



GOVERNMENT OF THE DISTRICT OF COLUMBIA

Minutes

December 12th, 2018
6:00 pm to 8:00 pm
University of the District of Columbia
David A. Clarke School of Law, Bldg. 52, Room 439
4340 Connecticut Ave., NW
Washington, D.C. 20008

Attendance

Present: Jade Hall, Paul Hazen, Louise Howells, Vernon Oakes, Lolita Ratchford, Ana Van Balen, Risha Williams, Elin Zurbrigg

Absent: Sandra Butler-Truesdale, Amanda Huron, Janene Jackson

Council Staff Present: Barry Weise

Guests Present: Kate Dosmanoua, Jerome Hughes, Jayla Johnson, Dennis Taylor

The regular meeting of the Limited Equity Cooperative Task Force was called to order at 6:14PM on December 12th in the University of the District of Columbia's David A Clarke School of Law by Chair, Paul Hazen.

Proceedings

Presentation by Julian Rowand:

- **Introduction:** Julian Rowand was a long-time member of the Beecher Cooperative and is now the cooperative's site manager. His mother, Nancy Rowand, became president of the cooperative's board in Roseanne Looke's stead.
- **Presentation:**
 - Self-management Challenges and Benefits
 1. Self-managed since 1978
 - a. Self-management is a viable model but every single person must be invested in each other.
 - i. In order to maintain affordability for others of the same demographic, each tenant must see housing as a right and not as an investment.
 - ii. There must be a stronger sense of activism and organizing to function as a tenant association.
 - iii. There is one general monthly board meeting but additional meetings can allow for more transparency.
 2. How can we support tenant populations with English as their second language, elderly, in need of financial literacy, and section 8-based HUD units?
 - i. The board members can possibly attend training courses in order to fill these gaps.

- ii. Concerns about expectations when proposals for condominiums are surrounding the cooperative and there is a need to hire lawyers fend off threats.
 - iii. In order to minimize costs, tenants can be responsible for maintenance in their own units through social work/relationship building to empower them to problem solve.
- Financing Challenges
 - 1. Top 5 expenses for cooperatives - safety of the environment, staff salaries, plumbing for an old building, rehabilitation, and gas utilities.
 - a. The Beecher cooperative is fortunate because its reserves are over a million and all underlying loans/mortgages have been paid off.
 - b. Beecher recently paid for a reserve study to use as a guideline but not as feasible for other cooperatives to have their own guide
 - 2. Equity share value of units
 - a. Equity is connected to the Consumer Price Index (CPI) in the DC/Baltimore region.
 - b. Tenants must find ways to be savvy to solve problems and minimize costs rather than going through management companies
 - i. Board members can be hired to take responsibility of the different functions of property managers and have different skills to contribute and take accountability of each other (bookkeeping, treasurer, manager, etc.).
 - ii. As a model, it is possible of doing shared maintenance where people are trained to do this and split the costs amongst different cooperatives.
 - iii. Cooperatives must come together to share information and learn the skills and nuances (ex. How to work with HUD on section 8 units).

Report from Asset Management Subcommittee's First Meeting:

- Education and training for asset management
 - Variations in self-managed cooperatives that don't have enough money to hire while there are those that hire people to take on the same roles of property management companies.
 - The board makes all the decisions but can create some problems when developers and lawyers get involved.
- Table of contents for best practices
 - The list of best practices in the distributed handout will serve as a roadmap for a manual
 - CNHED's subcommittee of the Tenant Purchase Working Group will collaborate with the subcommittee and share their work
 - The subcommittee team also recommends a list of technical assistance providers or directory for cooperatives when they have issues with landlords or delinquencies
 - i. Technical assistance providers hosting workshops with other cooperatives would possibly have trainings at each monthly meeting to create empowerment for resolving future issues.
 - ii. An external examination of technical assistance providers and how their strategies complement each other can show a funding gap and demonstrate where more funding must be allocated.

- Possible Recommendations to modify the current Cooperative and LEC statutes
 - i. There are cooperatives like the Beecher Cooperative that don't have covenants
 - ii. An option to allow for cooperatives to opt-in to long-term affordability in return for tax exemptions
- Speakers for next subcommittee meeting
 - i. DHCD DFD team will make presentation for finance subcommittee to clear up finance questions. **AGREED.**
 - ii. Chair, Paul Hazen will make presentation for asset management subcommittee on projects done by the Community Purchasing Alliance

Preliminary Report for Council

- Each of the three subcommittee teams will bring a series of recommendations to include in the report by the end of January
- The finance and asset management subcommittee teams will report for an hour each at the next task force meeting. **AGREED.**
- While initial findings and recommendations are made by CNHED's follow-up study on LECs in the District, the task force and subcommittees will continue to meet and put forward recommendations for the preliminary report.
- The timeline of the stakeholders subcommittee's interviews on cooperatives will depend on the final list of participants and film crew

Agenda for next meeting

- The asset management and shared financing subcommittees will give their reports based on their second meetings.
- Discussion on how the preliminary report will be drafted.

Adjourned

Meeting was adjourned at 8:10PM by Chair, Paul Hazen. The next meeting will be held at 6PM on January 30th, 2019 in the DC Housing Finance Agency.