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Department of Housing and Community Development

Board Meeting of the
HOUSING PRODUCTION AND TRUST FUND
ADVISORY BOARD

ORIGINAL

10:07 a.m. to 12:28 p.m.
Monday, November 3, 2014

D.C. Department of Housing and Community
Development
1800 Martin Luther King Avenue, SE
Washington, D.C. 20020

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1 P R O C E E D I N G S

2 CHAIRMAN BOWERS: Okay. Good morning,
3 everyone. It's 10:07 a.m. on Monday, November
4 3rd, 2014. The District of Columbia Housing
5 Production Trust Fund Advisory Board meeting is
6 now officially called to order. I am David
7 Bowers, the Chair of the Board here today.
8 Members, I want to welcome everyone to the
9 meeting.

10 Housekeeping note, just a reminder,
11 please, if you do have a cell phone, put it on
12 silent if you would, please.

13 We will get started with the agenda.
14 Members of the board, thanks for being here. You
15 have packets. In our packet, why don't we go
16 around and just do a quick head count and make
17 sure we have a quorum. If you would announce
18 yourself.

19 MR. ROODBERG: David Roodberg.

20 MR. KNIGHT: Jim Knight.

21 MS. PRIOR: Jacqueline Prior.

22 MS. MARSHALL: Sue Marshall.

1 MR. PASCAL: Craig Pascal.

2 MR. JACKSON: Stan Jackson.

3 CHAIRMAN BOWERS: All right. So, seeing
4 that we do have a quorum, we will proceed.

5 Let's go to item number 2 on the agenda,
6 if we could, the approval of prior meeting
7 summaries. The September meeting summary was
8 emailed out, and we have the October meeting
9 summary here. I'm going to ask if we could take
10 a couple of minutes, look over these. And if
11 anyone has any suggested edits, changes, please
12 let us know. And if at any point, anyone wants
13 to move approval, please let us know.

14 We will let the record reflect that
15 Director Michael Kelly is also present here
16 today.

17 So why don't we take a couple of minutes
18 to review the meeting summaries, and then we'll
19 move forward after these are approved?

20 (Pause, the board perused the meeting
21 summaries.)

22 CHAIRMAN BOWERS: Does anybody have any

1 questions, concerns, suggested edits on anything
2 in either sets of summaries?

3 Bea, I want to note, if I may, and to the
4 board members, on the Monday, October 6, meeting
5 highlights on page 2, item 3A(c), ALP objectives,
6 where it says, "DHCD proposes to: expand
7 acquisition to predevelopment funding," I believe
8 that's supposed to be "expand acquisition and
9 predevelopment funding." So that was one.

10 And then, on page 5, same on the October
11 6 notes, page 5, number 9, and Nathan, this may
12 be one question for you. See where it says,
13 "Lead underwriter under SAFI, the lenders were
14 the lead underwriters, and will lenders continue
15 as the lead underwriters under ALP?" I guess I
16 agree, yes. It's just the wording seemed a
17 little odd.

18 But the point there being, as with SAFI,
19 under ALP, the groups that are chosen under ALP
20 will be the lead underwriters. So I just wanted
21 to make that clarification.

22 Any other suggested edits, changes to

1 anything that people are finding in the meeting
2 highlights, from board members? If not, I'll
3 certainly -- would board members like any
4 additional time to review? We certainly can take
5 that.

6 (No audible response.)

7 CHAIRMAN BOWERS: If not, at such point,
8 I will happily entertain a motion to approve the
9 September 8th and October 6th meeting highlights.

10 MS. MARSHALL: So moved.

11 CHAIRMAN BOWERS: It's been moved by Sue
12 Marshall. Is there a second?

13 MR. ROODBERG: Second.

14 CHAIRMAN BOWERS: Second by David
15 Roodberg. It's been moved and properly seconded.

16 To approve the September 8th and October
17 6th, 2014 meeting highlights, any discussion?
18 Discussion? Discussion?

19 (No audible response.)

20 CHAIRMAN BOWERS: Okay. It's been moved
21 and properly seconded. All in favor, say Aye.

22 (Chorus of "Aye.")

1 CHAIRMAN BOWERS: All opposed?

2 (No audible response.)

3 CHAIRMAN BOWERS: Okay. The Ayes have
4 it. No Nays. Thank you so much. Appreciate it.
5 Thank you very much, Bea Fields, for working to
6 put those together for us.

7 (Motion to approve the meeting summaries
8 for September 8 and October 6, 2014, passed.)

9 CHAIRMAN BOWERS: Okay. So in the agenda
10 now, we will move to item number 3, Demand Side
11 Leveraging Options, review of data presentation
12 by the Community Partnership for the Prevention
13 of Homelessness. Let me turn it over to board
14 member Sue Marshall, who will lead us through
15 this discussion and introduce our guest for
16 today.

17 Sue.

18 MS. MARSHALL: Thank you, David. And
19 what I'd like to do us continue the ongoing
20 conversation we've been having about demand side
21 issues and really put some quantitative data to
22 move us beyond the qualitative discussion about

1 services, what kind of services, and who needs
2 them.

3 This is a specific follow-up to the
4 conversation where Beatriz Otero of Health and
5 Human Services presented. That was the
6 Department of Human Services, Department of
7 Behavioral Health, Health Care Finance, and the
8 Department of Health.

9 And a takeaway from that meeting is, as
10 there is a continuum of need for affordable
11 housing that we look at in terms of gradations of
12 median income, there is also a continuum of
13 services. And what I want to do is present some
14 data.

15 And this is data that has been presented
16 in a couple of forums already. One is a national
17 forum where the District is a part of the 25
18 Cities Initiative to house veterans and
19 chronically homeless single individuals. The
20 other is the Interagency Council on Homelessness.

21 And looking at the notion of continuum of
22 need, the needs range from deep needs of those

1 who are chronically homeless, as represented by
2 the provision of permanent supportive housing.
3 And I do really want to celebrate the
4 accomplishments that both the department and the
5 board have made in terms of providing and
6 integrating permanent supportive housing
7 services, as well as dollars into the mixture we
8 talked about here.

9 At the other end of the spectrum, and I
10 don't believe we've given nearly enough attention
11 to the straight affordable housing, where there
12 are no services in the traditional way we think
13 about services. And we tend to think about
14 services as clinical and behavioral, social, and
15 some resident services. One of the ways that I
16 thought about this compartmentalized, open to any
17 revisions on how to frame that.

18 I want to, for purposes of the
19 discussion, differentiate how the District deals
20 with single adults, who are those over 18 who
21 present without children, and how the District
22 deals with families. Until now, single adults,

1 because that system was fashioned to serve people
2 coming in from the streets, can go to any
3 location within the city.

4 What David Tweedie, who is in charge of
5 our coordinated entry, is going to talk to you
6 about is a process to replicate what happens with
7 families, where families go through a central
8 intake process, which is far more sophisticated
9 in that it starts with the kind of assessment
10 David's going to talk about, and therefore gives
11 you, hopefully, better targeting of resources to
12 those who present based on their need.

13 Talking about at least two kinds of
14 housing, permanent supportive housing and rapid
15 housing are the two major initiatives for exiting
16 families and individuals. And for Milton and
17 everybody else who likes the dollar sign, just
18 looking at the community partnerships budget --
19 and I want to emphasize that ours is only a part
20 of the investment -- all of the agencies I named
21 have additional resources that layer and support
22 what comes through the department.

1 Right now, we have locally funded \$6.5
2 million in rapid -- I'm sorry, permanent
3 supportive housing rents for single adults. When
4 you look at permanent supportive housing for
5 families, it's an additional \$3 million. In both
6 instances, there are matching dollars for the
7 services that go along with.

8 In terms of rapid housing, right now that
9 is just being explored as an option for singles
10 and is funded in this year's budget. Currently,
11 in this year's budget, there are \$20 million
12 simply for the rent associated with rapid
13 rehousing for families existing shelter, an
14 additional \$2.5 million in case management. And
15 I also want to note that Freddie Mac made a very
16 significant investment, along with other
17 philanthropy, to also support case management and
18 other services for families.

19 I want to introduce you all to David
20 Tweedie, who is actually going to do the
21 presentation. And one of the things that I'd ask
22 you to take particular note of is when he goes

1 through the agencies that are participating in
2 this process, note the overlap with agencies who
3 are funded through the Housing Production Trust
4 Fund. That, to me, is one of the best
5 opportunities for closer coordination and modern
6 behavior that we want to grow to scale.

7 I also asked David Roodberg -- and I'm
8 really appreciative that he agreed to do this --
9 to add to the presentation from his perspective
10 what services they offer at Horning Brothers when
11 they do a development. What are the service gaps
12 he perceives that we also need to focus on?

13 So, first I'm going to ask David to
14 start.

15 CHAIRMAN BOWERS: Great. David, welcome.

16 Why don't, just for the record so when
17 folks are transcribing, how do you spell your
18 last name for us?

19 MR. TWEEDIE: T-w-e-e-d-i-e.

20 CHAIRMAN BOWERS: Okay. Thank you.
21 Welcome.

22 MR. TWEEDIE: Thank you. So if I can

1 turn your attention to the paper packet that
2 you've got. And it's also on the screen.

3 Is there a pointer?

4 CHAIRMAN BOWERS: Do we have a clicker?

5 (Pause.)

6 MR. TWEEDIE: I can move over to wherever
7 the computer is.

8 (Pause.)

9 MR. TWEEDIE: So, the packet we're
10 directing you towards looks the same way as what
11 is up on the screen here.

12 (Pause.)

13 MR. TWEEDIE: All right. So, the
14 District of Columbia has underwent three 100-day
15 initiatives whereby we target not only single
16 individuals experiencing chronic homelessness and
17 veteran single individuals, but all single
18 individuals, any member not presenting as a
19 member of a family within D.C.

20 And through that process, our third and
21 most recent 100-day initiative produced the
22 results you'll see in your packet and on the

1 screen.

2 So we wanted to ensure that we assessed
3 every single individual coming into our program
4 whether or not they resided in emergency shelter,
5 low-barrier shelter, temporary shelter,
6 conditional housing, or they were unsheltered
7 outdoors, and to use an assessment utilized by
8 more than 130 communities across the country and
9 one that's recognized as the best practice tool.

10 So, we assessed in just 100 days 1,313
11 individuals, which was 75 percent above our
12 target. We wanted to ensure that agencies who
13 had built relationships with individuals that
14 they believed to be extremely vulnerable, but
15 they were targeting those individuals as a first
16 priority, and also bringing on additional
17 providers who were not yet conducting
18 assessments.

19 And that looked like an increase from
20 five agencies up to seventeen. And at the end of
21 the day, while we assessed 1,313 individuals, we
22 used that information to help house 340 single

1 individuals just within 100 days.

2 So, to frame the scope of the
3 assessments, this represented now almost a year's
4 worth of information. And you'll this chart
5 demonstrates assessments completed by day. So,
6 the third 100-day initiative will see this
7 influx, demonstrated on the right third portion
8 of that chart there, represents that at any given
9 time we were conducting anywhere between 15 and
10 45 assessments on a daily basis.

11 And part of how we did that was by
12 substantial agency staffing and time involvement.
13 So, unsurprisingly, due to their management of
14 the majority of low-barrier shelters, Catholic
15 Charities assessed the most individuals there,
16 followed by Closer to the Homeless, and then
17 Friendship Place, and then our partners at the
18 Department of Veterans Affairs and the Department
19 of Human Services.

20 And you'll see that some of those
21 additional providers there towards the top, who
22 have conducted the least amount of assessments,

1 without fail they had been conducting the
2 assessments for the least amount of time. So, as
3 they continue to engage with the system, you've
4 seen their investment in the system be reflected
5 through additional screenings.

6 But here is the portion here where we
7 really focus at some of the data that we looked
8 at. So, the 1,313 assessments that we completed
9 in the last 100 days were part of 1,850
10 assessments completed across the broader D.C.
11 metro area. So that included both the District
12 of Columbia itself, but also nine out-counties,
13 things like Prince William's, Prince George's,
14 Alexandria, Arlington, and so on.

15 Those 1,850 assessment quantified
16 vulnerability. So, that would look at, yes,
17 individuals who had a co-occurring or tri-
18 occurring mental health and substance use and
19 chronic health condition, but it would also
20 quantify individuals who might need a more
21 moderate sort of service, so individuals who
22 might have income, might have some social

1 supports.

2 And it quantifies them from zero through
3 20. And then recommends the housing intervention
4 to determine, in what program is this person most
5 likely to be successful? And so, how can we use
6 this assessment information and not just learn
7 information for information's sake, but actually
8 target interventions, recognizing that there's
9 not a one-size-fits-all, and that different
10 populations need different sorts of interventions
11 to end their housing crisis?

12 So we will see on the far right portion
13 of the graph there is those interventions
14 quantified.

15 Fifty-two percent of the single
16 individuals who we've screened so far are
17 recommended for rapid rehousing, one out of every
18 two. Twenty-seven percent are recommended for
19 permanent supportive housing.

20 And there's also been a 21 percent that
21 are recommended for a light-touch or minimal
22 intervention that, for those individuals, they

1 don't need a moderate, or certainly not a deep
2 housing subsidy, but a light touch before they're
3 most likely able to resolve their own housing
4 crisis.

5 But what I'd point your attention towards
6 is that the individuals recommended for permanent
7 supportive housing are not a majority. And
8 they're certainly not the entirety there in the
9 system. Right? It's roughly one out of every
10 four individuals who has been assessed so far is
11 recommended for that specific intervention.

12 But the majority of the recommendations
13 here are the rapid rehousing, or the rapid
14 housing intervention. So that looks like 52
15 percent of our 1,850 individuals, a total of 957
16 persons.

17 So, part of what we've tried to do is
18 when we start looking at things like
19 vulnerability, though, is that it's very costly
20 to our broader system for someone to remain
21 homeless, particularly for months and years
22 across time. And so, we've used the data that's

1 part of our assessment to begin quantifying the
2 cost reductions that would result if the
3 individuals that we've assessed, but actually it
4 should be housed.

5 How could that save not only our housing
6 system, but the Department of Behavioral Health,
7 the Department of Health, all the different sorts
8 of outside resources that individuals are
9 consuming at a greater proportionality for those
10 who we've assessed so far?

11 So here's what that looks like. Of the
12 1,850 assessments that we've completed in the
13 last 11 months, just in the last 6 months, these
14 individuals have used the ER more than 3,215
15 times. And imagine what that cost is per night
16 there, and with the kind of cost reductions that
17 could happen as a result.

18 They've had interactions with the police
19 more than 1,303 times. They've been taken to the
20 hospital in an ambulance more than 1,551 times,
21 which at a cost of -- what? -- let's say \$500 per
22 ER ride there, what would those system-wide costs

1 be?

2 They've been hospitalized inpatient,
3 including hospitalizations in a mental health
4 hospital, more than 1,186 times. And they're
5 vulnerable. And so they're using crisis distress
6 centers, such as suicide prevention hotlines,
7 more than 807 times.

8 So, this is not just on behalf of
9 individuals on the far depth of need in our
10 system, either. This is also for the 52 percent
11 that are screaming for that rapid rehousing. So,
12 part of what we're trying to do is to connect the
13 assessment data to the proper housing
14 intervention, and then close that loop with the
15 cost savings that moving someone from assessment
16 to housing, what that would actually provide.

17 That concludes the presentation. Are
18 there questions?

19 CHAIRMAN BOWERS: Questions?

20 Stan Jackson.

21 MR. JACKSON: Yeah. I wanted to --
22 during this period of review of the extreme

1 clients, was there any way that you can measure
2 with the absence of some intervention those in
3 with the mental intervention area? Is there any
4 way to track at what point, or if they move into
5 the category for either rapid rehousing or the
6 more permanent supportive experience?

7 It goes to your point, if there's not
8 this continuum of care or services to support
9 those at that low level --

10 MR. TWEEDIE: Yes.

11 MR. JACKSON: Is there a tendency that
12 maybe some migration to another category? And if
13 so, is there a way that you sort of track that in
14 your initial analysis?

15 MR. TWEEDIE: Yes. So this slide here we
16 looked at is the summary on behalf of all of the
17 assessment results. But we do have that broken
18 down by each of those three categories.

19 And unsurprisingly, the individuals at
20 the minimal intervention category there still
21 consumed resources from our hospitals, from our
22 police, from mental health. So we can certainly

1 do a deeper dive than we have, that quantifies
2 that by those three categories, yes.

3 CHAIRMAN BOWERS: I'm also hearing a
4 question about, do we track how much these people
5 move kind of either off the percentage of the
6 folks in the yellow box, the minimal intervention
7 -- has the city studied yet what percentage of
8 those folks, over time, either move into housing
9 on their own, as is noted here, or move more into
10 the rapid rehousing need? Are we tracking that
11 yet?

12 MR. TWEEDIE: I don't believe so.

13 CHAIRMAN BOWERS: Okay.

14 MR. TWEEDIE: So I think at this point,
15 the way that someone is assessed is that they
16 would have been homeless. So if a person were
17 assessed at the minimal intervention plan, the
18 yellow box, and then were to reenter the system,
19 then we would quantify that, because they would
20 be self-declaring that they're experiencing
21 homelessness.

22 But for those individuals who move off

1 into their own housing, we don't currently have a
2 method to be able to determine the absence of
3 something versus the presence.

4 CHAIRMAN BOWERS: Other questions?

5 Yes, Milton.

6 MR. BAILEY: I understand that this is a
7 regional analysis?

8 MR. TWEEDIE: Um-hm.

9 MR. BAILEY: Okay. So what portion -- if
10 we throw out everything other than D.C., how do
11 those numbers stack up in terms of what we're
12 seeing domestically?

13 MR. TWEEDIE: So, 95 percent of the
14 assessments have been completed within the D.C.
15 area. So of the 1,850 individuals who have been
16 assessed, 1,749 have actually been within the
17 District of Columbia proper. So it is -- while
18 it does include an additional nine out-counties,
19 it's 95 percent within D.C. itself.

20 CHAIRMAN BOWERS: Jim?

21 MR. KNIGHT: A question about -- do we
22 already have income data for each respondent? So

1 for those who have some reliable income?

2 MR. TWEEDIE: Yes.

3 MR. KNIGHT: That can be quantified, the
4 amount and the unknown?

5 MR. TWEEDIE: Yes. Yep. And the income
6 is not a lot. And it varies, unsurprisingly, by
7 the intervention there. So, for individuals who
8 are screening at the blue category there for
9 permanent supportive housing, the majority of
10 them have zero income.

11 For individuals in the rapid rehousing
12 range, they might have income. Those that are
13 most likely to have income, whether that's \$500
14 or more or even \$1,000 or more, the vast majority
15 of them would be in that zero-to-four category
16 And it's self-report. But it looks at it
17 actually by income source and by income amount,
18 what that would be.

19 MR. KNIGHT: I think I understand where
20 you're headed, where you're taking us here.
21 There's different housing needs at different
22 vulnerability levels.

1 MR. TWEEDIE: Um-hm.

2 MR. KNIGHT: And it may be that at some
3 amount of the minimal interventionist, folks
4 simply need a place to live.

5 MR. TWEEDIE: Absolutely.

6 MR. KNIGHT: And that may be the sole
7 intervention needed.

8 So wondering how much they could afford
9 to pay on the existing income they have is kind
10 of where I was headed.

11 MR. TWEEDIE: Sure.

12 MS. MARSHALL: And I would broaden that.
13 They need housing. What they also need is the
14 ability to sustain housing. So another part of
15 the conversation that we really need to
16 incorporate has to do with economic wellbeing
17 being as important as social wellbeing.

18 We're getting pretty good at the social
19 wellbeing, but not as good with economic
20 wellbeing. So in addition to the services we are
21 used to, this might be a good segue for David,
22 there are some resident services and what I refer

1 to as mainstream services that also have to be
2 brought to bear if we're going to be successful.

3 CHAIRMAN BOWERS: Jackie Prior.

4 MS. PRIOR: Following up on what Sue was
5 saying, (Inaudible) the need for workforce
6 development and the extra literacy. Folks in the
7 yellow portion could have income, but they need
8 help in managing that income so that they can be
9 housed. And also, on a workforce development,
10 there is this concept of "get a job, any job."
11 But that doesn't leave you out of, you know,
12 being low-income or in poverty.

13 Those are two things that I think really
14 need to be connected. And they haven't in fact
15 aligned, on the demand side, not only in
16 homelessness, but as we talk to the task force,
17 trying to move some people out of needing a
18 subsidy so that there is housing for other people
19 to go into that.

20 CHAIRMAN BOWERS: And I think, building
21 on Jackie's point, a couple of questions I had.
22 One -- a couple of things.

1 One, David and-or Sue, can you all, just
2 so we can get it on the record here, the
3 difference between the rapid rehousing and what's
4 provided in that bucket versus the permanent
5 supportive housing, if you all can describe that.

6 And then I had another question to kind
7 of build on Jackie's point. But I'll let you all
8 answer that first.

9 MR. TWEEDIE: Sure. So for the permanent
10 supportive housing, that can look like either
11 scattered sites or site-based vouchers. And the
12 goal behind that program intervention would be
13 that -- it would be a person with the lease, and
14 they could live there indefinitely.

15 So that if they were to choose to renew
16 their lease on year two and year five and year
17 ten, they would be able to live there
18 indefinitely. And in fact, that's a part of the
19 program's integral design.

20 For the rapid rehousing, though, that
21 would look like a short-term financial assistance
22 that often comes with case management. But it's

1 a time-limited intervention. So that can look
2 like four months of assistance; that can look
3 like one month of assistance. There's different
4 sorts of depth of need there. But it would not
5 be an indefinite one.

6 MR. KNIGHT: Part of the question is just
7 different shades of service types? Right?

8 CHAIRMAN BOWERS: Right. Right.

9 MS. MARSHALL: I think you have to
10 differentiate service type, and you have to
11 differentiate length of subsidy, which is one of
12 the things I know percolates under the bottom of
13 this discussion.

14 CHAIRMAN BOWERS: Um-hm.

15 MS. MARSHALL: There is the need to be
16 able to figure out, how do you use a resource
17 like rapid rehousing to support the development
18 and production, if you can? I don't know whether
19 you can or not. But that's a question for the
20 group, is, to what extent can we channel these
21 resources better to support both supply and
22 demand?

1 CHAIRMAN BOWERS: Right, right.

2 MS. MARSHALL: It's one of the things
3 that needs to happen with District rapid
4 rehousing program, is to recognize the underlying
5 lack of income. And we need to pay closer
6 attention to, how long do these customers really
7 need to stay in units? And therefore, how much
8 longer does the subsidy need to be?

9 Within rapid rehousing, there is a
10 recertification process, because the permanent of
11 rapid rehousing is that your income grows while
12 you're in the program to the point that you are
13 able to at some point, then it's eminently
14 sustained. But that is not the case for much of
15 our population. So we need to change the
16 operating model to recognize that.

17 CHAIRMAN BOWERS: Who runs now, who's the
18 lead agency for the rapid rehousing dollars and
19 the permanent supportive housing?

20 MS. MARSHALL: Both are Department of
21 Human Services.

22 CHAIRMAN BOWERS: DHS.

1 Then the other question, I guess, that
2 came out was the -- I might need a little help on
3 the board.

4 In terms of the services, and this goes
5 to Jackie's point, I think, earlier, which is,
6 are all -- the question, I guess, all the folks
7 who are represented in these boxes, you know, the
8 21 percent who are minimal, rapid rehousing,
9 permanent supportive -- I'm assuming all these
10 folks are at the zero to 30 percent income band,
11 right?

12 And so, I guess one of the questions,
13 too, as we think about the Trust Fund and what we
14 were charged to do, our dollars were supposed to
15 support 40 percent zero to 30 percent AMI, 40
16 percent 31 to 50 percent AMI.

17 So, one of the questions this raises for
18 me is about services, and what's the likelihood,
19 to Jackie's point, that the folks who are in
20 these boxes, even with services, will
21 realistically get jobs that will move them up the
22 income bands out of the zero to 30 band?

1 And so I'm assuming -- and you all tell
2 me if I'm wrong -- that the folks who have
3 chronic issues are most likely not going to move
4 out of the zero to 30 box. So that's a 27
5 percent. Then a question becomes, for that
6 remaining 73 percent, you know, what percentage
7 of those folks realistically, and with the right
8 kind of services and, you know, focused and
9 coordinated, et cetera, could potentially move up
10 the band, and how much up the band might they
11 move?

12 And this is a lot of kind of
13 conjecturing. But I think that's a question I've
14 wondered, too, to the point of when we think
15 about, how do we coordinate the services? When I
16 say "we," the collective "we" in the city. How
17 do the services get coordinated more efficiently
18 and effectively?

19 But for planning purposes of the Trust
20 Fund, you know, what's a reasonable number to
21 assume? Okay, if done well, 20 percent, 40
22 percent may move up and out. But realistically,

1 X percent are probably going to be in this need
2 bucket ongoing. And therefore, from a planning
3 in terms of Trust Fund dollars, we have to assume
4 they'll be there, if that makes sense.

5 Jim Knight?

6 MR. KNIGHT: I don't want to answer for
7 you and those who lead the program, Sue.

8 MS. MARSHALL: You may.

9 (Laughter.)

10 MR. KNIGHT: Aside from Stan, partial
11 answer.

12 I think the difference between -- if you
13 get an assessment of five to nine, it says you
14 are going to be able to reassume independence
15 yourself.

16 But even that statement could come with a
17 wide range of incomes that you might have to
18 maintain your independence.

19 So, what I feel like is the next step
20 that these could be sought is the production of
21 new affordable units at that minimum threshold
22 income. It may be 22 percent AMI, it may be 28

1 percent AMI, it may be 36 percent AMI. But a
2 heavy concentration of units that are created in
3 the next few years at that sort of,
4 quote/unquote, independent income level.

5 CHAIRMAN BOWERS: Right.

6 MR. KNIGHT: I think maybe that's where
7 you were headed.

8 CHAIRMAN BOWERS: Yes, yes.

9 MR. KNIGHT: That doesn't answer the how-
10 many-of-them-are-what question. But there is a
11 magic income AMI affordability level.

12 CHAIRMAN BOWERS: Right.

13 MR. KNIGHT: That folks who are working
14 every day can maintain housing. And that level
15 is not, I don't think, known to us as well as it
16 could be, the economic level.

17 CHAIRMAN BOWERS: Yep.

18 And, Nathan, you all presented last
19 month, the Department, Director Kelly, at the
20 last meeting, gave us some updated numbers about
21 how -- it was either the last meeting or the one
22 before that, about how the percentage of units

1 serving at the lower income levels in the
2 pipeline were much higher than the ones kind of
3 previous.

4 MR. SIMMS: Previous, yep.

5 CHAIRMAN BOWERS: And so I guess, if you
6 all can speak to what the department or the city
7 has done. Has that been as a result of
8 intentional things that have taken place from the
9 city government side? Has that just been the
10 demand coming from the market, or a combination
11 of both? What can we learn from that, I think to
12 Jim's point, that may inform how we move going
13 forward?

14 MR. SIMMS: So I think it was a couple of
15 different things. One, it was an attempt, I
16 think, to get back to a balanced approach of
17 meeting our requirements in terms of 40 percent,
18 or really, really 80 percent at that lower --
19 lower tier. So a way for us to kind of correct
20 that.

21 Two, it would be our coordination with
22 other service -- our service agency counterparts

1 in terms of the consolidated RFP. And so lesson
2 learned from that, and just kind of understanding
3 better ways we can, kind of, coordinate and
4 maximize the resource.

5 DIRECTOR KELLY: Just to add to it,
6 participation in the agency, Council on
7 Homelessness, and our commitment to meeting
8 whatever goals that are established on an annual
9 basis around that. Clearly, you know, the need
10 greatly outweighs our resources to respond. But
11 in terms of mandate, the agency clearly has
12 recognized this is a priority for it.

13 CHAIRMAN BOWERS: Two other questions I
14 want to throw out, or issues to raise with the
15 board for discussion maybe or consideration.

16 One is more on the financing side, and
17 one is on the services side. Sue, you brought up
18 earlier the issue around, are there any -- I
19 mean, when you see this, this presentation,
20 David, maybe looking at some of these numbers
21 about the -- the slide about the cost or the cost
22 to the system.

1 You know, all this conversation now about
2 social impact, bonds, or pay-for-performance-type
3 work where you kind of take some savings over
4 here and use it over there.

5 So I guess one question is, has any --
6 and not saying that's the way to go, but just
7 wondering, are there any dollars that are
8 currently going in to serve this population that
9 aren't being used to -- that could be used in a
10 more creative or efficient way, impactful way, to
11 finance housing?

12 And now I'm thinking about again,
13 particularly for the Trust Fund dollars. So if
14 what we're doing -- is there a way to use the
15 money that's in the system now for this
16 population to help finance, Jim, to your point,
17 more kind of permanent units, if you would, as
18 opposed to kind of temporary subsidies, if that
19 makes sense?

20 So I don't know if anyone on the board
21 has a sense of that agency or otherwise, of how
22 we as a city could use those dollars more

1 impactfully.

2 MR. BAILEY: That's one of the things
3 we're going to look at.

4 MS. MARSHALL: I think one of the ways to
5 do that is to make a commitment that at some
6 point, we invest no more dollars in temporary
7 solutions. So, how many years out would we
8 realistically have to look to be able to
9 rechannel some of the dollars we've spent on
10 expanding places like DC General.

11 But you have to have the political will
12 and the tools to be able to stop providing
13 expanded emergency shelters.

14 CHAIRMAN BOWERS: Go ahead, Jim.

15 MR. KNIGHT: Going back to the three
16 boxes of 21, 27, 52, if you just accepted that
17 data at face value and started to apply
18 production goals to meet those boxes, we'd be
19 further than we are now, where we're producing
20 whatever units the development market brings to
21 DHCD. We aren't fully saying back to the
22 marketplace yet, "we need X amount of units

1 affordable at this level, X amount of units
2 affordable at that level."

3 CHAIRMAN BOWERS: Um-hm.

4 MR. KNIGHT: For a minute, we were trying
5 to see if we could create some rapid rehousing
6 units in a new development. And we were talking
7 a little while with DHS about it.

8 I think one of the things that could help
9 us to understand is, the rapid rehousing program
10 here, because it's a temporary subsidy, it needs
11 to be subsidized in the budget for a period of
12 time, and then it no longer needs to be. People
13 truly move on to independent success.

14 So when we were in conversation about it,
15 we said, "Well, what is the graduated rim? From
16 the family -- in this case, when the family
17 reaches independence, what can they afford to pay
18 at the end of the day?"

19 Because that's what the pro-forma of the
20 project needs to be financed to, so that you
21 don't have a subsidy required over the life of
22 the project. And we were guesstimating, and we

1 were using 40 percent AMI kind of rents for that.

2 But aren't you providing the question
3 that would allow us to start to connect the dots
4 between who needs the housing and how affordable
5 the housing is? And we do a lot of housing right
6 now that the PSH units are subsidized by the RSP
7 units so that it's a market-grade grant coming in
8 to the project. And the subsidy is delivered by
9 the voucher, or the project-based subsidy.

10 It's possible to use development capital
11 and drive down your rent levels that don't need
12 an annual ongoing operating subsidy. We don't
13 look at that much cost more up-front to do that.

14 But it seems to me that there's a -- this
15 data suggests that folks who are going to be in
16 the permanent supportive housing pool forever,
17 for the most part -- I hate to think of it that
18 way. But those who are going to end up in that
19 place need a permanent subsidy. So having an
20 operating subsidy that lasts the life of the unit
21 or the development is necessary.

22 But anyone else who has the chance to

1 reach this level of independence, if there could
2 be rents underwritten at 30 and 40 percent AMI
3 that don't need an operating subsidy, then the
4 development can produce them without the
5 operating risk and without driving our annual
6 subsidy amounts through the roof.

7 So, that's why I'm asking what those
8 income levels are for those real people. And are
9 they incomes that are enough to support a 30
10 percent rent or a 40 percent rent? Because if
11 they are, you can blend them in a deal and have
12 80s and 40s and 30s with some subsidized 30s.
13 Forgive me. I know this is not very coherent.

14 CHAIRMAN BOWERS: No. That's helpful.

15 (Cross-talk.)

16 MS. MARSHALL: How about if we come back
17 and marry it with income data in two weeks?

18 CHAIRMAN BOWERS: Yeah. That would be
19 helpful for -- so what are the income levels in
20 that bucket?

21 And let the record reflect, too, board
22 member Oramenta Newsome is present.

1 Oramenta.

2 MS. NEWSOME: I think I could be asking
3 the same questions, but if family X goes into
4 rapid rehousing with four or five months'
5 subsidy.

6 Do ya'll know how many instances where
7 that has happened, where in that six months,
8 eight months, whatever, the person, the
9 householder has done whatever necessary to get
10 their income up so they can sign the lease at
11 that location, or the rent that that landlord
12 charges? Were there many instances of it?

13 (Chorus of "No.")

14 MS. MARSHALL: It's a very small number.
15 Most of our families end up getting recertified
16 because their income has not changed much. And
17 that's why I raised the point that there has to
18 be some economic interventions, as well as social
19 service interventions, because our experience
20 shows that, given the poverty in the District,
21 the national rapid rehousing model is not
22 appropriate.

1 (Cross-talk.)

2 MS. MARSHALL: That's why I make the
3 point that we need to tweak the program based on
4 the data that we're feeding it. Most of the
5 families are remaining in the units. They're
6 remaining in the units because the subsidy
7 continues. So to Jim's point and to David's
8 point, we need longer-term subsidies in order for
9 this population to maintain housing.

10 MR. KNIGHT: Aren't most of the rapid
11 rehousing families right now that can't reach the
12 project's rent level, they're in near market-
13 ready placements.

14 MS. MARSHALL: That's why the \$20 million
15 recipe --

16 CHAIRMAN BOWERS: Right, right.

17 (Cross-talk.)

18 MR. KNIGHT: So if we were able to place
19 rapid rehousing families in 40 percent rents,
20 they would be able to reach that advantage.

21 CHAIRMAN BOWERS: Right, right.

22 MS. NEWSOME: Not be in the high-end

1 rental property, but in the ones that are built
2 for that income level.

3 CHAIRMAN BOWERS: Right, right.

4 MR. KNIGHT: It's going to the point
5 where everything we build is going to have some
6 of those in it.

7 CHAIRMAN BOWERS: Right.

8 MR. KNIGHT: Like it's going to have some
9 DSH in it, it ought to have one of those,
10 whatever that even was.

11 CHAIRMAN BOWERS: And I think that goes
12 to the -- so the bucket of money that the \$20
13 million that you talked about, Sue, earlier, that
14 \$20 million is in whose budget? That's in DHS's
15 budget?

16 MS. MARSHALL: That's in DSH locally
17 funded supplemental container dollars.

18 CHAIRMAN BOWERS: So I guess that goes to
19 the question, then, back to the question of, is
20 there a way to move some of the money around, you
21 know, Director? Would there be a way for the
22 city to figure out, if we're putting money here

1 that's going to higher costs like market rate
2 units to kind of keep patching people there,
3 right, and then they've got to go through the
4 recert and all of that, as opposed to, "Look.
5 This person is going to need housing affordable
6 at this income band probably for a long time"?

7 And so let's redirect that money to
8 developments that are built for that income
9 population, where the money maybe gets stretched
10 further, I guess is the point.

11 Jim?

12 MR. KNIGHT: I'm sorry. I'm struggling
13 to be articulate. Right now, the 30 percent AMI
14 units that are getting created are subsidized at
15 market dollars. So one of the challenges in that
16 setting is the person can't afford the end rent.
17 They can't afford the real contract rent.

18 CHAIRMAN BOWERS: Um-hm.

19 MR. KNIGHT: Are we willing to finance
20 properties and units that are truly affordable
21 with no subsidy at 30 percent AMI and 40 percent
22 AMI, for contract rents that are at that level?

1 MR. SIMMS: We have. I mean, we have in
2 this current model.

3 MR. KNIGHT: I know you have. I know.

4 MR. SIMMS: Yeah. So.

5 MR. KNIGHT: I know where some of them
6 are.

7 (Laughter.)

8 MR. KNIGHT: From a policy perspective,
9 if we were willing to adopt that, and everything
10 that came out of the Trust Fund had some number
11 of those units in it, over time we'd be producing
12 enough of them. And if the units were leased to
13 people who were in the system now in the 52
14 percent band, and they were the ones getting
15 those units, some appreciable amount of them
16 would no longer need subsidies. And it would be
17 a good thing to do.

18 MR. ROODBERG: Would it be the thing to
19 do it project-based, or to do it across the
20 board?

21 MR. KNIGHT: Because it's a disappearing
22 subsidy, it defies a label. I mean, it would be

1 -- so as we looked at it in one development, say
2 that it's going to take the family two years to
3 become independent. You need a subsidy for that
4 that lasts two years, and then it disappears.

5 And then they need to be able to afford
6 out of their own income the end rent of that
7 unit. So that end rent can't be a fair market
8 rent that's subsidized with LRC. It has to be a
9 depressed rent. That's doable. The department
10 does it. We just haven't yet been able to take
11 the data and determine how many of them we need
12 and how much that then costs.

13 CHAIRMAN BOWERS: Right.

14 MR. SIMMS: I would say the difference is
15 it's on -- I mean, the ones we've done lately
16 where they haven't requested any, they've been
17 larger-scale developments where they could carry
18 that. So we're going to see far and few in
19 between, I think, of some of the larger ones. It
20 may be medium-sized to small.

21 And the question really becomes, can they
22 handle that, you know, that pressure? Beyond us,

1 it's going to be, you know, with the first-choice
2 lender.

3 MR. KNIGHT: How many sources and uses --

4 MR. SIMMS: Yeah. I mean, the first-
5 choice lender is going to have to be comfortable
6 with that, too.

7 MR. JACKSON: Let me just sort of add
8 here, because I think what we're really talking
9 about is where public policy is going to go
10 today. And the question for me is that, are we
11 able to track also what is the throughput as we
12 look at this problem today and not be static?
13 How do we prevent this reoccurring new interest
14 into either one of those buckets?

15 Because if we don't do something at the
16 minimal intervention category, I think there is a
17 likelihood that it's going to move to another
18 category. So what I'm thinking in terms of, how
19 do we begin to address those other issues?
20 Because as we look at what's happening in the
21 city with its challenges and its competition for
22 jobs and things like that, what can we do also to

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1 sort of address that kind of need, preparation of
2 places?

3 Because there are a lot of folks that are
4 underemployed or unemployed in targeted areas in
5 the city. So what is part of the thinking in
6 terms of, as we address this from a public policy
7 standpoint, how do we also step back and try to
8 minimize a group of the folks that have fallen
9 into these buckets going forward?

10 Because to me, it becomes just perpetual
11 process. And given that we're landlocked here, I
12 don't know how we build our way out of this. I
13 don't know how we subsidize our way out of it.
14 So I would like to sort of hear some discussion.

15 I think what we're really getting to is,
16 where is public policy going in a growth market
17 like the one we are transitioning, making it --
18 more retail, more options or, higher-end options.
19 So I don't know if we sort of looked at that from
20 a government perspective.

21 CHAIRMAN BOWERS: Governmental --

22 MR. JACKSON: I'm hearing that

1 oftentimes.

2 MR. BAILEY: You know, I want to delve
3 into what Stan was saying. I mean, do we have a
4 clear appreciation for what the rapid rehousing
5 dollar demand is going to be for the now and five
6 years hence? And then an indication of what's
7 going to be the demand six through ten years?
8 And both not only for rapid rehousing, but
9 permanent supportive housing as well.

10 I think that, with that information, to
11 Sue's point about making the political commitment
12 and the financial commitment to addressing both
13 the rapid rehousing and permanent supportive
14 housing requirements, the two of those or the
15 assessment will determine what that political
16 reality will be from a financial commitment
17 perspective.

18 Now, the other component that I see is,
19 to what extent can we use -- because I see the
20 problem as twofold. And let me know if I'm
21 wrong. One, my family doesn't make enough money
22 to pay the rent, and I need a rent subsidy,

1 meaning I don't have enough income and I don't
2 have a place to stay -- the physical as well as
3 the economic.

4 So if that is the problem and that is the
5 issue, to what extent can, in solving the
6 political will equation, based upon that data, to
7 what extent am I able to blend a portion of the
8 Housing Production Trust Fund dollars with the
9 social service dollars to not only deal with the
10 income side demand side, but the housing demand
11 side as well? And that will tell me what exactly
12 I will need in proportion to both.

13 Does that make any sense? Or have I lost
14 my mind again?

15 MR. SIMMS: When you say the income -- I
16 got you on the demand side. But on the income,
17 can you explain that piece?

18 MR. BAILEY: Yeah. The income piece
19 says, even if I'm trained and even if I got a
20 good job, whatever the heck that is, I still may
21 not have enough income to make, to be completely
22 independent.

1 MR. SIMMS: Right.

2 MR. BAILEY: Meaning I have my income.
3 But out of my income, I've got to pay rent. I've
4 got to pay dental care. I've got to pay health
5 care. I've got to pay this, this, that, and the
6 other, and I've got to feed my family.

7 MR. SIMMS: Right.

8 MR. BAILEY: So I don't have enough money
9 for that and rent, too. So I need a subsidized
10 unit, which is a physical structure that helps me
11 with my rent, while I am on a better trajectory
12 to better serve my family long-term because I
13 have an economic infusion that helps me above the
14 poverty line. So there's two things.

15 MS. MARSHALL: Well, to Jim's point,
16 creating the stock at the price so you don't need
17 the subsidy.

18 MR. BAILEY: Yeah. Right. And in the
19 quantity. So that's why I need to know -- that's
20 why it would be helpful to know what my hard cost
21 demand is going to be and what my soft cost
22 subsidies are going to be, and whether or not I

1 can blend -- allocate a portion -- if the
2 assumption is if the \$100 million annual
3 investment is going to go through, then what
4 portion of that \$100 million annual allocation do
5 I, based upon the statistical analysis of data,
6 attribute to homeless rapid rehousing and
7 permanent supportive housing?

8 And what portion of my social service
9 dollars that are in BB's -- can I use to help
10 offset the economic burden?

11 CHAIRMAN BOWERS: And I guess a question
12 is, is anyone doing that analysis of projected
13 need?

14 MR. BAILEY: Right.

15 CHAIRMAN BOWERS: Right? So we have a
16 point in time, and is anyone doing an analysis of
17 what the projected need in these buckets will be?
18 Yes or no? And if not, you know, even if we just
19 use these numbers as a proxy?

20 MR. BAILEY: Or is there historic data
21 that we can look at?

22 CHAIRMAN BOWERS: Right.

1 MR. BAILEY: I mean, we've been studying
2 the trend for quite some time now. What does
3 that trend tell us?

4 CHAIRMAN BOWERS: Right.

5 MR. BAILEY: Does it say that I'm going
6 to have 1,000 I'm going to have to house
7 regardless, between the rapid rehousing and
8 permanent supportive housing every year with a 5
9 percent deviation on either side?

10 CHAIRMAN BOWERS: Right.

11 MR. BAILEY: And then, what is the income
12 delta that needs to be bridged between what the
13 historic data has shown as their rehabilitated
14 income, if you will, once they go through the
15 social service process?

16 CHAIRMAN BOWERS: Um-hm. Oramenta.

17 MS. NEWSOME: The reason I would consider
18 taking the analysis here, if I could.

19 CHAIRMAN BOWERS: Please.

20 I think, if you do this every day, and
21 tell me if I'm wrong, I think that the family you
22 just described, there's just thousands of us.

1 And maybe at one point, some of us fell into
2 that.

3 MR. BAILEY: Isn't it the truth?

4 MS. NEWSOME: You know, we only had so
5 much money, we had to make a decision how much --
6 but life had offered you a job, and you had some
7 stability.

8 I would suspect that there's a population
9 of people that are coming in that's in that
10 situation that you have to add on, "I don't read
11 well. I may or may not now have substance abuse
12 problems. I may have a disability, or they may
13 need some other life thing that --

14 MR. BAILEY: Right, some ancillary --

15 MS. NEWSOME: That maybe even that month
16 I do have the money. Life just still doesn't
17 allow me to make those right decisions, for
18 whatever reason. And tell me if I'm wrong. I
19 suspect that those are the people who end up
20 heavily in the rapid rehousing program or not.

21 MR. BAILEY: Or they were the chronic --

22 MS. MARSHALL: They're more than

1 permanent supportive housing --

2 MS. NEWSOME: They end up there. Okay.

3 MS. MARSHALL: Right.

4 MS. NEWSOME: So in that rapid rehousing,
5 you do have those families that are juggling, and
6 some ones don't make it, but may not face all of
7 these other issues, where you have to address,
8 you know, severe literacy problems or substance
9 abuse problems. So that if you look at it from a
10 pure financial standpoint, it is about getting
11 them a place to live, as opposed to addressing a
12 lot of other human life issues.

13 MS. MARSHALL: Not necessarily human life
14 issues -- economic issues. They're poor people.
15 Poor people without work experience and, as you
16 point out, without the literacy skills to be able
17 to cross that gap. So that's what says you have
18 to have a much longer period where you're
19 subsidizing their housing while you work on, what
20 are the issues that need to be resolved for them
21 to be able to handle that on their own?

22 MS. NEWSOME: Okay. And that would be

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1 the larger group, then.

2 MS. MARSHALL: That's the much larger
3 group then.

4 MR. KNIGHT: The next tool is trying to
5 get people trained in the skill of assessment.
6 They're trying to determine, what amount of
7 support can this person be given? And those
8 folks who are way out in the -- seven, eight,
9 nine are the sort of median. Six to zero are the
10 ones that begin to need less and less permanency.

11 MR. BAILEY: Is our job market -- and I'm
12 sorry. You were getting ready to say something.

13 MS. NEWSOME: No, no. And I maybe was
14 getting ready to ask my sort of next question as
15 to whether -- the match between the jobs that are
16 produced in the market and the skill set of
17 people.

18 CHAIRMAN BOWERS: Right, right, right.

19 MR. BAILEY: Yeah. Because that will
20 determine -- I mean, don't get me wrong because I
21 usually dance on the head of a pin when it gets
22 to this point. But one of the concerns that I

1 have is if the demand for the housing and the
2 economic support income is greater than the
3 absorption rate of the job market, then how much
4 do we really put in it?

5 And if that analysis is we're not putting
6 enough in it because there's still going to be --
7 let's say, of the 1,700 people and let's say that
8 that's an annual figure, we can only legitimately
9 ease half of that population into sustainable
10 workforce growth, family stability modality, then
11 what's happening with the other half?

12 Are we exporting them? Are we saying
13 that, you know, to job markets within the region?
14 Or what are we doing?

15 MS. MARSHALL: I think that goes, again,
16 to a fundamental public policy question. Can,
17 should the District or any other jurisdiction
18 have, in essence, a right to housing next to the
19 available resources?

20 MR. BAILEY: I thought I was dancing on
21 the head of a pin.

22 MS. NEWSOME: Well, you opened the door.

1 (Laughter.)

2 CHAIRMAN BOWERS: You opened it, and Sue
3 walked in.

4 (Laughter.)

5 CHAIRMAN BOWERS: So let me ask a couple
6 of things, as we'll take a couple of more minutes
7 on this.

8 MS. MARSHALL: And then I do want to hear
9 David Roodberg and --

10 CHAIRMAN BOWERS: Oh, right.

11 MS. MARSHALL: Since I invited them.

12 CHAIRMAN BOWERS: Oh, right! David,
13 actually, yes, please.

14 MR. ROODBERG: Well, it's really taking
15 things a step further from where most of this
16 conversation has been, because Sue asked about
17 things that we've done as part of resident
18 services. So I think, by definition, there are
19 people who are already in units.

20 You know, the key is that you want people
21 to be able to succeed once they're in units. And
22 where it sort of -- and I don't know. I don't

1 And I think I know there's people out
2 there who've done that analysis and claimed that
3 you can get close at some properties. And I
4 think that's an important thing if you want to
5 convince for-profit developers to do programs, is
6 to have more of that analysis if the cost is not
7 as high as it looks.

8 I mean, we have properties that are 150
9 units where we spend \$1,000 a unit on security, I
10 mean \$150,000 a year on security. So if you
11 could somehow -- I'm not saying that's going to
12 zero.

13 But if you can cut that in half to
14 \$75,000 by offering services at \$75,000, you
15 know, you can say it is a win-win. And that's
16 the challenge.

17 I mean, some of the services that we've
18 offered, at one point we used to run our own
19 learning centers. We focused a lot on the kids,
20 recognizing that you can't always make a
21 difference in the adults, but you can with the
22 next generation. But then as the D.C. schools

1 did more after-school programs, we saw that we
2 didn't really have to do that as much.

3 So some of the programs we are doing or
4 have done, you know, one property we had a lot of
5 issues with just people hanging out and crime and
6 things with the 14-to-20-year-olds. And we
7 created, we've brought in organizations to do
8 some programs for them, one just a safe haven,
9 and two, while trying some workforce development,
10 then financial literacy and other programs
11 associated with that.

12 And the challenge is I don't think -- and
13 others may have different opinions, so it's all
14 opinion. I don't think D.C. has been that
15 successful or have that many organizations or
16 successful with workforce development. You know,
17 and that's one challenge, obviously, because
18 there's been a bunch that have tried.

19 But if you don't have the endpoint, if
20 you don't have the job, what good is the
21 workforce development? And so, we've tried that.

22 But I think even just having the safe

1 haven resident program, with teaching financial
2 literacy and some job skills has been very
3 successful. And some of the organizations we've
4 worked with have brought in different age groups
5 for, you know, additional skills.

6 And what we find is that the cost is
7 usually less than the total cost, because most of
8 the agencies we work with have some of their own
9 relationships where they are able to bring in
10 third-party services. So, you know, the total
11 cost of our program may be \$80,000, but we're
12 only paying them \$40,000 because they have
13 relationships with the food banks, or they have
14 relationships with some computer training, or
15 they have other relationships.

16 But I think the key is, on the for-profit
17 side, the win-win and trying to find some more
18 analyses that are out there in the economic, that
19 the cost is not as overbearing as it might look
20 on first blush. And so, you know, that was
21 something that would be interesting to look
22 further at.

1 This is one step further where most of
2 the conversation has been about just getting the
3 housing. This is, okay, putting people in a
4 position to succeed once they're in the housing.

5 CHAIRMAN BOWERS: I want to actually look
6 for -- I'm going to make a couple of calls.
7 There was some analysis that had been done --
8 this was maybe five or six years ago -- around
9 that issue of what kind of cost savings can be
10 had from good services. Like, what are the
11 tradeoffs? And I'll see if we can track that
12 down and bring that back to the group.

13 Questions or comments anyone has based on
14 what David has shared as well?

15 (No audible response.)

16 CHAIRMAN BOWERS: Suggestions or
17 comments, questions?

18 Director Kelly.

19 DIRECTOR KELLY: You know, just as both
20 presentations -- thank you so much, guys, for
21 this thing. I remember your comments -- I guess
22 it's called e-consult or e-consulting. Anyway,

1 the idea of like having six months' worth of data
2 about emergency room and that kind of stuff. And
3 actually getting a hard count on that would be I
4 think a good first step.

5 I think you asked earlier, how do we move
6 -- it actually is policy stuff. You can
7 actually, you know, quantify that to some level
8 and actually have some sort of longitudinal kind
9 of data that supports that it's not just now,
10 it's been that way and will be that way kind of
11 thing.

12 I think that, generally speaking, what
13 needs to be, should be, you know, positioning
14 ourselves towards supporting that policy is --
15 it's hard to say, but footing the bill, it's
16 going to be a double cost at some point. You
17 can't just say, "Boom, today we're going to be
18 doing it this way, and tomorrow we're doing
19 something else."

20 At some point, there's going to be like a
21 gigantic double count. You'd almost have to be
22 able to allow for a transition into this other

1 kind of subsidizing long-term -- you know, this
2 long-term major policy shift. And it's pretty --
3 I don't know if "radical" is the right word for
4 it. But I think there needs to be sort of --
5 one, well-positioned, or should be, the Agency.

6 But not just DHCD, but the city should be
7 in a position of looking at, if indeed these are
8 valuable times -- and Lord knows when the bubble
9 will ever bust, right? So right now, we're in
10 the situation where if it's ever going to be
11 done, it's now before the bubble busts, is to
12 position ourselves to actually pay for what it
13 takes to double our effort now in the idea that
14 we'll be dramatically weaning off once there is
15 the actual evidence that there's less money that
16 the taxpayer is paying for emergency services and
17 prisons and that kind of stuff.

18 CHAIRMAN BOWERS: Right.

19 (Laughter)

20 DIRECTOR KELLY: And this is what we're
21 talking about in here. But I think that's the
22 nature of this conversation right now is that, if

1 indeed there is going to be a major kind of
2 policy shift toward right-to-housing, it begins
3 on looking at it as the most vulnerable. What's
4 it cost to housing those vulnerable?

5 CHAIRMAN BOWERS: David, to that point
6 from the Director, are there dollar amounts --
7 have you all looked at that information?

8 MR. ROODBERG: We've done the analysis,
9 yeah.

10 CHAIRMAN BOWERS: Okay.

11 MR. ROODBERG: So that will be
12 redistributed as soon as we finalize that.

13 CHAIRMAN BOWERS: Okay. That's helpful.

14 Let me ask, as a go-forward, first of
15 all, to Sue, David, and David, thank you all for
16 the presentations. Secondly, I would ask board
17 members if we can chew on this, because there's a
18 lot here. And at our next meeting in December,
19 to really -- if folks have some recommendations
20 that we may want to make to the board and kind of
21 think about -- not to the board, to the
22 department or to the city writ large.

1 And it may be some ideas that come about,
2 "Hey, what about 1, 2, and 3? We ought to do 1,
3 2, and 3." Or if the board, if you come back in
4 30 days and say, "You know what? It would help
5 if we could get more of this analysis or that
6 data to get to a recommendation."

7 I really think there's a lot here, and it
8 would warrant us to try to be helpful as a board
9 in terms of, for the department's thinking and
10 the city's thinking about, how could we more
11 effectively and efficiently, first and foremost,
12 use Trust Fund dollars? That's what we're
13 charged to give input on.

14 But also, if there are ways that we can
15 think about, to the conversation that was going
16 on earlier, different uses of money, whether it's
17 on the services side or to finance units side, on
18 the up-fronts side, let's give some thought to
19 that.

20 So when we come back -- Bea, if we can
21 have that as an agenda item for our December
22 meeting, to just revisit the conversation today

1 and see if people have recommendations,
2 questions.

3 And then, Sue, if there are, of course,
4 any updates that you have in terms of the income
5 levels that were talked about.

6 And then I think to Milton's point about,
7 if -- and I don't know if this is enough time for
8 you all, but the notion of either projected need
9 or just looking back in time. Say, okay, here's
10 where we are now. And if there's data over the
11 last three or four years, to say, look, here's
12 what the trend has been.

13 I do think one of the issues that strikes
14 me, that notion of -- and I think, Stan, you may
15 have hit this earlier. In a very high-cost real
16 estate market, and actually there was a form on
17 gentrification a couple of weeks ago. And one of
18 the for-profit developers in town said, made the
19 point essentially, that prices are just going to
20 continue to go up.

21 We've had poverty for a long time. And
22 even when programs work that help people move up

1 the income band, you know, if you doubled my
2 income, that would be a great thing. Well, if my
3 starting point is 10 bucks an hour and I go from
4 10 to 20 bucks an hour, that's great.

5 But in such a high-cost market, I'm still
6 going to need -- there's got to be some subsidy
7 for my housing because the costs here have just
8 gone so haywire. And short of something
9 catastrophic happening, they're not going to
10 reset down.

11 And so I think for us, when we think of
12 the Trust Fund dollars, even again, if we double
13 the whole -- you know, looking at these buckets,
14 we could double folks' incomes in a bunch of
15 these buckets, and they're still going to be at
16 20, 30, 40 percent of AMI or 50 percent of AMI
17 and still way out-priced. And so I think we have
18 to kind of think about that.

19 So, Director, I'm officially getting down
20 off my soapbox on that.

21 Milton.

22 MR. BAILEY: Let me suggest this.

1 CHAIRMAN BOWERS: Yes.

2 MR. BAILEY: Look, I see the analysis.
3 And correct me if I'm wrong. I see the analysis
4 from three perspectives.

5 One, what's been the historic trend in
6 both categories? What is the projected trend in
7 both categories? And the third piece is, what is
8 the realistic absorption rate in terms of what
9 the job market has to offer and can actually
10 afford for purposes of serving the numbers in
11 terms of population?

12 So I think that that's a longer -- I
13 mean, maybe it can be done in a month. I don't
14 know, Sue. Because I think that the data
15 analysis in terms of historic trends and projects
16 would really come from your organization. But,
17 you know, the whole job market and absorption
18 thing, as it specifically relates to the
19 populations that we are serving or targeting to
20 serve, is a deeper mine.

21 And I don't know that that data is there.
22 In other words, of the people who require rapid

1 rehousing or permanent supportive housing, what
2 has been the actual job market absorption rate
3 for those people from a historic perspective?
4 And is our economy growing at a rate where that
5 will increase, remain stagnant, or decline?

6 CHAIRMAN BOWERS: Right, right.

7 MR. BAILEY: That's a deeper dive.

8 CHAIRMAN BOWERS: Yeah.

9 MR. SIMMS: Let me add from -- I think
10 it's -- this is a longer-term problem. And I
11 think we're trying to figure out, what is the
12 solution that we can deal with today?

13 CHAIRMAN BOWERS: Um-hm.

14 MR. SIMMS: And I think -- I mean, I
15 think it's easier -- I mean, one, we're required
16 to produce a certain amount of units at various
17 income bands. So to say that we're focused on
18 that, I think, is kind of a no-brainer.

19 I think the other part -- which is beyond
20 us. And so we provide the funding out there for
21 these housing, for housing to be constructed or
22 rehabilitated. We are by no means, you know,

1 counselors or investment folks. So it's like we
2 build it. It will be there. You know, but the
3 question just becomes, do people really move up
4 the economic ladder, if you will, to kind of
5 graduate to other types of units?

6 CHAIRMAN BOWERS: Right.

7 MR. SIMMS: So, I mean, I think we just
8 have to make sure that our counterparts are
9 definitely part of the conversation, because I
10 think our part is relatively easy. It's the
11 other parts that I think are very challenging.
12 But it's worth doing.

13 CHAIRMAN BOWERS: What's ironic is going
14 to be, given that historically -- when we first
15 started as a board a year ago looking at some of
16 the data that the units coming in at the lower
17 income bands were under, now more recently it's
18 getting closer where, you know, there could be a
19 scenario where we actually need almost all the
20 units supported going at those -- I mean, it's
21 supposed to be 80 percent now.

22 But potentially there, which is why the

1 importance of the -- leveraging the Trust Fund
2 dollars is so important, which is why we'll segue
3 to you, Nathan, after Jim's question.

4 But also, if there's other money in the
5 system, right, how to get that money leveraged to
6 help, you know, piggyback on this.

7 Jim, we'll give you last word on this,
8 and then we'll go to the leveraging update,
9 speaking of which.

10 MR. KNIGHT: Thank you. Just a
11 suggestion, maybe, that the demand side --

12 (Simultaneous conversation)

13 MR. KNIGHT: -- at some point. There's a
14 wealth of asset-building movement these days, is
15 working on trying to bring the financial
16 capability services into housing settings, into
17 the affordable housing settings. CFTD has done a
18 bunch on that, Capital Area Asset Builders has a
19 financial capability in a boxed setting that can
20 go anywhere. And it would be great to look at
21 integrating that into the housing that's getting
22 produced.

1 So if I reached out to Rich, would you
2 entertain him with me to kind of see what's going
3 on there?

4 MS. PRIOR: He's one of our great --
5 (Laughter)

6 MR. KNIGHT: Do you want to enlighten --
7 (Laughter)

8 CHAIRMAN BOWERS: That's good.
9 Milton.

10 MR. BAILEY: Sue, you know, this is an
11 interesting super-policy discussion, because at
12 some point it's going to come down to the same
13 economic factors that a developer uses to
14 determine whether or not this is a viable project
15 when it comes to, is the investment that we would
16 be making something that is going to show us a
17 return at some point in the near future to
18 justify the continued investment?

19 In other words -- well, you know what the
20 other-words is. So that's going to be a very
21 interesting super-policy discussion.

22 CHAIRMAN BOWERS: That's good.

1 Thank you, Sue, David, and David, and
2 board members. We are going to pause for about
3 two minutes. I think we're going to get
4 microphones up for the last portion here. And
5 we'll resume.

6 And then, Nathan, what I'm going to do is
7 ask you and the Department Director, 4, 5, and 6,
8 we'll try to hit kind of boom-boom-boom.

9 MR. SIMMS: Oh, yeah. We can combo it all
10 together.

11 CHAIRMAN BOWERS: That will be good.

12 MR. SIMMS: Yeah.

13 CHAIRMAN BOWERS: So we'll do that. So
14 we're going to take a two-minute recess while we
15 get mic'd up, if you would, and then we'll come
16 back.

17 (Whereupon, a recess was taken.)

18 CHAIRMAN BOWERS: All right, ladies and
19 gentlemen, we are going to get started. We'll --
20 the mic'ing will continue in our midst, but I
21 know we are going -- we only have about 25
22 minutes left, so I want to keep us moving

1 forward.

2 So it is currently 11:34 a.m. We are
3 back in session here, District of Columbia
4 Housing Production Trust Fund Advisory Board. We
5 will get that going -- and sir, the gentleman who
6 is handling our mic'ing, feel free to come on and
7 do what you need to do while we are going. We
8 will just keep plugging forward.

9 So we are going to turn over to Nathan.
10 I think items 4, 5 and 6, I will turn over to you
11 to direct us. So we will start with the update
12 of the acquisition loan program, the ALP leverage
13 working program group update.

14 MR. SIMMS: Sure. So as everyone knows,
15 the last meeting was dedicated to a huge portion
16 of that. And I think everybody found it to be
17 very helpful to hear where -- one, where the
18 department was coming from and the information
19 that we had, the input and concerns by the
20 development community as well as the feedback
21 from the lending community as well.

22 So we have a meeting scheduled for

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1 tomorrow to talk about a lot of the matters that
2 were raised in their -- and it wasn't -- I think
3 we had about five or six that were raised, but
4 tomorrow we're really going to kind of focus on
5 vacant land as well as the tenant opportunity
6 purchase. And so that's where our focus will be.
7 I think we will try to make the determination
8 there what the next steps have to be, but now
9 that we are in the month of November and we want
10 to get this kind of out sometime in March, you
11 know, we have to really come to some agreements
12 and move forward.

13 CHAIRMAN BOWERS: And so can you, on that
14 point, kind of walk the board and the folks in
15 the room the timeline, the projected timeline
16 now, kind of what the next steps will be over the
17 next 30, 60, 90 days as it relates to the
18 program?

19 MR. SIMMS: Sure. So our first major
20 hurdle was submitting the program concept and
21 design to our legal for legal sufficiency. So we
22 were able to -- we have done that. We do need

1 them to chime back in, but we do know just from
2 our reading of the regulations that it allows for
3 our participation in the lending structure. So
4 we are fine with that.

5 The next stage after that is the RFP. We
6 have to go with legal sufficiently with each. So
7 first is program design. Second is RFP
8 materials. And then the third is whatever
9 covenants and agreements that we have with the
10 lenders.

11 We tried to do it in blocks of 30 to 45
12 days each, so it's not quite working that way on
13 the schedule now; but we definitely want to speed
14 it up we can get there by March.

15 CHAIRMAN BOWERS: So the department is
16 still waiting for the legal sufficiency ruling,
17 if that's the right term, on the program design
18 piece?

19 MR. SIMMS: Yes.

20 CHAIRMAN BOWERS: Okay. And then once
21 the department gets that, are the documents for
22 the RFP ready to be submitted or still to be

1 designed by the department?

2 MR. SIMMS: No, I think they are fairly
3 close to being ready to be submitted, so that's
4 not a problem. So we are kind of waiting to get
5 the first plan done so we can move to the second.

6 CHAIRMAN BOWERS: Okay. And then once
7 clearance on the RFP is obtained, then it's
8 releasing the covenant --

9 MR. SIMMS: Releasing the RFP.

10 CHAIRMAN BOWERS: Releasing the RFP and
11 then the covenants that get signed.

12 MR. SIMMS: Right. It will kind of be
13 simultaneous. One, we will release the RFP and
14 leave that open so we can get the responses. And
15 then at the same time, begin to, you know,
16 finalize the covenants.

17 CHAIRMAN BOWERS: Is there a sense, at
18 this point -- and I know all of this is a moving
19 target -- the RFP, last month we were talking
20 about it being presented potentially in January?

21 MR. SIMMS: Yes.

22 CHAIRMAN BOWERS: Is that still a

1 realistic hope, this timeline?

2 MR. SIMMS: It's hopeful, but it's
3 probably sliding more into the February time
4 frame.

5 CHAIRMAN BOWERS: Okay. Jim.

6 MR. KNIGHT: Just a quick observation,
7 sir. If it goes to launch in March, would the
8 tip for that cycle right behind it in May?

9 MR. SIMMS: Yes.

10 MR. KNIGHT: Is that about what the
11 thought is? And so would a project in both?

12 MR. SIMMS: No. We don't think --
13 actually, by the time we have -- we think it's
14 going to be a little bit of time before the first
15 loan is done. So we don't envision...

16 MR. KNIGHT: So in all likelihood, the
17 RFP would precede the first closing.

18 MR. SIMMS: Oh, absolutely.

19 CHAIRMAN BOWERS: So the 2015 RFP would
20 kind of proceed as normal, so to speak?

21 MR. SIMMS: Yes.

22 CHAIRMAN BOWERS: ALP would be

1 running on a parallel track and then, dot-dot-
2 dot?

3 MR. SIMMS: Yes, absolutely.

4 CHAIRMAN BOWERS: Okay.

5 Other questions, comments, concerns,
6 on Nathan's presentation on the acquisition loan
7 program?

8 (No audible response.)

9 So it sounds like the biggest -- the
10 slow walk now, it sounds like it's coming from --
11 awaiting legal sufficiency?

12 MR. SIMMS: Yes.

13 CHAIRMAN BOWERS: Okay. If anyone
14 on the board has any pull with the folks at
15 legal...

16 All right. So that's number 4.
17 Thank you, Nathan.

18 Number 5, the update on the
19 financial status of the Trust Fund and any FY-
20 2015 Funds budgeted from the community. So here
21 we're hitting the funds budget for the In
22 Communities Initiative which was a follow-up from

1 last month's meeting.

2 And then we also asked -- some folks
3 probably saw the article in the Post about
4 delinquent loans. We just asked the department
5 to give an update on what's being done, what has
6 been done and is being done around that issue.

7 So Nathan, we will go to you.

8 MR. SIMMS: Sure. So I am going to
9 kind of combo these things to kind of slide from
10 5 into 6.

11 So in your packets -- this is about
12 the easiest way to kind of go through it. So you
13 have this two-pager, front and back, in terms of
14 the FY-15 activities under the Housing Production
15 Trust Fund. So if you go to page 2 of that, you
16 can see that the FY -- I think that the question
17 came up from Bob Pullman, I believe in the last
18 meeting. So if you see in the calculation here
19 that \$7.8 million was part of the new communities
20 bond payment was made out of the Housing
21 Production Trust Fund. So the answer to that is
22 yes.

1 So in terms of the expenditure piece
2 for -- projected for FY-15, it's 224 million,
3 224.5 million. And so that's kind of where we
4 are in terms of the funds budgeted for new
5 communities. I don't know if we need to expand a
6 little bit more on that or not.

7 CHAIRMAN BOWERS: So the expenditure
8 -- so the 7.8 million was taken out of the trust
9 fund for the new communities bond payment.

10 Was there an issue that was raised
11 around -- will that continue? In the future
12 years, it will continue to come out of Trust
13 Fund?

14 MR. AKYAEGBANUM: This is for the
15 securitization that was done. But as for the new
16 securitizations, they won't come from the trust
17 fund.

18 CHAIRMAN BOWERS: So the new -- and
19 that was Oke for the record that was speaking,
20 the Trust Fund manager. So going forward, monies
21 -- the securitization monies for new communities
22 will not come out of the Housing Production Trust

1 Fund; is that right?

2 MR. ANYAEGBANUM: Yes. But this is
3 for the one that we are paying.

4 MR. SIMMS: It's for existing
5 obligations versus -- it won't be for new
6 obligations, but for existing obligations, the
7 payment will come out.

8 CHAIRMAN BOWERS: Okay. For
9 existing obligations.

10 MR. SIMMS: Yes.

11 CHAIRMAN BOWERS: Is the projection
12 of -- so for existing obligations, is there a
13 projection on how much? So that's going to be in
14 FY-15?

15 MR. SIMMS: Yes.

16 CHAIRMAN BOWERS: That's the 7.837
17 million. That's the projection of what's coming
18 in '15?

19 MR. ANYAEGBANUM: Yes. This is, in
20 actuality, what's to be actually paid. This is
21 not really a good debt because we have received
22 the feeling for that.

1 CHAIRMAN BOWERS: Okay. And in the
2 out years, Oke and Nathan, so FY-16 and going
3 forward, that 7.8 million number for existing
4 obligations, it could go up, it could go down, it
5 could go away. Do we have a sense of that?

6 MR. ANYAEGBANUM: It won't go away.
7 It will be -- they will, like, a 30-year bond, so
8 they will continue for the ones that we did
9 already. So it's expected to continue unless
10 there is a plan to pay it from another source.

11 CHAIRMAN BOWERS: Sure. Oramenta.

12 MS. NEWSOME: Is this money tied to
13 a specific NCI budget, or is it just going into
14 the pot to be used for X, Y, Z?

15 MR. KELLY: I know the answer to
16 that. It's actually tied to the original
17 acquisition -- the original security pot that
18 paid for the demolition of Tupples Court and all
19 of that stuff. But for the most part, this has
20 been accounted for, so it won't be -- for the
21 most part, this isn't part of the Barry Farms.
22 It's from the stuff that's already been accounted

1 for.

2 MS. NEWSOME: Okay. I'm not sure I
3 understand that. I know that there is Northwest
4 One, there is Park Morton, there is Lincoln and
5 there is Barry Farms. This money is for all of
6 them, or --

7 MR. KELLY: It's for all of them,
8 but it was tied to the early efforts.

9 CHAIRMAN BOWERS: Which is Northwest
10 One.

11 MS. NEWSOME: But it could be used
12 for Barry Farms, then -- or it could be?

13 MR. KELLY: I think, to Oramenta's
14 point, I think Barry Farms -- whatever is left
15 could be. I don't know the accounting on it, but
16 additional dollars would be associated with the
17 other funding source.

18 MR. ANYAEGBUNAM: This is just
19 paying the bonds that have already been -- this
20 is just the best rate, not the setup ones. This
21 is permanent on the books. This is not new one
22 that is new construction.

1 MS. NEWSOME: Oh, okay. That's
2 clear to me, because I had it in my mind that
3 this was actually being for the new, but this is
4 just paying on the debt?

5 MR. NAYAEGBUNAM: Paying on the
6 debt.

7 MS. NEWSOME: Oh, okay.

8 CHAIRMAN BOWERS: And for the
9 record, so we are clear on that, this money is
10 paying off bonds obligations and the proceeds
11 from those bonds were used -- to the director's
12 point -- it sounds like for work that was done on
13 Northwest One.

14 MR. NAYAEGBUNAM: Northwest One and
15 parts of it are being used in some of the new
16 communities.

17 CHAIRMAN BOWERS: And parts of it
18 may be used in the early phase activities.

19 Okay. Other questions, issues,
20 concerns on this issue around the new communities
21 piece -- and Nathan and Oke --

22 MR. SIMMS: Yes.

1 CHAIRMAN BOWERS: So was we look for
2 where we are now in terms of what's available in
3 the Trust Fund currently for the next NOFA, where
4 do we stand? Where is that number?

5 MR. SIMMS: So if you go down to,
6 actually, the next section below where we were
7 just talking about the new communities piece, so
8 for FY-15 coming into it, we have \$30.6 million
9 in obligated projects.

10 CHAIRMAN BOWERS: And this is page 2
11 we are looking at?

12 MR. SIMMS: Yes.

13 CHAIRMAN BOWERS: Okay.

14 MR. SIMMS: And so we have \$30.6 in
15 obligated projects, so that's projects that we
16 have already previously committed with the
17 balances carrying over. Committed projects, we
18 have approvals for them and they have been
19 secured by a letter of commitment. And that's at
20 83.6 million.

21 We have projects under review. So
22 the projects under review are 152.8 million. So

1 we have about 267.1 million in activities. So
2 once you kind of separate out, you know, monies
3 available versus what we have kind of in the cue,
4 we have about a \$42.6 million delta.

5 CHAIRMAN BOWERS: So if all projects
6 were funded that are under review, we would be in
7 the hole by 42 million at this point in time?

8 MR. SIMMS: Right.

9 CHAIRMAN BOWERS: But new monies are
10 expected to come in.

11 MR. SIMMS: So new monies are
12 expected to come in. So there are two things at
13 work. So there's most of our projects that are
14 in our current pipeline, so we have about 50
15 projects currently in our pipeline. Most of
16 those will close this year, this fiscal year. So
17 we probably will see somewhere between maybe 10
18 in 13 or maybe 10 in 15 projects left that will
19 carry over to FY-16, tops.

20 So a couple of these probably will roll
21 into '16 for various reasons. We have projects
22 at Walter Reed. We have, you know, South Capitol

1 multi-family that's on here. And so everybody
2 who knows about the shopping center over there,
3 there are a lot of moving pieces.

4 So those may run to 16, naturally, just
5 because of the activities that are going on,
6 being on the efforts of the department. So the
7 question really becomes, what's going to be
8 available? Is it going to be our normal
9 recordation, deed and recordation taxes? Is it
10 going to be a fair amount based on the
11 discussions in terms of the \$100 million
12 annually? That will determine loosely what type
13 of RFP we are able to put out.

14 CHAIRMAN BOWERS: Let me ask the
15 question. Do we have a sense as to what
16 projections now are for the new deed and
17 recordation tax influx for the next chunk? Is it
18 going to be roughly 45 to 50 million?

19 MR. ANYAEGBANUM: We found out that,
20 because of the last estimates, it's still based
21 on the February estimates. Everything is running
22 around that core presumption. So I would prefer

1 we get the new estimate, which would tell us that
2 because this is still based on the February
3 actual estimates.

4 CHAIRMAN BOWERS: Right.

5 MR. ANYAEGBANUM: But the current is set
6 for -- but I understand, it looks like it's going
7 to go a little higher.

8 CHAIRMAN BOWERS: So to kind of talk this
9 out just briefly, so one thing is, the \$152
10 million prior to the review, in a great world
11 they would all get funded and all get everything
12 they want. The reality is some may not make the
13 cut for different reasons. And as David said
14 also, a timing issue comes into play.

15 But thinking now in terms of next year's
16 NOFA -- the calendar year '15 NOFA, that
17 typically would come out in the spring, there's a
18 possibility that, let's say the receipts come in
19 the \$40 to \$50 million range. From kind of a
20 budgeting standpoint, the department would either
21 be in a hole or not have much to put into a NOFA,
22 right?

1 So, I want, one, I think board members,
2 we should be and the public should be aware of
3 that. So as it relates to -- and Nathan made
4 reference to what one of the wild cards would be
5 if the count -- and this is actually one of the
6 agenda items coming up. You know, does the
7 council pass the \$100 million Trust Fund bill,
8 one?

9 Two, does whoever the new mayor is put
10 that money in, if it's in the past, into the
11 budget? So I think people should be aware that
12 the state of play is that if the only new source
13 of funds that came into the Trust Fund were the
14 deed and recordation tax, and kind of -- you
15 know, a lot of if's and if's. But there is
16 potential that the amount of funding available
17 for the NOFA could be zero or very little.

18 And so, you know, the role of this board
19 is -- so people should just be aware of that. So
20 that's all I'm going to say on that.

21 So that actually ties in also to another
22 source of funds, Nathan, 5B, the loan points.

1 MR. SIMMS: So, as everyone knows, there
2 was an article in the City Paper a couple of
3 weeks ago --

4 MALE VOICE: Washington Post.

5 MR. SIMMS: Washington Post, too? Oh,
6 Washington Post. Sorry.

7 So, there was an article about loan
8 delinquencies in the department. And I think one
9 of the things that we wanted to definitely make
10 sure we can get on the record, and just to
11 clarify, and we made it clear to the reporter
12 that the delinquency, I think, was certainly --
13 the extent of the delinquency, I think, was over-
14 exaggerated, one. Two, the sources or the
15 products that were referenced in the delinquency
16 varied from how to protect the Trust Fund to home
17 investment partnership dollars that's EBG
18 related.

19 And so, and as we explained, that there
20 were a number -- and I want to say that there was
21 probably 20 to 25 in one list, and I think at one
22 iteration it was up to 40, but the 20 to 25 is a

1 little bit more reflective of where we currently
2 are. The majority of those developers have been
3 engaged with the department and working with us
4 towards a solution.

5 So I think it is important to say that
6 it's one thing to say you didn't pay your
7 mortgage. Yes, you need to pay. But then there
8 are other issues that are kind of below the
9 surface in terms of how the project is being --
10 it has operated and it's an ability or inability
11 to be able to make -- they either must pay
12 payments or surplus cash payments.

13 And so we did echo the majority of the
14 people on that list who are in that status. And
15 so, while they may be delinquent today, they may
16 be working on a recapitalization, if you will, of
17 the project that will take a little bit longer.
18 I mean, obviously, it's not going to be cured
19 tomorrow because that's going to take a little
20 bit of time to come together, but there is a plan
21 for it to be able to do that.

22 And so, I think it was very -- you know,

1 it took us back a little bit in terms of how it's
2 reported. Actually, it's been taking us back a
3 couple of weeks in terms of how a number of
4 things that they reported. But, you know, we are
5 certainly making sure that we are able to surplus
6 our loans properly through our loan servicer. We
7 are also in the process of getting, preparing to
8 put out a procurement for an asset management
9 contract firm to come over and help us in terms
10 of workouts and all sorts of different things
11 that need to happen from the asset management
12 side. And we're also in the process of staffing
13 up it as well.

14 So, I mean, this has been an ongoing
15 thing. This is not necessarily -- this is not by
16 any means a response to the story. It's been the
17 reality of looking at our loan portfolio, seeing
18 where we want it to go, and coming up with the
19 proper game plan to be able to address it.

20 CHAIRMAN BOWERS: Thank you.

21 And you all have -- does the department
22 have an estimate on the timing of the asset

1 management procurement, roughly when that may
2 happen? And is that in legal? Is that somewhere
3 else?

4 MR. SIMMS: We've been working with the
5 Office of Contracts and Procurement for quite
6 some time. It is not one of our easiest
7 procurements that we've been able to get through,
8 but they have been working with us on that. And
9 we pretty much are at the end stages to get that
10 finalized. So we hope within the next 30 to 45
11 days to report that it's been placed.

12 CHAIRMAN BOWERS: Okay.

13 DIRECTOR KELLY: We're budgeted for, and
14 we have been waiting for Contracts and
15 Procurement to allow us to get that. There's a
16 lot of folks out there that that's what they do
17 for business in the real world. So we're really
18 hopeful that we get that procured.

19 And truth be known, internally we've done
20 a lot of analysis. My comfort level is having
21 that third-party review. We're talking about the
22 local family portfolio. The big path portfolio

1 has a lot of issues that really, at this point,
2 need to start doing things, the write-offs and
3 all the tough stuff. I want that tough stuff to
4 be done.

5 But the third-party person, looking over
6 our shoulder, can say, "This is indeed the right
7 thing to do." So that's -- this is about a 7,500
8 dwelling bottleneck, in which 500 are invoking
9 (inaudible) which, by the way, is about a
10 7 percent issue rate.

11 And when you consider this is the Lord's
12 work, we're financiers by definition. We are in
13 second position, at best, in terms of the capital
14 stock, and we're dealing with apartments that
15 have real serious cash flow issues.

16 Anyway, it's a way for me to say, I'm
17 preaching to the choir here because many of you
18 were contacted during the source of this. My
19 real concern is that the article doesn't get
20 relayed as such, that it's suggesting that we are
21 not good stewards of the city's commitment to
22 \$100 million moving forward. That's the biggest

1 concern I have is that the article sort of paints
2 the picture that we should not have -- we do not
3 have the capacity for the public trust. If
4 indeed \$100 million is put on the table, the
5 article begs us to do the right thing with it.
6 And that's something that is unconscionable. And
7 that's the part that I think we want to continue
8 to kind of get the message out.

9 And we have, and long before the article,
10 recognized this as being an issue. We're getting
11 a handle on it, beginning with our new -- I'm a
12 friend of moving forward. As you folks sort of
13 painfully know, it's a lot tougher to get money
14 from us these days. But also, as you guys know,
15 it went from like, you know, 36 proposals that we
16 granted, 12 of them a couple of years ago. Then
17 it's down to 28; we granted like 15.

18 Last year was 22, of which 2 backed out
19 themselves, 2 did not meet threshold. So we were
20 18 out of 20, basically, meaning that the dollar
21 genie is not recognizing what the standards are
22 and the percentage of completions here are - the

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1 percentage of awards are higher. And it's sort
2 of the suggestion that we would afford the loans,
3 in terms of the managing of those loans, we have
4 afforded and done it in a much more professional
5 manner as well.

6 CHAIRMAN BOWERS: If the budget is
7 correct, you mentioned the department has about
8 750 loans roughly. And of those --

9 DIRECTOR KELLY: Citibank, Citibank.

10 CHAIRMAN BOWERS: Oh, 7,500 of those 500
11 are multi-family, roughly?

12 DIRECTOR KELLY: 7,500 units.

13 (Cross-talk.)

14 (Chorus of "Loans.")

15 CHAIRMAN BOWERS: Got you. Okay.

16 Oramenta?

17 MS. NEWSOME: So the article in the paper
18 included HPTF?

19 CHAIRMAN BOWERS: No.

20 (Cross-talk and laughter.)

21 MR. SIMMS: And it concluded the listing.
22 It wasn't all multifamily on the list. It was

1 some community facilities on the list, which we
2 treat a little bit different. Obviously, they
3 are loans. Some of them have requirements,
4 public service requirements that they have to
5 adhere to. They have to report.

6 And so if those issues -- I mean, same
7 issue, little bit different in terms of how it's
8 treated. And so we tried to make that point, but
9 that just got lost.

10 CHAIRMAN BOWERS: For the purposes of,
11 from the Trust Fund, as the Trust Fund Advisory
12 Board, do we have a number on how many delinquent
13 loans -- Nick, you referred to earlier, some of
14 them are coming from different pots.

15 How many delinquent loans are Trust Fund
16 delinquent loans, and roughly what that dollar
17 amount is, representative?

18 MR. SIMMS: Robert, do you have that?
19 Robert Hayden?

20 CHAIRMAN BOWERS: Robert, introduce
21 yourself.

22 MR. HAYDEN: I am Robert Hayden. I work

1 with the Portfolio and Asset Management
2 Corporation.

3 CHAIRMAN BOWERS: Thank you.

4 MR. HAYDEN: And what we're looking at is
5 looking at the percentages that we had in the
6 total dollar amount. I had sent that to Nathan
7 and Milton, to be exact. But what we're looking
8 at is a number. Out of the \$330 million that we
9 have in principal, which is HPTF, the ones
10 outstanding were less than \$15 million that we
11 have in delinquencies for the HPTF, currently.

12 MR. SIMMS: So I will repeat that just to
13 make sure it gets in the mic. So you said
14 roughly, 300 --

15 (Cross-talk.)

16 MR. SIMMS: Principal is owed to the
17 Trust Fund, and --

18 MR. HAYDEN: Well, to be exact, the
19 principal amount that we have is \$337,577,000
20 currently with 206 loans, HPTF. And we're
21 looking at around 15.5 to 16.4 of that is what
22 you would consider in a distressed state for the

1 HPTF portfolio.

2 MR. SIMMS: And distressed state is how
3 many months in arrears?

4 MR. HAYDEN: What we look at from an
5 agency standpoint is 120 days, which would be
6 four months and above.

7 CHAIRMAN BOWERS: And, Mr. Hayes, last
8 question, that 15 or 16.5, roughly, million
9 delinquent is over how many loans? You've got
10 206 loans total. So the 15 million to 16 million
11 is how many loans? Do we know?

12 MR. HAYDEN: Offhand, the number of loans
13 that we have would be less than 30. So it's
14 somewhere in between 22 and 28 of those loans
15 would be in that state.

16 CHAIRMAN BOWERS: Okay.

17 MR. HAYDEN: So you're looking at a
18 little bit -- a tad over 10.6 percent of the
19 total.

20 DIRECTOR KELLY: 10.6 percent of the
21 number?

22 MR. HAYDEN: That's correct.

1 DIRECTOR KELLY: And the dollar amount is
2 what?

3 MR. HAYDEN: The dollar amount, we are
4 actually less than 10 percent. We're more like
5 5.6, 5.63, in that ballpark.

6 CHAIRMAN BOWERS: That's helpful. Thank
7 you, Mr. Hayes.

8 MR. SIMMS: It's Hayden.

9 CHAIRMAN BOWERS: Oh, sorry. Mr. Hayden.
10 Mr. Robert Hayden. Thanks, Mr. Hayden.

11 And, Director, that asset management
12 function, once it's secured for the department,
13 these are some of the types of issues that they
14 would be looking at, as helping the department
15 look at?

16 DIRECTOR KELLY: Servicing, I think, is
17 the term of art these days. The individual, each
18 path of the loans, is looking at that part.

19 CHAIRMAN BOWERS: So I do think it's
20 important for us at the board to think about the
21 greater point that the Director has mentioned,
22 which is, if people think you can't move the

1 money or people think you're not watching the
2 money, then people are less inclined to give you
3 the money.

4 So I think for -- and this actually
5 segues more into our items here on the agenda
6 about matters to be discussed with the new
7 administration. So we'll get to that in a
8 second.

9 But I do think just even in our own
10 informal conversations with members of the
11 council, whoever the new mayor will be and their
12 folks, to get that word out to people, kind of
13 what the real numbers are.

14 And I don't know. Director, is the
15 department communicating that in a formal way to
16 the Council, you know, kind of what the numbers
17 are? Is that being -- I mean, either in a
18 hearing context or in a letter context or
19 anything like that?

20 DIRECTOR KELLY: We've been giving some
21 numbers to Rob Hawkins, who is the chairperson.

22 CHAIRMAN BOWERS: Okay.

1 DIRECTOR KELLY: Yeah.

2 MR. BAILEY: The thing about that is is
3 that the context is very important in terms of
4 communication. And sometimes, that loses in
5 translation. And to the Chairman's point, I
6 think a reemphasis of that context -- you know,
7 we're talking about a city that takes on a
8 disproportionate share of housing, and this
9 housing responsibilities when compared to the
10 region.

11 And it is making loans to organizations
12 that, through no fault of their own, given the
13 economic base that we're working with and the
14 fluctuations in it, that they run into hard
15 times. But that does not mean that a 7 percent
16 loan delinquency on the assets for the Housing
17 Production Trust Fund side is a bad thing. When
18 you stop and think of it in the context of 93
19 percent, we're actually doing pretty well.

20 What it is is that that message is
21 falling away in the translation. And the same
22 with the HPAC loans. I mean, we're talking about

1 HPAC loans that predated the economic crisis that
2 actually did pretty well.

3 And then when the capital markets went
4 south and lending became more and more difficult,
5 and making your mortgage payments therefore more
6 difficult, did we see a spike? But that spike is
7 not an indication that it is a trend. It is a
8 spike.

9 So, I think that given what our social
10 responsibility is relative to our fiscal
11 responsibility, the type of deals we finance, the
12 populations that we serve, we've got to look at
13 it through a more circumspect lens than just the
14 raw data nuance. And I think that that nuance is
15 missing.

16 MR. JACKSON: I would also suggest that,
17 given your public purpose, particularly with
18 HPAC, I think clearly what would be also an add-
19 on would be if you could capture the value
20 appreciation over the scope of work. And what
21 that would do is mitigate the discussion about
22 delinquency, because one of the missions is that

1 you create wealth by stabilizing families and
2 communities who otherwise, but for your
3 investment would never be at that place.

4 So that has to also be a contributor to
5 the city, because now the city is assessing you
6 on a new value which becomes revenue that's added
7 to the city. So I think, to your point, it's
8 important to give a complete story. But
9 unfortunately, you know, sometime in new stories,
10 facts don't -- don't let the facts confuse you.

11 CHAIRMAN BOWERS: Yeah, incidental.

12 (Laughter.)

13 CHAIRMAN BOWERS: We are going to jump
14 off down to item 8A --

15 (Cross-talk.)

16 CHAIRMAN BOWERS: We're going to jump
17 down to item 8A, because this segues into that.
18 I would say, Director Kelly, that in addition to
19 the communication the department has done itself
20 to the Chairman's staff, it may be helpful to
21 communicate, given that it was so high profile in
22 the Post, the story, the entire context of the --

1 coming with a response related to the delinquency
2 issue vis a vis, one, the overall side, that it
3 has, importantly, getting the numbers straight.
4 Because the numbers that were in the article, the
5 nuance around how much is actually Trust Fund
6 versus this versus that got a little lost.

7 But then the third thing is the steps
8 that the department has already been taking that
9 are coming down the pike in short order; i.e.,
10 this asset management piece would be important to
11 communicate probably in a formal way to the
12 council and their staff, given that someone from
13 the council, even the mayor.

14 Because I do think that having that
15 response in a formal way says, "Look. We're not
16 just rushing to respond. This is something we're
17 aware of and have been working on. It's not
18 perfect, but dot-dot-dot."

19 Because again, I do think that the notion
20 of our ability -- and when I say "our," I mean
21 like the city's ability to get more money into
22 the Trust Fund, subject to appropriations, you

1 know, that's the kind of nuance that could stand
2 in the way if it's not clarified with the new
3 mayor and the new folks.

4 So let's jump to 8A, if we can, on the
5 agenda.

6 Are there any suggestions that members of
7 the board have that we are -- issues that we
8 should be discussing with the new administration?
9 If we were to make a request for meeting with the
10 new administration and their staff, are there any
11 issues that folks have now that they think we
12 ought to discuss, one?

13 And two, is there a desire or felt need
14 to devote some time even at our next meeting to
15 really kind of hammer out what the approach
16 should be as it relates -- so let's start with,
17 are there any issues that folks feel like, board
18 members feel like we ought to be flagging with
19 the new administration?

20 MR. BAILEY: Yeah. Continuation about
21 the Production Trust Fund, particularly as it
22 relates to its mission as brought out by the

1 original taskforce report, taking stock of what
2 we have accomplished and the importance of
3 carrying it through; taking a look, as we had
4 talked about earlier, how we might go about
5 leveraging our funds more effectively with other
6 social service dollars to hit at the heart of the
7 hard-pressed individuals that we are missioned to
8 serve; and how we go about growing our Trust Fund
9 beyond just sticks and bricks into the social
10 mortar that resides within those sticks and
11 bricks -- heavy emphasis on the latter.

12 CHAIRMAN BOWERS: Thank you, Milton.

13 Any other suggestions anyone has at this
14 point?

15 MR. SIMMS: I would suggest in terms of
16 leveraging, but leveraging from a different
17 perspective, meaning that -- I mean, a lot of us
18 in this room dealt with housing in New York. And
19 if you --

20 CHAIRMAN BOWERS: I'm sorry? Housing in?

21 MR. SIMMS: In New York.

22 CHAIRMAN BOWERS: Oh, New York.

1 MR. SIMMS: That place up North.

2 (Laughter.)

3 MR. SIMMS: I just wanted to refer to
4 that.

5 But a lot of beyond just the normal
6 subsidies that go along with housing, I mean, our
7 tax structure kind of follows, dovetails that, in
8 a way that I think makes a lot more sense. So I
9 think it's more leveraging, not only through the
10 existing resources that we have, but through our
11 tax structure in terms of how we best get more
12 bang for the buck, and we do keep rates up.

13 CHAIRMAN BOWERS: Okay. Oramenta.

14 MS. NEWSOME: I remember there was some
15 research on local low-income housing tax credit.

16 (Pause.)

17 MS. NEWSOME: Okay. So, what now then?

18 (Laughter.)

19 MR. SIMMS: We probably -- it probably
20 will be in the next -- yeah, it probably will
21 actually be in the next RFP unless we do a
22 special one.

1 DIRECTOR KELLY: It's our responsibility
2 to get it going, yeah.

3 MR. SIMMS: To get them out.

4 MS. NEWSOME: So that's where it is now
5 in terms of getting the bells and whistles
6 together?

7 DIRECTOR KELLY: Um-hm.

8 CHAIRMAN BOWERS: Do you-all have folks
9 who are helping you with that? Is that internal,
10 external partner for you all?

11 MR. SIMMS: Internal right now, but we
12 think we're going to engage --

13 MR. ANYAEGBANUM: Yeah, it's -- as you
14 walk in, you saw them. It's indicated. That's
15 credit investors.

16 CHAIRMAN BOWERS: Okay. Any other
17 suggestions in terms of the new administration?

18 Jim Knight.

19 MR. KNIGHT: I have a question. When we
20 started this, this board was reconstituted around
21 the investment of \$100 million. And a lot of the
22 energy was around supporting it, getting on the

1 streets as quickly and effectively as possible.
2 So there were some strategic questions that we
3 deferred at times, because there are these
4 pre-mets.

5 So some of the questions around geography
6 and linking the housing to other things in
7 neighborhoods and other resources -- I was just
8 wondering if it would behoove us to have sort of
9 a strategic platform in mind to engage around and
10 so that we can get to some of the policy
11 questions with a little more forward-thinking.

12 Whether we would want to formulate some
13 ideas that we take there or whether we want to
14 ask for the opportunity to do that in
15 partnership.

16 CHAIRMAN BOWERS: Let me ask to that
17 point, if there are any members of the board who
18 would be willing sometime between now and our
19 next monthly board meeting, which will be the
20 first Monday in December, to have a sit-down and
21 kind of hammer through some of that and bring
22 that back to the formal board in December for

1 considerations, kind of bullet points or language
2 for consideration, please let me know.

3 So we could do that in the next few weeks
4 and come back to the board with some suggestions
5 on, here are things that we would recommend to
6 present to the new mayor in a formal way and have
7 discussion. But I want us to hammer -- kind of a
8 subgroup hammer through some of that in detail,
9 spend a couple of hours doing that, and then we
10 can bring that back to the board.

11 So if anyone is willing, let me know and
12 we'll schedule a meeting in the next couple of
13 weeks.

14 Okay. Thank you. Let me move the train,
15 since we're a little over time here.

16 A couple of things. One, let me step
17 back real quick to -- or let's go to A, B, and C,
18 request for favorable tax status regarding newly
19 acquired vacant properties, any update on recent
20 council legislative actions. Then we'll jump
21 back to 6, 7, and go to 9B.

22 Bea, any updates for 8B or C?

1 MS. FIELDS: With reference to B, we just
2 have to take that up at the next meeting.

3 CHAIRMAN BOWERS: Okay.

4 MS. FIELDS: Yeah, I did get a call. The
5 determination of whether a property is going to
6 be taxed at a vacant rate is determined at DCRA.
7 So when you go to the Office of Tax and Revenue,
8 that's not where you would attempt. There is a
9 formal petition process.

10 So I have been in contact with general
11 counsel at the DCRA. And I just wasn't able to
12 get back to him to see what we need to do.

13 CHAIRMAN BOWERS: Okay.

14 MS. FIELDS: There is always something
15 called the -- the mayor has the option of giving
16 any project a special exemption. So now the
17 question is whether we can get something for the
18 whole pipeline.

19 CHAIRMAN BOWERS: Okay.

20 MS. FIELDS: And then second, in talking
21 -- this yellow on here, I just wanted it to stand
22 out other than all the other things, like paper,

1 was just to let you know some of the report,
2 particularly bills that go right to what we do
3 through the Housing Production Trust Fund.

4 Because, as most of you know, the whole
5 issue of resales for for-sale units, how that
6 will be determined and the length of time has
7 changed as it relates to distressed
8 neighborhoods. There are a lot of little nuances
9 associated with it. But I gave you a copy of it
10 so that you'd have a chance to at least look
11 through it. There's a new definition of
12 distressed neighborhoods.

13 On a disposition of land, if the land is
14 disposed of under Section 801, there are some new
15 requirements now that would require that you have
16 a certain percentage of the housing in those
17 areas, if the property involved is 10 or more
18 units.

19 However, there were two exceptions added
20 most recently, on the 28th. One, it will not
21 apply to proper facilities such as homeless
22 shelters. And secondly, the determination of

1 whether the requirements should be waived will be
2 done by the mayor. But it will be done based on
3 a CFO financial analysis.

4 And then the third piece, these are two
5 bills that were approved for first reading, but
6 they are subject to a second reading on the 18th
7 of November. One has to do with a baseline
8 funding for the Housing Production Trust Fund.
9 And it's to give authorization for this to happen
10 subject to the availability of dollars.

11 And the fourth is one of those that
12 didn't fall in the committee on economic
13 development, but it actually went to the
14 committee on financing available. And this was a
15 definite -- this is where the council has asked
16 the CFO to annually calculate and report on the
17 D.C. median family income.

18 And in this whole process, the second
19 half, as it was explained, is that they will then
20 go to programs and ask that those programs look
21 at not only your area of median income, the
22 actual income, but also the D.C. income. So this

1 is something that's developing that would impact
2 us in a way in which we market and sell units.

3 So if there are any further questions --
4 I'm hesitant always to say exactly what it is
5 until we get the final bill, because I have
6 learned from past experiences that sometimes once
7 it goes to the legal, some of the terms and
8 requirements are written in a way that they may
9 have a different meaning.

10 So the only one that I gave you that is
11 pretty much what I think that the Chairman will
12 sign is for 604, having to do with the resale
13 restrictions. There are several steps, just so
14 you will sort of be in this process, before this
15 becomes law.

16 One, it has to be signed by the mayor.
17 The mayor has 10 days to do that. Then it has to
18 go for congressional review, which is in 30 days
19 that both houses are in session. And as you
20 know, both of the houses are going out in
21 November. And then it has to be published in the
22 D.C. Register.

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1 So I don't anticipate this becoming
2 effective until next year.

3 CHAIRMAN BOWERS: And, Bea, on page 2
4 here, the second reading, you mentioned the 18th,
5 but it says 28th. Is it the 18th or the 28th?

6 MS. FIELDS: It's the 18th. It's a typo.

7 CHAIRMAN BOWERS: It's the 18th. Okay.
8 So, FYI, there is a typo here, too, do you think?

9 The other piece, too, the Truth in
10 Affordability Report Act, maybe this is something
11 we can discuss more at our December meeting. It
12 would be interesting to hear from the department.
13 Given the way the final language reads, would
14 this have any impact or not from a financing and
15 use of trust fund dollars standpoint, or not?
16 Right?

17 And so, is this more of an informational
18 piece and how things are marketed versus what the
19 definition of something is and trying to require
20 a new use of Trust Fund dollars? That's a
21 fundamental difference, whether it's an
22 informational or marketing piece, or is it Trust

1 Fund dollars?

2 When we talk about financing, you know,
3 40 percent going to D.C. incomes, or is that your
4 30 AMI? Or is this going to change things so
5 that it's zero to 30 based on D.C. income? So we
6 just want to be clear on that. I think when we
7 come back in December, to have some clarity about
8 that piece.

9 Any questions or follow-up from any board
10 members on this piece, on the legislation?

11 (No audible response.)

12 CHAIRMAN BOWERS: Okay. Thank you very
13 much.

14 MR. BAILEY: I've got a question for you.

15 CHAIRMAN BOWERS: Milton.

16 MR. BAILEY: So, let me see if my
17 thinking is good. Eighty percent of AMI in D.C.
18 based upon existing calculus is what, 107?

19 (Cross-talk.)

20 MR. BAILEY: Is what?

21 (Chorus of "107.")

22 MR. BAILEY: And that takes into

1 consideration the seven surrounding
2 jurisdictions. So our numbers are diluted
3 anyway. So, if we go by -- if this analysis --
4 if my way of thinking about this analysis is
5 correct, then we're getting about the seven
6 surrounding communities, or are we?

7 Are we thinking that we're continuing
8 with the seven surrounding communities for the
9 purposes of establishing the high in terms of
10 income for D.C. and then adjusting downward
11 because we have a large population of low-income
12 people? Or are we suggesting that we are, by
13 this analysis, excluding everybody else, taking
14 the high and then moving down to the low?

15 Because if the back of the envelope piece
16 that I read, as it relates to this particular
17 piece of legislation, the numbers are going to be
18 skewed up for low-income families.

19 CHAIRMAN BOWERS: When you say "skewed
20 up," what do you mean "skewed up"?

21 MR. BAILEY: Meaning if we're serving 30
22 percent of AMI now, all right, then -- area

1 median income, then -- and that's our mission at
2 the Housing Production Trust Fund, 40 percent,
3 blah-blah-blah -- then it would appear that the
4 income for the lower-income population is going
5 to go up in terms of the calculus rather than
6 down.

7 CHAIRMAN BOWERS: My takeaway is there
8 going to need to be more subsidy deeper in --

9 (Cross-talk.)

10 MR. BAILEY: That correlates to a deeper
11 subsidy.

12 CHAIRMAN BOWERS: Right, right. There
13 would need to be more subsidy provided if -- if
14 this bill required us using D.C.'s income in that
15 area median income because then the numbers are
16 going to come down, maybe go even lower.

17 MR. BAILEY: Right. And that means that
18 the \$100 million investment in the Housing
19 Production Trust Fund, based upon available
20 dollars, may or may not be an appropriate number.

21 MR. JACKSON: I think the CFO did a
22 recent report --

1 MR. BAILEY: As long as we are all good.

2 CHAIRMAN BOWERS: Let me go to Stan and
3 then Oke.

4 MR. JACKSON: Yeah. I think the report
5 just came out about two, maybe three weeks ago,
6 by the CFO's office, which said that the
7 District's median income now exceeds \$100,000.
8 So the difference is not very material. You
9 don't have \$6,000 differences is what I'm saying.

10 So, to your point, Milton, I don't think,
11 because you've got such a high band of income in
12 certain areas where the average income is over
13 \$500,000 just skews that. And that's exactly
14 what the CFO came out with, that the District's
15 median income now is in excess of \$100,000.

16 So the area median income being 107, and
17 this just being rated over the 100, it becomes
18 almost immaterial in terms of its impact on
19 dropping down deeper.

20 MR. BAILEY: It begs the point, what's
21 the purpose of the -- what's the purpose of that
22 number as it relates to the Chairman's point?

1 Does that mean we're going to be at --

2 (Cross-talk.)

3 MR. BAILEY: -- income rules or not.

4 CHAIRMAN BOWERS: So we have to check on
5 -- we'll have to check on that and discuss that,
6 too.

7 Nathan, let me ask you real quick. For
8 number 6, any key updates on the development
9 pipeline? Is this the handout?

10 MR. SIMMS: Well, it's in the handout
11 that we gave out was from the mayor's
12 announcement on October 8th. So it just talks
13 about number of units, subsidies.

14 CHAIRMAN BOWERS: Okay. So we'll carry
15 over number 6 and go a little deeper, if folks
16 have any questions or anything, on number 6 at
17 our next meeting.

18 Bea, any updates, status of the mayoral
19 nominations for new board members?

20 MS. FIELDS: I think that all members
21 should have received -- Oramenta and David should
22 have received something from the council members'

1 office, and they asked me to get back to them.

2 CHAIRMAN BOWERS: So are you good?

3 MS. NEWSOME: I have to write them an
4 essay.

5 (Laughter.)

6 MS. NEWSOME: And justify it.

7 CHAIRMAN BOWERS: For the privilege to
8 serve, correct?

9 (Laughter.)

10 MS. NEWSOME: It's a small thing.

11 CHAIRMAN BOWERS: A small price to pay.

12 Okay. So, thank you, Bea. Any questions
13 on that?

14 (No audible response.)

15 CHAIRMAN BOWERS: Okay. Thank you.

16 Any public comments? Anyone in our
17 public audience, comments, questions, concerns?

18 (No audible response.)

19 MR. BAILEY: Mr. Anyaegbanum has
20 something.

21 CHAIRMAN BOWERS: Oke.

22 MR. ANYAEGBANUM: the document I was

1 talking about, I'm saying that this may affect
2 more people at higher levels, might teach us
3 another profession. So their professions would
4 be qualified for taking down because aid will go
5 there and the effect will be tough on the
6 professionals that work in the city.

7 CHAIRMAN BOWERS: I'll be curious to see
8 that CFO's analysis. I mean, it wasn't that long
9 ago that the median income in D.C. was around
10 \$50,000, \$60,000, so...

11 Director Kelly, any final announcements
12 from your end?

13 DIRECTOR KELLY: Yes, thank you, Mr.
14 Chairman. Two for the record. On Wednesday,
15 November 19, 2014, D.C. will be conducting a
16 public hearing on the consolidated annual
17 performance evaluation point. That's our paper.
18 That's our annual review of the federal dollars
19 we get.

20 A reminder to this board that this
21 community will be moving to a fresh five-year
22 consolidated plan in the spring. So this report,

1 I think, represents kind of a final report of
2 existing five -- of the current five-year period.

3 And second, in terms of announcements, on
4 Wednesday, November 12th, the agency will be
5 releasing six solicitations for offers for the
6 development of 36 District built properties. It
7 awards (inaudible). So this is the second phase
8 of our solicitations around our property
9 acquisition for the disposition department. And
10 we're now looking to put 36 more properties into
11 play.

12 MR. BAILEY: How many will that be in
13 total?

14 DIRECTOR KELLY: About 61 properties at
15 this point.

16 MR. BAILEY: Out of 100? Almost a third
17 of our inventory is already out.

18 CHAIRMAN BOWERS: Any questions, comments
19 on those?

20 (No audible response.)

21 CHAIRMAN BOWERS: So for our next
22 meeting, make sure we capture those -- a couple

1 of things. One, we follow up from today's
2 discussion from Sue. And David, welcome back, if
3 needed on the demand-side issues we discussed.

4 Secondly, we'll get updates, I think,
5 from Bea around 8B and 8C from today's agenda
6 around the tax status.

7 And of course, anything with the current
8 legislation, any new news we have at that point.
9 I mean, the understandings we have.

10 We'll also, number 6, the pipeline piece,
11 we will review this again.

12 The other thing is the -- we will go into
13 a conversation about what we as a board want to
14 communicate to the new administration, what if
15 anything, and if so, how? A reminder that if
16 board members would like to sit down and connect,
17 bring some bullets and suggestions, please let me
18 know so that I'll know who to herd the cats with
19 in terms of scheduling a meeting.

20 I think the last thing I will say is I'm
21 going to go back and just reemphasize the point,
22 because it is one that disturbs me, about with a

1 new administration coming in -- we know of the
2 need.

3 I was in a meeting recently at the
4 Council of Governments, where someone made the
5 comment that Montgomery County had been doing a
6 very good job around affordable housing. And one
7 of the elected officials, in a moment of what I
8 thought was keen clarity and enlightenment and
9 perspective -- an elected official, from
10 Montgomery County, who is -- their county was
11 getting a compliment -- said, "All due respect.
12 We're not doing nearly enough."

13 And so while Montgomery County is
14 recognized around the country in some ways as a
15 leader, and certainly in the region, you have
16 D.C. and Montgomery County are seen as leaders,
17 relative to the need there is still a huge gap.

18 And so I say that to say, maybe think
19 about D.C., where D.C. does more than a lot of
20 places in the country. It certainly is a leader
21 in the region, we know that relative to the need,
22 right, there's still a long way to go. And even

1 in our presentations today, when we see kind of
2 where the budgeting comes out, right, the monies,
3 even though things have been very flush,
4 relatively speaking, in the last couple of years,
5 things get tight again very quickly.

6 And so, the subject of appropriations
7 piece, I say this to say to board members and to
8 those in the public who may be here, any
9 influence and communications have with those
10 people who make decisions -- the new mayor, new
11 staff, members of the council -- about the
12 importance of continuing to put money into the
13 Trust Fund that can be used as leverage to meet
14 that need.

15 I heard someone from George Washington
16 University say in a session recently they thought
17 we should be pushing to get \$1 billion in four
18 years into the Trust Fund. They wanted to change
19 the conversation to a whole other level relative
20 to need. And that was on a section on, again,
21 gentrification in the city.

22 So I think that communicating that the

1 department has the ability to move money and
2 track money, and where it's not doing that well,
3 there are things in place to try to -- and it's
4 gotten better, and it's still working to get even
5 better, needs to be communicated and communicated
6 about how the need and how creative approaches
7 are being taken to leverage this money, the
8 private sector dollars, leverage the money as it
9 relates to the demand side.

10 I say that because it would be very easy
11 for somebody who comes in, when everyone starts
12 knocking on their doors to say here is what we
13 want to say we want to say that past promises or
14 past things will stay. We just can't do that.
15 So there's a moment of opportunity I think we
16 have to influence that, as coming as the
17 collective "we." And we should do that. So
18 folks who have influence, please use it.

19 So, with no other business before the
20 board, we will say, at 12:28 p.m. Eastern time,
21 we are adjourned. Thank you all, and we'll see
22 you the first Monday in December.

1 (Whereupon, at 12:28 p.m., the
2 meeting adjourned.)

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