5 good neighbor, especially when you're living

6 somewhere where you're living next to other

7 people. What are some of the basic skills that

8 you need to know how to do?

9 How to take care of your unit. When

10 you're 18 to 24, you need some of that skill

11 set. And then -- or if you just have not been

12 living somewhere on your own for a while.

13 And some of the other services focus

14 then on: have you graduated from school; what

15 are the jobs that you would like to have; is

16 there anyone in your household that can hold a

17 job?

18 Can you possibly apartment share? If

19 you have another family member that's in

20 shelter, can the two of you get a place

21 together?

22 Do you need the bedroom size that you

73

1 think that you need, or can you move into

2 something smaller that you can eventually end up

3 affording when the subsidy goes away?

4 So at least from the case management

5 or housing retention services that we offer

6 either through DPS or through our contractors,

7 that's where we're focusing our conversation.

8 The services I think are very tailor

9 made to the customer that's in front of us and

10 what their needs are financially, emotionally,

11 and then just where they are.

12 Are you a first-time renter or have

13 you rented before and have a poor rental or a

14 poor credit history? Have you established

15 credit?

16 So we look at everything from asset

17 management and building all the way to your

18 traditional case management, particularly for

19 people who are vulnerable and are experiencing a

20 plethora of circumstances.

21 MS. PRIOR: So do you coordinate at

22 all with DOES?

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1 MS. NABORS-JACKSON: Sure, sure. And  
 2 most of our families and particularly and our  
 3 individuals. DOES is a known entity to them, so  
 4 they've signed up for One City One Hire. We  
 5 take them through that exercise.  
 6 But also a large number of our  
 7 families receive TANF (temporary aid for needy  
 8 families). So they are already -- if they  
 9 haven't been, they've already -- they're already  
 10 assessed to figure out which of the quadrants  
 11 they fall into in our assessment system.  
 12 Either they're work ready, they're  
 13 ready to be placed in a job, or they have  
 14 certain barriers that need to be addressed  
 15 before they can seek employment.  
 16 And we have a very robust and  
 17 expensive employment program outside of DOES,  
 18 and that complements some of the work done by  
 19 the Department of Employment Services, because  
 20 at least for the District of Columbia, we have  
 21 about 17,000 families that are on TANF.  
 22 CHAIRMAN BOWERS: So I saw Oramenta

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1 and then David. Thank you, Nikol.  
 2 MS. NEWSOME: Well, you know, it's  
 3 interesting because I didn't fully grasp the  
 4 last piece of Mike's notation about, I guess,  
 5 the conversation about the mayor about capacity  
 6 because I think I was probably eating.  
 7 Because, I mean, it's just a question  
 8 of -- I mean, there is essentially, for people  
 9 especially with special needs, essentially two  
 10 ways. You have the provider of -- the developer  
 11 or provider of housing for unique populations,  
 12 the elderly or others. And these are  
 13 traditionally nonprofits.  
 14 But then you also have for profits who  
 15 are setting aside a percentage of units within  
 16 their developments for these populations.  
 17 So do we just have in some ways a  
 18 fundamental issue of just a lack of the  
 19 organizations who are in the business of  
 20 producing housing for special populations?  
 21 Or do we feel that there is enough,  
 22 especially nonprofits, that can produce the

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1 housing that's needed, but who are just stuck in  
 2 some pipeline that's not getting out?  
 3 CHAIRMAN BOWERS: And I guess a  
 4 question on that, Oramenta, to build on that is,  
 5 do we need housing developers who do a niche  
 6 kind of housing, or can we just have real estate  
 7 developers who get married to the right service  
 8 providers?  
 9 MS. NEWSOME: Right.  
 10 MS. SCHLOSBERG: So, again, I just --  
 11 and I don't if you want to say anything about  
 12 this. But a lot of the non-profit housing  
 13 developers started developing housing because  
 14 the for profit, the regular developers were not  
 15 making affordable units available.  
 16 I know. My background, 20 years ago,  
 17 more than that, I was the Dixon monitor back in  
 18 the early --  
 19 MR. BAILEY: Wow.  
 20 MS. SCHLOSBERG: Yes. -- back in the  
 21 early '90s, and I remember that we went up to  
 22 Capitol Hill and got some money out of the

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1 capitol budget firm and started Cornerstone.  
 2 It was Helen Bergman and myself and  
 3 others working with the department, back then  
 4 the Commission on Mental Health.  
 5 People who, you know, trying to move  
 6 people out of Saint Elizabeth's Hospital, the  
 7 non-profit community stepped up to become  
 8 housing developers because the units were not  
 9 there.  
 10 But that is not -- I mean, I'm just  
 11 going to say this, and you can agree or  
 12 disagree.  
 13 But, you know, we are being tasked or  
 14 called upon to fulfill our legal mandate to  
 15 provide opportunities for people with  
 16 disabilities, whether it's a mental, physical,  
 17 but to be integrated into their communities.  
 18 Meaning, we need to treat them just  
 19 like we treat everybody else. We're not  
 20 supposed to be -- we do not want to be creating.  
 21 And we have some of those and they're important,  
 22 and they provide really important safety net for

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1 folks. But, you know, people need housing.  
 2 If they need services, we need to wrap  
 3 the housing -- as you said, the services need to  
 4 attach to the person, not the bricks and mortar.  
 5 MS. NEWSOME: Just looking for more  
 6 developers of specialized let's put everybody in  
 7 this building here. You're looking for  
 8 scattering people around, which then goes back  
 9 to for-profit sector because the non-profit  
 10 sector is never going to be large enough to do  
 11 that.  
 12 And so the question becomes, are your  
 13 systems set up to give enough incentive and  
 14 resources to the for-profit sector to do that?  
 15 MR. BAILEY: Or give the better  
 16 incentives to the non-profit developers to build  
 17 housing in which units can be set aside.  
 18 MS. NEWSOME: Yes, either of those  
 19 options.  
 20 MS. NABORS-JACKSON: And I think the  
 21 answer's a bit larger than are we set up to give  
 22 the incentives that are necessary? When you

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1 look at development for any city, I think it's  
 2 does the district have what it needs to give  
 3 incentives to developers?  
 4 It's much larger than just the human  
 5 services cluster because you take into  
 6 consideration tax credits, anything that can be  
 7 done through regulatory affairs.  
 8 It is a much larger package that would  
 9 be offered to developers to participate in  
 10 subsidizing housing, especially in this market  
 11 in the district.  
 12 CHAIRMAN BOWERS: So, Ms. Gladden, I  
 13 think you were going to respond to Oramenta's  
 14 piece, and then, David, we'll come to you.  
 15 MS. GLADDEN: Yeah. Essentially your  
 16 comments talk about incentives, and I think  
 17 that's probably one of the core issues. If I'm  
 18 a developer for profit, the key word there is  
 19 profit.  
 20 So in order for me as a developer to  
 21 gather all the finances, whatever that financing  
 22 package looks like or it's comprised of, at the

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1 end of the project I have to show a profit.  
 2 And so part of the incentive working  
 3 with DHCD, part of the incentive for the  
 4 developers is to enhance their financing package  
 5 by getting funding from DBH or, you know, these  
 6 other agencies, so that it offsets the funding  
 7 that they have to get from traditional sources.  
 8 And in exchange for that, there are  
 9 units that are set aside specifically for our  
 10 population, but it's --  
 11 MR. BAILEY: What's the magic number  
 12 for you?  
 13 MS. GLADDEN: I think it's  
 14 five percent of the developed units.  
 15 MR. BAILEY: Go figure.  
 16 MS. GLADDEN: I'm sorry, was that your  
 17 question?  
 18 MR. BAILEY: Yeah. No, that answered  
 19 it. In other words, -- yeah.  
 20 MR. ROODBERG: And the Housing  
 21 Production Trust Fund's goal is to do 40 percent  
 22 of the units at under 30 percent of median

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1 income. So even if ever project, every single  
 2 one came in with the 5 percent, you're nowhere  
 3 close to the goal.  
 4 I mean, I think there's a bit of a  
 5 mismatching in a way. I mean, and I understand  
 6 why it's there, the services to the individuals  
 7 and not the bricks and mortars.  
 8 But the developer needs to know that  
 9 the services are there and tied to the property  
 10 to commit to certain things.  
 11 I mean, we're going to be coming in  
 12 with a project that's going to have, you know,  
 13 instead of ten percent in support of housing,  
 14 and we found a non-profit partner that's  
 15 committed to being our partner and not in  
 16 managing those units and doing those.  
 17 But I think that services to the  
 18 individual, you know, I understand that's the  
 19 right way the go.  
 20 But from a development point of view,  
 21 that doesn't give enough comfort in management  
 22 in saying I'm going to go well beyond the

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1 5 percent and go to 20 or 30 or 40 percent.  
 2 And then you get the debate, do you  
 3 have separate, which I hear people don't want,  
 4 where you have properties that are developed  
 5 just for -- by non-profit developers -- just for  
 6 the purpose of this, but that's not the goal.  
 7 But to go well beyond the 5 percent  
 8 will require just a whole different mind set,  
 9 and that some of these may need to be tied to  
 10 bricks and mortar in some ways, or at least  
 11 partnerships developed. But it's a big change  
 12 in how things are done.  
 13 CHAIRMAN BOWERS: Jackie?  
 14 MS. PRIOR: You do have some  
 15 non-profit developers. I'm thinking of Jubilee  
 16 and THC who provide services as well as  
 17 development. They do that very well. And it's  
 18 not just for PSH designated folks. Those  
 19 services are available to all their residents.  
 20 And I think that's something.  
 21 MR. ROODBERG: But their capacity is  
 22 less than --

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1 MS. PRIOR: Yes, but you don't have  
 2 too many of those. But to me, from what I've  
 3 seen, it works. What they do works. And the  
 4 result is that you do have some folks who  
 5 advance beyond under 30 percent. They go up to,  
 6 you know, 60 percent.  
 7 CHAIRMAN BOWERS: So we'll go to Sue  
 8 and Ms. Schlosberg, and then I actually want to  
 9 come back to a question I have on Jackie's point  
 10 that she just raised.  
 11 Sue.  
 12 MS. MARSHALL: Five percent is too low  
 13 for permanent supportive housing. That needs to  
 14 be higher. We also have to recognize that the  
 15 vast majority of our customers are not permanent  
 16 supportive housing residents. They don't  
 17 qualify, they don't need.  
 18 So it is simply more affordable  
 19 housing with some services attached that are not  
 20 as neat as the service mix that you get with  
 21 permanent supportive housing.  
 22 CHAIRMAN BOWERS: Ms. Schlosberg,

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1 MS. SCHLOSBERG: So I think what I  
 2 heard from you, and I'm sorry, I don't know --  
 3 CHAIRMAN BOWERS: It's David.  
 4 MS. SCHLOSBERG: And I assume -- and  
 5 you are from -- you represent or on the Board?  
 6 MR. ROODBERG: Right, I'm on the  
 7 Board. I'm a developer.  
 8 MS. SCHLOSBERG: Okay. I thought  
 9 that. I just didn't want to, you know.  
 10 MR. ROODBERG: Yeah.  
 11 MS. SCHLOSBERG: But I'm hearing  
 12 something is that what you're saying, you know,  
 13 if there are developers out there who might be  
 14 willing to create more units that are  
 15 affordable, but they need something, assurance.  
 16 Or it sounds like almost a management  
 17 problem because, you know, -- and, again, I'm  
 18 not in this business, housing business on a  
 19 day-to-day basis by any means.  
 20 But it seems to me that that is a  
 21 dialogue worth having because if the issue is,  
 22 you know, I'm about to develop this building

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1 here at whatever, and I'm willing to increase  
 2 the number of affordable units. But I would  
 3 need to know or I need assurance that those  
 4 units could be well managed.  
 5 That is, tenants will be screened. If  
 6 they're getting into trouble, somebody will be  
 7 there. It might be worthwhile exploring exactly  
 8 what that means.  
 9 It's a little different than saying  
 10 they have to define the package of services that  
 11 is going to be tied to these units in advance.  
 12 It's really partnering with the  
 13 developer to make sure, regardless of the need,  
 14 that the units are well managed. And I think  
 15 that's a dialogue worth having.  
 16 MR. ROODBERG: Yeah, that's the point.  
 17 And quite frankly, on the service side  
 18 and the budget side, it's a more affordable  
 19 proposition than something that's going to be a  
 20 much more intensive service plan.  
 21 Because people go through periods of  
 22 time: they're fine, and then all of a sudden

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1 they need a little extra support. We have that  
 2 period, we're responsible on that part, then we  
 3 keep people successful, we keep the project  
 4 successful. And they stay in housing.  
 5 CHAIRMAN BOWERS: So to that point,  
 6 Milton, let me ask you and the folks in the  
 7 department.  
 8 So in the NOFAS process with the  
 9 five percent requirements coming this year, can  
 10 you say a little bit about what the process was  
 11 in the communication between DHCD, the agencies  
 12 who provide services money, and the development  
 13 community?  
 14 How did that start off this year and  
 15 that was the first time doing it? And any  
 16 thoughts in terms of lessons learned so far  
 17 early in the process about what it may look like  
 18 next cycle?  
 19 MR. BAILEY: Yeah. I think the  
 20 five percent was informed by the director's work  
 21 with the coalition -- tried to deal with -- get  
 22 their arms around and deal with homeless issues

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1 as well as permanent supportive housing issues.  
 2 It was also hard borne part of a  
 3 national best-models effort. And I'll stop  
 4 there.  
 5 And so with any effort, particularly  
 6 as it relates to putting something in the ground  
 7 initially where there hasn't been something in  
 8 the ground initially, there's always some fine  
 9 tuning that needs to be done. So we're open to  
 10 how we might improve the program.  
 11 I will say this, Sue brings up a very  
 12 interesting question about the depth of services  
 13 associated with the five-percent set aside and a  
 14 more hybrid approach to that depth of services  
 15 that I think needs to be fully explored.  
 16 Because if there is -- if there is not  
 17 a -- if we can bifurcate the demand for  
 18 permanent supportive housing and then create  
 19 another scenario that says, look, we need a  
 20 hybrid without the depth of services, then I  
 21 think it is absolutely appropriate that we  
 22 include that in the next NOFA.

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1 But we need to flush it out a little  
 2 bit more as to what the distinction is so that  
 3 our developers are clear as to which program  
 4 they want to go under.  
 5 But I would commend Sue because the  
 6 hybrid notion was brought up early on and, I  
 7 mean, you know, in a former life in Louisiana,  
 8 but it never came to fruition.  
 9 I'm glad it's being thought of now,  
 10 because I think that that is absolutely the next  
 11 evolutionary step in solving a much bigger  
 12 problem.  
 13 MS. PRIOR: I agree with that. I  
 14 think that's exactly what I'm driving at with a  
 15 Jubilee/THC kind of model. But your clientele  
 16 are not -- some of them now are, but most of our  
 17 clients are not in permanent supportive housing.  
 18 They're low income and low education.  
 19 They need all the kinds of services that you're  
 20 describing, but not the intensity.  
 21 MR. BAILEY: But not the intensity,  
 22 right.

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1 CHAIRMAN BOWERS: So kind of permanent  
 2 supportive housing versus resident services,  
 3 kind of generic. So some folks need general  
 4 resident services, some need permanent  
 5 supportive housing level of services.  
 6 It would be -- I think as we get ready  
 7 to wrap on this one in about two minutes, part  
 8 of what we as a Board and with you all in your  
 9 agencies, and Director Kelly.  
 10 One, I do think quantifying what that  
 11 universe is. Right? So what is the universe of  
 12 folks to the extent we can -- the collective  
 13 "we," right.  
 14 The quantification of how many  
 15 residents are -- let me step back. So I always  
 16 like to ground it. And what are we, as a Board,  
 17 tasked to do?  
 18 And one of the things we're tasked to  
 19 look at from the Housing Production Trust Fund's  
 20 standpoint is the legal requirement that at a  
 21 portfolio level 40 percent of the trust fund  
 22 dollars support units serving people making 0 to

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1 30 percent very median income. Forty percent  
 2 supporting people making 31 to 50. I'd like to  
 3 ground it there.  
 4 Okay. So now if we step back and say  
 5 if there's a way to quantify what is the  
 6 universe of people who need housing at those  
 7 points? And then what are the services that are  
 8 required for folks in those lower bands?  
 9 And what percentage of those services  
 10 are more PSH-type services and what are more  
 11 resident services, kinds of services?  
 12 And then to David's point and others  
 13 that have said, then it becomes kind of a  
 14 communication and coordination exercise once we  
 15 quantify that.  
 16 So that those who produce housing,  
 17 nonprofit and for profits who do this housing,  
 18 can know -- and the agency, the housing agency  
 19 could then say, look at the resources it's  
 20 putting out.  
 21 Do you put in requirements? Like in  
 22 this most recent round, do you put in incentive

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1 points if you're servicing this? And even  
 2 beyond the points and requirements piece, that  
 3 coordination of letting developers know, here  
 4 are the providers of resources and how you can  
 5 potentially get that paid for.  
 6 It seems like if we could -- again,  
 7 kind of a collective "we" -- move towards that  
 8 kind of intel and data being very clear on an  
 9 ongoing basis, not at a point in time  
 10 But that just becomes kind of standard  
 11 operating procedure for kind of the eco system;  
 12 that is, developing this housing that could be  
 13 helpful.  
 14 One thing I did want to build on with  
 15 Jackie, and this is a question. Because when  
 16 the Housing Task Force met, one of the issues --  
 17 one of the ways in which things were framed was  
 18 supply versus demand, supply versus demand.  
 19 With this notion that there are a  
 20 universe of residents who with a little bit of  
 21 help can kind of move up and out or up the  
 22 income stream and would not then need subsidized

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1 quote, unquote.  
 2 And I put that in quotes because as,  
 3 you know, there's a lot of subsidy that goes to  
 4 people who are not low income for their houses.  
 5 So there's a lot of subsidized housing in the  
 6 country.  
 7 That being said, do we have a sense of  
 8 what percentage of people, roughly speaking,  
 9 are -- making 0 to 30 -- are people who with a  
 10 little help could move up the income band versus  
 11 those folks who may just because of illness or  
 12 whatever, whatever the issues may be, they just  
 13 may always be at a lower income band?  
 14 Is there any references? Is that  
 15 percentage of folks who are just chronically,  
 16 you know, -- is that kind of a smaller percent,  
 17 5 to 10 percent of the bucket, or is that 30,  
 18 40 percent of the bucket?  
 19 Director Kelly.  
 20 DIRECTOR KELLY: Well, I guess in  
 21 other words, part of the permanent supportive  
 22 housing production committee, I guess there was

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1 a point in time exercise awhile ago that talked  
 2 about 26, 2700 chronic or whatever phase one,  
 3 sort of the chronic homeless that are subject to  
 4 permanent supportive housing, of which 700 or  
 5 800 of those were families.  
 6 Nicole, does that make sense in terms  
 7 of those kind of numbers?  
 8 MS. NABORS-JACKSON: Yes.  
 9 DIRECTOR KELLY: And then you compare  
 10 that to the 8 or 9,000 that are like homeless  
 11 now; is that the number? So it's like one-third  
 12 or so from a question of percentages. About  
 13 one-third I think fit in that category of  
 14 requiring additional supportive services.  
 15 CHAIRMAN BOWERS: Uh-huh, okay,  
 16 Ms. Gladden.  
 17 MS. GLADDEN: Just a point of  
 18 clarification. Forty percent of the HPTF funds  
 19 need to go to these two categories, 0 to 30 and  
 20 30 to 60, or 40 percent of the units developed  
 21 should fall into those categories?  
 22 DIRECTOR KELLY: It's 40 percent of

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1 the funds at a portfolio level should support  
 2 units at 0 to 30 and 40 percent of the  
 3 trust fund dollars should support units at 31 to  
 4 50 percent.  
 5 MS. GLADDEN: Okay. Because I'm  
 6 thinking that 40 percent of dollars is more  
 7 attainable than 40 percent of units.  
 8 DIRECTOR KELLY: Of units, right.  
 9 MS. GLADDEN: And what you were saying  
 10 about what is the demand or what are the  
 11 numbers? The numbers are always going to exceed  
 12 what can be done. I think, you know, we can  
 13 definitely provide that information.  
 14 I think looking at it from  
 15 two different ends, looking at both ends. One,  
 16 what is the demand? So it's going to be this  
 17 big.  
 18 And then, what are the ways that we  
 19 can sweeten the pot, whatever that means, in  
 20 order to get to increase the amount of  
 21 affordable housing in both these categories?  
 22 You know, whatever that takes.

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1 And as far as the types of services,  
 2 we have -- we provided previously  
 3 capital dollars for development of Jubilee  
 4 units.  
 5 We have our consumers in Jubilee  
 6 housing, and the model that was described where  
 7 the individual goes into housing and these are  
 8 affordable units that were developed by private  
 9 developers with DPH funding.  
 10 All of our individuals get those  
 11 services wrapped around them because it comes  
 12 with them whether they're in that housing or  
 13 not. So that's an automatic.  
 14 And then we work closely. It's a  
 15 triangular relationship where it's DPH and a  
 16 provider agency and the developer working  
 17 together to make sure that the supports are  
 18 there.  
 19 And to identify issues to try to get  
 20 ahead of it before it becomes a situation where  
 21 eviction is necessary or some adverse tenancy  
 22 action is necessary for those programs.

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1 CHAIRMAN BOWERS: Thank you.  
 2 Jackie, your last comment on this?  
 3 MS. PRIOR: I just thought you would  
 4 be able to extrapolate some estimates of  
 5 percentages, you know, need for services from  
 6 the work that Jubilee and THC (inaudible) --  
 7 COURT REPORTER: I'm sorry, ma'am.  
 8 Can you please speak up? I can't hear you.  
 9 MS. PRIOR: Okay. Do you want me to  
 10 repeat it?  
 11 COURT REPORTER: Please.  
 12 CHAIRMAN BOWERS: Ms. Gladden.  
 13 MS. GLADDEN: And I think what that  
 14 shows us, which is the assessment that  
 15 determines what type of housing either families  
 16 or individuals need on the family side. It's  
 17 less than ten percent that need permanent  
 18 supportive housing.  
 19 CHAIRMAN BOWERS: Okay. Well, many  
 20 thanks to our guests. We appreciate you coming  
 21 out today.  
 22 We will follow-up I think certainly

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1 with Deputy Mayor Otero I think in pursuant of  
 2 kind of digest what we've heard and see if  
 3 there's some formal follow-up in terms of how we  
 4 move forward on this.  
 5 But thank you all very much for  
 6 coming. We appreciate it. It's been very  
 7 helpful. Thank you.  
 8 So on this topic, Director Kelly or  
 9 Milton, there was one follow-up issue. I want  
 10 to jump now to Item Number 7 very quickly, the  
 11 legal opinion regarding the trust fund dollars  
 12 and social service costs.  
 13 Do we -- and, yes. You can come on  
 14 up. We're going to next go to the -- after  
 15 this, Nathan, come back to the pipeline piece,  
 16 and we'll go to the demonstration on the  
 17 Web-site piece right after this.  
 18 But do we get any update on the legal  
 19 opinion piece?  
 20 Vonda? You can introduce yourself, if  
 21 you don't mind, for the record.  
 22 MS. ORDERS: My name is Vonda Orders.

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1 and I'm the general counsel for the  
 2 D.C. Department of Housing and Community  
 3 Development.  
 4 CHAIRMAN BOWERS: Welcome, Counselor.  
 5 So last week -- so just a question on  
 6 the table for this day with the follow-up from  
 7 the last meeting.  
 8 Which was some discussion around  
 9 whether or not Housing Production Trust Fund  
 10 dollars can be used to cover social service  
 11 costs. Without saying whether we as a board are  
 12 recommending that or not, we just want to find  
 13 out is it even legally allowable?  
 14 MS. ORDERS: And so from taking a look  
 15 at that question, I would say it's not  
 16 permissible under the fund.  
 17 The Housing Production Trust Fund is  
 18 established by a statute. It has a list of  
 19 enumerated uses.  
 20 And so taking a look at those uses,  
 21 very few of them deal with social services at  
 22 all. The one that sort of jumps out would be

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1 loans and grants to finance onsite child  
 2 development facilities. And maybe loans to  
 3 provide housing to seniors who have special  
 4 needs.  
 5 But other than those two enumerated  
 6 uses, there really isn't any mention of  
 7 social services. And in both cases it's loans  
 8 or loans and grants. So there is no provision  
 9 to just pay a vendor under a service contract to  
 10 just provide services.  
 11 CHAIRMAN BOWERS: Oramenta.  
 12 MS. NEWSOME: But it does provide for  
 13 the -- when you say onsite, the combination of  
 14 housing and early childhood learning center?  
 15 MS. ORDERS: That's right.  
 16 MS. NEWSOME: Okay.  
 17 MS. ORDERS: Under a -- it requires --  
 18 so you can only finance the -- or the agency can  
 19 only finance child development facility in  
 20 connection with housing production, and then  
 21 pursuant to a development agreement.  
 22 CHAIRMAN BOWERS: Any other questions

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1 or issues from the Board members?  
 2 Thank you, Counselor.  
 3 MS. ORDERS: Okay.  
 4 CHAIRMAN BOWERS: Appreciate that.  
 5 One thing, just before we move on to  
 6 the presentation, thank you Bea and others.  
 7 We're going back to Item Number 3. We do have  
 8 the handout, the four-page handout.  
 9 Board members should have that on the  
 10 overview of the acquisition loan program, so I  
 11 just want to make sure everyone has a copy of  
 12 the four-page version of that.  
 13 Yes, Oramenta.  
 14 MS. NEWSOME: Was it ever clear about  
 15 whether this will need to go to the city council  
 16 to be determined?  
 17 DIRECTOR KELLY: I think the answer is  
 18 no. I think that this is something that's  
 19 within the legislatively permissible usages.  
 20 Clearly want to make it as transparent a process  
 21 as possible. But at this point I think we just  
 22 plan to go ahead with an October RFP date.

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1 CHAIRMAN BOWERS: All right. Thank  
 2 you.  
 3 As a follow-up from our last meeting,  
 4 so, again, reminder that the clock on the wall  
 5 is a few minutes fast. So it's about 20 minutes  
 6 of 12:00. I want to ask if we can do 10 minutes  
 7 on our Web site piece.  
 8 If Nathan's back, we'll get updates  
 9 pipeline. If not, we'll do a last couple of  
 10 close-out items.  
 11 But, yes, sir. And if you can  
 12 introduce yourself for the record, sir?  
 13 MR. DICKERSIN-PROKOPP: Chris  
 14 Dickersin-Prokopp, DHCD. For anyone who was  
 15 here last time, we went over the new Quickbase  
 16 application using to track our pipeline and make  
 17 reports to the group -- reports like this one,  
 18 to the permanent supportive housing  
 19 subcommittee, to our partner agencies.  
 20 And what we didn't have time to do  
 21 last time was just sort of back up and start  
 22 with the need of why -- sort of where this

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1 project came from.

2 And I think some of you have seen this

3 already so bear with us. But I think it'll

4 resonate with you if you've dealt with DHCD and

5 our pipeline or just own obstacles you've had in

6 your own pipeline.

7 So we started thinking about the

8 projects we deal with. What the life cycle of a

9 project in our pipeline is, and this is

10 simplified.

11 So it starts with an application, and

12 then our development finance division

13 underwrites the projects and gives it a

14 commitment. It continues to underwrite it until

15 they go to closing and issue a loan agreement.

16 So program monitoring is certifying

17 the project for compliance, with both federal

18 and local regulations. Back to our development

19 finance division to monitor the construction

20 period.

21 Our portfolio and assessment

22 management division services the loan from

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1 closing all the way through takeoff, which that

2 looks like a short period, but we're probably

3 talking 40 years between these last two lines.

4 And this program monitoring continues

5 to do compliance activities all the way until

6 the expiration of the affordability covenant.

7 Then we have some projects that start

8 in our portfolio and asset management division.

9 They go through an acquisition and disposition

10 process even before they come to DFD for

11 financing.

12 So in theory, one project goes through

13 all or most of these steps. And the total

14 timeline is about more than 50 years. From

15 dotted line to dotted line, usually at least

16 40 years.

17 So what complicates things is we get a

18 certain number of applications, and not all of

19 them get to the commitments stage, and then they

20 come back the next year and reapply.

21 Or they get a commitment before they

22 can get an actual loan to close, something

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1 derails the process, and they go back and

2 reapply.

3 Or they can get the closing, but

4 construction never begins. And usually they

5 reappear years down the line as a reworded

6 proposal. We see them again.

7 Sometimes the project delivers, and

8 before they can pay off the loan they need to

9 refinance, so they come in with a new

10 application.

11 Sometimes they'll even pay off their

12 loan, and before the 40-year affordability

13 covenant expires their building just needs to be

14 rehabbed, so they'll come in for a new proposal.

15 So and the last possibility is that

16 the project that starts in our property

17 acquisition and disposition division, that there

18 are different ways that that can get held up.

19 They need to be reissued from the beginning

20 again.

21 So in theory it looks like this for

22 every project, but we see a lot of projects

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1 multiple times. They may apply in the early

2 stages two or three times before they finally

3 get financed, and then they get refinanced down

4 the line and rehabbed.

5 So once we get a project in our

6 portfolio, it's probably with us until it gets

7 demolished. So forever.

8 What's always been a challenge for us,

9 and I think any agency, is all the documents

10 associated with this 50 or infinite life cycle

11 of a project.

12 We have -- in our acquisition and

13 disposition process, we have a solicitation for

14 offers and then a property disposition

15 agreement.

16 For our DFD notice of funding

17 availability, we have an RFP. We get

18 applications one for every project. This year

19 there were 22.

20 Issue a letter of commitment, a loan

21 agreement, there are draws during construction,

22 loan payments during servicing, monitoring

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1 letters and responses throughout the compliance  
 2 review period.  
 3 So for every project, for every single  
 4 time it applies, we have all those documents and  
 5 a convoluted process. And we haven't had a  
 6 great way to manage.  
 7 We receive applications in binders and  
 8 then they go eventually into boxes, or segments  
 9 of it go into cabinets. And a lot of it is  
 10 digital.  
 11 Fortunately some of it on servers,  
 12 some on personal computers of project managers.  
 13 And a lot of it's just in the heads of our  
 14 project managers. So it may -- a lot of  
 15 institutional knowledge may retire with them.  
 16 That's been problematic because it  
 17 means we spend more time than we should on  
 18 audits and reports and things that we mentioned  
 19 here. So audits, council requests,  
 20 mayoral requests.  
 21 We have an annual report, a  
 22 performance report, key performance indicators

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1 for the city administrator, reports for just  
 2 about every funding source we have with the  
 3 Housing Production Trust Fund. So we're  
 4 constantly being called on to report or justify  
 5 our spending in the case of an audit.  
 6 And when the source are these  
 7 disparate sources, if the question, for example,  
 8 is how many units did you finance in fiscal year  
 9 2012?  
 10 We look back at the application  
 11 binders, and they say 700 units. But if we look  
 12 at the box, which is a snapshot of a different  
 13 point in time, it may say a different number.  
 14 And the cabinet says a different  
 15 number, and the server says a different number,  
 16 and our computers say a different number, and  
 17 the project managers say something else.  
 18 So sort of the universally accepted  
 19 solution of this is some sort of database that  
 20 collects all that information and as one sort of  
 21 master source that trumps everything else, it  
 22 draws on those, but then is the central

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1 repository.  
 2 So we started out doing this in  
 3 Microsoft Access and ran into some difficulties.  
 4 So we moved it into the Quickbase that we did a  
 5 brief demo of last time, and we'll pull it up  
 6 again when they talk about the Tier 1 and Tier 2  
 7 proposals we got this year.  
 8 But I think the advantage of the  
 9 Quickbase is, the numerous times that we've  
 10 tried to map our processes of how all the steps  
 11 in the development finance division and all the  
 12 steps that go to the Office of Program  
 13 Monitoring gets.  
 14 You can get those down on paper. They  
 15 can be fairly accurate, but it's divorced from  
 16 the actual tracking of the data, and then the  
 17 reports we produce. So keep that in mind.  
 18 And so today and in the future as we  
 19 pull up, as we do these Quickbase reports, the  
 20 whole idea behind it is to try to reconcile our  
 21 documents with the reports we're giving and have  
 22 it track the processes that our project managers

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1 are doing, and that the developers are doing on  
 2 the other side of the equation.  
 3 DIRECTOR KELLY: And also this is  
 4 currently on our Web site. So if you go to  
 5 DCHC/a dc.gov, they'll be a pie chart.  
 6 Right below the pie chart enter the  
 7 site, and you'll be able to do a deep dive on  
 8 all of our projects constructed -- in  
 9 construction or completed, in construction, or  
 10 in underwriting.  
 11 CHAIRMAN BOWERS: And, Nathan, I know  
 12 you're back, and so Chris and Nathan, to the  
 13 extent you want to segway into the pipeline  
 14 coordinating of it that will be done up here,  
 15 that's fine.  
 16 MR. SIMMS: Sure.  
 17 CHAIRMAN BOWERS: You can become a tag  
 18 team.  
 19 MR. SIMMS: Sure. So in terms of the  
 20 Tier 1, since Chris has it in terms of Tier 1  
 21 and Tier 2, as I mentioned before, we received  
 22 8 applications under Tier 1 and 15 under Tier 2.

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1 It's helpful to point out that we  
 2 received the same project both under Tier 1 and  
 3 Tier 2, and that failed the threshold both  
 4 times. So that's where we get the 22.  
 5 But of the eight that were received  
 6 under Tier 1, one failed the threshold. One was  
 7 withdrawn, so the one that failed threshold  
 8 was -- That was a new construction, Chris. --  
 9 was the -- is it not in there? So that would be  
 10 Parcel 42.  
 11 So that was the one that failed  
 12 threshold -- actually failed the threshold  
 13 twice.  
 14 One was withdrawn. That was the  
 15 Generations at Brightwood -- Yeah, Generations  
 16 at Brightwood Park, they withdrew.  
 17 Thus far, we've had loan committees on  
 18 three projects, which we've approved, so that's  
 19 Parkside, Capital Gateway Heights, two others  
 20 are pending, but that is a Hope and a Home and  
 21 Tarrage (phonetical) Street.  
 22 We did make a decision on -- we did go

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1 to committee on the Genesis Intergenerational  
 2 project, for which we're waiting to have a  
 3 discussion with the developer, which would be  
 4 later this week.  
 5 So in Tier 2, we received  
 6 15 applications of which 2 failed to meet  
 7 thresholds, so that was the Parcel 42 again.  
 8 Along with Congress -- I think it's  
 9 Congress Park at Metro Apartments -- yeah,  
 10 Metro Apartments at Congress Heights, excuse me.  
 11 So those two failed thresholds, so  
 12 that means we have 13 applications left on the  
 13 Tier 2. In some form or another we have  
 14 requested additional information from those  
 15 development teams. We're in the process of  
 16 getting that information now.  
 17 So between now and the end of August,  
 18 we would have completed -- we anticipate  
 19 completing our underwriting.  
 20 We are going to convene the  
 21 independent panel that we had last year, or a  
 22 variation of it, by the first week in September.

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1 and then moving forward with the formal  
 2 recommendations and hopefully announcement by  
 3 the end of September.  
 4 So we're working. We should be having  
 5 a conversation with our colleagues from the  
 6 Housing Finance Agency probably I think at the  
 7 end of this week to talk about prioritization of  
 8 the projects in Tier 2 because I think the vast  
 9 majority of them involved both OD and CD and the  
 10 Housing Finance Agency.  
 11 So we're working through that  
 12 particular process in hopes that once we make  
 13 announcements to keep plucking away so that we  
 14 can get council approval and approvals by the  
 15 end of the calendar year.  
 16 But we are fortunate because I think  
 17 just Friday we found out that council will be  
 18 accepting contracts again beginning August 15th  
 19 where we thought it was going to be  
 20 September 15.  
 21 So that gives a whole month to push a  
 22 number of deals forward from our Tier 1 process

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1 to council, so we can have actually have a  
 2 closing within the announcement of the Tier 1  
 3 projects and the closing of the Tier 1 round and  
 4 the mayor's announcement, which would be  
 5 awesome.  
 6 CHAIRMAN BOWERS: So, Chris and  
 7 Nathan, thank you. A couple questions. I mean,  
 8 Chris, you're our guru here. You may be able to  
 9 show us. A couple questions.  
 10 One, the total amount that was  
 11 requested, and I saw on one of the earlier  
 12 screens the income banding and the PSA projects,  
 13 so can you, of the 23, 22 projects that came in,  
 14 total projects that came in, what was the total  
 15 amount requested, and then by kind of the income  
 16 band?  
 17 MR. DICKERSIN-PROKOPP: So this is the  
 18 summary line. And if you just look at the  
 19 bottom here, which combines new construction.  
 20 We have substantially prepared the tiers, so --  
 21 CHAIRMAN BOWERS: So if I'm looking at  
 22 this right, it looks like there is a request to

114	<p>1 support 2185 total units.</p> <p>2 MR. DICKERSIN-PROKOPP: Yeah, total</p> <p>3 affordable units.</p> <p>4 CHAIRMAN BOWERS: And they ask for</p> <p>5 \$141 million of Housing Production Trust Fund</p> <p>6 money, right?</p> <p>7 MR. DICKERSIN-PROKOPP: Right, and a</p> <p>8 little bit more on other sources, and another</p> <p>9 \$10 million.</p> <p>10 CHAIRMAN BOWERS: Right. And then if</p> <p>11 you slide back when we go -- right, there you</p> <p>12 go. Good, thank you, -- to the income band, so</p> <p>13 of the 2100 units that people asked for support</p> <p>14 for, we see that, what is that, 310 were</p> <p>15 supportive housing units?</p> <p>16 MR. DICKERSIN-PROKOPP: Yeah, and</p> <p>17 that's a subset of the 450.</p> <p>18 CHAIRMAN BOWERS: Okay.</p> <p>19 MR. DICKERSIN-PROKOPP: So the other</p> <p>20 30, 40, 50, 60, 80, and 120 are all cumulative,</p> <p>21 so it should add up to 2185.</p> <p>22 CHAIRMAN BOWERS: So that's roughly</p>
115	<p>1 20 percent at the 30 and below. And if we look</p> <p>2 at the 40 and 50 buckets, you've got about</p> <p>3 245 units at 40, 50 percent, and then the bulk,</p> <p>4 more than half are at the 60 percent in terms of</p> <p>5 requests that came in.</p> <p>6 MR. BAILEY: Chris, is that request in</p> <p>7 terms of units or is it dollars? Because the</p> <p>8 distinction should be made that it is -- the</p> <p>9 Housing Production Trust Fund requirements are</p> <p>10 monetary based, not unit based, correct?</p> <p>11 MR. DICKERSIN-PROKOPP: Yes, that's</p> <p>12 right. Yeah.</p> <p>13 MR. BAILEY: So is that 310? Of the</p> <p>14 310, do we have a breakout of what the monetary</p> <p>15 value of that would be in comparison to the</p> <p>16 total value, monetary value of the requests?</p> <p>17 MR. DICKERSIN-PROKOPP: We don't have</p> <p>18 that one at hand, but you're right. This is</p> <p>19 20 percent of the units, it would be a higher</p> <p>20 percent of the dollar threshold.</p> <p>21 MR. BAILEY: Do we have any idea where</p> <p>22 that matches up in terms of the 40 percent</p>
116	<p>1 requirement that the monetary value being</p> <p>2 associated with it? Maybe we can have that at</p> <p>3 the next one.</p> <p>4 CHAIRMAN BOWERS: Yeah, that would be</p> <p>5 helpful. I know the department did a spread</p> <p>6 sheet for us for last year's note, but that</p> <p>7 broke it down by units and by dollars. So,</p> <p>8 Milton, you're right, it'd be helpful to have.</p> <p>9 And I think to the extent that this is</p> <p>10 all transparent anyway, having a breakdown by</p> <p>11 units and by dollars. This is extremely</p> <p>12 helpful, and I think just adding that one other</p> <p>13 overlay by dollar amount by income band would be</p> <p>14 helpful.</p> <p>15 Particularly certainly for the Board</p> <p>16 it'd be great to get that at our next meeting.</p> <p>17 We'd like to get that at our next meeting.</p> <p>18 MR. DICKERSIN-PROKOPP: If it's like</p> <p>19 previous years, then that dollar amount will be</p> <p>20 more than the 20 percent that the units</p> <p>21 represent, but it'll still be less than the</p> <p>22 40 percent required, and that in the</p>
117	<p>1 underwriting process we have to negotiate some</p> <p>2 of the units down.</p> <p>3 CHAIRMAN BOWERS: Right.</p> <p>4 Board members, any questions, comments on the</p> <p>5 presentation by Chris and Nathan?</p> <p>6 MS. NEWSOME: This is just the recent</p> <p>7 number. This isn't a cumulative to past years.</p> <p>8 This is just what came in as of the end of May.</p> <p>9 MR. DICKERSIN-PROKOPP: Yeah.</p> <p>10 DIRECTOR KELLY: Oramenta, you can</p> <p>11 actually see all the other stuff, though, in</p> <p>12 this Web site, I mean, in this database.</p> <p>13 MR. BAILEY: Chris used to be 6'5 and</p> <p>14 good looking when he started.</p> <p>15 MS. NEWSOME: He's still good looking.</p> <p>16 DIRECTOR KELLY: Maybe the most</p> <p>17 important part of this presentation is you can't</p> <p>18 manage it if you can't measure it; is that how</p> <p>19 it goes, Nikol?</p> <p>20 MS. NABORS-JACKSON: Yes, that's how</p> <p>21 it goes.</p> <p>22 DIRECTOR KELLY: We're now at a point,</p>

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1 I believe, in the terms of percentage wise,  
 2 70 percent by the end of the calendar year in  
 3 terms of closings, so by the first quarter of  
 4 next year 100 percent?  
 5 MR. SIMMS: So, I mean, in terms of  
 6 what we have projected, I think Chris can pull  
 7 up the bar chart in terms of closings. But we  
 8 have a number of projections, high level of  
 9 projections over the next two quarters.  
 10 So we have 22 projected for this  
 11 quarter alone, and then for quarter one another  
 12 14. So we're going to have a pretty high  
 13 production quarters.  
 14 DIRECTOR KELLY: Higher coordination  
 15 between our sister agencies, looking at internal  
 16 restructuring. And also most of this stuff has  
 17 already gone to council.  
 18 So I think in terms of trust funding  
 19 for this Board, these numbers look like they're  
 20 kind of wack, but the truth is, we actually had  
 21 the ability to get this thing done.  
 22 And obviously we'll be held

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1 accountable to you and to the city as we  
 2 proceed. So we'll be testing this come the fall  
 3 to see how close we've gotten.  
 4 CHAIRMAN BOWERS: This is great. A  
 5 couple of questions or requests.  
 6 MR. BAILEY: That's great, Chris.  
 7 CHAIRMAN BOWERS: That's great. Very  
 8 helpful. An amazing way you manipulated it to  
 9 our -- not manipulate. Presenting, presenting  
 10 the data. Manipulate as in move the data, show  
 11 the data, not as in --  
 12 Let the record reflect that Chris is  
 13 not manipulating data. He's showing data in  
 14 very clear ways, different ways. Thank you,  
 15 Chris, and the department.  
 16 So a couple of things. I know we're  
 17 almost at close time and, Bea, I'm going to ask  
 18 you to say a word about the summaries.  
 19 But before that, for our next meeting,  
 20 one question I have just in general, Director,  
 21 for the agency, and Chris actually alluded to  
 22 it.

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1 The quarterly reports that are due  
 2 from about the trust fund, what's the status on  
 3 the production of those? And how does that tie  
 4 into even now with the data that's shown here?  
 5 But what's the status of the quarterly report  
 6 for the trust fund?  
 7 DIRECTOR KELLY: Well, I'm looking for  
 8 Oke. He took off at the right time, obviously.  
 9 CHAIRMAN BOWERS: Oke, where are you?  
 10 Where did he go?  
 11 MR. ANYAEBGUNAM: We have some  
 12 improvements.  
 13 CHAIRMAN BOWERS: Oke, can you  
 14 identify yourself by name for the record? Oh,  
 15 can you come up by the mike, too, sorry, so she  
 16 can hear you?  
 17 MR. BAILEY: Right. Let's get it on  
 18 record. It's all official now.  
 19 MR. ANYAEBGUNAM: My name is  
 20 Oke Anyaegbunam, and I'm the Housing Production  
 21 Trust Fund officer.  
 22 We had some problems in the past year

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1 or two getting the numbers straight. But we are  
 2 going to work on this seriously for this month  
 3 and next month.  
 4 And we expect to have the reports at  
 5 least up to the -- up to the current fiscal  
 6 year, which is the fourth quarter, which is the  
 7 fourth quarter of 2014.  
 8 MR. BAILEY: In other words, at the  
 9 same time this process of getting the most  
 10 recent data: that is, 2011 data updated, it is  
 11 as a result of the work that Chris and Nat put  
 12 in that we are now able to fill that backlog of  
 13 data, I guess, for lack of a better word.  
 14 But now that we have hard data, good  
 15 data to work with, we'll be able to produce  
 16 those reports.  
 17 DIRECTOR KELLY: Mr. Chairman, of the  
 18 '11 and '12 reports, not to suggest the bottom  
 19 line is anything but what we've already  
 20 committed to, this is a level of nuance and sort  
 21 of grand of accuracy we have not been able to do  
 22 up to this point.

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1 CHAIRMAN BOWERS: So what I'm hearing,  
 2 it sounds like, is it safe to say that by the  
 3 end of the fiscal year, end of September, that  
 4 the reports --  
 5 MR. ANYAEGBUNAM: In terms of the '11  
 6 and '12, we did the annual already.  
 7 DIRECTOR KELLY: So that's a good  
 8 baseline in terms of auditing purposes?  
 9 MR. BAILEY: Uh-huh.  
 10 DIRECTOR KELLY: We know where we're  
 11 going, it's a matter of just getting caught up  
 12 right now.  
 13 CHAIRMAN BOWERS: Got you.  
 14 So, Bea, do you want to say something  
 15 about the prior meeting summaries in terms of  
 16 how we should govern these going forward?  
 17 MS. FIELDS: Yes. Hello everyone.  
 18 CHAIRMAN BOWERS: And this  
 19 Beatrice Fields.  
 20 Thank you. Oke.  
 21 MS. FIELDS: In January or February of  
 22 this year, the Board made a decision that they

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1 wanted to have written minutes as opposed to  
 2 just making the transcript available.  
 3 Having worked on not only the budget  
 4 and trying to do the minutes at the same time,  
 5 it's been a challenge.  
 6 But when I finally had a chance to  
 7 actually go through all of the transcripts, and  
 8 sometimes they're pages long, I thought it  
 9 important that I be able to capture the major  
 10 issues and questions that were raised by the  
 11 various Board members.  
 12 Not to necessarily specifically name  
 13 the Board members, but to raise the issues.  
 14 So what I would like to recommend is  
 15 that I have gone through the transcripts and  
 16 tried to pull out what I feel are the major  
 17 items. Just my going over back of them this  
 18 morning, and I realized how long it was taking  
 19 me to go through them.  
 20 So I felt that we really need to have  
 21 a chance to take them with you and to look  
 22 through them, and then to get back to us with

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1 any comments that you have.  
 2 I would like for you to be able to  
 3 approve them in general and to send any of your  
 4 technical corrections to me.  
 5 And if we find that there are some  
 6 issues that would required the Board to  
 7 deliberate, I can either pull from the  
 8 transcript where I got the information from and  
 9 who said what, if there is that type of  
 10 question.  
 11 Or so that we can at least get them on  
 12 the Web site before you meet again in September.  
 13 And that was my effort here, to get as many of  
 14 the meeting summaries.  
 15 Well, the public would like to have a  
 16 digest of some of those issues. They do have,  
 17 however, to be very clear. They can get access  
 18 to the oral meeting, and they can also have  
 19 access to the written transcript, if they have a  
 20 question.  
 21 So this is really hopefully for your  
 22 benefit. But as you look back over the things

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1 that you have -- or I should say the  
 2 recommendations, issues, concerns that you've  
 3 raised over the past year, it would give you  
 4 just a summary of some of those to react to.  
 5 Now, we can do something very, very  
 6 short and sweet, you know, where you don't  
 7 really have the depth. I must say you have done  
 8 a phenomenal job in raising issues, and even  
 9 solving some issues and making recommendations.  
 10 And I think there's something to be  
 11 said for the value of the record to have that.  
 12 Are there any comments from the Board?  
 13 CHAIRMAN BOWERS: Yeah. First of all,  
 14 thank you, Bea, because this is more than a  
 15 notion.  
 16 Let me just say a couple things from  
 17 the record. One, I want to just reemphasize  
 18 what Bea said. So we are, as a Board, following  
 19 the law that we were briefed on by the district  
 20 staff before we came on the Board.  
 21 If the public wants to get access to  
 22 the oral record or the transcript to see

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1 everything, that is available.  
 2 And thank you, Bea, because I know  
 3 it's more than a little bit of a notion to go  
 4 through all of that to produce these summaries  
 5 that can be helpful for the public and for us as  
 6 a Board.  
 7 I'm going to ask actually, given that  
 8 we had several Board members who could not be  
 9 here today, and in light of the fact we lost our  
 10 forman.  
 11 I'm going to ask if actually we who  
 12 are here take these. We also get these out  
 13 either electronically or hard copy to the  
 14 Board members who are not here.  
 15 And then with the direction that all  
 16 of us as a Board, any feedback we have on  
 17 corrections or edits we give to Bea by the  
 18 second Friday -- the first Friday in August.  
 19 We will not have an August Board  
 20 meeting, so we can get our feedback to Bea by  
 21 the first Friday in August.  
 22 And then, Bea, if you wouldn't mind,

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1 if there are any edits or tweets to this, if we  
 2 can tighten these up, bring them to our  
 3 September Board meeting, then we'll do it that  
 4 way.  
 5 MS. FIELDS: I'll have some more for  
 6 you in September.  
 7 CHAIRMAN BOWERS: It's the gift that  
 8 keeps on giving. Board members, are we okay  
 9 with that? Okay.  
 10 So we will not have an August meeting.  
 11 And let me say that for the September meeting, a  
 12 couple of requests to the Agency.  
 13 One, if we can get -- Milton, what you  
 14 you referred to -- that break down just adding  
 15 the data point about the amount of trust fund  
 16 dollars that are requested for the NOFA projects  
 17 by income band. Because right now we have it by  
 18 unit.  
 19 Chris, so if we could just get that  
 20 income band piece, that would be great.  
 21 We'll also ask for -- and this will be  
 22 kind of standing until it goes live -- an

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1 update, Nathan, at our September meeting on  
 2 where things stand with the ALP, the acquisition  
 3 loan program.  
 4 MR. SIMMS: We're going to keep that  
 5 name.  
 6 CHAIRMAN BOWERS: That's right. So  
 7 we'll ask for an update there. We will also  
 8 ask, if we can, for the agency by September to  
 9 just get an update in general on where things  
 10 stand with the pipeline.  
 11 And kind of an update, not just in  
 12 terms of the breakdown by numbers, dollar  
 13 amount, but also kind of an update on what's  
 14 been approved and where we stand in terms of how  
 15 dollars and units are looking.  
 16 I would ask if we can also as a Board  
 17 continue to think about some of the suggestions  
 18 that came up with our guests who were here today  
 19 on the finance side in terms of things like --  
 20 I was hearing ideas around like the  
 21 creation of data base, kind of liasoning in  
 22 between developers and folks who do service and

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1 the like.  
 2 So if we can have as an agenda item to  
 3 kind of revisit the conversation that happened  
 4 here today and see if we have any  
 5 recommendations that we would make not just to  
 6 DHCD but to other staff.  
 7 Jackie and Oramenta, I'm wondering  
 8 also if it might help to even have a  
 9 conversation between now and then with  
 10 Deputy Major Otero just to kind of download with  
 11 her on what we've had in kind of a smaller,  
 12 informal setting on some of the recommendations  
 13 and issues that have bubbled up.  
 14 And then kind of pick her brain, since  
 15 she wasn't able to be here today. I know she  
 16 had indicated she wanted to be here, but  
 17 couldn't be here.  
 18 So it might be helpful just to debrief  
 19 with her. So I'll follow-up with folks with the  
 20 Board to see if anyone's interested in having  
 21 that kind of informal conversation with her  
 22 around that, because that is a critical issue.

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1 And for our guests who are still here,  
 2 again. Ms. Nabors-Jackson and Ms. Gladden, thank  
 3 you and the other guests who were here. It's  
 4 extremely helpful what you all presented.  
 5 Anything else, Board members, in terms  
 6 of what we want to have on the agenda for  
 7 September?  
 8 Okay, Milton. Yes, sir.  
 9 MR. BAILEY: Yeah. I'd like to  
 10 request that the Board flush out Jackie and  
 11 Sue's -- or have Jackie and Sue flush out their  
 12 point about residential services as a hybrid to  
 13 the permanent supportive housing piece.  
 14 Just an overview of what that would  
 15 look like or what the thinking is so we have a  
 16 better appreciation for it.  
 17 I'd also like to reemphasize that to  
 18 the extent that there are impediments,  
 19 internal/external as it relates to the mayor's  
 20 objective to have the funds move more broadly  
 21 into the community.  
 22 And that would be developing our local

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1 homegrown talent as well as marketing to other  
 2 resources across the nation, developers across  
 3 the nation. That if you have thoughts on that,  
 4 to please send them to me.  
 5 I know that at our April 27th --  
 6 there's an April 27th report where we identified  
 7 some of the internal -- as we were going through  
 8 that process and identifying some of the  
 9 internal and external components. So I would  
 10 urge you to take a look at that. It looks like  
 11 this. Sorry, April 7th.  
 12 And to the extent that we can add to  
 13 that, it would help inform -- help us inform the  
 14 mayor as to what is needed in terms of  
 15 stimulating local participation.  
 16 If we go out and invite new  
 17 participation from outside resources, what some  
 18 of those requirements we would have.  
 19 For example, I will go so far as to  
 20 suggest that establishing headquarters in D.C.,  
 21 participating with both non-profit and  
 22 for-profit developers, paying taxes in the D.C.

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1 might be chief among those things.  
 2 So that it's not that, you know, I  
 3 could have an operating in Cleveland and come in  
 4 here, do a couple of deals, and take all that  
 5 money back to Cleveland, and having boxed out  
 6 some of my local talent.  
 7 So what are the thoughts that you all  
 8 have as a Board that would help inform that  
 9 piece that we're doing for the mayor.  
 10 CHAIRMAN BOWERS: All right, that's  
 11 good.  
 12 Milton, a couple of quick issues  
 13 before we close. One, the needs study that was  
 14 being done by Urban Institute?  
 15 MR. BAILEY: Yes.  
 16 CHAIRMAN BOWERS: What is the status  
 17 of that?  
 18 MR. BAILEY: Phase 1 is done. You all  
 19 should have gotten a copy, I think. They have  
 20 embarked on Phase 2. Phase 2 is supposed to be  
 21 done by October.  
 22 There is a developer survey that went

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1 out. I don't know if all -- I think maybe all  
 2 of the HPTF Board received it. That data is  
 3 being compiled. If you have not received it,  
 4 then we'll make sure that you do.  
 5 And that developer, I guess,  
 6 questionnaire, if you will, is going to help  
 7 inform how we might be able to have the next  
 8 step of you all's activity.  
 9 What we've got to do now that we've  
 10 got a functional and up-and-running HPTF with  
 11 all the information being fed into it that is  
 12 needed to make decisions, what further  
 13 improvements/requirements do we need to make to  
 14 that -- to our ongoing efforts, and what  
 15 recommendations from the Board should be  
 16 advanced to the mayor?  
 17 CHAIRMAN BOWERS: And will that needs  
 18 study be made public in any sort of way as a  
 19 final report to the public?  
 20 MR. BAILEY: Absolutely. And it's  
 21 supposed to be I think bi-annually, so yes. As  
 22 I get them, I will send them to you all. I

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1 would appreciate it if you would take a look at  
 2 them, comment on them.  
 3 If you have comments, bring them in.  
 4 Because as we are now going into Phase 2, some  
 5 of the stuff that if there's any questions that  
 6 we have, I want to make sure that they're  
 7 addressed as we go into the Phase 2 process.  
 8 CHAIRMAN BOWERS: When they go public,  
 9 they'll go up on the agency Web site or some  
 10 other?  
 11 MR. BAILEY: Yes. It's going to go up  
 12 on the agency Web site, Inuped's Web site, the  
 13 deputy mayor for Health and Human Services  
 14 Web site.  
 15 CHAIRMAN BOWERS: Last thing, two  
 16 things. One, Director, while I think you and  
 17 others may have stepped out of the room. The  
 18 Board by consent made this a recommendation for  
 19 the agency to look at the issue of putting some  
 20 points in future NOFAs for projects that get  
 21 funded under the acquisition loan program. So  
 22 that was done.

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1 And then the last thing I would just  
 2 say for us to think about, and we brought this  
 3 up last meeting, and this actually ties into  
 4 what Milton mentioned about building  
 5 acquisition, if you would, for local developers.  
 6 But even beyond that maybe on the  
 7 financing side is to think about what roles if  
 8 any might we want to ask local and national  
 9 foundations to play as it relates to  
 10 particularly partnering with the ALP.  
 11 And so is it on the capacity building  
 12 side a number of foundations, Jackie's  
 13 foundation and others representing who do that  
 14 already?  
 15 So is there some targeted capacity  
 16 building you want to go to the foundation  
 17 community in a formal way and ask for local  
 18 developers?  
 19 Are there ways that we want the  
 20 foundation world to play in terms of leveraging  
 21 trust fund dollars in the ALP, yes or no, again,  
 22 be it local or national?

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1 It just strikes me that if we're  
 2 talking about, you know, 100 million,  
 3 \$25 million of local money leveraging "X" amount  
 4 of private capitol in the banking world and  
 5 intermediary world.  
 6 Is on the financing side now, apart  
 7 from the capacity building side, which is  
 8 critical on the financing side, is there a need  
 9 or not or ability to get philanthropic money to  
 10 leverage in some way?  
 11 And I'm thinking particularly because  
 12 the city's money's being used as a credit  
 13 enhancement, even though folks can blend it in.  
 14 But also as credit enhancement.  
 15 I'm wondering if there's a way to go  
 16 where some foundations may have interests in  
 17 putting their money in some sort of waterfall of  
 18 credit enhancement where there is less risk for  
 19 their money.  
 20 But then that leverages more of the  
 21 private money and actually puts less trust fund  
 22 money at risk, so to speak.

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1 So just as a for example, if the  
 2 average or more that we're going to go to a  
 3 group was \$5 million -- I'm just making that up  
 4 out of the 25 million.  
 5 So if you say we're going to go with  
 6 five groups, \$5 million each, what if there is a  
 7 way to approach some foundations, again, be it  
 8 local or national, to say, why don't you put in  
 9 \$5 million, right?  
 10 And each of that 5, 1 million would go  
 11 to each of the groups. So now you've got  
 12 instead of \$25 million of trust fund money going  
 13 out the door, you've got 20 million.  
 14 Or you've got 25 million going out and  
 15 another 5, right, that maybe is in a second loss  
 16 position to the city's money, and then that  
 17 leverages even more private money.  
 18 So I think that as we're having the  
 19 conversations with banks and intermediaries  
 20 around the table, as you all think about it,  
 21 that notion of --  
 22 And, again, going back to the meeting

138	<p>1 we had in April. I remember Terry from the</p> <p>2 Community Foundation in particular mentioned the</p> <p>3 fact that, you know, as the need was quantified,</p> <p>4 but also as some of the efforts were unfolding</p> <p>5 about what the agency's planning to do, there</p> <p>6 may be a way.</p> <p>7 I recall her saying that kind of</p> <p>8 walking that to some foundations, be it local or</p> <p>9 national, and saying, look, there's this big</p> <p>10 thing going on in D.C.</p> <p>11 There's this huge need. There's a</p> <p>12 major initiative that's now coming out with the</p> <p>13 city's investment of money. What might you</p> <p>14 (fill in the blank foundation or foundations) be</p> <p>15 willing to do?</p> <p>16 So I would just ask you all to think</p> <p>17 about that. We can obviously talk about that in</p> <p>18 the off meetings that are happening, but also</p> <p>19 revisit that in September if we can as well as a</p> <p>20 way to look at how do we stretch trust fund</p> <p>21 dollars.</p> <p>22 Mr. Director, final word for us for</p>	140	<p>1 to be from 9:00 to 11:00 and with the funeral</p> <p>2 following at 11:00.</p> <p>3 CHAIRMAN BOWERS: Well said, for the</p> <p>4 record, here at this agency, and an icon</p> <p>5 certainly in the industry. So thank you for the</p> <p>6 reminder there, Milton. May he rest in peace.</p> <p>7 Any comments from the public on --</p> <p>8 yes, ma'am?</p> <p>9 MS. REDMAN: I was afraid you were</p> <p>10 going to skip us because it's so close to 12:30.</p> <p>11 My name is Leona Redmon, and I'm</p> <p>12 here -- I asked you to stay because I want you</p> <p>13 to know that I'm your client, okay. I'm your</p> <p>14 client, and I'm your client, and I was her</p> <p>15 client at Medicaid.</p> <p>16 And I want to say to Mr. Kelly and to</p> <p>17 Mr. Milton -- I'm sorry -- that I've been your</p> <p>18 client, a community developer. And there are</p> <p>19 two things. I won't belabor anything.</p> <p>20 But Mr. Bowers, --</p> <p>21 CHAIRMAN BOWERS: Yes, ma'am.</p> <p>22 MS. REDMON: -- when I was an occupant</p>
139	<p>1 the summer?</p> <p>2 DIRECTOR KELLY: Well, actually, yeah.</p> <p>3 Well, have a great summer. But in terms of the</p> <p>4 September agenda also, I don't think we had a</p> <p>5 chance to talk about our property acquisition</p> <p>6 division solicitation process.</p> <p>7 It started last Friday. Come October</p> <p>8 we're expecting to get the first responses to</p> <p>9 it. It's a way in which we think we can</p> <p>10 actually utilize this incredible city tool in a</p> <p>11 more effective manner.</p> <p>12 CHAIRMAN BOWERS: That's great. We'll</p> <p>13 put it on our agenda, if we can. That'd be</p> <p>14 great.</p> <p>15 Yes, sir?</p> <p>16 MR. BAILEY: If you all don't know,</p> <p>17 one of the stellar work leaders of Housing and</p> <p>18 Community Development passed, Bob Moore. He was</p> <p>19 an amazing man. His legacy is strong and will</p> <p>20 survive him.</p> <p>21 There is services for him on Saturday,</p> <p>22 July 19th at Shiloh Baptist Church. It's going</p>	141	<p>1 of the CCNV Shelter back in 2009, and I knew</p> <p>2 that I was going to be receiving a housing</p> <p>3 choice voucher. I tried very hard for us to get</p> <p>4 together.</p> <p>5 Because just on a recommendation from</p> <p>6 the Department -- then the Department of Mental</p> <p>7 Health through conversations with Mr. --</p> <p>8 That was the one that assisted us, we</p> <p>9 had recommended that when the RFP or NOFA or</p> <p>10 whatever you call it now went out for the low</p> <p>11 income tax credit program.</p> <p>12 As a tax credit professional, I</p> <p>13 thought that that was a great opportunity, and</p> <p>14 I'm going to get to where I'm going in a minute.</p> <p>15 I thought that that was a great</p> <p>16 opportunity and recommended to Edith Makima</p> <p>17 (phonetical) who was at the Department of Mental</p> <p>18 Health at that time.</p> <p>19 Sustained affordability in the</p> <p>20 homeless community through special limited</p> <p>21 co-operatives that tied into the agreement</p> <p>22 between the co-op members and DHCD or HFA if</p>

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1 determined appropriate.

2 That when I die -- like I have a

3 housing choice voucher, and one day I'm going to

4 die.

5 If we had started the co-op, when I

6 pass, I knew going in that my children and

7 grandchildren wouldn't get this unit when I

8 left. But that this unit would then be made

9 available to the next person in the system.

10 And Cornerstone was interested in it.

11 But what happened was, I was still in the

12 shelter at the time that the RFPs went out, and

13 it's not a very friendly place when it comes

14 to -- it could be the Interagency Council on

15 Homelessness or it could be the Coalition of

16 whatever whatever.

17 There's no room there for homeless

18 people who can think for themselves to

19 participate, and I hope that you all will give

20 some attention to that.

21 Because if we had been able to do it,

22 instead of me paying rent at the Wesley House

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1 Senior Apartments, I would be paying a

2 subscription fee into a co-op.

3 And when I die the next person on that

4 list would be able to come and use their voucher

5 to own that unit, or to keep the maintenance and

6 upkeep going.

7 And so I would just ask that, first of

8 all, I'd like to notice, Mr. Bowers, is there an

9 opportunity for citizen participation in this

10 process; and if so, how do we get it?

11 CHAIRMAN BOWERS: Yes, ma'am. So I

12 actually have a short answer to you. Thank you,

13 Ms. Redmon, for coming today.

14 Yes, there is opportunity for

15 participation. We have at the end of each of

16 our meetings, schedules, agendas, just like

17 today, a public comment time where we're able to

18 take comment in. So that's one opportunity.

19 The second is that folks in the

20 public, if they have opinions or

21 opportunities -- is there a place on the

22 Web site where folks can send their information

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1 or not, suggestions, recommendations or not?

2 MS. FIELDS: I'm not -- unless it's

3 just under the general contact us.

4 CHAIRMAN BOWERS: There's an Ask the

5 Director piece?

6 MS. FIELDS: Ask the Director.

7 CHAIRMAN BOWERS: So on the DHCD

8 Web site where there's an Ask the Director

9 button, there's also an opportunity to send in

10 information there, and in the subject line, say

11 for HPTF Board. So there are two opportunities

12 there.

13 MS. REDMON: Okay.

14 CHAIRMAN BOWERS: Yes, ma'am.

15 MS. REDMON: I think this is wonderful

16 and something that I think her name is --

17 MS. FIELDS: Nikol.

18 MS. REDMON: And, Chris, when you were

19 doing your -- when he was doing his

20 presentation, Mr. Bowers, I just have a question

21 about some of the projects that were done

22 20 years ago.

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1 Say the agreement that was made

2 between DHCD and a project 20 years ago, it

3 started out having a main focus. Had those

4 units been affordable into as far as DHCD?

5 CHAIRMAN BOWERS: Uh-huh.

6 MS. REDMON: And so if somebody

7 dropped a piece of paper or some project manager

8 is no longer around to give that information,

9 does that do what a member of your staff told me

10 the other day is that agreements that were made

11 30 years ago don't matter today.

12 The project comes back to the DHCD,

13 and that's the main reason I came today.

14 Because I just want to say to you that at the

15 point that a project comes back to the

16 Housing Production Trust Fund today that

17 commenced 30 years ago for a refinancing for

18 whatever reason.

19 And not be held accountable to the

20 agreement that it made 30 years ago, I would

21 have a problem with that because of a project

22 that I did.

146	<p>1 And I can tell you that it is in your</p> <p>2 pipeline, and it is not doing what we said we</p> <p>3 were going to do 30 years ago. But I'll get</p> <p>4 with Mr. -- I'll get with DHCD on that. That's</p> <p>5 how we achieve a permanent sustained government,</p> <p>6 affordability really?</p> <p>7 CHAIRMAN BOWERS: Sure.</p> <p>8 MS. FIELDS: Because what we said we</p> <p>9 would do when Mr. Bailey was at the HFA, we took</p> <p>10 on a very difficult project that two developers</p> <p>11 had attempted to bring to fruition. And they</p> <p>12 weren't able to get it, and we were able to come</p> <p>13 to DHCD and say, look, let us try.</p> <p>14 And it was a very successful</p> <p>15 nine percent task credit property, but what we</p> <p>16 said we would do is at the end of the not</p> <p>17 10-year but 15-year period, when our nonprofit</p> <p>18 got it for a dollar that we were going to sell</p> <p>19 it to the initial leaseholders for a dollar.</p> <p>20 And if some of them weren't available,</p> <p>21 the next person, the next person, the next</p> <p>22 person. That's how you maintain affordability</p>	148	<p>1 the covenants imposed.</p> <p>2 MS. REDMON: Well, not to cut you off,</p> <p>3 but I think --</p> <p>4 CHAIRMAN BOWERS: Ms. Redmon, I'm</p> <p>5 sorry, just let him finish.</p> <p>6 MS. REDMON: Okay, okay.</p> <p>7 CHAIRMAN BOWERS: Please, go ahead.</p> <p>8 MR. BAILEY: So to the extent that</p> <p>9 they are found operating outside of whatever</p> <p>10 covenants have been imposed, then we will take</p> <p>11 sanctions against them.</p> <p>12 We will either evaluate -- well,</p> <p>13 investigate and issue default notices, whether</p> <p>14 they are monetary or non monetary.</p> <p>15 We will attempt to work with the</p> <p>16 property manager, property owners, or project</p> <p>17 sponsors. To the extent that that fails, then</p> <p>18 there are other remedies at our disposal.</p> <p>19 But you've got to bring them to our</p> <p>20 attention. And I believe that you have, and if</p> <p>21 we're talking about the same one.</p> <p>22 MS. REDMON: Yes.</p>
147	<p>1 going forward. And we provided resident</p> <p>2 services.</p> <p>3 CHAIRMAN BOWERS: That's great.</p> <p>4 MS. REDMON: We provided the resident</p> <p>5 services, and so I would like for, if you don't</p> <p>6 have it some place written in, that whatever</p> <p>7 agreements are made today for the future</p> <p>8 properties that we finance, that no matter what</p> <p>9 that that has to be maintained.</p> <p>10 CHAIRMAN BOWERS: Yes, ma'am. Thank</p> <p>11 you, Ms. Redmon. And I will from my standpoint,</p> <p>12 if anyone from the agency wants to comment, our</p> <p>13 understanding is that these are legally binding</p> <p>14 covenants that are bid on at closing. So I</p> <p>15 don't know if anyone from the agency wants to</p> <p>16 add on to that.</p> <p>17 MR. BAILEY: Yeah. Every now and then</p> <p>18 out of the universe of projects we finance, we</p> <p>19 have a couple of bad actors. And when those bad</p> <p>20 actors are brought to our attention, we'll take</p> <p>21 a look at them to make sure that they're</p> <p>22 operating in a manner that is consistent with</p>	149	<p>1 MR. BAILEY: The other thing is as it</p> <p>2 relates to the financing covenants as it relates</p> <p>3 to affordability, they last for 30 and sometimes</p> <p>4 40 years, depending upon the type of covenant</p> <p>5 that's placed on it.</p> <p>6 And they are further reinforced, if</p> <p>7 you will, if a project comes back in for</p> <p>8 refinancing. In other words, if it's a 30-year</p> <p>9 covenant and they come back in at 20 years and</p> <p>10 they want to do a refinancing, then another</p> <p>11 30-year covenant is placed on that unit.</p> <p>12 So let's you and I -- give me a call.</p> <p>13 Let's you and I sit down and talk about this</p> <p>14 particular project --</p> <p>15 MS. REDMON: Yes.</p> <p>16 MR. BAILEY: -- and explain to me how</p> <p>17 you believe it is violating its covenants. And</p> <p>18 then we'll take a look at it and go out and meet</p> <p>19 with the project sponsors and property managers</p> <p>20 and see if we can't correct it.</p> <p>21 MS. REDMON: Thank you.</p> <p>22 CHAIRMAN BOWERS: And let me thank</p>

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1 you, Ms. Redmon, for that.  
 2 And let me just ask if there are any  
 3 other public comments that anyone has?  
 4 Okay. Yes, sir. If you could just  
 5 identify yourself for the record?  
 6 MR. BROTHERS: Yes, my name is  
 7 Hank Brothers. I'm a lawyer doing some housing  
 8 work in the district. And I just want to pick  
 9 up on a comment that Milton made right near the  
 10 end of the meeting about a bi-annual report.  
 11 Is that the report that is mentioned  
 12 as one of the requirements from the task force  
 13 report, or is that something else?  
 14 MR. BAILEY: No, that's a report --  
 15 the mayor, in the process of establishing what  
 16 his priorities are for the 10 by 20, made the  
 17 determination that the housing needs assessment,  
 18 that's just like the one that we have embarked  
 19 on, should be done on a bi-annual or I should  
 20 say every two years.  
 21 So my use of -- I'm just learning how  
 22 to speak English. So every two years a needs

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1 assessment will be undertaken.  
 2 CHAIRMAN BOWERS: All right. Any  
 3 other public comments?  
 4 All right, see no one, I want to thank  
 5 everybody. It's 12:28 p.m., July 14th. This  
 6 meeting now stands adjourned. Thank you all and  
 7 have a wonderful summer.  
 8 (Whereupon, at approximately  
 9 12:28 p.m., the meeting was adjourned.)  
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1 CERTIFICATE OF NOTARY PUBLIC  
 2 I, Anne E. Castellow, Notary Public in  
 3 and for the District of Columbia, the officer  
 4 before whom the foregoing testimony was taken,  
 5 do hereby certify that the witness whose  
 6 testimony appears in the foregoing transcript  
 7 was first duly sworn by me; that the testimony  
 8 of said witness was taken by me and thereafter  
 9 reduced to typewriting under my direction; that  
 10 said testimony is a true record of the testimony  
 11 given by said witness; that I am neither counsel  
 12 for, related to, nor employed by any of the  
 13 parties to the action in which this testimony is  
 14 taken; and, further, that I am not a relative or  
 15 employee of any attorney or counsel employed by  
 16 the parties hereto, nor financially or otherwise  
 17 interested in the outcome of the action.  
 18  
 19 ANNE E. CASTELLOW  
 20 Notary Public in and for the  
 21 District of Columbia  
 22 Commission Expires: March 31, 2019

