

**HOUSING PRODUCTION TRUST FUND ADVISORY BOARD
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA**

MEETING MINUTES

THURSDAY, OCTOBER 25, 2018
12:30 pm
DHCD ROOM #318

WELCOME

Susanne Slater, Chairperson

The DHCD Housing Production Trust Fund Advisory Board convened in Room #318, 1800 Martin Luther King Jr. Ave. SE, Washington, DC., pursuant to notice at 12:36 pm, Susanne V. Slater, Chair, presiding.

Advisory Board Members Present:

Susanne V. Slater, Chair (SS)
Polly Donaldson
Lakeeshia Fox
Jim Knight
Charles Lowery
Sue Marshall
David J. Roodberg

Also present:

Ana Van Balen - DHCD Housing Preservation Officer
Gwen Cofield - DHCD Communications Director
Reshma Holla - DHCD DFD Deputy Manager
Ashley Johnson - DHCD PAMD Manager
Jayla Johnson - DHCD Capitol City Fellow
Richard Livingstone - DHCD Special Assistant
Danilo Pelletiere - DHCD Senior Advisor
Erin Wilson - DHCD DFD Deputy Manager
Kevin Clinton - Federal City Council
AJ Jackson - JBG Smith

* present via telephone

MINUTES

Minutes for the September 27, 2018 HPTF meeting were reviewed. There was a discussion on consolidating future minutes in the passive voice. Sue Marshall made a motion to adopt the minutes. The motion was seconded by David Roodberg. The minutes were approved unanimously by voice vote.

DHCD UPDATE

Polly Donaldson, DHCD

First, remarks on a terrific forum held earlier in the Day by City First on the Future of Affordable Housing Investment where many task force members and others in the field were in attendance. Director Donaldson recognized Jim Knight for his excellent job speaking on a panel and Susanne Slater for receiving an award.

Second, an update on Director Donaldson's trip to Chicago as convened by Enterprise to meet with the Housing Directors of the 8 high cost (high amenity) cities. Not only is it a great professional development experience but also an opportunity to affirm our efforts and acknowledge there is still more to do. Focus was on HPTF investments, homelessness, including our systems change, and preservation strategies and resources. The Director remarked that the next time this group is in town we might try and overlap with HPTF Advisory Board.

Finally, an update on the end of FY 18 including historic outputs from HPTF in excess of \$160 million. She also shared great first quarter closings already under way and noted preparations are already ongoing for FY 20. The Director shared the Mayor has formed what she's calling a Look Ahead Group to plan for a second term should she be elected and to look forward to public engagement on this in November and December.

LEGISLATIVE UPDATE

Danilo Pelletiere, DHCD

Danilo shared that as the Council approaches the end of their two-year legislative session there has been a flurry of bills and hearings. DHCD is tracking a bill on economic development and return on investment scheduled for October 30th. The bill requires the OCFO to list economic development and affordable housing projects and to report back on number of units, CBE requirements, local employment figures and other metrics. This bill covers HPTF and Preservation Funds.

PRESERVATION UPDATE

Ana Van Balen, DHCD

Ana shared that the Preservation Fund has officially been kicked off and the Department is in the process of finalizing three loans with the fund managers in Wards 1 and 4. She encouraged the Board to look for an announcement from Mayor Bowser in the near future.

Ana discussed the small building program, noting the program provides small grants to buildings between 5 and 20 units with affordability requirements to address health hazards. The fund is small at \$200K but the agency has received several applications with a mix of rental and co-ops that we're in the process of reviewing. There is a demonstrated interest and need in this program that helps to preserve naturally occurring affordable housing. She noted that interest increased when the program switched away from funding through HPTF.

Finally, she shared that we hope to be able to update on DOPA in the near future with a stakeholder meeting to be held before the end of the year for which we'll be sure to invite the board.

HOUSING PRODUCTION TRUST FUND UPDATE Erin Wilson, DHCD

Erin announced that we funded 25 projects in FY 18 with \$168 million in HPTF. This was the highest investment we've made in under 30% MFI since we can remember. Just this week alone we have 2 closings for the fiscal year. She provided figures on investments in each MFI group noting our ability to meet investment requirements can mean the difference between closing or not closing on a project in any given fiscal year.

Erin reported the FY 18 summer RFP closed on October 5th and the agency is in the process of reviewing applications and hopes to make announcements in early 2019.

The group discussed the ability for the fund to continue making such historic investments and it was noted that this group should advise on this notion.

WASHINGTON HOUSING INITIATIVE AJ Jackson, JBG Smith

AJ Jackson presented on the Washington Housing Initiative of JBG Smith and the Federal City Council. The Initiative was created to help build a model to bring private equity to affordable housing. The Initiative is made up of two vehicles: a Housing Conservancy, stewarded by FCC, and an impact pool by JBG Smith.

The conservancy would fund neighborhood services, not necessarily on site but near projects funded by the pool. It would also acquire and own real estate and sponsor bond activity.

The pool would provide secondary financing in the form of a junior mortgage. A financial return on a property would be capped and go back into the pool. If possible, the initiative would be replicated across the region but at least half of the investments of the pool would be made in DC proper.

Investments made under this initiative would focus importantly on location including census tracts that are likely to "gentrify" in the near future with the purpose of preserving affordability. A covenant would be placed on properties funded by the initiative.

A discussion ensued on the finer points of the Initiative noting its intent to be complimentary of existing efforts in this space and not to compete with nonprofit housing providers or the District. The Initiative noted their intent to close on the first property by the end of the year or first part of the new year.

The group discussed an interest in hearing at the next meeting about the Mayor's Look Ahead Group, the Mayor's trip to the National League of Cities City Summit, DOPA Stakeholder engagement efforts, and a request for a deeper dive into HPTF data.

Susanne Slater motioned to adjourn the meeting. The motion was seconded by Lakeeshia Fox. All voted in favor. The meeting was adjourned at 2:04pm.