

GOVERNMENT OF THE DISTRICT OF COLUMBIA

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DEPARTMENT OF HOUSING AND
COMMUNITY DEVELOPMENT

+ + + + +

HOUSING PRODUCTION TRUST FUND
ADVISORY BOARD MEETING

+ + + + +

THURSDAY
SEPTEMBER 12, 2013

+ + + + +

The Board met in Conference Room
110-A of 1800 Martin Luther King Avenue, SE,
Washington, DC, at 10:00 a.m, David Bowers,
Chair, presiding.

PRESENT

DAVID C. BOWERS, Chair
STANLEY JACKSON, Board Member
JAMES KNIGHT, Board Member
SUE ANN MARSHALL, Board Member
ORNAMENTA NEWSOME, Board Member
M. CRAIG PASCAL, Board Member
ROBERT H. POHLMAN, Board Member
JACQUELINE V. PRIOR, Board Member
DAVID J. ROODBERG, Board Member

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ALSO PRESENT

BEATRIZ OTERO, Deputy Mayor
MICHAEL P. KELLY, Director
OKE ANYAEGBUNAM
MILTON BAILEY
CHRIS DICKERSIN-PROKOPP
KETAN GADA
JACKIE MCDONALD
RICHARD NICHOLS

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

2 10:03 a.m.

3 CHAIR BOWERS: We're going to go
4 ahead and get started. I'll call the meeting
5 to order. I want to thank everybody for being
6 here today. It is 10:02 a.m. on Thursday,
7 September 12th.

8 I'm David Bowers, Chairman of the
9 Housing Production Trust Fund Advisory Board.
10 We are meeting at the Resource Center here at
11 the Department of Housing and Community
12 Development. The meeting is now called to
13 order.

14 What I'm going to do, I'll ask
15 again if we can go around and have board
16 members just announce themselves. And that
17 way we'll also establish that we have a
18 quorum.

19 So, again, I'm David Bowers.

20 MEMBER POHLMAN: Bob Pohlman,
21 Coalition for Nonprofit Housing and Economic
22 Development.

1 MEMBER ROODBERG: David Roodberg,
2 Horning Brothers.

3 MEMBER KNIGHT: Jim Knight from
4 Jubilee Housing.

5 MEMBER JACKSON: Stan Jackson from
6 AEDC.

7 MEMBER MARSHALL: Good morning.
8 Sue Marshall, Community Partnership.

9 MEMBER PRIOR: Jackie Prior, Morris
10 and Gwendolyn Cafritz Foundation.

11 MEMBER PASCAL: Good morning.
12 Craig Pascal, BB&T.

13 DEPUTY MAYOR OTERO: Beatriz Otero,
14 Deputy Mayor.

15 MEMBER BAILEY: Milton Bailey,
16 DMPED and DHCD.

17 MR. NICHOLS: Rich Nichols, chief
18 of staff, DMPED.

19 CHAIR BOWERS: All right. Great.
20 Well, thank you all for being here. Looks
21 like we have eight of our nine members here.
22 A quorum has been established. We need to

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1 have five members to have a quorum. And so,
2 we are good to go.

3 FYI for those who may be - we will
4 go until noon. We'll be done at noon. If
5 you're looking at this clock, it's four
6 minutes fast. And if you're looking at that
7 clock, it looks like it's about two minutes
8 slow. So, you may want to check your cell
9 phones if you want to know exactly what time
10 it is.

11 So, we want to call - we've called
12 to order. We've established a quorum. Done
13 with that on our agenda. Board members should
14 have a copy of the agenda that was emailed out
15 to you.

16 Next, we have the approval of the
17 meeting minutes. And, Milton, do we have an
18 update - I don't see Bea here - on what the
19 status is of the minutes from the last
20 meeting?

21 MEMBER BAILEY: Yes, the minutes
22 have been done. You all should have received

1 copies of the current transcript.

2 CHAIR BOWERS: When were those sent
3 out, because I don't think I saw those. I
4 haven't seen those.

5 MEMBER BAILEY: Yes, it was in one
6 of my emails to the Board.

7 CHAIR BOWERS: You mean this chart?

8 MEMBER BAILEY: No. It was a full
9 transcript of the meeting. It was one of the
10 attachments that I sent out earlier last week,
11 right? Week before last. Something like that.

12 CHAIR BOWERS: Okay. So, I missed
13 that one. Did all the members of the Board
14 get that, receive that?

15 And so, it was a full transcript,
16 but not actual - we don't have the minutes
17 though; is that right?

18 MEMBER BAILEY: The minutes are
19 done and Marty is bringing your board packages
20 in right now.

21 CHAIR BOWERS: Okay. All right.

22 MEMBER BAILEY: So, it should be in

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1 your minutes - the board packages.

2 CHAIR BOWERS: Okay. So, we will -
3 we'll table that and come back to that. We'll
4 come back to that.

5 So, next on our agenda we have
6 highlights with Deputy Mayor for planning and
7 economic development.

8 And there's a point on the agenda
9 where we have a status of the Needs Assessment
10 Contract.

11 And, Milton, what I'm going to ask
12 is, Rich, first I'll turn it over to you if
13 there's anything you'd like to bring as
14 updates from the Deputy Mayor's Office.

15 And Deputy Mayor Otero, we want to
16 make sure if there's anything you'd like to
17 bring to us from your end, don't feel like you
18 have to, but if you'd like, you certainly can
19 use that opportunity.

20 And then, Milton, we'll actually
21 do the Needs Assessment Contract during this
22 portion as well.

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1 So, Rich, let me turn it over to
2 you first.

3 MR. NICHOLS: Yes, I have nothing
4 new to report from the Deputy Mayor's Office
5 other than the fact that we have been working
6 on - pretty hard on the report that Milton is
7 going to give you in a few minutes.

8 So, I'll just let Milton do what
9 he needs to do.

10 CHAIR BOWERS: That's great. Thank
11 you, sir.

12 Deputy Mayor Otero.

13 DEPUTY MAYOR OTERO: Ditto. That's
14 why we're flanking him.

15 (Laughter.)

16 CHAIR BOWERS: That's great.
17 That's great. Okay. So, what we'll go to
18 next is, Milton, what I'm going to ask if you
19 take about 15 minutes or so up to - you don't
20 have to take all that time, but up to the
21 status of the Needs Assessment Contract.

22 MEMBER BAILEY: All right. Jackie.

1 MS. McDONALD: Thank you. Good
2 morning.

3 GROUP RESPONSE: Good morning.

4 MS. McDONALD: I'm Jackie
5 McDonald, director of contracts and
6 procurement from the Office of the Deputy
7 Mayor for Planning and Economic Development.

8 Because we are in - I normally
9 don't need a microphone. Thank you. Normally
10 I don't need this.

11 Because we are in an active
12 solicitation, there is not much information
13 that I can divulge. But I will say this, that
14 the District opened a Request for Proposals on
15 July 31st and the solicitation closed on
16 September 3rd and we have received four
17 offers.

18 At this time, that is all that I
19 can share in public. I will be meeting with
20 the Technical Evaluation Committee today and
21 they will have more information.

22 But, again, because we are in the

1 active solicitation, they are not allowed to
2 share that information in public. Thank you
3 for your time.

4 PARTICIPANT: What's the timeline?

5 MS. McDONALD: The timeline at this
6 time, the timeline is very flexible, but we
7 are trying to put this on the fast track.

8 So, I would say relative to
9 evaluation, one month or less.

10 CHAIR BOWERS: Any questions anyone
11 has on anything? Any questions from board
12 members on that?

13 (No response.)

14 CHAIR BOWERS: Milton, anything
15 you wanted to add to that presentation piece
16 on the Needs Assessment Contract, or not?

17 (Pause in the proceedings.)

18 CHAIR BOWERS: Milton, anything?

19 MEMBER BAILEY: Yes, just give me a
20 second.

21 CHAIR BOWERS: Okay. In the
22 meantime, board members, let me make a note

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1 for the record that Board Member Ornamenta
2 Newsome has joined us. We now have one more.
3 So, we are at full strength today with all
4 nine members present. Good to see.

5 MEMBER BAILEY: Mr. Chairman, I
6 have nothing further to report on the Needs
7 Assessment.

8 CHAIR BOWERS: Okay. Thank you.
9 Thank you all for that. Why don't we go back
10 then to the approval -

11 MEMBER BAILEY: Do you have the
12 minutes? Marty, are the minutes on there?

13 CHAIR BOWERS: Okay. So, we don't
14 have those. Okay. So, we'll keep that on
15 hold.

16 And the one thing we are going to
17 go over is the follow-up - folks should have
18 received - Milton emailed, and thank you,
19 Milton, out to folks as part of this portion
20 of the agenda there's a follow-up email that
21 Milton sent. And then Matt Scalf sent a
22 follow-up to that even with the HPTF Advisory

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1 Board meeting follow-up items were sent to
2 board members and it was in chart form.

3 I wanted us to walk through these
4 items. Some of them will be captured in some
5 of the agenda conversations today, but I
6 wanted to also just kind of walk through this
7 chart so we could note some things.

8 And there are a couple things I
9 think we want to discuss while we are here
10 today.

11 So, folks may or may not have the
12 chart, but let me read through. Item Number
13 1, I'm going to come back to this.

14 MEMBER BAILEY: It's in the binder.
15 It looks like this.

16 CHAIR BOWERS: Okay. So, Item
17 Number 1 we're going to actually come back to,
18 because I want to make sure that Sue is here
19 when we have that conversation.

20 But Number 2, Item Number 2,
21 distribute the Office of Planning PowerPoint,
22 that has been done.

1 Number 3, the data assessment to
2 eliminate pipeline or projected units,
3 understand DMPED's response to this was a
4 misunderstanding. So, I think we should be
5 good on that.

6 Number 4 on the data piece, we're
7 going to actually go, I think, into further
8 detail about some of the trust fund itself.
9 So, we'll actually kind of come back to this,
10 the trust fund status.

11 Number 5, the assessment of the
12 ATD staff capacity. You see the response
13 there.

14 Number 7, again we'll go deeper
15 into the - excuse me - Number 6, the NOFA
16 issues we will go deeper into later in the
17 agenda.

18 The meeting minutes, we are still
19 tabling that. Number 8 again will be captured
20 as part of the - later in the agenda.

21 Skip to Number 10. I'm not sure I
22 have - when we have that, we will be going

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1 over that.

2 MEMBER BAILEY: What happened to
3 Nine?

4 CHAIR BOWERS: Yes, there's a
5 mystery Number 9. And then Number 11, provide
6 information regarding identify support of
7 housing assets. And we see the response
8 there.

9 So, are there any questions? And,
10 again, we'll come back to Number 1, because I
11 want to make sure Sue and Jackie are in the
12 room for that conversation. But any questions
13 on any others?

14 Yes, Jim Knight.

15 MEMBER KNIGHT: Yes, on Number 5,
16 the assessment of staff capacity, I
17 appreciated seeing that and I'm just aware
18 that there are a few other elements of
19 capacity in the underwriting process.
20 Particularly OAG attorneys that are available
21 at a given time.

22 Just want to raise the ongoing

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1 consideration of what is the full complement
2 of resources you need to underwrite and get to
3 closing from the RFP and the hundred million.

4 DIRECTOR KELLY: Well, Jim - good
5 morning, everybody.

6 GROUP RESPONSE: Good morning.

7 DIRECTOR KELLY: Great question.
8 It goes beyond just the staff of DHCD's
9 program. We're working with the Deputy
10 Mayor's Office to get a full complement of
11 qualified folks. The nature of the economy as
12 such, we're finding some really good talented
13 people who kind of want to work for us.

14 But to your point, it's not just
15 us. Having a check at the closing table is
16 critical. CFO manages that.

17 Having lawyers who are in cahoots
18 with us along. And I think our outside
19 contract consultant working for HUD's CPD is
20 now - has been working with our entire, not
21 just the underwriting process, but the entire
22 program manager process. And it has included

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1 workshops with guys like Doug and with Vonda
2 to ensure that everyone knows what their role
3 is start to finish.

4 We're actually going through flow
5 diagraming, business flow diagraming of all of
6 our activities here, but particularly around
7 project delivery.

8 CHAIR BOWERS: Other questions?

9 Stan.

10 MEMBER JACKSON: I just want to add
11 to that. In addition to looking at those
12 resources, I know there may be opportunities
13 that may be leveraged in other ADC's funds.

14 So, have we considered that impact
15 as well when you talk about maybe the
16 combining of bond money or other kind of tax
17 credit money coming from the housing finance
18 agency?

19 There is also a collateral
20 capacity challenge that could be created. So,
21 in looking at capacity, and I just want to
22 urge you to look at that scenario too.

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1 Because I would think because I sit on that
2 board, there's a capacity challenge there.

3 So, as we increase the flow of
4 pipeline opportunities, that's going to drive
5 a capacity challenge looking at the whole
6 spectrum.

7 DIRECTOR KELLY: Okay. This is the
8 first year we're going - we've been talking
9 for a while now of delegated underwriting and
10 working with FHA.

11 So, we're actually looking for
12 those projects that are the big-boy projects,
13 the ones that FHA have in their wheelhouse
14 anyway, to have them be our delegated
15 underwriting.

16 We will actually share with them
17 what our criteria is, and HFA staff will be
18 looking to do that sort of on our behalf.

19 The other point, though, is along
20 the same lines, too, is that we are now
21 recognizing that there's a sequencing of these
22 things.

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1 How do you size the deal? To
2 remind you, this is gap financing. This isn't
3 front-end financing. So, we want to make sure
4 that we find out other people's money on the
5 front end so that we can actually make a much
6 more critical decision on the back end about
7 what represents gap.

8 CHAIR BOWERS: Mike, explain one
9 more time the HFA will be at some point doing
10 some of the delegated underwriting for all the
11 projects, or for certain projects?

12 DIRECTOR KELLY: Just for certain
13 projects. We're still sort of - of the 23
14 projects that are on the table right now,
15 we're sort of fleshing that out. But it's
16 about - my guess is eight or nine of the
17 projects we're looking to have HFA take lead
18 on.

19 CHAIR BOWERS: And HFA will be
20 taking lead based on kind of what's the kind
21 of push point to say here are the ones that
22 HFA should do and here are the ones they

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1 shouldn't do?

2 DIRECTOR KELLY: Well, again, it's
3 about size and comfort. And, again, it's also
4 in terms of what their wheelhouse is. So,
5 it's sort of like you know it when you see it.

6 You want to expound upon that?
7 No? Doing a good job? Okay. Yes, that's
8 something still to be determined.

9 CHAIR BOWERS: Okay. All right.
10 Other questions folks have?

11 Yes, Ornamenta.

12 MEMBER NEWSOME: You mentioned a
13 flow chart. If we could see a diagram of the
14 staff, you know, the structure you have, you
15 know, who's here, who's there, because I'm not
16 really sure how the hierarchy works or if you
17 want to call about a project, you're not
18 always sure who you call and then who has what
19 role in terms of, well, this person works on
20 the actual running the numbers, and this
21 person works on getting the documents over to
22 OAG or whatever.

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1 It's not always clear and it just
2 would be helpful if you had a little bit of a
3 sense of the, you know, the flow of your staff
4 and the responsibilities that they take on.

5 DIRECTOR KELLY: That's actually a
6 work in progress. We can tell you what it is
7 now, but it won't be what it's going to be
8 tomorrow.

9 (Laughter.)

10 DIRECTOR KELLY: So, that's
11 something that we're now looking at having
12 additional layering of folks that know what
13 they're doing to sort of manage conflict.

14 Oke is a businessman, and I think
15 a lot of it has us like recognizing that there
16 is a need for a finance spinoff separate from
17 a management spinoff, for example. And that's
18 the kinds of things in working with Rich in
19 the Deputy Mayor's office to try to, you know,
20 flesh out what the longer term structure
21 should be.

22 CHAIR BOWERS: So, that actual

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1 chart by the time we have our next meeting,
2 whoever it is as of that date mindful that
3 things could change, would we be able to get
4 that by - okay. That's great.

5 Yes, Bob.

6 MEMBER POHLMAN: In addition to
7 that process, I'd love to see at some point a
8 timeline. Because, you know, what happens
9 with projects and, you know, it could be
10 there's some serious difficulty with the
11 project that wasn't anticipated.

12 But without some kind of targeted
13 timelines, you know, we run the risk of
14 projects going - well, you know what the
15 history is of projects that have never gotten
16 done.

17 And there wasn't any set
18 expectation of how soon they should get done
19 and there wasn't any monitoring mechanism,
20 because it wasn't during your timeline
21 requirement for them.

22 Back in - a few years ago I did -

1 I headed the Community Development Reform
2 Advisory Commission and it actually worked
3 with DHCD staff at that time to develop a
4 timeline for the entire development finance
5 process.

6 And it was a good - it was a good
7 exercise, because it was a consensus. It
8 wasn't something imposed on DHCD staff, you
9 know. It was really -- it was saying, here's
10 what we'd like to do, here's our goal. And it
11 was laid out to all the loan officers, project
12 managers so that they really had something to
13 shoot for in terms of timeline.

14 Now, there's always going to be
15 exceptions, but, you know, the exceptions
16 should pop up and there should be a reason for
17 the exception.

18 Maybe it said that the developer
19 hasn't completed something. But, you know, in
20 order to move these projects and be assured
21 that they're not going to be languishing, say,
22 six months from now, timelines would be

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1 useful.

2 CHAIR BOWERS: Great.

3 MEMBER BAILEY: You guys raise an
4 excellent point. Part of what we're looking
5 at is and I liken what Michael is doing to
6 flying an airplane and fixing it while it's in
7 flight.

8 And so, we will - we will do those
9 things. I want to manage expectations.

10 MEMBER POHLMAN: Right.

11 MEMBER BAILEY: To the extent that
12 there is preexisting timelines, processes for
13 timelines that we have used in the past, we
14 can certainly look at our pipeline and see how
15 we might reestablish that process if it's not
16 currently being followed.

17 And as far as laying out what the
18 flow of work is and how you might be able to
19 track a project from beginning to end so that
20 you know the right person to get in contact
21 with at the appropriate - anywhere on the
22 timeline, I think we may be able to short

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1 circuit that by just assigning ambassadors to
2 the process.

3 So, that means that no matter
4 where the project is in the pipeline, you can
5 call one or two people based upon category of
6 project.

7 Then that person should be able to
8 track down where that project is and provide
9 the salient information you need rather than
10 you trying to figure out where a project might
11 be in a six-month process, right, where that
12 project might be within that time.

13 If going to one person solves the
14 problem, then let that person do the legwork
15 in tracking down where it is.

16 So, there's ways that we can short
17 circuit that process. That's what we're
18 looking to do.

19 DIRECTOR KELLY: If I can just say,
20 again, I think what's really key now is better
21 underwriting on the front end. So, we're now
22 looking to have the kinds of problems we've

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1 had in the past hopefully addressed on a much
2 more rigid and disciplined front-end
3 underwriting.

4 The other piece, though, is - and,
5 again, we presented something to the City
6 administrator of the larger time frames of
7 which Deputy Mayor Otero said, to hell with
8 this noise. It's got to be a lot quicker.

9 But we actually have established,
10 I think, Bob, I'm now doing as a follow-up to
11 your - if we can get what you have and just to
12 layer it on the exercise we did. Because we
13 actually have some of the larger time frames
14 not for these little projects. And there are
15 some that are faster and some are slower. I
16 understand that piece. That's why I'd like to
17 probably get that information from you, but
18 larger we're looking at public commitments now
19 on the 15th or so of October.

20 We will be having announcements
21 and looking for January or so to reach another
22 level of closure around these projects. And

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1 we're looking to have like in the spring of
2 next year starting the ball rolling again.

3 So, I think we're really looking
4 to establish on the front end very large
5 milestone deadlines. And within those
6 deadlines, holding ourselves and our partners'
7 feet to the fire.

8 CHAIR BOWERS: Great. Thank you,
9 Michael. We want to go back - oh, can someone
10 - the minutes were - meeting minutes were not
11 in that packet.

12 MEMBER BAILEY: Yes, we - Bea is
13 still upstairs working on that.

14 CHAIR BOWERS: Oh, okay. That's
15 fine.

16 MEMBER BAILEY: But we have the
17 full transcripts that went out under a
18 separate email.

19 I don't expect you all to read
20 that. The minutes are only about three or
21 four pages.

22 CHAIR BOWERS: Okay. So, those are

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1 coming. Okay. All right. That's fine.
2 Going back to the packet, Sue and Jackie, we
3 held off on point Number 1, because I wanted
4 to make sure you all were in the room when we
5 went over this.

6 So, in Number 1 the amount of
7 money that will be provided by agencies other
8 than DHC to address demand side issues was a
9 request. And we see the feedback that came
10 from the administration.

11 We wanted to see if anyone had any
12 questions, issues or follow-up to this
13 response.

14 And let me start off by one
15 question. One of the recommendations in the
16 Housing Task Force Report that I think is
17 related to this issue under the administrative
18 issue Number 10, it modified DHCD's QA -
19 qualified action plan to give bonus points to
20 projects that include wraparound services in
21 the development plans and allowed services to
22 be an eligible expense in the operating

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1 budget. And I think that's related to this.

2 So, Michael, I wanted to double-
3 check with you. Did that happen, this latest
4 one? Will it happen in the next one?

5 DIRECTOR KELLY: It will happen
6 again. As you know, there's a series of
7 public hearings. And so, there's a process
8 around the QAP.

9 And I think that that's something
10 that we, as a matter of practice, we will be
11 doing. But as a matter of embedding it in our
12 QAP, we almost have to wait for the structure
13 within the time process that's actually a
14 recommended change.

15 But as a matter of practice, for
16 the first time in a while we now have other
17 agencies, particularly the support service
18 agencies, providing resources.

19 As such, they are full partners in
20 the game. And so as a matter of practice,
21 they are - those projects will be receiving
22 priorities.

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1 CHAIR BOWERS: Sure. One other
2 follow-up. Then others may have questions.
3 So, was I hearing correct that for the 2014
4 QAP, part of what will be put out on the
5 street for comment would be this
6 recommendation?

7 DIRECTOR KELLY: Yes.

8 CHAIR BOWERS: Okay. Other
9 questions or follow-up?

10 Yes, Sue.

11 MEMBER MARSHALL: I'm going to
12 refer to the presentation we did at the last
13 meeting about the entirety of the
14 recommendations on the demand side. And there
15 was a clear statement around funding of a
16 demonstration project to evidence the
17 collaboration that we had started.

18 So, the ask is broader than what
19 is reflected in the response to the question.
20 And I would just say the response to the
21 question wasn't all that encouraging.

22 CHAIR BOWERS: Any feedback?

1 DEPUTY MAYOR OTERO: Can I respond?

2 CHAIR BOWERS: Deputy Mayor.

3 DEPUTY MAYOR OTERO: And I
4 apologize, because I was not at the meeting.
5 And so, I went by the letter of what this
6 question is.

7 And so, the question was what's
8 the amount of money that will be provided by
9 the agency?

10 And obviously that's a difficult -
11 I can't answer that off the bat, because I
12 don't know what the projects are. And I don't
13 know what the totality is.

14 I don't - so, two things in my
15 responses I'd like to correct. One of them is
16 I'm sure that all of you went a little crazy
17 on this, but I understand that I was trying to
18 respond to a question that asked me for a
19 specific dollar amount and I can't give you
20 that right now. I don't have that.

21 But I will say that in the second
22 sentence this is because some clients, and

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1 it's not money, I want to be very clear, are
2 funded - are already in some sort of program
3 and the ranges may not necessarily meet. So,
4 let me just make sure that I'm clear about my
5 language in terms of that.

6 That said, I think to Michael's
7 point, we are working very hard to make sure
8 that some of the projects and potentially a
9 demonstration, but I can't tell you that, what
10 that is yet, that will pull together resources
11 from various agencies.

12 There are a number of things that
13 already happened. DMH, for example, puts all
14 of its capital dollars at DHCD. And I'm sure
15 some of you have utilized DMH dollars in some
16 of the projects. Both the capital side - and
17 DMH dollars come with the support of services
18 for the clients that come into those projects.

19 I haven't quantified what that is
20 on the services side. I know not off the top
21 of my head, but I know how much we put in on
22 the capital side.

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1 We've had significant
2 conversations with David Burns. As you all
3 know, I have really been pushing for - and I
4 know not all of you agree with me, but I will
5 continue to push for the fact that in many of
6 these projects, or in all of these projects,
7 we need to first reach into DHS and the
8 pipeline of folks that we have in the shelters
9 and in the hotels and so on so that we can
10 begin to get folks out of those.

11 And I know that some of the
12 providers will have their own lists of clients
13 they want to put in, but we have a
14 responsibility to make sure that we're moving
15 families out of these shelters. And then
16 particularly, I'm thinking about the families.

17 Many of those families come with
18 already the support services that are
19 available through DHS that they have their
20 individual development plan. And that
21 individual development plan comes with the
22 resources that are wrapped around that family

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1 already.

2 They may not always be onsite
3 resources, but they are definitely where the
4 commitment from DHS is that they continue to
5 work with those families.

6 So, my response was do I - can I
7 quantify what those dollars are right now?
8 No.

9 And are there additional dollars?
10 Not necessarily, but I think I've got to look
11 at it case-by-case.

12 Once DHCD has gone through the
13 process with this new set of RFPs, we'll be
14 able to take a look at what's being requested
15 and how much of it is currently met by our
16 budget and how much more we have to ask for
17 moving forward and in the '15 budget and even
18 if there is a potential on the '14 budget.

19 Does that help answer -

20 CHAIR BOWERS: Jackie, and then
21 Jim.

22 MEMBER PRIOR: I was on the working

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1 group dealing with this issue of the task
2 force. And we had a number of the directors
3 of various agencies on that working group.

4 And I think the concern was, yes,
5 people are getting services, but they're not
6 being coordinated.

7 And all of our discussion had to
8 do with, oh, yes, we're dealing with the same
9 people, but we have no way of coordinating
10 with one another.

11 And a big part of this was jobs as
12 well. So, it's DOES as well as --

13 DEPUTY MAYOR OTERO: Absolutely.

14 MEMBER PRIOR: So, I think that's,
15 you know, that's my concern, quite frankly,
16 that there has to be some way that people can
17 move up and out.

18 And that - and then they're not
19 sent in different directions. That they get
20 it all at once.

21 And there seemed to be agreement
22 among the people in that task force. We had

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1 representatives from - people with housing and
2 services that this was something that really
3 needed to be done.

4 DEPUTY MAYOR OTERO: I would say
5 that there is one single directive that I have
6 from the mayor is to - and I think my office
7 has shown that now significantly throughout
8 the last three years is to coordinate
9 services, and to - and I think you can look at
10 the integration as certainly one of those
11 models. I think you can look at the work
12 that's being done between CFSA and DHS to look
13 at kids aging out and how we coordinate those
14 services. DYRS, CFSA, DHS are coordinating.

15 So, there are a number of ways by
16 which we are beginning to do that, and we are
17 doing that.

18 And a lot of it is not necessarily
19 by telling, you know, this person to go work
20 with this person, but it's really significant
21 policy change and programmatic change.

22 So, it may not be as evident, but

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1 there is certainly a lot of work being done
2 around, because I totally agree with you.
3 It's the same people and it's the same
4 families.

5 So, we are putting - so, it's not
6 as much about dollars and cents as it is about
7 organizational and about system and how those
8 systems are moving on behalf of the folks that
9 we need to move beyond where they are.

10 MEMBER PRIOR: And I'm seeing among
11 the foundation's grantees, there are some
12 private not-for-profits who are doing that
13 very well.

14 DEPUTY MAYOR OTERO: Yes,
15 absolutely.

16 MEMBER PRIOR: By integrating their
17 residential services --

18 DEPUTY MAYOR OTERO: Absolutely.

19 MEMBER PRIOR: - with their
20 housing.

21 DEPUTY MAYOR OTERO: Well, I think
22 the perfect example is the Community of Hope

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1 and the work we're doing with Community of
2 Hope.

3 And, in fact, Community of Hope is
4 a primary provider at the Virginia Williams
5 site we're developing the individual plans for
6 families and then following through on their
7 work.

8 And so, there is some of that
9 already happening with the community-based
10 organizations and utilizing them.

11 Many of them have the contacts
12 directly with DHS. So, we're not trying to do
13 it all internally by any means.

14 I'm a great believer that folks in
15 the community do a better job than we do in
16 government about running programs anyway.

17 (Discussion off the record.)

18 DEPUTY MAYOR OTERO: But the
19 reality is that it's not - and I keep going
20 back. It's not just about having more
21 dollars. It's about a better coordination.

22 And I think our human care

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1 agreements with DHS and some of the community
2 organizations are a good example.

3 So, I mean, I'm happy to hear from
4 folks where things just aren't working and
5 you're seeing bottlenecks and working directly
6 on them.

7 CHAIR BOWERS: Great. Jim.

8 MEMBER KNIGHT: So, my comment or
9 question is similar, I think. And from the
10 context of this board's work and the trust
11 fund dollars as housing production dollars and
12 then services that come alongside those units,
13 I think one of the challenges or opportunities
14 is that a lot of times a service provision is
15 being done where the housing side is not the
16 coordinating factor.

17 But when we are - in this latest
18 consolidated RFP where services dollars come
19 to the housing project and the service
20 provision is done in some, either, by the
21 housing provider or in partnership with the
22 housing provider, there's a different

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1 opportunity to centralize the services.

2 And so, when the question comes -
3 or when the answer comes and you don't know
4 how many resources are available, I think one
5 of their questions is would you carve out some
6 known amount of money that goes alongside the
7 trust fund dollars so that the residents of
8 the housing sites have services provided that
9 are coordinated either by the development or
10 by a partner of the development.

11 And when those dollars aren't
12 available, the projects can't be developed in
13 that manner.

14 And I think one of the most
15 encouraging things was this last RFP that was
16 consolidated where those dollars were
17 available.

18 So, the resident who moves into
19 that unit may already have had a constellation
20 of services before moving. But once they
21 move, there's a different opportunity to
22 centralize that service and coordinate that

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1 service.

2 DEPUTY MAYOR OTERO: And I think
3 that's going to be my initial - I'm happy to
4 hear other - is that it really is case-by-
5 case, because there is some real value to
6 continuity of service for a client who has
7 already been provided the services in a
8 particular - by a particular organization.

9 MEMBER KNIGHT: Absolutely.

10 DEPUTY MAYOR OTERO: So, it may
11 not always be that I have to give up as a
12 person who's getting the unit, is the
13 relationship I have over here, because this
14 development is - already has built-in services
15 and now I have to go tell my whole story to
16 somebody else and start all over again.

17 And so, I think we've really got
18 to look at development project by development
19 project and understand what makes the most
20 sense in terms of what the, you know, It's got
21 to be about what makes the most sense for the
22 clients, not what makes the most sense for the

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1 organizations that are providing the service
2 or for the developer or the entity.

3 And so, it is not a cookie cutter
4 and my grounding is from what's best for
5 families. And if a family is already at a
6 comfort level in a particular provider, why
7 should we make them change just because they
8 get offered this particular housing.

9 It's like asking families you've
10 got to move your kids to another school,
11 because now you're moving to - so, we really
12 have to pay attention to that.

13 And I will very much encourage
14 David Burns to be at the table around that,
15 because it's really his insights on this are
16 really, really, I think, valuable in terms of
17 what he's been doing to move the system.

18 DIRECTOR KELLY: If I can just to
19 add on, this year was the first year through
20 legislation that David and his team aren't
21 procuring those services separate from us.

22 So, for the first time we're

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1 actually having a unified procurement process
2 of which service provider delivery folks and
3 the real estate folks can apply
4 simultaneously. And the review is done
5 concurrent as opposed to separately. So, that
6 gives hope for the future.

7 We also for the first time last
8 year had those series of workshops. They're
9 kind of like marriage or dating services where
10 we actually had folks come in and say, hey,
11 I'm a service provider, I'm a real estate guy,
12 you want to make them work?

13 This fall working with Bob and his
14 team, we're looking to try to have more of
15 those kinds of workshops that we did last
16 year, but particularly around this issue.

17 So, again, I think we have our
18 legislative legs underneath us for further
19 coordination. And I think now it's sort of
20 incumbent upon us to ensure that folks are
21 matched up.

22 But to the Deputy Mayor's point, I

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1 think at some point it does become almost
2 built into the next level of underwriting.
3 Every deal is different.

4 And as we start to look at the
5 value of the real estate, we also need to look
6 concurrently at the value of the service
7 that's provided with that piece.

8 And that's pretty much done as a
9 co-examination piece with the underwriting
10 piece.

11 CHAIR BOWERS: Great. Ornamenta,
12 and then Jim.

13 MEMBER NEWSOME: Can we have a
14 session between the housing providers and the
15 service providers in a more sort of structured
16 way.

17 So, you're saying you've already
18 had some instances where you have them in the
19 room together talking?

20 DIRECTOR KELLY: Just -

21 MEMBER NEWSOME: Is there any --

22 MEMBER MARSHALL: I would like to

1 respectfully disagree, but I don't want to
2 prolong the discussion.

3 I would like to ask for some
4 devoted time on the next agenda to really have
5 this conversation, because a part of it has to
6 do with the nature of services, how they are
7 delivered.

8 So, I don't know that all of the
9 relevant stakeholders were involved in the
10 conversation.

11 CHAIR BOWERS: Ornamenta, were you

12 -

13 MEMBER NEWSOME: That's fine.

14 CHAIR BOWERS: I want to make sure

15 -

16 MEMBER MARSHALL: I don't want to
17 cut her off.

18 MEMBER NEWSOME: I really just
19 wanted to delve a little because you made that
20 comment. And I just wanted to delve a little,
21 because I know out of the task force report -

22 MEMBER MARSHALL: That's what they

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1 recommended.

2 MEMBER NEWSOME: - there was a big
3 bullet point. But I know - I respect what
4 you're saying and let's have a larger
5 discussion.

6 CHAIR BOWERS: Jim.

7 MEMBER KNIGHT: I'm also happy to
8 defer the bulk of my thoughts to that
9 conversation.

10 I just want to emphasize while
11 acknowledging your point, Deputy Mayor, that
12 the person's experience is most important and
13 that it has to be cared for well.

14 In the context of making a
15 recommendation to the administration about how
16 to produce the housing that will go along with
17 the services, I may have missed the question
18 a little bit, but I was thinking the question
19 was saying as this hundred million becomes
20 available, will there be site-based service
21 dollars that come with it?

22 Because regardless of how this

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1 next conversation goes if that isn't the case,
2 then we won't be building that housing. We'll
3 be building other housing.

4 MEMBER NEWSOME: Okay. Got it.

5 CHAIR BOWERS: So, let me make sure
6 as we think of - Bob, go ahead.

7 MEMBER POHLMAN: Well, you know, we
8 might look at some test cases. I mean, this
9 is a whole new area the idea of coordinating
10 the kind of services that DHS has with the
11 housing on a project basis.

12 But Mississippi Avenue, if you
13 recall, respondent, you know, Rosie Smith
14 developed the property, right? And Community
15 of Hope provided some kind of supportive
16 services.

17 I would - maybe we should just
18 look at that model. It sounded like -

19 DEPUTY MAYOR OTERO: It's exactly
20 one of the models we -

21 MEMBER POHLMAN: Yes, it sounded
22 like - I hear you when you say, well, DHS

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1 might already be providing services.

2 I'm curious as to what the
3 Community of Hope then did for the particular
4 clientele that were housed there, you know, in
5 Mississippi Avenue.

6 And did they provide all the
7 supporting services for the 30 units or
8 whatever it was, or was it some were provided
9 by DHS separately and -

10 DEPUTY MAYOR OTERO: Right. Not to
11 prolong, but when I say "DHS," it could be a
12 DHS vendor or contractor, not just DHS proper.

13 So, when I say "DHS," to me it's
14 the broader -

15 MEMBER POHLMAN: But then they did
16 provide all of those services at that -

17 MEMBER MARSHALL: DHS paid for them
18 to provide those services at that location.

19 MEMBER POHLMAN: Yes. That was all
20 done across the board for everybody in that
21 Mississippi Avenue project, right?

22 DEPUTY MAYOR OTERO: I don't know

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1 the -

2 MEMBER POHLMAN: Well, anyway.

3 DEPUTY MAYOR OTERO: And I think
4 again to Jim's point and all, we really have
5 to look at who the clients are.

6 I don't want to have a cookie
7 cutter kind of model that if this worked for
8 this set of people, then it's going to work
9 for everybody else, because that's not the
10 case for all of our families.

11 CHAIR BOWERS: What I'd like -
12 Jackie, and then I'm going to wrap and then
13 we'll move to the next one.

14 Jackie.

15 MEMBER PRIOR: I just, you know,
16 having a model is one thing, but having the
17 money to fund it, whatever that model might
18 be, is very important.

19 So, if we can do a model but
20 there's no money for it, then we have wasted
21 our time building the model.

22 CHAIR BOWERS: What I'd like to do

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1 hearing Sue's request is if there are a couple
2 of folks - a few folks who are willing to have
3 an offline conversation to frame how we have
4 that conversation at the next meeting so that
5 we can make sure we've got it right.

6 People in the room are asking
7 people to come with information on the
8 relevant points.

9 Are there any folks who would be
10 willing to have a conversation about - we have
11 Sue, Jackie.

12 DEPUTY MAYOR OTERO: I'll pull that
13 together with anybody who -

14 CHAIR BOWERS: Ornamenta.

15 DEPUTY MAYOR OTERO: I'm happy to
16 have you all over and hash it out.

17 CHAIR BOWERS: Okay. So, we'll
18 follow up with Deputy Mayor Otero's office
19 around that with those folks. I've got Sue,
20 Jackie, Ornamenta and Jim with the deputy
21 mayor.

22 So, we'll have a conversation

1 between now and the next meeting to kind of
2 frame how we make the agenda item really
3 relevant and impactful as it relates to the
4 trust fund and how to make the best use of
5 that.

6 Thank you all very much. We're
7 going to take - just let me give folks a sense
8 of where we're going to go.

9 So, we're going to go back to the
10 meeting minutes. Going to give us about five
11 or six minutes to kind of look through this
12 and see if folks have any issues.

13 Then what we will do the remainder
14 of the meeting, the bulk of the remainder of
15 the meeting will be about the trust fund
16 status issue and the discussion of the
17 recommendations for use.

18 So, that's going to be the last
19 hour and 10 minutes or so, hour and 15 minutes
20 of the meeting will be us really delving in
21 with staff about status and funding and us
22 talking as a board about what our

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1 recommendations, if any, are about the use of
2 that.

3 So, let me actually give people
4 three or four minutes to kind of look through
5 these minutes. And then as you kind of
6 finish, you know, look up and then we'll see
7 if we've got any suggested edits.

8 (Whereupon, the proceedings went
9 off the record at 10:44 a.m. and went back on
10 the record at 10:49 a.m.)

11 CHAIR BOWERS: Okay. As it relates
12 to the minutes, does anybody have any
13 corrections, additions, deletions that they
14 would like to suggest be made?

15 (No response.)

16 CHAIR BOWERS: A couple of items I
17 want to bring up, one is materially. On Page
18 1 of 3 where it says, "pass to the Board," in
19 the section on the Deputy Mayor's piece, one
20 item I think should be included in the meeting
21 minutes, the Deputy Mayor made mention of the
22 - a question was asked about the Housing Task

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1 Force Report and what our role was vis-a-vis
2 that.

3 Deputy Mayor Hoskins when I look
4 back at my notes, suggested - made mention of
5 the fact we couldn't do it all. Suggested we
6 maybe look at two or three top items and see
7 if we could put our time to that. I'd like to
8 ask that that be reflected in the minutes.

9 Anybody have any objection to that
10 as being something in there? So, that's one
11 thing.

12 The second thing would be on Page
13 2, first paragraph, fifth line down and take
14 out those three zeros after the 100.

15 The Section 2, third paragraph on
16 Page 2, second word, a Meyer quorum. Is that

17 -

18 MEMBER PRIOR: Mier

19 CHAIR BOWERS: Yes, Mier. Okay.
20 So, just a misspelling there. We can correct
21 that spelling.

22 MEMBER BAILEY: Where was that,

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1 Chairman?

2 CHAIR BOWERS: Page 2, Section 2,
3 third paragraph, first line, second word where
4 it says "a Meyer quorum. And then it would be
5 a Mier.

6 And then finally, my last
7 suggestion on Page 3 under where the Board
8 requested the following information from the
9 District offices as follows, funds to be
10 provided by other agencies, do we need to say
11 there after that "for services" or "for demand
12 side issues"? Do people think it helps to
13 include that? Okay. If we can have that
14 added for services/demand side issues.

15 Any other corrections, deletions,
16 suggestions?

17 MEMBER BAILEY: Yes.

18 CHAIR BOWERS: Milton.

19 MEMBER BAILEY: Page 1 under the
20 interagency government staff. Ariana
21 Quinones' name is spelled incorrectly.

22 DEPUTY MAYOR OTERO: Quinones.

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1 MEMBER BAILEY: Quinones, sorry.
2 Another Puerto Rican name.

3 (Discussion off the record.)

4 MEMBER POHLMAN: You can also
5 correct mine on Page 2.

6 MEMBER BAILEY: Okay. We spelled
7 "Robert" wrong? I'm sorry.

8 MEMBER POHLMAN: No, no, no, no.

9 CHAIR BOWERS: On Page 2, what
10 paragraph?

11 MEMBER POHLMAN: The last
12 paragraph. P-O-H-L.

13 CHAIR BOWERS: Oh, yes. Thank you.

14 (Discussion off the record.)

15 CHAIR BOWERS: The Deputy Mayor
16 asked that we as it related to the Housing
17 Task Force, that the Board not look to take it
18 all on in terms of implementation, but try to
19 address - find two or three key issues that
20 were in the report, identify them and see if
21 we could take those on as something to try to
22 push forward.

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1 Anything else?

2 MEMBER BAILEY: Yes. First page,
3 task of the Board. First paragraph including
4 Deputy Mayor Beebee Otero - what's wrong with
5 me today?

6 Okay. Could you just change that
7 to B-B, capital Bs?

8 CHAIR BOWERS: Capital B, okay.
9 All right. Anything else?

10 Yes, Bob.

11 MEMBER POHLMAN: Just a question.
12 In terms of what goes in the minutes and what
13 doesn't, I wasn't at the last meeting, but,
14 you know, there was discussion about - I don't
15 know how much, but about the, you know, models
16 for underwriting. I didn't - was that laid
17 out anywhere? What goes in the minutes?

18 And, you know -

19 CHAIR BOWERS: Bob, I'm not clear
20 what you're saying. The models for
21 underwriting?

22 MEMBER POHLMAN: Wasn't that

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1 presented by Polina? Maybe I'm wrong.

2 MEMBER BAILEY: I'm sorry, say it
3 again, Bob.

4 MEMBER POHLMAN: Were there models
5 for underwriting talked about or presented?

6 DIRECTOR KELLY: There was
7 leveraging.

8 MEMBER BAILEY: Leveraging.

9 DIRECTOR KELLY: It was leveraging.

10 MEMBER BAILEY: There was varied
11 leveraging models that were presented.

12 MEMBER POHLMAN: Then I guess what
13 goes in the minutes? I guess that is my
14 question.

15 MEMBER BAILEY: Oh, I see what
16 you're saying.

17 PARTICIPANT: How do you get from
18 here to here, right?

19 MEMBER POHLMAN: Yes. Well, and
20 then you've got handouts and - but I'm just
21 asking -

22 CHAIR BOWERS: Yes, yes.

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1 DEPUTY MAYOR OTERO: It should
2 probably say, see handouts.

3 CHAIR BOWERS: Right.

4 DEPUTY MAYOR OTERO: So that you
5 don't have to write the whole thing all over
6 again.

7 CHAIR BOWERS: Right.

8 DIRECTOR KELLY: That particular
9 piece, Bob, is actually referenced on Page 3
10 there.

11 MEMBER BAILEY: All right. So,
12 what's the correction that needs to be made so
13 I'm clear in the Polina section and the Ketan
14 Gada?

15 We wanted to insert -

16 CHAIR BOWERS: Yes, it references
17 that they made that presentation.

18 MEMBER BAILEY: Yes.

19 MEMBER POHLMAN: To discuss how the
20 City will achieve its goal of 10,000 housing
21 units by the year 2020.

22 MEMBER BAILEY: Yes.

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1 CHAIR BOWERS: Right.

2 MEMBER POHLMAN: Which is a fairly
3 significant piece of information.

4 MEMBER BAILEY: All right. So, see
5 handouts.

6 DEPUTY MAYOR OTERO: Yes.

7 CHAIR BOWERS: Yes, they say, see
8 handouts and transcript.

9 MEMBER BAILEY: See handouts and
10 transcript.

11 CHAIR BOWERS: Right.

12 MEMBER BAILEY: For greater detail.

13 CHAIR BOWERS: Yes.

14 MEMBER POHLMAN: Okay.

15 CHAIR BOWERS: Thank you, Bob.

16 MEMBER NEWSOME: It's on Page 3.

17 CHAIR BOWERS: I'm sorry,
18 Ornamenta, you need to -

19 MEMBER NEWSOME: On Page 3, DHCD's
20 capacity and resources to manage the Board's
21 request. It was just DHCD's overall capacity
22 to be an effective -

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1 CHAIR BOWERS: That's right,
2 period.

3 MEMBER BAILEY: To be effective.

4 MEMBER NEWSOME: Right. Yes.

5 MEMBER BAILEY: That's right. So
6 take - after "capacity," take out "and" and
7 everything thereafter.

8 And insert after capacity, "to be
9 effective."

10 MEMBER NEWSOME: Effective, yes,
11 because it wasn't just -

12 MEMBER BAILEY: Got you.

13 MEMBER JACKSON: Just one, Mr.
14 Chairman, if I could.

15 CHAIR BOWERS: Yes. Stan Jackson.

16 MEMBER JACKSON: We had some
17 discussion about this whole notion of
18 preservation in addition to production.

19 So, we talked about preserve and I
20 think we used the number of about 8,000 units.
21 So, I didn't see that anywhere in the minutes
22 here.

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1 MEMBER BAILEY: Okay. Incorporate
2 production.

3 MEMBER JACKSON: Yes. We talked
4 about production due and the preservation of
5 existing -

6 MEMBER BAILEY: I'm having a hard
7 time.

8 CHAIR BOWERS: Actually, the one I
9 think relative to that as well, a point - I
10 think I - one of the things I started near the
11 beginning - somewhere near the beginning was
12 reading what the statute requires for the
13 trust fund in terms of income bands that we
14 have to hit.

15 So, just making note of the fact
16 that the Chairman reference what the statutory
17 requirements are for the trust fund
18 allocation. So, that should be included.

19 MEMBER NEWSOME: David.

20 CHAIR BOWERS: Yes, ma'am.
21 Ornamenta.

22 MEMBER NEWSOME: This goes to Bob's

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1 point. We don't have to do it today, but we
2 do need to sort of set some parameters for
3 what should be in minutes because this level
4 of detail and addition is not good.

5 CHAIR BOWERS: Yes.

6 MEMBER NEWSOME: So, and I think,
7 you know, it would be good for the person
8 who's taking the minutes to know these are the
9 important points that should be in the minutes
10 so that we are consistently getting the same
11 type of information.

12 So, just to take some time to hash
13 that out not today, but behind the scenes hash
14 that out so there is for each set of minutes,
15 there's some bullet points that we want to
16 make sure are actually in the minutes.

17 CHAIR BOWERS: Sure. And I think
18 to Ornamenta's point, I think we would agree
19 that certainly you need to-do items, follow-up
20 items, kind of who's present.

21 And then we'll have to, as you're
22 saying, kind of determine what rises to the

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1 level of key points, if you would, that comes
2 out of the trans - you know, makes it from the
3 transcript down to a more narrow set of
4 minutes.

5 Are there any other corrections,
6 additions, deletions?

7 (No response.)

8 CHAIR BOWERS: So, question,
9 Milton. The corrections that have been
10 suggested, if those edits can be made by staff
11 and can we provisionally approve these
12 minutes?

13 MEMBER BAILEY: Yes, you can
14 approve them with corrections noted.

15 CHAIR BOWERS: With corrections
16 noted and we'll do a final look over the final
17 version at our next meeting, but we'll
18 provisionally approve these with corrections.

19 Any objection to that?

20 MEMBER BAILEY: So moved.

21 CHAIR BOWERS: So moved. Is there
22 a second?

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1 MEMBER KNIGHT: Second.

2 CHAIR BOWERS: Been moved.
3 Properly second. Any discussion? All in
4 favor, aye.

5 GROUP RESPONSE: Aye.

6 CHAIR BOWERS: Any opposed?

7 (No response.)

8 CHAIR BOWERS: All right. Thank
9 you. Thanks for getting these done. And then
10 of course they'll be posted as well.

11 Let me pass out - Mike, if you
12 don't mind, you all can each take one. These
13 are - now, we're going to move into the bulk
14 of the meeting, the update on the trust fund
15 status and our discussion of recommendations,
16 if any, for trust fund use.

17 I just - these are questions I
18 sent - I wanted to make sure the Board saw
19 these - to Milton and Michael around for
20 today. So, some of the information you will
21 see in the packet is per these questions.

22 So, I just cut and pasted these

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1 from an email I sent to Milton so folks would
2 know. And thank you, Milton and Michael, for
3 responding.

4 So, in terms of the trust fund
5 status, Milton, Oke and Michael, we'll turn it
6 over to you all to walk through some of these.

7 Let me actually ask, if we can,
8 let me actually go through these four
9 questions specifically because I know there's
10 a lot of information. But I want to make sure
11 we get answers to these four specific
12 questions.

13 Then if there's obviously other
14 information that you think is relevant to walk
15 us through in the handouts, we can do that and
16 we'll have Q&A.

17 Again, what I want to move towards
18 today for the Board is that given this
19 information we hear today, to get to a point
20 of making a recommendation if we feel so
21 inclined as to give some recommendations to
22 the Department, to the City, as it relates to

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1 how the trust fund dollars should be allocated
2 and when.

3 So, that's what we're trying to
4 drive - because we may not have
5 recommendations. We may, but I wanted this
6 data to drive towards can we give any sort of
7 guidance to the Department.

8 So, let me start off with the
9 first question on this sheet. How much trust
10 fund funding is available from the FY2013 and
11 prior years that has not been committed or
12 obligated that is legally available to fund
13 projects in this latest FY13 NOFA?

14 MEMBER BAILEY: If I may, I think
15 that - these are great questions, but I think
16 you've got to look at them in context and in
17 the terms of buildup.

18 So, if you give us a moment, I
19 think we'll be able to rifle through all the
20 questions here and give you a better
21 perspective if you give us an opportunity to
22 do that chart.

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1 CHAIR BOWERS: Let me respectfully
2 say - let me bottom line it and then go back
3 to the perspective.

4 I want to make sure that we don't
5 - that we get - because I know it's going to
6 be a long-flowing conversation.

7 So, let me - I think there are
8 going to be bottom line numbers that are
9 answers to these questions or yes, noes or
10 whens.

11 So, I want to get to those bottom
12 lines and then step back and give plenty of
13 time for going through all the detail.

14 MR. NICHOLS: To supplement
15 Milton's point, with all due respect, it will
16 make more sense for him to give the big
17 picture first. Because I think the big
18 picture will help answer all these questions,
19 in fact. And then allow everybody to drill
20 down to more specific subsets of the questions
21 that you might have.

22 CHAIR BOWERS: Duly noted. I want

1 to get bottom line numbers first, and then
2 we'll get to the perspective and fill in all
3 the white space.

4 MEMBER BAILEY: Bottom line
5 numbers, okay.

6 CHAIR BOWERS: So, Number 1 was,
7 how much trust fund funding is available from
8 FY13 and prior years that has not been
9 committed or obligated that is legally
10 available to fund projects in the latest FY13
11 NOFA? What is that number?

12 Yes, sir, Oke.

13 MR. ANYAEGBUNAM: At the beginning
14 of FY13 there was about 36 million. Because
15 if you take the difference between what is
16 available and - if you take the difference.

17 CHAIR BOWERS: Okay.

18 MR. ANYAEGBUNAM: Which is in the
19 reserve.

20 CHAIR BOWERS: Okay. So, 36
21 million. Okay.

22 So, the second question - and,

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1 again, we'll spend plenty of time going into
2 detail, going through handouts and getting the
3 perspective, but I wanted to just kind of
4 start to flag numbers.

5 So, Number 2, how much of the 86.9
6 million that the mayor allocated and council
7 approved for the Housing Production Trust Fund
8 is legally available to be spent on projects
9 in the latest FY2013 NOFA?

10 And I'm only reading this so they
11 go into the minutes.

12 MEMBER BAILEY: Right. The answer
13 to that question is none.

14 CHAIR BOWERS: Okay. So, the
15 answer there is zero.

16 And then for the remaining balance
17 of the 86.9 million, which apparently is the
18 entire amount, that is not legally available
19 to be spent on FY13 NOFA projects, when will
20 it legally be available to be spent?

21 MEMBER BAILEY: A portion will be
22 legally available October 1st.

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1 CHAIR BOWERS: Okay.

2 MEMBER BAILEY: And another
3 portion, the second portion would be available
4 October 1st, 2014. Correct, Oke?

5 CHAIR BOWERS: And so, October 1,
6 2013, how much would be available then, and
7 how much would be available October 1, 2014?

8 MEMBER BAILEY: Roughly 66 million
9 would be available - 66.9 million would be
10 available October 1, 2013.

11 CHAIR BOWERS: Okay.

12 MEMBER BAILEY: And 19 million nine
13 would be available October 1, 2014.

14 CHAIR BOWERS: Okay. Great. Thank
15 you.

16 MEMBER NEWSOME: So, the October
17 1st, 2013 number is FY14.

18 MEMBER BAILEY: That's correct.

19 CHAIR BOWERS: Okay. All right.

20 And Number 3, what is the latest
21 projection - we know it's just a projection -
22 on how much Housing Production Trust Fund

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1 money will be available in FY14 from deed and
2 recordation taxes, and how much, if any, could
3 be spent on the FY13 NOFA project?

4 MEMBER BAILEY: Okie-dokie. FY14
5 potential - what we're projecting as an
6 approximate 2014 transfer and recordation tax
7 infusion is roughly 46.6.

8 CHAIR BOWERS: Okay.

9 MEMBER BAILEY: Gross.

10 CHAIR BOWERS: And we'll come back
11 to the word "gross," but how much, if any,
12 could be spent on FY13 NOFA projects?

13 MEMBER BAILEY: Assuming that
14 that's also released October 1st, 2013, that
15 along with whatever residual was in the
16 account.

17 CHAIR BOWERS: And so, to make sure
18 I'm clear, because I want to make sure my
19 language isn't confusing, so the current -
20 we're now in fiscal year 13. And so, the NOFA
21 that went out earlier this year.

22 So, any of that 46.6 that's

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1 projected to come in for fiscal year 14, would
2 any of it be available for this current year's
3 fiscal year NOFA-respondent projects?

4 MR. ANYAEGBUNAM: It should,
5 because most of them was being funded from
6 FY14.

7 CHAIR BOWERS: Okay. And so, one
8 more time. So, of that 46.6 if it comes in
9 projected number, how much legally could the
10 Department use of that amount for fiscal year
11 13 projects?

12 All of it? None of it? Some of
13 it?

14 MEMBER BAILEY: Some of it.

15 MR. ANYAEGBUNAM: Some of it.

16 MEMBER BAILEY: A great deal of it.
17 But you've got to understand that we're
18 talking about gross numbers and not net
19 numbers.

20 Out of a gross number of 46.6 or
21 thereabouts, you would have to deduct 10
22 percent admin fees, roughly 9.2 million

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1 dollars in debt service on the new community
2 bonds. And in the aggregate, another five
3 percent for other stuff.

4 CHAIR BOWERS: I think so roughly
5 about 30 million might be available rough math
6 just given those numbers.

7 MEMBER BAILEY: Yes. So, 46 minus
8 16.2 -

9 CHAIR BOWERS: Right.

10 MEMBER BAILEY: - gives you about
11 30 million.

12 CHAIR BOWERS: So, roughly 30
13 million could be available legally for the -
14 okay.

15 All right. And then the final
16 question. How many projects were selected for
17 the earmark stage from the FY13 NOFA?

18 And I think, Michael, I heard you
19 say earlier 23; is that correct? Did I hear
20 that earlier?

21 DIRECTOR KELLY: That was the -
22 those are the projects that met threshold.

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1 CHAIR BOWERS: Threshold, right.
2 And we should be clear for the record, because
3 "earmarked" has a certain connotation in the
4 world, but, Michael, do you or Oke want to
5 actually say what the earmark stage means at
6 DHCD? Because it's actually a specific term
7 of reference at DHCD for the trust fund
8 dollars.

9 DIRECTOR KELLY: It's after
10 conditional approval. After the - like, so
11 this is an underwriting. We've got come one,
12 come all, respond. Then there's a period of
13 review which we're currently in.

14 Then there's these conditional
15 Notices of Award. That's the earmark stage.

16 MEMBER BAILEY: Right.

17 DIRECTOR KELLY: So, at that point
18 we're now fleshing out. And, again, it's a
19 term of art that I would start to change.

20 CHAIR BOWERS: Yes. Thank you,
21 Michael. I wanted to make sure for the
22 record, for the minutes and anyone who may

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1 pick up the - and, again, if you ever pick up
2 one of the Housing Production Trust Fund
3 Reports, the four funding stages are actually
4 defined in the report.

5 And the earmark stage is a
6 specific stage as the record has referenced.
7 So, it does not have the same kind of meaning
8 as is generally thought of, I think, in
9 public.

10 So, 23 made the threshold stage.
11 And then we're going to actually spend time
12 walking through the whole - the document in
13 terms of the update.

14 All right. Those are the numbers.
15 Anybody have any questions on - any kind of
16 clarity questions on the specifics that have
17 been answered? Otherwise, we're going to turn
18 it over to the government team to kind of walk
19 us through all the context.

20 But anybody have any questions on
21 clarity on what we just got through, the
22 bottom line numbers?

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1 Director.

2 DIRECTOR KELLY: Mr. Chair, just to
3 say besides the development and financing and
4 that's the bulk of the respondent NOFA, we
5 also have support of lead poisoning abatement,
6 as well as TOPA work and other stuff, as
7 Milton calls it.

8 These are all also very competing
9 priorities. I just want to make sure that
10 those other kind of categories are given due
11 diligence.

12 CHAIR BOWERS: Right.

13 MEMBER POHLMAN: In that regard,
14 David, it would be good to spell out how much
15 is going to lead-based and how much is going
16 to single family rehab, because this year in
17 the budget for the '14 budget and maybe for
18 the '13, I don't recall, but I know in the '14
19 budget a chunk of trust fund dollars are shown
20 as going to lead-based Washington and single
21 family rehab, which are eligible costs, but
22 they're not going to be used for production.

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1 You see what I'm saying?

2 CHAIR BOWERS: Yes.

3 MEMBER POHLMAN: And so, David, in
4 terms of your trying to get at what's really
5 available for production in addition to admin,
6 there are those two programmatic amounts,
7 unless I'm wrong.

8 I mean, that's what I saw in the
9 budget.

10 DIRECTOR KELLY: And, again, TOPA
11 is one where we don't establish -

12 MEMBER POHLMAN: And TOPA is not
13 there at all.

14 DIRECTOR KELLY: Right. But it's
15 not on a kind of cyclical NOFA kind of phase
16 that we do that kind of underwriting as they
17 come in.

18 CHAIR BOWERS: And, Michael, would
19 those numbers like the lead abatement, TOPA,
20 single family rehab by reference, would those
21 be in that category of the five percent for
22 other stuff, or would they be in addition to?

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1 DIRECTOR KELLY: No, these are
2 categories.

3 CHAIR BOWERS: Okay. All right,
4 got you.

5 DIRECTOR KELLY: And the other
6 thing, too, is just basic research, right? I
7 mean, as a business, you want to make sure as
8 things proceed that there's enough money to
9 cover contingencies.

10 CHAIR BOWERS: Got you. Okay.
11 Ornamenta.

12 MEMBER NEWSOME: I just wanted to
13 make a distinction as to why zero of the 86
14 million FY14 that the mayor committed will not
15 be available.

16 MEMBER BAILEY: If I said that, I
17 misspoke and I apologize. I did not mean -
18 and, in fact, Andrew brought it to my
19 attention.

20 It can be used once it comes in
21 for the NOFA projects, to be clear.

22 CHAIR BOWERS: Okay. And it comes

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1 in on October 1.

2 MEMBER BAILEY: And it comes in on

3 -

4 CHAIR BOWERS: Okay. So -

5 MEMBER BAILEY: But the question
6 was, is there anything that can be used out of
7 that mayor's budget legally now.

8 Today is not October 1, but
9 October 1 you can.

10 CHAIR BOWERS: Sure. And just so
11 we're clear, how much of the 86.9 million that
12 the mayor allocated and council approved for
13 the Housing Production Trust Fund is legally
14 available to be spent on projects in the
15 latest FY13 NOFA?

16 Are we hearing correctly then that
17 as of October 1, 2013, legally 66.9 million of
18 that funding would be available?

19 MEMBER BAILEY: That's correct.

20 CHAIR BOWERS: Okay.

21 MEMBER BAILEY: I understood your
22 question in the present time, which is why I

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1 said "none."

2 CHAIR BOWERS: That's fine. That's
3 why we're here.

4 MEMBER BAILEY: The projected time
5 in a few days, in another 15 days or whatever
6 the math is, then yes.

7 CHAIR BOWERS: Got it. All right.
8 So, are we all clear then? Okay. All right.
9 Thank you all, staff, for indulging.

10 So, now let's step back and,
11 Milton or Oke, Michael, others who may desire,
12 kind of can walk us through.

13 There are a number of handouts.
14 You all can kind of fill in the white space,
15 so to speak, with some more of the detailed
16 context.

17 (Discussion off the record.)

18 CHAIR BOWERS: And these slides are
19 also handouts in the packet; is that right?

20 MR. ANYAEGBUNAM: Yes.

21 CHAIR BOWERS: Okay. So, if the
22 Board members can get that out? Oke, thank

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1 you.

2 MR. ANYAEGBUNAM: These are
3 provided into two parts here. The first part
4 is - starts with the fund balance and the
5 amount in the fund as we know it.

6 If you'll look at the first figure
7 there which is 73.4 million, it is the balance
8 from CAFR, which is the Comprehensive Annual
9 Financial Report of the City. That is the
10 balance as of September 2012.

11 The balance doesn't include some
12 projects that we are not - that were not
13 obligated.

14 So, even though we are 73.4
15 million, we had to make adjustments for
16 projects that were obligated during the 2012
17 fiscal year. So, what really have available
18 in the fund is about 58.5 million.

19 And then we are projecting from
20 the estimates from CFO that there will be 44.9
21 million in revenues for the year.

22 And then another projected

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1 interest income for FY2013 of 1.3 million
2 bringing the total in the fund, in HPTF fund
3 to 104.7 million.

4 But we had - the authority we had
5 for 2013 to spend from HPTF was 68.6 million.
6 So, we have 36.1 million technically - we
7 should have 36 - I also want to make a
8 statement concerning the projected revenue.
9 It's an estimate as of now.

10 The actual revenue we have so far
11 as of 6/30/2013 is about 35 million. So, by
12 the end of September it's possible we get to
13 the full amount if not this number will be
14 adjusted.

15 So, what is left in the fund now
16 is 36.1 million.

17 MEMBER NEWSOME: And that's what's
18 for this year's NOFA?

19 MR. ANYAEGBUNAM: No, no, no. This
20 is just in the fund.

21 MEMBER NEWSOME: In the fund.

22 MR. ANYAEGBUNAM: Probably we'll

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1 use it as a reserve balance or I'm not sure.

2 Okay. Then we have the second
3 part of it. We have the projected - I mean
4 expenditures which is at 10 percent. And
5 admin expenditures, the maximum we use is 10
6 percent of a current period revenue.

7 So, we estimate at about 44.9 and
8 plus 1.3 million. That gives you 4.6 million.
9 And the debt service for new community bonds
10 is estimated at 9.2 million for 2013.

11 MEMBER NEWSOME: I'm sorry. Do you
12 know right off the top of your head is that
13 for all five new communities, or for certain
14 new communities?

15 MR. ANYAEGBUNAM: It's for all five
16 - well, all the ones that have been - the ones
17 that have been -

18 CHAIR BOWERS: I just want to make
19 sure we got it for the record. The question
20 was - say it again?

21 MEMBER NEWSOME: I think there are
22 five new communities. I was wondering if this

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1 was debt service where money has been used for
2 all five new communities, or were there
3 certain designated new communities that had
4 gotten -

5 MEMBER BAILEY: No, it would be
6 money that would be available for all five.
7 The money that is used - oh, for all four.

8 The money that is used, however,
9 is only - may not necessarily come from all
10 four.

11 MEMBER NEWSOME: Okay.

12 MR. ANYAEGBUNAM: And then we have
13 the obligated projects, because we have
14 remaining that came from 2012.

15 So, this is like an encumbrance or
16 we can't use those monies. So, we had to take
17 it out.

18 And then, also, the ones we
19 obligated this year that have not been
20 expended, about 17.9 million. And then we
21 have other project and related expenditures
22 which includes what the director talked about,

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1 some of these lead issues and single family
2 and it's about 6.2 million. So, leaving
3 available funds of about 21.6.

4 But remember this is as of 6/30
5 and we have some projects that have to close
6 by September 30, which is end of the fiscal
7 year.

8 They include about three TOPA
9 projects. And one of the projects is the 925
10 Georgia Avenue is already closed. But at the
11 time of this report, it wasn't closed.

12 So, we expect to obligate another
13 21 million before September 30th.

14 And if you add the - if you add
15 back the reserve balance, you will have in the
16 fund 36,186.

17 CHAIR BOWERS: Oke, can you go back
18 to that last slide real quick, please?

19 MR. ANYAEGBUNAM: Yes.

20 CHAIR BOWERS: Okay. Thank you.

21 MEMBER BAILEY: Step right up, my
22 friend.

1 CHAIR BOWERS: Just share your name
2 for the record.

3 MR. DICKERSIN-PROKOPP: Chris
4 Dickersin-Prokopp with DHCD and she sent out
5 an email I picked up on some of the work that
6 she was doing.

7 CHAIR BOWERS: Great. Welcome.

8 MR. DICKERSIN-PROKOPP: Thank you.
9 We don't expect you to be able to read this on
10 the screen, but in the packet it should be the
11 second to the last page on the right side.

12 There is an 11 by 17 spreadsheet -
13 sorry. Is there anyone in the audience who
14 doesn't have it?

15 There's two sections. The top
16 section are projects that were in the DHCD's
17 pipeline before the 2013 NOFA, the current
18 recently closed NOFA. And there are also a
19 few projects that have come in since then
20 through the TOPA process.

21 There's 26 projects total. And
22 I'll just run through the columns. You have

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1 a column whether it was a TOPA acquisition,
2 what the total developing cost is, the
3 proposed funding source, is subsidy requested.

4 Since these haven't come to
5 closing yet, that's just a request. It's not
6 a firm award amount.

7 The subsidy per unit, what DHCD's
8 participation is as a percentage, and then the
9 breakdown of number of units at each MI level.

10 The section below that are the 23
11 projects that came in on the most recent NOFA
12 and met the initial threshold requirements.

13 So, I think it was mentioned 32
14 came in. 23 made that first threshold, and
15 these are them. Same columns.

16 And then at the bottom, the very
17 last row shows the sum of those two sections.
18 There are 49 projects in the pipeline
19 currently. I'll just read through the totals.

20 Total development cost 712
21 million. A subsidy request of 220 million.
22 And, again, the note that that's just a

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1 request.

2 And remember that that's for all
3 funding sources including low-income housing
4 tax credits, the tax credit amount estimated
5 by multiplying by 10. Or if you already know
6 the equity amount that it would bring in, then
7 we use the exact amount as a subsidy.

8 So, right next to that column you
9 have the amount that's specifically requested
10 of the trust fund.

11 So, 220 million requested total.
12 148 of it is on the trust fund. Again,
13 subsidy per unit. DHC participation is about
14 30.9 percent and the unit breakdown.

15 CHAIR BOWERS: Great. Before we go
16 on, anybody have questions - actually, you
17 know what? Let me let you all go through
18 everything and we'll save questions until the
19 staff has had a chance to go through
20 everything.

21 MEMBER BAILEY: Sure.

22 CHAIR BOWERS: Yes. All right.

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1 MEMBER BAILEY: Go ahead, Chris.

2 MR. DICKERSIN-PROKOPP: So, when
3 you compare that to the numbers Oke gave, what
4 is left in the budget as of 6/30/2013, and
5 remember this is excluding 36 million that was
6 unbudgeted that we're calling a reserve that's
7 still in the trust fund, but it wasn't
8 budgeted.

9 There was 21 million budgeted. In
10 FY14 there will be an additional 60 million of
11 budget authority.

12 Of that 60 million there will be
13 some amount, 24 million, set aside for future
14 projects on next year's NOFA, which add that
15 all up and it's about 57 million available for
16 the projects on this list. The ones currently
17 in the pipeline that haven't closed yet, plus
18 the ones that came in on the NOFA.

19 There are those numbers again. 49
20 million request of the trust fund from the
21 current pipeline, plus TOPA projects, plus the
22 99 million in the bottom section, which is the

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1 request made to the trust fund. Adds up to
2 148 million.

3 Remember, again, that's exclusive
4 of all other subsidies. So, that removes 220
5 million subtracted out. 148 drawing on the
6 trust fund.

7 So, if all those projects were to
8 get funded at the amounts requested, we'd be
9 over subscribed by 91 million.

10 MEMBER BAILEY: The thing to
11 remember is that because some of these
12 projects are going through those projects that
13 have already come in prior to the NOFA and
14 those projects that have come in pursuant to
15 the NOFA as they go through underwriting,
16 there might be some fallout.

17 Any fallout would be - any fallout
18 dollars would be collected and then pumped
19 back and that over subscription amount would
20 be reduced.

21 MR. DICKERSIN-PROKOPP: And keep in
22 mind that this doesn't include the 36 million

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1 unbudgeted reserve balance or the 86.9
2 million.

3 CHAIR BOWERS: Just a question of
4 clarity. The 36 that's being called the
5 reserve balance, what is the Department able
6 to do with that money and when?

7 Is that kind of at the discretion
8 of, if you would, or -

9 MEMBER BAILEY: In order for that
10 money to be released, we'd have to go to city
11 council and ask for it specifically.

12 CHAIR BOWERS: Bob.

13 MEMBER POHLMAN: Yes, just a
14 comment. And I know Oke is aware of this.
15 The carryover from the - the way that the
16 budget works with the trust fund, first of
17 all, needs to be changed.

18 I mean, I've talked to the CFO's
19 office about that. It ought to be treated
20 like a capital fund. Budget one time and
21 you're done. And - because that's what it is,
22 a capital fund.

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1 The way the process works - a few
2 years ago they changed it. So, you have to
3 rebudget everything that is only spent every
4 year and it's a total estimate.

5 So, in effect, we underbudgeted
6 for '13 by 36 million based on a guess that
7 was made a year in advance.

8 MEMBER BAILEY: Right.

9 MEMBER POHLMAN: And I just - at
10 any rate, that whole thing in terms of our
11 role in the trust fund I think needs to be
12 looked at, because the Department ought to
13 have the flexibility to use all the money they
14 have in the trust fund.

15 But because of that mechanism, you
16 get stuck and it, you know, and you have a
17 budget - there would have to be a budget
18 amendment.

19 MEMBER BAILEY: Right.

20 MEMBER NEWSOME: That's a
21 legislative action.

22 MEMBER BAILEY: It would be a

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1 legislative amendment and then a request to
2 city council to draw down.

3 But, I mean, as a former CFO, he
4 knows -

5 CHAIR BOWERS: So, is that - let me
6 ask a question. If that's a necessary - you
7 said a change was made.

8 Is that something that is kind of
9 in the mix? Are people pushing the council to
10 make that kind of change to give the
11 Department that kind of -

12 MEMBER POHLMAN: Well, first of
13 all, let's keep in mind that this is '13 that
14 you're talking about where this didn't get
15 budgeted.

16 I don't know what - the '14, you
17 said 60 is budgeted; is that -

18 MR. ANYAEGBUNAM: That means, then,
19 that's more than what is anticipated from the
20 recordation taxes.

21 So, we probably get some money
22 from that.

1 MEMBER BAILEY: So, the idea would
2 be from this body to recommend that the - to
3 the mayor on his legislative package to make
4 those amendments when he takes it to the city.

5 CHAIR BOWERS: Right.

6 MEMBER NEWSOME: So, is that
7 something that needs to be done now?

8 MEMBER BAILEY: I would believe
9 that that should be done now.

10 CHAIR BOWERS: And does anybody -

11 MEMBER BAILEY: And that will come
12 - when I get up there to give you the last
13 couple of slides, you'll see why.

14 CHAIR BOWERS: Okay. So, we'll
15 come to that. Any other questions or - okay.
16 Chris, anything else?

17 MR. DICKERSIN-PROKOPP: Yes. Just
18 what Polina presented last time about the
19 project we're working on is compiling the
20 databases from all the different agencies that
21 create affordable housing units on the capital
22 side.

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1 It's still a work in progress.
2 But as it gets further refined, the numbers
3 that I'm about to present will be more exact.

4 CHAIR BOWERS: Chris, is that a
5 trash can there?

6 (Laughter.)

7 (Discussion off the record.)

8 MR. DICKERSIN-PROKOPP: I know this
9 is something you specifically requested last
10 time when we presented an average subsidy per
11 unit. You wanted to see it broken down by
12 targeted income level.

13 Just a reminder that this is -
14 when you look at Housing Financing Agency's
15 subsidy, we didn't include bonds. We didn't
16 include tax credit equity as a subsidy. Don't
17 pay loans or grants, LITHC equity at four
18 percent or nine percent. DHCD's grants are
19 NSP. Housing Production Trust Fund we
20 consider the Housing Authority's money capital
21 or O6.

22 MEMBER PASCAL: Is there a way to,

1 like, abstract out LITHC equity? Because
2 that's a private sector.

3 So you allocated - I don't want
4 the Washington Post to do a story that we're
5 doing 220,000 dollar subsidies for units when,
6 in fact, that's not the case.

7 CHAIR BOWERS: Right. And is there
8 a way to break out the tax credit, housing tax
9 credit equity?

10 MR. DICKERSIN-PROKOPP: Yes, and it
11 is broken down in the database so we can
12 easily do a report that would show the
13 breakdown.

14 MEMBER POHLMAN: So, a question is,
15 are you showing the equity amount, or are you
16 showing the allocation for the tax credit?

17 MR. DICKERSIN-PROKOPP: The equity
18 amount.

19 MEMBER POHLMAN: You're showing the
20 equity amount.

21 MR. DICKERSIN-PROKOPP: Yes.

22 MEMBER POHLMAN: Which is a private

1 investment.

2 MR. DICKERSIN-PROKOPP: It's a
3 private, but we consider since it's leveraged
4 by - we said we're getting a tax credit. How
5 much is it worth?

6 MEMBER POHLMAN: Right.

7 MR. DICKERSIN-PROKOPP: It's worth
8 the amount of equity they can bring in.

9 MEMBER BAILEY: I think that to the
10 point, I think that you've really got to look
11 at what the City's contribution is.

12 MR. DICKERSIN-PROKOPP: Right.

13 MEMBER BAILEY: So, if the annual -
14 if the City's annual tax - nine percent tax
15 rate allocation is three million dollars and
16 you put a million bucks in the deal, then that
17 million bucks should be what is presented, not
18 the -

19 MR. DICKERSIN-PROKOPP: Right.

20 MEMBER NEWSOME: The nine million
21 that -

22 MEMBER BAILEY: Not, the cumulative

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1 values.

2 CHAIR BOWERS: It would be helpful
3 if we can at the next meeting to have a sheet
4 that shows that change reflected on it.

5 MEMBER BAILEY: And the disconnect
6 between four percent, it's really mortgage
7 revenue lines. And mortgage revenue lines
8 should not be included in the calculation.

9 CHAIR BOWERS: One other quick
10 question on clarity and we're going to keep
11 trying to move, the land right now, what is
12 that number based on?

13 So, in other words, the City said
14 we'll give it to you for a dollar. In terms
15 of what's calculated as the subsidy, is that
16 based on what the appraised value is, what
17 comps are?

18 What's the land value breakdown?

19 MR. DICKERSIN-PROKOPP: The
20 appraised value. This will be when an
21 appraisal is done. Otherwise, assessment will
22 be done.

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1 CHAIR BOWERS: Okay.

2 MR. DICKERSIN-PROKOPP: So, yes,
3 we'll definitely break it out next time at the
4 meeting.

5 I know one thought going into this
6 was that it's included because when we give a
7 tax credit that brings, let's say, 10 million
8 dollars in private equity, that's an
9 allocation that we can make to that project,
10 or we can give it to any other projects.

11 MEMBER BAILEY: This is the
12 gentleman that joined us from Indy. And by
13 the way that's Ketan Gada from the Deputy
14 Mayor's Office.

15 MR. GADA: So, one of the reasons
16 why I think it is included is it captures four
17 percent.

18 So, DHCD was doing a lot of nine
19 percent to see that. Which is coming directly
20 from DHCD funds.

21 But even if you took out the LIHTC
22 from the equation, it's not going to go down

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1 significantly.

2 (Speaking over each other.)

3 CHAIR BOWERS: Chris, did you say
4 the land allotment was based on appraised
5 value, or a set value?

6 MR. DICKERSIN-PROKOPP: If there
7 was an appraisal done, then appraised value.
8 Otherwise, we take the assessed value and do
9 an estimate.

10 CHAIR BOWERS: Okay. Okay, thank
11 you.

12 Ornamenta.

13 MEMBER NEWSOME: Yes, I mean, I can
14 understand the sort of rationale that, Dave,
15 you were talking about, but some of us are
16 working hard on the business of leverage and
17 the private sector coming to the table.

18 So we have not acknowledged that's
19 a problem, because the number is bloated up.

20 So, it's about - it's about
21 calculations. But at the same time, it's
22 about making clear to the public that the

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1 private sector is participating and
2 acknowledging that and putting a dollar amount
3 to it.

4 MR. ANYAEGBUNAM: Just one other
5 thing. That's correct. We didn't do private
6 sector, but this is government. Because
7 government gives up its taxes to give those
8 credits to investors.

9 So, it is actually a tax that is
10 not - that does not go to the government
11 because of the tax credit.

12 MEMBER NEWSOME: Right.

13 (Speaking over each other.)

14 MEMBER NEWSOME: I'm acknowledging
15 the role of government, but, you know, some of
16 us are working hard -

17 Some of us are working hard to get
18 the private sector to be at the table more,
19 and when you don't acknowledge it is where we
20 have a problem.

21 So, I'm not creating a competition
22 and I acknowledge what you were saying.

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1 MR. DICKERSIN-PROKOPP: We'll
2 differentiate between what's a direct outlay
3 from the government budget versus what's -

4 MEMBER NEWSOME: I think there
5 should be a with and a without.

6 MEMBER PASCAL: Yes, I think that's
7 the way to do it.

8 MEMBER NEWSOME: You do a with and
9 a without. That's all, you know. You do an
10 overlay. I mean, it's pretty simple.

11 (Speaking over each other.)

12 MEMBER NEWSOME: Thank you.

13 MEMBER BAILEY: And then with this,
14 part of that overlay is this is how the
15 private sector has participated. So, we'll
16 see if we can get that together for the next
17 meeting.

18 Go ahead, Chris.

19 MR. DICKERSIN-PROKOPP: So, this is
20 based on - I think there are about 160
21 projects in the pipeline total. Not all of
22 them have the full data. But those that did

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1 have enough data, we plotted them and found
2 the averages.

3 So, these are imperfect numbers,
4 definitely, but this is what we got. And I
5 think you see the tax credits playing out at
6 the 60 percent AMI units because they are
7 getting a bigger subsidy.

8 MEMBER POHLMAN: Again, this is
9 more, I guess, for public consumption than it
10 is for us.

11 I think we all know what subsidy
12 means, but almost all of this is loans - well,
13 the equity isn't, but that's private. But,
14 for instance, most all the money that comes
15 out of the trust fund is a loan, right?

16 So, just in terms of talking about
17 subsidy, you know, there should be - if we put
18 out public things, we should - we should
19 define what, quote/unquote, subsidy means
20 because the average person on the street would
21 think that that was a grant.

22 MEMBER BAILEY: No, and I think

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1 that to further your point, I think that
2 because they are majority loans, then whatever
3 debt service or whatever is paid back to the
4 city on those loans should reduce the subsidy
5 amount.

6 So, you may take a loan for a
7 hundred thousand dollars today, and you've got
8 a 20-year payback schedule in which you may be
9 paying back 200,000 dollars.

10 So, how is that accounted for in
11 the overall subsidy layout?

12 CHAIR BOWERS: David.

13 MEMBER ROODBERG: I think at some
14 point it would be useful to have this broken
15 out by ward. Because as we're looking at
16 advising, you can get, you know, as you're
17 looking at a certain number of units, we know
18 there's a bigger subsidy when you go deeper.

19 There's also different subsidy
20 amounts based on bordering cost of land and
21 where you develop it. And you have tradeoffs
22 of, you know, do we want bigger subsidies here

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1 or, you know, how that's traded off.

2 MEMBER BAILEY: We actually
3 discussed that.

4 CHAIR BOWERS: Yes.

5 MEMBER BAILEY: That is a good
6 point.

7 MR. DICKERSIN-PROKOPP: The other
8 idea we have to control for geography was to
9 of the total development costs, subtract out
10 acquisition costs.

11 So, you'd just be looking at
12 cost, developer fee and those should be equal
13 and compare the subsidies that way.

14 But, again, to do it by ward,
15 there is a lot more work. You have to split up
16 by preservation. There's production unit
17 sizes. And once the database is all
18 populated, we'll get the report, if you want.

19 CHAIR BOWERS: Great. Let's take
20 about three, four minutes to go through the
21 slides. And then I want to make sure we have
22 time before noon break to have some bylaws -

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1 MEMBER BAILEY: I think we've got
2 maybe one or two more.

3 MR. DICKERSIN-PROKOPP: So, if
4 using those numbers which are draft, of
5 course, using the trust fund regulations that
6 40 percent of the units produce 30 percent AMI
7 level, 20 percent at 80. If you weighed the
8 average capital up front costs, and I call it
9 subsidy, that totals 250,000 per unit for an
10 average trust fund unit.

11 And just to see what that would
12 produce looking at some of the numbers, we've
13 got 86.9 for the mayor's housing initiative.
14 And then projected revenues from each - these
15 aren't the budgeted amounts for those fiscal
16 years, but it's the revenue, which won't
17 necessarily be - the budget could be more or
18 less than that.

19 So, as this number changes - these
20 numbers will change, but that's where we're
21 at.

22 CHAIR BOWERS: Can we get that

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1 slide, a hard copy of that slide?

2 (Discussion off the record.)

3 MR. DICKERSIN-PROKOPP: I'll make
4 copies.

5 CHAIR BOWERS: Okay.

6 MEMBER BAILEY: Just a recap. So,
7 based upon the slides that have been
8 presented, we have a total over subscription
9 of 91 million.

10 The question was asked earlier how
11 does the mayor's money play into this and how
12 does it offset.

13 The mayor's 2013 commitment which
14 hits October 1st is 66 million nine. It
15 reduces that 91 million dollars to an over
16 subscription of 24 million.

17 If you plug in the unbudgeted
18 trust funds that are available, the 36 million
19 dollars that we had talked - spoke about
20 earlier, that reduces or adds a positive
21 balance, starting balance coming into 2014 or
22 11 million dollars.

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1 If you include the mayor's second
2 part of his commitment, which is 19.9 million,
3 you have a potential, and I use the word
4 "potential" for a reason, because we still
5 have to go to city council - the mayor still
6 has to go to city council to get that money
7 released, you're starting the year off with
8 31.6 million.

9 If we look at what the projected
10 2014 transfer and recordation tax is, it's
11 about 46 million dollars for 78 million
12 dollars to fund future NOFAs and future trust
13 fund deals.

14 If you take away the typical ten
15 percent - was that me? Okay. If you take
16 away the ten percent out of that 46 million,
17 you take away the 9.2 million for debt service
18 to new communities and five percent for
19 possible carryover/spillover, you're talking
20 about reducing the 78 million dollars by
21 roughly 16 million leaving a potential 2014
22 HPTF budget of 62 million dollars.

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1 Given this flow of funds and
2 future funding opportunities, we're awaiting
3 advice from the counsel, but we're leaning
4 towards funding projects that have already
5 gone through the RFP process.

6 So, that would be not only the
7 ones that are left over, but those are also
8 the ones that have come in that are going
9 through the underwriting stage that are part
10 of the 2013 NOFA.

11 MR. NICHOLS: Awaiting advice of
12 legal counsel.

13 MEMBER BAILEY: Legal counsel.

14 MR. NICHOLS; And that's also
15 subject to further underwriting whether they
16 are good projects.

17 MEMBER BAILEY: They're all subject
18 to further underwriting. But I think that the
19 message is, the fund message is if we can use
20 the money, let's go ahead and use. Because we
21 got all the money coming in to support not
22 only the mayor's investment, but coming in as

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1 it relates to future years.

2 And those future years are going
3 to be hitting in 2014 with the 2014 budget.

4 CHAIR BOWERS: Great. Thank you.
5 Many thanks to all the staff, Milton and
6 others, Chris, for that.

7 And also, Chris, my apologies. It
8 is in the packet. This packet that says
9 Status of Housing Production Trust Fund, those
10 slides are all in this packet. My apologies.

11 (Discussion off the record.)

12 (Simultaneous speaking.)

13 CHAIR BOWERS: Let's make sure that
14 doesn't make the minutes.

15 (Laughter.)

16 CHAIR BOWERS: Let's have a
17 conversation. We've got about 15 minutes.
18 One thing I wanted us to look - thank you all
19 very much for that info. It's very helpful.

20 MEMBER NEWSOME: Now, are we
21 supposed to go back to what we can say to the
22 mayor about the budget and the last bullet

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1 point there about -

2 CHAIR BOWERS: About what Bob was
3 saying.

4 MEMBER NEWSOME: Yes.

5 CHAIR BOWERS: Yes, yes.

6 MEMBER BAILEY: Yes.

7 CHAIR BOWERS: Yes, we are going to
8 capture that. So, there are a couple of
9 recommendations that we could potentially make
10 out of this meeting or a subsequent meeting.

11 One is the issue Bob flagged. And
12 the second one is on how to spend - how and
13 when to spend the money.

14 Now, what I heard Milton just say
15 was that the City - the City apparently is
16 leaning towards moving the money as quickly as
17 possible for projects that, you know, make the
18 cut, so to speak.

19 So, that - we've heard that. And
20 so, one of the things I think we certainly -
21 the other thing I wanted us to look at, if we
22 look at this - so, there are two issues of

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1 recommendations around.

2 So, first I want us to go to the
3 spreadsheet piece in terms of the money, when
4 to spend it, how to spend it.

5 And, again, we've heard - it's
6 helpful to hear what Milton just gave us in
7 terms of where the City is thinking, but I
8 think it would be good for us to opine on that
9 if we feel so compelled that, one, the City
10 has more requests for money than money
11 available.

12 So, there's a need for the money,
13 right? Even in terms of ones that have made
14 at least the initial threshold cut.

15 Again, as Milton said, and duly
16 noted, all of them may not make it to final
17 approval, but at least right now those that
18 have either made the earmark stage or all the
19 way through approved and committed stage,
20 there's enough demand.

21 The second issue, and I appreciate
22 the fact that Chris flagged it again in his -

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1 and the City in their presentation, the
2 requirements for the trust fund are that 40
3 percent of the dollars in a year be targeted
4 for projects that serve residents making under
5 30 percent of AMI, and that 40 percent target
6 households that are making 30 to 50 percent of
7 AMI.

8 So, if we look at this spreadsheet
9 as I'm reading it, it looks as though 22.9
10 percent of the requests are serving that below
11 30 percent band. And 17 percent are serving
12 the 50 percent band. So, that's under what
13 the requirements are by law.

14 Bob.

15 MEMBER POHLMAN: Are you basing
16 that on number of units, or dollars, the
17 percentages? Because the requirement is
18 dollars, not units.

19 MR. ANYAEGBUNAM: But also this is
20 the total funding sources. This is not the
21 amount, it's not just HPTF. This is whole
22 application.

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1 MEMBER POHLMAN: Well, in these
2 numbers down at the bottom; 22.9, 17.1, isn't
3 that a percentage of the units?

4 MEMBER BAILEY: Bob, we -
5 (Simultaneous speaking.)

6 MEMBER BAILEY: That's based on
7 units.

8 MEMBER POHLMAN: Okay.

9 MEMBER BAILEY: What we need to do
10 is we need to back out the non-housing
11 production trust fund request. That's number
12 one.

13 The second thing we've got to do
14 is base those percentages on the dollar amount
15 requested -

16 MEMBER POHLMAN: Right.

17 MEMBER BAILEY: - to get the
18 correct percentages.

19 MEMBER POHLMAN: Because here below
20 30 percent, logically, is going to have a
21 higher per unit cost. And so, this number is
22 going to, you know, is going to take up more

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1 than 22.9 percent of the units.

2 MEMBER BAILEY: Yes, sir. This was
3 based upon a unit projection, not a dollar
4 investment.

5 MEMBER POHLMAN: Okay.

6 MEMBER BAILEY: And the HPTF
7 statutes run to dollars invested.

8 MEMBER POHLMAN: Right.

9 CHAIR BOWERS: So, that's key. All
10 right. Thank you, Bob. Good point.

11 Yes, Jackie.

12 MEMBER PRIOR: It's dollars of the
13 trust fund money under the percentage.

14 CHAIR BOWERS: Yes, dollars of
15 trust fund in terms of what's required, right.
16 So, one issue then for us is we heard the City
17 - Milton has said the City is leaning towards
18 kind of moving money as quickly as possible
19 into deals that make the cut.

20 We will get this information - the
21 updated information on backing up trust fund
22 dollars and a calculation on percentages based

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1 on dollars.

2 Does the Board have a desire in
3 terms of making a recommendation now, or
4 waiting as it relates to any suggestion to -
5 recommendation to the City as to how to target
6 trust fund dollars not on specific projects,
7 but on types of projects?

8 Dave.

9 MEMBER ROODBERG: Well, it was on
10 the question you had about the goal to get
11 more of the funds out now and about a
12 recommendation there.

13 One concern about rushing on that
14 is that if you look at these cost and
15 production projections through FY2017 on the
16 average per unit, it's less than 2,000 units.

17 So, if you're looking at a goal of
18 10,000 units by 2020, at these numbers you're
19 not going to get anywhere close to that. And
20 does there need to be a step back of looking
21 at leveraging strategies? And are these first
22 projects the best ones?

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1 Because you're not going to get
2 anywhere near the goal, I mean, just looking
3 at this. So - and that's my concern about
4 rushing and saying let's take, you know, the
5 projects that are in the pipeline.

6 MEMBER BAILEY: May I?

7 CHAIR BOWERS: Sure. Yes, no
8 problem.

9 MEMBER BAILEY: Dave, you raise a
10 great point. The counterargument to that is,
11 is that because we're looking at roughly 70
12 some odd million dollars and a continuing flow
13 from 14, 15, 16, 17, 18, 19 coming into the
14 trust fund, and if you take a look at what's
15 already in the pipeline not just trust fund-
16 related transactions, but the inventory of the
17 Housing Finance Agency, Public Housing
18 Authority and DMPED, the numbers are roughly
19 about 19,000.

20 When we did the first
21 presentation, we projected what we thought the
22 delta would be. And the delta for achieving

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1 the 10,000 units by 2020 is roughly 3500
2 units.

3 If this is going to produce - this
4 segment in through '14 is going to produce
5 2200, we're well on our way to achieving that
6 objective.

7 So, while I appreciate your
8 concern about the amount of units that we need
9 to do, I am less concerned given our partner's
10 pipeline and that under their PUD program that
11 there's going to be additional units coming
12 in.

13 So, if there's a way that we can
14 prime the pump and get it started, then based
15 upon the numbers, the look forward and the
16 recap and what's coming into the trust fund,
17 I have less of a concern, I think, than you
18 might have.

19 CHAIR BOWERS: Other comments,
20 questions?

21 Craig.

22 MEMBER PASCAL: Yes, I'm open for

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1 some - what I call flexibility on this, but I
2 don't want to go back to the old days.
3 Ornamenta and I have a 12 to 15-year history
4 where everybody got a letter saying they were
5 approved like 15 years ago and they were a lot
6 of bad deals that should have never -

7 MEMBER BAILEY: I agree with you.

8 MEMBER PASCAL: The good think is I
9 think generally speaking these days that
10 people put together an application and they
11 are better projects than 15 years ago.

12 I haven't looked at any of these,
13 you know, on any level of detail, but I don't
14 want to go back to the old days where
15 everybody gets those letters.

16 And I think there needs to be some
17 level of cutoff that some of these are just
18 not the kind of project that -

19 MEMBER BAILEY: And I think to
20 Michael's point, you know, designating
21 underwriting, taking a look at streamlining
22 the underwriting process, going to more of a

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1 bank underwritten process really is going to
2 help eliminate some of the stuff where 15
3 years ago you got a letter that deals were not
4 worth the paper that they were written on.

5 So, I think that - I think that
6 that is - should give this board a lot more
7 comfort.

8 DIRECTOR KELLY: If I can also -
9 there are two levels. There's a structural
10 level, then there's like a Priority 1 level,
11 a Priority 2 level.

12 So, actually I think there's a
13 Darwinian thing that's going to happen these
14 days that didn't happen in the past in terms
15 of shovel ready and good for the District.

16 CHAIR BOWERS: We can go to Jim,
17 and then Jackie.

18 MEMBER KNIGHT: So, acknowledging
19 that there continue to be sort of
20 contradictory impulses at play with timing and
21 quality, how would you represent the 23
22 projects in terms of quality?

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1 And how would, I mean, could DHCD
2 or could the City in some way interpret how
3 these 23 projects meet the already stated
4 goals of the task force or - I'm just looking
5 for some sort of qualitative standard that
6 isn't apparent in a list that this many passed
7 threshold.

8 And I don't know that this board
9 needs to know that on a project by project
10 kind of way, but how would the City represent
11 that these qualitatively are in line with the
12 goals?

13 DIRECTOR KELLY: Well, I can only
14 speak to the permanent sort of housing piece
15 of which I co-chair that that is actually
16 something that, again, in partnership with the
17 Housing Authority and with HFA and with DHS
18 and with Mental Health that we're now going to
19 be looking, I think, specifically at that,
20 Jim.

21 That there is besides the real
22 estate, there is the qualitative long-term

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1 part of it.

2 So, I think that we're - again, I
3 think I hear what you're saying. At some
4 point what we have to look at is government,
5 there's like a threshold number, for example,
6 in terms of how we're matching up dollars
7 available for the dollar units and I don't
8 think we're quite there yet, frankly. I think
9 we still have some work to go in that regard.

10 However, I think we've established
11 the framework for that this year and we've
12 established the type of the systems in the
13 review process.

14 To Ornamenta and Craig's point,
15 this is now going to be something that has
16 been kind of a - bless you guys for doing it,
17 but we're now trying to organize it more so
18 that we have our sister agencies as part of
19 the review process, as well as, you know, the
20 usual independent review board.

21 MEMBER KNIGHT: Can I ask a follow-
22 up question? I don't, Davie, don't know how

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1 far to go with this, but the Board isn't in
2 the scoring of project level detail. It isn't
3 our job.

4 And, I mean, the tension between
5 we'll get the money out soon, what's there
6 now, these are, I presume, solid projects
7 because they made a cut.

8 Would you advocate in your role
9 that these 23 are things you want to see
10 happen?

11 DIRECTOR KELLY: That's a trick
12 question, Jim.

13 (Laughter.)

14 (Discussion off the record.)

15 CHAIR BOWERS: On the advice of
16 counsel, let me just say this. Counsel has
17 advised that if anyone is making comment and
18 has a project in the NOFA piece, you ought to
19 just state that for the record.

20 MEMBER KNIGHT: Okay. So, Jubilee
21 has one.

22 CHAIR BOWERS: Okay. Duly noted

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1 for the record. Jackie, and then Milton.

2 MEMBER PRIOR: I just want it to be
3 clear that I don't see how we can make a
4 recommendation until we have the data that
5 shows how these flesh out under the
6 requirements of the ACT, the AMI distribution.
7 Because it could be very different than this.

8 MEMBER BAILEY: There is going to
9 be some - clearly some pairing between -
10 there's going to be a couple of things.

11 There's going to be how these
12 projects fit within the current NOFA. All
13 right. The criteria of the projects that came
14 in the current NOFA fit within the rubric and
15 guidelines of the Housing Production Trust
16 Fund.

17 And we can break those out for
18 you. But when that NOFA was done and straight
19 consideration was given to not only the
20 production of affordable housing with the
21 deepest income levels, but the wraparound
22 services that Michael spoke to earlier, as

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1 well as the other human service provision type
2 of activities. Meaning money was put into the
3 NOFA to parallel money with the Housing
4 Production Trust Funds.

5 That is something that has to be
6 done in the future. So, that there creates an
7 opportunity to use this fund, these monies to
8 qualify more projects or fund more projects
9 that meet those special requirements than we
10 would have starting over again with a new
11 NOFA. That's one.

12 As far as pairing the production
13 dollars to that portion, that 40 percent
14 apportion to 30 percent or below and then the
15 next 40 percent to the next threshold, that is
16 an exercise that we will do as we move
17 forward.

18 CHAIR BOWERS: And, Michael, do you
19 have - Director Kelly, do you have to - in
20 terms of making a - the Department making a
21 decision on when you all make a decision as to
22 how much, if any, of that 66 million dollars

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1 that would be available on October 1 on that
2 66.9 million of the hundred million dollars.

3 When do you all plan to or need to
4 make a decision one way or the other as to
5 whether or not you'll spend any or all of that
6 money?

7 And so, what's behind that
8 question is, when would it be helpful to have
9 a recommendation one way or the other from
10 this board related to that? By what date?

11 You know, what's kind of a by what
12 date?

13 DIRECTOR KELLY: Well, I think the
14 sooner the better for flexibility. It has the
15 air cover for this board saying that if five
16 star projects exceed the current available
17 dollars that we have sort of less to look at
18 using those additional dollars it's making
19 available to us.

20 CHAIR BOWERS: Right. Okay.
21 That's helpful. I saw Stan's hand, and then
22 we're going to start to wrap up so we can get

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1 out of here on time.

2 Yes, sir.

3 MEMBER JACKSON: Mr. Chairman, I
4 would just like to say is that hopefully, you
5 know, this NOFA we're talking about now, this
6 NOFA that was presented to the community way
7 back.

8 And so, we've now got a lot of new
9 criteria we're adding. In addition to that,
10 we're looking at what's going to come out once
11 the selection is made around this whole
12 research.

13 I think all of that data to me
14 becomes a work in progress as we develop a
15 model that best allows us to profile the kind
16 of cases that get us to the goal line of
17 trying to achieve this new production pipeline
18 of opportunities based on those thresholds.

19 So, what I'm hearing is that, you
20 know, this is a lot of things that we're
21 adjusting to when trying to make current rules
22 retroactive.

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1 So, the issue for me is that I
2 want to look at this as a learning process to
3 be able to lay all these data points together
4 so that when we look at projects that come in,
5 Mike, from a NOFA or from whatever kind of
6 solicitation that we use, that we look at
7 those projects that better mirror what and
8 where and how we want to produce these
9 projects.

10 Because we know that we've got
11 saturation of low income products. And that
12 saturation, it has an adverse effect on the
13 other things that the City is doing when
14 you're trying to move retail and other kind of
15 commerce opportunities into those
16 marketplaces.

17 So, to me, the comprehensiveness
18 of us making a decision around what's best for
19 where the City is going based on all the data,
20 becomes critical to how we then select,
21 finance and process these supportive
22 opportunities.

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1 So, I just wanted to make that
2 comment for the record.

3 MEMBER BAILEY: Yes, I think that's
4 a great observation. I would say that we have
5 - there is no criteria associated with the new
6 investment by the mayor of the 66 or the 19
7 million dollars that isn't - into the trust
8 fund that isn't covered already by trust fund
9 rules.

10 And it would - and because there
11 is a NOFA that is already on the street which
12 gives us spillover projects, they already
13 could not have qualified or submitted unless
14 their submissions were consistent with what
15 the requirements were in the trust fund.
16 Because all the money that's coming out of it
17 would be trust fund funds.

18 So, I look at this as an
19 opportunity to use additional funding given
20 the fact that we have more money coming in as
21 the last chart demonstrated to capture the
22 bird that we already have in hand.

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1 So, if there is a modification and
2 a drill down based upon the Needs Assessment,
3 well, understand that that could be the
4 subject of a new NOFA that since we already
5 have these birds in the hand, we are left with
6 the dilemma of what do we do with it.

7 Do we discard them? Cause them to
8 incur additional expenses and wait a year
9 until we have - put a new NOFA out on the
10 street, or can we accommodate them to the
11 extent practical, five star deals, for
12 example, and go ahead and fund them because
13 knowing that they are trust fund eligible?

14 CHAIR BOWERS: Milton, to that
15 point, how quickly could staff give that to
16 us, that piece we talked about, about back -
17 how this spreadsheet backing out the trust
18 fund numbers and the calculation based on
19 dollars, how quickly could that be done?

20 MEMBER BAILEY: That could be done
21 relatively quickly. We could do that within
22 the next couple of days.

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1 CHAIR BOWERS: Okay. So, let me
2 ask this for - again, I want to respect folks'
3 time. So, one, I think it sounds like we
4 won't - we're not a decision point on that
5 issue terms of the recommendations related to
6 how and when to spend.

7 And, again, mindful we're just an
8 advisory board - not just, but we're an
9 advisory board, but in terms of providing
10 recommendations to the City on how and when to
11 spend any or all of the 66.9 that's available
12 October 1 and just in general all the funds,
13 I want to make sure we all keep in mind kind
14 of all the funding as available trust fund
15 dollars that is for these.

16 So, it sounds like we're not ready
17 to make a recommendation on that now. We do
18 want to see the data from this spreadsheet
19 that calculates things based on the actual
20 trust fund dollars. And so, we'll get that.

21 So, we'll have that data for the
22 next and drill down into that and then

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1 hopefully be able to make a recommendation one
2 way or the other.

3 We can decide we will make a
4 recommendation or decide we won't make a
5 recommendation. One way or the other. So,
6 that's one.

7 Two, as an item to make
8 recommendation on the issue that Bob flagged,
9 what I'm going to actually ask is if Bob, and
10 if there are others who would like to work in
11 between the next meeting on essentially
12 drafting a letter that would go to the mayor
13 on behalf of or drafting that at our next
14 meeting. And that can even be distributed
15 before the next meeting. And then at our next
16 meeting, that would be an item to actually
17 discuss, look at and then see if we're okay
18 sending it forward.

19 Everyone okay with that? Are
20 members of the Board okay with that as a go-
21 forward? Anyone besides Bob want to help on
22 working on that in between now or - okay. So,

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1 Stan and Bob and then we'll - Deputy Mayor
2 Otero.

3 DEPUTY MAYOR OTERO: Yes, I would
4 really encourage that there would be a more
5 significant discussion around legislative
6 pieces and that it's not piecemeal.

7 It is not helpful for the mayor to
8 get one today and then one in November or
9 whatever, but that rather if that group could
10 talk about are there other legislative pieces
11 that this board would recommend.

12 And the other is, in fact, the
13 Board should recommend through the staff. I
14 would just suggest as a procedural piece,
15 recommended through the staff.

16 And that's just procedure. You
17 all can decide to do whatever, but I do think
18 that there are legislative pieces and may be
19 much better from this advisory group, a
20 recommendation of the legislative package as
21 opposed to piecemeal.

22 One of the things we can go back

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1 and look at is the timing. We can check with
2 Janine on the timing of what makes the most
3 sense so that they are quickly in the pipeline
4 in terms of - I would assume it's probably for
5 a January or too late for a fall legislative
6 piece, but probably January.

7 But I would just suggest that it's
8 not - because others will come up and that we
9 try to do it - or that this board really look
10 at a package, not an individual at a time.

11 CHAIR BOWERS: Duly noted. We'll
12 have the conversation. Milton, one last
13 thing.

14 MEMBER BAILEY: Yes. You know, the
15 sense I get is that there is a desire by the
16 trust fund board based upon Bob's
17 recommendation to get all of the money we
18 possibly can to put it into play.

19 And I think that that's the spirit
20 under which the Board is considering offering
21 this letter.

22 So, I appreciate what the Deputy

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1 Mayor has said and I understand that, but I
2 think that for purposes of where - getting
3 funds released so that we can do a significant
4 job in terms of producing affordable housing
5 across the income bands, that I would
6 respectfully request that we get a sense of
7 the Board as it relates to not only the
8 releasing of the funds, but clearly as it
9 relates to a sense of the Board in terms of
10 why those funds would be released.

11 And what my understanding is and
12 maybe I'm reading too much into this, is that
13 there is a leaning towards getting a - all the
14 money we possibly can that is legitimately
15 available to the Housing Trust Fund put into
16 the Housing Trust Fund so that we can deliver
17 on five star projects.

18 So, if that is the case, then
19 while we are willing to certainly go back and
20 put together the pieces that would support
21 that ultimate recommendation, let us not stop
22 going forward with the letter. Let's put the

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1 letter together and ask for the release of the
2 funds.

3 But at the same time, give us a
4 sense of where the Board stands as it relates
5 to five star projects.

6 If there are five star projects in
7 this deal, give us the authority or give us a
8 sense of what your thinking is so that we can
9 put together the entire package and use that
10 momentum going forward.

11 CHAIR BOWERS: So, two things real
12 - duly noted on both things. Two things as we
13 wrap and I want to make sure we capture when
14 we schedule our next meeting.

15 One, the piece Bob was talking
16 about, I think, is separate from a
17 recommendation as to if and when to spend the
18 money.

19 Bob's was a little different
20 angle. So, there should actually be two
21 things we're looking to make a recommendation
22 on.

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1 One is if and when we recommend
2 how the money is spent. And, two, what I hear
3 is more of a kind of structural fix around how
4 the trust fund money is budgeted.

5 So, we will address both of those
6 at the next meeting and look to try to come
7 out with recommendations.

8 the second thing, and this will be
9 the will of the Board, but I will duly
10 respectfully say to the Deputy Mayor, my
11 recommendation as a chair would be that any
12 recommendations that we make to the City at a
13 certain level would be communicated directly
14 from the Board to the mayor by a letter and/or
15 in-person meeting.

16 Staff is here and will be hearing
17 the recommendations. I think that as a board
18 of the City if we have formal recommendations
19 that are made at a certain level of import,
20 that we will communicate those directly to the
21 mayor by, again, either a letter or in-person
22 meeting or both.

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1 So, that being said, can we
2 schedule a next meeting - I'm going to ask if
3 members are - if we can find a date that works
4 in the next three business weeks, by chance,
5 so we can move quickly to try to get the type
6 of feedback to the Department, that would be
7 helpful.

8 So, we're at Thursday, September
9 the 12th. Milton, I heard you say that that
10 data piece could certainly in the next week
11 could be had.

12 Would the 26th, that's two weeks
13 out. Is that doable, by any chance, for
14 folks, or not? If not -

15 MEMBER BAILEY: 26th of September?

16 CHAIR BOWERS: Yes, sir. I'm
17 assuming we can get that data within a week.
18 So, I'm going to try to schedule something two
19 to three weeks out if that's -

20 MEMBER BAILEY: Yes, we'll get it.
21 We'll get it done.

22 (Simultaneous speaking.)

1 CHAIR BOWERS: That date and time
2 we're trying to focus on, does that date work,
3 the 26th, ten o'clock?

4 DEPUTY MAYOR OTERO: Are You
5 anticipating the task that I've agreed to take
6 on for that meeting too?

7 CHAIR BOWERS: We would if that's
8 doable. If not, we will do it shortly after
9 at the next meeting.

10 I'd like to if we can combine it.
11 Is that too -

12 DEPUTY MAYOR OTERO: Yes, I've got
13 to be with the mayor on the 26th and it's too
14 short a time because I need to convene my
15 folks.

16 CHAIR BOWERS: So, we will -

17 DEPUTY MAYOR OTERO: If you can
18 move it to the next meeting, that would be
19 fine. That gives us time to meet.

20 CHAIR BOWERS: So, we'll meet. The
21 smaller working group will kind of meet in
22 between now and over the next few weeks.

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1 We'll find a time for us to meet in the next
2 couple weeks.

3 And then at the next, the October
4 meeting, we'll dig deeper on the services
5 issue.

6 The 26th at ten o'clock, does that
7 work for folks? So, let's set that September
8 26th, ten o'clock back here. I'm going to ask
9 staff if they can help us reserve this room.

10 September 26th, ten o'clock.
11 10:00 to 12:00.

12 MEMBER PASCAL: Will the mayor's
13 council give a - render an opinion by then
14 regarding that issue?

15 CHAIR BOWERS: Which issue?

16 MEMBER PASCAL: About whether, you
17 know, you could spend the money for the -

18 MEMBER BAILEY: Yes.

19 MEMBER PASCAL: Because I don't
20 want to have a meeting if we don't have an
21 answer.

22 CHAIR BOWERS: I thought the answer

1 was the money can be spent as of October 1.
2 Did I miss something?

3 MEMBER BAILEY: No, you're
4 absolutely right. The money can't be spent
5 until October 1. And remember the council is
6 going to be guided by, you know, what's the
7 source of funds? The source of funds is the
8 Housing Production Trust Fund.

9 What is the source of the NOFA?
10 The source of the fund being for NOFA is the
11 Housing Production Trust Fund.

12 Is there consistency and
13 congruency between how the funds are used?
14 Yes.

15 CHAIR BOWERS: Okay.

16 MEMBER BAILEY: Unless, counselor,
17 I certainly don't want to put words in your
18 mouth.

19 CHAIR BOWERS: Craig, I just want
20 to make sure I - so, the opinion you were
21 asking that we have by the next meeting was
22 related to what issue?

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1 MEMBER PASCAL: Whether using those
2 monies for the existing NOFA -

3 CHAIR BOWERS: Can be done or not.

4 MEMBER PASCAL: Right.

5 CHAIR BOWERS: So, I was hearing
6 yes. Was there a confusion about that?

7 (Speaking off mic.)

8 CHAIR BOWERS: Okay. All right.
9 So, let me make sure just to capture, so the
10 26th at ten o'clock. 10:00 to 12:00.

11 The follow-up items to get the to-
12 dos, the DHCD flowchart with staff the
13 responsibility impossible targeted timeline.
14 So, that was one as it relates over two
15 things.

16 At the next meeting - actually,
17 we're saying now the October meeting will be
18 the discussion of the services issue.

19 In between Sue Marshall, Jackie
20 Prior, Ornamenta Newsome, Jim Knight and
21 myself will work with the Deputy Mayor's
22 Office to have a conversation before the

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1 October meeting about that issue so we can
2 make sure that we have the kind of proper
3 folks and presentation at the October meeting
4 related to that.

5 I had down here next meeting
6 discussion regarding coordination of services
7 and trust fund. Maybe that's all part of
8 that.

9 The budgeting process needs
10 revision. So, that's the letter that Bob will
11 be working on and will have presented. Bob
12 and Stan and I will work on that and we'll
13 present a letter.

14 We will email that letter ahead of
15 time to the members of the Board and it will
16 be an agenda item for discussion.

17 At the next meeting, staff will
18 come back showing the spreadsheet with the
19 Housing Trust Fund units and the calculation
20 on dollars just on trust fund broken out and
21 we will - a big part of our agenda next
22 meeting will be a conversation about if we

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1 provide recommendation to the City about the
2 expenditures of the trust fund dollars and
3 when, or not.

4 MEMBER BAILEY: Mr. Chairman, the
5 flowchart and timelines might be a stretch.

6 CHAIR BOWERS: You want to push
7 that to the October meeting?

8 MEMBER BAILEY: I would prefer to
9 push it to the October meeting.

10 DIRECTOR KELLY: Yes, I mean, I
11 think we'd be prepared to kind of share with
12 you what we've got at that point.

13 CHAIR BOWERS: Sure.

14 MEMBER BAILEY: Yes.

15 DIRECTOR KELLY: I think in terms
16 of my comment at the very beginning what it is
17 today isn't necessarily where we want it to
18 go.

19 CHAIR BOWERS: Sure.

20 DIRECTOR KELLY: So, that's a good
21 thing.

22 CHAIR BOWERS: Sure. And then one

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1 of the other two gets is a showing on the
2 sheet that shows the capital subsidy: one,
3 making sure in our language that we say that
4 subsidy - and we're talking about our loans
5 and if there are loans and grants, but also
6 showing the subsidy with the housing. One
7 version that shows the low-income housing tax
8 credit. And I heard the mortgage revenue bond
9 monies broken out on one version.

10 And then there's also a to-get on
11 a breakdown of subsidy by ward. And those
12 numbers - so, those were the to-gets.

13 Did I miss anything, board
14 members, in terms of to get items?

15 MEMBER BAILEY: No.

16 MEMBER ROODBERG: Can I just make a
17 request?

18 CHAIR BOWERS: Yes, David.

19 MEMBER ROODBERG: Maybe if we can
20 think about the frequency we're going to have
21 the meetings, maybe we can come with a
22 proposed calendar out a number of months.

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1 CHAIR BOWERS: Absolutely. Thank
2 you, David, for that reminder. One of the
3 things that I'm going to have folks do is
4 think about if Thursdays work or not. And
5 then we can start to calendar out meetings.

6 So, what my thinking is that
7 either a second - a third or fourth Thursday
8 of the month as a general meeting for now,
9 because there is such urgency and a lot of
10 kind of work to be done.

11 I'm looking at monthly meetings
12 for some period of time and then we'll see if
13 we get into a clip where it's every other
14 month or once a quarter.

15 But if folks can look at your
16 calendars and when we come to the next
17 meeting, look at maybe the third or fourth
18 Thursdays of the month as a regular set
19 meeting.

20 The last thing I'll mention is
21 that the issue of leverage has come up, was
22 mentioned in the Housing Task Force Report.

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1 It is actually also mentioned just so that
2 folks know, in the Housing Trust Fund
3 regulations as one of the tasks that the
4 Housing Production Trust Fund Board is
5 supposed to do.

6 It actually says, develop
7 strategies to leverage capital for profit and
8 nonprofit community development corporations.

9 So, one of the things we'll look
10 at for either maybe the October or November
11 meeting potentially is a real deep dive on
12 issues related to leverage.

13 I'll be in conversation with
14 Ornamenta about what the Leverage Working
15 Group is doing. I've had some conversation
16 with Harry about a willingness to potentially
17 come and make a presentation there. And there
18 may be some others. We'll look.

19 So, the other thing I ask the
20 Board members to think about and we'll discuss
21 at the next meeting is in a conversation about
22 leverage, who are some folks that we would

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1 want to have be a part of kind of dialog with
2 us and/or make presentations?

3 If you have recommendations on
4 that, bring that to the next meeting and then
5 we'll try to calendar those presentations out
6 perhaps for sometime this fall.

7 Any other issues of business?

8 (No response.)

9 CHAIR BOWERS: Thank you all. The
10 meeting is officially adjourned. The time is
11 12:15 p.m. Thank you all very much.

12 MEMBER BAILEY: Thank you, Mr.
13 Chairman.

14 (Whereupon, at 12:15 p.m. the
15 meeting was adjourned.)

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