



GOVERNMENT OF THE DISTRICT OF COLUMBIA

LEC Task Force Meeting Minutes

September 19th, 2018

Opening

The meet and greet meeting of the Limited Equity Cooperative Task Force was called to order at 6:00PM on September 19th in the John A. Wilson Building.

Present

- Self introductions – Five minutes per person
 - (1) **Paul Hazen** - National Co-op bank, financial representative, lived in Logan Circle for a while
 - (2) **Sandra Butler-Truesdale** - Reverend, lives in apartment St. James Mutual on South Washington, process of proposing low income housing for musicians and artists, serves on board there for about 15 mins. Vernon conducted one of the conferences in St. James. Chair of Residences at St. Ives
 - (3) **Idah Campbell (guest of Sandra)** - lives at St. James, 30 years of real estate experience, interested in coop living, more coops should be built in and around city → affordable for home ownership. financing co-op in different structures such as mobile homes
 - (4) **Jade Hall** - representing the CBO, 15 coops around the city, a lot of same issues amongst them
 - (5) **Amanda Huron** - assoc professor, wrote book about coops, research position, in depth city of 10 coops, two went to converted condos and then became vacant and out of business, interviews with members and owners, more historical research, born/raised in DC and lives in LEC. works in CNHD in 2013 when they were finishing their coop research, 1489 New town coop NW
 - (6) **Lolita Ratchford**- eligible baker coop board member, cofounded a coop, advocacy workshop/day long clinic for cooperatives. found common issues and concerns but not one body in DC representing them.

represent one voice of common interest with local authorities

- (7) **Ana Van Balen** - preservation officer, strategies to implement strike force and help LEC, voice for DHCD
- (8) **Risha Williams** - Director of asset management, finance of maintenance of buildings, major goal to put forth finance side in problems found in LECs. probably finances about only 5 and happened about 20 years ago.
- (9) **Louise howells** - professor at UDC, housing in lifelong legal career, from Houston, first experience with coops as fellow when TOPA was first enacted. Vernon worked together with her before, lack of adequate financing for LECs, competing developers need separate programs/softer kinder touch → unfair to coops
- (10) **Vernon Oakes** - manages apartments/coops about 25 years, teaching at Howard in business school, once he saw coops and how they grew wanted to learn more and saw the high success if governed well → good part if integrity comes first before governance. good common sense and integrity. found in managing coops that there is no integrity, people want to reap the benefits for themselves and cash value therefore the coops begin to fail. good management sometimes cannot be afforded for the 3, 10, 15-unit coops. Potomac Association of coops to try to get them/ HUD doesn't do well with coops and don't like them, cannot manage them well. did not get support from DHCD board. believes coops are affordable and sustainable. more of service for coops than money. 5 years ago, started everything coop radio show. DC is not on communities building wealth trend like other cities (NY, Cleveland, Richmond, etc.)
- (11) **Janene Jackson** - NEW MEMBER. former chief of staff of Mayor Grey, lived in LEC in NY, tasked with how to find returns in rent control, conv. with councilmember bonds to have coop program addressing affordable housing difficult for housing mortgage. expert in DC gov, moving money, appropriate funding. goal is to make recs on report implementable.

- (12) **Elin Zurbrigg** - deputy director of Mi Casa, deeply preserving housing to facilitate affordability, Latino community, displacement to long term, newcomers, immigrants, “where else would i go?”, worked on dozens of coops, concentration of work in Columbia Heights/Brightwood. gets called when tenants have notice of sale, go over different ownership options, always a vote for keeping low income tenants in affordable housing. set up board for success and leadership, co-chairs on group studying first coop study for CNHED and on the CNHED board of directors. rental housing development.
- (13) **Dennis Taylor** - *NEW MEMBER*. general counsel for DC tenants advocacy, many coops begin with collection of tenants who find the coop. dennis.taylor@dc.gov
- (14) **Irene Kane** - COS for council member bonds, interested in bringing coop model to city, other bills related to this
- (15) **Barry Weiss** - LD for Bonds, low income buildings that need massive renovations → ¾ to market rental units to help build but losing affordability, working with Capital manor coop, coming to try to prevent loss of ¾ of units and gain 100% of them.

Open Issues

1. Review of Task Force Mandate
 - **Vernon** - how can we make the recommendations implementable? not spending time to make a report that can't be practicable
 - **Elin** - HUD financing/Research by **Amanda** on financing supports required for asset management
- Review of Work Plan and Meeting Schedule
 - about 2 to 4 members will not be able to attend the Oct. 17 meeting → Risha, Jade, and ?
 - emails will be sent to keep track of attendance for next meeting
- Discussion of Issue Topics
 - “Understanding the need”
 - **Idah** - furthering support for mandating that developers/builders put a certain percentage capital towards supporting the development and building of new

projects/within their own property (ones that get property from the district) to build more coops. developer's finance and dollars into coops. Prince George's county - mandates that keep developers accountable for financing towards infrastructure, sewer system, schools (impact fees over 30 year period). She will get verbiage from Prince George's county for their fee structure. do not allow developers to do what they want and not have any responsibility to the existing community.

- (1) **Risha** → developers won't touch the deals because no incentives/value for them from supporting the affordable housing (understand cause and effects).
- (2) **Paul** → provide incentives to developers rather than lumping them together.
- (3) **Janene** → question becomes where does the impact go? owner of building as well or only the developer?
- (4) **Risha** → DHCD is the gap filler but not fair because there's only certain amount that the Mayor puts on the streets and how that will be spent. Banks won't go any further when building costs are inflated, gap in funding frictional/inflation.
- (5) **Elin** → per unit costs are going to be higher and there will be gaps, developers need to be asked about the fees to increase affordability.

New Business

- Future Speakers
 - New Co-op Development
 - (1) **Risha** → Suggestion: Representative from Mi Casa ?
 - they are working on a deal to stabilize/reposition plans for tenants with difficult backgrounds/changing lives around.
 - **Elin** → Where are the expiring tax credits/properties from 80's due up for renovations? There is opportunity to form more coops.
 - **Louise** → Looking at building in SE that's 15 years old, identify those buildings/profiles of sampling of buildings to understand this is what it would take then have someone who could help educate on current housing stock and see where things can be done.

- BREAK: CM Bonds steps in - overview on fire at senior living building and brief introductions
- (2) **Amanda Huron** → Suggestion: Katherine Howell, lead person on Tenant Purchase Proposal at CNHED
- (3) **Vernon** → Suggestion: Andy Reicher, interactive map of coops throughout country
- (4) **Paul** → Suggestion: Representative from UHAB, a Community purchasing coop alliance (ways on how to save money for buildings)
- Technical Assistance/Training
 - (1) **Louise** – Suggestion: Professor Susan Bennett at AU. She is looking at sufficient management to understand situations under coops
 - **Janene** → commercial/retail mixed use for development to help subsidize LEC (ex. cafes, groceries, parking garages, gym)
 - **Elin** → finding the right management to manage and have collective purchasing agreement, negotiations to have efficiency of scale of units and mixed uses.
 - **Louise** → too small of buildings with same location and management, fee structure and building doesn't have enough to pay.
 - **Vernon** --> Suggestion: Andy Reicher found some way to shared management with the coop to drive price down and get good management. when coop board members go "rogue" how do you put something in place to oversee them?
 - **Louise** → good financial services go long way, what are we most concerned about? financial management. good training/support as anchor to prevent not run well coops.
 - **Janene** → fail safes should be put in for non-ideal results to the coop/building plans. when you have 14 smaller buildings you're more likely to see family members in and difficult to manage that. term limits (governance) must be in place to help plan for these governance issues. more likely that government oversight is not implemented because there's too much.

- (2) **Risha** → Suggestion: Attorney General Leon Louis from commission's office to come in to talk about license. Ask them what they'd like to see.
- **Dennis** → look into property management licenses, maybe too loose and not covering employees of management companies.
 - **Elin** → majority of coops also doing fine in their own way, engage more coop leaders from speaking about what works well, long term/long standing coops. workshop sessions around their strategies to have more sustainable coops
 - **Amanda** → Nancy Rowan, first coop in 1979 what helped people to get tenant right to purchase. became resident manager after becoming resident from beginning. She has whole career managing 62 unit building and retired now.
 - **Vernon** → Nancy interviewed Vernon to manage the building. it was very well self-managed (does not matter whether its 2nd or 3rd management).
 - **Amanda** → management relies on individual who is willing to do it
 - **Paul** → technical assistance CBOs who make this work well?
 - **Jade** → depends on the group because those who are accepting of technical assistance while there are others who don't want any part, training is really important, tenants vs home ownership training.
 - **Elin** → understand the need of the building and providing the technical assistance. some capacity among DC buildings. training even past the construction. ways that DHCD can have a technical report sent to asset management.
 - **Janene** → technical assistance should be mandatory, period of time where HR wasn't involved and depends on the group, government funding has responsibility to ensure staying on track

- **Jade** → this results in walking the line of giving independence of owning and imposing all the rules
- **Janene** → we need training to show responsibilities to board members, not knowing judiciary obligations. making it a requirement to have these trainings.
- **Risha** → politics playing apart from the city
- **Vernon** → looking for help from housing council services/DHCD for training, solved the problems but more often than not the training is not done. training is critical (ongoing or it must be mandatory/certification)
- **Jade** → there are tests but very passable
- **Louise** → sometimes the training is very repetitive, think more openly of the actual problems they face because of all the stages, family members vs good friends on the board, problems aren't necessarily from the trainings.
- **Amanda** → community land trust model, potentials for body that can be layer or support for coops in terms of finance/management/governance, New Columbia Land Trust. How can this work to support coops. Even if this is not done, outside expert not part of coop to be part of the board. (**Louise** → this works fairly well). Council Member is looking at ways for low income people to own their units while there is gentrification happening around the city. Models to learn from in Burlington, Vermont and Europe. Long-term management is the conclusion.
- **Janene** → can we match the models with DOPA? YES.
- **Risha to Paul** → what is the financing for these ideologies?
- **Paul** → financiers find this to be difficult to work with in DC, road block = move on from the deals, asking someone to come in and talk about the obstacles. **Elin** --> Ramon Jacobs from LISC for what banks can finance

- (3) **Jade** → Suggestion: Cecilia from DHCD could be invited for asset management team presentation
- *Janene takes over for Paul as he needs to leave early.*
 - Creation of “Teams” for future speakers
 - (1) **Lolita** → “the need”, talk to a number of representative individuals in coops to tell stories. Oct. 27th is coop workshop to have these stories told. **1 LEC Stakeholder team created.**
 - (2) **Janene** → what can we do now in the interim to start a pilot of an LEC. the current housing stock is moving towards something absolutely new that hasn’t been done in this model.
 - **Elin** → preservation opportunities too many in construction so don’t divide opportunities.
 - **Risha** → how to allow developers and financing from banks to have comfortable agreements. **2 Financing underwriting opportunities for Coop Development team created.**
 - (3) **Elin** → toolkit of opportunities for preservation and construction of brand new coops (opportunities/strengths) **3 Asset management team created (lack of resources aside from training; what to do with boards that go “rogue”; training) → includes the Governance/compliance team (compliance from non-corporation act).**

Next Steps Moving Forward

1. Contacts for new Task Force members to be collected
2. Attendance
 - Call-ins for the meetings? Room #401?
3. Coordinate members and leads for each team of interest
 - Committees to set up issue topic conversations of specific interest? → “understanding the need” in teams to look at particular interests
 - Plan next speakers for team meetings

Adjournment

Meeting was adjourned at 8:04PM by Janene Jackson. The next general meeting will be at 6PM on October 17th, in the John A. Wilson Building.